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TO FLASH WASHINGTON

TELEGRAM NUMBER 766 OF 19 APRIL

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MIPT : FOLLOWING IS TEXT OF HAIG'S ANNOTATIONS

BEGINS

PREAMBLE:

THIS IS A MERGER OF TEXTS WE CARRIED FROM LONDON AND RECEIVED FROM THE ARGENTINES. IT CONTAINS CLEAR REFERENCE TO UNSC RESOLUTION 502 AS THE BASIS FOR THE AGREEMENT, AND RETAINS THE IMPORTANT CONCEPT THAT THE TEXT IS AN INTEGRAL WHOLE.

PARAGRAPH 1 (CESSATION OF HOSTILITIES).

THIS IMPLEMENTS OPERATIVE PARAGRAPH 1 OF THE UNSC RESOLUTION.

PARAGRAPH 2 AND 3 (WITHDRAWAL AND SEPARATION OF FORCES).

THESE PROVIDE THE ESSENTIAL ELEMENTS OF WITHDRAWAL AND NON-INTRODUCTION OF FORCES. WE WERE UNABLE TO GET ARGENTINE AGREEMENT TO FOREGO FREEDOM OF MOVEMENT EXCEPT FOR THE THREE SPECIFIED 150 NM WITHDRAWAL/NON-INTRODUCTION ZONES. THE STATEMENT THAT ARGENTINA WILL NOT OPERATE ITS FORCES IN THE ZONES IS DESIGNED TO MAKE CLEAR THAT THEIR SO-CALLED 'THEATER OF OPERATIONS' DOES NOT APPLY. THE WITHDRAWAL SCHEDULE PERMITS UK NAVAL FORCES TO REMAIN WITHIN THE ZONE FOR SEVEN DAYS, AT WHICH TIME ARGENTINA MUST HAVE WITHDRAWN HALF OF THEIR FORCES. THE IDEA OF REQUIRING THE UK NAVAL TASK FORCE SEVEN DAYS TO BE AT 1750 NM FROM THE COORDINATES PROVIDES FLEXIBILITY. THE POSITION OF UK FORCES AT THE TIME OF AGREEMENT WILL OF COURSE DETERMINE THE CLOSEST POINT OF APPROACH OF THOSE FORCES TO THE COORDINATE POINTS BEFORE HAVING TO TURN BACK IN ORDER TO BE AT 1750 NM ON DAY SEVEN. THE UK WILL OF COURSE WANT TO LOOK VERY CLOSELY AT THE TREATMENT OF THE SUBMARINES, WHICH WAS A MAJOR POINT OF CONTROVERSY HERE.

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AT THE LAST MINUTE, WE DETECTED A DRAFTING ISSUE IN PARAGRAPH 2.2.1 SEE MIPT WE SUGGESTED THAT THE TWO SENTENCES REGARDING UK ACTIONS BE COMBINED BY THE WORD 'AND' TO MAKE CLEAR OUR INTENT THAT 1750 NM LIMIT APPLIES ONLY 'WITHIN THE SAME TIME PERIOD', AND THEREFORE IS NOT APPLICABLE UNTIL ONE WEEK AFTER AGREEMENT. AT THIS WRITING, CHANGE IS BEING REVIEWED BY GOA.

PARAGRAPH 4 (ECONOMIC SANCTIONS).

THE BASIC CONCEPTS HAVE BEEN RETAINED FROM THE DRAFT WE CARRIED FROM LONDON. THE TIMING, HOWEVER, HAS BEEN ALTERED AT ARGENTINE INSISTENCE. STEPS ARE TO BE TAKEN TO TERMINATE BILATERAL SANCTIONS SIMULTANEOUSLY AND WITHOUT DELAY, RATHER THAN ANY TIME IN THE TWO WEEK PERIOD WE PREVIOUSLY DISCUSSED. THE OPERATIVE COMMITMENT REMAINS 'TO TAKE STEPS'. SIMULTANEITY, IMPLIES BILATERAL COORDINATION, WHICH WOULD OBVIOUSLY BEAR ON THE TIMING OF THE ACTIONS IN BOTH SENTENCES. WE ASSUME 'WITHOUT DELAY' INCLUDES TIME NECESSARY TO MAKE SUCH ARRANGEMENTS, A REASONABLE AMOUNT OF TIME TO COMPLETE DOMESTIC REQUIREMENTS. AND THE TIME NECESSARY TO CONSULT THE EC AND THIRD COUNTRIES. PARAGRAPH 5 (AUTHORITY)

