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FM BERNE 24 1330Z AUG 84

TO IMMEDIATE FCO

TELNO 305 OF 24 AUGUST 1984

INFO IMMEDIATE EC POSTS, BRASILIA, WASHINGTON, UKMIS NEW YORK, OTTAWA, CANBERRA, TOKYO, UKMIS GENEVA, STOCKHOLM, OSLO, HELSINKI, MADRID, LISBON, SANTIAGO, MONTEVIDEO, MEXICO CITY, CARACAS, ASUNCION.

YOUR TELNO 153 (NOT TO ALL): RELATIONS WITH ARGENTINA

SUMMARY

1. SWISS STATE SECRETARY'S REPLY TO PERMANENT UNDER SECRETARY'S LETTER OF 3 AUGUST NOW COMMUNICATED. BRUNNER'S COMMENTS ON HIS CONVERSATION YESTERDAY WITH PRIME MINISTER AND FURTHER REFLECTIONS ON LAST MONTH'S TALKS IN BERNE.

DETAIL

2. STATE SECRETARY ASKED ME TO CALL ON 24 AUGUST. COUNSELLOR AND BRUNNER'S CHEF DE CABINET WERE PRESENT. HE GAVE ME HIS REPLY TO SIR ANTONY ACLAND'S LETTER OF 3 AUGUST. TEXT IN MIFT (TO FCO ONLY). ORIGINAL FOLLOWS BY BAG.

3. BRUNNER THEN TURNED TO HIS CONVERSATION WITH THE PRIME MINISTER AT THE FEDERAL COUNCILS LUNCHEON ON 23 AUGUST WHICH TOOK PLACE OVER COFFEE AS ENVISAGED IN MY TELNO 300. IT WAS SLIGHTLY CONFUSED SINCE THERE WERE SEVERAL OTHER PEOPLE PARTICIPATING INCLUDING THE PRESIDENT OF THE CONFEDERATION, FEDERAL COUNCILLORS AUBERT AND DELAMURAZ, PICTET AND MYSELF. IT WAS CUT SHORT WHEN PRESIDENT TOOK MRS THATCHER OFF ON A TOUR OF THE CHATEAU DE LOHN.

4. BRUNNER SAID TODAY THAT THERE WERE THREE POINTS WHICH HE HAD RETAINED FROM MRS THATCHER'S REMARKS:-

A. THAT WE HAVE TO BUILD CONFIDENCE AND ESTABLISH BRIDGES WITH THE ARGENTINES AND IN FACT START TO BECOME FRIENDS AGAIN BEFORE WE CAN TOUCH ON THE MORE SERIOUS QUESTIONS WHICH DIVIDE US. HE THOUGHT THAT THIS COULD VERY WELL BE PUT TO THE ARGENTINES.

B. MRS THATCHER'S REFERENCE TO HER MESSAGE TO ALFONSIN AND HER VIEW THAT A DEMOCRATIC REGIME WHILE VERY WELCOME AS SUCH SHOULD BETTER UNDERSTAND AND ACCEPT THE PRINCIPLE OF SELF-DETERMINATION. BRUNNER SUGGESTED THIS WAS ALSO A POINT WHICH MIGHT BE PURSUED WITH BUENOS AIRES.

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C. ON MRS THATCHER'S POINT THAT IF ANOTHER MEETING LIKE THAT IN JULY WERE TO BE HELD THE CONDITIONS MUST BE VERY PRECISELY AGREED, SINCE NO SECOND DISAPPOINTMENT COULD BE CONTEMPLATED, BRUNNER'S COMMENT WAS THAT THIS COULD CERTAINLY BE ENVISAGED BUT IN THAT EVENT THE ARGENTINE SIDE WOULD NO DOUBT WANT SOME CLEAR STATEMENT ON SOVEREIGNTY.

HIS MAIN MESSAGE TO THE PRIME MINISTER AS I UNDERSTOOD IT WAS THAT OUTCOME SHOULD NOT BE REGARDED TOO SOMBRELY.

5. BRUNNER SAID THIS MORNING THAT HE THOUGHT THE INTERVENTION BY FEDERAL COUNCILLOR DELAMURAZ IN FAVOUR OF A SECOND ATTEMPT AFTER THE INITIAL MEETING IN BERNE AND MRS THATCHER'S AGREEMENT ON THE NEED FOR TENACITY WERE HELPFUL. HE REGRETTED THAT THE CIRCUMSTANCES MADE IT IMPOSSIBLE FOR HIM TO PURSUE THESE SUBJECTS WITH MRS THATCHER AS FAR AS HE WOULD HAVE LIKED.

