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Dear Francis,

Here as you suggest in your latest message is the current text, along with our gloss on what it means. Costa Mendez has given me a letter saying that Argentina could accept it if the US proposes it, and Britain accepts.

My own disappointment with this text prevents me from attempting to influence you in any way. As you will see, there are significant steps back from the text you and I discussed in London in each of the areas of greatest importance: the longterm negotiations, the interim administration, and withdrawal.

No. What has been secured in each case is British control. You would undertake to negotiate and conclude a longterm agreement, but your principles as well as Argentine principles are asserted, and there is nothing in the Agreement (as the Argentines keep reminding us) that forces you to accept a negotiated settlement you don't want.

The Interim Administration is less advantageous than it was, yet here again the essential is saved. The local councils remain sovereign. Recommendations to you on more intercourse with the mainland requires a quick response. But can be turned down. If the temporary administration last, it will give full protection to the Islanders.

Finally, the withdrawal deal leaves you protected. Your submarines would be outside 150 nautical mile maximum - but they are your guarantee, and 150 NM is only five hours running time. The fleet must stand off to 1750 NM by seven days after agreement, but it could steam at 12 knots some 2100 NM after agreement, and thus in most cases (depending on when agreement were to take place) go on steaming towards the Falklands after agreement.

Francis, I do not know whether more can be wrung out of the Argentines. It is not clear who is in charge here, as many as 50 people, including Corps Commanders, may be exercising vetos. Certainly I can do no better at this point.

/ I would

I would not presume to speculate in the equities seen from your point of view. From mine, the Agreement, if accepted, would involve the Argentines far more intimately in the affairs of the Islands, yet leave you in charge of the current situation and the ultimate destiny. Above all, Argentina, the United States and the United Kingdom would be bound together in the search for an evolutionary solution to the problem, with obvious future costs to each of us if it cannot be found. Only you can judge that outcome against the advantages and disadvantages of armed action.

My best immediate judgement in this situation is that I should return to Washington and report to the President. I am available, of course, to go on immediately from there to London, or even to divert from Washington to London, if you wish.

Leaving here, I will refuse to characterise the text, and say only that I have finished this phase of my effort, and am returning to Washington to report to the President. I will say that I have given you a full report of the results of my stay in Buenos Aires.

I would be deeply grateful if you would be in touch with me before taking any public or other action on these results I am transmitting.

Warm regards, Al.

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