

CONFIDENTIAL



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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

27 July 1987

Dear Tony,

FALKLAND ISLANDS/ARGENTINA

The Prime Minister has considered the Foreign Secretary's minute of 24 July, setting out his views on how we should respond to the Argentine approach proposing direct talks on fisheries and related topics.

The Prime Minister believes that we must treat this with great scepticism. Particularly in the light of what happened in the Berne talks, she doubts whether, the Argentines will, in practice, refrain from attempting to discuss sovereignty. Moreover, the notion of shared fisheries jurisdiction over Falklands waters is totally unacceptable. It must be made clear in advance that this cannot be on the agenda. Nonetheless, she agrees that the Argentine approach comes, on the face of it, quite close to accepting our own terms for talks. We cannot reject it out of hand. We should therefore probe it further. A decision whether to move on to talks would be reserved for further consideration in the light of the Argentine response to our comments.

The Prime Minister has a number of comments on the details of our response:

- there is of course no question of our position on sovereignty being affected by the proposed talks. But beyond that it must be clear and accepted explicitly by the Argentinians in advance that there will be no discussion of sovereignty. This seems to be covered satisfactorily in paragraph 4 of the Foreign Secretary's minute;
- we talk about reserving respective "positions" on sovereignty, while the State Department non-paper used the word "claims". We must use the word "positions";
- the proposed formulation of the statement dealing with respective positions on sovereignty (paragraph 1(A)) is too negative. It should be rephrased on something like the following lines:

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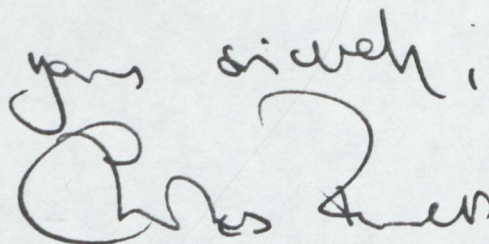
"Nothing in the conduct or content of the present meeting may be interpreted as:

(A) Any change in the position of the United Kingdom with regard to her right of sovereignty and territorial and maritime jurisdiction" There would then need to be a new point (B) setting out the Argentine position, and the present point (B) would become (C);

- the Prime Minister sees no virtue in the prior goodwill gestures proposed in the US State Department non-paper. They would only be justified in the light of Argentine performance, and should not be pursued at this stage.

I should be grateful if you would revise the instructions to take account of these points. The Prime Minister will wish to be consulted again in the light of the Argentine reaction, and before any decision to go beyond the stage of probing Argentine intentions and clarifying the conditions for talks is taken.

I am copying this letter to the Private Secretaries to members of OD and to Sir Robert Armstrong.

Yours sincerely,


CHARLES POWELL

A. C. Galsworthy, Esq., C.M.G.,
Foreign and Commonwealth Office.

PRIME MINISTER

FALKLANDS

A few weeks ago the Foreign Secretary briefed you on the further and indirect approach which we had received from the Argentine government suggesting direct talks on fisheries and related subjects. They proposed that talks be prefaced by a joint statement reserving respective positions on sovereignty. On the fact of it, the Argentines are offering what we have always insisted upon: direct talks on practical matters, with no link to discussion of sovereignty.

I agree with word
The paper says "davis"

You agreed that we could hardly reject our own terms. At the same time, experience suggests the need for great caution. The Berne talks showed that you can never trust the Argentinians to do what they say when it comes to sovereignty. We therefore need to probe carefully and get the clearest possible written statement that sovereignty is not affected. We also need to get clear in advance that we are not prepared to discuss shared fisheries jurisdiction over Falkland waters. There are two separate fisheries zones or regimes - Falklands waters and Argentine waters - and all we are prepared to discuss is coordination between them. We would also need to take the Falkland Islanders fully into our confidence.

Not will it be mentioned

Must

The attached papers set out the background and give instructions for our response to the Argentines, as well as giving the text of the joint statement reserving positions on sovereignty. I think that they are sufficiently cautious. I recommend that you agree to them, but make plain that you do not regard us as committed to anything more but further probing of the Argentine position. A decision on whether to move to Falks can only be taken in the light of the Argentine response, and you wish to be consulted again in the light of that (and indeed at every stage).

CDP

Agree? Yes no

CHARLES POWELL

24 July 1987

VC2APD



FCS/87/044

PRIME MINISTERFalkland Islands/Argentina

1. We have received via the Americans a new Argentine approach. The Argentines are proposing direct talks with us on fisheries and related topics, aimed at reaching agreement on:

- (i) a fisheries arrangement;
- (ii) means to avoid fisheries incidents;
- and
- (iii) ways to reduce tension between Argentina and the UK. ?

They also propose that:

- talks be prefaced by a joint statement reserving respective positions on sovereignty;
- each side should make statements aimed at creating a favourable atmosphere. ??

