

ADVANCE COPIES: FALKLAND ISLANDS GENERAL

44

IMMEDIATE

PS  
PS/MR HURD  
PS/MR ONSLOW  
PS/MR RIFKIND  
PS/PUS  
SIR J BULLARD  
SIR I SINCLAIR  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR GILLMORE

PS/NO 10 DOWNING ST (2)  
PS/S OF S FOR DEFENCE  
MR J STEWART AUSD STAFF MOD  
PS/CHANCELLOR )  
MR ILETT ) TREASURY  
MR LITTLER )  
MISS DICKSON D/ENERGY  
SIR R ARMSTRONG )  
SIR M PALLISER )  
MR A D S GOODALL ) CABINET OFFICE  
DIO )

HD/PUSD (2)  
HD/S AM D  
HD/FALKLANDS UNIT (2)  
HD/DEFENCE DEPT  
HD/NEWS DEPT  
HD/ERD  
HD/ECD(E)  
HD/UND  
HD/PLANNING STAFF  
RESIDENT CLERK

ROOM 8 FOR MODUK C IN C FLEET

Mr. COLIN ROTH, LACPD, ODA  
Mr. BORDEN, LACPD, ODA

IMMEDIATE

*[Handwritten signature]*

CONFIDENTIAL

FM WASHINGTO N 101720Z JUL 82  
TO IMMEDIATE F C O  
TELEGRAM NUMBER 2392 OF 10 JULY  
INFO IMMEDIATE BONN, PRIORITY PARIS, UKMIS NEW YORK.

YOUR TELNO 1304: FALKLANDS: U S ATTITUDE  
1. SENIOR OFFICIALS IN THE STATE DEPARTMENT AND PENTAGON HAVE, I BELIEVE, COME TO RECOGNISE THAT (AS WE SOUGHT TO IMPRESS UPON THEM THROUGHOUT THE CRISIS), THEIR ESTIMATES OF THE REAL STRENGTH OF SUPPORT FOR ARGENTINA AND FEARS ABOUT THE DAMAGE U S SUPPORT FOR US COULD HAVE ON THEIR RELATIONSHIP WITH LATIN AMERICA GENERALLY WERE EXAGGERATED.  
2. THE AMERICANS FEAR THAT THE CRISIS HAS DONE SOME DAMAGE TO THE MECHANISM OF INTERNATIONAL COOPERATION WITHIN THE HEMISPHERE (PARTICULARLY THE RIO TREATY). THEY WERE CONCERNED AT CUBAN AND NICARAGUAN ATTEMPTS TO USE THE FALKLANDS AS A WAY OF SEEKING TO UNDERMINE THE REGIONAL SECURITY SYSTEM: BUT THEY HAVE BEEN REASSURED BY THE RELUCTANCE OF MOST OTHER LATIN AMERICAN COUNTRIES TO FOLLOW THIS KIND OF LEAD, PARTICULARLY NOW THAT THE PASSIONS PROVOKED BY THE CRISIS HAVE COOLED. THEY HAVE ALSO LOST OUT IN TERMS OF THE

THIS KIND OF LEAD, PARTICULARLY NOW THAT THE PASSIONS PROVOKED BY THE CRISIS HAVE COOLED. THEY HAVE ALSO LOST OUT IN TERMS OF THE ABILITY TO INVOLVE THE ARGENTINIANS IN SECURITY PROBLEMS IN CENTRAL AMERICA, THOUGH THERE ARE A GOOD MENY HERE WHO NEVER THOUGHT THAT THAT WAS A PARTICULARLY SENSIBLE PLAN ANYWAY.

3. THE AMERICANS NO LONGER BELIEVE - AS SOME U S OFFICIALS WERE INCLINED TO SUGGEST EARLIER - THAT THE ARGENTINIANS ARE LIKELY TO TRY TO RESUME FIGHTING FROM THE MAINLAND. THEY ACCEPT THAT THE ISLANDS PROBABLY CAN BE DEFENDED WITHOUT A MASSIVE DISTORTION OF OUR FORCE DEPLOYMENTS THOUGH, OBVIOUSLY THERE WILL BE ADDITIONAL STRAIN ON FINITE DEFENCE RESOURCES.

