

GRS 630

CONFIDENTIAL

*Prime Minister*

*I am not sure whether you  
saw this over the weekend.*

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FM WASHINGTON 070234Z MAY 82

TO PRIORITY F C O

TELEGRAM NUMBER 1667 OF 7 MAY 1982

INFO PRIORITY UKMIS NEW YORK, BRASILIA, LIMA, CARACAS, BOGOTA,  
PANAMA CITY.

*A.T.C. 10.  
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PANAMA CITY TELNO 74: FALKLANDS.

1. WE HAVE LET THE STATE DEPARTMENT KNOW, AND I WILL PROTEST TO HAIG PERSONALLY, ABOUT THE VERY UNSATISFACTORY TONE AND CONTENT OF PRESIDENT REAGAN'S MESSAGE OF 2 MAY. THE TEXT WHICH HAS BEEN SENT TO PRESIDENT ROYO AND OTHER LATIN AMERICAN PRESIDENTS, INCLUDING THOSE OF BRAZIL, PERU, VENEZUELA AND COLOMBIA, IS AS FOLLOWS:

THE CRISIS BETWEEN THE UNITED KINGDOM AND OUR SISTER REPUBLIC OF ARGENTINA RAISES SUCH FUNDAMENTAL ISSUES FOR THE INTER-AMERICAN COMMUNITY THAT I MUST SHARE MY CONCERNS DIRECTLY WITH YOU AND OTHER AMERICAN CHIEFS OF STATE.

THE PRINCIPLE OF THE RULE OF LAW IS THE ONLY BASIS ON WHICH TO SEEK A PEACEFUL SETTLEMENT OF THE DISPUTE IN THE SOUTH ATLANTIC. THE MEASURES I ORDERED FRIDAY ON THE PART OF THE UNITED STATES IN SUPPORT OF THAT FUNDAMENTAL PRINCIPLE, DIFFICULT AND PAINFUL THOUGH THEY ARE FOR US, WERE ABSOLUTELY NECESSARY. THESE MEASURES WILL NOT, IN THEMSELVES, PREVENT THE LOSS OF LIVES AND HONOR, A GOAL WHICH CAN ONLY BE ACHIEVED BY THE DECISIONS OF THE TWO SOVEREIGN STATES DIRECTLY INVOLVED.

THE ISSUE ENGAGES ME AND MY FELLOW-COUNTRYMEN SO DEEPLY BECAUSE ONE OF THE STATES INVOLVED IS AN AMERICAN STATE, A STATE WITH WHICH WE SHARE A COMMON HERITAGE AND STRONG LEGAL, MORAL AND CULTURAL LINKS. FROM COLONIALIZATION TO NATIONHOOD, THE PEOPLES OF THE AMERICAS HAVE BEEN UNITED BY THE DANGERS AND DREAMS OF BUILDING A NEW WORLD. "THE HISTORIC MISSION OF AMERICA", STATES THE PREAMBLE TO THE OAS CHARTER, THE FUNDAMENTAL INSTRUMENT OF OUR COOPERATION, "IS TO OFFER TO MAN A LAND OF LIBERTY, AND A FAVOURABLE ENVIRONMENT FOR THE DEVELOPMENT OF HIS PERSONALITY AND THE REALIZATION OF HIS JUST ASPIRATIONS."

CLEARLY, ONE OF ARGENTINA'S ASPIRATIONS HAS LONG BEEN THE CONFIRMATION OF ITS HISTORIC CLAIM OF SOVEREIGNTY OVER THE ISLANDS KNOWN AS THE MALVINAS. JUST AS CLEARLY, NO AMERICAN BELIEVES THAT COLONIZATION BY ANY EUROPEAN POWER IS TO BE ACCEPTED IN THIS HEMISPHERE.

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THE CONTRADICTION — THE REASON MY FELLOW CITIZENS HERE IN THE UNITED STATES AND OTHERS IN THE AMERICAS HAVE NOT RALLIED AS ONE BEHIND THE ACTIONS TAKEN BY ARGENTINA EARLY LAST MONTH — IS THAT ARGENTINA USED FORCE IN AN ATTEMPT TO PUT AN END TO ITS HISTORIC DISPUTE WITH THE UNITED KINGDOM.

