

PREM 19/1169

SECRETCONFIDENTIAL FILING

Relations with Argentina

Position of the Falkland Islands, their
rehabilitation and future.

Shankleton Report and follow-up

Internal Situation in Argentina

ARGENTINAPC 1: SEPTEMBER 1979PC 38: SEPTEMBER 1984

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
7.9.84							
14.9.84							
17.9.84							
18.9.84							
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24.10.84							
1.11.84							

PREM 19/1169

● PART 38 ends:-

CDP to FCO 31.10.84.

PART 39 begins:-

TF to MOD 1.11.84.



10 DOWNING STREET

From the Private Secretary

31 October, 1984

Falklands at the UN

I enclose a copy of a message to the Prime Minister from Dr. Garret FitzGerald promising an Irish abstention in the UN vote on the Falklands this year.

C. D. POWELL

P. F. Ricketts, Esq.,
Foreign and Commonwealth Office

RESTRICTED

JK

Message from the Taoiseach, Dr. Garret FitzGerald TD
to the Prime Minister

the Right Honourable Mrs Margaret Thatcher MP

Thank you for your message. You will wish to be aware that Ireland will abstain in the vote on the Falkland Islands resolution. The appropriate instructions have already been given to the Irish delegation to the United Nations General Assembly.

Garret FitzGerald T.D.
Taoiseach.

SUBJECT
cc Ops
Master.
AMBASÁID NA hÉIREANN, LONDAIN

17 Grosvenor Place
SW1X 7HR



IRISH EMBASSY, LONDON.

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T182^A/84.**

GA.

Mr Charles Powell
Principal Private Secretary to the Prime Minister
10 Downing Street
London SW1.

31 October 1984.

Dear Private Secretary,

I have the honour to enclose for the attention of the
Prime Minister, the Right Honourable Mrs Margaret Thatcher,
M.P., a message from the Taoiseach, Dr. Garret FitzGerald T.D.

Yours sincerely

Noel Dorr

Noel Dorr
Ambassador.

Prime Minister
COP

②

Message from the Taoiseach, Dr. Garret FitzGerald TD
to the Prime Minister

the Right Honourable Mrs Margaret Thatcher MP

Thank you for your message. You will wish to be aware that Ireland will abstain in the vote on the Falkland Islands resolution. The appropriate instructions have already been given to the Irish delegation to the United Nations General Assembly.

mf

Garret FitzGerald T.D.
Taoiseach.

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FM UKMIS NEW YORK 010230Z NOV 84

TO IMMEDIATE FOREIGN AND COMMONWEALTH OFFICE

TELEGRAM NUMBER 1260 OF 31 OCTOBER

INFO IMMEDIATE BERNE PORT STANLEY BIS BUENOS AIRES

INFO SAVING EC POSTS, WASHINGTON.

MIPT: FALKLANDS: CAPUTO'S SPEECH

1. IN HIS SPEECH IN PLENARY TODAY 31 OCTOBER CAPUTO BEGAN WITH A WARM TRIBUTE TO MRS GANDHI. HE PARTICULARLY AND RATHER OBVIOUSLY COMMENDED HER FIGHT FOR RESPECT OF 'SOVEREIGNTY AND TERRITORIAL INTEGRITY'.
2. CAPUTO SAID THE DRAFT RESOLUTION BEFORE THE ASSEMBLY URGED THE UNITED KINGDOM AND ARGENTINA TO NEGOTIATE ON 'ALL THEIR DIFFERENCES'. THERE HAD BEEN FIVE PREVIOUS RESOLUTIONS AND FOUR CONSENSUSES AIMED AT FINDING A SOLUTION TO THE DISPUTE THROUGH NEGOTIATION. THE SEARCH FOR SUCH A SOLUTION REQUIRES BOTH GOVERNMENTS TO SHOW MODERATION AND A WILLINGNESS TO COMPROMISE. INTERNATIONAL LAW DID NOT ADMIT THE ACQUISITION OF TERRITORIES BY FORCE. HENCE THE LARGE SUMS INVESTED IN THE CONSOLIDATION OF A 'MILITARY AND COLONIAL SITUATION' IN THE SOUTH ATLANTIC WOULD IN NO WAY AFFECT THE REALITY OF THE SITUATION. THE ISLANDS WERE IN LATIN AMERICA. ARGENTINA'S DETERMINATION TO RECOVER THEM WOULD NOT DIMINISH. THE PROBLEM WOULD ONLY BE ERADICATED BY MEANS OF A JUST AND NEGOTIATED SOLUTION. THE OUTCOME WAS INEVITABLE. BUT BRITISH SHORT-SIGHTEDNESS COULD DELAY IT.
3. CAPUTO REGRETTED THAT SOME COUNTRIES FELT BOUND TO SHOW SOLIDARITY WITH THE UNITED KINGDOM. THIS DID NOT ENHANCE THE PROSPECTS OF PEACE. DELAY IN SETTLING THE QUESTION ONLY PRODUCED UNEASE IN THE INTERNATIONAL COMMUNITY.
4. CAPUTO SAID THE SECRETARY GENERAL'S REPORT INDICATED THAT ARGENTINA HAD EXPRESSED ITS WILLINGNESS TO NEGOTIATE. BUT PARAGRAPH 5 OF THE SECRETARY GENERAL'S REPORT MADE IT PLAIN THAT THE UNITED KINGDOM PERSISTED IN ITS ATTITUDE OF 'RIGID REFUSAL'. HE QUOTED FROM THE BERNE COMMUNIQUE IN SUPPORT OF HIS VIEW.
5. CAPUTO REMINDED THE ASSEMBLY THAT THE FALKLANDS CONFLICT BEGAN WITH A BRITISH ACT OF FORCE RESULTING IN THE EXPLUSION OF THE ARGENTINE POPULATION. ARGENTINA HAD NEVER ACCEPTED THAT SITUATION. MOREOVER THE RESTITUTION OF SOVEREIGNTY OVER THE FALKLANDS TO ARGENTINA

/ DID NOT

DID NOT INVOLVE AMENDING ANY PEACE TREATY. NOR DID IT ENDANGER ANY TERRITORIAL ARRANGEMENT IN ANY OTHER PART OF THE WORLD.

6. CAPUTO REFERRED TO PRESIDENT ALFONSIN'S ADDRESS TO THE GA ON 24 SEPTEMBER IN WHICH THE PRESIDENT HAD SAID ARGENTINA'S CLAIM WAS 'DEEPLY FELT' BY THE ARGENTINE NATION. BUT ARGENTINA WAS FIRMLY COMMITTED TO SEEKING A PEACEFUL SOLUTION TO THE CONTROVERSY. ARGENTINA'S WILLINGNESS TO NEGOTIATE CONTRASTED WITH BRITISH INSISTENCE THAT ARGENTINA 'MUST LIVE WITH THE CONSEQUENCES OF THE 1982 CONFLICT'. HE ASKED WHETHER IT WAS BRITAIN'S AIM TO OVERCOME THE CONSEQUENCES OF THE WAR OR TO WORSEN THE SITUATION AND TO DRAG IT OUT 'LABORIOUSLY AND PAINFULLY FOR EVER' HE ASKED WHO GAINED FROM THE PRESENT SITUATION? WHERE DID IT LEAD? WHO BENEFITTED FROM THE MILITARISATION OF THE SOUTH ATLANTIC: WHAT WAS THE AIM OF THE CONSTRUCTION OF POWERFUL AIR AND NAVAL BASE, THE STATIONING OF 4,000 TROOPS ON THE ISLANDS, AND THE INTRODUCTION OF WEAPONRY FAR IN EXCESS OF THAT NECESSARY TO DEFEND THE ISLANDS? WAS THIS EVIDENCE THAT THE FALKLANDS WERE PART OF A GLOBAL STRATEGIC PROJECT?

7. CAPUTO SAID THE ARGENTINE GOVERNMENT HAD TAKEN CONCRETE STEPS TO REAFFIRM ITS SUPPORT FOR PEACE DURING THE FIRST 11 MONTHS OF ITS ADMINISTRATION: IT HAD SETTLED A CENTURY OLD CONFLICT WITH CHILE OVER THE BEAGLE CHANNEL. IT HAD SIGNED A JOINT DECLARATION IN FAVOUR OF DISARMAMENT. IT HAD PLEDGED TO ITS PARLIAMENT TO RENOUNCE THE USE OF FORCE IN THE SETTLEMENT OF TERRITORIAL DISPUTES. AND IT HAD STATED ITS INTENTION TO WORK FOR PEACE WITHIN THE FRAMEWORK OF THE CONFERENCE ON DISARMAMENT. THESE ACTS WERE A TESTIMONY TO ARGENTINA'S DESIRE FOR PEACE.

8. SPECIFICALLY ON THE FALKLANDS CAPUTO SAID THE ARGENTINE GOVERNMENT SUPPORTED THE INTERNATIONAL COMMUNITY IN REJECTING FORCE AS A MEANS OF SOLVING THE CONFLICT. ARGENTINA HAD ADOPTED A PRACTICAL AND REALISTIC POSITION. PEACE WAS NOT 'A DESIRABLE END AND AN INDISPENSABLE ASSET' THE SETTLEMENT OF THE FALKLANDS QUESTION TRANSCENDED MORE THAN THE INTERESTS OF ONE COUNTRY. WHAT ARGENTINA SOUGHT WAS A DIPLOMATIC SOLUTION OF THE DISPUTE. MEMBER STATES NEEDED TO 'VERIFY HONESTLY' WHETHER THEY SUPPORTED THE PURPOSES AND PRINCIPLES OF ARTICLE I OF THE UN CHARTER.

9. ARGENTINA WAS SIMPLY ASKING THE ASSEMBLY TO AGREE THAT A NEGOTIATED SOLUTION WAS THE ONLY APPROPRIATE MEANS DEFINITELY TO SOLVE CONFLICTS. THIS REQUIRED A REAFFIRMATION OF THE PRINCIPLES OF THE CHARTER. IN NEGOTIATING HE SAID ARGENTINA WISHED TO DISCUSS 'EVERYTHING', INCLUDING THE CENTRAL QUESTION OF SOVEREIGNTY. NEGOTIATIONS WOULD ALSO HAVE TO TAKE ACCOUNT OF THE NEED TO ENSURE THE RE-ESTABLISHMENT OF RELATIONS BETWEEN THE UK AND ARGENTINA ON A 'PERMANENT BASIS'. THE STATUS OF THE PRESENT INHABITANTS OF THE ISLANDS WOULD ALSO REQUIRE SPECIAL ATTENTION.

10. CAPUTO CONCLUDED BY SAYING THAT ARGENTINA WAS LOOKING FOR THE VOTE OF ALL DELEGATIONS PRESENT. BUT THE VOTE THEY VALUED MOST OF ALL WAS THAT OF THE UNITED KINGDOM. THIS WOULD SHOW THAT THE UNITED KINGDOM NOT ONLY SUPPORTED THE CHARTER BUT WAS READY TO BEGIN A 'NEW HISTORICAL ERA' WITH ARGENTINA.

FCO PASS SAVING

THOMSON

(REPEATED AS REQUESTED)

Repetition to PORT STANLEY
BIS BA
referred for departmental decision,
repeated as requested to other posts.

[COPIES SENT TO NO 10 DOWNING STREET]

FAIKLAND ISLANDS GENERAL
PCO (PALACE)
PID
CABINET OFFICE

ADDITIONAL DISTRIBUTION
FAIKLAND ISLANDS

FALKLANDS AT THE UNGA

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PS/MR KENTON
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MR J FREELAND
SIR W HARDING
MR GOODALL
MR O'NEILL
~~SIR C MUSITELLI~~
MR D C THOMAS
MR WESTON
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ED/PUSD
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MR P NICHOLLS, AUSD STAFF, MOD
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PS/CHANCELLOR)
MISS M E CUND) TREASURY
MR LITTLER)

SIR R ARMSTRONG)
MR ~~D S GOODALL~~) CABINET
DIO *Cartledge*) OFFICE

MR POWER, SAD, ODA

MR A FORTNAM IAT/D. TRANSPORT

RESIDENT CLERK

(2)

PP UKREP BRUSSELS

GRS 85

CONFIDENTIAL

DESKBY 311800Z

FM PARIS 311820Z OCT 84

TO IMMEDIATE F C O

TELEGRAM NUMBER 1226 OF 31 OCTOBER

INFO IMMEDIATE DESKBY UKMIS NEW YORK, ATHENS, ROME, PRIORITY OTHER
EC POSTS

FALKLANDS AT THE UNGA

1. WE HAVE BEEN PURSUING THE FRENCH ADMINISTRATION AT VARIOUS LEVELS THROUGHOUT THE DAY TO DISCOVER WHAT DECISION HAS BEEN TAKEN ON THE FRENCH VOTE. MOST HAVE GIVEN US EVASIVE REPLIES BUT, AS TELEPHONED TO THE DEPARTMENT, MUSITELLI, DEPUTY DIPLOMATIC ADVISER AT THE ELYSEE, TOLD US THAT FRANCE WOULD MAINTAIN ITS ABSTENTION. THAT RESPONSE APPEARS TO BE DEFINITIVE ALTHOUGH OTHER SENIOR OFFICIALS, INCLUDING BIANCO, HAVE MADE A POINT OF NOT BEING AVAILABLE TO DISCUSS THE SUBJECT, WHILE VEDRINE, DIPLOMATIC ADVISER AT THE ELYSEE, STILL CLAIMS TO BE UNSIGHTED.

FRETWELL

NNNN

SENT/RECD 311833

SENT /REC 311733Z TC/H,SJ



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~90 XXX~~ 218 6169

MO 5/21

31st October 1984

Dear Tim,

You asked in your letter of 19th October addressed to Richard Mottram for advice and a draft reply to the further letter of 17th October from Mr George Foulkes MP.

My Secretary of State believes that it would be counter-productive to refuse to answer Mr Foulkes' questions. He would simply put them down as questions in the House of Commons, as his Parliamentary Questions already this session indicate.

The answers given to Mr Foulkes' first and last questions depend to a large extent on the Prime Minister's personal views as they arise from her own impromptu remarks.

I am copying this letter and the enclosed draft to Peter Ricketts (FCO), Henry Steel (Attorney General's office) and Richard Hatfield (Cabinet Office).

*Yours sincerely,
Benny Neale*

(B P NEALE)

T Flesher Esq

LAMAF/A

LAMAF/A

DRAFT LETTER FROM PM TO MR GEORGE FOULKES MP

Thank you for your further letter of 17th October, and also for expressing sympathy for those who suffered as a result of the recent bomb outrage in Brighton.

You quote my reply to a supplementary question from Mr Dalyell on 21st February. As my reply to Mr Dalyell's original question made clear, I was referring to the reasons for the attack on the Belgrano. These were given on 4th May 1982 and explained more fully to the House of Commons on 29th November 1982; and reiterated many times since then. The question of the date on which Belgrano was detected was dealt with fully in my letter to ^{Mr} Denzil Davies ^{Mf} which was published in Hansard on 13th April. The MOD's reasons for declining Mr Gavshon's request for an interview with Admiral Woodward are, as you point out, recorded in Hansard.

I explained to you in my letter of 19th September that the decision to change the rules of engagement on 2nd May to permit attacks on Argentine warships outside the Total Exclusion Zone was taken on the basis of the clear and unequivocal indications that the Argentine Navy posed a real or direct threat to the Task Force and those sailing with it. If Belgrano had not been sunk on 2nd May she might have posed a threat in the future, but that is a hypothetical question. The decision to change the rules of engagement was based not on a potential future threat, but on a real and immediate threat.

My letter of 19th September also explained, once again, that the precise course and position of the Belgrano when she was attacked was irrelevant to the threat that she posed. At the time of the sinking, Belgrano's course was slightly north of west, while the Falkland Islands lay just east of north. She could have changed course at any time.

Argentina Returns.

PK 38

31 OCT 1984

11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

Insurers (Supervision Costs)

Mr. Stern asked the Secretary of State for Trade and Industry whether he has any plans to charge insurers for the cost of supervising their activities.

Mr. Fletcher: It is the Government's intention as soon as Parliamentary time is available to introduce legislation containing provisions for fees to be charged to cover costs incurred in connection with the supervision of insurers.

PRIME MINISTER

Liverpool

Mr. Wareing asked the Prime Minister why hon. Members representing Liverpool constituencies were not notified of her intention to visit Liverpool on Tuesday 2 October; and if she will make a statement on her visit.

The Prime Minister: I regret that the hon. Members concerned were not given the usual advance notice of my visit but this was necessary in the interests of security and of avoiding unnecessary burdens on the local police.

As to a statement on my visit, I refer the hon. Gentleman to the reply I gave on Tuesday 23 October to the hon. Member for Liverpool, Riverside (Mr. Parry).

Falkland Islands

Mr. Dalyell asked the Prime Minister whether the original report that two torpedoes had hit the General Belgrano, also contained information about the position and course of the General Belgrano when attacked.

The Prime Minister: Yes.

ENERGY

Coal Industry

Mr. Eggar asked the Secretary of State for Energy how many pits and pit faces have suffered significant physical damage due to the cessation of mining activities.

Mr. David Hunt: I understand from the National Coal Board that to date 19 working faces at 15 collieries have been lost as well as 5 salvage faces at 5 collieries where equipment was awaiting recovery. In addition 16 faces at 14 collieries are causing serious concern.

Energy Research Development and Demonstration

Mr. Ian Lloyd asked the Secretary of State for Energy when he will reply to the report of the Energy Committee about energy research development and demonstration.

Mr. Peter Walker: The Government have now replied to the Select Committee's report and copies have been placed in the Libraries of the House.

ATTORNEY-GENERAL

Legal Aid

Mr. Wareing asked the Attorney-General if, in view of the recent call by the Master of the Rolls for reform of the legal aid system, the Lord Chancellor has any plans to introduce such reforms; and if he will make a statement.

The Attorney-General: The Lord Chancellor has noted with interest the recent remarks of the Master of the

Rolls, which clearly call for careful consideration of the principles underlying eligibility referred to the Advisory Committee on Legal Aid. In its current programme of work, the Lord Chancellor has received its report, he will consider all matters involved, including the availability and implications for resources.

FOREIGN AND COMMONWEALTH AFFAIRS

Classified Information

Mr. Gerald Howarth asked the Secretary of State for Foreign and Commonwealth Affairs how many prosecutions relating to the unauthorised disclosure of classified information from his Department have been brought in each year of the last 10 years.

Mr. Renton: From 1974 to 1981 there were 10 prosecutions relating to the unauthorised disclosure of classified information from the Foreign and Commonwealth Office. In 1982 there was one prosecution, in 1983 there were none and in 1984 there have been one.

Mr. Gerald Howarth asked the Secretary of State for Foreign and Commonwealth Affairs if he is satisfied with the arrangements within his Department for the protection of confidentiality of classified information.

Mr. Renton: The protection of classified information is a matter allowing no room for complacency. The arrangements within the Foreign and Commonwealth Office are under regular review and we are generally satisfied with them.

Nuclear Waste (Dumping)

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs if there are any provisions in the United Nations law of the sea treaty governing the dumping of nuclear waste in the sea to which the United Kingdom objects.

Mr. Rifkind: As we have made clear on an earlier occasion we regard those parts of the convention relating to pollution as helpful.

Gibraltar

Mr. McQuarrie asked the Secretary of State for Foreign and Commonwealth Affairs what was the outcome of his meeting with the Chief Minister of Gibraltar on 2 October; and if he will make a statement.

Mr. Renton: On 3 October my right hon. and learned friend briefed Sir J. Hassan on his meeting with the Spanish Foreign Minister in New York on 25 September. They reviewed together contacts with Spain on matters affecting Gibraltar. They also discussed progress being made on commercialisation of the naval dockyard, Gibraltar's economy, labour matters and telecommunications.

Gibraltar-Spain (Border)

Mr. McQuarrie asked the Secretary of State for Foreign and Commonwealth Affairs what further progress has been made with the Spanish Government in rela-



FILE 514

Ask 2d

(31/10)

10 DOWNING STREET

From the Private Secretary

31 October, 1984

I enclose a copy of a recent letter which the Prime Minister has received from Tam Dalyell, M.P. about the Belgrano.

~~bf~~
I should be grateful if you would provide a draft reply which the Prime Minister might send to Mr. Dalyell by 14 November.

TIMOTHY FLESHER

Richard Mottram, Esq.,
Ministry of Defence

THE RT HON DR DAVID OWEN MP



HOUSE OF COMMONS
LONDON SW1A 0AA

31 October 1984

The Rt Hon Mrs Margaret Thatcher MP
The Prime Minister
10 Downing Street
LONDON SW1

*RU
of PPS*

Dear Mrs Thatcher

Copy attached //

I have now seen the written reply from you to Tam Dalyell - Hansard Col. 595, 24 October 1984 - which appears to be in direct contradiction of the penultimate and last sentence on page 2 of your letter to me of 8 October where you state categorically that, "Ministers were not informed at the time of the precise course of the Belgrano when she was sunk. Indeed this information did not come to Ministers' attention until the end of November 1982."

file with TK

You said on page 3 of your letter that your statement and John Nott's of 4 May were based upon Conqueror's original report. Are you still saying that you did not know, and that John Nott did not know, the position and course of the General Belgrano when attacked?

This further episode only reinforces my view that you should make a statement to the House of Commons to put the record straight on these and other errors of fact.

*Yours sincerely
David Owen*

DAVID OWEN

Argentina - Relations A 38

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CONFERENCIA



PS
 PS/LADY YOUNG
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 MA DEREK THOMAS
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 SIR W HARDING
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~~SIR C TICKELL~~
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 MR WESTON
 MR ~~B. J. JACKSON~~
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RESIDENT CLERK

(2)

ADVANCE COPY

IMMEDIATE

CONFIDENTIAL
 FM BRUSSELS 301040Z OCT 84
 TO IMMEDIATE FCO
 TELEGRAM NUMBER 263 OF 30 OCTOBER
 AND TO IMMEDIATE UKMIS NEW YORK
 INFO IMMEDIATE EC POSTS PRIORITY UKREP BRUSSELS, WASHINGTON

YOUR TELNO 109 : FALKLANDS

1. MESSAGE DELIVERED ON 29 OCTOBER.
2. DE WEVER IN THE PRIME MINISTER'S CABINET TELEPHONED THE COUNSELLOR THIS MORNING TO SAY THAT MARTENS WOULD NOT REPLY FORMALLY BUT IN VIEW OF THE IMMINENCE OF THE VOTE IN NEW YORK WISHED MRS THATCHER TO KNOW STRAIGHT AWAY THAT THE BELGIAN GOVERNMENT HAD INSTRUCTED THE BELGIAN REPRESENTATIVE IN NEW YORK TO ABSTAIN ON THE FALKLANDS RESOLUTION AS IN PREVIOUS YEARS.

JACKSON

NNNN
 SENT AT 301105Z OCT 84

*We should write
 and thank him
 Messages set.
 R*

PS
PS/LADY YOUNG
PS/MR RENTON
PS/MR RIFKIND
PS/PUS
MR DEREK THOMAS
MR J FREELAND
SIR W HARDING
MR GODDALL
MR O'NEILL
SIR C TICKELL
MR D C THOMAS
MR WESTON
MR BIRKINGTON
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PS/S OF S FOR DEFENCE
MR ~~PS~~ NICHOLLS, AUSSD STAFF, MOD
NH

PS/CHANCELLOR)
MISS M E CUND) TREASURY
MR LITTLER)

SIR R ARMSTRONG)
MR ~~D S~~ GOODBAIL) CABINET
DIO *(Cartledge)*) OFFICE

MR POWER, SAD, ODA
MR A FORTNAM IAT/D. TRANSPORT
RESIDENT CLERK

(2)

OO COPENHAGEN

GRS 90
CONFIDENTIAL
FM ATHENS 301355Z OCT 84
TO FLASH FCO
TELEGRAM NUMBER 486 OF 30 OCTOBER 1984
INFO FLASH UKMIS NEW YORK, IMMEDIATE PARIS, ROME, DUBLIN AND
COPENHAGEN

FLASH
ADVANCE COPY

mf

MY TELEGRAM NO. 484: FALKLANDS

1. I HAVE JUST HAD A MESSAGE FROM PAPANDEOU TO THE EFFECT THAT I SHOULD 'REST ASSURED' ABOUT THE PRIME MINISTER'S MESSAGE. THE MEMBER OF PAPANDEOU'S STAFF WHO GAVE ME THIS MESSAGE WAS UNABLE TO ELABORATE BUT SAID THAT PAPANDEOU ASSUMED THAT I WOULD EASILY UNDERSTAND WHAT HE MEANT.
2. I JUDGE THAT WE CAN BE VIRTUALLY CERTAIN THAT THE GREEKS HAVE DECIDED TO ABSTAIN.

R H O D E S

Pt 38

CF



HOUSE OF COMMONS
LONDON SW1A 0AA

Rm (mod) PM

30/x/84

Rt Hon Margaret Thatcher PC MP
Prime Minister.

cc: MA
(3110) R31

Dear Prime Minister,

There is an impression given in all the correspondence you have had with Neil Kimnock, David Owen, and George Foulkes, that even if Ministers had been told around 3 pm, on Sunday May 2nd 1982, when signals arrived, that there was no doubt about the intentions of the Belgrano, because it had reversed course, and had been sailing away from the Task Force, that Ministers would still have confirmed the order to sink the Belgrano. Is this so? Was the course and presumed intention of the Belgrano, (which you knew from intercepted signals), even relevant to the decision to the order to sink, sent to HMS Conqueror?

CONQUEROR

Is it not also the case that the reversal of course, and information about the reversal of course was essential, or could have been essential, in reaching a judgement on the matter, and that MoD officials and service chiefs, who had the information, should have told Ministers?

Yours sincerely
James Dwyer

Argentina A 38

Relating



BRITISH CONSULATE
BUENOS AIRES



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NO
ECLAAF
ASE
CPE

10 DOWNING STREET

From the Private Secretary

29 October 1984

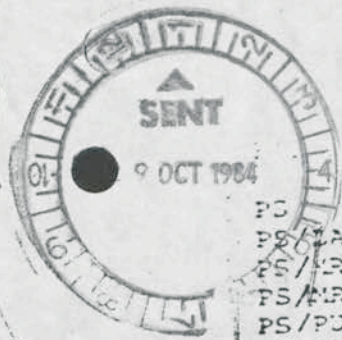
FALKLANDS VOTE AT THE UN

The Prime Minister, as recommended, sent personal messages to eight Community Heads of Government over the week-end about the UN vote on the Falklands. The exception is President Mitterrand. After reflecting very carefully the Prime Minister has concluded that it would be better not to send a message to him. She has already and very recently explained our views to him, and subsequently to M. Cheysson and M. Dumas. She thinks that the main point, namely that a change of vote so soon after President Mitterrand's State visit, speaks for itself and is better not put in a message. She also sees a risk that a further message would irritate rather than convince.

(Charles Powell)

C R Budd Esq
Foreign and Commonwealth Office

CONFIDENTIAL



IMMEDIATE

PS
 PS/STADY YOUNG
 PS/MR KENTON
 PS/MR RIFKIND
 PS/PUS
 MR DEREK THOMAS
 IAT FREELAND
 SIR W HARDING
 MR GOODALL
 MR O'NEILL
~~SIR C NICHOLL~~
 MR D C THOMAS
 MR WESTON
 MR B. BRUNTON
 ED/PUSD
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 ED/FID
 ED/NEWS DEPT
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 ED/ECD (E)
 ED/UND

PS/NO 10 DOWNING ST
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 MR P. NICHOLLS, ASST STAFF, MOD
 NH

PS/CHANCELLOR)
 MISS M E CUND) TREASURY
 MR LITTLER)

SIR R ARMSTRONG)
 MR D S COOPER) CABINET
 DIO (C. Hedges)) OFFICE

MR POWER, SAD, ODA

MR A FORTNAM IAT/D. TRANSPORT

RESIDENT CLERK

(2)

CONFIDENTIAL

FM BERNE 291000Z OCT 84
 TO IMMEDIATE FCO DESKBY 291145Z
 TELNO 360 OF 29 OCTOBER 1984

INFO IMMEDIATE: UKMIS NEW YORK
 INFO ROUTINE: BRASILIA, WASHINGTON, EC POSTS

YOUR TELNO 183: RELATIONS WITH ARGENTINA

SUMMARY

1. FEDERAL COUNCILLOR AUBERT'S ACCOUNT OF HIS VISIT TO BUENOS AIRES. DEMOCRACY IN ARGENTINA FRAGILE. POTENTIAL THREATS TO STABILITY OF REGIME. ARGENTINE PARLIAMENTARIANS HARD LINE ON FALKLANDS. ALFONSIN AND CAPUTO SOMEWHAT MORE FLEXIBLE BUT WILL NOT LEAVE SOVEREIGNTY ASIDE. AUBERT SPOKE IN ACCORDANCE WITH YOUR MESSAGE.

DETAIL

2. THE HEAD OF THE SWISS FEDERAL DEPARTMENT OF FOREIGN AFFAIRS INVITED ME TO CALL ON 26 OCTOBER TO HEAR AN ACCOUNT OF HIS DISCUSSIONS IN BUENOS AIRES. STATE SECRETARY, CHEF DE CABINET AND COUNSELLOR WERE PRESENT. AUBERT, WHO SEEMED RATHER EXHAUSTED BY HIS JOURNEY GAVE A PREPARED PRESENTATION, SPEAKING FROM NOTES. OUR CONVERSATION LASTED 45 MINUTES. NO PAPER WAS HANDED OVER.

3. AUBERT OPENED WITH A DESCRIPTION OF THE POLITICAL BACKGROUND. DEMOCRACY IN ARGENTINA WAS YOUNG AND VERY FRAGILE. ALFONSIN HAD ONLY TAKEN OVER ON 10 DECEMBER 1983. BY 20 SEPTEMBER 1984, THE NATIONAL COMMISSION FOR THE DISAPPEARED, UNDER THE CHAIRMANSHIP OF SABATO HAD DELIVERED TO ALFONSIN AN ENOUGHABLY COBLOUS

ONLY TAKEN OVER ON 10 DECEMBER 1983. BY 20 SEPTEMBER 1984, THE NATIONAL COMMISSION FOR THE DISAPPEARED, UNDER THE CHAIRMANSHIP OF SABATO, HAD DELIVERED TO ALFONSIN AN ENORMOUSLY COPIOUS AND THOROUGH REPORT ON THE SUBJECT OF THOSE KILLED, IMPRISONED OR TORTURED UNDER THE PREVIOUS REGIME BASED ON A STUDY OF SOME 50,000 DOCUMENTS. SABATO HAD NOW FINISHED HIS TASK AND AN UNDER SECRETARY, RABOSI (A LAWYER), HAD BEEN APPOINTED TO DEAL WITH THE SUBJECT OF HUMAN RIGHTS. AUBERT HAD SPOKEN WITH HIM AND FORMED A GOOD IMPRESSION. HE WAS NON-POLITICAL AND APPARENTLY INCORRUPTABLE. A VERY HIGH PROPORTION OF THE MILITARY WERE IMPLICATED. THE JUDICIAL PROCESS WAS NOW UNDER CIVILIAN CONTROL. ALFONSIN'S POLICY WAS TO TRY TO INTEGRATE THE ARMY INTO THE DEMOCRATIC REGIME BUT THE ARMY WOULD NEVER ACCEPT THIS. IT WAS STILL A POWERFUL FORCE CAPABLE OF TRYING TO TAKE OVER THE GOVERNMENT AGAIN. THERE WERE NARROW LIMITS TO WHAT THE ARMY WOULD TOLERATE IN THE WAY OF JUDICIAL PROCEEDINGS AGAINST THEMSELVES.

4. ON THE OTHER SIDE OF THE PICTURE, AUBERT CONTINUED, WAS THE FORCE OF PUBLIC OPINION. REPRESENTATIVES OF THE ASSOCIATION OF THE MOTHERS OF THE DISAPPEARED HAD CALLED ON HIM IN BERNE IN JANUARY 1984 AND DID SO AGAIN IN BUENOS AIRES. THEIR SONS WERE AMONGST THOSE WHO HAD BEEN TAKEN AWAY WHEN STUDENTS HAD BEEN SEIZED AT RANDOM. THESE WOMEN WERE DETERMINED TO OBTAIN JUSTICE. IF THIS WAS DENIED THERE WAS A DANGER THAT THEIR ACTIVITIES MIGHT DEGENERATE INTO VENGEANCE AND LEAD TO A NEW CYCLE OF TERRORISM AND MILITARY REACTION.

5. ALFONSIN'S GOVERNMENT WAS UNEASILY BALANCED BETWEEN THESE FORCES. ITS FALL WOULD NOT LEAD TO A SOLUTION OF ANY OF THE COUNTRY'S PROBLEMS. OF THESE THE THREE MOST IMPORTANT WERE FOREIGN DEBT, ON WHICH THERE HAD BEEN AN AGREEMENT WITH THE IMF; THE BEAGLE CHANNEL, ON WHICH AGREEMENT HAD ALSO BEEN REACHED (AND THE SWISS GOVERNMENT HAD AGREED TO NAME THE MEMBERS OF AN ARBITRATION TRIBUNAL IN CASE THE PARTIES CONCERNED WERE UNABLE TO AGREE ON ITS COMPOSITION- SEE MY SAVING TELNO 10 OF 26 OCTOBER); AND THE FALKLANDS.

6. AUBERT SAID THAT ON 3 OCTOBER HE HAD SPOKEN WITH ALFONSIN, WHOM HE FOUND TIRED BUT CLEAR, AND FIRM IN HIS DETERMINATION TO CONSOLIDATE DEMOCRATIC REGIME. CAPUTO WAS PRESENT, AND THE TWO MINISTERS HAD A FURTHER TALK THE FOLLOWING DAY. THESE CONVERSATIONS HAD CORRESPONDED CLOSELY WITH THAT BETWEEN BRUNNER AND CAPUTO IN NEW YORK (MY TELNO 345). CAPUTO SAW THREE ELEMENTS IN ANY FUTURE NEGOTIATIONS WITH US: NORMALISATION MEASURES SOUGHT BY THE UK; THOSE PROPOSED BY ARGENTINA; AND SOVEREIGNTY OVER THE FALKLANDS. CAPUTO HAD SAID THAT THE SOVEREIGNTY QUESTION COULD NOT BE "LEFT UNDER THE TABLE" IN ANY FRESH NEGOTIATIONS.

7. AUBERT THEN DESCRIBED HIS MEETING IN THE SENATE WITH THE PRESIDENT OF THE SENATE FOREIGN AFFAIRS COMMITTEE, GASS, THE VICE-PRESIDENT OF THE CHAMBER OF DEPUTIES FOREIGN AFFAIRS COMMITTEE, ALFREDO JORGE CANALI, AND SENATORS AND DEPUTIES OF ALL THE POLITICAL PARTIES (BUT NO ONE FROM THE GOVERNMENT). IRRESPECTIVE OF THEIR PARTY AFFILIATION, THEY HAD ALL TAKEN A VERY HARD AND RIGID LINE OVER THE QUESTION OF SOVEREIGNTY. NO DIALOGUE ON THE SUBJECT WITH THEM WAS POSSIBLE

ALL TAKEN A VERY HARD AND RIGID LINE OVER THE QUESTION OF SOVEREIGNTY. NO DIALOGUE ON THE SUBJECT WITH THEM WAS POSSIBLE AS AUBERT HAD HIMSELF TOLD THE MEETING. ON THE OTHER HAND, ALFONSIN AND CAPUTO WERE SIGNIFICANTLY MORE FLEXIBLE. THE UNCOMPROMISING ATTITUDE OF ARGENTINE PARLIAMENTARIANS HAD MADE UNFAVOURABLE IMPRESSION.

8. AUBERT WENT ON TO SAY THAT HE HAD FAITHFULLY CONVEYED TO ALFONSIN AND CAPUTO THE POINTS WHICH YOU HAD PUT TO HIM BEFORE HIS DEPARTURE (YOUR TELNO 169). HE HAD TOLD ALFONSIN THAT HE HAD NO SPECIFIC MESSAGE FROM YOU. SOVEREIGNTY WAS NOT NEGOTIABLE. BRITAIN WAS, HOWEVER, READY TO HEAR ANY SUGGESTION WHICH THE ARGENTINIANS MIGHT WISH TO PUT FORWARD. MEANWHILE, NO INITIATIVE FROM SWITZERLAND OR THE EUROPEAN COMMUNITY WAS TO BE EXPECTED. CAPUTO HAD MADE IT CLEAR THAT HE WAS INTENDING TO MAKE SOME PROPOSALS. HE WOULD DO THIS THROUGH THE SWISS. HE DID NOT FAVOUR THE BRAZILIAN OR THE UN CHANNELS. HE WAS ANXIOUS TO FIND SOME WAY OF RESUMING A DIALOGUE. AUBERT, FOR HIS PART, HAD EMPHASISED THE IMPORTANCE OF CONFIDENCE BUILDING.

9. I THANKED AUBERT WARMLY FOR THIS FULL ACCOUNT OF HIS IMPRESSIONS. I THEN SPOKE IN ACCORDANCE WITH YOUR TELNO 163. I REMINDED HIM THAT, IN YOUR SPEECH TO THE UN GENERAL ASSEMBLY, YOU HAD SAID THAT BRITAIN WAS READY TO WORK FOR MORE NORMAL RELATIONS WITH ARGENTINA. BUT WE WOULD NEED TO WAIT UNTIL AFTER THE UN DEBATE BEFORE CONTEMPLATING ANY NEW DEVELOPMENT. REFLECTING CONVERSATIONS WHICH BRUNNER AND I HAD WITH LORD COCKFIELD DURING HIS RECENT VISIT TO BERNE, I SAID THAT IT WAS SOMEWHAT ABSURD, ONLY TWO YEARS AFTER A WAR WHICH THE ARGENTINIANS HAD STARTED AND LOST, FOR THEM TO EXPECT US TO BE WILLING TO ACCEPT DISCUSSION OF THE QUESTION OF SOVEREIGNTY AT THIS STAGE. ANY PROPOSAL FOR THE BRITISH GOVERNMENT TO DISCUSS SOVEREIGNTY WITH THE ARGENTINIANS WOULD BE REJECTED BY PARLIAMENT IN THE UNITED KINGDOM. AUBERT TOOK THE POINT AND SAID HE WAS MERELY TRANSMITTING WHAT THE ARGENTINE PARLIAMENTARIANS HAD SAID. I ALSO SAID THAT ALFONSIN'S SPEECH IN NEW YORK CONFIRMING THE LINKAGE FORMULATION WHICH DESTROYED THE BERNE TALKS AND REFERRING TO TRANSFER OF SOVEREIGNTY IN THREE OR FIVE YEARS, HAD NOT BEEN WELL RECEIVED IN LONDON AND HAD NOT MADE IT ANY EASIER TO SEE A WAY FORWARD.

10. IN CONCLUSION, AUBERT SAID HE WOULD LIKE TO END ON A SLIGHTLY MORE POSITIVE NOTE. CAPUTO HAD TOLD HIM THAT SOVEREIGNTY WAS A PROBLEM WHICH COULD BE DISCUSSED IN THE SHORTER OR THE LONGER TERM (A PLUS OU MOINS BREVE ECHEANCE). HE DEFINITELY WANTED DISCUSSIONS OF PRACTICAL AND IMMEDIATE MATTERS. SOVEREIGNTY WAS NOT ONE OF THESE THOUGH IT HAD TO BE ACCEPTED AS A SUBJECT FOR DISCUSSIONS. ALL THE OUTSTANDING QUESTIONS COULD NOT BE DISCUSSED AT THE SAME TIME AND SOME SPACING OUT (ECHELONNEMENT) WOULD BE NECESSARY.

POWELL-JONES

NNNN

SENT/RECD AT 291130Z KR/VI



CDP
 I agree. FERB
 FERB 29.10.
 Since to GWR
 => subject to
 official sanction
 & clearance, it
 feels to me
 that we are
 covered.
 CDP
 29/10.

70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

From the Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

Ref. A084/2857

29 October 1984

Dear Clive,

You will have seen that Ministers gave speedy approval to your Secretary of State's proposal that Mr David Brown, the Head of the Naval Historical Branch, should be given access to the official records in order to write a private history of the naval campaign in the Falklands which will then be published commercially.

Given the continuing interest in the naval aspects of the Falklands campaign, no doubt this book will attract a great deal of interest, not all of it benevolent. Are you sure that it is right to go ahead?

I am sure that your people already have this in mind, but if it does go ahead it will be important to make clear that Mr Brown's work is not an official history and does not form part of the series commissioned and published through arrangements made by the Cabinet Office Official Histories Branch. As you may know, since about the middle 1960's official histories have tended to be commissioned by the Administration of the day on the advice of an all Party Committee of Privy Counsellors (although this has not been active for some time); or following correspondence between the Prime Minister and the Leader of the Opposition.

The Cabinet Office programme of official histories already includes one publication 'SOE in the Far East' which was written by a formally appointed official historian who was supported by a commercial publisher who arranged publication. As the book was issued some 40 years after the events it depicted took place, and as there was a significant commercial risk for the publisher, we decided not to seek royalties. I am not aware of the financial arrangements between the Head of the Naval Historical Branch and his publisher; but given the very recent nature of the events and the possibility that the book may be an attractive commercial proposition no doubt consideration has been given to the question of royalties. One possibility is that they should be paid to public

/funds

Sir Clive Whitmore KCB CVO

funds; another is that they should be paid, at any rate in part, to some naval welfare association.

If in due course when the book is about to be published, or when the project becomes public knowledge, questions are raised about its official status, the Cabinet Office Official Histories Branch will be very willing to give any help it can.

Copies go to Antony Acland and Robin Butler.

Yours ever

Robert

Relations: Argentina

Pc 38

PS (6)
/LADY YOUNG
/MR RENTON
PS/MR RIFKIND
PS/PUS

MR DEREK THOMAS
J FREELAND
SIR W HARDING
MR GOODALL
MR ~~G. NEVILLE~~ RENWICK
SIR ~~C. NICHOLS~~
MR D C THOMAS
MR WESTON
MR ~~B. BRINGTON~~
ED/PUSD
ED/SAMD
ED/FID
ED/NEWS DEPT
ED/EED
ED/ECD (E)
ED/UND

PS/NO 10 DOWNING ST
PS/S OF S FOR DEFENCE
MR ~~P. NICHOLS~~, ADED STAFF, MOD
NH

PS/CHANCELLOR)
MISS M E CUND) TREASURY
MR LITTLER)

SIR R ARMSTRONG)
MR ~~D S GOOBAIL~~) CABINET
DIO *(a hedge)*) OFFICE

MR POWER, SAD, ODA
MR A FORTNAM IAT/D. TRANSPORT

[RESIDENT CLERK]

(2)

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DESKBY ATHENS 290800Z
DESKBY PARIS 290800Z.
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TO IMMEDIATE FCO
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AND TO IMMEDIATE RAF AKROTIRI (FOR SECRETARY OF STATE'S PARTY)
INFO IMMEDIATE UKMIS NEW YORK, ATHENS, PARIS,
INFO PRIORITY OTHER EC POSTS, BERNE, WASHINGTON.
INFO SAVING HOLY SEE (ACTIONED)

MY TELNO 725: FALKLANDS: ALFONSHIN'S VISIT TO ITALY.

1 HEAD OF CHANCERY CALLED ON BADINI (CRAXI'S DIPLOMATIC ADVISER) THIS AFTERNOON. BADINI MADE IT CLEAR THROUGHOUT THAT HE WAS SPEAKING FOR CRAXI.

2. HE SAID THAT ALFONSHIN HAD PUT GREAT PRESSURE ON CRAXI TO VOTE FOR THE ARGENTINE RESOLUTION, AND THAT HIS APPROACH HAD BEEN MUCH CLEVERER THAN THAT OF HIS DEPUTY FOREIGN MINISTER SABATO WHO ACCOMPANIED ALFONSHIN TO ROME AND WHO HAD MADE A BAD IMPRESSION AT THE PALAZZO CHIGI, BADINI DESCRIBING HIM AS "MAD AND CLUMSY". ALFONSHIN TOLD CRAXI THAT HE HIMSELF HAD CONDEMNED THE INVASHION. UNFORTUNATELY ARGENTINE PUBLIC OPINION CONSIDERED THE FALKLANDS ISSUE VERY IMPORTANT, AND IT COULD BE USED AGAINST HIM. ALFONSHIN CLAIMED THAT HE ONLY WORRIED ABOUT THE FALKLANDS IN SO FAR AS IT AFFECTED ARGENTINE DOMESTIC POLITICS.

3. IN REPLY, CRAXI EXPRESSED UNDERSTANDING? BUT NOTED THAT THE FALKLANDS WAS NOT AN URGENT OR VITAL PROBLEM FOR ARGENTINA TODAY. OF ALL EC COUNTRIES, ITALY FELT CLOSE TO ARGENTINA. ALFONSHIN SHOULD NOT THEREFORE MEASURE ITALY'S SOLIDARITY BY HIS VOTE AT THE UN, WHERE "OTHER REASONS CAME INTO THE BALANCE".

4. BADINI SAID THAT ALFONSHIN HAD UNDERSTOOD WHAT CRAXI WAS SAYING, AND HAD NOT INSISTED SO MUCH ON THE UN VOTE AS ON FINDING WAYS OF

4. BADINI SAID THAT ALFONSHIN HAD UNDERSTOOD WHAT CRAXII WAS SAYING, AND HAD NOT INSISTED SO MUCH ON THE UN VOTE AS ON FINDING WAYS OF PUTTING THE PROBLEM TO ONE SIDE. CRAXII REPLIED THAT BRITAIN AND ARGENTINA NEEDED TO CREATE A MORE TRUSTING CLIMATE BEFORE PROGRESS COULD BE MADE.

5. BADINI SAID THAT ALFONSHIN'S VISIT, OF WHICH ITALY HAD HAD ONLY TWO WEEKS' NOTICE, HAD CAUSED GREAT EMBARRASSEMENT FOR CRAXII. THE CHIEF HAD WORKED HARD TO RELEGATE THE FALKLANDS QUESTION INTO SECOND PLACE, AND TO DREAM UP OTHER INITIATIVES (PARA 3 OF MY TUR) THAT WOULD GIVE ALFONSHIN SOMETHING TO GO AWAY WITH. THE ITALIANS HAD, FOR EXAMPLE, AGREED TO FINANCE A NEW DAM WITHOUT CONSULTING THE TREASURY. FIRST INDICATIONS FROM BUENOS AIRES NEWSPAPERS WERE THAT THE ITALIANS HAD SUCCEEDED IN SAVING ALFONSHIN'S FACE. THE ITALIANS WERE CONVINCED THAT IF ALFONSHIN FELT THAT WOULD BE THE END OF DEMOCRACY IN ARGENTINA FOR THE FORESEEABLE FUTURE.

6. BADINI SAID THAT IT WAS IMPORTANT TO CRAXII PERSONALLY THAT THE ITALIAN PRESIDENCY SHOULD CREATE THE CONDITIONS FOR BETTER EC/ARGENTINE RELATIONS, WHICH CRAXII HAD PROMISED TO ALFONSHIN THAT HE WOULD SEEK. BADINI ASKED WHETHER WE WOULD SEE PROBLEMS IN SUCH AN APPROACH. WE SAID THAT WE HAD NO FRESH INSTRUCTIONS BUT THAT: (II) BADINI WOULD BE AWARE THAT WE HAD BEEN UPSET AT THE FACT THAT ALFONSHIN HAD ADDRESSED THE EUROPEAN PARLIAMENT WHEN ONE MEMBER STATE HAD NO DIPLOMATIC RELATIONS WITH ARGENTINA AND ARGENTINA HAD REFUSED TO DECLARE A FORMAL CESSATION OF HOSTILITIES AGAINST THAT MEMBER STATE.

(III) WE HAD ASKED THE COMMUNITY A LONG TIME AGO TO ASSIST IN NEGOTIATING THE REMOVAL OF ARGENTINA'S REMAINING COMMERCIAL AND ECONOMIC RESTRICTIONS AGAINST US, SO FAR WITHOUT EFFECT.

(IV) THE ITALIANS SHOULD BEAR IN MIND THAT THE FALKLAND ISLANDS WERE LISTED AS A UK DEPENDENCY WITHIN THE FRAMEWORK OF OUR TREATY OF ACCESSION.

7. BADINI SAID THAT HE HAD SUMMONED THE GREEK AMBASSADOR AND ASKED HIM TO TELL PAPANDREOU, IN CRAXII'S NAME, THAT THE ITALIANS WOULD TAKE IT GREATLY AMISS IF THE GREEKS VOTED FOR THE ARGENTINE TEXT. IN REPLY TO OUR QUESTION, HE SAID HE BELIEVED THAT THE ITALIAN MISSION IN NEW YORK HAD ALREADY RECEIVED INSTRUCTIONS TO ABSTAIN. HE REMAINED CONCERNED ABOUT THE FRENCH ATTITUDE, AND AND HEARD NOTHING FROM LONDON ABOUT THE OUTCOME OF THE MITTERRAND VISIT. BUT HIS ATTITUDE WAS THAT IF ITALY, WITH ITS TIES OF BLOOD WITH ARGENTINA, HAD DECIDED TO ABSTAIN, IT WOULD BE QUITE WRONG FOR ANY OTHER COMMUNITY COUNTRY TO BREAK RANKS.

8. IF IT IS NOT TOO LATE, PERHAPS THE PRIME MINISTER'S MESSAGE TO CRAXII (FCO TELNO 337 TO ATHENS) COULD BE AMENDED IF NECESSARY TO TAKE ACCOUNT OF THE FOREGOING.

