

CONFIDENTIAL

PWE

PH

cc: SIPC



10 DOWNING STREET

*From the Private Secretary*

5 July, 1984

Relations with Argentina

The Prime Minister has seen Berne Telegram No. 250 reporting that the Argentinians are backing away from the agreement on handling of the proposed talks.

The Prime Minister has commented that she is not surprised that the Argentinians have got cold feet. She does not welcome the idea suggested by Mr. Brunner that in return for an Argentine undertaking not to raise the subject of sovereignty, we would undertake not to say publicly that they had not done so.

C. D. POWELL

Len Appleyard, Esq.,  
Foreign and Commonwealth Office

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PRIME MINISTER

Argentina

I understand that the lobby have got  
wind that some announcement of talks with  
Argentina can be expected quite shortly.

The FCO are simply saying that an announcement  
will be made if and when there is agreement  
to hold talks.

But now see *Argon*  
attached.

C.D.P.

4 July 1984

FRENCH ISLANDS GENERAL (ADVANCES)

36 (35)

PS  
 PS/LADY YOUNG  
 PS/MS WHITNEY  
 PS/MS RIFKIND  
 PS/PS  
~~MR J. FREELAND~~ SIR J. FREELAND  
 SIR W. HARDING  
 MS ~~GOODALL~~ GOODALL  
 MS ~~O'WELL~~ O'WELL  
 LORD ~~GORDON LENNOX~~ GORDON LENNOX  
 MR C. TICKELL  
 MR D. C. THOMAS  
 MR ~~WESTON~~ WESTON  
 MR MILES  
 D/PSD (2)  
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PS/NO 10 DOWNING ST. (3)

PS/S OF S FOR DEFENCE

MR ~~NICHOLL~~ AUSSD STAFF MOD  
MR NICHOLL

PS/CHANCELLOR

MISS M E CURD

MR LITTLE

TEASURY

SIR P ARMSTRONG

MR ~~GOODALL~~ GOODALL

DIO

CARTLEDGE

CABINET C

MR V A PATTISON, TD, ODA

MR POWER, SAD, ODA

MR A FORTNAM IAT/ D. TRANSPORT

~~RESIDENT OFFICE~~

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FM BERNE 041620Z

FLASH

U FLASH FCO  
 TELNO 250 OF 04 JULY  
 INFO ROUTINE BRASILIA

ADVANCE COPY

*Not surprising*

MY TELNO 248: RELATIONS WITH ARGENTINA

*mb*

SUMMARY

1. THE ARGENTINE GOVERNMENT FEAR CRITICAL REACTION BY PUBLIC OPINION AFTER BERNE TALKS TO EXPECTED BRITISH STATEMENT OF REFUSAL TO DISCUSS SOVEREIGNTY. POSTPONEMENT OF TALKS REQUESTED TO ALLOW TIME TO RESOLVE THIS PROBLEM.

DETAIL

2. STATE SECRETARY RECEIVED ME ACCOMPANIED BY COUNSELLOR AT 03.45 PM LOCAL TIME IN ORDER TO CONVEY KEUSCH'S REPORT ON THE THREE MEETINGS WHICH HE HAS HAD WITH CAPUTO SINCE HIS RETURN TO BUENOS AIRES THIS WEEK. THE FIRST MEETING, WHICH TOOK PLACE AT 11.00 AM LOCAL TIME ON 03 JULY WAS REPORTED IN TUR. THE MINISTER RECEIVED HIM A SECOND TIME AT 10.30 PM THE SAME EVENING AND AGAIN ON 04 JULY AT 09.00 AM. A MEETING OF THE COUNCIL OF MINISTERS INCLUDING ALFONSIN HAD BEEN HELD YESTERDAY TO CONSIDER THE BERNE TALKS.

CONSIDER THE BERNE TALKS.

3. BRUNNER WHO WAS SUPPORTED BY AMBASSADOR MONNIER FROM THE FDFA LEGAL DEPARTMENT DESCRIBED THE ARGENTINE POSITION AS REPORTED BY KEUSCH UNDER THE FOLLOWING HEADS:-

A. GOVERNMENT IS WILLING AND ANXIOUS TO START A DIALOGUE WITH THE UNITED KINGDOM AS SOON AS POSSIBLE. THIS CONSTITUTES A FIRM POLICY DECISION BY MINISTERS.

B. THE TEXT OF THE SWISS DRAFT INVITATION AS GIVEN IN MY TELNO 232 BUT OMITTING WORDS " ET SANS PREALABLE" IS AGREED.

C. TRANSFER OF ARGENTINE AMBASSADOR KATZENSTEIN IS TO BE DEFERRED WHILE TALKS CONTINUE IN BERNE.

D. GOOD PREPARATION AND A SUCCESSFUL OUTCOME OF TALKS ARE MORE IMPORTANT THAN THEIR DATE AND ARGENTINE SIDE WOULD THEREFORE PREFER A POSTPONEMENT UNTIL THE WEEK OF 16 JULY TO ALLOW TIME FOR RESOLUTION OF MAIN OUTSTANDING PROBLEM (SEE BELOW).

4. THE MOST DIFFICULT POINT IN THE ARGENTINE POSITION WAS DESCRIBED BY BRUNNER UNDER THREE HEADS:-

A. THE ARGENTINE SIDE STRONGLY DESIRE THAT THE FIRST MEETING IN BERNE WHICH THEY HOPE WILL BE FOLLOWED BY OTHERS SHOULD CONCLUDE ON A POSITIVE NOTE AND THAT SECOND ROUND WILL PRODUCE FURTHER GOOD RESULTS.

