

CONFIDENTIAL

DG

FILE OD: LCO
(FCO)
HMT
LPO
MOD
LPS
CDL
CO
DTI



10 DOWNING STREET

From the Private Secretary

29 March 1984

Dear Len,

ARGENTINA/FALKLANDS

The Prime Minister has seen the Foreign and Commonwealth Secretary's minute of 28 March describing the lines of the response which he would propose to make to the Argentine approach about talks.

Subject to any views which OD colleagues may wish to express, the Prime Minister agrees with Sir Geoffrey Howe's recommendations and hopes that it may be possible to proceed without a further meeting of OD.

I am sending copies of this letter to the Private Secretaries of other members of OD, and to Sir Robert Armstrong.

*Your own
John Coler.*

Len Appleyard, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

(W)

ce/c



PM/84/55

PRIME MINISTERPrime Minister.

This incorporates your amendment.
I propose to say, if you agree, that
subject to colleagues you are content
for the Foreign Secretary to go ahead on
this basis.

Argentina/Falklands

Yes

Agree?

A.D.C. 29/8

1. I have been thinking further about how we should respond to the Argentine approach, in the light of the discussion we had at OD on 1 March.

2. We are agreed that there can be no discussion of the sovereignty issue with Argentina. Any talks will have to take place on that understanding. I have considered whether there are any steps we can take to reduce the risk that whatever the agreed basis of the talks, Argentina might subsequently seek to press the sovereignty issue. I think that we shall have to deal with this problem by making it clear to the Argentines that if they persisted in raising the subject, the talks would cease.

3. If talks began, and later broke down because the Argentines sought to discuss sovereignty in the face of our clear warnings, we would be able to show that we had been working for more normal relations and that it was Argentina which had introduced the stumbling block. If, however, we were to fail to respond to the latest Argentine message with workable proposals to get talks going, I am sure that we should find ourselves

/increasingly



increasingly and unnecessarily on the defensive.

4. Arguments in favour of pursuing our original initiative are being deployed from a number of quarters:

- (i) in Parliament, there is a strong feeling in both Houses that we should find a way of reconciling the need for early movement towards more normal UK/Argentine relations with the need to stand firm on sovereignty over the Falklands; the same point is reflected in most press comment;

- (ii) in our business community there are signs of impatience that we have not been able to move towards more normal trading and financial relations with Argentina (with consequential benefits for commercial prospects throughout Latin America). The ban on imports from Argentina deprived many British companies of a traditional source of supply (eg wool and hides). A number of other companies stand to gain, for example British Caledonian, who have lost £6 million of revenue a year since the Falklands conflict on their services to Latin America and are keen to restore their lucrative service to Buenos Aires.



(iii) internationally, Alfonsin's arrival has been generally welcomed, and there is a widespread belief, among our Allies as well as in the third world, that we should do all we can to improve the outlook for democratic government in Argentina.

5. The fact that we have exchanged messages with Argentina on the subject of our future relations is public knowledge. If we are seen to discontinue the exchange, we shall lose a fair amount of support both at home and abroad. We can of course ride out domestic criticism, and growing isolation on this subject at the UN. But a decision not to move to talks with Argentina carries other risks, for instance that other countries will be less willing to take seriously our representations on arms sales to Argentina.

6. For all these reasons, we are agreed that our interests will be best served by finding a basis on which talks can begin. We have told the Argentines of the six points we propose to discuss. They in turn have put forward three additional points. These are set out in the Annex to this minute. They are formulated in highly tendentious terms and we could clearly not accept them as items on an agreed agenda. We should make it plain to Argentina in advance of the talks that these matters fell plainly within our responsibilities for the Falklands. If they nevertheless sought to raise them during the

/talks



talks, I do not think that we should react by breaking off the discussions. That would give the impression that we were on the defensive. I believe that we should instead firmly rebut the Argentine points, along the lines set out in the Annex. We would also warn the Argentines in advance, that if they did raise their points, we would feel entitled to raise similar questions on their nuclear activities, and on their own military dispositions in the region.

7. There remains the most difficult question: how to achieve a clear separation between the talks themselves and any statement on sovereignty which the Argentines insist on making for the record. We need to bear in mind that the sharper the distinction, the greater the opportunity for the Argentines to blame us for failure to get talks going, on the grounds of our restrictive approach. The best way for us to proceed would be as follows:

- (i) we would reply through the Swiss stating that sovereignty was not for discussion, but that we were ready for talks aimed at normalising relations. We would ask the Swiss to confirm, if asked, that we preferred not to have a formal agenda, but would raise all six points we have proposed. We would also make clear that any attempt by the Argentines to raise their points would be dealt with along the lines set out in paragraph 6 above.



