

GR 1200

SECRET

DESKBY 292100Z

FM WASHINGTON 291800Z MAY 82

TO IMMEDIATE FCC

TELEGRAM NUMBER 196B OF 29 MAY 1982

INFO IMMEDIATE UKMIS NEW YORK

ACTION

USE

3F

YOUR TELNO 1833: FUTURE OF THE FALKLANDS

1. I HAVE DISCUSSED THIS WITH HAIG, TELLING HIM THAT THE PRIME MINISTER AND YOU HOPE TO HAVE A GOOD TALK ABOUT THIS AT THE BEGINNING OF THE VERSAILLES SUMMIT.

2. AT THE OUTSET I STRESSED THE EXTREME CONFIDENTIALITY OF OUR DISCUSSION. I EXPLAINED HOW THE CHANGED MILITARY SITUATION HAD ALTERED THE BASIS UPON WHICH WE APPROACHED SOME OF THE ISSUES THAT HAD BEEN THE SUBJECT OF HIS NEGOTIATIONS. THERE WAS NO DIFFICULTY IN PERSUADING HAIG THAT THERE COULD BE NO QUESTION OF OUR WITHDRAWAL FROM THE ISLANDS IN PARALLEL WITH THE ARGENTINIANS AND THAT WITH THE DEFEAT OF THE ARGENTINIAN GARRISON THERE WOULD BE A BRITISH ADMINISTRATION. BUT HAIG SAW A PRACTICAL PROBLEM ARISING WHEN WE HAD MANY THOUSANDS OF ARGENTINE PRISONERS. THESE WOULD PROVIDE ESSENTIAL LEVERAGE FOR SECURING A CEASEFIRE BUT THEY COULD ALSO PROVIDE AN ENTRY INTO THE PROBLEM OF THE FUTURE, WHICH WAS THE ONE THAT CONCERNED HIM MOST. AS I WOULD KNOW, HE DID NOT THINK THAT WE SHOULD DEAL WITH THE IMMEDIATE PROBLEM OF A CEASEFIRE OR SOME KIND OF ARMISTICE WITH THE ARGENTINIANS WITHOUT BEING PREPARED TO INDICATE THAT THE FUTURE COULD CONTAIN SOMETHING OTHER THAN TOTAL HUMILIATION FOR THE ARGENTINIANS AND THEREFORE BE ACCEPTABLE TO THEM AND LATIN AMERICA GENERALLY.

3. WHEN I TOLD HAIG THAT WE WERE CONSIDERING EITHER INDEPENDENCE OR SOME MODIFIED FORM OF INDEPENDENCE, HE SAID THAT THAT WAS UNACCEPTABLE TO THE ARGENTINIANS. THEY REGARDED IT AS TANTAMOUNT TO SAYING THAT WE WOULD NOT IN ANY CIRCUMSTANCES ACCEPT THE TRANSFER OF SOVEREIGNTY. HAIG'S VIEW WAS THAT WE MIGHT WELL BELIEVE THAT THERE NEVER COULD OR SHOULD BE A TRANSFER OF SOVEREIGNTY BUT THAT WE SHOULD REFRAIN FROM SAYING SO.

4. HAIG SAID THAT HE MUCH PREFERRED THE IDEA OF TALKING ABOUT SELF-GOVERNMENT. HE SAW THE BRITISH AS RE-TAKING THE ISLANDS AND ESTABLISHING AN ADMINISTRATION BUT WITHOUT THE RETURN OF THE GOVERNOR, WHO WAS A SYMBOL OF COLONIAL RULE, AND UNDER SOME SORT

GOVERNOR, WHO WAS A SYMBOL OF COLONIAL RULE, AND UNDER SOME SORT OF INTERNATIONAL UMBRELLA THAT WOULD DEAL WITH THE PROBLEMS BOTH OF SECURITY AND THE FUTURE POLITICAL STATUS OF THE ISLANDS.

5. HAIG SAID THAT HE WAS SURE THAT IT WOULD NOT BE IN THE UK'S INTEREST TO HAVE TO KEEP LARGE FORCES IN THE ISLANDS FOR ANY LENGTH OF TIME. AS HE HAD ALREADY INDICATED, THE US WERE PREPARED TO PUT FORCES THERE QUICKLY AS PART OF AN INTERNATIONAL AGREEMENT, PERHAPS WITH FORCES FROM SOME OTHER LATIN AMERICAN COUNTRY. WHEN I ASKED WHETHER HE WAS THINKING OF US FORCES REMAINING THERE FOR A LONG TIME, HAIG SAID NO, JUST FOR THE INTERIM. TO MY QUESTION OF WHAT WOULD THEN HAPPEN ABOUT SECURITY IF WE HAD WITHDRAWN AND THE AMERICANS WERE NOT PREPARED TO STAY BEYOND THE INTERIM, HAIG SAID THAT THERE NEED BE NO TIME LIMIT FOR THE INTERIM.

