

SECRET

8110 - 1

OO PARIS
OO UKREP BRUSSELS
GRS 1201
SECRET
FM FCO 021430Z JUNE 82
TO IMMEDIATE PARIS
TELEGRAM NUMBER 319 OF 2 JUNE
AND TO BONN
INFO PRIORITY UKMIS NEW YORK, WASHINGTON, UKREP BRUSSELS, AND
UKDEL NATO

Prime Minute

With reading as an indication
of the views you may hear at
Verailles.

A.F.C. 3/6.

FALKLANDS: CONVERSATIONS WITH FRENCH AND GERMAN SENIOR OFFICIALS

1. M. GUTMANN (SECRETARY-GENERAL OF THE QUAI D'ORSAY) AND HERR VON STADEN (SECRETARY-GENERAL OF THE AUSWAERTIGES AMT) VISITED LONDON AT THEIR OWN REQUEST YESTERDAY FOR TALKS WITH THE PUS AND SIR M PALLISER ABOUT THE FALKLANDS. THESE WERE CONTINUED OVER LUNCH. THE VISITORS WERE PARTICULARLY INSISTENT ON THE SECRECY AND INFORMAL CHARACTER OF THIS MEETING. WE MUST RESPECT THIS. THE TALKS SHOULD NOT BE REFERRED TO IN DISCUSSION WITH OTHER EUROPEAN COLLEAGUES (INCLUDING FRENCH AND GERMANS) OR WITH AMERICANS.
2. THE VISITORS ASKED FOR AN UP TO DATE ACCOUNT OF THE MILITARY AND POLITICAL SITUATION AND PALLISER GAVE THEM A BRIEF SUMMARY OF WHERE WE STOOD. HE REFERRED TO THE TENDENCY OF THE ARGENTINES AND THEIR FRIENDS TO SUGGEST THAT HMG WERE INTRANSIGENT AND POINTED OUT THAT THIS ATTITUDE OVERLOOKED THE VERY CONSIDERABLE ATTEMPTS WHICH WE HAD ALREADY MADE - VIA MR HAIG, THE PERUVIANS, THE UN SECRETARY-GENERAL ETC - TO FIND A DIPLOMATIC SOLUTION. WE HAD RELUCTANTLY REACHED THE CONCLUSION THAT THE ARGENTINES HAD NOT BEEN SERIOUS ABOUT WITHDRAWAL UNLESS THEY COULD GET US COMMITTED TO A FINAL SOLUTION INVOLVING AN EARLY HANDOVER OF SOVEREIGNTY TO THEM. THE RECENT FIGHTING AND THE LOSSES INCURRED MADE IT POLITICALLY ABSOLUTELY OUT OF THE QUESTION FOR THE BRITISH GOVERNMENT TO CONTEMPLATE SUCH A SOLUTION. HE ADDED THAT THE MEDIA IN OTHER

1

SECRET

/EUROPEAN

SECRET

3110 - 1

EUROPEAN COUNTRIES TENDED TO ACCEPT RATHER UNCRITICALLY THE MISINFORMATION WHICH THE ARGENTINE GOVERNMENT WAS PUTTING OUT.

3. GUTMANN SAID THAT IT SOUNDED AS IF WE WERE BECOMING ENTRENCHED IN A WAR SITUATION (INSTALLÉS DANS LA GUERRE). PALLISER REPLIED THAT THAT WAS CERTAINLY NOT OUR PURPOSE. OBVIOUSLY WE WOULD PREFER AN ARGENTINE WITHDRAWAL OF TROOPS BEFORE THEY HAD SUFFERED FURTHER MILITARY HUMILIATIONS (AND BOTH OF US FURTHER CASUALTIES). BUT THE ARGENTINES SEEMED STILL RESOLVED TO REAP THE FRUITS OF VICTORY WHEN THEY WERE IN FACT IN THE PROCESS OF SUFFERING A DEFEAT. THEY HAD TO BE BROUGHT TO ACCEPT THAT THE SITUATION HAD NOW CHANGED.

4. VON STADEN SUGGESTED THAT THE SURPRISINGLY LARGE NUMBER OF PRISONERS TAKEN AT GOOSE GREEN AND DARWIN MUST HAVE GIVEN THE ARGENTINES FOOD FOR REFLECTION: MIGHT NOT THIS BE A MOMENT FOR REASSESSMENT BY THEM AND THEREFORE A PROMISING ONE FOR US TO LAUNCH FRESH PEACE PROPOSALS? ACLAND POINTED OUT THAT ARGENTINE PUBLIC OPINION HAD NOT BEEN PREPARED FOR OR MADE AWARE OF ANY REVERSAL IN THEIR FORTUNES: ON THE CONTRARY, THE ARGENTINE MEDIA SUGGESTED THAT THEY WERE STILL WINNING THE WAR. PALLISER ADDED THAT THE ARGENTINES HAD FEW REAL FRIENDS INTERNATIONALLY AND WERE PROBABLY RECEIVING VERY LITTLE GOOD OR IMPARTIAL ADVICE FROM OUTSIDE. THE JUNTA MIGHT FIND MILITARY DEFEAT BY A BIG POWER LESS UNPALATABLE THAN NEGOTIATED WITHDRAWAL.

