

FLASH

Hd/Planning Staff
Hd/SA D
Hd/UND
Hd/NEWS D
PS
PS/MR DOWNSHAW
PS/PUS
SIR I SINCLAIR
MR BILLARD
MR GIFFARD
MR URE
N°10 DS

40

ADVANCE COPY

Hd/DEFENCE
MR DRIGHT
MR GILMORE
SIR MICHAEL PALMER
SIR ROBERT ARMSTRONG
MR WADE-GERY
PS/DEFSEC
PS/HOME SEC
PS/CHANCELLOR DUCHY OF LANCASTER

WONFO 36/29

ZZ F C O

GR 430
D E D I P
SECRET

FM WASHINGTON 291625Z APR 82
TO FLASH F C O
TELEGRAM NO 1509 OF 29 APRIL
And To Fresh UKMS WY.
FALKLANDS

X19

1. HAIG HAS SPOKEN TO ME. I HAD NOT BY THEN RECEIVED YOUR MESSAGE CONTAINED IN FCO TELNO 868. HAIG MENTIONED THE PM'S MESSAGE TO THE PRESIDENT WHICH HE SAID SHOWED NERVOUSNESS THAT WAS QUITE UNDERSTANDABLE. THE PRESIDENT WOULD BE REPLYING.

2. I HAVE NOW CONVEYED YOUR MESSAGE. IN DOING SO I HAVE TOLD HAIG THAT I HAVE INFORMED YOU OF HAIG'S INTENTION TO GO PUBLIC AT 10 AM LOCAL TIME TOMORROW RATHER THAN TONIGHT. HAIG EXPLAINED THAT THIS CHANGE OF TIMETABLE HAD BEEN NECESSITATED BECAUSE THE PRESIDENT WAS GOING TO MAKE AN IMPORTANT TELEVISION BROADCAST ABOUT THE BUDGET AT 8 PM THIS EVENING.

3. HAIG SAID THAT THE STATEMENT TO BE MADE TOMORROW MORNING, WHICH WOULD BE PRECEDED BY A MEETING OF THE NATIONAL SECURITY COUNCIL AND CONSULTATIONS ON THE HILL, WOULD CONVEY A TONE MORE OF SORROW THAN OF ANGER. THE FOCUS WOULD BE ON THE NEED TO RESPECT THE RULE OF LAW WHICH THE ARGENTINIANS HAD VIOLATED. THEY HAD ALSO SHOWN A LACK OF FLEXIBILITY IN NEGOTIATION.

4. THE STATEMENT WOULD ALSO INDICATE THE ACTION THAT THE US GOVERNMENT WOULD HENCEFORTH TAKE. THEY WOULD NOT BE IN A STATE OF WAR WITH ARGENTINA, BUT HE WAS INTENDING TO GO FURTHER THAN THE STATE DEPARTMENT OFFICIALS HAD RECOMMENDED. HE SAID THAT THE PRESIDENT WAS FULLY ABOARD.

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5. HAIG SAID THAT HE HAD NOT HEARD A WORD FROM COSTA MENDEZ SINCE THEIR MEETING YESTERDAY AFTERNOON, THOUGH HE HAD PROMISED TO GET BACK TO HIM URGENTLY. HE WAS SURE, HOWEVER, THAT WHEN COSTA MENDEZ DID RETURN HE WOULD SAY THAT THE ARGENTINIAN BOTTOM LINE WAS THE PROPOSAL THEY HAD MADE TO HIM WHEN HE LEFT ARGENTINA WHICH WAS UNACCEPTABLE BOTH TO HIM, HAIG, AND TO HMG. HAIG REFERRED TO MISCHIEF BEING PUT ABOUT IN BA ABOUT THE COLLUSION BETWEEN HMG AND THE US GOVERNMENT. HE WAS SURE THAT THERE WAS AN "INSURMOUNTABLE PROBLEM IN BA". THEY HOPED THEY COULD MANIPULATE THE US GOVERNMENT WHEREAS THEY WERE JUST STRANGLING THEMSELVES.

6. HAIG ALSO TOLD ME PERSONALLY OF A CALL HE HAD JUST HAD FROM GENSCHER. THIS PRAISED HIM FOR THE SPEECH HE HAD MADE YESTERDAY ON FOREIGN POLICY AND WENT ON TO DEAL WITH THE FALKLAND ISLANDS. THERE HAD BEEN NO UNCERTAINTY IN GENSCHER'S ATTITUDE ON THIS SUBJECT. HAIG HAD TOLD HIM HOW ESSENTIAL IT WAS THAT THE EUROPEAN COMMUNITY SHOULD STAY STRONGLY BEHIND BRITAIN; AND HE HAD TOLD GENSCHER THAT THE US WOULD BE MOVING BEHIND BRITAIN TOO VERY SHORTLY.

7. I HAVE EMPHASISED TO HAIG THE DELICACY OF THE WAY IN WHICH THEY REFER TO THE BRITISH ATTITUDE TO THE US PROPOSALS. I HAVE ASKED HIM TO LET US SEE THE TEXT ON THIS SUBJECT BEFORE ANYTHING IS AGREED OR PUBLISHED. PLEASE SEE M.I.F.T. ON THIS SUBJECT.

HENDERSON

NNNN

11/1/76
11/1/76