9. RESIDENT CLERK PLEASE PASS TO NUMBER TEN AND CONVEY GIST TO DAVID THOMAS AND HEAD OF FID.

BRIDGES
BT

(no need)

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

26 October 1984

Dear Charles,

Falklands/General Assembly

/ As requested, I enclose draft messages from the Prime Minister to:

- (a) President Mitterrand;
- (b) Mr Craxi;
- (c) Mr Kohl;
- (d) the Dutch and Luxembourg Prime Ministers; and
- (e) the Prime Ministers of Belgium, Denmark, Ireland and Greece.

It was not possible to show these drafts to Sir Geoffrey Howe before his departure for Rome this morning.

Yours ever,
Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

PRIME MINISTER

FALKLANDS VOTE AT THE UN

The vote is likely to be next Wednesday. The text of the Argentine resolution as circulated (Flag A) remains completely unacceptable. There is a risk that they will modify it further, in the hope of making it more acceptable to some of our European partners.

We need to mount a further round of lobbying with our European partners to try to firm up a Community abstention. This will be most effective if in the form of messages from you.

I attach messages to:

- Mitterrand. I think it is worth another go. There is an interesting indication from Paris of likely abstention (Flag B).
- Craxi
- Kohl
- Netherlands/Luxembourg
- Belgium/Denmark/Ireland/Greece

If they are to have the desired effect they need to be with our Embassies early on Monday. It would be helpful if you could let me know on Saturday whether you agree. We have kept copies here which we can despatch as telegrams.

CDP

26 October 1984

The Prime Minister has decided not

to write to Mitterrand. CDP 29/X.

I think I would be best left to write a letter on Monday morning. - a second one. - I must tell me

BU save letter and Spola to both Cheysson + Dinner on Thursday evening about it... The message is obviously to definitely to check that!

TO PRESIDENT MITTERRAND

I send you my warmest good wishes at the conclusion of your important and most welcome State Visit. I particularly welcomed your words to the two Houses of Parliament about the strength of our democratic institutions and the enduring ties between our two countries, and congratulate you upon a speech both profound and topical. Your visit has undoubtedly strengthened our ^{relations} ties. I am very glad that the unfortunate incident over security did not mar its success. I look forward to continuing our discussions when we meet again at the end of November. On a personal note, I should like to thank you and Madame Mitterrand most warmly for the beautiful glasses. *birds*

Your visit took place only a few days before the United Nations vote on the Falkland Islands, which is due on 31 October. We talked about this when you came to Downing Street. I had hoped to have an opportunity to discuss it with you further before you left, but this did not in the event prove possible.

I therefore wanted to stress to you once again the very great importance for Britain of this matter. I explained our concerns to you. As for the intentions of our Community partners, I am not certain about the Greeks but have good reason to believe that all the others intend to abstain, as they did last year. I very much hope that, in the wake of such a successful visit here, you will agree that France should not throw its weight behind Argentina in the coming vote.

*All despatched
CR*

TO PRIME MINISTER CRAZI

It was a great pleasure to welcome you and your colleagues to London once again on 18 and 19 November. We had a most useful series of discussions which made clear once again the close identity of views between us.

One of the subjects we discussed was the coming United Nations vote on the Falkland Islands. You were good enough to tell me that Italy planned once again to abstain and that you thought that abstention should be the common position of Britain's Community partners. I thank you most warmly for taking this very helpful position.

I took the opportunity of President Mitterrand's State Visit to give him a full explanation of our concerns. Thanks to you, I was able to tell him that apart from a possible question mark about the Greeks, I had good reason to believe that all our other partners intended to abstain. I am sure President Mitterrand fully understood the importance of the matter to us.

I well understand the close ties between your country and Argentina. I share your hopes that Argentine democracy will take root and flourish. As you know, I believe that support for Argentina's unrealistic ambition of absorbing the Falkland Islands could damage that democracy rather than help it. I warmly welcome your decision that Italy should take a neutral position in the coming vote.

TO CHANCELLOR KOHL

We are approaching another vote in the United Nations General Assembly on an Argentine draft resolution about the future of the Falkland Islands.

President Alfonsin has made it abundantly clear in New York this Autumn that Argentina continues to seek the rapid absorption of the Islands into her territory regardless of the wishes of the inhabitants, whose recollections of the cruel events of 1982 are still vivid. I know that the Argentines have been making a particular effort to persuade our European partners to vote with them and that is why I am writing to you now.

As you know, we mean to stand by the people of the Falklands. We shall uphold their right to live under a government of their own choosing, a right which is not diminished by their geographical circumstances. We cannot negotiate their future with Argentina over their heads and despite their clear wishes.

We have nevertheless made a major effort this year to establish a dialogue with the Argentines and rebuild relations of confidence with them. It is most regrettable that - through no fault of our own - these efforts have not so far borne fruit. I am convinced that such a

/dialogue

dialogue represents the only possible way forward; and I am most anxious that Argentina should not be encouraged to believe otherwise. It cannot be good for the cause of democratic government in Argentina, which all of us wish to strengthen, for the Argentines to persist in a wholly unrealistic course.

This is a matter of great importance to us in Britain and I am sure you fully understand my concerns. We have never pressed our Partners to cast negative votes on the Argentine draft alongside us. But I do ask you once again to abstain and not to lend your support to a resolution that we must oppose and which runs plainly counter to the principle of self-determination which is so important for both our countries.



TO THE PRIME MINISTERS OF NETHERLANDS AND LUXEMBOURG

We are approaching another vote in the United Nations General Assembly on an Argentine draft resolution about the future of the Falkland Islands.

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This is a matter of great importance to us in Britain. I have been most heartened by the assurances we have had that you will continue to abstain. I am in touch with our other Partners and hope that they will also do so.

TO THE BELGIAN, DANISH,
IRISH AND GREEK PRIME MINISTERS

We are approaching another vote in the United Nations General Assembly on an Argentine draft resolution about the future of the Falkland Islands.

President Alfonsin has made it abundantly clear in New York this Autumn that Argentina continues to seek the rapid absorption of the Islands into her territory regardless of the wishes of the inhabitants, whose recollections of the cruel events of 1982 are still vivid. I know that the Argentines have been making a particular effort to persuade our European partners to vote with them and that is why I am writing to you now.

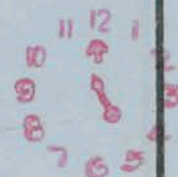
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wish to strengthen, for the Argentines to persist in a wholly unrealistic course.

This is a matter of great importance to us in Britain and I am sure you fully understand my concerns. We have never pressed our Partners to cast negative votes on the Argentine draft alongside us. But I do ask you once again to abstain and not to lend your support to a resolution that we must oppose.

28 OCT 1984





Foreign and Commonwealth Office

London SW1A 2AH

26 October, 1984

PP

Dear Richard,

A Naval History of the Falklands Campaign

The Foreign and Commonwealth Secretary has seen the Defence Secretary's minute of 17 October to the Prime Minister about the proposed unclassified account of naval operations during the Falklands campaign, and Charles Powell's letter of 19 October to you recording the Prime Minister's agreement that the work should proceed to publication, subject to the views of OD colleagues, and to necessary clearance of the text. Sir Geoffrey Howe has no objection to this proposal.

I am copying this letter to the Private Secretaries of members of OD and to Richard Hatfield (Cabinet Office).

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

Richard Mottram Esq
MOD

Argentina : Relations

A 38.

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2 3 4 5 6 7 8 9 10

26 OCT 1984

FALKLAND ISLANDS GENERAL

PS
 PS/LADY YOUNG
 PS/MR RENTON
 PS/MR RIFKIND
 PS/PUS
 MR DEREK THOMAS
 MR J FREELAND
 SIR W HARDING
 MR GOODALL
 MR O'NEILL
 MR C TICKELL
 MR D C THOMAS
 MR WESTON
 MR B RENTON
 ED/PUSD
 ED/SAMD
 ED/FID
 ED/NEWS DEPT
 ED/EED
 ED/EOD (E)
 ED/CND

PS/NO 10 DOWNING ST
 PS/S OF S FOR DEFENCE
 MR P NICHOLLS, AUSD STAFF, MOD
 NH

PS/CHANCELLOR)
 MISS M E CUND) TREASURY
 MR LITTLER)

SIR R ARMSTRONG)
 MR S COBBALL) CABINET
 DIO (Antelge)) OFFICE

MR POWER, SAD, ODA

MR A FORTNAM IAT/D. TRANSPORT

RESIDENT CLERK



PP THE HAGUE
 PP LUXEMBOURG
 PP PARIS
 PP ROME
 GPS 650

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FM URMIS NEW YORK 260107Z OCT 84

TO IMMEDIATE FCO

TEL NO 1221 OF 25 OCTOBER 1984

INFO PRIORITY ATHENS BONN BRUSSELS UKREP BRUSSELS
 COPENHAGEN DUBLIN THE HAGUE LUXEMBOURG PARIS ROME
 WASHINGTON

MY TELNO 1215 (NOT TO ALL) : FALKLANDS AT THE UN.

SUMMARY

1. THE ARGENTINE DRAFT HAS BEEN TABLED WITH ONE SMALL AMENDMENT (TEXT IN MIFT). BRAZIL ON BEHALF OF THE LATIN AMERICANS HAS SUGGESTED HAVING SHORTENED DEBATE.

DETAIL

2. THE BRAZILIAN AMBASSADOR APPROACHED ME AT LUNCHTIME TODAY. HE EXPLAINED THAT AT A MEETING THIS MORNING (25 OCTOBER) OF THE "REAL" LATIN AMERICANS, HE HAD BEEN COMMISSIONED TO SPEAK ON BEHALF OF HIS GROUP TO ME. HE SAID THAT THE SAME 20 LATIN AMERICANS AS LAST YEAR HAD AGREED TO COSPONSOR THE ARGENTINE DRAFT, WHICH WAS TABLED TODAY. IT IS IDENTICAL TO THAT IN MY TELNO 1174 EXCEPT THAT THE PHRASE "AND THEIR REMAINING DIFFERENCES" HAS BEEN ADDED AFTER "SOVEREIGNTY DISPUTE" IN OPERATIVE PARAGRAPH 1. THIS IN NO WAY AFFECTS THE SUBSTANCE OF THE DRAFT, BUT THERE IS EVIDENCE THAT THE ARGENTINES HAVE BEEN REPRESENTING IT AS A SOFTENING OF THE TEXT AS

"SOVEREIGNTY DISPUTE" IN OPERATIVE PARAGRAPH 1. THIS IN NO WAY AFFECTS THE SUBSTANCE OF THE DRAFT, BUT THERE IS EVIDENCE THAT THE ARGENTINES HAVE BEEN REPRESENTING IT AS A SOFTENING OF THE TEXT AS A CONCILIATORY GESTURE TO THE UK.

3. MACIEL, AGAIN STRESSING THAT HE WAS SPEAKING ON BEHALF OF THE GROUP, SAID THAT THE MEETING HAD REACHED NO FIRM CONCLUSION ABOUT THE CONDUCT OF THE DEBATE ON 31 OCTOBER. HOWEVER, THE STRONG TENDENCY WAS TO WISH TO KEEP IT SHORT AND IN A LOW KEY. THE SUGGESTION WAS THAT THE MEXICAN SHOULD INTRODUCE THE RESOLUTION AND SHOULD BE FOLLOWED BY BRAZIL EXPLICITLY SPEAKING ON BEHALF OF ALL THE "REAL" LATIN AMERICANS. THE LATIN AMERICANS WOULD ONLY BE ABLE TO RESTRICT THEMSELVES IN THIS WAY IF WE COULD GIVE A SIMILAR ASSURANCE THAT OUR SUPPORTERS WOULD NOT COME FORWARD "IN THEIR LEGIONS". WHAT DID I THINK OF THIS?

4. IN REPLY I BEGAN BY ASKING 2 OR 3 QUESTIONS WHICH HE ANSWERED AS FOLLOWS. FOREIGN MINISTER CAPUTO WOULD COME TO NEW YORK AND WOULD "OF COURSE" SPEAK. HE ASSUMED THE ORDER OF SPEAKERS WOULD BE ARGENTINE, MEXICO, BRAZIL. THE LATIN AMERICANS WOULD LET IT BE KNOWN THAT THEY DID NOT SEEK OTHER SPEAKERS BUT OF COURSE THEY COULD NOT PREVENT THEM. NEVERTHELESS, THEY WOULD SPEAK TO SPAIN AND PORTUGAL WITH A VIEW TO DISCOURAGING THEM FROM SPEAKING. THEY HAD NO PARTICULAR REASON TO SUPPOSE THAT OTHER COUNTRIES WOULD WISH TO SPEAK. NEITHER OF US MENTIONED THE SOVIET BLOC.

5. I SAID THAT SPEAKING PERSONALLY AND IN A PRELIMINARY WAY I FELT POSITIVELY INCLINED TOWARDS HIS PROPOSAL. HOWEVER, I WOULD REQUIRE YOUR INSTRUCTIONS AND I WOULD GET BACK TO HIM AFTER RECEIVING THEM. I SAID THAT MY UNDERSTANDING WAS THAT HE WAS ASKING US TO TRY TO ENSURE THAT ANY COMMONWEALTH OR COMMUNITY SPEAKERS IN OUR FAVOUR DID NOT OUTNUMBER THE LATIN AMERICANS SPEAKING IN FAVOUR OF ARGENTINE. HE CONFIRMED THIS.

6. SPEAKING IN THE GREATEST CONFIDENCE AND NOT FOR REPETITION, MACIEL SAID HE HAD TRIED OUT ON THE ARGENTINES THE POSSIBILITY OF AMENDING THE DRAFT RESOLUTION SO THAT OPERATIVE PARAGRAPH 1 READ "TO RESUME NEGOTIATIONS IN ORDER TO FIND AS SOON AS POSSIBLE A PEACEFUL SOLUTION TO THE QUESTION OF THE FALKLAND ISLANDS (MALVINAS)". THE ARGENTINE RESPONSE HAD BEEN THAT THIS WAS NOT POSSIBLE AT PRESENT. THERE HAD BEEN A CLEAR IMPLICATION THAT THEIR ATTITUDE MIGHT CHANGE IN THE FUTURE. MACIEL SAID THAT IN HIS PERSONAL OPINION THE ARGENTINES HAD NOT BEEN ABLE TO CONTEMPLATE MOVEMENT ON BOTH THE BEAGLE CHANNEL AND THE FALKLANDS SIMULTANEOUSLY. ALFONSO WAS NOT STRONG ENOUGH. HOWEVER, IT WAS HIS PERSONAL BELIEF THAT NEXT YEAR THE ARGENTINES WOULD BE READY TO MAKE A MOVE ON THE FALKLANDS. I ASKED WHAT THIS MEANT. HE SAID THIS MEANT A RESUMPTION OF THE BERNE TALKS AND AN AMENDMENT TO THE RESOLUTION OF THE SORT HE HAD JUST DESCRIBED. (IN A PURELY INFORMAL AND PERSONAL CONVERSATION YESTERDAY MACIEL HAD TOLD ME OF HIS PROPOSAL FOR AN AMENDMENT TO OPERATIVE PARAGRAPH 1 BUT AT THAT TIME HAD ADDED THAT HE HAD ALSO SUGGESTED THE INSERTION SOMEWHERE IN THE RESOLUTION OF A REFERENCE TO SELF-DETERMINATION. THE ARGENTINES HAD DEMURRED. TODAY HE MADE NO REFERENCE TO SELF-DETERMINATION).

7. I WOULD BE INCLINED TO AGREE TO THE BRAZILIAN PROPOSAL BUT

THE ARGENTINES HAD DEMURRED. TODAY HE MADE NO REFERENCE TO SELF-
DETERMINATION).

7. I WOULD BE INCLINED TO AGREE TO THE BRAZILIAN PROPOSALS BUT
I HAVE ONE HESITATION WHICH RELATES TO TACTICS IF OUR COMMUNITY
PARTNERS ARE NOT SOLID IN ABSTAINING. I WILL TELEGRAPH FURTHER ON
THIS AS NECESSARY.

THOMSON

NNNN

[Faint, mostly illegible text, possibly bleed-through from the reverse side of the page]

FALKLAND ISLANDS GENERAL

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 PS/MR *RENTON*
 PS/MR RIFKIND
 PS/PUS
 MR DEREK THOMAS
 MR J FREELAND
 SIR W HARDING
 MR GOODALL
 MR O'NEILL
 SIR ~~C TICKELL~~
 MR D C THOMAS
 MR WESTON
 MR *Burkington*
 ED/PUSD
 ED/SAMD
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 ED/NEWS DEPT
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 MR ~~PS~~ NICHOLLS, AUSD STAFF, MOD
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 MISS M E CUND) TREASURY
 MR LITTLER)

SIR R ARMSTRONG)
 MR ~~J S GOODE~~) CABINET
 DIO *(a Hodge)*) OFFICE

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FM UKMIS NEW YORK 260035Z OCT 84

TO IMMEDIATE FCO

TEL NO 1222 OF 25 OCTOBER 1984

INFO IMMEDIATE ATHENS BONN BRUSSELS UKREP BRUSSELS
 COPENHAGEN DUBLIN THE HAGUE LUXEMBOURG PARIS ROME
 WASHINGTON

MIPT

1. FOLLOWING IS TEXT OF ARGENTINE DRAFT RESOLUTION.

THE GENERAL ASSEMBLY

HAVING CONSIDERED THE QUESTION OF THE FALKLAND ISLANDS (MALVINAS)
 AND HAVING RECEIVED THE REPORT OF THE SECRETARY GENERAL,

RECALLING ITS RESOLUTIONS 1514 (XV), 2065 (XX), 3160 (XXVIII),
 31/49, 37/9 AND 38/12, AS WELL AS SECURITY COUNCIL RESOLUTIONS
 502 (1982) AND 505 (1982),

REAFFIRMS THE PRINCIPLES OF THE CHARTER OF THE UNITED NATIONS ON THE
 NON USE OF FORCE OR THE THREAT OF USE OF FORCE IN INTERNATIONAL
 RELATIONS AND THE OBLIGATION OF STATES TO SETTLE THEIR INTERNATIONAL
 DISPUTES BY PEACEFUL MEANS AND RECALLING THAT, IN THIS RESPECT,
 THE GENERAL ASSEMBLY HAS REPEATEDLY REQUESTED THE GOVERNMENTS OF
 ARGENTINA AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN
 IRELAND TO RESUME NEGOTIATIONS IN ORDER TO FIND AS SOON AS
 POSSIBLE A PEACEFUL, JUST AND DEFINITIVE SOLUTION TO THE SOVEREIGNTY
 DISPUTE RELATING TO THE QUESTION OF THE FALKLAND ISLANDS (MALVINAS),

? self-determinator

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 SIR O'NEILL
 MR D C THOMAS
 MR WESTON
 MR BRISTOL
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FH PARIS 251820Z OCT 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 1211 OF 25 OCTOBER

INFO IMMEDIATE UKMIS NEW YORK, PRIORITY OTHER EC POSTS

FALKLANDS AT THE UNGA

1. IN DISCUSSING ALFONSIN'S VISIT HERE, FOUQUET (HEAD OF QUAI SOUTH AMERICAN DEPT) TOLD US THAT HE NOW EXPECTED FRANCE TO ABSTAIN: HE HAD JUST SAID SO TO THE ITALIAN EMBASSY. TO GAIN A POSITIVE FRENCH VOTE, A RESOLUTION WOULD NEED TO INCLUDE A DECLARATION OF A CESSATION OF HOSTILITIES: A RECOGNITION OF A DE FACTO CESSATION AS IN PAST RESOLUTIONS WOULD NOT, HE THOUGHT, BE ENOUGH. FOUQUET ADDED THAT HE COULD BE WRONG SINCE THE DECISION LAY WITH THE PRESIDENT.

PETRIE

NNNN

SENT AT 251838Z JW

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 SIR W HARDING
 MR GOODALL
 MR O'NEILL
~~SIR C TICHSEL~~
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FM UKDEL STRASBOURG 241530Z OCT 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 133 OF 24 OCT

INFO PRIORITY UKREP BRUSSELS OTHER EC POSTS BERNE WASHINGTON

UKMIS NEW YORK

FALKLAND ISLANDS DISTRIBUTION

FROM UKREP BRUSSELS

YOUR TELEGRAM NUMBER 68

ALFONSIN'S SPEECH TO EUROPEAN PARLIAMENT

SUMMARY

1. ALFONSIN'S SPEECH CONCENTRATED ON THE RESTORATION OF DEMOCRACY, DEBTS AND THE INTERNATIONAL MONETARY AND TRADE SYSTEM, AND EC/ARGENTINE RELATIONS. HE DID NOT MENTION THE FALKLANDS EXPLICITLY. HE WAS QUITE WARMLY RECEIVED, AND THE PRESIDENT OF THE PARLIAMENT, IN SUMMING UP, SAID THAT HIS APPEAL FOR CLOSER RELATIONS WITH THE EC SHOULD NOT GO UNHEADED. PRESS INTEREST IN THE UK POSITION, FOLLOWING THE ISSUE OF UK STATEMENT IN LONDON YESTERDAY.

DETAIL

2. ALFONSIN SPOKE TO THE EUROPEAN PARLIAMENT IN A SPECIAL SESSION AT NOON ON 24 OCTOBER. THE PRESIDENT OF THE PARLIAMENT SAID, IN INTRODUCING HIM, THAT HE HAD BEEN INVITED TO SPEAK AS THE STATESMAN WHO HAD BROUGHT FREEDOM AND DEMOCRACY

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... IN INTRODUCING HIM, THAT HE HAD BEEN INVITED TO SPEAK (SIC) AS THE STATESMAN WHO HAD BROUGHT FREEDOM AND DEMOCRACY BACK TO ARGENTINA AND WHO HAD VISIONS OF A FUTURE FOR ARGENT WHICH WAS RADICALLY DIFFERENT FROM THE PAST.

3. ALFONSIN THANKED THE PARLIAMENT FOR HAVING GIVEN HIM THIS OPPORTUNITY TO SPEAK. HE AIMED TO STIMULATE A DIALOGUE PROVIDING FOR GREATER CO-OPERATION BETWEEN EUROPE AND LATIN AMERICA, AND ARGENTINA IN PARTICULAR.

4. ARGENTINA HAD GONE THROUGH A TORTUROUS PERIOD OF 50 YEARS. INSTEAD OF PEACE AND JUSTICE, IT HAD SUFFERED VIOLENCE, INTOLERANCE AND CONFLICT WITH THE OUTSIDE WORLD. THE AGREEMENT WITH CHILE PROVIDED AN EXAMPLE AND PROOF OF THE ATTITUDE WHICH ARGENTINA WOULD ADOPT IN DEALING WITH ITS INTERNATIONAL PROBLEMS. IT WAS ALSO EVIDENCE THAT ONE COULD ACHIEVE PEACE WHEN THERE WAS A JOINT DESIRE TO ACHIEVE IT. (HE STRESSED THE WORD "JOINT" AND THIS SENTENCE WAS APPLAUDED BY SOCIALISTS AND COMMUNISTS).

5. THE MAIN PART OF THE SPEECH WAS DEVOTED TO A CALL, IN VERY UNSPECIFIC TERMS, IMPROVEMENTS IN THE INTERNATIONAL MONETARY AND TRADING ARRANGEMENTS. UNLESS THERE WERE CHANGES, ARGENTINA WOULD NOT BE ABLE TO GENERATE THE WEALTH WHICH WOULD PERMIT IT TO REPAY ITS DEBTS, THOUGH REPAYMENT WAS ITS INTENTION.

6. THE FINAL PART OF THE SPEECH CONCENTRATED ON ARGENTINA'S RELATIONS WITH THE EUROPEAN COMMUNITY. THE COMMUNITY WAS AN EXAMPLE TO LATIN AMERICA IN THAT CONFRONTATIONS IN EUROPE HAD BEEN REPLACED BY COOPERATION. THE COMMUNITY HAD AN EFFICIENT DECISION-MAKING PROCESS FOR EXTERNAL NEGOTIATIONS. THE COMMUNITY'S ESSENTIAL INTERESTS AND THOSE OF LATIN AMERICA WERE COMPLEMENTARY. CO-OPERATION SHOULD ENABLE ARGENTINA'S EXPORTS TO EUROPE TO GROW. THERE SHOULD BE A GRADUAL REMOVAL OF PROTECTIONIST MEASURES OF ALL KINDS. ARGENTINA AND LATIN AMERICA WOULD PROVIDE RELIABLE SOURCES OF SUPPLY FOR CRITICAL RAW MATERIALS, AND MARKETS FOR EUROPEAN EXPORTS. THE EC'S COMMON AGRICULTURAL POLICY WAS A MAJOR FACTOR, AND A PROBLEM FOR ARGENTINA. THEY UNDERSTOOD THAT IT WAS PART OF THE FOUNDATION OF THE EC AND HAD TO BE MAINTAINED, BUT ITS METHODS OF OPERATION CAUSED REAL PROBLEMS. ARGENTINA SHOULD HAVE A PLACE IN PROVIDING GRAIN, MEAT AND DAIRY PRODUCTS. THE EC AND ARGENTINA SHOULD WORK TOGETHER TO REDUCE THE ADVERSE EFFECTS OF THE CAP.

7. PFLIMLIN, PRESIDENT OF THE EP, DID NOT PERMIT ANY DEBATE. HE REFERRED TO THE WARM APPLAUSE FOR ALFONSIN'S SPEECH AND SAID THAT ALFONSIN HAD LAUNCHED AN APPEAL TO CLOSER CO-OPERATION BETWEEN EC AND LATIN AMERICA INCLUDING ARGENTINA IN PARTICULAR. THIS WOULD NOT GO UNHEEDED.

8. ABOUT HALF THE UK MEMBERS OF THE EDG WERE PRESENT IN THE CHAMBER FOR ALFONSIN'S SPEECH. NONE ATTENDED THE LUNCH FOR HIM AFTERWARDS, BUT TOKSVIG A DANISH EDG MEMBER WAS THERE, AS WAS TUGENDHAT (COMMISSIONER).

9. LARGE NUMBERS OF JOURNALISTS, INCLUDING SOME REPRESENTING ARGENTINE MEDIA, ATTENDED. IN SUBSEQUENT PRESS BRIEFING THEY WERE PARTICULARLY INTERESTED IN THE UK ATTITUDE AS DESCRIBED

WERE PARTICULARLY INTERESTED IN THE UK ATTITUDE AS DESCRIBED
IN TODAY'S FT ARTICLE (EUROPEAN EDITION) HEADED "UK UPSET
BY ALFONSIN'S STRASBOURG REQUEST". THE MEDIA OF OTHER EC
COUNTRIES SUGGESTED THE UK WAS OVER-REACTING.

10. WE MADE COPIES OF THE UK STATEMENT IN ANSWER TO QUESTIONS.
ASKED WHETHER THE STATEMENT MEANT THAT THE UK WOULD BLOCK
CLOSER EC/ARGENTINE CO-OPERATION AS PROPOSED BY ALFONSIN,
WE TOOK THE FOLLOWING LINE:

BEGINS

THE LACK OF NORMAL RELATIONS BETWEEN BRITAIN AND ARGENTINA
IS OF COURSE A COMPLICATING FACTOR. SO IS ARGENTINA'S FAILURE
SO FAR TO DECLARE A DEFINITIVE CESSATION OF HOSTILITIES.
LIKE THE EC, BRITAIN HAS WELCOMED THE RETURN OF DEMOCRATIC
RULE TO ARGENTINE AND WANTS TO IMPROVE RELATIONS WITH IT.
THE UK HAS TAKEN INITIATIVES TO ACHIEVE MORE NORMAL BILATERAL
RELATIONS AND REMAINS READY TO DO THIS. IT WAS A SOURCE OF GREAT
REGRET AND FRUSTRATION TO THE UK WHEN THE ARGENTINE GOVERNMENT
BROUGHT THE TALKS IN BERNE ON 18 AND 19 JULY TO AN ABRUPT
AND PREMATURE END BY FAILING TO PROCEED UPON THE BASIS THAT
HAD BEEN CLEARLY AGREED. IT IS ALSO RELEVANT THAT THE UK,
IN TAKING THE INITIATIVE TO HAVE TALKS, HAD PROVIDED THAT
THERE SHOULD BE DISCUSSION OF PRACTICAL ISSUES OF CONCERN
INCLUDING THE RESUMPTION OF NORMAL COMMERCIAL AND FINANCIAL
RELATIONS.

ENDS

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LUSH

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AND SPECIFICALLY IN THE FOLLOWING:
FOR GREATER CO-OPERATION BETWEEN THE UK AND ARGENTINE
CONSIDERABLE TO BEYOND THE WIDER EC AND EUROPEAN COMMUNITY
C. THROUGHOUT THE WORLD THE UNITED KINGDOM HAS MAINTAINED A POLICY

WHICH HAS BEEN DIFFERENT FROM THE ABOVE
FOR THE REASON THAT THE UNITED KINGDOM HAS MAINTAINED A POLICY
OF FRIENDSHIP AND CO-OPERATION WITH ALL COUNTRIES IN THE WORLD
AND HAS NOT BEEN INVOLVED IN THE CONFLICT BETWEEN ARGENTINE AND
THE UNITED KINGDOM.

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FM BRUSSELS 231735Z OCT 84

TO PRIORITY FCO

TELEGRAM NUMBER 260 OF 23 OCTOBER

INFO ROUTINE ALL EC POSTS, BERNE, WASHINGTON, UKMIS NEW YORK

YOUR TELNO 333 TO ATHENS : FALKLANDS DEBATE.

SUMMARY

1. OFFICIALS IN THE BELGIAN FOREIGN MINISTRY HAVE SAID THAT BELGIUM WILL PROBABLY AGAIN ABSTAIN IN THIS YEAR'S FALKLANDS DEBATE AT THE UN.

DETAIL

2. VAN OVERBERGHE, THE NEW HEAD OF THE LATIN AMERICAN DEPARTMENT, AND DE MEULENAERE IN THE UN DEPARTMENT AT THE MFA HAVE TOLD US THAT THE BELGIAN AMBASSADOR TO THE UN (PLEASE PROTECT) HAD RECOMMENDED THAT BELGIUM SHOULD AGAIN ABSTAIN. VAN OVERBERGHE SAID THAT HE HAD SUPPORTED THIS RECOMMENDATION, COMMENTING THAT IT WAS IN FACT THE GENERAL VIEW IN THE MINISTRY THAT IT WOULD BE WRONG FOR BELGIUM TO CHANGE TACK AT THIS STAGE. HE RECOGNISED THAT WHATEVER THE IMPROVEMENTS IN THE TONE OF THE LATEST DRAFT (WHICH THE MFA HAS SEEN) IT REMAINED FLAWED. IT STILL CONCENTRATED ON SOVEREIGNTY. VAN OVERBERGHE TOOK THE POINT THAT THE ARGENTINE PERCEPTION OF NEGOTIATIONS, WHICH HAD AS AN INESCAPABLE CONCLUSION A HAND-OVER TO ARGENTINA IN A SHORT TIME SCALE, WAS NOT ACCEPTABLE. MORE IMPORTANTLY, HE NOTED THAT THE DRAFT IGNORED THE PRINCIPLE OF SELF-DETERMINATION. NOTHING OF SUBSTANCE HAD THEREFORE CHANGED.

3. MINISTERS STILL HAVE TO TAKE THE FINAL DECISION AND WE SHOULD NOT THEREFORE ASSUME THAT BELGIAN SUPPORT IS TOTALLY IN THE BAG. THE VIEWS OF OTHER EC PARTNERS WILL CONTINUE TO CARRY WEIGHT WITH THEM. BUT THE PROSPECTS FOR A BELGIAN ABSTENTION NOW LOOK GOOD.

COLTMAN

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FALKLAND ISLANDS GENERAL

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FM BONN 231700Z OCT 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 990 OF 23 OCTOBER

INFO PRIORITY UKMIS NEW YORK, ALL EC POSTS, LISBON

INFO SAVING BERNE

YOUR TELNO 333 TO ATHENS: FALKLANDS

SUMMARY

1. MY MEETING WITH GENSCHER POSTPONED. GENSCHER WILL PERSONALLY DECIDE HOW FRG VOTES AT LAST MINUTE. CURRENT INDICATIONS FROM HIS OFFICIALS RATHER FAVOURABLE. SUGGESTIONS ON FURTHER ACTION.

DETAIL

2. GENSCHER, VERY CHARACTERISTICALLY, HAS POSTPONED MY MEETING WITH HIM THAT WAS DUE THIS AFTERNOON, AND I SHALL BE ABSENT IN STUTTGART FOR 48 HOURS FROM TONIGHT. MALLABY YESTERDAY TOOK KULLAK-UBLICK, THE UNDER-SECRETARY CONCERNED WITH THE FALKLANDS IN THE AUSWAERTIGES AMT, THROUGH THE BRITISH POSITION ON 22 OCTOBER.

3. MALLABY POINTED OUT THAT THE RESOLUTION REFERRED TO NEGOTIATIONS ABOUT SOVEREIGNTY, WHICH IN ARGENTINA'S DECLARED VIEW MEANT NEGOTIATIONS ABOUT A TRANSFER OF SOVEREIGNTY WITHIN A FEW YEARS. THE REFERENCE TO THE INTERESTS OF THE ISLANDERS REPEATED ARGENTINA'S PREFERRED MEANS OF AVOIDING MENTION OF SELF-DETERMINATION. THE LATTER WAS A PRINCIPLE OF THE GREATEST IMPORTANCE TO THE FEDERAL REPUBLIC. THE QUOTATION FROM THE ANGLO-GERMAN STATEMENT OF MAY 1984, WHICH YOU HAD USED IN PUBLIC DURING THE ANDREOTTI AFFAIR

1984, WHICH YOU HAD USED IN PUBLIC DURING THE ANDREOTTI AFFAIR AND IN YOUR SPEECH IN BONN LAST WEEK, WAS AN EXPRESSION OF BRIT SUPPORT FOR GERMAN SELF-DETERMINATION. THE ARGENTINE RESOLUTION ON THE FALKLANDS PRESENTED A STRAIGHT CHOICE BETWEEN SELF-DETERMINATION ON THE ONE HAND AND THE ARGENTINE WISH TO OBTAIN SOVEREIGNTY ON THE OTHER. SURELY THE GERMANS WOULD ABSTAIN RATHER THAN VOTE DIRECTLY AGAINST SELF-DETERMINATION? MALLABY ALSO MADE THE FOUR POINTS IN PARA 3 OF YOUR TELNO 564 ABOUT THE DELIVERY OF THE FIRST GERMAN SUBMARINE FOR ARGENTINA, STRESSING THAT THE PUBLIC HANDLING IN THE UK OF THIS LATTER QUESTION WOULD BE MUCH HARDER IF THE FRG AT ABOUT THE SAME TIME VOTED DIAMETRICALLY AGAINST US ON THE UN RESOLUTION IN THE GENERAL ASSEMBLY. (WE HAVE ALSO MADE POINTS (II) AND (III) IN YOUR TELNO 564 TO THOSE CONCERNED WITH ARMS EXPORTS IN THE AUSWAERTIGES AMT.)

4. KULLAK-UBLICK SAID HE WAS NOT SURPRISED THAT WE WERE STRESSING THE REFERENCES IN THE RESOLUTION TO SOVEREIGNTY AND TO THE INTERESTS OF THE ISLANDERS. YOUR REMARK ABOUT THE GERMAN QUESTION HAD BEEN MUCH APPRECIATED IN BONN AND ITS RELEVANCE TO SELF-DETERMINATION IN THE FALKLANDS CONTEXT HAD BEEN RECOGNISED. HE HIMSELF WAS PARTICULARLY GLAD THAT MALLABY HAD MADE THIS POINT. OUR POINT ABOUT THE SUBMARINE WAS ALSO WELL TAKEN. AS LAST YEAR, GENSCHER WOULD PERSONALLY TAKE THE DECISION ON GERMANY'S VOTE, AND PROBABLY ON THE DAY OF THE VOTE. GENSCHER'S PRINCIPLE IN THE MATTER WOULD BE "IF IN DOUBT, FOR THE BRITISH". MALLABY SAID THERE WOULD OF COURSE BE DOUBT: THE ARGUMENTS COULD NOT POSSIBLY ALL BE FOR VOTING WITH ARGENTINA. KULLAK-UBLICK SAID THAT THE VOTE OF FRANCE WOULD BE CRUCIAL AND THE DECISION WOULD NO DOUBT BE TAKEN BY MITTERRAND. MALLABY POINTED OUT THAT THE LATTER WAS ABOUT TO VISIT LONDON. KULLAK-UBLICK SAID HIS ADVICE TO GENSCHER HAD BEEN THAT FRG/ARGENTINE RELATIONS WERE NOW SUFFICIENTLY GOOD FOR A GERMAN ABSTENTION, EVEN IF ALMOST ISOLATED AMONG THE TEN, NOT SERIOUSLY TO HARM THE RELATIONSHIP.

COMMENT

5. I JUDGE FROM KULLAK-UBLICK'S RATHER FORTHCOMING LINE THAT HE EXPECTS GENSCHER TO DECIDE THAT GERMANY SHOULD ABSTAIN. A FRENCH DECISION TO VOTE FOR THE RESOLUTION MIGHT, HOWEVER, TURN THE TIDE AGAINST US. I WELCOME THE IDEA OF A MESSAGE FROM THE PRIME MINISTER TO KOHL. SUBJECT TO WHAT MITTERRAND SAYS DURING HIS VISIT TO THE UK, I AM INCLINED TO RECOMMEND THAT WE SHOULD ONLY MAKE FURTHER HIGH LEVEL REPRESENTATIONS IN BONN IF THE PICTURE IN ANY WAY CHANGES, FOR INSTANCE THROUGH THE APPEARANCE OF A FURTHER REVISE OF THE DRAFT RESOLUTION. WE SHALL KEEP OUR EARS VERY CLOSELY TO THE GROUND.

FCO PLEASE PASS SAVING TO BERKE

BULLARD

NNNN

SENT 231655Z

MK

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PP ALGIERS

GRS 327

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FM PARIS 231700Z OCT 84

TO IMMEDIATE F C O

TELEGRAM NUMBER 1201 OF 23 OCTOBER

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MY TELNO 1198 (NOT TO ALL); FALKLANDS AND ALFONSI'S VISIT TO PARIS
 SUMMARY

1. ALFONSI HAS SAID NOTHING NEW IN PUBLIC.

DETAIL

2. THE DIPLOMATIC ADVISER AT MATIGNON SAYS ALFONSI MADE A PREDICTABLE PITCH TO THE FRENCH PRIME MINISTER FOR SUPPORT AT THE UN BUT WAS TOLD THE QUESTION WAS FOR DECISION BY MITTERRAND. LESS PLAUSIBLY CHEYSSON'S CABINET SAY THE FALKLANDS WERE NOT DISCUSSED BETWEEN HIM AND ALFONSI. (ALFONSI DID NOT REFER TO THEM IN HIS SPEECH TODAY (23 OCTOBER) TO THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)).

3. AT HIS PRESS CONFERENCE TODAY ALFONSI MADE NO OPENING STATEMENT. IN ANSWER TO QUESTIONS ABOUT THE FALKLANDS, HE SAID THAT:

A) HE HAD GIVEN NO MESSAGE TO MITTERRAND FOR THE PRIME MINISTER.

B) ARGENTINA WAS MAKING EVERY EFFORT TO FIND A SOLUTION THROUGH DIPLOMACY, AS URGED BY THE EC, AND REJECTED ANY WORLIKE APPROACH; HE HOPED THE UK WOULD STOP BEING INTRANSIGENT SO THAT WORK COULD START ON ALL QUESTIONS, INCLUDING SOVEREIGNTY.

C) HE HAD RECEIVED FROM MITTERRAND AN ATTITUDE OF SOLIDARITY FROM FRANCE TO THE ARGENTINE PEOPLE.

C) HE HAD RECEIVED FROM MITTERRAND AN ATTITUDE OF SOLIDARITY FROM FRANCE TO THE ARGENTINE PEOPLE.

D) HE WOULD NOT (NOT) MAKE A MAJOR STATEMENT ON FALKLANDS AT STRASBOURG.

TEXT OF THESE EXCHANGES FOLLOWS BY BAG.

4. FRENCH PRESS COMMENT THIS MORNING CONCENTRATES ALMOST EXCLUSIVELY ON DEBT AND THE RETURN TO DEMOCRACY, FULLER REPORT ON NON-FALKLANDS ASPECTS OF VISIT WILL FOLLOW. MITTERRAND HAS APPARENTLY AGREED TO VISIT ARGENTINA, PROBABLY NEXT SPRING.

5. AFTER ROME, ALFONSIN WILL VISIT ALGIERS ON HIS WAY BACK TO BUENOS AIRES.

F C O PLEASE PASS SAVING WASHINGTON

PETRIE

NNNN

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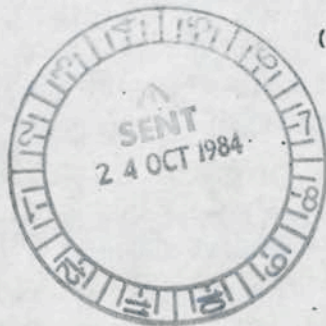
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PAF018/23
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WV

FALKLAND ISLANDS GENERAL

PS
 PS/LADY YOUNG
 PS/MR RENTON
 PS/MR RIFKIND
 PS/PUS
 MA DEREK THOMAS
 MR J FREELAND
 SIR W HARDING
 MR GOODALL
 MR O'NEILL
~~SIR C TUCKELL~~
 MR D C THOMAS
 MR WESTON
 MR BRUNSTON
 ED/PUSD
 ED/SAMD
 ED/FID
 ED/NEWS DEPT
 ED/EED
 ED/ECD (E)
 ED/OND



(2)

PS/NO 10 DOWNING ST
 PS/S OF S FOR DEFENCE
 MR ~~PS~~ NICHOLLS, AUSD STAFF, MOD
 NH

PS/CHANCELLOR)
 MISS M E CUND) TREASURY
 MR LITTLER)

SIR R ARMSTRONG)
 MR ~~ED S COBBALL~~) CABINET
 DIO (Antelope)) OFFICE

MR POWER, SAD, ODA

MR A FORTNAM IAT/D. TRANSPORT

RESIDENT CLERK

GRS 600

UNCLASSIFIED

(FM BERNE 241400Z)

FM BISBA

TO IMMEDIATE FCO

TELNO 695 OF 23 OCTOBER 1984

IMMEDIATE

ADVANCE COPY

MT

INFO PRIORITY MOD (SIC A3A), CBFFI BANK OF ENGLAND ASUNCION BRASILIA
 CARACAS MEXICO CITY MONTEVIDEO SANTIAGO UKMIS NEW YORK
 WASHINGTON PORT STANLEY PARIS

PRESS SUMMARY

1. ALL PAPERS HEADLINE ALFONSIN'S INTERVIEW WITH PRESIDENT MITTERRAND YESTERDAY IN PARIS. THEY CLAIM THAT FRANCE HAS PLEDGED HER SUPPORT FOR THE RESCHEDULING OF ARGENTINA'S FOREIGN DEBT HELD BY MEMBERS OF THE CLUB DE PARIS, AND HAS COMMITTED HERSELF TO AN INVESTMENT PROGRAMME IN THE MINING, PETROCHEMICAL AND OIL INDUSTRIES HERE.
2. ALFONSIN AND HIS FRENCH HOSTS WERE ALSO SAID TO HAVE AGREED ON FOREIGN POLICY ISSUES SUCH AS CENTRAL AMERICA AND THE FALKLANDS. MITTERRAND WAS TREATED TO AN ARGENTINE EXPOSITION OF BRITISH INTRANSIGENCE OVER THE ISLANDS SOVEREIGNTY, AND ALTHOUGH HE DID NOT HIMSELF COMMENT ON THE DISPUTE OR SUGGEST THAT FRANCE WOULD CHANGE HER NEUTRAL POSITION IN THE FORTHCOMING UNGA, SEVERAL REPORTS SEEK TO CONCLUDE THAT SHE WILL BACK ARGENTINA.
3. AFTER "LA NACION'S" PUBLICATION YESTERDAY OF UN SECRETARY-

3. AFTER "LA NACION'S" PUBLICATION YESTERDAY OF UN SECRETARY-GENERAL PEREZ DE CUELLAR'S REPORT ON THE FALKLANDS QUESTION, THE REST OF THE PRESS RELAY DETAILS AND CONTEND THAT HIS ANALYSIS IMPLICITLY CRITICIZES THE UK'S REFUSAL TO DISCUSS SOVEREIGNTY.
4. THE ARMED FORCES SUPREME COUNCIL, WHICH IS INVESTIGATING THE PART PLAYED BY THE THREE JUNTA MEMBERS IN THE FALKLANDS WAR, WILL TODAY BEGIN RECEIVING SUBMISSIONS OF EVIDENCE FOR WHICH 20 DECEMBER HAS BEEN FIXED AS A DEADLINE. TWO MEMBERS OF THE COUNCIL HAVE REPUTEDLY RESIGNED.
5. INTERIOR MINISTER ANTONIO TROCCOLI HAS ANNOUNCED THAT THE BEAGLE PLEBISCITE WILL TAKE PLACE ON 25 NOVEMBER. THE PERONISTS WILL TODAY CONSIDER WHETHER TO INSTRUCT THEIR MEMBERS TO SUPPORT OR REJECT THE PROPOSED SETTLEMENT. MEANWHILE, THE CHIEF OF THE NAVY GENERAL STAFF, REAR ADMIRAL RAMON AROSA, HAS INDICATED THAT HE PERSONALLY FEELS QUOTE SOMETHING MORE COULD PERHAPS HAVE BEEN ACHIEVED UNQUOTE IN THE NEGOTIATIONS, ALTHOUGH HE DISMISSED SUGGESTIONS OF DISCONTENT IN HIS SERVICE.
6. IN RESPONSE TO JOURNALISTS QUESTIONS, AROSA ALSO CONFIRMED THAT THE NAVY HAD TAKEN DELIVERY OF THREE MEKO 360 DESTROYERS AND A SUBMARINE OF WEST GERMAN MANUFACTURE. HE ADDED THAT A SECOND SUBMARINE SHOULD BE DELIVERED NEXT YEAR, WHILE ARGENTINA CONTINUED WITH THE LOCAL CONSTRUCTION OF SIX 140-TYPE CORVETTES AND FOUR OTHER SUBMARINES, THOUGH PROGRESS ON THESE PROJECTS WAS QUOTE SUBJECT TO BUDGETARY REALITIES UNQUOTE.
7. "CLARIN" NOTES THAT PAYMENT OF THE SALARY ADJUSTMENT TO ENSURE A REAL INCREASE IN WAGES AFTER THE THIRD QUARTER HAS BEEN DELAYED BY THE ECONOMY MINISTRY FROM THE END OF OCTOBER TO THE MIDDLE OF NOVEMBER. INTEREST RATES IN THE INTER-COMPANY CALL MARKET HAVE RISEN TO 41 PER CENT PER MONTH. BANK CLERKS ARE THREATENING STRIKE ACTION IN THE FACE OF RUMOURS THAT THE GOVERNMENT PLANS TO REDUCE THE NUMBER OF BANK BRANCH OFFICES, THUS PROVOKING POSSIBLY 30 THOUSAND REDUNDANCIES. COURT OFFICIALS HAVE INITIATED A STOPPAGE IN SUPPORT OF PAY DEMANDS.
8. WIDE COVERAGE IS GIVEN TO JUDICIAL PROCEEDINGS AGAINST PROMINENT MEMBERS OF THE FORMER MILITARY REGIME WHO ARE CHARGED WITH HUMAN RIGHTS VIOLATIONS. THE DETENTION OF EX-PRESIDENT ROBERTO VIOLA HAS BEEN ORDERED, WHILE RETIRED GENERALS LUCIO BENJAMIN MENENDEZ AND OMAR GRAFFIGNA HAVE JOINED MEMBERS OF THE FIRST JUNTA IN DEMANDING THAT THEIR CASES BE INVESTIGATED BY THE ARMED FORCES SUPREME COUNCIL AND NOT BY THE CIVILIAN AUTHORITIES.
9. FORMER MONTONERO LEADER MARIO FIRMENICH WILL TOMORROW BE QUESTIONED ON HIS TERRORIST ACTIVITIES DURING THE DIRTY WAR. HIS EXTRADITION FROM BRAZIL WAS YESTERDAY CONDEMNED IN A FULL PAGE ADVERTISEMENT IN THE LEFT-WING PERONIST DAILY "LA VOZ" BY OTHER SENIOR MONTONEROS WHO WARNED THAT QUOTE UNDER THE FORMAL APPEARANCE OF DEMOCRACY, THE GOVERNMENT, THROUGH ITS ECONOMIC PLAN AND POLITICAL PERSECUTIONS, IS TAKING US ON A ROAD WHICH AIMS AT THE DESTRUCTION OF DOMESTIC PEACE UNQUOTE.

JOY

POWELL-JONES



10 DOWNING STREET

From the Private Secretary

23 October 1984

FALKLANDS AT THE UN GENERAL ASSEMBLY

You wrote to me on 22 October, enclosing a draft message from the Prime Minister to EC Heads of Government about the Falklands vote at the UN General Assembly.

I propose to put this to the Prime Minister tomorrow evening, after she has discussed the matter with President Mitterrand. But it seems to me already clear that a message to Craxi needs a very different beginning, indeed possibly an entirely different text from that enclosed with your letter. As you will have seen from my record of the Prime Minister's tete-a-tete with Craxi, he gave a clear commitment to an abstention provided the French do the same. A message to Craxi will need therefore to provide an account of what Mitterrand said and urge him to stand by his commitment. I doubt that it will need all the rest of the material, which may be appropriate for other governments.

