

FALKLANDS SELECTIVE ADVANCES

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DIRECTOR G.C.H.Q. (via Room 8)

MR REED PUSD

SECRET

FM WASHINGTON 242058Z MAY 82
TO IMMEDIATE F C O
TELEGRAM NUMBER 1873 OF 24 MAY
INFO IMMEDIATE UKMIS NEW YORK.

YOUR TELNO 456 TO BRUSSELS: FALKLANDS

1. I SAW HAIG TODAY AND SPOKE AS INSTRUCTED. HAIG SAID THAT HE THOUGHT THAT THE BRITISH ATTITUDE WAS QUITE UNDERSTANDABLE: BUT NEVERTHELESS, ALTHOUGH IT WAS PRESUMPTUOUS OF HIM TO DO SO, HE FELT OBLIGED TO POINT OUT THAT THERE WERE LONG TERM ISSUES AT STAKE THAT MIGHT WELL BE JEOPARDISED IF A BREADTH OF VISION WERE NOT SHOWN AT THIS STAGE.

2. HE HIMSELF WAS CONVINCED THAT WE WOULD SUCCEED QUITE QUICKLY IN DEFEATING THE ARGENTINIAN GARRISON ON THE ISLANDS: BUT HE WAS ALSO CERTAIN THAT THIS WOULD NOT END THE PROBLEM. ON THE CONTRARY IT WOULD CREATE ANOTHER ONE THAT COULD GET US INTO

CONTRARY IT WOULD CREATE ANOTHER ONE THAT COULD GET US INTO INCREASING DIFFICULTIES UNLESS AN EFFORT WAS MADE NOW TO FORESTALL IT.

3. HAIG SPOKE OF THE VARIOUS RESOLUTIONS THAT WERE UNDER CONSIDERATION IN THE CORRIDORS OF THE SECURITY COUNCIL. ONE OF THESE INVOLVED A CEASEFIRE AND RENEWAL OF THE SECRETARY GENERAL'S MANDATE WITHOUT ANY REFERENCE TO ARGENTINE WITHDRAWAL. THERE WOULD BE NO PROBLEM IN VETOING THAT BUT THERE WERE OTHER RESOLUTIONS THAT INCLUDED WITHDRAWAL AS WELL AS A CEASEFIRE AND THAT ALSO PROPOSED, IN ONE RESOLUTION, AN INTERIM ADMINISTRATION BY THE UN AND IN ANOTHER RESOLUTION THE ESTABLISHMENT OF A CONTACT GROUP OF FOUR NATIONS UNDER ARTICLE 29 OF THE CHARTER. THESE, HAIG THOUGHT, WOULD BE MORE DIFFICULT TO HANDLE BUT HAIG SAID HIS MAIN PROBLEM WAS THE FORTHCOMING MEETING OF THE RIO TREATY. THE ARGENTINIANS WERE CALLING THIS FOR NEXT THURSDAY UNLESS BY TOMORROW THERE HAD BEEN A SATISFACTORY RESOLUTION IN THE SECURITY COUNCIL.

4. HAIG'S CONCERN ABOUT THE RIO TREATY ORGANISATION WAS THAT THE USA MIGHT BECOME COMPLETELY ISOLATED IF IT OPPOSED THE SANCTIONS RESOLUTION THAT HE THOUGHT WOULD BE PUT DOWN. THE ONLY SUPPORT THEY MIGHT GET WOULD BE FROM GUYANA AND TRINIDAD. THIS ACTIVITY IN THE OAS WOULD REFLECT THE MOVEMENT, ABOUT WHICH HAIG SPOKE WITH GREAT CONCERN, OF LATIN AMERICAN SOLIDARITY DEDICATED TO SUPPORTING ARGENTINA IN PREPARING FOR A WAR OF REVENGE AND OPENING THE WAY TO INCREASED SOVIET AND CUBAN INVOLVEMENT.

5. HAIG SAID THAT COSTA MENDEZ, WHOSE TREACHERY KNEW NO BOUNDS, WAS ADVOCATING THE ADOPTION BY BA OF A POLICY OF REBUILDING ARGENTINE MILITARY CAPABILITY WITH THE HELP OF THE SOVIETS AND CUBANS.

6. HAIG SAID THAT THE US GOVERNMENT, BY COMING DOWN ON THE BRITISH SIDE, HAD ALREADY GREATLY JEOPARDISED US INTERESTS IN LATIN AMERICA. WHAT WAS AT STAKE IN THE FUTURE WAS ENORMOUS. IT WAS NOT SIMPLY A QUESTION OF THE ECONOMIC SACRIFICES INVOLVED BUT OF THE ENORMOUS INCREASE IN SOVIET AND COMMUNIST INFLUENCE.

