Mr. Speaker, the crisis over the Falkland Islands has moved into a new and even more serious phase in the last twenty-four hours.

our

On Monday of this week t<del>he British</del> Ambassador to the United Nations handed over to the Secretary-General our proposals for a peaceful settlement of the dispute. These proposals represented the limit to which the Government believe it was right to go. We made it clear to Semor Perez de Cuellar that we expected the Argentine Government to give us a very rapid response to them.

By yesterday morning we had had a first indication of the Argentinian reaction. It was not encouraging. By the evening we received their full response in writing. Mr. Speaker, it was in effect a complete rejection of the British proposals.

Indeed, in many respects the Argentinian reply went back to their position when they rejected Mr. Haig's second set of proposals on April. It retracted virtually all the movement they have shown during the Secretary-General's efforts to find a negotiated settlement - efforts which the Secretary - General has said are now at an end.

/Mr. Speaker, the implications

Mr. Speaker, the implications of the Argentinian response are of the utmost gravity. This is why the Government decided to publish immediately the proposals we had put to the Secretary-General and to give the House the earliest opportunity to consider them.

The Government believes that its proposals represent a wholly responsible effort to find a peaceful solution, which both preserves the fundamental principles of our position and offers an opportunity to stop any further loss of life in the South Atlantic. Mr. Speaker, I must warn the House that such an opportunity may well not recur for some time.

We have reached this desperately serious situation because the Argentines clearly decided at the outset of regulation the crisic that they would try to cling to the spoils of invasion and occupation by thwarting at every turn all the attempts that have been made to solve the conflict by peaceful means. Ever since April 2nd they have responded to the efforts to find a negotiated solution with obstinaey and delay, decoit and bad faith.

### /PREVIOUS NEGOTIATIONS

- 2 -

## PREVIOUS NEGOTIATIONS

We have now been negotiating for six weeks. The House will recall the strenuous efforts made over an extended period by Secretary of State Haig. During that period I and my Ministerial colleagues considered no less than four sets of proposals. Although these presented substantial difficulties, we did our best to help Mr. Haig continue his mission until Argentine rejection of his last proposals left him no alternative but to abandon his efforts.

The next stage of negotiations was based on proposals originally advanced by President Belaunde of Peru and modified in consultations between him and Mr. Haig. As my right honourable Friend informed this House on 7 May, Britain was willing to accept these, the fifth set of proposals for an interim settlement. They could have led to an almost immediate ceasefire. But again it was Argentina who rejected them.

I shall not take up the time of the House with a detailed description of these earlier proposals, partly because they are the property of those who devised them but, more importantly, because they are no longer on the negotiating table. Britain is / in no way committed to them.

#### /UNITED NATIONS NEGOTIATIONS

- 3 -

#### UNITED NATIONS NEGOTIATIONS

Since 6 May, when it became clear that the United States/Peruvian proposals were not acceptable to Argentina, the United Nations Secretary-General, Senor Perez de Cuellar, has been conducting negotiations with Britain and Argentina. ift Following several rounds of discussions between the Secretary-Ceneral and the parties, the United Kingdom representative at the United Nations\_was summoned to London for consultation <del>on 16 May</del>. On <del>17 May</del> Sir Anthony Parsons presented to returned to New Take and the Secretary-General a draft interim agreement between Britain and Argentina which set out the British position in full. He made clear that the text represented the furthest that Britain could go in the negotiations. He requested that the draft should be transmitted to the Argentine Deputy Foreign Minister and that the latter should be asked to convey his government's response within two days.

Les les les day

On 19 May, we received the Argentine government's

response. We had no alternative but to regard this reply and a lo formal as a rejection of our own proposal and thus as an insuperable obstacle to continued negotiations in New York.

I pay tribute to the Secretary General for his efforts. Les dore his whork where a peaceful settlement. He tried as hard as anyone could to produce a peaceful settlement. He has dombnistrated his dedication to peaceful negotiation and the respect he has won will be a source of encouragement to all who set store by the influence of the United Nations in the cause of peace and justice. He has won will be a source of the United Nations in the cause of peace and justice. He has won will be a source of the United Nations in the cause of peace and justice. He has won will be a source of the United Nations in the cause of peace and justice. He has won will be a source of the United Nations in the cause of peace and justice.

- 4 -

THE BRITISH PROPOSALS

I come now to the proposals which the Government sent to the Secretary-General on Monday of this week and which we have made available to the House today. The proposals preserve the fundamental principles which have on been the basis of the Government's position from the beginning of the crisie. My Right Honourable Friends and I have set these out to the House many times in the past six weeks and I do so again today.

