

FOR CWG

IMMEDIATE 061230Z MAY 82

COMMUN GEN FCO LONDON
MODUK
CINCFLEET



1) Encl
2) Liu 62
cc: Negotiations

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SIC A3A/A2N/19F

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FROM FCO 061230Z MAY 82

TO FLASH WASHINGTON

TELEGRAM NUMBER 923 OF 6 MAY

INFO FLASH UKMIS NEW YORK IMMEDIATE OTTAWA

YOUR TEL NO 1629: FALKLANDS

1. PLEASE TELL HAIG THAT WE FIND IT EXTREMELY DISAPPOINTING THAT THE ARGENTINES ARE SHOWING SIGNS OF BACKING AWAY FROM THE PROPOSAL WHICH HE HAD WORKED UP WITH THE PERUVIANS. WE ARE SENDING A MESSAGE TO PRESIDENT BELAUNDE, TO TRY TO ENCOURAGE THE PERUVIANS AND THROUGH THEM THE ARGENTINES, EVEN AT THIS LATE STAGE, TO COME BACK WITH A POSITIVE RESPONSE TO HAIG (MY TELS NOS 100 AND 101 TO LIMA). BUT I SHARE HIS EXPECTATION THAT THEY WILL FAIL TO DO SO.

2. I VERY MUCH HOPE THAT HAIG WILL FEEL ABLE TO MAKE IT CLEAR AT THE APPROPRIATE TIME, WHICH COULD BE VERY SOON, THAT WE WERE FULLY PREPARED TO ACCEPT HIS LATEST PROPOSALS, EVEN THOUGH THEY HAD SOME DISADVANTAGES FOR US, AND THAT IT WAS THE ARGENTINES WHO CLOSED THE DOOR ON THIS REALISTIC ATTEMPT TO BRING ABOUT A CEASEFIRE, WITHDRAWAL, AND NEGOTIATIONS.

3. WE NOW HAVE A SERIOUS PROBLEM OF ESTABLISHING PUBLICLY THAT WE HAVE BEEN ACTIVE IN NEGOTIATIONS DURING A PERIOD WHEN WE HAVE BEEN ABLE TO TELL EVEN OUR CLOSE FRIENDS LITTLE OF DETAIL, IN ORDER TO PRESERVE CONFIDENTIALITY. WE HAVE WARNED THE PERUVIANS THAT WE MAY WISH TO PUBLICISE THE PROPOSALS WHICH WE WERE WILLING TO ACCEPT, THOUGH UNLESS YOU CAN CONFIRM THAT THE MEMBERS OF THE CONTACT GROUP HAVE BEEN BROUGHT ONBOARD WE SHALL HAVE TO OMIT THEIR NAMES. BUT WE SHOULD PREFER NOT TO DO THIS WITHOUT HAIG'S AGREEMENT. IF HAIG PREFERS TO DO IT HIMSELF, HE SHOULD LET US KNOW VERY SOON. WE MAY NOT BE ABLE TO HOLD THE POSITION FOR LONG.

4. MEANWHILE, WE HAVE TO DEAL WITH THE APPROACH MADE BY THE SECRETARY-GENERAL OF THE UN. HAIG WILL UNDERSTAND THAT SINCE THE ARGENTINES ARE SAYING THEY HAVE ACCEPTED THIS APPROACH, WE MUST DO NO LESS. WE SHALL CONTINUE TO DESCRIBE THE SECRETARY-GENERAL'S IDEAS AS BEING COMPATIBLE WITH THE PROPOSAL WORKED OUT BY HAIG WITH THE PERUVIANS. BUT WE SHALL ALSO NEED TO SEND A SUBSTANTIVE REPLY TO PEREZ DE CUELLAR. YOU HAVE DISCRETION TO GIVE HAIG THE TEXT OF OUR PROPOSED REPLY, WHICH IS BEING TELEGRAPHED TO UKMIS NEW YORK.

5. WE SHALL TELEGRAPH AS SOON AS IT IS AVAILABLE THE LINE WHICH

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THE PRIME MINISTER IS TAKING IN THE HOUSE THIS AFTERNOON, WHICH YOU SHOULD BRING TO HAIG'S ATTENTION, EXPLAINING THAT WE HAVE SOUGHT TO AVOID ANY PREJUDICE TO HIS OWN EFFORTS, WHILE INDICATING AT THE SAME TIME THE NECESSARY POSITIVE REACTION TO THAT OF THE SECRETARY-GENERAL.

6. IN SUBSTANTIVE TERMS, EFFORTS AT THE UN WILL BE TIME-CONSUMING AND DIFFICULT AT EVERY STAGE. WE SHALL NEED EVERY OUNCE OF SUPPORT THAT THE AMERICANS CAN GIVE US THERE. I AM CONCERNED LEST DELAY SHOULD BE COSTLY IN TERMS OF LIFE. ANY IDEAS WHICH HAIG MAY HAVE FOR CUTTING THROUGH TO THE HEART OF THE PROBLEM, TO DEAL WITH THE REAL ISSUES, WHICH HE UNDERSTANDS SO WELL, AND ABOVE ALL WITH THE LINK WHICH THERE MUST BE BETWEEN WITHDRAWAL AND A CEASEFIRE AT THE FIRST STAGE, WILL BE MOST HELPFUL. WE AGREE BROADLY WITH THE THINKING IN YOUR TELNO 1616, BUT SEE NO HOPE OF AVOIDING SOME SECURITY COUNCIL INVOLVEMENT. I DID NOT AT ALL LIKE THE WAY THINGS WERE GOING THERE YESTERDAY.

PYM