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CONFIDENTIAL

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FM UKMIS NEW YORK Ø2Ø118Z JUN 82

TO IMMEDIATE F C O

TELEGRAM NUMBER 9Ø6 OF 1 JUNE 1982

INFO IMMEDIATE WASHINGTON.



YOUR TELNO 488: FALKLANDS: SECRETARY-GENERAL

SUMMARY

1. I ACTED THIS AFTERNOON (1 JUNE) ON THE INSTRUCTIONS IN YOUR TELEGRAM UNDER REFERENCE. PEREZ DE CUELLAR WAS DISHEARTENED BY THEM. IN SUBSEQUENT DISCUSSION CERTAIN IDEAS EMERGED WHICH I UNDERTOOK TO PUT TO YOU OVERNIGHT. PEREZ DE CUELLAR SUBSEQUENTLY SAW ROS WHO SAID THAT ARGENTINA COULD ACCEPT PEREZ DE CUELLAR'S FIVE-POINT PLAN ON CERTAIN CONDITIONS THAT WOULD CLEARLY BE UNACCEPTABLE TO US. PEREZ DE CUELLAR RECOGNISES THAT HIS CURRENT EFFORTS HAVE COME TO AN END. HE WILL SO REPORT TO THE PRESIDENT OF THE SECURITY COUNCIL TOMORROW (2 JUNE). THERE WILL ALMOST CERTAINLY BE AN IMMEDIATE FORMAL MEETING OF THE COUNCIL.

DETAIL

2. I SAW THE SECRETARY GENERAL AT 1930Z. I ASKED WHETHER HE HAD HAD ANY RESPONSE FROM THE ARGENTINES TO HIS FIVE-POINT PLAN. HE SAID THAT HE WAS SEEING ROS IN A HOUR'S TIME, MEANWHILE, THE ARGENTINES HAD TOLD HIM THAT 'THEY WERE PREPARED TO DISCUSS ON THAT BASIS . HE TOOK THIS TO MEAN THAT THEY AGREED THAT THEY WOULD HAVE TO WITHDRAW FIRST. I THEN SAID THAT WE WERE GRATEFUL FOR PEREZ DE CUELLAR'S CONTINUING EFFORTS. YOU APPROVED THE EMPHASIS IN HIS PLAN ON TOTAL ARGENTINE WITHDRAWAL WITHIN A FIXED PERIOD. BUT IT WAS YOUR FIRM VIEW THAT, NOW THAT CUR AND ARGENTINE FORCES WERE LOCKED IN COMBAT ON EAST FALKLAND, A CEASEFIRE COULD ONLY BE WORKED OUT BY THE COMMANDERS ON THE SPOT. I DREW AN ANALOGY WITH THE NEGOTIATIONS AT KILOMETRE 101 WHICH HAD LED TO A CEASEFIRE BETWEEN EGYPT AND ISRAEL IN OCTOBER 1973. I THEN EXPLAINED WHY WE COULD NOT ACCEPT UN OBSERVERS AND ASKED THE SECRETARY GENERAL WHAT WOULD HAPPEN IF THE ARGENTINES WERE TO STOP THEIR WITHDRAWAL ON THE PRETEXT

SPOT. I DREW AN ANALOGY WITH THE NEGOTIATIONS AT KILOMETRE 101 WHICH HAD LED TO A CEASEFIRE BETWEEN EGYPT AND ISRAEL. IN OCTOBER 1973. I THEN EXPLAINED WHY WE COULD NOT ACCEPT UN OBSERVERS AND ASKED THE SECRETARY GENERAL WHAT WOULD HAPPEN IF THE ARGENTINES WERE TO STOP THEIR WITHDRAWAL ON THE PRETEXT OF ALLEGED BREACHES OF THE CEASEFIRE BY US. WOULD NOT THE WHOLE STRUCTURE COLLAPSE? LIKE DE SOTO LAST NIGHT PEREZ DE CUELLAR HAD NO ANSWER TO THIS QUESTION.

