SECRET

FALKLAND ISLANDS: FCO SITREP (DETAILED VERSION): 0730 HRS, 21 MAY 1982

## UN Developments

Flag A telno 809

Late in the evening of 20 May, the Secretary-General informed Sir A Parsons that he could no longer continue his UKMIS New York negotiating efforts. He had passed a similar message to the Argentine Permanent Representative who had replied that he had been unable to get any response from Buenos Aires. Secretary-General has also written to the President of the Security Council who is likely to call informal consultations of the Council this morning. Unless there have been major military developments, Sir A Parsons considers it unlikely that the Council will meet in formal session.

Flag B telno 810

The text of the Secretary General's letter to the President UKMIS New York of the Security Council states that, although substantial progress was achieved towards a diplomatic solution, the Secretary-General does not feel that his efforts offer any immediate prospect of ending the crisis.

Flag C FCO telno 442 to telno 795

As instructed, Sir A Parsons had earlier informed the Secretary-General of our reactions to the aide-mémoire he had handed to the British and Argentine Governments on 19 May. UKMIS New York The Ambassador pointed out that the aide-mémoire differed from our 'bottom line', and even if it had proved acceptable to UKMIS New York Argentina, further negotiations could have taken some considerable time. Sir A Parsons also said that we would need to see detailed comments from the Argentines on the Secretary-General's paper.

telno 803

Flag F telno 801

Throughout the day, the Secretary-General had been await-UKMIS New York ing a reaction from Buenos Aires. During this time, Sir A Parsons briefed our partners, allies and the media, on our position. The sensitivity of the Secretary-General to suggestions that his attempts at mediation had failed was JKMIS New York demonstrated by his reaction to our distribution of the text of our draft interim agreement.

## Peruvian Initiative

Flag G FCO telno 90 to Abidjan

Flag H

Posts have been briefing their host governments on the basis of the documents laid before Parliament on 20 May. When these documents were handed to President Belaunde by our Ambassador, the former handed over a set of proposals which Lima telno 186 he thought might break through the existing deadlock. proposals are based upon a 'two documents solution' whereby both sides agree to a cease-fire and include the areas in which agreement had been reached as well as areas where they differed. The President put forward this proposal in an effort to help.

#### SECRET

Lima telno Flag J

Flag K Lima telno 189

6. The text of the proposal largely ignores the areas where it has not been possible to obtain Argentine agreement. Although the President said that he had not transmitted these ideas to anyone else, he subsequently informed the US Lima telno 188 Ambassador in Lima, who was passed a copy of the proposal by our Embassy. Later, at a separately-organized press conference, President Belaunde announced that he had put forward new proposals to the British and Argentine Ambassadors and had received assurances of support from the Presidents of Venezuela and Colombia. He went on to add that he had been encouraged by a telephone call from Costa Mendez who had assured him that the Argentine Government were urgently examining the Peruvian proposal. The proposal would now passed to the UN Secretary-General.

# Other Reactions to UK Position

Flag L Washington telno 1828

Mr Haig telephoned Sir N Henderson with a message that he thought we had 'played things intelligently and efficiently'. The Ambassador has also discussed our position with members of the Senate who have expressed support.

Flag M 3onn telno 167

FRG. 8. Herr Genscher hoped that negotiations would continue and told our Ambassador that we could rest assured of continued German support.

Flag N Paris telno 527

9. France. The Secretary-General of the Quai suggested that the Political Directors of the Ten might meet in advance of the Foreign Ministers meeting on 25 May. He also wondered whether some 'broad gesture' from the Community to Latin America might be possible to help mend fences at an early stage after any military action.

Flag O Moscow celno 290

A Soviet MFA official told our Ambassador that USSR. the Soviet Government was against the use of force and favoured a negotiated solution. He went on to add that there were no Soviet interests in the region and that the Soviet Union was not interferring in the dispute.

### Comment

11. The Secretary-General has now announced the end of his own peace efforts. But no moves have yet been made to call a formal meeting of the Security Council. In the absence of further hostilities, Sir A Parsons considers it likely that no such meeting will be called today, although the Irish may be inclined to be active. Sir A Parsons has not asked for further instructions at this stage.

- 12. The Peruvian initiative seems both confusing and simplistic, and is more of a PR exercise by President Belaunde to keep open the appearance of a negotiating process. It appears however to have Colombian support and we shall need to handle our attitude to it carefully.
- 13. Points for action today are:
- (a) what should be our response to President Belaunde;
- (b) what our public line on the new Peruvian 'proposal' should be.
- 14. We also need to consider the suggestion by the Secretary-General of the Quai d'Orsay that there should be a meeting of Political Directors before the meeting of Foreign Ministers on 24 May.

P R Fearn Emergency Unit

21 May 1982