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FILE: Records, 1981-1985  
**Folder Title:** ARGENTINA (04/06/1982-04/10/1982)  
**Box:** RAC Box 26

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# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection Name** EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

**Withdrawer**

MJD 7/26/2007

**File Folder** ARGENTINA (04/06/1982-04/10/1982)

**FOIA**

F1637

**Box Number** 26

VEIGEL

5

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
39328	MEMO	ALEXANDER HAIG TO THE PRESIDENT RE FALKLAND ISLAND DISPUTE <i>R 12/5/2017 NLR-748-26-6-1-2</i>	2	4/6/1982	B1
39329	MEMO	OLIVER NORTH TO ROBERT MCFARLANE RE FALKLANDS <i>R 11/2/2017 NLR-748-26-6-2-1</i>	1	4/6/1982	B1
39330	PAPER	RE FALKLANDS <i>R 11/2/2017 NLR-748-26-6-2-1</i>	2	ND	B1
39331	PAPER	RE FALKLANDS <i>R 11/2/2017 NLR-748-26-6-2-1</i>	5	ND	B1
39332	CABLE	071514Z APR 82 <i>R 12/5/2017 NLR-748-26-6-3-0</i>	2	4/7/1982	B1
39333	CABLE	070437Z APR 82 <i>R 12/5/2017 NLR-748-26-6-4-9</i>	2	4/7/1982	B1
39334	CABLE	070520Z APR 82 <i>R 12/5/2017 NLR-748-26-6-5-8</i>	3	4/7/1982	B1
39335	CABLE	080259Z APR 82 <i>R 12/5/2017 NLR-748-26-6-6-7</i>	2	4/8/1982	B1
39336	CABLE	081658Z APR 82 <i>R 12/5/2017 NLR-748-26-6-7-6</i>	2	4/8/1982	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

# WITHDRAWAL SHEET

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MJD 7/26/2007

**File Folder** ARGENTINA (04/06/1982-04/10/1982)

**FOIA**

F1637

**Box Number** 26

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
39337	CABLE	090131Z APR 82 <b>R 12/5/2017 NLR-748-26-6-8-5</b>	2	4/9/1982	B1
39338	CABLE	091154Z APR 82 <b>R 12/5/2017 NLR-748-26-6-9-4</b>	1	4/9/1982	B1
39339	CABLE	091435Z APR 82 <b>R 12/5/2017 NLR-748-26-6-10-2</b>	2	4/9/1982	B1
39340	CABLE	091640Z APR 82 <b>R 12/5/2017 NLR-748-26-6-11-1</b>	1	4/9/1982	B1
39341	CABLE	092036Z APR 82 <b>R 12/5/2017 NLR-748-26-6-12-0</b>	2	4/9/1982	B1
39342	PAPER	RE CONVERSATION WITH AL HAIG <b>R 12/5/2017 NLR-748-26-6-13-9</b>	1	ND	B1
39343	CABLE	101220Z APR 82 <b>R 12/5/2017 NLR-748-26-6-14-8</b>	1	4/10/1982	B1
39344	CABLE	100240Z APR 82 <b>R 12/5/2017 NLR-748-26-6-15-7</b>	4	4/10/1982	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
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- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

WHSR  
ROUTE SLIP

Time Stamp

STAFF	C/O
Clark	
McFarlane	
Poindexter	C
Merchant	O
NSC S/S	

82 APR 6 P 8: 39

WHITE HOUSE  
SITUATION ROOM

*cc Wheeler*

C : Copy

O : Original

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39328

THE SECRETARY OF STATE  
WASHINGTON



APR 6 1982 39

SENSITIVE

WHITE HOUSE  
SITUATION ROOM

MEMORANDUM FOR THE PRESIDENT

FROM: ALEXANDER M. HAIG, JR. *AMH*

SUBJECT: FALKLAND ISLANDS DISPUTE

In keeping with the initiatives you have taken with both Prime Minister Thatcher and President Galtieri and your offer of our good offices to help settle this most unfortunate dispute, I have begun to explore what we might be able to do. Today, I have talked personally with the UK and Argentine Ambassadors, as well as with the new UK Foreign Secretary, Francis Pym, by phone following receipt of a letter from him. Tonight I met with the visiting Argentine Foreign Minister. My objective in these discussions has been to listen to both sides and look for opportunities for diplomacy. I believe we have found a few.

