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FM FCO 051530Z JUL 84
TO FLASH BERNE
TELEGRAM NUMBER 117 OF 5 JULY
INFO PRIORITY BRASILIA

YOUR TELNOS 248 AND 250: RELATIONS WITH ARGENTINA

1. IT IS PERVERSE OF THE ARGENTINES NOW TO REGARD AS A PROBLEM THE PRESENTATION OF AN ARRANGEMENT WHICH THEY THEMSELVES PUT FORWARD AS A COUNTER-PROPOSAL TO OUR FIRST PREFERENCE FOR HANDLING THE QUESTION OF SOVEREIGNTY, IE SEPARATE STATEMENTS. WE ARE NOT REPEAT NOT PREPARED TO AGREE TO ANY DEVICE THAT WOULD INHIBIT US FROM TELLING PARLIAMENT, THE ISLANDERS AND THE PRESS THAT WE HAD NOT REPEAT NOT DISCUSSED SOVEREIGNTY IN THE TALKS (PARAS 4C AND 6 OF YOUR TELNO 250). BUT IT WOULD BE A WASTE OF ALL THE CAREFUL PREPARATORY WORK IF THE ARGENTINES' NEW DIFFICULTIES WERE ALLOWED AT THE ELEVENTH HOUR TO DESTROY THE BASIS ON WHICH WE REMAIN PREPARED TO START TALKS.

2. IN REPLYING TO BRUNNER, YOU SHOULD SAY THAT THE TONE OF YOUR INSTRUCTIONS IS FIRM BUT CONSTRUCTIVE. PLEASE MAKE THE FOLLOWING POINTS TO HIM FOR ONWARD TRANSMISSION TO THE ARGENTINES:-

- A) WE REMAIN WILLING TO START OFFICIAL TALKS SOON ON MEANS OF IMPROVING OUR BILATERAL RELATIONS AND RE-BUILDING CONFIDENCE BETWEEN US, AND IT IS SATISFACTORY THAT AGREEMENT HAS BEEN REACHED ON THE TERMS OF THE SWISS INVITATION.
- B) WE HAD READILY AGREED TO THE DATES PROPOSED BY THE ARGENTINES. IF THEY NOW INSIST ON SOME POSTPONEMENT WE ARE NOT INFLEXIBLE. BUT WE DOUBT WHETHER A FULL EXTRA WEEK IS REQUIRED TO RESOLVE THE LATEST PROBLEM. FOR OUR PART WE SHOULD BE CONTENT FOR THE TALKS TO TAKE PLACE ON FRIDAY AND SATURDAY 13-14 JULY, WITH M. AUBERT'S DINNER ON THE EVENING OF THURSDAY 12 JULY.

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- C) WE CAN READILY AGREE TO CO-OPERATE WITH THE ARGENTINES AND SWISS IN KEEPING CONFIDENTIAL THE DETAILS OF THE DISCUSSIONS. BUT IT IS INEVITABLE THAT WE SHALL BE ASKED IN PARLIAMENT, BY THE ISLANDERS AND BY THE MEDIA WHETHER WE DISCUSSED SOVEREIGNTY AND IT REMAINS ESSENTIAL FOR US TO BE ABLE TO SAY CATEGORICALLY THAT WE DID NOT. HENCE, FOR OBVIOUS REASONS, WE COULD NOT GO ALONG WITH BRUNNER'S IDEA IN PARAGRAPH 6 OF YOUR TELNO 250 AND CAPUTO'S IDEA IN PARAGRAPH 4C. BUT WE WOULD SEE NO DIFFICULTY IN CONFIRMING THAT THE ARGENTINES HAD ATTEMPTED TO RAISE THE SUBJECT AND THAT WE HAD THEN REFUSED TO DISCUSS IT.
- D) AS WE SAID IN OUR MESSAGE OF 16 MAY, WE HAVE EMPHASISED THROUGHOUT THE NEED TO RECOGNISE THE REALITIES OF THE SITUATION AND THE REQUIREMENTS OF BOTH SIDES. BUT MY REMARKS IN THE HOUSE ON 27 JUNE SHOULD NOT HAVE COME AS A SURPRISE TO ANYONE IN ARGENTINA. IN REPLY TO A QUESTION ABOUT RELATIONS WITH ARGENTINA, I SAID THAT WE WERE READY TO ENTER INTO OFFICIAL TALKS ON THE NORMALISATION OF OUR RELATIONS. MY EMPHASIS ON THE CONFIDENTIALITY OF THE PREPARATORY EXCHANGES WAS IN ACCORDANCE WITH THE ARGENTINES' WISHES. MY STATEMENT THAT THE TALKS 'CANNOT INCLUDE DISCUSSION OF SOVEREIGNTY OVER THE FALKLANDS' WAS NO MORE THAN THE REPETITION IN STANDARD TERMS OF WHAT IS WELL KNOWN TO BE A CARDINAL POINT OF OUR POLICY. THE PRIME MINISTER AND I, AND OUR COLLEAGUES, HAVE USED THE SAME WORDS FREQUENTLY.
- E) IN CONSIDERING POSSIBLE SOLUTIONS THAT WOULD TAKE ACCOUNT OF THE CONSTRAINTS AND REALITIES IN ARGENTINA AS WELL AS HERE, OUR FIRST PREFERENCE WAS FOR SEPARATE STATEMENTS. BUT THE ARGENTINE REPLY TO OUR MESSAGE OF 16 MAY (YOUR TELNO 180) SAID THAT THEY COULD NOT ENTER INTO TALKS FROM WHICH THE QUESTION OF SOVEREIGNTY WAS EXCLUDED. IN PUTTING

