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FILE No. ALA 020/1 (Part)

TITLE: POLITICAL RELATIONS BETWEEN
UK AND ARGENTINA

REFER TO

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R
Mr Bright. 9. 2/7.

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1980

Tom MALCOLMSON



With the compliments of

CHANCERY
ALA 020/1

Andrew

BRITISH EMBASSY
BUENOS AIRES

A warm editorial on the
restoration of Ambassadors.

(Please excuse the format: translated
in haste for the bag.)

Mr Davis

Mr Duggan

Mr Hunt (to see XL
particular)

25/2

EDITORIAL IN "LA NACION", 22 FRIDAY FEBRUARY 1980

RELATIONS WITH GREAT BRITAIN

With the exchange of Ambassadors the long-standing ties between Argentina and Great Britain have been restored to the level and standard that they have had for more than a century.

Apart from their specific diplomatic duties it is to be expected that the two missions will make the efforts that are indispensable for a final settlement of the dispute about sovereignty over the Malvinas Islands.

Present-day reality has given the issue a scope that lies beyond the recovery by Argentina of the control over the Islands on the basis of our legitimate rights to them which have been defended and reiterated by our protests on all suitable occasions.

However, apart from this question which involves rights and feelings that are dear to the Argentine nation, there is a wide scope for reinforcing our major and undoubtedly existing friendship and ties of a historical, cultural, spiritual and economic nature.

It is of interest, for example, to consider the possibility of jointly defending the southern seas from the unlawful and depredatory exploitation (by other countries); recognising Argentina's rights to other islands and vast sea expanses; and eventually obtaining hydrocarbons and minerals. The titles accredited by our expeditions to the Antarctic and the settlement of stations there with their generously-shared intense and useful scientific and information activities should take no secondary place in the diplomatic relations between the two countries.

To promote these traditional relations it will be up to our Embassy to negotiate with the British Government the inclusion of new items to expand the scope of our relations, and to ensure that at the EEC the UK should not adopt attitudes that are against Argentina's fair aspirations but, on the contrary, that it should help to make the EEC understand the importance and high standing of our country and even of Latin America in the field of international trade.

/The...

The Argentine government and the various sectors of the country shall be interested and well-disposed to deal with the British Embassy so as to increase the warm affection that has long been typical of our bilateral relations.

The experience that has been gained with time and the observation of the world scene shall be sufficient to acknowledge the importance of the full restoration of diplomatic relations between Buenos Aires and London. Relations are resumed not only after a long period but after a regrettable misunderstanding, which has fortunately been overcome, on the conditions which should prevail with reference to the appointment of the new British Head of Mission.

Agreement in the major political and social objectives of the two countries is certainly a suitable instrument to improve relations and at the same time solve the pending disagreements or those that might result from the very existence of the countries as sovereign states. Let us hope it will be so.

FOREIGN MINISTER PASTOR MEETS WITH EDWARD HEATH

PY181709 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1628 GMT 18 Jan 80 PY

[Excerpt] Buenos Aires, 18 Jan (NA)--Former British Prime Minister Edward Heath said today that "an easy and quick solution" to the problems of the Malvinas Islands should not be expected and that "of course, the opinion of the inhabitants of the islands is what really matters."

Heath, who met with Foreign Minister Carlos Washington Pastor this morning, believes that the renewal of relations at the ambassadorial level between Argentina and Great Britain will not have a decisive influence on the matter. He pointed out that the new British representative will be in Buenos Aires in about a month but reiterated that "easy solutions should not be expected."

During a press conference at noon today, Heath revealed that the Argentine decision not to support the United States in the boycott against the Soviet Union for its armed intervention in Afghanistan was discussed with Pastor. In this regard, he said that "the Argentine position is perfectly clear. Argentina condemned the action of the Soviet Union and has stated that it will not interfere in the activity of the market with its products."

GOVERNMENT DELIVERS FREE ZONE PORT TO PARAGUAY

PY171415 Asuncion ABC COLOR in Spanish 17 Jan 80 p 8 PY

[By special correspondent Carlos Rodriguez]

[Excerpt] Rosario, 16 Jan--Argentine Economy Minister Jose Alfredo Martinez de Hoz this morning turned over to Paraguay a free zone, unit V of this city's port, in a speech during which he reiterated Argentina's integrationist spirit and its sincere desire for solidarity and close cooperation with the countries of the area, particularly Paraguay. The dock is 278 meters long with warehouses and silos having a capacity of 24,000 tons, as well as other facilities in an area of 3 hectares which will be administered by Paraguayan officials as of today.