(ii) we would tell the Swiss separately that if the Argentines raised the question of sovereignty, the Swiss should make clear that this was not a subject for discussion in the talks. The Swiss should go on to add that if Argentina wished to repeat its position on sovereignty for the record, this would have to be done quite separately from the talks. The Swiss would then add that they would expect us to rebut it, and state our own position absolutely firmly, which they would convey to the Argentines. But they would explain that it was their understanding of our position that a separate exchange of statements for the record along these lines would not lead us to call off the talks before they began.

The Argentines would no doubt publicise their statement, and we should have to do the same. It would not, therefore, help to create a favourable atmosphere for the talks. But a self-contained exchange of statements, quite separate from the talks themselves, offers the best prospect of getting the talks started on the basis I have described. It would not, of course, prevent the Argentines from trying to shift the blame to us if the talks failed to start. But our own position would be a defensible one.



8. I invite my colleagues on OD to agree that we should respond to the Argentines on the lines set out above. As we have already had a full discussion in OD, I hope that for the sake of speed it may be possible to agree this without a further meeting.

9. I am copying this minute to our colleagues in OD and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'G. Howe', written in a cursive style.

GEOFFREY HOWE

Foreign and Commonwealth Office

28 March, 1984

ANNEX

ITEMS PROPOSED BY ARGENTINA

(A) "The Lifting of the Protection Zone which the United Kingdom purports to have established in the South Atlantic"

1. We have said that we will not keep the Protection Zone indefinitely, but that we cannot be rushed into lifting it. The moment of its lifting is not in itself a matter for negotiation: it is for the British Government to alone to decide when the removal of the Protection Zone is justified on military and political grounds. But if the Argentines insist on discussion, we should take the opportunity to seek from the Argentines a formal assurance about the cessation of hostilities and perhaps also a renunciation of the use of force in the future.

(B) "A halt to the fortification of the Islands, to the construction of the strategic airfield, and to the war-like concentration in the area"

2. If the Argentines raise this, we should tell them firmly that there can be no question of halting construction of the Mount Pleasant airfield and its ancillary infrastructure, which is essential in both security and economic terms. If the Argentines persist in raising this question we should have to insist on

/examining



examining their military dispositions and intentions in the area

(C) "Guarantees that nuclear weapons or artifacts will be withdrawn from the region"

3. This reflects Argentine allegations during and after the Falklands campaign that we were in breach of the obligations we had assumed under the Treaty of Tlatelolco, which prohibits the development or deployment of nuclear weapons in Latin America.

4. There can be no question of agreeing to discussions designed to elicit "guarantees". If the Argentines nevertheless tried to introduce a nuclear item, we should repeat what we have already said in public: that "we have scrupulously observed its obligations under Additional Protocols I and II of the Treaty in not deploying nuclear weapons in territories for which the United Kingdom is de jure or de facto internationally responsible and which lie within the Treaty's zone of application and in territories in which the Treaty is in force". And we should make the point that our obligations under Tlatelolco are only to those states in the region which are Parties to the Treaty (Argentina has not ratified the Treaty and it is they who have reason to be defensive in this area). We should also insist on discussing nuclear developments in Argentina.

FCO/FAC/7/84

Select Committee on Foreign Affairs
MEMORANDUM BY THE FOREIGN AND COMMONWEALTH OFFICE
FALKLAND ISLANDS

PS

PS/Lady Young

PS/Mr Whitney

PS/PUS

Sir J Bullard

Sir I Freeland

Sir W Harding

Mr D Thomas

Mr Houston

- * FID (5)
- * UND
- * Mr Aust (Legal Advisers)
 - Research Dept
 - Defence Dept
 - News Dept (Mr Johnston)
 - PS to Prime Minister No 10 ✓
 - ODA (Mr Gilbert, BCD) (4)
 - MOD (DS11)
- * Parliamentary Unit (2)

- * Chancery UKMIS New York
- * Chancery Washington
 - Chancery BIS Buenos Aires
 - Sir R Hunt, Port Stanley

NOTE: This paper is circulated for information and official use only. It will not be published by the FAC until oral evidence is given by the FCO probably in May.

* with enclosure

N. P. R.

A. J. C. 74.

17
13/4

FCO/FAC/7/84

SELECT COMMITTEE ON FOREIGN AFFAIRS

Memorandum by the Foreign and Commonwealth Office

FALKLAND ISLANDS

I. PRESENT PROGRESS TOWARDS THE RESTORATION OF NORMAL DIPLOMATIC AND COMMERCIAL RELATIONS BETWEEN THE UNITED KINGDOM AND ARGENTINA

1. Since June 1982, the British Government have consistently sought to reduce tension and restore more normal relations between the United Kingdom and Argentina.

