

NYFC 004/11

OO FCO (DESKBY 110700Z)

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CONFIDENTIAL

DESKBY 110700Z

FM UKMIS NEW YORK 110141Z MAY 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 704 OF 10 MAY.

INFO IMMEDIATE WASHINGTON.

MIPT: FALKLANDS.

10 MAY 1982

175

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1. FOLLOWING IS THE SECRETARIAT'S TRANSLATION OF THE ARGENTINE PAPER WHICH PEREZ DE CUELLAR GAVE ME THIS EVENING (10 MAY):

BEGINS

1. THIS AGREEMENT IS CONCLUDED WITHIN THE FRAMEWORK OF THE CHARTER OF THE UNITED NATIONS AND TAKING INTO ACCOUNT SECURITY COUNCIL RESOLUTION 502 (1982) AND THE RELEVANT RESOLUTIONS OF THE GENERAL ASSEMBLY.

2. THE AGREEMENT TO WHICH THE PARTIES COMMIT THEMSELVES SHALL BE WITHOUT PREJUDICE TO THE RIGHTS, CLAIMS OR POSITIONS OF THE PARTIES.

3. THE GEOGRAPHICAL SCOPE OF THIS AGREEMENT SHALL COMPRISE THE THREE ARCHIPELAGOS CONSIDERED BY THE UNITED NATIONS.

4. THE GOVERNMENT AND THE ADMINISTRATION SHALL BE THE EXCLUSIVE RESPONSIBILITY OF THE UNITED NATIONS. THE OBSERVERS OF THE PARTIES MAY FLY THEIR RESPECTIVE FLAGS.

5. THERE SHALL BE FREEDOM OF TRANSIT AND RESIDENCE FOR CITIZENS OF THE PARTIES, WHO SHALL ENJOY THE RIGHT TO ACQUIRE AND DISPOSE OF REAL ESTATE.

6. THE WITHDRAWAL OF FORCES SHALL BE EFFECTED UNDER THE SUPERVISION OF THE UNITED NATIONS.

7. THE PARTIES COMMIT THEMSELVES TO UNDERTAKE IN GOOD FAITH NEGOTIATIONS UNDER THE AUSPICES OF THE SECRETARY-GENERAL WITH A VIEW TO PEACEFUL SETTLEMENT OF THE DISPUTE AND, WITH A SENSE OF URGENCY, TO COMPLETE THESE NEGOTIATIONS BY 31 DECEMBER 1982.

ENDS

PARSONS

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DESKBY 110700Z

FM UKMIS NEW YORK 110140Z MAY 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 703 OF 10 MAY

INFO IMMEDIATE WASHINGTON.

*MA*

YOUR TEL NO 377: FALKLANDS.

1. I HAD NEARLY TWO HOURS WITH THE SECRETARY GENERAL AND HIS TEAM THIS EVENING (10 MAY). IT WAS A VERY DISCOURAGING MEETING.
2. PEREZ DE CUELLAR SAID THAT, AS PROMISED, HE HAD LAST NIGHT PUT TO ROS OUR NEED FOR LANGUAGE WHICH WOULD MAKE IT CLEAR THAT THE OUTCOME OF THE SUBSTANTIVE NEGOTIATIONS WAS NOT BEING PREJUDGED. THIS AFTERNOON ROS HAD GIVEN HIM A PAPER SETTING OUT THE ARGENTINES' IDEAS, OF WHICH THE SECRETARIAT'S TRANSLATION IS IN MIFT. LATER IN THE CONVERSATION, PEREZ DE CUELLAR SAID THAT, ALTHOUGH ROS HAD CONTACTED BUENOS AIRES OVERNIGHT, THE PAPER HAD NOT ORIGINATED IN BUENOS AIRES BUT HAD BEEN DRAFTED IN THE COURSE OF THE DISCUSSIONS HERE. IT WAS THEREFORE QUOTE NEGOTIABLE UNQUOTE. ROS HAD TOLD HIM THAT THE ARGENTINES SAW THE PAPER AS A QUOTE PACKAGE UNQUOTE AND THOUGHT IT BETTER TO DISCUSS ALL THESE POINTS AT THE SAME TIME. PEREZ DE CUELLAR HAD SAID THAT THE PAPER WOULD BE UNACCEPTABLE TO US BUT THAT HE WOULD CONVEY IT TO ME.

