

recognize such grants. Despite this and other negative signs, in July of the latter year the UK announced unilaterally that it would be lifting its economic embargo on Argentina and that September Alfonsín met Labour Party leader Neil Kinnock in Paris.

Hopes for a rapid improvement in relations were to prove ill founded. In 1986 Buenos Aires signed accords with the Soviet Union and Bulgaria granting them fishing rights around the Falklands, while London unilaterally extended its own fishing zone around the archipelago to 150 nautical miles and set up a Falkland Islands Inner Consideration and Management Zone (FICZ) whose terms of reference crossed into the Argentine own 200-mile Economic Exclusion Zone. This led Argentina to warn that Argentine naval vessels might open fire on any British or other trawlers operating, in its view, illegally in the zone and Britain to offer to only patrol the first 150 miles of the FICZ instead of the whole area. All this acrimony served to underscore the dangers of not having an established and recognized maritime boundary. There was now a real danger of armed incidents and this, and other disagreements over fishing, led finally to serious discussions in February 1987.<sup>11</sup>

Yet again, these favourable signs led nowhere. Talks at the United Nations yielded nothing concrete and the extremely tense circumstances of the ending of the Alfonsín presidency ensured that no major initiatives could proceed.

### **President Menem and Bilateral Diplomacy**

The new government of President Carlos Menem wasted little time revamping Argentine foreign policy as a whole and Falklands policy in particular. Freshly triumphant in the elections, and with economics as his first priority, Menem sought as a priority to bring Argentina out of the financial mess in which it found itself. To do this, he needed international respectability and an end to the long isolation of the country from mainstream world affairs. His first foreign minister was a hardheaded economist whose first priority was the insertion of Argentina into the international economy. With only a highly discredited and disjointed opposition to face, Menem was able to undertake major changes in foreign policy without serious complaint from key sources. In addition, the public mood in Argentina was one of a desire for a serious attempt to deal with the critical economic situation of the country and thus nationalism and related policies found little support in circles where they normally would have held sway completely.

This meant Menem could attempt some dramatic reversals of policy in both domestic and foreign policy. While giving fresh impetus to multilateral initiatives, which would allow for reaching the overall objective of Argentine reincorporation into the world community, the new president abandoned Alfonsín's multilateralism on the Falklands in favour of a bilateral approach directly to London. As early as July 1989 the two governments agreed to 'hold talks about holding

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<sup>11</sup> The complications of this situation are well described in Roel Hans Bethlehem, *Fisheries Conflicts in the South West Atlantic* (International Law Thesis, Groningen, Rijksuniversiteit, 1996).