- 3. I THEN MADE THE POINTS IN PARAGRAPH 4 OF YOUR TELNO 488. IN REPLY TO OUR QUESTIONS, PEREZ DE CUELLAR SAID THAT THE PROBLEM WAS TO FIND A WAY OF ENABLING THE ARGENTINE LEADERS TO SAVE FACE VIS AS VIS THEIR OWN PUBLIC. DE SOTO ADDED THAT FOR THIS REASON THE ARGENTINES WOULD HAVE TO BE ABLE TO SAY THAT THE BEGINNING (REPEAT BEGINNING) OF BOTH SIDES' WITHDRAWAL WOULD BE SIMULTANEOUS. I SAID THAT THIS WOULD NOT BE ACCEPTABLE TO US.
- 4. I NEXT MADE THE POINTS IN PARAGRAPH 5 OF YOUR TELNO 488.

 PEREZ DE CUELLAR SAID THAT HE ACCEPTED THAT THE UK WAS NO LONGER COMMITTED BY WHAT WE HAD AGREED TO DURING THE PREVIOUS ROUND. BUT SURELY WE DID NOT EXCLUDE CONSIDERING SOME OF THOSE POINTS AGAIN.

 I SAID THAT THIS WAS NOT A QUESTION THAT I COULD ANSWER DIRECTLY.
- 5. AT THIS POINT PEREZ DE CUELLAR WAS CLEARLY DEPRESSED BY THE 'CLARIFICATIONS' I HAD GIVEN HIM AND WAS ON THE POINT OF SAYING THAT HE DID NOT FEEL HE COULD CARRY ON. HOWEVER DE SOTO, WHO DISPLAYED TODAY MORE ENTHUSIASM THAN PEREZ DE CUELLAR FOR KEEPING THE LATTER'S EFFORTS GOING, LAUNCHED US INTO A WIDE-RANGING' DISCUSSION OF:
- (A) THE PART THAT THE UN COULD PLAY IN BRINGING ABOUT A CEASEFIRE AND THE BEGINNING OF ARGENTINE WITHDRAWAL:
- (B) WHAT MIGHT HAPPED DURING THE COOLING OFF PERIOD REFERRED TO IN PARAGRAPH 5 OF YOUR TELEGRAM UNDER REFERENCE.

 I MADE CLEAR THAT MY PARTICIPATION IN THIS DISCUSSION WAS ENTIRELY WITHOUT COMMITMENT.
- 6. DE SOTO TOOK UP MY REFERENCE TO THE KILOMETRE 101 NEGOTIATIONS IN 1973. MAYBE WE COULD NOT ACCEPT UN CBSERVERS. BUT COULD WE NOT ACCEPT SOME UN PRESENCE IN NEGOTIATIONS BETWEEN THE MILITARY COMMANDERS ON THE SPOT? PEREZ DE CUELLAR ADDED THAT AS A LATIN AMERICAN HE WAS VERY CONSCIOUS OF THE PSYCHOLOGICAL ASPECTS. IT WOULD BE MUCH EASIER FOR THE ARGENTINES TO AGREE TO A CEASEFIRE IF A THIRD PARTY WAS PRESENT AT THE NEGOTIATIONS. UN OFFICIALS COULD PLAY A PART, AS THEY HAD AT KILOMETRE 121.

ACCEPT SOME UN PRESENCE IN NEGOTIATIONS BETWEEN THE MILITARY COMMANDERS ON THE SPOT? PEREZ DE CUELLAR ADDED THAT AS A LATIN AMERICAN HE WAS VERY CONSCIOUS OF THE PSYCHOLOGICAL ASPECTS. IT WOULD BE MUCH EASIER FOR THE ARGENTINES TO AGREE TO A CEASEFIRE IF A THIRD PARTY WAS PRESENT AT THE NEGOTIATIONS. UN OFFICIALS COULD PLAY A PART, AS THEY HAD AT KILOMETRE 101.

