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~~SIR C NICHOLL~~  
 MR D C THOMAS  
 MR WESTON  
 MR B. BRUNTON  
 ED/PUSD  
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 MR P. NICHOLLS, ASST STAFF, MOD  
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PS/CHANCELLOR )  
 MISS M E CUND ) TREASURY  
 MR LITTLER )

SIR R ARMSTRONG )  
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(2)

CONFIDENTIAL

FM BERNE 291000Z OCT 84  
 TO IMMEDIATE FCO DESKBY 291145Z  
 TELNO 360 OF 29 OCTOBER 1984

INFO IMMEDIATE: UKMIS NEW YORK  
 INFO ROUTINE: BRASILIA, WASHINGTON, EC POSTS

YOUR TELNO 183: RELATIONS WITH ARGENTINA

SUMMARY

1. FEDERAL COUNCILLOR AUBERT'S ACCOUNT OF HIS VISIT TO BUENOS AIRES. DEMOCRACY IN ARGENTINA FRAGILE. POTENTIAL THREATS TO STABILITY OF REGIME. ARGENTINE PARLIAMENTARIANS HARD LINE ON FALKLANDS. ALFONSIN AND CAPUTO SOMEWHAT MORE FLEXIBLE BUT WILL NOT LEAVE SOVEREIGNTY ASIDE. AUBERT SPOKE IN ACCORDANCE WITH YOUR MESSAGE.

DETAIL

2. THE HEAD OF THE SWISS FEDERAL DEPARTMENT OF FOREIGN AFFAIRS INVITED ME TO CALL ON 26 OCTOBER TO HEAR AN ACCOUNT OF HIS DISCUSSIONS IN BUENOS AIRES. STATE SECRETARY, CHEF DE CABINET AND COUNSELLOR WERE PRESENT. AUBERT, WHO SEEMED RATHER EXHAUSTED BY HIS JOURNEY GAVE A PREPARED PRESENTATION, SPEAKING FROM NOTES. OUR CONVERSATION LASTED 45 MINUTES. NO PAPER WAS HANDED OVER.

3. AUBERT OPENED WITH A DESCRIPTION OF THE POLITICAL BACKGROUND. DEMOCRACY IN ARGENTINA WAS YOUNG AND VERY FRAGILE. ALFONSIN HAD ONLY TAKEN OVER ON 10 DECEMBER 1983. BY 20 SEPTEMBER 1984, THE NATIONAL COMMISSION FOR THE DISAPPEARED, UNDER THE CHAIRMANSHIP OF SABATO HAD DELIVERED TO ALFONSIN AN ENOUGHABLY COBLOUS

ONLY TAKEN OVER ON 10 DECEMBER 1983. BY 20 SEPTEMBER 1984, THE NATIONAL COMMISSION FOR THE DISAPPEARED, UNDER THE CHAIRMANSHIP OF SABATO, HAD DELIVERED TO ALFONSIN AN ENORMOUSLY COPIOUS AND THOROUGH REPORT ON THE SUBJECT OF THOSE KILLED, IMPRISONED OR TORTURED UNDER THE PREVIOUS REGIME BASED ON A STUDY OF SOME 50,000 DOCUMENTS. SABATO HAD NOW FINISHED HIS TASK AND AN UNDER SECRETARY, RABOSI (A LAWYER), HAD BEEN APPOINTED TO DEAL WITH THE SUBJECT OF HUMAN RIGHTS. AUBERT HAD SPOKEN WITH HIM AND FORMED A GOOD IMPRESSION. HE WAS NON-POLITICAL AND APPARENTLY INCORRUPTABLE. A VERY HIGH PROPORTION OF THE MILITARY WERE IMPLICATED. THE JUDICIAL PROCESS WAS NOW UNDER CIVILIAN CONTROL. ALFONSIN'S POLICY WAS TO TRY TO INTEGRATE THE ARMY INTO THE DEMOCRATIC REGIME BUT THE ARMY WOULD NEVER ACCEPT THIS. IT WAS STILL A POWERFUL FORCE CAPABLE OF TRYING TO TAKE OVER THE GOVERNMENT AGAIN. THERE WERE NARROW LIMITS TO WHAT THE ARMY WOULD TOLERATE IN THE WAY OF JUDICIAL PROCEEDINGS AGAINST THEMSELVES.

