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#### RESEARCH DEPARTMENT MEMORANDUM

THE FALKLAND ISLANDS DISPUTE:
DEVELOPMENTS FROM MID-1979 - APRIL 1982

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THE FALKLAND ISLANDS DISPUTE: DEVELOPMENTS FROM MID-1979 - APRIL 1982

1. Following the New York talks in March 1979, the Argentines were increasingly impatient at the lack of progress towards a final settlement of the dispute and at what they perceived as British delaying tactics. Nevertheless, they accepted that the imminence of the May 1979 General Election caused the British side obvious political difficulties and that in the circumstances further negotiations could not take place until later in the year. The Argentines indicated that they were looking for a positive and early sign of the new Government's willingness to conduct substantive negotiations on the sovereignty question.

## Initial Contacts (June 1979)

2. Two steps were taken at an early stage in an effort to keep the Argentines in play. Firstly, the new FCO Minister of State, Mr Ridley, agreed to meet Comodoro Cavandoli, the Argentine Under-Secretary for Foreign Affairs, in London on 12 June for an initial exchange of views. Although the discussion was purely exploratory, Comodoro Cavandoli's message was clear: he wanted the British Government's assurance that any renewed bilateral talks would be 'productive', i.e. that Britain would be prepared to enter into discussions on sovereignty at an early stage. The reply was in effect contained in a personal letter from Lord Carrington to the Argentine Foreign Minister, which was given to Comodoro Cavandoli and which emphasised that it was Britain's intention to continue the dialogue with Argentina in a constructive spirit, with 'imagination, patience and understanding from both our Governments and both our peoples'. Secondly, Lord Carrington urged that a positive first step would be to secure the reciprocal reinstatement of Ambassadors in London and Buenos Aires.

## Mr Ridley visits the Falkland Islands and Argentina (July 1979)

The Minister of State visited the Falklands for the first time on 19-26 July with the task of assessing the effects of the dispute on the Islanders and of ascertaining their views at first hand. At meetings with Falkland Islands Councillors and other bodies in Port Stanley as well as in outlying settlements, he explained that (a) it was essential to lift the 'dead hand' of the dispute in order to develop the Islands' stagnating economy and, under some form of co-operation with Argentina which did not diminish the Islanders' autonomy, to exploit the potential of the resources around them; (b) in the absence of a clear willingness on the British side to engage the Argentines in serious negotiations, Argentina would eventually adopt a confrontational posture; (c) he required from the Islanders as a whole a mandate to explore the possibilities of an accommodation with Argentina; (d) the aim was to deal with all aspects of the dispute with Argentina in a global settlement, preferably with an internationally underwritten treaty rather than adopt the step-by-step approach of the previous Government; (e) the British Government would conclude no agreement which did not meet Islanders' wishes; and (f) the Councillors would be kept informed of developments through the Governor.

- 4. Possible negotiating positions were discussed informally with Councillors. Their virtually-unanimous preference was for a lengthy moratorium of the dispute which Mr Ridley warned would almost certainly be unacceptable to Argentina. Councillors' views on leaseback (the transfer of the title of sovereignty to Argentina but with British administration continuing under a long lease) were unforthcoming. The Minister of State was left with the clear impression at the end of his visit that as far as the sovereignty question was concerned, there was in practice very little room for manoeuvre.
- 5. On his way back from the Islands, Mr Ridley held further talks with Comodoro Cavandoli in Buenos Aires on 26-27 July. These provided an opportunity for Mr Ridley to describe the intense misgivings of the Islanders and to assert that, in view of his recent commitments to them, the basic ground rule during future negotiations remained unalterable: any solution would have to be acceptable to them. Comodoro Cavandoli was non-committal but on Mr Ridley's departure, the Foreign Ministry handed over, without warning, an aide memoire (Annex 1) indicating impatience at the lack of progress and the likelihood of their adopting an increasingly tough stand. The paper called for inter alia:
- (a) accelerated negotiations 'on a more dynamic basis' than hitherto, in line with the 'sense of urgency which the United Nations has decided must be given to a solution of the sovereignty dispute';
- (b) greater British flexibility than that shown at the New York talks in March 1979;
- (c) signature of the draft Scientific Co-operation Agreement, regardless of the concerns of the Islanders who were not considered by Argentina as a third party to the dispute, although they acknowledged that Islander interests had to be taken into account.

Replying on 30 July, after his return to London, Mr Ridley reiterated to the Argentine Foreign Ministry that the British Government would conclude no settlement with Argentina which failed to respect the wishes of the Islanders: this would be a fundamental and immutable British position in any negotiations.

## Consideration of a resumption of negotiations

6. Notwithstanding this exchange, it was clear in London that a way forward had to be found. Initially an effort was required to maintain the momentum generated by Mr Ridley's visits to Buenos Aires and the Falklands, as well as by the Argentines' encouraging response to Lord Carrington's proposal for the restoration of Ambassadors.

- In September, Lord Carrington minuted the Prime Minister and OD colleagues setting out the background to the dispute and the options open to the Government. He proposed that negotiations with Argentina should begin in the autumn with a view to seeking a solution based on leaseback. In October, Lord Carrington circulated a memorandum to OD which recommended that talks with the Argentines should be resumed at Ministerial level in order to explore, without commitment, political and economic solutions to the dispute. The memorandum said that the current stalemate benefitted nobody, least of all the Falkland Islanders, whose economic development was effectively frozen. A 'Fortress Falklands' policy would prove a sterile and costly exercise, requiring heavy additional expenditure. Future talks needed to be conducted within the framework of Britain's overall relations with Argentina and encompass such issues as the economic development of the South West Atlantic and co-operation in Antarctica. The Argentines would insist on discussing sovereignty and, in order to deter them from precipitate action, HMG would need to convince the Argentines that they were negotiating seriously. Assessments of the scope for Argentine military and economic negotiation were attached to the memorandum.
- 8. In the event, Ministers postponed consideration of this memorandum because of preoccupation with the Rhodesia issue. It was not until late January 1980 that OD were able to consider it. In a minute to the Prime Minister before the meeting, Lord Carrington drew attention to the risks involved in continuing to stall. It was agreed that 'exploratory and wide-ranging' talks should be undertaken. An announcement to this effect was made in Parliament on 25 February. The endorsement by the Falkland Islands Councillors to further exchanges (with one or two of them present) was secured and the Argentines informed on 18 March. Meanwhile the new British and Argentine Ambassadors had taken up their posts.