GALTIERI SAYS POLITICAL DIALOG WILL START IN MARCH

PY181304 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1121 GMT 18 Jan 80 PY

[Excerpt] Puerto Iguazu, Misiones, 18 Jan (NA)--Lt Gen Leopoldo Galtieri, Argentine Army commander, has stated here that the dialog with political sectors "will take shape after the traditional Argentine political summer is over."

He added: "We are working behind closed doors to decide how and with whom we will start this dialog. Although this has not yet been decided, we are not in the dark, and I reassert that by March we will have news in this regard."

Galtieri, who last night held a press conference in this city on the final day of an inspection tour of army units stationed in Misiones territory, stated in answer to journalists' questions that he had not yet held a meeting with the other members of the military junta.

He said: "I saw the junta members on 28 December when I assumed my duties as army commander and member of the government junta, but I have not met with them since then."

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29 JAN 1980	
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Jose Alfredo Martinez de Hoz	de Hoz Taken

Thanks. I have *SAND* spoken.

~~PS~~

cc
PS/Mr Ridley
Mr Harding

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8/11

ARGENTINA: ANGLO-ARGENTINE SOCIETY'S INDEPENDENCE DAY LUNCH

1. Lord Strathcona's APS has asked for any FCO comments on the outline speaking notes which Lord Strathcona intends to use to reply to Lord Montgomery's speech at the Anglo-Argentine Society's Annual Independence Day lunch on 9 July.
2. In view of the short notice, I recommend that you inform Miss Blundell by telephone that there is no objection. The speech notes, as drafted, correctly avoid the difficult areas in Anglo-Argentine relations e.g. the Falklands dispute and human rights, which it would not be advisable to touch on in a speech of this nature.

P. R. Fearn

P R Fearn
South America Dept.

7 July 1980

Mr Cole
to see
8/11
CB
9/7

Mr Bishop
(14)

From: Miss Dorothy S Blundell, Assistant Private Secretary



MINISTER OF STATE FOR DEFENCE

WHITEHALL LONDON SW1A 2HB

Telephone 01-218 6621 (Direct Dialling)
01-218 9000 (Switchboard)

S Am D

D/MIN/ES/19/8

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1 AUG 1980		
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Any rapid obs.?

4 July 1980

*cc: PS / Mr Ridley
Mr Harding*

*Rm/L
4/iii*

Dear Mr. Walden,

Some time ago, I spoke to your office about an invitation Lord Strathcona had received from Lord Montgomery, President of the Anglo-Argentine Society, to attend the Society's Annual Independence Day luncheon on Wednesday 9th July. Lord Carrington was content for Lord Strathcona to attend the luncheon but you asked to be consulted if he was asked to make a speech.

Lord Strathcona will be replying to Lord Montgomery's speech on behalf of the guests but his speech will not be very long. I attach general speaking notes which it has been suggested that Lord Strathcona might use, and I should be grateful to know whether there would be any objection to them.

*Yours sincerely,
Dorothy S. Blundell*

G G H Walden Esq.,
Foreign and Commonwealth Office

ANGLO-ARGENTINE SOCIETY LUNCH

Points to Make

- Welcome recent exchanges of Ambassadors (to which Lord Montgomery has referred) and which marks the importance we attach to our relations with Argentina and our hope that they should flourish.
- Value contribution of Anglo-Argentine Society towards the promotion of friendship and mutual understanding.
- Close historical ties between our two countries from the time of Argentina's independence. Marked by signature in 1825 of first bilateral treaty of friendship, commerce and navigation. Followed by significant Anglo-Argentine co-operation in banking, railways, public utilities, cattle breeding. British engineers built the first railway. First British bank in South America was opened in Buenos Aires in 1821. Long British involvement has left a substantial British community numbering over 30,000.
- Welcome recent growth in our trading relations with Argentina which, over the last thirty years, have not matched the earlier levels of economic co-operation. Argentina is, nevertheless, the UK's third largest South American market. Hope that recent expansion of trade will continue.
- Our cultural ties - which the Anglo-Argentine Society helps to foster - are also important and I am glad that they remain so close. Both our countries have won the World Cup, and I can only wish the Argentines better luck when a British team next plays in Argentina.

reference to
Wembley in
May
Eng 3 Arg 1.

