

*Mr Jay*  
*May Haig's Name*  
*used.*  
*Jefferson 2/14*

✓ PS

*Remind for the*  
*Sq's visit to*  
*W' to. pe.*

cc PS/Mr Onslow  
PS/PUS  
Mr Gifford  
Mr Wright  
Mr Gillmore  
Mr Ure  
Sir I/ Sinclair

*mm* *2/14*

Mr Mallaby  
Mr Fearn, Emergency Unit  
Mr Weston, Defence Dept  
Mr Broomfield, EESD  
Mr Bayne, ERD

As we agreed this afternoon I attach some briefing for Secretary Haig's next visit and a draft covering letter to No.10.

*mm Jay*

M Jay  
Planning Staff

17 April 1982

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INDEX	PA	Action Taken

LASER PAPER

DRAFT: ~~minute/letter/teletype/teleletter/despatch/note~~

TYPE: Draft/Final 1+

FROM:

PS

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

PS No.10

Your Reference

Top Secret

Secret

Confidential

Restricted

Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

~~PS/Mr Onslow~~  
~~PS/PUS~~  
~~Mr Gifford~~  
~~Mr Wright~~  
~~Mr Gillmore~~  
~~Mr Ure~~

~~Mr Mallaby~~  
~~Mr Fearn, Emergency~~  
~~Unit~~  
~~Mr Weston, Defence D~~  
~~Mr Broomfield, EESD~~  
~~Mr Bayne, ERD~~

.....In Confidence

CAVEAT.....

SECRETARY HAIG's NEXT VISIT: BRIEFS

1. I attach briefs on the following subjects:

A  
B  
C

- i. Soviet attitude
- ii. Economic measures against Argentina
- iii. Perceptions of US neutrality

2. Further briefing may be needed when we know if and when Secretary Haig will arrive, and what ideas he will bring with him. Meanwhile I also attach:

D  
E  
F

- i. the draft agreed memorandum as it stood after the Prime Minister's meeting with Secretary Haig on 13 April;
- ii. a list, in chronological order, of the various versions of paragraph 8 of <sup>the</sup> ~~this~~ agreed memorandum;
- iii. a copy of <sup>10 days</sup> the message to the Secretary of State from Secretary Haig enclosing three new paragraphs proposed by the Argentines, ~~which we received from Secretary Haig today.~~

Enclosures—flag(s).....

## TALKS WITH MR HAIG:

## SOVIET ATTITUDE

POINTS TO MAKE

1. Public Soviet attitude has developed from cautious start. Probably caught off balance by speed of action in UN. Now clearly hostile to UK and slanted in Argentina's favour although so far Russians have avoided statements of open support for Argentina's use of force and claimed sovereignty over the Falklands.
2. We have left the Russians in no doubt about what we think of their public position (Mr Hurd's meeting with the Soviet Ambassador on 15 April). Understand that you have done the same. This was helpful. Clearly right that Russians should be made aware of risks in meddling.
3. Soviet motives a mixture of desire to preserve trading relationship with Argentina, in particular her current need for Argentine grain; wish to identify Soviet Union with anti-colonialist opinion in Third World; possibility of wedge-driving between Western allies and between US and Latin Americans. Russians will seek to exploit whatever situation develops and will therefore be concerned at present to preserve choice of options which requires continuing caution.
4. We do not judge Soviet Union wishes or is prepared to run the risk of direct military involvement. It has become public that Russians have passed certain intelligence about British task force to the Argentinians but so far no sign that this is of really sensitive nature. No sign of direct operational link for passage of intelligence. Some has apparently been passed via Argentine Ambassador in Moscow.
5. We should continue to expose cynicism of Soviet position. And ensure that wedge-driving is not successful.

## TALKS WITH MR HAIG:

## SOVIET ATTITUDE

ESSENTIAL FACTSPolitical Reaction

1. Soviet comment has moved away from relative evenhandedness of initial reporting to a more openly anti-British line. Epitomised by title of article in Soviet press on 14 April - 'Argentina proposes negotiations, Britain rattles its sabre'. Soviet abstention in the Security Council vote has not been published. It was not until 15 April that Pravda reported that SCR 502 included a reference to the withdrawal of Argentine troops.