/ Further details are attached at Annex A.



2. This is a clear departure from Argentina's earlier hard line. There are a number of possible explanations:

- Argentine recognition that the result of our elections means that there will be no change in British policy;
- pressure from the Americans;
- desire for a "successful foreign policy initiative" before Argentina's elections in September.

Whatever Alfonsin's motives for launching this move, we have no evidence that Argentine policy will prove more flexible than before or that his domestic room for manoeuvre on the sovereignty issue is any greater. Nevertheless, he now appears to be proposing what we have always insisted upon: direct talks on practical matters, unlinked to any discussion of sovereignty.

3. We must not give the impression to the Americans, or to anyone else, that we now want to reject our own terms. We should however respond with considerable caution. The substance is as intractable as ever. The Argentines remain attached to rhetoric, and will probably again exploit the annual UNGA debate. So we cannot by any means be sure that real progress will be made.

4. In our response we must above all ensure that there is to be no discussion of sovereignty, and that the Argentines understand and accept this. Subject to that, our objectives should be:



(a) to secure Argentine acceptance of our fisheries jurisdiction;

(b) if (a) is achieved, to make progress on other practical issues;

(c) to reassure the Islanders that such talks with the Argentines carry no risks on sovereignty or fisheries jurisdiction; and

(d) to make sure that the Argentines are seen as responsible, if this process comes to nothing.

(a) would be a major gain. We should however recognise that a consequence of any agreement would be to impose some constraint on our freedom of action, eg to extend the boundaries of the FICZ if we thought that necessary for conservation reasons, because of the pressure not to undermine the spirit of any understanding on fisheries. There could also be renewed Argentine pressure for lifting the FIPZ in exchange for a cessation of hostilities. These consequences are however inherent in any agreement on this subject, and we have always maintained that we want such an agreement: they do not therefore justify rejecting the offer of dialogue. In any negotiations we would make sure to preserve unimpaired our freedom to exercise our own sovereignty and jurisdiction. On cessation of hostilities, we can continue to take the line that a fisheries agreement would be only one of the factors in considering the future of the FIPZ.



5. Some features of this Argentine approach are unrealistic. For example, to propose optimistic statements before the substance is reached would invite a repetition of the Berne fiasco. If these ideas are pursued, we shall need firmly to resist them, as part of the process of educating the Argentines about reality. In replying we should therefore stress that we see the first priority as an agreement on fisheries, with discussion of other practical issues to follow. For that reason the essential basis of any negotiations would be a clear understanding of the waters to be patrolled by each side. We need to make our position clear in advance on this point, not least because the Argentines have had in mind the unacceptable notion of shared fisheries jurisdiction over Falklands waters. *News*

6. The Argentine formula for reserving positions on sovereignty is acceptable, with one or two minor modifications. It is derived from the Antarctic Treaty and the Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR) texts, which have effectively preserved our sovereignty position. The Attorney General is content that this would adequately protect our legal position.

7. I attach at Annex B three draft telegrams containing instructions to Sir Antony Acland on these lines. At the same time I would instruct the Acting Governor in Port Stanley to brief the Executive Council thoroughly and in confidence. If we obtain Argentine undertakings on the points in this non-paper, the way ahead would then be clear.

8. The risk of leaks from Buenos Aires, and the need to keep the Americans on our side, argue in favour of an early reply. This would avoid any criticism of us for dragging our feet, and would put the onus of decision back with the Argentines before the summer break. I should therefore be most grateful if colleagues could send their comments to me in the course of the next few days.

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

Robert Currie (Private Secretary)

PH
..

(GEOFFREY HOWE)

Approved by the Foreign
Secretary and signed in his
absence

Foreign and Commonwealth Office

24 July 1987

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ANNEX A

US STATE DEPARTMENT 'NON-PAPER' ON ARGENTINE PROPOSAL ON DIRECT UK/ARGENTINE FISHERIES TALKS

Agenda

Argentines propose direct talks on:

- fisheries arrangements covering the South West Atlantic;
- means to avoid fisheries incidents between the UK and Argentina and/or vessels of third countries in the area;
- lowering tensions in UK/Argentine relations, eg Argentine declaration of cessation of hostilities in return for lifting of FIPZ.

Modalities

Argentines suggest direct talks at any level of representation at mutually agreed site. Each side to make statement before talks reserving respective claims on sovereignty. No third party involvement.

Possible

Prior Goodwill Gestures

Argentines also propose mutual goodwill gestures to create better environment for talks, eg

- Why?* - favourable public statements by each nation about the other;
- What?* - "small but significant concrete actions" (unspecified).
- Who?* - supportive statements by third countries.