We need now to move quickly, while there is still uncertainty on both sides and while each is having second thoughts. Furthermore, we should act before we are placed in an untenable position of having to compromise our impartiality if we are to be responsive to escalating British requests for assistance. In this connection you have just received a letter from Thatcher asking us to take a range of economic measures on their behalf.

Subject to your approval, and an indication from the British that they agree, I propose to go to London and Buenos Aires, leaving tomorrow or Thursday. The principal objective of this mission would be to test our understanding of each side's minimum requirements for a solution to the immediate problem of a prospective

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RDS 1,3, 4/6/02

DECLASSIFIED

Authority NUR-716-76-6-1-2

BY CW NARA DATE 12/5/7

3

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- 2 -

armed conflict in this hemisphere between two friends. If we are correct that the greatest concerns of the British are withdrawal of Argentine forces and respect for the rights of its subjects, and that the Argentines must have at least a change from UK administration of the Islands with the clear prospect of ultimate sovereignty, we will have a base on which we may be able to build at least a temporary settlement. Only a beginning, but an essential step to avert hostilities and lay the groundwork for a lasting solution.

Neither the British nor the Argentines want the OAS or the UN involved. Consequently, we are thinking of the formation of a neutral force to administer the Islands while the sovereignty issue is settled. This might include ourselves (the British will not accept less), the Canadians and two Latin countries. This will be a high risk mission but one I believe we must take if we are not to suffer a major setback to our policies in this hemisphere.

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RECEIVED 07 APR 82 08

TO PRESIDENT

FROM HAIG, A

DOCDATE 06 APR 82

UNCLASSIFIED UPON REMOVAL OF  
CLASSIFIED ENCLOSURE(S)

*was  
7/22/07*

KEYWORDS: GREAT BRITAIN

ARGENTINA

FOREIGN TRAVEL

CM

SUBJECT: FALKLAND ISLANDS DISPUTE & PROPOSED HAIG TRIPS TO LONDON & BUENOS  
AIRES

ACTION: PREPARE MEMO FOR CLARK DUE: 07 APR 82 STATUS S FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

RENTSCHLER

FONTAINE

WHEELER

COMMENTS \*\*CABINET LEVEL -- 3 HR TURNAROUND REQUIRED

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ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

*OBE per Rentschler. Discussed this morning  
4/7 C 4/7 OBE per Rentschler*

DISPATCH

W/ATTCH FILE

*PA* (C) *41*

2290

THE ~~WHITE HOUSE~~  
WASHINGTON

MCFARLANE'S COMMENT:

"Good analysis Ollie.  
The first landing makes  
more sense to me than  
the 2nd and 3rd."



National Security Council  
The White House

117

Package # 2290

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>JK</u>	<u>          </u>
Bud McFarlane	<u>2</u>	<u>          </u>	<u>          </u>
Jacque Hill	<u>3</u>	<u>M</u>	<u>          </u>
Judge Clark	<u>4</u>	<u>          </u>	<u>          </u>
John Poindexter	<u>          </u>	<u>          </u>	<u>          </u>
Staff Secretary	<u>          </u>	<u>          </u>	<u>I</u>
Sit Room	<u>          </u>	<u>          </u>	<u>          </u>
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
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I-Information    A-Action    R-Retain    D-Dispatch

cc: VP    Meese    Baker    Deaver

Other \_\_\_\_\_  
COMMENTS

NATIONAL SECURITY COUNCIL

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INFORMATION

April 6, 1982

MEMORANDUM FOR ROBERT C. McFARLANE

NOTED

FROM: OLIVER NORTH U

SUBJECT: The Falklands Situation: An Operational Perspective

At a neighborhood brunch on Sunday, MGEN T. A. Boam, C.P., the U.K. Military Attache, invited me aside for a "chat" about the current situation. Though professing little expertise in amphibious operations, he noted that all "proper preparations" had been made by Her Majesty's Fleet for such action. Our dialogue then evolved into a generic discussion of amphibious operations. Today, our DIA analysts delivered the two JCS background papers at Tabs A and B.

Based on my discussion Sunday and what appears to be serious deficiencies in the papers at Tabs A and B, I believe there is great potential for misreading current developments. Accordingly, I have drafted a brief analysis from a different perspective. The bottom line of the assessment at Tab I is to lend urgency to our efforts to defuse the situation.

