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ANGLO - ARGENTINE NEGOTIATIONS.

1965 - 1982.

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ANGLO-ARGENTINE NEGOTIATIONS ON THE FALKLANDS DISPUTE

Summary of Main Developments

- 1965 : Argentine pressures through the UN to open negotiations for a transfer of sovereignty.
- 1967 : UK proposal for transitional period of 30 years to normalise relations, at end of which Islanders would choose either British or Argentine sovereignty.
- 1968 : Withdrawal of proposal following Lord Chalfont's visit to the Islands.
- 1970/71 : Talks on practical measures, leading to Communications Agreement (copy attached).
- 1974 : YPF Agreement.
- 1976 : Lord Shackleton's mission. Withdrawal of Ambassadors.
- 1977 : Terms of reference agreed for new negotiations on sovereignty and economic cooperation.
- 1978/79 : Talks continue but make no progress.
- 1980 : Mr Ridley's visit to the Islands to discuss lease-back with the Islanders.
- 1981 : Argentines reject 'freeze' proposal.
- 1982 : Argentines press for accelerated tempo of negotiations leading to a sovereignty solution within a year.

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FALKLAND ISLANDS: ANGLO-ARGENTINE NEGOTIATIONS 1965-1982

BACKGROUND

Renewed Argentine Interest

In 1963, the government of President Illia decided to press its claim through the UN, and in the following year the Falkland Islands were made a major target for Argentine diplomacy and internal propaganda. In June 1964, the Argentine Government "ratified" sovereignty over the Falkland Islands. In September 1964, the Sub-Committee III of the UN Committee of 24 (on colonialism) discussed the Falkland Islands issue. The British representative in the Committee of 24 responded to the Argentine initiative by declaring that while HMG held that the question of sovereignty over the Islands was not negotiable, they were willing to discuss the maintenance and development of peaceful relations between the United Kingdom and the Falkland Islands on the one hand and Argentina on the other.

1965: Argentine lobbying at the UN

Argentine action in 1965 was limited to an exchange of Notes with Britain and constant lobbying at the UN.

Argentina: reiterated demand for commencement of talks
Note (Sept) with reference to Malvinas, South Georgia and South Sandwich.

UK: subject to reservation on sovereignty which we
Note (Nov) regarded as non-negotiable, expressed willingness to enter into discussion through diplomatic channels. Referred to position constantly maintained with regard to "wishes and interests" of the Islanders themselves. Invited Argentina to suggest suitable topics for discussion, eg

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on ways to improve communications. Also pointed out that conclusions and recommendations adopted by UN Committee of 24 related only to the Falkland Islands and not to South Georgia and the South Sandwich Islands.

In December 1965, the draft Resolution of the Fourth Committee was adopted by 20th General Assembly as Resolution 2065 which noted the "existence of a dispute between the Government of the U and that of Argentina concerning sovereignty over the Falkland Islands" and invited the two governments to "proceed without delay with negotiations" with a view to finding a peaceful solution to the problem, "bearing in mind the provisions and objectives of the UN Charter and the interests of the population of the Islands".

The text of the Resolution referred to the "interests" of the Islanders but not to their "wishes". Argentina subsequently argued that it would not be necessary to secure the active approval of the Islanders for any change of sovereignty, provided that their interests were adequately safeguarded, and that this was fully in accordance with the UN view. HMG maintained that wishes are the best guide to interests.

1966: Opening of Talks

Buenos Aires, January 1966. Official visit to Argentina of Foreign Secretary, Mr Michael Stewart. Talks with Argentine Foreign Minister, Sr Zavala Ortiz.

Argentina: unresponsive to UK suggestions on greater freedom of movement without recognition of Argentine sovereignty; expressed doubts about relevance of principle of self-determination where its application would be detrimental to territorial integrity and national sovereignty of Argentina.

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UK: stressed importance of wishes of the Islanders and suggested Argentine Government should consider removal of obstacles to free movement.

COMMENT: No agreement reached.

London, July 1966. (Preliminary official talks)

Argentina: formally claims "restitution" of the Falkland Islands to Argentina, outlines certain concessions and privileges Argentina would be prepared to make to Islanders in event of a transfer of sovereignty.

UK: rejects implication that Britain had illegally occupied the Islands and reiterates HMG's position on sovereignty. Asks Argentina to consider problem in human not simply legal terms.

