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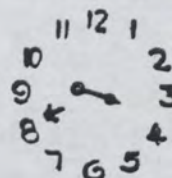
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CONFIDENTIAL

DESKBY 130300Z

FROM UKMIS NEW YORK 130009Z MAY 82
TO IMMEDIATE F C OTELEGRAM NUMBER 731 DATED 12 MAY 82
INFO IMMEDIATE WASHINGTON

13 MAY 1982



YOUR TELSNOs 390 AND 391: FALKLAND ISLANDS

SUMMARY (UNDERLINED)

1. I CARRIED OUT THESE INSTRUCTIONS WITH THE SECRETARY-GENERAL THIS AFTERNOON (12 MAY). HE AND HIS TEAM WERE STUNNED. HIS FIRST REACTION WAS THAT THE ARGENTINES WOULD WITHDRAW THEIR AGREEMENT TO YESTERDAY'S FORMULA ON NON-PREJUDGEMENT AND THAT THE BREAKDOWN OF HIS INITIATIVE WOULD BE INEVITABLE. AFTER DISCUSSION, HE DECIDED NOT TO REVEAL ALL THAT I HAD SAID TO ROS, IN THE HOPE THAT ROS WOULD HAVE SOMETHING NEW TO SAY WHICH MIGHT GIVE US SOMETHING MORE TO WORK ON. I AGREED TO THIS. THERE WAS THEN SOME DISCUSSION OF VARIOUS DETAILED POINTS. AT THE END OF THE MEETING, HE FORMALLY ASKED ME TO CONVEY TO YOU HIS VIEW THAT HIS WHOLE INITIATIVE MIGHT COLLAPSE TOMORROW (13 MAY) UNLESS WE COULD MODERATE OUR POSITION.

DETAIL (UNDERLINED)

2. I SAW THE SECRETARY-GENERAL AND HIS TEAM AT 2000Z. IT WAS A GRIM MEETING. I TOOK HIM THROUGH THE POINTS I HAD BEEN INSTRUCTED TO MAKE IN YOUR TELEGRAMS UNDER REFERENCE, AS FOLLOWS:

(A) NON-PREJUDGEMENT (UNDERLINED): I SAID THAT ARGENTINE ACCEPTANCE OF THE SECRETARY-GENERAL'S FORMULA ON NON-PREJUDGEMENT WAS AN ADVANCE. I COULD NOT SAY AT PRESENT THAT WE ACCEPTED IT. IT WOULD HAVE TO BE LOOKED AT AS PART OF AN EVENTUAL PACKAGE. MEANWHILE I QUOTED COSTA MENDEZ'S REMARKS TODAY (YOUR TELNO 392) AND ASKED THE SECRETARY-GENERAL TO TRY TO GET THE ARGENTINES

TO STOP MAKING THIS KIND OF STATEMENT IN PUBLIC.

(B) POSITION AFTER 31 DECEMBER 1982: (UNDERLINED)

I SAID THAT WE COULD NOT ACCEPT ANY ARRANGEMENT WHICH MIGHT REQUIRE THE SECURITY COUNCIL TO APPROVE CONTINUATION OF THE INTERIM STRUCTURES. I EXPLAINED WHY IN DETAIL. I THEN READ OUT ARTICLE 8 FROM MY TELNO 713, SAYING THAT THIS WOULD MEET OUR POINT IF IT WAS COMBINED WITH ACCEPTABLE LANGUAGE ON THE TARGET DATE.

(C) WITHDRAWAL: (UNDERLINED) I GAVE PEREZ DE CUELLAR THE TEXT OF ARTICLE 2 FROM MY TELNO 713. (SEE PARA 6(B) BELOW FOR SUBSEQUENT DISCUSSION ABOUT AHMED'S BOX IDEA).

(D) VERIFICATION: (UNDERLINED) I ASKED WHETHER THE SECRETARIAT HAD HAD FURTHER THOUGHTS. AHMED SAID NO: IT WOULD BE PREMATURE FOR THE SECRETARIAT TO APPROACH GOVERNMENTS AT THIS STAGE. THEY WERE ALSO BEGINNING TO WONDER WHETHER GOVERNMENTS WOULD MAKE SUCH SOPHISTICATED DEFENCE EQUIPMENT AVAILABLE TO THE UN. I SPOKE AS INSTRUCTED IN FAVOUR OF US INVOLVEMENT. IT IS CLEAR THAT THE SECRETARIAT DOUBT WHETHER THIS WOULD BE ACCEPTABLE TO ARGENTINA AND FEAR THAT IT WOULD CREATE DIFFICULTIES IN THE SECURITY COUNCIL (BUT SEE MY TELNO 734).

