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FALKLANDS

1. WHEN I SAW HAIG TODAY FOR A FAREWELL TALK BEFORE HE GOES OFF ON HIS EUROPEAN TOUR HE BEGAN BY SAYING THAT PEREZ DE CUELLAR HAD TELEPHONED HIM THIS MORNING. THE SECRETARY GENERAL HAD SPOKEN OF THE CONSIDERABLE CONCESSION THE ARGENTINIANS HAD MADE OVER SOVEREIGNTY. THIS NOW REQUIRED A COMPARABLE CONCESSION FROM THE BRITISH: THE USA WERE BEST ABLE TO EXERCISE PERSUASION ON LONDON.
2. IN DISCUSSION, HAIG SHOWED THAT HE FULLY UNDERSTAND THE ABSURDITY OF THIS LINE OF ARGUMENT WHEN ARGENTINA UP TO NOW HAS MADE NO MOVEMENT WHATEVER, BUT ON THE CONTRARY HAS STEPPED UP ITS DEMANDS. NOR DOES HE THINK THAT WE SHOULD GIVE WAY ON SOUTH GEORGIA. HE SAID HE HAD DISCUSSED THIS SUBJECT WITH THE BRAZILIAN PRESIDENT AND FOREIGN MINISTER WHO HAD CHARACTERISED THE ARGENTINE CLAIM ON SOUTH GEORGIA AS "OUTRAGEOUS". HAIG IMPLIED THAT THE BRAZILIAN PRESIDENT THOUGHT THAT THE DEPENDENCIES MIGHT BE HANDLED SEPARATELY FROM THE FALKLAND ISLANDS ISSUE.
3. I ASKED HAIG WHETHER HE COULD INSTRUCT WALTERS TO PROBE THE ARGENTINIANS ON THE QUESTION OF SOUTH GEORGIA AND HE UNDERTOOK TO INSTRUCT HIM IMMEDIATELY.

4. HAIG THEN TURNED TO WHAT HE SAID HAD ALWAYS BEEN THE ARGENTINIAN NEGOTIATING TACTIC. THE MORE FLEXIBLE THEY MIGHT BE PREPARED TO BE ON SOVEREIGNTY, THE TOUGHER THEY WOULD BE ABOUT THE INTERIM AUTHORITY, PARTICULARLY THE QUESTIONS OF ENTRY, PURCHASE OF PROPERTY, ETC, AND NOT SPECIFYING THAT THE WISHES OF THE INHABITANTS HAD TO BE TAKEN INTO ACCOUNT BY THE ADMINISTERING AUTHORITY. IT WAS NOT THEREFORE SURPRISING IF, NOW THAT THE ARGENTINIANS WERE THINKING OF CONCESSIONS ABOUT SOVEREIGNTY, THEY WERE BEING DIFFICULT ON THE INTERIM ARRANGEMENTS. HAIG SAID THAT HE QUOTE UNDERSTOOD OUR POINT OF VIEW. WE COULD NO MORE OVERLOOK WHAT THE INHABITANTS WANTED THAN WE COULD ALLOW THE ISLANDS TO BE SWAMPED AND BOUGHT OUT BY ARGENTINIANS. IT WOULD BE A TRAVESTY IF AFTER ALL THE EFFORT AND AGONY OF THIS FALKLANDS CRISIS THE PLACE WAS SIMPLY TO PASS BY PURCHASE AND OCCUPATION INTO THE HANDS OF THE ARGENTINIANS WITHIN A VERY SHORT SPACE OF TIME.

5. NEVERTHELESS, HE THOUGHT THAT IT SHOULD BE POSSIBLE TO COME UP WITH A NEW FORM OF WORDS THAT THE ARGENTINIANS COULD ACCEPT IF THEY WERE SERIOUS ABOUT NEGOTIATION. THE AMERICAN FORMULA INCORPORATED IN THE US/PERUVIAN PLAN HAD SPOKEN OF THE "CONSULTATION WITH THE ELECTED REPRESENTATIVES OF THE POPULATION OF THE ISLANDS". HE DID NOT THINK THAT IT WOULD DO TO GO BACK TO THAT WORDING BECAUSE THE ARGENTINIANS HAD ALREADY REJECTED IT. BUT, WITH OUR INGENUITY, WE SHOULD BE ABLE TO FIND A FORMULA THAT WOULD EMBRACE THE INHABITANTS, THOUGH HE WAS SURE THAT WE WOULD NOT SUCCEED IF WE TRIED TO SECURE WORDING THAT SPECIFICALLY REFERRED TO THE COUNCILS.

6. PLEASE SEE MY 4 IFT'S.

HENDERSON

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