OUT TELEGRAM

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ZCZC 1 ZCZC
 TC 2 CONFIDENTIAL
 CAVEAT 3
 FM 4 FM FCO
 TO 5 TO IMMEDIATE WASHINGTON
 TELNO 6 TELNO
 OF 7 OF 091615Z JUL 87
 AND TO 8 AND TO PRIORITY UKMIS NEW YORK, PORT STANLEY, MONTEVIDEO

9
 10
 11 MONTEVIDEO FOR HUNT

12
 13 **MY TWO IPT'S: ARGENTINE PROPOSALS:**

14
 15 1. We have amended the English text of the statement
 16 to read as follows:

17 Quote

18 1. Nothing in the conduct or content of the present
 19 meeting may be interpreted as:

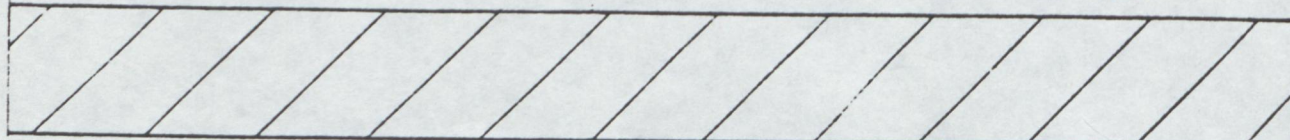
20 A) A renunciation by the United Kingdom or the *with regard*
 21 ~~Argentine Republic of any right of sovereignty or territorial~~ *to her*
 22 and maritime jurisdiction over the Falkland Islands and the
 23 surrounding maritime areas:

24 B) Recognition of or support for the position of the
 25 United Kingdom or the Argentine Republic regarding the
 26 sovereignty or territorial and maritime jurisdiction over the
 27 Falkland Islands:

28 2. No act or activity carried out as a consequence and in
 29 implementation of anything dealt with and agreed to in the

*This is
 number 10
 resolved*

/// 26
 // 27
 / 28



YYYY
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File number		Dept FID	Catchword: present	Drafted by (Block capitals) N A LING	Telephone no 270 2744
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OUT TELEGRAM (CONT)

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1	<<<<
2	present meeting may constitute a basis for affirming, supporting,
3	or denying the position of the United Kingdom or the Argentine
4	Republic regarding the sovereignty or territorial and maritime
5	jurisdiction over the Falkland Islands and the surrounding
6	maritime area.
7	Unquote.
8	2. The changes are set out below:
9	(i) Sub-paragraph (C) has been made a separate paragraph 2
10	(grammatical point).
11	(ii) We thought the phrase quote its implementation unquote
12	in sub-paragraph (C) might not be fully clear. The
13	word quote its unquote seemed to go back to quote
14	anything agreed to in the present meeting unquote. The
15	idea of quote implementation unquote was already
16	contained in the phrase quote act or activity carried
17	out as a consequence of (last four words underlined)
18	unquote. We have re-worded the beginning of
19	paragraph 2 so as to avoid any possible ambiguity.
20	(iii) The English version of the text now reads quote
21	Falkland Islands unquote, not quote Malvinas unquote.
22	(iv) Quote rejecting unquote in new paragraph 2 now reads
23	quote denying unquote.
24	(v) Where appropriate, references to the Argentine
25	Republic and to the United Kingdom have been reversed
26	in order in the English text in accordance with normal
27	international practice.
28	
29	HOWE
30	
31	///
32	// YYY
33	/ MAIN
34	Falkland Islands - Argentine

For distribution order see Page	Catchword: Proposals
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		Catchword: sympathy	
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Authorised for Initials Date/time despatch by:			
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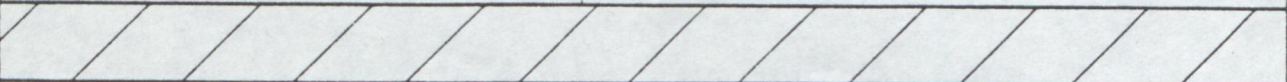
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1 <<<<
2 sympathy for our rejection of the seemingly reasonable
3 proposition of a condominium over Falklands waters, especially in
4 the light of our publicly avowed preference for a multilateral
5 arrangement albeit for the SW Atlantic as a whole. Subject to
6 this major reservation, we are prepared to explore what chance
7 the Argentine proposals offer for progress. Our reply is
8 designed to be encouraging but invites the Argentines to declare
9 their hand.
10 3. In handing this text to the Americans you should say:
11 (a) We welcome the Argentine initiative:
12 (b) We are determined to do all we can to ensure it
13 bears fruit:
14 (c) Neither they nor the Argentines should under-
15 estimate the difficulties:
16 (d) Given the difficulties, we see a need for the
17 greatest caution:
18 (e) Another failure would be likely at this stage to
19 be even more damaging than Berne and to re-inforce
20 the existing deadlock:
21 (f) The Argentine proposal for agreement on a limited
22 agenda, preceded by an agreed statement to the effect
23 that discussions are without prejudice to questions
24 of sovereignty, seems to reflect a prudent concern to
25 reduce the risk of failure. We welcome it:
26 (g) However, we believe a further prior step is necessary,
27 namely to achieve absolute clarity on what the basis
28 for an understanding on fish might be:
29 (h) Assuming agreement can be reached on that, we would
30 look forward to carrying the process further through
31 direct talks without discussion of sovereignty:
32 (i) We are grateful for the constructive role the Americans
33 have played so far and hope that they will be ready to
34 continue it until such time as direct talks with the

