

SECRET

FM WASHINGTON 231700Z MAY 82
TO IMMEDIATE FCO
TELEGRAM NUMBER 1869 OF 23 MAY
INFO IMMEDIATE UKMIS NEW YORK

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FALKLANDS.

1. WHAT HAIG SAID TO ME YESTERDAY WHEN HE CAME TO SEE ME PRIVATELY INDICATES YET ANOTHER SHIFT IN THE MOOD HERE.
2. HAIG WAS SAYING, AND IT IS REFLECTED IN OFFICIAL BRIEFING IN THE NEW YORK TIMES PUBLISHED TODAY, THAT THE US GOVERNMENT IS INCREASINGLY CONCERNED AT THE CONSEQUENCES FOR US INTERESTS IN THE CONTINUING BATTLE OVER THE FALKLAND ISLANDS, THEY DO NOT DOUBT THAT WE HAVE THE MILITARY CAPABILITY OF INFLICTING DEFEAT ON THE ARGENTINIAN GARRISON, BUT THEY DO NOT THINK THAT THIS IS LIKELY TO BRING ABOUT COMPLETE CAPITULATION BY THE ARGENTINIAN GOVERNMENT AND A READINESS TO MAKE PEACE ON THE BASIS OF THE STATUS QUO ANTE: THEY BELIEVE THAT WHATEVER GOVERNMENT IS IN POWER IN BUENOS AIRES IS LIKELY TO BE REVANCHIST UNLESS THE SPIRIT OF REVENGE CAN BE HEADED OFF: IN THE IMMEDIATE TERM HAIG HIMSELF DOES NOT BELIEVE THAT THE ARGENTINE AIR FORCE IS GOING TO GIVE UP AND HE HINTED TO ME DARKLY THAT HE IS CONVINCED THAT THE ARGENTINIANS WILL BE ABLE TO GET PLANES, AND IF NECESSARY CREWS, FROM OTHER LATIN AMERICAN COUNTRIES, PRESUMABLY PERU AND VENEZUELA, THE AMERICANS ALSO, RECOGNISING OUR ABILITY TO INFLICT MILITARY DEFEAT ON THE ARGENTINIAN GARRISON, DO NOT SEE THAT OUR INTERESTS WILL BE SERVED BY ANY OUTCOME THAT LEAVES US HAVING TO KEEP A LARGE MILITARY FORCE ON THE ISLANDS FOR AN INDEFINITE FUTURE STILL SUBJECT TO AIR ATTACK FROM THE ARGENTINE MAINLAND.
3. WHAT THIS MEANS IN PRACTICE THEREFORE IS THAT THE AMERICANS BELIEVE THAT THOUGHT SHOULD BE GIVEN BY BOTH WASHINGTON AND LONDON AT A VERY EARLY DATE TO A WAY OF BRINGING AN END TO THE CONFLICT THAT WILL IN SOME WAY PREVENT A HOSTAGE TO FORTUNE FOR THE FUTURE: AND THE AMERICANS ARE CONVINCED THAT UNLESS THEY CAN SOMEHOW PLAY A PART IN THIS THEY WILL NOT ONLY DARKEN THEIR RELATIONS WITH THE LATIN AMERICAN CONTINENT BUT PAVE THE WAY FOR INCREASED SOVIET AND CUBAN PENETRATION. THIS IS NOT SIMPLY A SUMMARY OF THE MOOD THAT HAS COME TO THE SURFACE IN THE US ADMINISTRATION BUT, ACCORDING TO HAIG'S SPECIFIC STATEMENT TO ME, IS THE EMERGING SENTIMENT IN CONGRESS, A VIEW THAT HAS BEEN JUST PUT TO HIM BY THE MAJORITY LEADER AND THAT HE BELIEVES SENATOR PERCY WILL BE EMBRACING BEFORE VERY LONG.
4. I MADE THE OBVIOUS RESPONSE TO HAIG THAT HIS CONCERN UNTIL 48 HOURS AGO WAS THAT WE MIGHT GET INTO MILITARY DIFFICULTIES AND THAT THE URGENT NEED WAS TO BRING MILITARY PRESSURE TO BEAR ON THE ARGENTINIANS WHO WERE NOT PREPARED TO LISTEN TO ANYTHING ELSE. HE NOW SEEMED TO BE SWINGING TO THE OPPOSITE EXTREME, URGING THAT BEFORE THE MILITARY OPERATIONS HAD GOT VERY FAR WE SHOULD BE

SECRET

CONSIDERING DIPLOMATIC INITIATIVES IN ORDER TO PLACATE THE ARGENTINIANS AND LATIN AMERICANS. WHAT IN PRACTICE WAS HE SUGGESTING? DID HE REALLY THINK THAT THE UNITED NATIONS COULD BRING ABOUT A CEASEFIRE AND WITHDRAWAL OF THE ARGENTINIANS ETC? DID HE CONSIDER IT REASONABLE FOR BRITAIN, NOW THAT WE HAD RE-ESTABLISHED AUTHORITY ON THE ISLANDS, TO BE PREPARED AT THIS STAGE TO START TALKING ABOUT WITHDRAWAL? HAIG SAID THAT HE DID NOT HAVE ANY CLEAR CUT IDEA ON WHAT SHOULD BE DONE. INDEED HE WANTED TO REGISTER WITH US WITHOUT ANY QUALIFICATION THAT HE HAD NO INTENTION OF DOING ANYTHING THAT MIGHT JEOPARDISE OUR MILITARY POSITION. BUT HE IS CONVINCED THAT THE CONGRESS WILL THEMSELVES COME FORWARD WITHIN A VERY FEW DAYS WITH A RESOLUTION OR RESOLUTIONS CALLING FOR A CEASEFIRE IN TERMS THAT WILL BE AWKWARD FOR US, AND THERE IS THE DIFFICULT QUESTION OF HOW TO HANDLE A RESOLUTION IN THE SECURITY COUNCIL. HE THEREFORE IS TRYING TO FIND SOME WAY OF HEADING OFF THESE DIFFICULTIES AND GETTING THE US BACK INTO THE CENTRE OF THE STAGE, BUT HE REPEATED THAT THIS MUST NOT INVOLVE ANYTHING THAT WOULD BE UNACCEPTABLE TO HMG WHETHER MILITARILY OR DIPLOMATICALLY.

PLEASE SEE MIFT. (262)

HENDERSON

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