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MONTEVIDEO FOR HEAD BISBA
OUR TELNO 1463: ARGENTINA/FALKLANDS
SUMMARY

1. SHULTZ TO VISIT ARGENTINA IN EARLY AUGUST. STATE SEE THIS AS A GOOD OPPORTUNITY TO FOLLOW UP ALFONSIN'S EARLIER EXPRESSIONS OF INTEREST IN NORMALISING RELATIONS WITH UK: AND INVITE US TO LET THEM HAVE ANY POINTS FOR SHULTZ TO MAKE TO ALFONSIN. ON FISHERIES, STATE STRONGLY HOPE THAT WE CAN LET THEM HAVE OUR RESPONSE WELL BEFORE SHULTZ'S DEPARTURE. RECOMMENDATIONS ON HOW WE MIGHT FOLLOW THIS UP.

DETAIL

2. GELBARD INVITED THE MINISTER TO CALL ON 8 JULY. HE SAID THAT SHULTZ WOULD BE VISITING ARGENTINA AS PART OF A WIDER TOUR OF CENTRAL AND SOUTH AMERICA. DATES WERE NOT YET FIRM BUT HE WOULD PROBABLY BE IN ARGENTINA ON 2-3 AUGUST (SEPARATE TELEGRAM FOLLOWS WITH FURTHER DETAILS OF HIS TRIP).

3. GELBARD SAID THAT IN PREPARING FOR SHULTZ'S VISIT, HE WANTED TO CLARIFY A NUMBER OF POINTS. FIRST, HE HAD BEEN REFLECTING FURTHER ON OUR IDEA OF PROPOSING RECIPROCAL ACCESS FOR INTEREST SECTIONS AT HEAD OF DEPARTMENT LEVEL. ON THE BASIS OF DISCUSSIONS WITH CAPUTO, HE KNEW THAT THE ARGENTINES FELT (HE ADDED RIGHTLY OR WRONGLY, IN RESPONSE TO FALL'S REACTION) THAT THEY HAD BEEN FORTHCOMING IN MAKING A NUMBER OF PROPOSALS RECENTLY, AND THAT THESE HAD BEEN UNREQUITED. THEIR REACTION TO THE ANNOUNCEMENT OF THE DOUGHNUT STUDY AND TO THE INITIAL CONFUSION OVER EXERCISE PURPLE VENTURE HAD BEEN ENCOURAGINGLY (INDEED SURPRISINGLY) LOW KEY. GELBARD CONTINUED THAT, AGAINST THIS BACKGROUND, IF THE PROPOSAL FOR ACCESS BY INTEREST SECTIONS WAS MADE BY ITSELF THERE WAS A REAL RISK THAT IT WOULD SINK WITHOUT TRACE. IT MIGHT HOWEVER BE A USEFUL ADDITIONAL PROPOSAL TO MAKE AT THE SAME TIME AS A POSITIVE RESPONSE ON FISHERIES. (A MEMBER OF GELBARD'S STAFF LATER ADDED THE QUALIFICATION THAT THE ARGENTINES WOULD PROBABLY SEE INEVITABLY PUBLICIZED ACCESS IN BUENOS AIRES AS CAUSING MORE DIFFICULTY FOR THEM THAN WOULD ACCESS IN LONDON FOR US. STATE SUGGESTED THAT WE MIGHT CONSIDER PRESENTING IT AS AN OFFER TO BE TAKEN

UP WHEN BOTH SIDES JUDGED THE TIMING TO BE RIGHT, IN ORDER TO AVOID ANY IMPLICATION THAT WE WERE TRYING TO SCORE DEBATING POINTS BY PUTTING FORWARD AS A FIRM PROPOSAL SOMETHING THAT MIGHT WELL PROVE DIFFICULT.)

4. ON THE FISHERIES ISSUE, GELBARD SAID THAT IT WOULD BE VERY USEFUL TO RECEIVE OUR RESPONSE WELL IN ADVANCE OF THE SHULTZ VISIT. STATE WOULD THEN BE ABLE TO RELAY IT TO THE ARGENTINES, WHO MIGHT BE IN A POSITION TO RESPOND DURING SHULTZ'S VISIT. GELBARD ADDED THAT UNLESS OUR RESPONSE WAS A MAJOR STEP FORWARD HE DID NOT FAVOUR SHULTZ CONVEYING IT PERSONALLY TO ALFONSIN.

5. THE MINISTER UNDERTOOK TO REPORT, ADDING THAT HE WAS UNABLE TO PREDICT PRECISELY WHEN OUR RESPONSE WOULD BE READY. WE WOULD WANT TO REFLECT ABOUT GELBARD'S ADVICE ON THE TIMING OF TRANSMISSION TO THE ARGENTINES. THE MINISTER ASKED WHETHER GELBARD HAD ANY FURTHER THOUGHTS ON HELPFUL GESTURES FOLLOWING HIS DISCUSSION WITH GILLMORE ON 26 MAY. GELBARD SAID THAT HE HAD NO SPECIFIC THOUGHTS TO OFFER. BUT HE HAD BEEN STRUCK AT HIS FOUR MEETINGS WITH ALFONSIN THIS YEAR BY THE SINCERITY OF ALFONSIN'S DESIRE TO IMPROVE RELATIONS WITH THE UK IN HIS REMAINING MONTHS AS PRESIDENT. GELBARD ADDED THAT SHULTZ'S VISIT WOULD BE A GOOD OPPORTUNITY TO PROBE HIS THINKING ON NORMALISING RELATIONS WITH THE UK: THE WIDER ATMOSPHERE OF THE TALKS WAS LIKELY TO BE VERY GOOD.