I agree that we can only tell whether a message to Mitterrand is necessary after the Prime Minister's meeting with him. All one can say, I think, is that the draft enclosed with your letter will not be appropriate.

A final point which will need thought: if Mitterrand gives a commitment on abstention, can we mention this and Craxi's similar commitment in messages to other EC Heads of Government?

(C.D. POWELL)

Len Appleyard, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

22 October, 1984

NBPM - over/oken

CDP 2/4

Dear Charles,

Falklands at the General Assembly

As you know, this year's General Assembly vote is expected to take place on 31 October.

The Argentines are circulating a revised version of their draft resolution which virtually brings it back to last year's text though, in an obvious bid to attract the French vote, they have omitted last year's suggestion that 'the maintenance of colonial situations is incompatible with the United Nations ideal of universal peace'. Although our lobbying in other parts of the world has produced reasonably satisfactory results, we are once again having difficulty in pinning down our European Partners. There is a danger that France and Italy could start a movement which could place most of our European partners and some of our other friends in the Argentine camp. (We have been told that the Americans, who voted in favour of the last two resolutions, will vote for the draft now circulating).

Sir Geoffrey Howe believes that the Prime Minister's personal intervention will once again be necessary. The Prime Minister has already spoken to Craxi and will be speaking to Mitterrand on 24 October. Sir Geoffrey recommends that the Prime Minister should send personal messages to the other EC Heads of Government. He suggests that these should be timed for delivery on 26 October in time for weekend boxes and not too far ahead of the vote itself.

I enclose a draft for the Prime Minister's consideration.

In view of the lapse of time between the Prime Minister's conversation with Craxi and the vote itself, Sir Geoffrey suggests that such a message should also be delivered in Rome, with a slightly different beginning. Whether a message should be sent to President Mitterrand can only be decided after the meeting on 24 October. Unless he gives a clear and satisfactory assurance then, some further action will be necessary in Paris, either in the form of a message or as an oral demarche by the Ambassador.

Guswe,

Len Appleyard

(L V Appleyard)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

[To Craxi / Mitterrand:

We had a word on 19/24 October about the approaching vote in the United Nations General Assembly on a further Argentine draft resolution about the future of the Falkland Islands. As I said to you,]

[To the rest:

We are approaching another vote in the United Nations General Assembly on an Argentine draft resolution about the future of the Falkland Islands.]

President Alfonsin has made it abundantly clear in New York ^{this Autumn} that Argentina continues to seek the rapid absorption of the Islands into her territory regardless of the wishes of the inhabitants, whose recollections of the cruel events of 1982 are still vivid. I know that the Argentines are particularly anxious to persuade our European partners to vote with them and that is why I am writing to you now.

As you know, we mean to stand by the people of the Falkland Islands. We shall uphold their right to live under a government of their own choosing, a right which is not diminished by their geographical circumstances. We cannot negotiate their future with Argentina over their heads and despite their clear wishes.

We have nevertheless made a major effort this year to establish a dialogue with the Argentines and rebuild

/relations

relations of confidence with them. It is most regrettable
- through no fault of our own -
that these efforts have not so far borne fruit. I am
convinced that such a dialogue represents the only possible
way forward; and I am most anxious that Argentina should
not be encouraged to believe otherwise. It cannot be good
for the cause of democratic government in Argentina, which
all of us wish to strengthen, for the Argentines to persist
on their wholly unrealistic course

This is a matter of great importance to us in Britain.
As before, we do not ask that you should actually vote with
us and diametrically opposite to Argentina. But I do ask
you most earnestly not to vote with Argentina and
diametrically opposite to us.

22 OCT 1984



ADVANCE COPY
IMMEDIATE

FALKLAND ISLANDS GENERAL

PS
 PS/LADY YOUNG
 PS/MR ~~KENTON~~
 PS/MR RIFKIND
 PS/PUS
 MR DEREK THOMAS
 MR J FREELAND
 SIR W HARDING
 MR GOODALL
 MR O'NEILL
 SIR ~~C TICKELL~~
 MR D C THOMAS
 MR WESTON
 MR ~~BIRKINGTON~~
 HD/PUSD
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 MR ~~RE~~ NICHOLLS, AUSD STAFF, MOD
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PS/CHANCELLOR }
 MISS M E CUND } TREASURY
 MR LITTLER }

SIR R ARMSTRONG }
 MR ~~A D S GOODALL~~ } CABINET
 DIO *Carledge* } OFFICE

MR POWER, SAD, ODA

MR A FORTNAM IAT/D. TRANSPORT

RESIDENT CLERK

(2)

UNCLASSIFIED

(FM BERNE 231400Z)

FM BISEA

TO IMMEDIATE FCO

TELNO 690 OF 22 OCTOBER 1984

INFO PRIORITY MOD (SIC A3A), CBFFI BANK OF ENGLAND ASUNCION BRASILIA
 CARACAS MEXICO CITY MONTEVIDEO SANTIAGO UKMIS NEW YORK
 WASHINGTON PORT STANLEY HOLY SEE PANAMA CITY PARIS MADRID

PRESS SUMMARY

1. THE WEEKEND'S MAIN STORY WAS THE PUBLICATION OF THE ARGENTINE/
 CHILEAN AGREEMENT ON THE BEAGLE.
2. ASPECTS OF THE BEAGLE SETTLEMENT HIGHLIGHTED IN THE PRESS ARE
 THAT IT AWARDS ALL OF THE DISPUTED ISLANDS TO CHILE, ENDS THE
 CONTROVERSY ON THE ATLANTIC OUTLET OF THE MAGELLAN STRAITS, LIMITS
 CHILE'S OFFSHORE TERRITORIAL WATERS TO THREE MILES AND DEFINES HER
 EXCLUSIVE AREA OF ECONOMIC EXPLOITATION. THE TREATY ALSO
 ESTABLISHES A DETAILED MECHANISM OF DIRECT NEGOTIATIONS AND
 ARBITRATION FOR THE PEACEFUL SETTLEMENT OF ANY FUTURE BORDER
 CONFLICTS. NEITHER COUNTRIES' RESPECTIVE CLAIMS OVER THE ANTARCTIC
 ARE AFFECTED. IN A RADIO AND TELEVISION REPORT ON THE TREATY

FOREIGN MINISTER CAPUTO SAID THAT ESSENTIALLY IT ESTABLISHED
 A DEFINITIVE MARITIME FRONTIER AND PRESERVED THE BIOCEANIC
 PRINCIPAL.

3. REACTION TO THE TREATY HAVE BEEN MIXED, WITH THE MID,
 CHRISTIAN DEMOCRAT, COMMUNIST AND INTRANSIGENT PARTIES ANNOUNCING
 THEIR SUPPORT. THE JUSTICIALIST PARTY IS AGAIN DIVIDED AND WILL
 REPORTEDLY DECIDE ITS POSITION AT A MEETING TODAY. EX-PERONIST
 PRESIDENTIAL CANDIDATE ITALO LUDER AND BUENOS AIRES PROVINCIAL
 PARTY LEADER HERMINIO IGLESIAS HAVE BOTH VOICED THEIR OPPOSITION.
 SO FAR REACTION FROM THE MILITARY HAS BEEN ADVERSE WITH EX-
 PRESIDENT GENERAL AGUSTIN LANUSSE BEING THE ONLY ARMED FORCES
 VOICE IN SUPPORT.

4. THE FORMER HEAD OF ARGENTINA'S VATICAN NEGOTIATING TEAM,
 GENERAL RICARDO ECHEVERRY BONEO, HAS CRITICISED THE TREATY AND
 CLAIMED THAT THE 1980 PAPAL PROPLSAL WAS FAR MORE ADVANTAGEOUS

CLAIMED THAT THE 1990 PAHAL PROPLSAL WAS FAR MORE ADVANTAGEOUS TO ARGENTINA. THREE DISSIDENT RADICAL PARTY DEPUTIES WHOSE VOTE IS THE KEY TO THE GOVERNMENT'S BALANCE OF POWER IN THE LOWER HOUSE HAVE SAID THEY WILL VOTE IN FAVOUR OF THE TREATY WHEN IT GOES UP FOR DEBATE IN CONGRESS.

5. FOLLOWING HIS ARRIVAL IN FRANCE, PRESIDENT ALFONSIN ATTENDED AN OFFICIAL DINNER LAST NIGHT WHERE HE WAS REPORTEDLY PROMISED BY BANK OF FRANCE PRESIDENT MICHEL CAMDESSUS AND FUTURE EC COMMISSION PRESIDENT JAKUES DELORS THAT NEXT APRIL'S MEETING OF INDUSTRIALISED NATIONS WOULD STUDY NEW BASES FOR NORTH-SOUTH RELATIONS. IN AN EARLIER FRENCH TV INTERVIEW ALFONSIN SAID THAT THE BEAGLE AGREEMENT QUOTE WILL ALLOW ARGENTINA A MORE COMFORTABLE POSITION OVER THE FALKLANDS PROBLEM UNQUOTE. BOTH FRANCE AND ITALY WOULD SUPPORT ARGENTINA OVER ITS CALL FOR GREAT BRITAIN TO QUOTE ABANDON ITS INTRANSIGENT ATTITUDE AND ACCEPT NEGOTIATIONS OVER THE FUTURE OF THE FALKLANDS UNQUOTE. IN A PRESS CONFERENCE GIVEN DURING A STOP-OVER IN LAS PALMAS, ALFONSIN IS SAID TO HAVE DENIED THATQUOTE BRITISH INTRANSIGENCE OVER SOLVING THE FALKLANDS CONFLICT UNQUOTE WOULD PREVENT EUROPEAN COUNTRIES GRANTING FRESH CREDITS TO ARGENTINA. HE ALSO ANNOUNCED THAT THE KING AND QUEEN OF SPAIN WOULD VISIT ARGENTINA ON 23-24 NOVEMBER.

6. ARGENTINA HAS REPORTEDLY MODERATED THE FALKLANDS RESOLUTION WHICH WILL BE DEBATED IN THE UNGA ON 31 OCTOBER. THE RESOLUTION IS NOW SAID TO CALL ON THE ASSEMBLY GENERAL TO QUOTE REITERATE ITS REQUEST TO THE GOVERNMENTS OF GREAT BRITAIN AND ARGENTINA TO RENEW NEGOTIATIONS WITH THE AIM OF FINDING AS QUICKLY AS POSSIBLE A PEACEFUL SOLUTION TO THE DISPUTE OVER SOVEREIGNTY UNQUOTE. 'LA NACION' PUBLISHES THE FULL TEXT OF UN SECRETARY GENERAL PEREZ DE CUELLAR'S REPORT ON THE FALKLANDS, NOXING PARTICULARLY THAT BRITAIN IS NOT DISPOSED TO ENTER INTO NEGOTIATIONS OVER SOVEREIGNTY QUOTE CONTRARY TO THE REQUIREMENTS OF UN RESOLUTION 38/12 UNQUOTE.

7. DURING A MEETING IN LONDON, ITALIAN PRIME MINISTER CRAXUI IS SAID TO HAVE PUT TO MRS THATCHER THE NEED FOR NEGOTIATIONS BETWEEN BRITAIN AND ARGENTINA BUT QUOTE FOUND AN INTRANSIGENT POSITION FROM THE PRIME MINISTER WHO AFFIRMED THAT THE WOUND OPENED BY THE FALKLANDS WAR WAS STILL BLEEDING UNQUOTE.

8. 'LA NACION' REPORTS THAT ARGENTINE VICE PRESIDENT VICTOR MARTINEZ AND QUOTE BRITISH PARLIAMENTARY SPOKESMAN DAVID STILL UNQUOTE DISCUSSED THE FALKLANDS AT A MEETING IN PANAMA WHERE THEY WERE ATTENDING THE INAUGURATION OF PRESIDENT NICOLAS ARDITO BARLETTA.

9. FORMER TERRORIST MARIO EDUARDO FIRMANICH HAS BEEN EXTRADITED FROM BRASIL AND IS BEING HELD INCOMMUNICADO UNDER TIGHT SECURITY IN THE BUENOS AIRES FEDERAL POLICE HEADQUARTERS PENDING QUESTIONING BY A FEDERAL JUDGE ON CHARGES OF MURDER, ATTEMPTED MURDER AND KIDNAPPING. THE PERONIST YOUTH HAVE ISSUED A STATEMENT CALLING FOR FIRMANICH'S RELEASE.

10. AS PART OF A MILITARY COST-CUTTING EXERCISE, ALFONSIN HAS DISSOLVED THE POWERFUL FIRST ARMY CORPS, SIX COMPANIES OF MILITARY POLICE, TWO INTELLIGENCE BODIES FIVE SANITARY UNITS AND ONE ELECTRONIC OPERATIONS UNIT. UP TO 75 PER CENT OF CONSCRIPTS ARE SOON TO BE DISCHARGED, LEAVING THE ARMY WITH AN OPERATIONAL MINIMUM OF ABOUT 20,000 CONSCRIPTS PLUS A SIMILAR NUMBER OF OFFICERS AND NCOs. JURISDICTION OF THE COASTGUARD HAS BEEN TAKEN FROM THE NAVY AND TRANSFERRED TO THE MINISTRY OF DEFENCE.

JOY

POWELL-JONES

NNNN

FALKLAND ISLANDS GENERAL

PS
 PS/LADY YOUNG
 PS/MR ~~RENTON~~
 PS/MR RIFKIND
 PS/PUS
 MR DEREK THOMAS
 MR J FREELAND
 SIR W HARDING
 MR GOODALL
 MR O'NEILL
~~SIR C TICKELL~~
 MR D C THOMAS
 MR WESTON
 MR ~~BARRINGTON~~
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 MR ~~PS~~ NICHOLLS, AUSD STAFF, MOD
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PS/CHANCELLOR }
 MISS M E CUND } TREASURY
 MR LITTLER }

SIR R ARMSTRONG }
 MR ~~D S COOPER~~ } CABINET
 DIO ~~(a) (b) (c)~~ } OFFICE

MR POWER, SAD, ODA

MR A FORTNAM IAT/D. TRANSPORT
 RESIDENT CLERK

(2)

PP ROME

PP UKREP BRUSSELS

GRS 160

CONFIDENTIAL

FM PARIS 221800Z OCT 84

TO IMMEDIATE F C O

TELEGRAM NUMBER 1198 OF 22 OCTOBER

INFO IMMEDIATE UKHIS NEW YORK, PRIORITY EC POSTS

NY TELNO 1182: FALKLANDS AT THE UNGA: ALFONSIN'S VISIT TO PARIS

1. VEDRINE, DIPLOMATIC ADVISER AT THE ELYSEE, TOLD ME THIS AFTERNOON THAT MOST OF THE CONVERSATION BETWEEN ALFONSIN AND MITTERRAND ON THE FALKLANDS HAD BEEN IN TETE-A-TETE. HE COULD, HOWEVER, ASSURE US THAT MITTERRAND HAD GIVEN NO COMMITMENT ON THE FRENCH VOTE. ALFONSIN HAD BEEN AT PAINS TO PRESENT HIMSELF AS MODERATE AND TO SEEK FRENCH UNDERSTANDING. HE HAD NOT REVEALED WHAT LINE HE WOULD TAKE AT THE PRESS CONFERENCE PLANNED AT 12.00 NOON TOMORROW.

2. IN ADDITION TO HIS LUNCH WITH MITTERRAND, ALFONSIN HAS HAD A MEETING WITH FABIUS. HIS PROGRAMME ALSO INCLUDES MEETINGS WITH CHEYSSON AND WITH BANKERS AND BUSINESSMEN. IN AN INTERVIEW PUBLISHED TODAY IN LE MATIN, ALFONSIN SAYS ON THE FALKLANDS THAT THE AIM OF THE ARGENTINE DRAFT RESOLUTION IS A PEACEFUL SOLUTION OF THE PROBLEM, TOWARDS WHICH THERE HAS SO FAR BEEN HARDLY ANY PROGRESS. HE EXPRESSES THE HOPE THAT THE EUROPEANS WILL CONTINUE TO SUPPORT EFFORTS FOR SUCH A SOLUTION SINCE ANYTHING ELSE WOULD BE INCONSISTENT WITH THE LINE THEY TOOK DURING THE HOSTILITIES.

PETRIE

ADVANCE COPY
 IMMEDIATE

FROM:

THE RT. HON. LORD HAILSHAM OF ST. MARYLEBONE, C.H., F.R.S., D.C.L.



HOUSE OF LORDS,
SW1A 0PW

22 Oct 84

Prime Minister

A Naval History of the Falklands Campaign

I have seen Michael Heseltine's minute of 17 October 1984 to you.

I agree with his proposal that Mr. David Brown's book should proceed to publication, subject to the necessary clearance of the text.

Copies of this minute go to my other OD colleagues and to Sir Robert Armstrong.

H: of S: M.

19th October, 1984

Subject



BM

cc: Fco

cc Master
DPS

10 DOWNING STREET

THE PRIME MINISTER

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T176/84**

22 October 1984

Dear Prime Minister

Your High Commissioner has conveyed to me your assurance that New Zealand will vote alongside the United Kingdom when the question of the Falkland Islands is debated at this year's United Nations General Assembly. I should like to thank you and your colleagues most warmly for this decision which I know cannot have been entirely easy to you. It reflects the unique mutual loyalty on which our relations rest. And it will be of great reassurance to New Zealand's countless friends in this country. We shall of course honour your request to keep your undertaking confidential for the time being.

Yours sincerely
David Lange

The Hon. David Lange, M.P.

DL



10 DOWNING STREET

HO vsc
cpc

From the Private Secretary

20 October 1984

Dear Len,

Address to the European Parliament by the
President of Argentina

Thank you for your letter of 19 October enclosing a press line to draw upon if we are asked for a reaction to President Alfonsin's appearance before the European Parliament.

The Prime Minister thinks that we should react sharply to this. She has commented that a better draft is needed than the one enclosed with your letter which is "very bad".

My own suggestion is that you should reverse the order of the paragraphs, make clear that we think it inappropriate for Alfonsin to have been invited to address the Parliament, say that we hope that at the least he will now show willingness to declare a definitive cessation of hostilities and take out some of the hot air words ("whole-hearted", "on a pragmatic basis") from your first paragraph.

Yours sincerely
C.D. Powell

(C.D. POWELL)

L.V. Appleyard, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL



Prime Minister
This is likely to
harm our cause
and we ought to
have been more active
in trying to head
the Assembly off.

Foreign and Commonwealth Office

London SW1A 2AH

19 October 1984

Dear Charles, It is too late now. But
we ought to react quite sharply.

Address to the European Parliament by the President of Argentina

The Enlarged Bureau of the European Parliament has agreed to a request by President Alfonsin to visit the Parliament and to address its Members between 23 and 25 October.

Agree proposed press line?

CDP 19/K

The Foreign Secretary thinks the Parliament acted wrongly in agreeing such a request from the Head of State of a country which has no diplomatic relations with one Member State of the Ten, and which has still not declared a definitive cessation of hostilities. But he has concluded that it would be unproductive to seek to reverse the Bureau's decision.

President Alfonsin apparently does not intend to raise the Falklands issue when he addresses the Parliament. Nevertheless, it would be surprising if he said nothing at all about relations with Britain. We are concerned that the President of Argentina should be given this forum in which to assert his democratic credentials at a time when our partners in the Ten would be considering how to vote on the Falklands question at the General Assembly a few days later, on 31 October. But it might not necessarily be disadvantageous for us if the President does refer to relations with the United Kingdom.

Yes - but a better draft is needed. It is very

If he takes the unconstructive line he took in the General Assembly on 24 September, President Alfonsin will score an own goal. Conversely, if he shows signs of willingness to work for an improvement in bilateral relations without imposing the pre-condition of discussion of sovereignty, we can argue that this demonstrates the value of our own policy. We would urge other Member States not to give support to Argentine false hopes at a time when realism may be beginning to prevail.

but at present not

The Foreign Secretary therefore suggests that if we are asked for a reaction to President Alfonsin's appearance before the Parliament, we should draw on the attached press line.

Yours ever,
Len Appleyard

(L V Appleyard)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

PRESIDENT ALFONSIN'S ADDRESS TO THE EUROPEAN PARLIAMENT

LINE TO TAKE

2. Britain has wholeheartedly welcomed the return of democratic rule to Argentina. We have tried to normalise commercial bilateral relations between the United Kingdom and Argentina on a pragmatic basis. As the Foreign Secretary said in New York on 26 September, this remains our intention. The Community made proposals to the previous Argentine Government for the normalisation of economic and commercial relations. That Government failed to respond positively. We had hoped the new Argentine Government would respond more favourably. So far they have not done so. But the proposals remain on the table.

1. It is surprising indeed inappropriate that the Head of State of a country, which has still not declared a definitive cessation of hostilities against a member state, should be invited to address the European Parliament. But we hope President Alfonsin will now at the least indicate a willingness to do so and to develop normal relations with Britain on a realistic basis, without imposing the preconditions of discussion on sovereignty over the Falkland Islands. The Argentines see this discussion as having a single, predetermined outcome - the transfer of sovereignty to them regardless of the wishes of the Islanders, as if the events of 1982 hadn't happened. We obviously cannot accept that.

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

19 October 1984

Dear Charles,

Falklands at the UN: New Zealand

Attached.
Thank you for your letter of 18 October with which you enclosed a copy of a message to the Prime Minister from the New Zealand Prime Minister assuring her of New Zealand's support in the forthcoming Falklands debate at the UNGA. I enclose a draft reply.

We would propose to telegraph the reply to our High Commission in Wellington for transmission to Mr Lange, keeping the New Zealand High Commission here informed.

We would ask our High Commission to point out to the New Zealanders that there is no prospect of a compromise text if by this is meant a text acceptable to us as well as Argentina, but do not think this point need be made in the Prime Minister's reply to Mr Lange.

Yours,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

DRAFT: minute/letter/teleletter/despatch/note
XXXXXX

TYPE: Draft/Final 1+

FROM:

Reference

Prime Minister

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

The Hon David Lange MP

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

Dear Prime Minister,

Your High Commissioner has conveyed to me your assurance that New Zealand will vote alongside the United Kingdom when the question of the Falkland Islands is debated at this year's United Nations General Assembly. I should like to thank you and your colleagues most warmly for this decision. ^{And it will be} We greatly value the support which New Zealand has consistently given us ^{of great relevance to New Zealand's} on this issue at the United Nations. We shall of course honour your request to keep your undertaking confidential for the time being.

which I know cannot have been entirely easy to go.

It reflects ^{untrue} ~~the special loyalty and mutual~~ loyalty ~~and~~ ^{in which} as relations ~~that~~

CM

countless friends in this country who all

Enclosures—flag(s).....

file

OD

dy



cc:

LCO

FCO

OAL

AMT

CO

10 DOWNING STREET

LPO

LPSO

BTI

From the Private Secretary

19 October 1984

A NAVAL HISTORY OF THE FALKLANDS CAMPAIGN

The Prime Minister has considered the Defence Secretary's minute of 17 October about the proposed unclassified account of naval operations during the Falklands campaign. Subject to the views of OD colleagues, and subject to necessary clearance of the text, the Prime Minister agrees that this work should proceed to publication.

I am sending copies of this letter to the Private Secretaries to members of OD and to Richard Hatfield (Cabinet Office).

Charles Powell

Richard Mottram, Esq.,
Ministry of Defence.

DSGACY

BTI



SL

10 DOWNING STREET

From the Private Secretary

19 October 1984

The Prime Minister has received the attached yet further letter from George Foulkes, MP, about the Belgrano.

I should be grateful for your advice on whether the Prime Minister should continue to respond in detail to Mr. Foulkes' points or whether it might now be appropriate to refer him to the forthcoming appearance of the Secretary of State for Defence before the Foreign Affairs Select Committee. Could I have such advice and a draft reply as soon as possible please.

BF //

(TIM FLESHER)

Richard Mottram, Esq.,
Ministry of Defence.

SL

CONFIDENTIAL



file

67

10 DOWNING STREET

From the Private Secretary

18 October, 1984

FALKLANDS AT THE UN

Letter in Box 18/110.

I enclose a copy of a message to the Prime Minister from the New Zealand Prime Minister, in which he promises that New Zealand will vote with Britain on the Falklands issue at the UN, but asks that this be kept confidential.

BTB I should be grateful for a draft reply expressing appreciation as soon as possible.

(C.D. Powell)

P. Ricketts, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

020 Subject
PRIME MINISTER
PERSONAL MESSAGE
SERIAL No. T.175/84



NEW ZEALAND HIGH COMMISSION

NEW ZEALAND HOUSE · HAYMARKET · LONDON SW1Y 4TQ
Telephone: 01-930 8422 Telex: 24368

From the High Commissioner
H.E. The Hon W. L. Young

cc Master
Prime Minister
A considerable
diplomatic coup for
you. Lets hope you
will prove to
have been as

A very warm letter
-
A specification
please not

18 October 1984

successful on
nuclear ships visits!
C.D.P.
18/x
mb

My Dear Prime Minister

I have received the following cabled message for you on the Falklands question from the Prime Minister of New Zealand, the Hon. David Lange, MP:

"My dear Prime Minister,

I have now had the opportunity to discuss with my colleagues the points on the Falklands question which you and your Foreign Secretary put to me when we met recently.

There have been significant improvements to the text of the Argentine Resolution which is circulating in draft form in New York. Nonetheless, there are certain principles at stake, and my Government recognises Britain's stand on these. We would not want to inhibit in any way the Argentine Government's continued search for a compromise text, and for that reason, I should prefer that New Zealand's position were not made known to others at this point. But I can assure you, now, that New Zealand will vote alongside the United Kingdom on the Falklands question in the United Nations General Assembly this year.

Yours sincerely,
David Lange."

Kindest Personal Regards
Yours Sincerely
Bill Young

The Rt. Hon. Margaret Thatcher, FRS, MP
Prime Minister,
10 Downing Street,
Whitehall,
LONDON SW1.

ADVANCE COPIES

FALKLAND ISLANDS GENERAL

PS
 PS/LADY YOUNG
 PS/MR *RENTON*
 PS/MR RIFKIND
 PS/PUS
 MR *DEREK THOMAS*
 R J FREELAND
 SIR W HARDING
 MR GOODALL
 MR O'NEILL
~~SIR C TICKELL~~
 MR D C THOMAS
 MR WESTON
 MR *BALDWIN*
 HD/PUSD
 HD/SAMD
 HD/FID
 HD/NEWS DEPT
 HD/EED
 HD/ECD (E)
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 MR ~~PS~~ NICHOLLS, AUSD STAFF, MOD
 NH

PS/CHANCELLOR }
 MISS M E CUND } TREASURY
 MR LITTLER }

SIR R ARMSTRONG }
 MR ~~A D S GOODALL~~ } CABINET
 DIO *Carledge* } OFFICE

MR POWER, SAD, ODA

MR A FORTNAM, IAT/D. TRANSPORT

RESIDENT CLERK

(2)



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(FM BERNE 191645Z)

FM BISBA

TO IMMEDIATE FCO

TELNO 687 OF 18 OCTOBER 1984

ADVANCE COPY

IMMEDIATE

INFO PRIORITY MOD (SIC A3A), CBFFI BANK OF ENGLAND ASUNCION BRASILIA
 CARACAS MEXICO CITY MONTEVIDEO SANTIAGO UKMIS NEW YORK
 WASHINGTON PORT STANLEY

ARGENTINA : ASSESSMENT

SUMMARY

1. ALFONSIN'S APPARENT CHANGE TO A MORE REALISTIC COURSE SINCE HIS NEW YORK VISIT, THE ANNOUNCEMENT OF A TENTATIVE AGREEMENT WITH THE IMF AND OF A BEAGLE SETTLEMENT WITH CHILE MAY SIGNAL THAT THE PRESIDENT HAS AT LAST BEGUN TO GOVERN, BUT HE MUST PROVE HIS WILL AND ABILITY TO BRING THE ECONOMY UNDER CONTROL. FAILURE IN THIS WILL EVENTUALLY UNDERMINE HIS PERSONAL PRESTIGE, AND REDUCE ARGENTINE ROOM FOR MANOEUVRE IN RELATIONS WITH THE UK.

DETAIL

2. ALFONSIN'S VISIT TO NEW YORK, INCLUDING PARTICULARLY HIS INTERVIEW WITH PRESIDENT REAGAN AND HIS ENCOUNTER WITH INTERNATIONAL BBGLRS THROUGH HENRY KISSINGER SEEMS AT FIRST SIGHT TO HAVE INDUCED A MORE REALISTIC APPROACH. ON THE ECONOMIC FRONT, ALFONSIN

BEGLERS THROUGH HENRY KISSINGER SEEMS AT FIRST SIGHT TO HAVE INDUCED A MORE REALISTIC APPROACH. ON THE ECONOMIC FRONT, ALFONSIN HAS AT LAST PUBLICLY CALLED FOR AUSTERITY, WHILE THE CENTRAL BANK, UNDER THE ORTHODOX DIRECTION OF ENRIQUE GARCIA VAZQUEZ, HAS REINED IN THE MONEY SUPPLY AND PROMOTED A CREDIT SQUEEZE. AT THE SAME TIME DEVALUATION OF THE OFFICIAL PESO/DOLLAR RATE HAS BEEN ACCELERATED, SIGNIFICANTLY REDUCING THE DISCREPANCY WITH THE BLACK MARKET LEVEL.

3. HOWEVER, A SUBSTANTIAL QUESTION MARK STILL HANGS OVER THE GOVERNMENT'S DETERMINATION AND ABILITY CONSISTENTLY TO APPLY THE PRINCIPLES AGREED WITH THE FUND. INDUSTRIALISTS ARE FACING NOT ONLY HIGH INTERESTS CHARGES, BUT ALSO PUNITIVE PRICE CONTROLS, AND WHILE THE GOVERNMENT IS IMPOSING RECESSION UPON THE PRIVATE SECTOR IT HAS STILL NOT DISCIPLINED ITS OWN EXPENDITURE. INFLATION REACHED 27.5 O/O IN SEPTEMBER, AND, DUE TO UNCHECKED EXPECTATIONS, WILL PROBABLY AGAIN BE ABOVE 20 O/O THIS MONTH. YET ALFONSIN AND ECONOMY MINISTER GRINSPUN STILL PROCLAIM THEIR COMMITMENT TO RAISING REAL WAGES BY THE END OF THE YEAR, CONTRADICTING THE TERMS OF THE MEMORANDUM OF UNDERSTANDING WITH THE IMF.

4. DESPITE GROWING CRITICISM, WITHIN HIS OWN RADICAL PARTY AND FROM THE PERONIST CONGRESSIONAL OPPOSITION, OF MODIFICATION OF HIS POPULIST ECONOMIC POLICY, ALFONSIN NEEDS TO TAKE FURTHER MEASURES IMMEDIATELY. HIS COURAGE AND CONVICTION MAY DESERT HIM NOW THAT HE IS BACK IN ARGENTINA, EVEN THOUGH THE CGT REMAIN RELATIVELY QUIET. PERCEIVING THERE IS NO REAL ALTERNATIVE TO ALFONSIN'S GOVERNMENT, THE RIGHT-WING PERONIST UNION LEADERS WILL PROBABLY BE CONTOJNT FOR THE MOMENT TO MAINTAIN THEIR POSITIONS IN THE CURRENT INTERNAL ELECTIONS AND THEIR LACK OF STOMACH FOR A FIGHT HAS BEEN RECENTLY DEMONSTRATED BY THEIR MUTED RESPONSE TO THE GOVERNMENT'S REJECTION OF A MASSIVE ACROSS-THE-BOARD PAY DEMAND FOR THEIR MEMBERS.

5. THERE IS MEANWHILE UNREST IN THE ARMED FORCES CAUSED BY BUDGETARY CUTS, BUT MORE ESPECIALLY BY THE THREAT OF INDICTMENTS FOR DIRTY WAR ACTIVITIES. WHILE THE MILITARY ARE IN NO CONDITION TO MOUNT A CONCERTED CHALLENGE TO THE ADMINISTRATION, THEY WILL CONTINUE TO REQUIRE A CAREFUL HANDLING, AS INDICATED BY THE PARA-MILITARY RAID ON THE ROSARIO COURT HOUSE DESIGNED TO FRUSTRATE HUMAN RIGHTS INVESTIGATIONS. ALFONSIN SEEMS PRUDENTLY SET ON CONCILIATION AND HAS ACCORDINGLY PLAYED DOWN THE RELUCTANCE OF THE ARMED FORCES SUPREME COUNCIL TO CONVICT FORMER JUNTA MEMBERS ON HUMAN RIGHTS CHARGES.

6. THE BEAGLE SETTLEMENT WITH CHILE IS ANOTHER POTENTIAL BONE OF CONTENTION WITH THE MILITARY, THOUGH UNLIKELY TO PROVOKE ANY MOJOR UPHEVAL. ARGENTINA, UNDER A DEMOCRATIC GOVERNMENT, SHOULD GENERALLY ABIDE BY ITS TERMS. ALFONSIN'S INTERNATIONAL IMAGE HAS BEEN CONSIDERABLY ENHANCED BY NEWS OF THE TREATY, AND AN EXTENSIVE DOMESTIC PROPAGANDA CAMPAIGN HAS ALREADY BEEN LAUNCHED, BOLSTERED BY REMARKS FROM VISITING CARDINAL CASEROLI AND AIMED AT SECURING A LARGE POSITIVE VOTE IN THE FORTHCOMING ELECTIONS. A MAJORITY

DOMESTIC PROPAGANDA CAMPAIGN HAS ALREADY BEEN LAUNCHED, BOLSTERED BY REMARKS FROM VISITING CARDINAL CASEROLI AND AIMED AT SECURING A LARGE POSITIVE VOTE IN THE FORTHCOMING PLEBISCITE. A MAJORITY IN FAVOUR SEEMS PROBABLE, BUT ITS VALUE AND ALFONSIN'S PRESTIGE COULD BE GREATLY REDUCED BY LARGE-SCALE ABSTENTION WHICH REMAINS A REAL POSSIBILITY EVEN THOUGH IT WOULD NOT NECESSARILY PREVENT RATIFICATION BY CONGRESS.

7. IF THE PRESIDENT DOES PULL OFF A SUCCESS WITH THE BEAGLE, HE WILL SUBSEQUENTLY HAVE MORE ROOM TO MANOEUVRE BOTH AT HOME, AND IN DEALINGS WITH THE UK. THERE ARE SOME INDICATIONS THAT AFTER THE UNGA, THE MFA MAY SEEK TO RESUME THE BILATERAL DIALOGUE, ALBEIT ON THE UNEQUIVOCAL UNDERSTANDING THAT FALKLANDS SOVEREIGNTY IS NOT EXCLUDED FROM THE AGENDA. FOR THE PRESENT, EFFORTS ARE HOWEVER DIRECTED TOWARDS THE UN FALKLANDS DEBATE, REGARDED BY SOME AS AN OBLIGATORY RITUAL AND BY OTHERS AS A CRUCIAL TESTING GROUND. THE FRENCH IN PARTICULAR COULD BE SEDUCED BY A MODERATE DRAFT RESOLUTION INTO LEADING OTHER WESTERN EUROPEAN COUNTRIES INTO THE ARGENTINE CAMP, ALTHOUGH THE ARGENTINES THEMSELVES ARE FAR FROM CONFIDENT OF A BETTER RESULT THAN LAST YEAR. THEIR POSITION HAS ADMITTEDLY BEEN STRENGTHENED BY THE ANNOUNCEMENT OF THE IMF AND BEAGLE AGREEMENTS, AND COMMERCIAL RESTRICTIONS ON BRITISH FIRMS HERE MAY ALSO BE LIFTED TO PROMOTE ARGENTINA'S REPUTATION FOR REASONABLENESS, AND OPEN THE WAY FOR FOREIGN DEBT NEGOTIATIONS WITH THE CLUB OF PARIS .

CONCLUSION

8. OVERALL, THE GOVERNMENT LOOKS TO BE IN RATHER HEALTHIER SHAPE THAN A FEW WEEKS AGO, BUT UNTIL IT HAS PROVEN ITS WILL AND ABILITY TO MANAGE THE ECONOMY ON LESS PROFLIGATE LINES, ANY OPTIMISM ABOUT THE COUNTRY'S FUTURE MUST REMAIN HEAVILY QUALIFIED.

JOY

POWELL-JONES

NNNN

SPNT



MO 5/21

Prime Minister
Agree to proposed
publication, subject to
clearance of the
text?

PRIME MINISTER

Yes mt

CDP
18/x

A NAVAL HISTORY OF THE FALKLANDS CAMPAIGN

You will wish to be aware that, following inter-Departmental discussions last year, I agreed that a proposal to commission an official history of the Falklands campaign should be put on ice. While there was a lot to be said for commissioning a history before the memories of those involved faded too far, I felt that, for some time yet, there would continue to be considerable political sensitivity about many aspects of the affair. I believe that it is still too early to be considering an official history. The political difficulties remain; and practical problems of funding and access to papers suggest that 1986 might be a more realistic target date.

2. Before the decision to put this proposal on ice was reached, it was agreed at Admiralty Board level that it would be highly desirable, in view of the plethora of instant Falklands history which was already on the market or in preparation by unofficial authors, that a properly produced unclassified account of the naval operations during the Falklands Campaign should be published as soon as possible. The main aim of this account would be to provide an accurate overall picture for the personnel of the Fleet and supporting organisations whose individual horizons were limited at the time. After some consideration, it was concluded that the Head of the Naval Historical branch, Mr David Brown, would be more suitable than any outside author to produce this account, which was to be factual and restricted to events; there was to be no critical discussion of national or defence policy in the period leading up to the Argentine invasion, or during the campaign to recapture the Islands.



3. Mr Brown has found a publisher, Leo Cooper, and has now forwarded his manuscript for clearance. It is intended that the work should be accompanied by a disclaimer to the effect that there had been no official sponsorship or involvement and that the views expressed did not represent those of the Ministry of Defence or the Naval Service. However, as Mr Brown is the Navy's official historian it is inevitable that whatever disclaimer is produced the public will regard the work as having tacit official approval. The work will therefore be scrutinised carefully in order to ensure discretion in matters of security and political sensitivity. Allowing for this process and the time required thereafter for publication, I would not expect the book to appear before about the middle of next year.

4. I should be glad to know whether my OD colleagues would be content for this work to proceed to publication, subject to the necessary clearance of the text. As the book has already been the subject of inaccurate press comment an early decision in principle would therefore be helpful.

5. Copies of this minute go to my other OD colleagues and to Sir Robert Armstrong.

Ministry of Defence

17th October 1984



18 OCT 1984



COMPTON
LONDON

Falklands

ADVANCE COPIES

FALKLAND ISLANDS GENERAL

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 MR D C THOMAS
 MR WESTON
 MR BRIDGINGTON
 HD/PUSD
 HD/SAMD
 HD/FID
 HD/NEWS DEPT
 HD/EED
 HD/ECD (E)
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 PS/S OF S FOR DEFENCE
 MR RO NICHOLLS, AUSD STAFF, MOD
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 MISS M E CUND } TREASURY
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(2)

UNCLASSIFIED

(FM BERNE 181330Z)

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TO IMMEDIATE FCO

TELNO 677 OF 17 OCTOBER 1984

IMMEDIATE
 ADVANCE COPY

Please See over

Handwritten initials

INFO PRIORITY MOD (SIC A3A), CBFFI BANK OF ENGLAND ASUNCION BRASILIA
 CARACAS MEXICO CITY MONTEVIDEO SANTIAGO UKMIS NEW YORK
 WASHINGTON PORT STANLEY ALGIERS

PRESS SUMMARY

1. TODAY'S VARIED HEADLINES INCLUDE THE FOREIGN DEBT, THE BEAGLE AND HUMAN RIGHTS.
2. ECONOMY MINISTER BERNARDO GRINSPUN ANNOUNCED YESTERDAY THAT ARGENTINA WILL SIGN A QUOTE STANDBY UNQUOTE AGREEMENT WITH THE IMF ON 12 DECEMBER OPENING THE WAY TO 5,400 MILLION DOLARS IN LOANS FOR THE REST OF 1984 AND 1985 IN ORDER TO COVER HER BALANCE OF PAYMENTS DEFICIT. 'CLARIN' CLAIMS THAT ARGENTINA HAS FORMALLY PRESENTED A REQUEST FOR 5,200 MILLION DOLLARS AND FOR THE REFINANCING OF 2,600 MILLION DOLLARS OVER 15 YEARS WITH A THREE YEAR GRACE PERIOD. A GERMAN PRESS AGENCY REPORT ALLEGES THAT REPRESENTATIVES OF GERMAN BANKS HAVE DESCRIBED ARGENTINA'S CHANCES OF OBTAINING FRESH CREDIT AS QUOTE VERY LIMITED UNQUOTE.
3. ACCORDING TO 'AMBITO FINANCIERO' FOREIGN MINISTER DANTE CAPUTO WILL NOT ACCOMPANY PRESIDENT ALFONSIN ON HIS FORTHCOMING EUROPEAN TOUR BUT WILL REMAIN IN ARGENTINA TO LEAD THE GOVERNMENT'S CAMPAIGN FOR A 'YES' VOTE IN THE BEAGLE PLEBISCITE. THIS DECISION IS SAID TO BE A RESULT OF GROWING CONCERN WITHIN THE GOVERNMENT

CAPUTO WILL NOT ACCOMPANY PRESIDENT ALFONSIN ON HIS FORTHCOMING EUROPEAN TOUR BUT WILL REMAIN IN ARGENTINA TO LEAD THE GOVERNMENT'S CAMPAIGN FOR A 'YES' VOTE IN THE BEAGLE PLEBISCITE. THIS DECISION IS SAID TO BE A RESULT OF GROWING CONCERN WITHIN THE GOVERNMENT THAT THE PLEBISCITE VOTE MAY GO AGAINST AN AGREEMENT WITH CHILE. CAPUTO'S PLACE ON THE EUROPEAN TRIP WILL BE TAKEN BY SECRETARY OF STATE FOR SPECIAL AFFAIRS, JORGE SABATO, WHO IS RESPONSIBLE FOR BOTH THE BEAGLE AND THE FALKLANDS NEGOTIATIONS.

4. THE SAME ARTICLE CONTENDS THAT THE GOVERNMENT IS ALSO INCREASINGLY UNCERTAIN ABOUT SECURING SUPPORT FROM 'IMPORTANT EUROPEAN COUNTRIES' DURING THE UNGA DEBATE ON THE FALKLANDS.

THE LATIN AMERICAN RESOLUTION CALLING FOR THE RESUMPTION OF NEGOTIATIONS MAY REPUTEDLY NEED FURTHER ALTERATIONS IN THE LIGHT OF ALFONSIN'S DISCUSSIONS WITH MITTERAND AND CRAXI.

5. TIEMPO ARGENTINO CLAIMS THAT PRESIDENT ALFONSIN WILL STOP OFF IN ALGERIA ON 27 OCTOBER ON HIS RETURN FROM FRANCE. BILATERAL TIES, DISARMAMENT AND THE FALKLANDS ARE THE LIKELY TOPICS FOR HIS DISCUSSION.

6. FOLLOWING THE OFFICIAL UN ANNOUNCEMENT THAT THE UNGA FALKLANDS DEBATE WILL BE HELD ON 31 OCTOBER, SIR JOHN THOMPSON IS AGAIN CITED AS HAVING TOLD REPORTERS HE WOULD REGARD IT AS QUOTE HELPFUL UNQUOTE IF ARGENTINA DECIDED TO FOREGO THIS PROCESS.

7. SEVERAL PAPERS CARRY AN AGENCY STORY THAT MR HESELTINE WILL APPEAR BEFORE THE COMMONS FOREIGN AFFAIRS COMMITTEE ON 7 NOVEMBER TO ANSWER QUESTIONS ABOUT THE PONTING CASE.

8. 'LA NACION' REPORTS FURTHER RUMOURS IN OFFICIAL CIRCLES THAT ARGENTINA IS CONSIDERING LIFTING SANCTIONS ON BRITISH COMMERCIAL INTERESTS HERE. HOWEVER THE SAME SOURCES WERE LESS CERTAIN THAT PRESIDENT ALFONSIN WILL REFER TO THIS MOVE DURING HIS VISIT TO FRANCE.

9. THE SECRETARY OF THE STATE BUDGET AND TREASURY COMMITTEE, RADICAL SENATOR RICARDO LAFERRIERE, HAS FORECAST AN IMMINENT FINANCIAL CRASH HERE AS A RESULT OF RUN-AWAY GROWTH IN THE INTER-COMPANY LOAN MARKET WHICH HE CLAIMS HAS INCREASED BY 60 PER CENT DURING THE LAST MONTH. HE ESTIMATED THERE WERE NOW 48 BILLION PESOS CIRCULATING IN THE MARKET AND SAID SOME LEADING COMPANIES WERE ALREADY UNABLE TO MEET THEIR COMMITMENTS. LAFERRIERE CALLED FOR THE RESIGNATION OF CENTRAL BANK PRESIDENT ENRIQUE GARCIA VAZQUEZ BUT ADDED THAT HE SHOULD FIRST TAKE THE POLITICAL DECISION TO PUT AN END TO ILLEGAL INTER-COMPANY LOANS.

10. OBJECTIONS BY THE STATE COMPANIES' SUPERVISORY BOARD TO THE IMPENDING CONTRACT BETWEEN THE STATE PETROLEUM COMPANY, YPF, AND SHELL FOR DRILLING RIGHTS IN THE MAGELLAN STRAITS WERE YESTERDAY TERMED QUOTE DEBATABLE UNQUOTE BY YPF OFFICIALS. THE MATTER HAS

B
NOW BEEN REMITTED FOR A FINAL DECISION TO ALFONSIN WHO IS EXPECTED TO APPROVE THE CONTRACT.

11. THE GAP BETWEEN THE BLACK MARKET AND THE OFFICIAL DOLLAR RATES HAS NARROWED TO 12.6 PER CENT.

JOY

POWELL-JONES

NNNN

From: George Foulkes. M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

Jia

17 October 1984

The Rt Hon Margaret Thatcher MP
Prime Minister
10 Downing Street
London SW1

Dear Prime Minister

Thank you for your letter of 8th October. *with TF*

May I start by expressing my deepest sympathy with those people and their families who suffered, and who continue to suffer, from last week's outrage in Brighton. It was an act of senseless terrorism for which there can be no excuse. However, as you and the Leader of the Opposition have rightly stated, it should be 'business as usual'.

You will be aware that, in addition to questions which you refused to answer in your letter of 8th October, you have simply ignored others. It would be futile of me to repeat them at this stage, but I would as a matter of urgency ask for answers to two of them.

1. Why did you claim on 21st February 1984 in answer to Mr Dalyell's question on the Belgrano (vol 54 col 695) that ... "The full facts were given in several replies in the House ... All the facts are there. They support the Government's case". Do you not agree that not all the facts were there? Did you not realise that the effect of your answer was to prevent further parliamentary questions on the subject and that your answer was the reason given by the MOD for their refusal to allow Admiral Woodward to be interviewed on the subject? (Hansard vol 55 col 476w).

2. Whether you agree with statements made by Lord Lewin in the Panorama programme of 16th April 1984 and subsequently repeated that, "the Belgrano was a threat as long as she existed". Is this what you meant by "a real and direct threat" to the Task Force in your letter of 19th September.

It is also incumbent upon you to explain why on 24th May 1983 to a large television audience you answered a question about the Belgrano by stating: "But it was not sailing away from the Falklands".

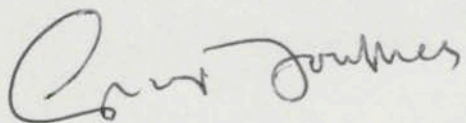
Cont ...

- 2 -

This was, by your own admission, some six months after you had learnt about the reversal in the course of the cruiser.

I look forward to your reply.

Yours sincerely

A handwritten signature in cursive script, appearing to read "George Foulkes".

GEORGE FOULKES MP

Argentina: Nos #38



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 MR O'NEILL
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 MR D C THOMAS
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 MR BIRKINGTON
 ED/PUSD
 ED/SAMD
 ED/FID
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 NH

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 MISS M E CUND) TREASURY
 MR LITTLER)

SIR R ARMSTRONG)
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(FM BERNE 191445Z)

FM BISBA

TO IMMEDIATE FCO

TELNO 685 OF 18 OCTOBER 1984

AND TO IMMEDIATE WASHINGTON, UKMIS NEW YORK, PARIS.

