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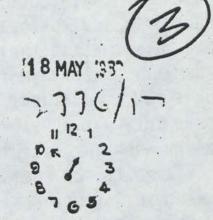
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TO IMMEDIATE F C O

TELEGRAM NUMBER 765 DATED 17 MAY 82

INFO IMMEDIATE WASH INGTON



YOUR TELSNOS 415 -417: FALKLANDS: INTER IM AGREEMENT

- 1. I SAW THE SECRETARY-GENERAL AT 1600Z TODAY (17 MAY).
- 2. I DESCRIBED THE CONSULTATIONS OVER THE WEEKEND IN LONDON AND AT CHEQUERS. I SUMMARISED THE VIEW FROM LONDON AS FOLLOWS. THE UK HAD BEEN THE VICTIM OF AGGRESSION. BEFORE WE UNDERTOOK MILITARY OPERATIONS UNDER ARTICLE 51, ARGENTINA HAD HAD AMPLE GPPORTUNITY TO COMPLY WITH SCR 502. THERE WAS ONLY ONE FULLY JUST SOLUTION TO THE CRISIS, VIZ. ARGENTINE WITHDRAWAL, RESTORATION OF THE STATUS QUO ANTE AND RESUMPTION OF DIPLOMATIC HEGOTIATIONS. BUT WE HAD NEVERTHELESS TAKEN PART IN GOOD FAITH IN THREE ROUNDS OF NEGOTIATION WITH HAIG, TWO WITH PRESIDENT BELAUNDE AND AN EXTENDED ROUND WITH THE SECRETARY-GENERAL, FOR WHOSE EFFORTS HM GOVERNMENT WERE DEEPLY GRATEFUL. IN THESE NEGOTIATIONS THE UK HAD SHOWN GREAT FLEXIBILITY IN THE INTERESTS OF A PEACEFUL SOLUTION. WE HAD ACCEPTED THE NON-REINTRODUCTION OF BRITISH ADMINISTRATION: A SHORT INTERIM PERIOD WITH A TARGET DATE FOR A FINAL SETTLEMENT: A UN INTERIN ADMINISTRATION: THE PUTTING OF SOVEREIGNTY ON ONE SIDE ALTHOUGH OUR POSITION REMAINED UNCHANGED: PARALLEL WITHDRAWAL: THE INTRODUCTION OF TWO ARGENTINE REPRESENTATIVES INTO THE COUNCILS, THUS BLURRING THE NATURE OF ISLANDER PARTICIPATION IN THE INTER IN ADMINISTRATION (I ADDED THAT TWO ARGENTINES SHOULD STATISTICALLY ENTITLE THE. ISLANDERS TO 120 REPRESENTATIVES): VERIFICATION BY THE UN NOT THE UK: AND OFFICIAL ARGENTINE OBSERVERS. THESE WERE MAJOR CONCESSIONS: WE COULD MAKE NO MORE. ALL THAT ARGENTINA HAD OFFERED IN RESPONSE WAS A MATCHING UNDERTAKING (IF IT COULD BE BELIEVED) TO PUT SOVEREIGNTY ON ONE SIDE, AND CONDITIONAL AGREEMENT TO WITHDRAW, WHICH COULD HARDLY BE REGARDED AS A CONCESSION WHEN ARGENTINA WAS THE AGGRESSOR: WITHDRAWAL, FOR AN AGGRESSOR, WAS AN OBLIGATION NOT A CONCESSION.

3. AGAINST THIS BACKGROUND, MINISTERS HAD, WITH GREAT DIFFICULTY, AGREED TO AUTHORISE HE TO PUT FORWARD THE DRAFT INTERIM AGREEMENT IN YOUR TELNO 416. THIS REPRESENTED THE "BOTTOM LINE" FOR HM GOVERNMENT. WE COULD NOT ACCEPT ANY AMENDMENTS TO IT. IT REPRESENTED A CONSOLIDATION OF THE VARIOUS POINTS I HAD PUT TO PEREZ DE CUELLAR DURING THE LAST FEW DAYS. I WAS INSTRUCTED FORMALLY TO ASK HIM TO CONVEY IT TO THE ARGENTINES AS THE UK'S FINAL POSITION. THE NEGOTIATIONS COULD NOT BE ALLOWED TO DRAG ON: THEY HAD ALREADY BEEN GOING FOR 6 WEEKS. WE REQUIRED A REPLY FROM THE ARGENTINES BY 12 NOON NEW YORK TIME ON 19 MAY. ANY APPEALS FOR FURTHER TIME, OR ANY PROPOSALS FOR SUBSTANTIVE AMENDMENT, WOULD BE INTERPRETED AS REJECTION OF OUR PROPOSALS. 4. PEREZ DE CUELLAR ASKED WHETHER THE DRAFT WAS TO BE TREATED AS CONFIDENTIAL. I SAID YES. I DID NOT KNOW WHAT CHANCES THERE WERE OF ARGENTINE ACCEPTANCE, BUT IF THE EXISTENCE OF THE DOCUMENT, OR THE EXISTENCE OF A DEADLINE, WAS LEAKED, THAT COULD BE THE END OF THE EXERCISE. IN MY OWN CONTACTS WITH THE PRESS, I WOULD NOT ADMIT THAT A DEADLINE EXISTED, BUT WOULD CONTINUE TO TALK ABOUT THIS BEING "A MATTER OF DAYS NOT WEEKS". PEREZ DE CUELLAR ASKED WHETHER WE COULD NOT ACCEPT MINOR AMENDMENTS WHICH MIGHT HELP THE ARGENTINES TO SAVE FACE. I REPEATED THAT REQUESTS FOR MORE TIME OR SUBSTANTIVE CHANGES (OR NO RESPONSE AT ALL FROM THE ARGENTINES) WOULD BE INTER-PRETED AS REJECTION. IF THEY WERE TO PROPOSE MINISCULE CHANGES, WE WOULD HAVE TO LOOK AT THEM. BUT NOT ONE WORD OF SUBSTANCE COULD BE CHANGED. THE EXISTING DRAFT WOULD ALREADY BE EXTREMELY DIFFICULT TO DEFEND IN PARLIAMENT.

