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SAPU(82) 3

SOUTH ATLANTIC PRESENTATION UNIT (SAPU)

The attached paper, containing lines for use in public by Ministers on the Falkland Islands, was approved by the Prime Minister at _____ hours on 13 April.

Cabinet Office

13 April 1982

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Line to Take

1. Discussions with Mr Haig

- Mr Haig left for Washington this evening. He said on his departure that he would visit Buenos Aires again shortly. Yesterday, following his previous round of talks in Buenos Aires Mr Haig brought certain ideas to us and we had lengthy and serious discussions on these. Today we have had ~~two~~ further helpful talks. Last night the Argentinians raised still more problems which created a new and even more serious situation. The truth is that the Argentines are being very difficult. We are most grateful for all that Mr Haig is doing. There is no question of our having rejected an American formula for a settlement.

We shall remain in touch with Mr Haig about the new ideas which he referred to on his departure. We hope they may yet provide a way forward but the situation remains difficult and dangerous.

In the meantime the Maritime Exclusion Zone remains in force and the task force continues on course.

Specific Questions

- Can go into no detail about the discussions with Mr Haig. These were confidential and to release details now could jeopardize chances of agreement. Nor can I discuss the new ideas which Mr Haig has received. It is true that discussions with Mr Haig focused on interim arrangements rather than on the substance of a long term settlement of the Falkland Island problem.

- Can only repeat that our intention is to negotiate a settlement that reflects the terms of Security Council Resolution 502, which requires as a first step the withdrawal of Argentine forces from the Falklands. Once this has been achieved, and British administration restored, our position will again be that no long term solution is excluded but that the wishes of the Islanders will remain paramount.

(The Press Association have tonight withdrawn a wholly unfounded report quoting British Government spokesmen as saying that the American diplomatic initiative had "collapsed".)

2. Maritime Exclusion Zone

- The maritime exclusion zone is now in force. No Argentine warships/naval auxiliaries are reported in the zone. Thus the navy is denying seaborne resupply to the Argentine forces in the Falklands and the zone is achieving its objective.

Specific Questions

Why have you not sunk ships in the zone?

- We are achieving our objective without the need to do so. So far the Argentinians have heeded our warnings that naval vessels and auxiliaries should stay out of the zone.

Are we holding back for diplomatic reasons (Haig)?

- No. We are not holding back. We established a zone to cut off sea supplies to the Argentine forces in the Falklands. That is what is happening.

Will we fire on Argentinian naval vessels while Haig mission continues?

- Certainly, if they enter the zone but we trust they will not do so.

Merchantmen/ neutrals

- Can only say we are watching the position closely.

Are you surprised by the lack of Argentine naval ships?

- No. We expected them to heed our warnings.

Danger to Royal Marines from South Georgia?

- Unconfirmed reports that Argentinians are removing them by sea but we do not expect the ship to enter the exclusion zone. We have also heard reports that some have been landed in the Argentine but cannot confirm this.

Reported Brazilian fleet movements?

- These have been reported as normal naval exercises and we have no reason to believe otherwise.

3. Other military preparations

Is the Task Force still going south?

- Yes. It is on course and on time.

Are all other military preparations going ahead as planned?

- Yes, but obviously cannot give details.

Lengthened runway in Falklands/presence of Mirage fighters?

- Cannot speculate on operational matters, especially on the basis of entirely unconfirmed newspaper stories.

4. International Support

- The Canadians have now decided to ban Argentine imports and to discontinue new export credits. We warmly welcome this, coming as it does in the wake of tough measures by, among others, Australia and New Zealand and, of course, the European Community.

The EC's prompt and decisive action in banning imports from Argentina will have the severest impact on the already sick Argentine economy. Argentine exports to the EC were running at almost \$2½ billion per year, about 30% of their total exports. Even before the EC ban the Argentinians were chronically short of foreign currency.

Our diplomatic offensive - the adoption of the mandatory UN Security Council Resolution and the successful demand for economic measures by friendly countries - has, coupled with the despatch of the task force, subjected Argentina to the most intense and effective pressure.