- ARGENTINES TO SAVE FACE IF THE STATUS QUO ANTE WAS NOT PRECISELY RESTORED. HE ACCEPTED THAT YOU WERE DETERMINED TO RESTORE BRITISH ADMINISTRATION AND A FULL ROLE FOR THE ELECTED COUNCILS. BUT WOULD IT AT LEAST BE POSSIBLE NOT TO SEND THE GOVERNOR BACK? FOR INSTANCE, COULD A MILITARY OFFICER BE APPOINTED, ON AN INTERIM BASIS, TO CARRY OUT THE FUNCTIONS OF THE GOVERNOR DURING THE COOLING OFF PERIOD?
- B. THE SECRETARY GENERAL ASKED WHETHER OUR OBJECTION WAS TO UN CBSERVERS OR TO ANY OBSERVERS. 1 SAID THAT WE SAW OVERRIDING OBJECTIONS TO INTRODUCING ANY CBSERVERS BETWEEN THE UK AND ARGENTINE FORCES WHEN WE HAD NO REASON TO TRUST THE ARGENTINES AND FEARED THAT THEY WOULD GO BACK ON ANY AGREEMENT TO WITHDRAW. DE SCTO ASKED WHETHER, AGAIN TO HELP THE ARGENTINES, WE WOULD BE ABLE TO ACCEPT THAT IN THE CLOSING STAGES OF AN ARGENTINE WITHDRAWAL UN OBSERVERS SHOULD 'BEGIN TO TRICKLE IN'. HIS IDEA SEEMED TO BE THAT BY THE TIME THE ARGENTINES HAD WITHDRAWN COMPLETELY THERE WOULD BE A SMALL CORE OF UN OBSERVERS ON THE ISLANDS WHO WOULD MONITOR NON-REINTRODUCTION OF ARGENTINE FORCES AND THE GRADUAL RUNNING DOWN OF THE BRITISH MILITARY PRESENCE: THIS IMPLIES THAT A PHASED RUNDOWN OF BRITISH FORCES WOULD HAVE BEEN AGREED IN ADVANCE, PERHAPS WITH A SUCCESSION OF CEILINGS WHICH WOULD BE LOWERED FROM TIME TO TIME.
- 9. AT THE END OF THE MEETING I SAID THAT I WANTED TO EMPHASISE THAT WE WERE NOT OUT TO HUMILIATE ARGENTINA. EVEN THOUGH A SECURITY COUNCIL MEETING TOMORROW LOOKED INEVITABLE, AND A UK VETO QUITE LIKELY, I DID NOT SEE WHY THIS NEED BE AN END TO THE SECRETARY GENERAL'S EFFORTS. I DID NOT KNOW HOW YOU WOULD REACT TO THE VARIOUS IDEAS THAT HAD EMERGED FROM THE DISCUSSION (IE THOSE IN PARAGRAPHS 6 TO 8 ABOVE) BUT I WAS PREPARED, WITHOUT COMMITMENT, TO SEEK YOUR VIEWS ON THEM. PEREZ DE CUELLAR ACCEPTED THAT THESE IDEAS HAD NO STATUS AT PRESENT BUT SAID THAT HE WOULD TRY THEM OUT ON ROS AND LET ME KNOW HIS REACTION. WHEN HE HAD SEEN ROS (2045Z) HE WOULD MAKE AN IMMEDIATE ASSESSMENT OF WHETHER IT WAS WORTH PURSUING HIS EFFORTS.

(IE THOSE IN PARAGRAPHS 6 TO 8 ABOVE) BUT I WAS PREPARED, WITHOUT COMMITMENT, TO SEEK YOUR VIEWS ON THEM. PEREZ DE CUELLAR ACCEPTED THAT THESE IDEAS HAD NO STATUS AT PRESENT BUT SAID THAT HE WOULD TRY THEM OUT ON ROS AND LET ME KNOW HIS REACTION. WHEN HE HAD SEEN ROS (2045Z) HE WOULD MAKE AN IMMEDIATE ASSESSMENT OF WHETHER IT WAS WORTH PURSUING HIS EFFORTS.