2. On 22 July 1982, HMG announced the lifting of the 200-mile Total Exclusion Zone, established on 30 April, and its replacement by a Protection Zone of 150 miles. Through the Protecting Powers, we asked the Argentine authorities to ensure that their warships and military aircraft did not enter the Zone. Argentine civil aircraft and shipping were also requested not to enter the Zone unless by prior agreement with the British Government. They have never applied for such permission. In 1982 and 1983 there were several Argentine incursions into the Protection Zone; these included a well-publicised flight into the Zone in August 1983 by an Electra aircraft of the Argentine naval airforce. Bona fide applications to enter the Zone would be given serious consideration by the British authorities.

3. Agreement was reached between Britain and Argentina in September 1982 on the reciprocal lifting of the financial restrictions imposed at the time of the conflict. Britain has implemented this in full; Argentina only partially.

4. Following the September agreement, the Danish Presidency of the European Community made an approach to the Argentine authorities, in October 1982, to suggest discussion of the full normalisation of economic and commercial relations between the Community and Argentina. This approach was repeated by the Danish Presidency in December 1982, by the FRG in the same capacity in April and May 1983, and by Greece in July 1983. The Argentines insisted that talks could only take place if Britain agreed to comply with UN Resolutions which called for negotiations about sovereignty over the Falkland Islands.

5. In June 1982, the Argentine authorities informed us of their intention to terminate the bilateral Air Services Agreement (ASA) with immediate effect. We replied that we would treat this as formal denunciation of the ASA and pointed out that the Agreement could be terminated only on

the expiry of the required twelve months notice. In May 1983 we proposed to the Argentines that the Agreement should be allowed to continue in force. The Argentines did not respond to this suggestion.

6. Since July 1982, the British Government have made clear to the Argentines on a number of occasions that we would be prepared to facilitate the return of their dead from the Islands. We have also said that we remain prepared in principle to accept a suitably prepared visit by a bona fide group of relatives under arrangements made and supervised by the International Committee of the Red Cross.

7. Following the elections in Argentina on 30 October 1983, the British Government expressed its welcome for the restoration of democracy there. This was done through an on-the-record statement by the FCO and through statements by Ministers in Parliament and in the press (see para 9 below).

8. The Prime Minister sent a message, through the Swiss Protecting Power, to President Alfonsin on the occasion of his inauguration on 10 December. It read:-

"On the occasion of your inauguration I wanted to let you know that, although we have many differences, we can all take pleasure in the restoration of democracy to Argentina, believing it will bring freedom and justice to all your people. Today brings new hope to your country."

President Alfonsin replied the next day, in the following terms:-

"I thank you for your words regarding the restoration of democratic institutions in Argentina. I agree with your appreciation on the existence of differences between Argentina and the United Kingdom. In this respect it would be worthwhile mentioning the old English proverb 'where there's a will, there's a way.'"

9. Also on the occasion of President Alfonsin's inauguration on 10 December, the Swiss State Secretary for Foreign Affairs handed a message from HMG to the Argentine Foreign Minister, Dr Dante Caputo. This read as follows:-

'Following the general elections in Argentina the British Government issued a formal statement, and the Prime Minister has commented on the outcome of the elections, both in the House of Commons and in an important newspaper interview. Reference has been made to these statements in the Argentine press.'

It may, nonetheless, be helpful for the new Government of Argentina to have the precise texts of these.

On 31 October 1983 the Foreign and Commonwealth Office issued the following statement about the Argentine elections:

"We welcome this step towards the restoration of democracy in Argentina. We hope that the new Government will be more inclined to respond positively to the ideas we have put forward to secure the restoration of normal relations between our two countries. This is the only realistic way towards the restoration of confidence between us."

Answering a question about the elections in Parliament on 1 November, Mrs Thatcher said:

"We are always pleased when a country returns to democracy. There can be no question about that. I hope now that that country has returned to democratic ways, it will be prepared to consider better economic relations between itself and Britain."

Mrs Thatcher also said in her newspaper interview published in the Daily Mail on 7 November 1983:

"I am willing to enter into talks. We want good commercial relations, diplomatic relations, we want normal relations. But I am not entering into talks about sovereignty."

10. The Government followed up this exchange by putting to the Argentine authorities some specific ideas for the restoration of bilateral relations. These were conveyed to the Argentine Ministry of Foreign Affairs by the Swiss Protecting Power on 26 January.

