



10 DOWNING STREET

April 22, 1982

Prime Minister.

A note, which is really only an outline,
and two articles which you may not have seen.

If the analysis is of any help, I would be
happy to enlarge on it. If not, please consign
-n to the Waste Paper Basket.

DWF

David Wolfson.

Apologies for Typing Errors!

Prime Minister. The Falklands and Panorama; An Inexpert View.

1. A. The Falklands Problem. (1) Both Countries believe that they are right. See Article. In his own mind Galtieri is a Liberator, not an Invador. National Pride, History and Emotion, not Reason and Commonsense are the driving forces.

(2) Both sides appear to have set up Publicly parameters for a peaceful solution which cannot be accepted (Without loss of office?) by the other Government.

(3) Argentina may be able to withstand Economic sanctions and blockade of the Falklands for a long time. Compare Iran and Rhodesia. Brazil and Uruguay may provide outlet routes for basic commodities, even without the Russian possibilities.

(4) We may therefore soon look increasingly impotent, as Carter in Iran, or forced to fire the first shots in a military escalation. (Troops had blanks, and Officers were threatened with Court-Martial if they caused any casualty of Marines or Falklanders?)

(5) If escalation does in fact take place we may well find that (a) Argentine loss of life will line Third-World opinion against us, possibly with a vote against us in the General Assembly. The bad Big Guy against the good little guy. (b) Public Opinion is at the moment just, 49% to 44%, in favour of risking British lives for the Falklands. Will it remain so when casualties are seen on T.V.? Will Europe stay with us if we escalate?

(c) I fear that a lot of our support in the country is based on liking the idea of "teaching the Argies a lesson". Will support remain if we are seen to be unable to win? So both stalemate, and much moreso a failed escalation, could be political disaster unless we get the Public to understand the problems before they appear. See Panorama b^{elow} ~~low~~.

1. B. A possible Solution. Rather like a Trade Union negotiation where face saving is as important as settlement terms.

(1). A Haig, or better a Reagan Proposal. As with Camp David, the personal involvement of the President would be a public recognition of Argentine's importance. It would change the underlying emotional attitude. Galtiere might be able to accept from the President of USA what he could not concede to the British Forces or Negotiators.

(2) The Proposal would have to include the withdrawal of Argentine Troops and the return of the Naval Task Force. It would have to concede to Argentina some measure of minority voice in a short term administration which might include USA, and would allow both sides to claim Sovereignty. The Argentine flag would have to fly in what we would regard as An Argentine Liaison Office, and what they would regard as something else. The concession of a say in Administration would be in return for their agreement to resume normal air services, hospital access etc. Might our Hawks accept these type of proposals if they came from Reagan, our main ally, rather than from our foreign office?

(3). The tricky bit. The Islanders would be asked what they wanted. Continued British Sovereignty, knowing that the Argentine would pursue its claim at the U.N. and the Hague, and would in the meantime allow no access to or from the Falklands via the Argentine. Or Argentine Sovereignty, with an administration in which the Islanders and or the British would be given a voice. AND (AND this is the bribe which would have to convince Galtiere that they would vote for Argentine Sovereignty) A Guarantee for life to the Islanders that they could choose to leave Falklands and settle with full citizenship in Britain, or Australia or New Zealand. PLUS a US backed guarantee that those who choose to leave Falklands will receive a sum of \$100,000 per family, or something like this, index linked in future, to enable them to settle elsewhere.

2. PANORAMA. Whether or not you find sense in any of the above, Panorama must be used to prepare Public Opinion for the difficult times ahead. To raise the level of Public Understanding, not of the rights and wrongs of the matter, but of the problems we face, and the time it may take, to achieve a just solution. The very justice of our demand for self-determination for the Falklanders means that we are prepared for a long haul to achieve it. Our desire to avoid bloodshed may necessitate patience. At the moment much of our support seems to expect that, if we ~~have~~ the guts to use our might, we can settle it quickly. If that is not so, we'd better prepare people for the harsher reality. Your statement today that "We should be prepared to use force to secure liberty and self determination " may lead people to expect an ~~easy~~ "securing" of our objectives if we just have the guts to use force. Roskill in the Spectator suggests that securing our objectives may ~~be~~ very difficult.