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Classification and Caveats Precedence/Deskby CONFIDENTIAL FLASH 1 ZCZC CZC 2 iRS GRS 3 LASS CONFIDENTIAL AVEATS ESKBY 5 M FCO 6 FM FCO 061215Z MAY 82 RE/ADD 7 TO FLASH UKMIS NEW YORK EL NO 8 TELEGRAM NUMBER 9 AND TO FLASH WASHINGTON 10 REPEATED IMMEDIATE LIMA 11 MIPT: SECRETARY-GENERAL'S PROPOSALS ON FALKLANDS Following is draft reply to Secretary-General: 13 As you know I have been considering very carefully the ideas 14 about the Falkland Islands which you put to me in New York 15 last weekend. I accept the general approach embodied in your 16 ideas. Indeed the elements for a solution which you mention 17 are close to those which have been the basis of Britain's 18 efforts for a negotiated settlement since the present crisis 19 started in early April. 20 2. Your ideas were naturally stated briefly and in general 21 terms. I should like in this reply to explain the British 111 22 position and offer comments on the elements needed for a 23 settlement. I think you will see that our views are fully 24 compatible with yours. 25 3. I must first reiterate that the present crisis has arisen

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Comcen reference	Time of despatch	MR GILLMORE DIO) OFFICE

Classification and Caveats Page CONFIDENTIAL 2 1 <<<< :<<< because Argentina illegally used force to prosecute a claim to the Falkland Islands when active negotiations were already in progress. The United Nations Security Council, in its mandatory Resolution No 502 which my government at once accepted, set out more than a month ago the requirements for ending the crisis. It remains imperative that this resolution be implemented without delay. In order to bring about this implementation, and to avoid further bloodshed, Britain is willing to accept and immediately 10 implement an interim agreement which would prepare the way for 12 a definitive settlement. 13 5. Such an interim agreement could provide for a ceasefire to come into effect as soon as possible after Britain and Argentina had stated formally in writing that they accepted the 15 16 interim agreement. Instructions for a ceasefire could be issued immediately after conclusion of that agreement, to come 17 18 into effect as soon as both parties could guarantee compliance 19 by their forces. 20 6. But such a ceasefire cannot simply leave Argentina in illegal occupation of the Islands, in contravention of 22 resolution 502 and with the ability to continue to build up the occupation forces. Implementation of the ceasefire must 23 24 therefore be unambiguously linked to the commencement of 25 Argentine withdrawal, which as you recognise is the priority 26 element in any agreement. Withdrawal would be completed 27 within a fixed number of days. The British forces would stand off at a reasonable distance from the Falkland Islands, thus 29 providing mutual withdrawal of the forces of both sides. 30 7. After mutual withdrawal, the two sides would suspend the 111 31 exclusion zones now in force. Steps would be taken to lift the 11 economic sanctions introduced in connection with the present 33 crisis. 34 As regards the transitional arrangements, the United NNNN ends Catchword BLANK telegram Kingdom

Classification and Caveats Page CONFIDENTIAL 1 <<<< <<<< Kingdom would be prepared to accept an interim administration of the Islands, to be undertaken by a Contact Group of a small number of states other than Britain and Argentina, which would act in consultation with the elected representatives of the population of the Islands. The same Contact Group could verify the withdrawal from the Falkland Islands and the non-return of 8 forces pending a definitive settlement. Britain would be ready with Argentina to acknowledge the 10 existence of different and conflicting views regarding the status of the Falkland Islands. We would be willing to engage in negotiations, without prejudice, for a definitive agreement on the status of the Islands and to accept a target date -13 perhaps one year later - for conclusion of an agreement which 15 would accord with the wishes of the Islanders. We should be willing to accept that the Contact Group mentioned above should have a role in relation to these negotiations. I believe that the views that I have expressed accord fully with your own ideas. Indeed they have the effect of 20 amplifying your suggestions. Let me conclude by repeating that the United Kingdom stands ready to consider all constructive suggestions for a United Nations role in future arrangements 23 concerning the Falkland Islands. 24 25 PYM 26 NNNN 27 28 29 30 31 111 11 32 33 34 NNNN ends Catchword BLANK telegram