11. On 1 February, the authorities in Buenos Aires issued a communiqué, amplifying a statement made by President Alfonsín in Caracas the same day. The Communiqué:-

- a) called for the resumption of talks between Britain and Argentina at the United Nations;
- b) said that the immediate object of these talks would be to restore the situation existing before the Falklands conflict;

- c) called for the talks to be held within the framework of three UN General Assembly resolutions passed since 1965 calling for negotiations between Britain and Argentina and of UN Security Council Resolution 505/82, which called on the Secretary-General to use his good offices to achieve a cessation of hostilities and arrange the sending of UN Observers to guarantee the cease-fire;
- d) declared that the necessary condition for the talks would be the lifting of Britain's exclusion zone (sic) around the Falklands and a guarantee that Britain would stop fortifying the Islands and concentrating armed forces in the area;
- e) suggested that the presence of United Nations Peace-Keeping Forces could be considered as a possible means of providing such a guarantee;
- f) concluded that this would lead to a de jure cessation of hostilities and allow the normalisation of commercial, economic and diplomatic relations.

12. The FCO issued an on-the-record statement on 2 February, reiterating the Government's determination to stand by all their commitments to the Islanders, at the same time seeking to improve bilateral relations with Argentina. It continued:-

"The administration and protection of the Falkland Islands is a clear British responsibility. It follows that there is no rôle for the United Nations in the protection of the Islands.

The need is to re-establish mutual confidence between Britain and Argentina. The correct way of setting about this is to seek to improve bilateral relations through the Protecting Powers, and to move from that to try to establish a normal pattern of business between the two countries.

We do not envisage keeping the Protection Zone indefinitely, but we cannot be rushed into lifting it. We need a formal declaration by Argentina that hostilities are at an end and to be fully satisfied that Argentina renounces the future use of force."

Later on 2 February, the FCO issued the following further on-the-record statement:-

"The Argentine Government have published what they

describe as a six-point plan for the settlement of the Falkland Islands dispute. The main points of this are known to be unacceptable to the British Government. Sir Geoffrey Howe, commenting this morning on a Press Conference by President Alfonsin, made clear:-

- (a) First that there is no rôle for the United Nations in the protection of the Falkland Islands; and
- (b) Secondly that before the Protection Zone can be lifted, we need to be fully satisfied that Argentina renounces the future use of force.

Sir Geoffrey Howe recalled that the need now is to re-establish mutual confidence between Britain and Argentina. The Prime Minister's message to President Alfonsin on 10 December was a first step, intended to pave the way towards more normal relations. Since then we have been actively exploring ways of carrying this forward. Last week, we put some specific ideas to the Argentine Government in a confidential approach through the Swiss Protecting Power. We look forward to receiving the Argentine reply."

13. These public exchanges, though significant, were not in themselves part of the formal process of re-building relations between our two countries, working through the Protecting Powers. The next stage in this came on 17 February when we received, through the Brazilian and the Swiss Protecting Powers, a reply to our message of 26 January. The Argentine reply made a number of serious and substantive points, which are being studied carefully by Ministers and officials. We shall reply to the Argentine message in due course.

14. We have made no secret of the fact of these exchanges through the Protecting Powers. But we continue to believe that their content should remain confidential.

15. At every stage, we have made it clear that we do not intend to enter into negotiations about sovereignty over the Falklands.

16. Also, as the Prime Minister said in the House of Commons on 15 March 1984, it would be difficult to restore diplomatic relations until Argentina has said that hostilities towards us have permanently ceased. Even then, we would, as pointed out in the first statement on 2 February (para 12 above), need to be fully satisfied that

Argentina renounces the future use of force. Throughout 1982 and 1983 there was a flow of bellicose statements from members of the Argentine Junta, senior officers of the armed forces and politicians, holding open the threat of renewed hostile action against the Falkland Islands. These inevitably contributed to the maintenance of the state of tension in the area. It is only with the advent of President Alfonsín's régime that the Argentine authorities have begun to indicate that they intend to pursue their claim by peaceful means.