- 10. AFTER THE SECRETARY-GENERAL'S MEETING WITH ROS, DE SOTO ASKED GOULDING TO SEE HIM. HE SAID THAT ROS HAD GIVEN PEREZ DE CUELLAR A PIECE OF PAPER IN THE FOLLOWING TERMS (SECRETARIAT'S TRANSLATION):
- "'THE SECRETARY-GENERAL'S PROPOSAL WOULD BE ACCEPTABLE IF:
- (1) POINT 3 MEANS THE TOKEN COMMENCEMENT OF THE WITHDRAWAL BUT THE COMPLETION OF THE TOTAL BRITISH WITHDRAWAL, WHATEVER ITS RHYTHM, WOULD BE WITHIN Y DAYS:
- (2) IT IS CLEARLY UNDERSTOOD THAT IN NO CASE WOULD BRITISH FORCES REMAIN ALONE ON THE ISLANDS. THE BLUE HELMETS SHOULD BE ON THE ISLANDS BEFORE THE COMPLETION OF WITHDRAWAL OF ARGENTINE FORCES. THE WITHDRAWAL OF ARGENTINE FORCES FROM THE AREAS OCCUPIED BY THEM SHOULD CORRESPOND WITH A GRADUAL TAKEOVER OF CONTROL OF THOSE AREAS BY BLUE HELMETS:
- (3) THE BRITISH FORCES SHALL ABSTAIN FROM WIDENING THEIR AREAS
 OF OCCUPATION AT THE DATE OF CEASEFIRE. ...
 GOULDING SAID THAT WHAT THIS AMOUNTED TO WAS THAT A DATE WOULD
 HAVE TO BE AGREED FOR THE COMPLETION OF TOTAL BRITISH WITHDRAWAL
 AND THAT BRITISH FORCES WOULD NOT BE ABLE TO ESTABLISH CONTROL
 OVER THE WHOLE OF THE ISLANDS. THIS WOULD NOT BE ACCEPTABLE TO US.
- 11. DE SOTO WENT ON TO SAY THAT PEREZ DE CUELLAR HAD TOLD ROS OF THE IDEAS WHICH HAD EMERGED FROM HIS EARLIER DISCUSSION WITH ME. ROS HAD AGREED, WITHOUT ANY ENTHUSIASM, TO PASS THESE TO BUENOS AIRES AND SEEK THEIR REACTION. PEREZ DE CUELLAR HAD SAID THAT, AS HIS WEEK WOULD EXPIRE AT 1800Z ON 2 JUNE, HE WOULD BE GRATEFUL FOR BUENOS AIRES' REACTION BY 1600Z THAT DAY. THROUGH DE SOTO, HE PUT THE SAME REQUEST TO ME.
- ABLE TO ACCEPT THE ARGENTINE CONDITIONS (PARA 10 ABOVE) AND THAT NEITHER YOU NOR BUENOS AIRES WOULD BE ABLE TO AGREE QUICKLY TO THE IDEAS THAT HAD EMERGED THIS AFTERNOON, PEREZ DE CUELLAR WOULD SUBMIT HIS REPORT TO THE PRESIDENT OF THE SECURITY COUNCIL AT LUNCH TIME TOMORROW (P JUNE). IT WOULD BE A BRIEF NARRATIVE ACCOUNT OF HIS CONTACTS AND WOULD STATE HIS CONCLUSION THAT THE BASIS DID NOT AT PRESENT EXIST FOR NEGOTIATING MUTUALLY ACCEPTABLE TERMS FOR A

ABLE TO ACCEPT THE ARGENTINE CONDITIONS (PARA 10 ABOVE) AND THAT NEITHER YOU NOR BUENOS AIRES WOULD BE ABLE TO AGREE QUICKLY TO SUBMIT HIS REPORT TO THE PRESIDENT OF THE SECURITY COUNCIL AT LUNCH TOMORROW (P JUNE). IT WOULD BE A BRIEF NARRATIVE ACCOUNT OF HIS CONTACTS AND WOULD STATE HIS CONCLUSION THAT THE BASIS DID NOT AT PRESENT EXIST FOR NEGOTIATING MUTUALLY ACCEPTABLE TERMS FOR A CENSEFIRE. HE WOULD NOT (NOT) INCLUDE THE TEXT OF YOUR MESSAGE OF 31 MAY.

