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PM WASHINGTON Ø9ØØ55Z APR 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 1192 OF 8 APRIL 1982

INFO UKMIS NEW YORK, BIS NEW YORK



MY TELNO 1180: FALKLANDS: US PRESS.

- 1. THE LEAD STORY IN THE WASHINGTON POST AND THE NEW YORK TIMES IS OUR DECLARATION OF A MARITIME EXCLUSION ZONE. THE TONE OF PRESS COVERAGE AND COMMENT REMAINS FAVOURABLE TO US WITH MOST ATTENTION NOW FOCUSSED ON HAIG'S VISIT TO LONDON.
- 2. THERE ARE IMPORTANT STORIES ABOUT DIFFERENCES OF OPINION WITHIN THE US ADMINISTRATION (SEE MIFT).
- 3. A NEW YORK TIMES EDITORIAL SAYS THAT EVEN IF THE CLOSE TIES
 BETWEEN THE US AND UK ARE SET ASIDE AND EVEN FORGETTING ARGENTINA'S
 SUPPORT OF NAZI GERMANY OVER WORLD WAR II AND HER CYNICAL COURTSHIP
 OF THE SOVIET UNION NOW, THERE IS NO CASE FOR THE CRUDE SYMMETRY
 PRESIDENT REAGAN IS TRYING TO MAKE IN HANDLING THE DISPUTE: QUOTE
 THE PRESIDENT IS SURELY RIGHT TO OFFER HIS GOOD OFFICES TO HELP
 AVOID A VIOLENT CONFLICT. HE IS WRONG EVEN TO IMPLY THAT THERE
 WAS NO MUGGING OR THAT DEMOCRATIC BRITAIN AND ARGENTINA'S MILITARY
 JUNTA HAVE AN EQUAL CLAIM ON AMERICAN ESTEEM AND AFFECTION UNQUOTE.

- THE NEW YORK POST (MURDOCH-OWNED) TAKES A SIMILAR LINE: QUOTE THERE ARE OF COURSE A NUMBER OF US VITAL INTERESTS IN LATIN AMERICA BUT THE FOREMOST IS TO ENSURE THAT AGGRESSION IS NEITHER REWARDED NOR ENCOURAGED. ... THE ADMINISTRATION IS ENTITLED TO CALL HAIG'S JOURNEY ONE OF MEDIATION. IT CANNOT AND MUST NOT FUDGE THE BASIC FACT THAT AGGRESSION HAS TAKEN PLACE. WHAT IS NOW REQUIRED IS ARGENTINA'S WITHDRAWAL. IN DIPLOMATIC TERMS, IT MUST VACATE ITS AGGRESSION. BRITISH ADMINISTRATION MUST RETURN TO THE FALKLANDS. ONLY THEN, CAN THERE BE A RESUMPTION OF TALKS ON THE ISLANDS' FUTURE WHICH THE ARGENTINE JUNTA SO FOOLISHLY SOUGHT TO OVERWHELM UNQUOTE.
- 5. THE WASHINGTON POST CARRIES TWO ARTICLES BY LEADING COMMENTATORS, THE FIRST BY GEORGE WILL, WHO WRITES QUOTE COUNT THE NUMBER OF BORDERS AND OTHER POLITICAL ARRANGEMENTS AROUND THE WORLD THAT CAN BE CONSIDERED MERELY PROVISIONAL, PENDING ARBITRATION OF FORCE IF ARGENTINA'S ACTION IS NOT REVERSED. ARGENTINA HAS DECLARED, IN EFFECT, THAT THERE IS NO STATUTE OF LIMITATIONS ON HISTORICAL GRIEVANCES,...SO DUST OFF A 19TH CENTURY GLOBE AND LET'S REOPEN EVERY DISPUTE, FROM SCHLESWIG-HOLSTEIN THROUGH TEXAS UNQUOTE.
- 6. IN AN ARTICLE ENTITLED ARGENTINA WILL HAVE TO GIVE FIRST ED YODER WRITES: QUOTE ARGENTINA WILL HAVE TO GIVE FIRST, FOR BRITAIN IS DETERMINED, AS IT MUST BE, THAT THE ENGLISH-SPEAKING FALKLANDERS CHOOSE THEIR OWN FATE AND AFFILIATION. AT ISSUE IS NOT SO MUCH A DISPUTED CLAIM TO ABSTRACT SOVEREIGNTY AS THE PRINCIPLE OF NEGOTIATED SELF-DETERMINATION ON WHICH BRITAIN'S PEACEFUL DISSOLUTION OF THE EMPIRE HAS BEEN BASED SINCE WORLD WAR II UNQUOTE.
- 7. THE WALL STREET JOURNAL CARRIES AN ECONOMIC ANALYSIS SAYING THAT BRITAIN'S ECONOMIC SALVOS AT ARGENTINA COULD BE AS EFFECTIVE AS ITS NAVAL VOLLEYS. THE ARTICLE CONTINUES THAT EUROPEAN AND AMERICAN BANKERS BELIEVE THERE IS LITTLE PROSPECT THAT ARGENTINA WILL BE ABLE TO RAISE NEW MONEY ABROAD UNTIL THE DISPUTE IS RESOLVED AND THAT THE MEASURES TAKEN BY BRITAIN HAVE ALREADY BEGUN TO BITE. THE POSSIBILITY THAT BANKS MIGHT CALL A DEFAULT ON ARGENTINE DEBT CANNOT BE RULED OUT. ACCORDING TO THE PAPER, SOME EXPERTS BELIEVE THAT WHILE THE ARGENTINE GOVERNMENT MIGHT CONTEMPLATE A FIGHT WITH THE BRITISH NAVY, IT WOULD THINK TWICE ABOUT PLACING THE NATION'S ECONOMY IN JEOPARDY BECAUSE OF A LACK OF CREDIT.
- 8. TELEVISION AND RADIO COVERAGE ALSO CONTINUES TO BE SUBSTANTIALLY
 IN OUR FAVOUR. MR NOTT'S INTERVIEW ON ABC'S QUOTE GOOD MORNING
 AMERICA UNDIDTE REACHED A LARGE AUDIENCE: EXTRACTS HAVE ALSO BEEN

IN OUR FAVOUR. MR NOTT'S INTERVIEW ON ABC'S QUOTE GOOD MORNING AMERICA UNQUOTE REACHED A LARGE AUDIENCE: EXTRACTS HAVE ALSO BEEN BROADCAST BY A NUMBER OF RADIO NETWORKS AND PUT OUT ON THE WIRE SERVICES. YOUR SPEECH IN THE HOUSE WAS WIDELY REPORTED (MOST OF THE MAIN RADIO NETWORKS TOOK AND USED LIVE FEED FROM BIS), AND YOUR INTERVIEW WITH COI RECEIVED CONSIDERABLE USAGE - AS A LEAD ITEM, FOR EXAMPLE, ON THE CBS NETWORK. THERE WAS ALSO USE OF THE PRIME MINISTER'S STATEMENT IN THE HOUSE TODAY AS A RESULT OF FEED FROM BIS.

HENDERSON

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