

18

ADVANCE COPY PS/NO 10 DOWNING STREET (2 copies)

PS/MR HURD
 PS/MR ONSLOW
 PS/PUS
 MR BULLARD
 SIR I SINCLAIR
 MR GIFFARD
 MR WRIGHT
 MR GILLMORE
 MR URE
 MR BARRETT
 HS/S AM D
 HD/DEF D
 HD/PLANNING STAFF
 HD/UND
 HD/NEWS D
 HD/ERD
 HD/ECD(E)
 HD/PUSD
~~EMERGENCY ROOM~~
~~RESIDENT CLERK~~

ps/Ld Belstead 1

FLASH

PS/S OF S DEFENCE
 PS/HOME SECRETARY
 PS/HOME SECRETARY (c/o NO 10 DSt)
 PS/ATTORNEY GENERAL
 PS/CHANCELLOR DUCHY OF LANCASTER
 PS/SIR R ARMSTRONG)
 PS/SIR M PALLISER,)
 PS/SIR A DUFF) CABINET
 MR WADE-GERY)
 MR FULLER) OFFICE
 MR O'NEILL HD ASSESS-)
 MR COLVIN)
 MENTS STAFF)
 DIO)
 MR J M STEWART AUSD STAFF MOD
 ADMIRAL SIR ROY HALLIDAY DGI MOD
 DIRECTOR G.C.H.Q. (via Room 8).

SECRET

FM UKMIS NEW YORK 190515Z MAY 82
 TO FLASH FCO
 TELEGRAM NUMBER 781 OF 19 MAY,
 INFO IMMEDIATE WASHINGTON.

MIPT: FALKLANDS.

1. I REGARD THIS AS A CRUDE ATTEMPT BY THE ARGENTINES EITHER TO GAIN MORE TIME OR TO WRONG FOOT US OVER BREAKING OFF THE NEGOTIATIONS, OR BOTH. WE WILL NOT BE ABLE TO AVOID THE LATTER CHARGE - THAT WE BROKE OFF THE NEGOTIATIONS. WE ARE IN A HURRY AND THE ARGENTINES ARE NOT: THEREFORE THEY CAN CONTINUE TO CLAIM THAT THEY WOULD HAVE BEEN READY TO GO ON IF WE HAD NOT INSISTED ON A DEADLINE. BUT THIS WILL BE A MINOR PROBLEM WHEN IT COMES TO THE OPEN PROCEEDINGS IN THE SECURITY COUNCIL.

2. PEREZ DE CUELLAR WAS OBVIOUSLY EXTREMELY UPSET BY THE OUTCOME. TO HIS CREDIT, HE MADE NO ATTEMPT TO ARGUE THAT THE ARGENTINE RESPONSE COULD FORM A BASIS FOR NEGOTIATIONS. HE SAID BITTERLY THAT THIS FAILURE WOULD AFFECT HIS REPUTATION WHEN IT CAME TO DEALING WITH OTHER IMPORTANT PROBLEMS. I EXPRESSED MY SYMPATHY

DEALING WITH OTHER IMPORTANT PROBLEMS. I EXPRESSED MY SYMPATHY AND MY WARM REGARD FOR THE HEROIC EFFORTS HE HAD MADE (IT WOULD BE HELPFUL, WITH AN EYE TO THE FUTURE, IF YOU COULD SAY SOME NICE THINGS ABOUT HIM IN THE DEBATE IN THE HOUSE OF COMMONS ON 20 MAY).

3. TWO PROBLEMS REMAIN:

(I) TIMING. I AM IN NO HURRY TO GET TO THE SECURITY COUNCIL, AND I UNDERSTAND FROM THE PUS THAT IT WOULD BE HELPFUL IF WE COULD TRY TO AVOID THE FIRST ROUND IN THE COUNCIL COMING TO A HEAD WHILE THE HOUSE OF COMMONS DEBATE IS GOING ON. I SUGGEST THEREFORE THAT I SHOULD GIVE PEREZ DE CUELLAR A PRELIMINARY NEGATIVE REACTION THIS MORNING (19 MAY) AND TELL HIM THAT I WILL BE GIVING HIM YOUR FORMAL REACTION WHEN YOU HAVE HAD AN OPPORTUNITY TO STUDY THE TEXT OF THE ARGENTINE PAPER I.E. PROBABLY IN THE AFTERNOON. HE WOULD THEN PRESUMABLY SEE ROS AND PASS OUR RESPONSE TO HIM BEFORE REPORTING TO THE PRESIDENT OF THE SECURITY COUNCIL. THERE IS A RISK THAT THE PRESIDENT WOULD CALL INFORMAL CONSULTATIONS THE SAME EVENING AND THAT THERE MIGHT BE AN IMMEDIATE MOVE TO A FORMAL COUNCIL MEETING. I CANNOT INSURE AGAINST THIS BUT, IF WE LAUGH THE MAIN ACTION IN THE AFTERNOON, THERE IS AT LEAST A POSSIBILITY THAT WE MAY BE ABLE TO KEEP OUT OF THE COUNCIL UNTIL THURSDAY.