US BUT THAT HE WOULD CONVEY IT TO ME.

3. I SAID THAT I WAS PUZZLED AND DISAPPOINTED BY ROS'S PAPER: <sup>ARY</sup> IT WAS CUT OF PHASE WITH THE TALKS I HAD BEEN HAVING WITH THE SECRETARY GENERAL: IT WAS ANALAGOUS TO THE MESSAGE YOU HAD SENT PEREZ DE CUELLAR FOUR DAYS AGO: IT WENT BACK TO GENERAL HEADINGS (AND, IN ITS PARAGRAPH 5, ADDED A MAJOR NEW POINT), WITHOUT THE DETAIL ON WHICH I THOUGHT PEREZ DE CUELLAR AND I HAD BEEN MAKING PROGRESS. PEREZ DE CUELLAR SAID HE THOUGHT THAT PARAGRAPH 2 OF THE ARGENTINE PAPER SHOULD MEET OUR CONCERN ABOUT NOT PREJUDGING THE OUTCOME OF THE NEGOTIATIONS: IN HIS VIEW IT COVERED THE WHOLE EXERCISE, INCLUDING THE NEGOTIATING PROCESS. ROS HAD NOT LIKED OUR LANGUAGE BECAUSE IT IMPLIED THAT THE ARGENTINES MIGHT CHEAT. I REJECTED THIS: THE PROBLEM WAS THAT THE ARGENTINES HAD SAID SO OFTEN THAT SOVEREIGNTY WAS NOT NEGOTIABLE THAT WE HAD TO HAVE ABSOLUTELY CLEAR EVIDENCE IN THE AGREEMENT THAT THIS WAS NO LONGER THEIR POSITION. WE HAD TO KNOW WHETHER WE WERE TALKING ABOUT A GENUINE INTERIM AGREEMENT OR MERELY ABOUT A PROCEDURE FOR THE DELAYED TRANSFER OF SOVEREIGNTY TO ARGENTINA AT THE END OF THE INTERIM PERIOD. I HAD INSTRUCTIONS TO STAND FIRM ON THE LANGUAGE I HAD PUT FORWARD YESTERDAY. ANYTHING I SAID ON THE OTHER ASPECTS WAS CONTINGENT ON OUR BEING SATISFIED ON THIS CENTRAL POINT. WHAT WORRIED ME WAS THAT THE ARGENTINES HAD NOT ADMITTED THAT THEY QUOTE CLAIM UNQUOTE SOVEREIGNTY: THEY SAY THAT THEY HAVE IT AND THAT IT HAS ALWAYS BEEN THEIRS. THE ARTICLE 40 LANGUAGE IN THE SECRETARY GENERAL'S AIDE MEMOIRE AND IN POINT 2 OF THE ARGENTINE PAPER WAS NOT THEREFORE ENOUGH TO PROTECT US AGAINST ARGENTINE REFUSAL TO INCLUDE SOVEREIGNTY IN THE DIPLOMATIC NEGOTIATIONS. WE HAD TO HAVE UNEQUIVOCAL LANGUAGE TO THE EFFECT THAT THE OUTCOME OF THOSE NEGOTIATIONS WOULD NOT BE PREJUDGED.