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FORWARD THEIR COUNTER-PROPOSAL OF 4 JUNE THE ARGENTINES SAID QUOTE THEY DID NOT NEED TO NEGOTIATE ON SOVEREIGNTY BUT THEY HAD TO BE ABLE TO SAY PUBLICLY THAT THEY HAD RAISED IT UNQUOTE (PARA 4 OF YOUR TELNO 196). THEY SPECIFIED THAT NO RESPONSE FROM US WOULD BE EXPECTED. THIS FORMULA WAS NOT EASY FOR US TO ACCEPT BUT WE RECOGNIZED ITS VALUE IN MEETING THE ARGENTINES' PRESENTATIONAL REQUIREMENTS AND, AFTER CAREFUL WORK ON IT, WE HAVE AGREED TO IT, SUBJECT TO APPROPRIATE SAFEGUARDS. WE STILL BELIEVE THAT THE FORMULA OF 4 JUNE WOULD ADEQUATELY PROTECT THE POSITIONS OF BOTH SIDES, SUBSTANTIVELY AND ALSO IN PUBLIC, ESPECIALLY IF IT IS PRESENTED AS PART OF A CONSTRUCTIVE ATTEMPT TO RE-BUILD CONFIDENCE BETWEEN US, WHICH IS STILL AT AN EXPLORATORY STAGE. WE HOPE THE ARGENTINES CAN GIVE FURTHER FAVOURABLE CONSIDERATION TO THEIR OWN FORMULA IN THIS LIGHT.

F) MOREOVER, THE CONFIDENCE-BUILDING APPROACH HAS IN ITSELF CLEAR PRESENTATIONAL MERITS. IT IS CONSISTENT WITH THE UN SECRETARY-GENERAL'S CALL IN HIS LAST ANNUAL REPORT OF 27 OCTOBER 1983 FOR QUOTE A RESUMPTION OF DIALOGUE, COUPLED WITH THE ADOPTION OF CONFIDENCE-BUILDING MEASURES UNQUOTE. IF THE DEMOCRATICALLY-ELECTED GOVERNMENT OF ARGENTINA CAN TAKE REALISTIC, PRACTICAL STEPS TO RE-BUILD THE BILATERAL RELATIONSHIP THAT WAS BRUTALLY DESTROYED BY THEIR PREDECESSORS, THEY CAN PRESENT THIS POSITIVELY IN TERMS OF THEIR OWN NATIONAL INTEREST AND MORE GENERALLY. IT SHOULD CERTAINLY NOT BE SEEN AS A SIGN OF WEAKNESS.

3. THESE IDEAS FOR DEALING WITH THE ARGENTINES' QUOTE PROBLEM UNQUOTE ARE NOT NEW: EVEN THE POINT IN THE FIRST SENTENCE OF 2(C) ABOVE WAS IN OUR VIEW ALREADY IMPLICIT IN THE AGREED ARRANGEMENTS. BUT IF BRUNNER SEES ADVANTAGE IN PRESENTING IT AND THE POINT IN THE FINAL SENTENCE OF 2(C) TO THE ARGENTINES AS AN ADJUSTMENT DESIGNED TO MEET THEIR

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CONCERNS HE IS FREE TO DO SO. OTHERWISE, HIS MESSAGE MUST BE THAT WE WOULD LIKE TO SEE THE TALKS BEGIN SOON: THAT WE BELIEVE WE HAVE ALREADY ESTABLISHED A MUTUALLY ACCEPTABLE BASIS FOR THEM: AND THAT WE HOPE THAT THE ARGENTINES, HAVING REFLECTED ON THE MATTER AGAIN IN THE LIGHT OF THE OTHER POINTS IN PARA 2 ABOVE, WILL AGREE THAT THE FORMULA OF 4 JUNE IS A SATISFACTORY COMPROMISE IN PRESENTATIONAL AS WELL AS SUBSTANTIVE TERMS.

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