II. FALKLAND ISLANDS : INTERNAL CONSTITUTIONAL DEVELOPMENT

1. A Select Committee of the Falkland Islands Legislative Council was established in January 1982 to review the Constitution. Its work was interrupted by the Argentine invasion; when it was resumed after the conflict, the Committee decided that, although their original mandate had been comprehensive, the time was inopportune to discuss matters other than those concerning the internal structure of government, in particular the electoral system.
2. About a thousand questionnaires were circulated seeking the views of the electorate on what constitutional changes should be made. Two hundred and one questionnaires were completed and returned to the Committee who decided that the answers could be accepted as the views of a representative cross-section of the community and used as the basis for their Report. A copy of the Report, which is a public document, is attached.
3. The Report of the Select Committee was laid on the table of Legislative Council on 15 August 1983. It was then forwarded by the Civil Commissioner to the Secretary of State for Foreign and Commonwealth Affairs with the recommendation that it should be implemented as soon as possible.
4. The Minister of State (Lady Young) discussed the Select Committee's Report informally with the Chairman of the Select Committee in London on 18 October and it was then discussed by Ministers, under the Prime Minister's chairmanship. Lady Young conveyed HMG's views in a confidential letter to the Civil Commissioner. She followed this up during her visit to the Islands in January with detailed discussions with the Falkland Islands Government. There was agreement on almost every single point, but there were one or two issues which needed further study; we hope this will soon be completed.
5. Work is meanwhile well advanced on the drafting of the new constitution which will then be put to the Falkland Islands Government for their consideration.

III FALKLAND ISLANDS TALKS : THE ANGLO-ARGENTINE
NEGOTIATIONS (JANUARY TO MARCH 1982), THE PEACE TALKS (APRIL
TO JUNE 1982) AND THE REASONS FOR THEIR FAILURE

1. General Leopoldo Galtieri became President of Argentina on 22 December 1981, after ousting the previous incumbent, General Roberto Viola. He assumed office in the knowledge that he would remain Commander-in-Chief of the Army until late 1982 and was thus expected to have appreciably more power than his predecessor. Dr Nicanor Costa Mendez was appointed Foreign Minister in the new Government. The FCO view of the implications of these political developments was that the basic Argentine position regarding the Falklands was unlikely to change, but that a more forceful approach could be expected.

A JANUARY - MARCH 1982

2. On 27 January, the Argentine Foreign Ministry handed HM Ambassador in Buenos Aires a bout de papier setting out at length the Argentine position on their claim to sovereignty, and calling for serious negotiations culminating in the recognition of Argentine sovereignty over the Falkland Islands and the Dependencies. The paper proposed an accelerated rate of progress to resolve the problem "peacefully, definitively and rapidly". It envisaged the creation of a permanent negotiating Commission to meet alternately in Buenos Aires and London with a mandate to reach a solution within a year. During that year the Commission would be open to denunciation by either side at any time without prior warning to the other side. The document emphasized that British recognition of Argentine sovereignty over the "Malvinas", South Georgia and the South Sandwich Islands remained a sine qua non requirement for the solution of the dispute.

3. HM Ambassador in Buenos Aires was instructed to deliver a Note on 8 February to the Argentines safeguarding the British position on sovereignty while confirming to them Britain's wish to continue negotiations in order to achieve "an early and peaceful solution to this dispute which can be accepted by all concerned, namely the British and Argentine Governments and the people of the Falkland Islands".

New York Talks (26-27 February 1982)

4. Talks were held in New York with Mr Richard Luce leading the British delegation (which included two Falkland Islands Councillors) and Sr Enrique Ros, Under-Secretary of State, leading the Argentine delegation. The Argentines pressed for a substantive response to their proposals within a month and, in any case, for the Commission to meet for the first time on 1 April 1982. After setting out its position,

the British delegation presented a working paper on how it saw the framework within which a permanent negotiating commission would operate.

5. The talks ended with agreement on an informal working paper setting out the purpose of the Commission and on a joint communiqué for simultaneous publication in London, Buenos Aires and Port Stanley. The communiqué stated:- "The meeting took place in a cordial and positive spirit. The two sides reaffirmed their resolve to find a solution to the sovereignty dispute and considered in detail an Argentine proposal for procedures to make better progress in this sense. They agreed to inform their Governments accordingly".

6. Despite agreement at New York that no details of the Argentine proposals should be released without joint consultation, the Argentine MFA released a statement on 1 March which reflected a significantly harder line than the agreed communiqué, disclosed the full scope of the talks and suggested that if there was not an early solution of the dispute, Argentina would "choose freely the procedure which best accords with her interests". Mr Luce sent a personal message to Sr Ros deploring the breach of confidentiality and adding that, while HMG wished to make progress, he was deeply disturbed at what might be interpreted as threats.

7. The Argentine proposal for a Commission was considered in London during early/mid March and Falkland Islands Councillors were consulted on the text of a draft message from Lord Carrington to Dr Costa Mendez, setting out the British point of view. It was intended to publish the text of this message once negotiating arrangements were announced. The message was not despatched to Buenos Aires because on 19 March the Argentine flag was raised on South Georgia by a party of Argentines who had landed from the naval support vessel "Bahia Buen Suceso". The visit had been organised by Sr Constantino Davidoff, who had a contract with Christian Salvesen for the removal of scrap from the disused whaling stations on South Georgia.