4. THE AMERICANS REMAIN CONCERED ABOUT THE FUTURE OF ARGENTINA AND THEIR RELATIONS WITH IT. AT THE MOMENT RELATIONS ARE STILL SOURED. THE U S AMBASSADOR IN BUENOS AIRES HAS BEEN ALMOST OSTRACISED AND THE FEW CONVERSATIONS HE HAS HAD WITH SENIOR ARGENTINIANS CONTINUE TO PRODUCE FIERCE ACCUSATIONS THAT IT WAS U S SUPPORT FOR BRITAN WHICH CAUSED ARGENTINA'S DEFEAT. THE MAIN U S FEAR OF COURSE IS THAT ARGENTINA MIGHT MOVE TOWARDS A MUCH CLOSER RELATIONSHIP WITH CUBA AND THE SOVIET UNION. THEY WERE RELIEVED AT THE FACT THAT GALTIERI AND THE JUNTA, DESPITE SAVAGE DENUNCIATIONS OF U S POLICY, DID NOT RESPOND TO CUBAN OFFERS OF ASSISTANCE AND CONTINUED TO KEEP THE SOVIET UNION AT ARMS LENGTH. THEY HAVE BEEN REASSURED BY STATEMENTS BY THE LEADING MEMBERS OF THE RE-CONSTITUTED GOVERNMENT, WHO HAVE EMPHASIZED TO SAY ARGENTINA WILL REMAIN A MEMBER OF THE WESTERN COMMUNITY.

5. THE AMERICANS REMAIN WORRIED, HOWEVER, ABOUT THE STABILITY OF THE REGIME AND ITS ABILITY TO COPE WITH THE ECONOMIC AND INTERNAL POLITICAL PROBLEMS IT NOW FACES. THERE ARE STILL FEARS OF AN EVENTUAL PERONIST TAKEOVER AND A CONSEQUENT REALIGNMENT OF ARGENTINE EXTERNAL POLICIES. THE AMERICANS THEREFORE ATTACH IMPORTANCE TO FURTHER EFFORTS ON THEIR PART TO GET BACK ON TERMS WITH THE ARGENTINES, IN THE FIRST INSTANCE BY THE LIFTING OF SANCTIONS. THE ARGENTINIANS CAN BE EXPECTED TO EXERT GREAT PRESSURE FOR THE RESUMPTION OF MILITARY SUPPLIES; BUT GIVEN THE CONTINUING CONGRESSIONAL CRITICISM OF THE ARGENTINE RECORD ON HUMAN RIGHTS, THE CRISIS IN THE FALKLANDS AND THE RELATIONSHIP WITH US, THERE IS NO EARLY PROSPECT OF A RESUMPTION OF ARMS SUPPLIES ON ANY SIGNIFICANT SCALE.

6. THE AMERICANS, HAVING MADE A CONSIDERABLE FUSS ABOUT THE NEED FOR US TO SHOW QUOTE MAGHANIMITY UNQUOTE BEFORE THE RECAPTURE OF PORT STANLEY AND, IN THE AFTERMATH OF THE RE-POSSESSION OF THE ISLANDS, TO SHOW THE ARGENTINIANS A QUOTE MUY OUT UNQUOTE HAVE BEEN BROUGHT

US TO SHOW QUOTE MAGNANIMITY UNQUOTE BEFORE THE RECAPTURE OF PORT STANLEY AND, IN THE AFTERMATH OF THE RE-POSSESSION OF THE ISLANDS, TO OFFER THE ARGENTINIANS A QUOTE WAY OUT UNQUOTE. HAVE BEEN BROUGHT TO REALISE THAT THIS IS NOT THE TIME TO PRESS US TO UNDERTAKE POLITICAL INITIATIVES OR RESUME DISCUSSIONS WITH ARGENTINA. THEY HAVE BEEN IMPRESSED BY THE WAY IN WHICH WE HAVE HANDLED THE PROBLEM OF THE RETURN OF THE PRISONERS, THE PROPOSAL WE HAVE NOW MADE THAT THE REMAINDER SHOULD BE RETURNED AND IN GENERAL OUR ATTEMPTS TO LIQUIDATE THE IMMEDIATE AFTERMATH OF THE CONFLICT. ALL THIS THEY REGARD AS HELPFUL TO THEIR OWN INTERESTS IN THE AREA.

7. AGAINST THIS BACKGROUND, THE AMERICANS CAN BE EXPECTED TO LIFT SANCTIONS (IN CONSULTATION WITH US) SOME TIME NEXT WEEK; AND TO MAINTAIN THE ARMS EMBARGO, WHICH WILL FOR THE TIME BEING CONTINUE TO BE ENFORCED STRICTLY. THE AMERICANS APPRECIATE THAT FOR US TO RESUME EARLY NEGOTIATIONS WOULD BE POLITICALLY IMPOSSIBLE AFTER ALL THAT HAS HAPPENED. THE POINT AT WHICH I WOULD EXPECT TO SEE A GAP BEGIN TO APPEAR AGAIN BETWEEN OUR POSITIONS WILL BE AT THE UNITED NATIONS IN THE AUTUMN. IF, AS SEEMS LIKELY, THERE IS AT THAT STAGE PRESSURE FOR AGREEMENT TO RESUME DISCUSSIONS ABOUT THE FUTURE OF THE ISLANDS, THE AMERICANS WOULD FIND IT DIFFICULT TO OPPOSE THIS; AND, OF COURSE, THEY HAVE MAINTAINED THROUGHOUT A NEUTRAL POSITION ON THE QUESTION OF SOVEREIGNTY.

HENDERSON

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