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R K Fearn Esq
S Amd
F C O



With the compliments of

HER BRITANNIC MAJESTY'S
AMBASSADOR

A J Williams

An old conversation

BRITISH EMBASSY

BUENOS AIRES

19 March 1980

26/3
Mr. Halden
Mr. Bignall
CLAS
27/3
M. M. M.
27/3

[Signature]

H of C

D A

C C

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COURTESY CALL ON BRIGADIER GRAFFIGNA

My courtesy call on the air force member of the Junta was extended by Brigadier Graffigna to some forty minutes and was cordial but not particularly remarkable. He is an extremely voluble little man with a sharp terrier mind and it was not, I found, easy to get a word in edgeways.

2. Starting from my having expressed an anodyne hope that the restoration of representation at Ambassador level would lead to a deepening of Anglo-Argentine relations, I was given a long account of how our position as natural supplier to the Argentine navy had been eroded by West Germany and, while 20 years ago Argentina had bought 100 aircraft at one go from the UK, how he had recently (in view of difficulties with the US) had to turn to the costly alternative of France. I was able to get in a word about the British content in the German frigates, Harriers, the prospect of more Canberras etc, but I am not too sure he took in what I said.

3. When he turned to the European orientation of Argentina, the Argentine desire not to be ignored and sensitivity about criticism, in the name of Human Rights, of what had proved necessary to achieve the present calm order and peacefulness of the Argentine scene, I told him about the approach I had made at the Foreign Ministry that morning, seeking Argentine support for the EEC proposals on the neutrality of Afghanistan. When I also said that, of course, a concern for human rights was part of the European tradition we shared, but we recognised the need for comprehension too and we hoped that it would prove constructive and helpful that Lord Colville would be one of the group set up at Geneva to examine the problem of disappearances, his response was to say "Yes, yes and we must discuss all this at greater length some other time".

/4. He

I doubt whether
Ministers would
agree to that!!

4. He is clearly a fairly difficult character to handle and, seeing me after the Norwegian Ambassador who needed the intervention of an interpreter, I think he got the conversational bit between his teeth somewhat when he found I could compete in Spanish. However he clearly likes having long chats with Ambassadors and I have at least established a right of access to discuss ships and shoes and sealing wax later, if we so wish.

Anthony Williams
19 March 1980

cc:-


Mr Fern
SAMd
FCO

(7)

Foreign and Commonwealth Office

London SW1A 2AH

21 March 1980



A J Williams Esq CMG
BUENOS AIRES

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Dear Mr Williams,
FIRST CONTACTS

1. Many thanks for your letter of 7 March reporting on your first calls on President Videla and Brigadier Pastor.
2. The Argentines certainly appear to have gone out of their way to mark the importance they attach to your appointment. We must hope that this is not just a honeymoon climate but will lead to a genuine effort on their part to maintain the present improvement in Anglo-Argentine relations (for instance by translating their words about wanting to develop trade into some contracts!). The fact that neither of the two more contentious subjects, Falklands and human rights, was raised reflected perhaps no more than their concept of the courtesies of first calls. At this end Ortiz de Rozas has been far less inhibited on both issues and has been maintaining a high profile. He is a smooth and agreeable operator; but he can be slippery too.
3. Judging from your telegram No 78, the message from Mr Ridley to Comodoro Cavandoli seems to have had just the right effect. We await your report of the Foreign Minister's considered reaction. I suspect that Ortiz de Rozas may be a shade peeved that he has been thus short-circuited; but no doubt he will find a way of re-inserting himself very soon!
4. On the human rights front, I foresee considerable lobbying from pressure groups here to follow up the various reports on Argentina either already available or due shortly. We will keep you posted on this.