## The Opening of Talks: New York (28-29 April 1980)

- 9. This first round of talks, with Mr Ridley and Comodoro Cavandoli leading their respective delegations (including, on the British side, an Island Councillor, Mr Adrian Monk), took place in New York on 28-29 April. The aim of the British side, which did not regard the talks as being bound by the 1977 terms of reference, was to discover whether it was possible to bridge the gap between the stated minimum requirements of the Argentines and the Islanders, while preserving Britain's interests.
- 10. While the Argentines predictably set out in detail their view of the sovereignty position, Mr Ridley made it clear at the outset that Britain had no doubts whatever about the legality of British sovereignty over the Falkland Islands and Dependencies. It was agreed however that this fundamental difference of view should not inhibit further discussion, including the possibility of bilateral co-operation in the development and conservation of the resources of the South West Atlantic. The Argentines were especially /concerned

concerned about the need to protect, by way of licensing arrangements, the fishing grounds from over-exploitation by third countries. Moreover, both sides agreed that they had mutual interest in furthering exploration and exploitation of any oil deposits. There was also consideration of the desirability of Argentine involvement in the economic development of the Islands. At the end of the talks, both sides agreed to report back to governments and to make contact thereafter through the diplomatic channel. The only decision taken, strongly supported by Councillor Monk, was that a further direct channel of consultation should be established between the Islanders and the Argentines (although in the event Islanders were not prepared to pursue this proposal). In his message of 13 May to Island Councillors, Mr Ridley drew attention to the willingness of the Argentines to consider entering into a wide range of co-operative ventures. He was careful to stress at the same time the problems arising from the persistent difference of view on the sovereignty question and recalled that the Argentine side at New York had insisted that they would wish to discuss sovereignty at future talks and that no progress could be made towards practical economic development in the area without a commitment to discuss the sovereignty position.

## Leaseback

- 11. The New York talks had been accepted by the Argentines as being exploratory. But it was clear that future rounds would need to be substantive. On 27 June, Lord Carrington outlined to his OD colleagues various options:
- (a) to 'pull up the drawbridge' and inform Argentina that sovereignty was not negotiable;
- (b) to continue to stall;
- to work with the Islanders' agreement towards a solution, probably based on the leaseback idea, designed to (i) give them an assured future; (ii) unlock the resources of the South West Atlantic; (iii) remove the major impediment to Britain's political and commercial relations with Argentina; (iv) end one of Britain's remaining colonial problems; and (v) save the British Government from a large financial commitment.

On 2 July, OD agreed that the leaseback option should be pursued and that a first important step was for Mr Ridley to investigate with the Argentines, on a strictly secret and exploratory basis, and ad referendum, whether they could accept leaseback as a basis for negotiation.

## Geneva meeting (10-11 September 1980)

12. At a secret meeting in Geneva on 10-11 September, Mr Ridley handed Comodoro Cavandoli an outline of the British proposal for a leaseback arrangement, making clear that the proposal was

/ad referendum

ad referendum to Ministers. Mr Ridley took the opportunity to stress the hostility of the Islanders to any suggestion that they should be obliged to change their way of life or to any threat of uncertainty regarding their continuance under British administration in the foreseeable future and that Islander acquiescence in the proposals as a basis for negotiations would be required, before further substantive talks could take place. Comodoro Cavandoli welcomed the British proposal, while suggesting that the proposed length of the lease - 99 years - would be unlikely to find favour in Argentina and that it might be necessary to consider a shorter term, acceptable to both sides (of, perhaps, 75 years). He undertook however to submit the proposal to his Government.

# Lord Carrington meets Argentine Foreign Minister in New York (September 1980)

13. On 25 September, Lord Carrington met Brigadier Pastor at the UN. Both expressed satisfaction at the improvement in bilateral relations. The Argentine Foreign Minister indicated that he was particularly pleased with the formula discussed earlier that month in Geneva. He described the leaseback concept as 'very clever', which could provide a 'solid basis ... which opens up the prospect of satisfactory results in the near future'. Lord Carrington emphasised that he regarded the concurrence of the Islanders themselves as being the key to the solution and that his task was now to secure their endorsement of further formal negotiations based on leaseback. On his return to London, Lord Carrington recommended to OD that Mr Ridley should again visit the Islands to discuss with the Councillors a mandate to enter into negotiations with Argentina on the basis of the leaseback proposal: and this was agreed.

## Mr Ridley's visit to the Falkland Islands (November 1980)

- 14. Mr Ridley explained to Island Councillors that the purpose of his visit was to consult the Islanders on possible ways forward in the dispute, indicating that the Argentines were pressing for more substantive negotiations. He wished to share with Councillors his ideas for solving the impasse and suggested that there were three main options: condominium, freeze and leaseback. With the agreement of Councillors, Mr Ridley addressed meetings in Port Stanley and in the outlying settlements, setting out these ideas and seeking Islander views.
- 15. The concept of condominium received no support from Islanders. On leaseback, Islander opinion was divided, although it was clear that a majority was opposed to it. Opposition to the concept rested principally on emotional hostility to any idea of ceding sovereignty. But distrust of Argentine good faith, lack of recent evidence of Argentine pressure, and concern about UK settlement rights of non-patrial Islanders were contributory factors. Some Councillors believed that Islanders would prefer no substantive dialogue with Argentina and to face the consequences of Argentine retaliation. Mr Ridley's visit to the Islands served

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the useful purpose of making the Islanders, according to the Governor, 'to think instead of drift'. It was left that Islanders should consider further the options discussed with them and should in due course let HMG know their views.

