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RECORD OF THE SECOND MEETING BETWEEN MINISTER OF STATE AND THE ARGENTINE UNDER-SECRETARY OF FOREIGN AFFAIRS AT THE MINISTRY OF FOREIGN AFFAIRS, BUENOS AIRES, 27 JULY 1979, 11.30 A.M.

1. Those present were the same as for the earlier meeting on 26 July except that Councillor Carlos Tecco of the MFA's International Economic Co-operation Department was also present.
2. Mr Ridley opened on the subject of Vietnamese refugees. He was pleased that the Geneva Conference had gone well and that there had been a large increase in the number of families accepted for resettlement. He was delighted that Argentina had decided to take 1,000 families. Even the Falklands were doing their bit and, although the information was still confidential, had decided to take ten families. A very large number of refugees had landed in Hong Kong and many had not been accepted anywhere. The colony was already over-crowded and if Argentina could take a proportion of their 1,000 families from Hong Kong it would be much appreciated. Comodoro Cavándoli said that Argentina had made the best offer for resettlement of all the South American countries. The offer had the backing of the Argentine people; he had received many calls from Argentines wanting to help with resettlement or offering jobs. But in setting up colonies of new immigrants which might be in the border areas of the country, Argentina had to select the people carefully. If a suitable selection process could be organised a further increase in numbers might well be possible. The MFA were in touch with their Consul-General in Hong Kong and, if maximum help could be given with selecting the refugees, it would be quite possible for a large number of the 1,000 families to come from Hong Kong. He believed that selection in Hong Kong would be easier than elsewhere because better facilities existed there.
3. Mr Ridley was grateful. He knew that the Argentine delegation to the Geneva Conference had spoken with the Governor of Hong Kong, that facilities existed in Hong Kong for finding the most suitable families and was sure that the Governor would be ready to make arrangements. Ambassador Ortiz de Rosas asked about the background of the refugees. Mr Ridley believed they covered all trades including craftsmen, shopkeepers and middle-men. They were mostly of Chinese descent but the number of Vietnamese was substantial. Amongst the refugees in Malaysia they amounted to 40%. Before the exodus finished the total numbers could reach 1 or 2 million.
4. Comodoro Cavándoli understood that the Geneva Conference had looked at the problem in humanitarian terms. It was also necessary to solve the political problem otherwise further reprisals by the Vietnamese in the future could lead to a renewed exodus. Mr Ridley

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believed there had been some condemnation of Vietnam at Geneva. Pressure was best applied through Moscow although, when Mrs Thatcher had raised the problem there with Kosygin, the latter seemed to have dismissed the problem.

5. Ambassador Ortiz de Rosas thought it would be useful to exchange information with the UK about the wider aspects of the problem; within the Non-Aligned movement Argentina could be a moderating influence. Mr Ridley said he would be very pleased if Argentina would do so, and point the finger at Vietnam in the Non-Aligned summit thus focusing the attention of the Non-Aligned movement on this issue rather than issues such as Rhodesia. In their approach the Non-Aligned movement seemed far from non-aligned.

6. Mr Ridley invited Mr Carless to speak on human rights. Mr Carless said that human rights had been discussed by the EEC Heads of Mission with senior members of the Argentine Government including Comodoro Cavándoli. The meetings were useful and frank and at the last meeting the Heads of Mission had noted positive factors and trends, a reduction in the number detained and arrangements in hand for the reception of an OAS mission. Britain fortunately had much fewer individual nationals involved than some other EEC countries. There was only one in prison, Miss Daisy Hobson, who had been convicted and whose case was under judicial review. He was pleased that the review was taking place.

7. Comodoro Cavándoli did not know personally of Miss Hobson's case but hoped that it could be solved quickly. The Argentine Government were very grateful for the British Government's attitude and their understanding of the issue as a whole. The Argentines had to learn to live with the problem and to solve it. Mr Ridley hoped for good news about Daisy Hobson. The lobbyists in Britain would maintain their attitude and he felt he must warn the Argentine Government that there would be criticism in the UK at the proposed improvement in Anglo/Argentine relations.

