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FM WASHINGTON 142358Z APR 82

TO FLASH F C O

TELEGRAM NUMBER 1278 OF 14 APRIL

INFO IMMEDIATE UKMIS NEW YORK (PERSONAL FOR SIR A PARSONS)

MY TELEGRAM NO. 1274: HAIG'S STATEMENT

1. THIS IS A MESS OF THE AMERICANS' OWN MAKING, ENTIRELY BROUGHT ABOUT BY LEAKS FROM WITHIN THE ADMINISTRATION. IT IS POSSIBLE THAT THE EXTENT OF COVERT AMERICAN COOPERATION WITH US WAS DELIBERATELY LEAKED BY SOMEONE WITH AN INTEREST IN STOPPING IT. BUT I THINK IT MORE LIKELY THAT THEY HAVE FALLEN VICTIM TO THE OPENNESS AND INCOHERENCE OF THEIR SYSTEM. THEY HAVE ALSO LEAKED THE EXTENT OF SOVIET INTELLIGENCE ASSISTANCE TO ARGENTINA, WHICH COULD BE HELPFUL TO US.

2. HAIG'S REACTION WAS PREDICTABLE BUT AGGRAVATED BY JET-LAG. HE AND HIS ADVISERS HAVE HELD THE VIEW FROM THE BEGINNING THAT THEY WOULD NOT BE ABLE TO EXERT ANY INFLUENCE WITH THE ARGENTINIANS UNLESS THEY GAVE A DISPLAY OF PUBLIC IMPARJALITY. I HAVE MADE IT CLEAR TO HAIG THAT WE DO NOT SHARE THIS JUDGMENT AND THAT IN OUR VIEW A FIRM LINE IN KEEPING WITH SECURITY COUNCIL RESOLUTION 502 WOULD BE VERY MUCH MORE EFFECTIVE. THE ARGENTINIANS READINESS TO NEGOTIATE WILL BE RELATED, NOT TO THE IMPARTIALITY OF THE USA, BUT TO THE PREPAREDNESS OF THE LATTER TO DO DAMAGE TO THE ARGENTINIANS IF THEY PERSIST IN INTRANSIGENCE. HAIG HAS EVIDENTLY REVERTED TO HIS INSTINCTIVE VIEW THE MOMENT THE ARGENTINIANS BLEW THEIR TOP, PARTICULARLY SINCE HIS OWN PRESTIGE IS NOW ON THE LINE. HE IS LEAVING FOR BUENOS AIRES AGAIN TOMORROW. ONE OF THE MAJOR PROBLEMS FOR THE AMERICANS AT PRESENT IS HOW TO HANDLE THE ARGENTINIAN GOVERNMENT. THEIR MAIN ILLUSION IS TO BELIEVE THAT THEIR INTERESTS ARE BEST SERVED IF GALTIERI REMAINS IN POWER AND THAT ANY SUCCESSOR REGIME WOULD BE WORSE.

3. WE HAVE BEEN ASSURED BOTH BY EAGLEBURGER AND BY PEOPLE IN THE INTELLIGENCE AGENCIES THAT HAIG'S STATEMENT TODAY WILL MEAN NO CHANGE IN THE LEVEL OF SUPPORT WE HAVE BEEN RECEIVING SINCE THE BEGINNING OF THE CRISIS. EAGLEBURGER HAS SAID PRIVATELY THAT THERE WILL BE NO PROBLEM IN CONTINUING AS AT PRESENT, UNLESS WE ARE LOOKING FOR A MAJOR CHANGE IN LEVEL OF SUPPORT FROM THE US. WE WILL KEEP AN EYE ON THIS.

4. NOW THAT THE STATEMENT HAS BEEN MADE, THERE WILL BE SPECULATION EVERYWHERE ABOUT WHAT IT MEANS AS WELL AS CRITICISM OF THE ADMINISTRATION'S STANCE. I RECOGNISE THAT THIS WILL BE VERY DIFFICULT FOR YOU TO HANDLE. I DOUBT IF IT WILL HELP US TO SHOW TOO PUBLICLY OUR ANNOYANCE AT THE WAY THE AMERICANS CHOOSE TO PRESENT THEIR POLICIES IN PUBLIC, PARTICULARLY GIVEN THE DEGREE OF SUPPORT WE ARE GETTING IN PRIVATE, OR THAT IT WOULD SERVE OUR INTEREST TO GIVE THE

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IMPRESSION THAT WE ARE MIFFED ON GETTING LESS PRACTICAL SUPPORT THAN WE WOULD LIKE. I EXPECT THAT OUR CAUSE WILL BEST BE SERVED BY INDICATING THAT WE HAVE NO DOUBT OF THE USA'S AWARENESS OF THE PRINCIPLES AND INTERESTS AT STAKE.

HENDERSON

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