16. On his return to London, Mr Ridley made a statement in the House of Commons on 2 December on the outcome of his visit. He received a hostile reception from both sides of the House. In consequence Ministers decided that it was essential that there should be no appearance of pressure being put on the Islanders to accept the leaseback option.

## The Position at the beginning of 1981

- 17. On 6 January 1981, the Falkland Islands Joint Councils passed a motion which, without referring to leaseback, effectively put it to one side: "While this House does not like any of the ideas put forward by Mr Ridley for a possible settlement of the sovereignty dispute with Argentina, it agrees that Her Majesty's Government should hold further talks with the Argentines at which this House should be represented and at which the British delegation should seek an agreement to freeze the dispute over sovereignty for a specified period of time".
- 18. Following the Islanders' advocacy of a freeze, there was no clear basis for making progress with the Argentines. However, it was imperative to convince them at an early stage that the way forward was not closed and that the Islanders had at least given a mandate, however restricted, for further talks to take place. The Government's aim was thus to keep the talks going in order to deter the Argentines from any emotional and premature reaction in response to their own domestic opinion, which by early 1981 was pressing for a formal statement of intent as regards future negotiations. Mr Ridley sent on 13 January a message to Comodoro Cavandoli stressing that the way remained open for a dialogue and that no options were firmly ruled out. Talks were arranged for February. It was recognised that a freeze to the dispute was unacceptable to Argentina but it was hoped that the direct exposure of Island Councillors to the Argentine position would lead them to a better understanding of the realities.

## New York Ministerial talks (23/24 February 1981)

19. At this round of talks, at which two Falkland Councillors (Mr Monk and Mr Wallace) were present, Mr Ridley tabled the 'freeze' proposal, explaining that this was what the Islanders wanted, and that their wishes were, as always, paramount for the British Government. Comodoro Cavandoli rejected the freeze outright as 'unsatisfactory to Argentine wishes and claims' and because it failed to meet the requirements of the UN resolutions. He added however that if the Argentine requirement for sovereignty was met, Argentina would consider providing large-scale economic assistance for the Islands. The British side explained why such inducements did not in themselves take account of the basic political desiderata /which

which had to be met in any settlement with Argentina, viz: a democratic way of life, under British administration, with castiron guarantees. Comodoro Cavandoli stressed that any agreement would be binding and durable and that provided the Argentine requirement for sovereignty were met his Government had no wish whatsoever to change the Islanders' way of life.

20. Although the talks made no progress on the sovereignty issue, they were helpful in taking the immediate heat out of the situation in Argentina, at least until the new Argentine administration (which took power in March) had settled in. The 'freeze' idea had been disposed of and for the Islanders the options had effectively narrowed to a choice between the status quo and its consequences and sovereignty concessions (by implication, through leaseback). The Islanders had been exposed to the intractability of the Argentine position. Councillor Wallace later commented that he had found the New York talks 'instructive but traumatic'.

# Mr Ridley meets the Argentine Deputy Foreign Minister in Paris (15 June 1981)

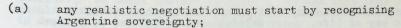
21. In the months immediately following the New York talks the Argentines were preoccupied with their own internal political difficulties and did not press strongly for further talks. Mr Ridley met the new Argentine Deputy Foreign Minister, Sr Ros, in Paris on 15 June for informal talks. Little new ground was broken. But the meeting helped to reassure the Argentines of British determination to seek a practicable sovereignty solution. The Argentines seemed reconciled to the need to await the outcome of the elections on the Falkland Islands (scheduled for September/October) before a further round of talks, but were clearly concerned that the elections would prove to be a critical point of decision for the Islanders and that the result might thus foreclose the options. Mr Ridley again made clear that, while Britain fully recognised the Argentine Government's presentational problems in acknowledging the role of Islander wishes, this remained for the British side an 'essential and inescapable commitment'.

## Further Argentine calls for talks

22. In the event, the Argentines were successfully kept at bay for the rest of the summer of 1981, despite a number of calls for renewed negotiations. On 27 July, the Argentine Foreign Ministry handed HM Ambassador a confidential letter from the Foreign Minister, urging an early resumption of negotiations 'with a firm resolve to reach a definitive solution to the Malvinas (Falklands) question' and proposing a 'global approach' in which all aspects of the dispute would be considered simultaneously. The Argentines issued simultaneously a lengthy communique (Annex 2) to the press and at the UN stating that British control of the Islands constituted 'an unjust state of affairs' and outlining the

/Argentine

Argentine Government's main concerns: that



- (b) Argentina was willing to allow the UN to guarantee respect for the Islanders' interests;
- (c) Argentina would continue providing the Islanders with the services enjoyed since 1971;
- (d) regarding the resources of the Islands, Argentina was 'willing to seek a practical formula taking into account the interests of those who might benefit by developing the said resources'.

HM Ambassador replied orally (on 3 September) that while Britain shared the view that negotiations should continue, no decisions could be taken until the Island elections were over.

23. Lord Carrington made the same point in his meeting on 23 September with the new Argentine Foreign Minister, Sr Camilion, in the margins of the UN General Assembly, reaffirming at the same time that HMG could only act in accordance with Islander wishes, and that pressure on the Islanders would be counterproductive. Sr Camilion told Lord Carrington that progress on sovereignty remained the key issue for Argentina, although he subsequently indicated to HMA (on 14 October) that the Argentine side was prepared to expand the debate on sovereignty to a broader discussion on e.g. economic co-operation, fishing, gas and oil.