2. Soviet press has also taken an uncompromisingly negative attitude towards US mediation efforts. The Russians seem to have seized the opportunity to open another anti-US propaganda front in Latin America to undermine US influence in Argentina. The message is that Washington is exploiting the crisis for its own ends.

Economic

3. Soviet Union now depends on Argentina for one third of its grain imports and takes seventy five percent of Argentina's grain exports. These are of great importance to the Soviet Union which is expected to import about forty five million tonnes of grain this year to compensate for its third consecutive bad harvest.

Military/Intelligence

4. On 15 April Eagleburger, talking to Sir N Henderson in Washington, implied that the Americans feared the Russians might actually become involved in military activities. We have no evidence to support this and do not believe that the Soviet Union would risk becoming directly involved in military operations in the area. We expect Soviet surveillance and intelligence-gathering by satellite, maritime air reconnaissance, and surface ship to continue and increase as the task force moves South. It could be supplemented by Soviet fishing fleet ships in the Falklands area. It is not clear whether Eagleburger's remarks were based on genuine concern or were directed towards moderating the UK position vis-à-vis the Argentine authorities. Eagleburger also said he would be seeing Dobrynin on 15 April to read him the riot act about Soviet involvement.

5. Reports so far indicate that the Russians have passed some intelligence on the task force to the Argentinians. We have no evidence that the intelligence is high grade, although the latest report indicates that on 15 April the Argentine Fleet Commander was in possession of both the composition and accurate positions of the various elements of the British task force which was possibly derived from information passed by the Soviet Union. The channels

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used so far, which have included the Argentine Ambassador in Moscow, do not indicate a direct operational link for the time being.

EESD

16 April 1982

S E C R E T

## TALKS WITH MR HAIG

## FALKLAND ISLANDS: ECONOMIC MEASURES AGAINST ARGENTINA

## POINTS TO MAKE

Existing Measures

1. Community's import ban now in force. Affects about 25% of Argentina's exports. Canada, Australia, New Zealand and Hong Kong have also banned imports; Norway will announce a ban on Monday. All this a severe shock to Argentina, as Secretary Haig confirmed.
2. No new export credit cover available to Argentina from Community countries, old Commonwealth and probably also Japan. This, with import ban, reduces Argentina's sources of foreign exchange.
3. In the financial field, new loans to Argentina are drying up. Those in the pipeline are being frozen; fresh applications being declined.
4. Financial confusion also in Argentina, with local banks in trouble. Bound to make Argentina's economic problems worse; their inflation already highest in the world.
5. Not our intention to force Argentina into default. This would have dangerous consequences for the international financial system. But it would give short-term relief to Argentina from debt payments.
6. Seeking to dissuade others from circumventing the measures taken so far. This particularly important over arms embargo. Believe Argentina energetically looking for supplies.
7. All these measures could be quickly reversed, but not easily re-imposed. Should act to lift arms embargo, import ban and assets freeze only when Argentina withdrawal is complete.

Possible US Action

8. Fully understand that United States cannot act openly in this field while Secretary Haig's mission continues.
9. Appreciate what US is already doing - existing arms embargo and go-slow on export credit applications.
10. But most important that, if Argentina proves recalcitrant in negotiation, or later reneges on agreement, US take economic measures as our other partners have done. US action would have powerful impact, both politically and economically.
11. In trade field, US taking 12% of Argentina's imports. US action would also impress other potential supporters and bring them in, especially Japan. Import ban by EC, US, Japan and the others would deny Argentina 40% of its markets.
12. In the financial field, US by far Argentina's largest source of funds. No other banks likely to lend to Argentina if US banks are holding back, and the US authorities are discouraging them.

