



Foreign and Commonwealth Office

London SW1A 2AH

20 December 1983

Dear John,

Argentina/Falklands: Next steps with the Alfonsin Government

There was discussion in Cabinet on 15 December about exploring through the Swiss the possible resumption of some official contact with Argentina.

The Foreign Secretary believes that we need to follow up the Prime Minister's exchange of messages with President Alfonsin as soon as possible. Hopes of progress are quite widespread. Sir Geoffrey thinks it important to avoid creating any exaggerated expectations. But there will be criticism at home and abroad if we appear to hesitate over this opportunity to move towards more normal relations - at the same time, of course, as standing firmly by our commitments to the Islanders.

Sir Geoffrey therefore proposes to put in hand an approach by the Swiss to the Argentines to establish acceptable terms of reference for talks at official level about means of making progress in a number of areas. I enclose drafts of the telegrams which Sir Geoffrey proposes to send to HM Ambassador in Berne. We of course have in mind, with reference to paragraph 3f of the second draft telegram, the Prime Minister's comment in her summing-up in Cabinet last week that a formal cessation of hostilities must be the pre-condition for any resumption of full diplomatic relations. There are various stages, stopping well short of the resumption of full diplomatic relations, which could be examined in talks about normalisation.

Sir Geoffrey intends that we should steer the Argentines firmly away from "Secret" talks. We do not propose to publicise our approach to the Swiss, though Sir Geoffrey thinks we should tell our main Allies and partners of our action. He proposes that our line for use in Parliament and in public when asked, should be that following the exchange of messages, we are indeed exploring realistic means of moving towards a more normal relationship with Argentina, but decline to give details. Any talks that

/eventually



eventually take place with the Argentines themselves could be presented in a broadly similar way, although we could then describe, as indeed we have already done, the broad areas in which we think it realistic to contemplate early progress. We could also place additional emphasis on the talks being without prejudice to our own views and position on sovereignty.

We see no need to consult the Falkland Islands' Councils in advance since our approach is consistent with public statements by Ministers and the Islanders' interests are fully protected. We did, as you know, inform Sir Rex Hunt in advance of the Prime Minister's message to Alfonsin and asked him to reassure the Islanders that we stand as firmly as ever by our commitments to them. We propose to keep him closely informed of the developments contained in these telegrams accordingly.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

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10 DOWNING STREET

From the Private Secretary

21 December 1983

Argentina/Falklands: Next Steps with the Alfonsin Government

The Prime Minister has seen your letter of 20 December conveying the Foreign and Commonwealth Secretary's views on the above subject.

Mrs. Thatcher considers that it would be premature to take the steps with the Argentine Government which are proposed in your letter. She would prefer to see how the new Argentine Government develops before going much further.

The Prime Minister would wish these questions to be discussed in OD in the New Year. Moreover, if OD agrees to the proposed steps, she believes that it will be necessary to consult the Falkland Islanders before we go ahead.

Mrs. Thatcher has made several comments on the speaking note which it is proposed that the Swiss might use in talking to the Government of Argentina. She would be reluctant to say that the British Government appreciated Alfonsin's reply to her own message since she herself did not like the last sentence of Alfonsin's reply. She sees considerable difficulty in the wording of the first sentence of paragraph 2 of the speaking note which, she believes, implies a judgement about sovereignty. It would be necessary that any such note makes absolutely clear that we will not negotiate about sovereignty.

As regards the proposed agenda for the talks, the Prime Minister has observed that she would not wish to see air services from Argentina to the Falklands resumed (I am not clear whether you envisage discussion of such services).

I should be grateful if Richard Hatfield, to whom I am copying this letter, could arrange for the question of future relations with the Argentine Government to be discussed at a meeting of OD in the New Year.

A. J. COLES

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

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MR. COLES

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Prime Minister

A.F.C. 2/12

E FALKLANDS

I have been thinking about the letter from the FCO and the draft telegram which you showed me last night proposing that we should make a fresh move vis a vis the Argentine, in order to launch talks about normalisation.

The Prime Minister knows my views in principle from my recent note and the discussion we had at dinner last week. In a nutshell, I believe that we must take an initiative at the right time to launch the process of normalisation, the objective being to defuse the pressure which will mount on us from our friends and partners and from within this country, or to reverse the pressure on to Argentina.