*Good analysis. The first line makes more sense and*

CC: Thomas C. Reed

Attachments

- Tab I - Information Paper: Operational Perspective on the Falklands Situation
- Tab A - JCS Background Paper: British Options
- Tab B - JCS Background Paper: Current Assessment of Forces in the Falkland Islands Dispute

*Handwritten initials and signatures*

~~SECRET~~

Review on 4/5/1988  
Classified by O. North

DECLASSIFIED

Authority: NIE 710-26-62-1

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BY CX NARA DATE 11/21/7

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AN OPERATIONAL PERSPECTIVE ON THE FALKLANDS SITUATION

Contrary to the assessment in the two JCS background papers at Tabs A and B, the British have neither the political latitude nor the logistical staying power for a protracted operation in the South Atlantic. Further, the static "bean count" analysis of each side's assets (particularly the emphasis on fixed wing aircraft) denies the realities of marginal weather conditions and indicates a lack of understanding of the requisites for a successful forcible entry. Unless the United States moves from anything but very sub-rosa support for the British venture, the following conditions will continue to prevail:

- Domestic politics demand that if the Thatcher government is to survive, the Argentines must do no less than withdraw their forces.
- The U.K. task force will have little or no staying time in the area due to logistic constraints. Thus, the British must act promptly -- or not at all.
- Seasonal weather conditions (overcast frequent showers, high winds, low ceiling/visibility) in the area will mitigate Argentine local Tac Air superiority and enhance the utility of the U.K. Sea-Harriers.
- There are no less than 13 assailable beaches on the three islands. Seasonal sea states (4-6 feet) are marginal for our LCM's, but less so for better trained British coxswains.
- The U.K. task force has a significant NGF capability -- thus rendering the defenders' superiority in heavy weapons ashore less of a threat to an assault force.

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Review on 4/5/1988

Classified by Oliver North

DECLASSIFIED

Authority NLR-748-706-2-1

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BY CW NASA DATE 11/2/17

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-2-

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Unless Galtieri agrees to a withdrawal (under whatever face-saving facade we can help him concoct), we should expect the British to proceed as follows:

- A British ultimatum when their task force is within 24-48 hours of arrival -- with the same time- frame permitted for an affirmative Argentine response.
- If Galtieri does not respond positively in the time allowed:
  - .. Submarine attacks on Argentine surface assets in the area;
  - .. An immediate amphibious assault by commandos on South Georgia Island;
  - .. Follow-on British assaults on East and West Falkland.

The two JCS documents at Tabs A and B leave the impression that the British have other alternatives. Aside from mining the Rio de la Plata estuary (which is not mentioned in the JCS papers) -- there are no other viable options for the Thatcher government. A blockade is logistically infeasible and delay will rapidly degrade both the task force and homefront political patience.

The bottom line of this analysis is to lend urgency to on-going diplomatic initiatives that would result in a withdrawal of the Argentine forces. The confrontation scenario depicted above will likely result in moderate British casualties (400-600), the fall of the Galtieri government and consequent unpleasant revelations about Argentine measures to assist us with our problems further north. Though we may be in a no-win situation, we can do some decent damage control. The U.N. vote and less than full support for the Argentine action in the OAS points us to a sustained diplomatic effort to extricate the Argentine forces without bringing Galtieri down.

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Authority NLR-74876 to 2-1  
BY W. NARADATE/1/2/17

Background Paper for the Chairman, Joint Chiefs of Staff

SUBJECT: British Options in the Falkland Islands Dispute (U)

1. (U) PURPOSE: To provide the Chairman, Joint Chiefs of Staff with information for his use.

2. (U) POINTS OF MAJOR INTEREST:

a. (S/NOFORN) The UK will continue to seek a diplomatic solution during the lengthy transit of the Royal Navy Task Force. This effort will likely continue for a while after the task force is in the area, with the latter standing off in a show of force. If some amenable compromise cannot be achieved within a reasonable time, however, London appears intent on military action. Its precise measures will be limited by the fact that, although the Royal Navy enjoys a surface force superiority, it will be severely constrained by inadequate air cover and stretched supply lines. It is 4,000 miles to the small US facility on Ascension Island, where the UK does not maintain a garrison or prestocked supplies. The Royal Air Force will probably stage some items there for resupply as the task force passes by, however the distance precludes continuous effective resupply during operations. The British are looking at the possibility of obtaining base rights closer to the Falklands, however, there is little likelihood of this. Brazil and Uruguay have already stated they would not grant such a request. Chile has remained silent. Although alarmed that a successful Argentina may next turn to the disputed Chilean territory in the Beagle Channel, Santiago is unlikely to provide logistical support to the Royal Navy. However, should the British inflict substantial damage to the Argentine fleet, Chile may become more receptive to a British request.