6. BRUNNER WENT ON TO SAY THAT KEUSCH WAS DUE IN BERNE ON 27 AUGUST. BRUNNER'S MEETING WITH HIM, PICTET AND MONNIER ENVISAGED IN MY TELNO 300 WOULD TAKE PLACE THAT DAY. HE INVITED ME TO CALL AGAIN THAT AFTERNOON TO HEAR AN ACCOUNT OF THEIR VIEWS. HE SAID THAT KEUSCH WOULD HAVE SEEN CAPUTO IMMEDIATELY BEFORE LEAVING BUENOS AIRES.

7. IN REPLY TO MY ENQUIRY BRUNNER SAID THAT HE HAD SO FAR HAD NO FURTHER ENQUIRIES ABOUT THE BERNE TALKS BEYOND THOSE BY SPAIN, THE NETHERLANDS AND AUSTRALIA REPORTED IN MY TELNO 304. IN REPLY TO MY FURTHER QUESTION HE SAID THAT THE LINE WHICH HE HAD TAKEN WITH THE SPANISH AMBASSADOR AND OTHERS WAS THAT THE ARGENTINE LINE WAS WRONG ABOUT THE BRITISH DELEGATION'S CONDUCT AND THAT SINCE THEIR COUNTRIES WERE MEMBERS OF THE UNITED NATIONS AND UNDERSTOOD THE POSITION OF BOTH SIDES IT SHOULD BE THEIR TASK TO STEER ANY UN RESOLUTION IN A NON-HOSTILE, POSITIVE DIRECTION. IF THE RESOLUTION OF THE GENERAL ASSEMBLY WAS ON REASONABLE LINES, IT WOULD MAKE IT EASIER TO RESUME TALKS.

8. IN THIS CONNECTION BRUNNER TOLD ME THAT THE ARGENTINE SIDE HAD PROPOSED AT THE LAST MOMENT BEFORE THE BERNE TALKS THAT A REPRESENTATIVE OF THE UNITED NATIONS SHOULD BE PRESENT. THIS WAS AFTER THE INVITATIONS HAD ALREADY ISSUED AND THE SWISS GOVERNMENT HAD NO HESITATION IN REJECTING THIS SUGGESTION WHICH THEY DID NOT FEEL IT NECESSARY TO DISCUSS WITH US. IT WOULD HOWEVER BE LIKELY TO OCCUR IN RELATION TO ANY FURTHER TALKS. HIS ASSESSMENT WAS THAT THE ARGENTINE GOVERNMENT WOULD WISH TO HANDLE THE UN DEBATE IN A LOW KEY.

9. IN FURTHER DISCUSSION BRUNNER OFFERED SOME ADDITIONAL REFLECTIONS ON THE CIRCUMSTANCES OF THE BERNE TALKS. HE DID NOT BELIEVE THAT THE ACTIVITY OF OUR TRANSLATOR OR HIS USE OF THE WORDS "NO DESPUERTO" HAD BEEN MAJOR FACTORS. THESE WORDS

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SHOULD HAVE COME AS NO SURPRISE TO THE ARGENTINES. HE REPEATED HIS VIEW THAT THE SECOND PART OF THE BRITISH STATEMENT ON SOVEREIGNTY, PARTICULARLY THE PHRASE "IS NOT FOR DISCUSSION" HAD BEEN A MUCH MORE IMPORTANT INFLUENCE ON THEIR ATTITUDE. AT THE SAME TIME HE THOUGHT THAT THE COINCIDENCE OF OUR TALKS HERE WITH THE EVOLUTION OF THE SITUATION OVER THE BEAGLE CHANNEL NEGOTIATION HAD ALSO BEEN IMPORTANT. HE SUGGESTED THAT BECAUSE THE ARGENTINES WERE SHOWING A CONCILIATORY ATTITUDE OVER BEAGLE, THEY HAD FOUND IT POLITICALLY EXPEDIENT TO BE SEEN TO BE TAKING A FIRM LINE WITH US OVER THE FALKLANDS. THE COMPLAINTS MADE BY THE ARGENTINES ABOUT OUR DELEGATION'S PRESENTATION OF THE BRITISH POSITION MIGHT THEREFORE HAVE BEEN IN THE NATURE OF A PRETEXT. NEVERTHELESS HE THOUGHT THAT THE PHRASE "NOT PREPARED" WAS AN UNFORTUNATE CHOICE ON OUR PART OWING TO ITS AMBIGUITY AND THAT IT WAS A PITY WE HAD NOT SETTLED FOR THE "DECLINED/NO DESPUERTO" FORMULA OR SOME VARIANT OF IT (SEE MY TELNO 256).

POWELL-JONES

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