

ADVANCES (23)

PS (6)

PS/MR HURD

PS/MR ONSLOW

PS/PUS

MR GIFFARD

MR WRIGHT

MR GILLMORE

MR URE

ED/SAMD

ED/DEPD

PS/No 10 DOWNING STREET

PS/S of S DEFENCE

PS/SIR R ARMSTRONG)

PS/SIR M PALLISER)

MR WADE-GBRY)

MR FULLER)

D I O)

CABINET OFFICE

Res. Sec. Clerk

(Passed to Emergency Unit)

SECRET

FM WASHINGTON 032135Z MAY 82
TO FLASH F C O
TELEGRAM NO 1575 OF 3 MAY
INFO IMMEDIATE UKMIS NEW YORK

MT

MY TELNO 1574: FALKLANDS

1. SINCE SENDING JUR, HAIG ASKED TO SEE ME. HE HAD JUST BEEN SPEAKING ON THE TELEPHONE TO THE PRESIDENT OF PERU. GENERAL IGLESIAS AND ADMIRAL ANAYA HAD JUST ARRIVED IN LIMA FROM BUENOS AIRES. PRESIDENT BELAUNDE BELIEVED THAT SOMETHING REAL MUST BE DONE TO BRING ABOUT A CEASEFIRE. HE BELIEVED THAT THE ARGENTINIANS WOULD ACCEPT THE SEVEN PROPOSALS. HAIG SAID THAT THEY WOULD BE ADJUSTED TO PROVIDE FOR INTERIM ADMINISTRATION SIMPLY BY THE US AND PERU. THE CONTACT GROUP OF SIX WOULD BE CONCERNED ONLY WITH TRYING TO FIND A LONG-TERM SOLUTION. HAIG WAS MOST EAGER TO KNOW WHETHER WE COULD GO ALONG WITH THESE PROPOSALS OR SOMETHING VERY SIMILAR TO THEM. NO LESS PRESSING, IN HIS MIND, WAS THE NEED TO DO SOMETHING IMMEDIATELY TO TRY TO STOP THE FIGHTING. HE THOUGHT THERE WAS NOTHING TO STOP US SINKING THE WHOLE ARGENTINIAN FLEET. THIS WOULD BRING ABOUT THE COLLAPSE OF ANY AUTHORITY IN BUENOS AIRES AND THE CREATION OF CHAOS. THE LIVES OF ALL FOREIGN SUBJECTS WOULD BE ENDANGERED.

3. YOU DINED AT... WHO WAS ACCOMPANIED BY RAFAE AHMED AND A NOTE-TAKER.

IMMEDIATELY TO THE
TO STOP US SINKING THE WHOLE ARGENTINIAN FLEET. THIS WOULD BRING ABOUT THE COLLAPSE OF ANY AUTHORITY IN BUENOS AIRES AND THE CREATION OF CHAOS. THE LIVES OF ALL FOREIGN SUBJECTS WOULD BE ENDANGERED. THERE WOULD BE NO-ONE TO DEAL WITH IN ARGENTINA AND THE WHOLE AMERICAN WORLD WOULD BE ALIENATED. I REPEATED THE VIEW THAT I HAVE EXPRESSED TO HIM OFTEN THAT THE LATIN AMERICANS WILL NOT BE ALIENATED BY FORCE BUT THEY WILL DESPISE AND BE ENCOURAGED BY ANY SHOW OF WEAKNESS, PARTICULARLY WHEN WE HAVE THE CARDS IN OUR HANDS.

2. HAIG SAID NEVERTHELESS THAT HE THOUGHT IT WAS DESPERATELY URGENT FOR THE PRIME MINISTER TO PROPOSE A CEASEFIRE TO COME INTO EFFECT WITHIN A CERTAIN NUMBER OF HOURS. UNDER THIS PROPOSAL FOR A CEASEFIRE WE WOULD UNDERTAKE NOT TO SHELL OR ATTACK THE ISLANDS, NOR TO CARRY OUT ANY OFFENSIVE MILITARY OPERATIONS OUTSIDE THE TEZ. THE ARGENTINES WOULD UNDERTAKE TO WITHDRAW ALL NAVAL VESSELS FROM THE TEZ AND TO UNDERTAKE NO AIR ATTACKS. IF THE ARGENTINIANS REFUSE THIS CEASEFIRE, HOWEVER, THEY WOULD PUT THEMSELVES IN THE WRONG WITH WORLD OPINION AND MRS THATCHER WOULD HAVE SHOWN MAGNANIMITY IN VICTORY.

