

ADVANCE COPY

IMMEDIATE

PS
PS/MR HURD
PS/MR ONSLOW
PS/MR RIFKIND
PS/PUS
~~SIR J BULLARD~~ MR GOODISON
~~SIR I SINCLAIR~~ MR FREEMAN
~~MR GIFFARD~~ MR DONALD
MR WRIGHT
~~MR ADAMS~~
~~LORD N G LENNOX~~ MR STREETON
~~LORD BRIDGES~~ MR EVANS
MR URE
~~MR GILLMORE~~
HD NAD
HD/PUSD (2)
HD/S AM D
HD/FALKLANDS UNIT (2)
HD/DEFENCE DEPT
HD/NEWS DEPT
HD/ERD
HD/ECD(E)
HD/UND
HD/PLANNING STAFF
RESIDENT CLERK

~~PS/NO 10 DOWNING ST (2)~~
PS/S OF S FOR DEFENCE
MR J STEWART AUSD STAFF MOD
PS/CHANCELLOR)
MR ILETT) TREASURY
MR LITTLER)
MISS DICKSON D/ENERGY
SIR R ARMSTRONG)
SIR M PALLISER)
MR A D S GOODALL) CABINET OFFICE
DIO)

~~ROOM 8 FOR MODUK C IN C FLEET~~

Mr. COLIN ROTH, LAEPD, ODA
Mr. BORDEN, LAEPD, ODA.

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DESKBY 050900Z

FM WASHINGTON 042335Z AUG 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 2662 OF 4 AUGUST

INFO IMMEDIATE UKMIS NEW YORK

US/FALKLANDS

1. WE HAVE BEEN SHOWN IN CONFIDENCE THE DRAFT OF A STATEMENT ON US POLICY DURING THE FALKLANDS CRISIS WHICH ENDERS IS DUE TO MAKE WHEN TESTIFYING ON 5 AUGUST BEFORE THE HOUSE SUB-COMMITTEE ON INTER-AMERICAN AFFAIRS. MUCH OF THE STATEMENT COMPRISES JUSTIFICATION FOR AMERICAN PEACE-MAKING EFFORTS AND SUPPORT FOR THE UK. IT REEMPHASIZES AMERICAN OPPOSITION TO THE USE OF FORCE TO RESOLVE DISPUTES AS WELL AS NEUTRALITY ON THE SOVEREIGNTY ISSUE. ITS THEME HOWEVER IS THAT HAVING TAKEN A STAND ON A MATTER OF PRINCIPLE AT NO SMALL COST TO ITS RELATIONS WITH LATIN AMERICA, THE US MUST NOW MEND FENCES, ECONOMIC AS WELL AS POLITICAL. ENDERS ALSO SEEKS TO LAY THE GROUND-WORK FOR INCREASED US ARMS SALES TO THE HEMISPHERE (NOT NECESSARILY ARGENTINA) IN ORDER TO WIN POLITICAL INFLUENCE WHICH HAS BEEN LOST IN RECENT YEARS THROUGH AMERICAN RESTRAINT AND

HAS BEEN LOST IN RECENT YEARS THROUGH AMERICAN RESTRAINT AND TO KEEP THE RUSSIANS OUT.

2. THE MAIN POINT OF DIFFICULTY FOR US MAY LIE IN SECTIONS OF THE STATEMENT WHICH SPELL OUT IN GREATER DETAIL THAN HAS BEEN OFFICIALLY ACKNOWLEDGED BEFORE THE ELEMENTS OF HAIG'S FINAL PROPOSAL OF 27 APRIL (OUR TELNO 1472) AND THE PERUVIAN PLAN OF 5 MAY. TEXT OF RELEVANT PARAGRAPHS IN MIFT. (attached).

3. THE STATEMENT ALSO NOTES THAT A MINOR LESSON FROM THE CONFLICT IS THAT RESTRAINT IN THE USE OF SANCTIONS CAN PAY DIVIDENDS AND GOES ON TO CLAIM THAT AMERICAN SANCTIONS AGAINST ARGENTINA WERE QUOTE LARGELY SYMBOLIC UNQUOTE.

4. THE DRAFTER OF THE STATEMENT HAS TOLD US THAT AN ADVANCE COPY HAS ALREADY BEEN SENT TO THE HOUSE SUB-COMMITTEE.

THOMAS

NNNN

I indicated that line should not pose too much difficulty since both plans were put to the Argentines first. JH s/s.

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GR 550
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FM WASHINGTON 042336Z
TO IMMEDIATE FCO
TELEGRAM NUMBER 2663 OF 4 AUGUST 1982
INFO IMMEDIATE UKMIS NEW YORK

MIPT: US/FALKLANDS

1. TEXT OF PARAGRAPHS ON THE HAIG PROPOSALS IS AS FOLLOWS:-
ON APRIL 27, AS PROSPECTS FOR MORE INTENSE HOSTILITIES
INCREASED, THE UNITED STATES PUT FORWARD A PROPOSAL OF ITS
OWN. IT REPRESENTED OUR BEST ESTIMATE OF WHAT THE TWO PARTIES
COULD REASONABLY BE EXPECTED TO ACCEPT. IT WAS FOUNDED SQUARELY
ON U.N. SECURITY COUNCIL RESOLUTION 502, WHICH BOTH SIDES
ASSERTED THEY ACCEPTED.