Yours ever,

GWH

G W Harding

Mr Harding

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ARGENTINA: MR WILLIAMS'S FIRST CONTACTS

Flag A (4)

1. I submit a draft reply to Mr Williams's letter of 7 March recording his first contacts with the Argentine Government.

2. The Argentines do seem to have made a point about being nice to Mr Williams. The test of their cordiality will come when we get down to talking about the Falklands. Meanwhile it might be useful to sound a warning note about the Argentine Ambassador here.

P. R. Fearn

P R Fearn
South America Dept.

18 March 1980

Draft to issue

20/3

Mr. Bright
Mr. Duggan
Mr. Fearn

It was useful that Mr. Malmgren was able to attend this meeting. Sr Ortiz de Rozas is an able & convincing representative of his country & he clearly had most of his audience eating out of his hand by the end. We have yet to see whether any reassurances on Argentine policy on the Falklands represent his Minister's views. Other comments in margin of CDD/CX

A smooth performance

AZA 02011

20 MAR 1980

CANNING HOUSE: ADDRESS BY ARGENTINE AMBASSADOR

1. I attended the reception/discussion meeting at Canning House last night which was addressed by Sr Ortiz de Rozas. There was a good turnout of over 100, mainly businessmen, to hear him.
2. The Ambassador's speech was mainly economic/commercial in content. He claimed that this was a topic on which he had little expertise and apologised for the fact that he would have to read from his notes. He repeated this apology on more than one occasion as he did for what he called the "boring" content of his speech. His speech, which lasted for half an hour, was about the economic miracle that had taken place since the present Government took over in March 1976 and of his country's achievements in a number of fields - power-generation, petro-chemicals, agriculture. The speech was punctuated with statistics of all sorts to back up the claims he was making. His speech was merely a confirmation of what most of us already knew.
3. After he had delivered his speech, the Ambassador said that he would be prepared to answer questions on any subject. There then followed a half an hour or so question time, during which he frankly and openly dealt with some 7 or 8 questions. The audience were in sympathy with his replies and in the end he received the equivalent of a Canning House standing ovation.
4. The questions of main interest to us were:

- 1) Falklands: a businessman contemplating participating in a Trade Seminar in Buenos Aires later this year asked whether the problem of the Falklands, which he had encountered on a previous visit to Argentina, still remains. In reply, the Ambassador said that both the problem and the Malvinas remained. Although both Argentina and Britain had tried, and were still trying, to solve the problem in a civilised manner, it was likely to be unresolved for a while. During more than 140 years of the dispute, relationships had reached both very high levels and very low levels. He suggested that for Britain the problem was not a priority. But for Argentina it was a number one foreign policy issue. The reason for this was that since her independence in 1810, Argentina has lost territory, now part of Uruguay, Peru, Bolivia, Brazil and Chile - through arbitration. However, in the Argentine mind, the Malvinas were taken by force.

He expressed the hope that through the continuing friendly relations with Britain, it would be possible to reach a satisfactory solution. This would be through negotiations. If any country in the world had shown expertise in conducting negotiations, it was Britain, and surely she would use this

/expertise

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There is clearly a danger that British businessmen will not see with Argentina, because they view the problem simply as an obstacle to good trading relations. Representatives of British banks & Argentina told me (BA) that they would not even visit the Falklands purely for fear of embarrassing the Govt.

-2-

expertise to resolve the Malvinas problem. Much goodwill would be required and there was no shortage of this on the Argentine part.

While he agreed that it was important to respect the wishes of the Falkland Islanders, he felt that sheer economics would be a determining factor and that the Falklanders would eventually see that they would be better off in conjunction with Argentina. There is in Argentina a thriving Anglo-Argentine community which plays an important part in the development of the country and one could not blame the Islanders for wishing to join that community.

Unfortunately the Islanders dislike Anglo-Argentines as much as more than they do Argentines. I think the example of the B. Community in Argentina on the Islanders and received that shift.

2) Chile/Argentine relations: Chile and Argentina shared a common boundary and had common interests. There, therefore, existed a special relationship. Chile is now in good hands. The Ambassador was confident that, through the mediation being conducted by the Vatican, a friendly and acceptable solution to the Beagle Channel Problem would be found.

It's hard to see how.