THE CONCEPT OF A TRIPARTITE SPECIAL COMMISSION SURVIVES, WITH A CHANGE OF NAME TO SPECIAL 'INTERIM AUTHORITY'. WHILE THE COMMISSION'S FUNCTIONS HAVE NOT CHANGED MATERIALLY FROM THE TEXT WE WORKED OUT IN LONDON, THE CHANGE OF NAME WITH ITS CONNOTATIONS IS OPTICALLY MORE APPEALING TO ARGENTINA. THE AUTHORITY IS NOW TO VERIFY COMPLIANCE WITH ALL OBLIGATIONS IN THE AGREEMENT. AWKWARDLY, THE DRAFT RETAINS REFERENCE TO 'OBSERVERS' TO ACCOMPLISH THESE TASKS: IN OUR LONDON TEXT, OBSERVERS WERE INTENDED TO MONITOR FORCE WITHDRAWAL AND SEPARATION ONLY. STAFF LIMITATIONS WOULD BE HANDLED IN THE SEPARATE PROTOCOL CREATING THE AUTHORITY.

PARAGRAPH 6 (LOCAL ADMINISTRATION).

HERE AND ELSEWHERE, WE HAVE ATTEMPTED TO DIVORCE SUBSTANTIVE PROVISIONS 'PENDING A DEFINITIVE SETTLEMENT' FROM THE INTERIM PERIOD FOR NEGOTIATIONS, TO PROMOTE A BASIS FOR CONTINUING ARRANGEMENTS SHOULD NEGOTIATIONS NOT MEET THIS DEADLINE. THIS

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TEXT RETAINS THE CONCEPT OF AUTOMATIC RATIFICATION OF LOCAL ADMINISTRATION ACTIONS, EXCEPT WHERE DEEMED INCONSISTENT WITH THE AGREEMENT BY THE SPECIAL INTERIM AUTHORITY. (THE AUTHORITY, AS PROVIDED IN THE SEPARATE PROTOCOL, WOULD DECIDE BY MAJORITY VOTE.) LOCAL ADMINISTRATION IS TO CONTINUE 'THROUGH' THE COUNCILS, UNDERLINING THE TERMINATION OF THE OFFICE OF GOVERNOR. WHILE UK APPOINTMENTS TO COUNCILS WOULD CONTINUE, IN THIS TEXT ARGENTINA WOULD ALSO HAVE TWO OFFICIAL APPOINTEES WHO WOULD SERVE IN EACH COUNCIL. ELECTED REPRESENTATION OF THE RESIDENT ARGENTINE POPULATION WOULD BE PROVIDED FOR ALSO, USING THE TEXT WORKED OUT IN LONDON. ALL OTHER LINKS, ADMINISTRATIVE AND LEGAL, TO THE UK WHICH FORM THE BASIS OF THE LOCAL ADMINISTRATION, WOULD ALSO CONTINUE. THIS DRAFT GIVES THE SPECIAL AUTHORITY A SUPERVISORY ROLE OVER THE LOCAL POLICE, WHO WOULD BE ADMINISTERED BY THE COUNCILS DAY-TO-DAY, WITH 'A REPRESENTATION' OF THE LOCAL RESIDENT ARGENTINE POPULATION ON THE FORCE CONTEMPLATED. THE FLAG PROVISION IS UNCHANGED. ARGENTINE CONCERN AT POSSIBLE UK DECISIONS OR LAWS INCONSISTENT WITH THE AGREEMENT BUT NOT SUBJECT TO SPECIAL AUTHORITY RATIFICATION HAS BEEN MET BY A NEW SUBPARAGRAPH (B) WHICH IS INTENDED TO RESTATE THE OBVIOUS UK OBLIGATION TO RESPECT ITS COMMITMENTS UNDER THE AGREEMENT.

PARAGRAPH 7 (TRAVEL, RIGHTS OF INHABITANTS)

PARAGRAPH 7(A) EXPANDS UPON THE SUBJECT COVERED IN PARAGRAPH 6 OF THE TEXT WORKED OUT IN LONDON, INCLUDING RESIDENCE AND MOVEMENT OF PERSONS AND RELATED PROPERTY QUESTIONS, AND CONTAINS A GENERAL OBLIGATION TO PROMOTE AND FACILITATE SUCH LINKS ON AN EQUAL BASIS. SPECIFIC MEASURES HOWEVER, REMAIN IN THE FORM OF RECOMMENDATIONS FROM THE SPECIAL AUTHORITY. THE SCOPE OF SUCH RECOMMENDATIONS WOULD INCLUDE POSSIBLE ARRANGEMENTS FOR COMPENSATION OF ISLANDERS WISHING TO DEPART. THE TEXT ADDS A REQUIREMENT FOR GOVERNMENTS TO REPLY PROMPTLY (BUT NOT NECESSARILY AFFIRMATIVELY) TO SUCH RECOMMENDATIONS, AND FURTHER EMPOWERS THE AUTHORITY TO MONITOR IMPLEMENTATION OF PROPOSALS ADOPTED.