3. HAIG'S IDEA WAS THAT THIS CEASEFIRE WOULD BE FOLLOWED BY THE IMPLEMENTATION OF THE SEVEN-POINT PLAN. HE EXPECTS TO HEAR AGAIN FROM THE PRESIDENT OF PERU WITHIN A MATTER OF AN HOUR OR TWO AND IS MOST ANXIOUS TO HAVE SOME INKLING FROM LONDON ABOUT HOW HIS IDEAS ARE RECEIVED.

4. I TOLD HIM THAT AFTER WAITING THREE WEEKS WHILE THE ARGENTINIANS REINFORCED THE ISLANDS WE WERE NOT IN A MOOD TO RUSH TO AN ARMISTICE JUST BECAUSE THE ARGENTINIANS WERE LOSING HANDS DOWN. BUT HAIG SAID THAT HE THOUGHT THAT EVERYBODY KNEW NOW WHERE THE MILITARY SUPERIORITY LAY AND HE WAS VERY WORRIED IF WE GAVE THE IMPRESSION OF DRIVING THINGS TOO FAR.

5 I AM SORRY IF ALL THIS SOUNDS A BIT IMPETUOUS BUT I WOULD LIKE TO HAVE SOME SORT OF REACTION FROM YOU IF ONLY TO GIVE HAIG A STEER IN HIS PRESENT EXTREMELY ACTIVE FRAME OF MIND.

HENDERSON

NNNN

WONNY 101/3

ZZ F C O ~~000000~~

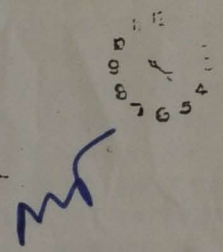
00 UKMIS NEW YORK

GR 770

SECRET

FM WASHINGTON 032012Z MAY 82
TO FLASH F C O
TELEGRAM NO 1574 OF 3 MAY
INFO IMMEDIATE UKMIS NEW YORK

3-MAY (111)



FALKLANDS

1. HAIG HAS BEEN ON THE TELEPHONE TO ME AT SOME LENGTH THREE TIMES ALREADY TODAY.

2. HE WAS ANXIOUS TO KNOW HOW YOU HAD GOT ON IN NEW YORK AND I TOLD HIM OF PEREZ DE CUELLAR'S IDEAS AND OF YOUR IMMEDIATE COMMENTS (UKMIS TELNO 631).

3 HE TOLD ME THAT HE HAD SPOKEN TO THE PERUVIAN PRESIDENT AT 1.00 AM TODAY. THE LATTER HAD COMPLAINED BITTERLY THAT BRITISH ACTION HAD TORPEDOED THE CHANCES OF PEACE. HE WAS CRITICAL OF THE USA AS WELL AS OF THE UK. THEY WOULD BOTH NOW HAVE TO PAY A HEAVY PRICE. HE HINTED THAT THE SOVIET UNION WOULD NOW BE INCREASINGLY INVOLVED. HAIG SAID THAT HE THOUGHT A GOOD DEAL OF JOINT THINKING WAS NEEDED ON HOW TO GET NEGOTIATIONS GOING AGAIN. THERE WAS A HEAD OF STEAM BUILDING UP IN THE AMERICAN HEMISPHERE. COSTA MENDEZ MIGHT COME BACK TO THE RIO TREATY ORGANISATION CONFIDENT THAT HE COULD GET SUPPORT FOR SANCTIONS. THE AMERICANS WOULD OF COURSE VETO IT BUT IT WOULD DIVIDE THE HEMISPHERE BETWEEN NORTH AND SOUTH. ACCORDING TO HIS INFORMATION THE MOOD IN BA WAS GETTING VERY UGLY BOTH AGAINST THE BRITISH AND AMERICANS. IT WAS BEING PUT ABOUT THAT THE CRUISER HAD BEEN HIT AS A RESULT OF INTELLIGENCE PASSED BY US SATELLITES AND WITH THE HELP OF A SPECIAL WEAPON PROVIDED BY THE AMERICANS. THE US AMBASSADOR IN BA WAS MOST ANXIOUS THAT SOME DIPLOMATIC INITIATIVE SHOULD BE TAKEN.

4. HAIG THOUGHT THAT THERE WAS A SERIOUS DANGER THAT IF FURTHER SUCCESSFUL MILITARY ACTION WAS TAKEN BY US U.S. OPINION, AND FOR THAT MATTER WESTERN OPINION MORE GENERALLY, MIGHT BECOME LESS FAVOURABLE TOWARDS US. PEOPLE MIGHT SAY WE WERE OVER-REACTING.

3. YOU DINED AT... WHO WAS ACCOMPANIED BY RAFAE AHMED AND A NOTE-TAKER.