4. I MADE THESE POINTS AGAIN AND AGAIN TO PEREZ DE CUELLAR. HE AND

4. I MADE THESE POINTS AGAIN AND AGAIN TO PEREZ DE CUELLAR. HE AND HIS STAFF TRIED TO ARGUE, WITH CONSPICUOUS LACK OF CONVICTION ON HIS PART, THAT THE ARGENTINE LANGUAGE MET OUR REQUIREMENTS. DE SOTO PRODUCED LANGUAGE ON THE LINES OF: QUOTE ALL ASPECTS OF THIS INTERIM AGREEMENT SHALL BE IMPLEMENTED WITHOUT PPEJUDICE TO THE RIGHTS, CLAIMS AND POSITIONS OF THE PARTIES UNQUOTE, BUT I SAID THAT THIS WOULD NOT DO. AT THE END OF THE MEETING, PEREZ DE CUELLAR SAID THAT HE WOULD AGAIN CONVEY TO ROS WHAT I HAD SAID AND TRY TO QUOTE CLARIFY UNQUOTE HIS POSITION ON NON-PREJUDGEMENT OF THE OUTCOME.

5. THIS ARGUMENT TOOK UP ABOUT HALF THE MEETING. I ALSO MADE TO THE SECRETARY GENERAL THE POINTS IN PARAGRAPHS 4 AND 7 - 15 OF YOUR TUR, WITH THE FOLLOWING RESULTS:

(A) DEPENDENCIES

AT THE END OF THE MEETING DE SOTO SAID THAT AS THE DEPENDENCIES HAD BEEN INCLUDED IN OUR EARLIER NEGOTIATIONS WITH THE ARGENTINES THEY COULD NOT BE EXCLUDED FROM THE NEXT ROUND. DID HE UNDERSTAND THAT I WANTED TO EXCLUDE THEM FROM THE INTERIM ARRANGEMENTS? SURELY, WITHDRAWAL FROM SOUTH GEORGIA, WHERE WE HAD FEW TROOPS, WOULD BE A "PAINLESS GESTURE". I DENIED THIS FIRMLY. I WOULD REPORT WHAT HE HAD SAID BUT AS FAR AS WE WERE CONCERNED, THE AGREEMENT UNDER DISCUSSION RELATED TO THE FALKLAND ISLANDS ALONE.

(B) INTERIM ADMINISTRATION

I LAID PARTICULAR STRESS ON THE UNACCEPTABILITY OF DENYING THE ISLANDERS ANY MEANS OF EXPRESSING THEIR VIEWS DURING THE INTERIM PERIOD AND ON THE UNACCEPTABILITY OF THE UN DISMANTLING REPRESENTATIVE INSTITUTIONS WHICH HAD BEEN DEVELOPED UNDER ARTICLE 73 OF THE CHARTER. PEREZ DE CUELLAR WONDERED WHETHER NEW ELECTIONS OR A PLEBISCITE MIGHT BE THE ANSWER. DE SOTO, RIGHTLY CALCULATING THAT THIS WOULD BE UNACCEPTABLE TO THE ARGENTINES, SUGGESTED THAT MY POINT COULD BE MET IF THE COUNCILS, OR AT LEAST THE LEGISLATIVE COUNCIL, WERE RETAINED IN AN ADVISORY CAPACITY.

I POINTED OUT THAT THE ARGENTINES HAD REJECTED THIS YESTERDAY (PARAGRAPH 6 OF MY TELNO 694) BUT SAID THAT I WOULD PUT THE SUGGESTION TO YOU. BUT I THOUGHT THAT IT WOULD BE MUCH BETTER FOR BOTH COUNCILS TO REMAIN IN BEING, WITH THE ARGENTINES' WORRIES ABOUT PREJUDICE BEING COVERED BY THE KIND OF LANGUAGE WE HAD PUT FORWARD YESTERDAY (PARAGRAPH 9 OF MY TELNO 694).

(C) VERIFICATION

FORWARD YESTERDAY (PARAGRAPH 9 OF MY TELNO 694).

(C) VERIFICATION

PEREZ DE CUELLAR RESPONDED POSITIVELY TO THE IDEA OF THE UN USING SURVEILLANCE AIRCRAFT PROVIDED BY SOME NEUTRAL STATE.

