905 81

CONFIDENTIAL

WASHINGTON 070145Z MAY 82

TO IMMEDIATE F C O

TELEGRAM NUMBER 1650 OF 7 MAY

INFO IMMEDIATE ALL NATO POSTS, UKREP BRUSSELS AND UKMIS NEW YORK

MY TELNO 1648 (NOT TO ALL): FALKLANDS

1. FOLLOWING IS TEXT OF THE MESSAGE HAIG HAS NOW SENT TO ALL NATO

I KNOW YOU FEEL, AS PRESIDENT REAGAN AND I DO, THAT THE TRAGIC LOSS OF LIFE IN THE SINKING OF THE BELGRANO AND SHEFFIELD AND OTHER MILITARY ACTIONS MAKES IT ALL THE MORE URGENT TO FIND A BASIS FOR PEACE IN THE SOUTH ATLANTIC.

OVER THE LAST FIVE DAYS PRESIDENT BELAUNDE OF PERU AND I WORKED OUT A POSSIBLE APPROACH, INVOLVING THESE ELEMENTS:

- (1) IMMEDIATE CESSATION OF HOSTILITIES CONCURRENT WITH
- (2) MUTUAL WITHDRAWAL AND NON-REINTRODUCTION OF FORCES:
- (3) INTRODUCTION OF THIRD PARTIES ON TO THE FALKLAND ISLANDS
 TO VERIFY WITHDRAWAL, ADMINISTER THE ISLANDS, AND MAKE SURE
 ALL ELEMENTS OF THE AGREEMENT WERE IMPLEMENTED:
- (4) ACKNOWLEDGMENT BY THE TWO GOVERNHENTS OF DIFFERENCES OVER THE STATUS OF THE ISLANDS:
- (5) ACKNOWLEDGMENT BY THE TWO GOVERNMENTS THAT THE ASPIRATIONS

 AND INTERESTS OF THE INHABITANTS WOULD HAVE TO BE INCLUDED IN

 A FINAL SETTLEMENT: AND
- (6) NEGOTIATION OF A DEFINITIVE SOLUTION BY 38 APRIL 1983, WITH THE ASSISTANCE OF THE THIRD PARTIES.

ON MAY 5, FRANCIS PYM INFORMED ME THAT BRITAIN WAS PREPARED TO GIVE THE MOST SERIOUS CONSIDERATION TO ACCEPTANCE OF THIS PROPOSAL, PROVIDED ARGENTINA DID SO AS WELL, AND WAS PREPARED TO ORDER A

THESE PROPOSALS HAD BEEN DISCUSSED AT VARIOUS POINTS WITH A AGENTINA, RECEIVING AN ENCOUPAGING PRACTICE. BUT WHEN THEY WERE PRESENTED BY PRESIDENT BELAUNDE TO PRESIDENT GALTIERI LATE MAY 5, HE REFUSED TO CONSIDER THEM. ARGENTINA, HE SAID, WANTS A UN MEDIATION.

REGRETTABLE AS IT IS THAT A PLAN CAREFULLY DEVELOPED WITH THE LEADERSHIP OF A COUNTRY VERY SUPPORTIVE OF ARGENTINA WAS NOT ADDRESSED SERIOUSLY, THE EFFORT HAS NOT BEEN LOST. FRANCIS PYM INFORMS ME THAT BRITAIN WILL NOT PULL BACK FROM THE POSITION TAKEN. AND WILL MAKE IT THE EASIS OF HIS RESPONSE TO THE UNITED NATIONS SECRETARY GENERAL'S OFFER OF MEDIATION TO REACH A PEACE-FUL SETTLEMENT OF THE WAR.

FROM THE VERY BEGINNING OF THIS CRISIS, THE UNITED STATES HAS
BEEN GUIDED BY THE PRINCIPLE THAT FORCE MUST NOT BE USED TO SEIZE
WHAT CANNOT BE OBTAINED PEACEFULLY. THE PROMPT ACTIONS OF THE EC
TEN REFLECTED AN EQUALLY PRINCIPLED STAND. THE INTEGRITY OF THIS
NORM IS OF VITAL PRACTICAL IMPORTANCE. HISTORICALLY, ITS EROSION
HAS ONLY LED TO FURTHER DISORDER AND WAR. DISPUTES THROUGHOUT
THE WORLD COULD TURN VIOLENT IF THE PRINCIPLE OF PEACEFUL SETTLEMENT IS UNDERMINED. YOUR INSISTENCE ON AN IMMEDIATE WITHDRAWAL OF
ALL FORCES AND A SIMULTANEOUS CEASEFIRE IS CRUÇIAL IN UPHOLDING
THIS PRINCIPLE.

BASED ON OUR COMMON INTEREST IN THE RULE OF LAW AND OUR COMMON DESIRE TO STOP THIS WAR, WE HUST ALL STRIVE TO ASSIST THE PARTIES TO ACHIEVE A SETTLEMENT. UN SECURITY COUNCIL RESOLUTION 502 CONTINUES TO PROVIDE THE BASIS FOR SUCH A SETTLEMENT. MY COUNTRY WILL ACTIVELY SUPPORT EFFORTS TO IMPLEMENT THIS RESOLUTION THROUGH THE SECRETARY GENERAL OR ANY OTHER MECHANISM.

HENDERSON

HHNN