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CABINET

DEFENCE AND OVERSEA POLICY COMMITTEE
SUB-COMMITTEE ON THE SOUTH ATLANTIC
AND THE FALKLAND ISLANDS

THE FALKLANDS CONFLICT: A COMPLETE
CESSATION OF HOSTILITIES

Memorandum by the Foreign and Commonwealth Secretary

1. I was invited by OD(SA) on 7 June to consider further the modalities and tactics for achieving a comprehensive cessation of hostilities in the South Atlantic.
2. There is considerable evidence that Argentina intends, after we have repossessed the Falkland Islands, to continue hostilities from the mainland against the Islands and our communications. We should clearly make the maximum possible use of such diplomatic cards as we have for inducing her to desist from hostilities on a comprehensive and lasting basis. Our main cards are the return of prisoners-of-war and the lifting of economic measures and the Total Exclusion Zone.

Prisoners-of-War

3. Article 118 of the relevant Geneva Convention requires that

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prisoners-of-war 'shall be released and repatriated without delay after the cessation of active hostilities'. So long as Argentina was visibly continuing hostilities, we should therefore be under no legal obligation to repatriate the prisoners taken following Argentine surrender on the Islands. A less clear-cut situation could arise if Argentina suspended hostilities after repossession, with the intention of resuming them before long. This argues - see below - for our putting forward firm proposals for a comprehensive and lasting ceasefire, which Argentina must accept by a fixed deadline.

4. The number of prisoners we shall hold on repossession of the Islands may be as high as 8,000. The handling of such numbers for any length of time, under the stringent provisions of the Geneva Conventions, would pose substantial practical problems. The Ministry of Defence are preparing a paper about the implications of holding all, or substantial numbers of, the prisoners. From the diplomatic point of view, the prisoners should provide a significant element of leverage, though not a really strong one, over Argentina. It will therefore be desirable, in order to maintain all possible bargaining power in seeking a complete cessation of hostilities, to keep back all the Argentine prisoners while negotiations for a general ceasefire continue. If those negotiations were to drag on and the retention of all the prisoners to prove logistically impossible, there would be arguments for returning only a proportion to Argentina so as to maintain some bargaining power.

Economic Measures

5. I have sent messages to the Foreign Ministers of all the states which have applied economic measures, warning that it may be necessary to maintain the measures until Argentina agrees to cease all hostilities. I have said that we shall wish to discuss this with the countries concerned and requested that they should meanwhile say nothing which would imply any contrary intention.

Exclusion Zones

6. The Total Exclusion Zone and the warning about movement of Argentine naval vessels beyond 12 miles have made the Argentine navy ineffective so far in the conflict. In addition, Argentina's external trade has been significantly hampered by the difficulties caused by hostilities and the TEZ for merchant vessels using Argentine ports. There are indications that the volume of goods passing through these ports may have fallen by more than a half. And the Argentine authorities are having to pay the additional insurance rates now imposed on vessels using these ports. Maintenance of our Zone and the 12 mile warning would therefore give us a further useful source of pressure.

Negotiating Method

7. Once we have an Argentine surrender and a ceasefire on the Falkland Islands themselves, we shall wish to move quickly to exert pressure on Argentina for a complete and lasting cessation of hostilities. I distinguish here between public and private pressure. On the former, there will be international advantages in immediately declaring our readiness for a complete end to hostilities and asking Argentina to agree

to this within a short period. Argentina might refuse. But our declaration would still go down well with the United States and our other friends. If Argentina did not agree to a complete ceasefire, our justification, mentioned above, for holding Argentine prisoners-of-war would be strengthened. Our case for asking our friends to continue with sanctions would also be strengthened. The willingness of a number of countries, including some in Latin America, to supply arms to Argentina for continuing the conflict might well be reduced.

8. As regards private pressure, it will be desirable to convey a carefully worked out proposal for a comprehensive cessation of hostilities to Argentina by some confidential means. President Reagan, in his talk with the Prime Minister on 5 June, expressed considerable interest in how we proposed to obtain a general cessation of hostilities. The United States clearly has a major interest in an end to all hostilities since, without this, relationships in the Western hemisphere are most unlikely to improve again. We have already asked the Americans for help in handling prisoners-of-war. I suggest that we should also ask them to put to Argentina, immediately after we have repossessed the Islands, a proposal for a complete cessation of hostilities, on the basis that Argentine prisoners would all be returned, economic measures would be lifted and the Total Exclusion Zone and similar measures would be terminated, all within the minimum possible time after the final ceasefire took effect. We could also offer a generalised undertaking not to use force in relation to the Falklands dispute except

in self-defence: this would not in any way increase our obligations but would add to the apparent weight of our package.

9. An American offer of aid to Argentina in reconstructing her economy after the conflict could be a major additional inducement in favour of a complete cessation of hostilities. The Americans may well have been considering such an idea, as a means of mending fences with Latin America. We should ask them about their intentions and whether they would feel able to make any aid offer conditional upon Argentine agreement to terminate all hostilities.

Recommendation

10. The time has come to discuss these ideas more fully with the Americans. In doing so, H M Ambassador in Washington should make clear that any Argentine attempt to reopen outdated questions like interim administration would be completely unacceptable, and that there is no question of our negotiating about the Falklands as if nothing had happened.

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FOREIGN AND COMMONWEALTH OFFICE

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