## Further consideration of policy options (June-September 1981)

Possible courses of future action were given detailed consideration within the FCO during the summer of 1981. It was assessed that the leaseback concept alone provided a means of solving the dispute but that at the same time the prospects for negotiating a sovereignty solution with Islander agreement had diminished, partly because of the Islanders' reluctance to recognise the realities of the dispute and partly because of active campaigning by some Island Councillors against the principle of any transfer of sovereignty. The Islands elections in September/ October were seen as certain to reflect a hardening of Islander attitudes. It was likely that at most one more round of talks could be held with Argentina without putting specific sovereignty proposals on the table or causing a breakdown of negotiations. If early progress were not made, Argentine patience could be expected to run out. If the Argentines concluded, possibly by early 1982, that Britain was unwilling or unable to negotiate seriously, retaliatory action could be expected - in the first instance through the withdrawal of communication, fuel and other facilities; in the longer term, through some form of military action. These conclusions were recorded in a minute from Mr Ridley to Lord Carrington which suggested that despite the /difficulties

difficulties which this would cause for the Government, a more active education of public opinion on the realities of the situation should be undertaken, both in the UK and in the Islands.

- 25. In the event, on 14 September (prior to his meeting with the Argentine Foreign Minister in New York) Lord Carrington minuted the Prime Minister on the situation. While he remained convinced that leaseback was the most likely, and perhaps the only, basis for an agreed solution, the prospects of securing Islander agreement to it had diminished. Unless Islanders were to modify their views, the Government could only try to keep negotiations going as best possible: to put pressure on the Islanders would be counter-productive. The minute set out the risks of Argentine retaliation if negotiations were to break down.
- 26. The Islands elections led as expected to a new Council more strongly opposed to sovereignty negotiations. However, Councillors agreed to the need to keep a dialogue going, provided that sovereignty was not on the agenda.

# Argentine internal developments: Geneva talks postponed (December 1981)

- 27. General Leopoldo Galtieri became President of Argentina on 22 December after ousting President Viola, whose 9-month term of office had been characterised by a deteriorating economic situation and public dissatisfaction with the military administration. General Galtieri assumed office in the knowledge that he would remain Commander-in-Chief of the Army until late 1982; he was thus expected to have appreciably more power than his predecessor. He immediately promised an intensive de-nationalisation programme, and a reduction in public spending, including a substantial cut in armed forces spending. It was however judged that General Galtieri would be inclined to take a more activist position in foreign policy, although he did not mention the Falklands dispute as previous presidents had done in his inaugural address.
- 28. Because of the change of Government in Buenos Aires, the talks due to take place in Geneva on 17/18 December were postponed at Argentine request. The Argentine Ambassador however assured the FCO Minister of State, Mr Luce, that his Government's Falklands policy had been agreed by the Junta and was unchanged. The Argentines pressed for a new date for talks in late January but Mr Luce's other commitments prevented agreement to this.

## Run-up to the New York talks (January-February 1982)

29. On 27 January, Sr Ros handed HM Ambassador a bout de papier (Annex 3) setting out the current Argentine view of the dispute and proposing an accelerated rate of progress in an attempt to resolve the dispute 'peacefully, definitively and rapidly'. The paper envisaged the creation of a Permanent Negotiating Commission which would 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 with prior warning to the other side. The bout de papier made clear that the purpose of forthcoming negotiations in New York

was to commence the cession of sovereignty, and that all other considerations were secondary: 'British recognition of Argentine sovereignty ... is the basic element of the Argentine position ... and remains a sine qua non requirement for the solution of the dispute',

- 50. The Ambassador was instructed to make a firmly-worded demarche to the Argentines, safeguarding the British position on sovereignty while confirming to them Britain's wish to continue negotiations in order to achieve a peaceful and workable settlement. Sr Ros did not demur at the British response (on 8 February) but clearly hoped that negotiations would go forward on the basis of the Argentine proposal for a Permanent Negotiating Commission.
- 31. At this time there began a bellicose press campaign in Argentina. Its thrust was that if Britain continued to procrastinate in the negotiations Argentina would take political and economic reprisals or military action against the Islands in order to secure Argentina's claim. The campaign was not limited to a single newspaper, although one political commentator, Iglesias Rouco, appeared to lead it.

## The New York Ministerial talks (26-27 February 1982)

32. The talks in New York (Mr Luce leading the British delegation, which included two Falkland Island Councillors; Sr Ros at the head of the Argentine delegation) went better than expected and the way seemed to have been kept open for a continuation of the dialogue. However it was apparent from the outset that the Argentines' negotiating brief was rigidly circumscribed. They did not elaborate their proposal on the future procedures set out in the bout de papier; and they clearly had no mandate to be flexible on the details. They reiterated their view that the sole purpose of a Commission was to resolve the details of a transfer of sovereignty to Argentina. In response, Mr Luce underlined the paramountcy of the Islanders' wishes, but indicated that the British side was ready to look positively at the Argentine proposal on the clear understanding that the work of the proposed commission would be without prejudice to the British position on sovereignty, that all aspects of the dispute should be included for consideration, and that the Commission's work should be conducted on a more realistic timetable. An informal working paper setting out a mutual understanding of the nature and purpose of such a Commission was agreed (Annex 4). Mr Luce undertook to recommend to British Ministers that negotiations should proceed on that basis. Throughout the talks Mr Luce stressed the need to create a climate of greater trust between the Argentines and the Islanders as a prelude to progress on the dispute. He referred in particular to the illegal Argentine presence on Southern Thule, to unauthorised overflights and to recent bellicose Argentine press comment as factors which created resentment and suspicion in the Islands and Britain. The talks ended with agreement on a Joint Communique for simultaneous publication in London, Buenos Aires and Port Stanley. (Annex 5).

/Argentine

## Argentine Foreign Ministry statement of 1 March

Despite agreement at the New York talks that no details of the Argentine proposal should be released until both Governments had been consulted, the Argentine Foreign Ministry released a statement (Annex 6) on 1 March which reflected a significantly harder line than the agreed communique, gave details of the Permanent Negotiating Commission and suggested that if Britain chose to reject the proposal Argentina would look for other means of achieving her objective: 'to choose freely the procedure which best accords with her interests'. The release of the communique was accompanied by further press articles threatening military action if negotiations failed to make early progress. In the House of Commons on 3 March, Mr Luce termed the statement as 'unhelpful'. He also sent a personal message to Sr Ros deploring the breach of confidentiality in releasing details of the Negotiating Commission and making clear that, while HMG wished to make progress, it would not negotiate against a background of threats.

