

ALQ050/3041

FILED IN HISTORY

NO OF OFFICERS	SECURITY
NO OF PAGES	CLASSIFICATION

CONFIDENTIAL



10 DOWNING STREET

S. Am D (107)
 6 PS sec 10
 PS/Mowbray
 PS/DUS
 Mr Bullard
 Mr Wiffard
 Mr Wright
 Mr Jue
 Mr Willmore
 Det Dept
 Planning Staff
 ONO
 Sir I. Sinclair
 JWH/14

21 April 1982

From the Private Secretary

Revised
 Dft reply submitted by Planning Staff

Dear John,

Mr. Pym's Visit to Washington

n/t Thank you for your letter of today's date. The Prime Minister has the following comments.

She was grateful that a new paragraph had been produced so quickly on the possibility of a UN peace-keeping force but agrees with Mr. Pym that it should be kept in reserve. Indeed, the Prime Minister would welcome a paper which considered this idea and all its implications in some detail, together with advice on the circumstances in which it might be in our interests to promote it. Perhaps David Wright would consider how this could best be handled in the form of a paper for OD(SA).

The Prime Minister's comments on the three draft telegrams are as follows:

First telegram

The references to "my limited time with Haig" and "I do not want the talks with Haig to monopolise the time available" might, if conveyed in that form to US officials, give a wrong impression about the central importance we attach to the talks with Haig. (I am sure that this is purely a drafting matter and you will know best how to deal with it)

Second telegram

(102)

In paragraph 1(a), there would be advantage in adding to the last sentence the phrase "whereas the Argentines would be only about 200 miles away".

As regards paragraph 1(b) perhaps the first sentence could read "to have three nominees of the Argentine Government in each Council would be disproportionate". The Prime Minister realises that the language you produced was before OD(SA) this morning but is inclined to think that it is hard to argue against the procedure of nomination as such. If we do, we shall have to fall back on the alternative of election and it would be even more objectionable to give voting rights to the Argentine population on the Islands.

CONFIDENTIAL

/ Then,

CONFIDENTIAL

- 2 -

Then, in the penultimate paragraph should not the final sentence read "but I thought I should leave you in no doubt about the gap which I see between their present demands and what we can accept".

Third telegram

103
The Prime Minister has commented on the new formula for paragraph 7(a) (and the same applies to previous formulae) that it is not clear whether this special interim authority will proceed by unanimity or by majority. We need to work out which would be in our interests.

There is then a more fundamental point about the whole structure of the agreement (and again this relates to earlier texts as well). It is not clear to the Prime Minister whether various provisions of the text relate to the Falkland Islands alone or to the Falkland Islands and the dependencies. This is not spelt out at any point in the latest text. Mrs Thatcher considers that this ambiguity might cause difficult issues of substance to be raised later. For example:

- (a) The provisions on withdrawal might prevent ENDURANCE going back to South Georgia on its normal business in the interim period. Meanwhile Argentine merchant ships would be able to move backwards and forwards unhindered.
- (b) The governing authority for the Falkland Islands differs from the governing authority for the dependencies. In the case of South Georgia, as the Prime Minister understands it, the administering authority is the Governor plus the Executive Council. But if the agreement does not provide for a Governor, how is South Georgia to be administered?
- (c) It would not be right for Argentine members of the Executive Council to be involved in decisions relating to South Georgia.
- (d) We can probably not accept that the special interim authority should have powers relating to the dependencies.

The above examples lead the Prime Minister to question whether we have thought out clearly enough the extent to which we wish any agreement to apply to the dependencies as well as the Falkland Islands. She appreciates that it will not be possible to reach a clear view on this before the Foreign and Commonwealth Secretary goes to Washington tomorrow morning. But she hopes that urgent advice will be forthcoming on the matter. She also suggests that Mr. Pym may wish, when in Washington, to make the point to Mr. Haig that, owing to the circumstances in which the various texts have been elaborated, it may well be that their structure is defective and that, following the talks in Washington, we may wish to produce a clean text of an agreement, in a somewhat reordered form, for later communication to the Americans.

/ Finally

CONFIDENTIAL

CONFIDENTIAL

- 3 -

Finally, the Prime Minister has asked whether it might not be wise for the Attorney General to examine the texts as they have emerged. Perhaps you could consider this point as well.

I am sending copies of this letter to the Private Secretaries to members of OD(SA) and to David Wright (Cabinet Office).

You see

John Holmes.

John Holmes, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL