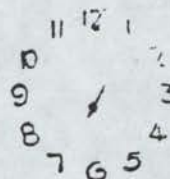


ZZ UKMIS NEW YORK

ZZ WASHINGTON

GRS 1405
CONFIDENTIAL

- 9 MAY -

FM FCO 091600Z MAY 82
TO FLASH UKMIS NEW YORK
TELEGRAM NUMBER 371 OF 9 MAY

INFO FLASH WASHINGTON

YOUR TELEGRAMS NOS 679, 685 AND 686: FALKLANDS

1. WE AGREE THAT BRITAIN SHOULD DEMONSTRATE FULL WILLINGNESS TO COOPERATE IN THE SECRETARY-GENERAL'S NEGOTIATIONS. WE THEREFORE WISH TO REPLY QUICKLY AND CONSTRUCTIVELY TO THE POINTS MADE BY THE SECRETARY-GENERAL IN YOUR MEETINGS YESTERDAY. WE SHOULD IN PARTICULAR DEAL TODAY WITH THE FIVE POINTS IDENTIFIED AT THE END OF YOUR TELEGRAM NO 679 BUT SHOULD ALSO STATE FIRMLY OUR POSITION ON THE HIGHLY DIFFICULT AND DELICATE PROBLEM OF THE INTERIM ADMINISTRATION.

2. YOU SHOULD CONVEY THE FOLLOWING BRITISH POSITION TO THE SECRETARY-GENERAL ON THE FIVE POINTS:

(A) DATE OF TIME 'T'. WE CAN AGREE THAT TIME 'T' SHOULD BE SET AS SOON AFTER SIGNATURE OF AN AGREEMENT AS BOTH PARTIES CAN GUARANTEE COMPLIANCE BY THEIR FORCES WITH A CEASEFIRE. FOR US, 24 HOURS AFTER SIGNATURE IS ACCEPTABLE, PROVIDED ARGENTINA CAN GUARANTEE TO ABIDE BY IT AND ASSUMING THAT WE SHOULD HAVE REASONABLE NOTICE (AT LEAST 24 HOURS) OF THE CONCLUSION OF THE AGREEMENT.

(B) THE LENGTH OF THE PERIOD OF WITHDRAWAL. WE CAN ACCEPT A PERIOD OF NO LONGER THAN 14 DAYS FOR WITHDRAWAL OF ALL ARGENTINE MILITARY PERSONNEL FROM THE ISLANDS, HALF OF THEM SHOULD BE WITHDRAWN WITHIN 7 DAYS.

(C) THE PHASING OF THE WITHDRAWAL OF THE TASK FORCE. THE ARRANGEMENTS FOR BRITISH WITHDRAWAL MUST BE EQUAL AND PARALLEL WITH THOSE FOR ARGENTINE WITHDRAWAL, THUS INVOLVING NO

DISADVANTAGE TO BRITAIN. WE CAN AGREE TO WITHDRAW ALL OUR NAVAL FORCES WITHIN 14 DAYS, AND HALF OF THEM WITHIN 7 DAYS, TO OUTSIDE A ZONE OF 200 NAUTICAL MILES RADIUS FROM THE FALKLAND ISLANDS.

(D) TERMINAL DATE FOR DIPLOMATIC NEGOTIATIONS. IT IS UNREAL TO SET AN ABSOLUTE TERMINAL DATE FOR NEGOTIATIONS WHEN EVERYONE KNOWS THAT THE PARTIES, WITH THE BEST WILL IN THE WORLD, MAY NOT BE ABLE TO CONCLUDE AN AGREEMENT WITHIN A SPECIFIED PERIOD. FOR THIS REASON, WE HOPE THAT THE SECRETARY-GENERAL WILL RETURN TO THE EXPRESSION 'TARGET DATE' WHICH APPEARED IN HIS ORIGINAL PROPOSALS OF 3 MAY. ON THAT BASIS WE COULD ACCEPT THAT THE NAMED DATE BE 31 DECEMBER 1982. IN ORDER HOWEVER TO TAKE ACCOUNT OF REALITY, WITHOUT STATING DIRECTLY THAT NEGOTIATIONS MIGHT GO ON BEYOND THE TARGET DATE, THE AGREEMENT WOULD HAVE TO SAY THAT THE INTERIM ARRANGEMENTS WILL CONTINUE UNTIL AN AGREEMENT ON THE FUTURE OF THE ISLANDS IS IMPLEMENTED AND WE SHOULD WANT THE SECRETARY-GENERAL TO REPORT TO THE SECURITY COUNCIL SHORTLY BEFORE THE TARGET DATE ABOUT THE STATE OF THE NEGOTIATIONS AND THE NEXT STEPS. (NEXT STEPS COULD OF COURSE BE EITHER IMPLEMENTATION OF AN AGREEMENT OR CONTINUATION OF NEGOTIATIONS)..

