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(FM BERNE 071215Z) FM BISABA TO PRIORITY FCO TELNO 538 OF 5 AUGUST

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UKMIS NEW YORK, PORT STANLEY

MY TELNO 533 : FALKLANDS

te known news to The Archbally of Tok

1. A JOINT STATEMENT ''ON RECONCILIATION AND THE SOUTH ATLANTIC CONFLICT' BY REPRESENTATIVES OF THE CONSULTATIVE COUNCIL OF CHURCHES OF ARGENTINA AND THE BRITISH COUNCIL CHURCHES WAS ISSUED TO THE PRESS ON SATURDAY 3 AUGUST.

2. MAIN POINTS IN THE STATEMENT ARE :

A. RECENT MOVES BY BOTH GOVERNMENTS (LIFTING OF TRADE RESTRICTIONS BY BRITAIN AND ARGENTINA'S OFFER TO DECLARE A CESSATION OF HOSTILITIES IF THE BRITISH GOVERNMENT ENTERED INTO NEGOTIATIONS (INCLUDING SOVEREIGNTY) CAN BE INTERPRETED AS ATTEMPTS TO IMPROVE THE CLIMATE BETWEEN THE TWO GOVERNMENTS.

B. RECOGNITION OF THE STRONGLY HELD VIEWS ON SOVEREIGNTY IN BOTH COUNTRIES. IF A SETTLEMENT IS TO BE REACHED AGREEMENT ON SOVEREIGNTY WILL BE REQUIRED. WHEN IT BECOMES POSSIBLE TO INCLUDE THIS ISSUE IN A FUTURE AGENDA, OTHER BILATERAL ISSUES (DIPLOMATIC AND TRADE RELATIONS AND FISHING AGREEMENTS) COULD SERVE AS A BENEFICIAL PREMILINARY TO THIS CENTRAL CONCERN.

- C. REJECTION OF ANL KIND OF MILITARY SOLUTION. EMPHASIS IS PLACED ON THE NEED FOR NEGOTIATIONS WITH PARTICULAR IMPORTANCE ON RESOLUTIONS OF UNITED NATIONS.
- D. THE IMPORTANCE FOR THE ARGENTINE CHURCH REPRESENTATIVES OF A ''GEOPOLITICAL AND GEOSTRATEGIC UNDERSTANDING OF THE CONFLICT'. THE BCC REPRESENTATIVES THOUGHT THAT THIS MERITED DEEPER STUDY AND INDEPENDENT EVALUATION.
- E. SUPPORT FOR THE "'DEEP CHANGE" IN ARGENTINA AS DEMOCRACY IS RE-ESTABLISHED AND MILITARY INFLUENCE RESTRICTED. THE BCC REPRESENTATIVES THOUGHT THAT THESE SIGNIFICANT CHANGES WERE NOT SUFFICIENTLY APPRECIATED BY THE BRITISH PEOPLE.

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F. IMPORTANCE OF FURTHER AND DEEPER CONTACT BETWEEN THE CHURCHES IN THE TWO COUNTRIES AND OF INVOLVEMENT OF THE ROMAN CATHOLIC CHURCH. BOTH DELEGATIONS COMMITTED THEMSELVES TO FURTHER STUDY OF THE FACTORS IMPEDING A SOLUTION TO THE CONFLICT AND CALL UPON THE LATIN AMERICAN COUNCIL OF CHURCHES, THE NATIONAL COUNCIL OF CHURCHES OF CHRIST (USA) AND THE WCC COMMISSION ON INTERNATIONAL AFFAIRS TO HELP IN THIS WORK. 3. THE JOINT STATEMENT DID NOT RECEIVE PROMINENT PRESS COVERAGE -PROBABLY BECAUSE OF ITS WEEKEND RELEASE. LOCAL PAPERS REPORTED IT AS JOINT SUPPORT FOR THE INCLUSION OF SOVEREIGNTY IN ANY NEGOTIATIONS. 4. MR PHILIP MORGAN, SECRETARY OF THE BCC, IS QUOTED SEPARATELY AS SAYING THAT THE BCC WOULD TRY TO ACHIEVE THE INCLUSION OF SOVEREIGNTY DISCUSSIONS IN THE NEXT AGENDA FOR OFFICIAL CONVERSATIONS ABOUT THE FALKLANDS. THE ARCHBISHOP OF YORK SAID THAT DISCUSSIONS ON SOVEREIGNTY MUST NOT BE BASED ON THE FOREGONE CONCLUSION THAT THEY COULD HAVE ONLY ONE CONCLUSION - TRANSFER TO ARGENTINA IN ONE FORM OR ANOTHER. BOTH DELEGATIONS AGREED ON THE IMPORTANCE OF THE BCC CONTINUING TO SEEK DIALOGUE WITH CHURCH PEOPLE IN THE FALKLANDS. TRANSLATION OF TEXT OF STATEMENT AND CUTTINGS FOLLOW BY BAG. SHARKEY UNQUOTE RICH FALKLAND ISLANDS LIMITED ADDITIONAL DISTRIBUTION FID NEWS D PS/MR RAISON DEF D . FALKLAND ISLANDS INFO D PS/MR RENTON SAMD PLANNING STAFF PS/PUS UND ECON ADVISERS SIR W HARDING ERD RESEARCH D MR DEREK THOMAS MAED PUSD MR GOODALL WIAD PRU MR DAVID THOMAS MCAD LEGAL ADVISERS MR DAUNT ECD(E) PS SIR C TICKELL (ODA) WED PS/LADY YOUNG MR BROWNING (ODA) MAR VEREKER (ODA) CONTIDENTIAL