## ESSENTIAL FACTS

### Trade Measures

1. EC ban on Argentine imports, initially lasting one month, came into effect on 16 April. Community took an estimated 23% of Argentina's exports in 1981 - but took 28% in 1980 and over 30% in four preceding years. Community has substantial trade surplus and some members - especially Germany and Italy - have much larger trade than the UK.
2. Old Commonwealth countries have each announced an import ban. Hong Kong has banned imports except for transshipment to China. Norway has decided a ban and will announce it on 19 April. These measures affect a further 1 - 1.5% of Argentine exports.
3. Argentina has imposed its own embargo on imports from the countries taking trade measures against it, though this can be applied on a selective basis, to allow in essential supplies.
4. We are asking other countries, mainly in OECD, not to circumvent our economic measures, eg by taking up export business denied to us and our partners, and especially by ensuring that no arms reach Argentina, even by third countries.
5. In the export credit field, we and the old Commonwealth countries have formally given up cover for new Argentine business. There will in practice be no new offers of official support for export credit from Community countries (subject to confirmation by Belgium). Japan does not expect any new applications for cover. The US have been deferring action on new approvals.

### Financial Situation

6. Argentina's total debt is around \$34 billion. About \$14 billion is needed to cover existing debt maturing this year, plus \$3 billion to finance the external deficit. This does not allow for further outflows of capital provoked by the invasion.



7. It has been virtually impossible for Argentina to raise new finance since the invasion. A \$200 million loan for the electricity agency has been frozen, and a \$250 million loan for the gas utility is in abeyance. A request for a new loan from Abu Dhabi has been declined. But it appears that banks are rolling over existing loans without increasing the amounts. The guidance given by the Bank of England on the freeze in the UK does not prevent this, provided frozen Argentine assets are not used.

8. The Argentine authorities are taking steps to avoid being declared in default. They are not making payments to UK banks, but are putting the amounts due into a special account in New York (described as an Escrow account). An Argentine default would not be in our interest. It would affect \$6 billion of claims outstanding to UK banks, far in excess of assets in London. It would give a very severe shock to the world financial system already shaken by problems in Poland and elsewhere. Argentina would be relieved of the need to meet outstanding payments.

9. Press reports indicate severe domestic financial difficulties in Argentina. Depositors are withdrawing both dollars and pesos from local banks in massive amounts (one press estimate was about \$800 million in the week before Easter). Interest rates have soared, several financial institutions are in trouble and the Central Bank is providing support. Inflation, already at 130% last year, seems bound to accelerate.

#### US Measures

10. Secretary Haig, when last in London, said that he had told Argentine government that if they reneged on the proposed agreement the United States would impose economic sanctions on Argentina.

11. The United States took 12% of Argentine exports in 1981 (9% in 1980). The main products imported are meat, sugar and mineral fuels; there will be little problem in finding alternative sources. The United States has a very

large surplus with Argentina.

12. US banks have claims outstanding against Argentina of \$7.5 billion as against liabilities (Argentine assets) of \$2.4 billion. They have large amounts of debt maturing this year, including 50% of Argentina's short-term external debt. Like UK banks, they would be extremely reluctant to see Argentina default.

#### Soviet/Argentine Economic Relations

13. These have expanded rapidly in the last two years, since President Carter's grain embargo. The Soviet Union is now Argentina's largest market, especially for grain, taking 15% of exports in 1980 and an estimated 36% in 1981.

#### Impact of Economic Retaliation against the UK

14. The Argentine measures taken so far could be quickly reversed, like our own. If they went further, eg by confiscating assets, there would be some inevitable loss and claims of up to £300 million against ECGD. But there should be no serious damage to UK total exports, industry or employment. The banks (Lloyd's and Barclays) are most at risk. But Lloyd's Chairman has said that this is within their prudential capacity.

15. If other Latin American countries join with Argentina in taking economic action against us, by far the most serious risks would be in Mexico, Brazil and Venezuela. Mexico and Brazil seem unlikely to go far in this direction: Mexico is giving little support to Argentina; Brazil cannot risk upsetting banking confidence. Venezuela may indeed act against us; though its uncertain economic situation, with the oil price falling, might deter it.

