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CABINET

DEFENCE AND OVERSEA POLICY COMMITTEE

SUB-COMMITTEE ON THE SOUTH ATLANTIC AND
THE FALKLAND ISLANDSFALKLAND ISLANDS: THE NEW YORK NEGOTIATIONS

Memorandum by the Foreign and Commonwealth Secretary

1. The Secretary-General's negotiations are at a very difficult stage. The instructions sent today to Sir Anthony Parsons should keep them ticking over for another 24 hours. But Sir Anthony Parsons will be unable to hold the line much longer than that and OD(SA) will need tomorrow to take decisions about the future conduct of the negotiations.

Argentine Tactics

2. Argentina has at last been brought to move towards a formula not pre-judging the outcome of negotiations about the future of the Falkland Islands and towards accepting a tight link between a ceasefire and the start of the withdrawal of the occupying forces. But major problems remain and it is not yet clear whether Argentina's objective in the negotiations is:

- (a) to negotiate seriously for an interim agreement; or
- (b) to gain time while the weather worsens in the South Atlantic, meanwhile getting into a good presentational position for blaming Britain for a breakdown in the New York negotiations.

There is some evidence that Argentina has had the latter tactic very much in mind.

British Objectives

3. In the present situation, Britain's objectives can be expressed as follows:

- (i) to negotiate seriously and urgently for an acceptable interim agreement, so as to avoid the loss of life and the destruction that otherwise will occur;
- (ii) if further serious efforts in negotiations show that no satisfactory agreement is attainable because of Argentine intransigence, to reach a position where a breakdown in negotiations can be blamed effectively on Argentina; then
- (iii) to arrange matters so that a break occurs and is blamed on Argentina before we undertake any larger military operations in the South Atlantic, so that we would be seen to have tried as hard as possible for a negotiated settlement before resorting to such military action and, conversely, could avoid the charge of having prevented success in the negotiations by our military action.

The Outstanding Problems

4. The main outstanding problems in the negotiations concern the nature of the interim administration; the danger that Argentina could take over the Islands if no definitive agreement had been reached when the interim administration came to an end; and the status of the Dependencies in relation to the interim agreement. The other major unresolved question is our desire for some form of US guarantee of the islands' security.

5. For Britain, the interim arrangements should if possible consist of the traditional administration, laws etc, with the single change that a UN administrator would undertake the functions of the Governor. But it is clear that this is not negotiable. Our objective must therefore be to have as much as possible of the traditional administration in place, and so to circumscribe the freedom of action of the UN administrator that he cannot alter the traditional character of the administration and the laws or allow the Islands to be flooded with Argentine people and businesses. Sir Anthony Parsons is at present pressing for as much as possible in these fields and notably for a formulation which would refer to continuation of the Legislative and Executive Councils and to the maintenance of other parts of the traditional administration. We shall see how much he can secure. But the minimum which we could envisage is perhaps that the UN administrator (who could not be appointed without our approval) should operate in consultation with the elected members of the Legislative Council, plus a representative from among the Argentine population of the Islands,

who would be appointed by the UN administrator: and that the administrator would not "make or permit any changes in the laws and practices in the Islands which would not conform with the spirit of those previously observed". The word "permit" is designed to mean that the UN administrator could not allow Argentine people and businesses to flood the Islands, since that would change the practices previously observed.

6. Sir Anthony Parsons already has instructions to argue for a provision in the agreement which would state that the interim administration would continue until the implementation of a definitive agreement about the future of the Islands. He also has discretion to agree that the interim administration could continue until either the definitive agreement was implemented or the Security Council voted for discontinuation, whichever was the sooner. We would then have a veto on discontinuation until a definitive agreement. It would be hard for us to be more flexible on this.