ARGENTINA : ECONOMIC RESTRICTIONS

YOUR TELNO 151 OF 16 OCTOBER

1. OUR ANSWERS TO THE QUESTIONS IN PARA 2 OF YOUR TUR ARE AS FOLLOWS :

(A) THE "AMBITO FINANCIERO" REPORTS OF 11 OCTOBER BY JUAN FERROTTI OF THEIR EDITORIAL STAFF QUOTED NO SOURCES BUT WAS SUFFICIENTLY DETAILED AND WELL-RESEARCHED AS TO MERIT SERIOUS ATTENTION. IT WAS FOLLOWED UHN 12 OCTOBER BY A REPORT IN THE "BUENOS AIRES HERALD" QUOTING "NOTICIAS ARGENTINAS" QUOTE RELIABLE SOURCES UNQUOTE. "LA NACION" CARRIED AN AP REPORT FROM LONDON ON 15 OCTOBER QUOTING A SUNDAY TIMES ARTICLE SAYING BRITISH ASSETS WOULD BE UNFROZEN AND THAT ALFONSO WOULD ANNOUNCE THIS DURING HIS VISIT TO FRANCE NEXT WEEK. THE PAPER REPEATED THE NEWS IN MORE DETAIL ON 17 OCTOBER, REFERRING TO SUSPENSION OF LAW 22591 QUOTING "OFICIAL SOURCES" WHICH, IT SAID, REFUSED TO INDICATE WHETHER THE ANNOUNCEMENT WOULD BE MADE IN FRANCE. FROM THESE REPORTS I JUDGE THAT CONSIDERABLE WEIGHT SHOULD BE DETACHED TO THE INITIAL VERSION IN "AMBITO". GIADONE, CHAIRMAN OF THE NATIONAL SUPERVISORY COMMISSION OF BRITISH ASSETS INDICATED SOME WEEKS AGO THE WISH IN OFFICIAL CIRCLES FOR THE LAW TO BE SUSPENDED. THE MOVE CHIMES WELL WITH EVOLVING ARGENTINE TACTICS FOR THE UN AND CLUB OF PARIS TO PRESENT AN INCREASINGLY REASONABLE IMAGE.

EVOLVING ARGENTINE TACTICS FOR THE ON AND OFF OF PARTS TO
PRESENT AN INCREASINGLY REASONABLE IMAGE.

(B) THE REPORTS INDICATE THAT ACTION WOULD BE LIMITED TO THE
SUSPENSION OF THE ASSETS FREEZE AND "LA NACION" REPORTS
SPECIFICALLY (15 OCTOBER) THAT ARGENTINA WOULD MAINTAIN THE
TRADE EMBARGO.

(C) THERE HAS BEEN NO CRITICAL REACTION IN THE ARGENTINE MEDIA.

(D) THE LAWS WILL NOT REPEAT NOT BE REPEALED, WHICH WOULD REQUIRE
REFERENCE TO CONGRESS, BUT MERELY SUSPENDED BY PRESIDENTIAL
DECREE ON THE RECOMMENDATION OF THE NATIONAL SUPERVISORY COMMISSION
ITSELF. THE SWORD OF DAMOCLES WOULD REMAIN.

2. CONSULTED BY ME PERSONALLY ON THIS QUESTION RECENTLY (AT HIS
DAUGHTER'S WEDDING), GIADONE SAID QUOTE THERE IS NO NEWS AT
PRESENT BUT THERE WILL BE NEWS QUITE SOON UNQUOTE.

3E FCO PLEASE REPEAT FOR LADY YOUNG.

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TO IMMEDIATE FCO

TELNO 671 OF 16 OCTOBER 1984

INFO PRIORITY MOD (SIC A3A), CBFFI BANK OF ENGLAND ASUNCION BRASILIA
CARACAS MEXICO CITY MONTEVIDEO SANTIAGO UKMIS NEW YORK
WASHINGTON PORT STANLEY

PRESS SUMMARY

1. TODAY'S HEADLINES ARE DOMINATED BY THE AWARD OF THE NOBEL PRIZE FOR MEDICINE TO ARGENTINE-BRITISH DUAL NATIONAL DR CESAR MILSTEIN.
2. MOST PAPERS ALSO FRONT-PAGE YESTERDAY'S OPENING OF THE NEW CENTRAL MARKET BY PRESIDENT ALFONSIN WHO MADE A SPEECH CALLING FOR AUSTERITY AND GREATER EFFORTS FROM ALLSECTORS IN ORDER TO PROVIDE FUNDS FOR PRODUCTIVE INVESTMENTS.
3. THERE IS CONTINUED SPECULATION OVER THE BEAGLE SETTLEMENT, WITH SOME REPORTS CLAIMING THAT ARGENTINE AND CHILEAN NEGOTIATORS WILL MEET TODAY IN ROME TO DISCUSS TWO OUTSTANDING ISSUES CONCERNING THE EASTERN MOUTH OF THE MAGELLAN STRAIT AND METHODS FOR SETTling ANY FUTURE TERRITORIAL DISPUTES. ACCORDING TO "TIEMPO ARGENTINO", DIPLOMATIC SOURCES HAVE REVEALED THAT PRESIDENTS ALFONSIN AND PINOCHET WILL SIGN THE AGREEMENT IN DECEMBER OR JANUARY IN THE PRESENCE OF THE POPE. THE CEREMONY WILL ALLEGEDLY TAKE PLACE AT THE FOOT OF THE CHRIST STATUE AT THE ARGENTINE-CHILEAN BORDER IN THE ANDES.
4. FOLLOWING A MEETING WITH ITALIAN FOREIGN MINISTER GIULIO ANDREOTTI, ARGENTINE LABOUR MINISTER JUAN MANUEL CASELLA TOLD REPORTERS THAT ANDREOTTI HAD PROMISED THAT ITALY WOULD BE A QUOTE BRIDGEHEAD UNQUOTE FOR ARGENTINA TO THE EEC. CASELLA ALSO SAID THAT ANDREOTTI WAS ESPECIALLY INTERESTED IN THE FALKLANDS DISPUTE AND HAD ANTICIPATED THAT 1985 WOULD BE A DECISIVE YEAR IN OVERCOMING THE PROBLEM. ANDREOTTI WAS SAID TO BE EXTREMELY CONCERNED BY THE BREAKDOWN OF THE BERNE TALKS AND TO HAVE DEPLORED THE QUOTE EXCESSIVELY RIGID POSITION TAKEN BY THE UK UNQUOTE.
5. AGENCY REPORTS CLAIM THAT UN SECRETARY-GENERAL PEREZ DE CUELLAR IS NOW FINALISING THE REPORT HE WILL MAKE TO THE UNGA DURING THE FORTHCOMING FALKLANDS DEBATE. ARGENTINA CAN REPUTEDLY EXPECT ADDITIONAL VOTES THIS YEAR FROM EUROPE AND THE US IS REPORTED ALREADY TO HAVE PROMISED ITS SUPPORT FOR THE LATIN AMERICA RESOLUTION CALLING FOR A RESUMPTION OF NEGOTIATIONS. THE FOREIGN OFFICE IS SAID TO HAVE TERMED SUNDAY'S "TIEMPO ARGENTINO" STORY THAT THE SWISS HAVE PROPOSED AMERICAN MEDIATION LEADING TO A RETURN OF THE ISLANDS TO ARGENTINA BY 1990 AS QUOTE ABSOLUTELY UNFOUNDED UNQUOTE.

6. TODAY'S "TIEMPO ARGENTINO" ALLEGES THAT LIBERAL LEADER DAVID STEELE WILL SEEK A MEETING WITH ALFONSIN TO DISCUSS A SOLUTION TO THE FALKLANDS CONFLICT DURING THE PRESIDENT'S EUROPEAN TOUR THIS MONTH. THE ARTICLE SUGGESTS THAT THERE HAS BEEN A RECENT IMPROVEMENT IN ANGLO-ARGENTINE RELATIONS, ILLUSTRATED BY THE SPEED WITH WHICH

CH VISAS ARE ISSUED TO UK CITIZENS WISHING TO VISIT ARGENTINA. DIPLOMATIC SOURCES HAVE ALLEGEDLY REVEALED THAT THE ARGENTINE MFA MAY BE STUDYING THE POSSIBILITY OF LIFTING RESTRICTIONS ON BRITISH COMMERCIAL INTERESTS AND SOME OBSERVERS HAVE REMARKED THAT RECENT ADVERTISEMENTS BY A BRITISH SHIPPING COMPANY IN THE ARGENTINE PRESS OFFERING TO TRANSPORT GOODS TO THE UK IS A SIGN OF THE IMPROVING SITUATION (WE HAVE NO KNOWLEDGE OF THESE ADVERTISEMENTS BUT ARE INVESTIGATING). THE SAME ARTICLE ALSO NOTES THAT I AM RETURNING TO ENGLAND TO JOIN A "LATIN AMERICAN DEPARTMENT".

7. "LA PRENSA" CARRIES A LENGTHY ARTICLE PLAYING DOWN THE IMPORTANCE OF THE PONTING CASE AND HEADED QUOTE THE LEAK OF A DOCUMENT WILL NOT BECOME THATCHER'S WATERGATE UNQUOTE. (TEXT AND TRANSLATION BY BAG TO FCO).

8. THE CGT HAS INSTRUCTED ITS MEMBER UNIONS TO DEMAND A 28,000 PESO MINIMUM MONTHLY WAGE BUT HAS NOT YET CALLED FOR STRIKE ACTION SINCE THE ORGANISATION APPARENTLY WISHES TO KEEP ALIVE THE SOCIO-ECONOMIC CONTRACT TALKS WITH THE GOVERNMENT.

9. THE "BUENOS AIRES HERALD" CLAIMS THAT DURING ALFONSIN'S VISIT TO FRANCE ON 21 OCTOBER, PRESIDENT MITTERRAND WILL EXPRESS HIS GOVERNMENT'S CONCERN THAT NAVY CAPTAIN ALFREDO ASTIZ IS STILL NOT SUBJECT TO CRIMINAL CHARGES DESPITE HAVING BEEN ACCUSED BY VARIOUS WITNESSES OF BEING RESPONSIBLE FOR THE DISAPPEARANCE OF TWO FRENCH NUNS DURING THE DIRTY WAR. ACCORDING TO THE SAME SOURCES, THE SWEDISH GOVERNMENT WILL ALSO COMPLAIN ABOUT ASTIZ DURING FOREIGN MINISTER PIERRE SCHORI'S VISIT HERE ON NOVEMBER 6 TO 8.

10. ACCORDING TO AGENCY REPORTS THE US HAVE OFFICIALLY PROTESTED THE TREATMENT RECEIVED BY THEIR SHIPS LAST MONTH AT PUERTO MADRYN. THE US EMBASSY HERE HAS NEITHER CONFIRMED NOR DECIDED THE REPORTS.

11. A MIXSX DELEGATION OF ARGENTINE CONGRESSMEN BEGAN A 10 DAY VISIT TO WEST GERMANY YESTERDAY DURING WHICH THEY WILL MEET WITH PARLIAMENTARIANS INCLUDING THE BUNDESTAG FOREIGN AND INTERIOR AFFAIRS COMMITTEES. JUSTICIALIST DEPUTIES MARIO GURIOLO AND HECTOR BASUALDO HAVE BEGUN A SEPARATE TOUR TO BONN, PARIS AND HAMBURG WHERE THEY WILL INSPECT A SUBMARINE CONSTRUCTED UNDER A GERMAN-ARGENTINE AGREEMENT.

JOY

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(FM BERNE 170800Z)

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TO IMMEDIATE FCO

TELNO 670 OF 15 OCTOBER 1984

INFO PRIORITY MOD (SIC A3A), CBFFI BANK OF ENGLAND ASUNCION BRASILIA
 CARACAS MEXICO CITY MONTEVIDEO SANTIAGO UKMIS NEW YORK
 WASHINGTON PORT STANLEY

PRESS SUMMARY

1. THE WEEKEND HEADLINES WERE LARGELY DOMINATED BY THE EIGHTH NATIONAL EUCHARISTIC CONGRESS WHICH WAS PRESIDED OVER BY THE PAPAL LEGATE CARDINAL AGOSTINO CASAROLI. THE FOUR DAY OPEN AIR CONGRESS WAS ATTENDED BY THOUSANDS OF THE FAITHFUL AND CLOSED ON SUNDAY WITH SPEECHES FROM CASAROLI AND PRESIDENT ALFONSIN CALLING FOR RECONCILIATION.

2. DURING A VISIT TO USHUAIA ALFONSIN ANNOUNCED THAT THE GOVERNMENT IS PREPARING A BILL WHICH WILL CONVERT TIERRA DEL FUEGO INTO ARGENTINA'S 23RD PROVINCE. THIS MOVE WOULD MEAN THE ADDITION OF TWO SENATORS TO THE UPPER HOUSE WHICH COULD AFFECT THE DELICATE BALANCE OF POWER THERE. IN AN ALLUSION TO THE THEFT OF DIRTY WAR EVIDENCE FROM A ROSARIO COURT-HOUSE LAST MONDAY, ALFONSIN ALSO CRITICIZED THOSE WHO ARE QUOTE NOSTALGIC FOR VIOLENCE UNQUOTE

Please see over.

UNQUOTE.

3. THE ROSARIO BRANCH OF THE PERMANENT ASSEMBLY FOR HUMAN RIGHTS HAS LEAKED SOME OF THE NAMES OF THOSE ALLEGEDLY INVOLVED IN REPRESSION OF LEFT-WING TERRORISM. THE NAMES WERE LISTED IN THE DOCUMENTARY EVIDENCE STOLEN LAST WEEK, WHICH WAS SURPRISINGLY DISCOVERED ALONG WITH STOLEN WEAPONS IN A ROSARIO CINEMA ON FRIDAY.
4. THE WEEKEND'S PRESS CONTAINED FURTHER SPECULATION THAT ALFONSIN WILL ANNOUNCE THE LIFTING OF RESTRICTIONS ON PRIVATE BRITISH FIRMS DURING HIS FORTHCOMING TRIP TO FRANCE. IT IS ALSO ALLEGED THAT IN HIS SIEECH TO THE EUROPEAN PARLIAMENT ALFONSIN WILL AVOID MENTION OF THE FALKLANDS CONFLICT.
5. AN AGENCY REPORT IN "LA VOZ" CLAIMS THAT BRITAIN HAS BEGUN A DIPLOMATIC OFFENSIVE AIMED AT WINNING SUPPORT OVER THE FALKLANDS DURING THE NEXT UNGA. BRITAIN HAS REPUTEDLY SEND A NOTE TO ALL WESTERN NATIONS ASKING FOR BACKING AND AIMED PARTICULARLY AT PRESSURIZING THE EUROPEAN COMMUNITY.
6. A LENGTHY ARTICLE IN "TIEMPO ARGENTINO" CLAIMS THAT THE FALKLANDS WILL BE RETURNED TO ARGENTINA BY 1990 THROUGH AMERICAN MEDIATION LEADING TO A TRIPARTITE DEFENCE AGREEMENT INVOLVING BRITAIN, THE US AND ARGENTINA. THE FIRST STEPS WILL BE THE LIFTING OF TH E EXCLUSION ZONE AND A DECLARATION OF THE CESSATION OF HOSTILITIES . (TEXT AND TRANSLATION BY BAG TO FCO).
7. ALFONSIN IS REPORTED TO HAVE TOLD THE ITALIAN NEWSPAPER L'UNITA THAT ARGENTINA IS DISPOSED TO ABIDE BY EXISTING UN RESOLUTIONS AND WANTS TO RE-ESTABLISH BILATERAL CONTACT WITH BRITAIN BEGINNING WITH A MEETING BETWEEN TWO DELEGATIONS STARTING, IF NECESSARY, WITH AN OPEN AGENDA. HOWEVER, WHILE MRS THATCHER QUOTE INSISTS UPON NOT DISCUSSING SOVEREIGNTY NO ARGENTINE PRESIDENT WILL BE ABLE TO ADVANCE IN NEGOTIATIONS UNQUOTE.
8. ACCORDING TO VARIOUS REPORTS ARGENTINA AND CHILE WILL INITIAL AN AGREEMENT OVER THE BEAGLE IN ROME ON THURSDAY UNLESS ANY LAST MINUTE DIFFICULTIES ARISE. DETAILS OF THE AGREEMENT WILL BE MKDE KNOWN THE FOLLOWING DAY. SENATE FOREIGN RELATIONS COMMITTEE CHAIRMAN ADOLFO GASS SAID THE PLEBISCITE ON THE ACCORD WILL PROBABLY BE HELD ON NOVEMBER 25. PERONIST DEPUTY JORGE CONNOLLY HAS DENOUNCED THE AGREEMENT IN AN INTERVIEW IN "TIEMPO ARGENTINO" AND ALLEGED THAT MOSTPERONIST DEPUTIES AND SENATORS WILL JOIN HIM IN VOTING AGAINST IT.
9. FOREIGN MINISTER DANTE CAPUTO WILL FLY TO NEW YORK AT THE END OF THIS MONTH TO ATTEND THE UN DEBATE ON THE FALKLANDS AND WILL THEN TRAVEL TO BRASILIA FOR THE GENERAL ASSEMBLY OF THE OAS.
10. TODAY'S "TIEMPO ARGENTINO" REPORTS THAT PRESIDENT ALFONSIN IS ONE OF THE FAVOURITES FOR THIS YEAR'S NOBEL PEACE PRIZE. THE RUMOUR IS SAID TO HAVE ORIGINATED FROM FOREIGN CORRESPONDENTS HERE.
11. THE BRIGHTON BOMB OUTRAGE WAS HEADLINED ONLY IN THE BUENOS AIRES HERALD BUT WAS EXTENSIVELY REPORTED IN ALL OTHER PAPERS PARTICULARLY IN "LA NACION".

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TO IMMEDIATE BERNE

TELEGRAM NUMBER 183 OF 15 OCTOBER

INFO IMMEDIATE UKMIS NEW YORK, BRASILIA

PRIORITY WASHINGTON, EC POSTS

YOUR TELNO 345: RELATIONS WITH ARGENTINA

1. WE ARE GRATEFUL FOR THIS REPORT FROM BRUNNER, AND
LOOK FORWARD TO AUBERT'S ACCOUNT OF HIS TALKS WITH THE ARGENTINES.

2. CAPUTO'S REMARK THAT IT IS UP TO THE ARGENTINES TO TAKE THE
NEXT INITIATIVE MAY BE SOME INDICATION THAT HE ACCEPTS THAT THEY
WERE RESPONSIBLE FOR THE DEADLOCK IN OUR PREVIOUS DIALOGUE. FOR
OUR PART, AS I SAID IN MY SPEECH TO THE UN GENERAL ASSEMBLY, WE
REMAIN READY TO WORK FOR MORE NORMAL RELATIONS WITH ARGENTINA.
BUT, ESPECIALLY WITH THE UNGA PROCEEDINGS ON THE FALKLANDS STILL
PENDING, THE TIME HAS NOT YET COME TO END OUR 'PAUSE FOR
REFLECTION'. YOU WERE RIGHT TO REMIND BRUNNER THAT WE THINK IT
BEST TO AWAIT DEVELOPMENTS, AND THAT WE ARE NOT (NOT) LOOKING FOR
NEW INITIATIVES FROM OUR FRIENDS (YOUR PARA 6). I NOTE THAT
BRUNNER ACKNOWLEDGES THAT I DO NOT WANT SECRET TALKS, BUT
CAPUTO'S IDEAS COULD CARRY US TOO FAR IN THIS
DIRECTION UNLESS WE HANDLE THEM WITH THE GREATEST CARE. THERE
WOULD IN ANY CASE BE NO POINT IN TRANSMITTING ANY FURTHER
MESSAGE TO THE ARGENTINES ABOUT A NEW DIALOGUE UNTIL THE UNGA
DEBATE IS OVER.

3. IN THANKING BRUNNER FOR HIS REPORT, YOU SHOULD THEREFORE BE
CAREFUL NOT TO RAISE HIS HOPES THAT ANY OF THE IDEAS FLOATED
BY CAPUTO APPEAL TO US OR THAT THERE IS ANY ROLE IN THIS FOR THE
SWISS AT PRESENT. YOU MAY REMIND BRUNNER OF MY REMARKS IN NEW
YORK ABOUT OUR READINESS IN PRINCIPLE TO PURSUE NORMALISATION.
BUT THE UNGA DEBATE IS THE NEXT EVENT. I SHALL WANT TO CONSIDER
THE SITUATION AFTER THAT. YOU SHOULD ENSURE THAT THE SWISS
ARE UNDER NO (NO) ILLUSION THAT THE TIME MIGHT BE RIPE FOR A

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TELEGRAM NUMBER 542 OF 12 OCTOBER 1984

INFO ROUTINE TO UKREP BRUSSELS ATHENS BONN BRUSSELS COPENHAGEN
THE HAGUE LUXEMBOURG PARIS ROME

INFO SAVING TO WASHINGTON NATO POSTS BERNE TOKYO OTTAWA UKMIS
NEW YORK

EUROPEAN POLITICAL COOPERATION MEETING: DUBLIN 11/12 OCTOBER *mt*

FALKLANDS AT THE UN

SUMMARY

A DISCOURAGING DISCUSSION, IN WHICH INCREASING SUPPORT WAS
DISCERNIBLE AMONG OUR EC PARTNERS FOR THE PRINCIPLE OF NEGOTIATIONS.

DETAIL

2. THOMAS (UK) TOOK THE OPPORTUNITY OF AN INFORMAL DISCUSSION OVER DINNER WITH EUROPEAN POLITICAL DIRECTORS ON 11 OCTOBER TO REMIND THEM OF THE IMPORTANCE WE ATTACHED TO MAINTAINING THEIR ABSTENTIONS IN THE UN VOTE ON THE FALKLANDS. HE SAID WE HAD BEEN DISAPPOINTED BY ALFONSIN'S REMARKS ON THIS QUESTION IN HIS SPEECH TO THE GENERAL ASSEMBLY. HE HAD MADE NO REFERENCE TO THE ARGENTINE INVASION OF THE ISLANDS OR TO ITS CONSEQUENCES. NOR HAD HE ACKNOWLEDGED THE EXISTENCE OF PEOPLE ON THE ISLANDS LET ALONE THEIR WISHES OR THEIR RIGHT TO LIVE UNDER A GOVERNMENT OF THEIR OWN CHOOSING. ON FUTURE RELATIONS, HE HAD INSISTED, THIS TIME PUBLICLY, ON LINKAGE BETWEEN NORMALISATION AND DISCUSSION ON SOVEREIGNTY. BY THIS HE MADE IT ABSOLUTELY CLEAR THAT NEGOTIATIONS ON SOVEREIGNTY TO ARGENTINA MEANT, IN ARGENTINE MINDS, THE TRANSFER OF SOVEREIGNTY TO ARGENTINA, WITHIN A SHORT TIME FRAME. ONE ARGENTINE SPOKESMAN HAD SUBSEQUENTLY CONFIRMED THAT 1989 SHOULD BE THE TARGET DATE FOR TRANSFERRING SOVEREIGNTY.

3. THOMAS WENT ON THAT THE FIRST ARGENTINE DRAFT RESOLUTION WHICH HAD BEEN CIRCULATED HAD EVIDENTLY RUN INTO CONSIDERABLE RESISTANCE. WE UNDERSTOOD THAT THEY WERE NOW WATERING IT DOWN. HE ASKED WHETHER ANY EUROPEAN EMBASSIES IN BUENOS AIRES HAD BEEN GIVEN A REVISED VERSION, AS HAD BEEN SUGGESTED IN THE ARGENTINE PRESS. MOST POLITICAL DIRECTORS SAID THEIR EMBASSIES HAD NOT SEEN SUCH A REVISED DRAFT. SOME REMAINED SILENT. BUT ALL HAD CLEARLY HEARD THAT ONE WAS IN THE WIND, POSSIBLY AMOUNTING TO LITTLE MORE THAN A SIMPLE CALL FOR NEGOTIATIONS. THEY CLEARLY REGARDED THIS AS WELCOME.

4. THOMAS EMPHASISED AGAIN THAT WHATEVER A REVISED DRAFT RESOLUTION MIGHT APPEAR TO SAY, ALFONSIN'S EXPOSITION OF ARGENTINE POLICY HAD MADE IT CLEAR THAT AVOTE FOR A RESOLUTION CALLING FOR NEGOTIATIONS ABOUT THE FUTURE OF THE ISLANDS, WITHOUT MENTIONING

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/THE WISHES

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THE WISHES OF THE ISLANDERS AND THEIR RIGHT TO SELF- DETERMINATION , MEANT A VOTE IN SUPPORT OF THE ARGENTINE AIM TO SECURE A TRANSFER OF SOVEREIGNTY WITHIN A FEW YEARS. IT WAS VERY IMPORTANT THAT OUR PARTNERS SHOULD NOT BE DELUDED ON THIS POINT.

5. THOMAS CONCLUDED THAT THE ARGENTINES WERE CLEARLY DETERMINED TO WIN AWAY SOME OF OUR EUROPEAN PARTNERS. HE EMPHASISED THAT IT WOULD BE CONTRARY TO THE SPIRIT OF POLITICAL COOPERATION IF OUR PARTNERS WERE TO VOTE DIAMETRICALLY OPPOSITE TO US ON SOMETHING WHICH SO DIRECTLY AFFECTED OUR INTERESTS AND WAS OF SUCH ACUTE POLITICAL SENSITIVITY AT HOME. OF COURSE WE RECOGNISED THE IMPORTANCE OF GIVING SUPPORT TO DEMOCRACY IN ARGENTINA. WE ALSO RECOGNISED THE PROBLEMS WITH WHICH ALFONSIN HAD TO GRAPPLE . BUT IT WOULD BE BETTER FOR DEMOCRACY IN ARGENTINA IF PEOPLE THERE WERE ENCOURAGED TO MOVE TOWARDS NORMALISATION OF RELATIONS WITH BRITAIN RATHER THAN TO FOCUS ON THE UNREALISTIC OBJECTIVE THAT WAS AT PRESENT BEING SET FOR THEM.

6. A LENGTHY AND AT TIMES HEATED DISCUSSION FOLLOWED IN THE COURSE OF WHICH IT BECAME CLEAR THAT SEVERAL OF OUR PARTNERS HAD ALREADY BEEN LOBBIED IN CAPITALS AND WERE LOOKING FOR A WAY OF ENDORSING THE PRINCIPLE OF NEGOTIATIONS. PFEFFER (FRG) HAD BEEN

APPROACHED ON 10 OCTOBER BY THE ARGENTINE AMBASSADOR IN BONN. AFTER FILLING IN THE BACKGROUND IN ARGENTINA (SUCCESSFUL RESOLUTION OF THE BEAGLE CHANNEL DISPUTE AND RESTORATION OF DEMOCRACY) THE AMBASSADOR HAD TOLD PFEFFER, THAT THIS YEAR'S RESOLUTION ON THE FALKLANDS WOULD BE Milder THAN IN EARLIER YEARS AND HE HAD CONFIRMED EXPLICITLY THAT ARGENTINA HOPED TO WIN OVER SOME AT LEAST OF OUR PARTNERS TO A POSITIVE VOTE. HE HAD NOT GIVEN PFEFFER A TEXT OF THE REVISED ARGENTINE RESOLUTION BUT PFEFFER'S IMPRESSION WAS THAT THE ARGENTINIANS EXPECTED TO BE DISCUSSING IT WITH US AT SOME STAGE PERHAPS EVEN WITH A VIEW (HE HOPED) TO ARRIVING AT A TEXT ON WHICH THE UK COULD ABSTAIN.

7. ANDREANI (FRANCE) ASKED WHY WE WERE SO INSISTENT THAT WHEN THE ARGENTINES TALKED ABOUT SOVEREIGNTY NEGOTIATIONS THEY MEANT NEGOTIATIONS ABOUT SOVEREIGNTY. THEY HAD GIVEN THE FRENCH A MORE FLEXIBLE IMPRESSION AND HAD MADE CLEAR THAT THEY WERE NOT EXPECTING A SOLUTION IN ANY CASE FOR A VERY LONG TIME. THOMAS POINTED AGAIN TO THE EVIDENCE OF ALFONSIN'S RECENT PUBLIC STATEMENTS ON THIS QUESTION . IT WAS DIFFICULT TO FIND A MORE AUTHORITATIVE SOURCE.

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8. CAHEN (BELGIUM) ASKED WHETHER IF WE STARTED ON THE PROCESS OF NORMALISATION, WE WOULD THEN BE PREPARED TO DISCUSS THE FUTURE STATUS OF THE ISLANDS. THOMAS REMINDED HIM THAT HE WAS TALKING ABOUT A PEOPLE WHOSE ISLANDS HAD BEEN INVADED BY ARGENTINA NO MORE THAN TWO YEARS AGO AND WHO HAD BEEN SUBJECTED TO EXTREMELY HARSH TREATMENT BY THE MILITARY REGIME. IT WAS NOT CONCEIVABLE, WITHIN A DEMOCRATIC SYSTEM, TO EXPECT PEOPLE TO BE PREPARED TO TALK ABOUT FUTURE STATUS AGAINST THAT BACKGROUND, MORE PARTICULARLY WHEN THE ARGENTINIANS HAD MADE IT SO POINTEDLY CLEAR THAT THE ONLY OUTCOME FOR THEM MUST BE TRANSFER OF SOVEREIGNTY. TO PRESS US TO NEGOTIATE WITH ARGENTINA ON THE FUTURE STATUS OF THE ISLANDS WAS TO CONDEMN SUCH DISCUSSIONS TO FAILURE SINCE SOVEREIGNTY WAS THE VERY ISSUE THAT DIVIDED US. THIS WAS WHY THE ONLY CONSTRUCTIVE COURSE WAS TO CONCENTRATE ON NORMALISATION. WE HOPED OUR FRIENDS WOULD URGE THIS ON THE ARGENTINIANS.

9. STATHATOS (GREECE) TRIED TO DRAW A PARALLEL WITH CYPRUS, WHERE THE BRITISH HAD NOT INSISTED ON THE VIEWS OF THE MAJORITY BEING PARAMOUNT. THOMAS SAID THERE WAS NO POSSIBLE PARALLEL BETWEEN THESE TWO CASES. WAS GREECE PROPOSING TO ENDORSE THE PRINCIPLE OF PROPINQUITY ON TERRITORIAL INTEGRITY AS A BASIS FOR SETTLING SUCH QUESTIONS?

10. MACKERNAN (SPEAKING FOR IRELAND) WAS FAIRLY CONFIDENT THAT HE COULD DELIVER AN IRISH ABSTENTION THIS TIME BUT HE FEARED IT WOULD BE INCREASINGLY DIFFICULT TO HOLD THE LINE. THE PEACEFUL SETTLEMENT OF DISPUTES AND THE PRINCIPLE OF NEGOTIATIONS WERE FUNDAMENTAL PRINCIPLES OF INTERNATIONAL CONDUCT. SOONER OR LATER THE UK WOULD HAVE TO ACCEPT THE NEED TO NEGOTIATE OVER THE DISPUTE WITH ARGENTINA. THOMAS POINTED OUT THAT THERE WAS AN EQUALLY IMPORTANT PRINCIPLE ENSHRINED IN THE UN CHARTER - SELF-DETERMINATION - WHICH EVERYONE SEEMED DETERMINED TO IGNORE.

11. THE ONLY POLITICAL DIRECTOR WHO SPOKE UP UNEQUIVOCALLY IN FAVOUR OF THE UK'S POSITION WAS MISCHO (LUXEMBOURG) WHOSE COUNTRY WOULD NOT EXIST IF IT HAD NOT BEEN FOR THE PRINCIPLE OF SELF DETERMINATION.

FCO PLEASE PASS TO SAVING ADDRESSES

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TO IMMEDIATE FCO TELNO 687

OF 11 OCTOBER 1984

AND INFO PRIORITY PARIS, UKMIS NEW YORK.

AND INFO ROUTINE OTHER EC POSTS, UKDEL STRASBOURG.

Likely to be a
difficult issue at the
Anglo-Italian summit
next week.
CDP
12/X.

YOUR TELS NOS 320 AND 325 TO ATHENS: FALKLANDS AT THE UN

1. I SAW THE POLITICAL DIRECTOR THIS MORNING, TO CARRY OUT YOUR GENERAL LOBBYING INSTRUCTIONS, AND TO GO OVER THE SUBJECT WITH HIM IN PREPARATION FOR THE VISIT BY CRAXI AND ANDREOTTI TO LONDON NEXT WEEK.

2. I TOLD BOTTAI THAT WE HAD KEPT THE MFA FULLY INFORMED OF OUR VIEWS IN RECENT WEEKS, BUT I THOUGHT IT USEFUL TO DISCUSS THIS MATTER WITH HIM PERSONALLY SINCE IT WOULD UNDOUBTEDLY COME UP AT THE ANGLO/ITALIAN SUMMIT. THERE SHOULD BE NO QUESTION IN THE MINDS OF ITALIAN MINISTERS THAT THIS REMAINED A VERY IMPORTANT ISSUE FOR THE BRITISH GOVERNMENT, WHO WOULD BE LOOKING FOR A CONTINUED ABSTENTION BY OUR EC PARTNERS ON THE ARGENTINE DRAFT RESOLUTION THIS YEAR. I GAVE HIM A PAPER SETTING OUT OUR VIEWS FULLY, SO THAT THIS COULD BE AVAILABLE TO THE ITALIAN MINISTERS AS THEY PREPARED FOR THEIR TALKS IN LONDON. THIS DREW ON YOUR FIRST TUR AND TOOK ACCOUNT OF SUBSEQUENT DEVELOPMENTS, INCLUDING YOUR TELNO 357 TO ME, AN ACCOUNT OF WHICH CONVERSATION BOTTAI HAD RECENTLY READ. I ADDED THAT ALTHOUGH THERE WERE RUMOURS OF A REVISED ARGENTINE RESOLUTION, IT DID NOT APPEAR TO BE CONFIRMED THAT ARGENTINA HAD YET CIRCULATED A FRESH TEXT. BUT WHATEVER FORM THIS MIGHT TAKE, WE HELD FIRMLY TO OUR VIEW THAT ANY NEGOTIATIONS ABOUT SOVEREIGNTY WERE OUT OF THE QUESTION, AND THAT THE PRACTICAL IMPROVEMENT OF RELATIONS WAS THE ONLY REALISTIC POLICY FOR ARGENTINA TO FOLLOW. THE LINE TAKEN BY ALFONSIN IN HIS GENERAL ASSEMBLY SPEECH HAD BEEN VERY DISAPPOINTING: WE HAD HOPED FOR MORE FROM THE DEMOCRATIC GOVERNMENT OF ARGENTINA.

3. BOTTAI SAID THAT CAPUTO HAD TOLD ANDREOTTI TWO WEEKS AGO OF HIS INTENTION TO PRODUCE A FRESH ARGENTINE DRAFT, BUT THIS HAD NOT YET REACHED THE ITALIANS. HE DID NOT KNOW WHAT THE ARGENTINIANS HAD IN MIND, BUT ITALY HAD DELIBERATELY NOT BEEN ACTIVE IN DISCUSSING THE QUESTION WITH THEM. HE HOPED THAT IF A FRESH ARGENTINE DRAFT DID EMERGE, IT WOULD NOT PRESENT THE EC WITH PROBLEMS. THE EARLIER VERSION HAD BEEN A MUCH EASIER TEXT FOR THE COMMUNITY TO HANDLE, AND SAID THAT HE HAD AGREED WITH ANDREANI (WHOM HE HAD SEEN IN NEW YORK) THAT THE EXISTING

ARGENTINA

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ARGENTINE DRAFT WOULD MORE READILY ALLOW THE EC PARTNERS TO MAINTAIN THEIR ABSTENTION FROM THE VOTE. BUT BOTTAI SAID HE HAD TO POINT OUT THE DIFFERENCE BETWEEN ITALIAN AND BRITISH VIEWS. THE ITALIAN GOVERNMENT WAS IN FAVOUR OF THE STATUS QUO ANTE BELLUM, BY WHICH HE SEEMED TO MEAN CONTINUED NEGOTIATIONS BETWEEN OURSELVES AND ARGENTINA (AND PRESUMABLY NOT EXCLUDING SOVEREIGNTY). IF THE ARGENTINIANS PRODUCED A NETURAL TEXT SIMPLY CALLING FOR NEGOTATIONS, ITALY WOULD HAVE TO VOTE FOR THAT. FAILURE TO DO SO COULD CAUSE THE ITALIAN GOVERNMENT TO FALL, SINCE IT WOULD BE INCOMPREHENSIBLE FOR ITALY NOT TO VOTE IN ACCORDANCE WITH ITS CONSCIENCE AND DECLARED POLICY.

4. I QUESTIONED THIS VIEW. DID HE REALLY BELIEVE THAT A CONTINUED ABSTENTION WOULD CAUSE SO GRAVE A DOMESTIC PROBLEM?. (ALTHOUGH I DID NOT SAY SO, IT STRUCK ME AS UNLIKELY THAT THIS WOULD HAPPEN, WITH ITALY IN SUPPORT OF AN EC POSITION, UNLESS THE FOREIGN MINISTER WAS ALREADY IN TROUBLE FOR OTHER REASONS). BOTTAI SAID THAT IT WOULD AT LEAST BE AN EXTREMELY DIFFICULT MATTER FOR THE GOVERNMENT TO HANDLE IN PARLIAMENT. SO I THEN SUGGESTED THAT FOR ITALY TO CHANGE HER LINE THIS YEAR COULD CAUSE HIS MINISTER A PUBLIC ROW IN ITALIAN RELATIONS WITH BRITAIN. I DID NOT WANT TO SEE THAT HAPPEN, NOR DID I SUPPOSE THAT MINISTER ANDREOTTI, AFTER HIS RECENT DIFFICULTIES, WOULD WISH TO SEE AN OPEN ARGUMENT WITH THE BRITISH SIMILAR TO THAT HE HAD RECENTLY HAD WITH GERMANY.

5. BOTTAI ENDED THE DISCUSSION BY SAYING THAT IT WAS RIGHT TO DRAW ATTENTION TO THE IMPORTANCE OF THE DISCUSSION IN LONDON NEXT WEEK ON THIS POINT. HE TOO RECALLED THE DIFFERENCE WHICH HAD ARISEN BETWEEN BRITISH AND ITALIAN MINISTERS IN SEPTEMBER 1983, DURING CRAXI'S FIRST VISIT TO LONDON, AND WISHED TO AVOID ANOTHER DISCUSSION OF THAT KIND. HE HOPED ARGENTINA WOULD NOT PRODUCE A NEUTRAL RESOLUTION OF THE SORT LIKELY TO CAUSE MAXIMUM DIFFICULTY. HE MENTIONED THAT ALFONSIN WOULD BE PAYING A VISIT TO EUROPE AFTER THE LONDON DISCUSSIONS, APPARENTLY CALLING AT PARIS, ROME, AND STRASBOURG WHERE HE WAS DUE TO DELIVER A SPEECH. THE ITALIANS EVIDENTLY HOPE THAT A DECISION ABOUT THE VOTE IN THE UN WILL NOT NEED TO BE TAKEN UNTIL THE LAST WEEK IN OCTOBER AT THE EARLIEST.

BRIDGES

[COPIES SENT TO NO 10 DOWNING STREET]

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10 DOWNING STREET

From the Private Secretary

10 October 1984

THE BELGRANO

Thank you for your helpful letter of 10 October which usefully supplements our own records. You will, I am sure, clear with us in due course the line which you propose to take in dealing with any questions about these exchanges at Mr. Ponting's trial.

I am copying this letter to Henry Steel (Law Officers' Department).

CHARLES POWELL

Richard Mottram, Esq.,
Ministry of Defence.

CS



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~XXXXXX~~ 218 2111/3

MO 5/21

10th October 1984

*Pl. keep on
file with our own
pps. attached
am*

*Ames changes.*THE BELGRANO

You telephoned me about references in today's papers to exchanges between Mr Stanley and No 10 Downing Street on the terms of the replies to Mr Dalyell about the sinking of the Belgrano.

There were three sets of exchanges about the handling of Mr Dalyell's questions:

- a. The first concerned Mr Dalyell's letter to the Prime Minister of 5th April following up her letter of 4th April to Mr Denzil Davies. The key documents here, as we discussed, are John Coles' letter to me of 6th April and Nick Evans' reply of 11th April. Incidentally, both Mr Ponting and Minister (AF) are recorded on internal minutes here as supporting the idea of a general reply to Mr Dalyell from the Prime Minister.
- b. In April there were discussions within the Ministry of Defence about the response to be made by the Defence Secretary to the separate letter he had received from Mr Dalyell on 19th March. I attach a copy of an internal minute here dated 13th April to me from PS/Minister (AF) which records a conversation between Mr Stanley and Mr Coles about the handling of these questions. The Secretary of State subsequently sent Mr Dalyell a reply on 18th April, which was copied to Mr Coles, referring back to the Prime Minister's letter to Mr Davies (further copy attached for ease of reference).
- c. Mr Dalyell returned to the charge at the beginning of May asking again for a reply to his original letter. Mr Ponting put up further advice dated 9th May, paragraph 2 of which reports a conversation between Mr Stanley and

C Powell Esq



/ No 10 Downing Street. I also attach for completeness
a subsequent minute from Mr Stanley's office of 10th May
and my reply of 11th May. Following this Mr Heseltine
/ replied to Mr Dalyell on 14th May again declining to
answer his original 9 questions (copy attached).

You will see that the accounts in today's newspapers are somewhat garbled in respect of these exchanges.

I might incidentally also add that I am seeking the advice of my Permanent Under Secretary about how I should respond to questions on these exchanges and others between Ministers and officials if I am questioned about them at Mr Ponting's trial.

I am copying this letter and the attachments to Henry Steel (Attorney General's Chambers).

Yours etc,

R. C. Mottram

(R C MOTTRAM)



MINISTER OF STATE FOR
THE ARMED FORCES

LOOSE MINUTE

D/MIN(AF)/JS/5/1/5

13 April 1984

PS/S of S

Copy to:
PS/US of S(AF)
PS/PUS

BELGRANO

Reference: D/DS5/9/9/46-54 dated 12 April 1984

Minister(AF) does not agree with the draft reply to Tam Dalyell's letter of 19 March to S of S, attached to Head of DS5's minute of 12 April, because he feels that it is incompatible with the way in which the Prime Minister has just replied to a series of 11 related questions to her in his letter of 5 April.

2. Mr Stanley has discussed with John Coles today how we should deal with the 9 questions in Dalyell's letter of 19 March and he thinks - and John Coles agrees - that S of S should take basically the same line as in the Prime Minister's latest reply to Dalyell which effectively is on the military - not the diplomatic side - to rest on what the Prime Minister said to Denzil Davies in her letter of 4 April.

3. Minister(AF) has also discussed with John Coles how we would respond if Dalyell's 9 questions were either tabled as PQs or as a further letter from Denzil Davies on behalf of the Shadow Cabinet. The view he and John Coles both take is that we should wait and see until after next Monday's Panorama programme, and the Easter Recess, as to whether the Shadow Cabinet or Dalyell are going to run this issue before deciding whether to go any further than the Prime Minister's latest reply to Dalyell.

P M W FRANCIS
PS/Minister(AF)
MB 6113 6385 MB



MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

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DIRECT DIALLING 01-216 2111/3

MO 5/21

18th April 1984

Internals:

PS/Minister (AF)
PS/US of S (AF)
PS/PUS
Sec/VCNS
PS/DUS (P)
PS/DUS (Navy)
DCDS (I)
AUS (NS)
Hd of DS5
DNOT
DNW
File: D/S of S/71/84

Copies:

Mr A J Coles, No 10
Mr P F Ricketts, FCO

Thank you for your letter of 19th March asking some questions about the circumstances surrounding the sinking of the General Belgrano. Since you wrote this letter, you have seen the Prime Minister's letter to Denzil Davies of 4th April and you have yourself had a further round of correspondence in your letter of 5th April and the Prime Minister's reply of 12th April. There is nothing that I can usefully add.

Michael Heseltine

Tam Dalyell Esq MP



MINISTER OF STATE FOR
THE ARMED FORCES

5/21

LOOSE MINUTE

D/MIN(AF)/JS/5/1/5

10 May 84

PS/S of S

Copy to:
PS/US of S(AF)
PS/PUS
Sec/VCNS
PUS/DUS(P)
PS/DUS(N)
NA/DCDS(I)
AUS(NS)
DNOT
DNW
Hd of DS5

BELGRANO

Reference:

A. D/DS5/9/9/46 - 85 dated 9 May 84 (attached, not for copy addressees)

Minister(AF) disagrees with the advice in the attached Minute of 9 May from the Head of DS5. He believes that to reply as Head of DS5 has proposed would be in complete contradiction to

- a. The Prime Minister's letter of 12 April in reply to Mr Dalyell's of 5 April which asked a series of naval operational questions (for example, Question 6) and,
- b. the Secretary of State's letter of 18 April in reply to Mr Dalyell's of 19 March which did so similarly.

Both the Prime Minister and S of S relied basically by referring back to the Prime Minister's letter of 4 April to Denzil Davies.

2. The line Minister(AF) proposes is that contained in Paragraph 2 of APS/Minister(AF)'s minute of 9 May (attached) to Head of DS5. The Question to the Prime Minister asks for details of HMS CONQUEROR's "sonar stalk" of the BELGRANO and Mr Stanley personally has no difficulty whatsoever on operational grounds of declining to give this information. The text of the draft letter to Mr Dalyell, attached to Head of DS5's Minute, abundantly illustrates, in Minister(AF)'s view, the depth of the water Secretary of State would get into if he were to send it. He would be grateful for S of S's views before his departure this evening since we shall need to advise No 10 tomorrow of the draft reply to PQ 9143C.

P M W Francis
P M W FRANCIS
PS/Minister(AF)
MB 6113 6385 MB



Copy to:
PS/USofS (AF)
PS/PUS
Sec/VCNS
PS/DUS (P)
PS/DUS (N)
MA/DCDS (I)
AUS (NS)
DNOT
DNW
Hd of DS5

MF
31

no 5/21

11th May 1984

PS/Minister (AF)

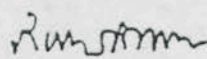
BELGRANO

The Secretary of State has seen your minute of 10th May together with that from Head of DS5 of 9th May.

2. The Secretary of State agrees with Minister (AF)'s view that we should not enter into a detailed point-by-point answer by letter to the questions which Mr Dalyell has raised. He intends instead to reply to Mr Dalyell's latest letter of 1st May broadly on the lines of the attached draft - I have yet to clear the precise words with him. The Secretary of State recognises that Mr Dalyell may yet table a series of detailed questions which he would propose to reply to by referring back to the account of the circumstances surrounding the sinking of the Belgrano which has already been given in the Prime Minister's letter.

3. As to the terms of the answer by the Prime Minister to PQ 9143C, the Secretary of State can see the difficulty raised by Head of DS5 over using explicitly the argument that it is not our practice to comment on military operational matters or the details of military operations. This is not entirely consistent with the Prime Minister's letter of 4th April to Mr Denzil Davies which provided further detail and said that ~~it~~ she felt able to do so now as, with the passage of time, those events have lost some of their original operational significance. The Secretary of State would prefer to reserve the argument that we could not reveal operational matters for those cases where it is the professional judgement of those concerned within the Department that there are genuine security objections to giving this information. He would, therefore, prefer to stick with the approach originally agreed with Minister (AF) and perhaps the answer might be the second sentence of the Minister's revised formulation that is:

"The circumstances leading to the sinking of the BELGRANO were described in my letter to the Rt Hon Member for Llanelli of 4th April."


(R C MOTTRAM)
PS/S of S

RESTRICTED

DRAFT LETTER FROM THE SECRETARY OF STATE TO MR TAM DALYELL

Thank you for your further letter of 1st May.

Your purpose in asking the questions you put to me is to pursue your campaign that the Belgrano was attacked in order to destroy the prospects for peace negotiations rather than for the military reason that she posed a threat to the Task Force. I do not believe that there is any point in prolonging this argument by a further round of detailed correspondence.



MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

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MA/DCDS (I)
DUS (NS)
DNOT
DNW
Head of DS5

D/S of S/71/84

14 May 1984

Thank you for your further letter of 1st May.

Your purpose in asking the questions you put to me is to pursue your campaign that the Belgrano was attacked in order to destroy the prospects for peace negotiations rather than for the military reason that she posed a threat to the Task Force. I do not believe that there is any point in prolonging this argument by a further round of detailed correspondence.

Michael Heseltine

Tam Dalyell Esq MP

11 OCT 1984

11 12 1



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01 ~~XXXXXX~~ 218 2111/3

MO 5/21

11th April 1984

Dear Jim,

AD 1/4
f.c.

THE BELGRANO

In your letter of 6th April to Richard Mottram you suggested that the Prime Minister would not wish to answer the specific questions posed by Mr Dalyell in his letter of 5th April and suggested a general line which the Prime Minister might take at her Questions tomorrow. We here would be content with this. You also asked for material for supplementaries on the questions themselves in case the Prime Minister judged that it was appropriate to go into the detail. This is now attached: it has been cleared with Admiral Woodward. I gather that the FCO are separately submitting advice on Question 10 about reports of the Peruvian peace plan.

I am copying this letter to Peter Ricketts (FCO).

Has not
with form

(N H R EVANS)

A J Coles Esq

Belgrano: Mr Dalyell's letter

original with
a file

2/4

You owe Mr Dalyell a reply to his letter of 5 April at Flag 'A'.

✓ He has a Question on the Belgrano at No 5 tomorrow. We do not recommend that you reply before then since he will only exploit whatever you say.

But in case you take a different view I attach a reply. The FCO and MOD agree that you should not answer his letter in detail. Our objective must be to try to bring this controversy, such as it is, to an end as soon as possible.

✓ You will recall that the Foreign Secretary is about to send Mr Dalyell a detailed reply to the eleven Questions which he posed during the Foreign Affairs Debate on 22 March.

We recommend that your Answer to Mr Dalyell's Oral Question tomorrow should follow the terms of the proposed letter from you to him, ie. there is no point in prolonging all these exchanges because his basic contention is simply not true.

We have commissioned answers to the detailed questions which he put in his letter of 5 April to you. These are at Flag 'B'. You will want to have these by you at Question Time in case you decide at the time that you must deal with a detailed Question.

A.S.C.

11 April 1984



cc TF
SS

original held by
CPLs.

10 DOWNING STREET

From the Private Secretary

6 April 1984

Belgrano

I enclose a copy of a letter which the Prime Minister has received from Mr. Tam Dalyell which has been prompted by the Prime Minister's letter of 4 April to Mr. Denzil Davies.

