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RESTRICTED

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FM WASHINGTON 181641Z APR 82

TO IMMEDIATE FCO

TELNO 1338 OF 18 APRIL 82

INFO PRIORITY UKMIS NEW YORK BIS NEW YORK

FALKLANDS : US PRESS

1. THE WASHINGTON POST REPORTS THAT WHILE AT VARIOUS STAGES YESTERDAY IT LOOKED AS IF THE TALKS WOULD BREAK DOWN COMPLETELY BECAUSE OF ARGENTINE INTRANSIGENCE, HAIG WAS IN THE END ABLE TO ACHIEVE ENOUGH PROGRESS TO JUSTIFY CONTINUING DISCUSSIONS. THE POST SUGGESTS THAT HAIG PROPOSED A TRIPARTITE ADMINISTRATION OF THE ISLANDS AND THAT THIS WAS REJECTED BY THE ARGENTINES BECAUSE IT LEFT THE SOVEREIGNTY ISSUE UNRESOLVED. THE TALKS WERE CONDUCTED "UNDER PRESSURE OF AN ABRUPT US DEPARTURE".



2. THE POST NOTES GROWING TENSION IN BUENOS AIRES WITH NO SIGNS OF LAST WEEK'S FERVENT PATRIOTISM. IN PLACE OF THE 100,000 DEMONSTRATORS OUTSIDE THE PRESIDENTIAL PALACE ON HAIG'S LAST VISIT, GROUPS OF SPECTATORS WAITED ANXIOUSLY TO LEARN WHETHER A SOLUTION HAD BEEN REACHED. DESPITE NATIONAL SUPPORT FOR GALTIERI OVER THE FALKLANDS, THE POST NOTES THE REGIME'S CONTINUING DIFFICULTIES WITH OPPOSITION POLITICAL AND LABOUR LEADERS.
  
3. THE NEW YORK TIMES WRITES OF A "TRANSITIONAL PLAN" CALLING FOR WITHDRAWAL OF THE ARGENTINIAN TROOPS ON THE ISLANDS AND THE DIVERSION OF THE APPROACHING BRITISH NAVAL FORCE, WITH A TRIPARTITE PROVISIONAL ADMINISTRATION. NEGOTIATIONS WOULD BEGIN OVER THE FINAL STATUS OF THE ISLANDS AND THE WISHES OF THE ISLANDERS WOULD BE TAKEN INTO ACCOUNT. ARGENTINE OFFICIALS ARE QUOTED AS REJECTING THIS PROPOSAL.
  
4. THE POST CARRIES A REPORT FROM ITS BUENOS AIRES CORRESPONDENT QUESTIONING WHETHER THE BRITISH NAVAL FORCE IS CARRYING SUFFICIENT TROOPS TO UNDERTAKE AN ASSAULT ON THE ISLANDS. DREW MIDDLETON, REPORTING FROM LONDON, DRAWS ATTENTION TO THE EFFORTS WHICH WILL BE NEEDED TO SUSTAIN A BLOCKADE OVER A CONSIDERABLE PERIOD OF TIME.
  
5. THE POST, WHILE STRONGLY APPROVING HAIG'S EFFORTS TO ACHIEVE AN AGREEMENT, NOTES THE CONFUSION WHICH HAS ACCOMPANIED THESE, WITH LEAKS TO THE PRESS HERE ABOUT US ASSISTANCE TO BRITAIN AND CONTRADICTIONARY BRIEFINGS BY ADMINISTRATION OFFICIALS.
  
6. THE NEW YORK TIMES SUGGESTS THAT THE ISSUES AT STAKE ARE AS HIGH FOR THE UNITED STATES AS FOR BRITAIN. IF AMERICAN DIPLOMATIC EFFORTS FAIL, PUBLIC OPINION IN BRITAIN COULD REACT AGAINST THE UNITED STATES. THE US APPEARANCE OF NEUTRALITY HAS BEEN CONTRASTED UNFAVOURABLY WITH THE SUPPORT FROM THE EUROPEAN COMMUNITY. THIS COULD AGGRAVATE THE DIFFICULTIES OVER NUCLEAR WEAPONS DEPLOYMENTS IN EUROPE. A FAILURE WOULD ALSO OPEN UP MAJOR OPPORTUNITIES FOR THE SOVIET UNION IN LATIN AMERICA.

HENDERSON

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