

ADVANCE COPIES: FALKLAND ISLANDS GENERAL ~~41~~ 41

PS  
PS/MR HURD  
PS/MR ONSLOW  
PS/MR RIFKIND  
PS/PUS  
SIR J BULLARD  
SIR I SINCLAIR  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
MR EVANS  
MR URE  
MR GILLMORE

HD/PUSD (2)  
HD/S AM D  
HD/FID (2)  
HD/DEFENCE DEPT  
HD/NEWS DEPT  
HD/ERD  
HD/ECD(E)  
HD/UND  
HD/PLANNING STAFF  
RESIDENT CLERK

HD/NA2

PS/NO 10 DOWNING ST (2)  
PS/S OF S FOR DEFENCE  
MR J STEWART AUSD STAFF MOD  
PS/CHANCELLOR )  
MR ILETT ) TREASURY  
MR LITTLER )  
MISS DICKSON D/ENERGY  
SIR R ARMSTRONG )  
MR A D S GOODALL ) CABINET OFFICE  
DIO )

ROOM 8 FOR MODUK C IN C. FLEET

Mr. COLIN ROTH, LACPD, ODA  
Mrs M BATTISON, LACPD, ODA.

MS

CONFIDENTIAL

FM WASHINGTON 132300Z  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 3027 OF 13 SEPTEMBER 1982  
INFO UKMIS NEW YORK, MODUK.

IMMEDIATE

ADVANCE COPY

FALKLANDS

1. WHEN I CALLED ON HIM THIS MORNING, ENDERS SAID THAT HE HAD JUST RECEIVED A GLOOMY ASSESSMENT OF THE ARGENTINE SCENE FROM THE US AMBASSADOR AT BUENOS AIRES. THIS SHOWED THAT THE ARGENTINIANS HAD NOT STARTED TO RECOVER FROM THE AFTER-EFFECTS OF THEIR DEFEAT. ALTHOUGH THE ARGENTINE NAVY CLAIMED THAT THE WAR HAD BEEN A SUCCESS IN THAT IT HAD ATTRACTED WORLD ATTENTION TO THE FALKLANDS DISPUTE, THE NATION AS A WHOLE KNEW THAT ITS ARMED FORCES HAD BEEN HUMILIATED: HOWEVER NO ONE HAD YET CHARTED A WAY OF PREVENTING THE FALKLANDS ISSUE FROM BECOMING A CONTINUING IRRITANT. ENDERS WONDERED WHAT CIRCUMSTANCES MIGHT ALLOW THE ARGENTINIANS TO RECOGNIZE THAT THE ISSUE MUST BE PURSUED BY PEACEFUL MEANS.

2. I REPLIED THAT IRONICALLY, ONE CONSEQUENCE OF DEFEAT WAS THAT THE JUNTA WAS THINKING OF RETURNING POWER TO CIVILIANS. IN THESE CIRCUMSTANCES THE EMERGENCE OF A CIVILIAN AND PRESUMABLY DEMOCRATIC GOVERNMENT IN BUENOS AIRES MIGHT HELP. THE ARGENTINIANS WOULD INEVITABLY MAINTAIN THEIR CLAIM TO THE ISLANDS, BUT IT WOULD BE

~~CIRCUMSTANCES THE EMERGENCE OF A CIVILIAN AND PRESUMABLY DEMOCRATIC GOVERNMENT IN BUENOS AIRES MIGHT HELP. THE ARGENTINIANS WOULD INEVITABLY MAINTAIN THEIR CLAIM TO THE ISLANDS, BUT IT WOULD BE HARDER FOR AN AVOWED DEMOCRACY THAN A MILITARY DICTATORSHIP TO IGNORE THE ISLANDERS' RIGHT TO SELF DETERMINATION. ENDERS QUESTIONED THIS: IT WAS POSSIBLE THAT SUCH A GOVERNMENT, WHICH WOULD TAKE OFFICE SIMPLY AS A RESULT OF THE DECAY IN THE ARMED FORCES' CAPACITY TO GOVERN, WOULD PROVE MORE IRRIDENTIST THAN ITS PREDECESSOR~~

