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From the Private Secretary

20 December 1988

CONTACTS WITH ARGENTINA

Thank you for your letter of 19 December dealing with the recent meeting between Sir Crispin Tickell and the Argentine Foreign Minister in his capacity as President of the United Nations General Assembly. I have shown the letter and the reporting telegrams to the Prime Minister who has commented that she is very suspicious of the Argentine approach. We should proceed very cautiously.

I am copying this letter to the Private Secretaries to members of OD(FAF) and to Trevor Woolley (Cabinet Office).

C. D. Powell

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

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C.B.P. (2)



Foreign and Commonwealth Office

London SW1A 2AH

19 December 1988

I am very suspicious of this approach. And I don't like concluding a dialogue with the Americans. I have been through that before - not

Prime Minister

For information at this stage. You will want to read the full account of the meeting in Crispin Tickell's telegram.

CBP 19/xii

Contacts with Argentina

My letter of 24 October enclosed two messages from George Shultz, one with the Argentine reply to our latest "non-paper" on fisheries, the other urging us to agree to a private meeting with the Argentine Foreign Minister while he was in New York as President of the current UN General Assembly.

In your letter of 26 October you recorded the Prime Minister's agreement that the Argentine reply on the fisheries exchange fell short of our requirements but that, particularly to avoid needlessly antagonising the US, Sir Crispin Tickell should be instructed to take up the offer of a meeting.

Sir Crispin met Caputo on 14 December in Geneva and I enclose a copy of his reporting telegram. We cannot place too much reliance on Caputo's assurances, until they have been repeated to the Americans as we have insisted. But there appears to have been some shift in the Argentine position. They now seem to concede that there could be talks on practical bilateral issues while accepting that differences on sovereignty remain (thus suspending any consideration of sovereignty).

Caputo assured Tickell that sovereignty would not be raised at any talks on fisheries and appears to have come some way to accepting the FICZ as a "fact of life". Tickell reminded him firmly that these assurances should be passed through the US channel. We have had a subsequent report that Caputo may be preparing to do this. We see the Americans acting as both witnesses and guarantors of Argentine good faith.

/Caputo



Caputo also attempted to clear up another point of concern to us - an Argentine reference to "introductory statements" on the agenda for fishing talks which we suspected could cover a statement on sovereignty. Caputo maintains that these statements were intended to define the agenda. He has suggested that this could now be done at a small technical meeting prior to the fisheries talks. (We had suggested something similar via the Americans in March (see your letter to Tony Galsworthy of 28 February) and would see this as a small but useful first step.)

The Foreign Secretary has no illusions about Caputo's words or about the Argentine Government's ability to deliver. But our requirement that assurances should be made to the Americans enables us to test Argentine sincerity before a third party.

The Foreign Secretary will be writing to George Shultz to say that following the Caputo/Tickell meeting we are waiting for the Argentines to demonstrate that they have reconsidered their position by returning to him with the assurances which he sought on our behalf in August.

I am copying this to the Private Secretaries to other members of OD(FAF) and to Sir Robin Butler.

Jams,
Stephen Wall
(J S Wall)
Private Secretary

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PART ONE OF TWO PARTS

FOLLOWING FROM SIR CRISPIN TICKELL

YOUR TELNO 294 ^{FKH} MEETING WITH CAPUTO

SUMMARY

1. OVER AN HOUR'S MEETING WITH CAPUTO. AFTER CONSIDERATION OF PRESS LINE, CAPUTO PROPOSED DIRECT ANGLO/ARGENTINE TALKS WITHOUT PREJUDICE TO SOVEREIGNTY UNDER THE FORMULA NEGOTIATED IN THE FISHERIES TALKS THROUGH THE US. I RECALLED BRITISH INITIATIVES TO MAKE ANGLO/ARGENTINE RELATIONS MORE NORMAL. DISCUSSION IN DEPTH OF ASSURANCES ON THE FICZ AND SOVEREIGNTY ISSUES IN THE FISHERIES TALKS FOR WHICH WE HAD ASKED THROUGH SHULTZ. ARGENTINE PLEA FOR NEW SPIRIT OF RAPPROCHEMENT IN OUR MUTUAL INTEREST.

