

BY NOT NARA, DATE 1/28/08

POINTS FOR COSTA MENDEZ

SITUATION IN BRITAIN

- AT LEAST AS TOUGH (AND UNIFIED) AS I HAD THOUGHT.
- SOME BACKLASH OF COURSE. WORRIES ARE SURFACING ABOUT COST OF WAR, POSSIBILITY OF LONG INVOLVEMENT, POSSIBLE LOSS OF CIVILIAN AS WELL AS MILITARY LIFE. WE HAVE SOME NEGOTIATION TALK AND WILL GET MORE.
- BUT THATCHER WAS ROCK-HARD. SHE IS, OF COURSE, FIGHTING FOR HER POLITICAL LIFE. BUT SHE IS ALSO CONVINCED SHE IS RIGHT. SHE WANTS RETRIBUTION. AND I THINK SHE CAN RALLY THE COUNTRY ON IT.

MILITARY SITUATION

- NOBODY KNOWS BUT HOW WELL THE BRITISH TASK FORCE WILL PERFORM, OR FOR HOW LONG.
- BUT THE BRITISH NAVY IS OBVIOUSLY COUNTING ON THE SUBMARINE AS ITS TRUMP CARD, ESPECIALLY IN THE CASE OF A LONG CRISIS. YOU ARE GOOD AT ASW -- BUT MAYBE NOT GOOD ENOUGH.
- ECONOMIC WEAPON COULD BE MORE POWERFUL. EC PROBABLY CAN BE MOBILIZED. WE ARE TELLING LONDON IT WOULD BE INCONSISTENT WITH THE PEACE EFFORT FOR US TO JOIN THE EMBARGO -- BUT IF THERE IS WAR OUR PUBLIC WILL FORCE US TO. BANK OF ENGLAND SAYS IT WANTS TO AWAIT ARGENTINE DEFAULT, BUT IT MAY HAPPEN ANYWAY.

DIPLOMATIC

- I PROBED FOR GIVE. FRANKLY FOUND NONE SO FAR. I HAVE SOME IDEAS YOU AND I CAN DISCUSS AFTER WE SEE GALTIERI. THEY ARE BASED ON THE NOTION THAT IT WILL BE INTOLERABLE

FOR YOU TO HAVE TAKEN THE ACTION YOU DID IN
VAIN. BUT UNLESS I CAN GO AWAY FROM HERE WITH
A WRITTEN PROPOSITION (NOT YOURS, MINE, BUT ONE YOU
CAN LIVE WITH) THERE WILL BE WAR. ARGENTINA HAS
MADE ITS POINT. I AM HOPEFUL WE CAN FIND A WAY TO
PROTECT THAT -- WITHOUT A CONFLICT.