6. HAIG THEN SKETCHED OUT, THINKING ALOUD, WHAT HE THOUGHT MIGHT BE A POSSIBLE FRAMEWORK. THIS WOULD CONTAIN THE FOLLOWING ELEMENTS:
(A) WITH THE END OF FIGHTING AND THE DEFEAT OF THE ARGENTINE FORCES, THERE WOULD BE A BRITISH MILITARY ADMINISTRATION.

(B) THIS MILITARY OCCUPATION WOULD GIVE WAY TO A FORM OF SELF-GOVERNMENT IN ACCORDANCE WITH THE PRINCIPLES OF ARTICLE 73 OF THE UN CHARTER. THIS SYSTEM OF GOVERNMENT WOULD BE SUCH AS TO REMOVE THE COLONIALIST TAG WHICH A RETURN TO THE STATUS QUO WOULD MEAN: THE LATTER WOULD BRING WITH IT CONTINUED INTENSE, IF IRRATIONAL, LATIN AMERICAN HOSTILITY. THE ESTABLISHMENT OF THIS SELF-GOVERNMENT WOULD BE ACCOMPANIED BY SOME DECLARATION OF PRINCIPLES BY WHICH THE COUNTRY WOULD BE RUN.

(C) THIS LOCAL GOVERNMENT WOULD BE SUBJECT TO AN INTERNATIONAL UMBRELLA WHICH WOULD ALSO HAVE A SMALL INTERNATIONAL FORCE. THE UMBRELLA COUNTRIES WOULD INCLUDE THE US AND PROBABLY BRAZIL. HAIG WAS NOT SURE ABOUT THE ARGENTINIANS, BUT IF THEY WERE NOT PART OF THE UMBRELLA GROUP THEY MIGHT HAVE A LIAISON OFFICER. THE TERMS OF REFERENCE OF THE UMBRELLA GROUP WOULD PROVIDE FOR IT TO ENSURE THAT THE LOCAL GOVERNMENT WAS BEING CARRIED OUT IN ACCORDANCE WITH THE PRINCIPLES THAT HAD BEEN ENUNCIATED AND TO PROVIDE FOR SECURITY.

(D) THE UMBRELLA GROUP WOULD ALSO HAVE RESPONSIBILITY FOR CONSIDERING THE ULTIMATE STATUS OF THE ISLANDS. THERE WOULD BE NO CUT-OFF DATE FOR THIS AND IF NO AGREEMENT HAD BEEN REACHED THE ARRANGEMENTS OF SELF-GOVERNMENT AND THE UMBRELLA GROUP WOULD CONTINUE.

7. I ASKED HAIG WHETHER IT WOULD BE FEASIBLE FOR HIM TO DISCUSS THIS SORT OF SCHEME WITH THE PRIME MINISTER AND YOU AT VERSAILLES. HIS FIRST REACTION WAS TO SAY THAT HE DID NOT THINK IT COULD WAIT

~~HIS FIRST REACTION WAS TO SAY THAT HE DID NOT THINK IT COULD WAIT UNTIL THEN. I TRIED TO PROBE HIM ON WHAT SORT OF TIMETABLE HE HAD IN MIND. DID HE REALLY THINK IT WOULD BE POSSIBLE FOR ANYTHING LIKE THIS TO EMERGE UNTIL OUR MILITARY OPERATIONS ON THE ISLANDS HAD BEEN COMPLETED, OR AT ANY RATE UNTIL THE PORT STANLEY GARRISON HAD SURRENDERED? HAIG WAS REASSURING ON THIS. WHATEVER OTHERS MIGHT THINK, HIS OWN CONVICTION WAS THAT WE COULD NOT POSSIBLY BE EXPECTED TO SHOW MAGNANIMITY UNTIL MILITARY VICTORY HAD BEEN ASSURED. BUT HE THOUGHT WE OUGHT TO BE READY TO LEAP IN IMMEDIATELY AFTERWARDS. THAT WOULD BE THE CRUCIAL MOMENT IF WE WERE TO ESTABLISH SOME NEW RELATIONSHIP WITH ARGENTINA AND LATIN AMERICA GENERALLY, SOMETHING THAT WAS ESSENTIAL IN THE US'S INTERESTS AS WELL. I ALSO ASKED HIM WHETHER THIS WOULD BE A PURELY US FRAMEWORK OR WHETHER HE WAS NOT THINKING OF BRINGING IN SOME LATIN AMERICAN COUNTRY. HE SAID IT COULD NOT BE PURELY AMERICAN BECAUSE THEY WERE SUSPECT.~~

HE THOUGHT IT SHOULD BE A BRAZILIAN/AMERICAN FRAMEWORK. I SUGGESTED THAT IT WOULD REALLY NOT BE POSSIBLE TO START CONSULTING BRAZIL AT THIS STAGE BECAUSE ALL THAT WOULD HAPPEN WOULD BE THAT THEY WOULD GET INTO TOUCH WITH ARGENTINA AND THE WHOLE THING WOULD GET BOGGED DOWN AGAIN. HAIG AGREED. HE BELIEVED THAT IT WOULD NOT BE PRACTICABLE TO PUT ANYTHING TO THE LATINOS NOW BECAUSE ALL THEY WOULD INSIST UPON WOULD BE AN IMMEDIATE CEASEFIRE.

