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TO IMMEDIATE F C O

TELEGRAM NO 1377 OF 21 APRIL

INFO IMMEDIATE UKMIS NEW YORK (PERSONAL FOR AMBASSADOR)

FALKLANDS

1. IN MY TALK WITH HAIG TODAY HE DESCRIBED THE UTTER IRRATIONALITY AND CHAOTIC NATURE OF THE PRESENT ARGENTINE LEADERSHIP. HE MENTIONED AGAIN THE FIGURE OF 50 PEOPLE WHO SEEMED ONE WAY OR ANOTHER TO BE INVOLVED IN DECISIONS. HE SAID THAT HE WOULD REACH SOME SORT OF AGREEMENT ON ONE OF THE POINTS AT ISSUE WITH ONE OR SEVERAL OF THE JUNTA ONLY TO HAVE A CORPS COMMANDER COME INTO THE ROOM AN HOUR OR SO LATER TO STATE THAT IT WAS UNACCEPTABLE.

2. COSTA MENDEZ WAS CERTAINLY WITHOUT INFLUENCE. AS FOR GALTIERI, HE WAS NOT ONLY AN ALCOHOLIC BUT HE WAS INCAPABLE OF RATIONAL THOUGHT. HAIG WAS QUITE CONVINCED THAT WHATEVER HAPPENED HE WOULD NOT LAST LONG AT THE HEAD OF THE GOVERNMENT.

3. I SAID THAT THIS SEEMED TO ME TO BE A CENTRAL POINT AT ISSUE. WAS THERE MUCH POINT IN CONTINUING TO NEGOTIATE WITH THE PRESENT ARGENTINE LEADERS? WERE THEY NOT COMMITTED TO A MILITARY SOLUTION AND A MILITARY SUCCESS? HAIG SAID THAT HE CERTAINLY HAD GRAVE DOUBTS ON WHETHER THERE WAS ANY POINT IN GOING ON NEGOTIATING WITH THEM. HE DID NOT CONSIDER, HOWEVER, THAT THEY WERE COMPLETELY CONFIDENT. THE MOOD IN BA WAS VERY UNCERTAIN. ALTHOUGH HE HAD TOLD ME THAT THE PRESENT JUNTA THOUGHT ONLY IN MILITARY TERMS AND DID NOT CALCULATE ECONOMIC OR POLITICAL PRESSURES, HE DID NOT WISH TO SUGGEST THAT THE LATTER WERE NOT IMPORTANT. HE BELIEVED THAT THEY WERE VERY RELEVANT.

5. I THEN ASKED HIM WHETHER HE HAD LEFT THE ARGENTINE LEADERS IN NO DOUBT THAT IF TALKS BROKE DOWN BECAUSE OF THEIR INTRANSIGENCE THE USA WOULD RESORT TO ECONOMIC SANCTIONS AGAINST ARGENTINA. HAIG SAID THAT HE HAD NOT USED THE PHRASE ECONOMIC SANCTIONS, BUT HE HAD SAID THREE TIMES TO GALTIERI THAT IN THOSE CIRCUMSTANCES THE USA WOULD BE ON THE BRITISH SIDE.

6. JUST TO SHOW THE IMPOSSIBILITY OF NEGOTIATING WITH THEM HAIG TOLD ME THAT AT THE LAST MINUTE, JUST AS HE WAS LEAVING IN THE AIRPORT, THE ARGENTINES HAD TRIED TO PRESS INTO HIS HAND A NEW FORMULATION ON THE SUBJECT OF SOVEREIGNTY. THIS HAD BEEN MUCH MORE EXTREME AND CATEGORICAL THAN THE TEXT THEY HAD BEEN WORKING ON. HAIG SAID HE HAD REFUSED TO TAKE DELIVERY OF IT.

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7. HAIG SAID THAT HE WOULD OF COURSE BE DISCUSSING THE THREE MAIN ISSUES WITH YOU TOMORROW. HE WENT ON TO TELL ME THAT HE THOUGHT THAT THE SUBJECT OF WITHDRAWAL WAS REALLY NOT TOO BAD FROM OUR POINT OF VIEW. OUR SUBMARINES COULD DO WHAT THEY LIKED BECAUSE THE ARGENTINIANS HAD NO IDEA WHERE THEY WERE. THE TERMS PROPOSED FROM BA DID PROVIDE FOR WITHDRAWAL WITHIN A FORTNIGHT AND THAT WAS CERTAINLY AN ACHIEVEMENT.

ON THE SECOND POINT HAIG EMPHASISED THE IMPORTANCE OF THE US PRESENCE IN THE INTERIM AUTHORITY THAT WOULD RUN THE ISLAND. IN ANSWER TO MY QUESTION WHETHER UNANIMITY OR A MAJORITY WAS REQUIRED FOR DECISIONS BY THAT AUTHORITY, HAIG SAID IT WAS QUITE CLEAR THAT IT WOULD BE A MAJORITY. THEREFORE THE ARGENTINES COULD NOT VETO ANYTHING AND THE US AND BRITISH WOULD PREVAIL. AT THE SAME TIME HE UNDERSTOOD HOW VERY UNSATISFACTORY IT WAS THAT OUR PARTICIPATION IN THIS BODY WOULD BE NO GREATER THAN THAT OF THE ARGENTINIANS. HE BELIEVED, HOWEVER, THAT ON SUBJECTS LIKE ENTRY BY ARGENTINIANS ONTO THE ISLANDS AND THE ACQUISITION BY THEM OF PROPERTY, THERE WOULD BE NO DIFFICULTY IN THE US AND UK GETTING THEIR WAY. HE THOUGHT THAT THE US WERE LAYING UP FOR THEMSELVES A GOOD DEAL OF TROUBLE BUT NEVERTHELESS HE BELIEVED ON THE WHOLE THAT SUCH A TRIPARTITE SYSTEM WOULD BE MANAGEABLE AND SAFEGUARD WHAT WE THOUGHT NECESSARY.

8. AS REGARDS SOVEREIGNTY HE SAID THAT THE WORD "RIGHTS" HAD BEEN HIS IDEA. HE KNEW THAT WE WANTED "WISHES" AND THE ARGENTINIANS WANTED "INTERESTS". HE THOUGHT THAT "RIGHTS" WOULD MEET OUR PROBLEM WHILE NOT GOING TOO FAR IN THE ARGENTINIAN DIRECTION. I SAID THAT I THOUGHT FROM OUR POINT OF VIEW IT WAS UNACCEPTABLE. IT ALSO LOOKED TO ME AS THOUGH THE BA WORDING ON THIS SUBJECT WOULD MEAN THAT THE ARGENTINIANS WOULD BE ABLE TO ASSERT THAT SOVEREIGNTY WAS INTENDED TO PASS TO ARGENTINA NOT LATER THAN 1 JANUARY 1983. HAIG DID NOT DENY THIS, BUT HE SAID THAT HE THOUGHT THAT THERE COULD BE ROOM FOR ARGUMENT ABOUT IT. I WAS STRUCK, THOUGH, BY HIS ACCEPTANCE OF THE VIEW THAT THIS WAS CERTAINLY THE ARGENTINIAN INTENTION IN PUTTING FORWARD THIS WORDING. I SAID THAT THIS WAS OF COURSE TOTALLY UNACCEPTABLE TO US.

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