#### Oil and Gas, Minerals and Fish in the Falklands Area

16. The Falkland Islands area has hydrocarbon potential, on the basis of seismic surveys. The same may be true of the Dependencies. But in the absence of drilling we do not know the extent of deposits, if any. There are no metal

deposits on the Falkland Islands or the Dependencies. The fishing potential is considerable, but the distance and the species (southern blue whiting and krill) make it unattractive to the British fishing industry.

Economic Relations Department  
17 April 1982

S E C R E T

TALKS WITH MR HAIG:

PERCEPTIONS OF US NEUTRALITY

POINTS TO MAKE

1. Some in this country, eg in Parliament on 14 April - argue that America must not be neutral between the aggressor and the victim of aggression in this dispute. They insist that the United States should join Britain's other allies in imposing economic sanctions on Argentina, as Britain joined America in the affair of the US hostages in Iran.
2. This is not the British Government's view of course.
3. We are well aware that America is not in fact neutral in the present dispute. Grateful for the indispensable cooperation which we have continued to receive. We also understand that the reason for not imposing sanctions against Argentina is your wish to maximise the prospects of your Mission. If your Mission produces a satisfactory outcome which prevents conflict, those who perceive the US as neutral will be silenced and Anglo/American relations will be boosted in a most welcome way.
4. But so long as your Mission continues there is a danger that criticism of what is thought to be US neutrality will grow in this country. That could have secondary effects on deeper currents in public opinion, for instance on attitudes to nuclear weapons.
5. We assume of course that if the present road did not lead to a satisfactory conclusion the United States would revise its public position.

S E C R E T

## BRIEF FOR MR HAIG:

## PERCEPTIONS OF US NEUTRALITY

ESSENTIAL FACTS

1. The United States Government is not in fact neutral in the dispute. They accept the justice of the British position and have continued indispensable, largely-unpublicised co-operation. But the Americans believe that Haig's mission can only succeed if they display a degree of neutrality which is credible in Argentina. Thus:

- i) Although the US has accepted the Security Council Resolution 502, they have declined to take any economic measures against Argentina;
  - ii) The US Government has declined to take a stand on the sovereignty of the Falkland Islands (although over the years they have recognised British sovereignty e.g. by concluding agreements with us which explicitly extended to the Falkland Islands);
  - iii) There have been several conspicuous examples of American willingness to proceed with business as usual for example the proposed visit to Buenos Aires of Mr Brock, the US Special Trade Representative, the participation by US General Allen in the meeting of 'Air Chiefs of the Americas' in Buenos Aires and, more recently their apparent intention to accede to an Argentine request for (unclassified) information from a Landsat observation satellite.
  - iv) When reports of American covert cooperation with the UK leaked Mr Haig made an outspoken reaffirmation on 14 April of the United States 'long standing relations with both the UK and Argentina' and denied that the US was doing anything 'beyond the scope of customary patterns of cooperation'.
2. As a result the US gives the appearance of unreasonably sitting on the fence. This attitude has disturbed not only British opinion, but also a large section of US opinion. It has in addition left the Canadians uncomfortably exposed in a more forward position.
3. The attitude adopted by a go-between in political negotiations such as these is a matter of delicate balance of which, in the last resort, the Americans must be the judges. While there is a prospect of success for Haig's mission, our interest lies in acquiescing in the present degree of neutrality and parrying criticism of the Americans. But if he fails strong American pressure on Argentina will be crucial to the chances of getting Argentina to settle. Neutrality at that stage would be very bad for us, and for British perceptions of the US.

S E C R E T

4. Sir N Henderson has taken a fairly strong line with the Americans in Washington, arguing that Argentine willingness to negotiate will depend not on American neutrality but on American willingness to act against Argentine interests if they remain intransigent. This maintains pressure on the Americans not to exaggerate their neutrality but leaves Ministers free to indicate that we will not protest as long as there is a prospect of a successful negotiation.

