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TO IMMEDIATE FCO
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MIPT: US/FALKLANDS

1. TEXT OF PARAGRAPHS ON THE HAIG PROPOSALS IS AS FOLLOWS:ON APRIL 27, AS PROSPECTS FOR MORE INTENSE HOSTILITIES
INCREASED, THE UNITED STATES PUT FORWARD A PROPOSAL OF ITS
OWN. IT REPRESENTED OUR BEST ESTIMATE OF WHAT THE TWO PARTIES
COULD REASONABLY BE EXPECTED TO ACCEPT. IT WAS FOUNDED SQUARELY
ON U.N. SECURITY COUNCIL RESOLUTION 502, WHICH BOTH SIDES
ASSERTED THEY ACCEPTED.

THE U.S. PROPOSAL CALLED FOR NEGOTIATIONS TO REMOVE THE ISLANDS FROM THE LIST OF NON-SELF-GOVERNING TERRITORIES UNDER CHAPTER XI OF THE U.N. CHARTER. IT SPECIFIED THAT THE DEFINITIVE STATUS OF THE ISLANDS MUST BE MUTUALLY AGREED, WITH DUE REGARD FOR THE RIGHTS OF THE INHABITANTS AND FOR THE PRINCIPLE OF TERRITORIAL INTEGRITY. AND IT REFERRED BOTH TO THE PURPOSES AND PRINCIPLES OF THE U.N. CHARTER, AND TO THE RELEVANT RESOLUTIONS OF THE U.N. GENERAL ASSEMBLY.

THOSE NEGOTIATIONS WERE TO BE COMPLETED BY THE END OF THE YEAR. PENDING THEIR CONCLUSION, AN INTERIM AUTHORITY COMPOSED OF ARGENTINA, BRITAIN, AND THE UNITED STATES WAS TO OVERSEE THE TRADITIONAL LOCAL ADMINISTRATION, TO BE SURE THAT NO DECISION WAS TAKEN CONTRARY TO THE AGREEMENT. ARGENTINE RESIDENTS OF THE ISLANDS WERE TO PARTICIPATE IN LOCAL COUNCILS FOR THIS PURPOSE. DURING THE INTERIM PERIOD TRAVEL, TRANSPORTATION AND MOVEMENT OF PERSONS BETWEEN THE ISLANDS AND THE MAINLAND WERE TO BE PROMOTED AND FACILITATED WITHOUT PREJUDICE TO THE RIGHTS AND GUARANTEES OF THE INHABITANTS.

THE PROPOSED INTERIM AUTHORITY OF THREE COUNTRIES WAS TO MAKE PROPOSALS TO FACILITATE THE NEGOTIATIONS, INCLUDING RECOMMENDATIONS ON HOW TO TAKE INTO ACCOUNT THE WISHES AND INTERESTS OF THE INHABITANTS, AND ON WHAT THE ROLE OF THE FALKLAND ISLANDS COMPANY SHOULD BE.

SHOULD THE NEGOTIATIONS NOT HAVE BEEN COMPLETED BY YEAR'S END,
THE UNITED STATES WAS TO BE ASKED TO ENGAGE IN A FORMAL MEDIATION/
CONCILIATION EFFORT IN ORDER TO RESOLVE THE DISPUTE WITHIN SIX
MONTHS.

THE BRITISH GOVERNMENT INDICATED THAT OUR PROPOSAL PRESENTED CERTAIN REAL DIFFICULTIES BUT THAT IT WOULD SERIOUSLY CONSIDER IT. HOWEVER, THE PROPOSAL WAS NOT ACCEPTABLE TO THE ARGENTINE GOVERNMENT, WHICH CONTINUED TO INSIST THAT ANY SOLUTION MUST HAVE A PREDETERMINED OUTCOME.

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2. TEXT OF PARAGRAPH ON THE PERUVIAL PLAN IS:-ON MAY 5, PRESIDENT BELAUNDE OF PERU TOOK THE INITIATIVE TO PUT FORWARD A NEW PEACE PLAN, DRAWING ALSO ON THE FUNDAMENTAL ELEMENTS OF RESOLUTION 502. WE WORKED CLOSELY WITH HIM. THE SIMPLIFIED TEXT FORWARDED BY PERU TO BUENOS AIRES AND LONDON CALLED FOR: AN IMMEDIATE CEASE-FIRE: CONCURRENT WITHDRAWAL AND NON-REINTRODUCTION OF FORCES: ADMINISTRATION OF THE ISLANDS BY A CONTACT GROUP PENDING DEFINITIVE SETTLEMENT, IN CONSULTATION WITH THE ELECTED REPRESENTATIVES OF THE ISLANDERS: ACKNOWLEDGEMENT OF CONFLICTING CLAIMS: ACKNOWLEDGEMENT IN THE FINAL SETTLEMENT OF THE ASPIRATIONS AND INTERESTS OF THE ISLANDERS: AND AN UNDER-TAKING BY THE CONTACT GROUP TO ENSURE THAT THE TWO PARTIES REACHED A DEFINITIVE AGREEMENT BY APRIL 30, 1983. BRITAIN MADE CLEAR THAT IT COULD SERIOUSLY CONSIDER THE PROPOSAL. ARGENTINA ASKED INSTEAD FOR THE U.N. SECRETARY GENERAL TO USE HIS GOOD OFFICE AS, OF COURSE, IT WAS ITS FULL PRIVILEGE TO DO . THOMAS ADDITIONAL DISTRIBUTION PALKLAND ISLANDS GENERAL FATKLAND ISLANDS FCO [COPIES SENT TO NO 10 DOWNING STREET] FALKLANDS UNIT - 2 -CABINET OFFICE CONFIDENTIAL