b. (S/NOFORN) Given a decision to take military action, the most likely British response is a blockade of the Falklands. The task force's inadequate intercept capability will be a major drawback in preventing Argentine resupply by air. In addition, logistic constraints will again be an inhibiting factor in such a war of attrition. British actions against the Falklands will likely be coupled by an attempt to retake South Georgia. This island's distance from the mainland poses great logistics problems for Argentina and gives London an opportunity to achieve a psychological victory.

c. (S/NOFORN) A third, although unlikely, option is to engage the Argentine Navy to gain control of the seas off the Argentine coast. However, land-based aircraft from Southern Argentina will give Buenos Aires air superiority which may suffice to offset the Royal Navy's surface force advantage. Only two submarines, including one nuclear-powered, are known to be in the task force. Should additional subs be dispatched to augment the force, this option would become viable.

d. (S/NOFORN) A final option is an amphibious landing, either opposed near Port Stanley or unopposed elsewhere along the coast. The Royal Marine force numbers approximately 2,500 combat troops. At least some of these are mountain and arctic qualified. However, the approach of winter weather will create additional hazards for this option if it is not exercised quickly.

~~SECRET NOFORN~~

Classified by JS

Declassify on 05 APR 02

Background Paper for the Chairman, Joint Chiefs of Staff

SUBJECT: Current Assessment of Forces in the Falkland Islands Dispute (U)

1. (U) PURPOSE: To provide the Chairman, Joint Chiefs of Staff with information for his use.

2. (U) POINTS OF MAJOR INTEREST:

a. (S/NOFORN) Argentine military capabilities:

-- The major liability of the Argentine forces is low sustainability due to the age and diversity of equipment as well as poor logistic practices.

-- Army

-- Estimated strength of 85,000 troops tactically oriented around 12 brigades.

-- Army capabilities include full range of combat arms and combat support units.

-- Normal deployment of Army orients on perceived Chilean and Brazilian threats.

-- Mobile air defenses are primarily operated by the Army and include 20-mm through 40-mm air defense guns, mobile surface-to-air missiles, and Oerlikon Skyguard acquisition and fire control systems.

-- Navy

-- Operational ship strength of 3 submarines, 1 aircraft carrier, and 10 principal surface combatants.

-- Personnel strength of some 36,000 includes nearly 50 percent conscripts who have just begun their training cycle.

-- Naval capability will trail off rapidly when forces are confronted due to low sustainability.

-- Naval air defense is provided primarily by A-4 aircraft although several combatants include ADA guns and Seacat and Sea Dart SAMs.

-- Air Force

-- Strategic air limited to 10 Canberra B-6 bombers (B-57).

-- Air defense is a strength of the Air Force with 17 Mirage III's and 33-35 Mirage V's. Combat radii of these aircraft are believed to be in excess of 650 nautical miles.

-- Tactical assets are 56 A-4 Skyhawks and more than 60 indigenously produced IA-58 Pucarás. Some A-4s include the Israeli "Shafrir" air-to-air missile.

-- Two KC-130 tankers provide air-to-air refueling capabilities for A-4 aircraft.

b. (S/NOFORN) Argentine military options:

-- Defend Argentine territory, to include the Falkland Island group.

-- Attack the British task force before it moves into position off the coast of Argentina.

-- Withdraw from the Falkland Islands when the British Fleet arrives.

-- The Argentines are more likely to adopt the defend-in-place option. They will use submarines to detect and track the British fleet, respond to moves by the fleet, but ultimately defend from attack all territories with its fully mobilized armed forces.

c. (S/NOFORN) British capabilities:

-- Ascension Island

-- No POL prestocked.

-- One asphalt runway (10,000' X 150') in good condition.

-- Some communications capability.

-- May send Royal Marine Commando company.

-- Royal Marines Third Commando Brigade in British Task Force.

-- Manpower approximately 2500-3000 in three commandos-- the 40th, 42d and 45th.

-- Training Basically infantry, with emphasis on special operations.