- 13. MEANWHILE, THE NEW PRESIDENT OF THE SECURITY COUNCIL (DE NANTEUIL, FRANCE), WITHOUT CONSULTING ME AND APPARENTLY IN RESPONSE TO PANAMANIAN PRESSURE, HAS CONVENED INFORMAL CONSULTATIONS OF THE WHOLE COUNCIL AT 1500Z TOMORROW (2 JUNE). HE EXPECTS TO PROCEED TO A FORMAL MEETING IN THE AFTERNOON AT WHICH THE SECRETARY GENERAL WILL PRESENT HIS REPORT. HE HAS NO CLEAR IDEAS ABOUT WHAT WILL HAPPEN THEREAFTER AND DOES NOT ADMIT TO KNOWLEDGE OF ANY DRAFT RESOLUTIONS ALREADY IN EXISTENCE.
- 14. I RECOMMEND THAT, FOR TACTICAL REASONS AND WITH PEREZ DE CUELLAR'S REPORT IN MIND, I SHOULD GIVE HIM COMMENTS ON THE POINTS IN PARAS 6 AND 8 ABOVE BY 1600Z ON 2 JUNE. I UNDERSTAND THAT YOU MAY WELL NOT WISH ME TO COMMENT ON PARA 7 BUT ANYTHING I COULD SAY ON THIS QUESTION WOULD BE USEFUL.
- DELEGATIONS AS I THINK FIT THE DRAFT RESOLUTION IN MIFT. I WOULD NOT PROPOSE TO TABLE IT OR TO SEEK A VOTE ON IT, UNLESS, BY SOME MIRACLE, I THOUGHT IT LIKELY TO BE ADOPTED AS IT STOOD. MY PURPOSE WOULD BE TO INDICATE TO THOSE DELEGATIONS WHO INTENDED TO TABLE SIMPLE CEASEFIRE RESOLUTIONS WHAT WOULD IN PRACTICE BE ACCEPTABLE TO US. THIS WOULD HELP TO BRING HOME TO THEM THE FACT THAT THEIR EFFORTS WOULD NOT ACHIEVE THE OBJECTIVE OF A CEASEFIRE, RATHER THE OPPOSITE. THIS MIGHT MAKE SOME OF THE GENUINE MCDERATES, EG

 JAPAN AND THE AFRICANS PLUS JORDAN, PAUSE BEFORE AGREEING TO GIVE THEIR SUPPORT TO A SIMPLE CEASEFIRE RESOLUTION. IT IS JUST POSSIBLE THAT A NEGOTIATION MIGHT THEN START WHICH WOULD BUY US MORE TIME.

 I BELIEVE THAT THE PANAMANIAN OBJECTIVE IN TRYING TO FORCE A CUICK MEETING AND THEREAFTER A QUICK BRITISH VETC IS TO INFLUENCE THE NAM MEETING IN HAVANA.

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51 MAY 1982

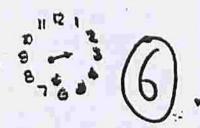
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DESKBY Ø10200Z

FM UKMIS NEW YORK Ø1000BZ JUN 82

TO IMMEDIATE F C O

TELEGRAM NUMBER 899 OF 31 MAY 1982
INFO IMMEDIATE WASHINGTON.



YOUR TELNO 485: FALKLANDS: SECRETARY-GENERAL.

- 1. I DELIVERED YOUR MESSAGE TO THE SECRETARY-GENERAL AT 1900Z TODAY (31 MAY) ADDING THAT HE WAS FREE TO INCLUDE IT IN HIS REPORT TO THE SECURITY COUNCIL, IF HE WISHED.
- 2. BEFORE THE MAIN MEETING (WHICH WAS A FORMALITY) HE HAD ASKED TO SEE ME ALONE. HE SAID THAT HE WAS SEEING ROS AN HOUR LATER. IF HE DETECTED ANY SIGN OF CHANGE IN ROS'S ATTITUDE, HE WAS DISPOSED TO MAKE A FINAL ATTEMPT OVER THE NEXT TWO DAYS TO BRING ABOUT THE IMPLEMENTATION OF OPERATIVE PARAS 1 AND 2 OF SCR 502 (HE ENTIRELY UNDERSTOOD THAT THERE WAS NO QUESTION OF PARALLEL BRITISH WITHDRAWAL) IN AN EFFORT TO AVOID WHAT LOOKED LIKE BEING A BLOODY BATTLE FOR STANLEY, WITH HEAVY CASUALTIES ON BOTH SIDES, FOLLOWING BY TOTAL ARGENTINE HUMILIATION. HE ASKED ME IF I COULD HINT AT ANYTHING BEYOND WHAT WAS IN YOUR MESSAGE E.G. ON THE POSSIBILITY OF UN INVOLVEMENT IN THE SHORT OR LONGER TERM. I SAID THAT I COULD NOT SPECULATE ON THESE LINES. THE IMPORTANT THING WAS FOR HIM TO DECIDE WHETHER OR NOT THERE WAS ANY CHANCE OF THE ARGENTINES ALTERING THEIR POSITION.
- 3. PEREZ DE CUELLAR TELEPHONED ME AFTER SEEING ROS TO ASK IF I WOULD RECEIVE DE SOTO IN MY MISSION: PEREZ DE CUELLAR HAD SOME QUESTIONS TO ASK US ON WHICH HE NEEDED CLARIFICATION.
- 4. DE SOTO TURNED UP ABOUT TWO HOURS LATER. IT EMERGED THAT A FIVE POINT PLAN FOR THE IMPLEMENTATION OF SCR 522 AND

