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FM MADRID  
TO DESKBY 180800Z FCO  
TELNO 970  
OF 180030Z OCTOBER 89  
AND TO DESKBY 180230Z KUALA LUMPUR  
INFO IMMEDIATE BUENOS AIRES, WASHINGTON, UKMIS NEW YORK, MODUK  
INFO IMMEDIATE PORT STANLEY, ACTOR

KUALA LUMPUR FOR PS/NO 10, PRIVATE SECRETARY AND HEAD OF NEWS DEPT.  
MODUK FOR HATFIELD SEC(O)(C)

FROM SIR CRISPIN TICKELL  
ANGLO ARGENTINE OFFICIAL TALKS  
17 OCTOBER: GENERAL REPORT

1. AFTER A TWO HOUR PRIVATE MEETING WITH GARCIA DEL SOLAR ON THE EVENING OF 16 OCTOBER, AND BRIEF INTRODUCTORY STATEMENTS, WE WERE ABLE TO COVER THE WHOLE AGENDA IN THE COURSE OF THE DAY. THIS AND MY FIVE IFTS GIVE AN ACCOUNT OF THE DISCUSSIONS, MY SEVENTH IFT GIVES MY COMMENTARY AND OUTLOOK FOR THE REST OF THE TALKS.

SOVEREIGNTY FORMULA

2. THE TEXT AGREED IN NEW YORK, WITH THE SMALL AMENDMENTS ALREADY PUT TO THE ARGENTINES IN FCOL TELNO 112 TO BUENOS AIRES (NOT TO ALL), WAS QUICKLY ACCEPTED. WE AGREED THAT THE FULL TEXT (IN MIFT) WOULD BE INCLUDED IN THE FINAL COMMUNIQUE.

DIPLOMATIC AND CONSULAR RELATIONS

3. GARCIA DEL SOLAR AGRUED STRONGLY FOR EARLY RESUMPTION OF DIPLOMATIC RELATIONS, TO WHICH PRESIDENT MENEM ATTACHED GREAT IMPORTANCE. IT WOULD MAKE IT MUCH EASIER TO TACKLE ALL OUR OUTSTANDING PROBLEMS. THE ARGENTINES DID NOT UNDERSTAND OUR RETICENCE ON THIS ISSUE. I MADE CLEAR THAT WE NEEDED TO REBUILD OUR RELATIONSHIP STEP BY STEP. WE HOPED AT THIS MEETING TO AGREE ON RESUMPTION OF CONSULAR RELATIONS, SUBJECT TO CONSULS BEING GIVEN SOMETHING PRACTICAL TO DO. THIS WOULD NATURALLY FOLLOW LIFTING OF ARGENTINE DISCRIMINATION IN THE TRADE, FINANCE AND TRANSPORT FIELDS.

4. GARCIA DEL SOLAR SAID THE ARGENTINES WOUYLD WANT TO OPEN CONSULATES IN LONDON, AND PROBABLY LIVERPOOL AND HONG KONG AS WELL. CONSULS SHOULD ALREADY HAVE PLENTY TO DO, PARTICULARLY IN ARGENTINA SINCE RESTRICTIONS ON BRITISH EXPORTS HAD BEEN IN LIFTED IN AUGUST. RESUMPTION OF CONSULAR RELATIONS SHOULD HOWEVER BE AGREED ON ITS MERITS WITHOUT LINKAGES. HE PROPOSED WE ANNOUNCE AT THIS MEETING THAT RESUMPTION OF DIPLOMATIC RELATIONS WOULD BE CONSIDERED AT OUR NEXT MEETING. I REMINDED HIM ABOUT THE LINKAGE WITH LIFTING RESTRICTIONS ON TRADE AND FINANCIAL ISSUES. ON DIPLOMATIC RELATIONS I SAID THIS WAS PREMATURE AND WARNED AGAINST RAISING UNDUE EXPECTATIONS AT THIS STAGE.

5. SEE MIFT

GORDON LENNOX

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