You will note that Mr. Dalyell has an Oral Question down for answer by the Prime Minister on Thursday 12 April.

In his present letter he asks a number of detailed questions. Subject to your views, I am inclined to advise the Prime Minister not to answer these questions but to reply in the following sense: she takes it that Mr. Dalyell is still trying, as he has tried for the last two years or so, to establish his contention that the Belgrano was attacked in order to destroy the prospects for peace negotiations based on the Peruvian proposals; that is simply not true; she has made the position on this matter absolutely clear yet again in her letter of 4 April to Mr. Denzil Davies; in these circumstances she does not think it useful to prolong these exchanges.

I should be grateful for advice by mid-day on Wednesday, 11 April as to whether the Prime Minister should reply in the above terms.

It would, in any case, be useful if you could let me have brief answers (in a form usable in the House of Commons) to Mr. Dalyell's questions in case he pursues any of these points on 12 April. This is not to say that the Prime Minister would necessarily enter into the substance of the matter in any exchanges with Mr. Dalyell but it will be useful to have the option of so doing if we judge that that is the best tactic. Could this line to take also be available by lunchtime on Wednesday 11 April.

I am copying this letter and enclosure to Peter Ricketts (Foreign and Commonwealth Office).

A. J. COLES

Richard Mottram, Esq.,
Ministry of Defence.

Remembered
R.D.
1/3 am.
1/2

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MR O'NEILL
MR ~~STICKELL~~
MR D C THOMAS
MR WESTON
MR ~~BIRKINGTON~~
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ED/NEWS DEPT
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MR ~~RE~~ NICHOLLS, AUSD STAFF, MOD
NR

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MISS M E CUND) TREASURY
MR LITTLER)

SIR R ARMSTRONG)
MR ~~A D S GOOBAIL~~) CABINET
DIO *Carledge*) OFFICE

MR POWER, SAD, ODA

MR A FORTNAM IAT/D. TRANSPORT

~~RESIDENT CLERK~~

(2)

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FM BERNE 090915Z OCT 84

TO IMMEDIATE FCO DESKBY 091045Z

TELNO 345 OF 9 OCTOBER 1984

INFO IMMEDIATE UKMIS NEW YORK

INFO ROUTINE WASHINGTON, BRASILIA, EC POSTS

YOUR TELNO 176 (NOT TO ALL): ANGLO-ARGENTINE RELATIONS

SUMMARY

1. CAPUTO MAY BE EXPECTED TO PUT FORWARD THROUGH THE SWISS IN NOVEMBER AN ORAL PROPOSAL FOR AN INFORMAL MEETING BETWEEN BRITISH AND ARGENTINE AMBASSADORS TO EXPLORE THE POSSIBILITIES OF RESUMING A DIALOGUE.

DETAIL

2. THE STATE SECRETARY INVITED ME TO CALL ON 8 OCTOBER. COUNSELLOR WAS ALSO PRESENT. BRUNNER HAD ONLY JUST GOT BACK FROM THE UNITED STATES AND IT WAS A FRIENDLY GESTURE ON HIS PART TO RECEIVE ME SO SOON AFTER HIS RETURN. THIS SUGGESTS THAT EVENTS IN SEPTEMBER HAVE NOT DONE LASTING HARM TO OUR RELATIONS.
3. BRUNNER SAID THAT DURING HIS FIVE DAYS OF INTENSIVE TALKS IN WASHINGTON, THE SUBJECT OF THE FALKLANDS HAD NOT BEEN RAISED. HE HAD, HOWEVER, TALKED ABOUT IT IN NEW YORK, WHERE AS WE KNEW, HE HAD SEEN SIR J THOMSON AND SUBSEQUENTLY CAPUTO AND THE UN SECRETARY GENERAL.
4. CAPUTO HAD TOLD BRUNNER (AND THIS HAD BEEN CONFIRMED IN AUBERT'S TALKS IN BUENOS AIRES) THAT HE WAS FULLY AWARE THAT IT WAS UP TO THE ARGENTINIANS TO TAKE THE NEXT INITIATIVE ON POSSIBLE TALKS WITH US, IF THERE WAS TO BE ONE. HE DID NOT FEEL THE BERNE TALKS TO HAVE BEEN ENTIRELY NEGATIVE. "UN COURANT A PASSE". WE MIGHT ACCORDINGLY EXPECT AN ARGENTINE INITIATIVE IN NOVEMBER, AFTER THE UN DEBATE. CAPUTO THOUGHT THAT THE SWISS CHANNEL WAS STILL THE MOST APPROPRIATE, FOR POLITICAL AND PRACTICAL REASONS.

STILL THE MOST APPROPRIATE, FOR POLITICAL AND PRACTICAL REASONS. HE HAD INDICATED THAT AS A FIRST STEP TOWARDS RENEWED TALKS HE WOULD PROBABLY CALL IN KEUSCH AND MAKE CERTAIN PROPOSALS ORALLY, TO BE CONVEYED TO YOU VIA BERNE. ANY MEETING WHICH MIGHT BE PROPOSED SHOULD BE ON A MORE CONFIDENTIAL BASIS THAN THE BERNE TALKS HAD BEEN. THE MEDIA'S IMPACT ON THE BERNE TALKS HAD BEEN UNFORTUNATE. CAPUTO WOULD PROBABLY PROPOSE A MEETING BETWEEN BRITISH AND ARGENTINE AMBASSADORS WITHOUT SUPPORTING DELEGATIONS FROM CAPITALS. SUCH A MEETING NEED NOT NECESSARILY BE ANNOUNCED THOUGH HE REALISED THAT YOU DID NOT WANT A SECRET MEETING. ITS OBJECTIVE WOULD BE TO EXPLORE POSSIBLE WAYS IN WHICH TALKS MIGHT BE RESUMED. IT WOULD NOT CONSTITUTE A NEGOTIATION, BUT SIMPLY A PRELIMINARY, INFORMAL AND EXPLORATORY TALK (A "SONDAGE").

5. BRUNNER SAID HE HAD TOLD CAPUTO THAT, IF THE ARGENTINIANS WISHED TO PUT FORWARD A PROPOSAL IN THIS WAY, THE SWISS WOULD BE PREPARED TO TRANSMIT IT TO US. IT SEEMED UNLIKELY THAT THE BRAZILIANS WOULD BE INVOLVED INITIALLY BUT THEY MIGHT JOIN IN AT A LATER STAGE.

6. I THANKED BRUNNER FOR THIS INFORMATION AND AGREED THAT IT WOULD BE BEST TO AWAIT DEVELOPMENTS. AS HE KNEW, WE WERE NOT LOOKING FOR ANY INITIATIVE BY OUR FRIENDS (YOUR TUR, PARA 7). IN RESPONSE TO MY ENQUIRY ABOUT THE RELATIONSHIP BETWEEN CAPUTO'S REMARKS AND ALFONSO'S VISIT TO BERNE (MY TELNO 340), BRUNNER SAID THERE WAS NONE. PRESIDENT'S VISIT, ALTHOUGH IT MIGHT INCLUDE DINNER WITH FEDERAL COUNCILLORS, PROBABLY ON 23 OCTOBER, WOULD NOT BE AN OFFICIAL ONE. HE DID NOT THINK IT WOULD TAKE MATTERS FURTHER AND DID NOT EXPECT ANY NEW DEVELOPMENT BEFORE NOVEMBER.

7. BRUNNER SAID THAT THE UN SECRETARY GENERAL HAD REFERRED TO CONFLICTING REPORTS WHICH HE HAD RECEIVED ABOUT THE BERNE TALKS. BRUNNER HAD REPLIED THAT, WHILST THE OUTCOME OF THE TALKS HAD BEEN UNFORTUNATE, IT WAS BETTER TO LOOK TO THE FUTURE THAN TO ANALYSE THE PAST. BRUNNER HAD ALSO REFERRED TO THE DAMAGE CAUSED BY INCORRECT PRESS REPORTS EMANATING FROM BUENOS AIRES DURING THE TALKS. THE SECRETARY GENERAL HAD ADVISED HIM NOT

TO BE DISCOURAGED. WHILST THE MOOD AMONGST DEVELOPING COUNTRIES AT THE UN WAS THAT SOVEREIGNTY SHOULD BE DISCUSSED, PEREZ DE CUELLAR WAS WELL AWARE OF THE DIFFICULTIES. THE SECRETARY GENERAL HAD ALSO SUGGESTED THAT UNILATERAL GESTURES OF GOODWILL BY EITHER SIDE MIGHT BE HELPFUL. IN THIS CONNECTION I OBSERVED THAT HMG HAD ALREADY MADE MORE THAN ONE SUCH GESTURE.

8. BRUNNER ALSO SAID HE EXPECTED THAT AUBERT ON HIS RETURN TO BERNE WOULD GIVE ME A FULLER ACCOUNT OF DISCUSSIONS ON THIS SUBJECT DURING HIS VISIT TO BUENOS AIRES.

9. BRUNNER MADE IT CLEAR THAT IN HIS TALKS WITH CAPUTO AND PEREZ DE CUELLAR HE HAD BEEN AT PAINS TO STATE THAT HE BROUGHT NO NEW PROPOSAL AND DID NOT WISH TO BECOME INVOLVED IN DISCUSSION OF A REVISION OF ARGENTINE DRAFT RESOLUTION. HE ALSO SAID THAT CAPUTO HAD TOLD HIM THAT THE SIMPLIFIED ARGENTINE DRAFT WAS INTENDED AS A CONCILIATORY SIGNAL IN OUR DIRECTION.

POWELL-JONES



10 DOWNING STREET

THE PRIME MINISTER

8 October 1984

ELLADP

file

CMVA
MOD

FCO

Henry Keel

Dear Mr. Joubert,

Thank you for your further letter of 27 September about events at the end of April and the beginning of May 1982.

The tone of your further letter suggests a remarkable absence of understanding or sympathy for the overriding concern of Ministers and their senior advisers at that time to protect the lives of those serving with the Task Force. Nor do you seem to appreciate that timely decisions had to be taken, in constantly changing circumstances and on the basis of sometimes limited and imperfect information. If, as you seem to imply, you believe that Ministers did not act in good faith and reasonably, I would prefer you to say so openly. I am myself entirely content to accept the verdict of the British people on whether the Government were right to respond to Argentine aggression and to take those actions which we and our senior professional advisers believed necessary to protect British lives.

As I explained in my letter to you of 19 September and in my letter of today's date to Dr David Owen (copy attached) John Nott's statement of 4 May must be seen in the context of the preoccupations of Ministers and Parliament at that time. It is also simply not true to suggest that the Government has not sought to rectify "the errors and misleading impressions", as you put it, in that statement. My letter of 4 April 1984 to Mr Denzil Davies dealt with the question of when the General Belgrano was first sighted by HMS CONQUEROR. The Annex to my letter to you of 19

September gave a great deal of further detail about events at that time including the question of the Belgrano's course and position. My letter to Dr Owen deals with the question of the alleged attack by CONQUEROR on one of the Belgrano's escorting destroyers. I have to say that the provision of this further information seems merely to prompt further questions of an increasingly detailed kind. Some, at least of these questions seem to be of doubtful relevance. None of this further detail has altered the Government's explanation of why it was necessary to alter the Rules of Engagement on 2 May and to attack the General Belgrano. Nor does it cast doubt in any way on our rejection, since questioning began on this issue, of alternative hypotheses put forward by Mr Dalyell and others. I have explained previously that it is now possible to give some of this further information which we were reluctant to reveal in 1982, as it has lost some of its operational significance.

You ask a number of questions about the reasoning behind the creation of the MEZ and the TEZ and the changes which were made in the Rules of Engagement. These are matters which the Foreign Affairs Committee can no doubt address, if they wish, when the Defence Secretary appears before them. I cannot say with certainty what influence the MEZ and the TEZ exerted on Argentine operations. At all times the Task Force had Rules of Engagement which enabled it to respond to the threat presented by Argentine forces, but the precise circumstances in which Argentine ships and aircraft could be engaged varied as the situation - and in particular the position of the Task Force and the threat which Argentine military forces could pose against it - developed. The warning which was issued to the Argentine Government on 23 April was reported to the United Nations on 24 April and met our obligations with regard to the attack on the Belgrano. The changes that were made in the Rules of Engagement took full account of diplomatic, military and legal considerations and of our best assessment of the

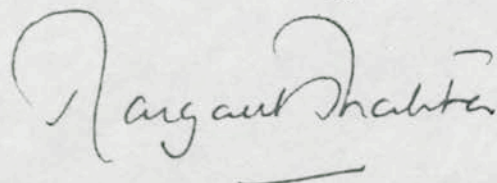
threat. The Chief of the Defence Staff and the Service Chiefs of Staff were responsible for giving professional military advice, taking account of the views of the operational commanders.

You ask a number of questions about the activities of the "War Cabinet". As was explained in the White Paper on the Falklands Campaign, the group of Ministers who conducted the higher management of the crisis met almost daily. The Foreign Secretary raised in writing on 1 May whether there was a need for a further warning to the Argentine Government. The Attorney General was present when Ministers met on 2 May. My letter to Dr Owen deals with the question of when Ministers knew of the precise course of the Belgrano on 2 May. I have already explained to you that this was irrelevant to the decision to permit the ship to be attacked.

It would not be right for me to comment on questions 8 and 14 in your letter. Nor will I place the log of CONQUEROR's movements in the Library of the House of Commons: the submarine's log is classified.

Finally, you ask whether any material has been made available to Ministers since May 1982 which would have led us to take different actions then. I dealt with this point directly in my letter to you of 19 September, but I repeat that no evidence has at any time become available to the Government which would make Ministers change the judgment they reached on 2 May that the Belgrano posed a threat to the Task Force. The ship was sunk solely for that reason.

Yours sincerely



George Foulkes, Esq., M.P.



10 DOWNING STREET

THE PRIME MINISTER

8 October 1984

Gen. Sir Owen

Thank you for your further letter of 25 September about the sinking of the General Belgrano.

The approach that underlies your letter seems to take no account of the circumstances and pressures under which Ministers and their senior advisers have to work when involved in an extremely hazardous military campaign conducted at a very great distance from the United Kingdom. The overriding responsibility of Ministers during the Falklands conflict was to address the strategy, both diplomatic and military, which would meet the wishes of Parliament in relation to the recovery of the Falkland Islands with the minimum risk to those serving in the Task Force. Ministers could not discharge this responsibility on the basis of minute by minute involvement in events happening 8,000 miles away. Nor, as events unfolded in early May with the Task Force under great threat, could Ministers devote their time solely to establishing in detail the circumstances surrounding individual operations which had already taken place: their principal concern had to be to look ahead and to seek to anticipate events.

John Nott's statement on 4 May and my own comments at the time must be seen in this context. You seem to imply that between the evening of 2 May and 4 May the Defence Secretary's sole concern would have been to establish the precise facts about events concerning the Belgrano on the

file

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FCO
Henry Keel

afternoon of 2 May. In fact he had many other concerns and his statement that day covered a number of events since 1 May of which the sinking of the Belgrano was but one element.

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evident in this argument, it may be that it would have helped to have said something more at that time, consistent with the need to avoid giving information of operational significance. I have to say, however, that the events of recent months suggest that the process of disclosure will never satisfy those determined to misinterpret the Government's actions at the time, but it might lead into areas which could risk irreparable damage to national security. This has been and will remain a crucial consideration for this Government.

Yours sincerely
Margaret Thatcher

The Rt. Hon. David Owen, M.P.

FALKLAND ISLANDS GENERAL

PS
PS/LADY YOUNG
PS/MR RENTON
PS/MR RIFKIND
PS/PDS
MR DEREK THOMAS
MR FREELAND
MR W HARDING
MR GOODALL
MR O'NEILL
MR C TICKELL
MR D C THOMAS
MR WESTON
MR BRUNSTON
ID/PUSD
ID/SAMD
ID/FID
ID/NEWS DEPT
ID/EED
ID/ECD (E)
ID/UND

PS/NO 10 DOWNING ST
PS/S OF S FOR DEFENCE
MR R NICHOLLS, AUSD STAFF, MOD
NR

PS/CHANCELLOR)
MISS M E CUND) TREASURY
MR LITTLER)

SIR R ARMSTRONG)
MR D S GOBBALL) CABINET
DIO *Carledge*) OFFICE

MR POWER, SAD, ODA

MR A FORTNAM IAT/D. TRANSPORT

RESIDENT CLERK

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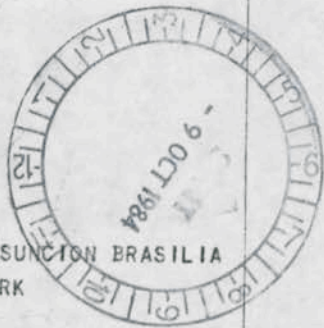
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FM BISBA

TO IMMEDIATE FCO

TELNO 660 OF 8 OCTOBER 1984



INFO PRIORITY MOD (SIC A3A), CEFFI BANK OF ENGLAND ASUNCION BRASILIA
CARACAS MEXICO CITY MONTEVIDEO SANTIAGO UKMIS NEW YORK
WASHINGTON PORT STANLEY

PRESS SUMMARY

1. THE BEAGLE AND FALKLANDS DISPUTES SHARE THE MAIN WEEKEND HEADLINES.
2. IN A THREE MINUTE RADIO AND TELEVISION BROADCAST ON FRIDAY, FOREIGN MINISTER DANTE CAPUTO EXPLAINED THAT, QUOTE AS IN ALL NEGOTIATIONS, CONCESSIONS HAVE BEEN MADE UNQUOTE, BUT HE CONTENDED THAT IN THE PROPOSED BEAGLE SETTLEMENT WITH CHILE QUOTE WE BELIEVE THAT WE HAVE ASSURED THE COUNTRY'S VITAL INTERESTS UNQUOTE. HE ADDED THAT THE TALKS WOULD BE FINALLY CONCLUDED QUOTE WITHIN A FEW DAYS UNQUOTE AND THAT INFORMATION ON THE AGREEMENT WOULD BE COMMUNICATED TO THE POPULATION IN TWO STAGES: FIRSTLY AN EXPOSITION OF THE HISTORICAL AND GEOGRAPHICAL BACKGROUND TO THE DISCUSSIONS AND SECONDLY THE ACTUAL TEXT OF THE TREATY.
3. CAPUTO WILL REPORTEDLY TRAVEL TO ROME ON 15 OCTOBER TO SIGN THE TREATY, AND THE RELATED PLEBISCITE IN ARGENTINA IS EXPECTED TO BE STAGED ON 18 OR 25 NOVEMBER. THE GOVERNMENT HAS ALREADY BEGAN ITS PROPAGANDA CAMPAIGN AND WILL ALLEGEDLY ALSO HOLD AN OPINION POLL AMONG CIVIL SERVANTS AND MEMBERS OF THE ARMED FORCES TO TEST THEIR REACTION TO THE AGREEMENT. THE PAPERS PRESENT NUMEROUS HISTORICAL ANALYSES OF THE CONFLICT WITH CHILE AND NOTE IN SELF-CONGRATULATORY TERMS THE POSITIVE INTERNATIONAL REACTION TO NEWS OF THE SETTLEMENT.
4. THE PRESS GLEEFULLY RECORD ATTACKS ON THE PRIME MINISTER FOR HER HANDLING OF FALKLANDS POLICY FROM SPEAKERS AT THE LABOUR PARTY CONFERENCE. RADICAL SENATOR LUIS LEON IS CITED AS SAYING AFTER HIS CONTACTS WITH BRITISH PARLIAMENTARIANS IN GENEVA THAT HE HAS NO FAITH IN ANY ENGLISHMEN QUOTE NEITHER IN LABOUR PARTY SUPPORTERS NOR IN THE CONSERVATIVES UNQUOTE.
5. DETAILS OF SWISS FOREIGN MINISTER PIERRE AUBERT'S FRIDAY PRESS CONFERENCE ARE CARRIED ON THE INSIDE PAGES. HE EXPRESSED DOUBTS ABOUT THE POSSIBILITY OF AN EARLY SOLUTION TO THE FALKLANDS QUESTION, BECAUSE OF THE FIRM AND CURRENTLY INCOMPATIBLE POSITIONS OF THE TWO SIDES. IN AN EARLIER CONVERSATION WITH MEMBERS OF THE SENATE FOREIGN RELATIONS COMMITTEE HE HAD HOWEVER PROMISED TO BRING

OF THE TWO SIDES. IN AN EARLIER CONVERSATION WITH MEMBERS OF THE SENATE FOREIGN RELATIONS COMMITTEE HE HAD HOWEVER SPOKEN OF SWISS AND BRAZILIAN INTEREST IN A QUOTE PROMPT RESUMPTION OF THE DIALOGUE UNQUOTE BETWEEN ARGENTINA AND THE UK. PRESIDENT ALFONSIN TOLD SWISS JOURNALISTS THAT HE WAS GRATEFUL FOR THE WAY THEIR GOVERNMENT WAS HANDLING THE FALKLANDS ISSUE.

6. MINISTRY OF THE INTERIOR UNDER-SECRETARY RAUL GALVAN DECLARED ON SATURDAY HIS BELIEF THAT ARGENTINA WOULD RECOVER THE ISLANDS BEFORE THE END OF ALFONSIN'S PERIOD OF OFFICE IN 1989.

7. ON HER RETURN FROM NEW YORK, MFA STATE SECRETARY ELSA KELLY INSISTED THAT QUOTE WE ARE WORKING HARD, INTENSIVELY, TO OBTAIN THE FIRST GOAL WHICH IS A DIALOGUE WITH GREAT BRITAIN UNQUOTE. SHE WAS OPTIMISTIC THAT ARGENTINA MIGHT OBTAIN MORE VOTES THIS YEAR FOR HER UNGA RESOLUTION, ALTHOUGH SHE REFUSED TO PREDICT A TIME-SCALE FOR THE SETTLEMENT OF THE DISPUTE. SHE ALSO NOTED THAT ARGENTINA HAD WHEN SIGNING THE UN CONVENTION ON THE LAW OF THE SEA, RECORDED HER RESERVATIONS CONCERNING ACT NUMBER 3 AND THE FINAL DECLARATION WHICH COULD BE USED TO BENEFIT THE FALKLAND ISLANDERS AND THE UK.

8. BRIEF COVERAGE IS GIVEN TO THE NAM CALL FOR US TO RESUME TALKS WITH ARGENTINA, AND TO THE SUPPORT VOICED BY THE VISITING POLISH FOREIGN MINISTER, STEFAN OLSZOWSKI, FOR ARGENTINE CLAIMS TO THE ISLANDS. OLSZOWSKI ADMITTED THAT POLISH TRAWLERS HAD BEEN FISHING IN THE PROTECTION ZONE AND EMPHASISED THAT HIS COUNTRY WISHED TO REACH AN AGREEMENT WITH ARGENTINA ON THAT SCORE.

9. TODAY'S "AMBITO FINANCIERO" REPORTS THAT THE ORIGINAL DRAFT UNGA RESOLUTION HAS BEEN TONED DOWN IN ACCORDANCE WITH SUGGESTIONS FROM EUROPEAN COUNTRIES WHO MIGHT NOW VOTE IN FAVOUR. THE REFERENCES TO "COLONIALISM" HAVE ALLEGEDLY BEEN REMOVED AND THE PHRASE QUOTE SOVEREIGNTY DISPUTE UNQUOTE HAS BEEN REPLACED BY THE WORDS QUOTE SITUATION STILL EXISTING (SITUACION SUBSISTENTE) IN THE MALVINAS/FALKLANDS ISLANDS UNQUOTE. FRANCE IS SEEN AS THE MOST LIKELY EC COUNTRY TO SUPPORT ARGENTINA AND THEREBY PROVOKE A DOMINO EFFECT. IN THIS CONTEXT, THE ARGENTINE AMBASSADOR TO PARIS, CARLOS ORTIZ DE ROZAS, HAS ALLUDED TO THE POSITIVE IMPACT WHICH ALFONSIN'S FORTHCOMING INTERVIEW WITH MITTERRAND WILL HAVE.

10. THE CGT AND EMPLOYERS REPRESENTATIVES ARE DUE TO DISCUSS THE ECONOMIC SITUATION WITH ALFONSIN TODAY AND WILL REPUTEDLY DEMAND BERNARDO GRINSPUN'S RESIGNATION. TRANSPORT WORKERS AND BANK CLERKS HAVE THREATENED FURTHER STRIKE ACTION.

11. THE PARALLEL DOLLAR RATE FELL BY 6.4 PER CENT LAST WEEK WHICH, COMBINED WITH AN INCREASE IN THE DAILY DEVALUATION OF THE OFFICIAL RATE TO 0.79 PER CENT, HAS REDUCED THE DISCREPANCY BETWEEN THE TWO LEVELS TO 19 PER CENT. "AMBITO FINANCIERO" ESTIMATES THAT INFLATION DURING THE FIRST SEVEN DAYS OF OCTOBER REACHED 8.7 PER CENT BUT IS LIKELY TO REMAIN UNDER 20 PER CENT FOR THE MONTH.

12. FORMER WEST GERMAN CHANCELLOR WILLY BRANDT STATED THAT ARGENTINA NEEDS QUOTE ALL THE HELP POSSIBLE, DESPITE HER PREVIOUS MISTAKES UNQUOTE TO OVERCOME HER FOREIGN DEBT CRISIS. GRINSPUN AND CENTRAL BANK PRESIDENT GARCIA VAZQUEZ ARE EXPECTED TO SPEND MOST OF THIS WEEK DISCUSSING WITH INTERNATIONAL CREDITORS THE PAYMENT OF EXCHANGE INSURANCE AND SWAPS FALLING DUE IN 1984 AND 1985.

13. THE INTER-AMERICAN DEVELOPMENT BANK (IDB) AND THE WORLD BANK HAVE GRANTED ARGENTINA LOANS FOR 160 AND 100 MILLION DOLLARS RESPECTIVELY TO FINANCE A PETROCHEMICAL PLANT AND THE IMPORT OF ESSENTIAL RAW MATERIALS.

14. RELATIONS WITH PARAGUAY ARE RUMOURED TO HAVE SERIOUSLY DETERIORATED.

JOYOQ
UN

POWELL-JONES

NNNN



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~8307822~~ 218 2111/3

MO 5/21

5th October 1984

Action taken
on copies of
these drafts
Q.

New answer,

THE BELGRANO

You asked for draft replies to the further letters of 25th and 27th September from Dr Owen and Mr Foulkes.

The Defence Secretary believes that, on balance, there would be advantage in sending replies to both of these letters which yet again set out the context in which Ministers were having to take decisions at the time and give a robust justification of the actions that were taken. I attach drafts on this basis. We have not sought to provide individual answers to each of Mr Foulkes's questions since we believe it would be inappropriate for the Prime Minister to reply to him in this way; but nearly all of his questions are covered in the proposed answer. The Defence Secretary can answer the detailed questions about rules of engagement when he appears before the Foreign Affairs Committee.

The attachments have been cleared with the FCO at official level, but have not yet been seen by the Foreign and Commonwealth Secretary himself.

I am copying this letter and the attachments to Peter Ricketts (FCO), Henry Steel (Attorney General's office) and Richard Hatfield (Cabinet Office).

Yours etc,

Richard Mottram

(R C MOTTRAM)

C Powell Esq

DRAFT LETTER TO DR DAVID OWEN MP

Thank you for your further letter of 25th September about the sinking of the General Belgrano.

2. The approach that underlies your letter seems to take no account of the circumstances and pressures under which Ministers and their senior advisers must work when involved in an extremely hazardous military campaign. The overriding responsibility of Ministers during the Falklands conflict was to address the strategy, both diplomatic and military, which would meet the wishes of Parliament in relation to the recovery of the Falkland Islands with the minimum risk to those serving in the Task Force. Ministers could not discharge this responsibility on the basis of minute by minute involvement in events happening 8,000 miles away. Nor, as events unfolded in early May with the Task Force under great threat, could Ministers devote their time solely to establishing in detail the circumstances surrounding individual operations which had already taken place: their principal concern had to be to look ahead and to seek to anticipate events.

3. John Nott's statement on 4th May and my own comments at the time must be seen in this context. You seem to imply that between the evening of 2nd May and 4th May the Defence Secretary's sole concern would have been to establish the precise facts about events concerning the Belgrano on the afternoon of 2nd May. In fact he had many other concerns and his statement on 4th May covered a number of events since 1st May of which the sinking of the Belgrano was but one element.

4. As I have explained Ministers took their decision on 2nd May to change the rules of engagement in the light of the clear and unequivocal indications of the real and direct threat to the Task Force posed by the Argentine Navy. They were aware of the general disposition of our own forces and of our assessment of the probable movements of the Argentine Navy. Even where the position of an Argentine unit was known, as in the case of the Belgrano, this information could be updated only at intervals and between such reports the units concerned could move substantial distances in any direction. It was the case as John Nott said to the House in May 1982 and I repeated in December 1982 that "the General Belgrano and a group of British warships could have been within striking distance of each other in a matter of some five to six hours, converging from a distance of some 200 nautical miles". Conqueror's report of the Belgrano's reversal of course and of her position at 3 pm on 2nd May does not invalidate this since the Belgrano could have changed course again and closed on elements of the Task Force. Ministers were aware of the distance between the two groups of ships to the degree of accuracy and probability which was feasible and sufficient in the circumstances. I do not see how military operations could be conducted successfully on any other basis. If Ministers had sought to monitor every development in the tactical disposition of forces on both sides and tried to control every engagement in detail from London the results would I believe have been disastrous. It was against this background that I have already explained that Ministers were not informed at the time of the precise course of the Belgrano when she was sunk. Indeed this information did not come to Ministers' attention until the end of November 1982 when all

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5. As well as making much of the Belgrano's position, you also refer at length to the question of whether the accompanying destroyers were attacked in any way. The facts are that the original statements by Ministers were based upon Conqueror's original report that two torpedoes had hit the cruiser. It subsequently emerged that Conqueror had fired one salvo consisting of three torpedoes. I am aware of reports that the third torpedo hit the destroyer HIPOLITO BOUCHARD. All I can say [redacted] is that the destroyer was on the far side of the Belgrano when the salvo was fired. It is therefore possible that the third torpedo hit her but there is still no conclusive evidence available to us that it happened. There is therefore no need to correct my statement of 4th May since it is a statement of fact that the Conqueror did not attack the destroyer.

6. Finally you suggest that the record should have been corrected on the eve of the publication of the White Paper/^{on the Falklands Campaign} to take account of the knowledge we then had of the exact course and position of the Belgrano, that there had not been "constant" changes of course and that three torpedoes had been fired. As I have explained many times, the precise position and course of the Belgrano were irrelevant; we do not have a continuous record of the course which the Belgrano followed but certainly she made many changes of course during 2nd May which is all we have ever claimed; and the question of the number of torpedoes seems to have limited bearing on the rightness or otherwise of the decisions taken. ^{attack on the} The/Belgrano occupied one paragraph

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DRAFT LETTER TO MR GEORGE FOULKES MP

Thank you for your further letter of 27th September about events at the end of April and the beginning of May 1982.

2. The tone of your further letter suggests that you have little understanding or sympathy for the overriding concern of Ministers and their senior advisers at that time to protect the lives of those serving with the Task Force. Nor do you seem to appreciate that timely decisions had to be taken to adapt to changing circumstances in our efforts to achieve a negotiated settlement and in the military dispositions on both sides on the basis of the sometimes limited and imperfect information available at the time. If, as you seem to imply, you believe that Ministers did not act in good faith and reasonably, it would be preferable if you would state this openly. I am myself entirely content to accept the verdict of the British people on whether the Government were right to respond to Argentine aggression and to take those actions which we and our senior professional advisers believed necessary to protect British lives.

3. As I explained in my letter to you of 19th September and in my letter of today's date to Dr David Owen (copy attached), John Nott's statement of 4th May must be seen in the context of the preoccupations of Ministers at that time. It is also simply not true to suggest that the Government has not sought to rectify "the errors and misleading impressions", as you put it, in that statement.

My letter of 4th April 1984 to Mr Denzil Davies dealt with the question of when the General Belgrano was first sighted by HMS CONQUEROR. The Annex to my letter to you of 19th September gave a good deal of further detail about events at that time including the question of the Belgrano's course and position. My letter to Dr Owen deals with the question of the alleged attack by CONQUEROR on one of the Belgrano's escorting destroyers. I have to say that the provision of this further information seems merely to prompt further questions of an increasingly detailed kind: some, at least, of these questions seem to be of doubtful relevance. None of this further detail has altered the Government's explanation of why it was necessary to change the rules of engagement on 2nd May and to attack the General Belgrano. Nor does it cast doubt in any way on our rejection, since questioning began on this issue, of alternative hypotheses put forward by Mr Dalyell and others. I have explained previously that it is now possible to give some of this further information which we were reluctant to reveal in 1982, as it has lost some of its operational significance.

4. You ask a number of questions about the reasoning behind the creation of the Maritime Exclusion Zone (MEZ) and the Total Exclusion Zone (TEZ) and the changes which were made in the rules of engagement. These are matters which the Foreign Affairs Committee can no doubt address, if they wish, when the Defence Secretary appears before them. I cannot say with certainty what influence the MEZ and the TEZ exerted on Argentine operations. At all times the Task Force had rules of engagement which enabled it to respond to the threat presented by Argentine forces, but the precise circumstances in which Argentine ships and aircraft could be

engaged varied as the situation - and in particular the position of the Task Force and the threat which Argentine military forces could pose against it - developed. The rules of engagement were within the scope of the warning issued to the Argentine Government on 23rd April. That warning was reported to the United Nations Security Council on 24th April and met our obligations under Article 51 of the UN Charter. The changes that were made in the rules of engagement took full account of diplomatic, military and legal considerations and of our best assessment of the threat. The Chief of the Defence Staff and the Service Chiefs of Staff were responsible for giving professional military advice, taking account, of course, of the views of the operational commanders.

5. You ask a number of questions about the activities of the "War Cabinet". As was explained in the White Paper on the Falklands Campaign, the group of Ministers who conducted the higher management of the crisis met almost daily. The Foreign Secretary raised in writing on 1st May whether there was a need for a further warning to the Argentine Government. The Attorney General was present when Ministers met on 2nd May. My letter to Dr Owen deals with the question of when Ministers knew of the precise course of the Belgrano on 2nd May. I have already explained to you that this was irrelevant to the decision to permit the ship to be attacked.

6. I am not prepared to comment on questions 8 and 14 in your letter. Nor will I place the log of CONQUEROR's movements in the Library of the House of Commons: the submarine's log is classified.

7. Finally, you ask whether any material has been made available to Ministers since May 1982 which would have led us to take different

actions then. I in fact dealt with the point directly in my letter to you of 19th September, but I will, if I must, repeat to you again that no evidence has at any time become available to the Government which would make Ministers change the judgement they reached on 2nd May that the Belgrano posed a threat to the Task Force. The ship was sunk solely for that reason.

ARGENTINA: Relativis: Pz 38.

ECLADO

I agree. Excellent. FERRIS.
See one question on page 3. I think this - which is
FERRIS still being cleared
interdepartmentally - is
very good. Any
comments?
C.D.P.

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Is this true? I thought we had a detailed log.

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ADP

FEDB

Any comment?

CDP

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2. The tone of your further letter suggests ^{a remarkable absence of} ~~that you have~~ little understanding or sympathy for the overriding concern of Ministers and their senior advisers at that time to protect the lives of those serving with the Task Force. Nor do you seem to appreciate that ^{timely} decisions had to be taken, ^{in constantly} ~~to adapt to~~ changing circumstances ^{in our} efforts to achieve a negotiated settlement and in the military dispositions on both sides and that such decisions had to be taken ^{and} quickly on the basis of the sometimes limited and imperfect information available at the time. If, as you seem to imply, you believe that Ministers did not act in good faith and reasonably, ^{I would} ~~it would be~~ preferable ^{to say so} ~~if you would state~~ this openly. I am myself entirely content to accept the verdict of the British people on whether the Government were right to respond to Argentine aggression and to take those actions which we and our senior professional advisers believed necessary to protect British lives.

3. As I ~~sought to~~ explain ^{ed} ~~in the Annex to~~ my letter to you of 19th September and ~~have done so again~~ in my letter of today's date to Dr David Owen ^(attached) ~~of which I attach a copy~~, John Nott's statement of 4th May must be seen in the context of the preoccupations of ^{and Parliament} Ministers ~~at~~ that time. It is also simply not true to suggest that the Government has not sought to rectify "the errors and misleading

impressions", as you put, it in that statement. My letter of 4th April 1984 to Mr Denzil Davies dealt with the question of when the General Belgrano was first sighted by HMS CONQUEROR. The Annex to my letter to you of 19th September gave a ^{great} good deal of further detail about events ^{at that time} ~~on 2nd May 1982~~ including the question of the Belgrano's course and position. My letter to Dr Owen deals with the question of the alleged attack by CONQUEROR on one of the Belgrano's escorting destroyers. I have to say that the provision of this further information seems merely to prompt further questions of an increasingly detailed kind; some ~~of which~~, ^{or these questions} at least seem to be of doubtful relevance. None of this further detail has altered the Government's explanation of why it was necessary to alter the Rules of Engagement on 2nd May ^{and} ~~which~~ led to the attack ~~on~~ the General Belgrano. Nor does it cast doubt in any way on our rejection, since questioning began on this issue, of alternative hypotheses put forward by Mr Dalyell and others. I have explained previously ^{that} ~~why~~ it is now possible to give some of this further information which we were reluctant to reveal in 1982, ^{as} ~~since~~ it has ~~now~~ lost some of its operational significance.

4. You ask a number of questions about the reasoning behind the creation of the MEZ and the TEZ and the changes which were made in the Rules of Engagement. These are matters which the Foreign Affairs Committee can no doubt address, if they wish, when the Defence Secretary appears before them. I cannot say with certainty what influence the MEZ and the TEZ exerted on Argentine operations. At all times the Task Force had Rules of Engagement which enabled it to respond to the threat presented by Argentine forces, but the precise circumstances in which Argentine ships and aircraft could be

engaged varied as the situation - and in particular the position of the Task Force and the threat which Argentine military forces could pose against it - developed. The warning which was issued to the Argentine Government on 23rd April was reported to the United Nations on 24th April and met our obligations with regard to the attack on the Belgrano. The changes that were made in the Rules of Engagement took full account of diplomatic, military and legal considerations and of our best assessment of the threat. The Chief of the Defence Staff and the Service Chiefs of Staff were responsible for giving professional military advice; taking account, ~~of course,~~ of the views of the operational commanders.

5. You ask a number of questions about the activities of the "War Cabinet". As was explained in the White Paper on the Falklands Campaign, the group of Ministers who conducted the higher management of the crisis met almost daily. The Foreign Secretary raised in writing on 1st May whether there was a need for a further warning to the Argentine Government. The Attorney General was present when Ministers met on 2nd May. My letter to Dr Owen deals with the question of when Ministers knew of the precise course of the Belgrano on 2nd May. I have already explained to you that this was irrelevant to the decision to permit the ship to be attacked.

It would not be right for me

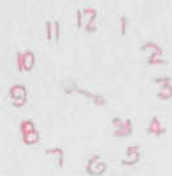
6. ~~I am not prepared~~ to comment on questions 8 and 14 in your letter. Nor will I place the log of CONQUEROR's movements in the Library of the House of Commons: the submarine's log is classified.

7. Finally, you ask whether any material has been made available to Ministers since May 1982 which would have led us to take different actions then. I ~~in fact~~ dealt with ~~this~~ point directly in my letter to you of 19th September, but ~~I will if I must repeat to you again that~~

no evidence has at any time become available to the Government which would make Ministers change the judgement they reached on 2nd May that the Belgrano posed a threat to the Task Force. The ship was sunk solely for that reason.

CP

- 4 OCT 1984



GRS 400

PS TO PM, NO. 10, DOWNING ST.

UNCLASSIFIED

(FM BERNE 051015Z)

See para. 9. over
CDP

FM BISBA

TO IMMEDIATE FCO

TELNO 654 OF 4 OCTOBER 1984

INFO PRIORITY MOD (SIC A3A), CBFFI BANK OF ENGLAND ASUNCION BRASILIA
CARACAS MEXICO CITY MONTEVIDEO SANTIAGO UKMIS NEW YORK
WASHINGTON PORT STANLEY

PRESS SUMMARY

1. THE ECONOMY DOMINATES THE HEADLINES. THE CGT AND EMPLOYERS REPRESENTATIVES ARE EXPECTED TO DISCUSS WITH ALFONSIN NEXT MONDAY THEIR CONCERN ABOUT THE GOVERNMENT'S POLICIES FOLLOWING THE AGREEMENT WITH THE IMF. THE CGT WILL ALSO TODAY DEMAND AN EMERGENCY PAY RISE FOR WORKERS.
2. BERNARDO GRINSPUN HAS DENIED THAT THE UNDERSTANDING WITH THE IMF WILL HAVE A RECESSIVE IMPACT AND MAINTAINED THAT DURING THE LAST QUARTER OF THE YEAR QUOTE SALARIES CANNOT BE THE ADJUSTABLE VARIABLE, BUT RATHER EMPLOYERS WILL HAVE TO MAKE A SACRIFICE UNQUOTE. TRADE SECRETARY RICARDO CAMPERO HAS ANNOUNCED THAT OCTOBER PRICE INCREASES WILL BE RESTRICTED TO 14 PER CENT.
3. 'CLARIN' REPORTS THAT PRESIDENT ALFONSIN WILL QUOTE SUMMON UNQUOTE A MEETING OF THE CLUB DE PARIS WHEN HE VISITS FRANCE ON 22 AND 23 OCTOBER. ARGENTINA WILL ALLEGEDLY SEEK TO RESCHEDUL 2.5 BILLION DOLLARS IN LOANS FROM CLUB MEMBERS AND REQUEST ADDITIONAL CREDIT OF 1.3 BILLION DOLLARS. THE PAPER NOTES THAT PRIOR TO ANY SUCH AGREEMENT ARGENTINA MUST LIFT HER FINANCIAL AND COMMERCIAL RESTRICTIONS CURRENTLY IN FORCE AGAINST THE UK.
4. ACCORDING TO US DEPARTMENT OF AGRICULTURE ESTIMATES THE 1984-85 ARGENTINE GRAIN HARVEST WILL REACH 38.5 MILLION TONS, 3.7 PER CENT DOWN ON LAST YEAR.
5. SPECULATION CONTINUES ABOUT THE IMMINENCE OF A BEAGLE SETTLEMENT WITH CHILE AND THE TIMING OF THE RELATED NATIONAL PLEBISCITE. DIFFERENCES BETWEEN THE TWO COUNTRIES ARE HOWEVER SAID TO REMAIN, INCLUDING A CHILEAN DEMAND FOR AN ANCHORAGE ON THE STATES ISLANDS.
6. WIDE COVERAGE IS GIVEN ON THE INSIDE PAGES TO THE VISIT OF THE SWISS FOREIGN MINISTER PIERRA AUBERT. HE YESTERDAY DENIED THAT THERE HAD BEEN ANY MOVES TO STAGE ANOTHER MEETING BETWEEN ARGENTINA AND THE UK BUT ADDED THAT SWITZERLAND REMAINED AT THE DISPOSAL OF BOTH PARTIES IF THEY WISHED TO ARRANGE FURTHER CONTACTS. HIS ARGENTINE COUNTERPART, DANTE CAPUTO, INDICATED THAT THE FALKLANDS WOULD BE ONE OF THE TOPICS FOR DISCUSSION DURING AUBERT'S TWO DAY VISIT.

APR 20 1984

Re: [redacted]

7. WILLY BRANDT ALSO ARRIVED IN BUENOS AIRES YESTERDAY AND, IN RESPONSE TO JOURNALISTS' QUESTIONS, REFERRED TO THE COMMUNIQUE AFTER THE SOCIALIST INTERNATIONAL'S MEETING IN RIO DE JANEIRO WHICH SUPPORTED A NEGOTIATED SOLUTION TO THE FALKLANDS DISPUTE.
8. FORMER US PRESIDENT JIMMY CARTER WILL VISIT ARGENTINA NEXT MONDAY.
9. ALL PAPERS HEADLINE THE NEWS THAT ALFONSIN IS ONE OF THE NOMINEES FOR THIS YEAR'S NOBEL PEACE PRIZE.

JOY

UNQUOTE
POWELL-JONES

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Argentinian
draft.

CJP

7699 - 1

OO TOKYO
OO SEOUL
GRS 440
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FM FCO 041644Z OCT 84
TO IMMEDIATE TOKYO
TELEGRAM NUMBER 529 OF 4 OCTOBER
INFO IMMEDIATE SEOUL (FOR PS/MR LUCE)
MIPT: FALKLANDS AT THE UN
FOLLOWING IS UNOFFICIAL TRANSLATION OF AMENDED DRAFT RESOLUTION:
THE GENERAL ASSEMBLY,

HAVING CONSIDERED THE QUESTION OF THE FALKLAND ISLANDS
(MALVINAS) AND HAVING RECEIVED THE REPORT OF THE SECRETARY
GENERAL,

RECALLING GENERAL ASSEMBLY RESOLUTIONS 1514 (XV), 2065 (XX),
3160 (XXVIII), 31/49, 37/9 AND 38/12, AS WELL AS SECURITY COUNCIL
RESOLUTIONS 502 (1982) AND 505 (1982),

REAFFIRMING THE PRINCIPLES OF THE CHARTER OF THE UNITED
NATIONS ON THE NON-USE OF FORCE OR THE THREAT OF THE USE OF FORCE
IN INTERNATIONAL RELATIONS AND THE OBLIGATION OF STATES TO SETTLE
THEIR INTERNATIONAL DISPUTES BY PEACEFUL MEANS AND, RECALLING
THAT, IN THIS REGARD, THE GENERAL ASSEMBLY HAS REPEATEDLY
REQUESTED THE GOVERNMENTS OF ARGENTINA AND THE UNITED KINGDOM TO
RENEW NEGOTIATIONS IN ORDER TO FIND AS SOON AS POSSIBLE A
PEACEFUL, JUST AND DEFINITIVE SOLUTION TO THE SOVEREIGNTY DISPUTE
RELATING TO THE QUESTION OF THE FALKLAND ISLANDS (MALVINAS),

NOTING WITH CONCERN THAT, NOTWITHSTANDING THE TIME THAT HAS
ELAPSED SINCE THE ADOPTION OF RESOLUTION 2065 (XX), THIS
PROLONGED DISPUTE HAS NOT YET BEEN SETTLED,

AWARE OF THE INTEREST OF THE INTERNATIONAL COMMUNITY IN THE
GOVERNMENTS OF ARGENTINA AND THE UNITED KINGDOM SETTLING ALL
THEIR DIFFERENCES, IN ACCORDANCE WITH THE UNITED NATIONS IDEALS
OF PEACE AND FRIENDSHIP BETWEEN PEOPLES,

TAKING NOTE OF THE COMMUNIQUE ISSUED BY THE GOVERNMENT OF

CONFIDENTIAL

7699 - 1

SWITZERLAND AND REPRESENTATIVES OF THE GOVERNMENT OF BRAZIL IN
BERNE ON 20 JULY 1984,

REAFFIRMING THE NEED FOR THE PARTIES TO TAKE DUE ACCOUNT OF
THE INTERESTS OF THE POPULATION OF THE FALKLAND ISLANDS
(MALVINAS) IN ACCORDANCE WITH THE PROVISIONS OF GENERAL ASSEMBLY
RESOLUTIONS 2065 (XX), 3160 (XXVIII), 37/9 AND 38/12,

1. REITERATES ITS REQUEST TO THE GOVERNMENTS OF ARGENTINA AND
THE UNITED KINGDOM TO RESUME NEGOTIATIONS IN ORDER TO FIND AS
SOON AS POSSIBLE A PEACEFUL SOLUTION TO THE SOVEREIGNTY DISPUTE
RELATING TO THE QUESTION OF THE FALKLAND ISLANDS (MALVINAS),
2. REQUESTS THE SECRETARY GENERAL TO CONTINUE HIS RENEWED
MISSION OF GOOD OFFICES IN ORDER TO ASSIST THE PARTIES IN
COMPLYING WITH THE REQUEST MADE IN PARAGRAPH ONE ABOVE, AND TO
TAKE THE NECESSARY MEASURES TO THAT END,
3. REQUESTS THE SECRETARY GENERAL TO PRESENT A REPORT TO THE
GENERAL ASSEMBLY AT ITS 40TH SESSION ON THE PROGRESS MADE IN THE
IMPLEMENTATION OF THE PRESENT RESOLUTION,
4. DECIDES TO INCLUDE IN THE PROVISIONAL AGENDA OF ITS 40TH
SESSION THE ITEM ENTITLED 'QUESTION OF THE FALKLAND ISLANDS
(MALVINAS)'.

HOWE

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10 DOWNING STREET

From the Private Secretary

1 October 1984

Dear Richard,

BELGRANO

I sent you on 28 September a further letter from Mr. George Foulkes, MP, to the Prime Minister about the Belgrano and asked for a draft reply.

The Prime Minister's inclination is to send a short reply of the sort suggested in my letter to you, but she would welcome the Defence Secretary's views and would be guided by them.

Yours sincerely,
Chris Powell

(C.D. POWELL)

Richard Mottram, Esq.,
Ministry of Defence.



Government Chief Whip
12 Downing Street, London SW1

From the Private Secretary

RESTRICTED

1 October 1984

Dear Charles,

Prime Minister's letter about the Belgrano Affair

The Chief Whip has seen a copy of your letter of 21 September in reply to Richard Mottram's of 20 September and also Alex Galloway's of 24 September, in which he expresses the Paymaster-General's view that it would be a good idea to circulate the Prime Minister's letter to George Foulkes MP to Government back benchers.