- 5 -

mentor

First, we believe that aggression eannot be allowed to Sound. Intended two go unanswered and unchecked. If Britain had turned her num to would back on the Falklands following the Argentinian invasion and said - as so many of our critics would have had us say - "Well, we tried for years to negotiate with the Argentine. We did our best. But we have failed and there it is. They have invaded. 1800 people are too few to be worth fighting for. The means would be out of proportion to the ends. The Falkland Islanders will have to grin and bear it. There is nothing Britain can do 8000 miles distant" - if we had said that, the rule of law in the world would have been cruelly undermined.

The law seeks to give equal and just treatment to all, to protect the weak against the strong. International law would have been mocked for a hollow shan, if we had done nothing but stood with arms folded. Aggression would have been rewarded. And small countries across the world would have felt threatened by bigger neighbours with territorial claims; and no doubt would have been threatened in due course. The second of the Government's fundamental concerns has been to restore the freedom of the Falkland Islanders. For years they have been free to express their own wishes about how they want to be governed. They have had institutions of their own choosing. They have enjoyed self-determination. They have known democracy. Why should they lose that freedom and exchange it for dictatorship?

6 -

that the liberty 1 the

Finally, the Government's view of sovereignty over the Finally, the Government's view of sovereignty over the Islands is fundamental to its position in the dispute. We have no doubt about British sovereignty. But successive governments have been willing to discuss sovereignty with the Argentine Government. That is still our position. But we are not prepared to see the question of sovereignty prejudged before a negotiation on the long-term future of the Islands even begins. To to otherwise - which is what the Argentinian Government has been demanding - would make a mockery of the Islanders' right of self-determination.

Mr. Speaker, the British proposals are in two parts, First, there is a draft interim agreement between ourselves and Argentina. Second, we sent a letter to the Secretary-General with our proposals which makes it clear that the British Government does not regard the draft interim agreement as covering the Dependencies of South Georgia and the South Sandwich Islands. Perhaps I could deal with the Dependencies first.

/South Georgia and the

South Georgia and the South Sandwich Islands are geographically distant from the Falkland Islands themselves. Another difference is that they have no settled population. Yet another is that the British title to them does not derive from the Falkland Islands but from separate historical developments. These territories have been treated as dependencies of the Falkland Islands only for reasons of administrative convenience. In Unit Market Mark and Market approximations I come now to the main features of the draft agreement.

Article 2 provides for the cessation of hostilities and the withdrawal of Argentine and British forces from the Islands and their surrounding waters within 14 days. At the end of the withdrawal British ships would be 150 nautical miles from the Islands. We do not believe that it would not be reasonable to withdraw further than this because otherwise the proximity of the Argentinian mainland would give a their forces a undue advantage.

Mr. Speaker, withdrawal of the Argentinian forces would be the most immediate and explicit sign that their Government's aggression had failed, that they were being made to give up what they had gained by force, and that the rule of law does prevail. It is the essential beginning of a peaceful settlement. CM Wi wywere W Mosulo Jo2 /Article 6

- 7 -

Article 6 of the draft agreement is equally vital. If sets out the arrangements under which the Islands would be administered in the period between the cessation of hostilities and the conclusion of negotiations in the long-term future of the Islands.

We believe that it would be reasonable for the we believe that it would be reasonable for the would Islands to be administered in this interim period by a United Nations Administrator, appointed by the Secretary-General and acceptable to Britain and the Argentine. The Government regards it as essential that the interim arrangements should not in any way prejudge the long-term future. This is why under Clause 3 of this Article we have provided that the UN Administrator should administer the Islands in consultation with the Islands' representative institutions - that is the Legislative and Executive Councils through which the Islanders were governed until 3 April. The only new departure here would be an addition to each of the two Councils of one representative of the 20 or 30 Argentines normally resident in the Islands.

The Clause also lays down that the Administrator would exercise his powers in conformity with the laws and practices traditionally obtaining in the Islands. This provision would not only go a long way to giving back to the Falklanders the way of life they have always enjoyed but would prevent the Argentines swamping the Islands with settlers, so totally changing the nature of society there and gaining by slower, more peaceable means what they had failed to achieve by force.

Ih is oud

- 8 -

/Clause 3 of this

Clause 3 of this Article thus fully safeguards the future of the Islands. Nothing in this interim administration would compromise the eventual status of the Falklands. And it would restore to the Islanders at once the freedom and the democratic institutions which they have

Clause 4 of Article 6 would require the UN Administrator to verify the withdrawal of all forces from the Islands and to prevent their reintroduction. Here, precisely he would do this we cannot lay down or foretell. But we think it likely that he would need to call upon the help of three or four countries other than ourselves and the Argentine to provide him with oquipment and a force of perhaps 150-200 men. Muse Your Your Your A



Finally, Mr. Speaker, <u>Articles 8 and 9</u> deal with negotiations between Britain and Argentina on the longterm future of the Islands. The key sentence is the one which reads "These negotiations shall be initiated without prejudice to the rights, claims and positions of the parties and without prejudgement of the outcome". The Agreement would thus offer no commitment whatever about the sovereignty of the Islands. Britain would not be tied to any particular outcome. We should be free to take fully into account the wishes of the Islanders themselves. And Argentina would not be able to claim that the negotiations had to end with a conclusion that suited her. In short it would be a genuine negotiation. But we have to recognise that it might also be a long hegotiation. That is why, though the British Government would enter any talks with a determination to bring them to an agreed conclusion as soon as possible, we can have only a target date for that end, and not a mandatory deadline. And that too is why Article 9 provides that so long as the final Agreement had not been reached and implemented the interim agreement would remain in force.

