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OO UKMIS NEW YORK DESKBY 301232Z

GR 902

SECRET

DESKBY 301230Z (NEW YORK)

FM WASHINGTON 300415Z APR 82

TO FLASH F C O

TELEGRAM NUMBER 1524 OF 30 APRIL

INFO IMMEDIATE UKMIS NEW YORK (PERSONAL FOR AMBASSADOR)

FALKLANDS.

EAGLEBURGER GAVE HEAD OF CHANCERY LATE THIS EVENING THE TEXTS IN MY IMMEDIATELY FOLLOWING TELEGRAMS OF

- A) A DRAFT STATEMENT TO BE ISSUED BY HAIG AT NOON TODAY (30 APRIL)
- B) A MESSAGE FROM HAIG TO YOU.

2. EAGLEBURGER CONFIRMED THAT THE N.S.C. WOULD BE MEETING TO APPROVE THE DRAFT STATEMENT AT 10 A.M. TODAY

THE PRECISE STEPS THE U.S. WOULD TAKE, AS INDICATED IN THE DRAFT STATEMENT AND IN HAIG'S MESSAGE, WERE OF COURSE SUBJECT TO THE APPROVAL OF THE FULL NSC.

3 RENWICK RAISED THE FOLLOWING POINTS ON THE STATEMENT.

- A) THE PHRASE QUOTE AS HOSTILITIES BECAME IMMINENT UNQUOTE WAS INACCURATE. HOSTILITIES HAD BEGUN WHEN ARGENTINA INVADED THE FALKLANDS ON 2 APRIL. EAGLEBURGER UNDERTOOK TO GET THIS CHANGED.
- B) THERE WAS NO REFERENCE TO AN EMBARGO ON IMPORTS FROM ARGENTINA. THIS WAS IMPORTANT NOT ONLY FOR ITS ECONOMIC BUT ALSO FOR ITS POLITICAL EFFECT AND BECAUSE OTHERS E.G. JAPAN WOULD USE THE ABSENCE OF A U.S. EMBARGO AS AN EXCUSE FOR FAILING TO IMPOSE ONE THEMSELVES. EAGLEBURGER SAID THAT AN IMPORT EMBARGO WAS NOT EXCLUDED OR A SUBSEQUENT STEP. AS AN IMMEDIATE MEASURE, IT RAISED LEGAL AND ADMINISTRATIVE DIFFICULTIES. THE PRESIDENT WOULD HAVE TO MAKE A FINDING THAT AN IMPORT BAN WAS ESSENTIAL TO THE SECURITY INTERESTS OF THE UNITED STATES. IN ADDITION TO THE ARMS EMBARGO THE AMERICANS WOULD BE USING ADMINISTRATIVE MEASURES TO HOLD UP SENSITIVE EXPORTS TO ARGENTINA, AS THEY WERE ALREADY DOING OVER AIRCRAFT ENGINES ETC.

4. RENWICK SAID THAT WE WOULD CERTAINLY WANT TO RETURN TO THE QUESTION OF AN EMBARGO ON IMPORTS FROM ARGENTINA. THE STATEMENT, HOWEVER, THAT QUOTE THE UNITED STATES WILL RESPOND POSITIVELY TO REQUESTS FOR MATERIEL SUPPORT FOR BRITISH FORCES UNQUOTE WOULD BE GREATLY APPRECIATED IN LONDON. IT WOULD BE EXTREMELY IMPORTANT THAT THIS UNDERTAKING SHOULD NOT BE DILUTED IN THE NSC MEETING. EAGLEBURGER SAID THAT HE WAS CONFIDENT THAT IT WOULD NOT BE. RENWICK SAID THAT YOU WOULD ALSO BE GRATEFUL FOR THE CLEAR UNDERTAKING IN HAIG'S MESSAGE THAT THE UNITED STATES WOULD VETO ANY RESOLUTIONS IN THE SECURITY COUNCIL WHICH DEPARTED SIGNIFICANTLY FROM RESOLUTION 522. EAGLEBURGER SAID THAT INSTRUCTIONS IN THIS SENSE HAD ALREADY BEEN SENT TO MRS. KIRKPATRICK.