7. I INTERJECTED THAT HAIG HAD TOLD ME SEVERAL TIMES THAT GALTIERI HAD ALWAYS PROMISED HIM THAT HE WOULD NEVER ACCEPT THE SOVIET OPTION. TO WHICH HAIG SAID THAT THINGS HAD MOVED ON FROM THERE. ARGENTINIANS WERE NOW DESPARATE AND WOULD BECOME MORE SO AND WOULD STOP AT NOTHING IN THE PURSUIT OF REVENGE.

8. HAIG'S PROBLEM THEREFORE WAS SOMEHOW TO AVOID A RESOLUTION

8. HAIG'S PROBLEM THEREFORE WAS SOMEHOW TO AVOID A RESOLUTION UNDER THE RIO TREATY LATER THIS WEEK THAT WOULD ISOLATE THE USA STILL FURTHER FROM THE REST OF THE AMERICAN HEMISPHERE. HE SUGGESTED THAT THE CLUE LAY IN CLOSE INVOLVEMENT WITH BRAZIL. HE IMPLIED THAT IT SHOULD BE POSSIBLE FOR THE USA TO MAINTAIN A TOUGH STANCE IN THE SECURITY COUNCIL IF, BUT ONLY IF, THE USA COULD BE SEEN TO BE ACTIVE IN TRYING TO BRING ABOUT A SETTLEMENT OF THE FALKLAND'S ISSUE ELSEWHERE. THE SAME APPLIED IN THE OAS. HAIG DID NOT BELIEVE THAT ANY GOOD COULD COME OF SOLUTIONS SUGGESTED EITHER BY THE SECURITY COUNCIL OR THE OAS, BUT THAT THIS DID NOT PRECLUDE GREAT DAMAGE TO THE USA IN BOTH ORGANISATIONS UNLESS THEY WERE SEEN TO BE PURSUING SOME ACTIVE LINE OF DIPLOMACY. HENCE HIS IDEA OF TRYING TO GET TOGETHER WITH BRAZIL TO FLOAT NEW IDEAS FOR A SETTLEMENT.

9. HAIG THEN SUGGESTED THE SORT OF PLAN WHICH I HAVE ALREADY HINTED TO YOU MIGHT BE IN HIS MIND (WASHINGTON TELNO 1873) CEASEFIRE AND WITHDRAWAL, US/BRAZILIAN INTERIM ADMINISTRATION AND DISCUSSIONS WITHOUT PREJUDICE REGARDING THE FUTURE - IDEAS THAT I TOLD HAIG HAVE GONE DOWN IN LONDON LIKE A LEAD BALLOON.

10. HAIG REPEATED HIS VIEW ABOUT THE NEED TO KEEP THE BRAZILIANS IN PLAY. IF THIS DID NOT HAPPEN THE OAS WOULD GET OUT OF CONTROL AND THIS WOULD SPELL THE END OF THE INTER-AMERICAN SYSTEM FOR WHICH THE USA WOULD BE BLAMED. AGAIN HE DILATED UPON THE GREAT DANGERS OF INCREASED SOVIET PENETRATION OF THE AMERICAN HEMISPHERE. IT WOULD BE A DISASTER IF THE OUTCOME OF THE FALKLANDS CRISIS WAS AN INTENSIFICATION OF COMMUNISM AND SOVIET INFLUENCE IN THE AMERICAN HEMISPHERE. HE QUITE REASLISED THE DIFFICULTY FOR US IN CONTEMPLATING WITHDRAWAL AT THIS STAGE. NEVERTHELESS HE BELIEVED THAT WE COULD NOT CONTEMPLATE REMAINING ON THE ISLANDS IN GREAT FORCE INDEFINITELY. IN THE LONG RUN THE ONLY SECURITY FOR THE ISLANDS WAS SOME AGREEMENT IN WHICH THE USA HAD PARTICIPATED. IT WOULD BE IMPOSSIBLE, HAIG SAID, TO GET A US GUARANTEE FOR A RETURN TO THE STATUS QUO ANTE.

11. I REMINDED HAIG HOW OFTEN HE HAD ASSURED ME THAT THIS WOULD NOT BE ANOTHER SUEZ. IF THE US GOVERNMENT NOW TOOK ACTION WHICH COULD HAVE THE EFFECT OF TRYING TO BRING OUR FORCES TO A HALT BEFORE THEIR MISSION WAS ACCOMPLISHED, THE CHARGE OF ANOTHER SUEZ COULD BE RAISED. FURTHERMORE CONSIDERABLE SACRIFICES HAD ALREADY BEEN MADE BY GREAT BRITAIN: THESE MUST NOT BE RENDERED VAIN BY PREMATURE TERMINATION OF THE TASK. I TOLD HAIG THAT WE NATURALLY RECOGNISED THE IMPORTANCE OF THE USA'S RELATIONS WITH ITS LATIN

PREMATURE TERMINATION OF THE NEGOTIATIONS
RECOGNISED THE IMPORTANCE OF THE USA'S RELATIONS WITH ITS LATIN AMERICAN NEIGHBOURS. NEVERTHELESS HE SHOULD NOT OVERLOOK THE POSSIBLE RISK TO RELATIONS BETWEEN THE USA AND THE UK AND WESTERN EUROPE GENERALLY. I MENTIONED THE COMMUNITY'S EXTENSION OF ECONOMIC MEASURES.

