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FM BUENOS AIRES 27/1650Z JAN 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 24 OF 27 JANUARY 1982

INFO IMMEDIATE PORT STANLEY (PERSONAL FOR GOVERNOR)

UKMIS NY

MY TWO IPTS : ARGENTINE PROPOSAL ON FALKLANDS

AW 048/325/1

RECZIVED IN REPORTRY NO. 18

OR)

DESK OFFICER 1 SedISTRY
INDEX PA Action Taken

I CAN WELL IMAGINE HOW LITTLE THIS ARGENTINE PROPOSAL WILL APPEAL TO YOU, EXPECTED THOUGH IT COULD ONLY BE ONCE WE HAD DECIDED TO ENCOURAGE AN INITIATIVE FROM THE ARGENTINE SIDE. THE ALTERNATIVES WERE THAT THEY WOULD PUT FORWARD THE SKELETON OF A QUOTE SOLUTION UNQUOTE OR THAT THEY WOULD PROPOSE A NEW MECHANISM FOR NEGOTIATION, AND THAT THEY SHOULD HAVE DECIDED FOR THE LATTER IS PERHAPS THE LESSER EVIL. SINCE IT MIGHT WELL HAVE BEEN IMPOSSIBLE TO FIND A LONGER ANSWER TO THE FORMER THAN A BLUNT REJECTION. WE SHALL CLEARLY HAVE TO INVESTIGATE HOW MODIFIABLE THE ARGENTINE PROPOSAL FOR A NEW MECHANISM IS. BUT WE WILL DECEIVE DURSELVES IF WE IMAGINE THAT THEY WILL BE CONTENT TO REVERT TO THE SPORADIC CONTACTS OF THE LAST TWO YEARS. SO FAR IT HAS SUITED HMG TO SWEEP UNDER THE CARPET WHATEVER HAD BEEN COVERED BY MR ROWLAND'S NEGOTIA-TIONS. IT MAY NOW SUIT US BETTER TO DIG ALL THIS OUT AND REEXAMINE IT WITH THE ARGENTINES. IN PARTICULAR WE HAD BETTER BE CLEAR HOW FAR WE HAVE, IN FACT, COMMITTED OURSELVES IN THE PAST TO INCLUDING SOUTH GEORGIA AND THE SANDWICH ISLANDS IN THE GENERAL SCOPE OF THE NEGOTIATIONS.

- 2. YOUR WILL OBSERVE THAT THE PAPER REVERTS TO THE QUESTION OF THE SAFEGUARDS THE ISLANDERS WOULD NEED, BUT ASKS THAT THESE BE SPECIFIED BY HMG. THIS IS MORE CORRECT THAN CAVANDOLI'S INVITATION TO THE ISLANDERS THEMSELVES TO SET OUT THEIR REQUIREMENTS AND GIVES US AN OPPORTUNITY TO CRYSTALISE THOUGHTS ON THE SUBJECT OF COURSE, AD REFERENDUM TO ISLANDER REPRESENTATIVES IN A WAY WHICH MIGHT ACTUALLY BE HELPFUL TO THE ISLANDERS, WITHOUT GIVING AN IMPRESSION OF PRESSURISING THEM.
- 3. YOU WILL ALSO NOTE THE RENEWED EMPHASIS ON ISLANDER IGNORANCE OF THE REAL THINKING OF THE ARGENTINE GOVERNMENT. IT WOULD RELIEVE A LOT OF BUILT-UP TENSION IF COUNCILLORS COULD BE PERSUADED TO BE LESS OBSTRUCTIVE ABOUT EVEN THE SMALLEST ADDITION TO THE TINY ARGENTINE REPRESENTATION IN STANLEY.
- THE FIRST PART OF THE PAPER IS MUCH MORE CAREFULLY DRAFTED THAN LAST YEAR'S COMMUNIQUE, AS ROS WAS AT PAINS TO POINT OUT. WE SHOULD, PERHAPS, SUBJECT IT TO CARFUL ANALYSIS TO SEE WHAT EFFORT IT SHOWS TO BE GENUINELY CONCILIATORY.

WILLIAMS

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