COMMENT: Preliminary exchange of views. Although did nothing to lessen Argentine intransigence on the sovereignty issue, it was agreed that ways of decreasing friction (eg better communications, direct trade, etc) and of limiting the scale of the dispute and its impact on Anglo-Argentine relations would be looked at in more detail.

London 1966-1967.

November-December 1966. Official talks resumed.

UK: proposes establishment of normal communications between the Islands and the mainland; suggests transitional period of a minimum of 30 years for normalisation of relations during which time legal position of both governments would be frozen. Administration of the Islands would remain British. At the end of period, Islanders would be free to choose between Argentine and British sovereignty. Also proposes that possibility of economic and other cooperation should be studied.

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Argentina: rejects UK proposals claiming that both questions return of sovereignty to Argentina and the freeing of communications are indivisible. But agrees to consider in more detail elements of UK proposals.

March 1967

UK: revised proposals, approved by Ministers, put to Argentina. Suggests reduction in length of transition period and states HMG would be prepared to cede sovereignty under certain conditions, covering civil liberties and the need for the wishes of the Islanders to be respected.

Argentina: rejects proviso that proposed cession must be acceptable to Islanders but considers proposals to contain "constructive basis for further negotiatio

June 1967

Subsequent talks provide no change in Argentine position, and in an attempt to define differences to date between Argentina and Britain a working document setting out a draft outline for a Treaty was delivered to Argentine Ambassador on 13 June.

July-September 1967

Discussions continued in London, concentrating on need to find a jointly acceptable formula to cover a transfer of sovereignty, but made little headway. UK attempted, without success, to persuade the Argentines to make some concession to HMG's need to take account of the express wishes of the Islanders, and to emphasise common need to improve the atmosphere in Falklands by making a start on improving communications.

Various alternative formulae defining conditions under which HMG would be willing to cede the Islands to Argentina proved unacceptable to both delegations.

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New York, September 1967

In discussions with the Argentine Foreign Minister, the Foreign Secretary re-emphasised Britain's basic position that any transfer of sovereignty must be acceptable to the people of the Islands and went on to discuss the practical problems that would arise in restoring free communications when a satisfactory agreement on the question of sovereignty had been reached. The Argentine Foreign Minister agreed that a need existed for an air service to link the Islands with the mainland and a relaxation of formalities for both Argentines wishing to visit the Islands and for Falklanders wishing to visit the mainland. In subsequent talks between the British and Argentine missions at the United Nations considerable progress was made on the modalities for establishing free communications and trade between the Islands and the mainland. The Argentines put forward various suggestions for future discussion, eg free movement, air services, sea services, direct trade, culture.

The Argentine Government now accepted that HMG was entitled to consult the Islanders before accepting the guarantees and safeguards offered by the Argentine Government, although they could not agree to intervention of any third party (ie the Islanders) in the negotiations between the two Governments. They agreed that communications should be opened as soon as a satisfactory formula for the crucial sovereignty issue had been found. Nevertheless, they reiterated that the transfer of sovereignty (as opposed to the conditions and guarantees) would not be subordinated in any formula to the Islanders' veto.

London, November-December 1967. Continuation of official talks.

UK: proposed draft "Memorandum of Understanding"
(considered more appropriate at this stage in the negotiations than a Treaty or Agreement).

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Argentina: attempted to water down crucial paragraph (iv) of the draft text relating to the population of the Islands, which would take any expression of view by the Islanders out of the document.

COMMENT: 1967 was an important year. However, by the end of the year the fundamental difficulty remained: that of reconciling the opposing views of the British and Argentine Governments on the "wishes" and "interests" of the Falklanders themselves. The Argentines now fully recognised their need to take steps towards creating certain conditions in which the Islanders would wish to join Argentina, and had agreed that a restoration of normal communications was essential to this end. But their continuing refusal to contemplate a change in sovereignty which would be conditional on the wishes of the Islanders made any substantial progress in the talks impossible. No final agreement was reached on the proposed Memorandum of Understanding between the two Governments.

1968:

Confidential talks continued intermittently throughout the summer of 1968 largely concerned with the draft Memorandum of Understanding, with the UK continuing to press for Argentine acceptance of their version of paragraph (iv) and to seek the introduction of a new final paragraph providing for a time period for the establishment of necessary conditions for a definitive settlement. The Memorandum of Understanding was finally agreed ad referendum by officials in August 1968 on the understanding that it would be accompanied by a unilateral statement on the British side that it was necessary not only for the British Government but also the Islanders themselves to be satisfied that in the event of a transfer of sovereignty the interests of the Islanders were adequately secured.