DETAIL

2. I CALLED ON CAPUTO IN HIS CAPACITY AS PRESIDENT OF THE GENERAL ASSEMBLY AT 1400Z TODAY 14 DECEMBER. WITH CAPUTO WERE GARCIA DEL SOLAR (DIRECTOR-GENERAL OF THE ARGENTINE MINISTRY OF FOREIGN AFFAIRS), DELPECH (ARGENTINE PERMANENT REPRESENTATIVE IN NEW YORK) AND AN INTERPRETER. I WAS ACCOMPANIED BY SANKEY. OUR CONVERSATION LASTED 1 1/4 HOURS.

3. CAPUTO SAID THAT THE MEETING WAS A UNIQUE AND EXCEPTIONAL OCCASION. THE FACT THAT IT WAS TAKING PLACE UNDER THE COVER OF HIS PRESIDENCY OF THE GENERAL ASSEMBLY AVOIDED SOME LIMITATIONS AND RESTRAINTS. THE MEETING WAS NOT A NEGOTIATION BUT AN OPPORTUNITY TO SEE WHERE BRITAIN AND ARGENTINA STOOD, AND WHAT WERE THE POSSIBILITIES FOR THE FUTURE.

PRESS

4. CAPUTO SAID HE WOULD TELL THE PRESS THAT A MEETING HAD BEEN HELD

BETWEEN HIM AND ME IN GENEVA TO CONSIDER ISSUES OF MUTUAL INTEREST, INCLUDING MATTERS RELATING TO THE FORTY-THIRD GENERAL ASSEMBLY. IF ASKED, HE WOULD SAY THAT IT HAD BEEN A DIALOGUE WHICH LOOKED TOWARDS A RAPPROCHEMENT (''UNA APPROXIMACION''). EVERYONE KNEW THE DIFFICULTIES, AND TO OVERCOME THEM WITHOUT HURTING THE INTERESTS OF EITHER WAS A COMPLEX TASK. IT WAS VITAL TO SHOW EXTREME PRUDENCE, RESERVE AND CAUTION. HE WANTED EACH SIDE TO ADVANCE WITHOUT PREJUDICE TO ITS OWN INTERESTS.

5. I SAID THAT WE TOO WERE CONSCIOUS OF THE IMPORTANCE OF THE OCCASION. IT WAS THE FIRST TIME SUCH A MEETING HAD TAKEN PLACE SINCE BEFORE THE FALKLANDS INVASION. I HAD BEEN NOMINATED BY YOU TO MEET CAPUTO ON THE UNDERSTANDING THAT IT WOULD BE A ONE-OFF MEETING WITH NO IMPLICATION THAT ANOTHER MEETING OF THIS KIND WOULD NECESSARILY BE HELD. THERE WOULD BE INTEREST IN THIS MEETING, NOT ONLY IN THE PRESS BUT IN THE HOUSE OF COMMONS AND IN THE FALKLAND ISLANDS. WE INTENDED TO TELL THE PRESS THAT I HAD CALLED ON CAPUTO AT THE LATTER'S REQUEST AS PRESIDENT OF THE GENERAL ASSEMBLY, THAT WE HAD DISCUSSED A RANGE OF GENERAL ASSEMBLY BUSINESS, AND THAT THE OPPORTUNITY HAD NATURALLY BEEN TAKEN TO DISCUSS ISSUES OF COMMON CONCERN. IF ASKED, OUR SPOKESMAN WOULD SAY THAT THERE HAD BEEN NO CHANGE IN BRITISH POLICY TOWARDS THE FALKLANDS AND ARGENTINA. THE BRITISH GOVERNMENT WAS COMMITTED TO SEEK MORE NORMAL RELATIONS WITH ARGENTINA WHILE STANDING BY ITS COMMITMENT TO THE FALKLAND ISLANDERS.