-- 42d and 45th Commandos are both mountain and arctic warfare trained.

-- Armament is standard NATO small arms plus three heavier weapons (each commando):

- 19 81-mm mortars
- 60 51-mm mortars
- 100 84/120-mm antitank weapons
- 63 Milan antitank missiles
- 18 105-mm howitzers

-- Each commando is a lightly equipped infantry unit, with a minimum of administrative detail, trained for cliff and assault landings and raids, or landings on difficult beaches.

-- Almost no capability for sustained combat operations since their normal deployment anticipates British Army control, heavy weapons, and administrative/logistic support. A reinforced commando is capable of limited operations for 30 days, relying solely on shipborne supply. A major logistics problem lies in second-line support for commandoes when in the field.

-- Ships capabilities:

-- Royal Navy Task Force is forming and will include the following ships, some of which deployed on 5 April.

-- Antisubmarine warfare carrier Invincible with 5 Sea Harrier V/STOL aircraft, 9 Sea King helicopters and twin Sea Dart SAM.

-- Helicopter carrier Hermes normally embarks 1 commando (800 men) and can embark an additional commando in an emergency (about 1600 total); it can also carry 3213 tons fuel oil, 815 tons diesel fuel, 51 tons AVGAS, 4 LCVP, 16 Wessex assault helicopters and 4 Gazelle assault helicopters; one leg is 5,950 nm steaming at 20 knots.

-- LPD assault ship Fearless normally can carry 319 marines, an additional 700 in an emergency by putting 300 on the tank deck; can also carry 2300 tons of cargo, 4 LCM (1 Chieftain or 2 Centurion tanks in each); one leg is 7,500 nm steaming at 17 knots.

-- Sir Lancelot class logistics landing ships (LSLO each can carry 340 troops, 1000 tons palletized cargo, 120 tons POL, 1200 tons fresh water, provisions for 28 days for crew and troops and 17 tanks and trucks; one leg is 9,800 nm steaming 17 knots.

-- 5 guided missile destroyers:

-- 2 County class with 2 4.5" guns, 4 Exocet SSM, 1 twin Seaslug and 2 quad Seacat SAMs.

-- 3 Sheffield class (type 42) with 1 4.5" gun and 1 twin Sea Dart w/SS capability.

-- 13 Frigates

-- 3 Type 22 with 4 Exocet SSM and 2 6-tube Sea Wolf SAM.

-- 4 Rothesay class with 2 4.5" guns and 1 quad Seacat SAM.

-- 2 Type 21 with 1 4.5" gun, 4 Exocet SSM and 1 quad Seacat SAM.

-- 4 Leander class with SAM, 1 quad Seacat, and 1 Limbo anti-ship weapon.



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14

-- 1 Fort Class AOE Fort Austin capable of carrying 3500 tons of armaments/victuals.

-- 1 Hudson Class AO Appleleaf.

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UNCLASSIFIED UPON REMOVAL OF  
CLASSIFIED ENCLOSURES

*mjh  
7/20/07*

RECEIVED 08 APR 82 09

TO MCFARLANE

FROM NORTH

DOCDATE 06 APR 82

KEYWORDS: MILITARY OPERATIONS ARGENTINA BOAM, T  
GREAT BRITAIN

SUBJECT: OPERATIONAL PERSPECTIVE ON FALKLAND SITUATION

ACTION: FOR INFORMATION DUE: STATUS IX FILES

FOR ACTION FOR CONCURRENCE FOR INFO  
MCFARLANE REED

COMMENTS

REF# LOG NSCIFID ( C / )

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
	4/13	Mcfarlane noted w/ comment		
	4/13	Clark noted		DN

DISPATCH

W/ATTCH FILE *PH* (C)

*Cum*

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39332 16

WHITE HOUSE SITUATION ROOM

PAGE 01 OF 02 BUENOS AIRES 2047  
SIT574 DATE 04/15/82

DTG: 071514Z APR 82 FSN: 029423  
TOR: 097/2225Z

DISTRIBUTION: REPT /001

WHTS ASSIGNED DISTRIBUTION:

SIT: MCF WHLR JP VP SIT EOB  
EOB:  
WHSR COMMENT:

MESSAGE ANNOTATIONS:

NO MESSAGE ANNOTATIONS

MESSAGE:

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~~SECRET~~ BUENOS AIRES 2047  
NODIS

