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10 DOWNING STREET

From the Principal Private Secretary

28 May 1982

Future of the Falklands

This is to confirm the amendments to the draft telegram to Washington about the future of the Falklands which I passed by telephone to Robin Fearn this afternoon.

Paragraph 5

The Prime Minister changed the last sentence to read "Accordingly, we are considering a future for the islands that provides either for their independence or for some modified form of independence ....".

Paragraph 6

She would like the opening sentence of this paragraph to read "While recognising the difficulties we want to promote the economic development of the islands and would be prepared to consider this in co-operation with countries in the area." The rest of the sentence in the draft should be deleted.

She made an addition to the second sentence so that it now reads ".... wool, kelp, and of course tourism."

Paragraph 7

The Prime Minister amended the last sentence to "We are considering whether the presence of forces from several countries (acting rather on the same lines as the Sinai MFO where we are helping the Americans) could be arranged to provide a guarantee of the security of the islands".

Paragraph 8

"Can" in the first sentence should be changed to "shall".

A WIPMORE

Brian Fall Esq  
Foreign and Commonwealth Office

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OUT TELEGRAM

	Classification and Caveats <b>SECRET</b>	Precedence/Deskby <b>IMMEDIATE</b>
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 CLASS 3 SECRET  
 CAVEATS 4  
 DESKBY 5  
 FM FCO 6 FM FCO 28 2 MAY 1982  
 PRE/ADD 7 TO IMMEDIATE WASHINGTON  
 TEL NO 8 TELEGRAM NUMBER  
 9 REPEATED FOR INFORMATION IMMEDIATE UKMIS NEW YORK  
 10 YOUR TELEGRAM NUMBER 1921: FUTURE OF THE FALKLANDS  
 11 1. The Prime Minister and I hope to have a substantial talk with  
 12 Reagan and Haig about the Falklands at the beginning of the  
 13 Versailles Summit (suggestions on the arrangements ~~are being sent~~ <sup>in my tel</sup>  
 14 ~~separately~~ <sup>Nº 1082</sup>). I would like you to go over the ground with Haig  
 15 both to prepare for this discussion and in order to respond to his  
 16 message to me.  
 17 2. You should begin by making clear that you are sharing with  
 18 him preliminary ideas which Ministers have been considering, that  
 19 we are consulting no-one else in this way and that he must do all  
 20 he can to ensure that our ideas do not leak.  
 21 3. As Haig knows, our starting point is our determination to  
 22 repossess the Islands followed by re-establishment of British  
 23 administration. Thereafter we shall wish to consider the future  
 24 development of the Falklands taking full account of the wishes of  
 25 the Islanders. We shall wish to create a secure

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File number	Dept PUS	Distribution Falklands Selective
Drafted by (Block capitals)		
Telephone number		
Authorised for despatch		
Comcen reference	Time of despatch	

OUT TELEGRAM (CONT)

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*this.*  
 environment for ~~the peaceful future development of the islands.~~  
 You can tell Haig that we understand the importance of other  
 factors which give him serious concern, as they do to us. We  
 recognise that the United States has a more important  
 relationship with Latin American countries than we do, but it  
 is in our interests too to restore political relations with them  
 and to avoid the Falklands crisis leaving scars on the  
 relationship between the West and the Third World generally. We  
 also see the risk that a humiliated Argentina could turn under  
 new leaders towards a closer relationship with the Soviet Union.  
 Another important consideration is that Argentina with or  
 without arms supplies from the Communist bloc could continue  
 to mount or threaten to mount military strikes against the  
 Falklands/ Islands after we had repossessed them, thus keeping  
 the Islanders under threat and compelling Britain to maintain  
 strong forces in the area possibly at the expense of other  
 commitments eg to Nato.  
 4. We have to be realistic however about the likely attitude  
 of Argentina. After all that has happened it is inconceivable  
 that they can achieve what they want - namely a transfer of  
 sovereignty. Somehow or other they must be brought to accept  
 that they made a serious miscalculation in attacking the  
 Falkland Islands and breaking international law and that there  
 must be a modification of their ambitions. This is clearly  
 a very hard lesson for them to learn but the Americans are  
 probably best placed to get it across, either with Galtieri  
 or with his successors should he fall from power.  
 5. For our part we do not necessarily envisage returning  
 absolutely to the status quo ante. We take seriously our  
 obligations under Article 73 of the UN Charter to further the  
 interests and well-being of the population of the Falklands  
 and are willing to reduce the colonial appearances of their  
 Government if that is what they want. We could contemplate

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1 <<<<  
2 a change in the status of the islands, provided that it was  
3 consistent with the wishes and interests of the Islanders  
4 and with the UN Charter. We also recognise that it will be  
5 in the long-term interests of the Islanders to have as  
6 harmonious and cooperative a relationship as possible with  
7 Argentina. Accordingly, we ~~would be ready to~~ <sup>are</sup> considering a  
8 future for the islands that provides either for their  
9 independence or, ~~perhaps more realistically~~, for some modified  
10 form of independence that would be consistent with the  
11 principles of chapter 11 of the UN Charter, perhaps  
12 incorporating ideas ~~diverging~~ <sup>deriving</sup> from other chapters of the  
13 Charter.

14 6. While recognising the difficulties we ~~would also like to~~ <sup>want</sup>  
15 ~~see~~ <sup>promote the</sup> economic development <sup>of the islands</sup> and would be prepared to consider  
16 this in cooperation with countries in the area ~~including~~  
17 ~~Argentina, if she can be brought to~~ <sup>desist from her</sup> intentions  
18 ~~to possess the islands for herself~~. There are possibilities  
19 in oil and gas exploration, fisheries, further development  
20 of sheep farming, wool ~~and~~ kelp, <sup>and of course tourism</sup>

21 7. Security is of course the key to the future of the  
22 islands. With <sup>out</sup> some reliable form of international security  
23 arrangement, in which it would be essential for the US to be  
24 involved and (as an assurance of the Islanders) for Britain  
25 also to play a part, neither the political nor the economic  
26 future of the islands would be certain enough to retain  
27 the present inhabitants or to attract investment: an insecure  
28 Falklands would be a permanent temptation <sup>to</sup> irredentism in  
29 Argentina. We greatly welcome Haig's offer of a US Battalion  
30 with perhaps a Brazilian one and it seems to us that some  
31 internationalisation of the security arrangements could be  
32 helpful presentationally to the Argentines. We ~~would~~ <sup>are considering</sup>  
33 ~~certainly not rule out therefore the presence of and a~~  
34 ~~guarantee by Forces from the US and a number of other~~

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OUT TELEGRAM (CONT)

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1 <<<< whether the presence of forces from several countries  
 2 countries (acting rather on the same lines as the Sinai MFO  
 3 where we are helping the Americans) could be arranged to provide  
 4 8. Please discuss the foregoing with Haig and tell him that <sup>a guarantee of the security of the Islands</sup>  
 5 we ~~can~~ <sup>shall</sup> refine the ideas in the light of his response. We would  
 6 of course be most interested to hear whether he has additional  
 7 or alternative suggestions for a realistic arrangement, but  
 8 you should continue to leave him in no doubt about the  
 9 political facts of life here, of <sup>which</sup> ~~where~~ you are well aware.  
 10 You should stress that it is essential that the UK and the US  
 11 should cooperate closely in considering the future.

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