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CABINET OFFICE

A.J. C2/4.

With the compliments of Sir Robert Armstrong KCB, CVO Secretary of the Cabinet

70 Whitehall, London SW1A 2AS Telephone: 01-233 8319

SECRET



CABINET OFFICE

70 Whitehall. London swia 2As Telephone 01-233 8319

From the Secretary of the Cabinet: Sir Robert Armstrong KCB CVO

Ref. A08224

26th April 1982

OD(SA) this morning agreed the general lines of a message for the Foreign and Commonwealth Secretary to send immediately to Mr Haig.

I now enclose a copy of the draft message as it was approved by the Prime Minister at 1.45 pm.

I am sending copies of this letter and the enclosure to John Coles, John Halliday, David Omand and Keith Long.

B J P Fall Esq

SECRET

DRAFT MESSAGE FROM THE FOREIGN AND COMMONWEALTH SECRETARY TO MR HAIG

Our repossession of South Georgia has radically changed the situation. In particular, it enables us to deal with the Falkland Islands in isolation. Equally it should bring home to Argentina her interest in negotiating seriously for a settlement. But time is desperately short. Our Task Force is approaching the Maritime Exclusion Zone round the Falkland Islands, and the next phase of operations will have to start very soon.

We might now be able to turn the OAS meeting this afternoon to our advantage. But this requires a simpler approach. There is now no time to negotiate in detail.

What we have in mind is as follows. If the Argentinians withdraw their forces from the Falkland Islands, we will stop our Task Force, and turn it back once Argentinian withdrawal is complete, provided that from that time onwards the United States will militarily guarantee the security of the Falkland Islands. This would secure the withdrawal of Argentinian forces in accordance with United Nations Security Council Resolution 502, and clear the way for immediate negotiations in a conference to resolve the dispute. In the meantime the traditional administration would be restored to the Falkland Islands, but for the time being we should be prepared not to send back the Governor, and to appoint instead an officer to administer the government. We

should be ready during that time to have an Argentinian Resident at Port Stanley to look after the interest of the Argentinians living on the Falkland Islands.

If this proposal commends itself to you, we need to decide how it should be launched. It would of course need your own whole-hearted agreement and backing, but it might be advantageous to get someone else to take the initiative. We have had some indications that President Lopez Portillo would like to be helpful. Thus the Mexicans could be invited to put the proposal, with your and our agreement, to the meeting of the OAS later today. The Mexicans might even be prepared to provide the venue for the conference.