5. EAGLEBURGER SAID THAT HAIG HAD SOUGHT TO PRESENT THE BREAKDOWN OF NEGOTIATIONS AS HELPFULLY AS POSSIBLE FROM OUR POINT OF VIEW. IT WAS IMPORTANT THAT, DESPITE OUR RESERVATIONS, WE SHOULD NOT CONTRADICT THE STATEMENT QUOTE WE HAD REASON TO HOPE THAT THE UNITED KINGDOM WOULD CONSIDER A SETTLEMENT ALONG THE LINES OF OUR PROPOSAL UNQUOTE, SO THAT THE ONUS COULD BE PUT SQUARELY ON THE ARGENTINIANS.

6. EAGLEBURGER ENDED WITH A PLEA THAT WE SHOULD NOT COME BACK TO HAIG BEFORE THE NSC MEETING WITH A REQUEST FOR MAJOR CHANGES OR FURTHER STEPS. IF WE WISHED TO PURSUE THE QUESTION OF AN IMPORT EMBARGO, WE SHOULD DO SO SUBSEQUENTLY. THIS PACKAGE REPRESENTED WHAT THEY WERE CONFIDENT OF GETTING THROUGH THE NSC TOMORROW MORNING, INCLUDING THE REFERENCE TO SUPPORT FOR OUR FORCES. THIS WOULD PUT THE UNITED STATES SQUARELY ON OUR SIDE. WE EXPRESSED APPRECIATION FOR THE STEPS THE UNITED STATES WOULD NOW BE TAKING.

HENDERSON

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JGWPCP

[TYPISTS]

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ADVANCE COPY

WONFO 17/30

WONNYK 12/30

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" Defense D

PS
PS/Mr Head
PS/Mr Enlow
PS/PLS

Mr Juffard
Mr Wright

PS/~~No 10~~

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OO UKMIS NEW YORK DESKBY 300830 LOCAL

GRS 800

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DESKBY UKMIS NEW YORK 300830 LOCAL

FM WASHINGTON 300423Z APR 82

TO FLASH F C O

TELEGRAM NUMBER 1525 OF 30 APRIL

INFO IMMEDIATE UKMIS NEW YORK (PERSONAL FOR AMBASSADOR)

(10)

M I P T: FALKLANDS

FOLLOWING IS TEXT OF THE DRAFT STATEMENT TO BE ISSUED BY HAIG:

THE SOUTH ATLANTIC CRISIS IS ABOUT TO ENTER A NEW AND DANGEROUS PHASE, IN WHICH LARGE-SCALE MILITARY ACTION IS LIKELY. I WOULD LIKE TO BRING YOU UP TO DATE ON WHAT WE HAVE DONE, AND WHY, AND WHAT WE MUST NOW DO.

FROM THE OUTSET OF THE CRISIS, THE UNITED STATES HAS BEEN GUIDED BY THE BASIC PRINCIPLE OF THE RULE OF LAW. WE HAVE MADE A DETERMINED EFFORT TO RESTORE PEACE THROUGH IMPLEMENTATION OF U N SECURITY COUNCIL RESOLUTION 502. THAT RESOLUTION CALLS FOR:

- AN END TO HOSTILITIES:
- THE WITHDRAWAL OF ARGENTINE FORCES FROM THE ISLANDS: AND
- A DIPLOMATIC SETTLEMENT OF THE FUNDAMENTAL DISPUTE.

THE UNITED STATES MADE THIS EXTRAORDINARY EFFORT BECAUSE THE STAKES IN HUMAN LIVES AND INTERNATIONAL ORDER REQUIRED IT. A

THE UNITED STATES MADE THIS EXTRAORDINARY EFFORT BECAUSE THE STAKES IN HUMAN LIVES AND INTERNATIONAL ORDER REQUIRED IT. A FUNDAMENTAL TENET OF UNITED STATES FOREIGN POLICY IS THAT CHANGES IN THE WORLD MUST NOT RESULT FROM THE USE OF FORCE. THE COLLAPSE OF THAT PRINCIPLE COULD ONLY BRING CHAOS AND SUFFERING.