PARAGRAPH 7(B) HAD NO COUNTERPART IN THE TEXT WE DISCUSSED IN LONDON. IT DERIVES FROM AN ARGENTINE DESIRE TO DOCUMENT SUPPORT OF PROTECTION OF ISLANDER RIGHTS (PRESUMABLY UNDER A FUTURE

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ARGENTINE ADMINISTRATION RESULTING FROM THE AGREEMENT BUT THE TIMING WAS UNCLEAR IN THEIR DRAFT). IT REFERS TO VARIOUS RIGHTS ENJOYED BY THE INHABITANTS HERETOFORE ON THE ISLANDS, AND SECURES THEM PENDING A DEFINITIVE SETTLEMENT ON AN EQUAL BASIS TO BOTH UK AND ARGENTINE RESIDENTS.

PARAGRAPH 8 (NEGOTIATIONS)

THIS PARAGRAPH HAS SEEN A NUMBER OF CHANGES. THE 'INTERIM PERIOD' HAS NOW BEEN CLEARLY LINKED TO THE NEGOTIATION PROCESS IN AN ATTEMPT TO PERMIT OTHER SUBSTANTIVE PROVISIONS TO POTENTIALLY SURVIVE DECEMBER 31. THE TEXT DESCRIBES THE OBJECTIVE OF AN AGREEMENT ON 'MODALITIES' BY WHICH THE ISLANDS MIGHT BE REMOVED FROM THE LIST UNDER CHAPTER XI OF THE UN CHARTER (FOLLOWING A UK SUGGESTION), AND ON MUTUALLY AGREED CONDITIONS FOR THEIR DEFINITIVE STATUS. THE 'DECOLONIZATION' REFERENCE THEORETICALLY WOULD NOT PRECLUDE ANY KIND OF FUTURE STATUS FOR THE ISLANDS, EXCEPT PERHAPS THE STATUS QUO ANTE. MUTUAL AGREEMENT WAS VIEWED AS AN IMPORTANT ELEMENT BY THE ARGENTINES TO PRECLUDE UNILATERAL STEPS. THE CONDITIONS ARE STATED TO INCLUDE 'DUE REGARD' - WHICH WILL OBVIOUSLY VARY IN WEIGHT IN THE EYES OF THE TWO SIGNATORIES - FOR THE RIGHT OF THE INHABITANTS AND THE PRINCIPLE OF TERRITORIAL INTEGRITY 'APPLICABLE TO THIS DISPUTE'. THE ARGENTINES WILL ARGUE THAT THE RIGHTS OF THE INHABITANTS REFER ONLY TO INDIVIDUAL RIGHTS, AND NOT A 'COLLECTIVE' RIGHT OF SELF-DETERMINATION. THE ARGENTINES WILL ARGUE THAT A PRINCIPLE OF TERRITORIAL INTEGRITY WITH THE MAINLAND APPLIES: THE REFERENCE COULD EQUALLY BE ARGUED TO MEAN THE ISLANDS SHOULD NOT BE PARTITIONED OR DISMEMBERED IN THE PROCESS OF CHANGE OF STATUS. THESE REFERENCES IN EFFECT RECALL THE DIFFERING POSITIONS OF THE TWO PARTIES THROUGHOUT THIS DISPUTE. SELF-DETERMINATION IS REINFORCED BY THE UN CHARTER AND RESOLUTION 1514 REFERENCES: THE ARGENTINES CITE TERRITORIAL INTEGRITY LANGUAGE IN 1514 AND INSISTED ON REFERENCE TO UNGA RESOLUTIONS ON THE ISLANDS. EXPLICIT REFERENCE TO 2065 IS RETAINED (THE UK ACCEPTED SUCH A REFERENCE IN THE 1971 AGREEMENT WITH ARGENTINA ON THE ISLANDS), BUT THERE IS A SUBORDINATE GENERAL REFERENCE TO THE OTHERS (INCLUDING RESOLUTION 31/49 WHICH THE UK OPPOSED). THESE

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RESOLUTIONS ARE DESCRIBED BY THE UN AGENDA HEADING UNDER WHICH
THE APPEAR, WITHIN QUOTATION MARKS AND INCLUDING THE ALTERNATIVE
NAMES OF THE FALKLANDS.

PARAGRAPH 8(B) RESPONDS TO ARGENTINE CONCERN THAT GOOD FAITH
NEGOTIATIONS MAY NOT OCCUR TO PRODUCE A RESULT BY THE DEADLINE.
US ASSISTANCE TO THE NEGOTIATIONS WOULD BE CONDITIONAL ON A
REQUEST FROM BOTH GOVERNMENTS
TEXT ENDS

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ADDITIONAL DIST
FALKLAND ISLANDS
COPIES TO
PS/ NO 10
PS/ HOMESECRETARY
PS/ DEF SECRETARY
PS/ SIR R. ARMSTRONG

FCO

S AM D

CABINET OFFICE

PS/CHANCELLOR }
SIR K COUZENS }
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