4. ON THE OTHER SIDE OF THE PICTURE, AUBERT CONTINUED, WAS THE FORCE OF PUBLIC OPINION. REPRESENTATIVES OF THE ASSOCIATION OF THE MOTHERS OF THE DISAPPEARED HAD CALLED ON HIM IN BERNE IN JANUARY 1984 AND DID SO AGAIN IN BUENOS AIRES. THEIR SONS WERE AMONGST THOSE WHO HAD BEEN TAKEN AWAY WHEN STUDENTS HAD BEEN SEIZED AT RANDOM. THESE WOMEN WERE DETERMINED TO OBTAIN JUSTICE. IF THIS WAS DENIED THERE WAS A DANGER THAT THEIR ACTIVITIES MIGHT DEGENERATE INTO VENGEANCE AND LEAD TO A NEW CYCLE OF TERRORISM AND MILITARY REACTION.

5. ALFONSIN'S GOVERNMENT WAS UNEASILY BALANCED BETWEEN THESE FORCES. ITS FALL WOULD NOT LEAD TO A SOLUTION OF ANY OF THE COUNTRY'S PROBLEMS. OF THESE THE THREE MOST IMPORTANT WERE FOREIGN DEBT, ON WHICH THERE HAD BEEN AN AGREEMENT WITH THE IMF; THE BEAGLE CHANNEL, ON WHICH AGREEMENT HAD ALSO BEEN REACHED (AND THE SWISS GOVERNMENT HAD AGREED TO NAME THE MEMBERS OF AN ARBITRATION TRIBUNAL IN CASE THE PARTIES CONCERNED WERE UNABLE TO AGREE ON ITS COMPOSITION- SEE MY SAVING TELNO 10 OF 26 OCTOBER); AND THE FALKLANDS.

6. AUBERT SAID THAT ON 3 OCTOBER HE HAD SPOKEN WITH ALFONSIN, WHOM HE FOUND TIRED BUT CLEAR, AND FIRM IN HIS DETERMINATION TO CONSOLIDATE DEMOCRATIC REGIME. CAPUTO WAS PRESENT, AND THE TWO MINISTERS HAD A FURTHER TALK THE FOLLOWING DAY. THESE CONVERSATIONS HAD CORRESPONDED CLOSELY WITH THAT BETWEEN BRUNNER AND CAPUTO IN NEW YORK (MY TELNO 345). CAPUTO SAW THREE ELEMENTS IN ANY FUTURE NEGOTIATIONS WITH US: NORMALISATION MEASURES SOUGHT BY THE UK; THOSE PROPOSED BY ARGENTINA; AND SOVEREIGNTY OVER THE FALKLANDS. CAPUTO HAD SAID THAT THE SOVEREIGNTY QUESTION COULD NOT BE "LEFT UNDER THE TABLE" IN ANY FRESH NEGOTIATIONS.

7. AUBERT THEN DESCRIBED HIS MEETING IN THE SENATE WITH THE PRESIDENT OF THE SENATE FOREIGN AFFAIRS COMMITTEE, GASS, THE VICE-PRESIDENT OF THE CHAMBER OF DEPUTIES FOREIGN AFFAIRS COMMITTEE, ALFREDO JORGE CANALI, AND SENATORS AND DEPUTIES OF ALL THE POLITICAL PARTIES (BUT NO ONE FROM THE GOVERNMENT). IRRESPECTIVE OF THEIR PARTY AFFILIATION, THEY HAD ALL TAKEN A VERY HARD AND RIGID LINE OVER THE QUESTION OF SOVEREIGNTY. NO DIALOGUE ON THE SUBJECT WITH THEM WAS POSSIBLE

ALL TAKEN A VERY HARD AND RIGID LINE OVER THE QUESTION OF SOVEREIGNTY. NO DIALOGUE ON THE SUBJECT WITH THEM WAS POSSIBLE AS AUBERT HAD HIMSELF TOLD THE MEETING. ON THE OTHER HAND, ALFONSIN AND CAPUTO WERE SIGNIFICANTLY MORE FLEXIBLE. THE UNCOMPROMISING ATTITUDE OF ARGENTINE PARLIAMENTARIANS HAD MADE UNFAVOURABLE IMPRESSION.