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However, following a visit by the Minister of State, Lord Chalfont to the Islanders in November, where he was given a hostile reception, there was renewed critical press and Parliamentary interest. Subsequent talks in Buenos Aires, December 1968, between Lord Chalfont and the Argentine Foreign Minister, reached impasse over sovereignty issue. Lord Chalfont unable to persuade Argentines that Islanders should be given a chance to decide their own future. No agreement had been forthcoming from the Argentine Government on proposed draft Memorandum of Understanding. Furthermore, HMG's proposed unilateral statement was unacceptable. HMG finally decided that they could not continue discussions on the basis of the draft Memorandum as it then stood. However, the way was still open for further negotiation. Despite Argentina's reluctance to abandon the principle that an unconditional recognition of her sovereignty should precede any further action, the Argentine Government finally agreed, in August 1969, that bilateral talks confined to the subject of communications and with participation of representatives from the Falkland Islands, as members of the British delegation should be held in 1970.

1970-71: Promotion of Practical Measures - Communications Talks

London, July 1970 - with Falkland Islander participation on proviso that issue of sovereignty barred from discussion.

Talks were held under a "without prejudice to sovereignty" umbrella. Problems brought up during the talks related to the movement of persons in both directions, the establishment of sea and air communications, postal and telecommunications service, the development of trade and the promotion of cultural exchanges. Two of the more important issues looked at were the relative merits of sea and air communications, and the form of documentation to be used by the Islanders on journeys to Argentina. It was agreed that a further round of communications talks should be held in Buenos Aires 1971.

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Buenos Aires, June 1971 (official)

Intensive and constructive negotiations produced two draft documents: a draft Exchange of Notes (based on Article IV of the Antarctic Treaty) in binding legal form ensuring that the measure on communications in the other document should be without prejudice to British sovereignty over the Falkland Islands or the Argentine claim - (the "sovereignty umbrella"); and a draft Joint Statement, the main effects of which, when approved, would be the establishment of a regular British shipping service between the Falklands and Argentina and of a regular Argentine air service. Other provisions related to facilitating traffic between the Falklands and Argentina and exemption of the Islanders from Argentine legal obligations arising as a consequence of the Argentine claim to sovereignty. These provisions involved inter alia: the establishment of a committee of representatives of H M Embassy in Buenos Aires and the Argentine Foreign Ministry (the "Special Consultative Committee") to sort out practical communications problems; the issue by the Argentine Government of a temporary card to all residents of the Islands and the mainland, irrespective of their nationality, travelling in both directions between Argentina and the Falklands; and the holding of a further round of talks in Port Stanley in 1972. As there were no adverse reactions to the two documents in the Falklands, the United Kingdom nor in Argentina, the Governments of the UK and Argentina proceeded to sign the Exchange of Notes and approve the Joint Statement and, during the latter half of 1971, progress was made on implementing the provisions of the Joint Statement.

1972:

Argentine line on sovereignty hardens. In January, the Argentine Government pressed for resumption of talks held between 1966 and 1968 on the question of sovereignty. They were only willing to accept further talks on communications in Port Stanley if HMG accepted discussions on sovereignty in London. HMG stressed the usefulness of Islander cooperation. However, it was mutually

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agreed in March 1972 that the third round of communications talks would be held in the Falkland Islands in the autumn of 1972 and that, dependent on their success a further round of talks would be held in London to discuss "wider" issues. While the Argentine Government accepted need to "woo" the Islanders, they were also subject to nationalist pressures to pursue the sovereignty issue.

Port Stanley, November 1972

Concentrates on discussion of the application of practical measures on communications, including the air service, the airfield, and trade. Representatives of the Falkland Islands participated in these talks, as in 1971, as members of the British delegation.

London, April 1973

The run-up to these talks showed that the Argentines would not be readily dissuaded from seeking to focus the talks on the question of sovereignty. The agenda proposed by the Argentines on the eve of the talks comprises:

- (a) updating of the 1968 Memorandum of Agreement; and
- (b) further consideration of guarantees and safeguards for the Islanders.

HMG suggests that the agenda be confined to:

- (a) proposals for the solution of the dispute; and
- (b) any other business (under which heading HMG might raise such matters as travel permits and a commercial agreement under a sovereignty umbrella).