WE ALSO MADE THIS EFFORT BECAUSE THE CRISIS RAISED VITAL ISSUES OF HEMISPHERIC SOLIDARITY AT A TIME WHEN COMMUNIST ADVERSARIES SEEK POSITIONS OF INFLUENCE ON THE MAINLAND OF THE AMERICAS AND LATENT TERRITORIAL DISPUTES IN MUCH OF THE HEMISPHERE CALL FOR UNITY AND THE RESOLUTE DEFENSE OF PRINCIPLE.

WE ACTED AS WELL BECAUSE THE UNITED STATES HAS THE CONFIDENCE OF THE PARTIES. THE UNITED KINGDOM IS OUR CLOSEST ALLY, AND PRIME MINISTER THATCHER'S GOVERNMENT LOOKED TO US TO PURSUE A PEACEFUL SOLUTION. WE HAVE ALSO RECENTLY DEVELOPED A BETTER RELATIONSHIP WITH ARGENTINA, AS PART OF OUR SUCCESS IN REVITALIZING THE COMMUNITY OF AMERICAN STATES. PRESIDENT GALTIERI ALSO REQUESTED OUR INVOLVEMENT.

UNDER THE DIRECTION OF PRESIDENT REAGAN, I PARTICIPATED IN MANY DAYS OF INTENSE DISCUSSION WITH THE PARTIES -- IN LONDON, IN BUENOS AIRES, AND HERE IN WASHINGTON -- IN SEARCH OF A FRAMEWORK FOR IMPLEMENTING U N SECURITY COUNCIL RESOLUTION 502. OUR INITIAL AIM WAS TO CLARIFY THE POSITION OF THE PARTIES AND TO OFFER SUGGESTIONS ON HOW THOSE POSITIONS MIGHT BE RECONCILED. WE TOOK NO POSITION ON THE MERITS OF EITHER THE BRITISH OR ARGENTINE CLAIMS TO THE ISLANDS.

SQUARE BRACKETS COMMENCE AS HOSTILITIES BECAME IMMINENT, SQUARE BRACKETS END WE PUT FORTH AN AMERICAN PROPOSAL. IT REPRESENTED OUR BEST ESTIMATE OF WHAT THE TWO PARTIES COULD REASONABLY BE EXPECTED TO ACCEPT, AND WAS BASED SQUARELY ON OUR OWN PRINCIPLES AND CONCERN FOR THE RULE OF LAW.

WE REGARD THIS AS A FAIR AND SOUND PROPOSAL. IT INVOLVES: A CESSATION OF HOSTILITIES; WITHDRAWAL OF BOTH ARGENTINE AND BRITISH FORCES; TERMINATION OF SANCTIONS; RESTORATION OF INTERIM LOCAL ADMINISTRATION; PROCEDURES FOR ENCOURAGING COOPERATION IN THE DEVELOPMENT OF THE ISLANDS; AND A FRAMEWORK FOR NEGOTIATIONS ON A FINAL SETTLEMENT, TAKING INTO ACCOUNT THE INTERESTS OF BOTH SIDES AND THE WISHES OF THE INHABITANTS.

WE HAD REASON TO HOPE THAT THE UNITED KINGDOM WOULD CONSIDER

WE HAD REASON TO HOPE THAT THE UNITED KINGDOM WOULD CONSIDER A SETTLEMENT ALONG THE LINES OF OUR PROPOSAL, BUT ARGENTINA INFORMED YESTERDAY THAT IT COULD NOT ACCEPT IT. ARGENTINA'S POSITION REMAINS THAT IT MUST RECEIVE AN ASSURANCE NOW OF EVENTUAL SOVEREIGNTY, OR AN EXPANDING DE FACTO ROLE IN GOVERNING THE ISLANDS.

