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FALKLANDS : AN ALTERNATIVE BASIS FOR MR HAIG'S NEGOTIATIONS

1. The note attached to Mr Mallaby's minute of 23 April to PS/PUS suggests a package which might be put to Mr Haig as an alternative basis for negotiations. This is a valid alternative, and it is worth making the point that an offer on the lines which Mr Mallaby suggests should have some presentational advantages internationally, even if our assessment was that its chances of success were no better than moderate.
2. Objections to it in our own counsels are likely to be based on the 'burglar-rewarded' argument, and on the argument that if we hold on to our present course for a bit longer we may conceivably find ourselves in a position from which we can drive a much harder bargain.
3. I have been wondering whether there is not yet another course of action which would enable us to get the advantages given by Mr Mallaby's proposal, of showing that we are making every effort to secure a diplomatic solution, but without running head on into the 'burglar-rewarded' argument and without foreclosing the possibility that we might in the end achieve an even better settlement. Such a proposal would have to provide an escape route and some attractions for the Argentine Government but without committing us to much in the way of concessions.
4. Would it be possible to seek to achieve this by proposing a conference to be held under the auspices either of the United States or on the UN Secretary General, for which the only precondition would be the fulfilment of the first two provisions of Security Council Resolution 502, namely, the cessation of hostilities and the withdrawal of the Argentines from the Falklands? Such a proposal might possibly be presented on the following lines:

We remain confident of the justice of our case. But we are determined if possible to avert further bloodshed. We also recognise the need to envisage and work for a future in which there is a normal, peaceful relationship between the people of the Falkland Islands and their neighbours. From a wider viewpoint, we have no wish to see the Argentine economy in ruins. We have the strongest possible desire to develop our relations with the countries of Latin America constructively on the lines which we have pursued hitherto. On condition that they withdraw from the Falkland Islands forthwith and suspend hostilities, as we shall do, we are therefore willing to enter immediately into discussions with the Argentine Government for the settlement of the dispute under

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the auspices of the United States/the Secretary-General of the UN. We undertake to recognise, in our approach to and conduct of these negotiations for a definitive settlement, that the Argentine Government has a legitimate interest in the future of the Falkland Islands, and that the question of sovereignty must be resolved.

5. This offers the Argentines very little indeed. But it challenges them to behave in a responsible manner. It gives them the prospect of some limelight. It may have great advantages in terms of impact on international opinion, especially perhaps in Latin America. We could surely hope for the support of the United States Administration, whose motive power would indeed be the only hope of getting it off the ground. It secures withdrawal and the return of British administration. Finally, it gives us some time in which to ascertain and take into account the wishes of the Islanders.

C. Giffard

23 April 1982

CSR Giffard

Mr Mulla

cc: Mr Bullard o.r.
Mr A J Williams
Lord N Gordon Lennox
Mr Evans
Legal Advisers
Mr Ure o.r.
Mr Fearn, Emergency Unit
Mr Bayne, ERD
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