MY GOVERNMENT FULLY UNDERSTANDS THE DEEP NATIONAL COMMITMENT OF ARGENTINA TO RECUPERATE THE ISLANDS, AND ITS FRUSTRATION OF LONG YEARS OF FRUITLESS NEGOTIATIONS. MY ADMINISTRATION BEGAN, HOWEVER, AFTER A DECADE OF INCREASING VIOLENCE — IN THE WORLD, AND IN THIS HEMISPHERE — MUCH OF IT COVERTLY SPONSORED BY OUR COMMON ENEMIES. FROM THE OUTSET, THEREFORE, OUR CENTRAL GOAL HAS BEEN TO EMPHASIZE THE REQUIREMENT FOR PEACEFUL CHANGE THROUGH THE RULE OF LAW AND NOT THE RULE OF FORCE. IT IS GRATIFYING THAT THIS GOAL IS SO WIDELY SHARED BY YOU AND OTHERS IN THE HEMISPHERE. OUR RENEWED COLLECTIVE FIRMNESS IN DEFENSE OF FREEDOM, THE RULE OF LAW, AND THE PEACEFUL SETTLEMENT OF DISPUTES HAS BEGUN TO SHOW DEFINITE SIGNS OF SUCCESS.

YET TODAY, JUST AS THE HISTORIC MISSION OF THE AMERICAS IS BEING REAFFIRMED IN CENTRAL AMERICA, THIS NEW CRISIS HAS DEVELOPED IN THE SOUTH ATLANTIC. IN THE DAYS AHEAD, THE UNITED STATES WILL DO EVERYTHING IN ITS POWER TO BRING ABOUT THE PEACEFUL RESOLUTION OF THIS CRISIS IN WAYS THAT STRENGTHEN SOLIDARITY IN THIS NEW WORLD. WE WOULD PARTICULARLY APPRECIATE RECEIVING YOUR VIEWS AND HOPE THAT WE CAN CONSULT CLOSELY IN THE DIFFICULT DAYS WHICH LIE AHEAD.

HENDERSON

FALKLAND ISLANDS GENERAL

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CABINET OFFICE

ADDITIONAL DISTRIBUTION

FALKLAND ISLANDS

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UNCLASSIFIED  
FM MONTEVIDEO 071900Z MAY 82  
TO ROUTINE F C O  
TELEGRAM NUMBER 265 OF 7 MAY.

ARG.  
ROUTINE DEBTS.

1. THE FOLLOWING REPORT APPEARED TODAY IN ONE OF THE MONTEVIDEO MORNING NEWSPAPERS.

BEGINS

ARGENTINA MAY PAY DEBTS TO SOME LONDON BANKS.

BUENOS AIRES (SPECIAL). THE ARGENTINE GOVERNMENT HAS AUTHORISED THE MINISTRY OF ECONOMY TO MAKE SOME EXCEPTIONS TO THE BAN ON PAYMENTS TO GREAT BRITAIN, APPARENTLY TO AVOID THE LONDON BANKS FROM DECLARING THAT ARGENTINA IS IN DEFAULT ON HER DEBTS.

THE NEWS EMERGED YESTERDAY FROM BANKING CIRCLES, WHO INDICATED THAT A DECREE TO THIS EFFECT SIGNED BY PRESIDENT GALTIERI — AND NOT PUBLICISED — GAVE MINISTER ROBERTO ALEMANN THE POWERS TO AUTHORISE EXCEPTIONS, IN VIEW OF THE NATIONAL INTEREST AND TO AVOID THE DETERIORATION OF ARGENTINA'S CREDIT WORTHINESS IN INTERNATIONAL FINANCIAL MARKETS.

THE BAN ON PAYMENTS WAS IMPOSED AFTER GREAT BRITAIN FROZE ARGENTINE FUNDS AND ASSETS IN LONDON ON 2 APRIL.

AVOID DEFAULT.

SOURCES COMMENTED THAT THERE WERE CERTAIN LOANS ON WHICH ARGENTINA SHOULD MAKE PAYMENTS TO RESIDENTS OF GREAT BRITAIN IN ORDER TO AVOID BEING DECLARED IN DEFAULT.

ARGENTINA HAS AN EXTERNAL DEBT OF 34.00 MILLION DOLLARS AND SOURCES QUOTE THAT THIS MEASURE COULD HELP BUENOS AIRES TO RENEW AND REFINANCE MEDIUM AND LONG-TERM LOANS.

NUMEROUS FOREIGN BANKS HAVE SUSPENDED LOANS TO BUENOS AIRES BECAUSE OF UNCERTAINTY CAUSED BY THE FALKLANDS CRISIS.

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