6. I ADDED THAT IN OUR VIEW THE LESS SAID TO THE PRESS THE BETTER. I WAS NOT SURE OF THE VALUE OF HIS PROPOSED REFERENCES TO A DIALOGUE OR A RAPPROCHEMENT BECAUSE THIS COULD IMPLY THAT OUR MEETING WAS MORE THAN IT WAS. CAPUTO SAID WE COULD RELY UPON HIS PRUDENCE AND DISCRETION. HE ACCEPTED THE LESS SAID THE BETTER. WE AGREED THAT IF ANYONE ASKED WHETHER SOVEREIGNTY HAD BEEN DISCUSSED, WE SHOULD NOT RESPOND, BUT SIMPLY REFER TO THE STATEMENT ON THE RECORD.

ARGENTINE PROPOSAL

7. CAPUTO SAID THAT THERE WERE THREE POSSIBILITIES FOR ANGLO/ARGENTINE RELATIONS. THE FIRST WAS FOR THE SITUATION TO REMAIN AS IT NOW WAS. THIS WAS NOT UNTHINKABLE. THE SECOND WOULD BE TO ACHIEVE DRAMATIC PROGRESS BY ARGENTINA RENOUNCING ITS SOVEREIGNTY CLAIMS OR BRITAIN HANDING THE FALKLAND ISLANDS TO ARGENTINA. NEITHER WAS REALISTIC. THE THIRD WOULD BE TO ADOPT A CAREFUL AND REALISTIC APPROACH AND SEEK TO MOVE FORWARD WITH PRUDENCE. HE BELIEVED THERE WAS SUCH A WAY. HE WAS NOW SPEAKING WITH THE AUTHORITY OF HIS PRESIDENT AND HIS GOVERNMENT WHO BELIEVED THAT THERE SHOULD BE AN

IMPROVEMENT IN RELATIONS BETWEEN BRITAIN AND ARGENTINA. THE FIRST STEP WAS TO PUT THE TRAIN BACK ON THE RAILS WITHOUT TALKING ABOUT THE TRAIN'S FINAL DESTINATION. THERE WAS A HISTORICAL NEED TO MAKE PROGRESS NOW AS THE PRESENT GOVERNMENT DID NOT WANT TO LEAVE OFFICE WHILE THESE MATTERS WERE STILL IN A DANGEROUS STATE. PRESIDENT ALFONSIN'S VIEW, WHICH CAPUTO PASSED ON IN STRICT CONFIDENCE, WAS THAT DIRECT TALKS SHOULD TAKE PLACE, AND THAT IF AND WHEN ISSUES TOUCHING SOVEREIGNTY CAME UP, BOTH SIDES SHOULD MAINTAIN THEIR RESPECTIVE POSITIONS UNDER THE SOVEREIGNTY UMBRELLA WHICH HAD ALREADY BEEN NEGOTIATED OVER FISHERIES (TEXT IN THE ARGENTINE NON-PAPER OF 19 SEPTEMBER: YOUR TELNO 650 TO UKMIS NEW YORK). IN THIS WAY ALFONSIN BELIEVED IT WOULD BE POSSIBLE TO MOVE FORWARD ON BILATERAL ISSUES WHILE ACCEPTING DIFFERENCES ON SOVEREIGNTY.