IF I WOULD RECEIVE DE SOTO IN MY MISSION: PEREZ DE CUELLAR HAD SOME QUESTIONS TO ASK US ON WHICH HE NEEDED CLARIFICATION.

4. DE SCTO TURNED UP ABOUT TWO HOURS LATER. IT EMERGED THAT A FIVE POINT PLAN FOR THE IMPLEMENTATION OF SCR 502 AND 505 (SEE NEXT PARAGRAPH) HAD BEEN PUT TO THE ARGENTINES WHO, AFTER LONG DELIBERATION AMONGST THEMSELVES, HAD AGREED TO FORWARD IT TO BUENOS AIRES. HOWEVER, ROS HAD NOT BROUGHT ANY FRESH INSTRUCTIONS TO DELIVER TO THE SECRETARY-GENERAL: HE HAD CALLED ONLY TO HEAR OUR FINAL RESPONSE. HE HAD AGAIN SHOWN INTEREST IN THE SIXTH SENTENCE OF YOUR MESSAGE AND HAD ASKED WHAT WE MEANT BY 'THE LONGER TERM' AND 'ALTERNATIVE INTERNATIONAL SECURITY ARRANGEMENTS'.

- 5. PEREZ DE CUELLAR'S FIVE POINT PLAN IS AS FOLLOWS:
- (1) AT TIME T A CEASEFIRE WOULD COME INTO FORCE AND BE MONITCRED BY UN OBSERVERS:
- (2) AT TIME T PLUS 24 HOURS, ARGENTINE WITHDRAWAL WOULD BEGIN IN IMPLEMENTATION OF SCR 502 (I.E. TOTAL ARGENTINE WITHDRAWAL):
- (3) AT TIME T PLUS 24 HOURS, TOKEN BRITISH WITHDRAWAL WOULD BEGIN (DE SOTO THOUGHT THAT 'TOKEN' MIGHT MEAN THE REMOVAL OF ONE BATTALION).
- (4) (2) AND (3) ABOVE WOULD BE COMPLETED WITHIN 'X' DAYS:
- (5) NEGOTIATIONS WOULD BEGIN UNDER THE AUSPICES OF THE SECRETARY-GENERAL WITHIN THE FRAMEWORK OF SCR 505 (REPEAT 505).
- 6. I FIRST ADDRESSED ROS'S QUESTION ABOUT WHAT WE MEANT BY

 "THE LONGER TERM" AND "INTERNATIONAL SECURITY ARRANGEMENTS".

 I SAID THAT I DID NOT KNOW WHAT PLANS YOU HAD IN MIND. HOWEVER,

 THINKING ALOUD AND PURELY ON A PERSONAL BASIS, I DID NOT

 BELIEVE THAT YOU ENVISAGED UN INVOLVEMENT IN THESE PROCESSES.

 MY PERSONAL VIEW WAS THAT, ONCE PASSIONS HAD CCCLED, THE

 PROBLEM WOULD BE BETTER DEALT WITH IN THE FRAMEWORK OF THE

 WESTERN HEMISPHERE, NAMELY THE US AND OTHER IMPORTANT LATIN

 AMERICAN COUNTRIES. TO BE FRANK, HARKING BACK TO OUR PREVIOUS

 ROUND OF NEGOTIATIONS, WE REGARDED THE UN AS HAVING COME

 CLOSE TO "PRE-JUDGING THE OUTCOME" THROUGH ITS ENDORSEMENT

 OF THE NAM'S SUPPORT FOR THE ARGENTINE CLAIM TO SOVEREIGNTY.