17 April 1982

S E C R E T

S E C R E T

FALKLAND ISLANDS

DRAFT AGREED MEMORANDUM AS IT STOOD AFTER THE PRIME MINISTER'S MEETING WITH SECRETARY HAIG ON 13 APRIL

1. On the basis of United Nations Security Council Resolution No.502, and noting relevant United Nations General Assembly Resolutions, Argentina and the United Kingdom have agreed on the following steps, which form an integrated whole.
2. All military and security forces other than local police shall be withdrawn within a short period of time, but not later than two weeks from the date of this agreement, from three areas defined by circles of 150 nautical miles radius from the following coordinate points:
  - (a) Lat.  $51^{\circ} 40'$  South [Falklands]  
Long  $59^{\circ} 30'$  West
  - (b) Lat.  $54^{\circ} 20'$  South [South Georgia]  
Long  $36^{\circ} 40'$  West
  - (c) Lat.  $57^{\circ} 40'$  South [South Sandwich Islands]  
Long  $26^{\circ} 30'$  West
3. After the date of this agreement and pending a definitive settlement, no military or security force shall be introduced into the areas defined in paragraph 2 above. On completion of the withdrawal specified in paragraph 2, all forces that have been deployed in connection with the current controversy shall be redeployed to normal duties.
4. The United Kingdom and Argentine shall each appoint, and the United States agrees to appoint, a representative to constitute a Special [Interim] Commission which shall provide observers to verify compliance with the obligations in the preceding paragraphs. Each Commissioner may be supported by a staff of not more than ten persons.

/5.

5. On an interim basis, all decisions, laws and regulations hereafter adopted by the local administration on the islands shall be submitted to and expeditiously ratified by the Special [Interim] Commission, except in the event that the Special [Interim] Commission deems such decisions, laws or regulations to be inconsistent with the purposes of this agreement or its implementation. The traditional local administration shall continue, including the Executive and Legislative Councils, which would be enlarged to include representatives of the Argentine population whose period of residence on the islands is equal to that required of others entitled to representation, such representatives to be in proportion to that population subject to there being at least one such representative on each Council. The Special [Interim] Commission shall fly the flag of each of its constituent members at the Commission's headquarters.

6. The Special [Interim] Commission shall make specific recommendations to the two Governments or to the Executive and Legislative Councils to facilitate and promote travel, transportation, communications and trade between the mainland and the islands.

7. Within a short period of time, but not later than two weeks from the date of this agreement steps shall be taken to terminate the economic and financial measures adopted in connection with the current controversy, including restrictions relating to travel, transportation, communications, and transfers of funds between the two countries. Likewise, the United Kingdom shall request third countries that have adopted similar measures to terminate them by that date.

8. December 31, 1982, will conclude the interim period, and during this period the conditions of the definitive status of the islands shall be negotiated consistently with the Purposes and Principles of the United Nations Charter.



S E C R E T

FALKLAND ISLANDS

AGREED MEMORANDUM:  
PARAGRAPH 8

VARIOUS FORMS OF

1. Original form, in the document as it emerged from the Prime Minister's meeting with Secretary Haig on 13 April:

"December 31, 1982, will conclude the interim period, and during this period the conditions of the definitive status of the islands shall be negotiated consistently with the Purposes and Principles of the United Nations Charter."

2. Second version, provided by Secretary Haig after talking to Costa Mendez before leaving London on 13 April:

"December 31, 1982, will conclude the interim period and, during this period, the signatories shall negotiate the conditions of the decolonization and definitive status of the islands, consistent with the purposes and principles of the UN Charter, United Nations General Assembly Resolution 1514 (XX), and the 1964 Report of the Special Committee of the General Assembly on the situation with regard to the implementation of the declaration on the granting of independence to colonial countries and peoples."

/3.

S E C R E T

3. Third Version, sent by the Secretary of State to Secretary Haig on 15 April:

" December 31, 1982, will conclude the interim period. During this period, the signatories shall negotiate with a view to determining the future definitive status of each of the three groups of islands consistently with the purposes and principles of the UN Charter, United Nations General Assembly Resolutions 1514(XV) and 2625(XXV) and, so far as islands with a settled population are concerned, in accordance with the wishes and interests of that population, which shall be ascertained by a sounding of their opinion to be supervised by the Special Commission. If it is not possible to complete the processes envisaged in this paragraph by December 31, 1982, the interim period may be extended for (three) months by agreement between the parties."

