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10 DOWNING STREET

From the Private Secretary

2 August 1985

Dear Peter,

Falklands/Argentina: Message from Caputo

Thank you for your letter of 2 August enclosing the text of an "oral" message from the Argentine Foreign Minister together with a draft reply.

The Foreign Secretary discussed this with the Prime Minister this afternoon. The Prime Minister asked for some amendments to be made to the draft reply in order to make it absolutely clear that we do not accept the premises of Caputo's letter. I should be grateful therefore if the following changes could be made to the text enclosed with your letter:

- (i) The first paragraph should read simply:
"Thank you for your message."
- (ii) The second paragraph should read:
"I can confirm that it is our wish to see progress towards improved relations between our two countries: our decision to lift the embargo on imports from Argentina was made precisely in this spirit. Nevertheless there remain fundamental differences which have frustrated all efforts to move towards a more constructive relationship."
- (iii) The first sentence of paragraph 3 should read:
"We suggested for the Berne talks a way of enabling both sides to maintain their positions while seeking progress on specific issues."
- (iv) You suggested a new lead into paragraph 4 which would read:

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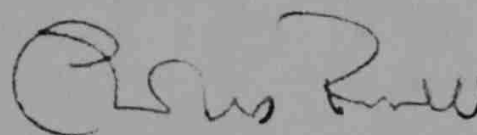
"But as we have made clear many times, we need to look for practical steps on which we can agree. I know you are preoccupied ..."

(v) The very last phrase of the draft:

".. without prejudice to the fundamental political positions on each side" should be omitted.

I believe that with these changes the Prime Minister would be content for the reply to issue.

Yours sincerely,



(Charles Powell)

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.



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With the compliments of

THE SECRETARY OF STATE
FOR FOREIGN AND COMMONWEALTH
AFFAIRS

FOREIGN AND COMMONWEALTH OFFICE

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DSR 11 (Revised)

DRAFT: minute/letter/teleletter/despach/note

TYPE: Draft/Final 1+

FROM: Secretary of State

Reference

DEPARTMENT: TEL. NO:

SECURITY CLASSIFICATION

TO: Argentine Foreign Minister

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

Thank you for your message.

CAVEAT.....

I can confirm that it is our wish to see progress towards improved relations between our two countries: our decision to lift the embargo on imports from Argentina was made precisely in this spirit. Nevertheless there remains a fundamental point of difference between us.

We suggested for the Berne talks an approach which would allow both sides to maintain their positions while seeking progress on specific issues. Given the outcome of that meeting, I can only agree that the difference remains and at the present moment I find it hard to see how it may be resolved. You have set out the views of your Government: you well know the firm position of the British Government.

Enclosures—flag(s).....

But as we have made clear many times, we need to look for practical steps on which we can agree. I know you are preoccupied by the level of fishing in the waters of the South-West Atlantic, which seems

likely to increase further. Fishing interests and conservationists in Britain, as in Argentina, have expressed concern that the activities of foreign fishing fleets are causing a depletion of fisheries resources. It is the view of our scientists, who have studied the problem in depth, that if this situation is allowed to persist fish stocks could indeed be at risk. Because of the nature and disposition of the stocks, which migrate extensively in the South-West Atlantic, the problem is one of wide concern. It is urgent that practical conservation and management measures should be taken, and action cannot now be long delayed.

The FAO have proposed that an ad hoc working group should be established to consider the problem and its implications. I believe that this multilateral, technical forum offers an encouraging way forward. I hope your Government will feel able to participate, along with the major fishing nations, with a view to ensuring that timely and appropriate steps can be taken soon. We are ready to take part in a positive spirit. I am confident that in this forum the urgent scientific problems of conservation could be tackled in a serious, practical spirit.

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Foreign and Commonwealth Office

London SW1A 2AH

2 August, 1985

Dear Charles,

Falklands/Argentina: Message from Caputo

Last week the Swiss Ambassador approached the Secretary of State to hand over an "oral" message from the Argentine Foreign Minister, Caputo. The Argentines had made clear to the Swiss that they were only willing to transmit the message if we agreed in advance that neither side would make any public reference to it. The Foreign Secretary concluded that it would be right to see what the Argentines had to say, without any commitment to reply. The text of the message is enclosed.

The Foreign Secretary has considered whether to reply. He has concluded that it would be worth taking the opportunity to restate our position on the main issues, and in particular to urge the Argentines to respond constructively to the FAO initiative on a multilateral fisheries regime. He does not think it likely that this will lead to any change in the Argentine position of unwillingness to participate. If, as expected, the Argentines fail to respond, we shall be in an even stronger position to justify any decision to change our policy towards the fisheries problem, on the basis that we have tried everything to urge the Argentines to respond positively, and they have not done so.