8. AUBERT WENT ON TO SAY THAT HE HAD FAITHFULLY CONVEYED TO ALFONSIN AND CAPUTO THE POINTS WHICH YOU HAD PUT TO HIM BEFORE HIS DEPARTURE (YOUR TELNO 169). HE HAD TOLD ALFONSIN THAT HE HAD NO SPECIFIC MESSAGE FROM YOU. SOVEREIGNTY WAS NOT NEGOTIABLE. BRITAIN WAS, HOWEVER, READY TO HEAR ANY SUGGESTION WHICH THE ARGENTINIANS MIGHT WISH TO PUT FORWARD. MEANWHILE, NO INITIATIVE FROM SWITZERLAND OR THE EUROPEAN COMMUNITY WAS TO BE EXPECTED. CAPUTO HAD MADE IT CLEAR THAT HE WAS INTENDING TO MAKE SOME PROPOSALS. HE WOULD DO THIS THROUGH THE SWISS. HE DID NOT FAVOUR THE BRAZILIAN OR THE UN CHANNELS. HE WAS ANXIOUS TO FIND SOME WAY OF RESUMING A DIALOGUE. AUBERT, FOR HIS PART, HAD EMPHASISED THE IMPORTANCE OF CONFIDENCE BUILDING.

9. I THANKED AUBERT WARMLY FOR THIS FULL ACCOUNT OF HIS IMPRESSIONS. I THEN SPOKE IN ACCORDANCE WITH YOUR TELNO 163. I REMINDED HIM THAT, IN YOUR SPEECH TO THE UN GENERAL ASSEMBLY, YOU HAD SAID THAT BRITAIN WAS READY TO WORK FOR MORE NORMAL RELATIONS WITH ARGENTINA. BUT WE WOULD NEED TO WAIT UNTIL AFTER THE UN DEBATE BEFORE CONTEMPLATING ANY NEW DEVELOPMENT. REFLECTING CONVERSATIONS WHICH BRUNNER AND I HAD WITH LORD COCKFIELD DURING HIS RECENT VISIT TO BERNE, I SAID THAT IT WAS SOMEWHAT ABSURD, ONLY TWO YEARS AFTER A WAR WHICH THE ARGENTINIANS HAD STARTED AND LOST, FOR THEM TO EXPECT US TO BE WILLING TO ACCEPT DISCUSSION OF THE QUESTION OF SOVEREIGNTY AT THIS STAGE. ANY PROPOSAL FOR THE BRITISH GOVERNMENT TO DISCUSS SOVEREIGNTY WITH THE ARGENTINIANS WOULD BE REJECTED BY PARLIAMENT IN THE UNITED KINGDOM. AUBERT TOOK THE POINT AND SAID HE WAS MERELY TRANSMITTING WHAT THE ARGENTINE PARLIAMENTARIANS HAD SAID. I ALSO SAID THAT ALFONSIN'S SPEECH IN NEW YORK CONFIRMING THE LINKAGE FORMULATION WHICH DESTROYED THE BERNE TALKS AND REFERRING TO TRANSFER OF SOVEREIGNTY IN THREE OR FIVE YEARS, HAD NOT BEEN WELL RECEIVED IN LONDON AND HAD NOT MADE IT ANY EASIER TO SEE A WAY FORWARD.

10. IN CONCLUSION, AUBERT SAID HE WOULD LIKE TO END ON A SLIGHTLY MORE POSITIVE NOTE. CAPUTO HAD TOLD HIM THAT SOVEREIGNTY WAS A PROBLEM WHICH COULD BE DISCUSSED IN THE SHORTER OR THE LONGER TERM ( A PLUS OU MOINS BREVE ECHEANCE). HE DEFINITELY WANTED DISCUSSIONS OF PRACTICAL AND IMMEDIATE MATTERS. SOVEREIGNTY WAS NOT ONE OF THESE THOUGH IT HAD TO BE ACCEPTED AS A SUBJECT FOR DISCUSSIONS. ALL THE OUTSTANDING QUESTIONS COULD NOT BE DISCUSSED AT THE SAME TIME AND SOME SPACING OUT (ECHELONNEMENT) WOULD BE NECESSARY.

POWELL-JONES

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SENT/RECD AT 291130Z KR/VI