THE UNITED STATES HAS THUS FAR REFRAINED FROM ADOPTING MEASURES IN RESPONSE TO THE SEIZURE OF THE ISLANDS THAT COULD HAVE INTERFERED WITH OUR ABILITY TO WORK WITH BOTH SIDES IN THE SEARCH FOR PEACE. THE BRITISH GOVERNMENT HAS SHOWN COMPLETE UNDERSTANDING FOR THIS POSITION. NOW, HOWEVER, IN LIGHT OF ARGENTINA'S FAILURE TO ACCEPT A COMPROMISE, WE MUST TAKE CONCRETE STEPS TO UNDERScore THAT THE U.S. CANNOT AND WILL NOT CONDONE THE USE OF FORCE TO RESOLVE DISPUTES. THE PRESIDENT HAS THEREFORE ORDERED:

- THE SUSPENSION OF ALL MILITARY EXPORTS TO ARGENTINA;
- THE WITHOLDING OF CERTIFICATION OF ARGENTINE ELIGIBILITY FOR MILITARY SALES;
- THE SUSPENSION OF NEW EXPORT-IMPORT BANK CREDITS AND GUARANTEES; AND
- THE SUSPENSION OF COMMODITY CREDIT CORPORATION LOANS.

THE PRESIDENT HAS ALSO DIRECTED THAT THE UNITED STATES WILL RESPOND POSITIVELY TO REQUESTS FOR MATERIEL SUPPORT FOR BRITISH FORCES. THERE WILL, OF COURSE, BE NO DIRECT U.S. MILITARY INVOLVEMENT.

AMERICAN POLICY WILL CONTINUE TO BE GUIDED BY OUR CONCERNS FOR THE RULE OF LAW AND OUR DESIRE TO FACILITATE AN EARLY AND FAIR SETTLEMENT. THE UNITED STATES REMAINS READY TO ASSIST THE PARTIES IN FINDING THAT SETTLEMENT. A STRICTLY MILITARY OUTCOME CANNOT ENDURE OVER TIME. IN THE END, THERE WILL HAVE TO BE A NEGOTIATED OUTCOME ACCEPTABLE TO THE INTERESTED PARTIES. OTHERWISE, WE WILL ALL FACE UNENDING HOSTILITY AND INSECURITY IN THE SOUTH ATLANTIC.

HENDERSON

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WONFO 18/30

WONNYK 13/30

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00 UKMIS NEW YORK DESKBY 300830 LOCAL

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FM WASHINGTON 300426Z APR 82

TO FLASH F C O

TELEGRAM NUMBER 1526 OF 30 APRIL

INFO IMMEDIATE UKMIS NEW YORK (PERSONAL FOR AMBASSADOR)

M I P T: FALKLANDS.

FOLLOWING IS TEXT OF HAIG'S MESSAGE TO YOU:

DEAR FRANCIS:

I REFER TO YOUR LETTER OF APRIL 29 WHICH NICKO DELIVERED TO ME.

I NOW ALSO HAVE A LETTER FROM NICANOR COSTA MENDEZ. HE STATES THE U.S. PROPOSAL DOES NOT MEET ARGENTINA'S MINIMUM REQUIREMENTS ON THE ISSUES OF ULTIMATE RECOGNITION OF ARGENTINE SOVEREIGNTY AND PROVISIONAL ADMINISTRATION OF THE ISLANDS.

I AM WRITING COSTA MENDEZ THAT IT IS CLEAR THAT ARGENTINA HAS REJECTED THE U.S. PROPOSAL.

WE HAVE TAKEN NOTE OF YOUR STATEMENT THAT THE BRITISH CABINET HAS FUNDAMENTAL RESERVATIONS ABOUT THE U.S. PROPOSAL. AT THE SAME TIME WE BELIEVE YOUR DECISION NOT TO REJECT IT REFLECTS THE GOOD FAITH WHICH YOU AND THE PRIME MINISTER HAVE SHOWN SINCE WE BEGAN OUR EFFORTS.

