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Solution to the Falkland Islands Crisis

Note: Any proposal must comprehend four elements that seem to me to be essential:

1. Cessation of hostilities, and prevention of imminent hostilities;
2. Some appropriate penalty upon the Argentinians for having used armed force to seek to settle an international dispute;
3. An ultimate turnover of the Islands to Argentinian sovereignty, as the British are said to be prepared, and to have been prepared for some time, to do; and
4. Adequate protection of the cultural and political preferences of the British residents of the Falkland Islands in a humane and indeed generous fashion.

Main Elements of the Solution

1. All Argentine armed forces are to withdraw immediately from the Falkland Islands. The British fleet is to turn around and return to its normal stations.

2. An enclave in the nature of a large compound on the Falkland Islands is to be created, which will house an Argentinian Resident (not "Governor" or "Ambassador") and an office staff, to provide information and any other governmental liaison with the residents of the Falkland Islands. That enclave/compound will be an area of Argentinian sovereignty, and the Argentinian flag will fly in it. In that enclave/compound, the Argentinian law only will apply, and no British administrative powers will be applicable. The Argentinian Resident will have diplomatic immunity.

3. British administration of the Islands with the exception of the enclave/compound mentioned above, will immediately resume, for three years.

4. For a period of three years the inhabitants of the Falkland Islands will be given a chance to consider whether they wish to remain on the Falkland Islands or whether they wish to relocate to an area of British jurisdiction, either in the UK or elsewhere under British sovereignty, with a relocation grant of \$100,000 per person. (It is likely that many residents will find this a sufficient inducement to relocate to some other area, perhaps in Scotland or elsewhere where conditions may be similar to the Falkland Islands.) Any residents who do not wish to relocate will be free to remain and become Argentinian citizens at the end of three years.

The cost of the relocation grants to be paid to any residents of the Falkland Islands wishing to relocate elsewhere will be borne fifty/fifty by the Argentinian and British governments. It should be noted that the expense of the relocation grants, if every one of the 1800 residents of the Falkland Islands took up the offer (it would have to be residents alive

now or within the next six months, to avoid a population increase not intended by the offer) would be less than \$200,000,000, which would be one-half of the cost of published estimates of the dispatch of the British fleet alone.

5. After three years, the Islands will become Argentinian.

6. Argentina will pay a suitable indemnification to the UK for all damage done by its invading forces, including the period of occupation of the Islands by those forces. Furthermore, Argentina will pay compensation to the UK for the property of British citizens or of the British government in the Falkland Islands, including any investment in land and structures, sheep, et cetera, which will remain in the Falkland Islands after the three years.

Both amounts will be determined by an arbitral panel consisting of three countries, for example, Malta, Austria, and Finland; or Malta, Switzerland, and Austria; or the like.

The amount of the arbitral award for compensation and indemnification will be paid by Argentina to Great Britain over ten years in equal installments.

7. In the event of off-shore oil deposits being found in the exclusive economic zone of 200 miles around the Islands, the exploitation thereof will be a joint venture between the UK and Argentina, with costs and profits shared fifty/fifty. The UK will undertake to make available its technological know-how for such exploitation on normal commercial terms to the joint venture.

8. The administration of this disengagement and settlement agreement, as well as its interpretation, will be carried out by the arbitral panel of three countries, who will each dispatch a resident officer to the Falklands forthwith to implement this agreement. The arbitral panel will have binding and definitive authority in all matters respecting the interpretation and implementation of this agreement, and its decision shall not be appealable. At the conclusion of its work it shall render a report to Argentina and the UK and to the United Nations Secretary General, but the panel shall not be in any respect under the authority of the United Nations or to take any instruction from the United Nations or to be considered subject to its authority in the performance of its work. It shall have the authority to engage any expert assistance it may desire from any source, and its expenses shall be borne fifty/fifty by the UK and Argentina.