TYPISTS

ADVANCE COPIES: FALKLAND ISLANDS

PS (6)

PS/MR ONSLOW
PS/MR RIPKIND
PS/PUS
MR GIFFARD
MR WRIGHT
MR ADAMS
MR URE
MR GILLMORE

HD/SAMD (FCO DIST + A/D F/I)
HD/DEF D
HD/NEWS D
HD/UND
HD/PLANNING STAFF
HD/HKGD
HD/NAD
RESIDENT CLERK

1297 33 IMMEDIATE
DB 1909007

PS No.10 DOWNING ST.

PS/CHANCELLOR
SIR K COUZENS
MR LITTLER
MR HAWTIN
MR PERETZ
MR ILETT
MR McINTYRE

H.M.TSY

Miss Dickson (EIP DIV) D/EN
Sign R Armstrong Cab, Off.
DIO CABINET OFFICE
MR WADE-GERY CABINET OFFICE
MR FULLER SAPU CABINET OFFICE
DIO

(Copies passed to Emergency Staff, MOD Sitcen and CinC Fleet)

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CONFIDENTIAL

DESKBY 190900Z

FM OTTAWA 181538Z APR 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 217 OF 18 APRIL

INFO PRIORITY WASHINGTON ROUTINE UKMIS NEW YORK UKDEL NATO

FALKLAND ISLANDS

THIS WAS ONLY TOUCHED ON BRIEFLY WHEN I TOOK THE LORD CHANCELLOR TO SEE THE PRIME MINISTER ON 16 APRIL. LORD HAILSHAM THANKED MR TRUDEAU FOR CANADA'S SUPPORT.

- 2. THERE WAS A GOOD DEAL MORE DISCUSSION OF THE PROBLEM WHEN LORD HAILSHAM SAW MR MACGUIGAN ON 17 APRIL. MR MACGUIGAN SHOWED HIMSELF SURPRISINGLY ROBOST, MUCH MORE SO THAN HIS MINISTER OF STATE MR DE BANE (MY TELNO 208).
- 3. LORD HAILSHAM SAID THAT THERE COULD BE NO ARGUING OR MAKING OF CONDITIONS ABOUT OBSERVING A MANDATORY SECURITY COUNCIL RESOLUTION. THE ARGENTINES HAD TO GET OUT: IF NOT WE SHOULD HAVE TO PUT THEM OUT, QUICKLY OR SLOWLY AS THE CASE MIGHT BE. HE SAID THERE WAS NO DOUBT ABOUT OUR TITLE. THE FACT THAT THE

OUT, QUICKLY OR SLOWLY AS THE CASE MIGHT BE. HE SAID THERE WAS NO DOUBT ABOUT OUR TITLE. THE FACT THAT THE ARGENTINES HAD DECLINED TO AGREE TO REFERENCES TO THE INTERNATIONAL COURT DEMONSTRATED THAT THEY KNEW THEIR LEGAL CASE WAS WEAK. THERE WAS NO QUESTION OF OUR AGREEING TO THE ARGENTINE SUGGESTION THAT WE HAD TO ACKNOWLEDGE THEIR SOVEREIGNTY AS A CONDITION FOR THEIR COMPLYING WITH THE RESOLUTION.

4. LORD HAILSHAM SAID WE WERE GRATEFUL FOR MR HAIG'S EFFORTS AND DID NOT WISH TO CRITICISE THE AMERICANS. HE ADDED THAT PUBLIC OPINION IN THE UK WAS VERY INFLAMED. THE LEGAL POSITION HAD TO BE RESTORED AND WE COULD NOT SELL 1800 BRITISH SUBJECTS DOWN THE DRAIN WHEN THEY HAD LIVED IN THE ISLANDS FOR 150 YEARS. WHEN HOWEVER MR MACGUIGAN SUGGESTED THAT PROVIDED THE ARGENTINES WITHDREW WE MIGHT NOT, IN TERMS OF OUR NATIONAL INTEREST, WISH TO REMAIN INDEFINITELY, LORD HAILSHAM SAID THAT IN THE LONG RUN WE MIGHT HAVE TO RECOGNISE HE SAID THAT IF HM GOVT SHOWED SIGNS OF GIVING WAY HE DID NOT THINK PUBLIC OPINION WOULD ALLOW THEM TO REMAIN. THE PRESENT CRISIS MIGHT LEAD TO THE END OF THE GALTIERI REGIME. IT WAS A PRICE HE WAS WILLING TO PAY.

- 5. MR MACGUIGAN SAID THAT THE ARCENTINES MIGHT HAVE TO FEEL STEEL BEFORE BEING PREPARED TO NEGOTIATE. TO THIS END HE THOUGHT IT MIGHT BE NECESSAY FOR US TO SINK ONE OR TWO ARGENTINE SHIPS. LORD HAILSHAM SAID HE HAD SEEN TOO MUCH OF WAR TO BE ANYTHING BUT UNHAPPY ABOUT LOSS OF LIFE BRITISH OR ARGENTINE: BUT THE BRITISH UNHAPPY ABOUT LOSS OF LIFE BRITISH OR ARGENTINE: BUT THE BRITISH PEOPLE WOULD, RELUCTANTLY, BACK THE USE OF FORCE IF NECESSARY.
- 6. LORD HAILSHAM SAID WE WERE DEEPLY GRATEFUL FOR THE SUPPORT OF CANADA AND OUR OTHER COMMONWEALTH AND EUROPEAN PARTNERS. IF THE ARGENTINES WERE ALLOWED TO GET AWAY WITH IT THERE WOULD BE TROUBLE ELSEWHERE, NOTABLY IN THE AMERICAS. MR MACGUIGAN SAID THAT PUBLIC OPINION IN CANADA WAS VERY STRONG ON THE ISSUE.

MORAN