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DE RUEHLA #6034 1080440

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FM USDEL BUENOS AIRES

TO RUEHLA/AMEMBASSY LONDON NIACT IMMEDIATE

INFO RUEHC/SECSTATE WASHDC NIACT IMMEDIATE 6710

BT

SECRET USDEL BUENOS AIRES SECTO 6034

NIACT IMMEDIATE

22

18 APR 82

TOR: 0542

CN 41849

CHRG: STA

Action: DCM 5+2D/ETB

NODIS

MR. McCormick notified
0710 L.

E.O. 12065: RDS-3 (4/17/12 -HAIG, ALEXANDER)

TAGS: OVIP (HAIG, ALEXANDER)

SUBJECT: FALKLAND ISLANDS CRISES

1. SECRET -ENTIRE TEXT.

2. PLEASE PASS THE FOLLOWING MESSAGE FROM THE SECRETARY TO THE FOREIGN SECRETARY. BEGIN TEXT:

DEAR FRANCIS:

BASED ON THE UNACCEPTABLE LANGUAGE WHICH I RECEIVED AND SENT TO YOU LAST NIGHT (FRIDAY), I THREATENED TO BREAK OFF THIS PROCESS. AS A RESULT, I WAS INVITED TO MEET WITH THE JUNTA, AND SPENT TWO HOURS WITH THEM THIS MORNING (SATURDAY). THE CHARACTER OF THE GROUP IS ESSENTIALLY AS I IMAGINED: GALTIERI IS THE LEAST BRIGHT AND GIVEN TO BLUSTER; THE ADMIRAL IS LUTRA HARD-LINE; THE AIR FORCE GENERAL IS BRIGHT. POLITICAL REASONABLE--REALTIVELY SPEAKING--BUT CLEARLY THIRD IN INFLUENCE.

3. I IMPRESSED ON THESE MEN IN THE STRONGEST TERMS THAT BRITISH RESOLVE WAS BEYOND DOUBT, AND THAT THEY WERE ON A COLLISION COURSE WITH MILITARY HUMILIATION AND ECONOMIC RUIN. WITH THE POSSIBLE EXCEPTION OF THE ADMIRAL

--WHOSE DEFINITION OF GLORY HAS LITTLE TO DO WITH THE CONCEPT OF MILITARY SUCCESS--

--I WOULD SAY THESE MEN ARE WORRIED. THEY ARE FEELING THE PRESSURE OF YOUR FLEET, THOUGH IT WOULD BE A SERIOUS MISTAKE FOR YOU TO ASSUME THEY ARE NOT PREPARED TO FIGHT.

4. THE JUNTA URGED ME TO STAY AND TRY TO "SOLVE THE PROBLEM" WITH THE FOREIGN MINISTER. IN HOPES THAT THEY WOULD IMPART FLEXIBILITY TO THEIR NEGOTIATORS I AGREED TO DO SO. THE TEN-HOUR SESSION THAT ENSUED WAS EXCRUTIATINGLY DIFFICULT. WE SPENT MOST OF THAT TIME ON THE LANGUAGE DEALING WITH THE TERMS OF REFERENCE FOR THE NEGOTIATIONS ON THE DEFINITIVE STATUS OF THE ISLANDS. YOUR LANGUAGE WAS REJECTED OUT OF HAND. I PRESSED UPON THEM LANGUAGE THAT AVOIDS REJUDGING THE SOVEREIGNTY ISSUE WHILE PRESERVING WHAT YOU MUST HAVE WITH REGARD TO THE RIGHTS OF THE ISLANDERS. THE

ARGENTINES ARE NOW DEVELOPING A NEW FORMULATION BUT I EXPECT IT WILL BE PREGNANT WITH THE CONCEPT OF ASSURED ARGENTINE SOVEREIGNTY.

5. THE ISSUE OF TRAVEL, TRADE, ETC., IN THE INTERIM PERIOD WAS ALSO HOTLY CONTESTED. THERE WILL BE NO AGREEMENT UNLESS IT INVOLVES A CLEAR PROSPECT OF GENUINE PROMOTION OF VARIOUS FORMS OF INTER ACTION, WITH THE NECESSARY SAFEGUARDS TO PREVENT WHAT THE PRIME MINISTER FEARS COULD OCCUR.

6. WE ARE ALSO ENCOUNTERING DIFFICULTY ON THE QUESTION OF INTERIM ADMINISTRATION, THOUGH THE INTEGRITY OF THE IDEA WE DISCUSSED IN LONDON HAS BEEN MAINTAINED.

7. FINALLY, THOUGH WE DID NOT DISCUSS IT AT LENGTH, THERE WAS A DEFINITE FORESHADOWING OF SERIOUS PROBLEMS ON THE QUESTION OF MILITARY DISENGAGEMENT --I.E. STOPPING THE FLEET AND REMOVING THE SUBMARINES. I THINK THIS MATTER CAN BE SETTLED IN TERMS ACCEPTABLE TO THE UK. THOUGH NOT WITHOUT MORE FLEXIBILITY THAN I ENCOUNTERED IN LONDON. ALL IN ALL, AS OF NOW THE SITUATION IS GRIM. I WILL RECEIVE A NEW ARGENTINE TEXT DURING THE NIGHT AND THEN DECIDE WHETHER OR NOT TO BREAK OFF.

8. I WILL ONLY CONSIDER COMING TO LONDON IF THE ARGENTINES GIVE ME A TEXT THAT GOES WELL BEYOND THEIR POSITION TODAY. I DO NOT WANT TO SHIFT THE SPOTLIGHT ONTO YOU IF IT IS CLEAR THAT THE ARGENTINE PROPOSAL IS UNACCEPTABLE. EVEN IF I DO NOT COME TO LONDON, I WILL OF COURSE SEND YOU THE ARGENTINE TEXT.

9. IF I SUSPEND MY MISSION TOMORROW MORNING I WILL LEAVE NO DOUBT WHERE LIES RESPONSIBILITY FOR THE IMPASSE.

WARM REGARDS,
AL

END TEXT.
BAIG

SECRET/NODIS

USDEL BA 6034