PS PS/LPS FALKLAND ISLANDS PS/MR LUCE ADVANCE COPIES PS/LORD TREFGARNE PS/PUS MR GIFFARD SIR K COUZENS MR LITTLER MR WRIGHT MR PERETZ TREASURY MR ADAMS MR HAWTIN MR ILETT MR GILLMORE MR URE HD/S AM D (STANDARD DIST.+A.D. FI.) TYPUTS HD/DEFENCE D HD/NEWS D Haras HD/UND HD/PLANNING STAFF HD/CONS DEPT PS/NO 10 DOWNING STREET DIO CABINET OFFICE RESIDENT CLERK (COPIES PASSED TO THE EMERGENCY STAFF AND MOD SITCHEN).

CONFIDENTIAL

FM WASHINGTON Ø7ØØ48Z APR 82

TO FLASH FCO

TELEGRAM NUMBER 1147 OF 6 APRIL

See para 3

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FALKLANDS: MIPT

- 1. WHEN WE WERE DISCUSSING THE US ATTITUDE TOWARDS THE ARGENTINIANS, HAIG SAID, WITH STRONG SUPPORT FROM ENDERS WHO WAS PRESENT AT THE MEETING, HOW IMPORTANT IT WAS FOR THE AMERICANS NOT TO TILT TOO OPENLY TOWARDS OUR SIDE BECAUSE IF THEY DID THIS THEY WOULD LOSE CREDIBILITY WITH THE ARGENTINIANS. HAIG BELIEVED THAT THE AMERICANS ALONE COULD EXERT INFLUENCE IN BUENOS AIRES.
- 2. I SAID THAT I THOUGHT THAT AMERICAN INFLUENCE COULD BE PARAMOUNT THERE. IT WAS TRUE THAT PRESIDENT REAGAN HAD NOT BEEN ABLE TO AVERT THE ARGENTINE INVASION, BUT HE HAD GOT INTO TOUCH WITH GALTIERI ONLY SHORTLY BEFORE THE LANDINGS AND THERE WAS NO CHANCE AT THAT STAGE OF STOPPING THE ARGENTINE MILITARY ACTION. BUT THIS DID NOT MEAN THAT THE ARGENTINIANS WOULD NOT BE SUSCEPTIBLE TO AMERICAN PRESSURE. THE ARGENTINE REGIME WAS IN DIRE ECONOMIC

DID NOT MEAN THAT THE ARGENTINIANS WOOLD NOT BE SUSCEPTIBLE TO AMERICAN PRESSURE. THE ARGENTINE REGIME WAS IN DIRE ECONOMIC STRAITS AND VULNERABLE TO ALL MANNER OF PRESSURES THAT THE AMERICANS COULD BRING TO BEAR ON THEM.

