



cc O.D.(S)
Woolley

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

10 August 1989

Dear Richard,

RELATIONS WITH ARGENTINA

Thank you for your letter of 7 August to Caroline Slocock, which the Prime Minister has seen. She is content with the action proposed.

I am copying this letter to Private Secretaries to members of OD and to Trevor Woolley (Cabinet Office).

*Yan,
PGL*

PAUL GRAY

Richard Gozney, Esq.,
Foreign and Commonwealth Office

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GLT



10 DOWNING STREET

Prime Minister

I would like to get
the Fro has your
response to the attached,
which you saw in
an earlier box.

Are you content with
what is proposed?

Ans

9/8

Yes no

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Foreign and Commonwealth Office

London SW1A 2AH

7 August 1989

Jean Cardine,

Relations with Argentina

As agreed by OD on 27 July, we have arranged for Sir Crispin Tickell to meet an Argentine Foreign Ministry official, Senor Garcia del Solar, in New York on 16 August. He will explore the possibility of a more substantive meeting in the near future, to discuss ways of achieving more normal relations without including the issue of sovereignty.

The Foreign Secretary will send Sir Crispin detailed instructions. He proposes these should cover the ground rules as follows:

- The objective is to achieve demonstrable progress towards a more normal bilateral relationship, concentrating on practical matters of mutual interest.
- The basis of any substantive meeting must be that sovereignty will be put firmly on one side and not be raised. We must have a clear and explicit assurance on this, in advance.
- We believe the formula agreed with the Alfonsin Government and recently transmitted to the new Government via the Brazilians (copy enclosed) would fully protect our position in relation to Falklands-related issues (eg. fisheries questions); we hope the Argentine Government will now confirm they accept it.
- We will not be able to discuss fisheries matters without clear assurances that the Argentine Government accept the sovereignty formula and agree not to use these discussions to challenge the existence of the FICZ (or to raise the sovereignty issue): these are the same conditions we sought via the US from Alfonsin.

/As

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As far as the agenda is concerned, the Foreign Secretary proposes that Sir Crispin should put forward the following outline, starting with bilateral matters:

- Introductory statements (possibly preceded by a private meeting between heads of delegation to ensure mutual understanding on ground rules).
- Confirmation of agreement on the sovereignty formula.
- British-Argentine relations, covering trade, financial relations, shipping and civil aviation matters, cultural relations, the future of diplomatic and consular relations and other bilateral matters.

The agenda could go on to include strictly defined South Atlantic matters: measures to increase confidence and avoid incidents in the military sphere, a possible next-of-kin visit to the Argentine cemetery on the Islands, fishery conservation and Falkland/mainland contacts.

On practical arrangements Sir Crispin should make clear:

- We want to move quickly, to take advantage of apparent Argentine co-operativeness while it lasts; this suggests substantive discussions no later than mid October.
- We can be flexible over location, but a European capital (eg. Rome) would be best; we must avoid Berne with its unfortunate history; New York would risk associating talks too closely with the UN.

Sir Crispin will have firmly to disabuse the Argentines of any expectations that we may lift the FIPZ following the substantive meeting. But he could indicate that, if the talks led to a suitable climate of confidence we would be ready to examine whether the degree of security the FIPZ provides could be guaranteed in any other way. He will stress that any discussion of fisheries conservation will have to be modest and at least to begin with, confined to technical exchanges and be subject to the caveats I have set out above.

We also hope that the Argentines will agree to pragmatic steps to improve contacts between us at the meeting on 16 August, and provide a tangible albeit modest result. Subject to your reply to my letter of 7 August we

/hope

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hope to propose to them that our respective Interests Sections should have direct communications, direct access to government Ministries and no longer be subject to ceilings on staff.

Press interest will inevitably be intense. The Argentines have promised there will be no leaks from their side, but all previous experience suggests there will. We have agreed a short press statement (attached) with the Argentines, which they want to issue as late as possible. We may have to issue it earlier if speculation becomes too strong. The Foreign Secretary believes it would be highly desirable to issue a joint statement as soon as Sir Crispin's talks are concluded. I enclose a draft text which could form part of his instructions.

I am copying this to the Private Secretaries of other members of OD and Trevor Woolley (Cabinet Office).

Yours sincerely,

A handwritten signature in blue ink, which appears to read 'Richard Gozney'. The signature is fluid and cursive, with a long horizontal stroke at the end.

(R H T Gozney)
Private Secretary

Miss Caroline Slocock
10 Downing Street

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ANGLO-ARGENTINE RELATIONS

TEXT OF THE ARRANGEMENT REGARDING THE QUESTION OF
SOVEREIGNTY (AGREED WITH THE ALFONSIN GOVERNMENT)

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

(A) A change in the position of the United Kingdom with regard to sovereignty or territorial and maritime jurisdiction over the Falkland Islands and the surrounding maritime areas:

(B) A change in the position of the Argentine Republic with regard to sovereignty or territorial and maritime jurisdiction over the Falkland Islands and the surrounding maritime areas:

(C) Recognition of or support for the position of the United Kingdom or the Argentine republic with regard to sovereignty or territorial and maritime jurisdiction over the Falkland Islands and the surrounding maritime areas.

2. No act or activity carried out as a consequence and in implementation of anything agreed to in the present meeting may constitute a basis for affirming, supporting, or denying the position of the United Kingdom or the Argentine republic regarding the sovereignty or territorial and maritime jurisdiction over the Falkland Islands and the surrounding maritime areas.