8. CAPUTO SAID THAT HE COULD GIVE TWO FIRM COMMITMENTS ON BEHALF OF THE ARGENTINE GOVERNMENT: THERE WOULD BE NO SURPRISES OF ANY KIND, NOR ANY ATTEMPT TO CHANGE THE SENSE OF ANY CONTACTS ESTABLISHED: SECOND ARGENTINA WOULD NEVER USE ANY BUT DIPLOMATIC MEANS TO ASSERT SOVEREIGNTY OVER THE FALKLAND ISLANDS. ON THIS BASIS HE SAW THE POSSIBILITY OF A DIALOGUE WHICH COULD BRING ABOUT A BIG IMPROVEMENT IN OUR BILATERAL RELATIONSHIP. AT EACH STAGE OF THIS DIALOGUE, BOTH SIDES WOULD REITERATE THAT THEIR POSITIONS ON SOVEREIGNTY REMAINED AS THEY WERE. ARGENTINA WAS ALREADY WILLING TO DISCUSS ECOLOGICAL PROBLEMS OF THE SOUTH ATLANTIC AND WAYS OF AVOIDING INCIDENTS, AS ENVISAGED IN OUR EXCHANGES THROUGH THE UNITED STATES. BUT THE ARGENTINE GOVERNMENT WOULD LIKE TO BE MORE AMBITIOUS. HE RECOGNISED THAT THIS WOULD BE DIFFICULT BECAUSE OF WHAT HAD HAPPENED IN THE PAST. SUSPICIONS WERE NATURAL AFTER THE EVENTS OF 1982, AND CONFIDENCE COULD NOT BE BUILT UP OVER NIGHT. IN BOTH BRITAIN AND ARGENTINA, SOME PEOPLE WANTED TO SEE IMPROVED RELATIONS, WHILE OTHERS DID NOT. WHAT WAS NEEDED WAS THE GRADUAL ESTABLISHMENT OF GOOD FAITH ON BOTH SIDES.

9. I SAID I WOULD CONVEY TO YOU THE PROPOSAL HE HAD PUT, AND WOULD REFRAIN FROM COMMENT. IN THE MEANTIME IT WOULD BE HELPFUL TO KNOW WHAT METHODS CAPUTO ENVISAGED. CAPUTO REPLIED THAT THE FIRST REQUIREMENT WAS TO AGREE ON A DIALOGUE. THIS WOULD NOT BE A NEGOTIATION. IT WOULD BE UNDER COVER OF THE SOVEREIGNTY FORMULA WHICH ALREADY HAD BEEN NEGOTIATED. THE QUESTION OF WHAT SUBJECTS WOULD BE RAISED AND WHETHER TEXTS SHOULD BE PREPARED BEFOREHAND COULD BE DISCUSSED AT AN INFORMAL MEETING ON ITS OWN MERITS (IN OTHER WORDS NOT UNDER COVER OF HIS CURRENT PRESIDENCY OF THE GENERAL ASSEMBLY). IF THIS MEETING WAS SUCCESSFUL, THEN ANOTHER MEETING COULD BE ARRANGED. IT WAS IMPORTANT TO PROCEED STEP-BY-STEP.

PRESIDENT ALFONSIN WAS READY TO MAKE THE POLITICAL GESTURES NECESSARY TO ENSURE PROGRESS.

BRITISH INITIATIVES

10. I SAID THAT GESTURES WERE CERTAINLY IMPORTANT. BRITAIN HAD LONG WANTED TO ESTABLISH A MORE NORMAL RELATIONSHIP WITH ARGENTINA, AND HAD MADE GESTURES WHICH HAD NOT BEN RECIPROCATED. I THEN GAVE HIM A LIST OF THE BRITISH PROPOSALS FOR NORMALIZATION OF ANGLO-ARGENTINE RELATIONS WHICH HAD BEEN MADE OVER THE PAST SIX YEARS (AN EDITED VERSION OF FCO TELNO 1212 TO WASHINGTON). THIS SHOWED ELOQUENTLY THAT IT WAS THE BRITISH WHO HAD MADE THE RUNNING SO FAR. WE HAD MADE ABUNDANTLY CLEAR OUR GOOD WILL TOWARDS THE RESTORATION OF DEMOCRACY IN ARGENTINA AND TO PRESIDENT ALFONSIN PERSONALLY. IT WAS POINTLESS TO DISCUSS SOVEREIGNTY, BUT WE HAD TRIED TO ESTABLISH MORE NORMAL RELATIONS BY MAKING SPECIFIC PROPOSALS ON OTHER SUBJECTS.

