

CONFIDENTIAL



TK  
SAM(57)  
cc PC

10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

15 January 1989

Dear Stephen,

**CONTACTS WITH ARGENTINA**

The Prime Minister has seen your letter of 13 January with the Foreign Secretary's advice that we should tell the Americans that we are prepared to meet the Argentines at technical level to see if an agenda for fishery talks can be agreed.

The Prime Minister takes the view that we have repeatedly pressed the Argentines for clear and explicit assurances not to raise sovereignty and to accept the Falklands Islands Conservation zone as a fact of life, but they have consistently failed to give them. In the circumstances it would be wrong to embark on the slippery slope by agreeing even to limited talks before the Argentines have fulfilled our conditions. That will only create misunderstanding and an impression that we are prepared to fudge the issue.

The Foreign Secretary may wish to discuss this with the Prime Minister at his bilateral this week.

Yours sincerely,

CHARLES POWELL

J S Wall Esq  
Foreign and Commonwealth Office

CONFIDENTIAL

*cap*



Foreign and Commonwealth Office

London SW1A 2AH

13 January 1989

Dear Charles,

*We are not going to  
embark on what will be a slippery*

*slope. We seek clear  
assurances. They must give them*

Contacts with Argentina

My letter of 19 December <sup>Acip P142</sup> reported on Sir Crispin Tickell's meeting in New York with Dr Dante Caputo. I said that there appeared to have been some shift in the Argentine position on the fisheries exchanges and that, by requiring that assurances be made to the Americans, we should be able to test Argentine sincerity before a third party. In your letter of 20 December, you recorded the Prime Minister's suspicion of the Argentine approach and her view that we should proceed very cautiously.

The Foreign Secretary has received the enclosed message from George Shultz, reporting on a meeting with Caputo on 21 December - before Shultz had received the letter which the Foreign Secretary sent commenting on the Caputo/Tickell meeting. During the course of the meeting, Caputo asked Shultz to transmit President Alfonsin's assurances on the two points we had raised.

The Argentine replies still fall short of the clarity we have been seeking. The Foreign Secretary believes we should now tell the Americans that:-

- the Argentines' <sup>have not given clear assurances</sup> assurances ~~continue to lack the~~ clarity we have sought;
- we note, however, Mr Shultz's belief that the Argentine response genuinely intends to meet our requirements;
- on that basis, we are prepared to meet the Argentines at technical level to see if an agenda for fishery talks can be agreed. But the agenda must of course exclude sovereignty.

*No*

/This



This approach will allow us to test Argentine intentions but would not commit us to substantive talks if a technical agenda, which would clearly exclude the sovereignty issue and which is based on the acceptance of two fishery jurisdictions, cannot be agreed. FCO Legal Advisers confirm that entering into talks on this basis would not prejudice our legal position. The Foreign Secretary shares the Prime Minister's belief in the need to proceed very cautiously. Given the slow pace of these exchanges they may be overtaken by the Argentine Presidential elections in May where the erratic Peronist Carlos Menem is still the front runner. But he believes we must do our utmost to ensure that the Americans remain onside, particularly so that we can continue to count on their cooperation on the key issue of the supply of arms.

I am copying this letter to the Private Secretaries to other members of OD(FAF) and to Sir Robin Butler.

Yours,  
Stephen Wall

(J S Wall)  
Private Secretary

C D Powell Esq  
PS/No 10 Downing Street

CONFIDENTIAL

December 22, 1988

Dear Geoffrey:

Thank you very much for ensuring that I received a prompt readout of the meeting between Foreign Minister Caputo and Sir Crispin Tickell. On December 21, Minister Caputo and Director General Garcia del Solar met with me to discuss the situation in Argentina and to provide me with their readout of the meeting. Caputo asked me to transmit to you President Alfonsin's response to your request for assurances in order for HMG to initiate direct talks, under a sovereignty disclaimer, on conservation of fisheries and the avoidance of incidents in the South Atlantic. Caputo said that Sir Crispin had specifically requested that these assurances be transmitted through me to you.

With regard to the assurance you sought that Argentina not raise the issue of sovereignty in these talks, to add further weight to the information I passed to you after my visit to Buenos Aires in August, Caputo last night stressed that Alfonsin had once again stated that "we are people of good faith and there will be no surprises."

With regard to the second assurance sought by HMG that Argentina accept the Falkland Islands Conservation Zone as a fact of life, Caputo said that Alfonsin had objected to the term "fact of life" because its connotation in the Spanish language is so strong and final. Nonetheless, Alfonsin stated, "yes, you (the British) are there. We do not enter the zone, and our people have instructions not to enter."

Caputo then noted that if these two Argentine responses are real, together they should provide ample assurance of the seriousness with which his government views the prospects of opening talks with HMG.

Caputo characterized the atmosphere of his meeting with Sir Crispin as "excellent, very positive." He saw it as a confidence building event that, together with the assurances that he was transmitting, should finally permit the beginning of direct Anglo-Argentine talks. In addition, Caputo commented that the first meeting between the two sides, in his view, would be reserved for setting the agenda for future meetings.

The Rt. Hon. Sir Geoffrey Howe, Q.C., M.P.,  
Secretary of State for Foreign and  
Commonwealth Affairs,  
Foreign and Commonwealth Office,  
London, S.W.1.

CONFIDENTIAL

CONFIDENTIAL

I would be happy to transmit back to Caputo any response you have.

Warm regards,

Sincerely yours,

/s/

George

CONFIDENTIAL

ARGENTINA - Relations PT43



PRIME MINISTER

CONTACTS WITH ARGENTINA

The attached Foreign and Commonwealth Office letter records the latest steps in the minuet being danced round contacts with Argentina. In short:

- the Argentinians have not yet given the absolutely clear assurances we seek that sovereignty will not be raised;
- but the Americans continue to press us to move forward and we have a very strong interest in keeping them loyal to us on the question of arms supplies to Argentina;
- the Foreign Secretary therefore suggests that we agree to meet the Argentinians at technical level, to see if an agenda for fishery talks can be agreed which excludes sovereignty.

This would stop short of substantive talks and is, I think, just about alright. But the point will come when we - or rather you - will have to say not a step further until the Argentinians give the absolutely explicit assurances we want. But for now, the important thing is not to be wrong-footed with the Americans just at the time of a change of Administration.

Agree to the Foreign Secretary's proposal?

C.D.P.

C. D. POWELL

13 January 1989

DASASY