8. After a series of diplomatic exchanges, HMS Endurance was ordered to proceed to South Georgia. After further exchanges aimed at securing the removal of the Argentine personnel on South Georgia, Dr Costa Mendez accused HMG on 28 March of "a disproportionate and provocative response" and attempted to link the incident with the failure to make progress in the negotiations. A proposal by Lord Carrington to send a personal emissary to Buenos Aires was rejected by the Argentines on 1 April when Dr Costa Mendez told HM Ambassador that the Argentine Government considered the South Georgia incident closed and no longer wished to employ the diplomatic channel to solve the crisis.

9. Further attempts to avert the crisis, through the United Nations and through a direct appeal from President Reagan to President Galtieri, failed. Argentine forces landed at Port Stanley in the early hours of 2 April 1982.

B PEACE TALKS: APRIL - JUNE 1982

10. Immediately following the Argentine occupation, the UN Security Council, meeting at Britain's request, considered a draft resolution which demanded an immediate cessation of hostilities and the immediate withdrawal of all Argentine forces from the Falkland Islands and called on the Governments of Argentina and the United Kingdom "to seek a diplomatic solution to their differences and to respect fully the purposes and principles of the Charter of the United Nations". The draft was adopted on 3 April as Security Council Resolution 502. Although the Resolution was mandatory, Argentina refused to comply with it.

11. Britain's inherent right of self-defence recognised by Article 51 of the UN Charter would have justified the adoption of purely military means for settling the crisis. From the outset, however, the Government directed major efforts towards achieving the peaceful implementation of Resolution 502.

12. In its diplomatic efforts to achieve a solution, the Government was prepared to discuss possible arrangements for supervising the withdrawal of Argentine forces and for a degree of international involvement in the administration of the Islands. At the same time, however, it remained resolute in its adherence to certain principles, notably the need to uphold international law through the ending of the situation created by Argentine aggression, the implementation of Resolution 502, and freedom for the Falkland Islanders to participate, through their elected representatives, in the running of their own affairs and to express their wishes about the Islands' future. In addition, while ready to enter negotiations for a long-term settlement of the dispute, the Government stated that it was only prepared to do so on condition that there was no prejudgement of the outcome.

Initiative by Mr Alexander Haig

13. The first diplomatic attempt to secure an interim settlement, based on Resolution 502, was made by the then US Secretary of State, Mr Alexander Haig, with the full support of the British Government. In April Mr Haig visited London and Buenos Aires twice in a bid to obtain a settlement. On 21 April Mr Pym told the House of Commons that any satisfactory negotiation had to deal with arrangements for

Argentine withdrawal, the nature of any interim administration on the Islands, and the framework for negotiations on a long-term solution to the dispute.

14. During his visit to Washington (22 April) Mr Pym had discussions with Mr Haig and met the Senate Foreign Relations Committee to present the British case regarding the dispute. On 29 April the Senate adopted by 79 votes to 1 a resolution declaring that the US could not remain neutral and should work to achieve a full withdrawal of Argentine forces. On 4 May the House of Representatives urged Argentina to withdraw and called for full diplomatic support for Britain.

15. After Mr Pym's return to Britain, Mr Haig had further talks in Washington with the Argentine Foreign Minister, but no progress was made. Negotiations foundered because of Argentina's refusal to accept compromise proposals elaborated by Mr Haig. These involved the withdrawal of Argentine and British forces, the ending of economic sanctions, the establishment of a British/US/Argentine interim authority to maintain the agreement, continuation of the traditional local administration with Argentine participation, procedures for encouraging cooperation in the development of the Islands, and a framework for negotiations on a final settlement. Although these proposals presented certain difficulties, Britain expressed willingness to consider them, but Argentina rejected them by demanding wording which would give it an assurance of eventual sovereignty or an immediate de facto role in governing the Islands with a view to an eventual transfer of sovereignty.

16. Following the Argentine refusal to compromise, President Reagan ordered on 30 April the suspension of all military exports to Argentina, the withholding of certification of Argentine eligibility for military sales and the suspension of new Export/Import Bank credits and guarantees and of commodity credit guarantees. In addition, Mr Reagan promised a positive response to requests from Britain for material support for its forces.

