

FALKLAND ISLANDS: FCO SITREP (DETAILED VERSION):

0730Z, 10 MAY

US Television Interview with Sr Costa Mendez, 9 May

1. On sovereignty Costa Mendez seemed to say that while Argentina was not insisting that the UK should recognise Argentina sovereignty at the beginning of the negotiations, Argentina insisted that negotiations must conclude with confirmation of Argentine sovereignty.

UN

(a) UK Attitude to Negotiations: Discussion with Secretary-General

2. Sir A Parsons spoke as instructed in paragraphs 2-5 of FCO tel No 371 to UKMIS New York. The following were the main points which emerged in discussion. Verification of naval withdrawal: The Secretary-General said that he would be grateful for London's views on this problem. Venue of the negotiations: The Secretary-General seemed to accept that negotiations would be difficult in New York and said he himself had thought of Ottawa as a possible venue. Terms of reference for negotiations: Sir A Parsons said he was seriously disturbed by Costa Mendez's television interview (see paragraph 1 above). He asked the Secretary-General formally to seek clarification urgently from the Argentines: the Secretary-General agreed to do this. Dependencies: It is clear that our position was not understood fully by the Secretary-General's team: Ahmed argued that this had not been our position in earlier negotiations in 1977. Sir A Parsons countered this, but he believes we may encounter further difficulties. Future action: Sir A Parsons suggested that the time might be ripe for the Secretary-General to produce a somewhat fuller document. The Secretary-General said this was exactly what he intended to do.

(b) Argentine Attitude to Negotiations: Discussion with Secretary-General

3. The Secretary-General has reported to Sir A Parsons on the Argentine attitude. The main points were as follows. Dependencies: Insistence that dependencies must be included. Military withdrawal: Task Force must withdraw from circles of 150 mile radius from the Falklands, South Georgia and the Sandwich Islands. Lifting of economic zones and economic sanctions to be effective as to time 'T'. Venue: New York. Interim administration. Strong objections to any role for the Islanders. Terms of reference: The kind of language they have in mind 'negotiations would have to solve the disputes between the parties taking into account relevant General Assembly resolutions'.

A
(Washington
tel No 1682)

B
(FCO tel No
371 to UKMIS
New York)

C
(UKMIS New
York tel
No 691)

D
(UKMIS New
York tel
No 694)

*Role of
Island
councils.*

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(c) Sir A Parsons Assessment

E
(UKMis New
York 695)

3. For tactical as well as substantive reasons Sir A Parsons has sought to pin down the Argentines on the question of sovereignty and he has given the Secretary-General wording (in UKMis New York telno 694, Flag D) which the Secretary-General has agreed to try out on the Argentines. Against the possibility of Argentine acceptance Sir A Parsons suggests that we might have to consider a trade off between keeping our military forces on S. Georgia and participation by the Falkland Islanders in the interim administration. Sir A Parsons has asked for comments on the question of military withdrawal but has not asked for further detailed instructions so long as London is content with the line he is taking particularly on sovereignty.

(d) Military Engagements

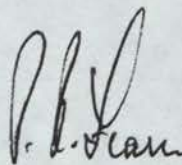
F
(UKMis New
York 692)

4. This caused a stir in the UN; Argentina has complained to the Secretary-General and the President of the Security Council. The Argentines are making out that in Security Council informal consultations 5/6 May, tacit agreement had been reached that there should be no hostilities while the Secretary-General pursued his initiative. Sir A Parsons has reminded the Secretary-General and the President of the Security Council of the true position and has warned that if the Argentines continue their misrepresentations he would be forced to deny publicly the Argentine claim, citing the President of the Security Council and the Secretary-General in his support.

Comment

5 It is already becoming clear where the main sticking points will be: inclusion of the Dependencies, the place of the local Councils in an Interim Administration, and the terms of reference and time limit for the negotiating period.

6. Sir A Parsons does not require further instructions at this stage; and Sr Ros' own tightly circumscribed brief will slow things down. We will however have to consider whether we are prepared to make concessions on the Dependencies and on the interim administration if we are to secure acceptable terms of reference for negotiations and to retain support in the UN. The Argentines will be making all possible play with military developments in the South Atlantic in order to cast us in the aggressor's role.
7. Other points requiring consideration are:
 - a. Can we accept a ceremonial opening of negotiations at Time T?
 - b. Means of verification of a withdrawal of naval forces.
 - c. Venue for negotiations: in New York State?
 - d. Formulations on sovereignty in an interim agreement (para 9 of UKMIS New York tel No 694).



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Emergency Unit

10 May 1982