EO 12065: GDS 4/7/88 (SHLAUDEMANN, HARRY W.) OR-M  
TAGS: PBOR, MILI, FK, UK, AR  
SUBJECT: SECRETARY'S APRIL 6 MEETING WITH COSTA MENDEZ  
REF: STATE 92492

1. S - ENTIRE TEXT.
2. "CLARIN" QUOTES COSTA MENDEZ AS SAYING AFTER HIS MEETING WITH THE SECRETARY THAT "MILITARY TENSION IS TENDING TO DJMINISH."
3. TODAY (APRIL 7) GENERAL MENENDEZ IS TO BE SWORN IN AS GOVERNOR OF THE MALVINAS AT PUERTO RIVERO (EX-STANLEY). INTERIOR MINISTER SAINT JEAN WAS QUOTED ON MONDAY AS SAYING THAT HE DID NOT PLAN TO GO OUT TO THE MALVINAS FOR THE CEREMONY AND THAT A MILITARY AUTHORITY ON THE ISLAND WOULD ADMINISTER THE OATH. THAT HAS NOW CHANGED. SAINT JEAN, ACCOMPANIED BY A LARGE DELEGATION OF POLITICIANS, LABOR LEADERS AND REPRESENTATIVES OF BUSINESS ORGANIZATIONS, IS FLYING OUT TO PUERTO RIVERO THIS MORNING FOR WHAT WILL SURELY BE A MEDIA EVENT OF CONSIDERABLE PROPORTIONS.
4. COMMENT: IN PUBLIC STATEMENTS SAINT JEAN HAS NOT CLOSED THE DOOR ON WITHDRAWING ARGENTINE TROOPS FROM THE ISLANDS (SEPTEL). BUT THE SWEARING-IN OF

MESSAGE (CONTINUED):

MENENDEZ WITH SUCH A SUBSTANTIATED DISPLAY OF NATIONAL UNITY IS NOT REASSURING. COSTA MENDEZ'S STATEMENT SUGGESTS THAT NOW THAT WE HAVE TAKEN A HAND, THE THREAT OF BRITISH MILITARY ACTION IS NOT TO BE TAKEN AS SERIOUSLY AS BEFORE. THE ARGENTINES HAVE DMONSTRATED AN IMPRESSIVE CAPACITY FOR SELF-DELUSION THROUGHOUT THIS AFFAIR. I REPORT THESE INDICATIONS OF GOA ATTITUDES HAVING IN MIND THE PRESS REPORTS THAT THE SECRETARY WILL BE SEEING COSTA MENDEZ AGAIN TODAY.  
SHLAUDEMANN

SECRET

DECLASSIFIED  
Authority NLR-748-2-630  
BY CV NARA DATE 12/5/17

~~SECRET~~

WHITE HOUSE SITUATION ROOM

17

PAGE 02 OF 02 BUENOS AIRES 2047

DTG: 071514Z APR 82 PSN: 029423

BUENOS AIRES 2047

DTG: 071514Z APR 82 PSN: 029423

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SECRET

39333 18

WHITE HOUSE SITUATION ROOM

PAGE 01 OF 02 SECSTATE WASHDC 2491  
SIT277 DATE 04/14/82

DTG: 070437Z APR 82 PSN: 028311  
TOR: 097/0512Z

DISTRIBUTION: REPT /001

WHTS ASSIGNED DISTRIBUTION:

SIT: CKLS FONT RENT  
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WHSR COMMENT: CHECKLIST

MESSAGE ANNOTATIONS:

NO MESSAGE ANNOTATIONS

MESSAGE:

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AMEMBASSY LONDON IMMEDIATE 2661

INFO WHITE HOUSE IMMEDIATE 7331  
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~~SECRET~~ STATE 092491  
NODIS

E. O. 12065: RDS-1 4-6-12 (HAIG, A.)  
TAGS: AR, UK, FA  
SUBJECT: FALKLANDS DISPUTE: SECRETARY'S MEETING WITH  
ARGENTINE AMBASSADOR

1. SECRET - ENTIRE TEXT.

2. THE SECRETARY CALLED IN ARGENTINE AMBASSADOR ESTEBAN TAKACS APRIL 6 AT 2:30 P.M. HE HAD JUST MET WITH THE BRITISH AMBASSADOR (SEPTEL). ARGENTINE FOREIGN MINISTER IS RETURNING FROM NEW YORK FOR A MEETING WITH THE SECRETARY AT 6:30 P.M. APRIL 6.