(D) SIZE OF ZONES FOR WITHDRAWAL

A MAJOR NEW PROBLEM AROSE HERE. AHMED SAID THAT THE ARGENTINES HAD SAID TODAY THAT THE PROPOSALS DISCUSSED WITH HAIG HAD BEEN BASED ON THE COMPLETE WITHDRAWAL OF THE BRITISH TASK FORCE TO ITS BASES IN THE UK. HE THEN READ OUT WHAT SEEMED TO BE THE SECRETARIAT'S TRANSLATION OF A SPANISH TEXT OF THE PROPOSALS IN PARAGRAPH 2 OF YOUR TELNO 765 TO WASHINGTON EXCEPT THAT THE UK FORCES WOULD BE WITHDRAWN TO A DISTANCE OF AT LEAST 2,000 NAUTICAL MILES (NOT 1,750) BY DAY 7. I SAID THAT THIS PROPOSAL HAD NEVER BEEN AGREED BY HM GOVERNMENT. IN ANY CASE, I THOUGHT THAT IT HAD BEEN PUT TOGETHER WHEN THE TASK FORCE WAS STILL THOUSANDS OF MILES FROM THE FALKLANDS, ABOUT A MONTH AGO. SINCE THEN, THE SITUATION HAD CHANGED ENORMOUSLY AND THERE WAS NO QUESTION OF OUR ACCEPTING SUCH AN ARRANGEMENT. IT WAS TOTALLY IRRELEVANT TO THE REAL SITUATION. THE ARGENTINES SEEMED TO HAVE CREATED A VERY WIDE NEW GAP.

(E) TARGET DATE FOR CONCLUSION OF FUTURE NEGOTIATIONS

PEREZ DE CUELLAR SAID THAT HE HAD BEEN ENCOURAGED THAT ROS HAD REFERRED SPECIFICALLY TO THE NEGOTIATIONS PERHAPS NEEDING TO CONTINUE UNTIL FEBRUARY 1983. I SAID THAT I WAS GLAD THAT ROS WAS NOT INSISTING ON AN ABSOLUTE DEADLINE. FOR US IT WAS IMPORTANT THAT THE SECRETARY GENERAL SHOULD HAVE DISCRETION TO RECOMMEND WHAT FURTHER STEPS SHOULD BE TAKEN IF NO AGREEMENT WAS IN SIGHT TOWARDS THE END OF THE INTERIM PERIOD.

6. I SAID THAT THE ARGENTINE PAPER RAISED TWO NEW POINTS - PARAGRAPH 5, AND THE REFERENCE IN PARAGRAPH 4 TO THE UK AND ARGENTINE OBSERVERS FLYING THEIR FLAGS. WE WERE PUZZLED TO FIND PARAGRAPH 5 IN THE CONTEXT OF A SHORT INTERIM AGREEMENT. IT SEEMED TO OPEN THE POSSIBILITY OF THE ARGENTINES TRYING TO CREATE AN AGREEMENT WHICH SHALL BE IMPLEMENTED WITHOUT PREJUDICE TO THE

ARGENTINE OBSERVERS FLYING THEIR FLAGS. WE WERE PUZZLED TO FIND PARAGRAPH 5 IN THE CONTEXT OF A SHORT INTERIM AGREEMENT. IT SEEMED TO OPEN THE POSSIBILITY OF THE ARGENTINES TRYING TO CREATE NEW DEMOGRAPHIC FACTS DURING THE INTERIM PERIOD. PEREZ DE CUELLAR SAID THAT THE ARGENTINES HAD COMPLAINED ABOUT RESTRICTIONS ON THE PURCHASE OF LAND AND ON ACCESS TO THE ISLANDS.

