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MADRID: 19 OCTOBER 1989

1. DELEGATIONS OF THE BRITISH AND ARGENTINE GOVERNMENTS MET IN
MADRID FROM 17 TO 19 OCTOBER 1989. THE BRITISH DELEGATION WAS LED BY
SIR CRISPIN TICKELL, UNITED KINGDOM PERMANENT REPRESENTATIVE TO THE
UNITED NATIONS, AND THE ARGENTINE DELEGATION BY AMBASSADOR LUCIO
GARCIA DEL SOLAR, SPECIAL REPRESENTATIVE OF THE GOVERNMENT OF
ARGENTINA. THE PURPOSE OF THEIR MEETING WAS TO DISCUSS THE
TOPICS AGREED AT THEIR FIRST MEETING IN NEW YORK IN AUGUST:

VIZ INTRODUCTORY STATEMENTS (1) (11) FORUMLA ON SOVEREIGNTY (111) ORGANISATION OF WORK (IV) BRITISH/ARGENTINE RELATIONS (INCLUDING THE FUTURE OF DIPLOMATIC AND CONSULAR RELATIONS): (A) MEASURES TO BUILD CONFIDENCE AND AVOID INCIDENTS IN THE MILITARY SPHERE (B) TRADE AND FINANCIAL RELATIONS (C) COMMUNICATIONS LINKS: AIR AND SEA (D) FISHERY CONSERVATION AND FUTURE CO_OPERATION ON FISHERIES (E) CONTACTS BETWEEN THE FALKLAND ISLANDS AND THE CONTINENTAL MAINLAND (F) CULTURAL, SCIENTIFIC AND SPORTING RELATIONS (G) OTHER BILATERAL MATTERS. BOTH GOVERNMENTS AGREED THAT: (1) NOTHING IN THE CONDUCT OR CONTENT OF THE PRESENT MEETING OR OF ANY SIMILAR SUBSEQUENT MEETINGS SHALL 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, SOUTH GEORGIA AND THE SOUTH SANDWICH 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. SOUTH GEORGIA AND THE SOUTH SANDWICH 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, SOUTH GEORGIA AND THE SOUTH SANDWICH ISLANDS AND THE SURROUNDING MARITIME AREAS.

- (2) NO ACT OR ACTIVITY CARRIED OUT BY THE UNITED KINGDOM, THE ARGENTINE REPUBLIC OR THIRD PARTIES AS A CONSEQUENCE AND IN IMPLEMENTATION OF ANYTHING AGREED TO IN THE PRESENT MEETING OR IN ANY SIMILAR SUBSEQUENT MEETINGS SHALL 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, SOUTH GEORGIA AND THE SOUTH SANDWICH ISLANDS AND THE SURROUNDING MARITIME AREAS.
- 3. THE TWO GOVERNMENTS CONFIRMED THEIR COMMITMENT TO RESPECT FULLY THE PRINCIPLES OF THE CHARTER OF THE UNITED NATIONS, IN PARTICULAR:
- THE OBLIGATION TO SETTLE DISPUTES EXCLUSIVELY BY PEACEFUL MEANS:
- _ THE OBLIGATION TO REFRAIN FROM THE THREAT OR USE OF FORCE.

THE TWO GOVERNMENTS NOTED THAT ALL HOSTILITIES BETWEEN THEM HAD CEASED. EACH GOVERNMENT UNDERTOOK NOT TO PURSUE ANY CLAIM AGAINST THE OTHER, INCLUDING NATIONALS OF THE OTHER, IN RESPECT OF LOSS OR DAMAGE ARISING FROM THE HOSTILITIES AND ALL OTHER ACTIONS IN AND AROUND THE FALKLAND, ISLANDS, SOUTH GEORGIA AND THE SOUTH SANDWICH ISLANDS BEFORE 1989.

^{4.} BOTH GOVERNMENTS AGREED, FOLLOWING NOTIFICATION OF THE TWO
PROTECTING POWERS .. TO RE_EASTABLISH CONSULAR RELATIONS AT THE LEVEL
OF CONSUL GENERAL.

^{5.} BOTH GOVERNMENTS REAFFIRMED THEIR WISH TO NORMALISE RELATIONS
BETWEEN THEIR TWO COUNTRIES WITH A VIEW TO RESUMING DIPLOMATIC
RELATIONS, AND AGREED TO INCLUDE THE QUESTION OF DIPLOMATIC
RELATIONS ON THE AGENDA FOR THEIR NEXT MEETING.

