

Secret



Emergency Unit

(281)

SEE 282

7 C approved +  
sent to No 10

26/5

PS/PUS

FALKLANDS: INSTRUCTIONS TO SIR N HENDERSON

1. I attach:

(see 282)

- A The PUS's draft telegram.
- B Sir M Palliser's notes of what might be said to Haig.
- C An expanded version of A, incorporating some material from B.

mpa  
2/6

2. Sir M Palliser explained to me that the reference to ideas deriving from other chapters of the Charter (paragraph 5 of draft C) was meant to mean the Trusteeship chapter, where we might still find some useful ideas.

C Mallaby

C L G Mallaby  
Emergency Unit

28 May 1982

The Secretary of State need only read flag C with which I agree. It is a synthesis of A & B. I suppose it should be cleared with No. 10, since it is a preparation for the Prime Minister's talk with President Reagan.

Anthony Acland 28/5

SAMD - to end + pla

Ream 1/6

ALQ 050/304/1		
RECEIVED IN REGISTRY		
DESK OFFICER		REGISTRY
INDEX	PA	Action Taken

OUT TELEGRAM

	Classification and Caveats	Precedence/Deskby
	SECRET	IMMEDIATE

ZCZC 1 ZCZC  
 GRS 2 GRS  
 CLASS 3 SECRET  
 CAVEATS 4  
 DESKBY 5  
 FM FCO 6 FM FCO 281230Z MAY 82  
 PRE/ADD 7 TO IMMEDIATE WASHINGTON  
 TEL NO 8 TELEGRAM NUMBER  
 9 REPEATED FOR INFORMATION IMMEDIATE UKMIS NEW YORK  
 10 YOUR TELEGRAM NUMBER 1921 : FUTURE OF THE FALKLANDS  
 11 1. The Prime Minister hopes to have a substantial talk with  
 12 Reagan about the Falklands at the beginning of the Versailles  
 13 Summit (suggestions on the arrangements will be sent separately).  
 14 I would like you to go over the ground with Haig both to prepare  
 15 Reagan for this discussion and in order to respond to his  
 16 message to me.  
 17 2. You should begin by making clear that you are sharing with  
 18 him preliminary ideas which Ministers have been considering, that  
 19 we are consulting no-one else in this way and that he must do  
 20 all he can to ensure that our ideas do not leak.  
 21 3. As Haig knows, our starting point is our determination to  
 22 repossess the Islands and thereafter to consider their future  
 23 development taking full account of the wishes of the Islanders.  
 24 You can tell him that we understand the importance of other  
 25 factors which give him serious concern as they do to us. We

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File number	Dept PUS	Distribution Falklands Selective
Drafted by (Block capitals)		
Telephone number		
Authorised for despatch		
Comcen reference	Time of despatch	

OUT TELEGRAM (CONT)

	Classification and Caveats SECRET	Page 2
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1 <<<<  
 2 recognise that the United States has a more important relationship  
 3 with Latin American countries than we do, but it is in our  
 4 interests too to restore political relations with them and to  
 5 avoid the Falklands crisis leaving scars on the relationship  
 6 between the West and the Third World generally. We also see  
 7 the risk that a humiliated Argentina could turn under new  
 8 leaders towards a closer relationship with the Soviet Union.  
 9 Another important consideration is that Argentina with or without  
 10 arms supplies from the Communist bloc could continue to mount  
 11 or threaten to mount military strikes against the Falkland  
 12 Islands after we had repossessed them, thus keeping the Islanders  
 13 under threat and compelling Britain to maintain strong forces  
 14 in the area possibly at the expense of other commitments eg  
 15 to Nato.  
 16 4. We have to be realistic however about the likely attitude  
 17 of Argentina. After all that has happened it is inconceivable  
 18 that they can achieve what they want - namely a transfer of  
 19 sovereignty. Somehow or other they must be brought to accept  
 20 that they made a serious miscalculation in attacking the  
 21 Falkland Islands and breaking international law and that they  
 22 must pay some penalty for this. This is clearly a very hard  
 23 lesson for them to learn but the Americans are probably best  
 24 placed to get it across, either with Galtieri or with his  
 25 successors should he fall from power.  
 26 5. For our part we do not necessarily envisage returning  
 27 absolutely to the status quo ante. We take seriously our  
 28 obligations under Article 73 of the UN Charter to further the  
 29 interests and well-being of the population of the Falklands and *see*  
 30 *Gilli-* to reduce the colonial appearances of their Government if that  
 31 is what they want. We could therefore envisage a quasi-  
 32 independent Falklands which would thus represent some departure  
 33 from our own sovereignty over them. While recognising the  
 34 difficulties we would also like to see economic development and