Nevertheless, I think it most important that the Prime Minister should not allow herself to be rushed. I cannot see why, apart from bureaucratic momentum, the FCO should think it desirable to give the impression of running after a government which has only been in office for a few days. If we act as proposed, the Argentines are bound to get the impression that we are in a hurry to woo them. This will make them tend to raise their price and also to invoke our friends to bring more pressure to bear on us.

I believe that we should wait until the Argentine Government has had time to settle down, say a month or two or maybe until the Spring. There is no violent hurry that I can see.

Meanwhile, we should think out exactly how we want to handle the situation. For example, is it right to start with functional steps of normalisation, eg trade, culture etc? Or should we try to start with eg a clear statement of non use of force in exchange for lifting the exclusion zone? Is it right to conduct the negotiations through a third party, even the neutral Swiss? Should we not thoroughly consider direct contact by confidential means as a starter, as we did with Egypt and other countries?

I am not suggesting answers to these questions, only that we should thoroughly consider every aspect of our forward planning before we reach a decision to make a move.

A.D. PARSONS
21 December 1983

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PRIME MINISTER

Argentina/Falklands : Next Steps with the Alfonsin Government

The attached letter sets out the Foreign Secretary's views on how we should now move ahead towards more normal relations with Argentina.

You will wish to read all these papers but the important one is that at Flag F - this is the speaking note on which the Swiss would draw in speaking to the Argentine Government.

My own feeling is that the letter envisages moving ahead rather too quickly. I wonder whether it would not be better to wait until the New Year and also whether you would not wish to discuss the matter in OD or at Cabinet before we go ahead.

Paragraph 2 of the speaking note at Flag F contains some language on sovereignty which you will wish to consider carefully. I can quite see that something of the kind may be necessary to get talks going.

The other point which strikes me is that the proposed agenda contains no reference to a formal cessation of hostilities. But it may be that it is better to raise that point in connection with item F on the upgrading and eventual resumption of official relations.

Would you prefer this to be raised in OD or Cabinet in the New Year - and meanwhile that nothing should be done?

A.J.C.

I think this approach shows
indeed haste and I am
horrified at the restrictions, I could
not possibly agree them.
However we have to consult the
Falklanders and go to OD.

20 December 1983

COPY OF TELEGRAM

CONFIDENTIAL

FM FCO 1630Z DECEMBER 83
TO IMMEDIATE BERNE

MIPT: RELATIONS WITH ARGENTINA

1. Following is text of speaking note.

Begins: The British Government have asked the Swiss Protecting Power to approach the Government of Argentina, to consider means of following up the exchange of messages on 10 December between Mrs. Thatcher and President Alfonsin. The British Government repeat their welcome for the return of democracy to Argentina and appreciated the Argentine President's reply to the Prime Minister's message. They believe that the possibility of talks between Britain and Argentina at official level about the progressive normalisation of relations between the two countries should now be considered. It will be necessary however for both sides to recognise the realities of the situation and the constraints under which the other is operating.

2. With this in mind, the British Government propose that any discussions should be without prejudice to the positions of the United Kingdom and Argentina respectively on the question of sovereignty over the Falkland Islands, and indeed, that sovereignty would not be discussed. Alternatively, the British Government could accept an arrangement whereby each side made a short and self-contained statement of their position on this question for the record, and then agreed to proceed to the discussion of a number of practical issues, without prejudice to their stated positions.

3. It is proposed that the agenda for discussion could include:

- A. The reciprocal lifting of restrictions on trade between the United Kingdom and Argentina.
- B. The lifting of all outstanding financial restrictions.

/ C.

Will not
take him
in
reference

?

This judges sovereignty. It must be made clear that we will not negotiate sovereignty

Handwritten scribbles and wavy lines on the left margin.

- C. Arrangements for the return of the Argentine dead from the Falkland Islands or, failing that, for a next-of-kin visit.
- D. The resumption of air services. *Not to Falklands*
- E. The resumption of cultural, scientific and full sporting contacts.
- F. The upgrading and eventual resumption of official relations.

4. There have been suggestions for secret talks. The British Government would not welcome such a procedure, seeing no need to cloak in secrecy meetings about the normalisation of bilateral relations. Moreover, there would be serious dangers of misunderstanding if there were to be clandestine discussions, and word of these were to leak.

