Rine Pinter Alere in perend : GRS 820 UNCLASSIFIED FM MADRID TO IMMEDIATE FCO DESKBY 70830Z TELNO 682 OF D613DDZ OCTOBER 85 INFO IMMEDIATE UKMIS NEW YORK DESKBY 070830 LOCAL INFO IMMEDIATE WASHINGTON DESKBY 070830 LOCAL INFO IMMEDIATE PORT STANLEY DESKBY 070830 LOCAL INFO IMMEDIATE BERNE INFO IMMEDIATE GOV GIBRALTAR INFO SAVING EC POSTS, BISBA MEETING BETWEEN PRESIDENT ALFONSIN AND MR STEEL 1. FOLLOWING IS ENGLISH TEXT OF JOINT COMMUNIQUE ISSUED IN MADRID AT 1330 LOCAL TIME. 2. SPANISH TEXT FOLLOWS BY BAG. BEGINS ON SUNDAY, 6 OCTOBER 1985, IN MADRID, A MEETING TOOK PLACE BETWEEN THE PRESIDENT OF THE REPUBLIC OF ARGENTINA, DR. RAUL R ALFONSIN, AND THE LEADER OF THE BRITISH LIBERAL PARTY, THE RT HON DAVID STEEL, MP. PRESIDENT ALFONSIN WAS ACCOMPANIED BY MR JORGE SABATO, SECRETARY OF STATE FOR INTERNATIONAL RELATIONS OF THE MINISTRY OF FOREIGN AFFAIRS OF ARGENTINA. MR STEEL WAS ACCOMPANIED BY LORD TORDOFF, LIBERAL CHIEF WHIP IN THE HOUSE OF LORDS. PRESIDENT ALFONSIN AND MR STEEL RE-CALLED THEIR PARTICIPATION IN MEETINGS ORGANISED BY LIBERAL INTERNATIONAL, PRIOR TO THE REESTABLISHMENT OF DEMOCRACY IN ARGENTINA. MR STEEL EXPRESSED HIS APPRECIATION OF PRESIDENT ALFONSIN'S ACHIEVEMENT IN RESTORING DEMOCRACY IN ARGENTINA AND OF HIS COURAGEOUS AND SUCCESSFUL EFFORTS TO SECURE RESPECT FOR HUMAN AND CIVIL RIGHTS. HE PRAISED THE DEMOCRATIC GOVERNMENT'S MEASURES IN BRINGING TO JUSTICE THOSE GUILTY OF HUMAN RIGHTS VIOLATIONS AND INFRINGEMENT OF THE LAW. PRESIDENT ALFONSIN AND MR STEEL WELCOMED THE CURRENT PROGRESS IN STRENGTHENING DEMOCRACY IN LATIN AMERICA, WHICH IS LEADING TO THE RESTORATION OF THE RIGHTS, FREEDOM AND DIGNITY OF THE PEOPLE. THEY AGREED THAT THIS WAS ESSENTIAL FOR THE PROMOTION OF DEVELOPMENT AND STABILITY IN THE WORLD AS A WHOLE. /PRESIDENT

PRESIDENT ALFONSIN AND MR STEEL STRESSED THE IMPORTANCE OF COOPERATION BETWEEN DEMOCRATIC COUNTRIES TO STRENGTHEN DEMOCRATIC VALUES AND INSTITUTIONS IN THE WORLD AND EXPRESSED THEIR CONFIDENCE IN THE GROWING COOPERATION WITH EUROPE THAT WILL BE MADE POSSIBLE BY THE CONSOLIDATION AND ADVANCEMENT OF DEMOCRACY IN LATIN AMERICA. BOTH VALUED THE ROLE OF LIBERAL PARTIES, MEMBERS OF THE LIBERAL INTERNATIONAL, IN PROMOTING THIS COOPERATION AND LOOKED FORWARD TO THE STRENGTHENING OF CONTACTS BETWEEN THE POLITICAL PARTIES OF THE TWO CONTINENTS.

PRESIDENT ALFONSIN AND MR STEEL EXPRESSED THEIR FIRM CONVICTION THAT THE CONTINUING ECONOMIC AND DEBT CRISIS CONSTITUTES THE MAIN THREAT TO DEMOCRACY AND PEACE IN LATIN AMERICA. THEY UNDERLINED THE IMPORTANCE OF THE DIRECT LINK BETWEEN DEMOCRACY AND ECONOMIC PROGRESS TO PROVIDE FOR THE WELL BEING OF THE PEOPLE AND FOR SOCIAL STABILITY. IN THIS RESPECT, THEY STRESSED THE NEED TO SEEK MORE STABLE, DURABLE AND LESS-RESTRICTIVE WORLD FINANCIAL AND TRADING CONDITIONS AND UNDERLINED THE URGENT NECESSITY OF BRINGING TOGETHER THE GOVERNMENTS OF CREDITOR AND DEBTOR COUNTRIES TO SEEK A POLITICAL SOLUTION TO THE DEBT PROBLEM.