IT SEEMED UNLIKELY THAT THE FALKLANDS ISSUE WOULD BE SHUNTED TO ONE SIDE BY A GOVERNMENT WHICH WOULD INEVITABLY INCLUDE A SUBSTANTIAL PERONIST INGREDIENT. I SAID THAT THAT MIGHT BE SO, BUT THE RESTORATION OF DEMOCRACY WOULD MEAN THE EMERGENCE OF INTERNAL DEBATE AND A GRADUAL CONSULTATION ON DOMESTIC BREAD AND BUTTER ISSUES. THE FALKLANDS WOULD BE STILL THERE BUT MIGHT POSSIBLY BE ON THE PERIPHERY RATHER THAN ACTUAL CENTRE OF ARGENTINIAN PRE-OCCUPATION. ENDERS WAS NOT CONVINCED.

3. I SAID THAT WE WERE DOING WHAT WE COULD TO NORMALISE OUR RELATIONS: I REFERRED HIM TO THE ANNOUNCEMENT TODAY OF OUR INTENTION TO LIFT FINANCIAL SANCTIONS AND OUR HOPE THAT ARGENTINA WOULD KEEP ITS SIDE OF THE BARGAIN. HOWEVER, ALTHOUGH WE WERE ANXIOUS TO GET BACK TO A WORKING RELATIONSHIP WITH THE ARGENTINIANS, WE COULD NOT ENTER INTO NEGOTIATIONS WITH THEM ABOUT THE FUTURE OF THE ISLANDS. FIRST, THIS WAS POLITICALLY UNACCEPTABLE TO BOTH GOVERNMENTS AND PUBLIC OPINION AT HOME. I HAVE HAD THE GOOD FORTUNE TO EXPERIENCE THE FALKLAND CAMPAIGN AT HOME AS A PRIVATE CITIZEN AND I KNOW THAT MY FELLOW CITIZENS WOULD NOT STAND FOR IT. AND AS ENDERS WOULD KNOW FROM HIS OWN EXPERIENCE, THE GOVERNMENT IN BUENOS AIRES WAS ALMOST IMPOSSIBLE TO DEAL WITH: WHATEVER THEY APPEARED TO AGREE TO NEVER STUCK. ENDERS AGREED. FURTHERMORE, THE ONLY THING ON THAT THEY WERE INTERESTED IN NEGOTIATING WAS THE TRANSFER OF SOVEREIGNTY OVER THE FALKLANDS TO THEMSELVES. THE IDEA OF THE ISLANDERS AGREEING TO THAT AFTER THERE EXPERIENCE WAS IMPOSSIBLE. GIVEN THE ARGENTINE REJECTION OF PEACEFUL MEANS OF RESOLVING THIS ISSUE, AND THEIR CONTINUED REFUSAL TO ABJURE THE USE OF FORCE TO QUOTE RECOVER UNQUOTE THE ISLANDS, THERE SEEMED LITTLE TO DISCUSS. AFTER ALL THE BLOOD AND TREASURE WHICH HAD BEEN EXPENDED, NEITHER THE BRITISH PEOPLE NOR THEIR GOVERNMENT COULD REASONABLY BE EXPECTED TO RESUME NEGOTIATIONS NOW. IN THIS REGARD, WE WERE FIRMLY OPPOSED TO ANY UN GENERAL ASSEMBLY RESOLUTION WHICH MIGHT CALL FOR SUCH NEGOTIATIONS.

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4. ENDERS REPLIED THAT BRITAIN'S FRIENDS, INCLUDING THE UNITED STATES, QUOTE DID NOT EXPECT THE UK TO NEGOTIATE. THE ONLY QUESTION FOR THE UNITED STATES WAS THAT OF QUOTE POLITICAL POSITIONING UNQUOTE EXCLAM HE APPRECIATED THAT WE WERE DOING WHAT WE COULD TO PUT OUR RELATIONS WITH ARGENTINA ON TO AN EVAN KEEL AND THAT THIS WOULD PROVE A LONG AND FRUSTRATING HAUL.