(E) THE FORMAT AND VENUE FOR THE NEGOTIATIONS. WE HOPE THAT THE SECRETARY-GENERAL WILL AGREE THAT THE NEGOTIATIONS SHOULD TAKE PLACE UNDER HIS AUSPICES AND AS FAR AS POSSIBLE IN HIS PRESENCE. WHEN HE CANNOT BE PRESENT, WE HOPE THAT HIS PLACE WILL BE TAKEN BY A REPRESENTATIVE. BECAUSE OF THE PARTICULAR DIPLOMATIC PRESSURES IN NEW YORK, WE SHOULD LIKE THE NEGOTIATIONS TO TAKE PLACE ELSEWHERE, PERHAPS GENEVA OR OTTAWA.

3. IN AMPLIFICATION OF POINTS (B) AND (C) ABOVE, PLEASE SUGGEST TO THE SECRETARY-GENERAL THAT HE MIGHT BUILD ON THE KEY POINT OF HIS ORIGINAL PROPOSALS - THAT A NUMBER OF THINGS SHOULD ALL BEGIN HAPPENING AT TIME 'T' - IN THE FOLLOWING WAY. WITH EFFECT FROM TIME 'T' THE PARTIES MIGHT UNDERTAKE NOT ONLY TO CEASE FIRE AND TO BEGIN WITHDRAWING FROM THE ZONE OF 200 NAUTICAL MILES RADIUS FROM THE FALKLAND ISLANDS, BUT

ALSO NOT TO INTRODUCE ANY FURTHER MILITARY FORCES INTO THAT ZONE (EXCEPT FOR THE PURPOSES OF ARGENTINE WITHDRAWAL, AND THEN UNDER UN SUPERVISION), TO SUSPEND THE ENFORCEMENT OF THE ZONES NOW IN OPERATION AROUND THE FALKLAND ISLANDS, AND TO TAKE STEPS TO TERMINATE ECONOMIC MEASURES. THE UNITED NATIONS ADMINISTRATION WOULD BEGIN ARRIVING IN THE FALKLANDS AS SOON AS POSSIBLE AFTER TIME 'M' AND WOULD VERIFY WITHDRAWAL BY BOTH PARTIES. WE HOPE THAT THE SECRETARY-GENERAL WOULD REPORT VERY FREQUENTLY, PERHAPS DAILY, ON THE PROCESS AND COMPLETION OF WITHDRAWAL. BY DAY 14, WHEN WITHDRAWAL BY BOTH PARTIES WOULD HAVE TO BE COMPLETE, THE EXCLUSION ZONES WOULD BE FINALLY TERMINATED, THE ECONOMIC MEASURES WOULD END AND THE INTERIM UN ADMINISTRATION WOULD BE COMPLETELY ESTABLISHED. NEITHER SIDE COULD INTRODUCE MILITARY FORCES INTO THE 200 NAUTICAL MILE ZONE THROUGHOUT THE INTERIM PERIOD.

4. WE SHARE YOUR SUSPICION THAT ARGENTINA MAY HOPE TO TAKE OVER THE ISLANDS WHEN THE INTERIM PERIOD ENDS. THE POINTS SUGGESTED UNDER (D) ABOVE ARE OF COURSE DESIGNED TO HELP IN COUNTERING THIS. BUT WE MUST ALSO INSIST MOST FIRMLY THAT THE NEW ARGENTINE SUGGESTIONS TO THE SECRETARY-GENERAL ABOUT THE INTERIM ADMINISTRATION ARE UNACCEPTABLE. WE CAN ACCEPT UN INTERIM ADMINISTRATION IN THE SENSE OF A UN ADMINISTRATOR AS THE OFFICER ADMINISTERING THE GOVERNMENT OF THE FALKLAND ISLANDS. THIS WOULD MEAN THAT IN RELATION TO THE FALKLAND ISLANDS THE EXECUTIVE AND LEGISLATIVE COUNCILS WOULD DISCHARGE THEIR TRADITIONAL FUNCTIONS, THE UN ADMINISTRATOR CARRYING OUT THE FUNCTIONS OF THE GOVERNOR.

5. ON THE FRAMEWORK FOR FUTURE NEGOTIATIONS, WE ARE CONCERNED THAT THE ARGENTINES MAY SUGGEST LANGUAGE ABOUT GENERAL ASSEMBLY RESOLUTIONS TENDING TO FAVOUR THE ARGENTINE CASE ON SOVEREIGNTY (PARAGRAPH 4 OF YOUR TELNO 685). (THIS KIND OF PLOY PRODUCED, IN HAIG'S FIRST SHUTTLE, A COMPLEX AND CONTRADICTORY PARAGRAPH ABOUT THE TERMS OF REFERENCE FOR THE NEGOTIATIONS.) YOU SHOULD MAKE CLEAR TO THE SECRETARY-GENERAL THAT TO EMBARK ON THIS KIND OF THING WOULD PROBABLY PRODUCE AN