3) Prospect of return to some form of political plurality: The Armed Forces are determined to bring Argentina back to democracy. No date has been given as to when this might be achieved - in the past, military regimes had committed themselves to dates and mistakenly returned the country to civilian rule before it was ready. The Government's main objectives remain to redress the situation it inherited in 1976 - both politically and economically. The Government had already published bases for an eventual return to democracy and would shortly be embarking on a dialogue with representatives of the main political parties.

4) Question - It is generally accepted that terrorism, wherever it occurs, is funded by the Russian KGB. Argentina had a terrorist problem which she has now controlled, yet she seems to enjoy a special relationship with Russia. Has there been a change in attitude towards Russia? The Ambassador explained that Argentina was ready to sell to anyone. She would prefer to sell to the West. But, for example, she was prevented from doing so to some extent by the European Community's protectionist barrier. It is essential that Argentina traded in order to survive. However, Argentina was not buying Russian goods in return. She was being paid in Dollars, not in Roubles.

Usual line

T. Malcomson

T H Malcomson
South America Department

18 March 1980

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17 MAR 1980		
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BRITISH EMBASSY,
BUENOS AIRES.

7 March 1980

G W Harding Esq CMG CVO
Assistant Under Secretary
Foreign & Commonwealth Office
LONDON SW 1

Ps/Markley
Ps/Pss
Ps/Sir D. Maitland.
H/Pss

Dear Bill

Mr. Duggan, Stand.
10/3/1 back by next day.
Mr. Knight (20/3)

FIRST CONTACTS

It may be useful for you to know that my initial, mainly formal, contacts with the Argentine Government have been chiefly notable for the fact that the dog did not bark.

2. On 5 March I made my first call on Pastor, the Foreign Minister. Our conversation was brief and pretty well devoted to social pleasantries about the importance of renewing traditional links, etc. But it was notably cordial and Pastor particularly recalled his connections with the RAF. Furthermore, the Director of Ceremonial, Katzenstein, later drew special attention to the fact that Pastor, who normally delegates participation in the subsequent credentials ceremony to an Under Secretary if he has other demands on his time, had made a point of taking part in the British presentation, adjourning for the purpose an in-Ministry Conference of Argentina's Ambassadors to the OAS countries, recalled for briefing in advance of the publication of the OAS Human Rights Commission's Report on Argentina.

3. President Videla, when accepting the credentials of my Dutch colleague last week, had departed from social pleasantries to take him to task on the question of Holland's approach to the human rights problem. I was therefore prepared for some similar need to defend myself in my own conversation with the President yesterday. In the event he devoted our post-presentation chat (which lasted an unusual quarter of an hour) to elaborate with some earnestness on the theme that, after one of their periodic oscillations to low, he wanted Anglo-Argentine relations to return to the high point they had reached in the past. Following the local convention, I had

/initiated

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initiated the conversation by commenting that there had been much development, not only economic but also political since I was last in Argentina twenty years ago; as regards the former I had found in British business and financial as well as government circles, a strong interest in renewing contacts with Argentina. As regards political developments, not only Argentines but others, like ourselves in the UK, who had cordial ties with this country, would be listening with interest to the speech he would be making later in the day on the process of transition towards political normalisation.

4. When I then dragged my coat by saying that I hoped he would agree that this interest, in the case of HMG, had been positive and constructive, President Videla assented and added that he hoped I would, by my presence as Ambassador, increase this positive understanding. This was the nearest we got to Human Rights. Of the Falklands there was not a breath of mention on either occasion. All in all there is quite a honeymoon atmosphere at present. May it last.

gum ew
Anthony Williams

Anthony Williams

CONFIDENTIAL

3

Reference

Mr Duggan
Mr Fearn
Mr Malcolmson

cc Mr Toole DOT
Mr CD Mr Treu

cc: PS/Mr Ridley
Mr Harding
Mr Martin (P&CD)

CALL BY SR ORTIZ DE ROZAS ON MR RIDLEY

1. The new Argentine Ambassador in London, Sr Ortiz de Rozas, called on Mr Ridley on 14 January. He conveyed Sr Cavandoli's special greetings to the Minister of State and said that he would be telling the Secretary of State, when they met, that the Argentine Government are totally committed to developing the best possible links with the United Kingdom in both the economic and the political fields. The UK and Argentina shared common goals and should work together to achieve them. Mr Ridley welcomed this and asked the Ambassador to pass on to Sr Cavandoli his best wishes and the hope that they will meet again soon.