FISHERIES

11. THE LATEST SUCH EFFORT RELATED TO FISHERIES WHERE WE HAD CONDUCTED A DIALOGUE THROUTH THE UNITED STATES. AS CAPUTO KNEW, WE HAD NOT YET REPLIED TO THE ARGENTINE NON-PAPER OF 19 SEPTEMBER, BUT HOPED TO DO SO SHORTLY. IN THE MEANTIME WE WOULD BE GRATEFUL FOR CLARIFICATION ON HOW THIS PAPER AND THE RELATED EXCHANGES WITH US OFFICIALS MET THE TWO VITAL ASSURANCES WE HAD SOUGHT THROUGH SHULTZ. THESE WERE FIRST THAT THE ARGENTINE GOVERNMENT ACCEPTED THAT THE FALKLAND ISLANDS CONSERVATION ZONE EXISTED AS A FACT OF LIFE: AND SECONDLY THAT THE DISCUSSION WE ENVISAGED WITH THE ARGENTINES WOULD BE LIMITED TO THE ITEMS ON THE AGENDA AND COULD NOT BE USED TO INTRODUCE QUESTIONS OF SOVEREIGNTY. WE HAD HOPED THAT PRESIDENT ALFONSIN WOULD HAVE BEEN ABLE TO GIVE THESE ASSURANCES TO SHULTZ WHEN HE SAW HIM IN EARLY AUGUST.

12. CAPUTO SAID THAT SHULTZ HAD FAITHFULLY TRANSMITTED OUR MESSAGE. ON THE ASSURANCE FOR WHICH WE HAD ASKED ON THE FICZ, ARGENTINA COULD NOT ACCEPT BRITISH SOVEREIGNTY OVER THE FALKLANDS WATERS AS A FACT OF LIFE. I REPLIED THAT THERE SEEMED TO BE SOME MISUNDERSTANDING. WE WERE NOT ASKING ARGENTINE TO ACCEPT BRITISH SOVEREIGNTY AS A FACT OF LIFE BUT THE THE EXISTENCE OF THE FICZ. AT THIS POINT CAPUTO TURNED WITH SIGNS OF IMPATIENCE TO GARCIA DEL SOLAR AND ASKED HIM TO EXPLAIN THE ARGENTINE DIFFICULTY. GARCIA DEL SOLAR SAID THAT THE FICZ WAS SIMPLY AN EXTENSION INTO THE SEAS AROUND THE FALKLAND ISLANDS OF THE BRITISH PRESENCE IN THE ISLANDS THEMSELVES. IF ARGENTINA ACCEPTED THE FICZ AS A FACT OF LIFE, THEN IT WAS IPSO

TO ACCEPTING BRITISH SOVEREIGNTY OVER THE FALKLANDS ISLANDS AS
 ACT OF LIFE. ANY DISCUSSION OF FISHERIES HAD TO RECOGNISE THAT
 ARGENTINA HAD ITS 200-MILE ZONE JUST AS BRITAIN HAD ASSERTED THE
 . HE REPEATED THAT ALFONSIN HAD GIVEN SHULTZ AN ASSURANCE FOR
 TO PASS ON TO US THAT ARGENTINA WOULD ENTER ANY CONTACTS IN GOOD
 H AND THAT THERE WOULD BE NO SURPRISES.

CAPUTO SAID THAT THIS SEEMED A CASE WHERE THE SAME OBJECT LOOKED
 DIFFERENT FROM DIFFERENT ANGLES. THE FACT WAS THAT ARGENTINA WANTED
 TO AVOID ANY INCIDENTS ARISING IN CONNECTION WITH THE FICZ, AND THE
 QUESTION OF FISHERY STOCKS. IN SPANISH A FACT OF LIFE HAD AN
 AMBIGUOUS MEANING. IT HAD A FATALISTIC SOUND. IT IMPLIED THAT ONE
 WAS DOOMED TO ACCEPT THE SITUATION FOREVER.