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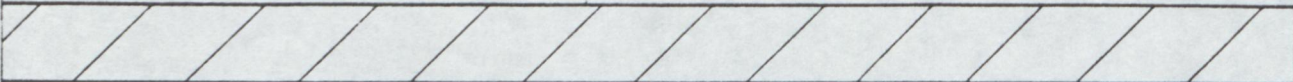
1 <<<<
2 Argentines can start.
3 4. See my two FTs.
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5 HOWE
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10 FALKLAND ISLANDS - ARGENTINE
11 PROPOSALS
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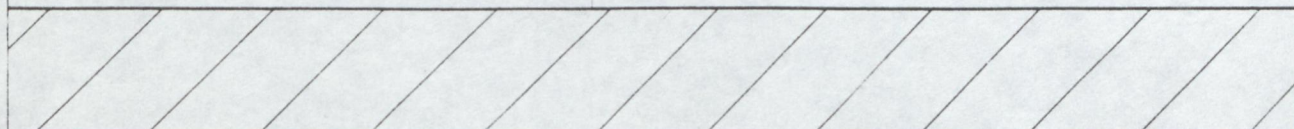


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1 <<<<
2 would wish the Argentine Government also to accept. An annotated
3 version of the Argentine text is attached.
4 4. The British Government also believe that it is essential to
5 establish at the outset the basis on which they approach the
6 central issue, fisheries, in order to avoid misunderstandings
7 which might lead to intensification rather than resolution of the
8 existing deadlock. Accordingly, they consider it appropriate at
9 this stage to outline the considerations governing their approach
10 to an understanding on fisheries.
11 5. a) The South-West Atlantic is a rich fishery and in recent
12 years has been the object of a rapidly increasing fishing
13 effort. Without adequate conservation arrangements this
14 valuable and perishable resource would be exposed to an
15 increasing threat, with negative consequences not only for
16 the regional habitat but also for those concerned with the
17 exploitation of the fishery. Conservation measures already
18 in force have brought about a substantial reduction in
19 fishing effort. But however effective particular measures
20 may be, unless they are designed to take into account the
21 needs of the region as a whole, they will not be fully
22 adequate. This underlines the need for the coordination of
23 British and Argentine conservation measures. Cooperation in
24 this area would be in keeping with normal international
25 practice.
26 b) The British Government therefore welcome the Argentine
27 proposal for a coordinated approach and will be ready to
28 consider measures to ensure that their conservation
29 arrangements are complementary and thus supportive of the
30 requirements of the region as a whole.
31 c) In the current fishing season, notwithstanding the
32 concentration of fishing vessels representing various flag
33 states, there have been no incidents. But the presence of a
34 large number of fishing vessels from a variety of fleets and

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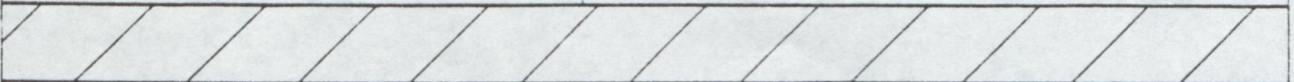
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1 <<<<
2 the existence of a substantial fishery in the adjacent
3 waters of the high seas, together with the mobility of the
4 stocks, means that the risk of misunderstandings is ever
5 present, not least from opportunistic fishing by unlicensed
6 fishermen in waters currently not subject to control. The
7 best safeguard against such misunderstandings would be some
8 agreement between the two governments on appropriate
9 procedures.
10 d) The British Government's position is that fishing in
11 Patagonian and Falklands waters is regulated by two separate
12 regimes with separate jurisdictional rights and that an
13 effective understanding on fisheries coordination and
14 avoidance of incidents would need to take full account of
15 their declaration of 29 October 1986.
16 6. The British Government confirm that they are ready to
17 proceed on the above basis. They believe that this offers the
18 best chance of success, to the benefit of both governments and of
19 Anglo/Argentine relations, which it has long been the British
20 Government's aim to improve by making progress on practical
21 issues. They would be grateful to know if the Argentine
22 Government are also ready to proceed on this basis.
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24 HOWE
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27 YYYY
28 MAIN
29 FALKLAND ISLANDS - ARGENTINE
30 PROPOSALS
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