

TYPISTS

ADVANCE COPIES: FALKLAND ISLANDS

(29)

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SECRET

FM WASHINGTON 200430Z APR 82

TO FLASH FCO

TELEGRAM NUMBER 1353 OF 19 APRIL

INFO IMMEDIATE UKMIS NEW YORK.

FALKLAND ISLANDS

1. THE DELIBERATELY OVER-OPTIMISTIC IMPRESSION OF THE OUTCOME OF HAIG'S LAST TALKS IN BA WHICH THE ARGENTINIANS ARE PROMULGATING IS DESIGNED TO CREATE THE IMPRESSION THAT AN AGREEMENT SHOULD BE POSSIBLE; AND THIS MAY HAVE SOME EFFECT HERE. THE ARGENTINE PROPOSALS ARE RECEIVING MUCH PUBLICITY HERE.

2. I SUGGEST THAT WE CANNOT LET THE INITIATIVE LIE WITH ARGENTINA ON THE BASIS OF THE PROPOSALS BROUGHT BACK BY HAIG. OBVIOUSLY WE DO NOT WANT TO GET INTO A PUBLIC DEBATE ABOUT THE DETAILS OF WHY THE PROPOSALS AS THEY STAND ARE UNACCEPTABLE TO US BUT I THINK WE SHOULD ASSUME THAT HAIG, WHEN HE HAS RETURNED HERE AND HAD DISCUSSIONS AT THE WHITE HOUSE, MAY BE PREPARED TO CONTINUE THE NEGOTIATION PROVIDED WE WISH HIM TO DO SO. HE HAS ACKNOWLEDGED THAT

SHOULD ASSUME THAT HAIG, WHEN HE HAS RETURNED HERE AND HAD DISCUSSIONS AT THE WHITE HOUSE, MAY BE PREPARED TO CONTINUE THE NEGOTIATION PROVIDED WE WISH HIM TO DO SO. HE HAS ACKNOWLEDGED THAT THE ARGENTINE PROPOSALS ARE DISAPPOINTING BUT I AM SURE HIS INSTINCT WILL BE TO TRY TO HANG ON AND SEEK TO SEE WHETHER SOMETHING CANNOT BE NEGOTIATED, THOUGH HE WILL NOT BE WANTING TO PUT PRESSURE ON US TO INVITE HIM IF WE ARE AGAINST IT. THE INTENTION OF ARGENTINA TO INVOKE THE RIO TREATY WILL CERTAINLY STRENGTHEN HAIG'S DESIRE TO KEEP HIS NEGOTIATION GOING, IF ONLY TO HEAD OFF THE AWKWARDNESS FOR THE AMERICANS THAT COULD ARISE IN THE OAS.

3. I THINK TOO THAT AMERICAN CONGRESSIONAL, MEDIA AND PUBLIC OPINION, ALTHOUGH STALWARTLY ON OUR SIDE ON THE PRINCIPLES AT ISSUE, MAY EXPECT THE US GOVERNMENT, HAVING ENGAGED THEMSELVES SO DEEPLY, TO STICK AT IT A BIT LONGER IF THE ALTERNATIVE IS THE POSSIBILITY OF A MAJOR MILITARY ENGAGEMENT.

4. IF YOU AGREE THAT OUR INTEREST LIES IN SHOWING READINESS TO CONTINUE NEGOTIATIONS THE QUESTIONS ARISE A) ON WHAT BASIS AND B) WHERE. THE TROUBLE ABOUT A) IS THAT THE ARGENTINIANS ARE PUTTING OUT A FAIRLY EXTENSIVE ACCOUNT OF THEIR PROPOSALS. BUT THERE IS OBVIOUSLY NO REASON FOR US TO REGARD THESE PROPOSALS AS THE LAST WORD. AS REGARDS B) THE ARRIVAL OF HAIG ONCE AGAIN IN LONDON INEVITABLY PUTS THE SPOTLIGHT ON US. NEVERTHELESS I CANNOT HELP THINKING THAT OUR ADVANTAGE WILL LIE IN AGREEING THAT HE SHOULD COME IF HE IS PREPARED TO DO SO. AS REGARDS THE IMPORTANT QUESTION OF THE BASIS UPON WHICH SUCH A VISIT WOULD TAKE PLACE WE OBVIOUSLY WOULD NOT WANT IT TO BE STATED OR EVEN SUGGESTED THAT HE WAS COMING TO LONDON TO PRESS US TO ACCEPT THE ARGENTINE PROPOSALS. FROM THE TONE OF HIS MESSAGE FROM BA I DO NOT THINK THERE WOULD BE ANY QUESTION OF THIS.

HENDERSON

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