I SAID THAT IN ENGLISH A FACT OF LIFE WAS NOT A LEGAL PHRASE BUT
 IT ONLY IMPLIED THAT SOMETHING EXISTED. WE WERE NOT TRYING TO TRICK
 ARGENTINES. WE WERE ASKING THAT ARGENTINA SHOULD ACCEPT THAT THE
 FACT EXISTED. CAPUTO REPLIED THAT THIS WAS EVIDENTLY SO. ARGENTINA
 WOULD NOT ACCEPT IT IN A LEGAL SENSE BUT I COULD BE ASSURED THAT IT
 WOULD NOT ENTER INTO THE FICZ.

GARCIA DEL SOLAR ASKED WHETHER THIS STATEMENT FROM CAPUTO WAS
 SUFFICIENT FOR US. WHAT MORE WAS NEEDED? I SAID THAT BOTH SIDES
 WERE CONDUCTING A DIALOGUE THROUGH THE UNITED STATES, AND IT WOULD
 BE APPROPRIATE FOR PRESIDENT ALFONSIN TO CONVEY THE NECESSARY
 ASSURANCE THROUGH THE AMERICAN CHANNEL. WE HAD NOT ASKED FOR AN
 ASSURANCE IN WRITING BECAUSE WE UNDERSTOOD ARGENTINE SENSITIVITIES.
 WE NEEDED IT ORALLY. CAPUTO SAID HE FULLY TOOK THE POINT, AND
 WOULD DO WHAT HE COULD TO HELP US THROUGH THE AMERICAN CHANNEL.

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FALKLANDS-ARGENTINE PROPOSALS
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FINAL PART OF TWO

FOLLOWING FROM SIR CRISPIN TICKELL

YOUR TELNO 294: MEETING WITH CAPUTO

16. WE THEN TURNED TO SOVEREIGNTY AND THE QUESTION OF THE AGENDA FOR DIRECT TALKS ON FISHERIES. I BEGAN BY DRAWING ATTENTION TO PARAGRAPH 4 OF THE ARGENTINIAN NON-PAPER OF 19 SEPTEMBER WHERE THE ARGENTINES HAD USED THE PHRASE '' ONCE THE INITIAL STATEMENTS HAD BEEN HEARD AND THE GENERAL EXCHANGE OF VIEWS HAD TAKEN PLACE.'' WHAT HAD THIS MEANT? THERE WAS AN OBVIOUS OPENING HERE FOR A RE-RUN OF THE BERNE FIASCO OF 1984. CAPUTO REPLIED THAT IN USING THE WORDS ''INITIAL STATEMENTS'', HE HAD PICKED UP THE PHRASE IN THE BRITISH NON-PAPER OF 19 JULY WHERE WE HAD REFERRED TO ''INTRODUCTORY STATEMENTS'' AT THE BEGINNING OF THE AGENDA. THE ARGENTINE GOVERNMENT HAD SIMPLY ADDED THE WORDS ''GENERAL EXCHANGE OF VIEWS''. THERE WAS NO HIDDEN SIGNIFICANCE IN THESE FORMULATIONS AND IF WE WANTED TO DROP THE REFERENCE TO A GENERAL EXCHANGE OF VIEWS, HE WOULD BE VERY HAPPY TO DO SO. THE ARGENTINE GOVERNMENT HAS NO INTENTION OF RAISING THE SOVEREIGNTY QUESTION AS BOTH SIDES WERE PROTECTED UNDER THE SOVEREIGNTY FORMULA.

17. I SAID THAT WE SHOULD REACH AGREEMENT ON THE AGENDA BEFORE ANY MEETING TOOK PLACE. THERE HARDLY SEEMED ANY NEED FOR A PRELIMINARY MEETING OF EXPERTS WHEN THE AGENDA COULD BE SIMPLY THAT SET OUT IN OUR NON-PAPER OF 19 JULY. IF THE ARGENTINE GOVERNMENT COULD NOW TELL US THROUGH THE AMERICAN CHANNELS THAT THIS AGENDA WAS ACCEPTABLE, THEN PROGRESS COULD BE MADE.