- 6. THE DELEGATIONS EXCHANGED VIEWS AND PROPOSALS ABOUT MEASURES TO BUILD CONFIDENCE AND AVOID INCIDENTS IN THE MILITARY SPHERE. AS A RESULT OF THESE EXCHANGES, THEY AGREED TO SET UP A WORKING GROUP TO CONSIDER THESE VIEWS AND PROPOSALS, AND TO REPORT TO THEIR RESPECTIVE GOVERNMENTS WITH THE AIM OF PURSUING THE ISSUE AT THE NEXT SUBSTANTIVE MEETING.
- 7. EACH DELEGATION AFFIRMED THE WISH OF ITS GOVERNMENT TO PROMOTE COMMERCIAL AND FINANCIAL RELATIONS. BOTH GOVERNMENTS AGREED TO LIFT ALL REMAINING RESTRICTIONS AND RESTRICTIVE PRACTICES IMPOSED SINCE 1982. IN THE LIGHT OF THIS AGREEMENT, THE BRITISH GOVERNMENT AGREED TO FACILITATE THE ESTABLISHMENT OF COOPERATIVE LINKS BETWEEN ARGENTINA AND THE EUROPEAN COMMUNITY.
- 8. THE BRITISH DELEGATION ANNOUNCED THAT THE EXPORT CREDIT GUARANTEE DEPARTMENT WOULD MAKE AVAILABLE SHORT_TERM COVER, FOR BRITISH EXPORTERS TO ARGENTINA UNDER IRREVOCABLE LETTERS OF CREDIT FROM ARGENTINE BANKS. THE BRITISH DELEGATION ALSO ANNOUNCED THAT A TRADE MISSION ORGANISED BY THE LATIN AMERICAN TRADE ADVISORY GROUP OF THE BRITISH OVERSEAS TRADE BOARD WOULD VISIT ARGENTINA FROM 27 NOVEMBER TO 1 DECEMBER 1989 WITH THE FINANCIAL SUPPORT OF THE DEPARTMENT OF TRADE AND INDUSTRY. THE ARGENTINE DELEGATION WELCOMED THIS PROPOSED VISIT.
- 9. BOTH GOVERNMENTS AGREED TO THE RESUMPTION OF AIR AND MARITIME COMMUNCATIONS BETWEEN THE TWO COUNTRIES. THEY WILL INVITE THEIR RESPECTIVE CLIVIL AVIATION AUTHORITIES TO OPEN APPROPRIATE NEGOTIATIONS.
- 10. AS REGARDS FISHERIES, BOTH DELEGATIONS PUT FORWARD THEIR RESPECTIVE POSITIONS. THEY AGREED TO STUDY THE QUESTION IN GREATER DEPTH WITH A VIEW TO MAKING PROPOSALS AT A FUTURE MEETING FOR THE EXCHANGE OF INFORMATION AND MEASURES OF COOPERATION.

11. THE TWO DELEGATIONS EXCHANGED VIEWS ON CONTACTS BETWEEN THE FALKLAND ISLANDS AND THE CONTINENTAL MAINLAND, AND AGREED ON THE BENEF ! T OF DEVELOPING SUCH LINKS AND TO KEEP THE MATTER UNDER REVIEW 12. BOTH DELEGATIONS EXPRESSED THEIR SUPPORT FOR THE CULTURAL. SCIENTIFIC AND SPORTING RELATIONS WHICH ALREADY EXISTED AND LOOKED FORWARD TO THEIR FURTHER DEVELOPMENT. THEY EXPRESSED THEIR HOPE THAT AS NORMALISATION ADVANCED MORE FORMAL RELATIONS IN THESE FIELDS WOULD BE RESUMED FOR EXAMPLE THROUGH A NEW CUTURAL AGREEMENT 13. IT WAS AGREED THAT BOTH GOVERNMENTS WOULD JOINTLY SEND THE TEXT OF THE PRESENT STATEMENT TO THE SECRETARY GENERAL OF THE UNITED NATIONS FOR DISTRIBUTION AS AN OFFICIAL DOCUMENT OF THE GENERAL ASSEMBLY UNDER ITEM 35 OF THE AGENDA OF THE CURRENT SESSION, AND OF THE SECURITY COUNCIL. THE UNITED KINGDOM WILL TRANSMIT THIS JOINT STATEMENT TO THE COMMISSION OF THE EUROPEAN COMMUNITY. AND, FOR ITS PART THE REPUBLIC OF ARGENTINA, WILL DO LIKEWISE TO THE ORGANISATION OF AMERICAN STATES 14. BOTH DELEGATIONS AGREED TO HOLD, THEIR NEXT SUBSTANTIVE MEETING IN MADRID ON 14 AND 15 FEBRUARY 1990. 15. IN CONCLUSION BOTH DELEGATIONS EXPRESSED THEIR THANKS TO THE SPAINISH GOVERNMENT FOR ITS GENEROUS HOSPITALITY AND SUPPORT. MADRID. 19 OCTOBER 1989. GORDON LENNOX YYYY MCLNAN 5856 NNNN