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Mr Coles - Note Downing
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Mr Fearn - SAmD

Falkland Islands

Mr Haig telephoned the Secretary of State at 1240 on 13 April. He said that he had heard again from the Argentine Foreign Minister, who had come back with a further compromise proposal. The Argentine Government would in effect accept the formulation in paragraph 5 of the Anglo/US paper, but in return insisted on language paralleling the 1964 UN Resolution on decolonisation of the Islands. In that context, they would be willing to give the islanders local self-determination. In response to a question from the Secretary of State, Mr Haig confirmed that the Argentine Government had now dropped the five demands they had put forward earlier in the day and had moved a considerable way from their previous position. Mr Haig said he wanted to be sure that we would not reject this new proposal out of hand. If we could agree to language about decolonisation, subject to the wishes of the islanders, he thought that the Argentine Government would accept the Anglo/US paper, perhaps with one or two small changes to make it more palatable to them.

The Secretary of State said that clearly we would have to look at this carefully and would want to do the necessary research. Mr Haig said that the American side were also doing some homework and hoped to obtain the Argentine proposal in more specific form from the US Ambassador in Buenos Aires. He hoped that until there had been a chance to look at this proposal properly, all further action could be held up. He had told Mr Costa Mendez that he would now almost certainly not go back to Buenos Aires. He also did not wish to stay much longer in London since it would begin to look as if he were acting as our agent. When the Argentine proposal had been firmed up, therefore, he would probably return to Washington.

The Secretary of State said that we would probably wish to discuss this proposal with Mr Haig further. Mr Haig said this might be necessary, but repeated that he could not stay in London much longer. Mr Haig added that our position (presumably over sovereignty) had been eroded over the years in the view of many other governments and he hoped we would not want to be too rigid on this now. In any event the Argentine suggestion was an opportunity to keep the dialogue going.

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We have subsequently telephoned the US Embassy to check that they are now working on a specific proposal which could be put to us. Mr Streater undertook to let us know the position as soon as possible. He subsequently telephoned to say that the Americans were obtaining the text of the relevant resolution urgently and that Mr Haig would be in touch with the Secretary of State as soon as he could say anything more specific.

J. E. Holmes

(J E Holmes)

13 April 1982

cc: PS
PS/Mr Hurd
PS/Mr Onslow
PS/PUS
Mr Giffard
Lord Bridges
Mr Wright
Mr Ure
Mr Gillmore
Defence Dept
News Dept

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How long resident before a vote.