7. SUMMING UP, I SAID THAT WE STILL HOPED TO REACH THE STAGE WHEN PEREZ DE CUELLAR COULD PRODUCE PROPOSALS OF HIS OWN, ON THE BASIS OF WHAT WE AND THE ARGENTINES HAD TOLD HIM. MEANWHILE, THE QUESTION OF NON-PRE-JUDGEMENT WAS FOR US THE KEY TO EVERYTHING. IN ADDITION, THERE WAS STILL MUCH GROUND TO COVER ON THE DEPENDENCIES, THE NATURE OF THE INTERIM ADMINISTRATION, THE SIZE OF THE ZONES OF WITHDRAWAL AND DISCRETION FOR THE SECRETARY GENERAL TO RECOMMEND FURTHER STEPS IF AGREEMENT HAD NOT BEEN REACHED BY THE TARGET DATE.

8. PLEASE SEE MY SECOND IFT FOR COMMENT AND RECOMMENDATIONS.

PARSONS

CCN... PARA 2 LAST LINE WA WOULD - CONVEY IT TO ME ETC

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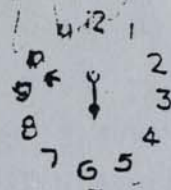
FM UKMIS NEW YORK 110142Z MAY 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 705 OF 10 MAY

INFO IMMEDIATE WASHINGTON.

181 MAY



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NY 2 IPTS: FALKLANDS.

1. AFTER THE EXPERIENCES OF THE PAST WEEKS, I DO NOT THINK THAT ANY OF US RATED VERY HIGH THE CHANCES THAT THE ARGENTINES WOULD BE PREPARED TO NEGOTIATE SERIOUSLY WITH PEREZ DE CUELLAR ANY MORE THAN THEY DID WITH HAIG AND THE PERUVIANS. TODAY'S EXPERIENCE BRINGS ME VERY CLOSE TO BELIEVING THAT THEY ARE STILL NOT INTERESTED IN REACHING A NEGOTIATED SETTLEMENT ON TERMS WHICH WOULD BE ACCEPTABLE TO US, AND THAT IT IS RAPIDLY BECOMING A QUESTION OF WHO WRONG-FOOTS WHOM WHEN THE NEGOTIATIONS BREAK DOWN.
2. QUITE APART FROM THEIR TOTALLY UNCHANGED AND UNSATISFACTORY RESPONSE ON THE QUESTION OF PREJUDGING THE OUTCOME OF THE NEGOTIATIONS IN THE INTERIM PERIOD, I AM FORTIFIED IN THIS BELIEF BY THEIR RENEWED INSISTENCE ON INCLUDING SOUTH GEORGIA, BY THEIR REINJECTION OF THE NOTION OF FREEDOM OF IMMIGRATION AND PURCHASE OF PROPERTY, AND BY THE FRIVOLITY OF THEIR INSISTENCE ON OUR TOTAL WITHDRAWAL TO A POINT 2,000 NAUTICAL MILES FROM THE ISLANDS IN PARALLEL WITH THEIR PARTIAL WITHDRAWAL OF 150 MILES. ON THIS POINT, THEY KNOW PERFECTLY WELL THAT THE 2,000 MILE CONCEPT WAS INTRODUCED AT A TIME WHEN THE TASK FORCE WAS AT LEAST THAT FAR FROM THE FALKLANDS.
3. THEIR EMPHASTS ON SOUTH GEORGIA AND EXCLUSIVE UN ADMINISTRATION LEADS ME TO BELIEVE THAT THEY ARE AIMING TO WRONG-FOOT US BY PRESENTING US AS HAVING DESTROYED CHANCES OF AGREEMENT ON GROUND WHERE THEY COULD COUNT ON MAJORITY SUPPORT IN THE UN.
4. I DID NOT HAVE A CHANCE TO HAVE A PRIVATE CONVERSATION WITH PEREZ DE CUELLAR THIS EVENING, BUT HIS WHOLE MANNER DURING THE MEETING INDICATED THAT HE HAS COME TO THE CONCLUSION THAT WE ARE NOT ENGAGED IN A SERIOUS NEGOTIATION WITH A GENUINE CHANCE OF A SUCCESSFUL OUTCOME. HE WAS IN A SOMBRE MOOD.
5. AGAINST THIS BACKGROUND, I PROPOSE THAT MY TACTICS TOMORROW SHOULD BE AS FOLLOWS. THEY WOULD COMBINE GIVING THE ARGENTINES A LAST CHANCE TO DEMONSTRATE A GENUINE CHANGE OF HEART AND, IF THE NEGOTIATIONS ARE TO FAIL, LEAVING US ON THE RIGHT FOOT. I SHOULD