The Argentine delegation under firm instructions to refuse any proposal for the presence of the Islanders when sovereignty or the Islanders' wishes were being discussed. FCO takes line that firm instructions from Ministers were that the British delegation must include representatives from the Falkland Islands.

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In the event the talks take place with the participation of Falkland Islands representatives in the British delegation.

Argentina: seeks to reintroduce topic of sovereignty in the form of a suggested re-examination of the 1968 Memorandum of Understanding. Also seek HMG's views on nine specified safeguards and guarantees and indicate that Argentina has already given effect to some of these safeguards but can go no further without some prior consideration of the question of sovereignty.

UK: reaffirms that the Islands are British; that HMG's primary concern is with the wishes of the Islanders; that the Argentines are free to woo the Islanders but there would be no toleration of direct or indirect pressure, and that the Argentines should regard the Communications Agreement not as a separate issue but as a contribution to an eventual settlement of the dispute. UK stresses that HMG do not consider the talks to constitute negotiations on sovereignty itself but is prepared to recognise them as part of a process of negotiation for a solution of the dispute in accordance with UN Resolution 2065.

COMMENT: Following the failure of the London talks, the way ahead was difficult to perceive. The insistence of the Argentines on linking discussion of safeguard and guarantees to the 1968 Memorandum of Understanding and thus to a committal by HMG to recognise Argentine sovereignty inhibited any indication by HMG of readiness to discuss how the Islanders' wishes might be consulted and put into effect.

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1974

In May 1974, Ministers agree to explore, as a possible basis for resuming discussions, the question of safeguards and guarantees on the hypothesis of an Anglo-Argentine condominium. In June, the condominium proposal was outlined confidentially to the Argentine Foreign Minister. The Argentines counter-proposed a period of joint administration preceded by a British recognition of Argentine sovereignty, with a view to "gradual integration" of the Islanders into Argentine political, economic, social and institutional life. This unacceptable to HMG. In the face of increasing criticism by the UK lobby and Islander hostility to the idea, the initiative was retracted by HMG in August 1974. In somewhat confused circumstances, the dialogue on sovereignty petered out. However, a measure of progress was made on practical matters.

September: YPF Agreement (proposed by Argentina in September 1974) signed in Buenos Aires providing supply and marketing in the Falklands of Argentine petroleum-based products by Yacimientos Petroliferos Fiscales, the Argentine oil organisation. At the same time an Agreement to erect a "sovereignty umbrella" over all commercial transactions was signed.

1975

HMG proposed in March reopening of fresh dialogue about joint development of resources of South West Atlantic, in which context oil was seen as offering a major constructive input. The Argentine Government were given a copy of a report on the area's oil potential. The Argentine Foreign Minister countered, initially, with the idea of a leaseback and after that posited the idea of Argentine occupation of uninhabited islands in the Dependencies as a quid pro quo for agreeing to talks on oil and krill. HMG was swift to counter the implied threat of unilateral action but discussion of economic cooperation was left on the table with the Argentine insisting on some reaction from HMG to the question of sovereignty.

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1976

The news of the Shackleton mission denounced by the Argentine Government. The (unacceptable) alternative proposed by them was to postpone the mission and re-establish parallelism and simultaneity between sovereignty and economic cooperation. HMG's efforts to avert a crisis ineffectual in the face of Argentine intransigence, which leads to withdrawal of Ambassadors and the firing of warning shots across the RRS Shackleton's bows. The immediate situation defused by Ministerial meetings in New York; it was clear that both sides wanted a breathing-space with a view to resuming the dialogue.

The next major offer made by HMG to the Argentines on 23 March envisaged a linkage between all aspects of the dispute. Its principal elements were (a) possible Anglo-Argentine cooperation in the South West Atlantic, and (b) discussion of the nature of a hypothetical constitutional relationship between the Falkland Islands and Argentina, subject to a "sovereignty umbrella" over any resultant dialogue, (c) involvement of Islander representatives when appropriate, and (d) confidentiality. The Argentine response was to ask for clarification of certain points.

The secret, informal and exploratory discussions held at Under-Secretary level in Paris in July 1976 enabled the UK side to raise the question of the problems connected with a 200-mile fishing zone (in particular around the Dependencies) and to give the Argentines an advance copy of the Shackleton report.

At the secret Buenos Aires follow-up to the Paris talks in August 1976, the Argentines put forward a proposal for a joint eight-year administration and the British delegation contributed an informal working paper on economic cooperation. At this time the Argentine attitude to the problem seemed, in part, to have become more realistic and their hostile reaction to the Shackleton report had given way to a more considered appraisal.