(II) WHAT DO WE ASK PEREZ DE CUELLAR TO TELL ROS? WE MUST PUT IT IN SUCH A WAY AS TO PREVENT FURTHER PROCRASTINATION ON THE PART OF THE ARGENTINES, EVEN THOUGH THIS WILL LEAVE US IN THE POSITION OF HAVING TERMINATED THE NEGOTIATIONS. I SUGGEST THAT I SHOULD SAY SOMETHING ON THE FOLLOWING LINES:-

''PLEASE TELL ROS THAT I TRANSMITTED TO YOU ON 17 MAY THE TEXT OF THE FINAL BRITISH POSITION WITH A DEADLINE FOR AN ARGENTINE RESPONSE OF MIDDAY NEW YORK TIME ON 19 MAY. IN PRESENTING YOU WITH THE TEXT I MADE CLEAR THAT WE WOULD REGARD AN EQUIVOCAL RESPONSE FROM ARGENTINA AS TANTAMOUNT TO REJECTION OF OUR TEXT. HMG REGARD THE ARGENTINE RESPONSE AS BEING EXACTLY THAT. WE THEREFORE HAVE NO CHOICE BUT TO REGARD THIS ROUND OF NEGOTIATIONS AS HAVING ENDED''.

4. FINALLY, WHAT DO I SAY TO THE PRESS WHO WILL BE BESIEGING ME THROUGHOUT WEDNESDAY? FROM THE MOMENT THAT I GIVE PEREZ DE CUELLAR OUR FINAL REPLY, I CAN HARDLY SAY THAT THE NEGOTIATIONS ARE STILL CONTINUING. THROUGH THE MORNING, IHUQ

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HOW NOW PSE K

55555 KK

RGRGR FROM PARA 4 AGEN PSE

4. FINALLY, WHAT DO I SAY TO THE PRESS WHO WILL BE ~~BESTEGING~~ ME
 THROUGHOUT WEDNESDAY? FROM THE MOMENT THAT I GIVE PEREZ DE CUELLAR
 OUR FINAL REPLY, I CAN HARDLY SAY THAT THE NEGOTIATIONS ARE STILL
~~CONTINUING~~. THROUGH THE MORNING, I CAN HOLD THE LINE THAT I
 HAVE TRANSMITTED THE LATEST ARGENTINE POSITION TO YOU AND AM
 AWAITING YOUR REACTION. THEREAFTER, I SHALL HAVE TO BE GUIDED
 BY YOU IN THE LIGHT OF WHATEVER NEWS DEPARTMENT HAVE SAID AT THE
 MIDDAY PRESS CONFERENCE AND THE LINE MINISTERS INTEND TO TAKE IN
 THE HOUSE ON 20 MAY.

PARSONS

NNNN

RECD AT 190656Z BTM

ADVANCE COPY

FLASH

17

FALKLANDS SELECTIVE ADVANCES (33)

PS/No.10 DOWNING STREET (2 Copies)

PS

PS/MR HURD

PS/MR ONSLOW

PS/PUS

MR BULLARD

SIR I SINCLAIR

MR GIFFARD

MR WRIGHT

MR GILMORE

MR URE

HD/SAMD

HD/DEF D

HD/PLANNING STAFF

HD/UND

HD/NEWS D

HD/ERD

HD/ETD (E)

HD/PUSD

~~EMERGENCY ROOM~~

~~RESIDENT CLERK~~

PS/S of S DEFENCE

~~PS/Attorney General~~

PS/HOME SECRETARY

~~PS/HOME SECRETARY (C/O No.10 D St)~~

PS/ATTORNEY GENERAL

PS/CHANCELLOR DUCHY OF LANCASTER

PS/SIR R ARMSTRONG)

PS/SIR M PALLISER)

MR WADE-GERY) CABINET OFFICE

MR FULLER)

~~MR COLVIN~~)

D I O)

MR J M STEWART AUSD STAFF (MOD)

SECRET

FM UKMIS NEW YORK 190500Z MAY 82

TO FLASH FCO

TELEGRAM NUMBER 780 OF 19 MAY,

INFO IMMEDIATE WASHINGTON.

MY TEL NO 769.

FALKLANDS.