A LAST CHANCE TO DEMONSTRATE A GENUINE INTEREST IN NEGOTIATIONS ARE TO FAIL, LEAVING US ON THE RIGHT FOOT. I SHOULD CONFIRM TO PEREZ DE CUELLAR, AS I EFFECTIVELY DID THIS EVENING, THAT WE COULD NOT NEGOTIATE THE DETAILS OF AN INTERIM ARRANGEMENT UNTIL WE WERE SURE THAT WE WERE DISCUSSING A GENUINE INTERIM ARRANGEMENT AND NOT SIMPLY A BRIEFLY DELAYED TRANSFER OF SOVEREIGNTY AND POSSESSION TO ARGENTINA. I SHOULD CONFIRM TO HIM, AGAIN AS I SUGGESTED THIS EVENING, THAT IT WOULD NOT BE WORTH MY PRODUCING FRESH LANGUAGE ON THE DETAILED POINTS IN THE INTERIM ARRANGEMENT UNTIL HE HAD EXTRACTED A SPECIFIC FORMULATION FROM ROS ON THE QUESTION OF THE NON PREJUDGEMENT OF THE OUTCOME OF THE NEGOTIATIONS. I WOULD STUDY THIS FORMULATION AND REFER IT TO YOU FOR COMMENTS IN ORDER TO SEE WHETHER THERE WAS A POSSIBILITY OF A SATISFACTORY AGREEMENT ON THIS BASIC POINT. IF THERE WAS, WE COULD THEN GO ON TO NEGOTIATE THE DETAILS OF THE AGREEMENT. IF THERE WASNOT, WE WOULD HAVE TO REVIEW THE SITUATION AND DECIDE WHETHER OR NOT IT WAS WORTH CONTINUING WITH THE PRESENT EXERCISE.

6. AS REPORTED IN MY FIRST IPT, I EXPLAINED REPEATEDLY TO PEREZ DE CUELLAR THAT THE PHRASE 'QUOTE WITHOUT PREJUDICE TO THE RIGHTS CLAIMS AND POSITIONS OF THE PARTIES' WAS NOT ENOUGH IN ITSELF. ARGENTINA DID NOT REGARD ITSELF AS 'QUOTE CLAIMING UNQUOTE SOVEREIGNTY. THEY REGARDED ARGENTINE SOVEREIGNTY AS AN ACTUALITY WHICH ONLY LACKED RECOGNITION BY US. HENCE, WE HAD TO INSIST ON THE ADDITIONAL PHRASE 'QUOTE WITHOUT PREJUDGING THE OUTCOME OF THE NEGOTIATIONS UNQUOTE. I ALSO EXPLAINED THAT COSTA MENDEZ'S APPARENTLY POSITIVE REMARKS IN PUBLIC ABOUT SOVEREIGNTY NOT BEING A PRE-CONDITION REFERRED IN FACT TO THE IMMEDIATE RECOGNITION BY THE UK OF ARGENTINE SOVEREIGNTY BEFORE THE NEGOTIATIONS STARTED. WE WERE NOT DECEIVED BY THIS PHRASE; HENCE OUR INSISTENCE ON THE LANGUAGE I HAD PROPOSED. IF THE ARGENTINES WERE GENUINE, WHY DID THEY OBJECT TO THE INSERTION OF THIS LANGUAGE? NO ONE ON THE OTHER SIDE OF THE TABLE COULD PRODUCE AN ADEQUATE ANSWER TO THIS.

PARSONS

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NYFO 005/10

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