RELEASED IN FULL

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ACTION ARA-16

INFO OCT-00 ADS-00 INR-10 EUR-12 SS-10 CIAE-00 DODE-00 H-01 IO-15 NSCE-00 NSAE-00 SSO-00 HA-06 L-03 PM-09 PA-01 INRE-00 SAL-01 ACDA-12 ICAE-00 SP-02

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O 141445Z APR 82 FM AMEMBASSY BUENOS AIRES TO SECSTATE WASHDC IMMEDIATE 3219 INFO AMEMBASSY LONDON IMMEDIATE

C O N F I D E N T I A L SECTION 1 OF 2 BUENOS AIRES 2228

EO 12065: GDS 4/14/88 (SHLAUDEMAN, HARR W.) OR-M TAGS: PBOR, MILI, PINT, PEPR, UK, FA, AR SUBJECT: FALKLANDS DISPUTE: GOA VERSION OF HAIG MISSION

- 1. (C) APRIL 14 EDITION OF "CLARIN" CARRIES AN ACCOUNT OF THE SECRETARY'S MISSION WHICH OBVIOUSLY COMES FROM THE UPPER REACHES OF THE GOA AND WHICH WE TAKE TO REFLECT THE ARGENTINE POSITION AS IT STANDS NOW. FOLLOWING IS A TRANSLATION OF THE ARTICLE IN FULL.
- 2. (U) BEGIN ARTICLE: THE UPS AND DOWNS OF A NEGOTIATION. ALEXANDER HAIG, SECRETARY OF STATE OF THE UNITED STATES, LEFT BUENOS AIRES LAST SUNDAY WITH AN ARGENTINE PRPOSAL FOR THE ESTABLISHMENT IN THE MALVINAS ISLANDS OF A "TRANSITION GOVERNMENT" UNTIL NEXT DECEMBER 31, HEADED BY AN ARGENTINE GOVERNOR, BUT HE ALSO CARRIED A "WORKING DRAFT" WHICH WAS ANALYZED ONLY BE ADVISERS FROM BOTH SIDES HERE, AND WAS NOT EXAMINED AT THE PRESIDENTIAL LEVEL OR BY FOREIGN MINISTER COSTA MENDEZ, AS WAS REVEALED YESTERDAY BY GOVERNMENT SOURCES QUOTED BY THE DYN NATIONAL AGENCY. SECRETARY HAIG SOUGHT TO USE THAT DRAFT - WHICH AT NO TIME BECAME AN OFFICIAL DOCUMENT OF THE ARGENTINE GOVERNMENT - IN HIS CONVERSATIONS WITH BRITISH CONFIDENTIAL

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AUTHORITIES DURING THE LATE HOURS."

3. ACCORDING TO THE SOURCES, IT WAS A "VAGUE PROPOSAL WITH REGARD TO WHAT WOULD HAPPEN TO THE DEPENDENCE OF

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THE ISLANDS AFTER DECEMBER 31, 1981, DEADLINE FOR THE ARGENTINE GOVERNMENT AS FAR AS FULL RECOGNITION OF SOVEREIGNTY IS CONCERNED."

- 4. IN THE OPINION OF THE OFFICIALS, "WITH THIS DRAFT THE UNITED STATES BECAME A DEFENDER OF PRIME MINISTER THATCHER, INSTEAD OF A FRIENDLY BROKER."
- 5. "ARGENTINA, THROUGHOUT THE CONVERSATIONS, CONSTANTLY REITERATED THAT IT WAS NOT ITS INTENTION TO HARM MRS. THATCHER NOR TO OFFEND BRITISH PRIDE, BUT ESSENTIALLY TO RECOVER SOVEREIGNTY OVER THE ISLANDS," THE SOURCES ADDED.
- 6. THE SOURCES RECALLED THAT GREAT BRITAIN ITSELF "HAD RECOGNIZED THE MALVINAS AS A COLONY IN THE UNITED NATIONS DECOLONIZATION COMMISSION, AS IS VERIFIED BY AN OFFICIAL LISTING COMPILED AT THE TIME BY THAT ORGANIZATIONS."
- 7. GOVERNMENT CIRCLES SUPPOSE THAT HAIG WENT TO WASHINGTON TO AWAIT THE RESULTS OF A MEETING TODAY OF THE BRITISH PARLIAMENT, AT WHICH TIME MARGARET THATCHER MUST REPORT ON THE RESULTS OF THE LENGTHY ROUND OF CONVERSATIONS IN LONDON-BUENOS AIRES-LONDON.
- 8. THESE RESULTS ARE ALSO BEING AWAITED WITH EXPECTATIONS IN BUENOS AIRES, WHICH BELIEVES THAT IF THE PRIME MINISTER IS FORCED TO RESIGN, SHE MIGHT BE REPLACED BY CURRENT FOREIGN SECRETARY PYM OR CONFIDENTIAL

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FORMER FOREIGN SECRETARY LORD CARRINGON WHICH COULD PERHAPS "FACILITATE CONVERSATIONS ON AN AGREEMENT, AND NEVER GOING BACK TO THE STATUS QUO THAT EXISTED ON THE ISLANDS BEFORE THE FIRST OF APRIL."