Mr. Speaker, I know that there will be some who will argue that this draft agreement, because it provides for some departure from the position before the Argentinian invasion, would have meant that the Argentine had been will position for her aggression. I do not believe this to be so. Of course our position has moved. In any negotiation there must be some movement. Otherwise there is no hope of agreement.

But the Government believes that measured against the fundamental principles I outlined earlier, our proposals concede nothing on our vital interests. And, Mr. Speaker, had the Argentines accepted our proposals, we should have achieved the great prize of preventing further loss of life.

That is the opportunity which the Argentine has spurned. That is the measure of their intransigence and their irresponsibility. ARGENTINE INTRANSIGENCE forme and declarite the Department

In their response to the British proposals Les reveal on gain Murperier which Argentina demonstrated again all the obstinacy have been oblight in calm reputers. and unreasonableness which they have shown since

negotiations began six weeks ago.

Their d<del>raft of an</del> interim agreement embraced South Georgia and the Sandwich Islands as well as the Falklands.

They demanded that British forces should (return on the round have and even powerlow, to their usual operating areas. This is called back on the correction
(1) here,
They demanded that British forces should (return
to their usual operating areas. I operation.
This sur celestelles to potent in common dischartage
disadvantage
They required that the interim administration
should be the exclusive responsibility of the United
Nations which should take over all executive,

legislative, judicial and security functions in the Islands.

They further required freedom of movement and access to residence, work and property for Argentine nationals on an equal basis with the Falkland Islanders. The Junta's clear aim was to flood the Islands with their own nationals during the interim period, and thereby change the nature of Falklands society and thus prejudge the future of the Islands.

/With regard

With regard to negotiations for a long-term settlement, while pretending not to prejudice the outcome, they stipulated that the object was to comply not only with the Charter of the United Nations but with various resolutions of the General Assembly, from some of which the United Kingdom dissented And if the period provided for the completion of the negotiation expired, they demanded that the General Assembly should determine the line to which the final agreement should conform.

12.

It was manifestly impossible for Britain to accept such demands. Not only are they unacceptable in substance, but it has never been clear, to us or to others who have tried to promote a peaceful settlement, whether the Argentine negotiators had the authority of the Junta behind them. We became used to statements in New York conflicting with statements in Buenos Aires.

Argentina began this crisis. Argentina rejected My when the maximum a peaceful settlement? It was General Galtieri who to when the boasted publicly last weekend: "I now have the blood of more than 400 Argentines on my shoulders. The Argentine people are willing to accept 4,000 or 40,000 M more". Much more". Much accept 4,000 or 40,000 M Much and a first accept 4,000 or 40,000 M Much accept 4,000 M Much accept 4,

# MILITARY OPTIONS

Vie

Mr. Speaker, this sad failure of the latest round of negotiations greatly increases the million further conflict. The House will not use to some the expect me to comment on the million of the million of the million of the million of the necessary, if Argentina even at this late hour does not relent, we shall continue to exercise restraint as far as is consistent with our objectives and the safety of our forces. If an opportunity arises later for genuine - but I stress genuine negotiation we shall seize the opportunity. But negotiation then would be on a new basis. Argentina has rejected our draft agreement. It has is therefore overtaken. Now We William

To de or Jo de or verser relation

/CONCLUSION

#### CONCLUSION

14.

Mr. Speaker, the gravity of the situation will be apparent to the House and the nation. Difficult days lie ahead but Britain will face them in the conviction - the quiet conviction and in the line shalf a we have close that our cause is just, and honourable. The principles we are defending are fundamental to Same everything that this Parliament and this country stand for. They are the principles of democracy much and the rule of law. Argentina invaded the Falkland Islands in deliberate violation of the rights of peoples to determine by whom and in what way they are governed. Its aggression was committed against a people who are used to enjoying full human rights and freedom. It was executed by a Government with a notorious record in suspending and violating those same rights.

Britain has the responsibility towards the Islanders to restore their democratic way of life. She has a duty to the whole world and to the cause of peace everywhere, to show that aggression will not be rewarded and that international law must not be flouted.

/