(E) INTERIM ADMINISTRATION: (UNDERLINED) I SAID THAT THIS WAS CLEARLY A MAJOR DIFFICULTY. WE ASSUMED THAT THE ARGENTINE WITHDRAWAL WOULD INCLUDE ANY ARGENTINE CIVIL ADMINISTRATION INTRODUCED SINCE THE INVASION. PEREZ DE CUELLAR CONFIRMED THAT THIS WAS SO. I THEN DESCRIBED OUR CONCEPT OF THE UN ADMINISTRATOR'S FUNCTIONS AS IN PARA 2(E) OF YOUR TELNO 390 AND DICTATED YOUR REVISED VERSIONS OF ARTICLES 6(3) AND (4) OF THE TEXT IN MY TELNO 713, ADDING THAT WE ALREADY HAD EVIDENCE THAT THE ARGENTINES WERE TRYING TO INTRODUCE CHANGES TO THE CHARACTER OF LIFE ON THE ISLANDS.

(F) FREEDOM OF TRANSIT, RESIDENCE ETC: (UNDERLINED) I SPOKE AS INSTRUCTED, MAKING WHAT I COULD OF OUR AGREEMENT THAT THE 1971 COMMUNICATIONS AGREEMENT COULD CONTINUE TO APPLY AND OUR IMPLIED ACCEPTANCE OF ARGENTINE OBSERVERS.

(G) DEPENDENCIES: (UNDERLINED) I FIRST MADE THE POINT IN PARA 5 OF YOUR TELNO 391 AND THEN THOSE IN PARAGRAPHS 3 AND 4, OTHER THAN THE ONE ABOUT THE ARGENTINES HAVING BEEN READY AT AN EARLIER STAGE TO EXCLUDE THE DEPENDENCIES (I DO NOT THINK THAT IT HELPS US IN THIS NEGOTIATION TO SAY ANYTHING ABOUT WHAT THE ARGENTINES MAY OR MAY NOT HAVE ACCEPTED AT EARLIER STAGES). I INCLUDED THE POINT ABOUT THE DEPENDENCIES BEING DEPENDENCIES OF THE UK BUT SHALL NOT DO SO AGAIN, AS I HAVE SINCE SEEN THAT ACCORDING TO HALSBURY'S LAWS OF ENGLAND THEY WERE ESTABLISHED AS DEPENDENCIES OF THE FALKLAND ISLANDS IN 1908 BY LETTERS PATENT.

3. THE SECRETARY-GENERAL AND HIS STAFF WERE CLEARLY STUNNED BY WHAT I HAD SAID. HIS FIRST REACTION WAS TO ASK WHAT HE COULD DO. THE ARGENTINES WERE COMING TO SEE HIM TWO HOURS LATER. IF HE TOLD THEM WHAT I HAD SAID, THEY WOULD CERTAINLY WITHDRAW THEIR ACCEPTANCE OF YESTERDAY'S FORMULA ON NON-PREJUDGEMENT. THAT WOULD MEAN THE END OF HIS INITIATIVE. I HAD GIVEN HIM NOTHING TO PASS ON TO THEM IN RETURN FOR WHAT THEY SAW AS YESTERDAY'S MAJOR CONCESSIONS. THEY WOULD BE BITTER AND DISAPPOINTED. HE COULD NOT EXCLUDE THE POSSIBILITY THAT THEY WOULD BREAK OFF THE TALKS IMMEDIATELY. IF WE WERE GENUINELY INTERESTED IN AVOIDING THE "CARNAGE" WHICH WOULD RESULT FROM FAILURE OF HIS EFFORTS, HE COULD NOT UNDERSTAND WHY WE HAD TO TAKE SUCH A HARD LINE.

4. I SAID THAT YOUR INSTRUCTIONS HAD BEEN PREPARED AFTER EXTENSIVE DISCUSSION WITH YOUR COLLEAGUES TODAY. I COULD NOT SAY IF THEY WERE YOUR LAST WORD. BUT I URGED HIM TO LOOK AT THE PROBLEM FROM THE LONDON END. IT WAS NOT WE WHO HAD COMMITTED THE AGGRESSION. WE HAD NEVERTHELESS ALREADY MADE A NUMBER OF MAJOR CONCESSIONS FROM THE POSITIONS SET OUT IN YOUR MESSAGE TO HIM OF 6 MAY (SEE MY SECOND IMMEDIATELY FOLLOWING TELEGRAM). ANY ARRANGEMENTS WHICH APPEARED TO REWARD ARGENTINE AGGRESSION WOULD SIMPLY NOT BE ACCEPTED IN BRITAIN. A SETTLEMENT COULD NOT BE ACHIEVED IN DEFIANCE OF THE POLITICAL REALITIES IN LONDON.