3. THE SECRETARY LAID OUT THE PROBLEM AS WE SEE IT. THE WAY EVENTS ARE GOING, ARGENTINA AND THE UK ARE HEADING FOR A MAJOR CONFLICT. THE THATCHER GOVERNMENT IS UNDER TREMENDOUS PRESSURE AND, WITH A NEW FOREIGN MINISTER, THE MINISTRY OF DEFENSE IS IN THE DRIVER'S SEAT. EMOTIONS

MESSAGE (CONTINUED):

ARE VERY HIGH IN LONDON AND THERE ARE MANY WHO LOOK FORWARD TO SINKING THE ENTIRE ARGENTINE NAVY.

4. THE SECRETARY TOLD TAKACS THAT HE HAD CALLED THESE MEETINGS AS FOLLOW-UP TO THE PRESIDENT'S OFFER OF OUR GOOD OFFICES. IT IS VITAL TO WESTERN INTERESTS THAT WE FIND A WAY TO AVOID FURTHER CONFLICT BETWEEN

ARGENTINA AND THE UK. WE ARE WILLING TO DEVOTE ALL OUR ENERGIES TO SUCH AN EFFORT, BUT IT IS IMPORTANT THAT WE MOVE QUICKLY. THE CLOSER THE BRITISH FLEET GETS TO ARGENTINA, THE MORE DIFFICULT IT WILL BE FOR THE THATCHER GOVERNMENT TO PULL IT BACK; AND THERE MAY BE A SIMILAR PSYCHOLOGICAL IMPACT ON THE ARGENTINE GOVERNMENT. THE SECRETARY SUGGESTED THAT GALTIERI'S SURVIVAL

DECLASSIFIED  
Auth: MR-749-76649  
BY CW NADADATE 12/8/17

SECRET

~~SECRET~~

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# WHITE HOUSE SITUATION ROOM

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MIGHT ALSO BE AT STAKE.

5. THE SECRETARY NOTED THAT, APART FROM OUR POSITION ON THE UN VOTE, WE WANTED TO BE ABLE TO MEDIATE NEUTRALLY AND IMPARTIALLY IN ORDER TO PERFORM THE GOOD OFFICES ROLE. HE THEN ASKED TAKACS FOR ANY SUGGESTIONS HE HAD AT THIS TIME REGARDING A POSSIBLE PEACEFUL SOLUTION. TAKACS SAID HE WAS SPEAKING PERSONALLY AND ASKED THAT HIS THOUGHTS BE TREATED ACCORDINGLY. IN TAKACS' VIEW, THE FIRST REQUIREMENT IS FOR THE TWO PARTIES TO "SEND SIGNALS THAT THEY WANT TO NEGOTIATE. SECOND, THERE IS NEED FOR AN INTERMEDIARY. IN THE FIRST INSTANCE AT LEAST, TAKACS WOULD LIKE TO SEE THIS DONE BY THE UNITED STATES. HE DOES NOT THINK AN INTERNATIONAL ORGANIZATION OR A GROUP OF COUNTRIES WOULD WORK AS WELL. REPEATING PREVIOUS GOA STATEMENTS, TAKACS DESCRIBED SOVEREIGNTY AS THE ONE ISSUE THAT THE GOA COULD NOT YIELD ON, BUT HE LATER AGREED WITH A SUGGESTION OF THE SECRETARY THAT THERE MIGHT BE SOME WAY TO DEFER THE QUESTION.

6. THE SECRETARY SUGGESTED IT MIGHT BE DESIRABLE TO SET UP A QUADRIPARTITE GROUP WITH CANADA, THE U.S AND TWO LATIN AMERICAN COUNTRIES AS MEMBERS AND THAT A SATISFACTORY SOLUTION MIGHT INVOLVE SOME FORM OF JOINT ADMINISTRATION OF THE ISLANDS UNDER OAS OR OTHER AUSPICES.

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MESSAGE (CONTINUED):

IMPLICIT IN THIS CONTEXT WAS THE WITHDRAWAL OF ARGENTINE FORCES. THE SECRETARY DID NOT SEE HOW THE SOVEREIGNTY ISSUE COULD BE RESOLVED NOW; THAT WOULD TAKE TIME. ASKED FOR HIS OPINION, TAKACS DESCRIBED THE SECRETARY'S IDEAS AS "AT THE EXTREME OF WHAT THE GALTIERI GOVERNMENT MIGHT BE ABLE TO ACCEPT."

