

FOEC 008/29

MR BULLARD. (2)

FLASH

ZZ UKREP BRUSSELS

GRS 573

CONFIDENTIAL

FM FCO 291200Z MAR 82

TO FLASH UKREP BRUSSELS

TELEGRAM NUMBER 256 OF 29 MARCH.

FOR BULLARD (WITH SECRETARY OF STATE) FROM URE

FALKLANDS CRISIS

1. FOLLOWING YOUR ACCOUNT OF THE SECRETARY OF STATE'S DISCUSSION WITH THE PRIME MINISTER EARLIER TODAY, MR LUCE HELD AN URGENT MEETING WITH OFFICIALS TO DISCUSS SOUTH GEORGIA THIS MORNING.
2. IT WAS GENERALLY FELT THAT IT WOULD BE PREMATURE TO PROPOSE A RESUMPTION OF THE BROADER FALKLANDS NEGOTIATIONS IN NEW YORK, OR TO SEND A SPECIAL EMISSARY TO BUENOS AIRES, BEFORE A FURTHER DIPLOMATIC EFFORT HAD BEEN MADE TO RESOLVE THE LOCAL PROBLEM OF SOUTH GEORGIA. MR LUCE FELT STRONGLY THAT ANY RESUMPTION OF WIDER TALKS IN NEW YORK OR BUENOS AIRES WOULD LOOK TOO MUCH AS IF WE WERE NEGOTIATING UNDER DURESS, EVEN IF WE ATTEMPTED TO MAKE THE SOLUTION OF THE SOUTH GEORGIA PROBLEM THE FIRST ITEM ON ANY AGENDA. WIDER TALKS MIGHT ALSO NOT GET OFF THE GROUND.
2. WE ARE THEREFORE DRAFTING A REPLY FROM THE SECRETARY OF STATE TO COSTA MENDEZ'S MESSAGE PROPOSING THAT (A) THE ARGENTINE PARTY AT LEITH SHOULD NOW CONTACT THE BRITISH BASE AT GRYTVIKEN TO 'REGULARISE THEIR POSITION' AND SHOULD BE GRANTED LEAVE TO COMPLETE THEIR WORK WITHIN A CLEARLY SPECIFIED TIME-SCALE. WE WOULD NOT INSIST ANY MORE THAT ALL MEMBERS OF THE ARGENTINE PARTY EVACUATED LEITH BEFORE SUCH PERMISSION WERE GRANTED.
- (3) THE REGULARISING OF THE SOUTH GEORGIA POSITION WOULD BE PROMPTLY FOLLOWED BY PROPOSALS FROM US FOR RESUMING THE NEW YORK TALKS (SUCH PROPOSALS - WHICH WOULD HAVE TO BE ALONG THE LINES OF LORD CAVENDISH'S EARLIER DRAFTED MESSAGE WHICH WAS AGREED BY THE ISLANDERS BUT WHICH WAS OVERTAKEN BY

SUBSEQUENT EVENTS). (C) BOTH SIDES SHOULD AGREE TO AVOID ANY NAVAL ACTION IN THE AREA OF A PROVOCATIVE NATURE. THIS MESSAGE WOULD HAVE TO TAKE ISSUE WITH A NUMBER OF THE FALLACIES IN COSTA MENDEZ'S MESSAGE, IE..HIS CLAIM THAT 'WHITE CARDS' WERE THE RELEVANT DOCUMENTATION, BUT IT WOULD ADOPT AS CONSTRUCTIVE A TONE AS POSSIBLE.

3. WE ARE ALSO DRAFTING A STATEMENT FOR THE SECRETARY OF STATE'S USE IN PARLIAMENT TOMORROW. THIS WILL EXPLAIN TO THE HOUSE HOW THE PRESENT SITUATION HAS ARISEN AND POINT OUT THAT WHILE WE HAVE SENT HMS ENDURANCE TO THE AREA THE ARGENTINE NAVY HAS SENT A VERY MUCH LARGER FORCE OF WARSHIPS AND THAT IN THE CIRCUMSTANCES THE HOUSE WILL SURELY REALISE THAT THIS IS A PROBLEM WHICH IT IS NOT SUITABLE TO SOLVE BY DIRECT CONFRONTATION ON THE GROUND BUT WHICH REQUIRES A DIPLOMATIC SOLUTION PROTECTING OUR POSITION AND THAT OF THE FALKLAND ISLANDERS. STATEMENT WOULD GO ON TO SAY THAT WE ARE INVOLVED IN URGENT DIPLOMATIC EXCHANGES TO THIS END. IT WOULD ADD THAT ENDURANCE WILL REMAIN IN COMMISSION PENDING AN URGENT REVIEW OF SECURITY IN THE AREA. IT WOULD STRESS THAT WE STILL DO NOT INTEND TO ACCEPT ANY INDEFINITE ARGENTINE PRESENCE ON SOUTH GEORGIA (AND THUS COVER MR LUCE'S POSITION AFTER HIS STATEMENT OF LAST WEEK).

4. WE ARE ALSO DRAFTING A FURTHER MESSAGE TO HAIG WITH A VIEW TO SENDING THIS WITH A COPY OF THE PROPOSED REPLY TO COSTA MENDEZ, ASKING THAT THE US GOVERNMENT SHOULD SPECIFICALLY SUPPORT THESE LATEST PROPOSALS.

5. ALL THESE DRAFTS WILL BE TELEGRAPHED TO YOU AS SOON AS THEY HAVE BEEN SEEN BY MR LUCE. ACTION IS ALSO PROCEEDING ON THE OTHER POINTS WHICH YOU REPORTED TO ME.

6. YOU SHOULD KNOW THAT MR HEALEY HAS JUST AGREED TO WITHDRAW A PNO TODAY ON HEARING THAT THE SECRETARY OF STATE WILL MAKE A STATEMENT TOMORROW. WE UNDERSTAND OTHER PNOs ARE ALSO NOT GOING FORWARD.

CARRINGTON