5. GUTMANN SUGGESTED THAT EITHER THE LATIN AMERICAN COUNTRIES WOULD UNITE BEHIND ARGENTINA IN A MORE OR LESS PERMANENT ALLIANCE AGAINST US OR THEY WOULD BEGIN TO PUT PRESSURE ON THE ARGENTINES TO BE REASONABLE: WHICH OF THESE TWO COURSES THEY ADOPTED WOULD DEPEND ON THE BRITISH ATTITUDE IN THE NEXT FEW DAYS. VON STADEN SAID THAT WHILE PUBLIC AND POLITICAL OPINION IN GERMANY REMAINED SOLIDLY BEHIND SCR 502 THERE WERE WIDESPREAD HOPES THAT AN EARLY END TO THE WAR COULD BE ACHIEVED, AND THERE WERE FEARS THAT ONCE ARGENTINA HAD BEEN FURTHER HUMILIATED (EG BY THE FALL OF PORT STANLEY) THEN THE CHANCE OF OBTAINING A LASTING CESSATION OF HOSTILITIES WOULD HAVE DIMINISHED: ARGENTINA MIGHT THEN BE EXPECTED TO CONTINUE THE

2

SECRET

1WAR

WAR FROM THE MAINLAND. GUTMANN SAID THAT HE HAD UNDERSTOOD THAT OUR POSITION BEFORE THE TASK FORCE HAD LANDED WAS TO SEEK:-

- (A) ARGENTINE WITHDRAWAL,
 - (B) NEGOTIATIONS WHICH DID NOT PREJUDGE THE SOVEREIGNTY ISSUE,
 - (C) GUARANTEES AGAINST AGGRESSION IN THE FUTURE, AND
 - (D) SOME ACCEPTABLE INTERIM ADMINISTRATION OF THE ISLANDS.
- HE WAS LESS CLEAR ABOUT OUR CURRENT OBJECTIVES.

6. ACLAND SAID THAT OUR OBJECTIVES REMAINED TO SHOW THAT AGGRESSION DID NOT PAY, TO GET THE ARGENTINES OFF THE ISLANDS, AND TO SECURE THE FUTURE OF THE ISLANDERS (IF POSSIBLE WITH LATIN AMERICAN GOODWILL). THIS DID NOT NECESSARILY MEAN THAT WE ENVISAGED A COMPLETE RETURN TO THE STATUS QUO ANTE. THERE COULD WELL BE CONSTITUTIONAL DEVELOPMENTS INCLUDING MOVES TOWARDS A GREATER MEASURE OF SELF-GOVERNMENT FOR THE ISLANDERS. WE WERE NOT WEDDED TO BRITISH SOVEREIGNTY FOR ITS OWN SAKE, BUT THE ISLANDERS WOULD BE EVEN LESS WILLING THAN BEFORE TO PASS UNDER ARGENTINE RULE, HAVING SUFFERED ARGENTINE OCCUPATION. THIS ATTITUDE WOULD BE LIKELY TO PERSIST, BUT IN ANY CASE, WE ENVISAGED A PERIOD OF CALMING DOWN BEFORE ISLANDER VIEWS COULD BE MEANINGFULLY ASSESSED. WE WOULD ALSO NEED TO GIVE THOUGHT TO THE ECONOMIC DEVELOPMENT OF THE ISLANDS' RESOURCES AND IN THIS WE WERE MINDFUL OF THE DESIRABILITY OF COOPERATION FROM THE REST OF LATIN AMERICA.

7. ACLAND WENT ON TO ASK THE VISITORS WHETHER THEY SAW ANY PROSPECT OF CHANGE IN THE ARGENTINE LEADERSHIP. MIGHT THERE BE A PERIOD DURING WHICH THE FALKLANDS ISSUE COULD BE PUT INTO A MORE ACCEPTABLE PERSPECTIVE? BOTH GUTMANN AND VON STADEN AGREED THAT A CHANGE OF GOVERNMENT IN ARGENTINA WOULD BE LIKELY TO REPLACE THE PRESENT JUNTA EITHER WITH OTHER EXTREME RIGHT WING MILITARY OFFICERS OR WITH A PERONIST-TYPE REGIME: NEITHER WAS A DESIRABLE OUTCOME.