- I SAID THAT I PRESUMED THAT THE AMERICANS WOULD NOT BE LETTING ANY FURTHER ARMS DELIVERIES GO TO ARGENTINA AND HAIG CONFIRMED CATEGORICALLY THAT THIS WAS SO.
- 3. I SAID THAT I HAD LISTENED TO THE ARGUMENT ABOUT CREDIBILITY WITH THE ARGENTINIANS BUT, ON THE BASIS OF MY KNOWLEDGE OF THE SOUTH AMERICANS, I HELD THE VIEW THAT WHAT WOULD MAKE AN IMPACT UPON THE ARGENTINIANS WOULD NOT BE NICENESS ON THE PART OF THE AMERICANS BUT PRESSURE FROM THEM BACKED BY THE FEAR OF THE CONSEQUENCES OF BRITISH MILITARY ENGAGEMENT. ALTHOUGH, THEREFORE I UNDERSTOOD WHY THE AMERICANS WANTED TO AVOID TAKING SIDES ON THE ISSUE OF SOVEREIGNTY, I DID NOT THINK THAT IT WOULD HELP TO EXERT INFLUENCE ON THE ARGENTINIANS IN TRYING TO BRING THEM TO A NEGOTIATION, WHICH WAS WHAT HAIG WANTED, BY SIMPLY BEING NEUTRAL.
- A. HAIG SAID HE ENTIRELY ACREED WITH MY VIEW ABOUT HUMAN NATURE. RETURNING TO THE ISSUE OF HOW TO HEAD OFF A BATTLE HAIG SAID THAT HE THOUGHT THAT THE ARGENTINIANS WERE NOW ALREADY WORRIED. THE DILEMMA WAS THAT IF WE SUNK THE ARGENTINE NAVY THAT WOULD BE THE END OF GALTIER! BUT IT WOULD ALSO BE THE END OF GALTIER! IF HE WAS OBLIGED TO WITHDRAW FROM THE ISLANDS WITHOUT ANY PROMISE OF A NEGOTIATION THAT CONTAINED PROMISE FOR ARGENTINE IN THE FUTURE. HE ASKED ME FOR ANY IDEAS WE MIGHT HAVE OF WHAT SORT OF APPROACH MIGHT SQUARE THE CIRCLE. I REPEATED OUR VIEW ABOUT THE NEED AT THIS STAGE TO PUT PRESSURE ON ARGENTINA TO WITHDRAW AND EMPHASISED THE CRUCIAL ROLE THAT THE AMERICANS COULD PLAY IN THIS.
- PARTIES TO ANY DISCUSSIONS SO LONG AS THE ARGENTINE PRESENCE
 REMAINED ON THE ISLANDS. BUT PERHAPS THE AMERICANS THEMSELVES
 COULD DO SOMETHING BY SUGGESTING THAT IF THE ARGENTINIANS WITHDREW
 THE AMERICANS WERE CONFIDENT THAT THERE COULD BE FURTHER TALKS.
 I SAID THAT THAT WAS ANOTHER MATTER. I WOULD CERTAINLY BE IN TOUCH
 WITH HIM AGAIN BUT I ASKED THAT THE NEXT STEP WOULD BE FOR HIM
 TO LET US KNOW HOW HE GOT ON WITH THE ARGENTINIANS. IT DID NOT
 LOOK TO ME AS THOUGH THEY WOULD SHOW MUCH SIGN OF FLEXIBILITY AT
 THIS STAGE UNTIL THE YEAST OF THE APPROACHING BRITISH NAVAL
 PRESENCE HAD HAD TIME TO WORK UPON THEM. TO WHICH HAIG REVERTED
 TO THE ARGUMENT THAT HE MADE THROUGHOUT THAT HE WAS REALLY WORRIED
 BY THE NARROWNESS OF THE WINDOW AND THE NEED THEREFORE TO GET

PRESENCE HAD HAD TIME TO WORK OPEN THEM. TO WHICH HATE REVENTED TO THE ARGUMENT THAT HE MADE THROUGHOUT THAT HE WAS REALLY WORRIED BY THE NARROWNESS OF THE WINDOW AND THE NEED THEREFORE TO GET SOME SORT OF NEGOTIATION GOING.

6. IT WAS LEFT THEREFORE THAT HE WOULD GET IN TOUCH AGAIN AFTER HE HAD TALKED WITH THE ARGENTINIANS. HE WAS DUE TO GO WITH THE PRESIDENT TO THE WEST INDIES ON 7 APRIL BUT HE WAS READY TO RETURN ALMOST IMMEDIATELY, AND EVEN NOT GO AT ALL IF HIS PRESENCE WAS NEEDED ELSEWHERE TO DEAL WITH THIS MATTER WHICH WAS OF THE HIGHEST PRIORITY.

7. IN REPORTING ALL THIS TO YOU IN THIS SOMEWHAT DISCURSIVE WAY I SHOULD EMPHASISE THAT HAIG ADMITTED THAT HE WAS SPEAKING ALOUD. HE ASKED THAT NO NOTES SHOULD BE TAKEN. HE DID NOT CLAIM TO BE PUTTING FORWARD ANY SPECIFIC IDEAS. HE WAS SIMPLY TRYING TO TEST INITIAL REACTIONS. I DID NOT THINK THAT HE WAS UNAWARE THAT MUCH OF WHAT HE SAID WAS ILL-FORMED. IT WOULD I THINK BE WRONG TO CRITICISE THE SOMEWHAT RANDOM NATURE OF THIS REMARKS OR TO ANALYZE THEM IN DETAIL.

HENDERSON

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