5. I THEN WENT THROUGH THE DRAFT ARTICLE BY ARTICLE, MENTIONING THAT IT EXCLUDED THE DEPENDENCIES, LAYING PARTICULAR STRESS ON THE REFERENCES TO ARTICLE 73 IN THE PREAMBULAR PARAGRAPHS AND IN ARTICLE 6(3), AND ON OUR ASSUMPTION THAT TO MEET THE REQUIRMENTS OF ARTICLE 6(4) THERE WOULD HAVE TO BE A CREDIBLE PRESENCE OF 150-200 MEN IN THE ISLANDS, INCLUDING A SIGNIFICANT CONTINGENT FROM THE USA, WHO WOULD ALSO PROVIDE AERIAL SURVEILLANCE. PEREZ DE CUELLAR WONDERED WHETHER THE SECURITY COUNCIL WOULD AGREE TO THIS. I SAID THAT WE HAD DELIBERATELY NOT REFERRED TO A "PEACEKEEPING FORCE": THERE WERE PRECEDENTS FOR US (AND SOVIET) PARTICIPATION IN UN OBSERVER FORCES. PEREZ DE CUELLAR SEEMED REASSURED BY THIS: HE SAID THAT HE HAD ONCE MENTIONED TO RCS THAT AMERICAN HELP WOULD BE INDISPENSABLE FOR VERIFICATION AND ROS HAD NOT OBJECTED. I ALSO SAID UNDER ARTICLE 7 THAT WE COULD NOT ACCEPT ANY CHANGE IN THE STATUS QUO IN THE ISLANDS DURING THE INTERIM PERIOD. I RECOGNIZED THAT THE ARGENTINES WOULD NOT LIKE APTICIFC D AND D DUT

WAS ESSENTIAL FOR US, AND WE COULD NOT GO FURTHER THAN THIS LANGUAGE.

S. PEREZ DE CUELLAR SAID THAT HE WOULD NOT PASS JUDGMENT MEDITTELY. HIS WORRY, AS A LATIN AMERICAN, WAS THAT WHEN HE PRESENTED THE DRAFT AS A BRITISH DRAFT TO THE ARGENTINES ON A TAKE IT OR LEAVE IT BASIS, THEY WOULD INEVITABLY REJECT IT. HE WONDERED. INKING ALOUD, WHETHER HE COULD PRESENT IT AS HIS DRAFT IE AS SOMETHING WHICH, AFTER CONSULTING ME, HE JUDGED WAS THE DURTHEST THE UK COULD GO. I SAID THAT THE DIFFICULTY WITH THIS WAS THAT, WHETHER THE ARGENTINES ACCEPTED OR REJECTED THE DRAFT, WE WOULD HAVE TO PUBLISH IT AND THIS WOULD PUT HIM IN A FALSE POSITION. HE THANKED ME FOR WARNING HIM OF THIS PITFALL. I SUGGESTED THAT HE SHOULD PRESENT THE DRAFT AS A BRITISH DRAFT WHICH CONSOLIDATED THE POINTS I HAD BEEN PUTTING TO HIM AND WHICH WOULD HAVE BEEN VERY DIFFERENT WITHOUT THE LAST WEEK'S NEGOTIATIONS. HE COULD GO ON TO BAY THAT THE DEADLINE OF 12 NOON ON WEDNESDAY WAS ONE THAT HE HAD IMPOSED, IN ORDER TO PREVENT HIS EFFORT DRAGGING ON INDEFINITELY. HE INDICATED THAT HE WOULD THINK ABOUT THIS HE HAD NO PROBLEMS OVER THE WEDNESDAY DEADLINE. RAFEE AHMED THEN MADE A CHARACTERISTICALLY UNHELPFUL INTERVENTION ABOUT THE DAMAGE TO PEREZ DE CUELLAR'S IMAGE AT THE UN IF HE WERE TO "'ACT AS A POSTMAN" CONVEYING AN "'UNREASONABLE ULT IMATUM" FROM ONE SIDE TO THE OTHER: PEREZ DE CUELLAR WOULD HAVE TO RETAIN THE FREEDOM TO REPORT IN DUE COURSE TO THE SECURITY COUNCIL THAT THE BRITISH POSITION HAD BEEN UNREASONABLE. I SAID VERY FIRMLY THAT IF PEREZ DE CUELLAR WERE TO SAY ANY SUCH THING TO THE COUNCIL, THERE WOULD BE NO QUESTION OF HIS PLAYING ANY ROLE AT ANY SUBSEQUENT STAGE IN THIS CRISIS. PEREZ DE CUELLAR SIMPLY IGNORED AHMED'S INTERVENTION.

