

NOTE TO PRESS OFFICERS

FALKLAND ISLANDS: 13 MAY

On the Record

1. The Secretary of State is to open a Debate in the House of Commons this afternoon. I cannot anticipate that speech. [Current draft attached - it will change.]

2. 'It remains the government's highest priority to achieve an early negotiated settlement if that is humanly possible'. (Pym, House of Commons, 7 May)

3. In Downing Street yesterday Mr Pym referred to developments on Tuesday 'which hold out some promise of progress'. This has been widely reported. He added two qualifications:

(a) 'I must tell you that many difficult problems still remain'. They do. Sir A Parsons had a long serious session of talks yesterday evening with the Secretary-General. We are now in the thick of negotiations, grappling with the range of difficult problems which we always knew would be there. It is too soon to predict the outcome.

(b) 'We have had our hopes raised several times before, only to be dashed, and we must remember that'. Some Argentine statements have conveyed an impression that they may now be willing to take a more reasonable position on sovereignty. We listened carefully. For example, the Argentine Foreign Minister, briefing the press after a Cabinet meeting in Buenos Aires yesterday, is reported to have said that all negotiations must lead to recognition of Argentine sovereignty over the Falkland Islands. As Mr Pym made clear in the House of 7 May, it is unacceptable to HMG that a transfer of sovereignty to Argentina should be predetermined in this way.

(Further examples attached for unattributable)

4. We shall continue to work tirelessly for a peaceful settlement. Mr Pym, House of Commons, 7 May: ' I hope the Argentines will henceforth show that readiness and desire to reach a peaceful settlement which so far has been evident only on our side. If they do not, let them be in no doubt that we shall do whatever may be necessary to end their unlawful occupation. Our resolve is undiminished.'

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13 May 1982

DRAFT OPENING SPEECH FOR SECRETARY OF STATE IN
FALKLANDS DEBATE ON 13 MAY

L. This is the fifth debate on the Falklands crisis since the beginning of April. Some of our debates, including the present one, were requested by the Opposition. It is entirely right for the Government to take the opportunity of keeping the House informed of developments, even though on this occasion there may not be so very much to say. Yesterday, the Opposition put a number of requests to the Government. One of them was firmly answered by my right honourable Friend the Prime Minister and I have nothing to add on that. On the other hand, I welcome this further occasion to hear the views of the House, which the Government will continue to have very much in mind as we pursue our policy in this crisis.

2. The Government's position has remained clear and consistent throughout the weeks of diplomatic negotiation and military preparation that lie behind us. Our objectives and our strategy are unchanging. Our tactics can be adapted when our interests ^{require it} ~~so suggest~~. As we have moved through different stages of negotiations - with Mr Haig in London and in Washington, in reacting to the ideas first launched by the President of Peru, and now in the talks with the Secretary-General of the United Nations - we have shown a careful balance of firmness ^{on the} ~~a~~ ^{principles} ~~tempered~~ by an essential ^{measure} ~~level~~ of flexibility at every stage.

3. It is an axiom of negotiating that one cannot disclose one's tactical position, or what possibilities exist for manoeuvre and adjustment. The House has been most tolerant and understanding of ^{this necessity} ~~the necessary reticence of Ministers in this regard.~~ But no such inhibitions imply to explaining the broad lines of strategy, and this I would like to do again this afternoon.

4. From the beginning of this crisis, the Government has been trying, as the House knows, to build up steadily the pressures which might make Argentina willing to negotiate ^{seriously}. There have been pressures of three kinds - diplomatic, economic and military.

5. The diplomatic pressures bring to bear the moral weight of world opinion upon Argentina and ^{her} ~~its~~ aggression. Just as Security Council Resolution 502 was clear and firm in its condemnation of aggression and its demands for Argentine withdrawal, so have the statements of our friends and allies in the ensuing weeks continued to demonstrate the world's expectation that Argentina will desist from occupation of the Falkland Islands. There is no inclination among

the leaders of the free world to blur the distinction between legitimacy and illegality, between self-defence and unprovoked violence, between right and wrong, and between truth and falsehood. *The world knows that the international rule of law, and with it the prospects for stability and*

6. The economic measures undertaken by many of Britain's closest friends are a further demonstration of the international support which we enjoy. The suspension of imports, ^{the} denial of credit, the bans on arms sales - they

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all have a real and biting effect on an Argentine economy already in disarray. It was estimated earlier this year that Argentina would need to raise some 3 billion dollars in net new loans in 1982. World repugnance at her recent actions has meant that - so far as we can tell - not a single new public sector loan has been agreed since 2 April. The Argentine peso has been under unusual pressure and, in addition to expectations of increased inflation and general loss of confidence, the ~~free~~ markets of the world have indicated clearly what they think of Argentine currency: while the official rate remains at 14,000 pesos to the American dollar, even across the River Plate in Montevideo the free market is demanding 20,000 pesos for the dollar. Reserves are reported to have dropped to dangerous levels. Those who have given us economic support should not doubt that it is having a telling effect.