B. THE UNDERSTANDING WHICH HAS BEEN REACHED ON HANDLING THE QUESTION OF SOVEREIGNTY IS ACCEPTED BUT PRESS TREATMENT OF YOUR STATEMENT OF 27 JUNE HAS ALERTED CAPUTO AND OTHER MINISTERS TO THE DANGER THAT A STATEMENT ON SIMILAR LINES IN LONDON AFTER THE TALKS COULD CAUSE ARGENTINE PRESS AND PUBLIC OPINION TO CALL INTO QUESTION THE VALUE OF HOLDING A SECOND ROUND AND MAKE FURTHER PROGRESS DIFFICULT.

C. CAPUTO ACCEPTED KEUSCH'S VIEW THAT TO KEEP THE FACT OF NEXT WEEK'S MEETING A SECRET WAS NOT REALISTIC. THE ALTERNATIVE DESCRIBED BY BRUNNER AS THE SECOND OPTION WOULD BE AS INDICATED IN MY TUR IE THAT ANNOUNCEMENT OF TALKS SHOULD BE MADE AS PLANNED BUT AFTER THEIR COMPLETION STATEMENTS BY EITHER SIDE SHOULD BE CONFINED TO ANOUNCING POINTS ON WHICH AGREEMENT HAD BEEN REACHED INCLUDING DATE OF NEXT MEETING AND SHOULD BE AGREED BETWEEN THE TWO SIDES. UNDER THIS ARRANGEMENT IF EITHER GOVERNMENT WERE ASKED WHETHER SOVEREIGNTY HAD BEEN RAISED OR DISCUSSED, SPOKESMEN WOULD REPLY THAT IT HAD BEEN AGREED NOT TO DISCUSS PUBLICLY THE SUBJECTS RAISED IN BERNE TALKS.

5. BRUNNER ADDED THAT THE ARGENTINE SIDE WOULD BE GRATEFUL FOR ANY IDEAS FROM THE BRITISH OR SWISS AUTHORITIES ON OTHER WAYS OF MEETING THEIR PROBLEM. I OF COURSE POINTED OUT THAT AN ESSENTIAL PART OF THE ARRANGEMENT WHICH HAD BEEN MADE CONCERNING THE

SOVEREIGNTY PROBLEM WAS THAT WE SHOULD BE ABLE TO STATE AFTER THE TALKS THAT WE HAD REFUSED TO DISCUSS THIS SUBJECT. THE ARGENTINES WERE NOW BACKING AWAY FROM THE AGREEMENT WHICH WE HAD THOUGHT SETTLED. BRUNNER SAID HE SHARED MY DISMAY AND FELT THAT THIS LATEST DEVELOPMENT WAS A REFLECTION OF POLITICAL AND INSTITUTIONAL WEAKNESS ON THE ARGENTINE SIDE. THE SWISS WOULD NOT PUT FORWARD ANY INDEPENDENT IDEAS OF THEIR OWN ON THIS QUESTION TO BUENOS AIRES UNTIL THE BRITISH AUTHORITIES HAD CONSIDERED THE MATTER AND COMMENTED. A SETTLEMENT OF THE QUESTION WHICH HAD NOW BEEN RAISED WOULD HAVE TO BE REACHED BEFORE THE SWISS GOVERNMENT WOULD ISSUE INVITATIONS. HE THOUGHT A POSTPONEMENT WAS PREFERABLE TO RISKING FAILURE LEADING TO RECRIMINATIONS AND POLEMICS.

6. BRUNNER THEN WENT ON TO PRODUCE AN IDEA OF HIS OWN FOR MEETING ARGENTINE CONCERN WHICH HE THOUGHT WE MIGHT CONSIDER. HE SUGGESTED THAT IT MIGHT BE POSSIBLE FOR US TO ACCEPT CAPUTO'S SECOND OPTION (PARA 4C ABOVE) ON CONDITION THAT THE ARGENTINES GIVE AN UNDERTAKING THAT THEY WOULD NOT MAKE ANY STATEMENT ON SOVEREIGNTY. THIS WOULD BE A REVERSAL OF THE PRESENT ARRANGEMENT IE IN RETURN FOR AN ARGENTINE UNDERTAKING NOT TO RAISE THE SUBJECT OF SOVEREIGNTY WE WOULD UNDERTAKE NOT TO SAY PUBLICLY THAT THEY HAD NOT DONE SO. WHILE NOT WISHING TO RULE OUT THIS IDEA WITHOUT REFERENCE TO YOU I LEFT THE STATE SECRETARY IN NO DOUBT OF THE VERY BAD IMPRESSION WHICH I FELT WOULD BE CREATED IN LONDON BY THE ARGENTINE GOVERNMENT'S NOW SEEKING TO BACK AWAY FROM AN ESSENTIAL ELEMENT OF THE UNDERSTANDING WE THOUGHT HAD BEEN REACHED ABOUT SOVEREIGNTY. HE UNDERSTOOD THIS VERY WELL AND DID NOT CONCEAL HIS OWN DISAPPOINTMENT AT THIS LAST MINUTE HITCH. HE THOUGHT THAT CAPUTO HAD UNDERESTIMATED THE CONTINUING SENSITIVITY OF ARGENTINE PUBLIC OPINION ON THE QUESTION OF SOVEREIGNTY UNTIL THIS HAD BEEN REVEALED TO HIM BY REACTION TO YOUR SPEECH OF 27 JUNE. AT THE SAME TIME THE ARGENTINE GOVERNMENT DESERVED CREDIT FOR THEIR SERIOUS AND CONSTRUCTIVE APPROACH TO THE TALKS.

POWELL-JONES

NNNN

SENT AT RECD AT 041725Z LA/JGF