2. Sr Ortiz de Rozas said he was a close friend of the Argentine Minister of the Economy, Dr Martinez de Hoz, and knew the latter was very interested in developing the UK's economic links with Argentina. An ambitious investment programme had recently been inaugurated, costing about £50 billion over 10 years, and there would be excellent opportunities for British firms. (The Dutch had just won a gas pipeline contract for \$1½ billion). As new Ambassador to London, he would be encouraging British businessmen to become involved. Mr Ridley welcomed this and promised that the Government would do all they could to help. The Ambassador said that there was steadily increasing foreign interest in Argentina; as a net exporter of energy (gas) and food, Argentina was a very attractive investment proposition. The Economist would shortly be publishing a special survey of Argentina.

3. The Falklands issue was not raised by name but Mr Ridley said that we hoped soon to be in a position to have further political discussions. Other foreign policy questions touched on included Belize, on which the Ambassador claimed not to be briefed, Cuba, whose policies in Central America he agreed were expansionist and interventionist, and Afghanistan, where, while condemning the Soviet invasion, he thought benefit could be reaped in terms of increased Western Solidarity.

4. Sr Ortiz de Rozas said that during the year his political staff will be augmented by a second Minister and a second Counsellor. Sr Blanco will remain as Minister.

CC Bright

C C Bright
South America Department
233 4077 K 274

15 January 1980

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Confidential

Reference

W2

Mr Duggan
Mr Fearn

Falkland Islands.

ALA 020/1

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1. Mr. Fearn's question on para 3 of Mr. Harding's minute.
2. The Argentines have indicated before that they would be happy to hold a round of talks in London, providing the next was in B.A. We cannot accept this and have hitherto been able to persuade them of the need for neutral venues.
3. In the past the Argentines have been anxious to keep negotiations at as senior a level as possible. If it is true that they are now considering talks at official level in the first instance, this might indicate some relaxation of their position. When we have the Ministerial green light for a resumption of talks, we should perhaps consult the Embassy on the most appropriate level for participation.
4. Sir Otho de Rojas clearly intends to play a full rôle in future discussions & seems to be empowered to negotiate for his Government to some degree at least. I suspect, though, that the talks will continue to require the presence of a full team from B.A., wherever they are held.

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Mr Fearn ✓

① Mr Fearn ②

Mr Duffell 15/1

Mr Biffel

Mr Malcausell 16/1

Mr Davies

ARGENTINE AMBASSADOR'S FIRST CALL

1. When he paid his first call this afternoon the new Argentine Ambassador mentioned two matters of substance, while excusing himself from the rules about courtesy calls on the basis of our long-standing friendship.
2. The first point concerned human rights and the United Nations. Ambassador Ortiz de Rozas said that he had received instructions to speak to the Minister of State or me about the forthcoming meeting in Geneva at the beginning of next month of the United Nations Commission on Human Rights. His Government have received notice of some six questions that are to be raised in non-public session at the meeting, to each of which they propose to reply in detail. They were, however, concerned to preserve the confidentiality of the Commission's proceedings and to ensure that none of those countries which had been particularly critical of Argentina's human rights record should attempt to turn these questions to political advantage. He claimed that the record had in fact materially improved in the past few months and would go on doing so, so long as the Government - and especially the hawks in and around it - were not unduly provoked by unfair or unreasonable criticisms. On this point, I said it would be best if he could let us have an aide memoire as soon as possible setting out his Government's case, so that I could ensure that it was brought to the attention of those concerned in the FCO and in our Delegation.
3. The other matter he touched on briefly was, inevitably, the Falkland Islands. He said that he had been particularly delighted with his appointment to the Embassy in London, which he already knew very well, because he thought that the prospect of improving and intensifying relations between Argentina and Britain across the board had never been better than they were now. He had mentioned in his first call on Mr Ridley a few moments ago the brightening prospects for Anglo-Argentine trade and the very satisfactory development of the Argentine economy, especially its declining rate of inflation and its rapidly expanding foreign currency reserves, which made it possible for the Government to think in terms of some fairly ambitious projects requiring the input of foreign investment or goods. The only cloud on the horizon in our relations lay, as we all knew, in the Falkland Islands dispute. He claimed that in his own Foreign Ministry he had upheld the British view that in our bilateral negotiations we should address ourselves simultaneously to the essential question of sovereignty to which Argentina attached primordial importance, and to a wide spectrum of economic and other matters relating to the Islands and their Dependencies. He did not see either the possibility or the necessity of making rapid progress. What was important was that we should be seen to be moving forward across a broad front. He believed that his appointment