The Deputy Chief Whip, Mr Cope, subsequently spoke to the Paymaster-General and they concluded that there is in fact no need to send this letter to all Conservative back benchers. The Chief Whip shares this view.

I am copying this letter to the private secretaries to the Lord President, the Foreign and Commonwealth Secretary, the Secretary of State for Defence, the Lord Privy Seal, the Paymaster-General and Richard Hatfield (Cabinet Office).

yours ever,

Murdo

(Murdo MacLean)

C D Powell Esq.,
10 Downing Street

1 OCT 1984

PRIME MINISTER

BELGRANO

There has already been a follow-up letter from Dr. Owen.
Now a lot more detailed questions from Mr. Foulkes.

Work is in hand on a detailed reply. But you may like to consider whether the time has not come to say that your earlier letter and annex set out clearly what actually happened and corrected certain earlier statements. Continuance of these exchanges based on minute scrutiny of all the details of a fast-moving military action will serve no useful purpose. You do not therefore propose to reply in detail.

Agree to this?

Yes - I think that is best.

Or prefer detailed reply?

subject to M.H.,

Or wait and see what Mr. Heseltine advises?

wait.

no

E.D.P.

28 September 1984



VSCABF

cpc

10 DOWNING STREET

From the Private Secretary

28 September 1984

BELGRANO

BF 1
I enclose a copy of a further letter from Mr. George Foulkes, MP, putting a large number of detailed questions on the Belgrano incident. I should be grateful for a draft reply.

It is for consideration whether the Prime Minister should not simply send a short reply which says that she has already set out clearly in the earlier letter and annex what happened and corrected certain earlier statements. She has nothing further to add and does not therefore propose to continue the correspondence. Against this, the Defence Secretary is likely to have to answer the detailed questions at some stage, so there is nothing to be lost by giving a full reply now.

I think the Prime Minister would welcome the Defence Secretary's advice on which would be the better course.

I am sending a copy of this letter and the enclosure to Colin Budd (Foreign and Commonwealth Office).

C.D. POWELL

Richard Mottram, Esq.,
Ministry of Defence.

From: George Foulkes. M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

27 September 1984

R28

The Rt Hon Mrs Margaret Thatcher MP
Prime Minister
10 Downing Street
London SW1

Dear Prime Minister

Thank you for your letter of 19th September.

Your reply failed to answer the question in my letter of 14th September and I am obliged to ask it again. When did the War Cabinet learn of the change in the course of the Belgrano communicated to Northwood at 3.40 pm on 2nd May? If the War Cabinet as such did not learn of the change, when did you as Prime Minister? You will appreciate my concern. Since the end of hostilities and the Argentine surrender on 14th June over 75 questions relating to the sinking of the Belgrano have been asked in the House of Commons. Yet on no occasion has your Government sought to rectify the errors and misleading impressions given by Sir John Nott in his statement to the House of Commons on 4th May.

I would seek clarification on the following points:

1. At what time on 2nd May did Admiral Woodward seek a change in the Rules of Engagement? If the Belgrano was posing a threat, why was a change not sought immediately after visual contact had been established with the Belgrano at 2.00 pm on 1st May?
2. You state in paragraph 7 in the annex to your letter that "On May 1st . . . the Foreign Secretary raised the need for a further warning to the Argentine Government". Was this communicated to the War Cabinet orally or in writing?
3. In your speech to the House of Commons on 14th April (Hansard vol. 21 col. 1147) you state in connection with the establishment of the Maritime Exclusion Zone: ". . . any Argentine warships and Argentine Naval Auxiliaries found within this Zone are treated as hostile and are liable to be attacked by British Forces . . . It appears to have exerted influence on Argentina, whose navy has been concentrated outside the zone. If the zone is challenged, we shall take that as the clearest evidence that the search for a peaceful solution has been abandoned." What influence did it exert and did the change in the Rules of Engagement accompanying the establishment of the MEZ, and subsequently the TEZ, allow attacks on Argentine positions outside the zones?

CF pps
A210287
CMA
SCIM.

4. Why were the Rules of Engagement changed on 2nd May to allow attacks on all Argentine ships, and not just the Belgrano, as requested by Admiral Woodward?
5. In your answer to Denzil Davies of 4th April, 1984, you quote Admiral Woodward as saying, relating to the Belgrano, "I therefore sought, for the first and only time throughout the campaign, a major change to the Rules of Engagement". Did he not seek a change on 30th April to enable an attack on '25 de Mayo'? If not, on whose advice did you authorise a change?
6. As no formal state of war existed and action was taken under Article 51 of the U.N. Charter, was the change in the Rules of Engagement on 2nd May immediately reported to the Security Council as required by Article 51? If not, on what date was it reported?
7. In establishing the MEZ and the TEZ, what criteria were used and on whose advice was 200 miles fixed as the limit?
8. When did (a) Northwood and (b) the War Cabinet learn of Argentinian orders for their ships to return to base?
9. Whether you will place in the Library of the House of Commons the log of Conqueror's movements for 2nd - 4th May 1982.
10. Has national security been damaged by your letter to me of 19th September 1984? If not how do you explain the comment of your Minister on 16th December 1982 (Hansard col 261) in which he refuses to reveal facts, revealed in your letter, on the grounds of a "detriment of our security".
11. Did the War Cabinet meet daily throughout the conflict and was the Attorney General present at the meeting of 2nd May?
12. Why did you claim on 21st February 1984 in answer to Mr Dalyell's question on the Belgrano (Hansard col 695) that: "The full facts are there. . . . They support the Government's case". Do you not agree that the full facts had not been given on that date?
13. Whether you agree with statements made by Lord Lewin in the same Panorama programme to which you referred in your letter, that the Belgrano "was a threat as long as she existed".
14. Why did Conqueror believe that the Belgrano was still afloat without steering on 3rd May?
15. You state that "On the basis of all the material that was available at the time, my colleagues and I were satisfied that we took the right decisions". Has any material been made available to you since that would have led you to take different actions?

- 3 -

I look forward to receiving answers to these points as well as to my previous question of 14th September, which was not answered in your reply of 19th September.

Yours sincerely

Am Clarke

fp GEORGE FOULKES MP

Dictated by Mr Foulkes and signed in his absence.

Argentina
PT 38 Relatrag



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FALKLAND ISLANDS GENERAL

PS (2)
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 PS/MR RENTON
 PS/MR RIFKIND
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 J FREELAND
 SIR W HARDING
 MR GOODALL
 MR O'NEILL
 MR C TICKELL
 MR D C THOMAS
 MR WESTON
 MR BAZZINGTON
 ID/PUSD
 ID/SAMD
 ID/FID
 ID/NEWS DEPT
 ID/EED
 ID/ECD (E)
 ID/UND

(2)

PS/NO 10 DOWNING ST
 PS/S OF S FOR DEFENCE
 MR ~~PD~~ NICHOLLS, AUSD STAFF, MOD
 NH

PS/CHANCELLOR }
 MISS M E CUND } TREASURY
 MR LITTLER }

SIR R ARMSTRONG }
 MR ~~A D S~~ COBBALL } CABINET
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MR A FORTNAM IAT/D. TRANSPORT

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(FM BERNE 271540Z)
 FM BISBA
 TO IMMEDIATE FCO
 TELNO 639 OF 26 SEPTEMBER 1984

MW

REPEATED IMMEDIATE UKMIS NEW YORK, WASHINGTON, SANTIAGO,
 UKREP BRUSSELS, MONTEVIDEO, EC POSTS

BRITISH / ARGENTINE RELATIONS : ARGENTINE FALKLANDS RESOLUTION

1. AT TODAY'S MONTHLY EC MEETING AND LUNCH THERE WAS CONSIDERABLE DISCUSSION OVER PREPARATIONS FOR THE UNGA DEBATE ON THE ARGENTINE RESOLUTION. THE FIRST QUESTION I ASKED MY COLLEAGUES WAS HOW THEIR OWN GOVERNMENTS WOULD VOTE THIS YEAR. THE ITALIAN AMBASSADOR, FRESH FROM A MEETING WITH GEORGE SABATO, ARGENTINE MFA SECRETARY OF STATE FOR SPECIAL AFFAIRS, INCLUDING THE FALKLANDS, TOLD US THAT WHEN HE HAD POINTED OUT TO SABATO THE TOUGHER REFERENCES IN THIS YEAR'S DRAFT TO COLONISATION AND THE STRONG CONTRAST DRAWN BETWEEN BRITISH INTRANSIGENCE AND ARGENTINE WILLINGNESS TO NEGOTIATE, EXPLAINING THAT THIS WOULD BE DIFFICULT FOR EUROPEAN STATES TO ACCEPT, SABATO HAD REPLIED THAT THESE WERE NEGOTIABLE. THE FRENCH AMBASSADOR THEN

HAD REPLIED THAT THESE WERE NEGOTIABLE. THE FRENCH AMBASSADOR THEN CONFIRMED HIS UNDERSTANDING THAT THE INITIAL DRAFT HAD BEEN MADE TOUGHER AS A TACTIC TO PERMIT SUBSEQUENT EASING UP FOR THE BENEFIT OF THOSE EUROPEAN STATES AND OTHERS WHO MIGHT BE ON THE BRINK OF CHANGING THEIR VOTES TO FAVOUR ARGENTINA.

2. MY COLLEAGUES AGREED THAT A GENUINE AGREEMENT WITH THE IMF WOULD BE A PSYCHOLOGICAL PLUS FOR ARGENTINA, SHOWING HER AT LAST WILLING TO COMPROMISE. BUT DIFFICULTIES OVER THE BEAGLE WERE AGREED TO BE MULTIPLYING, AND THE INTERNAL POLITICAL SITUATION BECOMING MORE TENSE WITH PUBLICATION OF THE REPORT OF THE COMMISSION ON DISAPPEARED PERSONS AND TODAY'S STATEMENT BY THE SUPREME ARMY COUNCIL THAT MILITARY ORDERS GIVEN DURING THE DIRTY WAR WERE UNEXCEPTIONABLE. ALFONSIN WOULD BE FACED SOON WITH DIFFICULT INTERNAL DECISIONS, PERHAPS BEFORE THE VOTE, WHICH MIGHT REPERCUSS UNFAVOURABLY ON ARGENTINA'S EXTERNAL IMAGE AND AFFECT THE RESULT. THERE WAS NO CERTAINTY AMONGST ARGENTINE OFFICIALS THAT THEY WOULD INDEED IMPROVE ON LAST YEAR'S RESULT.

3. MY GUEST OF HONOUR, JORGE TRIACA, OF THE CGT, DULY TURNED UP AND GAVE A VERY FRANK REVIEW OF THE INTERNAL POLITICAL SITUATION, DESCRIBING HIS OWN POLITICAL POSITION AS "SLIGHTLY LEFT OF CENTRE" AND APPEARING WILLING TO WELCOME A MIXED IN ARGENTINA.

JOY
POWELL-JONES

NNNN

SENT/RECD AT 271600Z KR//~~222~~DC

Daniel OWEN MP

3/10

Bot

file



10 DOWNING STREET

From the Private Secretary

26 September 1984

BELGRANO

I enclose a copy of a further letter to the Prime Minister on this subject from Dr. Owen and should be grateful for material for a draft reply as soon as possible.

I am sending a copy of this letter to Colin Budd in the Foreign and Commonwealth Office.

(C.D. Powell)

Richard Mottram, Esq.,
Ministry of Defence

✓



10 DOWNING STREET

From the Private Secretary

26 September 1984

I am writing on behalf of the Prime Minister to thank you for your letters of 24 and 25 September.

I have placed these before the Prime Minister and you will be sent a reply as soon as possible.

(C.D. Powell)

The Rt. Hon. Dr. David Owen, M.P.

file
a KCSG
SF
BCE

67



HOUSE OF COMMONS
LONDON SW1A 0AA

25 September 1984

R26
CF PPS
Prime Minister
Reply in
preparation
C.D.P.
26/9

The Rt Hon Mrs Margaret Thatcher MP
Prime Minister
10 Downing Street
London SW1

ms

David Owen

As you know I am only concerned in relation to the decision to sink the General Belgrano on 2 May 1982 and indeed, arguably more important is the decision on military grounds to sink the 25 de Mayo on 30 April, that Parliament should now be given a totally truthful account.

I am afraid, having now studied Hansard in more depth and comparing this with the various letters you have sent, firstly to me and also to Neil Kinnock and George Foulkes, that there are still some areas where clearly the truth has still not been given to Parliament.

Firstly, many people have been surprised to discover that Ministers were not aware of the course and position of the General Belgrano on 2 May 1982. It was of course of even greater surprise to hear from Sir John Nott on the "Today" programme that he was still unaware of the course and position of General Belgrano on 4 May. I would like to draw your attention to Col 200 of Hansard on 16 December 1982 when you answered a Question from Tam Dayell as to whether the distance from the General Belgrano to the nearest British surface vessel at the time the cruiser was torpedoed was known to Her Majesty's Government, and you answered "Yes". Did you use the term "Her Majesty's Government" to mean that while civil servants in the Ministry of Defence knew, no Minister was aware of the course? If that is the case could you explain to me why that information which was known in the Ministry of Defence was not made available to Ministers on 3 May, (especially when for instance we know from the report in the Times of 15 September 1984 from HMS Conqueror's diary that the Conqueror was continuing to hunt the escort destroyers).

Are we also to assume, even more worrying, that both you and Sir John Nott were able to come down to the House of Commons on 4 May without still being briefed about the exact course and



position of General Belgrano at the time of the sinking? I, for one, would have found it perfectly acceptable if your defence of the inaccuracies of your statement at the House of Commons and Sir John Nott's of 4 May was that you had deliberately decided in the height of the war not to give the full factual information. Indeed I made that clear in my speech at Buxton.

But you have not yet sought to correct the record of what you said on 4 May, namely in Col 16 that the two accompanying destroyers "were not attacked in any way". Surely you were aware of the signal by then which was sent back by HMS Conqueror that three torpedoes had been fired, two had exploded on the General Belgrano and that one had hit one of the escorting destroyers though not exploded. It is also clear from your answer that you were aware of what Sir John Nott was going to say because you made reference to hearing from him about the heavy armaments that the cruiser carried.

As to Sir John Nott's statement, again it is very hard to understand how he could not have been aware from the cable received from HMS Conqueror late on 2 May, of the exact position and course of General Belgrano when it was sunk. It is worth recalling that the reason why the statement about the sinking of the General Belgrano on 2 May was made on 4 May was that it was a Bank Holiday on Monday, 3 May and Parliament was not sitting.

You said in your letter to Mr Foulkes that when on 4 May the Conqueror signalled she was returning to the area, she was ordered not to attack warships engaged in rescuing survivors from the General Belgrano. Judged from Admiral Fieldhouse's Despatch published in the London Gazette on 14 December 1982, it was his decision that Conqueror should not attack ships involved in the rescue operation. But it is very hard to understand why during the 39 hours that elapsed from the sinking of the Belgrano and your standing up in the House of Commons to answer Questions, you had not been told that one torpedo had hit an escorting vessel. I cannot understand why you felt it necessary to be so categorical that none of the escorting vessels had been attacked when you yourself had not unreasonably on 2 May - following the decision on 30 April to attack the Argentine aircraft carrier - had authorised any Argentine vessel to be sunk, not just the Belgrano.

Again if you had made a spontaneous remark in the House of Commons on 4 May in answer to Questions, which it is easy to do, why do you still refuse to correct the record? Even on 13 December 1982 in a written Answer you were asserting that "the General Belgrano and a group of British warships could have been within striking distance of each other in a matter of some five to six hours, converging from a distance of some 200 nautical miles". And again on 16 December 1982 in a written Answer you said, "The General Belgrano and her escorts had made many changes of course during 2 May."



Surely seven months later and just on the eve of the publication of the White Paper on the Falkland Islands you were by then aware that three torpedoes had been fired and that you were aware of the exact course and position of the General Belgrano and the fact that there had not been constant changes of course. Furthermore, I find it very hard to understand why the White Paper on 14 December and Admiral Fieldhouse's Official Despatch still referred to only having detected the General Belgrano on 2 May when, for the first time, on 13 April 1984 you admitted that an Argentine oiler accompanying the Belgrano was detected on 30 April and the Belgrano itself sighted on 1 May.

The more I look at this question, the more I believe the record can only be put right by the publication of a White Paper and a personal statement to be made by you to the House of Commons on the return of Parliament on Monday, 22 October.

It is not acceptable that a Prime Minister can have on record statements to Parliament which are now admitted to be incorrect and that we should have to rely on letters written to Members of Parliament or statements made by a former MP and Secretary of State for Defence on the "Today" programme.

A handwritten signature in dark ink, appearing to read 'David Owen', with a long horizontal stroke extending to the right.

David Owen

LONDON

FALKLAND ISLANDS GENERAL

PS (2)
 PS/LADY YOUNG
 PS/MR RENTON
 PS/MR RIFKIND
 PS/PUS
~~MR DEREK THOMAS~~ MR JENKINS
 MR J FREELAND
 SIR W HARDING
 MR GOODALL
 MR O'NEILL
 SIR C TICKELL
 MR D C THOMAS
 MR WESTON
 MR BAZZINGTON
 ED/PUSD
 ED/SAMD
 ED/FID
 ED/NEWS DEPT
 ED/EED
 ED/ECD (E)
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PS/NO 10 DOWNING ST
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 MR ~~RE~~ NICHOLLS, AUSD STAFF, MOD
 NH

PS/CHANCELLOR }
 MISS M E CUND } TREASURY
 MR LITTLER }

SIR R ARMSTRONG }
 MR ~~D S~~ GOOBALL } CABINET
 DIO *Carledge* } OFFICE

MR POWER, SAD, ODA

MR A FORTNAM IAT/D. TRANSPORT
 RESIDENT CLERK

(2)



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(FM BERNE 261000Z)

FM BISBA

TO IMMEDIATE FCO

TELNO 636 OF 25 SEPTEMBER 1984

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PRESS SUMMARY

1. ALL PAPERS HEADLINE YESTERDAY'S ADDRESS TO THE UN BY PRESIDENT ALFONSIN. PROMINENCE IS GIVEN TO HIS REMARKS ON THE FALKLANDS DISPUTE, HIS ALLEGATIONS OF BRITISH INTRANSIGENCE AND HIS SUGGESTION AT AN IMMEDIATELY FOLLOWING PRESS CONFERENCE THAT ARGENTINA WOULD ACCEPT A LEASE-BACK ARRANGEMENT FOR THE ISLANDS SIMILAR TO THE ONE BETWEEN BRITAIN AND CHINA OVER HONG KONG, BUT ONLY FOR A 3 TO 5 YEAR PERIOD.

YEAR PERIOD.

2. ALFONSIN'S REFERENCES TO THE FOREIGN DEBT PROBLEM ARE ALSO RECORDED IN DETAIL, INCLUDING HIS REITERATION THAT ARGENTINA REMAINED WILLING TO REPAY HER LOANS BUT NOT AT THE COST OF A RECESSIVE ECONOMIC PROGRAMME IMPOSED BY THE IMF.
3. THERE IS CONTINUING LENGTHY AND INCONCLUSIVE SPECULATION ABOUT THE POSSIBILITY OF AN AGREEMENT WITH THE FUND. MEANWHILE, ECONOMY MINISTER GRINSPUN HAS SIGNED CREDIT AGREEMENTS WITH THE INTER-AMERICAN DEVELOPMENT BANK FOR 221 MILLION DOLLARS TO FINANCE FARM TRAINING AND ENERGY-RELATED PROJECTS.
4. THE MONEY SUPPLY HAS EXPANDED BY ONLY 7.57 PER CENT SINCE THE BEGINNING OF SEPTEMBER. INTEREST RATES IN THE INTERCOMPANY MARKET ARE RISING.
5. THE CONGRESSIONAL DEBATE ON THE 1984 BUDGET FINALLY BEGAN LATE LAST NIGHT. THE PERONISTS CRITICIZED THE DRAFT ON THE GROUNDS THAT IT HAD BEEN NEGOTIATED WITH THE IMF BEFORE SUBMISSION TO THE DEPUTIES.
6. SEVERAL POLITICAL PARTIES, INCLUDING THE PERONISTS AND THE MOVEMENT FOR INTEGRATION AND DEVELOPMENT (MID), HAVE REPORTEDLY AGREED A SET OF BASIC PROPOSALS FOR AN ALTERNATIVE SHORT-TERM ECONOMIC PROGRAMME WHICH THEY WILL PRESENT TO THE CGT AND BUSINESS GROUPS.
7. ONLY 400 OF THE APPROXIMATELY 700 ARGENTINE TRADE UNIONS HAVE MET THE GOVERNMENT'S DEADLINE FOR ANNOUNCING INTERNAL ELECTIONS. THE LABOUR MINISTRY WILL NOW DICTATE THE TIMING OF POLLS FOR THE REST.
8. INDUSTRY SOURCES HAVE ACCUSED THE MFA OF FRUSTRATING ARMS SALES TO OTHER LATIN AMERICAN STATES. EXPORTS WORTH SOME 100 MILLION DOLLARS ARE SAID TO HAVE BEEN BANNED DURING THE LAST TEN MONTHS. THE MARKET FOR ARGENTINA'S MEDIUM SIZE TANKS (TAMS) HAS BEEN CORRESPONDINGLY RESTRICTED AND ONLY THREE VEHICLES A MONTH ARE BEING CONSTRUCTED COMPARED WITH A SUPPOSED PRODUCTION CAPACITY OF UP TO SEVENTY.

JOY
UNQUOTE

POWELL-JONES

NNNN

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FALKLAND ISLANDS GENERAL

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 PS/PUS
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 LT FREELAND
 SIR W HARDING
 MR GOODALL
 MR O'NEILL
 SIR C TICKELL
 MR D C THOMAS
 MR WESTON
 MR BARRINGTON
 ED/PUSD
 ED/SAMD
 ED/FID
 ED/NEWS DEPT
 ED/EED
 ED/ECD (E)
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PS/NO 10 DOWNING ST
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PS/CHANCELLOR)
 MISS M E CUND) TREASURY
 MR LITTLER)

SIR R ARMSTRONG)
 MR A D S GOOBAIL) CABINET
 DIO *Carledge*) OFFICE

MR POWER, SAD, ODA

MR A FORTNAM IAT/D. TRANSPORT

RESIDENT CLERK

(2)

IMMEDIATE

CONFIDENTIAL

(FM BERNE 251540Z)

FM BISBA

TO IMMEDIATE FCO

TELNO 633 OF 24 SEPTEMBER 1984

INFO PRIORITY MOD (SIC A3A), CBFFI BANK OF ENGLAND ASUNCION BRASILIA
 CARACAS MEXICO CITY MONTEVIDEO SANTIAGO UKMIS NEW YORK
 WASHINGTON PORT STANLEY

ASSESSMENT

SUMMARY

1. INCREASING EVIDENCE OF GOVERNMENT WEAKNESS AND LOSS OF CONTROL NOT ONLY ECONOMIC BUT POLITICAL AS STRIKES CONTINUE AND THE RULING PARTY APPEARS MORE DIVIDED. THIS IS REFLECTED IN CONTINUING DIFFICULTIES OVER THE BEAGLE, THE IMF AND THE EXTERNAL DEBT WITH SOME, PERHAPS MISLEADING SUGGESTIONS OF INCIPIENT RETHINKING OVER THE FALKLANDS, PROGRESS ON WHICH WILL DEPEND ON THE BEAGLE.

DETAIL

2. POLLS SHOW ALFONSIN MORE POPULAR THAN EVER, THE GOVERNMENT MUCH LESS. ALFONSIN'S GOVERNMENT HAS BEEN POPULIST AND, PARTICULARLY IN THE ECONOMIC FIELD, INEFFECTIVE. HIS PRINCIPAL AIM IS TO MAINTAIN DEMOCRACY, BUT HE FACES ENORMOUS INTERNAL PROBLEMS WITH ONLY AN INEXPERIENCED AND MEDIOCRE TEAM WHOSE LEARNING PERIOD IS PROVING LONG AND COSTLY. THE GOVERNMENT LOOKS WEAK.

3. THE MILITARY JRE STILL QUIET, DIVIDED HORIZONTALLY INTO THREE GROUPS : THE GENERALS, BROADLY RECONCILED TO THEIR LOT, THE MIDDLE RANKING OFFICERS, MAINLY DISCONTENTED, AND THE JUNIOR OFFICERS WHO ARE TOO YOUNG AND INEXPERIENCED TO HAVE MUCH INFLUENCE. THE MIDDLE RANKERS ARE STILL CLEARLY DANGEROUS, PARTICULARLY SINCE THEY ARE THREATENED PARTICULARLY BY THE NAMING IN THE SABATO DISAPPEARED PERSONS COMMISSION REPORT COMPLETED ON 20 SEPTEMBER. BUT FEW REALLY EXPECT THE NEW DEMOCRACY, NO MATTER HOW BAD, TO BE INTERRUPTED YET. FAVOURABLE COMPARISONS ARE FREQUENTLY MADE WITH

INTERRUPTED YET. FAVOURABLE COMPARISONS ARE FREQUENTLY MADE WITH MARCH 1976 WHEN ALL RECOGNISE THE MILITARY WERE NOT AS DISCREDITED AND DIS-SPIRITED AS THEY ARE NOW.

4. THE PERONISTS ARE STILL DIVIDED, WITH NO SIGN OF AN EFFECTIVE ATTEMPT AT REUNIFICATION ALTHOUGH RIGHT-WING HERMINIO IGLESIAS HAS BEEN FLIRTING RECENTLY WITH EX-PRESIDENT FRONDISI AND THE DEVELOPMENTALISTS. THIS SEEMS UNLIKELY TO PROGRESS FAR. THE RADICALS ARE ALSO DIVIDED BETWEEN LEFT AND RIGHT INCLINED (RENEWAL AND CHANGE AND NATIONAL LINE RESPECTIVELY). THIS DIVISION IS THE ESSENCE OF THE ALFONSIN GOVERNMENT'S WEAKNESS IN THE FACE OF MANY PROBLEMS. IT IS TAKING TIME FOR THE REALITIES OF OFFICE TO WEAN HIM AWAY FROM HIS OWN LEFTWARD INCLINATIONS. BUT ALSOGARAY'S CENTRE RIGHT UCD IS GATHERING SUPPORT AND EXPECTED TO INCREASE ITS CONGRESSIONAL REPRESENTATION NEXT YEAR (FROM TWO SEATS) WITH THE RADICALS AND PERONISTS LOSING OUT. THE FAR LEFT MAY ALSO GAIN marginally.

5. IN FOREIGN AFFAIRS, SETTLEMENT OF THE DEBT DEPENDS ON AGREEMENT WITH THE IMF, YET AGAIN REPORTED CLOSE, BUT CERTAINLY NOT YET CLINCHED. ONE RECENT REPORT IS THAT THE DIFFERENCE IS DOWN TO THE RATE OVER LIBOR, BUT PAY EXCHANGE POLICIES MUST ALSO CONTINUE TO BE DIFFICULT. THE BEAGLE AFFAIR IS DRAGGING, WITH THE CHILEANS REPORTED TOUGHENING THEIR POSITION. DIEGO RAMIREZ ISLANDS MAY BE A NEW STUMBLING BLOCK AND HOPES FOR EARLY ACCORD BE FRUSTRATED. ALFONSIN WAS CERTAINLY PREMATURE AND UNWISE IN ANNOUNCING A PLEBISCITE. PROGRESS OVER THE FALKLANDS AND RELATIONS WITH BRITAIN ARE EXPECTED TO DEPEND LARGELY ON ADVANCE ON THE BEAGLE, WHICH INFORMED OBSERVERS AGREE MUST COME FIRST. THERE HAVE BEEN RECENT SIGNS OF AN ARGENTINE WISH THAT THE UNGA SLOGGING MATCH SHOULD NOT EXCLUDE RESUMED DILATERAL CONTACTS, BUT THERE IS SO FAR NO EVIDENCE OF A CHANGE IN THE BASIC POSITION OVER SOVEREIGNTY.

6. THE ECONOMIC SITUATION IS MUCH AS BEFORE WITH NO PAUSE IN THE INFLATIONARY SPIRAL DESPITE THE RECENT TOUGHER ORTHODOX MEASURES OF MONETARY CONTROL WHICH ARE SQUEEZING INDUSTRIALISTS INTO AN INCREASING DISREGARD OF THE TOUGHER PRICE CONTROLS. AGREEMENT WITH THE IMF REQUIRING EVEN STRICTER MEASURES COULD TRIGGER A CHANGE IN THE ECONOMIC PORTFOLIO. INTERIOR MINISTER TROCCHI (NATIONAL LINE) IS THE CURRENT FAVOURITE TO REPLACE GRINSPUN AND SAID AUTHORITATIVELY TO WANT THE JOB SINCE HE IS A MORE ORTHODOX ECONOMIST THAN GRINSPUN, FEELS HE HAS NOT BEEN TOO SUCCESSFUL OVER THE SOCIAL CONTRACT NEGOTIATIONS AT THE MINISTRY OF THE INTERIOR AND COULD PERHAPS USHER IN A NEW ERA OF ECONOMIC ORTHODOXY WITH SOME AUSTERITY AND SACRIFICE.

CONCLUSION

7. SPRING HAS BROUGHT LITTLE CHEER FOR ARGENTINES: ALFONSIN AND HIS RADICALS ARE CU EARLY NOT UP EVEN TO STARTING TO SOLVE THE COUNTRY'S ECONOMIC PROBLEMS. BUT THEY ARE THE BEST AVAILABLE AND THE GLIMMER ON THE ARGENTINE HORIZON MAY BE THAT THERE IS STILL WIDESPREAD ENTHUSIASM FOR DEMOCRACY AND A DETERMINATION AMONGST ALL CLASSES THAT IT SHALL SURVIVE NO MATTER HOW DIFFICULT THE GOING MAY GET, SINCE THERE IS NO LONGER A MILITARY ALTERNATIVE. ARGENTINE DEMOCRACY HAS SURVIVED SO FAR: PERHAPS NO MORE COULD BE EXPECTED OF AN UNTRIED GOVERNMENT TEAM IN THE FACE OF SUCH VAST PROBLEMS

JOY
POWELL-JONES

RESTRICTED

PAYMASTER GENERAL

RESTRICTED



CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 3340

Wait Chief Whip's reply

COJ 24/9

24 September 1984

Dear Charles,

PRIME MINISTER'S LETTER ABOUT THE BELGRANO AFFAIR

The Paymaster General has seen Richard Mottram's letter of 20 September and yours of 21 September.

Mr Gummer feels that it would be a very good idea to circulate to Government Backbenchers the Prime Minister's letter to Mr Foulkes.

I am sending a copy of this letter to the Private Secretaries to the Lord President, the Foreign and Commonwealth Secretary, the Lord Privy Seal, the Secretary of State for Defence, the Chief Whip, and to Richard Hatfield.

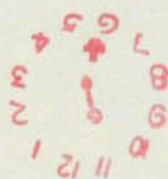
Yours ever,

Alex Galloway

A K GALLOWAY
Private Secretary

C D Powell Esq
10 Downing Street

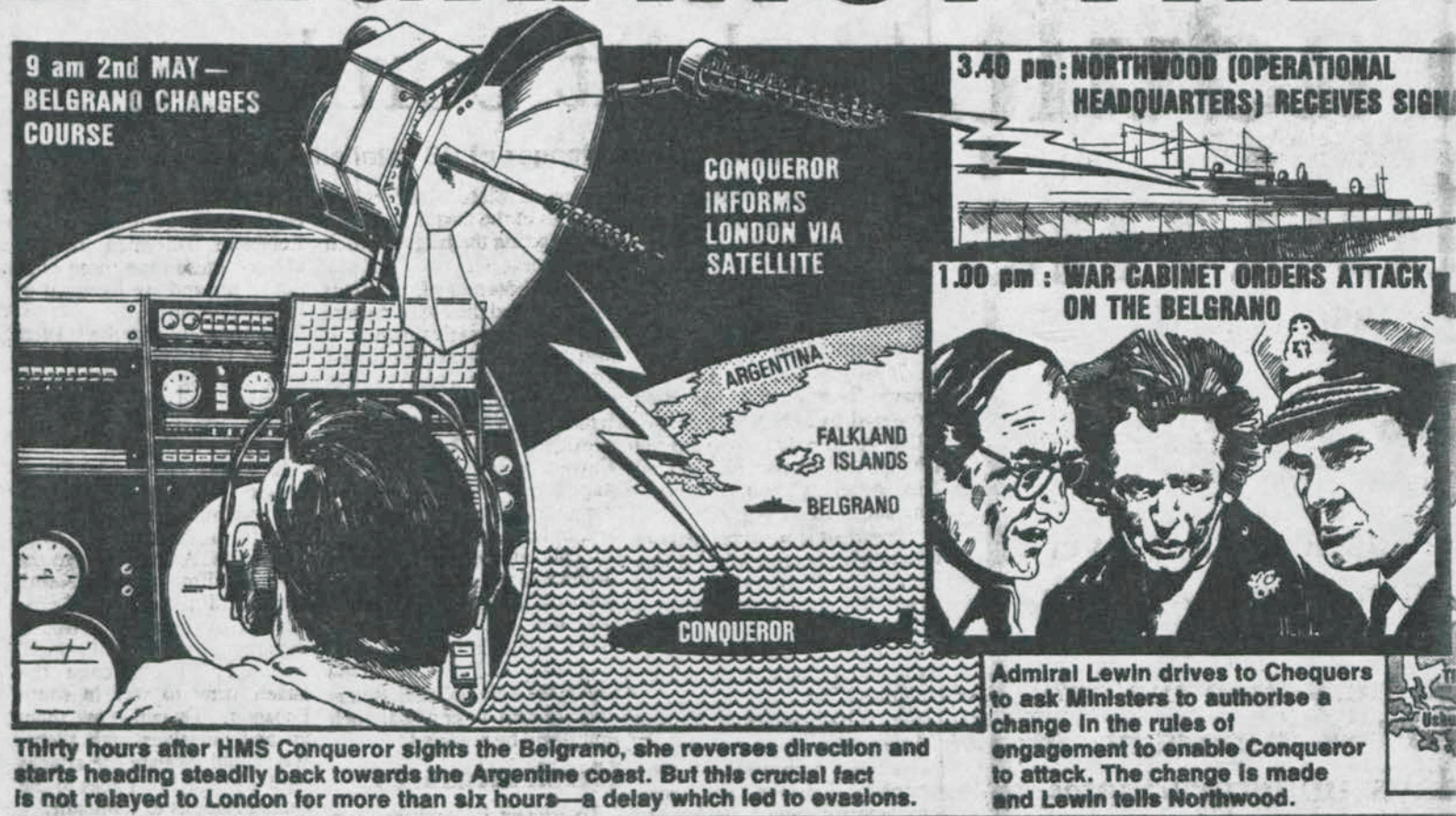
ARGENTINA
Relato and
R38



24 SEP 1984

FALKLANDS WAR

BELGRANO: THE



Thirty hours after HMS Conqueror sights the Belgrano, she reverses direction and starts heading steadily back towards the Argentine coast. But this crucial fact is not relayed to London for more than six hours—a delay which led to evasions.

Admiral Lewin drives to Chequers to ask Ministers to authorise a change in the rules of engagement to enable Conqueror to attack. The change is made and Lewin tells Northwood.

FOR two years and five months the truth about the sinking of the Belgrano has been a matter of debate, conjecture and suspicion. Only now, long after that far-away war in the South Atlantic has turned into an uncertain peace is it possible to construct an accurate account of the events surrounding the single most deadly attack of the Falklands war.

Yet, as Mrs Thatcher's account, published last week, demonstrates only too clearly, she could have come clean long ago. For what is now agreed by all but the most implacable of the Government's critics is that the decision to sink the Belgrano was militarily defensible. Even Argentine commanders concede as much.

It is clear that at the heart of the Government's embarrassment, and its determination to conceal the true facts lay three considerations:

- The Government did mislead Parliament in its early statements about the sinking.
- The war cabinet was not kept fully informed about the Belgrano's movements.
- The United States was giving

population started to settle into the long 1982 May Day weekend that Mrs Thatcher and her war cabinet secretly ordered the start of the 'shooting war.'

They knew it would be a risky undertaking. The British fleet had little defence against air attack, particularly from carrier-borne planes. And it was known, from documents found on a captured Argentine submarine in South Georgia, that the enemy fleet was prepared 'to destroy any British ship it could find' at the right moment.

By that Friday, 30 April 1982, the British expeditionary force was ready to go into action, and the international stage was cleared.

Covertly, the United States was already providing key military help. Ascension Island and its US base facilities were available to the British long-range bombers. The Argentine fleet was being spied on by FOSIF, the US 'fleet ocean surveillance facility,' which passed on the intelligence obtained from spy satellites, sea-bed hydrophones and

nuclear submarines submerged in the South Atlantic, to make secure, if limited, contact with London.

It was a vital communications facility. Without it, the submarines would have been totally out of touch. The normal method of continuous contact for a submarine submerged at 200ft was via the Very Low Frequency radio station at Rugby. But that only functioned in the North Atlantic. The secondary method, via conventional High Frequency radio, was highly vulnerable to Argentine direction-finding.

But the US satellite channel had one big drawback. The slots were only available to each submarine at intervals of several hours, and then in a brief coded burst only receivable near the surface.

These delays were to play a crucial part in the confusion which was to surround the sinking of the Belgrano.

Mrs Thatcher had, of course, never fought a war before, although she knew what she wanted. She and John Nott, her Defence Secretary who had held the job for less than a year, were inevitably very much

The sinking of the Belgrano was the single most crucial moment of the Falklands War. It was the decision—concealed from a determined government.

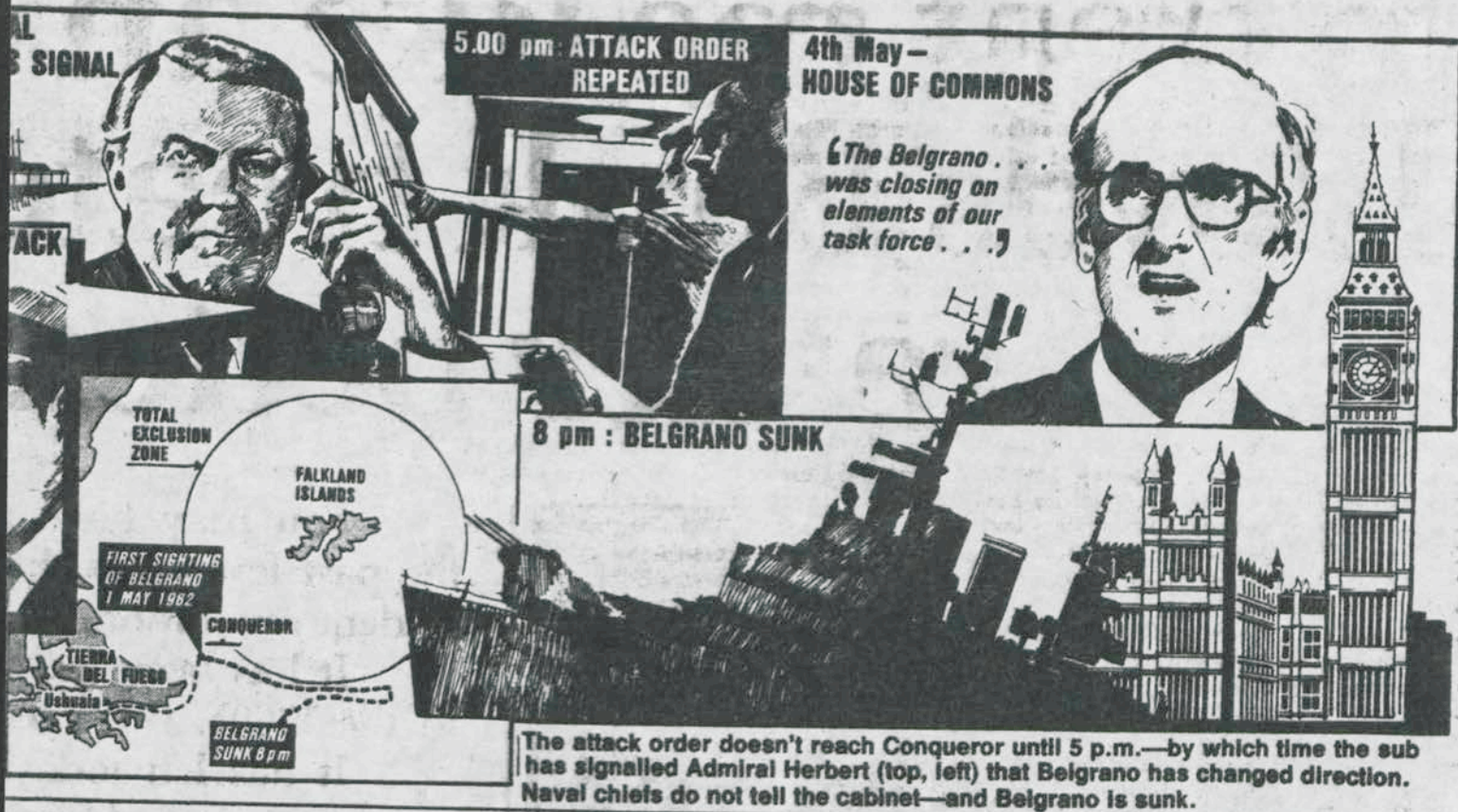
planes were now free to counter-attack the fleet.

But the Argentine counter-attack went wrong as well. The British fought off mainland fighter sorties on the Task Force, and they had good intelligence. They correctly got wind—probably from US-UK radio intercepts—of orders for a naval pincer movement. The 25 de Mayo was to close in from the north while—as Argentine naval sources now confirm—the Belgrano was to advance from the south, luring the task force into aircraft range.

Events now began to run faster than the capacity of the British communications system to detect and record them. The ability of the politicians to control, or even understand, them was thus severely limited.

Admiral Lewin was not told

MISSING LINKS



The attack order doesn't reach Conqueror until 5 p.m.—by which time the sub has signalled Admiral Herbert (top, left) that Belgrano has changed direction. Naval chiefs do not tell the cabinet—and Belgrano is sunk.

General Belgrano's most controversial act in the Falkland War. DAVID LEIGH MURPHY details the events that led to the attack, sealed until now by government cover-up.

commander, he said, feared he was about to be attacked, and wanted an Argentine warship sunk.

This was the pivotal moment. Arriving at Chequers before lunch on Sunday, 2 May, Lewin called those he could find aside and spoke of a 'direct threat' from the Belgrano. No one now will ever prove exactly what he said, because no record was ever made of it. But Thatcher and Nott seem to have lifted all remaining restrictions on the British submarines. Before settling down to lunch and a formal afternoon war cabinet, Lewin picked up the phone to Northwood. His message was: 'Sink the Belgrano.'

As Sunday afternoon wore on, Northwood tried to contact the submarine to tell her that she could attack at will. The first message was never received: it was garbled.

Then, at 3.40 p.m. London time, the Conqueror's own

Mayo had also turned round, Lewin says. 'But it might have just been postponed, of course.'

He briefed Nott about the facts. 'I probably did... whether I told them the Argentine attack had been called off beforehand, or perhaps because of the sinking of the Belgrano itself, I don't know.'

Nott, who says he scribbled his Tuesday statement to Parliament in the back of a car, maintained last week that when he did so he was in ignorance of the full truth. If so, it was a politically convenient ignorance. For it not only enabled Defence Ministry men to brief the world's Press that 'this is not war': it also enabled both Nott and the Prime Minister herself to soothe parliament and world opinion, by speaking the UN charter language of 'self-defence.'

This worked well. The Tory MP Michael Latham rose in the House of Commons to contrast

'the difference between the military dictatorship of Argentina telling lies to its people' and John Nott's 'duty to respond fully and truthfully in the House, as he has been doing this afternoon in our democracy.'

What Nott and Thatcher were saying that afternoon was, it is now admitted, 'inaccurate.' Nott painted a picture of Conqueror suddenly encountering Belgrano hell-bent on direct attack, 'closing on elements of the Task Force, which was only hours away.'

Only two torpedoes were fired, he said, and the escorting destroyers should therefore have been able to help survivors. (In fact, three were fired, and one destroyer thought at first it had been hit, and withdrew. Nott had given the submarine specific licence to attack all the ships, not just the Belgrano).

Nine days later, pressed again on the subject, by a suspicious

Denis Healey, Nott subtly tried to shift ground. The Belgrano 'had been' closing on the task force, he said. But his claim about 'only hours away' had fatally boxed him in. He then made a parliamentary statement which, in view of international concern, and the fact that 11 days had passed for him to brief himself properly, can only be called reckless.

'At the time she was engaged, the General Belgrano and a group of British warships could have been within striking distance of each other in a matter of five or six hours, converging from a distance of some 200 nautical miles,' he said.

It was these untruths around which the subsequent Government cover-up was mounted. Nott's words, however, and indeed the horror of many of the British public at what had occurred was overtaken the same night by the news that Argentina, in a violent counter-attack, had sunk HMS Sheffield.



ments about the sinking.

- The war cabinet was not kept fully informed about the Belgrano's movements.
- The United States was giving military assistance far earlier than has been admitted.

But, as the following account demonstrates, all of these facts could have been conceded without fatally damaging the war cabinet's credibility.

It was just at Britain's civilian

FOSIF, the US 'fleet ocean surveillance facility,' which passed on the intelligence obtained from spy satellites, sea-bed hydrophones and reconnaissance flights back through Edzell in Scotland and US Navy HQ in London.

Most crucially, the US was lending Britain extra 'slots' on its DSCS military satellite which hovered over the Equator, to enable the British

although she knew what she wanted. She and John Nott, her Defence Secretary who had held the job for less than a year, were inevitably very much influenced by their Chief of Defence Staff, Admiral Sir Terence Lewin. A war cabinet member, he met Nott three or four times each day throughout the crisis.

The war cabinet agreed that Friday to a three-pronged military onslaught. A Vulcan would leave that night from Ascension to bomb the Falklands runway. At dawn, Harriers from the task force would join in, strafing the Argentine garrison.

The submarines would hunt down the pride of Argentina's fleet and its most dangerous component, the aircraft carrier 25 de Mayo. Their orders were to sink it, in or out of the recently announced exclusion zone, without warning. The submarines' Rules of Engagement were relaxed to permit this, after what Mrs Thatcher now calls 'the most careful consideration of the legal, military and political issues'.

Careful or not, the decision caused the Foreign Secretary, Mr Francis Pym, grave anxiety. Next morning, as lines were cleared at the Defence Ministry to announce the anticipated sinking of the 25 de Mayo, he sent the Prime Minister an urgent 'secret' minute, warning that such an attack might be illegal unless the Argentines were warned that the rules had been changed.

He left for Washington and further talks: his warning was ignored. Later that day, alarming news was flashed to London. The 25 de Mayo was lost in the fog and the scheme for a grand hammer-blow had foundered. Worse, the carrier's

to detect and record them. The ability of the politicians to control, or even understand, them was thus severely limited.

Admiral Lewin was not told until Sunday morning, at Northwood naval HQ, that the '25 de Mayo' was lost and that the Argentine pincer movement had apparently begun. The only contact that remained with enemy ships was that of the submarine Conqueror with the

the Belgrano.

As Sunday afternoon wore on, Northwood tried to contact the submarine to tell her that she could attack at will. The first message was never received: it was garbled.

Then, at 3.40 p.m. London time, the Conqueror's own news came in. Her signals made it clear that Belgrano had not only reversed course, but had steered more or less steadily for six hours and 150 miles, away from the Falklands and the task force, towards the Argentine coast. This information rose no higher than Admiral Peter Herbert, Flag Officer Submarines.

Northwood repeated their 'sink' order at 5 p.m. Conqueror fired her three torpedoes at 8 p.m., when the Argentine cruiser was a full 350 miles from the Task Force. She was sunk and 368 of her sailors were killed.

Lewin is forthright: 'It was what any reasonably red-blooded Englishman would have expected' he said last week. But he is uncharacteristically vague when discussing whether he explained to the politicians in the succeeding 48 hours, exactly what had occurred. He uses words like 'probably,' 'perhaps,' 'as I remember.' He stresses that Nott only had a limited grasp of naval jargon. And he stresses, too, that the war cabinets he attended on the following Monday and Tuesday mornings were in a truculently self-righteous mood.

'The war cabinet was very robust,' Lewin says. 'They seemed stunned and hurt. I remember the mood was: "We've got absolutely nothing to be ashamed of!"'

'Yes, I realised by then that the Argentine attack plan had been aborted, and that the 25 de

The war cabinet was very robust. I remember the mood was: "We've got nothing to be ashamed of"

Belgrano. She had been spotted on the Friday, and had been tailed, a sitting duck, through Saturday. The rules of engagement forbade any attack.

What Lewin did not know was that at the very time he was being informed that the pincer movement had begun, it had, in fact, already been aborted. The Argentines had called it off because the carrier's planes could not take off without a wind and the British task force's flurry of assaults had stopped.