5. I SAID THAT GIVEN WHAT ENDERS HAD TOLD ME ABOUT THE ASSESSMENT OF THE US EMBASSY IN BUENOS AIRES ABOUT ARGENTINA'S INABILITY TO COME TO TERMS WITH ITS DEFEAT (PARA 1 ABOVE), IT WAS ALL THE MORE IMPORTANT THAT THE US GOVERNMENT SHOULD NOT (NOT) RELEASE THOSE ARMS WHICH HAD BEEN CAUGHT IN THE PIPELINE SINCE THE IMPOSITION OF THE REINFORCED UN ARMS EMBARGO IN APRIL. I ENQUIRED IN PARTICULAR ABOUT THE AIRCRAFT ENGINES FOR SKYHAWKS (PARA 4 OF MY TELNO 3016 AND PARA 2 OF MY TELNO 1486) WERE TO BE RELEASED.

6. ENDERS SAID THAT THE ADMINISTRATION WERE PROPOSING TO ALLOW THE ITEMS CAUGHT IN THE PIPELINE TO BE RELEASED AND HAD SOUGHT OUR VIEWS BEFORE TAKING A FINAL DECISION (MY TELNO 3016). THEY HAD TO BALANCE THE NEED NOT TO INCREASE THE ARGENTINIANS' MILITARY CAPABILITY TO SUCH AN EXTENT THAT IT ENCOURAGED THEM TO LAUNCH A NEW ATTACK ON US AGAINST THE NEED TO PREVENT ARGENTINA FROM TURNING TO THE RUSSIANS FOR WEAPONS THEY WERE UNABLE TO OBTAIN FROM THE WEST. HE APPRECIATED THAT THE MORE THE ARGENTINES RE-ARMED, THE GREATER THE RESOURCES WE WOULD HAVE TO DIVERT FROM NATO AND ELSEWHERE (INCLUDING BELIZE) TO DEFEND THE ISLANDS. BUT HE DID NOT THINK THAT ARGENTINA'S FINANCIAL POSITION WOULD ALLOW ITS ARMED FORCES TO EMBARK ON A RE-EQUIPMENT PROGRAMME SUFFICIENTLY SUBSTANTIAL TO POSE A MAJOR NEW THREAT TO THE ISLANDS. IN ANY CASE, THE COST OF DEFENDING THEM WOULD BE FAR GREATER IF THE SOVIET UNION EVER BECAME A MILITARY SUPPLIER TO THE ARGENTINIANS.

7. I ASKED ENDERS HOW SERIOUSLY HE TOOK THE POSSIBILITY OF A TURN TO THE RUSSIANS. HE REPLIED THAT ALTHOUGH SOME MILITARY OFFICERS WERE PREPARED TO MOVE IN THAT DIRECTION DURING THE HEAT OF BATTLE, SUCH SENTIMENTS HAD DISSIPATED NOW. HOWEVER, A PERONIST-LED CIVILIAN GOVERNMENT MIGHT BE TEMPTED TO LOOK MORE SERIOUSLY AT THE RUSSIAN OPTION. THERE WAS A STRONG ANTI-AMERICAN FEELING AMONG MANY PERONISTS, WHICH THE RUSSIANS HAD CULTIVATED THROUGH THEIR LONG-STANDING LINKS WITH THE PARTY AND ITS ASSOCIATED TRADE UNIONS. ENDERS SAID THAT THE AMERICANS HAD REGRETABLY LITTLE INFLUENCE OVER THE SITUATION: US/ARGENTINE RELATIONS HAD BEEN BAD FOR MANY YEARS, AND IT WOULD BE A LONG HAUL TO REPAIR THEM.

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BAD FOR MANY YEARS, AND IT WOULD BE A LONG HAUL TO REPAIR THEM.  
HE WAS MILDLY ENCOURAGED BY THE MODERATION OF THE NEW NAVAL  
MEMBER OF THE JUNTA, (UNTIL RECENTLY NAVAL ATTACHE IN  
WASHINGTON) ALTHOUGH THIS WAS OFFSET BY THE NATIONALISTIC LINE  
OF THE NEW AIR FORCE MEMBER. THERE WERE ALSO WORRYING DEVELOPMENTS  
WITHIN THE ARMY, WHERE YOUNGER AND MORE RADICAL OFFICERS WERE  
SEEKING THE MASS RESIGNATION OF THE MORE CONSERVATIVE SENIOR  
OFFICERS WHO HAD BEEN IDENTIFIED WITH ARGENTINA'S DEFEAT.