7. As the House is aware, the military pressure exerted by Britain on Argentina has continued to grow more intense. The brave British servicemen of our Task Force, experiencing danger and hardship 8,000 miles away, are not only making it increasingly hard for Argentina to sustain the occupation of the Falkland Islands but also are strengthening Britain's hand at the negotiating table. We grieve over the British losses. But I know the House will agree when I say that we in Britain take no satisfaction at the losses inflicted on Argentina. The military incidents are occurring now with increasing frequency. There is obviously a danger

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that this pattern will continue as the tourniquet tightens round the Islands. My right honourable Friend the Defence Secretary will have more to say on this. But Argentina knows how to avoid further military engagements: we continue to prefer a negotiated settlement and we hope that she may ^{yet} ~~still~~ cooperate in achieving one. // When I spoke in the House on 7 May, I outlined the contents of the agreement worked out by Peru and the United States, which Britain would have been willing to accept. I spoke of complete and supervised withdrawal of Argentine forces, an immediate ceasefire, an interim administration involving a small group of countries acceptable to both sides and the suspension of the existing exclusion zones and the lifting of economic sanctions. Honourable Members will realise that the proposed agreement which I then described was not the same as the versions which since have been reported in the British press.

8. In any case, the negotiations are now concentrated in New York. Sr Perez de Cuellar has shown great determination and ingenuity in his lengthy and frequent talks in recent days with the British Representative, Sir Anthony Parsons. On Tuesday, those talks seemed to make a little progress. ^{Yesterday,} I hope ~~it may continue,~~ and that ^{our} basic strategy and our basic requirements ^{must} ~~will now~~ be understood by Argentina as they have been understood by ^{reasonable people} ~~our friends~~ across the world. If Argentina herself now recognises that there are some requirements on which we remain justifiably immovable, we may be able to make greater progress on the other areas where flexibility is possible within reason.

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9. The need for the withdrawal of the whole Argentine invasion force is one matter on which we must and shall remain absolutely resolute. We want a ceasefire as much as anyone. But until Argentina is committed to withdrawal and is willing to commence it, we cannot be committed to a ceasefire. When they have demonstrated that their withdrawal is a reality, we shall feel able and shall be willing to match this—in ways yet to be determined — by standing our own forces off from the area of conflict. The timings and the distances of mutual withdrawal are things on which we are keen to make progress in negotiation.

10. Another matter where we are resolutely firm is our unwillingness to allow the outcome of long term negotiations about the future of the Islands to be prejudged in advance. There is no question of a transfer of sovereignty in the face of Argentine aggression. Negotiations about the future of the Islands must exclude no possible outcome but equally must predetermine none. That is a reasonable position and one on which we shall not compromise.

11. Argentine withdrawal from the Falkland Islands can probably be carried out within a matter of days, Negotiations about the long term future of the Islands will ^{take} be a matter of months. It follows from this that interim arrangements will be necessary on the Islands, for a period of some months. I have already made clear to the House that we ^{do not} ~~in no way~~ debar involvement of third parties in these arrangements. It may or may not be the case that the United Nations will

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have a role to play in an interim administration. But it would not be right for us to agree to a structure, however temporary, which disregarded the administrative experience on the Islands. The inhabitants have a considerable aptitude and knowledge in running their own affairs in a democratic way. There are officials and administrators who know their jobs: there are elected members of the Councils who know the feelings of their fellow Islanders. Proper account must be taken of these facts if the Islands are to be run fairly and efficiently during whatever interim period proves necessary.

12. If we get an interim agreement, long term negotiations may begin quite soon. Although we have no doubt about the British title to sovereignty, we were willing before the Argentine invasion to include the subject in negotiations with Argentina. We shall be willing to discuss it and all the many other factors in negotiations in the future. We have begun to think about the many possible arrangements which might result from such negotiations. There are many factors to consider. After the terrible traumas of this crisis, the islanders will need time to reconsider their position. Their wishes for the future may or may not then be the same ^{as before}. They will wish to consider, after a period of respite, how their prosperity and the economic development of the Islands can be furthered; how their security can be protected; and how their links with the outside world can best be organised. These questions at present are some way ahead and the government retains an open mind. We are thinking about them but we are not planning yet to reach conclusions.

13. The ^{present} negotiations in New York are at an important point. Texts for parts of a possible interim agreement are being discussed. There have been slight signs - really the first since this crisis began - of an Argentine willingness to negotiate ~~at least~~ on some of the important points. The Government remain determined to see the implementation of the mandatory resolution of the Security Council. As before, we much prefer to achieve this by negotiation and we are bending our most strenuous efforts to this end. At the same time, our military presence in the South Atlantic continues to become stronger. If, in the end, ^{Argentine interference prevents access to} ~~negotiation cannot be made to work~~, Argentina will know that the alternative is another kind of ending to the crisis and one that would be immeasurably more costly and more tragic.