TEXT OF PRESS RELEASE: MEETING ON 16 AUGUST

It has been agreed that a meeting will be held in New York on 16 August, at a time convenient to both sides, between the United Kingdom's permanent representative to the United Nations, Sir Crispin Tickell, and the Director-General of the Argentine MFA, Sr Garcia del Solar, representing the Government of Argentina.

This meeting, which will be without prejudice to the sovereignty position of either side, will seek to establish the conditions and agenda for direct talks between the UK and Argentina.

ANNEX B

SECURITY CLASSIFICATION

Top Secret

Secret

Confidential

Restricted

Unclassified

PRIVACY MARKING

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In Confidence

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[ON CONCLUSION OF BRITISH-ARGENTINE TALKS IN NEW YORK]

The British Permanent Representative to the United Nations, Sir Crispin Tickell and the Director-General of the Argentine Foreign Ministry, Sr Garcia del Solar met in New York on .. August to discuss the timing, agenda and conditions for a later substantive meeting between representatives of the two countries.

It was agreed that this meeting would take place in on .. October and would cover the following subjects:

Relations between the United Kingdom and Argentina (including trade, financial questions, communications links, cultural relations and the future of diplomatic and consular relations).

South Atlantic matters (including measures to build confidence and avoid incidents; possible visits to the Argentine Military Cemetery in the Falklands; fishery conservation and future co-operation on fisheries and contacts between the Falkland Islands and South America).

dt2agv

/...

It was agreed that where questions which affected the sovereignty of the Falkland Islands were raised, discussion would take place under the terms of a formula on sovereignty to protect the position of each side.

? See Note
[Both sides noted the forthcoming meeting between Foreign Ministers of the Group of Eight and the European Community in New York on 27 September and agreed that a separate meeting should be held in New York between the Foreign Ministers of the United Kingdom and Argentina to discuss the outcome of this present meeting and the prospects for the substantive meeting planned in October.]

In order to stress their commitment to the improvement of relations and to facilitate arrangements to this end, both sides agreed to implement (subject to the agreement of their protecting powers) a package of new measures to improve diplomatic contacts and communications. In particular they undertook to:

(i) Offer access to the Interests Sections of the other party for discussion of administrative matters with Foreign Ministries (up to the level of Head of Department).

/(ii)

SECURITY CLASSIFICATION

- Top Secret
- Secret
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- Unclassified

PRIVACY MARKING

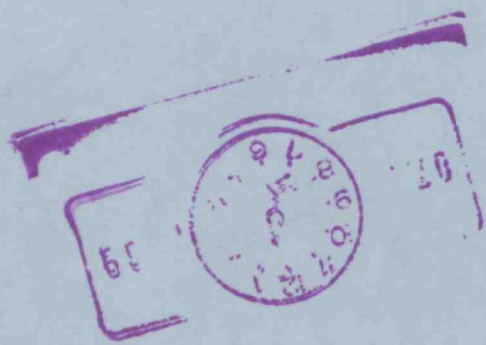
.....
In Confidence

(ii) Lift restrictions on direct communications between Interest Sections and capitals. This would permit the resumption of confidential bag services and the installation of secure telecommunications.

(iii) Lift the limits on the numbers of diplomatic and support staff permitted to Interests Sections.

The Representatives of the United Kingdom and Argentina stressed the intention of their respective Governments to use the present opportunity to permit the normalisation of relations and the furtherance of their mutual interest in peace and stability in the South Atlantic.







Foreign and Commonwealth Office

London SW1A 2AH

*Prime Minister**Are you content with what is proposed?*

7 August 1989

*CAS 7/8**Dear Caroline,**Yes - agreed not***Relations with Argentina: Direct Communications**

Following discussion in OD on 27 July, ^{below} we are arranging for Sir Crispin Tickell to meet a senior Argentine official in New York later this month to see whether it will be possible to work out acceptable ground rules for subsequent direct talks. I will write shortly with the Foreign Secretary's proposals for the line Sir Crispin should be authorised to take.

Meanwhile there is one issue that we need to agree more rapidly in advance. We believe that it would be well worth using the meeting to try and secure agreement that our interests section in Buenos Aires should be allowed their own direct secure communications.

It would make our vital intelligence operations much easier; they have been seriously handicapped since 1982 by the fact that our only secure communications with Buenos Aires are via our protecting power, the Swiss.

We have long sought a way to restore direct secure links of our own. It would be worth taking advantage of the opportunity which Sir Crispin Tickell's meeting provides. It is not unusual for interest sections to have direct communications and direct access; the US have enjoyed both in Havana for many years.

The installation of secure links could be combined with two other measures to improve the working roles of interest sections:

(i) removing ceilings on numbers - this is primarily necessary to enable us to man a secure system - at present we are confined to four diplomats and two support staff. But we may also wish to post commercial staff to Buenos Aires now that the restrictions on our exports have been lifted;

(ii) allowing interest sections direct access at official level to Foreign Ministries. The Prime Minister agreed that we should put this proposal to the Americans last May and again in July. In the new atmosphere it could prove interesting to the Argentines.



With these measures we should have a small but worthwhile package to emerge from this first meeting. It would be a tangible sign that both governments are serious in wanting to do practical business together, and that progress is possible without any shift in our position on sovereignty.

If we are to have a chance of securing Argentine agreement at this meeting we will, however, need to give them some warning, and not spring it on them. We will also need to let the Swiss know in advance.

The Foreign Secretary therefore proposes to authorise Sir Crispin to mention this proposal to his Argentine counterpart (with whom he is arranging the details of the meeting later this month) later this week, and to arrange for the Swiss to be briefed too.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Richard Gozney', with a long, sweeping tail.

(R H T Gozney)
Private Secretary

Miss Caroline Slocock
10 Downing Street

