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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

21 June 1989

Dear Stephen,

ARGENTINA

Thank you for your letter of 20 June about the message which the Foreign Secretary intends to send to Secretary Baker about Argentina. The Prime Minister has commented that this ought to be looked at again in the light of the more recent report of Argentina's intentions which is carried in the current Weekly Digest of Intelligence. If we place credence on that report, then the proposed message could appear rather heavy-handed. This points to more careful formulation of the first and second sub-paragraphs of your outline. Subject to that, I think the Prime Minister would be content for a message to go.

I am copying this letter to Brian Hawtin (Ministry of Defence) and Trevor Woolley (Cabinet Office).

C. D. Powell
(C. D. POWELL)

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

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① *cell*



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

Office in

20 June 1989

*General but
Charles Pank*

*Agree that this
message should go?*

Dear Charles,

*(I have asked separately for could
an OD discussion of the need be
threat for Argentina under put
Menem, e possible implications)*

Argentina

When the Prime Minister saw President Bush on 1 June, she referred to the need to warn the Argentine President Elect, Carlos Menem, to avoid rash or provocative action. The Foreign Secretary mentioned this in his minute to the Defence Secretary of 16 June (copied to OD members). It is important to give Menem clear warning before he takes office in July; and this can best be done through the Americans. If thereafter Menem resorts to extreme action, a firm response will be all the more justifiable.

The Foreign Secretary now intends to write to the US Secretary of State asking him to pass a message to Menem in the following terms:

- we have noted statements by the President Elect which appear to threaten an increase in tension, and others which commit him to pursue Argentina's claim peacefully;
- there should be in no doubt that we will respond promptly and firmly to any actions by Argentina against British interests wherever they may be;
- we shall honour our obligations to the Falkland Islanders. But we should also like to see normalisation of relations with Argentina. Progress on this can, however, only be made if neither side introduce the intractable issue of sovereignty;
- we would like to think that the new Government of Argentina will be equally ready to reduce tensions in the region, and will want to pursue, in the same constructive spirit, steps to achieve more normal relations between Britain and Argentina;
- our proposals to the Government of President Alfonsin on practical issues affecting bilateral relations remain open. These cover trade, communications and fisheries. The proposal, subject to certain assurances, for direct talks on fishery conservation in the South Atlantic offers an immediate opportunity to make early progress on an issue of importance to both sides.

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*can
this be
redrafted*

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agreed

agreed

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A message in these terms could get our warning across to Menem. It should also help keep the Americans on side. We need to do this, not least because they are the leading potential supplier of arms. Whatever their own misgivings on Menem, they will be anxious to give him the benefit of the doubt.

The Foreign Secretary will also stress our wish to keep in close touch with the US over developments in Argentina and to ensure that they are fully briefed on any significant developments over the Falklands. We know that the Americans are already watching closely to see whether we plan to extend the FICZ following a report on conservation of squid stocks due next month. In the meantime, it makes sense to enlist their help in keeping Menem on a responsible path.

I am copying this letter to Brian Hawtin (MOD) and Trevor Woolley (Cabinet Office).

*Yours,
Stephen Wall*

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

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