

5/21

LOOSE MINUTE

D/DS11/10/6

PS/S of S

Copied to:
PS/Minister (AF)
PSO/CDS
PS/PUS
ACDS (Pol)
AUS (D Staff)

FALKLANDS : US/PERUVIAN IDEAS

//

1. I attended an FCO meeting this morning to discuss how the proposals contained in Washington telegram number 138 of 3 May might be amended to be made acceptable to HMG. I attach the product of that meeting, which is an amended version of the draft agreement produced by the US and Peru, and a draft message from the Foreign and Commonwealth Secretary to Secretary Haig.

2. On the draft agreement, you will note that:

- a. The withdrawal is to begin at the same time as the ceasefire;
- b. Details of the withdrawal are spelled out, and the area from which forces are excluded coincides with our TEZ, which ensures that the Task Group is conveniently placed should the Argentines renege;
- c. The Contact Group is attenuated to comprise Brazil, Peru, the FRG and the US, and its responsibilities are limited to overseeing withdrawal, and ensuring that the agreement is not contravened;
- d. The acknowledgement of "differing and conflicting views" as between the UK and Argentina

relates only to the Falkland Islands and thus excludes South Georgia and South Sandwich;

- e. It is stated that the views and interests of the Islanders "must be determined" as well as taken into account;
- f. The Contact Group is given only a peripheral role in relation to the subsequent negotiations, which we are not obliged to conclude by the deadline. HMG's freedom to prolong the negotiations, and to veto any particular proposals advanced within them, is thus preserved.

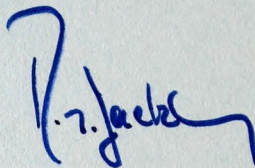
3. As to the draft letter to Secretary Haig, it is the fourth paragraph which is of most concern to the MOD. You will note that HMG would commit our forces "not to fire within or outside the TEZ unless directly threatened" during the 48 hours during which this draft agreement was considered by both sides. There seem to me to be two difficulties about this:

- a. The time taken to transmit revised instructions to our submarines;
- b. The public presentation of what we have done, which might seem to be very little change from the present situation.

These difficulties notwithstanding, it seemed to D of DP (C) and me that there was no overriding objection on military grounds either to the proposal for a 48 hour ceasefire, or to the military provisions of the draft agreement. or a revised version of them

4. These papers/are due to be discussed at OD(SA) at 6 pm today. The FCO did not believe that the US and Peruvian Governments will accept our amendments as a basis for taking an initiative with the Argentines. If this should prove to be the case, I understand that the Prime

Minister would be anxious to make public the sense, if not the texts, of these amended proposals as an earnest of our willingness to deal diplomatically in the present circumstances.



4 May 1982

R T JACKLING
Hd of DS11
MB 9326 3287 MB

AMENDED VERSION OF US/PERUVIAN IDEAS

1. An immediate ceasefire, concurrent with:
2. Mutual withdrawal of forces:
 - a) Argentine and British forces to begin immediately to withdraw from an area of 200 nautical miles radius from the Falkland Islands and to refrain from introducing any forces into that area.
 - b) The UK will ensure safe passage for the Argentine garrison to the mainland.
 - c) All British and Argentine forces to be withdrawn within 7 days from the area of 200 nautical miles radius from the Falklands and to remain outside that area.
3. The immediate introduction of a Contact Group composed of Brazil, Peru, the Federal Republic of Germany and the United States into the Falkland Islands on a temporary basis pending agreement on a definitive settlement, the Group's tasks being:
 - a) to verify the withdrawal;
 - b) to ensure that no actions are taken in the Islands, by the restored administration or otherwise, which would contravene this interim agreement.
4. Britain and Argentina acknowledge the existence of differing and conflicting views regarding the status of the Falkland Islands.
5. The two governments acknowledge that the views and interests of the Islanders must be determined and taken into account in the definitive settlement of the problem.
6. The two governments will make every possible effort

in good faith to reach a definitive agreement prior to 30 April 1983. The countries represented in the contact group will give every assistance in this.

DRAFT MESSAGE TO MR HAIG FROM THE SECRETARY OF STATE

I found our discussions in Washington very useful and am grateful for the continuing efforts you are making to promote a peaceful settlement of the Falklands crisis.

In considering the ideas you put to Nicko Henderson last night, I am conscious, like you, of the value of simplicity. If further conflict is to be avoided, and our essential aims are to be met, negotiations must not drag on. At the same time, we cannot accept a ceasefire on the basis of an agreement that is too imprecise. Otherwise, Argentina could accept the proposal, and thus escape military pressure, and then play for time in negotiations and prolong the occupation.

I attach a somewhat expanded version of your points, which takes account of this consideration. Because the provisions on withdrawal and the involvement of third parties in the administration of the Islands are expressed more fully ~~in this revised version~~, we have omitted your sixth point giving a role to the contact group in negotiations to carry out the ~~immediate~~ interim agreement. We have also gone back to a contact group composed only of Brazil, Peru, the Federal Republic of Germany and the United States, which is the list given by Peru to our Ambassador on 3 May. In our view the Group should work by consensus and have US or rotating chairmanship. We have also provided a version of the final point which takes account of the plain fact that it might prove impossible to reach agreement on the future of the Falkland Islands by 30 April 1983.

If/

If you and the Peruvian Government were to call upon Argentina and Britain to accept within 48 hours an agreement in the terms I am enclosing, the British Government would immediately announce that our naval forces in the South Atlantic had been given orders not to fire within or outside the TEZ unless directly threatened by Argentine ships or aircraft but that we would revert to earlier rules of engagement if Argentina failed to accept your proposals within 48 hours. We would need from you an advance assurance that Argentina at the same time would announce that the same orders had been issued to her forces and that her ships would not be present in the TEZ in the 48 hour period.

As you know it is essential for the British Government that there should be a United States guarantee of the security of the Falkland Islands, ^{It would need to last} from the 7th day after the signature of an agreement until the implementation of an agreement about the future status of the Islands, and perhaps beyond. For this to deter Argentina, the Government in Buenos Aires must be in no doubt of the guarantee. That suggests that it might take the form of a public statement by the US Administration at the time when the interim agreement enter^{ed} into force.

PS/Secretary of State ✓

Copy to:
PS/Minister(AF) ✓
PSO/CDS
PS/PUS
ACDS(Pol)
Head of DS11

5/21.

FALKLANDS: US/PERUVIAN IDEAS

I have seen a copy of Mr Jackling's minute of today's date forwarding the proposed response to Mr Haig on these ideas.

2. Mr Jackling is quite right to point out that there are some difficulties about the "48 hour" condition suggested but I agree with him that there should be no overriding objection to the proposals being made. They would be, in my view, wholly defensive in terms of public presentation.

3. The only gloss I would wish to add is that the 48 hours should be regarded as the absolute maximum for any waiting period, and I hope that in any discussion of this the Secretary of State would not feel disposed to come under pressure to extend that period.

J M STEWART

AUS(DEFENCE STAFF)

4 May 1982