GRS 582 SECRET

ESKBY UKMIS NEW YORK 051200Z

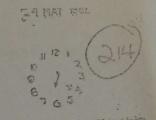
D-SKBY LIMA 051600Z

FM WASHINGTON 150415Z MAY 82

TO FLASH FCO

TELEGRAM NUMBER 1600 OF 5 MAY

INFO: IMMEDIATE UKMIS NEW YORK, LIMA (PERSONAL FOR AMBASSADORS)



MY FIRST MIPT : FALKLANDS

1. FOLLOWING IS TEXT OF LETTER HAIG IS SENDING THROUGH U S EMBASSY IN LONDON :

DEAR FRANCIS:

I APPRECIATE THE EFFORTS YOUR GOVERNMENT HAS MADE TO REACT QUICKLY TO THE SUGGESTION WE MADE. BUT I MUST TELL YOU WITH A CANDOR POSSIBLE ONLY BETWEEN CLOSEST ALLIES THAT THE IDEAS YOU HAVE CONVEYED CAN LEAD TO ONLY ONE OUTCOME: ARGENTINE REJECTION AND THEREFORE RESUMPTION OF HOSTILITIES AFTER THE FORTY-EIGHT-HOUR PERIOD, WITH THE PROSPECTS FOR EVENTUAL SETTLEMENT HAVING BEEN DAMAGED IN THE PROCESS. BEYOND THAT, WE HAVE HO REASON TO BELIEVE THAT THE PERUVIAN GOVERNMENT WOULD ASSOCIATE ITSELF WITH YOUR PROPOSAL. INDEED, OUR ASSESSMENT IS THAT EVEN PRESENTING IT TO THEM WOULD DRIVE PERU TO A MORE PRO-ARGENTINE POSTURE.

TRAGIC AS RECENT EVENTS HAVE BEEN, I BELIEVE WE NOW HAVE AN OPPORTUNITY TO ACHIEVE AN AGREEMENT WHICH IS CONSISTENT WITH OUR SHARED PRINCIPLES AND IMPOSSIBLE TO CONSTRUE AS A SUCCESS FOR THE AGGRESSOR, YOUR WILLINGNESS TO OFFER A 48-HOUR PAUSE MAKES THAT OPPORTUNITY ALL THE MORE REAL. WE MAY NOT HAVE ANOTHER SUCH CHANCE BEFORE MANY MORE LIVES HAVE BEEN LOST - IF THEN.

I AM SENDING YOU A REVISED VERSION OF THE SEVEN POINTS WHICH ATTEMPTS TO TAKE HORE OF YOUR CONCERNS INTO ACCOUNT. AS NICKO WILL EXPLAIN, IT INCLUDES OUR BEST EFFORT TO MEET YOUR CONCERNS ABOUT A SECURITY GUARANTEE. I WILL NOT DENY THAT IT IS CLOSER TO THE IDEAS WE SENT YOU THAN TO THOSE YOU SENT US. THE MOST IMPORTANT DIFFERENCE BETWEEN YOUR IDEAS AND OURS IS NOT THAT OURS ABANDON PRINCIPLE AND REWARD AGGRESSION, FOR THEY DO NOT, BUT RATHER THAT OURS HAVE A REASONABLE CHANCE OF ACCEPTANCE PROVIDED THE ARGENTINES ARE NOW OF A MIND TO SHOW GREATER FLEXIBILITY. WHILE I REMAIN POURTED.

A SECURITY GUARANTEE. I WILL NOT DENY THAT IT IS CLOSER TO THE IDEAS
WE SENT YOU THAN TO THOSE YOU SENT US. THE MOST IMPORTANT DIFFERENCE
BETWEEN YOUR IDEAS AND OURS IS NOT THAT OURS ABANDON PRINCIPLE AND
REWARD AGGRESSION, FOR THEY DO NOT, BUT RATHER THAT OURS HAVE A
HEASONABLE CHANCE OF ACCEPTANCE PROVIDED THE ARGENTINES ARE NOW OF
A MIND TO SHOW GREATER FLEXIBILITY. WHILE I REMAIN DOUBTFUL THAT
THEY WOULD ACCEPT OURS, I AM CERTAIN THEY WILL REJECT YOURS.

IN PARTICULAR:

THE ARRANGEMENTS FOR WITHDRAWAL OF FORCES DO NOT PROVIDE FOR THE
PARITY THAT WAS EMBODDIED IN THE PLAN WE DISCUSSED WHEN YOU WERE IN
WASHINGTON A WEEK OR SO AGO.

THE EXPLICIT REFERENCE TO QUOTE RESTORED ADMINISTRATION UNQUOTE
IS BOTH UNNECESSARY AND, IN AND OF ITSELF, ENOUGH TO GUARANTEE
REJECTION.

THE FORMULATION ON SELF-DETERMINATION WOULD BE NO LESS DIFFICULT FOR THE ARGENTINES TO ACCEPT THAN IT WOULD BE FOR YOU - OR US - TO ACCEPT A FLAT ASSURANCE OF EVENTUAL ARGENTINE SOVEREIGNTY.

THE COMMITMENT ONLY TO MAKE EVERY POSSIBLE EFFORT TO REACH A DEFINITIVE SETTLEMENT WOULD BE READ IN BURNOS IRES AS A RECIPE FOR STALEMATE, EVEN THOUGH I DO NOT DOUBT FOR ONE MINUTE THAT HMG WOULD NEGOTIATE IN GOOD FAITH.

1 ALSO ATTACH A PROPOSED TIMETABLE FOR MOVING THIS INITIATIVE FORWARD WHICH I DISCUSSED WITH NICKO.

I HARDLY NEED TO SAY THAT WE HAVE LEFT NO DOUBT ABOUT WHERE WE STAND: THE ARGENTINES COMMITTED AGGRESSION: THEY HAVE BEEN INFLEXIBLE IN NEGOTIATIONS: AND THE U S SUPPORTS THE UK, EXPLICITLY AND CONCRETELY. WE HAVE NEVER CONTEMPLATED ASKING YOU TO AGREE TO ANYTHING THAT WOULD UNDERMINE THE RULE OF LAW, WEAKEN OUR RELATION—SHIP, OR BE SEEN AS LESS THAN A SUCCESS FOR YOUR COUNTRY AND YOUR GOVERNMENT. IT IS IN THIS SPIRIT THAT I MUST TELL YOU THAT WE ARE PREPARED TO PROCEED ON THE BASIS OF THE REVISED VERSION I AM SENDING TO YOU, BUT COULD NOT ASSOCIATE OURSELVES WITH YOUR VERSION.

RECOGNIZING THE BURDEN IT PLACES ON YOU, MAY I ASK THAT YOU SIVE ME AN INDICATION AS QUICKLY AS POSSIBLE AS TO WHETHER YOU WOULD LIKE US TO PROCSED.