PRESIDENT ALFONSIN AND MR STEEL DISCUSSED THE SITUATION IN CENTRAL AMERICA. THEY REITERATED THEIR SUPPORT FOR THE CONTADORA PROCESS. PRESIDENT ALFONSIN SPOKE OF ARGENTINA'S PARTICIPATION IN THE RECENTLY FORMED CONTADORA SUPPORT GROUP, FORMED BY DEMOCRATIC LATIN AMERICAN GOVERNMENTS.

MR STEEL WELCOMED THE ESTABLISHMENT OF THIS GROUP.

PRESIDENT ALFONSIN AND MR STEEL DISCUSSED THE SITUATION BETWEEN THE UNITED KINGDOM AND ARGENTINA. THEY REFERRED TO THE TRADITIONALLY FRIENDLY RELATIONS THAT HAVE EXISTED BETWEEN THE TWO COUNTRIES AND TO THE MEANINGFUL CONTRIBUTION TO THEM MADE THROUGHOUT HISTORY AND AT PRESENT BY THE HUNDREDS OF THOUSANDS OF BRITISH RESIDENTS AND THEIR DESCENDANTS WHO HAVE LONG FORMED PART OF THE ARGENTINE PEOPLE. THEY EXPRESSED THEIR FIRM DESIRE THAT RELATIONS BETWEEN THE TWO COUNTRIES BE RENEWED AND THEY WERE IN AGREEMENT THAT THE RE-OPENING OF RELATIONS SHOULD BE ON THE BASIS OF AN AGENDA WHICH INCLUDES ALL MATTERS SEPARATING THE TWO COUNTRIES.

TO THAT EFFECT PRESIDENT ALFONSIN AND MR STEEL AGREED ON THE NEED FOR A PEACEFUL AND NEGOTIATED SETTLEMENT OF THE DISPUTE OVER THE FALKLAND ISLANDS AND OF THE REMAINING OUTSTANDING PROBLEMS BETWEEN THE TWO COUNTRIES. THE 40TH ANNIVERSARY OF THE CREATION OF THE UNITED NATIONS SEEMED TO THEM A PROPITIOUS OCCASION FOR THE INITIATION OF THIS PROCESS.

THEY RECALLED THAT PRIOR TO THE 1982 CONFLICT THE GOVERNMENTS OF THE TWO COUNTRIES HAD BEEN TRYING INTERMITTENTLY FOR NEARLY TWENTY YEARS TO REACH AGREEMENT ON THE FUTURE OF THE FALKLAND ISLANDS. IN 1980 THE BRITISH GOVERNMENT WAS DISCUSSING WITH THE THEN ARGENTINE GOVERNMENT A POSSIBLE EXCHANGE OF SOVEREIGNTY. PRESIDENT ALFONSIN AND MR STEEL RECOGNISED, NOW THAT DEMOCRACY HAD BEEN RESTORED IN ARGENTINA, THAT THE TWO COUNTRIES SHOULD BE WORKING TOGETHER AND EXPRESSED THEIR FIRM DETERMINATION THAT A SOLUTION BE FOUND TO THE LONG RUNNING DISPUTE. THEY BOTH STRESSED THE IMPORTANCE OF GUARANTEEING EFFECTIVELY FOR THE ISLANDERS THE PRESERVATION OF THEIR WAY OF LIFE.

PRESIDENT ALFONSIN AND MR STEEL AGREED THAT AS AN INTEGRAL PART OF THE PROCESS TO ACHIEVE A PEACEFUL AND NEGOTIATED SETTLEMENT OF THE DISPUTE THERE SHOULD BE A FORMAL CESSATION OF HOSTILITIES AND THE LIFTING OF THE PROTECTION ZONE, THE REESTABLISHMENT OF DIPLOMATIC AND COMMERCIAL RELATIONS AND THE REOPENING OF NEGOTIATIONS ON ALL ASPECTS OF THE FUTURE OF THE FALKLAND ISLANDS, INCLUDING SOVEREIGNTY. PREPARATIONS FOR THESE NEGOTIATIONS SHOULD BE UNDERTAKEN SIMULTANEOUSLY BY THE TWO GOVERNMENTS WITHOUT DELAY.

ÈNDS

GORDON LENNOX

FALKLAND ISLANDS

LIMITED

WED

FID NEWS D DEF D INFO D S AM D PLANNING STAFF UND ECON ADVISERS ERD RESEARCH D MAED PUSD WIAD PRU MCAD LEGAL ADVISERS ECD(E)

PS/LADY YOUNG

PS/MR RAISON
PS/MR EGGAR
PS/PUS
SIR W HARDING
MR PEREK THOMAS
MR GOODALL
MR DAVID THOMAS
MR DAUNT
SIR C TICKELL (ODA)
MR BROWNING (ODA)
MR VEREKER (ODA)

ADDITIONAL DISTRIBUTION FALKLAND ISLANDS

(REPEATED AS REQUESTED)