2 of 19/ cope FXTERNAL DEPARTMENT OF TRADE AND INDUSTRY 1-19 VICTORIA STREET LONDON SWIH OET Telephone (Direct dialling) 01-215) GTN 215) " (Switchboard) 01-215 7877 Secretary of State for Trade and Industry 7 February 1987



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FALKLAND ISLAND FISHERIES : ARGENTINE PROPOSALS

My Secretary of State has seen a copy of the Foreign Secretary's minute of 26 January, recommending that FCO officials be instructed to explore further the informal proposals on Falklands fisheries which the Argentines have submitted through the Americans.

Mr Channon welcomes the absence of any link between these proposals and the sovereignty question, and hopes that the Argentines may show similar realism in the field of trade. He believes we should explore this initiative further, subject to the safeguards proposed.

We cannot exclude the possibility that, as at Berne in July 1984, the Argentines will go back on arrangements they have agreed. If this does happen, it is important that the Americans are left in no doubt as to who is to blame.

A copy of this minute goes to Charles Powell (No 10), Joan MacNaughton (Lord President's Office), Richard Stoate (Lord Chancellor's Office), Alex Allan (HM Treasury), John Howe (Ministry of Defence), Steven Wood (Lord Privy Seal's Office), Andrew Lansley (Chancellor of the Duchy of Lancaster's Office) and Trevor Woolley (Cabinet Office).

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