5. PEREZ DE CUELLAR SAID THAT, ON REFLECTION, HE THOUGHT THAT THE ONLY WAY FOR HIM TO AVOID AN IMMEDIATE BREAKDOWN WAS FOR HIM NOT (NOT) TO DESCRIBE OUR POSITION TO ROS AS "BLUNTLY" AS I HAD PUT IT TO HIM. BEFORE SAYING ANYTHING TO ROS THIS EVENING ABOUT OUR REACTION, HE WOULD SEE WHETHER ROS HAD ANYTHING TO TELL HIM; PERHAPS ROS MIGHT COME UP WITH SOMETHING NEW. ALTERNATIVELY, HE MIGHT SEE ROS PRIVATELY, TELL HIM THAT HE HAD HAD A VERY FIRM REACTION FROM YOU ON A NUMBER OF POINTS, AND DISCUSS WITH HIM WHAT HE (ROS) COULD DO TO HELP. IT WOULD BE WRONG TO GIVE UP AT THIS STAGE. I AGREED THAT THIS WAS THE BEST WAY FOR HIM TO PROCEED. IT WAS LEFT THAT HE WOULD SUMMON ME AGAIN THIS EVENING AFTER HE HAD SEEN ROS.

6. WE THEN HAD SOME DISCUSSION OF VARIOUS POINTS IN MY INSTRUCTIONS:

(A) DEPENDENCIES (UNDERLINED)

DE SOTO SAID THAT HE DID NOT THINK THAT THE ARGENTINES WERE NECESSARILY THINKING OF A UN PRESENCE IN THE DEPENDENCIES. WHAT WAS IMPORTANT FOR THEM WAS THAT BRITISH FORCES SHOULD WITHDRAW FROM SOUTH GEORGIA AND THAT THE TWO DEPENDENCIES SHOULD BE INCLUDED IN THE DIPLOMATIC NEGOTIATIONS. PEREZ DE CUELLAR ADDED THAT THE DEPENDENCIES COULD BE COVERED IN AN AGREEMENT NEGOTIATED

THAT THE DEPENDENCIES COULD BE COVERED IN AN AGREEMENT NEGOTIATED SEPARATELY FROM, BUT IN THE SAME PROCESS AS, THE FINAL SETTLEMENT ON THE FALKLANDS THEMSELVES. AHMED SAID THAT IN THE PROVISIONAL DRAFT AGREEMENT THE UN WERE PREPARING THERE WOULD BE NO GEOGRAPHICAL DEFINITION OTHER THAN THE WITHDRAWAL BOX (SEE PARAGRAPH 6(B) BELOW): THERE WOULD BE NO SPECIFIC MENTION OF EITHER THE FALKLANDS, SOUTH GEORGIA OR THE SOUTH SANDWICH ISLANDS: INSTEAD THE AGREEMENT WOULD BE EXPRESSED TO BE ABOUT THE SETTLEMENT OF CURRENT DIFFERENCES. THE UN WOULD RESIST ANY SUGGESTION FROM THE ARGENTINES THAT THE UN ADMINISTRATOR SHOULD HAVE A REPRESENTATIVE ON SOUTH GEORGIA: IN PRACTICE, THE ADMINISTRATION WOULD REVERT TO THE STATUS QUO BEFORE THE ARGENTINE INVASION IE BAS: IN ADDITION, THE INTERIM AGREEMENT MIGHT HAVE SOME LANGUAGE ABOUT ACCESS FOR MILITARY PERSONNEL AND EQUIPMENT PROVIDING LOGISTIC SUPPORT FOR SCIENTISTS, INSPIRED BY ARTICLE 1 (2) OF THE ANTARCTIC TREATY AND ALLOWING FOR HMS ENDURANCE TO RETURN. IN SHORT, AN INTERIM AGREEMENT WOULD NEITHER SPECIFICALLY INCLUDE NOR SPECIFICALLY EXCLUDE THE DEPENDENCIES. WE REPLIED THAT ARRANGEMENTS FOR THE ADMINISTRATION OF SOUTH GEORGIA WOULD HAVE TO BE SPELT OUT AND COULD NOT BE LEFT TO UNSPOKEN UNDERSTANDINGS BETWEEN THE UN AND THE ARGENTINES. FOR US IT WAS ESSENTIAL TO BE CLEAR THAT ADMINISTRATION BY THE BAS SHOULD BE RESTORED, PLUS REGULAR VISITS BY HMS ENDURANCE ETC. NOR DID I HAVE ANY REASON TO BELIEVE THAT YOU WOULD AGREE TO WITHDRAWAL OF UK FORCES FROM SOUTH GEORGIA EVEN IF THE PREVIOUS ADMINISTRATION WAS RESTORED. DE SOTO REJOINED THAT WE WOULD BENEFIT FROM ARGENTINA'S OBLIGATION NOT TO REINTRODUCE ITS FORCES INTO SOUTH GEORGIA.