1977

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1977

In February 1977, Minister of State, Mr Rowlands, visits the Islands and obtains Councillors' agreement to trying to work out with the Argentines terms of reference for formal negotiations covering political relations and economic cooperation. The Councillors accept that sovereignty will not be excluded from the talks. This paves way for first publicised talks on sovereignty since 1973.

Rome, July 1977 (official)

Argentina: insists on full transfer of sovereignty but accepts need for transitional period. Offers safeguards for Islanders, but insists on gradual integration with Argentina.

UK: suggests "mixed approach", ie different solutions for the Islands, the Dependencies and the maritime zones. Makes clear that problem is self-determination, not decolonisation.

COMMENT: No conclusions. Both sides testing the water.

New York, December 1977 (Ministerial)

Argentina: presses eight-year joint administration plan, submitted in September, together with a list of safeguards for Islanders and a request for authorisation for Argentine interests to take over the Falkland Islands Company. Economic cooperation could be started provided the sovereignty question was resolved.

UK: rejects joint administration scheme and again puts forward "mixed approach" in a sovereignty working paper. Emphasises that distinction is between inhabited and uninhabited territory not between territory and people. Submits papers on oil, fish and krill.

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COMMENT: Most positive of the rounds, chiefly because Argentines understood our "mixed approach" proposals to mean that we were prepared to cede sovereignty quickly in the Dependencies and their maritime zones without any corresponding agreement on continued British sovereignty over the Islands themselves. They were later disillusioned.

Lima, February 1978 (working groups)

(i) Political

Argentina: claims Islands do not generate continental shelves and these are therefore outside scope of negotiations.

UK: rejects this. Puts forward plan to remove sovereignty implications from Argentine occupation of Thule.

COMMENT: Stalemate on continental shelf and sovereignty. Basis for advance on Southern Thule ~~is not clear~~.

(ii) Economic Cooperation

Argentina: proposes the establishment of a tripartite (Argentine, UK, Islander) organisation to develop resources in parallel to solution to sovereignty problem.

UK: unenthusiastic. Revives papers put forward at New York.

COMMENT: No progress on either sovereignty or economic cooperation. Argentines stressed that they were only prepared to discuss economic cooperation as package involving sovereignty concessions.

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Geneva, December 1978 (Ministerial)

Argentina: agrees proposals on Southern Thule and accepts some maritime co-administration proposals (similar to their own) in principle, but rejects their being discussed under the sovereignty umbrella. Insists on transfer of sovereignty over Dependencies as price for co-administration.

UK: tables Southern Thule solution and paper on co-administration of maritime zones.

COMMENT: Progress on Southern Thule (subsequently dashed by Islanders) but none elsewhere. No movement on sovereignty.

New York, March 1979 (official)

Argentina: agrees to operate in spirit of Southern Thule agreement but refused to discuss maritime zones in isolation from territory.

UK: insists on sovereignty umbrella over all discussion

COMMENT: Unproductive, even a step backward because of Argentine disappointment on lack of agreement on Southern Thule.

New York, April 1980 (Ministerial, Island representative present)

Argentina: makes it plain that in future discussions they will expect sovereignty to be discussed; and that no progress towards practical economic cooperation in the area can be made without a commitment to revise the sovereignty position.

UK: Argentines made fully aware of paramountcy of Islanders' wishes.

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COMMENT: Exploratory talks only; no decisions taken.
Argentine/Islander agreement on closer consultation on practical programme (which was not, in the event, carried forward). Both sides agreed to refer back to respective Governments.

Geneva, September 1980

Secret meeting between Mr Ridley and Comodoro Cavandoli, the Argentine Deputy Foreign Minister, to assess the prospects for a political settlement based on leaseback and joint development of resources. The exchanges, which were secret and ad hoc to Ministers established that leaseback was in principle a feasible negotiating option.

Mr Ridley's visit to the Islands in November 1980

Mr Ridley visits the Islands in an attempt to persuade the Islanders that it was unrealistic to expect the existing situation to continue indefinitely, while reassuring them that nothing would be decided behind their backs. Mr Ridley explains that the Argentines were pressing for more substantive negotiations which meant discussing sovereignty. Cooperation with Argentina would also be necessary to reinvigorate the Islands' economy, particularly in developing oil and fish potential. He suggests three possible options: (a) condominium, which was not favoured by anyone; (b) freeze, unlikely to be accepted by the Argentines; and (c) leaseback, which had certain advantages, although it was not known whether it would be acceptable to Argentina. Islander reactions varied between a majority who opposed any sovereignty change and a minority who were prepared seriously to consider a leaseback arrangement. Critical Parliamentary reception to leaseback idea; as a result HMG did not thereafter pursue it. Islanders then rejected it and pressed for a freeze to the dispute.

