

File No.

Department Planning

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(Block Capitals)

Tel. Extn.

OUTWARD

TELEGRAM

Security Classification <u>CONF</u>
Precedence FLASH
DESKBYZ

FOR COMMS. DEPT. USE	Despatched (Date) (Time)Z	POSTBYZ
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PREAMBLE

(Time of Origin) Z (G.M.T.) (Restrictive Prefix)

(Security Class.) (Caveat/ Privacy marking)

(Codeword) (Deskby)Z

TO FLASH UKMIS NEW YORK Tel. No.of
(precedence) (post)

AND TO (precedence/post)

AND SAVING TO

REPEATED TO (for info) FLASH WASHINGTON

SAVING TO (for info)

MW

Prime Minister

*Approved by Mr. Pym and
deputed.*

A.S.C. 10/5

Distribution:-

*Falklands Policy
Headg ECD(E)*

Copies to: *JH 10/5*

[TEXT]

YOUR TELNOS 691, 694 and 695: FALKLANDS

1. Thank you for these full reports and for your sterling efforts with the Secretary-General. I endorse in particular your insistence on smoking the Argentines out on the question of sovereignty and the terms of reference for negotiations about the future of the Islands.

2. If the Secretary-General's efforts were to collapse because Argentina insisted on a transfer of sovereignty or would not agree to a sensible provision about what would happen if negotiations had not succeeded by a target date, Argentina would clearly have been unreasonable and we think that we could defend our position satisfactorily in Parliament and internationally. You

should/

should continue firmly to represent our position on
bo matters. The questions of the Dependencies

and of the traditional administration may, ^{as you say,} however
be the ones where the crunch will come, ^{but they present very grave difficulties indeed.} and Ministers
^{They will have to be considered}
~~will wish at that point to consider them~~ in relation

to the position reached on all other elements in
a possible agreement, ^{and meanwhile you should give no (no)}
~~indication that there can be any change of position.~~

3. Meanwhile, the following comments on points
raised in your telegrams are provided as ^{general} guidance
for your meetings with the Secretary-General today.

Dependencies

4 In advocating our position, you should argue that
the status quo ~~has not changed~~ in the Dependencies and
that our purpose in the present negotiations is to
deal with the new situation created by the ^{continued unlawful} occupation ^{by the Argentinians}
of the Falkland Islands. ^{themselves} (This line of argument
is easier to sustain in relation to an interim
agreement than in relation to long-term negotiations.

is as it
was before
the unlawful
occupation

If unexpectedly the Secretary-General or the
Argentines were to suggest that the Dependencies
be covered in the negotiations about the future but
not in the other provisions of the interim agreement,
you ^{would no doubt} ~~should~~ undertake entirely without commitment to
^{but} report the suggestion.)

Sovereignty

5 You should continue to insist on two major points of
substance: (a) that the text of the interim agreement
must not prejudice the outcome of negotiations about
the future, and (b) that the Argentines must state
clearly to the Secretary-General that they accept this and
~~will desist from declaring~~ ^{position}
~~not continue to declare~~ the opposite in public.

NOTHING TO BE WRITTEN IN THIS MARGIN

6. The language for an interim agreement suggested in para 9 of your telno 694 would be ^{very satisfactory from our point of view} ideal ~~for~~ us and you should stand on it today. (Later, if Argentina will not ~~contemplate~~ ^{be able to} ~~consider~~ ^{we may have to consider,} it, ~~we might settle~~ in the context of an agreement satisfactory on other matters, ~~for~~ ^{different} a ~~watered down~~ version of that language: or ~~for~~ a completely neutral formula, such as that the long term negotiations would be about the future of the Islands, coupled with an Argentine statement on the lines of 5(b) above).

Interim Administration

7. In continuing to insist that the Councils must remain in operation, you should contest the unsupported and erroneous Argentine assertion that the involvement of the islanders in the interim administration would prejudge the outcome of negotiations about the future. You should also make what play you can with the thoughts that to exclude a people from the administration of their own affairs is hardly consistent with the spirit of the UN: and that we have developed ^{the Councils} ~~these~~ institutions in accordance with UN Charter obligations (Article 73(B)) and that it would be contrary to the spirit of the Charter to dismantle them in the absence of alternative arrangements for the expression of the views of the Islanders.

Withdrawal Period.

8. We continue to believe that 14 days should be long enough for total Argentine withdrawal. In any case, we could not accept ^{any} treacherously elastic phrase allowing delays beyond the limit because of 'bad weather or other factors'.

Verification of Withdrawal.

9. This is difficult. Please tell the Secretary-General that a declaration by each side at time 't' of ships and (repeat and) forces in the zone, and daily declarations of what had been withdrawn, would help. But given Argentina's invasion, it is a lot to ask us to accept that she should verify her own withdrawal. You should ask the Secretary-General whether he thinks that the UN could use surveillance aircraft provided by a Member State ^{You will see that} (this possibility, which may depend on whether adequate surveillance aircraft can be borrowed from an acceptable country like Sweden, is also raised in a separate telegram I am sending to Washington).

Size of Zones for Withdrawal.

10. We are content with the Argentine suggestion of 150 nautical miles radius. You have discretion to accept 200 nautical miles ^{for} a zone round the Falkland Islands, if that is ^{raised again} suggested. (Indeed, we perhaps could accept a larger zone round the Falkland Islands, subject to further consideration here.)

Lifting of Zones.

11. You may say that the possibility of their being lifted at time 't' is under positive consideration here.

/Lifting of Economic

Lifting of Economic Measures.

12. You may say that we think that the UK and the other EC members could agree to lift economic measures at time 't', ~~and that we are enquiring whether other countries which have introduced economic measures could lift them at such short notice.~~

Target Date for Conclusion of Future Negotiations

13. We see no reason why an interim arrangement should not say that:

- a) negotiations will start immediately, to produce an agreement by 'the target date of 31 December 1982';
- b) the interim arrangements will remain in force until implementation of a definitive agreement about the future of the Islands;
- c) the Secretary-General should report just before the target date about next steps.

14. The idea for starting long term negotiations notionally at time 't' ^w~~sh~~ould be presentationally difficult for us and you should maintain a reserve on it.

Venue for Negotiations.

15. We can accept New York State other than New York City itself.

Involvement of Junta in Argentine Adherence to an Agreement.

16. You were right to argue that all three members of the Junta should sign the agreement. But if that later proved to be a sticking point, we could revert to the suggestion in paragraph 6a of my telno 371, that Argentine adherence to any agreement must clearly be fully backed by the Junta. *This could imply a public statement by all 3 members.*

AFM