7. AT THIS POINT, PEREZ DE CUELLAR ASKED ME TO SEE HIM PRIVATELY. I GAVE HIM THE SIDE LETTER ABOUT THE DEPENDENCIES. I SAID THAT IT WAS ESSENTIAL THAT WE AVOID THIS SUBJECT CROPPING UP IN THE CONTEXT OF WITHDRAWAL. THERE WAS NO QUESTION OF OUR LEAVING SOUTH GEORGIA. I TOLD HIM CONFIDENTIALLY THAT WE WERE BRINGING BILATERAL PRESSURE TO BEAR TO PERSUADE THE ARGENTINES TO DROP THIS QUESTION. HE THOUGHT THAT IT MIGHT BE A PROBLEM. I AGREED BUT SAID THAT, IN VIEW OF THE CAPTAIN ASTIZ AFFAIR, THE ARGENTINES MIGHT CONCLUDE THAT THE LESS SAID ABOUT SOUTH GEORGIA THE BETTER.

8. PEREZ DE CUELLAR THEN WENT ON TO SAY THAT, BETWEEN OURSELVES, HE THOUGHT THAT OUR PAPER WAS PERFECTLY REASONABLE AND HE APPRECIATED THE EFFORT WE HAD MADE. HE PARTICULARLY ADMIRED THE DRAFTING OF PARAGRAPH 6 (3). HE ALSO HAD SOME INDICATIONS THAT THE ARGENTINES WERE BEGINNING TO GET A BIT DESPERATE,

...... WERE DESIGNATION IN GET A BIT DESPERATE, AND MIGHT GENUINELY WANT TO GET AGREEMENT WITH US. HIS FEELING WAS THAT THEY THOUGHT THAT WE COULD RECAPTURE THE ISLANDS WITHOUT MUCH DIFFICULTY AND THAT THE ONLY WAY TO SAVE THEMSELVES FROM THIS ULTIMATE HUMILIATION WOULD BE TO GET AN AGREEMENT BEFORE IT HAPPENED. HE WOULD SEE RCS THIS AFTERNOON AND WOULD TRANSMIT OUR DRAFT WITH THE DEADLINE: HE TOO WAS CONVINCED THAT HE COULD NOT LET THINGS DRAG ON BEYOND WEDNESDAY. IT WOULD BE INTERESTING TO SEE IF ROS CAME UP WITH SUBSTANTIAL CHANGES IN THE ARGENTINE POSITION (ROS'S PRINCIPAL DEPUTY HAD BEEN BACK TO BUENOS AIRES OVER THE WEEKEND). HE MIGHT WELL ASK ME BACK FOR A SECOND PRIVATE MEETING LATER THIS EVENING. 9. TO SUM UP, THIS FIRST ROUND WENT AS WELL AS COULD HAVE BEEN EXPECTED, PERHAPS BETTER. PEREZ DE CUELLAR'S INITIAL REACTION SUGGESTED THAT OUR JUDGEMENT ON 16 MAY THAT OUR POSITION WOULD BE REGARDED AS BASICALLY REASONABLE IF THE BREAK COMES, WAS WELL FOUNDED. IT WAS ENCOURAGING THAT HE WAS AS FIRM AS MYSELF THAT THE NEGOTIATIONS MUST BE BROUGHT TO A CONCLUSION ONE WAY OR THE OTHER BY LUNCHTIME WEDNESDAY. I THINK I CAN TRUST HIM TO DEAL WITH AHMED'S MALEVOLENCE. I THINK WE CAN EXPECT PEREZ DE CUELLAR IN SPEAKING TO ROS TO MAKE THE MOST FOR TACTICAL REASONS, OF THE EFFECT OF LAST WEEK'S NEGOTIATIONS ON OUR POSITION IN ORDER TO ENABLE ROS TO REPORT TO HIS GOVERNMENT THAT THEY ARE NOT BEING CONFRONTED SIMPLY WITH AN UNALLOYED BRITISH ULTIMATUM WHICH COULD HAVE BEEN PUT FORWARD AT ANY TIME DURING THE PAST TEN DAYS: BUT THAT THE PROCESS OF NEGOTIATION UNDER PEREZ DE CUELLAR'S AEGIS HAS HAD ITS EFFECT ON US.

PARSONS

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