(B) WITHDRAWAL (UNDERLINED)

I ASKED AHMED FOR MORE DETAILS OF HIS BOX. HE SAID THAT IN THE UN'S DRAFT IT WAS DESCRIBED AS "A ZONE BOUNDED BY STRAIGHT LINES CONNECTING THE FOLLOWING FOUR COORDINATE POINTS: 48 DEGREES SOUTH 63 DEGREES WEST, 48 DEGREES SOUTH 22 DEGREES WEST, 60 DEGREES SOUTH 22 DEGREES WEST, 60 DEGREES SOUTH 63 DEGREES WEST." (ITS SOUTHERN BOUNDARY IS THUS THE SAME AS THE NORTHERN BOUNDARY OF THE ANTARCTIC TREATY AREA). AHMED SAID THAT THE UN'S IDEAS FOR WITHDRAWAL WERE THAT THERE SHOULD BE TWO PHASES. IN THE FIRST, HALF THE ARGENTINE FORCES WOULD WITHDRAW WEST OF 63 DEGREES WEST AND ALL BRITISH FORCES WOULD WITHDRAW NORTH OF 46 DEGREES SOUTH: IN BOTH CASES THE WITHDRAWALS WOULD BE DESCRIBED AS BEING "EN ROUTE TO THEIR USUAL OPERATING BASES OR AREAS". IN THE SECOND PHASE THE REST OF THE ARGENTINE FORCES AND CIVILIAN PERSONNEL NOT PRESENT IN THE ISLANDS ON 31 MARCH WOULD BE WITHDRAWN, AND BRITISH FORCES WOULD WITHDRAW NORTH OF 33 DEGREES SOUTH. I SAID

PERSONNEL NOT PRESENT IN THE ISLANDS ON 31 MARCH WOULD BE WITHDRAWN,
AND BRITISH FORCES WOULD WITHDRAW NORTH OF 33 DEGREES SOUTH.
THAT I WOULD REPORT THIS TO YOU BUT THAT YOU DID NOT LIKE THE BOX
IDEA. OUR STRONG PREFERENCE WAS FOR THE ARRANGEMENTS SET OUT IN
ARTICLE 2 OF OUR TELNO 713.

(C) FREEDOM OF TRANSIT, RESIDENCE ETC (UNDERLINED)

DE SOTO SAID THAT, CONTRARY TO THE IMPRESSION THE SECRETARY-
GENERAL MIGHT HAVE GIVEN YESTERDAY, THE IDEA THAT ARGENTINE RESIDENTS
ON THE FALKLAND ISLANDS SHOULD HAVE EQUAL REPRESENTATION WITH THE
MEMBERS OF THE LEGISLATIVE COUNCIL IN THE UN ADMINISTRATOR'S
ADVISORY GROUP (PARAGRAPH 4 OF MY TELNO 728) WAS NOT AN
ARGENTINE IDEA BUT ONE WHICH THE UN HAD PUT FORWARD AND WHICH
THE ARGENTINES HAD ACCEPTED, WITHOUT ENTHUSIASM, AS A
POSSIBLE COMPROMISE.

(D) POSITION AFTER 31 DECEMBER 1982 (UNDERLINED)

I ASKED WHETHER THE SECRETARIAT HAD HAD ANY FURTHER THOUGHTS
ABOUT THIS (SEE PARAGRAPH 2 OF MY TELNO 714). AHMED SAID NO.
THEIR ONLY THOUGHT WAS THAT THE PARTIES WOULD HAVE TO TRUST EACH
OTHER AND THE SECRETARY-GENERAL, WHO COULD BE ASKED TO REPORT
TO THE SECURITY COUNCIL AND RECOMMEND WHAT SHOULD BE DONE IF
AGREEMENT WAS NOT IN SIGHT BY THE END OF THE INTERIM PERIOD. I
SAID THAT WE COULD NOT ACCEPT THIS BECAUSE ANY SUGGESTION THAT
THE SECURITY COUNCIL WOULD HAVE TO EXTEND THE INTERIM ARRANGEMENTS
AFTER 31 DECEMBER 1982 WOULD EXPOSE US TO THE SOVIET VETO, PROBABLY
FOLLOWING A GA RESOLUTION DECIDING THAT SOVEREIGNTY MUST PASS
TO ARGENTINA ON 31 DECEMBER.

7. BRINGING THE MEETING TO A CLOSE, PEREZ DE CUELLAR SAID THAT
HE FELT OBLIGED TO ASK ME FORMALLY TO TELL YOU THAT IN HIS VIEW
HIS WHOLE EFFORT MIGHT NOW COLLAPSE IF WE COULD NOT MODERATE
OUR POSITION.

8. I WILL REPORT FURTHER AND SEND COMMENTS AND RECOMMENDATIONS AFTER
MY SECOND MEETING WITH PEREZ DE CUELLAR LATER TONIGHT.

PARSONS

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