8. AS THE TALKS PROGRESSED, AND PARTICULARLY OVER LUNCH, GUTMANN CONCENTRATED ON THE FOLLOWING POINT:- WE HAD REACHED A MOMENT OF POLITICAL DECISION: IT MIGHT BE MUCH HARDER TO LAUNCH ANY ACCEPTABLE POLITICAL SOLUTION AFTER A BLOODY BATTLE FOR PORT STANLEY AND A CRUSHING MILITARY HUMILIATION FOR ARGENTINA.

VON STADEN AGREED WITH HIM THAT THIS WAS A POLITICAL MOMENT TO BE SEIZED: ATLANTIC AND EUROPEAN UNITY HAD UP TO NOW BEEN STRENGTHENED BY THE FALKLANDS CONFLICT, BUT IF THE MOMENT OF OPPORTUNITY WERE TO BE LOST WE COULD NOT EXPECT SUCH UNITY TO PERSIST. THE EAST-WEST DIMENSION OF THE CONFLICT MIGHT ALSO ESCALATE. THE TIME TO END HOSTILITIES IF POSSIBLE WAS BEFORE A MAJOR BATTLE, NOT AFTER IT. GUTMANN ADDED (STRESSING THAT HE WAS SPEAKING IN A PERSONAL CAPACITY ONLY) THAT HE FULLY UNDERSTOOD WHY WE WOULD OBJECT TO THE IDEA OF SEEKING BILATERALLY TO FIND A SOLUTION WITH ARGENTINA AFTER WHAT HAD HAPPENED. BUT HE WONDERED WHETHER A SMALL CONTACT GROUP OF COUNTRIES -NOMINATED BY THE UK AND ARGENTINA RESPECTIVELY - MIGHT HELP TO RESOLVE DIFFICULTIES.

9. ACLAND AND PALLISER ASKED THE VISITORS WHAT INITIATIVE THEY HAD IN MIND, AND RECEIVED NO CLEAR ANSWER. IT WAS STRESSED THAT DURING ANY 'COOLING OFF PERIOD' IT WOULD BE IMPORTANT THAT OUR EUROPEAN FRIENDS CONTINUED TO SUPPORT OUR STAND IN THE INTERESTS OF FINDING AN ACCEPTABLE LONG TERM SOLUTION. THE TALKS WERE FRANK AND AMICABLE THROUGHOUT.

10. BOTH VISITORS SHOWED CONSIDERABLE ANXIETY ABOUT THE FUTURE COURSE OF EVENTS, HOPING FOR A GESTURE BY HMG WHICH WOULD ACHIEVE A CEASEFIRE, AVOID FURTHER HEAVY CASUALTIES AND IMPROVE THE FUTURE RELATIONSHIP WITH THE COUNTRIES OF LATIN AMERICA. THEY REMAINED IMPRECISE ABOUT THE CONTENT. THEY WELCOMED THE DISCUSSION AND GUTMANN SUGGESTED THAT IT MIGHT BE USEFUL IF FRENCH, BRITISH AND GERMAN MINISTERS COULD GET TOGETHER AT VERSAILLES.

PYM

[COPIES SENT TO NO 10 DOWNING STREET]

FALKLANDS SELECTIVE
LIMITED
HD/EMERGENCY UNIT
HD/S AM D
HD/DEF D
HD/PLANNING STAFF
HD/UND
HD/NEWS D
HD/ERD
HD/BCD (E)
HD/FUSD
DEP HD/FUSD
HD/RES D
PS
PS/MR HURD
PS/MR ONSLOW
PS/LORD BELSTEAD
PS/FUS
MR BULLARD
SIR I SINCLAIR
MR GIFFARD
MR WRIGHT
MR GILLMORE
MR URE
MR BARRETT

COPIES TO
PS/HOME SECRETARY
PS/ S OF S DEFENCE
PS/ATTORNEY GENERAL
PS/CHANCELLOR DUCHY OF LANCASTER
PS/SIR R ARMSTRONG
PS/SIR M PALLISER
PS/SIR A DUFF
MR WADE-GERY
MR FULLER
MR O'NEILL
HD/ASSESSMENTS STAFF
MR COLVIN
DIO
MR J M STEWART AUSD STAFF MOD
ADMIRAL SIR ROY HALLIDAY DGI MOD
SIR P MOORE BUCKINGHAM PALACE
DIRECTOR G C H Q

CABINET
OFFICE