8. ENDERS ASKED ABOUT THE REACTIONS OF THE ISLANDERS. I SAID  
THAT THEY HAD BEEN THROUGH A DREADFUL EXPERIENCE AND THAT IT  
WOULD TAKE A LONG TIME TO RECOVER, NOT LEAST BECAUSE OF THE  
INDISCRIMINATE SOWING OF MINES BY THE DEPARTING ARGENTINE  
FORCES. I ADDED THAT LORD SHACKLETON'S REPORT HAD JUST BEEN  
PUBLISHED AND THAT WHILST HMG HAD NOT YET TAKEN A VIEW ON IT THIS  
COULD PROVIDE THE BASIS FOR REINVIGORATING THE FALKLANDS  
ECONOMY. ENDERS EXPRESSED KEEN INTEREST AND I UNDERTOOK TO  
GET A COPY OF THE REPORT TO HIM AS SOON AS POSSIBLE.

#### COMMENT

9. THIS WAS, I GATHER, A CLASSIC ENDERS PERFORMANCE. HIS REMARKS,  
PARTICULARLY ABOUT BRITAIN'S FRIENDS NOT SERIOUSLY EXPECTING US  
TO NEGOTIATE, CONFIRM THAT THE AMERICANS NOW UNDERSTAND AND ACCEPT  
THE POLITICAL REALITIES IN BRITAIN. BUT, THE CRISIS OVER, A  
HIGH PRIORITY IS ATTACHED TO REPAIRING RELATIONS WITH LATIN  
AMERICA: AND TO GETTING BACK ON TERMS WITH ARGENTINA. IT IS NOT ONLY  
ENDERS WHO IS CONCERNED ABOUT THE OPPORTUNITIES FOR INCREASED  
SOVIET INFLUENCE WHICH COULD ARISE IF THEY FAILED TO DO SO. WE  
UNDERSTAND THAT THE DUAL PURPOSE SKYHAWK ENGINES WHICH WERE  
NOT SUBJECT TO ARMS LICENCING PROCEDURES AND WERE HELD UP DURING  
THE CONFLICT PURELY BY ADMINISTRATIVE DELAY HAVE IN FACT BEEN  
RELEASED. IT IS PRETTY CLEAR A DECISION WILL BE TAKEN VERY SOON  
THAT THE SPARE PARTS IN THE PIPELINE WILL BE PROGRESSIVELY RELEASED,  
THOUGH ANY LARGE SCALE RESUMPTION OF ARMS SUPPLIES WOULD REQUIRE  
CERTIFICATION TO CONGRESS OF AN IMPROVEMENT IN THE ARGENTINE  
RECORD ON HUMAN RIGHTS AND WOULD CERTAINLY ENCOUNTER A FAIR  
AMOUNT OF RESISTANCE ON THE HILL. WE WILL CONTINUE TO DO ALL WE  
CAN TO SLOW DOWN THIS PROCESS (YOUR TELEGRAM NO 1678) AND IN  
ADDITION TO TRANSMITTING YOUR RESPONSE THROUGH EAGLEBURGER I WILL  
LEAVE SHULTZ IN NO DOUBT OF THE STRENGTH OF OUR FEELING ON THIS  
MATTER WHEN I SEE HIM ON 17 SEPTEMBER. I THINK THIS WOULD BE  
PREFERABLE TO SENDING A FURTHER MESSAGE AT THIS STAGE.

MATTER WHEN I SEE HIM ON 17 SEPTEMBER. I THINK THIS WOULD BE PREFERABLE TO SENDING A FURTHER MESSAGE AT THIS STAGE.

10. AT THE GENERAL ASSEMBLY, MUCH WILL DEPEND ON THE PRECISE TERMS OF THE EVENTUAL RESOLUTION, OF WHICH WE NOW HAVE THE LATEST VERSION IN YOUR TELNO 711 TO UKMIS NEW YORK, AND WHICH I SHALL ALSO RAISE IN MY MEETING WITH THE SECRETARY. SHULTZ, WHOM I MET SOCIALLY OVER THE WEEKEND, HAS NOW MOVED MY CALL TO THE LATE AFTERNOON SO THAT THERE WILL BE MORE TIME FOR A RELAXED TALK. IF YOU HAVE ANY PARTICULAR THOUGHTS THIS WILL PROVIDE A GOOD OPPORTUNITY TO GET THEM TO HIM.

WRIGHT

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