12. HAIG SAID THAT HE ACCEPTED ALL THIS. THAT WAS WHY HE DID NOT WANT TO DO ANYTHING THAT WOULD CAUSE DIFFICULTIES FOR BRITAIN: INDEED HE WANTED TO ACT NOW IN CONCERT WITH BRITAIN. HE WOULD LIKE TO THINK THAT A JOINT APPEAL BY THE US AND BRAZILIAN GOVERNMENTS TO BOTH SIDES COULD BE DEVISED IN ADVANCE SO AS TO MAKE IT ACCEPTABLE TO BRITAIN. I REPEATED THAT IF HE WAS THINKING OF AN APPEAL FOR WITHDRAWAL BY BOTH SIDES AND THE ESTABLISHMENT OF AN INTERIM ADMINISTRATION THIS WAS JUST NOT ON. SECURITY COUNCIL RESOLUTION 502 DEMANDED THE WITHDRAWAL OF THE ARGENTINIANS NOT THE BRITISH. THE FALKLAND ISLANDS WERE OUR TERRITORY. HOW WOULD IT BE IF THE CUBANS OCCUPIED PUERTO RICO AND WE THEN SAID THAT AS PART OF ANY SETTLEMENT THE AMERICANS MUST WITHDRAW AS WELL AS THE CUBANS. RESOLUTION 502 WAS THE SHEET-ANCHOR.

13. HAIG ACKNOWLEDGED THE DIFFICULTIES FOR US BUT INSISTED UPON THE NEED TO HAVE THE LONG-TERM IN MIND IN DECIDING ABOUT THE IMMEDIATE FUTURE. HE ADDED THAT THE PROBLEM - BY WHICH I THINK HE MEANT EXERCISING PRESSURE ON US - WOULD HAVE TO BE FACED BY THE USA AT SOME STAGE SO PERHAPS IT WAS BETTER TO DO SO NOW. HE WOULD GIVE THE MATTER FURTHER THOUGHT IN THE LIGHT OF OUR CONVERSATION AND EITHER TRY TO SPEAK TO YOU ON THE SECRET TELEPHONE OR SEND YOU A MESSAGE.

14. I LEFT HIM IN NO DOUBT ABOUT THE STRENGTH OF FEELING IN LONDON AND THE CONVICTION THAT WE WERE NOW OPERATING ON A DIFFERENT BASIS FROM THAT OF THE EARLY STAGES OF HIS NEGOTIATIONS. HAIG SAID THAT HE RECOGNISED THAT THE ARGENTINIANS WERE NOT LIKELY TO GET NOW THE TERMS THAT THEY MIGHT HAVE GOT HAD THEY BEEN MORE FAR-SIGHTED IN EARLY APRIL.

15. TO SUM UP: WHAT REALLY WORRIES HAIG AT THE MOMENT IS THE PROSPECT OF A SERIOUS DETERIORATION IN THE US GOVERNMENT'S RELATIONS WITH LATIN AMERICA AND THE CHANCES THIS MAY OFFER THE SOVIETS TO INCREASE THEIR INFLUENCE IN THE AMERICAN HEMISPHERE. THIS WOULD BE THE OPPOSITE OF WHAT THE REAGAN ADMINISTRATION SET AS THEIR FIRST PRIORITY AT THE TIME OF THE INAUGURATION. THE US GOVERNMENT THEREFORE MUST TAKE SOME INITIATIVE NOW WHICH, EVEN IF IT DOES NOT BRING ABOUT A RESOLUTION OF THE FALKLAND ISLANDS PROBLEM, WILL AT LEAST LIMIT THE DAMAGE THAT CAN BE DONE TO US INTERESTS BY

BRING ABOUT A RESOLUTION OF THE FALKLAND ISLANDS PROBLEM, WILL AT
LEAST LIMIT THE DAMAGE THAT CAN BE DONE TO US INTERESTS BY
ACCUSATIONS OF BEING PRO-BRITISH AND NON-UNDERSTANDING OF THE LATIN
AMERICAN POINT OF VIEW.

HENDERSON

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RGRG NOTE FCO