ENDLESS WRANGLE ABOUT WHAT SHOULD BE REFERRED TO. WE WOULD HAVE TO INSIST ON REFERENCES TO SELF-DETERMINATION OR AT LEAST TO THE PURPOSES AND PRINCIPLES OF THE CHARTER. WE THEREFORE HOPE VERY MUCH THAT THE SECRETARY-GENERAL CAN KEEP THE LANGUAGE ABOUT THE SUBJECT FOR FUTURE NEGOTIATIONS VERY CLEAR AND SIMPLE. WHY NOT STICK TO THE WORDS OF THE SECRETARY-GENERAL'S PAPER OF 3 MAY (WHICH OF COURSE ECHOED RESOLUTION 302) ABOUT THE TWO GOVERNMENTS SEEKING 'A DIPLOMATIC RESOLUTION TO THEIR DIFFERENCES'? ALTERNATIVELY, A COMPLETELY NEUTRAL FORMULA ABOUT THE FUTURE STATUS OF THE ISLANDS WOULD BE ACCEPTABLE. WE NOTE ROS'S STATEMENTS IN PARAGRAPH 4 OF YOUR TELNO 685 ABOUT NOT PREJUDGING SOVEREIGNTY. IT IS IMPORTANT TO GET THIS CLEARLY ON THE RECORD, IF WE ARE NOT SUBSEQUENTLY TO BE ACCUSED OF HAVING ALLOWED OUR POSITION TO BE ERODED BY NEGOTIATIONS WITHOUT ANY FIRM EVIDENCE THAT THE ARGENTINE JUNTA ACCEPT THAT SOVEREIGNTY IS A NEGOTIABLE ISSUE.

6. OTHER IMPORTANT POINTS IN MINISTERS' MINDS ARE:

(A) IT MUST BE CLEAR THAT APPARENT ARGENTINE ADHERENCE TO ANY AGREEMENT IN NEW YORK IS FULLY BACKED BY THE JUNTA IN BUENOS AIRES.

(B) ANY AGREEMENT MUST BE ABOUT THE FALKLAND ISLANDS - ISLAS MALVINAS. SINCE THERE MAY BE A MEASURE OF UNCERTAINTY IN SOME MINDS YOU SHOULD BE CLEAR THAT THE INTENTION IS TO EXCLUDE THE DEPENDENCIES.

(C) THE ESSENTIAL NEED FOR A SECURITY GUARANTEE, NOT NECESSARILY AS PART OF THIS AGREEMENT, WHICH IS SEEN AS A MAJOR CONTRIBUTION TO THE SOLUTION TO THE PROBLEM WHICH YOU POSE IN PARAGRAPH 4 OF YOUR TELNO 686.

7. MEANWHILE WE ARE ENSURING THAT YOU HAVE RECEIVED OR WILL RECEIVE THE TEXTS OF THE PREVIOUS DRAFT AGREEMENTS WITH WHICH WE MIGHT HAVE BEEN ABLE TO LIVE: I.E. THE DOCUMENT HAIG TOOK BACK FROM LONDON AFTER EASTER, THE BA VERSION AS AMENDED BY US FOR MY VISIT TO WASHINGTON ON 22 APRIL, AND THE FINAL US/PERUVIAN PROPOSALS AS MODIFIED BY US. FURTHERMORE DOCUMENTS AND COMMENTARIES WHICH YOU DO NOT ALREADY HAVE WILL BE SENT BY BAG. YOU WILL REALISE THAT THESE - PARTICULARLY

THE TWO FORMER DRAFTS - CONTAIN MANY ELEMENTS WHICH WE WOULD NOT (NOT) WISH TO REVIVE. IN COMPLYING THEREFORE WITH THE SECRETARY-GENERAL'S REQUEST TO BE TOLD AS MUCH AS POSSIBLE OF OUR PREVIOUS NEGOTIATING STANCE YOU SHOULD RESTRICT YOURSELF AS FAR AS YOU CAN TO SUPPLYING DETAILS OF THE US/PERUVIAN PROPOSALS, ON THE SUBSTANCE OF WHICH HE IS ALREADY BRIEFED. WE RECOGNIZE THAT THE EXTENT TO WHICH YOU CAN HOLD BACK WILL BE CONDITIONED BY HOW MUCH THE ARGENTINES ARE VOLUNTEERING, OR DISTORTING, OUR EARLIER POSITIONS. AT ALL EVENTS, YOU ALREADY KNOW THAT ANY AGREEMENT WHICH IS TO BE CONSIDERED SERIOUSLY BY US MUST (A) INCLUDE THE CONCEPT OF CEASEFIRE BEING UNAMBIGUOUSLY LINKED TO AN IMMEDIATE START OF ARGENTINE TROOP WITHDRAWAL, (B) NOT PREJUDGE IN ANY WAY A TRANSFER OF SOVEREIGNTY TO ARGENTINA, AND (C) AVOID A DE FACTO SITUATION BY WHICH ARGENTINA GAINED THE ISLANDS IN DEFAULT OF A FINAL SETTLEMENT BY A TERMINAL DATE FOR THE CONCLUSION OF NEGOTIATIONS.

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