Further Proposals

17. On 1 May, Mr Pym flew to Washington to discuss with Mr Haig the new situation created by Argentina's rejection of Mr Haig's negotiating efforts. During their discussions the following day, Mr Haig gave Mr Pym a brief outline of new ideas which he said the Americans and Peruvians were discussing, but agreed with Mr Pym that further clarification was needed. Mr Pym also made it clear that he would have to discuss any new proposal with his colleagues in London on his return. The results of these discussions were telegraphed to London at 22.15 GMT, thereby providing the British Government with the first news of the new

proposals. Three hours earlier, in response to the perceived military threat, the Argentine cruiser, General Belgrano, had been attacked in the South Atlantic. Meanwhile, Mr Pym flew to New York for discussions with the UN Secretary-General.

18. After further discussions of the proposals put forward by Mr Haig and President Belaunde of Peru, during which Britain also put forward practical ideas to take account of the Argentine as well as its own position, Britain signified on 6 May its willingness to accept interim arrangements providing for a complete and supervised withdraw of Argentine forces from the Islands matched by a corresponding withdrawal of British forces; an immediate ceasefire following Argentine agreement to withdraw; the appointment of a small group of countries acceptable to both sides who would supervise withdrawal, undertake the interim administration in consultation with the Islanders' elected representatives and assist in negotiating a definitive agreement on the status of the Islands without prejudice to Britain's own principles or the wishes of the Islanders; and the suspension of existing exclusion zones and the lifting of economic sanctions. These proposals were rejected by the Argentine Government, which continued to insist that a transfer of sovereignty should be the precondition of negotiations for a final settlement.

UN Secretary-General's Initiative

19. The next attempt to achieve a peaceful settlement was undertaken by Sr Perez de Cuellar who, in an aide-memoire given to Britain and Argentina on 2 May, put forward a number of proposals intended to be without prejudice to the rights, claims or positions of either party. They included the withdrawal by an agreed date of Argentine troops from the Islands and of British forces from the area around the Islands; negotiations by both Governments to seek a diplomatic solution to their differences by an agreed date; the rescinding by both sides of blockades and exclusion zones and the ending of hostilities; the ending of all economic sanctions; and transitional arrangements under which these measures would be supervised and interim requirements met. As he made clear in his statement to the Security Council on 21 May, the Secretary-General believed that the implementation of Security Council Resolution 502 was imperative.

20. On 6 May Britain replied positively, accepting the Secretary-General's general approach, but also making it clear that Resolution 502 had to be implemented without delay and that a ceasefire had to be unambiguously linked to the commencement of Argentine withdrawal within a fixed number of days.

21. From 7 May Sr Perez de Cuellar had some 30 separate meetings with both sides. During these negotiations, as in earlier ones, Britain made repeated efforts to establish whether Argentina was willing to be sufficiently flexible to make a reasonable interim agreement possible. These efforts were unsuccessful.

British Proposals of 17 May

22. On 17 May Britain presented its final proposals to the UN Secretary-General in the form of a draft interim agreement between Britain and Argentina. This provided for complete Argentine withdrawal from the Islands within 14 days; a withdrawal of all British and Argentine armed forces to at least 150 nautical miles radius from the Islands (also within 14 days); international verification of the withdrawals; the lifting of exclusion zones; and the lifting of economic sanctions against Argentina. A UN administrator was to administer the government of the Islands in conformity with traditional laws and practices and in consultation with the Legislative and Executive Councils, the Islanders representative institutions developed in accordance with the terms of Article 73 of the UN Charter. Britain also expressed its readiness to enter into negotiations, under the auspices of the UN Secretary-General, for a peaceful settlement of the dispute and to seek completion of the negotiations by 31 December 1982 provided that no outcome should be either excluded or pre-determined.

23. In its reply, received by Britain on 19 May, Argentina wanted the withdrawal of forces to be completed in 30 days followed by their return to their normal bases and areas of operation. The administration of the Islands was to be the exclusive responsibility of the UN which would have been free to appoint advisers in equal numbers from the small Argentine population and the much larger population of British origin. Argentina also wanted free access for its nationals to the Islands with respect to residence, work and property, and opposed the British view that the UN administrator should exercise his powers in conformity with the laws and practices traditionally observed in the Islands. As for negotiations concerning the Islands' future, Argentina stated that the issue should be initiated without prejudice to the rights, claims and positions of the two parties but would not accept an additional phrase stating that the outcome should not be prejudged. Argentina also resisted a provision in the British draft designed to ensure that the interim arrangements should remain in place until a definitive agreement about the future of the Islands could be implemented. Britain was unable to accept Argentina's response because of the unbalanced provisions concerning withdrawal, the destruction of the previous democratic system of government on the Islands,

opportunities for Argentina to change the character of the Islands in its favour, and terms of reference for long-term negotiations which led in only one direction.