THE U.S. PROPOSAL CALLED FOR NEGOTIATIONS TO REMOVE THE ISLANDS
FROM THE LIST OF NON-SELF-GOVERNING TERRITORIES UNDER CHAPTER
XI OF THE U.N. CHARTER. IT SPECIFIED THAT THE DEFINITIVE STATUS
OF THE ISLANDS MUST BE MUTUALLY AGREED, WITH DUE REGARD FOR THE
RIGHTS OF THE INHABITANTS AND FOR THE PRINCIPLE OF TERRITORIAL
INTEGRITY. AND IT REFERRED BOTH TO THE PURPOSES AND PRINCIPLES
OF THE U.N. CHARTER, AND TO THE RELEVANT RESOLUTIONS OF THE
U.N. GENERAL ASSEMBLY.

THOSE NEGOTIATIONS WERE TO BE COMPLETED BY THE END OF THE
YEAR. PENDING THEIR CONCLUSION, AN INTERIM AUTHORITY COMPOSED
OF ARGENTINA, BRITAIN, AND THE UNITED STATES WAS TO OVERSEE
THE TRADITIONAL LOCAL ADMINISTRATION, TO BE SURE THAT NO DECISION
WAS TAKEN CONTRARY TO THE AGREEMENT. ARGENTINE RESIDENTS OF THE
ISLANDS WERE TO PARTICIPATE IN LOCAL COUNCILS FOR THIS PURPOSE.
DURING THE INTERIM PERIOD TRAVEL, TRANSPORTATION AND MOVEMENT
OF PERSONS BETWEEN THE ISLANDS AND THE MAINLAND WERE TO BE
PROMOTED AND FACILITATED WITHOUT PREJUDICE TO THE RIGHTS
AND GUARANTEES OF THE INHABITANTS.

THE PROPOSED INTERIM AUTHORITY OF THREE COUNTRIES WAS TO MAKE
PROPOSALS TO FACILITATE THE NEGOTIATIONS, INCLUDING RECOMMENDATIONS
ON HOW TO TAKE INTO ACCOUNT THE WISHES AND INTERESTS OF THE
INHABITANTS, AND ON WHAT THE ROLE OF THE FALKLAND ISLANDS
COMPANY SHOULD BE.

SHOULD THE NEGOTIATIONS NOT HAVE BEEN COMPLETED BY YEAR'S END,
THE UNITED STATES WAS TO BE ASKED TO ENGAGE IN A FORMAL MEDIATION/
CONCILIATION EFFORT IN ORDER TO RESOLVE THE DISPUTE WITHIN SIX
MONTHS.

THE BRITISH GOVERNMENT INDICATED THAT OUR PROPOSAL PRESENTED
CERTAIN REAL DIFFICULTIES BUT THAT IT WOULD SERIOUSLY CONSIDER
IT. HOWEVER, THE PROPOSAL WAS NOT ACCEPTABLE TO THE ARGENTINE
GOVERNMENT, WHICH CONTINUED TO INSIST THAT ANY SOLUTION MUST
HAVE A PREDETERMINED OUTCOME.

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/ 2. TEXT OF

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2. TEXT OF PARAGRAPH ON THE PERUVIAL PLAN IS:-
ON MAY 5, PRESIDENT BELAUNDE OF PERU TOOK THE INITIATIVE TO
PUT FORWARD A NEW PEACE PLAN, DRAWING ALSO ON THE FUNDAMENTAL
ELEMENTS OF RESOLUTION 502. WE WORKED CLOSELY WITH HIM. THE
SIMPLIFIED TEXT FORWARDED BY PERU TO BUENOS AIRES AND LONDON
CALLED FOR: AN IMMEDIATE CEASE-FIRE; CONCURRENT WITHDRAWAL AND
NON-REINTRODUCTION OF FORCES; ADMINISTRATION OF THE ISLANDS BY
A CONTACT GROUP PENDING DEFINITIVE SETTLEMENT, IN CONSULTATION
WITH THE ELECTED REPRESENTATIVES OF THE ISLANDERS; ACKNOWLEDGEMENT
OF CONFLICTING CLAIMS; ACKNOWLEDGEMENT IN THE FINAL SETTLEMENT
OF THE ASPIRATIONS AND INTERESTS OF THE ISLANDERS; AND AN UNDER-
TAKING BY THE CONTACT GROUP TO ENSURE THAT THE TWO PARTIES
REACHED A DEFINITIVE AGREEMENT BY APRIL 30, 1983.
BRITAIN MADE CLEAR THAT IT COULD SERIOUSLY CONSIDER THE
PROPOSAL. ARGENTINA ASKED INSTEAD FOR THE U.N. SECRETARY GENERAL
TO USE HIS GOOD OFFICE AS, OF COURSE, IT WAS ITS FULL PRIVILEGE
TO DO.

THOMAS

FAULKLAND ISLANDS GENERAL

FCO

FAULKLANDS UNIT

NAD

CABINET OFFICE

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FAULKLAND ISLANDS

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