- 9. IF THIS COURSE WERE NOT FOLLOWD, THE SOURCES SAID THAT "IN THE ABSENCE OF A SOLUTION, THE ALTERNATIVE COULD BE, REGRETTABLY, WAR2 AND "BOTH THE BRITONS AND THE AMERICANS KNOW THAT WE ARE WELL PREPARED" FOR SUCH A CONTINGENCY.
- 10. THE SOURCES ADDED THAT THE ARGENTINE PROPOSAL THAT HAIG CARRIED TO LONDON ALSO OFFERED GUARANTEES TO THE MALVINAS RESIDENTS TO REMAIN ON OR LEAVE THE ISLANDS, AND, IN THE LATTER EVENT, WITH APPROPRIATE

INDEMNIZATION." THEY ADDED THAT ARGENTINE ALSO OFFERED "LATER NEGOTIATIONS WITH GREAT BRITAIN AS TO

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O 141445Z APR 82 FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC IMMEDIATE 3220

INFO AMEMBASSY LONDON IMMEDIATE

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ECONOMIC EXPLOITATION OF THE ISLANDS, AND MADE AN ADDITIONAL OFFER TO PROVIDE SUPPORT FROM THE ISLANDS IN THE FUTURE, IN THE EVENT OF AN INTERNATIONAL CONFLICT INVOLVING THE USSR AND THE BRITISH FLEET THAT MIGHT PARTICIPATE IN SUCH A CONFLAGRATION."

- 11. THE ARGENTINE PROPOSAL OF ESTABLISHING A TRANSITION GOVERNMENT HEADED BY AN ARGENTINE AND COMPOSED ALSO OF BRITONS AND REPRESENTATIVES OF THE UNITED NATIONS AND OF THE ORGANIZATION OF AMERICAN STATES (OAS) WITH THE "UNRENOUNCEABLE CONTINUATION OF THE USE OF THE NATIONAL FLAG ON THE ISLANDS" WAS NOT ACCEPTED DURING HAIG'S LATEST CONVERSATIONS IN LONDON.
- 12. IN REPLY, HAIG TRANSMITTED FROM THE BRITISH CAPITAL THE "IDEA OF ESTABLISHING A TRIPARTITE GOVERNMENT ON THE ISLANDS, COMPOSED OF ARGENTINES, BRITONS, AND AMERICANS, IN SHICH THE LATTER WOULD PLAY THE ROLE OF ARBITERS, ALL OF WHICH WAS REJECTED LAST NIGHT BY ARGENTINA," ACCORDING TO THE SOURCES.
- 13. THE IDEA, "UNACCEPTABLE TO BUENOS AIRES, ALSO CONFIDENTIAL

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PROVIDED THAT THE AMERICAN ROLE OF ARBITER WOULD CONTINUE UNTIL THE RESOLUTION, ON A DATE TO BE SET, OF THE QUESTION OF SOVEREIGNTY, TO WHICH END ANGLO-ARGENTINE CONVERSATIONS IN THE UN WERE SUGGESTED."

- 14. AS SOON AS THE REJECTION WAS COMMUNICATED TO HAIG, THE SECRETARY OF STATE SAID THAT HE WANTED TO GO BACK TO BUENOS AIRES TO CONTINUE THE CONVERSATIONS, TO WHICH "HE WAS TOLD THAT HE COULD DO SO, BUT WITH THE CAVEAT THAT IN ANY CASE THE ARGENTINE POSITION ON THE RETENTION OF THE GOVERNMENT OF THE ISLANDS AND OF KEEPING THE NATIONAL FLAG FLYING HAD NOT CHANGED AND WOULD NOT CHANGE."
- 15. THIS ARGENTINE REPLY LED TO NEW CONVERSATIONS ON MONDAY BETWEEN HAIG AND THE PRIME MINISTER OF GREAT BRITIAN, "THE RESULTS OF WHICH ARE NOT KNOWN, SINCE THE SECRETARY OF STATE DID NOT COMMUNICATE AGAIN WITH BUENOS AIRES, AND LEFT FOR WASHINGTON." END ARTICLE.

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