## Britain appeals to US (March 1982)

34. After the New York talks, Mr Luce went on to Washington. In discussing with Under-Secretary of State for Latin American Affairs, Mr Enders, he made clear the British Government's anxiety at the rise of tension with Argentina on the dispute and asked Mr Enders, during this forthcoming visit to Buenos Aires, to urge restraint. This was followed by a message on similar lines from Lord Carrington to Secretary of State Haig, who replied on 15 March that Mr Enders had spoken to the Argentines who had been 'non-committal but not negative'.

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35. The issue of the Argentine communique on 1 March and the accompanying Argentine press comment had had a predictably adverse effect on Islander opinion. It was apparent from this and from parliamentary reactions that it would be very difficult for the Government to proceed with further negotiations unless these were seen to be on terms acceptable both domestically and in the Islands. Accordingly Island Councillors were consulted on the text of a draft message from Lord Carrington to the Argentine Foreign Minister, setting out the British view, which it was intended to make public when the negotiating arrangements were announced. Councillors agreed to this in mid-March. But before the message could be despatched to Buenos Aires, it was learned (20 March) that there had been an illegal Argentine landing on South Georgia.

## The South Georgia incident (19-31 March)

36. On 19 March, the British Antarctic Survey (BAS) Base Commander at Grytviken on South Georgia reported that a group of Argentine contractors had landed illegally at nearby Leith harbour from an /Argentine

Argentine naval auxiliary vessel. The party set up camp and hoisted an Argentine flag. On 20 March, the Base Commander informed the Argentine party that they had no right to land on South Georgia without first seeking permission from the British authorities; and ordered them either to seek the necessary clearance or to leave. HM Ambassador at Buenos Aires was immediately instructed to inform the Argentine Foreign Ministry that HMG regarded the incident as a clear infringement of sovereignty, and as potentially serious. The Argentine Government professed to be unaware of the episode: but later said that ship and party would be leaving South Georgia. The MOD instructed HMS Endurance to prepare to sail to South Georgia with a detachment of marines from Port Stanley, with the aim of taking the Argentines off if necessary. In the event, the Argentine ship and most of the party left on 21 March but about 10 Argentines remained.

- 37. On 23 March, HMS Endurance was ordered to remove the remaining Argentines, if possible without using force. The Argentine Government responded that the use of the Endurance was gravely provocative. They wished however to prevent the situation escalating but needed time to consider what to do. HMS Endurance was in consequence ordered to anchor in Grytviken harbour, but not to proceed to Leith. On the same day an Argentine naval vessel, the Bahia Paraiso, was sighted at Leith harbour delivering further supplies. On 25 March, the Argentines commented that the involvement of HMS Endurance was unacceptable gunboat diplomacy which could lead to a dangerous confrontation.
- 38. The dangers of an armed confrontation increased. The British Government's efforts to secure a compromise solution were met with increasing Argentine obduracy. On the night of 26 March, the Argentine Government stated that it had taken a firm decision to give the party all necessary diplomatic protection. Following the announcement, HM Ambassador reported that he could not discount the possibility that any British action to disturb the Argentine working party on South Georgia would lead to armed action by Argentina.
- 39. On 28 March, the Argentine Foreign Minister, in a message to Lord Carrington, linked the South Georgia incident with the failure to make progress in the Falkland Islands negotiations. He claimed that the activities at Leith were of a peaceful and private character and that the British Government's reaction constituted a disproportionate and provocative response, amounting to a virtual ultimatum backed by the threat of military action. Dr Costa Mendez claimed that the situation was the direct result of the persistent lack of recognition by the UK of Argentine sovereignty to the Falklands, South Georgia and the South Sandwich Islands. Following Argentina's rejection of Lord Carrington's proposal to send a personal emissary to Buenos Aires, Dr Costa Mendez informed HM Ambassador on 1 April that the Argentine Government considered the South Georgia incident closed and no longer wished to employ the diplomatic channel to solve the crisis. /40.

40. Meanwhile, on 28 March, Lord Carrington sent an urgent message (Annex 7) to the US Secretary of State requesting him to urge restraint on the Argentine Government and informing him that a number of Argentine naval vessels were heading for South Georgia, that the possibility of military action by the Argentines could not be ruled out and that if a solution were not quickly found, he feared the 'gravest consequences'. The American approach was rebuffed by Argentina on 30 March.

# Final attempts to avert crisis fail: Argentine invasion of the Falkland Islands

41. On 1 April, the UN Secretary-General called in the British and Argentine representatives and urged their respective Governments to refrain from the threat or the use of force. An emergency meeting of the Security Council led to a Presidential statement on similar lines to the Secretary-General's appeal. On 1 April, at the Prime Minister's request, the Americans attempted, both through their Ambassador in Buenos Aires and later by a direct appeal from President Reagan to President Galtieri, to urge restraint and to avert the now-clear Argentine intention to mount a full-scale invasion of the Falkland Islands. The Americans were again rebuffed. Argentine forces landed at Port Stanley in the early hours of 2 April 1982.

## List of Annexes

- 1. Text of Argentine aide memoire of 27 July 1979.
- 2. Argentine communique of 27 July 1981.
- 3. Argentine bout de papier of 27 January 1982.
- 4. Agreed informal working paper of 27 February 1982.
- 5. Anglo-Argentine Joint Communique of 27 February 1982.
- 6. Argentine statement of 1 March 1982.
- 7. Lord Carrington's message of 28 March 1982 to Secretary of State Haig.

TRANSLATION OF TEXT OF ARGENTINE AIDE MEMOIRE OF 27 JULY 1979

The Argentine Government wish to express their satisfaction at seeing the intention, shared by both parties, to continue the negotiations over the Falklands issue, within the terms of reference agreed by the two parties in April 1977.

In agreement with what Minister Ridley has said, we believe that the negotiations should be at a more dynamic pace, which would correspond with the sense of urgency which the United Nations has decided must be given to a solution of the sovereignty dispute over the islands.