8. Comodoro Cavándoli said that arrangements were being made for a visit by the Human Rights Commission of the OAS in September. Only the Argentines knew the background to the problem; they must solve it, not because of outside pressures, but for their own sake. The country did not have facilities to handle 5,000 court cases in a few months but great efforts were being made. As a secondary consideration they were well aware of the influence of the problem on their bilateral and multilateral relations. Mr Ridley shared the view that clearing the existing cases were desirable. It would be infinitely easier to improve bilateral relations as the problem was solved. He had noted the progress already made and once Ambassadors were reinstated the greater the progress, the easier would be all bilateral relations including the Falkland Islands and related subjects.

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9. Mr Ridley asked for Argentine views on improving economic relations. Ambassador Ortiz de Rosas believed that there were many possibilities and the affinities between the economic policies of the new government in Britain and the Argentine Government would greatly help. 100 years ago when Argentina was in the midst of difficulties the UK took a great step by establishing the railways. Unfortunately in Argentina, as elsewhere in Latin America, the British presence had fallen in recent years. But Argentina believed that the time had come when economic relations could be revitalised. Mr Ridley said that the greatest importance was attached to economic relations with Latin America. He hoped that the new British Government's policies would permit an improvement in these relations. Over the previous few years Britain had been consuming more of her production than she should. There had not been enough left over for export and thus delivery dates were late and exporters showed a lack of interest. It was interesting that Britain had recently done better abroad in construction contracts or by installing equipment bought elsewhere. The Government's intention was to free resources for export by savage public expenditure cuts. In addition they had removed controls on the export of capital, except for portfolio investments, which opened new possibilities for investment. He was aware of the increasing number of British Trade Missions to Argentina and the London Seminar in May had been successful. He would be happy to see such events repeated.

10. Comodoro Cavándoli said that Argentina had introduced a new investment law two years earlier and was making every effort to increase trade. But in trade relations with Britain the Falkland Islands question would always play a part.

11. Mr Ridley raised the nuclear project. He understood that Argentina might be seeking a general agreement in this field. Britain had much to offer. He knew there was a problem with the Canadians but had already asked that action be taken to avoid a repetition of the problem. If the Canadians and GEC obtained the contract, Britain was ready to help Argentina across the field. Comodoro Cavándoli said that negotiations on the nuclear contract were fairly far forward. The Canadians and GEC were in the running and from his knowledge of the subject he believed the only concern to be about safeguards. The decision rested with the President's Office which was now responsible for the whole subject. Ambassador Ortiz de Rosas confirmed that there was a problem with the Canadians which was causing delay. British abilities were well known and a partnership with Britain could be beneficial. On safeguards public statements by Argentina, for example at the UN, had provided complete security. He believed that a mutually acceptable formula could be found. Eventually Argentina might be in a position to join the Club of London.

12. Mr Ridley was sure that the difficulties could be ironed out in negotiations and accepted the assurances that Argentina did not wish to enter into the production of material for nuclear weapons.

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13. Senor Oliveri López took up Mr Ridley's offer in the previous meeting to talk about the EEC and wondered whether he had been referring to the organisation's relevance to the Falkland Islands negotiations or more generally. Mr Ridley explained that his reference had been in a general sense. Trade matters would be increasingly channelled through the EEC in the future. Did the Argentines have any questions about this? Senor Oliveri Lopez said that the Argentines knew Britain's position in the GSP negotiations and wished for access for the widest possible range of Argentine goods. On the EEC's role in the Falkland Islands negotiations he was pleased to see that Britain's membership of the Community would not affect British competence in the proposed fishing scheme.

14. Discussion followed on the draft communiqué put forward by the Argentines, some amendments were made and the final clearance of the text was left until lunch.

15. Finally Comodoro Cavándoli thanked Mr Ridley for their discussions and expressed the hope that they would meet again soon. Mr Ridley hoped that their meeting would lead to a greater phase of Anglo/Argentine co-operation. He was sorry to have been late returning to Buenos Aires but grateful for the way in which the timetable had been re-arranged.

16. The meeting finished at 1 p.m.

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