The Foreign Secretary would be glad to have a word about this with the Prime Minister at his bilateral this afternoon.

Yes *ew*
Peter Ricketts
(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

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PROPOSED MESSAGE FROM THE SECRETARY OF STATE TO THE
ARGENTINE FOREIGN MINISTER

"Thank you for your message and for the willingness you express in it to seek a way forward despite the problems which separate us and all the more deeply since the events of 1982, responsibility for which you rightly place upon your previous military Government.

I am glad to note what you say about the wish of Argentina's democratic Government to resolve the controversy with the United Kingdom. For my part, I can confirm that it is our wish to see progress towards improved relations between our two countries: our decision to lift the embargo on imports from Argentina was made precisely in this spirit. Nevertheless, there remains what you have called an apparently insoluble dilemma, which has frustrated all efforts to move towards a more constructive relationship.

We suggested for the Berne talks a way of putting this problem on one side and of opening the way for progress on specific issues. Given the outcome of that meeting, I can only agree that the dilemma remains and at the present moment I find it hard to see how it may be resolved. You have set out the views of your Government: you well know the firm position of the British Government.

Meanwhile there is one topic on which I should like to take this opportunity of putting my thoughts to you. You suggest that we should seek to identify a point of convergence. I know you are preoccupied by the level of fishing in the waters of the South-West Atlantic, which seems likely to increase further. Fishing interests and conservationists in Britain, as in Argentina, have expressed

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concern that the activities of foreign fishing fleets are causing a depletion of fisheries resources. It is the view of our scientists, who have studied the problem in depth, that if this situation is allowed to persist fish stocks could indeed be at risk. Because of the nature and disposition of the stocks, which migrate extensively in the South-West Atlantic, the problem is one of wide concern. It is urgent that practical conservation and management measures should be taken, and action cannot now be long delayed.

The FAO have proposed that an ad hoc working group should be established to consider the problem and its implications. I believe that this multilateral, technical forum offers an encouraging way forward. I hope your Government will feel able to participate, along with the major fishing nations, with a view to ensuring that timely and appropriate steps can be taken soon. We are ready to take part in a positive spirit. I am confident that in this forum the urgent scientific problems of conservation could be tackled in a serious, practical spirit without prejudice to the fundamental political positions on each side."

Mister Secretary,

Let me first thank you for your disposition to receive this message. If I have taken the decision of resorting to this form of communication, it is for a reason that I assume we both share: the problems separating our nations are sufficiently complex in themselves, to add to it the difficulties of trying to solve them under the limelights of the media. I believe the experience in Bern to be sufficient proof of this.-

As for the core of the matter we are faced with a problem that appears as an unsurmountable logical dilemma: the condition set by one part to solve it appears in direct contradiction with those posed by the other for finding a solution.-

For our government, avoiding the question of sovereignty has two rigid limitations: it would first mean a serious uncompliance with the mandate of its voters and secondly, if anyone were to try to forsake said mandate, he would be instantly committing political suicide, thus absolutely voiding its own standing.-

As your government has taken exactly the opposite view, we are faced with an "impasse" and, what is even worse, with no foreseeable solution in sight.-

Considering these circumstances, it is essential for you to be aware that Argentina effectively wishes to solve its controversy with the United Kingdom, because of the international policy our government is engaged in, as well as for the goals set forth within our own country.-

I am of the persuasion that the United Kingdom has similar aspirations and that you also wish to solve the problems that keep us apart.-

In that case we would have a coincidence of aspirations in confronting an apparently -unsolvable dilemma.-

If the latter is true, we should try to make use of our best will, imagination and flexibility in finding a starting point for a solution.-

Those elements should help us to clear up all that which has been adding up to the main question separating us. We should consequently try hard in finding a point of convergence and search the way to make a first step which will not appear on either side as a diplomatic defeat but, to the contrary, could mean for the two governments both, a domestic and an international victory.-

In other words: searching together for a first link in the chain.-

With that purpose we could share some thoughts that we have been analyzing.-

I am convinced that on these matters, in spite of the difficulties involved and the apparent impossibilities, we can push forward a discrete and sincere exchange of views.-

Mister Secretary, I consider it fruitful to start a dialogue because, if there is an alternative to the present situation, we should try to find it together.-

Yours sincerely