7. The third major issue concerns the Dependencies. We have said that we are willing that they should be covered in negotiations about the future of the Islands but have so far insisted that other provisions of the interim agreement should not apply to them. The UN Secretariat have foreseen that the UN Administrator would have no presence on South Georgia, where the Administration could in practice be carried out, as before, by British Antarctic Survey personnel. The Secretariat would have to be tied down to this. That would still leave the major difficulty over military withdrawal, on which Argentina is insisting. In OD(SA) today, we discussed the possibility of withdrawing our garrison from South

Georgia, without demilitarising the Island. But the difficulty with that is that Argentine forces might then try to return. An alternative approach might be to adapt the concept of a demilitarised "box" advanced by the UN Secretariat, on the following lines:

- (a) The "box" would be of the size suggested by the UN Secretariat but would be divided into 2 parts (see rough map attached) with the division between the two parts at, say, 50°W . Part A (to the West) would encompass the Falklands, but not South Georgia or the Sandwich Islands; Part B (to the East) would encompass South Georgia and the Sandwich Islands but not the Falklands;
- (b) We would accept an arrangement for the total withdrawal of forces from Part A in 14 Days, thus leaving our naval forces roughly equidistant with Argentine forces from the Falklands;
- (c) In addition, we would accept withdrawal from Part B in 28 days.

8. The advantages of this from the UK point of view would be:

- (a) During the withdrawal of Argentine forces from the Falklands, we would have available an anchorage for British ships in South Georgia;
- (b) During the same period we would have no disadvantage in terms of distance or time vis a vis the Argentine forces;
- (c) By the end of 28 days, when we would withdraw from Part B, the UN Administrator would be established in the Falklands and the Argentine forces back on the mainland. Argentine re-invasion would then be deterred by two considerations:

- (i) the UN presence on the Falklands, which would mean that re-invasion would be an act of defiance to the whole international community;
- (ii) Argentina would have to assume that British nuclear-powered submarines were present to the north of the "box" on the attached map, so that an amphibious landing operation on the Falklands would be immensely risky.

9. Verification of the Argentine withdrawal from the Falkland Islands would be undertaken by the UN Administrator and his staff. The Secretary-General has spoken of seeking the use of long-range reconnaissance aircraft, perhaps Canadian, to verify the naval withdrawal. Since it is British ships that mainly would be verified in this way and we should be able to keep abreast of the location of Argentine naval units, the UK does not have an interest of the first order in ensuring that verification of naval withdrawal is 100% effective (as opposed to the withdrawal of Argentine personnel from the Islands). The reason we have recently laid stress on US involvement in such verification is that we thought that such involvement would make it easier for the United States to guarantee the security of the Falklands in the future. If a US guarantee can be secured it will greatly enhance the security of the Islands and we should continue to press the Americans on this.

Conclusions

10. Our next objective, if the general approach in paragraph 3 is accepted, should be to work for the best arrangement we can get which does not breach the minimum positions foreseen in paragraphs 5 - 8 above. If we find that no such agreement can be obtained, we should do our best to establish, as the breaking issue,

