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Foreign and Commonwealth Office

- 9 APR 1982

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Sir Nicholas Henderson GCMG
British Embassy
WASHINGTON

Dear Ambassador,

VISIT TO LONDON BY MR HAIG

No 10 have laid down that the records of the Prime Minister's talks with Mr Haig should be given a very limited distribution, restricted only to those with an operational need to know. The copies of the records of talks at No 10 at 7 p.m. and over dinner which I am enclosing are therefore for your personal information, and I must ask you not to refer to them in any telegrams which will have distribution outside the Foreign and Commonwealth Office.

I also enclose a copy of Brian Fall's record of the Secretary of State's talk with Haig, and a copy of the record of their discussions with Haig's party chaired by Mr Onslow.

Yours ever

M. J. Williams

for C S R Giffard

cc:- Sir Anthony Parsons, KCMG, MVO, MC
United Kingdom Mission to the
United Nations
New York

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VISIT OF MR HAIG: MEETING BETWEEN MR ONSLOW AND MR ENDERS, 8 APRIL 1982

1. While the Secretary of State, and subsequently the Prime Minister were seeing Mr Haig, Mr Cranley Onslow, with support from the PUS, Mr Bullard, Lord Bridges, Mr Giffard, Mr Gillmore, Mr Ure, and others, chaired a separate meeting with Mr Enders, Assistant Secretary for Inter-American Affairs, supported by General Walters, Special Assistant to Haig; Mr Gompert and Mr Funseth, State Department; Mr Rentschler, NSC; and others.
2. Mr Onslow and Sir A Acland stressed separately that the US team should be in no doubt of the strength of public and Parliamentary feeling in the UK and should impress this point on the Argentines. There was no division among the public, or on either side of the House of Commons, about the need to secure our objective of an Argentine withdrawal and a return to British administration. The wishes of the islanders must be respected.
3. Enders said the US could well understand the depth of feeling here. There had been a clearly unwarranted use of force against 'your countrymen'. The US were on record in condemning this in the UN. Their attitude to the dispute was 'not even-handed', both because of the principles involved and because the UK was the closest of America's friends.
4. We described the responses to our representations to friendly countries. The prospects on economic measures seemed to be shaping up well. Argentina was vulnerable and there should in time be a considerable effect. This would be much more powerful if the US would respond favourably to the Prime Minister's recent message to Pres. Reagan. Prudent lending policies by US banks would be particularly valuable. Argentina had short and long term debt repayments of about 14 billion dollars falling due this year and would be hard pressed to meet them, particularly since earnings would be restricted by the measures against her exports. In reply to a question we said that default might become probable if strong measures against Argentina were taken but this could take various forms, eg a formal or de facto moratorium.
5. Mr Enders said the US was still considering the Prime Minister's message. Their point of departure was Security Council Resolution 502. The US was one of the few countries with good relations with both Argentina and the UK. One of the views in Washington was that taking strong measures against Argentina would disqualify them from playing a helpful role.
6. On the mood in Argentina, we said that we sensed a change from euphoria following the invasion to a sense of nervousness and isolation now. We thought we could perhaps build on this. The Americans were convinced that the invasion had been primarily the result of domestic difficulties in Argentina. The leaders were now having second thoughts. There was nervousness about military and economic prospects in the crisis. The trades unions had started /to

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to try to bargain with the military leaders. The public was somewhat shaken. But characteristic fear of appearing cowardly might lead the regime and the people into a fatalistic desire to resist, almost irrespective of the consequences.

7. Mr Walters said President Galtieri was rash. The Americans believed that he had taken the decision to invade. But he was boxing himself in. Our declaration of a maritime exclusion zone could make this worse. Galtieri was concerned with his place in history and needed a way out of the crisis which would give him something to show for it and would not lose him face. If he fought and lost he would fall.

8. The Americans thought that, if Galtieri fell, he would be replaced by others with equal or greater determination. Indeed his successor would start with a mandate to succeed where he had failed.

9. Mr Enders believed that, if it came to a conflict, the Argentine navy might stay in port, to avoid destruction. But Argentina could still supply the Falklands by air. A British attack on the Islands might take some time to succeed, if there were, say, 7,000 Argentine troops there. The US saw the possibility of a long drawn out crisis.

10. Mr Enders asked point blank what way out we were giving Argentina. Sir A Acland replied by asking what way out the US would offer Cuba if she invaded Puerto Rico. The need now was for the Argentine forces to withdraw. Mr Bullard said that operative paragraphs 3 of SCR 502 - about a diplomatic solution - might offer Argentina enough of a way out. Mr Enders asked whether the three points in the Resolution must in our view be implemented in sequence: or could the creation or continuation of a negotiating forum, perhaps on only the short term questions rather than the fundamental ones concerning the Falkland Islands, come before the process of Argentine withdrawal had been completed? We replied that we remained willing to negotiate and had accepted the Security Council Resolution, which included the reference to a diplomatic solution. But the first need was for Argentine withdrawal. And the Argentines could hardly expect us to be as interested in negotiations now as we had been before they committed aggression.

11. Mr Enders thought that Argentina would invoke the Rio Treaty when British ships entered the area covered by it. No Latin American country would stand out against the invocation. That would trigger mandatory sanctions against Britain in all fields but the military. Latin American countries probably would not provide military support to Argentina. The Americans agreed with us that there was a good legal case for saying that the Rio Treaty did not apply to the present crisis. For instance, the Treaty referred to aggression against, rather than by, a treaty party. But the Americans thought that 'linguistic solidarity' among regional countries and anti-colonial sentiment would outweigh legal arguments.

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12. The Americans agreed with us that further action in the Security Council would not be helpful at present.

13. The Americans thought that the Falklands crisis offered the Russians opportunities for making mischief and for diverting international attention from Poland and Afghanistan. The Russians had had tactical reasons for not vetoing SCR 502, particularly a wish to avoid appearing to line up against the Third World on an issue involving force when they seemed to be generally supporting the UK. But the Soviet Union was now saying more in support of Argentina. She had an interest in consolidating her grain purchasing relationship with Argentina and probably had hopes of developing wider relations, for instance by supplying arms. She had for many years been seeking a position of influence in a major Latin American country. The Americans thought that, if a conflict took place, Argentina definitely would accept arms from the Soviet Union. The regime probably exaggerated its ability to control the Argentinian Communist party, whose activity had deliberately been dampened down by Moscow in recent years.

Emergency Unit
9 April 1982

Distribution:

PS
PS/Mr Onslow
PS/PUS
Mr Bullard
Lord Bridges
Mr Giffard
Mr Gillmore
Mr Ure
SAmD
NAD
Defence Dept.
Planning Staff
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