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Mr Giffard

- cc:- Sir A Acland
- Sir I Sinclair
- Mr Gillmore
- Mr Ure
- Mr Fearn, Emergency Unit
- Mr Weston
- Mr Williams, UND
- Mr Westbrook, News Dept

REACTION TO MR HAIG'S EXPECTED MESSAGE

1. It may be that we shall wish to recommend to Ministers, after we have examined the message expected tonight from Mr Haig, that we extend the time available for seeking a diplomatic solution that meets our stated objectives.

2. The Secretary of State said this afternoon that the Prime Minister would not wish to delay the coming into effect of the zone of exclusion unless she received some quid pro quo from the Argentines. Mr Gillmore suggested that a quid pro quo might/extract assurances from the Argentine Government that all naval ships and auxiliaries would leave the zone, and that the islands would not be supplied by air or by merchant ships.

/be to

3. After discussing this further with Mr Gillmore, I have prepared the attached draft, which sets out in a very preliminary way the kind of understanding we might go for. We have drafted it in the form of a statement since presentation will clearly be important. The first step would, however, probably be to draft a minute from the Secretary of State to the Prime Minister on the subject.

M H Jay

10 April 1982

M H Jay
Planning Staff

POSSIBLE STATEMENT BY THE SECRETARY OF STATE OR THE PRIME MINISTER IN THE EVENT THAT A MESSAGE IS RECEIVED FROM MR HAIG WHICH APPEARS TO GIVE HOPE FOR A DIPLOMATIC SOLUTION TO THE CRISIS

1. I have now received a message from Secretary Haig following his discussions with the Argentine Government in Buenos Aires.
2. Mr Haig believes, on the basis of the discussions he has had in London and in Buenos Aires, that there may be a basis for a diplomatic solution to the current crisis.
3. Mr Haig will be visiting London shortly for further discussions. Meanwhile, in the hope that a solution can be found that will avoid further loss of life, and in pursuance of Security Council Resolution 502 which calls on both parties to seek a diplomatic solution to the crisis, I have [delayed by hours] [postponed] the implementation of the zone of exclusion due to come into effect at 0400GMT on Monday 12 April.
4. I am aware of the risk that this may enable the Argentines to step up supplies to the Falklands and to strengthen their position against the possibility that negotiations will fail. I have therefore asked for and obtained from the Argentine Government a firm assurance that as a quid pro quo:
 - i. all Argentine naval ships and auxiliaries will leave the zone of exclusion at once
 - ii. /ii. /ii.

ii. the Argentine Government will not resupply the Islands by air

iii. that no Argentine merchant ships, which could of course be used to take military supplies to the Islands, will enter the zone. This would allow non-Argentine merchant ships to supply the Islands.

4. I have given firm instructions that the implementation of these three points should be carefully monitored. I need hardly add that I shall not hesitate to declare the zone of exclusion effective if any of these undertakings is violated.

5. Secretary Haig is expected in London [tonight] [tomorrow]. Meanwhile we shall be examining his proposals carefully in the hope that they will provide a basis for a solution under the terms of SCR 502 and in conformity with our clearly stated objections.