

mean that companies operating in the region would choose to cooperate with either Uruguay or Chile in refining and otherwise processing and shipping the product of such oil fields as might eventually be found. Under such circumstances Buenos Aires might be forced to swallow the humiliation of an even more important boom than that affecting fishing coming into play which would leave Argentina on the sidelines while giving further prosperity to its neighbours and even to the Falklanders themselves. One is still a long way from such a scenario presenting itself but it is an obvious worry both to Argentine and to British officials who can easily imagine the public reaction to such a situation in Argentina.

Thus in two vital spheres- fishing and oil- well known in the modern era for being sources of all manner of fractious disputes, the Falklands issue has become complicated by economic issues far away from the initial sources of the disagreement or of the 1982 war. And this has made it all the more necessary to build confidence in areas other than the strictly military ones, highlighting the importance of showing the mutual benefits which can accrue from common approaches to economic problems. In this context, the re-opening of trading, investment and communications links, as well as the strengthening of cultural relations, can most definitely be seen as confidence building and should be taken seriously.

All this military, fishing and potential oil prospecting activity gave cause for concern to both countries on a number of other bases. Such operations always have some degree of danger of accidents no matter where in the world they occur. Military operations and exercises mean the deploying of sophisticated equipment and often large numbers of personnel over long distances in all weather conditions. The same applies for oil prospecting. And of course fishing is an activity which is only called off in very difficult circumstances indeed. The conditions for such activities in the southern Atlantic are particularly taxing, as generations of sailors, explorers and fishermen have discovered. Without considering any ill intent on either side there was obvious and considerable potential for trouble in all these fields. Both sides recognized the need for search and rescue cooperation in the area. But such cooperation was naturally stymied by the political circumstances of the day. That is, the British would not negotiate on sovereignty but would on other issues of practical importance while the Argentines would only negotiate on other issues if the issue of sovereignty were included in the discussions.

Worries about misinterpretations of each side's military activities also existed. Exercises, which seemed innocent enough to one side could be anything but for the other. Since there was no official peace any aircraft or ship moving near or into the other country's economic zone was potentially hostile. Exercises were often thus a source of concern to the other side as were ship and aircraft movement. The level of alert of both countries' forces reflected this state of affairs even when the likelihood of attack or other mischief was slight. There was over this period no means of communication of such activity to the other side and neither was there any confidence that any information communicated was an accurate reflection of the intentions of the country undertaking the exercise or military movement in question. Even agreed codes of conduct for the forces in case of incidents were not in place. Indeed, there was no means of passing on the movements of even civilian shipping and aircraft at the time. If the political will had been present, many of these serious