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CONFIDENTIAL
FM FCO 151849Z MAY 84
TO IMMEDIATE BERNE
TELEGRAM NUMBER 85 OF 15 MAY
RELATIONS WITH ARGENTINA

A.s. C. 16/5.

- 1. I HAVE CONSIDERED CAREFULLY RECENT DEVELOPMENTS INCLUDING THE SWISS INVITATION FOR TALKS IN BERNE BETWEEN ARGENTINE AND BRITISH REPRESENTATIVES (YOUR TELNOS 159 AND 160). MIFT CONTAINS THE TEXT OF A SPEAKING NOTE WHICH YOU SHOULD HAND OVER TO THE SWISS FOR TRANSMISSION TO THE ARGENTINE AUTHORITIES. THIS TELEGRAM SETS OUT THE POINTS WHICH YOU SHOULD MAKE TO THE SWISS IN CONVEYING OUR RESPONSE.
- 2. YOU SHOULD ASK THE SWISS TO EMPHASISE ONCE MORE IN COMMUNICATING THE SPEAKING NOTE TO THE ARGENTINES THE POSITIVE-NATURE OF OUR PROPOSAL FOR STATEMENTS ON SOVEREIGNTY BEFORE THE TALKS AND SEPARATE FROM THEM. AS THEY SHOULD MAKE PLAIN, WE ARE NOT (NOT) PREPARED TO DISCUSS SOVEREIGNTY AT ANY STAGE IN ANY SERIES OF TALKS THAT TAKE PLACE, AND IF THE ARGENTINES PERSISTED IN RAISING THE SUBJECT, THE TALKS WOULD CEASE. WE COULD NOT (NOT) THEREFORE ACCEPT THAT ANY TALKS SHOULD BE HELD EXPLICITLY WITHOUT PRECONDITIONS. OUR PROPOSAL IS SPECIFICALLY DESIGNED TO ASSIST IN THE FULFILMENT OF THE JOINT OBJECTIVE THAT THE TALKS WE ENVISAGE ON THE NORMALISATION OF RELATIONS BETWEEN BRITAIN AND ARGENTINE SHOULD ACTUALLY GET UNDER WAY WITH A REASONABLE CHANCE OF CONTINUING, AS BOTH SIDES WOULD WISH. OUR APPROACH IS, IN EFFECT, A DEVELOPMENT OF CAPUTO'S EARLIER SUGGESTION OF AN EXCHANGE OF STATEMENTS ABOUT SOVEREIGNTY IN THE COURSE OF, BUT AT THE START OF, THE TALKS THEMSELVES.
- 3. OUR PROPOSAL FOR A SEPARATE AND DISTINCT SET OF STATEMENTS IS INTENDED TO ACCOMMODATE THE ARGENTINE POLITICAL NEED TO SAY THAT THIS ISSUE HAD BEEN RAISED BUT TO DO SO IN A FASHION BEST DESIGNED TO PREVENT THE ISSUE BLOCKING THE CHANCE OF PROGRESS ON OTHER QUESTIONS. IT IS VITAL THAT THE ARGENTINES SHOULD

UNDERSTAND WHAT WE ARE PROPOSING AND WHY: AMBIGUITY IN THIS AREA WILL ONLY INCREASE THE RISK OF A BREAKDOWN IN THE TALKS ONCE THEY HAVE BEGUN. THAT IS IN THE INTEREST OF NEITHER SIDE.