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OUT TELEGRAM (CONT)

	Classification and Caveats SECRET	Page 3
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1 <<<<  
 2 would be prepared to consider this in cooperation with countries  
 3 in the area including Argentina if she can be brought to abandon  
 4 her intentions to possess the Islands for herself. There are  
 5 possibilities in oil and gas exploration, fisheries, further  
 6 development of sheep farming, wool and kelp.  
 7 6. Security is of course the key and we accept that Britain  
 8 will have to be involved for the foreseeable future. We  
 9 greatly welcome, however Haig's offer of a US Battalion with  
 10 perhaps a Brazilian one and it seems to us that some internation-  
 11 alisation of the security arrangements could be helpful,  
 12 presentationally to the Argentines. We would certainly not rule  
 13 out therefore the presence of and a guarantee by Forces from the  
 14 US and a number of other countries acting rather on the same  
 15 lines as the Sinai MFO where we are helping the Americans.  
 16 7. Please discuss the foregoing with Haig in a general way and  
 17 tell him that we can refine <sup>our idea</sup> them further in the light of his  
 18 response. We would of course be most interested to hear  
 19 whether he has additional or alternative suggestions for a  
 20 realistic arrangement but you should continue to leave him in  
 21 no doubt about the political facts of life here of which you  
 22 are well aware.

23  
 24 PYM  
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DRAFT FOR SPEAKING TO MR HAIG.

*immediate*  
 Our ~~objective~~ *immediate* is the earliest possible repossession of the Falkland Islands, followed by the withdrawal of the Argentine forces there and the re-establishment of British administration. Thereafter, we wish to create a secure environment for the peaceful future development of the Islands in the most harmonious possible relationship with their neighbours.

Argentina has to be brought to recognise that a consequence of the failure of her attempt to seize sovereignty over the Falklands by force must be a modification of her ambitions. It is no longer politically realistic for her to pursue after military defeat the objective for which she had been negotiating with Britain prior to her act of aggression.

But Britain, having restored her authority over the islands, and while ~~remaining~~ wholly confident of her legal title to sovereignty, is prepared also not to require an indefinite return to the status quo ante. She is prepared to contemplate a change in the status of the Islands, provided that it is consistent with the wishes and interests of the islanders and with the UN Charter. Britain also recognises that it will be in the long-term interests of the Falkland Islanders to have as harmonious and co-operative a relationship as possible with Argentina. K

~~[if at some future moment this relationship had developed so satisfactorily as to encourage the islanders to throw in their lot with Argentina, Britain would not object. But clearly anything of this kind is wholly unrealistic in the foreseeable future.]~~

Accordingly, Britain would be ready to contemplate a future for the Falkland Islands that provided either for their independence or,

perhaps more realistically, for some modified form of independence that would be consistent with the principles of Chapter 11 of the UN Charter, perhaps incorporating ideas deriving from other chapters of the Charter. We shall be thinking constructively about this and shall be ready to discuss it with the Americans.

But the key to the future of the Islands, along the foregoing lines, is security. Without some reliable form of international security arrangement, in which it would be essential for the United States to be involved and (as an assurance to the islanders) for Britain also to play <sup>a</sup> ~~some~~ part, neither the political nor the economic future of the Islands would be certain enough ~~to attract~~ <sup>to retain</sup> either the present inhabitants or <sup>to attract</sup> potential ~~immigrants~~, investors, etc; and an insecure Falklands would be a permanent temptation to irredentism in Argentina. <sup>(The war aim of such</sup> ~~even if the latter could have been brought to accept a regime for the Islands along the lines indicated above. The security arrangements, too, must be considered very urgently between us.~~

The Prime Minister and I [Mr Pym] will hope to carry these ideas further forward in discussion with the President and yourself at Versailles and in London next week.