/as

as Ambassador in London would facilitate this methodical and unhurried approach (though he failed to make it clear what role HM Ambassador Designate in Buenos Aires would be expected to play!). He thought that high level ministerial meetings should be few and far between and that their essential purpose should be to verify and sanction practical agreement already reached through the normal diplomatic channels.


4. Sr Ortiz de Rozas and his wife will be dining with us informally tomorrow night. No doubt I shall be treated to a further disquisition on the key role which he expects to play in obtaining a satisfactory solution of the Falkland Islands dispute. I should add that I found him very cheerful and friendly on this occasion, in contrast to the somewhat condescending manner he adopted when I called on him in his own Ministry last August - possibly because he was then accompanied by a number of other officials. He seems to be genuinely delighted to be in London again, despite the plumbing and other material difficulties he is encountering in his rather run down residence.



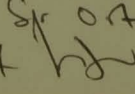
G W HARDING

14 January 1980

On para 2, we can await the promised anti-memoire.

Para 3 is interesting + suggests that Sr. Ortiz de Rozas has in mind that the main exchanges should take place here - at official level. It is not however clear whether this reflects his Minister's views. What do we think? 

(2) we have briefed our delegation through UNOD not to take a forward position: copy attached

(3) our OD paper invites "colleagues to agree that fco resume talks at Ministerial level". The measured nature of the Ambassador's view is welcome - but we shall of course want to use HMA in BA to present our views! Sr Ortiz appears to be reflecting Edwin Porter's "programme of work" 

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8/12/14

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3-30 pm

PS/Mr Ridley

Thank you.
14/1 *[Signature]*

FIRST CALL ON MINISTER OF STATE BY ARGENTINE AMBASSADOR:
MONDAY, 14 JANUARY, ^{3.30}4.00 PM

1. The new Argentine Ambassador, Sr Carlos Ortiz de Rozas, arrived in London on 7 January to take up his appointment. He will be making his first calls on Monday, 14 January, and is to see Mr Ridley at 3.30 pm.

2. I submit biographical and background notes (of which copies have been distributed separately in accordance with Mr Martin's minute of 9 January).

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3. Substantive matters are not normally raised on first courtesy calls. But Sr Ortiz de Rozas may raise the question of further negotiations on the Falklands. Accordingly, I also submit a separate background brief on the current position. As the Minister of State knows, no dates have yet been fixed for future negotiations and we shall not be able to tell the Argentines anything more about our policy until Ministers have completed their review. Mr Bright will be available to take a note if required.

[Signature]

11 January 1980

P R Fearn
South America Department

cc: Mr Harding

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15/1

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COVERING CONFIDENTIAL

CURRICULUM VITAE

ORTIZ DE ROZAS, Carlos

Born 1926.

A lawyer by training but a career diplomat since 1948. Has served in Bulgaria, Greece, UAR, and as Minister in London (1965/70). Ambassador to Vienna (1967/70) and to the UN (1970/77).

Chairman of UN Committee on Disarmament; and Special Adviser to the Foreign Minister. (1977-79).

Something of a nationalist, but urbane and cosmopolitan. Went to some trouble to achieve and maintain close relations with the FCO when in London. But as Argentine Permanent Representative at the UN he proved generally unhelpful to Britain and lobbied continuously in support of the Argentine claim to the Falkland Islands. He ran strongly as a candidate to replace U Thant as UN Secretary General in 1972. Said to have kept out of recent Argentine politics, perhaps because of his experiences in 1962 when, on the fall of President Frondizi, with whose regime he had then closely associated, he was placed en disponibilite for a year.

Married to Maria del Carmen Sarobe. Both he and his wife speak excellent English. He also speaks French and Italian.