 I WAS NOT SAYING THAT THIS DEALT THE UN OUT OF THE ACT IN ALL

 RESPECTS, BUT IT MADE IT DIFFICULT FOR US TO REGARD IT AS

 AN IMPARTIAL ACTOR IN THE SOLUTION OF THE PROBLEM.
- 7. WE THEN TURNED TO THE POINTS IN PEREZ DE CUELLAR'S PLAN.

 I ASKED DE SOTO WHAT WOULD HAPPEN IF WE AGREED TO A CEASEFIRE,

 ETHE UN OBSERVERS ARRIVED. AND THE ARGENTINES THEN REFUSED TO

AN IMPARTIAL ACTOR IN THE SOLUTION OF THE PROBLEM.

- ASKED DE SOTO WHAT WOULD HAPPEN IF WE AGREED TO A CEASEFIRE, THE UN OBSERVERS ARRIVED, AND THE ARGENTINES THEN REFUSED TO WITHDRAW ON TRUMPTED UP ALLEGATIONS THAT WE HAD BEEN IN SOME WAY CHEATING, E.G. THAT WE HAD BEEN REINFORCING, MOVING TROOPS FORWARD BY NIGHT ETC. HE HAD NO ANSWER TO THIS QUESTION.
- 8. WE THEN SMOKED HIM OUT ON THE REFERENCE TO SCR 505 IN POINT (5). HE ADMITTED THAT THIS WAS THE ONE ATTRACTIVE POINT FOR ARGENTINE IN THE WHOLE PACKAGE, I.E. THEY COULD USE THE REFERENCE TO THE SECRETARY-GENERAL'S PREVIOUS NEGOTIATIONS IN OPERATIVE PARAGRAPH 2 OF SCR 505 TO ARGUE THAT THE NEGOTIATIONS ENVISAGED IN POINT (5) WOULD BE ABOUT AN INTERIM ARRANGEMENT, UN ADMINISTRATION ETC. WE MADE QUITE CLEAR TO DE SOTO THAT THESE CONCEPTS WERE NO LONGER ON THE TABLE SO FAR AS WE WERE CONCERNED.
- 9. WE THEN MADE THE POINT THAT THERE COULD BE NO LINKAGE
 BETWEEN POINTS (1) (4) ON THE ONE HAND AND POINT (5) ON
 THE CTHER: IF THERE WAS, WE WOULD BE BACK WHERE WE STARTED,
 I.E. BOGGED DOWN IN INTERMINABLE NEGOTIATIONS WITHOUT ARGENTINE
 WITHDRAWAL. DE SOTO ACCEPTED THIS, MAKING THE GLOSS THAT THE
 ARGENTINES WOULD PROBABLY WANT A CEREMONIAL OPENING OF
 NEGOTIATIONS AS A FACE-SAVER AT SOME POINT DURING THE WITHDRAWAL
 PERIOD.
- 10. DE SOTO SUMMED UP PEREZ DE CUELLAR'S VIEWS AS FOLLOWS.
 POINTS (2) AND (4) WOULD GIVE US TOTAL ARGENTINE WITHDRAWAL,
 WHEREAS POINT (3) (TOKEN BRITISH WITHDRAWAL) WOULD AMOUNT
 TO THE RESTORATION OF BRITISH ADMINISTRATION. HE BELIEVED
 THAT, IF THE ARGENTINES ACCEPTED THIS PACKAGE, THIS WOULD
 AMOUNT TO THE TRANSFORMATION OF THE SITUATION MENTIONED IN
 THE LAST SENTENCE OF YOUR MESSAGE. HE HOPED THIS WOULD ENABLE
 US TO CONSIDER "THE LONGER TERM" MORE AS "THE NEAR FUTURE"
 THAN AS THE PROGRAMME SET OUT BY THE PRIME MINISTER IN HER
 ANSWERS TO QUESTIONS ON 27 MAY.
- 11. PLEASE SEE MIFT.