- 4. AS REGARDS THE TEXT OF THE DRAFT INVITATION FROM THE SWISS

 (YOUR TELNO 160), I NOTE THAT THE SWISS ENVISAGE AN APPROACH IN
 WHICH THE FIRST PHASE WOULD BE A MEETING BETWEEN AMBASSADORS TO
 IDENTIFY RESPECTIVE POSITIONS AND ESTABLISH WHETHER IN A SECOND
 PHASE, PERHAPS AT A DIFFERENT LEVEL, DISCUSSIONS OR EVEN
 NEGOTIATIONS MIGHT TAKE PLACE. TO AVOID ANY POSSIBLE
 MISUNDERSTANDING, YOU SHOULD EMPHASISE THAT WE SEE NO DISTINCTION
 BETWEEN SUCH PHASES AS REGARDS THE TREATMENT OF SOVEREIGNTY.
 FOR THIS REASON, WE WOULD PREFER THE SWISS NOT TO SEEK TO MAKE A
 DISTINCTION BETWEEN PHASES ON THE LINES OF THEIR PRESENT DRAFT
 WHICH WOULD MEAN THEIR DELETING 'IN A SECOND PHASE, PERHAPS AT A
 DIFFERENT LEVEL' FROM THE DRAFT INVITATION. WE WILL TELEGRAPH
 SEPARATELY ON HOW WE PROPOSE TO HANDLE REPRESENTATION AT THE TALKS,
 BUT YOU NEED NOT (NOT) SEEK ANY CHANGE IN THE OPENING SENTENCE OF
 PARA 2 OF THE SWISS DRAFT.
- 5. PLEASE TELL THE SWISS THAT SUBJECT TO A CLEAR UNDERSTANDING ON THE POINTS IN PARAS 2-4 ABOVE, WE CAN ACCEPT THE PROPOSAL FOR A MEETING BETWEEN BRITISH AND ARGENTINE REPRESENTATIVES IN BERNE. ON DETAILED POINTS, WE CAN ACCEPT THE SUGGESTION FOR A DINNER GIVEN BY M. AUBERT AND THAT M. BRUNNER SHOULD CHAIR THE FIRST
- 6. AS YOU KNOW, I HAVE BEEN CONCERNED THAT THE SWISS HAVE INCREASINGLY BEEN ADOPTING THE ROLE OF AN INTERMEDIARY. I APPRECIATE THAT THEY HAVE MEANT WELL, BUT THIS HAS CAUSED US SOME DIFFICULTY. I WOULD BE GRATEFUL IF YOU COULD TELL BRUNNER THAT WE ATTACH CONSIDERABLE IMPORTANCE TO THE SWISS AS OUR PROTECTING POWER CONTINUING TO ACT AS OUR AGENT. THEY ARE OUR ONLY FORMAL CHANNEL OF COMMUNICATION WITH THE ARGENTINES, AND IT MAY GIVE RISE TO DIFFICULTIES IF THEY ARE SEEN BY THE ARGENTINES TO BE ACTING AS IMPARTIAL INTERMEDIARIES, PROMOTING THEIR OWN GENUINELY INDEPENDENT SWISS INITIATIVE.
- 7. YOU SHOULD ALSO TAKE THE OPPORTUNITY OF YOUR CALL ON BRUNNER TO SET OUT OUR POSITION ON CONFIDENTIALITY. CLEARLY, WE CANNOT

BE PLACED IN A POSITION WHERE OUR FRIENDS RELY ON THE ARGENTINES FOR INFORMATION ABOUT DEVELOPMENTS IN RELATIONS BETWEEN US. WE SHALL, HOWEVER, CONTINUE TO AVOID PUBLIC COMMENT ON THE CONTENT OF OUR EXCHANGES WHILE THE ARGENTINES SHOW SIMILAR RESTRAINT. WE SHALL AVOID ANY REFERENCE TO CONTACTS BETWEEN THE ARGENTINES AND THE SWISS PROTECTING POWER WHICH MAY CAUSE THE SWISS EMBARRASSMENT. AND WE AGREE THAT THERE SHOULD BE NO COMMENT ON THE TIMING OF ANY MEETING BETWEEN BRITAIN AND ARGENTINA UNTIL A PRESS ANNOUNCEMENT IS MADE IN THE RESPECTIVE CAPITALS ON THE FIRST DAY OF SUCH TALKS. BUT WE ARE UNDER AN OBLIGATION TO KEEP OUR FRIENDS INFORMED OF DEVELOPMENTS AND WILL CONTINUE TO DO SO IN APPROPRIATE TERMS AND WITH A RENEWED EMPHASIS ON THE NEED FOR SUCH INFORMATION AS WE PASS ON BEING KEPT IN STRICTEST CONFIDENCE.

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