

Mr Smith

Mr. Cope RS 2
5/2
Mr. Zingales
81

Mr Ure
PS/Mr Luce

Minister

Mr. Deaver, Stan D
lets. agreed & despatched
To note the line's
mission on the
submission

FALKLAND ISLANDS

Aw 040/325/1		
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- 9 FEB 1982		
DESK OFFICER		REGISTRY
INDEX	PA	Action Taken

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Problem

A (15) 1. The Argentine Government have delivered a toughly-worded bout de papier to our Ambassador in Buenos Aires outlining their position on the Falklands dispute and proposing that there should be agreement at or before the forthcoming talks in New York to establish a "permanent negotiating commission" in order to accelerate the achievement of a solution.

Recommendation

2. I recommend that our Ambassador should be instructed to reiterate to the Argentine Deputy Foreign Minister our own position on the dispute while confirming that, provided it is accepted that any discussions will be as hitherto without prejudice to the sovereignty position of either side, we are ready to discuss in New York their proposal for a future negotiating mechanism. I further recommend that we instruct the Governor to explain this exchange in general terms to Councillors. I submit draft telegrams.

Background

A (15) 3. The next round of Anglo-Argentine talks on the Falkland Islands dispute is to be held on 23 and 24 February in New York. They are being held at the Argentines' request and we were to attend in order to listen to any new Argentine proposals which might enable progress to be made. However, on 27 January our Ambassador in Buenos Aires was summoned to the MFA to receive a bout de papier which sets out the Argentine position on the dispute, proposes the establishment of a 'permanent negotiating commission' whose task it would be to solve the dispute within a year, and asks for HMG's response to the proposal at or before the New York talks.

B 4. The document is a tough restatement of the Argentine view that the sole purpose of the negotiations is to cede sovereignty over the Falklands and the Dependencies to them and that all other matters are secondary. None of this is new. In fact, the greater part of the paper is a re-working of the communique issued by the Argentine MFA in July 1981. The main elements are:

- (i) a demand that Argentine sovereignty should be acknowledged;
- (ii) a reference to the various UN resolutions as a basis for the negotiations;
- (iii) an insistence that there has been no real progress during the last 16 years of negotiations, and that a solution must be reached soon;
- (iv) a rejection of our position that the Islanders' wishes rather than their interests must be respected;
- (v) a reminder of the practical assistance the Argentines have given the Islanders (and an expression of regret that it has not helped persuade the Islanders in the direction of accepting the Argentines);
- (vi) an offer to make progress on economic cooperation (but only in the context of early British recognition of Argentine sovereignty);
- (vii) an assertion that as long as the Falklands are not under Argentine control there is a threat to the Argentine national interest in terms of South Atlantic security.

5. The paper is couched in hectoring terms. It accuses both the Islanders and HMG of deliberate prevarication and assumes not only that the Argentines are in the right, but also that they have the support of the international community for their position. It asserts that Argentina knows best where the Islanders' interests lie. Again, none of this is new, although the language is more suitable for a press communique than for a confidential Government to Government message. What is new, however, is the proposal at the end of the paper that a "permanent negotiating commission" be set up to work out a solution to the dispute: this should meet in regular monthly sessions in capitals with a view to reaching a full settlement within one year. The paper concludes with the implied threat, unless this proposal is accepted, Argentina will have to review its attitude to the negotiating process.

/Argument

Argument

6. Our response to this Argentine demarche has to take account of our present policy requirements:

- (a) to spin out the negotiating dialogue with the Argentines for as long as possible in order to prevent a confrontation and the very difficult political and practical consequences which would follow;
- (b) to demonstrate to the Islanders, and to UK public and parliamentary opinion, that we remain firmly committed to the Islands and to acting on the dispute only in accordance with Islander wishes;
- (c) to persuade the Islanders nonetheless of the need to continue to talk to the Argentines and to explore the scope for an eventual settlement.

7. The nature of the Argentine paper and the proposal it contains bring out the difficulties of this equation. Simply to reject the Argentine approach as an acceptable basis for negotiation would risk an immediate breakdown; and, while we would not wish to go along with anything like the staccato work-rate for a "negotiating commission" which the Argentines envisage, the proposal to set up working groups to examine all aspects of the dispute has obvious attractions for us. On the other hand, to fail to react to the underlying political assumptions in the Argentine paper would, if knowledge of the paper were to leak out, further undermine Islander confidence in HMG's intentions and would expose us to strong domestic criticism. It would also place us at New York in a false negotiating position. We have therefore little choice but to make a robust reply to the Argentines reiterating our position on the dispute, while confirming our continued wish to achieve a workable and peaceful settlement of it. An essential objective will be to make clear our basic assumption that all discussions will be, as hitherto, without prejudice to either side's view of sovereignty and that it is on that basis that we shall be attending the New York talks.

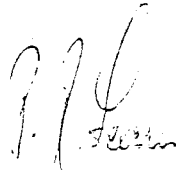
8. While we could reserve such a reply for New York, it would, in my view, be best to give it beforehand. The Argentines are bound to react strongly to a robust restatement of our position and to present them with it only in New York would further prejudice the atmosphere of what will in any case be a difficult session. It would be preferable to give them time to digest our views in advance. There is clearly a risk that they might choose to call off the talks and to try to lay the blame at our door. But it would be wrong to leave them in any doubt on where we stand; and it is they who have been pressing for an early resumption of talks at ministerial level.

9. The related problem is to decide what guidelines should be given to the Governor for briefing Councillors on this development. There can be no doubt that, if Islanders were to be shown the Argentine paper at this stage, they would see it as confirming their worst fears on Argentine intentions and we would have great difficulties in persuading their representatives to attend the New York talks. We have to avoid this. We have the options of:

- (a) telling the Councillors nothing before the talks. They would however be bound to find out about it (and our reply) in New York. They might then justifiably feel that we have been acting behind their backs. At the least this would sour the atmosphere between us: at worst, they might refuse to participate;
- (b) instructing the Governor to inform Councillors only in general terms that there has been an exchange with the Argentines. We could then show the texts to Councillors Blake and Cheek in New York and explain how we intend to develop our position in the talks themselves.

Our object must be both to convince Councillors of the robustness of our position and to ensure that they are still prepared to attend the talks. Option (b) above holds out most hope of achieving this. In the meantime, we have asked the Governor to ensure that the Councillors learn nothing of the Argentine paper.

10. We will need to inform OD of the revised dates for the talks. I shall be submitting a draft minute for the Secretary of State to send on his return to the UK, which should also cover the line we have taken on the Argentine paper.



P R Fearn
South America Dept

1 February 1982

cc PS
PS/LPS
PS/Lord Trefgarne
PS/PUS
Mr Day
Mr Chamberlain
ESSD
MAED
UND
Defence Dept
SED

1. The tactics recommended in this submission were agreed at a meeting at which Mr Day and I discussed the problem with the department. We therefore concur with the general line of the drafts.

2. I have however made a few amendments to the speaking note for the Ambassador in Buenos Aires to make this slightly less provocative. These also reflect Mr Day's thinking. I believe that the time for tough wording will be when we confront the Argentines in New York with our considered riposte to their paper. At that stage it will be necessary to show the Islanders' representatives that we are not mincing our words, because they will have also seen - at that stage but not before - the wording of the Argentine paper.



J B Ure

2 February 1982