In this respect we were particularly pleased to see that the Secretary of State, Lord Carrington, in his message to the Argentine Foreign Minister, expressed his confidence in being able to continue the negotiations "in a constructive spirit and with the sincere intention of resolving the differences." To provide evidence of what both Governments understand the message to be referring, it is necessary for the British side to be more flexible over some aspects of the position they adopted at the New York meeting last March. This position, far from offering possibilities for progress in the negotiations by bringing views closer together and searching for points of agreement, can only be interpreted as a regrettable step backwards.

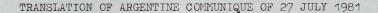
A modification of the stand adopted by the UK in March over the Falkland Islands would fit the line of thinking expressed by the Prime Minister Mr Callaghan in his message to Foreign Minister Raul Quijano in March 1976, and the paper handed to Subsecretary Allara in Rome in July 1977 and formalised some months later in the New York meeting of December that year. The preliminary exchange of ideas between Subsecretary Cavandoli and Minister Ridley in Buenos Aires suggests that the latter is guided by a similar constructive spirit.

Another source of concern is the fate of the agreement on Scientific Cooperation, the result of a British initiative and the outlines of which were agreed in the meeting last December. The Argentine Government hope that this agreement can still be carried forward in the terms agreed in Geneva.

The reason given by the British side for suspending the Agreement, based on the will of the islanders, is a further source of concern for the Argentine Government. The United Kingdom knows our position well. We maintain that the inhabitants of the islands are not part of the dispute and thus although their interests must be taken fully into account, they must not become a third party in negotiations designed to solve the dispute.

Aside from the position of principle, the practical consequences of the British Government's insistence on making any result of negotiations conditional upon the will of the islanders will be negative, and will surround with uncertainties the agreements which could be reached by the two governments.

In view of the considerations set out above the Argentine Government believe that the British side should reconsider these aspects of their approach to the negotiations, as evidence that they really aspire to broad cooperation with Argentina on the basis of a satisfactory solution to a dispute which disturbs our bilateral relations in all fields.



The Argentine Government has invited the Government of the United Kingdom to give resolute impetus to the formal process of negotiation intended to resolve in a conclusive manner our country's claim to the Malvinas, South Georgia and South Sandwich Islands.

This invitation was issued in a Note which the Minister of Foreign Affairs and Worship Dr Camilion addressed to the British Ambassador, Mr Anthony Williams, today.

On this subject, the exchanges which have taken place since the renewal of the negotiating process in 1977 have served to clarify the respective points of view in general terms. However, it is evident that substantial progress has not been achieved since negotiations began - in accordance with Resolution 2065 (XX) of the UN General Assembly - negotiations of which the substance was clearly defined as being the dispute over the sovereignty of the above-mentioned archipelagos.

Meanwhile, the system of opening up communications, set in motion with the Joint Declaration of 1971, has been maintained and expanded by the Argentine Republic, within the limits of its abilities. Even though it is true that it has achieved its objective of improving the conditions of life of the population in a very significant way, it must be made clear that this system has not had the hoped-for success in its fundamental aims of contributing to mutual knowledge and comprehension and thereby assisting with the success of the negotiations.

Because of the isolation in which the islanders live, there is much ignorance in the islands about the Argentine Republic and what goes on in the continental part of our territory. This lack of knowledge becomes an obstacle to the advance of the negotiating process insofar as not merely the interests but rather the wishes of the inhabitants of the Malvinas may be put forward as a permanent argument in order to obstruct progress of any kind. Argentina, with all due respect for the island interests of course maintains that the discussion over sovereignty is a bilateral responsibility between its Government and the British Government, as is recognised by the UN. There are in practice only two alternatives: effective Argentine sovereignty over the part of our territory occupied today by the United Kingdom, or the continuation of the present state of affairs, that is to say British control of the islands as a colonial dependency.

To the political and moral frustration which this unjust state of affairs provokes in the Argentine people must be added the incongruity which flows from the failure to exploit the islands' resources, indispensable in a world crying out for energy and food. All this is highly irrational and no-one can seriously maintain that the status quo can be further prolonged.

The Argentine Government therefore considers that the acceleration of negotiations on the Malvinas, with resolution and with clear objectives in view, has become an unpostponable priority for its foreign policy.

The Note sent to the United Kingdom emphasises the urgency of resolving the problem, which is complex and which requires a global approach, in which all its aspects must be considered simultaneously. In this respect, the basic standpoints of the Argentine Government are:

- 1. The reaffirmation of our country's traditional position that all realistic negotiations over the Malvinas, South Georgia and South Sandwich Islands assume the recognition of Argentine sovereignty over those archipelagos as the essential point in any solution.
- 2. That the Argentine Government reiterates its pledge to respect the interests of the islands' inhabitants.
- That the preservation of these interests must take into account their way of life and traditions.
- 4. That in the context of acceptable negotiations, Argentina will continue providing to the island population the services currently provided and which began in 1971. These services, which today are provided in various fields, and which could be increased, require evidence of a political will on the part of Britain to make constructive progress if they are not to become sterile exercises as far as a final solution is concerned.
- 5. That, as these negotiations have taken place within the framework of UN resolutions, the Argentine Republic is ready for the UN to afford such guarantees as may be considered appropriate to give substance to the safeguards to the islanders' interests, insofar as such safeguards may be necessary in addition to all those offered by the Argentine juridical system and by special statutes that might be negotiated.
- 6. That as regards the islands' resources, Argentina is ready to arrive at practical formulae which take into account the interests of those who might benefit from the development of said resources.

The Argentine Government is determined to continue the negotiations in an eminently realistic spirit and with the full

/certainty that

certainty that there are rational and attainable solutions. With the same realistic spirit and the same certainty, the Argentine Government considers that the time has come for the negotiations to become effective. It does not believe that one can entertain hopes for a solution indefinitely, so long as that solution is not sought in negotiations of sufficient depth and with the firm intent of reaching an agreement.