18. CAPUTO SAID THAT IF THE AMERICAN CHANNEL WAS USED TO WORK OUT THE DETAILS OF A TECHNICAL AGENDA, PAST EXPERIENCE SUGGESTED THAT IT COULD TAKE UP TO FOUR MONTHS. WOULD IT NOT BE BETTER TO DEAL DIRECTLY WITH EACH OTHER, AND HOLD A PREPARATORY MEETING OF AN EXCLUSIVELY TECHNICAL NATURE TO DISCUSS THE PRECISE AGENDA AND NOTHING ELSE? HE REPEATED THAT ARGENTINA'S APPROACH TO DISCUSSION OF

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FISHERIES WAS BASED ON THE NEED TO AVOID INCIDENTS AND DEPREDAATION OF FISHERY STOCKS.

CONCLUSION

19. CAPUTO SAID THAT SO FAR AS THE ARGENTINE GOVERNMENT WAS CONCERNED, HE HOPED THAT IT WOULD BE POSSIBLE TO MOVE ONTO OTHER ISSUES BESIDES FISHERIES IN ORDER TO BRING ABOUT AN IMPROVEMENT IN OUR BILATERAL RELATIONSHIP. THE SOVEREIGNTY CLAIM WOULD NOT BE FORGOTTEN. THE ARGENTINES MIGHT HAVE TO CONTINUE TO BRING IT UP FORMALLY AT THE UNITED NATIONS. THERE WAS NO MAGIC SOLUTION TO THE PROBLEM. BUT IT NEED NOT IMPEDE THE IMPROVEMENT OF RELATIONS IN OTHER AREAS. HE HOPED THERE COULD BE PROGRESS SOON. HE REPEATED THAT PRESIDENT ALFONSIN WANTED TO GET THE TRAIN ON THE RAILS BEFORE HIS GOVERNMENT LEFT OFFICE. HE BELIEVED THERE WAS A REAL OPPORTUNITY TO DO SO.

20. CAPUTO ADDED THAT THERE WAS A NEW INTERNATIONAL ATMOSPHERE OF CONFIDENCE AND GOOD FAITH. THE FOREIGN POLICY OBJECTIVES OF ARGENTINA WENT WIDER THAN THE PROBLEM OF THE FALKLANDS. HE WANTED BETTER AND BROADER RELATIONS WITH ALL THE COUNTRIES OF WESTERN EUROPE. WHILE ARGENTINA HAD BILATERAL DIFFICULTIES WITH BRITAIN, IT WOULD INEVITABLY HAVE DIFFICULTIES WITH OTHER WESTERN EUROPEAN COUNTRIES. BY THE SAME TOKEN, SO LONG AS BRITAIN HAD PROBLEMS WITH ARGENTINA, IT WOULD HAVE PROBLEMS WITH OTHER LATIN AMERICAN COUNTRIES. HE STRONGLY BELIEVED IT WAS IN THE INTERESTS OF BOTH SIDES TO TRY TO BRING ABOUT A GRADUAL RAPPROCHEMENT.

21. AT THE BEGINNING AND END OF THE MEETING WE HAD A BRIEF DISCUSSION OF OTHER GENERAL ASSEMBLY ITEMS, IN PARTICULAR THE CURRENT DEBATE ON PALESTINE AND ARAFAT'S SPEECH OF 13 DECEMBER. CAPUTO EXPRESSED DESPAIR ABOUT ASPECTS OF THE UNITED NATIONS BUREAUCRACY, AND THE PROTRACTED DELIBERATIONS OF THE FIFTH COMMITTEE. THROUGHOUT THE MEETING THE TONE WAS GOOD HUMOURED AND FORTH-COMING, AND CAPUTO UNDERLINED SEVERAL TIMES HIS OWN AND PRESIDENT ALFONSIN'S GOOD FAITH IN SEEKING TO FIND NEW WAYS OF IMPROVING ANGLO/ARGENTINE RELATIONS. HE ALSO EMPHASISED THE POLITICAL RISKS FOR THE ARGENTINE GOVERNMENT IN PROCEEDING IN THE FASHION HE HAD SUGGESTED, AND THE PARAMOUNT NEED TO AVOID LEAKS.

22. PLEASE REPEAT AS NECESSARY.

SANKEY