8. HAIG THEN SAID THAT THE ESSENTIAL THING WAS TO WORK SOMETHING OUT WITH US. IF OUR TWO COUNTRIES COULD REACH SOME SORT OF UNDERSTANDING ON WHAT MIGHT BE ACCEPTABLE TO US AND SALEABLE TO THE LATIN AMERICANS, THE QUESTION WOULD THEN ARISE OF HOW AND WHEN TO SELL IT TO THE LATINAMERICANS.

9. HAIG WOULD THEREFORE PUT TOGETHER IN MORE DETAILED FORM THE IDEA THAT HE HAD EXPRESSED ORALLY, THE OUTLINE OF A FRAMEWORK, AND LET US HAVE IT AS SOON AS POSSIBLE.

10. WE HAD SOME DISCUSSION ABOUT WHETHER IT WAS ADVISABLE TO HAVE THE SECRETARY GENERAL OF THE UN INVOLVED. HAIG SAID HE COULD SEE PROS AND CONS BUT CONCLUDED, I THINK, THAT THE LATTER OUTWEIGHED THE FORMER.

11. PLEASE SEE MIFT.

ACTION

HI

222 1/29

X X

WONFO847/29
WONNY052/29

OO FCO DESKBY 292330Z

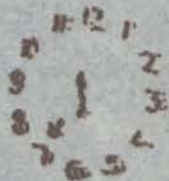
MS

OO UKHIS NEW YORK DESKBY 292330Z

GR 288

SECRET
DESKBY 292330Z
FM WASHINGTON 292144Z MAY 82
TO IMMEDIATE FCO
TELEGRAM NUMBER 1964 OF 29 MAY
INFO IMMEDIATE UKHIS NEW YORK

29 MAY



MIPT: FALKLANDS

1. THE FOLLOWING IS THE TEXT OF THE PAPER HAIG HAS GIVEN ME.

IDEAS FOR AN APPROACH

WHEN BRITISH MILITARY SUCCESS IS AT HAND, THE US AND BRAZIL WOULD PROPOSE AN AGREEMENT TO THE UK AND ARGENTINA CONTAINING THE FOLLOWING ELEMENTS TAKEN AS AN INTEGRATED WHOLE.

1. GENERAL AND PERMANENT CEASEFIRE (INCLUDING PROVISIONS FOR THE NON-RESUPPLY AND THE REGROUPING OF ARGENTINE FORCES);
ESTABLISHMENT OF A TEMPORARY BRITISH MILITARY ADMINISTRATION;
LIFTING OF SANCTIONS BY ARGENTINA, THE UK AND THIRD COUNTRIES;
2. IMMEDIATE INTRODUCTION OF A PEACEKEEPING FORCE CONSISTING OF CONTINGENTS FROM THE US AND BRAZIL TO VERIFY THE CEASEFIRE AND ENSURE THE SEPARATION OF FORCES;
3. ~~RAPID WITHDRAWAL OF ARGENTINE FORCES;~~

~~ESTABLISHMENT OF A TEMPORARY BRITISH MILITARY ADMINISTRATION:
LIFTING OF SANCTIONS BY ARGENTINA, THE UK AND THIRD COUNTRIES:~~

~~2. IMMEDIATE INTRODUCTION OF A PEACEKEEPING FORCE CONSISTING
CONTINGENTS FROM THE US AND BRAZIL TO VERIFY THE CEASEFIRE AND
ENSURE THE SEPARATION OF FORCES.~~

3. RAPID WITHDRAWAL OF ARGENTINE FORCES:

4. CREATION OF A CONTACT GROUP CONSISTING OF THE UK, THE US,
BRAZIL AND ARGENTINA:

5. END OF MILITARY ADMINISTRATION AND START OF LOCAL SELF-
GOVERNMENT BY THE LOCAL COUNCILS WITH THE CONTACT GROUP RATIFYING
ALL DECISIONS NOT INCONSISTENT WITH THE PURPOSES OF THE AGREEMENT:

6. PHASED WITHDRAWAL OF BRITISH FORCES, WITH THE PEACE-KEEPING
FORCE TO ASSUME RESPONSIBILITY FOR THE SECURITY OF THE ISLANDS
FOR A LIMITED PERIOD:

7. NEGOTIATIONS, WITHOUT PRECONDITIONS, ON THE DEFINITIVE
SETTLEMENT OF THE DISPUTE WITH THE ASSISTANCE OF THE OTHER
MEMBERS OF THE CONTACT GROUP:

8. UNDERTAKING BY BOTH PARTIES NOT TO TAKE ANY ACTION THAT
WOULD PREJUDICE THE OUTCOME OF THE NEGOTIATIONS.

HENDERSON

NNNN