There is a national awareness of the problem which on the one hand allows for negotiation, and which on the other believes that it is not possible to defer this question which affects territorial integrity and national dignity.

TRANSLATION OF ARGENTINE BOUT DE PAPIER OF 27 JANUARY 1982

## 1. THE ARGENTINE POSITION

The Argentine position on the question of the Malvinas, South Georgia and South Sandwich Islands is well known by the British Government, but it would be useful to spell it out once again to make any Argentine proposal easier to understand.

The Press communiqué put out by the Argentine Government on 27 July 1981 is a fundamental basis. Essential points in the negotiations were set out in it.

## a) The question of sovereignty

In the first place, British recognition of Argentine sovereignty over the above-mentioned archipelagos is the basic element of the Argentine position. It remains a sine qua non requirement for the solution of the dispute.

So long as this question is unresolved the dispute will continue. Consequently neither must it nor can it be ignored, because the Argentine Republic, however much time may pass, will never abandon its claim nor relax its determination until this has been satisfied.

From the beginning it has had recourse to negotiation as a means of seeking a peaceful solution to achieve its just claim. This negotiation has invariably been promoted by successive Argentine Governments on the basis of what was established by the United Nations General Assembly in its Resolutions 2065 (XX), 3160 (XXVIII) and 31/49 (XXXI).

## b) Essential characteristics of the negotiations on sovereignty

In this context, the Argentine Government appeals for the negotiations to be serious and in depth, based on the greatest good faith and the political determination necessary resolutely to push forward from now on a process culminating, within a reasonable period of time and without procrastination, in the recognition of Argentine sovereignty over the islands in dispute. So far, and despite the negotiating meetings held in the past, there has been no concrete progress.

It is almost idle to point out that there has been for some time a growing awareness by the Argentine people of the lack of progress in the Malvinas question, and that the matter has now reached a point which demands solutions, without further delays or dilatory arguments.

## c) Interests of the Islanders

The above-mentioned Resolutions of the United Nations give due attention to the "interests" of the inhabitants of the islands, in the context of the negotiation to which they invite both Governments. At no point do the decisions of the world organisation refer to the "wishes" of the islanders, because the dispute is confined to the Argentine and British Governments.

The possibility exists of finding a meeting point between our respective positions in this aspect of the matter, in that the Argentine Government, always in the spirit of pushing the negotiating process resolutely forward, has repeatedly demonstrated its clear intention of respecting those interests, including the preservation of the way of life and cultural traditions of the islanders. To this end, it is ready to draw up a special statute of safeguards.

No-one can cast doubt on the fact that successive Argentine Governments have made great efforts to satisfy islander interests in a practical way, as demonstrated by, among other things, the communications system which has been in operation since 1971.

In spite of Argentine goodwill, this policy has not produced the results expected of it.

There is a virtual absence of information in the islands about the real thinking of the Argentine Government. Furthermore, deliberately tendentious versions are put about to detract from the Argentine position and delay the progress of a negotiated solution. The next meeting should additionally serve to clarify and put an end to such a state of affairs.

The object of the statute of safeguards mentioned above will be to consider and respect the different aspects which comprise the "interests" of the inhabitants, for example, matters relating to military service, tax exemptions, protection of property rights, maintenance of the language and certain institutions, etc. As an additional guarantee the agreement which the parties might reach on this might be submitted to the United Nations. It must be repeated here that Argentina has no intention of disturbing the Islanders' way of life, so long as there is an adequate balance between their interests and the recovery of Argentine sovereignty.

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To make progress in this matter, it would be necessary for the British Government to make known what are the safeguards it considers necessary and conducive to the preservation of the way of life and traditions of the islanders.

## d) Natural resources

The isolation in which the islands have found themselves for many years, the scant economic development, the diminishing population figures and other negative factors favour a tendency towards immobility. These problems will remain while the dispute is unresolved, since this constitutes a serious obstacle to the exploitation of natural resources.

The lack of exploitation on the one hand and the depredation of resources on the other, in the context of a world short of food and avid for energy, is an obvious nonsense and anachronism which must cease. The Argentine Republic, which views the Malvinas question as a global subject which must also be solved globally, is ready to seek practical formulae to give concrete form to the exploitation of these resources to the benefit of all concerned.

It must remain very clear, however, that any idea of making progress in the search for pragmatic formulae for exploration and exploitation which might mean a delay or paralysis of the solution to the sovereignty question is totally unacceptable to Argentina.

## e) Security in the area of the South Atlantic

For the Argentine Republic, the security and defence of the area of the South West Atlantic is a vital national interest. The Argentine Government has the responsibility of maintaining maximum vigilance for the protection of this area of the Atlantic, in which the islands of the South Atlantic have great importance. The maintenance of the dispute is incompatible with the appropriate defence of the area of the Atlantic Ocean off the coast of the Argentine mainland.

## 2. PROPOSAL

It is therefore in the understanding that the question of sovereignty over the Malvinas, South Georgia and the South Sandwich Islands must be resolved peacefully, definitively and <u>rapidly</u> in the interests of the parties to the dispute and of all those interested in resolving it, that the Argentine Government in order to develop the negotiating process, proposes the establishment of a Permanent Negotiating Commission, to meet in the first weeks of each month alternately in each capital. This should be responsible

for maintaining the continuity and impetus of the negotiations, without it having to depend upon only sporadic meetings, devoid of clear objectives and concrete results.

Its technical-political level should allow a deep but agile treatment of the subject matter, in conditions favourable to proposing solutions to the Governments. The Commission would have a duration of one year. It would be open to denunciation by either side at any time with prior warning to the other side.

The Argentine Government considers that the establishment of this Commission, preferably within the second two-month period of 1982, together with sincerity and good faith taking account of the positions of both sides, would offer the best possibility of reaching success in its work.

The Argentine Government will analyse the future of these negotiations in the light of the reply which the British Government gives to this proposal, hoping that this may be given before or during the next round of negotiations to be held in New York in February 1982.