ARGENTINA

1. Argentina is the second largest country in South America by area and has a population of 26 million. The economy is based on agriculture, although it has considerable manufacturing ability including heavy industry. The GNP per capita at US\$1730 (1977) is the third highest in South America. Despite economic and social setbacks since the Second World War, Argentina is fast emerging from 'developing country' status.

2. The Military took power in March 1976 from the corrupt and inefficient government of General Peron's widow. The country is now ruled by President Videla, (technically a civilian since his retirement in August 1978 as Commander in Chief of the Army) and by a Junta of the three Service Chiefs. There is no real immediate prospect of a return to democratic civilian rule.

3. The Government has had some success in tackling the country's considerable economic problems. A healthy trade surplus in 1978 assisted early repayment of loans through refinancing. There is full employment. However, inflation, although much reduced from the chronic rate of 1976, was still 170% during 1978 and is estimated at 140% for 1979.

4. International attention has been focussed on the human rights record of the regime. Its successes in recent years against the guerrillas (Montoneros) have enabled it to relax a little and show some sign of responding to international criticism. But such improvements as there have been remain marginal and the overall situation is bad. Anything up to 15,000 people have "disappeared" over the last 4-5 years and most still remain unaccounted for; people continue to disappear; self-imposed press censorship remains; and trade union rights are still in abeyance. The regime's decision to accept a visit in September 1979 by the Inter-American Commission on Human

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Rights was welcome. Their report - expected to be severely critical - has been given to the Argentine Government. The regime has recently allowed an increase in court investigations into disappearances which has in turn led to an increase in press coverage of human rights issues.

5. Argentina is nationalistic in outlook, a member of regional groupings and of the Non-Aligned Movement. But she retains close ties with Europe (especially Italy and Spain). Relations with the USA remain important but are poor because of outspoken US criticism of the regime's human rights record. Argentina has a longstanding rivalry with Brazil and is suspicious of Brazilian expansionist aims. The dispute with Chile over the sovereignty of the Beagle Channel and its off-shore islands brought the two countries to the brink of hostilities in late 1978, until the Vatican offered to mediate; this process will take some time.

6. Our relations with Argentina are overshadowed by Argentina's claim to sovereignty over the Falklands. More recently, they have been complicated by our dislike of human rights abuses. We are now restoring Ambassadors, following Argentina's withdrawal of her Ambassador from London in 1976 in irritation at lack of progress on the Falklands. The new British Ambassador to Argentina, Mr Anthony Williams, takes up his duties in February.

7. Argentina is our third largest market in South America (after Brazil and Venezuela) with exports in 1978 of £114 m (approximately 5% of the market) and imports of £153 m. There is scope for a continued expansion of trade.

BACKGROUND NOTE: FALKLANDS: ANGLO/ARGENTINE NEGOTIATIONS

1. We have had exchanges with Argentina on the Falklands intermittently for over a decade. The last Government undertook a series of negotiations between December 1977 and March 1979.
2. The Terms of Reference for the negotiations included sovereignty, but the discussions were explicitly "under the sovereignty umbrella", i.e. without prejudice to either side's sovereignty claims. The Islanders were informed and consulted at each stage (with Argentine agreement, they could have participated but chose not to do so). No substantive progress was made. The fundamental difference on sovereignty remains. We have insisted that sovereign rights over the Islanders must remain with HMG as long as the Islanders wish. Successive Governments have undertaken to bring no solution to Parliament which did not have the support of the Islanders.
3. No formal discussions have been held with the Argentines since the change of Government. The Secretary of State, in a personal letter to the Argentine Foreign Minister of 14 June 1979, said only that "I hope we shall continue the dialogue in a constructive spirit". He spoke in similar terms when he met the Foreign Minister in New York on 26 September 1979. Mr Ridley touched on the question, but only in general terms during his visit to Buenos Aires last July.
4. Ministers have been prevented from focussing on the issue by the Lancaster House Conference on Rhodesia and by problems of European Community affairs. No dates have yet been fixed for further negotiations.
5. The Argentines have been looking to us now for some time to agree on a further round. They have proposed various contacts (with Mr Ridley and at official level) but we have managed so far to hold the line pending our policy review.