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M I P T FALKLANDS

1. IT IS OF COURSE EXASPERATING THAT THE AMERICANS SHOULD BE ALL OVER THE SHOP AGAIN; AND I MUST CONFESS TO BEING SURPRISED THAT HAIG HIMSELF SHOULD SHOW SIGNS OF BEING RATTLED BY THE INCREASING ANTI-AMERICANISM OF THE LATINOS. BUT, AS I SUGGESTED AT CHEQUERS LAST WEEKEND, THERE HAVE BEEN SIGNS FOR SOME TIME OF A DISQUIET IN MANY AMERICAN CIRCLES AT TOO FORTHRIGHT A STANCE IN SUPPORT OF US WHEN THIS CUTS ACROSS WHAT HAS BEEN A PRIME US OBJECTIVE SINCE REAGAN TOOK OVER OF FORTIFYING RELATIONS WITH THE REST OF THE AMERICAN HEMISPHERE WHERE, INDEED, THE PROBLEM OF COMMUNISM WAS GOING TO BE QUOTE TACKLED AT SOURCE UNQUOTE.

2. HAIG IS ON RECORD AS SAYING THAT THE AMERICANS WILL NEVER ACCEPT A UN SECURITY COUNCIL RESOLUTION CALLING FOR A CEASEFIRE UNLESS IT ALSO INCLUDES WITHDRAWAL. BUT THIS OF COURSE COULD NOW BECOME COMPLICATED IF THE DEMAND FOR WITHDRAWAL OF FORCES WERE EXTENDED TO COVER OUR LAND FORCES.

3. OBVIOUSLY HAIG HIMSELF WANTS TO GET BACK IN THE ACT AND BELIEVES, PROBABLY WITH JUSTICE, THAT IT IS ONLY THE US IN THE LONG RUN THAT CAN PROVIDE, AT ANY RATE IMPLICITLY AND INDIRECTLY, A GUARANTEE FOR THE FALKLAND ISLANDS. GIVEN THAT HAIG REALISES THE INADEQUACY AND UNSATISFACTORY NATURE OF THE UN ROUTE, HE IS, I THINK, HANKERING AFTER A RETURN TO THE CONTACT GROUP IDEA, THOUGH PERHAPS WITH FEWER COUNTRIES. HE MAY, I BELIEVE, BE TEMPTED BY THE THOUGHT OF SOME SPECIAL BRAZILIAN/US PARTNERSHIP, WITH BRAZIL TAKING THE LEAD, AT ANY RATE INITIALLY. FOR ALL I KNOW, FOLLOWING THE PRESIDENT'S RECENT VISIT HERE, HE MAY HAVE BEEN IN TOUCH WITH REAGAN AND HAIG SUGGESTING SOME DIPLOMATIC MOVE. THE AMERICANS HAVE CERTAINLY BEEN IMPRESSED BY THE BRAZILIAN ATTITUDE ON THIS WHOLE BUSINESS AND CONSIDER THAT THE BRAZILIANS FAVOUR NEITHER AN ARGENTINE VICTORY NOR THEIR TOTAL DEFEAT. WHAT HAIG MAY BE THINKING OF I SUPPOSE IS THAT THE AMERICANS AND BRAZILIANS MAY COOK UP SOME NEW IDEAS TO BE PUT TO US. WITHOUT OF COURSE HAVING THE FAINTEST IDEA WHAT THEY MIGHT HAVE IN MIND, IT IS POSSIBLE TO CONJECTURE THAT SUCH AN APPEAL WOULD CALL UPON THE TWO SIDES TO:

- (A) TO STOP FIGHTING;
- (B) TO AGREE TO WITHDRAWAL OF ALL FORCES WITHIN A CERTAIN SPACE OF TIME TO A STATED DISTANCE, COUPLED WITH A PROMISE NOT TO REINTRODUCE;
- (C) AN OFFER ON THE PART OF THE BRAZILIANS AND AMERICANS TO PLAY A ROLE IN RUNNING THE ISLANDS IN CONJUNCTION WITH THE DEMOCRATIC INSTITUTIONS ALREADY ESTABLISHED THERE BUT ON A TEMPORARY BASIS UNTIL;
- (D) SOME SYSTEM COULD BE AGREED UPON FOR THE FUTURE STATUS OF THE ISLANDS.

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4. WHAT HAIG IS CERTAINLY WANTING FROM US, EVEN AT THIS VERY EARLY STAGE OF THE NEW SITUATION CREATED BY OUR RETURN TO THE ISLANDS, IS SOME INDICATION OF WHAT OUR NEGOTIATING INTENTIONS ARE. HE REALISES THAT WE MUST COMPLETE THE PRESENT MILITARY OBJECTIVES; BUT HE THINKS THAT IT WILL NOT BE LONG BEFORE WE HAVE DEALT MILITARILY WITH THE ARGENTINIAN GARRISON. AS YOU WILL SEE HE DOES NOT THINK THAT THIS WILL BRING ABOUT AN ARGENTINIAN CAPITULATION OR EVEN THE END OF ARGENTINE AIR ACTION. HE THINKS THAT IT WILL BE IN OUR INTEREST TO SEIZE THE FIRST MOMENT OF HIGH MILITARY SUCCESS TO SHOW A READINESS TO NEGOTIATE, THAT WE CANNOT BURKE THE LONG-TERM PROBLEM. WHAT HE HOPES THEREFORE IS THAT WITHIN A VERY SHORT SPACE OF TIME YOU WILL LET HIM HAVE IDEAS OF WHAT WE WOULD LIKE HIM (HAIG) TO DO ASSUMING THAT HE CANNOT REMAIN IDLE DIPLOMATICALLY BECAUSE OF PRESSURES IN THIS COUNTRY, INTENSIFYING DIFFICULTIES WITH THE LATIN AMERICAN HEMISPHERE AND THE FRACAS IN THE SECURITY COUNCIL.

5. I WOULD EMPHASISE THAT THIS IS ALL VERY SPECULATIVE, BUT THE AMERICANS CLEARLY ARE HOPING THAT WE WILL GIVE SOME THOUGHT TO THE NEGOTIATING ASPECT AND SPEAK TO THEM VERY INFORMALLY ABOUT IT.

HENDERSON

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