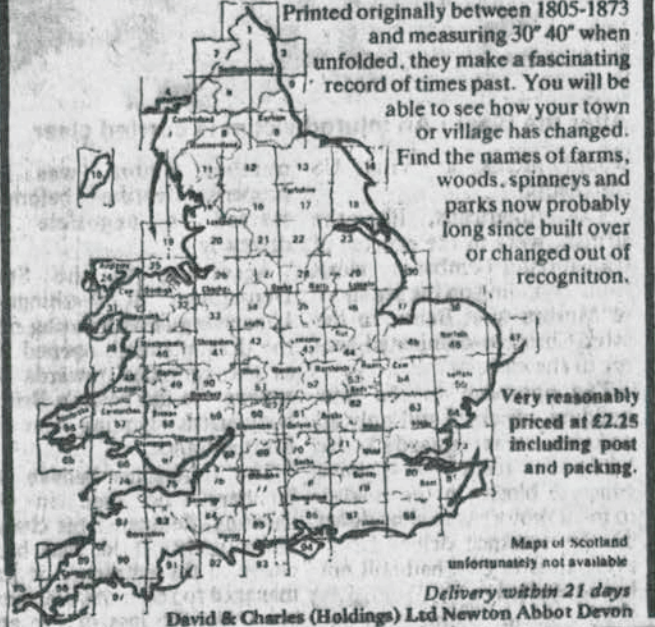
Information was coming in too slowly for him to know, Lewin says. Overnight intercepts of Argentine fleet orders took time to collect and decipher. And Conqueror, faithfully tailing the Belgrano, had not yet managed to contact the US satellite to signal that Belgrano had reversed course.

So Lewin hurried off to Chequers. The Task Force

Additional reporting by PETER PRINGLE in Washington and JIMMY BURNS in Buenos Aires.

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10 DOWNING STREET

From the Private Secretary

21 September 1984

PRIME MINISTER'S LETTERS ABOUT THE BELGRANO AFFAIR

Thank you for your letter of 20 September conveying the Defence Secretary's suggestion that the Prime Minister's letter to Mr. Foulkes might be circulated to Members of Parliament.

The Prime Minister agrees that, as a first step, it should be circulated to members of the Cabinet and other Ministers. I shall arrange for this to be done.

25/11 ? Whip The Prime Minister would welcome the Chief Secretary's advice on whether it should also be sent to Government Backbenchers.

I am copying this letter to the Private Secretaries to the Lord President, the Foreign and Commonwealth Secretary, the Lord Privy Seal, the Chief Whip, the Paymaster General and to Richard Hatfield (Cabinet Office).

Richard Mottram, Esq.,
Ministry of Defence.

JR



Distributed to
all Ministers

10 DOWNING STREET

From the Private Secretary

21 September 1984

Dear Private Secretary,

THE BELGRANO

Your Minister may find it useful to have a copy of the Prime Minister's letter to Mr. George Foulkes, MP, together with the detailed annex.

Yours sincerely
C.D. Powell

(C.D. POWELL)

Private Secretaries to Ministers



JR
bc PC

10 DOWNING STREET

From the Private Secretary

21 September 1984

FOREIGN AFFAIRS COMMITTEE INQUIRY
INTO THE BELGRANO

Thank you for your letter of 18 September about what the press has come to refer as the "Crown Jewels".

The Prime Minister notes that the Defence Secretary has no intention of releasing this document to the Foreign Affairs Committee and of course agrees that this is right.

I am sending copies of this letter to Len Appleyard (Foreign and Commonwealth Office) and to Richard Hatfield (Cabinet Office).

(C.D. POWELL)

Richard Mottram, Esq.,
Ministry of Defence.

FALKLAND ISLANDS GENERAL

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 S/LADY YOUNG
 S/MR RENTON
 S/MR RIFKIND
 S/PUS
 A DEREK THOMAS
 J PREELAND
 R W HARDING
 R GOODALL
 R ~~OFFICE~~ MR J. THOMAS.
 R C TICKELL
 R D C THOMAS
 R WESTON
 R BARRINGTON
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 MR R NICHOLLS, AUSD STAFF, MOD
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PS/CHANCELLOR }
 MISS M E CUND } TREASURY
 MR LITTLER }

SIR R ARMSTRONG }
 MR ~~D S~~ GOOBALL } CABINET
 DIO *Carledge* } OFFICE

MR POWER, SAD, ODA

MR A FORTNAM IAT/D. TRANSPORT

RESIDENT CLERK

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IMMEDIATE

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 FM WASHINGTON 202353Z SEP 84
 TO IMMEDIATE FCO
 TELEGRAM NUMBER 2813 OF 20 SEPTEMBER

INFO IMMEDIATE UKMIS NEW YORK

MEETING BETWEEN PRESIDENT REAGAN AND PRESIDENT ALFONSIN
 1. STATE DEPARTMENT CONFIRMED TO US TODAY THAT PRESIDENT REAGAN
 WILL MEET PRESIDENT ALFONSIN IN NEW YORK ON 23 SEPTEMBER.

2. WE HAVE BEEN ASSURED BY BOTH THE INTER-AMERICAN AND THE
 EUROPEAN AFFAIRS BUREAUS OF THE STATE DEPARTMENT THAT THE BRIEFING
 MATERIAL PREPARED FOR THE PRESIDENT ON THE FALKLANDS AT THE
 GENERAL ASSEMBLY REFLECTS OUR RECENT LOBBYING (IE THAT THE AMERICANS
 WOULD HAVE TO RECONSIDER THEIR POSITION IF THE ARGENTINES
 DEPARTED SIGNIFICANTLY FROM THE PREVIOUS RESOLUTIONS). MINISTER WENT
 OVER THE GROUND WITH BURT ON 20 SEPTEMBER AND LATTER UNDERTOOK TO
 KEEP A VERY CLOSE EYE ON THIS. SINCE THE PRESIDENT WILL NOT GO INTO
 ANY DETAIL WITH ALFONSIN ON THIS ISSUE, AND IS NOT BEING BRIEFED
 TO RAISE IT HIMSELF, WE DOUBT WHETHER FURTHER LOBBYING IS CALLED
 FOR AHEAD OF THIS MEETING. IT MIGHT BE BEST TO KEEP OUR
 POWDER DRY.

WRIGHT



10 DOWNING STREET

Prime Minister

On reflection and
Robin's advice: it might
be best to get the
Whips to do this,
through their usual
channels for getting material
to the Government's
supporters.

CDD

I think

the Cabinet &
other Ministers
might like a

copy. Also
that - the Chief
Whip should be
consulted re

Prime Minister



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-930 7022 218 2111/3

MO 5/21

20th September 1984

Agree to circulate the letter and annex to MPs as suggested? To Government members only? Or opposition as well? CJP 20/9

Dear Minister,

PRIME MINISTER'S LETTERS ABOUT THE BELGRANO AFFAIR

I have been asked by the Defence Secretary to suggest that the Prime Minister's letter to Mr Foulkes, and possibly the rest of the correspondence, might be circulated to Members of Parliament. You would wish to consider whether such a circulation should be limited to Conservative Members or include Opposition Members as well. The Defence Secretary feels that, although much of this material is in today's newspapers, it would be helpful to have it available to Members so that they can draw on it to refute the assertions being made elsewhere.

I am copying this letter to the Private Secretaries to the Lord President, the Foreign and Commonwealth Secretary, the Lord Privy Seal, the Chief Whip, the Paymaster General and the Secretary of the Cabinet.

Yours etc,

Richard Mottram

(R C MOTTRAM)

C Powell Esq



20 SEP 1984



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MINISTRY OF DEFENCE

CONFIDENTIAL



088
cc: Sir P. Craddock

10 DOWNING STREET

From the Private Secretary

20 September 1984

FALKLANDS/ARGENTINA: CONTACTS WITH THE SWISS

Thank you for your letter of 19 September enclosing a draft message from Sir Geoffrey Howe to the Swiss Foreign Minister on relations between Britain and Argentina.

The Prime Minister agrees that the ideas apparently being floated by Mr. Brunner are wholly unacceptable and that the Swiss Government should be left in no doubt that an initiative on the Falklands at this stage would be highly unwelcome to us. She is content therefore for Sir Geoffrey Howe to send a message in this sense and to make clear that it represents her views.

The Prime Minister has commented that the draft message is much too long.

Charles Powell

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

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CST



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10 DOWNING STREET

From the Private Secretary

20 September, 1984

A small typing error has crept into line 8 of paragraph 16 of the annex to the Prime Minister's letter of 19 September to Mr. Foulkes, enclosed with her letter to Mr. Kinnoek. The date at the beginning of that line should be 30 April (not 20 April).

C.D. Powell

D. Clements, Esq.,
Private Secretary to the
Leader of the Opposition.

NIC



FILE

RW

10 DOWNING STREET

From the Private Secretary

20 September, 1984

A small typing error has crept into line 8 of paragraph 16 of the annex to the Prime Minister's letter of 19 September to you. The date at the beginning of that line should be 30 April (not 20 April).

I apologise for the error.

(C.D. Powell)

G. Foulkes, Esq., M.P.

NR

CONFIDENTIAL

cc/c



Prime Minister
Agree that Sir
Geoffrey should send
the proposed message?

Foreign and Commonwealth Office

London SW1A 2AH

19 September 1984

Dear Charles,

C.D.P. 19/9

Much too

long

in 437

Falklands/Argentina: Contacts with the Swiss

My letter of 7 August to David Barclay summarised our exchanges with the Swiss following the breakdown of the talks in Berne.

Since then it has become clear that M. Brunner (the State Secretary at the Swiss Federal Department of Foreign Affairs) has not been prepared to live up to his undertakings that he would make clear where responsibility lay for the failure of the Berne talks. We have also heard that M. Brunner was considering floating at the United Nations the idea that negotiations about 'the future of the Falkland Islands' might be a way of defusing the sovereignty issue at the forthcoming General Assembly Debate on the Falklands. This would, of course, be wholly unacceptable to us.

✓✓

We have therefore been considering how best to register our views once more with the Swiss. As I said in my letter of 7 August, we would not wish to allow dissatisfaction over M. Brunner's performance to spill over into other areas of our bilateral relations with Switzerland. And we need to maintain good relations with M. Brunner, who remains an important figure on the Swiss scene. But we consider it essential that the Swiss Government and M. Brunner in particular should understand that any Swiss initiative on the subject of the Falklands at this stage would be very unwelcome to us.

H M Ambassador, Berne, has already made this clear to M. Brunner in Berne, emphasising that the tactical situation at the UN was one which we must handle ourselves and that no Swiss intervention was looked for. M. Brunner appeared to take the point. But Sir Geoffrey Howe considers that it would be right for him to send a message to the Swiss Foreign Minister, M. Aubert, before M. Brunner leaves for New York next week and M. Aubert himself visits Latin America, including Argentina, in October.

/Since

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Since the Prime Minister had an opportunity to talk to M. Aubert and M. Brunner at lunch on 23 August, Sir Geoffrey Howe believes that it would be important to make clear that his message to M. Aubert also reflects the Prime Minister's views. I therefore enclose a draft message with which Sir Geoffrey is content, and would be grateful to know whether the Prime Minister agrees with it.

Yours ever,
Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

OUT TELEGRAM

Classification and Caveats

CONFIDENTIAL

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FM FCO SEPTEMBER 84
TO IMMEDIATE BERNE
TELEGRAM NUMBER
MIPT: FALKLAND/ARGENTINA: MESSAGE TO SWISS FOREIGN MINISTER
1. Following is text of message from me to M. Aubert. Please
deliver this as soon as possible.
BEGINS:
 John Powell-Jones has told us of your plan to visit Latin
America, including Argentina, in October. I thought it might be
helpful if before your departure (and mine for New York and
San Jose) I were to let you know how the Prime Minister and I
see the question of relations between Britain and Argentina in
the aftermath of the talks in Berne in July. I think it right
that you should be quite clear about our position, particularly
in view of Switzerland's status as our Protecting Power.
 Let me say at once that we much appreciate all that the Swiss
Government and its representatives have done to protect British
interests in Argentina. We are equally conscious of the efforts
which you have made in support of our own initiative to try to
establish a dialogue between Britain and Argentina. I know that

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NNNN ends telegram	BLANK	Catchword you
File number	Dept Private Office	Distribution Falkland Islands Govt
Drafted by (Block capitals) P F RICKETTS		
Telephone number		
Authorised for despatch		
Comcen reference	Time of despatch	

OUT TELEGRAM (CONT)

Classification and Caveats

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2 you will have been as disappointed as I was that the Berne talks
 3 ended as they did. The basis on which the talks would take
 4 place was absolutely clear. But, as you know, the Argentines
 5 insisted that discussion of measures designed to promote improved
 6 bilateral relations must be accompanied by the establishment of
 7 a mechanism to address the question of sovereignty. This was
 8 entirely contrary to the agreed basis of the talks. So long as
 9 the Argentine Government persists in its unrealistic demand that
 10 we should address the most difficult and sensitive issue between
 11 us as a precondition for their consideration of more pragmatic
 12 measures to improve our bilateral relations, I find it hard to
 13 see a way forward.

14 This was an important opportunity missed. I said in the
 15 House of Commons on 20 July that we would now need to assess the
 16 implications carefully. Our own approach, as you are aware,
 17 has from the outset been consistent with the policy of dialogue
 18 and confidence-building measures advocated by the Secretary
 19 General of the United Nations in his report to the UN General
 20 Assembly last October. The present Argentine Government bears
 21 no responsibility for the tragically wrong actions of its
 22 predecessor in April 1982, but it cannot ignore their
 23 consequences. One most important consequence is that after the
 24 events of April 1982 the question of sovereignty over the
 25 Falkland Islands is not for negotiation.

26 The Prime Minister and I continue to attach importance to
 27 improving relations between Britain and Argentina. We are
 28 not resigned to immobilism. On the contrary, we are continuing
 29 to search for ways in which we might make progress. But this
 30 must be a gradual process and we shall want to proceed only
 31 after the most careful consideration. In particular we shall
 32 need to judge for ourselves both the substance and the timing
 33 of any new steps. I know that you share our objective of better
 34 relations between Britain and Argentina. I am sure you will

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Catchword

understand

OUT TELEGRAM (CONT)

	Classification and Caveats CONFIDENTIAL	IMMEDIATE	Page 4
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 2 done to our bilateral relations by the events of 1982. We had
 3 hoped that the process of reconciliation could have started at
 4 Berne and were disappointed that the Argentines sought to link
 5 our own proposals for improving relations with the question of
 6 sovereignty which, as had been made very clear beforehand, we
 7 were not prepared to discuss. This remains our position. The
 8 Argentines should be under no illusions on this score. That
 9 being so, we believe that the only feasible way forward is to
 10 find areas in which we can work patiently and pragmatically to
 11 rebuild our relationship.

12 I hope that you have a successful and interesting visit to
 13 Latin America, and I look forward to hearing your impressions.
 14 With all good wishes.

15 ENDS

17 HOWE

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Argentina : relations A38.



10 DOWNING STREET

THE PRIME MINISTER

19 September 1984

Dear Mr. Loukes.

You wrote to me on 23 August and 14 September about decisions taken by the Government at the time of the Falklands conflict.

Your questions reflect a number of fundamental misconceptions about the situation in the South Atlantic in April and May 1982. I am enclosing, as an Annex to this letter, a statement of the position which should clear up these misconceptions, and remove any doubts in your mind about the reasons for our actions.

To put the matter briefly, in April 1982 Argentina had attacked and invaded British territory; despite intense and continuing diplomatic efforts, Argentina refused to comply with a mandatory resolution of the United Nations Security Council to withdraw its forces; with all-party support, and in exercise of our inherent right of self-defence under Article 51 of the UN Charter, the British Government despatched the Task Force to the South Atlantic; by the end of April as it approached the Falkland Islands the Task Force was increasingly vulnerable to Argentine attack; by 2 May it had already been attacked by Argentine aircraft and there were clear and unequivocal indications that it was under further threat from a strong and co-ordinated pincer movement by the major units of the Argentine Navy, including the cruiser 'General Belgrano' and the aircraft carrier

'25 de Mayo'. The then Argentine Operations Commander, South Atlantic, has since confirmed publicly that his warships had indeed been ordered to attack. No Government with a proper sense of responsibility could have refrained from taking appropriate measures to counter the threats to the Task Force, and to ensure its safety to the maximum extent possible. Risks could not be taken, especially when hostilities had been so clearly embarked upon by the Argentines.

Your questions about the Argentine aircraft carrier and the events on 2 May are answered in the Annex.

You also asked whether a Polaris submarine was deployed as described in the New Statesman article on 23 August. There was no change in the standard deployment pattern of our Polaris submarines during the conflict. Moreover, the Government gave a categorical assurance at the time that nuclear weapons would not be used in the Falklands conflict (see the statement made by Viscount Trenchard in the House of Lords on 27 April 1982 - Hansard Vol. 429, Col. 778).

I have given you in the Annex as full an account of these matters as, I am advised, is consistent with national security. I must make it clear that it would be, and will remain, quite wrong for me to disclose all the material that was available to Ministers at the time. To do so would still risk irreparable damage to national security and could put lives at risk in the future.

Those who seek to criticise the Government's actions (including people outside this country who have every reason to discredit the Government of the United Kingdom) are not subject to the same constraints and have felt free to make a large number of assertions. I have already explained why I cannot make public everything which would make it possible to discuss whether those assertions are true or false. In

these circumstances, I must emphasise the central point. On the basis of all the material that was available to Ministers at the time, my colleagues and I were satisfied that we took the right decisions in order to protect the lives of our forces. Nothing that has since been put forward - and I can assure you that it has all been examined with the utmost care - has led me or any of my colleagues to have any doubts that we were right.

Yours sincerely

Margaret Thatcher

George Foulkes, Esq., MP.

ANNEX

1. The threats which faced the Task Force at the end of April and the beginning of May 1982 can only be appreciated in the light of the situation in the South Atlantic at that time.
2. On 2nd April 1982, the process of diplomatic negotiations over the Falkland Islands was abruptly interrupted by Argentina's unprovoked armed invasion of the Islands. Having obtained control of the Islands, the Argentines then refused to comply with mandatory Resolution 502 of the United Nations Security Council, which demanded an immediate withdrawal of their forces.
3. In exercise of the inherent right of self-defence under Article 51 of the United Nations Charter, and in parallel with intense but ultimately unproductive diplomatic activity, the British Task Force was despatched at the beginning of April, with all-party support, following Argentina's action, which was wholly inconsistent with international law and the UN Charter. 28,000 British Servicemen and civilians eventually sailed in the Task Force; it was the foremost and continuing duty of the Government to take such decisions as were necessary to protect them as the events of the moment demanded.
4. On 7th April, the Defence Secretary had announced the establishment, as from 12th April, of a 200 nautical mile Maritime Exclusion Zone around the Falkland Islands; but it was made clear in the announcement that this was 'without prejudice to the right of the United

Kingdom to take whatever additional measures may be needed in exercise of its right of self-defence, under Article 51 of the United Nations Charter.' Mr Nott told the House of Commons that if it became necessary, the British Government would use force to achieve the objective of securing Argentine withdrawal. He added: 'We hope that it will not come to that. We hope that diplomacy will succeed. Nevertheless, the Argentines were the first to use force of arms in order to establish their present control of the Falklands ...'

5. In late April 1982 the Task Force was strung out between Ascension Island and the Falklands and vulnerable to attack. On 23rd April 1982, the Government accordingly sent the following message to the Argentine Government, making it clear that the terms of the communication came into effect immediately:

"In announcing the establishment of a Maritime Exclusion Zone around the Falkland Islands, Her Majesty's Government made it clear that this measure was without prejudice to the right of the UK to take whatever additional measures may be needed in the exercise of its right of self-defence under Article 51 of the United Nations Charter. In this connection, HMG now wishes to make clear that any approach on the part of Argentine warships, including submarines, naval auxiliaries, or military aircraft which could amount to a threat to interfere with the mission of British Forces in the South Atlantic will encounter the appropriate response.

All Argentine aircraft including civil aircraft engaging in surveillance of these British Forces will be regarded as hostile and are liable to be dealt with accordingly."

It is clear from the above text that the warning applied outside the Exclusion Zone as well as within it. This message was notified to the United Nations Security Council and circulated accordingly on 24th April. It was also released publicly.

6. On 28th April 1982 the Government announced the establishment of a 200 nautical mile Total Exclusion Zone around the Falkland Islands, effective as from 30th April, which would apply to all Argentine ships and aircraft. The announcement again stressed that 'these measures are without prejudice to the right of the United Kingdom to take whatever additional measures may be needed in exercise of its right of self-defence, under Article 51 of the UN Charter'.

7. On 30th April, Ministers met to consider the implications of the capability of the aircraft carried by the Argentine aircraft carrier, the '25 de Mayo', to threaten our forces from the air at substantial distances from the Argentine mainland. After the most careful consideration of the legal, military and political issues, Ministers decided that our forces should be permitted to attack the '25 de Mayo' on the high seas (that is both within and outside the Total Exclusion Zone), in circumstances in which it posed a military threat to the Task Force. As set out in paragraph 5 above, a warning that Argentine warships threatening the Task Force would meet with an appropriate response had already been delivered to the Argentine Government on 23rd April; and Ministers concluded that no further warning was needed. There is no truth in the suggestion that the Foreign Secretary and the Attorney General opposed or dissented from the decision of 30th April. But on 1st May, the day he left for Washington, the Foreign Secretary raised the need for a further warning to the Argentine Government. The matter had been taken no further, however, when the general situation changed completely: first, with the attacks which the Argentine Air Force launched for the first time on the Task Force on 1st May and second, with the clear and unequivocal indications which became available that weekend that the Argentine Navy was committed to hostile action against the Task Force.

8. On 1st May 1982 the Task Force came under attack for the first time from the Argentine airforce, operating from the mainland. As the Defence Secretary said in the House of Commons on 4th May:

'On 1st May the Argentines launched attacks on our ships, during most of the daylight hours. The attacks by Argentine Mirage and Canberra aircraft operating from the mainland were repulsed by British Sea Harriers. Had our Sea Harriers failed to repulse the attacks on the Task Force, our ships could have been severely damaged or sunk. In fact, one Argentine Canberra and one Mirage were shot down and others were damaged. We believe that another Mirage was brought down by Argentine anti-aircraft fire. One of our frigates suffered splinter damage as a result of the air attacks and there was one British casualty whose condition is now satisfactory. All our aircraft returned safely. On the same day, our forces located and attacked what was believed to be an Argentine submarine which was clearly in a position to torpedo our ships. It is not known whether the submarine was hit. The prolonged air attack on our ships, the presence of an Argentine submarine close by, and all other information available to us, left us in no doubt of the dangers to our Task Force from hostile action'. All British units were on maximum alert to deal with any naval or air attacks.

9. As Admiral Woodward has explained "Early on the morning of 2nd May, all the indications were that the '25 de Mayo', the Argentine Carrier, and a group of escorts had slipped past my forward SSN barrier to the north, while the cruiser General Belgrano and her escorts were attempting to complete the pincer movement from the south, still outside the Total Exclusion Zone." The Argentine Operations Commander in the South Atlantic at the time, Admiral Juan Jose Lombardo, confirmed without hesitation on the BBC Panorama

programme on 16 April this year that the Argentine Navy, as we thought, were attempting to engage in a pincer movement against the Task Force, using the '25 de Mayo' and its escorts in the north and the 'General Belgrano' and its escorts attempting to complete the movement from the south.

10. As was further explained in the Prime Minister's letter to Mr. Denzil Davies, HMS Conqueror had sighted the Belgrano for the first time on 1st May. On 2nd May, in response to the threat to the Task Force, Admiral Woodward sought a change to the Rules of Engagement to enable Conqueror to attack the Belgrano outside the Exclusion Zone. On the basis of the clear and unequivocal indications available to the Government that the Argentine Navy posed a real and direct threat to the Task Force and those sailing with it and on the advice of their most senior military advisers, Ministers decided at 1 pm that the Rules of Engagement should be changed to permit attacks on all Argentine naval vessels on the high seas, as had previously been agreed for the '25 de Mayo' alone (see paragraph 7 above). The necessary order conveying this change was sent by Naval Headquarters at Northwood to HMS Conqueror at 1.30 pm (all timings in this and the following paragraphs are given in London time). Shortly after 3 pm, HMS Conqueror reported the position of the Belgrano at 9 am and 3 pm that day. HMS Conqueror had not then received the order changing the Rules of Engagement. The limitations in communications with our submarines operating in the far South Atlantic meant that submarine operations there could not be

monitored and controlled hour by hour. It was not until after 5 pm that HMS Conqueror reported that she had received and understood the new order and intended to attack. The Belgrano was attacked just before 8 pm.

11. Conqueror's report on the Belgrano's position was received by Northwood at 3.40 pm and made known to senior naval officers there and at the Ministry of Defence later that afternoon. The report showed that the Belgrano had reversed course. But she could have altered course again and closed on elements of the Task Force, acting in concert with the carrier to the north. In the light of the continued threat posed by Argentine naval forces against the Task Force, the precise position and course of the Belgrano at that time were irrelevant. For this reason, the report was not made known to Ministers at the time.

12. No evidence has at any time become available to the Government which would make Ministers change the judgement they reached on 2nd May that the Belgrano posed a threat to the Task Force. In the Panorama interview which is referred to earlier, Admiral Lombardo stated that the decision to sink the Argentine cruiser had been tactically sound, and one which he too would have taken had he been in Britain's position. It is, of course, the case that after the sinking of the Belgrano major Argentine warships remained within 12 miles of the Argentine coast and took no further part in the campaign.

13. As to subsequent operations by HMS Conqueror, immediately after the attack upon the Belgrano Conqueror herself came under attack from the Argentine escorting destroyers and, to evade this, moved away from the area. As her continuing role was to protect the Task Force from the threat posed by Argentine warships, she subsequently patrolled to the north and west of the area where the Belgrano had been sunk; when on 4th May Conqueror signalled that she was returning to that area, she was ordered not to attack warships engaged in rescuing survivors from the Belgrano.

14. Attention has been focussed on inaccuracies in the statement made by the then Defence Secretary, Mr. Nott, in the House of Commons on 4th May. It should be borne in mind that this statement had to be prepared in fast-moving and sometimes confused circumstances while Ministers were preoccupied with continuing threats to the Task Force. It was explained in the letter to Mr. Denzil Davies why it was

then possible to correct earlier statements which were made in good faith and to give further information about the Conqueror's operation. It would have been inappropriate to have given details at the time about the circumstances in which Conqueror detected and tracked the Belgrano and other aspects of the engagement since these could well have provided information valuable to the Argentine Navy.

15. The need to do everything we could to protect the lives of some 10,000 British personnel - Service and civilian then in the Task Force and at risk from the Argentine Navy - was the sole reason for the attack on the Belgrano. No other consideration entered the calculations of the Ministers concerned, and in particular there was no question of taking the action in order to undermine peace proposals put forward by the President of Peru, about which Ministers in London had no knowledge at the time. As has been frequently made clear the first indications of these proposals did not reach London from Washington until 11.15pm London time on 2nd May - over three hours after the attack on the Belgrano - and from Lima until 2am London time on 3rd May.

16. Diplomatic action was, however, also pursued vigorously. Every effort was made to secure by diplomatic means the objective of the withdrawal of the Argentine forces. As the Prime Minister said in the House of Commons on 29th April 1982, it was the British Government's earnest hope that this objective could be achieved by a negotiated settlement. But by 29th April, the initiative of the

US Secretary of State, Mr Haig, had foundered on Argentine obduracy. On 30th April, he announced that the United States Government had had reason to hope that the United Kingdom would consider a settlement on the lines of the second set of proposals formulated by the US Government; but the Argentine Government had informed the Americans on 29th April that they could not accept it. As General Galtieri later explicitly admitted in an interview with an Argentine newspaper, Argentine domestic political opinion made it impossible for the Junta to agree to a solution that would entail the withdrawal of Argentine forces. The British authorities by contrast, continued the search for a negotiated settlement until 17th May.

17. The measures taken in late April and early May 1982 were designed clearly and exclusively to safeguard the lives of those serving with our forces, by responding to the threat posed to our ships in order to ensure, in particular, the safety of our two aircraft carriers on which the protection of the Task Force ultimately depended. There was no question of any attempt to destroy the prospects for a negotiated settlement.

NOTE FOR THE RECORD

BELGRANO

The Prime Minister's draft reply to Mr. George Foulkes, M.P., ends with the words: "Nothing we were right." The Prime Minister wished to be sure that her colleagues, particularly those who were involved in the decisions at the time, were content with this judgement.

The draft of the reply was seen in almost final form (which included the sentence in question) by Sir John Nott and Mr. Francis Pym, neither of whom had any comments of substance.

Mr. Butler spoke to Mr. Parkinson and secured his agreement. I spoke to the Lord President and to the Attorney-General (in Washington). Both were content.

Sir A. Acland and Sir Clive Whitmore both approved the draft.

CJP

CHARLES POWELL

19 September 1984

FALKLAND ISLANDS GENERAL

S (2)
 PS/LADY YOUNG
 PS/MR RENTON
 PS/MR RIFKIND
 PS/PUS
 MR DEREK THOMAS
 J FREELAND
 SIR W HARDING
 MR GOODALL
~~MR C WICKEL~~ MR J. Thomas.
 SIR C TICKELL
 MR D C THOMAS
 MR WESTON
 MR BAZZINGTON
 ED/POSD
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PS/NO 10 DOWNING ST
 PS/S OF S FOR DEFENCE
 MR ~~RD~~ NICHOLLS, AUSD STAFF, MOD
 NH

PS/CHANCELLOR)
 MISS M E CUND) TREASURY
 MR LITTLER)

SIR R ARMSTRONG)
 MR ~~A D S GOODALL~~) CABINET
 DIO *Carledge*) OFFICE

MR POWER, SAD, ODA

MR A FORTNAM IAT/D. TRANSPORT

RESIDENT CLERK

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IMMEDIATE

FM UKMIS NEW YORK 192202Z SEP 84
 TO IMMEDIATE FCO
 TEL NO 857 OF 19 SEPTEMBER 1984

YOUR TELNO 447: FALKLANDS: MEETING OF NAM FOREIGN MINISTERS

1. THE NAM MINISTERIAL WILL TAKE PLACE FROM 1-3 OCTOBER. THE INDIANS HAVE A DRAFT COMMUNIQUE IN PREPARATION BUT ARE PLAYING THINGS CLOSE TO THEIR CHEST (EVEN, ACCORDING TO THE SINGAPORIANS, WITH NAM DELEGATIONS THEMSELVES). THE PERUVIANS HAVE SEEN NOTHING IN WRITING BUT SAY THAT THERE IS TO BE A MEETING OF THE LATIN AMERICAN SUB-GROUP OF THE NAM TOMORROW 20 SEPTEMBER AFTER WHICH WE MAY KNOW MORE.

2. MEANWHILE THE INDIANS ADMIT TO BEING "UNDER PRESSURE" FROM THE LATINS, ESPECIALLY OF COURSE ARGENTINA, TO INCLUDE A REFERENCE TO THE FALKLANDS. THEY THINK THAT WHAT EMERGES WILL BE SIMILAR TO (I.E. NO WORSE THAN) LAST YEARS PASSAGE (SEE PARAGRAPH 73 OF A/38/495) BUT DO NOT EXCLUDE THAT THERE MIGHT BE A REFERENCE TO THE BERNE TALKS (ON THE LINES OF THAT IN THIS YEARS C24 RESOLUTION). ASKED WHETHER IT WAS POSSIBLE TO SECURE DELETION OF THE REFERENCE TO THE "MILITARY BASE" CAUSING "GRAVE CONCERN" TO THE REGION THE INDIANS THOUGHT THIS MOST UNLIKELY.

3. OUR OWN ASSESSMENT IS THAT THIS YEARS COMMUNIQUE IS BOUND TO CONTAIN MUCH OF LAST YEARS LANGUAGE, EXPANDED TO TAKE ACCOUNT OF THE RECENT C24 RESOLUTION. IT COULD FOR EXAMPLE ASSERT THE PRIMACY OF NEGOTIATIONS AS A MEANS OF SOLVING DISPUTES, AND HIGHLIGHT ARGENTINAS INTENTION TO COMPLY WITH GA RESOLUTIONS ON THE QUESTION. IT MIGHT ALSO INCLUDE THE POINT ABOUT THE FALKLANDS BEING A "SPECIAL AND PARTICULAR" COLONIAL SITUATION; THERE IS SOME EVIDENCE THIS YEAR THAT ARGENTINA IS PUTTING PARTICULAR EMPHASIS IN ITS LOBBYING CAMPAIGN ON EXPLAINING WHY THE FALKLAND ISLANDERS CANNOT BE REGARDED AS ENTITLED TO THE RIGHT OF SEFL-DETERMINATION.

THOMSON



10 DOWNING STREET

THE PRIME MINISTER

19 September 1984

file A7/JR
*not
to
Lord Pes
Attorney Gen
CO*

Dear Mr. Kinnock.

Thank you for your letter of 14 September.

The first part of your letter dealt with the sinking of the General Belgrano. I am publishing today, in reply to a letter which I have received from Mr. George Foulkes, a further statement of the circumstances surrounding that decision, designed to correct a number of misconceptions which were reflected in Mr. Foulkes' letter to me and in recent press accounts. I enclose a copy of my reply. As you acknowledge, Michael Heseltine also agreed, as long ago as 26 July, to assist with the inquiry being undertaken by the Select Committee on Foreign Affairs and will be giving evidence before them when Parliament returns.

There has been no desire or intention on the part of the Government to mislead or misinform Parliament on this matter; and I entirely refute your suggestion that there was either operational confusion or error in communications with the Task Force. As I have said in my reply to Mr. Foulkes, nothing that has been put forward since we took our decision about the Belgrano has led me or any of my colleagues to doubt that the decision was right and necessary in the interests of safeguarding British lives. But Ministers have to take the responsibility, with the help of our security experts' advice, of deciding at what point it is necessary to withhold information in the interests of national security. To go beyond that point in order to

justify the Government's decisions and thus to jeopardise lives in the future would be the height of irresponsibility. I can say specifically that Geoffrey Howe and I know of no basis for your suggestion that senior Foreign Office officials have given advice in the terms described in your letter.

The latter part of your letter deals with the treatment of Mr. Ponting. I have given an account of the decisions relating to the charging of Mr. Ponting in my reply to Dr. David Owen, a copy of which I also enclose. There are only two points which I would add. The first is that there is no long-established convention of the sort described in your letter: the Law Officers consider each case on its merits in deciding whether proceedings should be brought. The second point is to stress again that decisions on these matters are taken by the Law Officers, not by Ministers. Your letter and last Sunday's Observer allege that Michael Heseltine overruled advice given to him and insisted that Mr. Ponting be prosecuted. This is not so.

The Director of Public Prosecutions had been advised of the case on the morning of 13 August, and after consultation with the Solicitor General had already asked for a very early police report. When the senior Ministry of Defence official, Sir Ewen Broadbent, who had earlier briefed the Director of Public Prosecutions, reported to Michael Heseltine later that afternoon, he informed him of the stage reached. Michael Heseltine noted the report and that the decision whether or not to prosecute rested with the Law Officers. Neither I nor any other Ministers in the Ministry of Defence or elsewhere intervened in the succeeding days. The Director of Public Prosecutions received the detailed police report on 16 August and consulted the Law Officers who decided on 17 August to proceed with the prosecution. The Law Officers did not seek the view of, or consult with, any other Minister, nor was the view of any other Minister

conveyed to them, before they took their decision to prosecute Mr. Ponting.

Yours sincerely

Margaret Thatcher

The Rt. Hon. Neil Kinnock, MP.

AK



10 DOWNING STREET

Prime Minister

There is a
new ally chosen
- the US
Congress - was
considered last!

- totally fake
on far as
needed
not!

MOD now say that

they want to consult
Mr. Heseltine first thing
on Monday about some
further changes to
paras. 10 & 11 of the Annex,
and also consider the
second Foulkes letter.

It is obviously important
to get it right.

Agree to hold it
up until Monday p.m.?
(though I suggest you
still look at it during the
week-end).
CDD. Yes
no

DRAFT LETTER FROM THE PRIME MINISTER TO GEORGE FOULKES MP

You wrote to me on 23rd August about decisions taken by the Government at the time of the Falklands conflict.

2. Your questions reflect a number of fundamental misconceptions about the situation in the South Atlantic in May 1982. I am enclosing, as an annex to this letter, a statement of the position which should clear up these misconceptions, and remove any doubts in your mind about the reasons for our actions.

3. To put the matter briefly, in April 1982 ~~Argentina~~ ^{Argentina} had ~~attacked~~ ^{attacked} and invaded British territory; despite intense and continuing diplomatic efforts, Argentina refused to comply with a mandatory resolution of the United Nations Security Council to withdraw its forces; with all-party support, and in exercise of our inherent right of self-defence under Article 51 of the UN Charter, the British Government despatched the Task Force to the South Atlantic; by 2nd May the Task Force, strung out and vulnerable, had already been attacked by Argentine aircraft and there were clear and unequivocal indications that it was under further threat from a pincer movement by Argentine warships, including the cruiser 'General Belgrano' and the aircraft carrier '25 de Mayo'. The then Argentine Operations Commander, South Atlantic, has since confirmed publicly that his warships had indeed been ordered to attack. No Government with a proper sense of responsibility could have refrained from taking appropriate measures

to counter the threats to the Task Force, and to ensure its safety to the maximum extent possible. Risks could not be taken especially when hostilities had been so clearly embarked upon by the Argentines.

(? delib)

4. On your questions about the Argentine aircraft carrier, the decisions which Ministers took on 30th April, after the most careful consideration of the legal, military and political issues, permitted our forces to attack the '25 de Mayo' outside the Total Exclusion Zone in circumstances in which it posed a military threat to the Task Force. A warning that Argentine warships threatening the Task Force would meet with an appropriate response had already been delivered to the Argentine Government on 23rd April; and Ministers concluded that no further warning was needed. There is no truth in the suggestion that the Foreign Secretary and the Attorney General opposed or dissented from the decision to attack the Carrier. But on 1st May, the day he left for Washington, the Foreign Secretary raised ~~again~~ the need for a further warning to the Argentine Government. The matter had been taken no further, however, when the general situation changed completely: first, with the attacks which the Argentine Air Force launched for the first time on the Task Force on 1st May and second, with the clear and unequivocal indications which became available that weekend that the Argentine Navy was seeking to take hostile action against the Task Force.

5. You asked whether a Polaris submarine was deployed as described in the New Statesman article. There was no change in the standard deployment pattern of our Polaris submarines during the conflict.

Moreover, the Government gave a categorical assurance at the time that nuclear weapons would not be used in the Falklands War (see the statement made by Viscount Trenchard in the House of Lords on 27th April 1982 - Hansard Vol 429, Col 778).

6. I have given you as full an account of these matters as is consistent with national security. I must make it clear that it would be, and will remain, quite wrong for me to disclose all the material that was available to Ministers at the time. To do so would still risk irreparable damage to national security and could put lives at risk in the future.

7. Those who seek to criticise the Government's actions (including people outside this country who have every reason to discredit the Government of the United Kingdom) are not subject to the same constraints and have felt free to make a large number of assertions. I have already explained why I cannot make public everything which would make it possible to discuss whether those assertions are true or false. In these circumstances, I must emphasise the central point. On the basis of all the material that was available to Ministers at the time, my colleagues and I were satisfied that we took the right decisions in order to protect the lives of our forces. Nothing that has since been put forward - and I can assure you that it has all been examined with the utmost care - has led me or any of my colleagues to have any doubts that we were right.

N.B.
 Point in the
 column (how
 relevant &
 what I
 can do.

conflict

DRAFT ANNEX

1. The threats which faced the Task Force at the end of April and the beginning of May 1982 can only be appreciated in the light of the situation in the South Atlantic at that time.

2. On 2nd April 1982, the process of diplomatic negotiations over the Falkland Islands was abruptly interrupted by Argentina's unprovoked armed invasion of the Islands. Having obtained control of the Islands, the Argentines then refused to comply with mandatory Resolution 502 of the United Nations Security Council, which demanded an immediate ~~withdrawal of their forces.~~

3. In exercise of the inherent right of self-defence under Article 51 of the United Nations Charter, and in parallel with ^{ultimately} intense but unproductive diplomatic activity, the British Task Force was despatched at the beginning of April, with all-party support, following Argentina's action, which was wholly inconsistent with international law and the UN Charter. 28,000 British Servicemen and civilians eventually sailed in the Task Force; it was the foremost and continuing duty of the Government to take such decisions as were necessary to protect them as the events of the moment demanded.

4. On 7th April, the Defence Secretary had announced the establishment, as from 12th April, of a 200 nautical mile Maritime Exclusion Zone around the Falkland Islands; but it was made clear in the announcement that this was 'without prejudice to the right of the United

Kingdom to take whatever additional measures may be needed in exercise of its right of self-defence, under Article 51 of the United Nations Charter'. Mr Nott told the House of Commons that if it became necessary, the British Government would use force to achieve the objective of securing Argentine withdrawal. He added: 'We hope that it will not come to that. We hope that diplomacy will succeed. Nevertheless, the Argentines were the first to use force of arms in order to establish their present control of the Falklands'

5. In late April 1982 the Task Force was strung out between Ascension Island and the Falklands and vulnerable to attack. On 23rd April 1982, the Government accordingly sent a message to the Argentine Government reminding them that the establishment of the Maritime Exclusion Zone had been without prejudice to Britain's right to take whatever additional measures might be needed in exercise of its right to self-defence, and making it explicitly clear that any approach by Argentine warships or military aircraft which could amount to a threat to interfere with the mission of British forces in the South Atlantic would encounter the appropriate response. It was clear that this applied outside the Exclusion Zone as well as within it. This message was notified to the United Nations Security Council and circulated accordingly on 24th April. It was also released publicly. *Can we quote the text?*

6. On 28th April 1982 the Government announced the establishment of a 200 nautical mile Total Exclusion Zone around the Falkland Islands, effective as from 30th April, which would apply to all Argentine ships and aircraft. The announcement again stressed that 'these measures

are without prejudice to the right of the United Kingdom to take whatever additional measures may be needed in exercise of its right of self-defence, under Article 51 of the UN Charter'.

7. The threats to the Task Force, as perceived in London and by the Task Force Commander, were explained in the letter of 4th April from the Prime Minister to Mr Denzil Davies.

8. On 1st May 1982 the Task Force came under attack for the first time from the Argentine airforce, operating from the mainland. As the Defence Secretary said in the House of Commons on 4th May: 'On 1st May the Argentines launched attacks on our ships, during most of the daylight hours. The attacks by Argentine Mirage and Canberra aircraft operating from the mainland were repulsed by British Sea Harriers. Had our Sea Harriers failed to repulse the attacks on the Task Force, our ships could have been severely damaged or sunk. In fact, one Argentine Canberra and one Mirage were shot down and others were damaged. We believe that another Mirage was brought down by Argentine anti-aircraft fire. One of our frigates suffered splinter damage as a result of the air attacks and there was one British casualty whose condition is now satisfactory. All our aircraft returned safely. On the same day, our forces located and attacked what was believed to be an Argentine submarine which was clearly in a position to torpedo our ships. It is not known whether the submarine was hit. The prolonged air attack on our ships, the presence of an Argentine submarine close by, and all other information available to us, left us in no doubt of the dangers

to our Task Force from hostile action'. All British units were on maximum alert to deal with any naval or air attacks.

9. As Admiral Woodward has explained "Early on the morning of 2nd May, all the indications were that the '25 de Mayo', the Argentine Carrier, and a group of escorts had slipped past my forward SSN barrier to the north, while the cruiser General Belgrano and her escorts were attempting to complete the pincer movement from the south, still outside the Total Exclusion Zone." The Argentine Operations Commander in the South Atlantic at the time, Admiral Juan Jose Lombardo, confirmed without hesitation on the BBC Panorama programme on 16th April this year that the Argentine Navy, as we thought, were attempting to engage in a pincer movement against the Task Force, using the '25 de Mayo' and its escorts in the north and the 'General Belgrano' and its escorts attempting to complete the movement from the south.

10. As was further explained in the letter to Mr Denzil Davies, HMS Conqueror had sighted the Belgrano for the first time on 1st May. On 2nd May, in response to the threat to the Task Force, Admiral Woodward sought a change to the Rules of Engagement to enable Conqueror to attack the Belgrano outside the Exclusion Zone. On the basis of all the information available to the Government the Belgrano constituted a real and direct threat to the Task Force and those sailing with it. ^{On} ^{advice} ~~at~~ the ~~Express request~~ of their most senior military advisers, Ministers therefore agreed the proposed

change in the Rules of Engagement at about 1pm London time on 2nd May. Orders changing the rules were sent immediately to HMS Conqueror, which attacked the Belgrano at 8pm London time.

11. After the decision by Ministers to change the rules of engagement Conqueror reported at 3pm London time what the position of the Belgrano had been at 9am London time that morning and what her current position then was. This report showed that although the ship had reversed course, she was still operating close to the Exclusion Zone and could have altered course again and closed on elements of the Task Force. Nothing had occurred which changed the clear and unequivocal indications of the hostile intent of Argentine naval forces against the Task Force. In this situation, the precise position and course of the Belgrano at any one time were irrelevant. For these reasons Ministers were not told at the time of the Conqueror's report. Moreover, since then no evidence has at any time become available to the Government which would make Ministers change the judgement they reached on 2nd May that the Belgrano posed a threat to the Task Force. In the Panorama interview which is referred to earlier, Admiral Lombardo stated that the decision to sink the Argentine cruiser had been tactically sound, and one which he too would have taken had he been in Britain's position. It is, of course, the case that after the sinking of the Belgrano major Argentine warships remained within 12 miles of the Argentine coast and took no further part in the campaign.

[12. Attention has been focussed on inaccuracies in the statement made by the then Defence Secretary, Mr Nott, in the House of Commons on 4th May. It should be borne in mind that this statement had to be prepared in fast-moving and sometimes confused circumstances while Ministers were also preoccupied with continuing threats to the Task Force. It would have been inappropriate to have given details about the circumstances in which Conqueror detected and tracked the Belgrano and other aspects of the engagement since these could well have provided information valuable to the Argentine Navy. As was made clear in the letter to Mr Denzil Davies, it has ^{now} been possible to give further information and to correct earlier statements which were made in good faith, ~~because these events have now lost some of their original operational significance.~~]

13. The need to do everything we could to protect the lives of some 10,000 British personnel - Service and civilian - then in the Task Force and at risk from the Argentine Navy, was the sole reason for the attack on the Belgrano. No other consideration entered the calculations of the Ministers concerned, and in particular there was no question of taking the action in order to undermine peace proposals put forward by the President of Peru, As has been frequently made clear, the first indications

about which Ministers in London had no knowledge at the time.

Was it possible that ~~there was~~ ^{was} ~~no~~ ^{was} knowledge at the time?

these proposals did not reach London from Washington until 11.15pm London time on 2nd May - over three hours after the sinking of the Belgrano - and from Lima until 2am London time on 3rd May.

13. Diplomatic action was, however, also pursued vigorously. Every effort was made to secure by diplomatic means the objective of the withdrawal of the Argentine forces. As the Prime Minister said in the House of Commons on 29th April 1982, it was the British Government's earnest hope that this objective could be achieved by a negotiated settlement. But by 29th April, the initiative of the US Secretary of State, Mr Haig, had foundered on Argentine obduracy. On 30th April, he announced that the United States Government had ~~had~~ had reason to hope that the United Kingdom would consider a settlement on the lines of the second set of proposals formulated by the US Government; but the Argentine Government had informed the Americans on 29th April that they could not accept it. As General Galtieri later explicitly admitted in an interview with an Argentine newspaper, Argentine domestic political opinion made it impossible for the Junta to agree to a solution that would entail the withdrawal of Argentine forces. The British authorities by contrast, continued the search for a negotiated settlement until 17th May.

14. The measures taken ~~for the defence of the British Task Force~~ in late April and early May 1982 were designed clearly and exclusively ~~to meet the threats to which it was then exposed and~~ to safeguard

the lives of those serving with our forces, by responding to the threat posed to our ships in order to ensure, in particular, the safety of our two aircraft carriers on which the protection of the Task Force ultimately depended. There was no question of any attempt to destroy the prospects for a negotiated settlement.

1) FER [initials] (2)
2) Prime Minister
CDP
18/9



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~930 7022~~ 218 2111/3

MO 5/21

18th September 1984

MF

Dear Charles

FOREIGN AFFAIRS COMMITTEE INQUIRY INTO THE BELGRANO

The Prime Minister may wish to be aware of the attached letter which the Defence Secretary has received from Sir Anthony Kershaw enclosing a letter from Mr Tam Dalyell. The document to which Mr Dalyell refers is a detailed analysis of the circumstances surrounding the sinking of the Belgrano which was prepared by Mr Ponting at the direction of the Secretary of State and submitted on 29th March 1984. It is classified TOP SECRET CODEWORD. It is not known within this Ministry as the "Crown Jewels", but appears to have been christened this by the press.

Needless to say, the Defence Secretary has no intention of releasing this document to the Foreign Affairs Committee and will rest on the final version of the Prime Minister's letter to Mr Foulkes. He will, as requested, be speaking to Sir Anthony Kershaw about this.

I am copying this letter to Len Appleyard (FCO) and to Richard Hatfield (Cabinet Office).

Yours etc,

Richard Mottram

(R C MOTTRAM)

C Powell Esq

From: SIR ANTHONY KERSHAW, M.C., M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

PRIVATE AND PERSONAL

14th September, 1984.

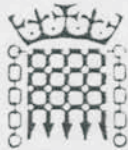
Dear Michael,

I enclose a copy of a letter which I have had from Tam Dalyell, which I found on my return from abroad.

The document must be circulated to the Committee as it is sent to me in my official capacity and no doubt questions will be asked as to what is meant by the "Crown Jewels", if they exist. Do you think we could have a discussion at your convenience?

*Yours ever
Tony*

The Rt. Hon. Michael Heseltine, M.P.,
Ministry of Defence,
Main Building,
Whitehall,
LONDON, S.W. 1.