6. THE MINISTER ASKED WHETHER ALFONSIN MIGHT NOT FEEL CONSTRAINED IN THE RUN UP TO THE ARGENTINE ELECTIONS. GELBARD THOUGHT NOT: ALFONSIN HAD MADE THE POINT THAT HIS LAME DUCK STATUS GAVE HIM SOME GREATER FREEDOM TO TAKE DRAMATIC STEPS AND THE RADICAL PARTY CANDIDATE ANGELOZ HAD CLEARLY CALCULATED THAT IT WAS IN HIS POLITICAL INTEREST TO ADVOCATE BETTER RELATIONS WITH THE UK.

COMMENT

7. AS SEEN FROM HERE, THERE WOULD BE CONSIDERABLE VALUE IN TAKING UP GELBARD'S INVITATION TO FEED IN SOME POINTS TO SHULTZ BEFORE HIS DEPARTURE, PERHAPS BY MEANS OF A MESSAGE FROM THE SECRETARY OF STATE PROVIDING A COMPREHENSIVE STATEMENT OF OUR APPROACH. THIS WOULD AT THE LEAST ENSURE THAT OUR CASE REACHED SHULTZ AND HIS STAFF INTACT, WITHOUT BEING FILTERED BY THE INTER-AMERICAN AFFAIRS BUREAU. AND, AT BEST, IT WOULD PROVIDE AN UNUSUAL OPPORTUNITY TO GET THROUGH TO ALFONSIN. ANY SUCH STATEMENT MIGHT USEFULLY BEGIN BY UNDERLINING THE OBJECTIVES WE SHARE WITH THE US OF PROMOTING DEMOCRACY IN SOUTH AMERICA INCLUDING ARGENTINA, AND GO ON TO SUMMARISE THE VARIOUS INITIATIVES WE HAVE TAKEN. IT MIGHT ALSO BE WORTH

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INCLUDING AS AN ANNEX A NOTE OF THESE IN A FORM WHICH SHULTZ COULD LEAVE WITH ALFONSIN IF HE JUDGED THAT USEFUL. TO ENSURE THAT THERE WERE NO MISUNDERSTANDINGS, THE MESSAGE TO SHULTZ SHOULD PROBABLY ALSO COVER THE ARMS SALES ISSUE.

8. ON THE TIMING OF OUR FISHERIES RESPONSE, WE RISK BEING WRONG-FOOTED IN OUR DEALINGS WITH SHULTZ IF WE CANNOT GET AN EFFECTIVE REPLY TO THE AMERICANS BEFORE SHULTZ'S DEPARTURE. WE HAVE SOME RESERVATIONS HOWEVER ABOUT GELBARD'S PROPOSAL, WHICH BOILS DOWN TO PUTTING THE BALL BACK IN THE ARGENTINE COURT THROUGH THE NORMAL CHANNELS IN SUFFICIENT TIME TO ALLOW THEM TO CONSIDER HOW BEST TO MAKE USE OF IT WHEN SHULTZ IS IN BUENOS AIRES.

9. IF YOU AGREED WITH THE IDEA OF A MESSAGE TO SHULTZ, AN ALTERNATIVE WAY OF HANDLING OUR FISHERIES RESPONSE WOULD BE TO INCLUDE IT IN THAT MESSAGE. THE TEXT OF OUR RESPONSE IN A FORM SUITABLE FOR HANDING TO THE ARGENTINES COULD BE ANNEXED. THIS APPROACH MIGHT HAVE THE EFFECT OF LIFTING THE FISHERIES DISCUSSION OUT OF THE GELBARD/CAPUTO CHANNEL AND OF INVOLVING SHULTZ IN THE PRESENTATION OF OUR POSITION TO THE ARGENTINES (AS OPPOSED TO THE GELBARD PROPOSAL, WHICH MAKES IT EASIER FOR THE ARGENTINES TO INVOLVE SHULTZ IN THE PRESENTATION OF THEIR REPLY).

10. OUR IDEAS ABOUT ACCESS BY INTEREST SECTIONS COULD BE INCLUDED IN AN ANNEX A ON THE LINES SUGGESTED IN PARAGRAPH 7 ABOVE, THOUGH STATE MAY HAVE A POINT IN SUGGESTING THAT THE ARGENTINES WOULD BE UNLIKELY TO SEE THIS AS AN UNMIXED BLESSING IF IT WERE NOT PART OF SOME MORE GENERAL AGREED STEPS TOWARDS NORMALISATION.

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