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TO FLASH WASHINGTON

TELEGRAM NUMBER 767 OF 19 APRIL

INFO IMMEDIATE UKMIS NEW YORK

1. FOLLOWING MESSAGE FROM ME TO MR HAIG HAS BEEN GIVEN TO THE US EMBASSY HERE FOR ONWARD TRANSMISSION TO MR HAIG. PLEASE TAKE SUPPORTING ACTION WITH STATE DEPARTMENT. BEGINS: THANK YOU FOR YOUR MESSAGE. YOU EXPRESS YOUR DISAPPOINTMENT AT THE OUTCOME AFTER SO MUCH EFFORT ON YOUR PART. THE PRIME MINISTER AND I FULLY SHARE YOUR DISAPPOINTMENT. YOUR HERCULEAN EFFORTS HAVE CLEARLY MET WITH A FIRM DETERMINATION ON THE PART OF THE ARGENTINES TO HOLD ON TO WHAT THEY HAVE TAKEN BY FORCE. WE ARE DEEPLY DISTURBED BY THEIR INTRANSIGENCE.

I WON'T COMMENT IN DETAIL NOW BUT THE STEPS BACK TO WHICH YOU REFER ARE VERY SIGNIFICANT INDEED. FIRST READING OF THE DRAFT LEAVES THE CLEAR IMPRESSION THAT THE SOVEREIGNTY ISSUE IS GREATLY WEAKENED FROM OUR POINT OF VIEW, THAT THE WITHDRAWAL IS ON A VERY UNEQUAL BASIS IN FAVOUR OF THE ARGENTINES AND THAT THE WISHES OF THE ISLANDERS ARE NOT PROTECTED. YOU KNOW THE BASIC PRINCIPLES ON WHICH WE HAVE BEEN WORKING HERE. AND I FEAR THAT ON ANY INTERPRETATION OF THE TEXT THEY CANNOT BE MET. ON THE NEXT IMMEDIATE STEPS I AM SURE THAT YOU ARE RIGHT TO GO TO WASHINGTON AND REPORT TO THE PRESIDENT. WE WILL TRY TO MINIMISE COMMENT FOR AS LONG AS POSSIBLE BUT SINCE YOU HAD TO SAY (RIGHTLY) THAT YOU HAD GIVEN US A FULL REPORT, WE MUST GIVE SOME VERY GENERAL INDICATION OF OUR FIRST REACTION. THE ARGENTINES APPEAR TO BE TELLING THE MEDIA THAT THEY HAVE REACHED AN AGREEMENT WITH YOU AND THAT NOW IT IS UP TO BRITAIN TO ACCEPT IT. I THINK THAT YOU AND WE SHOULD COUNTER THIS BY

1

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INDICATING THAT THERE ARE MAJOR DIFFICULTIES BUT THAT WE SHALL REMAIN IN CONSULTATION WITH YOU. TO HOLD THE PRESS TONIGHT WE ARE GIVING THE FOLLOWING OFF THE RECORD GUIDANCE. QUOTE: WE HAVE JUST RECEIVED THE PROPOSALS WHICH MR HAIG HAS BROUGHT OUT OF BUENOS AIRES. THEY ARE COMPLEX AND DIFFICULT, AND AT FIRST SIGHT THEY DO NOT MEET THE REQUIREMENTS STRONGLY EXPRESSED BY PARLIAMENT, PARTICULARLY ON THE NEED TO REGARD AS PARAMOUNT THE WISHES OF THE ISLANDERS. WE SHALL BE STUDYING THEM CAREFULLY, HOWEVER. AND SHALL BE GETTING IN TOUCH AGAIN WITH MR HAIG. UNQUOTE.

I WILL BE SENDING YOU A DETAILED COMMENTARY AS QUICKLY AS POSSIBLE AND WILL OF COURSE CONSULT WITH YOU ABOUT THE NEXT STEPS.

I AM SURE THAT ON THE BASIS OF WHAT YOU AND THE PRESIDENT HAVE SAID TO US, YOU WILL BE REINFORCED IN YOUR VIEW THAT THIS OUTCOME IS UNSATISFACTORY AND THAT FURTHER PRESSURE MUST BE EXERTED. IT MAY TAKE TIME TO MOVE THE ARGENTINES FURTHER BUT WE COUNT ON YOU TO BE WITH US. ENDS

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2
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