SUMMARY:

1. ROS (ARGENTINA) SAW THE SECRETARY-GENERAL LATE THIS EVENING (18 MAY). PEREZ DE CUELLAR SUMMONED ME IMMEDIATELY AFTERWARDS. HE SAID THAT ROS HAD GIVEN HIM A DOCUMENT CONTAINING ARGENTINE "IDEAS AND VIEWS" TO BRIDGE THE DIFFERENCES BETWEEN US. DE SOTO THEN DESCRIBED THESE. THEY WERE A MIXTURE OF REQUESTS FOR CLARIFICATION, RE-STATEMENT OF KNOWN ARGENTINE POSITIONS AND INTRODUCTION OF NEW POINTS. I UNDERTOOK TO REPORT THESE TO YOU BUT MADE IT CLEAR THAT THEY COULD ONLY BE INTERPRETED AS A REJECTION OF OUR DRAFT AGREEMENT. IT WAS LEFT THAT I WOULD LET PEREZ DE CUELLAR HAVE YOUR FORMAL REACTION THIS MORNING (19 MAY)

INTRODUCTION OF NEW POINTS.
YOU BUT MADE IT CLEAR THAT THEY COULD ONLY BE INTERPRETED AS A
REJECTION OF OUR DRAFT AGREEMENT. IT WAS LEFT THAT I WOULD LET
PEREZ DE CUELLAR HAVE YOUR FORMAL REACTION THIS MORNING (19 MAY)
AND THAT HE AND I WOULD THEN DISCUSS WHAT WOULD HAPPEN HERE
FOLLOWING THE BREAKDOWN OF HIS INITIATIVE.

DETAIL.

2. AFTER REPEATED DELAYS ROS (ARGENTINA) SAW THE SECRETARY-GENERAL AT 190150Z TONIGHT. THE SECRETARY-GENERAL SUMMONED ME IMMEDIATELY AFTERWARDS AT 190315Z. PEREZ DE CUELLAR SAID THAT ROS HAD GIVEN HIM A LONG DOCUMENT IN SPANISH WHICH HE HAD DESCRIBED AS ARGENTINE "IDEAS AND VIEWS IN ORDER TO BRIDGE THE DIFFERENCES BETWEEN THE PARTIES". ROS HAD STRESSED THAT THESE WERE NOT ARGENTINA'S FINAL IDEAS, AND PURPORTED TO BELIEVE THAT OUR DRAFT AGREEMENT HAD NOT REPRESENTED OUR FINAL IDEAS. IN RESPONSE TO MY QUESTION, PEREZ DE CUELLAR CONFIRMED THAT HE HAD (HAD) TOLD ROS YESTERDAY THAT OUR DRAFT REPRESENTED OUR FINAL POSITION.

3. DE SOTO THEN SUMMARISED THE MAIN POINTS OF DIFFERENCE WHICH EMERGED FROM COMPARISON OF OUR DRAFT AGREEMENT AND THE ARGENTINE PAPER. (PEREZ DE CUELLAR DID NOT GIVE A COPY OF THE ARGENTINE PAPER TONIGHT BUT PROMISED ME A TRANSLATION TOMORROW). THEY WERE AS FOLLOWS.

- (A) THE ARGENTINES SAID THAT THEY WERE NOT CLEAR ABOUT WHAT WE MEANT BY "IN CONSULTATION WITH" IN ARTICLE 6(3). DID IT MEAN THAT THE OPINION OF THE COUNCILS WOULD BE BINDING ON THE ADMINISTRATORS OR NOT? IF THE ANSWER WAS NOT, THAT WOULD MAKE IT EASIER FOR THE ARGENTINES TO ACCEPT THE AGREEMENT. I REPLIED THAT THE ARGENTINES MUST KNOW PERFECTLY WELL WHAT WE MEANT: THEY WERE AS FAMILIAR AS I WAS WITH THE SYSTEM OF GOVERNMENT IN THE FALKLANDS.
 - (B) THEY DID NOT LIKE THE REFERENCES TO ARTICLE 73 OF THE CHARTER.
 - (C) THEY WERE PREPARED TO CHANGE THE DATE IN ARTICLE 8 TO 30 JUNE 1983 BUT REQUIRED A PROVISION THAT IF NO AGREEMENT HAD BEEN REACHED BY THEN THE GENERAL ASSEMBLY WOULD INTERVENE IN ORDER TO ESTABLISH GUIDELINES WHICH WOULD BE FOLLOWED BY THE PARTIES THEREAFTER. THEY NEEDED A MECHANISM TO ENSURE THAT THE NEGOTIATIONS DID NOT CONTINUE FOR EVER.
 - (D) THEY WANTED THE DEPENDENCIES INCLUDED.
 - (E) THEY WANTED A REFERENCE TO THE RELEVANT GA RESOLUTIONS IN THE PREAMBLE IF POSSIBLE AND IN ANY CASE IN THE TERMS OF REFERENCE FOR THE NEGOTIATIONS (I.E. ARTICLE 8).
 - (F) THEY SUGGESTED THAT IN THE NEGOTIATIONS THE SECRETARY-GENERAL SHOULD "RESORT TO" A FOUR STATE CONTACT GROUP, TWO STATES BEING NOMINATED BY EACH PARTY, WITH EACH PARTY HAVING THE RIGHT TO VETO ONE OF THE TWO STATES PROPOSED BY THE OTHER.
- GENERAL CLAUSE WHICH