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New York, February 1981 (Ministerial, Island representatives present

UK: proposes freeze of the dispute.

Argentina: rejects proposal. Stresses need for real solution of sovereignty dispute.

COMMENT: Helpful in that we were able to save Argentina face by having the talks at all, and also in that Islanders were shown how futile the freeze proposal was. Useful discussion of possible safeguards for Islanders under Argentine administration. But the Councillors present subsequently moved back to a position opposing sovereignty talks.

June 1981

The Argentine Government changed in March 1981. Mr Ridley met Sr Ros in Paris in June and made clear that there could be no negotiated solution which was not in accordance with the Islanders' wishes. Sr Ros emphasised the importance of making progress on economic cooperation and hinted that the Argentines might be prepared to discuss this in parallel with sovereignty.

July 1981

In late July 1981, the then Argentine Foreign Minister (Sr Camilion) sent our Ambassador in Buenos Aires a confidential letter, simultaneously releasing a press communique. The theme of both was that negotiations should be speeded up with the aim of achieving "concrete results shortly". There was no explicit threat in either document, but by referring to the benefits to the Islanders of the 1971 Communications Agreement, Sr Camilion was clearly implying that the Argentines might not continue a service which was not achieving its intended purpose of bringing Islanders closer to the Argentines. Sr Camilion conceded that the interests of the Islanders had to be considered, but rejected the British view that their wishes were paramount. The Foreign Minister proposed a "global approach", in which all the aspects of the dispute could be considered

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simultaneously. An oral reply was sent to Sr Camilion's letter, to say that HMG too wished to resolve the dispute, but that the Islanders' wishes must remain paramount.

September 1981

Lord Carrington met Sr Camilion in New York in September. Sr Camilion repeated much of what was in his earlier letter and the accompanying press release. Lord Carrington stressed that it was only possible for HMG to make progress if the Islanders agreed. In October 1981, our Ambassador in Buenos Aires met with Sr Camilion. The latter expanded on his ideas for future negotiations. The following were the main elements:

- it was necessary to tackle all the component parts of this complex issue;
- there was a need to take an inventory of these component parts and to identify where all concerned stood on them;
- a methodology should be established to investigate the various subjects;
- the various elements could be tackled piecemeal, even though the final settlement would have to be concluded globally.

In explanation, Sr Camilion said there was a growing need to resolve difficulties over fishing and oil exploration and that we might expect increased Argentine flexibility on these subjects. He appreciated that negotiations could be long and difficult and expected little progress at the next round of talks other than our agreeing an inventory of all the disparate elements which make up the dispute. Agreement to hold further talks at Ministerial level in Geneva in December 1981.

The Argentine Government changed again in December 1981. Sr Camilion was replaced by Dr Costa Mendez. The planned talks on the dispute in Geneva in December were postponed, but the Argentine

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Ambassador in London assured us that the Government's Falklands policy had been agreed by the Junta and that there would be no change. In January, Sr Ros (who survived the change of government) handed to our Ambassador in Buenos Aires a paper setting out the Argentine view of the dispute and proposing procedures for achieving an accelerated rate of progress.

New York, February 1982 (Ministerial)

Argentina: puts forward proposal (already sent to HMG) for establishment of "Permanent Negotiating Commission" at Ministerial level, to meet monthly in capitals and reach agreement within one year on the transfer of sovereignty to Argentina.

UK: makes clear that while we too wish to resolve dispute and see merit in establishing new negotiating procedures, it would be counter-productive to work to too rigid a time-scale; and negotiations had to cover all possible approaches to a resolution of the sovereignty issue: UK agreement to consider the Argentine proposal positively.

COMMENT: The Argentines were under clear instructions not to make concessions on the details of their proposal. But a draft paper was eventually agreed which omitted all reference to a precise time-scale for the Commission's work. The tone of the meeting was more amicable than had been expected; but the Argentines left no doubt that they would be looking for rapid progress and an early substantive reply to their proposal on procedures.

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