4. Fourth version, Argentine version passed to us by Secretary Haig on 15 April:

" The British Government shall adopt measures necessary to comply, with respect to the Malvinas, South Georgia, and South Sandwich Islands, with Resolution 1514 (XV) of the General Assembly of the United Nations, completing the decolonization of the same by 31 December 1982, taking into account that, in accordance with Resolutions 2065 (XX), 3160 (XXVIII), and 31/49<sup>o</sup> of the General Assembly of the United Nations, in this case the principle of Argentine territorial integrity is applicable."

/5.

S E C R E T

5. Fifth version, Argentine version passed to us by Secretary Haig on 17 April:

" December 31, 1982, will conclude the interim period during which the signatories shall conclude negotiations on modalities for the removal of the islands from the list of non-governing territories under Chapter XI of the United Nations Charter and on conditions for their definitive status, on the basis of the implementation of the principle of Argentine territorial integrity and taking fully into consideration the interests of the inhabitants of the islands in accordance with the purposes and principles of the Charter of the United Nations and Resolutions 1514 (XV), 2065 (XX) and other relevant resolutions of the General Assembly of the United Nations."

SECRET

MESSAGE FROM MR HAIG TO THE SECRETARY OF STATE, RECEIVED ON  
17 APRIL 1982

2. DEAR FRANCIS:

FURTHER TO MY MESSAGE OF EARLY THIS MORNING -- AND AS I GO INTO MY 10:00 A.M. MEETING WITH THE JUNTA -- I WANT YOU TO HAVE THE THREE KEY PARAGRAPHS WE RECEIVED LAST NIGHT FROM COSTA MENDEZ FOLLOWING HIS MEETING AT CASA ROSAIA. AS I TOLD YOU IN MY MESSAGE. WE ARE DEEPLY DISAPPOINTED. THE ARGENTINE PARAGRAPHS ARE TOTALLY UNACCEPTABLE. I WILL BE IN TOUCH WITH YOU AGAIN FOLLOWING MY MEETING. AL END OF MESSAGE.

3. BEGIN ARGENTINE PARAGRAPHS:

INTERIM ADMINISTRATION:

PENDING A DEFINITIVE SETTLEMENT, ALL DECISIONS, LAWS AND REGULATIONS TO BE HEREAFTER IMPLEMENTED ON THE ISLANDS SHALL BE SUBMITTED TO AND EXPEDITIOUSLY RATIFIED BY THE SPECIAL INTERIM AUTHORITY, EXCEPT IN THE EVENT THAT THE SPECIAL INTERIM AUTHORITY DEEMS SUCH DECISIONS LAWS AND REGULATIONS TO BE INCONSISTENT WITH THE PURPOSES AND PROVISIONS OF THIS AGREEMENT OR ITS IMPLEMENTATION. THE TRADITIONAL LOCAL ADMINISTRATION SHALL CONTINUE THROUGH THE EXECUTIVE AND LEGISLATIVE COUNCILS, WHICH SHALL BE ENLARGED TO INCLUDE AN EQUAL NUMBER OF REPRESENTATIVES APPOINTED BY THE ARGENTINE GOVERNMENT AMONG LOCAL RESIDENTS. THE LOCAL POLICE SHALL BE SUBJECT TO THE GENERAL SUPERVISION OF THE SPECIAL INTERIM AUTHORITY. THE FLAGS OF EACH OF THE CONSTITUENT MEMBERS OF THE SPECIAL INTERIM AUTHORITY SHALL BE FLOWN AT ITS HEADQUARTERS.