5. Regarding presentation, Sir Geoffrey Howe said in a broadcast on 11 December that both sides are developing a will to begin taking steps towards restoring a normal relationship. If British spokesmen are asked about the present Swiss approach to the Government of Argentina, they propose to confirm in general terms that means of carrying this process forward are being explored. But the Swiss and British Governments have no intention of stimulating publicity at this early stage. The public presentation of talks between British and Argentine officials can be discussed once terms of reference have been agreed.

6. The British Government look forward to knowing the views of the Government of Argentina on these suggestions. They consider it most important to follow up the exchange of messages through exchanges in areas on which it is realistic to expect early progress. The British Government hope that this can lead to the establishment of a renewed climate of mutual confidence in which our relations can be managed in a practical and productive way.

HOWE

*My message was only a
 working . . . not a prelude to
 concentrated diplomatic exchanges I should
 like to see how the new joint. develops before going
 much further out*

Classification and Caveats

Precedence/Despatch

CONFIDENTIAL

IMMEDIATE

ZCZC 1 ZCZC
 GRS 2 GRS
 CLASS 3 CONFIDENTIAL
 CAVEATS 4
 DESKBY 5
 FM FCO 6 FM FCO
 PRE/ADD 7 TO IMMEDIATE BERNE
 TEL NO 8 TELEGRAM NUMBER
 9 RELATIONS WITH ARGENTINA: NEXT STEPS
 10 1. We now need to follow up the exchange of messages between
 11 the Prime Minister and President Alfonsin. (I am most
 12 grateful for Probst's help in transmitting our message:
 13 text of letter to him follows.)
 14 2. I should be grateful if you could make an early appoint-
 15 ment to see Probst again and tell him that you are now able
 16 to give him details of the follow-up action envisaged when
 17 you saw him on 14 December (your telegram No 259). You
 18 should say that we would now like the Swiss Ambassador in
 19 Buenos Aires to approach the Argentines. Our preference
 20 would be for Keusch to see Gobbi, the Minister at the MFA
 21 with direct responsibility for these matters.
 /// 22 3. It will be necessary for the Swiss, in this highly
 // 23 important initial approach, to strike the correct balance.
 / 24 *We trust that they will accept*
 25 ~~They will be aware that there is no inconsistency between~~

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| NNNN ends telegram | BLANK | Catchword our |
| File number | Dept FID | Distribution (Private Secretary may wish to decide) |
| Drafted by (Block capitals) A E PALMER | | |
| Telephone number 233.8020 | | |
| Authorised for despatch | | |
| Comcon reference | Time of despatch | |

1 <<<<

2 our declared willingness to improve bilateral relations with
3 Argentina and our determination to stand by our commitments to
4 the Falkland Islanders. *and maybe we will not discuss sovereignty* We know that the Argentines, for their
5 part, are bound to reaffirm their claim to the Islands. There
6 are thus constraints which both sides must recognise, but we hope
7 these need not prevent us from establishing a more productive
8 relationship, and to managing this in a progressive way without
9 prejudice to the basic positions of either side.

10 4. My IFT contains the text of a speaking note which we hope
11 the Swiss will agree to transmit to Keusch, giving him
12 discretion to leave a copy with Gobbi if he judges this to be
13 advisable. *now to negotiate any pact with them, you have discretion,* While we do not wish to invite comments on the
14 substance from the Swiss, *the matter* if Probst volunteers advice on the
15 tactics of handling ~~this~~, ~~you have discretion~~ to refer back before
16 pressing for immediate action. Otherwise, I should be grateful
17 if the Swiss Ambassador could make his representations to Gobbi
18 as soon as he possibly can, holiday season permitting.

19 5. We hope the Swiss Ambassador will also agree with the
20 Argentine MFA that, while it is already public knowledge that we
21 intend to follow up the Prime Minister's exchange of messages
22 with President Alfonsin, we think the public line about any
23 exchanges at this stage should be to confirm, if asked, that we
24 are exploring ways of doing this, *but* giving no details. You should
25 bear in mind that a senior official involved in this problem
26 would be available to visit Berne at any stage that you or the
27 Swiss thought ~~that this~~ would be helpful.