JOINT INFORMAL WORKING PAPER AGREED ON 27 FEBRUARY 1982

The purposes of a UK/Argentine Permanent Negotiating Commission would be to accelerate progress towards a peaceful and comprehensive solution of the dispute between Britain and Argentina on sovereignty over the Falkland Islands, South Georgia and the South Sandwich Islands.

The Commission would be presided over by British and Argentine Ministers, who would direct the work of the Commission and who would decide upon the agenda of and participation in meetings held within the Commission's framework. It is understood that the British delegation to the meetings of the Commission may include Islanders.

The task of the Commission should be to identify all the elements of the dispute, to consider them in depth, either separately or in parallel, and to recommend how they might be resolved within an overall settlement. To that effect, in the Commission's work, either side may introduce any subject for examination which, in their view, could contribute to a solution of the dispute.

It is foreseen that the period of operation of the Commission should be for one year, at the end of which Ministers will review progress and reach conclusions on whether the Commission should continue its work. During this first year of operation, it will be open to either party to propose at any stage the Commission's termination. Meetings of the Commission should be held alternately in the capitals of the two countries. The first meeting will be attended by both Ministers and it will be open to Ministers of either side to attend any subsequent meetings. Meetings in each capital would be chaired by the Minister of the host Government, although he may delegate his functions to a senior official of his Government.

The work of the Commission should be conducted without prejudice to the sovereignty position of either Government.

ANGLO-ARGENTINE JOINT COMMUNIQUE AGREED ON 27 FEBRUARY 1982 (EMBARGOED UNTIL 1230Z on 1 MARCH)

The British and Argentine Governments held a meeting at ministerial level in New York on 26 and 27 February 1982 to discuss the Falkland Islands question within the negotiating framework referred to in the relevant resolutions of the United Nations General Assembly.

The British and Argentine delegations were led respectively by Mr Richard Luce MP, Minister of State at the Foreign and Commonwealth Office in London, and Ambassador Enrique Ros, Under-Secretary of State at the Ministry of Foreign Affairs and Worship in Buenos Aires.

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.

#### TRANSLATION OF ARGENTINE STATEMENT OF 1 MARCH 1982

At the meeting held in New York on 26 and 27 February, the representatives of Argentina and Great Britain considered an Argentine proposal to establish a system of monthly meetings with a pre-established agenda, pre-arranged meeting place, and led by top-level officials. The aim of such meetings will be genuinely to speed up to the maximum the negotiations in train to achieve recognition of Argentine sovereignty over the Malvinas, South Georgia and the South Sandwich Islands, and by this means to achieve substantial results within a time which at this advanced stage of the discussions will necessarily have to be short.

Argentina has negotiated with Great Britain over the solution of the sovereignty dispute over the islands with patience, loyalty and good faith for over 15 years, within the framework indicated by the relevant United Nations Resolutions. The new system constitutes an effective step for the early solution of the dispute. However, should this not occur, Argentina reserves the right to terminate the working of this mechanism and to choose freely the procedure which best accords with her interests.

TEXT OF LORD CARRINGTON'S MESSAGE OF 28 MARCH TO US SECRETARY OF STATE.

Your Chargé d'Affaires in London will have reported to you the serious situation which has developed between ourselves and the Argentine Government following the illegal landing at Leith Harbour on the British island of South Georgia last week of a party of Argentines. The Argentines have a long-standing claim to the Falkland Islands and their dependencies and, despite all our efforts to resolve the dispute by peaceful negotiation, the Argentines have recently been making it clear that they are prepared to use other means to achieve their aim of a full transfer of sovereignty. The whole question of the Falklands is a very sensitive one for us, our public opinion and our Parliament.

As soon as we discovered the presence of the party, we sought to persuade the Argentine Government through diplomatic channels to remove them. But they have refused to do this. Instead they appear to have consolidated the Party's position by landing further equipment and have issued a statement that the men on South Georgia will be given all necessary protection. I have moreover, just received an uncompromising and negative message from the Argentine Foreign Minister about the problem. It offers no constructive suggestions and seems likely only to aggravate the problem.

The Royal Navy ice patrol ship, HMS Endurance, is anchored nearby in Grytveken Harbour. A number of Argentine Navy vessels are heading for the area and we cannot exclude the possibility that, if we attempt to remove the men ourselves, they may retaliate.

It is our firm wish to resolve this problem peacefully. To that end, we have done everything we can to persuade the Argentines to find a way out: we are prepared to examine every avenue with them. But the continued presence of these men is an infringement of British sovereignty and you will understand that we cannot acquiesce in that.

I appreciate that this dispute will seem to others a bilateral matter for the British and Argentine Governments. But despite all my Government's efforts to find an acceptable solution, we have now reached a stage where the situation will soon become very difficult. I do not, however, believe that it is in anyone's interests to allow this incident to be the cause of what may become armed conflict in the South Atlantic, and I wish to explore every possible avenue which might help us to avoid this.

I should accordingly be grateful if you would consider taking the matter up with the Argentines, stressing the need to defuse the situation and find a solution we can all accept. If the Argentines maintain that they will not remove the men themselves and that they will resist any attempt by us to do so, the use of a third country

ship might be a compromise they could accept. The problem could also be resolved by the Argentines agreeing that their men should seek the necessary permission from the British authorities at Grytveken in order to regularize their presence.

I should be very grateful for any help you can give us on this. If we do not find a solution soon, I fear the gravest consequences.

CARRINGTON



## Foreign and Commonwealth Office London SWIA 2AH

13 August 1982

A R Rawsthorne Esq Falkland Islands Review Committee Old Admiralty Building Room 194 Whitehall

Sear Long

FALKLAND ISLANDS REVIEW

You will recall that we have been preparing two additional Research Department memoranda taking the history of the Falklands dispute from March 1978 to May 1979, and from mid-1979 to April 1982. These have now been completed and I enclose 8 copies of each.

...

I am copying this letter to David Colvin in the Cabinet Office.

Yours low Robin.

P R Fearn