LINKS BETWEEN MAINLAND AND ISLANDS:

FULL FREEDOM OF TRAVEL, TRANSPORTATION, MOVEMENT OF PERSONS, RESIDENCE, OWNERSHIP AND DISPOSITION OF PROPERTY COMMUNICATIONS AND COMMERCE BETWEEN THE MAINLAND AND THE ISLANDS SHALL BE RECOGNIZED TO THE INHABITANTS OF THE ISLANDS AND TO THE ARGENTINE NATIONALS COMING FROM THE MAINLAND ON AN EQUAL BASIS.

THE SPECIAL INTERIM AUTHORITY SHALL MAKE SPECIFIC PROVISIONS ON THESE MATTERS IN ORDER TO IMPLEMENT THESE FREEDOMS, INCLUDING ARRANGEMENTS FOR COMPENSATION OF

ISLANDERS WHO DO NOT WISH TO REMAIN.

NEGOTIATIONS:

DECEMBER 31, 1982, WILL CONCLUDE THE INTERIM PERIOD DURING WHICH THE SIGNATORIES SHALL CONCLUDE NEGOTIATIONS ON MODALITIES FOR THE REMOVAL OF THE ISLANDS FROM THE LIST OF NON-GOVERNING TERRITORIES UNDER CHAPTER XI OF THE UNITED NATIONS CHARTER AND ON CONDITIONS FOR THEIR DEFINITIVE STATUS, ON THE BASIS OF THE IMPLEMENTATION OF THE PRINCIPLE OF ARGENTINE TERRITORIAL INTEGRITY AND TAKING FULLY INTO CONSIDERATION THE INTERESTS OF THE INHABITANTS OF THE ISLANDS IN ACCORDANCE WITH THE PURPOSES AND PRINCIPLES OF THE CHARTER OF THE UNITED NATIONS AND RESOLUTIONS 1514 (XV), 2065 (XX) AND OTHER RELEVANT RESOLUTIONS OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS.

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TO FLASH WASHINGTON

TELEGRAM NUMBER 747 OF 17 APRIL

AND TO FLASH UKMIS NEW YORK

FOLLOWING FOR INFORMATION IS LATEST MESSAGE FROM HAIG TO SECRETARY OF STATE

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444

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## LINKS BETWEEN MAINLAND AND ISLANDS:

3. FULL FREEDOM OF TRAVEL, TRANSPORTATION, MOVEMENT OF PERSONS, RESIDENCE, OWNERSHIP AND DISPOSITION OF PROPERTY COMMUNICATIONS AND COMMERCE BETWEEN THE MAINLAND AND THE ISLANDS SHALL BE RECOGNISED TO THE INHABITANTS OF THE ISLANDS AND TO THE ARGENTINE NATIONALS COMING FROM THE MAINLAND ON AN EQUAL BASIS.

THE SPECIAL INTERIM AUTHORITY SHALL MAKE SPECIFIC PROVISIONS ON THESE MATTERS IN ORDER TO IMPLEMENT THESE FREEDOMS. INCLUDING ARRANGEMENTS FOR COMPENSATION OF ISLANDERS WHO DO NOT WISH TO REMAIN.

## NEGOTIATIONS

4. DECEMBER 31, 1982 WILL CONCLUDE THE INTERIM PERIOD DURING WHICH THE SIGNATORIES SHALL CONCLUDE NEGOTIATIONS ON MODALITIES FOR THE REMOVAL OF THE ISLANDS FROM THE LIST OF NON-GOVERNING TERRITORIES UNDER CHAPTER XI OF THE UNITED NATIONS CHARTER AND ON CONDITIONS FOR THEIR DEFINITIVE STATUS, ON THE BASIS OF THE IMPLEMENTATION OF THE PRINCIPLE OF ARGENTINE TERRITORIAL INTEGRITY AND TAKING FULLY INTO CONSIDERATION THE INTERESTS OF THE INHABITANTS OF THE ISLANDS IN ACCORDANCE WITH THE PURPOSES AND PRINCIPLES OF THE CHARTER OF THE UNITED NATIONS AND RESOLUTIONS 1514 (XV), 2065 (XX) AND OTHER RELEVANT RESOLUTIONS OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS.

PYM