NICKO HAS ALREADY INFORMED YOU THAT BECAUSE OF THE PRESIDENT'S ADDRESS TO THE NATION THIS EVENING, IT WILL NOT BE POSSIBLE FOR US TO

[TYPISTS] ADVANCE COPY

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Mr Knight

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NICKO HAS ALREADY INFORMED YOU THAT BECAUSE OF THE PRESIDENT'S ADDRESS TO THE NATION THIS EVENING, IT WILL NOT BE POSSIBLE FOR US TO MAKE A PUBLIC ANNOUNCEMENT OF THE U.S. POSITION BEFORE FRIDAY. MEANWHILE, THERE ARE CERTAIN ACTIONS WE MUST TAKE WITHIN OUR OWN GOVERNMENT BEFORE THAT TIME. BECAUSE OF THIS REQUIREMENT, IT WOULD GRAVELY JEOPARDIZE OUR EFFORTS IN SUPPORT OF THE UNITED KINGDOM IF THERE SHOULD BE ANY PREMATURE DISCLOSURES OF THIS INTENTION. THEREFORE, I KNOW WE CAN COUNT ON YOU TO ORDER AN ABSOLUTE LID IN LONDON ON ANY COMMENTS.

THE THRUST OF OUR STATEMENT WILL BE THAT ARGENTINA DECLINED A FAIR AMERICAN PEACE PROPOSAL AND CONTINUES TO MAKE DEMANDS THAT CANNOT BE ACCEPTED. WE DO NOT INTEND TO RELEASE THE TEXT OF OUR PROPOSAL BECAUSE OF THE DIFFICULTY THAT MIGHT CAUSE YOU. BUT, WE WILL DESCRIBE IT IN GENERAL TERMS AND STATE THAT YOUR GOVERNMENT HAS ACTED IN GOOD FAITH THROUGHOUT OUR EFFORT.

HIS EXCELLENCY

FRANCIS PYM,

SECRETARY OF STATE FOR FOREIGN AND
COMMONWEALTH AFFAIRS AND OVERSEAS DEVELOPMENT,
LONDON.

WE WILL, OF COURSE, CONTINUE TO SUPPORT YOU IN THE O A S AND IN THE U N AND WILL BE PREPARED TO VETO IN THE SECURITY COUNCIL OR VOTE AGAINST IN THE GENERAL ASSEMBLY ANY RESOLUTIONS WHICH IN OUR JUDGMENT DEPART FROM SECURITY COUNCIL RESOLUTION 502.

WE ALSO PLAN TO ANNOUNCE THE FOLLOWING STEPS IN SUPPORT OF THE UNITED KINGDOM:

- SUSPENSION OF ALL MILITARY EXPORTS TO ARGENTINA:
- WITHOLDING OF CERTIFICATION OF ARGENTINE ELIGIBILITY FOR MILITARY SALES:
- SUSPENSION OF NEW EXPORT-IMPORT BANK CREDITS AND GUARANTEES:
- SUSPENSION OF COMMODITY CREDIT CORPORATION LOANS.

FINALLY, WE WILL ANNOUNCE THAT THE PRESIDENT HAS DIRECTED THAT THE UNITED STATES WILL RESPOND POSITIVELY TO REQUESTS FOR MATERIEL SUPPORT FOR BRITISH FORCES.

WE HAVE SHARED ALL ALONG THE PROFOUND HOPE THAT WE COULD FIND A BASIS FOR PEACE, CONSISTENT WITH THE PRINCIPLES OF INTERNATIONAL LAW

WE HAVE SHARED ALL ALONG THE PROFOUND HOPE THAT WE COULD FIND A BASIS FOR PEACE, CONSISTENT WITH THE PRINCIPLES OF INTERNATIONAL LAW AND ORDER FOR WHICH OUR TWO NATIONS STAND. I KNOW YOU ARE AS DISAPPOINTED AS WE, AND THAT WE WILL CONTINUE TO WORK TOGETHER TOWARD A PEACEFUL SOLUTION. WE STAND READY TO ASSIST IN WHATEVER WAY WE CAN.

SINCERELY,

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HENDERSON

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