

SECRET

C/C

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S
GOVERNMENT

OD(SA)(82) 35
29 April 1982

COPY NO: 15

CABINET

DEFENCE AND OVERSEA POLICY COMMITTEE

SUB-COMMITTEE ON THE SOUTH ATLANTIC AND THE FALKLAND ISLANDS

FALKLAND ISLANDS: DIPLOMATIC ACTION FOLLOWING THE FAILURE OF
MR HAIG'S PROPOSALS

Memorandum by the Foreign and Commonwealth Secretary

1. We will need to put forward an alternative diplomatic solution which will fill the gap left by the end of Mr Haig's present activities. We need this for three reasons:

- (a) To keep unacceptable initiatives out of play;
- (b) To maintain the support for our position, at home and abroad, as we move into a new military phase; and
- (c) To provide a mechanism through which progress can be made if the Argentines crack.

The problem should be considered from the point of view:

- A. of procedure
- B. of substance.

A. PROCEDURE

2. The principal options are:

- (a) To ask the Americans to try again. Hitherto we have thought that the Americans are the best placed to bring about a negotiated settlement. But their continued role as peacemakers would deny us the possibility of obtaining the full weight of United States support, and of United States pressure

/through

SECRET

SECRET

through economic sanctions as well as politically.

- (b) To enlist the good offices of the UN Secretary General. The disadvantages here are that any mandate for the Secretary General would have to be negotiated through the Security Council which would expose us to unhelpful initiatives from others. We should have to accept that further action by the Task Force once any initiative had been launched through the UN or the Secretary General would put us in a very difficult position.
- (c) To seek the appointment as mediator of another respected international figure, eg the Secretary General of the Commonwealth, or of a group of men or States, eg USA, one European and one Latin American. This could be time-consuming, and any individual or group would be likely to impose conditions.
- (d) To make a proposal on our own account.

B. SUBSTANCE

3. The first decision to be taken is whether we should simply restate the British requirements, or put forward proposals which we judged to have some chance of being negotiable with the Argentines in circumstances of mounting pressure on them, provided of course that our essential principles were met. There is no difficulty about restating our requirements, but we must recognise that they will not be accepted unless we have reached the point where total Argentine capitulation is close at hand, if then.

4. If we wish to put forward proposals which could conceivably induce the Argentine Government to respond, these proposals would have to offer them a way out which was well short of total humiliation. Possibilities would include:

- (a) Immediate bilateral negotiations for a definitive settlement, possibly under third party sponsorship, to take place immediately following the completion of Argentine withdrawal from the Falklands and the restoration of the traditional administration on the Islands (whether or not including

/the

SECRET

the Governor) ie to move at a very early date straight to the third requirement of Security Council Resolution No 502. We could offer as inducements:-

- (i) To enter into these negotiations on the basis of recognition that the Argentine Government has a legitimate interest in the future of the Falkland Islands.
 - (ii) That our forces would return to their normal duties on the completion of Argentine withdrawal (subject to our having obtained an assurance that the Americans would provide a secure guarantee over the Falkland Islands and Dependencies during the period of negotiation for a definitive settlement).
 - (iii) That during the negotiations there would be both Argentine and US official representation on the Falkland Islands.
- (b) A variant of (a) above in the form of an international conference, under US or other third party chairmanship. This would offer the Argentines a certain status together with some slight further reassurance that negotiations would not be unduly protracted, since they would take place in international view.
- (c) A drastic simplification of Haig's abortive proposals, but with a number of unobjectionable additions, which might include for example:-
- (i) Rotating chairmanship on the Special Interim Authority.
 - (ii) Internationally sponsored study of economic resources around the Islands, and methods of exploiting them, perhaps undertaken by the World Bank.

ASSUMPTIONS

5. The following assumptions are made:

- (a) That whatever option were chosen we should restate our requirement that the wishes of the Islanders be fully respected in any definitive solution.

/(b)

SECRET

- (b) That the Americans will want to try to maintain a mediatory role.
- (c) That the Americans will be responsive to suggestion that they should provide assurances about the security of the Islands pending negotiation.
- (d) That any reference to the ICJ or to an ad hoc arbitration tribunal would be for consideration during negotiations rather than at the present stage.

CONCLUSION

6. That we should go for an offer of immediate negotiation on the lines of paragraph 4 (a) or (b) above, after urgent consultation with the Americans.

SECRET