HOUSE OF COMMONS
LONDON SW1A 0AA

31/8/84

The Chairman,
Select Committee on Foreign Affairs.

Dear Tony,

It has come to my knowledge that Michael Heseltine took a decision to have a full - but secret internal investigation into what he called the " Belgrano Affair ". Had I been in the position of an incoming Defence Secretary after John Nott's departure, I would have taken heed of all the alarm signals, and done exactly the same in ordering an internal enquiry - so I do not criticise him on this account. Naturally, no senior and ambitious politician would want to get caught, and his action should be considered prudent.

This study was indeed carried out, and is known by certain persons in the Government Service as the " Crown Jewels ". There are 4, and possibly 5 actual copies. These documents are stamped with almost every classification the Ministry of Defence has. I have not myself seen a copy, but I believe the " Crown Jewels " are inches thick, and have all the secrets relating to the Sinking of the Belgrano, including, I understand, the intercepted orders from the Argentine Mainland to the Belgrano, which were decoded at GCHQ at Cheltenham.



HOUSE OF COMMONS
LONDON SW1A 0AA

Whether, and at what stage, Mrs Thatcher was informed of the existence of the " Crown Jewels " documents is unclear. The " Crown Jewels ", I am told, were prepared, legitimately, for the information of the Secretary of State for Defence. (You may have seen Michael Heseltine's reported comments to the effect that he wanted to be sure there was no Watergate around him.)

For reasons, elegantly deployed by my friend and colleague, Robin Cook, in the Times of August 29th, we are not dealing with secrets which could be of use to a foreign power, so much as issues of the health of an accountable British Democracy.

Therefore I courteously suggest to you that you and your Committee ask for the "Crown Jewels ", and make sure that they are made available to you, so that you can the more satisfactorily complete the investigations on which you have embarked. Indeed, may I gently say that it is your duty to the House of Commons as a whole to get hold of this documentation, from the Secretary of State for Defence.[?]

Yours Sincerely
Tam Doherty

DRAFT LETTER FROM THE PRIME MINISTER TO THE RT. HON. NEIL KINNOCK, MP

Thank you for your letter of 14 September.

The first part of your letter dealt with the sinking of the General Belgrano. I am publishing today, in reply to a letter which I have received from Mr. George Foulkes, a further statement of the circumstances surrounding that decision, designed to correct a number of misconceptions which were reflected in Mr. Foulkes' letter to me and in recent press accounts. I enclose a copy of my reply. ^{As you} ~~in~~ ^{acknowledge} ~~addition~~, Michael Heseltine ^{has also} ~~agreed~~ ^{as long ago as 26 July} ~~some time ago~~ to assist with the inquiry being undertaken by the Select Committee on Foreign Affairs and will be giving evidence before them when Parliament returns.

There has been no desire or intention on the part of the Government to mislead or misinform Parliament on this matter; and I entirely refute your suggestion that there was either operational confusion or error in communications with the Task Force. As I have said in my reply to Mr. Foulkes, nothing that has been put forward since we took our decision about the Belgrano has led me or any of my colleagues to doubt that the decision was right and necessary in the interests of safeguarding British lives. But Ministers have to take ^{the} responsibility, with the help of ~~the~~ ^{expert advice} ~~advice~~ of our security ~~advisers~~, of deciding at what point it is necessary to withhold information in the interests of national security. To go beyond that point in order to justify the Government's decisions and thus to jeopardise lives in the future would be the height of irresponsibility. I can say specifically that Geoffrey Howe and I know of no basis for your suggestion that senior Foreign Office

officials have given advice in the terms described in your letter.

The latter part of your letter deals with the treatment of Mr. Ponting. I have given an account of the decisions relating to the charging of Mr. Ponting in my reply to Dr. David Owen, a copy of which I also enclose. There are only two points which I would add. The first is that there is no long-established convention of the sort described in your letter: the Law Officers consider each case on its merits in deciding whether ~~evidence of a breach of the Official Secrets Act provides a basis for charges.~~ ^{proceedings should be brought.} The second point is to stress again that decisions on these matters are taken by the Law Officers, not by Ministers. ~~The case concerning Mr. Ponting was quite properly referred to the Director of Public Prosecutions without any prior reference to the Secretary of State for Defence or myself. The Law Officers did not consult, me or any other of their Ministerial colleagues before reaching their decision to prosecute Mr. Ponting, nor were the views of any of their Ministerial colleagues conveyed to them.~~

~~Seek the views of, or consult with, any other Minister, nor was the view of any other Minister conveyed to them, before they took their decision to prosecute Mr. Ponting.~~

REVISED FORM OF WORDS ON PAGE 2 OF THE DRAFT LETTER TO MR KINNOCK

Delete all after "not by Ministers." in line 11 of the last paragraph and substitute the following: ^{an} "Your letter, supplemented by allegations made in last Sunday's Observer, ^{and} allege~~s~~ that Michael Heseltine overruled advice given to him and insisted that Mr Ponting be prosecuted. This is not so. The sequence of events is quite clear and gainsays any such construction.

The Director of Public Prosecutions had been advised of the case on the morning of 13th August, and after consultation with the Solicitor General had already asked for a very early police report. When the senior MOD official, Sir Ewen Broadbent, who had earlier briefed the Director of Public Prosecutions, ^{Michael} ~~saw~~ ^{spoke to Michael} Mr Heseltine later that afternoon, he ~~simply~~ informed him of the stage reached. ^{Michael} Mr Heseltine noted the report and that the decision whether or not to prosecute rested with the Law Officers. Neither I nor any other Ministers in the Ministry of Defence or elsewhere intervened in the process in the succeeding days. The Director of Public Prosecutions received the detailed police report ~~later~~ on 16th August and consulted the Law Officers who decided on ~~Friday~~ 17th August to proceed with the prosecution. The Law Officers did not seek the view of, or consult with, any other Minister, nor was the view of any other Minister conveyed to them, before they took their decision to prosecute Mr Ponting.

I trust that this account, for which you asked, sets the matter right."



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~931 1000~~ 218 2111/3

MO 5/21

18th September 1984

CPA.

Dear Charles,

LETTER FROM THE PRIME MINISTER TO MR FOULKES

/ I now attach a final draft of the letter to Mr Foulkes about events at the end of April and the beginning of May 1982.

The draft takes account of the questions in his further letter of 14th September. It includes, in paragraphs 10-11 of the Annex an account of messages passed and received on 2nd May which has been agreed with Admiral Fieldhouse. The Annex also includes a new paragraph 13 to deal with allegations in the Times on Saturday last.

I am copying this letter and the attachment to Len Appleyard (FCO), Henry Steel (Attorney General's Chambers) and Richard Hatfield (Cabinet Office).

Yours ever,

Richard Mottram

(R C MOTTRAM)

C Powell Esq

(JARAFU)

DRAFT LETTER FROM THE PRIME MINISTER TO GEORGE FOULKES MP

You wrote to me on 23rd August and 14th September about decisions taken by the Government at the time of the Falklands conflict.

2. Your questions reflect a number of fundamental misconceptions about the situation in the South Atlantic in ^{April and} May 1982. I am enclosing, as an Annex to this letter, a statement of the position which should clear up these misconceptions, and remove any doubts in your mind about the reasons for our actions.

3. To put the matter briefly, in April 1982 Argentina had attacked and invaded British territory; despite intense and continuing diplomatic efforts, Argentina refused to comply with a mandatory resolution of the United Nations Security Council to withdraw its forces; with all-party support, and in exercise of our inherent right of self-defence under Article 51 of the UN Charter, the British Government despatched the Task Force to the South Atlantic; by the end of April/^{as it approached the Falklands Islands} the Task Force was increasingly vulnerable to Argentine attack; by 2nd May it had already been attacked by Argentine aircraft and there were clear and unequivocal indications that it was under further threat from a strong and co-ordinated pincer movement by the major units of the Argentine Navy, including the cruiser 'General Belgrano' and the aircraft carrier '25 de Mayo'. The then Argentine Operations Commander, South Atlantic, has since confirmed publicly that his warships had indeed been ordered to attack. No Government with a proper sense of responsibility could

have refrained from taking appropriate measures to counter the threats to the Task Force, and to ensure its safety to the maximum extent possible. Risks could not be taken especially when hostilities had been so clearly embarked upon by the Argentines.

4. Your questions about the Argentine aircraft carrier and the events on 2nd May are answered in the Annex.

5. You also asked whether a Polaris submarine was deployed as described in the New Statesman article^{on 23rd August}. There was no change in the standard deployment pattern of our Polaris submarines during the conflict. Moreover, the Government gave a categorical assurance at the time that nuclear weapons would not be used in the Falklands Conflict (see the statement made by Viscount Trenchard in the House of Lords on 27th April 1982 - Hansard Vol 429, Col 778).

6. I have given you in the Annex as full an account of these matters as, I am advised, is consistent with national security. I must make it clear that it would be, and will remain, quite wrong for me to disclose all the material that was available to Ministers at the time. To do so would still risk irreparable damage to national security and could put lives at risk in the future.

7. Those who seek to criticise the Government's actions (including people outside this country who have every reason to discredit the Government of the United Kingdom) are not subject to the same constraints

and have felt free to make a large number of assertions. I have already explained why I cannot make public everything which would make it possible to discuss whether those assertions are true or false. In these circumstances, I must emphasise the central point. On the basis of all the material that was available to Ministers at the time, my colleagues and I were satisfied that we took the right decisions in order to protect the lives of our forces. Nothing that has since been put forward - and I can assure you that it has all been examined with the utmost care - has led me or any of my colleagues to have any doubts that we were right.

PRIME MINISTER

REPLY TO GEORGE FOULKES ON BELGRANO

I attach a reply to both of George Foulkes' letters.

The reply and the annex are expanded from the earlier draft (attached at A for ease of reference). It takes account of your comments and adds some more verbatim quotes. It contains new material in paragraphs 10 and 11 of the Annex, based on consultation with Admiral Fieldhouse. It deals in paragraph 13 with the additional allegations in last Saturday's Times. The figures for numbers in the Task Force have been checked and confirmed.

You will want to note particularly that in paragraph 11 of the annex we admit that Ministers were not informed of the Belgrano's change of course, and go on to explain the very good reasons why. I am sure this is right.

C.D.P.

18 September, 1984

"or any of my colleagues
at end of para 3"

Could this be ~~finally~~ ^{formally} confirmed
with Willie or John Knox - I know
we agreed orally at meeting the other day
but John could not have
been present and I

and what?
? - and what?
What time
Willie had gone by what time
not sure whether Willie had gone by what time

B.P.
PRIME MINISTER

The Belgrano

The Ministry of Defence are still working on the draft reply to Mr Foulkes and will not now have it ready this evening. They are discussing one particular point with the First Sea Lord who has only just returned from abroad. They will submit a final draft tomorrow.

C.D.P.

mt

17 September 1984

From: George Foulkes. M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

cc: MA 14/9

14 September 1984

The Rt Hon Mrs Margaret Thatcher MP
Prime Minister
10 Downing Street
London SW1

Dear Prime Minister

Further to my letter of 23 August, a reply of which I understand is being given detailed consideration by your Office, there is one additional question which has arisen subsequently to which I would also appreciate an answer.

In "The Observer" of 9 September detailed allegations are made about the timing of dispatches to and from HMS Conqueror relating to the Belgrano.

Can you please either confirm or refute these allegations and, in particular, confirm when the dispatch from Conqueror that the Belgrano had changed course at 9 a.m., and was now heading away from the Exclusion Zone, was received, when its contents were available to officials of the Ministry of Defence, and when precisely they were made known to the members of the "War Cabinet"?

I look forward to receiving a full reply to this and to my previous questions.

Yours sincerely

Am Clark

PP

GEORGE FOULKES MP

Dictated by Mr Foulkes and signed in his absence.



HOUSE OF COMMONS
LONDON SW1A 0AA

SUBJECT as:

✓ SECURITY
leak of
Belgrano Papers
(Parting)
Part 1.

The Office of the Leader of
the Opposition

September 14th 1984

Dear Prime Minister

It came to my notice over a week ago that senior Foreign Office civil servants had sought to persuade your Government to release full details of the timing and nature of communications with HM Submarine Conqueror and of the deliberations of the War Cabinet in relation to the decision to sink the Argentine warship General Belgrano on 2nd May 1982.

I understand that Ministers have been advised that publication of such details would not compromise national security and that there is no good reason to suppress further or withhold such information. Civil servants who must prepare documents for Parliamentary Answers and other Ministerial statements on this matter are clearly right to believe that they have no duty to obscure information or to present it in a way which could mislead or misinform Parliament and the public. The Observer report of last Sunday gave further indication that civil servants were resentful about the role which they are being required to play in the Belgrano affair. Before writing to you about this matter, however, I wished to satisfy myself about the accuracy of the reports I had received.

I believe you were wrong initially to refuse to establish the independent enquiry into the sinking of the Belgrano which we have continually pressed upon you. I hope that you will reconsider your original decision and accept the advice which you are currently receiving.

Operational confusion in the long-distance transmission of orders and reports in battle conditions is understandable. But the refusal of the Government to acknowledge even the possibility of error is not so easily explained. Since there are now no considerations of national security or 'pressing operational reasons' to inhibit such explanations I trust that they will be quickly and comprehensively published.

.... /2

2

September 14th 1984

The Rt Hon Margaret Thatcher MP

There is a further matter of very grave concern, the conduct of your Government towards Mr Clive Ponting. There is reason to believe that when the enquiries into the disclosure of documents to my colleague Tam Dalyell and, through him, to Sir Anthony Kershaw, had been completed, it was decided that the action involved was a breach of trust and not of a criminal nature. As you will be aware, that decision followed the long-established convention in such cases.

I understand that the Secretary of State for Defence was notified of the outcome of the investigation and that, despite this convention and despite the fact that senior civil servants intended to follow that convention in the case of Mr Ponting, he overruled their advice and insisted that Mr Ponting be prosecuted under Section 2 of the Official Secrets Act. I can only presume that you endorsed this action either before or after arrangements to prosecute Mr Ponting were begun.

I am informed that further and even more serious allegations concerning the treatment of Mr Ponting will be made by the defence, on which it would not, of course, be proper for me to comment at this stage.

Whilst I welcome the decision, in the wake of the leaking of the documents and other related events, that the Secretary of State will appear before the Select Committee on Foreign Affairs, that may well be after proceedings against Mr Ponting have begun and the Select Committee's questions will not necessarily relate directly to the treatment which this individual has received.

I hope therefore that you will provide me with a separate and accurate account of the decisions relating to Mr Ponting which were made in the department and by the Secretary of State for Defence.

.../3

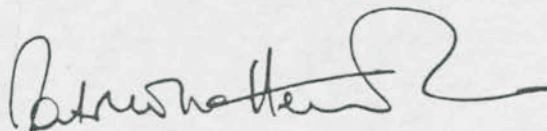
3

September 14th 1984

The Rt Hon Margaret Thatcher MP

I will not be making this information concerning Mr
Ponting generally available for the next 24 hours.

Yours sincerely


PP

Neil Kinnock MP

(dictated by Mr Kinnock and signed in his absence)

The Rt Hon Margaret Thatcher MP

From: George Foulkes. M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

cc: *[Handwritten signature]*
1419

14 September 1984

The Rt Hon Mrs Margaret Thatcher MP
Prime Minister
10 Downing Street
London SW1

Dear Prime Minister

Further to my letter of 23 August, a reply of which I understand is being given detailed consideration by your Office, there is one additional question which has arisen subsequently to which I would also appreciate an answer.

In "The Observer" of 9 September detailed allegations are made about the timing of dispatches to and from HMS Conqueror relating to the Belgrano.

Can you please either confirm or refute these allegations and, in particular, confirm when the dispatch from Conqueror that the Belgrano had changed course at 9 a.m., and was now heading away from the Exclusion Zone, was received, when its contents were available to officials of the Ministry of Defence, and when precisely they were made known to the members of the "War Cabinet"?

I look forward to receiving a full reply to this and to my previous questions.

Yours sincerely

Am Clarke

PP

GEORGE FOULKES MP

Dictated by Mr Foulkes and signed in his absence.

Argentina Relats 1-38. file

BM



10 DOWNING STREET

From the Private Secretary

14 September 1984

I am writing on behalf of the Prime Minister to thank you for your letter of today's date.

I will place this before the Prime Minister at once and you will be sent a reply as soon as possible.

(C.D. Powell)

George Foulkes, Esq., M.P.

JWA



FILE

07

(KAMAZM)

10 DOWNING STREET 14 September, 1984

From the Private Secretary

BELGRANO:LETTER FROM MR. GEORGE FOULKES MP

I enclose a copy of a further letter from Mr. George Foulkes, MP, widely trailed in this morning's press. I should be grateful if the draft reply to Mr. Foulkes' earlier letter which is at present being revised could make specific reference to this further letter also.

I am sending a copy of this letter and its enclosure to Len Appleyard (Foreign and Commonwealth Office), Hugh Taylor (Home Office) and to Henry Steel (Attorney General's Office).

(C.D. Powell)

R. Mottram, Esq.,
Ministry of Defence

dg

Mr Ingham
~~Mr Powell~~
All POs

STATEMENT BY THE RT HON MICHAEL HESELTINE MP

SECRETARY OF STATE FOR DEFENCE

ON 14TH SEPTEMBER 1984

The Government will shortly be replying to the letters received from Mr George Foulkes MP, Dr David Owen MP, and others raising questions about the Falklands war.

One matter requires immediate comment. The impression might be gained from headlines in today's newspapers and news items on radio that I have now agreed to appear before the Foreign Affairs Committee of the House of Commons consequent upon recent articles in the press. The facts are these. On July 25th I received a letter from the Chairman of the Foreign Affairs Committee, Sir Anthony Kershaw MP, inviting me or such other Minister as I thought appropriate to give evidence in private soon after the House of Commons reassembled in the Autumn. I replied on July 26th confirming that it would be my intention to attend myself on the basis proposed.

MEETING ON BELGRANO LETTER

FCS

Defence Secretary

Sir A. Acland

Sir C. Whitmore

Mr. Marychurch

Mr. Steel (Law Officers Department -
Attorney absent)

Mr. Ingham



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~9307022~~ 218 2111/3

Prime Minister

MO 5/21

This is the 'Belgrano' 12th September 1984
text mentioned by Geoffrey Howe. I also attach
your letter to Denis Davies in case you
want to refer to them.

Agree to meeting with Sir G. Howe
& Mr. Heseltine to discuss the text?

New Charter.

REPLY TO MR GEORGE FOULKES MP

Yes Mr CDP
12/9

In his letter of 24th August, Tim Flesher asked for a draft reply to the letter to the Prime Minister from George Foulkes MP on allegations in the New Statesman about the background to naval operations in the South Atlantic at the end of April and in early May 1982.

There has, as you know, been extensive consultation between the Defence Secretary, the Foreign and Commonwealth Secretary and the Attorney General about whether the reply to Mr Foulkes might be used to set out a definitive position on which the Defence Secretary would draw when appearing before the Foreign Affairs Committee in the Autumn and on which all Ministers could draw in the continuing public controversy over this matter. I attach a draft reply which might serve this purpose which has been prepared jointly by the FCO and the MOD and discussed between the Ministers concerned. The Prime Minister may wish herself to hold a meeting to discuss the attachment. You will note that two sentences in paragraph 11 of the draft Annex are in square brackets: the Defence Secretary would propose to explain orally the background to these.

I am copying this letter and the attachment to Janet Lewis-Jones (Lord President's Office), Len Appleyard (FCO), Hugh Taylor (Home Office), Henry Steel (Attorney General's Chambers) and Richard Hatfield (Cabinet Office).

Yours etc.

Richard Mottram

(R C MOTTRAM)

C Powell Esq

DRAFT LETTER FROM THE PRIME MINISTER TO GEORGE FOULKES MP

You wrote to me on 23rd August about decisions taken by the Government at the time of the Falklands conflict.

2. Your questions reflect a number of fundamental misconceptions about the situation in the South Atlantic in May 1982. I am enclosing, as an annexe to this letter, a statement of the position which should clear up these misconceptions, and remove any doubts in your mind about the reasons for our actions.

3. To put the matter briefly, in April 1982 Argentina had attacked and invaded British territory; despite intense and continuing diplomatic efforts, Argentina refused to comply with a mandatory resolution of the United Nations Security Council to withdraw its forces; with all-party support, and in exercise of our inherent right of self-defence under Article 51 of the UN Charter, the British Government despatched the Task Force to the South Atlantic; by 2nd May the Task Force, strung out and vulnerable, had already been attacked by Argentine aircraft and there were clear and unequivocal indications that it was under further threat from a pincer movement by Argentine warships, including the cruiser 'General Belgrano' and the aircraft carrier '25 de Mayo'. The then Argentine Operations Commander, South Atlantic, has since confirmed publicly that his warships had indeed been ordered to attack. No Government with a proper sense of responsibility could have refrained from taking appropriate measures

to counter the threats to the Task Force, and to ensure its safety to the maximum extent possible. Risks could not be taken especially when hostilities had been so clearly embarked upon by the Argentines.

4. On your questions about the Argentine aircraft carrier, the rules of engagement as agreed by Ministers on 30th April permitted our forces to attack the '25 de Mayo' in circumstances in which it posed a military threat to the Task Force. A warning that Argentine warships threatening the Task Force would meet with an appropriate response had been delivered to the Argentine Government on 23rd April. There is no truth in the suggestion that the Foreign Secretary and the Attorney-General opposed or dissented from these rules of engagement. *Serious.*

5. On the question of whether a Polaris submarine was deployed as described in the New Statesman article, the Government made it quite clear at the time that, although it has been the longstanding practice of successive Governments neither to confirm nor deny the presence or absence of nuclear weapons at any particular time, there was no question at all of our using nuclear weapons in the Falklands campaign.

6. I have given you as full an account of these matters as is consistent with national security. I must make it clear that it is, and will remain, quite wrong for me to disclose ^{everything} ~~all the material~~ _{with} that was available to Ministers at the time. To do so would ^{irreparable} ~~risk~~ _{that could be} ^{real} damage to national security and could ~~well~~ put lives at risk in the future.

7. Those who seek to criticise the Government's actions (including people outside this country who have every reason to discredit the Government of the United Kingdom) are not subject to the same constraints and have felt free to make a large number of assertions. I have already explained why I cannot make public ~~all~~ ^{every thing} of the material which would make it possible to discuss whether those assertions are true or false. In these circumstances, I must emphasise the central point. On the basis of all the material that was available to Ministers at the time, my colleagues and I were satisfied ~~(beyond doubt)~~ that we could only reach the conclusions and take the decisions that we did, ~~Nothing~~ that has since been put forward - and I can assure you that it has all been examined with the utmost care - has led me or any of my colleagues to have any doubts ^{that we were right} about the rightness of our decisions.

*it is
shown
with
the
Czech's
words.
and we
were
satisfied.*

DRAFT ANNEX

1. The threats which faced the Task Force at the end of April and the beginning of May 1982 can only be appreciated in the light of the situation in the South Atlantic at that time.
2. On 2nd April 1982, the process of diplomatic negotiations over the Falkland Islands was abruptly interrupted by Argentina's unprovoked armed invasion of the Islands. Having obtained control of the Islands, the Argentines then refused to comply with mandatory Resolution 502 of the United Nations Security Council, which demanded an immediate withdrawal of their forces.
3. In exercise of the inherent right of self-defence under Article 51 of the United Nations Charter, and in parallel with intense but unproductive diplomatic activity, the British Task Force was despatched at the beginning of April, with all-party support, following Argentina's action, which was wholly inconsistent with international law and the UN Charter. 28,000 British Servicemen and civilians eventually sailed in the Task Force; it was the foremost and continuing duty of the Government to take such decisions as were necessary to protect them as the events of the moment demanded.
4. On 7th April, the Defence Secretary had announced the establishment, as from 12th April, of a 200 nautical mile Maritime Exclusion Zone around the Falkland Islands; but it was made clear in the announcement that this was 'without prejudice to the right of the United

Kingdom to take whatever additional measures may be needed in exercise of its right of self-defence, under Article 51 of the United Nations Charter'. Mr Nott told the House of Commons that if it became necessary, the British Government would use force to achieve the objective of securing Argentine withdrawal. He added: 'We hope that it will not come to that. We hope that diplomacy will succeed. Nevertheless, the Argentines were the first to use force of arms in order to establish their present control of the Falklands'

5. In late April 1982 the Task Force was strung out between Ascension Island and the Falklands and vulnerable to attack. On 23rd April 1982, the Government accordingly sent a message to the Argentine Government reminding them that the establishment of the Maritime Exclusion Zone had been without prejudice to Britain's right to take whatever additional measures might be needed in exercise of its right to self-defence, and making it explicitly clear that any approach by Argentine warships or military aircraft which could amount to a threat to interfere with the mission of British forces in the South Atlantic would encounter the appropriate response. It was clear that this applied outside the Exclusion Zone as well as within it. This message was circulated in the United Nations Security Council and released publicly. *or 26 April* *When? Date?*

6. On 28th April 1982 the Government announced the establishment of a 200 nautical mile Total Exclusion Zone around the Falkland Islands, effective as from 30th April, which would apply to all Argentine ships and aircraft. The announcement again stressed that 'these measures

are without prejudice to the right of the United Kingdom to take whatever additional measures may be needed in exercise of its right of self-defence, under Article 51 of the UN Charter'.

7. The threats to the Task Force, as perceived in London and by the Task Force Commander, were explained in the letter of 4th April from the Prime Minister to Mr Denzil Davies.

8. On 1st May 1982 the Task Force came under attack for the first time from the Argentine airforce, operating from the mainland. As the Defence Secretary said in the House of Commons on 4th May: 'On 1st May the Argentines launched attacks on our ships, during most of the daylight hours. The attacks by Argentine Mirage and Canberra aircraft operating from the mainland were repulsed by British Sea Harriers. Had our Sea Harriers failed to repulse the attacks on the Task Force, our ships could have been severely damaged or sunk. In fact, one Argentine Canberra and one Mirage were shot down and others were damaged. We believe that another Mirage was brought down by Argentine anti-aircraft fire. One of our frigates suffered splinter damage as a result of the air attacks and there was one British casualty whose condition is now satisfactory. All our aircraft returned safely. On the same day, our forces located and attacked what was believed to be an Argentine submarine which was clearly in a position to torpedo our ships. It is not known whether the submarine was hit. The prolonged air attack on our ships, the presence of an Argentine submarine close by, and all other information available to us, left us in no doubt of the dangers

to our Task Force from hostile action'. All British units were on maximum alert to deal with any naval or air attacks.

9. As Admiral Woodward has explained "Early on the morning of 2nd May, all the indications were that the '25 de Mayo', the Argentine Carrier, and a group of escorts had slipped past my forward SSN barrier to the north, while the cruiser General Belgrano and her escorts were attempting to complete the pincer movement from the south, still outside the Total Exclusion Zone." The Argentine Operations Commander in the South Atlantic at the time, Admiral Juan Jose Lombardo, confirmed without hesitation on the BBC Panorama programme on 16th April this year that the Argentine Navy, as we thought, were attempting to engage in a pincer movement against the Task Force, using the '25 de Mayo' and its escorts in the north and the 'General Belgrano' and its escorts attempting to complete the movement from the south.

10. As was further explained in the letter to Mr Denzil Davies, HMS Conqueror had sighted the Belgrano for the first time on 1st May. On 2nd May, in response to the threat to the Task Force, Admiral Woodward sought a change to the Rules of Engagement to enable Conqueror to attack the Belgrano outside the Exclusion Zone. On the basis of all the information available to the Government the Belgrano constituted a real and direct threat to the Task Force and those sailing with it. ^{On the advice} At the ~~express~~ request of their ~~most senior~~ military advisers, Ministers therefore agreed the proposed

change in the Rules of Engagement at about 1pm London time on 2nd May. Orders changing the rules were sent immediately to HMS Conqueror, which attacked the Belgrano at 8pm London time.

11. After the decision by Ministers to change the rules of engagement, Conqueror reported at 3pm London time the position of the Belgrano then and its position at 9am (London time) that morning. This report showed that ^{although} the ship had reversed course: ~~but~~ she was still operating close to the Exclusion Zone and could have changed course again and closed on elements of the Task Force. [Ministers were not informed of this change of course at the time because the clear and unequivocal indications of the hostile intent of the Argentine naval forces against the Task Force ^{made} the precise position and course of the Belgrano irrelevant.] [There has been no evidence available to the Government at any time to make Ministers change the judgement they reached on 2nd May that the Belgrano posed a threat to the Task Force.] In the Panorama interview which is referred to earlier, Admiral Lombardo stated that the decision to sink the Argentine cruiser had been tactically sound, and one which he too would have taken had he been in Britain's position.

12. The need to counter the threat to British forces ^{some 7,000 nautical miles} (many thousands of miles from their home base) was the sole reason for the attack on the Belgrano. ^{solidly} ^{referred to} ^{with} ^{was} No other consideration entered the calculations of the Ministers concerned, and in particular there was no question of the action undermining peace proposals put forward by the President of Peru. As has been frequently made clear, the first indications

of these proposals did not reach London from Washington until 11.15pm London time on 2nd May - over three hours after the sinking of the Belgrano - and from Lima until 2am London time on 3rd May.

13. Diplomatic action was, however, also pursued vigorously. Every effort was made to secure by diplomatic means the objective of the withdrawal of the Argentine forces. As the Prime Minister said in the House of Commons on 29th April 1982, it was the British Government's earnest hope that this objective could be achieved by a negotiated settlement. But by 29th April, the initiative of the US Secretary of State, Mr Haig, had foundered on Argentine obduracy. On 30th April, he announced that the United States Government had had reason to hope that the United Kingdom would consider a settlement on the lines of the second set of proposals formulated by the US Government; but the Argentine Government had informed the Americans on 29th April that they could not accept it. As General Galtieri later explicitly admitted in an interview with an Argentine newspaper, Argentine domestic political opinion made it impossible for the Junta to agree to a solution that would entail the withdrawal of Argentine forces. The British authorities by contrast, continued the search for a negotiated settlement until 17th May.

A thin soldier's uniform raised

14. The measures taken for the defence (of the British Task Force in late April and early May 1982 were designed clearly and exclusively to meet the threats to which it was then exposed and to safeguard

the lives of our forces. There was no question of any attempt to destroy the prospects of a negotiated settlement.

E.R.
p.p. CDP 11/9.
ms

PRIME MINISTER

Belgrano

You might like to know that Mr Pym telephoned the FCO this evening to say that he was refusing numerous requests to say anything on the record about the Belgrano, on the grounds that he did not wish in any way to extend the controversy. But unattributably he was making absolutely clear that talk of a joint minute by him and the Attorney contesting the Belgrano decision was absolute nonsense.

CDP

7 September 1984

*pt. held
in file*

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TO PRIORITY ABIDJAN AND CERTAIN OTHER POSTS

TELEGRAM NUMBER 142 OF 6 SEPTEMBER

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ISLAMABAD, LAGOS, NICOSIA, PORT MORESBY, TOKYO, TUNIS, VIENNA,
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UKDEL NATO, UKMIS GENEVA

MIFT FALKLANDS: UN GENERAL ASSEMBLY

FOLLOWING IS TEXT OF ARGENTINE DRAFT RESOLUTION:

BEGINS

THE GENERAL ASSEMBLY,

HAVING CONSIDERED THE QUESTION OF THE FALKLAND ISLANDS
(MALVINAS) AND RECEIVED THE REPORT OF THE SECRETARY GENERAL,

AWARE THAT THE MAINTENANCE OF COLONIAL SITUATION IS
INCOMPATIBLE WITH THE UNITED NATIONS IDEAL OF UNIVERSAL PEACE,

RECALLING GENERAL ASSEMBLY RESOLUTIONS 1514 (XV) OF 14
DECEMBER 1960, 2065 (XX) OF 16 DECEMBER 1965, 3160 (XXVIII) OF 14
DECEMBER 1973, 31/49 OF 1 DECEMBER 1976, 37/9 OF 4 NOVEMBER 1982
AND 38/12 OF 16 NOVEMBER 1983 AND ALSO SECURITY COUNCIL
RESOLUTIONS 502 AND 505 OF 1982,

RECALLING ALSO THAT IT IS AN OBLIGATION OF MEMBER STATES TO
RESOLVE THEIR INTERNATIONAL DISPUTES BY PEACEFUL MEANS AND THAT,
IN THIS REGARD THE CHARTER ESTABLISHES THAT PARTIES WILL SEEK A
SOLUTION FIRST OF ALL THROUGH NEGOTIATION,

NOTING WITH CONCERN THAT, NOTWITHSTANDING THE TIME THAT HAS
ELAPSED SINCE THE ADOPTION OF RESOLUTION 2065 (XX) AND DESPITE
THE FACT THAT THE EXISTENCE OF THE SOVEREIGNTY DISPUTE RELATING
TO THE QUESTION OF THE FALKLAND ISLANDS (MALVINAS) WAS RECOGNISED
BY ARGENTINE AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN
IRELAND IN PREVIOUS NEGOTIATIONS, THIS PROLONGED DISPUTE HAS NOT

RESTRICTED

992 - 1

BEEN SETTLED AND THE PROCESS OF NEGOTIATIONS HAS NOT BEEN RESUMED.

AWARE OF THE INTEREST OF THE INTERNATIONAL COMMUNITY IN THE RESUMPTION BY THE GOVERNMENTS OF ARGENTINA AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND OF NEGOTIATION IN ORDER TO FIND AS SOON AS POSSIBLE A PEACEFUL, JUST AND LASTING SOLUTION TO THAT DISPUTE, WHICH WILL PERMIT THE REMOVAL OF A CAUSE OF GRAVE CONCERN TO THE LATIN AMERICAN REGION,

TAKING NOTE OF THE COMMUNIQUE ISSUED BY THE GOVERNMENT OF SWITZERLAND AND REPRESENTATIVES OF THE GOVERNMENT OF BRAZIL AT BERNE ON 20 JULY 1984, AS WELL AS OF THE LETTER OF THE GOVERNMENT OF ARGENTINA TO THE SECRETARY GENERAL OF 23 JULY 1984,

REAFFIRMING THE NEED FOR THE PARTIES TO TAKE DUE ACCOUNT OF THE INTERESTS OF THE POPULATION OF THE ISLANDS IN ACCORDANCE WITH THE PROVISIONS OF GENERAL ASSEMBLY RESOLUTIONS 2065 (XX), 3160 (XXVIII), 37/9 AND 38/12,

1. REITERATES THAT THE WAY TO PUT AN END TO THE SPECIAL AND PARTICULAR COLONIAL SITUATION IN THE QUESTION OF THE FALKLAND ISLANDS (MALVINAS) IS THE PEACEFUL SETTLEMENT OF THE SOVEREIGNTY DISPUTE BETWEEN THE GOVERNMENTS OF ARGENTINA AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

2. TAKES NOTE WITH SATISFACTION OF THE FACT THAT THE GOVERNMENT OF ARGENTINA HAS EXPRESSED ITS INTENTION TO COMPLY WITH THE GENERAL ASSEMBLY RESOLUTIONS REFERRING TO THE QUESTION OF THE FALKLAND ISLANDS (MALVINAS),

3. URGES THE GOVERNMENTS OF ARGENTINA AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND TO RESUME NEGOTIATIONS IN ORDER TO FIND AS SOON AS POSSIBLE A PEACEFUL SOLUTION TO THE SOVEREIGNTY DISPUTE RELATING TO THE QUESTION OF THE FALKLAND ISLANDS (MALVINAS), IN ACCORDANCE WITH THE PROVISIONS OF GENERAL ASSEMBLY RESOLUTIONS 2065 (XX), 3160 (XXVIII), 31/49, 37/9 AND 38/12,

4. REQUESTS THE SECRETARY GENERAL TO CONTINUE HIS RENEWED MISSION OF GOOD OFFICES IN ORDER TO ASSIST THE PARTIES IN COMPLYING WITH THE REQUEST MADE IN PARAGRAPH ONE ABOVE, AND TO TAKE THE NECESSARY MEASURES TO THAT END,

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992 - 1

5. REQUESTS THE SECRETARY GENERAL TO SUBMIT A REPORT TO THE GENERAL ASSEMBLY AT ITS 40TH SESSION ON THE PROGRESS MADE IN THE IMPLEMENTATION OF THE PRESENT RESOLUTION,

6. DECIDES TO INCLUDE IN THE PROVISIONAL AGENDA OF ITS 40TH SESSION, THE ITEM ENTITLED 'QUESTION OF THE FALKLAND ISLANDS (MALVINAS)'

ENDS

HOWE

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TO IMMEDIATE FCO

TELNO 588 OF 3 SEPTEMBER 1984

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ARGENTINA : ASSESSMENT

SUMMARY

1. THE ECONOMIC CRISIS DEEPENS AS INFLATION SPIRALS OUT OF CONTROL. THE 30 AUGUST ANTI-INFLATIONARY PACKAGE CONTAINS SOME ENCOURAGING SEVERE MEASURES BUT THE GOVERNMENT'S

CONTROL. THE 30 AUGUST ANTI-INFLATIONARY PACKAGE CONTAINS SOME ENCOURAGING SEVERE MEASURES BUT THE GOVERNMENT'S DETERMINATION AND ABILITY TO CARRY THEM THROUGH REMAINS UNCERTAIN. THE UNIONS ARE FLEXING THEIR MUSCLES WITH A GENERAL STRIKE. PROSPECTS FOR A PROMPT BEAGLE SETTLEMENT ARE RECEDING AND THERE SEEMS LITTLE POSSIBILITY OF EARLY IMPROVEMENT IN RELATIONS WITH THE UK.

DETAIL

2. THE ABSENCE OF CLEAR, EFFECTIVE POLICIES PERSISTS ON ALL FRONTS. THE CONSEQUENCES ARE ESPECIALLY KEENLY FELT IN THE ECONOMY WHERE INFLATION CONTINUES TO SOAR UNCHECKED WITH A RATE OF 25 O/O EXPECTED THIS MONTH AND MORE THAN 30 O/O IN SEPTEMBER. SINCE THE RETAIL PRICE INDEX IS WEIGHTED IN FAVOUR OF THE QUOTE POOR MAN UNQUOTE AND HIS IMMEDIATE NEEDS, ARGENTINA'S LARGE AND POLITICALLY INFLUENTIAL MIDDLE CLASS IS BEARING A RATE CONSIDERABLY IN EXCESS OF THE 600 O/O ADMITTED BY THE GOVERNMENT. THIS IS STOKING MEDIA CRITICISM OF ALFONSIN'S ADMINISTRATION. COMPANIES HAVE CEASED TO INVEST ON A SIGNIFICANT SCALE AND DEMAND HAS BEEN DECLINING SINCE JUNE AFTER A VERY MODEST RISE IN THE FIRST HALF OF THE YEAR.

3. THE GOVERNMENT HAS SHOWN LITTLE STOMACH FOR IMPOSING DISCIPLINE ON THE STILL-EXPANDING PUBLIC SECTOR, AND THE PROMISE TO CUT THE BUDGET DEFICIT THROUGH HIGHER TAX REVENUES IS STILL UNFULFILLED, FOR THESE HAD DECLINED IN REAL TERMS BY UP TO 19 O/O BY END JULY. TAX EVASION IS RUNNING AT APPROXIMATELY 50 O/O AND RISING, THE SCOPE FOR GENERATING MORE EASILY COLLECTED REVENUE FROM INDIRECT TAXES ON SUCH ITEMS AS PETROL IS LIMITED, AND PLANS TO RATIONALISE THE ENTIRE TAX SYSTEM WILL

TAKE AT LEAST TWO YEARS TO BECOM

VE. A REAL DROP IN THE MONEY SUPPLY OF 5.1 O/O OVER THE FIRST SEVEN MONTHS OF 1984 HAS FAILED TO PUT THE BRAKE ON INFLATION, NOW PROBABLY FUELLED OUT OF CONTROL BY CONTINUALLY RISING INFLATIONARY EXPECTATIONS.

4. TRADE UNION LEADERS, HELPING TO CREATE RATHER THAN ALLEVIATE THE CRISIS, REGARD MILITANCY AS A WAY TO SECURE THEIR OWN AUTHORITY, AND THE RADICALS' PLANS FOR A SOCIAL CONTRACT APPEAR UNREALISTIC. HINTS OVER THE LAST WEEK THAT THE GOVERNMENT WOULD STAND FIRM AGAINST THE CRT'S WAGE DEMANDS PROVED GROUNDLESS AS RESISTANCE COLLAPSED WITHOUT PREVENTING THE CGT FROM CALLING A GENERAL STRIKE FOR 3 SEPTEMBER. IF THE LABOUR BOSSES FAIL TO ATTRACT MASSIVE SUPPORT FOR THEIR ACTION THIS TEST OF STRENGTH

GENERAL STRIKE FOR 3 SEPTEMBER. IF THE LABOUR BOSSES FAIL TO ATTRACT MASSIVE SUPPORT FOR THEIR ACTION, THIS TEST OF STRENGTH MIGHT BOOST THE ADMINISTRATION'S IMAGE AND CONFIDENCE. BUT RELIEF WOULD BE ONLY TEMPORARY, BEFORE THE RADICALS' CREDIBILITY AND POPULARITY RESUMED ITS DECLINE. BOTH SIDES WILL PROBABLY CLAIM VICTORY.

1 TM 5. ALFONSIN HIMSELF HAS SO FAR BEEN LARGELY EXEMPTED FROM CENSURE, SINCE HE HAS ALLOWED HIS CABINET TO TAKE THE BLAME FOR THE ILL-JUDGED ECONOMIC POLICIES THAT HAVE CHARACTERISED HIS PRESIDENCY. ALTHOUGH THE LOGIC OF THE IMF ARGUMENT FOR A THOUGH AND ORTHODOX PROGRAMME IS IRREFUTABLE, IT REMAINS UNCERTAIN WHETHER ALFONSIN IS SUSCEPTIBLE TO LOGIC LIABLE TO JEOPARDISE HIS POPULARITY WHICH HE IN TURN SEEMS TO EQUATE WITH THE CONTINUATION OF DEMOCRACY IN ARGENTINA. HE IS ALREADY PREPARING THE GROUND FOR NEXT YEAR'S PARTIAL CONGRESSIONAL ELECTIONS AND HIS TENTATIVE APPEALS FOR AUSTERITY HAVE OMITTED ANY REFERENCE TO SACRIFICE. THE ANTI-INFLATION PROGRAMME ANNOUNCED ON 30 AUGUST APPEARS A REPETITION OF THAT ATTEMPTED AT THE BEGINNING OF THE YEAR, WHEN THE GOVERNMENT AIMED TO CONTROL INFLATION BY DECREE. BUT A STRONG DOSE OF MONETARY AND CREDIT RESTRICTION IS ADDED WHICH, TO BE EFFECTIVE, WILL REQUIRE ACHIEVEMENT OF THE MUCH-SOUGHT BUT STILL UNLIKELY CONCENSUS. SOME CRITICS HAVE EVEN SUGGESTED THE PACKAGE IS ONLY A TEMPORARY FEINT TOWARDS ORTHODOXY FOR THE BENEFIT OF THE IMF. FOREIGN DEBT NEGOTIATIONS WILL CERTAINLY CONTINUE FOR SOME TIME, SHAKILY BUTTRESSED BY SHORT-TERM EXPEDIENTS.

6. MEANWHILE, DISCONTENT AMONGST JUNIOR AND MIDDLE-RANKING MILITARY OFFICERS IS AROUSING GOVERNMENT CONCERN. THERE HAS BEEN TALK OF AN AMNESTY FOR THOSE GUILTY OF HUMAN RIGHTS VIOLATIONS WHICH THE CIVILIAN COURTS HAVE BEEN INVESTIGATING WITH UNACCUSTOMED VIGOUR. IF TRUE, THIS IS YET ANOTHER SIGNAL OF THE GOVERNMENT'S SENSE OF WEAKNESS.

7. FOREIGN POLICY SEEMS SCARCELY BETTER DEFINED. ALTHOUGH ALFONSIN HAS ANNOUNCED A PLEBISCITE FOR THE END OF SEPTEMBER ON A PROPOSED BEAGLE CHANNEL SETTLEMENT WITH CHILE, THE PAPAL PROPOTALS THESELVES HAVE STILL NOT BEEN OFFICIALLY REVEALED AND SOMEWHAT ACCELERATED NEGOTIATIONS APPEAR TO BE CONTINUING IN ROME. IF AND WHEN THE PLEBISCITE IS HELD, ALFONSIN WILL PROBABLY OBTAIN A MAJORITY, BUT TO BE OF ANY REAL HELP TO HIM THIS MUST BE LARGE AND THE PROPORTION OF ABSTENTIONS SMALL. HOPES FOR AN EARLY SOLUTION COULD EASILY BE FRUSTRATED.

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5. FA'S HECTIC PREOCCUPATION WITH THE BEAGLE DISPUTE MAY COMPLICATE ITS PREPARATIONS FOR THE UNGA FALKLANDS DEBATE WHEN ARGENTINA GENUINELY FEARS A LESS FAVOURABLE RESULT THAN LAST YEAR. SHE WILL CONCENTRATE EFFORT ON SECURING THE VOTES OF OUR EC PARTNERS, PARTICULARLY FRANCE AND ITALY, AND SEEMS SET TO PURSUE HER CASE THROUGH INTERNATIONAL FORA FOR THE TIME BEING. DOMESTIC PROBLEMS WILL INHIBIT FLEXIBILITY.

9. THE DEMOCRATIC GOVERNMENT'S ACHIEVEMENTS SO FAR ARE MINIMAL, AND THE PRESIDENT'S APPARENT WILL TO CHANGE HIS CABINE AND DEFINE POLICIES, LIMITED. BUT POSSIBLE ALTERNATIVES, REPRESENTED BY THE PERONISTS OR THE MILITARY, ARE EVEN MORE UNPROMISING AND UNLIKELY. THE COURSE OF "FUDGE IN THE MUDDLE", OR CHRONIC INDEFINITION, SEEMS TO CONTINUE ENDEMIC IN ALFONSIN'S ARGENTINA, LEAVING HIM SCANT SPACE FOR MANOEUVRE ON ECTHER INTERNAL OR FOREIGN PROBLEMS.

JOY

UNQUOTE

CCNS:

PARA 3 LINE 9

.....TAKE AT LEAST TWO YEARS TO BECOME EFFECTIVE. A REAL DROP IN THE MONEY SUPPLY.....

PARA 4: SHLD BEGIN... TRADE UNION LEADERS....

POWELL-JONES

NNNN

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PART 37 ENDS

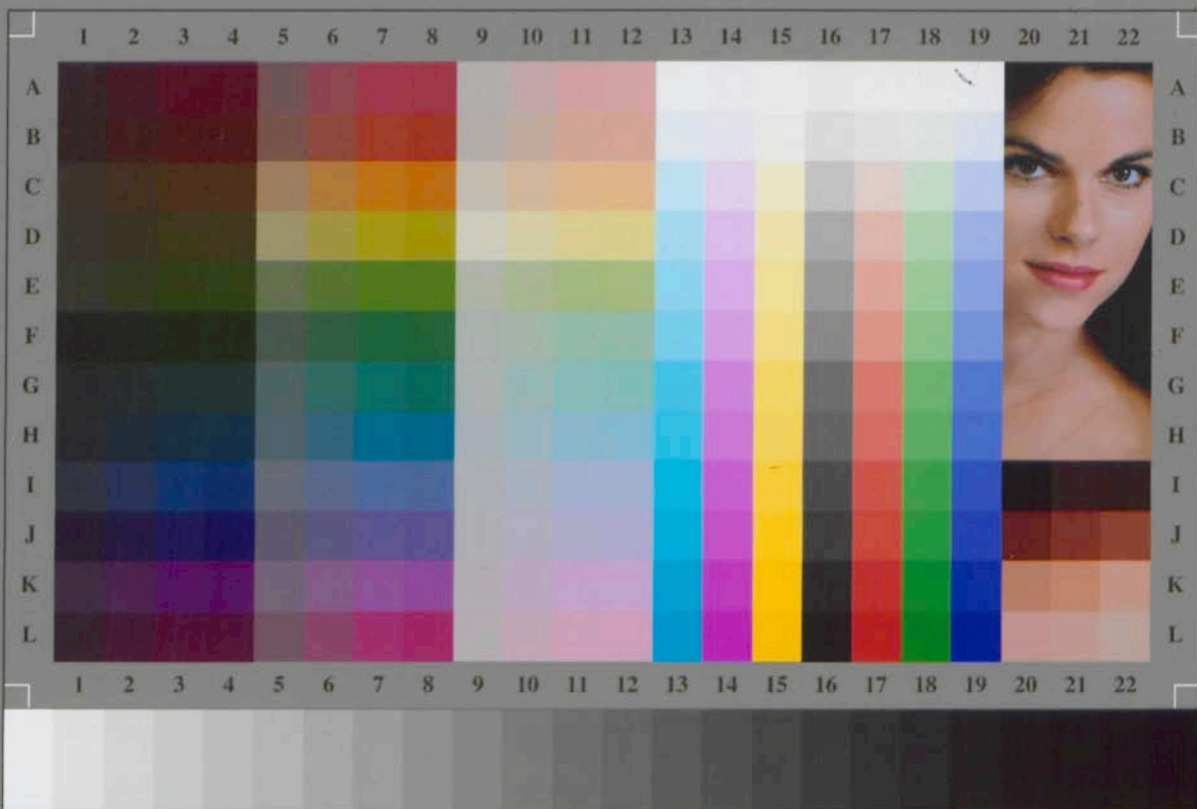
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