FOR THE NEGOTIATIONS (T.E. ...)
(F) THEY SUGGESTED THAT IN THE NEGOTIATIONS THE SECRETARY-GENERAL SHOULD "RESORT TO" A FOUR STATE CONTACT GROUP, TWO STATES BEING NOMINATED BY EACH PARTY, WITH EACH PARTY HAVING THE RIGHT TO VETO ONE OF THE TWO STATES PROPOSED BY THE OTHER.

(G) ON WITHDRAWAL, THEY PROPOSED A VERY GENERAL CLAUSE WHICH WOULD PROVIDE FOR COMPLETE WITHDRAWAL AND RETURN TO NORMAL AREAS OF OPERATIONS WITHIN 30 DAYS.

(H) THERE WAS ALSO A POINT ABOUT COMMUNICATIONS AND ACCESS TO THE ISLANDS FOR THE NATIONALS OF BOTH PARTIES DURING THE INTERIM PERIOD.

IN RESPONSE TO MY QUESTION DE SOTO SAID THAT THE ARGENTINES HAD NOT SAID ANYTHING ABOUT THE NEED FOR AN EFFECTIVE METHOD TO ENSURE NON-REINTRODUCTION OF FORCES (ARTICLE 6(4)).

4. I SAID THAT I WOULD TRANSMIT ALL THIS TO YOU AND LET PEREZ DE CUELLAR HAVE A FORMAL REACTION THIS MORNING (19 MAY). BUT I COULD SAY STRAIGHT AWAY THAT YOU WOULD CONSIDER THIS ARGENTINE RESPONSE AS COMPLETELY UNSATISFACTORY. IT DID NOT CONSTITUTE A CLEAR REPLY TO OUR DRAFT AGREEMENT. IT CONTAINED MANY POINTS WHICH THE ARGENTINES KNEW THAT WE COULD NOT ACCEPT. AND IT INTRODUCED NEW POINTS WHICH WERE EQUALLY UNACCEPTABLE. YOU WOULD ONLY BE ABLE TO DRAW THE CONCLUSION THAT THE ARGENTINES WERE PLAYING FOR TIME: THEIR RESPONSE WAS A RECIPE FOR DISAGREEMENT AND ENDLESSLY PROTRACTED NEGOTIATIONS. I HAD MADE CLEAR YESTERDAY (17 MAY) THAT ANY SUCH RESPONSE WOULD BE INTERPRETED BY HMG AS REJECTION OF OUR PROPOSALS.

5. PEREZ DE CUELLAR DID NOT DISGUISE HIS DEEP DISAPPOINTMENT AT THE ARGENTINE REPLY. HE SAID THAT HE HAD TOLD ROS THAT HE WAS INTRODUCING NEW ELEMENTS AND TRYING TO START A NEW NEGOTIATING PROCESS. HE HAD REPEATED THAT FOR THE UK AND FOR HIM HIMSELF, WEDNESDAY WAS THE DECISIVE DAY. ROS HAD MERELY REPEATED THAT THE ARGENTINE PAPER WAS NOT THEIR FINAL POSITION.

6. WE HAD A LITTLE DISCUSSION ABOUT WHAT WOULD HAPPEN NEXT. AT ONE POINT, I SAID THAT IT SEEMED TO ME THAT THE NATURE OF THE ARGENTINE RESPONSE WOULD MAKE IT VERY DIFFICULT FOR THE SECRETARY-GENERAL TO INTRODUCE PROPOSALS OF HIS OWN. THE GAP WAS TOO WIDE TO BRIDGE. PEREZ DE CUELLAR DID NOT REPLY. LATER IN THE CONVERSATION, I SUGGESTED THAT HE AND I SHOULD DISCUSS TOMORROW THE NEXT STEPS IN NEW YORK. HE SAID THAT HE WOULD HAVE TO REPORT TO THE SECURITY COUNCIL. HE COULD NOT "EXPOSE" EITHER SIDE: HE WOULD SIMPLY PRESENT THE FACTS. I SAID THAT I THOUGHT IT ALMOST CERTAIN, IN THE CONTEXT OF THURSDAY'S EMERGENCY DEBATE, THAT YOU WOULD PUBLISH OUR DRAFT INTERIM AGREEMENT. BUT WE WOULD NOT BREAK HIS CONFIDENCE.

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7. PLEASE SEE MIFT FOR COMMENT AND RECOMMENDATIONS.

PARSONS

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