GRS415 SECRET

FROM FCO 021136Z JUN 82
TO FLASH WASHINGTON
TELEGRAM NUMBER 1098 OF 2 JUNE
INFO IMMEDIATE UKMIS NEW YORK
YOUR TELNO 1971: FALKLANDS

- 1. WHEN YOU CALL ON PRESIDENT REAGAN, PLEASE SAY THAT THE PRIME MINISTER AND I HAVE ASKED YOU TO TELL HIM ONCE AGAIN BEFORE HE LEAVES FOR EUROPE HOW VERY GREATLY WE APPRECIATE ALL THE SUPPORT WHICH WE HAVE RECEIVED AND ARE CONTINUING TO RECEIVE FROM THE UNITED STATES THROUGHOUT THIS CRISIS PERIOD. THE VERY CLOSE DIALOGUE WHICH YOU HAVE BEEN ABLE TO MAINTAIN WITH HAIG, CLARK AND OTHERS HAS BEEN INVALUABLE. THE PRACTICAL ASSISTANCE OPEN BRACKETS YOUR TELMO 1977 CLOSE BRACKETS WHICH THE AMERICANS HAVE MADE AVAILABLE HAS FACILITATED OUR OPERATIONS AS MOTHING ELSE COULD HAVE DONE. THE PRIME MINISTER AND I ARE CONSCIOUS OF THE DIFFICULTIES CAUSED TO THE UNITED STATES BY ARGENTINA'S ATTACK ON THE FALKLANDS OPEN BRACKETS YOUR TELNO 1978 CLOSE BRACKETS ESPECIALLY IN THE CONTEXT OF THEIR RELATIONS WITH LATIN AMERICA. THE POSITION OF PRINCIPLE TAKEN BY THE PRESIDENT HIMSELF, AND ESPECIALLY HIS PUBLIC INSISTENCE THAT AGGRESSION MUST NOT BE ALLOWED TO PAY HAS BEEN AND REMAINS AN INMERSELY BENEFICIAL INFLUENCE.
- 2. YOU SHOULD GO ON TO SAY THAT WE LOOK FORWARD GREATLY TO OUR FORTHCOMING DISCUSSIONS IN VERSAILLES AND LONDON.

 WE HAD TO CONGLUDE IN RESPONSE TO HAIG'S MOST RECENT SUGGESTIONS THAT THESE COULD NOT BE PURSUED SO LONG AS ARGENTINA CONTINUES TO ATTACH CONDITIONS TO COMPLIANCE WITH UNSCR 502.

 IT WOULD STILL BE POSSIBLE FOR THE ARGENTINE COMMANDER TO EFFECT AN HONOURABLE WITHDRAWAL, AND THUS PROBABLY TO SAVE MANY LIVES. UNFORTUNATELY, WE SEE NO SIGN THAT THE ARGENTINES ARE PREPARED TO DO THIS. WE CONSIDER THAT THE BEST HOPE LIES IN LEAVING THEM TO COMPRONT THE CHOICE THEMSELVES. WE HAD

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TO REFLECT THIS VIEW IN OUR RESPONSE TO HAIG, AS WE SHALL NOW HAVE TO REFLECT IT IN OUR RESPONSE TO THE SECRETARY GENERAL OF THE UN.

3. IN OUR CONVERSATIONS AT VERSAILLES AND IN LONDON WE SHALL HOPE TO DISCUSS WAYS IN WHICH WE CAN WORK TOGETHER TO TRY TO ENSURE BOTH THAT HOSTILITIES COME TO A COMPLETE CONCLUSION AFTER THE WITHDRAWAL OF ARGENTINE FORCES FROM PORT STANLEY, AND THAT THE NEXT PERIOD IS ONE OF REHABILITATION AND RECONSTRUCTION, WITH THE COUNTRIES OF LATIN AMERICA AND NOT ONE OF CONTINUING BITTERNESS AND HOSTILITY.

WE SHALL VALUE THE OPPORTUNITY TO WORK VERY CLOSELY TOGETHER THROUGHOUT THAT PERIOD JUST AS WE HAVE VALUED AMERICAN SUPPORT AND THE SUSTAINED CONSULTATIONS FROM WHICH WE HAVE PENEFITTED SINCE THE BEGINNING OF THE CRISIS.

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OPIES TO PS/HOME SECRETARY S/S OF S DEFENCE S/ATTORNEY GENERAL S/CHANCELLOR DUCKY OF LANCASTER PS/SIR R ARMSTRONG PS/SIR M PAILISER PS/SIR A DUFF TR WADE-GERY CABINET IR FULLER OFFICE R O'NEILL HD/ASSESSMENTS STAFF IR COLVIN OR J M STEWART AUSD STAFF MOD DMIRAL SIR ROY HALLIDAY DGI EIR P MOORE BUCKINGHAM PALACE DIRECTOR G C H Q -

2