

CONFIDENTIAL

JR (52)



10 DOWNING STREET

From the Private Secretary

9 May 1985

FALKLANDS/ARGENTINA

The Prime Minister has taken note of the Foreign Secretary's minute of 7 May on our efforts to restore normal relations with Argentina. She has commented that we should do all we can to obtain wider recognition and understanding that the responsibility for lack of progress rests squarely with Argentina.

I am copying this letter to the Private Secretaries of members of OD and to Richard Hatfield (Cabinet Office).

(C. D. POWELL)

L.V. Appleyard, Esq.,
Foreign and Commonwealth Office.

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CCP (2)



PM/85/42

PRIME MINISTER

Prime Minister
Virtually at a
standstill on all
fronts because of
Argentine obduracy.
But we ought to be
more active in
making sure that the
blame
for
this
is more
widely
recognized
& understood.
CJP
- 8/5

Falklands/Argentina

1. In my minute of 4 January I set out our proposals for trying to restore more normal bilateral relations with Argentina. The purpose of this minute is to take stock of where we now stand on these proposals and in our efforts to explore with the FAO the possibility of establishing a multilaterally-based fisheries and conservation regime for the South Atlantic (agreed by OD on 26 February).

Fisheries

2. Fisheries is the theme on which we presently face the most Parliamentary and public pressure. At our prompting, senior FAO officials took soundings in late April among delegations at the Committee on Fisheries (COFI) meeting in Rome, proposing the establishment of an ad hoc group that would assemble data on the level of fishing in the South West Atlantic. This would be essential ground-work before the more contentious discussion of practical management arrangements. The Argentine representative has referred the matter to his capital with a positive recommendation, but has told the FAO that the decision will be a political one by the Foreign Minister. The other delegates concerned were ready to consider the FAO proposal, but said that their final acceptance of it must be conditional on both British and Argentine agreement. This is all right so far as it goes; but the prospects of a successful outcome are still extremely uncertain.

/Commercial



Commercial and Economic Restrictions

3. Although we had originally hoped to hold the bilateral Paris Club talks during March, the dates slipped. A meeting is planned for next week, shortly after the opening of Mount Pleasant Airport on 12 May; Argentine reactions to this may be sharp but should not affect the Paris Club talks.

4. We have learned from the French, who are coordinating arrangements for the debt re-scheduling talks, that the Argentine Government are not prepared to expand discussion to include the wider question of commercial and economic restrictions. We see no future in pressing the Argentines to change their minds before the debt meeting. We have all along recognised that we could not make discussion of commercial restrictions a precondition for technical discussion on debt.

5. In my minute of 12 March to Norman Tebbit I said we would need after the Paris Club meeting to look at the continued maintenance of our trade embargo.

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21/1/2015

the ban is also causing damage to some British firms: Kellogg's, for example, have had to bear additional costs of some £6m per annum since 1982 to find alternatives to the maize they traditionally import from Argentina. There is growing Parliamentary interest in ending the trade embargo. We shall need to review our

/policy



policy here

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Possible Next-of-Kin Visit

6. We briefed the Papal Pro-Nuncio here on 7 February about my message of 25 January. He undertook to ask his authorities to encourage the Argentine Government, through the Nuncio in Buenos Aires, to see our offer as a serious and humanitarian proposal. But we have had no indication that the Vatican have taken action. They will have had an opportunity to sound out the Argentines last week, when Argentine and Chilean Ministers were in Rome to exchange the ratified texts of the Beagle Channel Agreement. We have instructed HM Ambassador to the Holy See to draw attention to our repeated public references to our readiness to accept a properly prepared visit.

Restoration of Direct Communications Between Interests Sections

7. Finally, the idea of establishing direct communications between each country's Interests Section and its capital was revived informally during a call at the FCO in March by an Argentine private citizen with close connections with the Argentine Government. (It has been our practice to receive such people in their private capacity at official level if they ask to call at the FCO.)

8. The idea of direct communications was part of the package agreed for use during the Berne talks and is neither new nor of comparable importance to the other areas of activity listed above. It would not imply any change in the state of the relations between ourselves

/and Argentina.



and Argentina. We know that it has been discussed within the Argentine Foreign Ministry but there have been no signs so far that they will be prepared to take it up. If they were to do so, we should consider it favourably: it would be of some operational benefit, inter alia in enabling us to avoid the exclusive use of the Swiss as our channel of communication, although they would still be responsible for handling contacts with the Argentine Government on our behalf. But I do not see this as sufficiently important to us for us to propose it formally to the Argentines: especially since they have not as yet replied to my last message, of 25 January. This is something on which we should not take the initiative, at least at this stage.

Conclusion

9. To sum up, therefore, I see the present position as follows:

- (a) Our initiative through the FAO on fisheries is still running. But all will depend on the Argentine reaction. This could well be negative despite the strong conservation arguments in favour. Until we know their reaction, we should continue to avoid any public reference to the soundings which are being made within the FAO, although we are of course keeping the Falkland Islands Government fully in the picture.
- (b) I do not propose that we should make any further efforts to bring the Argentines to discuss in the Paris Club the reciprocal lifting of trade restrictions. We should continue to look for other suitable

/opportunities



opportunities to persuade them to see reason. To publicise our approach, and the Argentine response, could cut across our debt re-scheduling objectives. But once the Paris Club bilateral is safely over it may be in our interests to draw attention to their refusal to discuss this subject as a further example of Argentine lack of realism. Meanwhile, I shall be looking with colleagues concerned at the legal and other implications of maintaining our trade embargo.

- (c) On direct communications, the ball is in the Argentine court. If they pursue the idea we should be ready to respond favourably, but we should not take the initiative to seek this change ourselves, in the absence of any constructive reply to our message of 25 January.
- (d) The Vatican should shortly be able to tell us more about the Argentines' attitude to the idea of a next-of-kin visit. For the moment, we need take no further action on this.

10. I am copying this minute to OD colleagues and to Sir Robert Armstrong.

Relations : ARGENTINA P+39.

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- 8 MAY 1985

