CONFIDENTIAL



10 DOWNING STREET

LONDON SWIA 2AA

2 July 1987

From the Private Secretary

ARGENTINA/FALKLANDS

The Foreign Secretary mentioned to the Prime Minister this evening the further approach which we have received from the Argentinians offering discussions on the subject of Falklands fisheries, on the basis that such discussions would not affect the position on either side on sovereignty. The Foreign Secretary said that he was treating the Argentine proposal very cautiously. But we could not reject it without exploration, since they were in effect offering us our own terms.

The Prime Minister agreed on the need for caution. There was a risk that the Argentinians would draw us into contacts and then after all broach the question of sovereignty. We must not fall into a trap or risk a repetition of the Berne discussions in 1984.

Charles Powell

A.C. Galsworthy, Esq., CMG., Foreign and Commonwealth Office.