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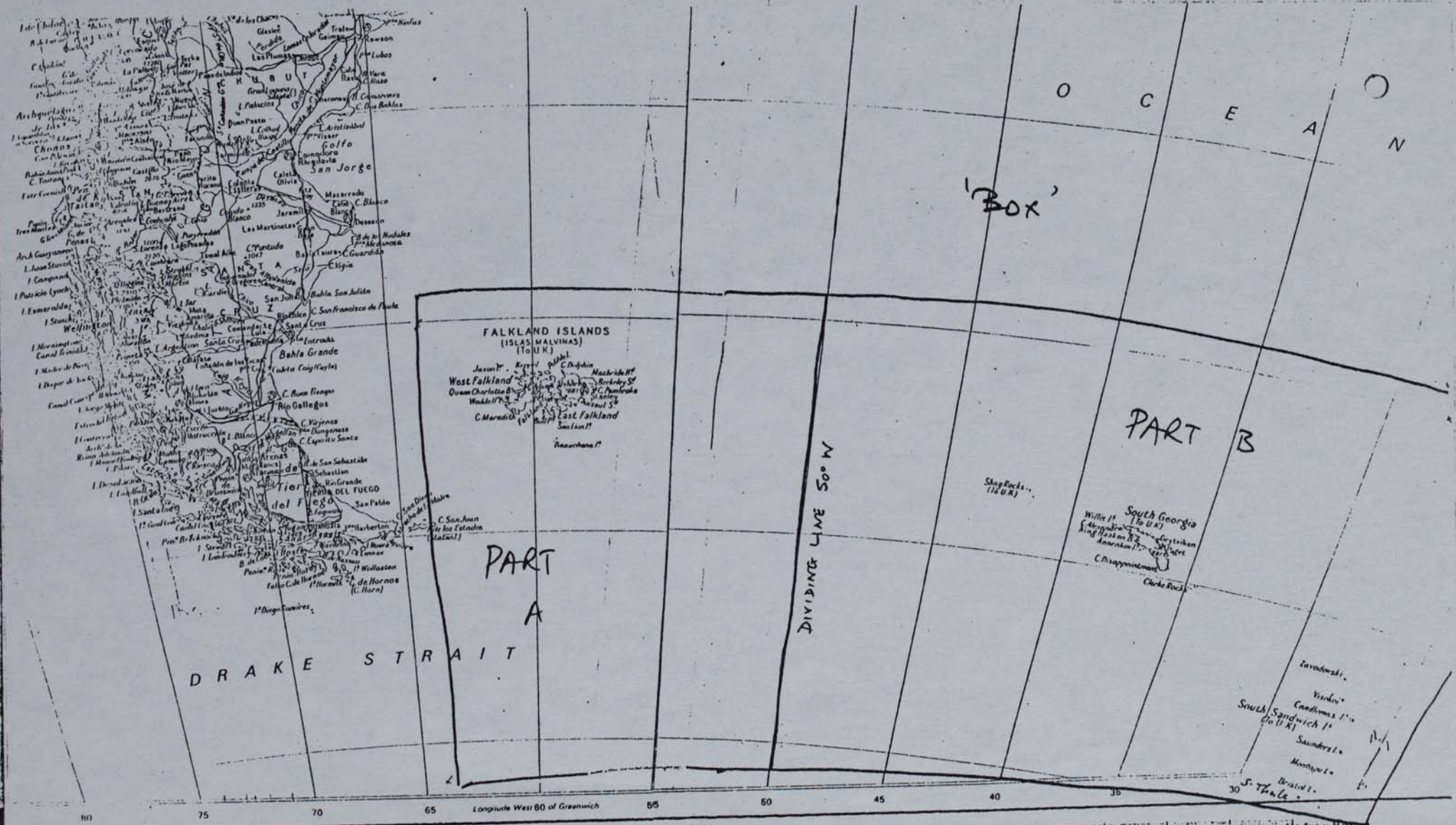
one where our position will be widely regarded as reasonable. The best candidate may be the continuation of the interim administration until implementation of a definitive agreement (paragraph 6 above).

Foreign and Commonwealth Office

13 May 1982

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FALKLAND ISLANDS
(ISLAS MALVINAS)
(To U.K.)

Jazmón, Roca, C. Adolpho, Macbride Pt
West Falkland, C. Berkeley St, C. Berkeley St
Duran, Charlotte B., C. Berkeley St, C. Berkeley St
Waddell Pt, C. Berkeley St, C. Berkeley St
C. Maradei, East Falkland, C. Berkeley St
San Juan Pt, C. Berkeley St
Tranqueras Pt

PART B

South Georgia
(To U.K.)
Wills Pt, C. Berkeley St, C. Berkeley St
King Hassan Pt, C. Berkeley St, C. Berkeley St
Anarion Pt, C. Berkeley St, C. Berkeley St
C. Disappointment
Clarke Rock

PART A

DRAKE STRAIT

Longitude West of Greenwich 80 75 70 65 60 55 50 45 40 35 30

LAMBERT AZIMUTHAL EQUAL AREA PROJECTION

100 Statute Miles