

DIST :-

P/S NO 10

P/S S of S

APS S of S

PUS

MA BURNS

MISS MCGINTY

ZCZC

LNUZAN 0280 MCLVAN 5857

CONFIDENTIAL

FFFF CORRECTED VERSION ←

DD 182345Z CHOGM

FM MADRID TO CHOGM

182315Z OCT

GRS 518

CONFIDENTIAL

FM MADRID

TO DESKBY 182345Z UKDEL KUALA LUMPUR

TELNO 1

OF 182315Z OCTOBER 89

AND TO DESKBY 190700Z FCOLN

FOLLOWING FROM SIR CRISPIN TICKELL.
FOR PRIVATE SECRETARY AND PS/NO 10.

MY TELNO 977: ANGLO/ARGENTINE OFFICIAL TALKS

SUMMARY

1. COMMENTARY ON THE DRAFT COMMUNIQUE AGREED AD REFERENDUM BY THE BRITISH AND ARGENTINE DELEGATIONS IN MADRID.

DETAIL

2. IN MIFT IS THE DRAFT OF THE FINAL COMMUNIQUE ON WHICH WE AND THE ARGENTINES WORKED ALL AFTERNOON. IT SETS OUT THE ESSENTIALS OF THE AGREEMENTS WE HAVE NOW REACHED, AND WOULD REQUIRE AMENDMENT IF WE WERE ABLE TO MAKE FURTHER PROGRESS ON CONFIDENCE BUILDING MEASURES TOMORROW 19 OCTOBER.

3. THE FIRST FOUR PARAGRAPHS SPEAK FOR THEMSELVES. THEY INCLUDE THE AGREED LANGUAGE ON SOVEREIGNTY, CESSATION OF HOSTILITIES AND REPARATIONS.

4. PARAGRAPH 5 ON DIPLOMATIC RELATIONS REPRESENTS A COMPROMISE BETWEEN THE WISH OF THE ARGENTINES TO MAKE RESUMPTION OF DIPLOMATIC RELATIONS AN INESCAPABLE CONCLUSION OF OUR NEXT MEETING (IN CONFORMITY WITH PRESIDENT MENEM'S PUBLIC STATEMENTS ON THE SUBJECT), AND OUR WISH TO AVOID COMMITMENT WHILE RECOGNISING THAT SUCCESSFUL NORMALIZATION WOULD NATURALLY LEAD TO RESUMPTION OF DIPLOMATIC RELATIONS.

5. PARAGRAPH 7 REPRESENTS ANOTHER COMPROMISE. THE ARGENTINES ARGUED THAT ANY EXPLICIT REFERENCE TO DISCRIMINATORY PRACTICES WOULD CAUSE THEM MAJOR DOMESTIC EMBARRASSMENT, IN PARTICULAR WITH THEIR CONGRESS. INDEED AT ONE POINT THEY ARGUED AGAINST ANY REFERENCE TO THE PAST. EVENTUALLY WE SETTLED ON LIFTING "ALL REMAINING RESTRICTIONS AND RESTRICTIVE PRACTICES". THE USE OF THE WORD "FACILITATE" IN RELATION TO AN EVENTUAL ARGENTIA/EC AGREEMENT WAS AGREED WITH SOME DIFFICULTY. ORIGINALLY THE ARGENTINES WANTED AN UNDERTAKING FROM US TO "PROMOTE" SUCH AN AGREEMENT, BUT THE FURTHEST WE WOULD GO WAS AN UNDERTAKING TO TRANSMIT THE PRESENT COMMUNIQUE TO THE EUROPEAN COMMISSION (RECORDED IN PARA 12).

6. PARAGRAPH 10 ON FISHERIES IS ARGENTINE LANGUAGE TO RECORD AGREEMENT TO DISAGREE. IT SEEMS TO ME QUITE USEFUL.

7. PARAGRAPH 11 ON CONTACTS BETWEEN THE FALKLAND ISLANDS AND THE CONTINENTAL MAINLAND REPRESENTS AN ARGENTINE RETREAT FROM A REQUEST TO SET UP A SPECIAL WORKING GROUP OR, FAILING THAT, AN UNDERTAKING TO DISCUSS THE MATTER FURTHER AT A FUTURE MEETING. APPARENTLY CAVALLO IS PARTICULARLY INTERESTED IN DEVELOPING DIRECT LINKS BETWEEN THE ISLANDS AND ARGENTINA, BUT WE PERSUADED THE ARGENTINES TO ACCEPT LANGUAGE WHICH I JUDGE HARMLESS. ON OUR SIDE IT COULD BE READ AS REINFORCING THE ARGENTINE COMMITMENT TO GIVE FREEDOM OF PASSAGE TO THE INDIANA. IT SHOULD ALSO SERVE TO REMOVE URUGUAYAN INHIBITIONS ABOUT ACCEPTING AIRBRIDGE DIVERSIONS.

8. WE HAVE AGREED TO MEET AGAIN AT 0930Z ON 19 OCTOBER TO HEAR THE REACTIONS OF OUR RESPECTIVE AUTHORITIES AND, WE HOPE, AGREE A FINAL TEXT. IN CASE OF ANY DIFFICULTIES, AND TO ALLOW FOR ANY AMENDMENT OF SUBSTANCE ON CONFIDENCE BUILDING MEASURES, WE HAVE DECIDED TO POSTPONE PUBLICATION WITH ACCOMPANYING PRESS CONFERENCE AT THE SPANISH MINISTRY OF FOREIGN AFFAIRS UNTIL 1330Z. PUBLICATION COULD THEN TAKE PLACE SIMULTANEOUSLY IN MADRID, LONDON AND BUENOS AIRES.

9. SEE MIFT.

GORDON LENNOX

YYYY

MCLNAN 5857

NNNN