Security Council-Resolution 505

24. On 26 May the Security Council unanimously passed Resolution 505 reaffirming Resolution 502 and requesting the Secretary-General to undertake a renewed mission of good offices and urging both parties to cooperate fully with a view to ending the hostilities in and around the Islands. While supporting the resolution and promising full cooperation with the Secretary-General, Sir Anthony Parsons stressed that the only acceptable condition for a ceasefire was that it should be unequivocally linked with an immediate commencement of Argentine withdrawal.

25. Reporting to the Security Council on 2 June, the Secretary-General said that he had met separately the British and Argentine representatives and had requested them to provide a statement of the terms they considered acceptable for a ceasefire. Both Governments had complied but, although he had explored various approaches in seeking agreement, there was no possibility of a ceasefire mutually acceptable to both sides. Sir Anthony Parsons made plain that a ceasefire not linked to an Argentine withdrawal was inconsistent with Resolution 502 and that the call for an unconditional ceasefire would leave Argentine forces in position.

26. On 4 June the Security Council voted on a draft Resolution requesting both parties to cease fire and to initiate, simultaneously, the implementation of Resolutions 502 and 505. The draft resolution received 9 votes with 4 abstentions. Britain and the US voted against. The draft was accordingly not adopted. Explaining Britain's opposition to the draft Resolution, Sir Anthony Parsons said that it did not meet the criteria of an immediate ceasefire linked inseparably to the immediate and total withdrawal of Argentine forces from the Islands.

THE REASONS FOR FAILURE OF THE PEACE TALKS

27. The Government's approach in all the negotiations was based on important principles, which Ministers had set out repeatedly in Parliament:-

- a) International Law. Argentina's unlawful aggression had to end and Security Council Resolution 502 had to be implemented. Aggression must not be rewarded, or small countries across the world would feel threatened by neighbours with territorial ambitions.

- b) Freedom. The Falkland Islanders were used to enjoying free institutions. The Executive and Legislative Councils were established with their agreement and functioned with their participation. Britain insisted that any interim administration in the Falkland Islands must involve democratically-elected representatives of the Islanders, so as to enable the latter to continue to participate in the running of their own affairs and to ensure that they could express freely their wishes about the future of the Islands, in accordance with the principle of self-determination.
- c) Sovereignty. Britain has no doubt of her sovereignty over the Falkland Islands, having administered them peacefully since 1833. Nevertheless, successive British Governments had been willing, without prejudice, to include the question of sovereignty in negotiations with Argentina about the future of the Falkland Islands. In the negotiations following the invasion by Argentina, between April and May 1982, the Government had been prepared for an interim agreement to provide for new negotiations about the future of the Islands, so long as there was no prejudgement as to the outcome of negotiations.

28. The principal reasons for the failure of the post-invasion peace efforts are clearly set out in the Prime Minister's speech to the House of Commons on 20 May 1982. This speech followed the Government's receipt of the Argentine rejection of Britain's final proposals for a peaceful settlement of the dispute, which had been presented to the UN Secretary-General on 17 May. Specific points, which were all totally unacceptable to the United Kingdom, included the following:

- a) The Argentine draft interim agreement applied not only to the Falklands but also to South Georgia and the South Sandwich Islands. The Argentines demanded that all forces should withdraw, including British forces on South Georgia, and return to their normal bases and areas of operation.
- b) The Argentines required that the interim administration should be the exclusive responsibility of the United Nations which should take over all executive, legislative, judicial and security functions on the Islands. They rejected any role for the Islands' democratic institutions.
- c) The Argentines envisaged that the interim administration would appoint as advisers equal

numbers of British and Argentine residents of the Islands, despite their large disparity.

- d) The Argentines required freedom of movement and equality of access with regard to residence, work and property for Argentine nationals on an equal basis with the Falkland Islanders.
- e) With regard to negotiations for a long-term settlement, the Argentines stipulated that the object was to comply not only with the United Nations Charter but also with various resolutions of the General Assembly, including several from which the UK had originally dissented on the grounds that they favoured Argentine sovereignty.
- f) Finally, if the period provided for the completion of the negotiation expired, the Argentines demanded that the General Assembly should determine the lines to which final agreement should conform.

29. The Prime Minister also said in her speech on 20 May 1982 that throughout the process of negotiation we had been met with Argentine obduracy and procrastination, and that one was bound to ask whether the Junta sought merely to confuse and prolong the negotiations while remaining in illegal possession of the Islands. From the course of the negotiations, and Argentina's persistent refusal to accept Resolution 502, we were bound to conclude that its objective was procrastination and continuing occupation, leading eventually to sovereignty.