28 HOWE

30 NNNN

NNN ends
telegram

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Catchword

Classification and Caveats

Priority/Deskby

CONFIDENTIAL

IMMEDIATE

ZCZC 1 ZCZC
 GRS 2 GRS
 CLASS 3 CONFIDENTIAL
 CAVEATS 4
 DESKBY 5
 FM FCO 6 FM FCO 1630Z DECEMBER 83
 PRE/ADD 7 TO IMMEDIATE BERNE
 TEL NO 8 TELEGRAM NUMBER
 9 MIPT: RELATIONS WITH ARGENTINA
 10 1. Following is text of speaking note.
 11 Begins: The British Government have asked the Swiss Protecting
 12 Power to approach the Government of Argentina, to consider means
 13 of following up the exchange of messages on 10 December between
 14 Mrs Thatcher and President Alfonsin. The British Government *repeat*
 15 *it is welcome for the return of democracy to Argentina and*
 16 *appreciated the Argentine President's reply to the Prime Minister's*
 17 *message, ~~and~~ believe that we should now look ahead to the*
 18 *possibility of talks between Britain and Argentina at official*
 19 *level about ^{progressive} the normalisation of relations between the two*
 20 *countries ^{should now be considered.} ^{however}. It will be necessary ^L for both sides to recognise the*
 21 *realities of the situation and the constraints under which the*
 22 *other is operating.*
 23 2. With this in mind, the British Government propose that *any*
 24 discussions should be without prejudice to the positions of the *these*
 25 United Kingdom and Argentina respectively on the question of
 sovereignty over the Falkland Islands, and indeed, that sovereignty

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| File number | Dept FID | Distribution |
| Drafted by (Block capitals) A E PALMER | | |
| Telephone number 233 8020 | | |
| Authorised for despatch | | |
| Comcon reference | Time of despatch | |

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2 would not be discussed. Alternatively, the British Government
 3 could accept an arrangement whereby each side made a short ^{and self-contained} ~~statement~~ ^L
 4 statement of their position on this question for the record,
 5 and then agreed ~~not~~ ^{proceed to the discussion of a number} to revert to it again during the talks
 6 ~~on normalisation of practical issues, without prejudice to their~~
 7 ~~stated positions.~~

8 3. It is proposed that the agenda for discussion could
 9 include:

- 10 A. The reciprocal lifting of restrictions on trade between
- 11 the United Kingdom and Argentina.
- 12 B. The lifting of all outstanding financial restrictions.
- 13 C. Arrangements for the return of the Argentine dead from
- 14 the Falkland Islands or, failing that, for a next-of-
- 15 kin visit.
- 16 D. The resumption of air services.
- 17 E. The resumption of cultural, scientific and full
- 18 sporting contacts. ^(and eventual resumption)
- 19 F. The ~~eventual~~ upgrading ^L of ~~our~~ official relations.

20 4. There have been suggestions for secret talks. The
 21 British Government would not welcome such a procedure,
 22 seeing no need to cloak in secrecy meetings about the
 23 normalisation of bilateral relations. Moreover, there
 24 would be serious dangers of misunderstanding if there were
 25 to be clandestine discussions, and word of these were to
 26 leak. ^{US. REGARDING PRESENTATION,} Sir Geoffrey Howe said in a broadcast on 11 December
 27 that both sides are developing a will to begin taking steps
 28 towards restoring a normal relationship. If British spokes-
 29 men are asked about the present Swiss approach to the
 30 Government of Argentina, they propose to confirm in general
 31 terms that means of carrying this process forward are being
 32 explored. But the Swiss and British Governments have no
 33 intention of stimulating publicity at this early stage.
 34 The public presentation of talks between British and

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| NNNN ends telegram | BLANK, | Catchword Argentine |
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Argentine officials can be discussed once terms of reference have been agreed.

⁶5. The British Government look forward to knowing the views of the Government of Argentina on these suggestions. They consider it most important to follow up the exchange of messages through exchanges in areas on which it is realistic to expect early progress. The British Government hope that this can lead to the establishment of a renewed climate of mutual confidence *in which our relations can be managed in a practical and productive way.*

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ARGENTINA Kels
PT 35



20 DEC 1987