

ADVANCE COPIES: FALKLAND ISLANDS

(7/17/74)  
(36) + CAB Office

PS (6) ADVANCE COPY

PS/ER HURD  
PS/ER ONSLOW  
PS/PUS  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
MR URE  
MR GILLORE

FLASH

HD/S AM D (FCO DIST + A/D F/I)  
HD/DEF D  
HD/NEWS D  
HD/UND  
HD/PLANNING STAFF  
MR ANTHONY WILLIAMS W60  
RESIDENT CLERK

PS NO 10 DOWNING ST ✓

PS/S OF S FOR DEFENCE

PS/CHANCELLOR )  
SIR K COUZENS )  
MR LITTLER )  
MR HAVLIN )  
MR PERETZ )  
MR ILETT )  
MR McINTYRE )

TREASURY

MISS DICKSON (EIP DIV) D/EN

DIO CABINET OFFICE

MR WADE-GEEY CABINET OFFICE

MR FULLER SAPU/DIO " "

SIR M PALLISER CABINET OFFICE

SIR R ARMSTRONG " "

(Copy passed to Emergency Staff)

CONFIDENTIAL

FM LIMA 030103Z MAY 82

TO FLASH F C O

TELEGRAM NUMBER 137 OF 3 MAY

INFO FLASH WASHINGTON

MS

FALKLANDS: NY TEL 40 134

1. THE FOREIGN MINISTER SUMMONED ME THIS EVENING. DR ARIAS BEGAN BY SAYING THAT HE MUCH HOPED HE WOULD HAVE GOOD NEWS SHORTLY. HE SAID THAT AFTER THE CONVERSATION REPORTED IN NY TOR HE HAD SPOKEN TO PRESIDENT BELAUNDE WHO HAD DECIDED TO MAKE A FURTHER ATTEMPT TO BREAK THE DEADLOCK AND BRING ABOUT AN IMMEDIATE CEASEFIRE. DR ARIAS SAID THAT ON PRESIDENTIAL INSTRUCTIONS HE HAD TELEPHONED COSTA MENDEZ TO PRESS UPON HIM A FORMULA WHICH MIGHT OFFER THE BEST CHANCE OF AN IMMEDIATE SOLUTION. DR ARIAS REPEATED THAT A WAY HAD TO BE FOUND TO ALLOW THE ARGENTINES TO CLIMB DOWN WITHOUT TOO MUCH LOSS OF FACE. THEY HAD THEREFORE CONSIDERED WHETHER A TEXT WHICH WOULD INCLUDE A TOKEN REFERENCE TO THE ARGENTINE CLAIM TO SOVEREIGNTY IN THE (FOLLOWING WORD UNDERLINED) INTRODUCTORY PART MIGHT SUFFICE TO BRING ABOUT A WITHDRAWAL OF THE ARGENTINE TROOPS. PRESIDENT BELAUNDE HAD ALSO TELEPHONED PRESIDENT REAGAN (BUT HAD FAILED TO GET THROUGH) IN ORDER TO INSTILL A SENSE OF URGENCY AND TO TAKE ADVANTAGE OF THE PRESENCE OF MR PYM IN WASHINGTON. MR HAIG HAD SUBSEQUENTLY SPOKEN ON THE TELEPHONE SEVERAL TIMES WITH PRESIDENT BELAUNDE.

LONDON. MR HAIG HAD SUBSEQUENTLY SPOKE BY THE TELEPHONE SEVERAL TIMES WITH PRESIDENT BELAUNDE.

2. DR ARIAS SAID THAT SOME PROCEDURAL DIFFICULTIES HAD ARISEN DURING THE COURSE OF THE VARIOUS TELEPHONE CONVERSATIONS WHICH RELATED TO THE INCLUSION OF THE UNITED STATES AND/OR PERU AS MEMBERS OF THE INTERIM ADMINISTRATION. DR ARIAS TOLD ME IN CONFIDENCE THAT PRESIDENT BELAUNDE HAD NO OBJECTION TO PERU BEING EXCLUDED IF BY SO DOING A PEACEFUL SETTLEMENT COULD BE OBTAINED. BUT MR HAIG HAD INTIMATED THAT THE US WOULD NOT WISH TO BE EXCLUDED FROM THE ADMINISTERING GROUP SINCE THIS WOULD OTHERWISE NOT BE ACCEPTABLE TO THE UK.

3. IN THE EVENT AND IN ORDER TO SIMPLIFY MATTERS, A 7-POINT FORMULA HAD BEEN WORKED OUT. TEXT IS IN MIFT. THERE IS A SPANISH TEXT AND AN ENGLISH TEXT WHICH DR ARIAS SAID HAD VIRTUALLY BEEN DICTATED OVER THE TELEPHONE BY MR HAIG.

4. IN REPLY TO MY SPECIFIC QUESTION DR ARIAS SAID THAT THE 7-POINT FORMULA HAD THE APPROVAL OF COSTA MENDEZ SEMICOLON THAT GENERAL GALTIERI HAD TOLD PRESIDENT BELAUNDE THAT HE WAS QUOTE WELL DISPOSED UNQUOTE TOWARDS IT BUT THAT HE HAD HIS QUOTE SENATE UNQUOTE ( IE THE MILITARY JUNTA) TO CONSULT AND CONVINCED. DR ARIAS SAID THAT THE MILITARY JUNTA WAS MEETING EVEN AT THIS MOMENT TO CONSIDER THE TERMS AND THAT A REPLY WAS EXPECTED HOURLY. DR ARIAS SAID THAT HE HAD REASON TO BELIEVE THAT MR HAIG'S PROPOSALS HAD BEEN CONVEYED WITH THE KNOWLEDGE OF AT LEAST THE CONSENT OF MR PYM. DR ARIAS EMPHASISED THAT PRESIDENT BELAUNDE WAS ANXIOUS NOT TO LOSE THE MOMENTUM AND THAT IT HAD BEEN CONVEYED TO WASHINGTON THAT IF THE FORMULA WAS ACCEPTABLE, THE SIGNATURE OF AN INTERIM DOCUMENT WOULD TAKE PLACE IN LIMA. DR ARIAS WAVED ME TO EXPECT INSTRUCTIONS TONIGHT AND ADDED THAT THEY WERE MAKING ARRANGEMENTS TO STAGE A GRAND SIGNATURE CEREMONY IN LIMA.

WALLACE

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