7. OTHERS PRESENT AT THE MEETING WERE ASSISTANT SECRETARY ENDERS AND ARA/SC SERVICE. HAIG

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~~SECRET~~

~~SECRET~~

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WHITE HOUSE SITUATION ROOM

39334

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SIT274 DATE 04/14/82

DTG: 070520Z APR 82 PSN: 028330  
TOR: 097/0544Z

DISTRIBUTION: REPT /001

WHTS ASSIGNED DISTRIBUTION:

SIT: CKLS FONT RENT  
EOB:  
WHSR COMMENT: CHECKLIST

MESSAGE ANNOTATIONS:

NO MESSAGE ANNOTATIONS

MESSAGE:

IMMEDIATE  
DE RUEHC #2492 0970540  
O 070520Z APR 82 ZFF6  
FM SECSTATE WASHDC

TO AMEMBASSY BUENOS AIRES IMMEDIATE 4741

INFO AMEMBASSY LONDON IMMEDIATE 2663  
WHITE HOUSE IMMEDIATE 7332  
BT

SECRET STATE 092492  
NODIS

E. O. 12065: RDS-1, 3 4/6/12 (ENDERS, T. O.)  
TAGS: UK, AR, US

SUBJECT: SECRETARY'S APRIL 6 MEETING WITH ARGENTINE  
FOREIGN MINISTER COSTA MENDEZ (FALKLANDS DISPUTE)

DECLASSIFIED  
Authority: NLZ-748-76-6-5-8  
BY: [Signature] NARA DATE 12/5/17

1. S - ENTIRE TEXT

2. SUMMARY: AT ONE HOUR MEETING APRIL 6 THE SECRETARY SET FORTH TO ARGENTINE FOREIGN MINISTER COSTA MENDEZ THE SERIOUSNESS OF THE CURRENT SITUATION, OUR PRELIMINARY IDEAS ON HOW IT MIGHT BE RESOLVED IN A PEACEFUL MANNER, AND THE NEED FOR URGENT ACTION. COSTA MENDEZ SAID HE WOULD CALL HIS PRESIDENT TONIGHT AND BE BACK IN TOUCH AS SOON AS POSSIBLE. DEPENDING ON THE ARGENTINE RESPONSE, THE SECRETARY WOULD CONSIDER FLYING TOMORROW TO LONDON AND FROM THERE TO BUENOS AIRES.

3. THE SECRETARY BEGAN THE CONVERSATION BY DELINEATING THE COLLISION COURSE THAT THE ARGENTINE AND THE UK

MESSAGE (CONTINUED):

ARE NOW ON. FURTHER CONFLICT WOULD BE DISASTROUS FOR BOTH COUNTRIES: IN THE CASE OF THE ARGENTINES IT COULD WELL MEAN THE DESTRUCTION OF MUCH OF ITS FLEET. THE FURTHER THE BRITISH FLEET MOVES TOWARD

THE SOUTH ATLANTIC, THE HARDER IT WILL BE TO FIND A PEACEFUL SOLUTION. THE US IS PREPARED TO DO EVERYTHING POSSIBLE TO FIND A FORMULA THAT WOULD PERMIT BOTH COUNTRIES TO SAVE FACE. IT IS IN ALL OUR INTERESTS THAT WE SUCCEED.

4. COSTA MENDEZ WELCOMED OUR OFFER OF HELP BUT NOTED THAT THIS CRISIS HAS COME ABOUT BECAUSE THERE WAS ALMOST NO ATTENTION GIVEN PREVIOUSLY TO THE DEPTH OF ARGENTINE FEELING ON THE MATTER. HE REPEATED THE STANDARD GOA LINE ON GUARANTEES FOR THE ISLANDERS.

~~SECRET~~

SECRET

WHITE HOUSE SITUATION ROOM

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5. THE SECRETARY SAID HE WANTED TO GET MORE SPECIFIC. THERE ARE TWO CRITICAL CONDITIONS THAT MUST BE ADDRESSED IF CONFLICT IS TO BE AVOIDED: THE BRITISH FLEET MUST STOP MOVING SOUTH; THE ONLY WAY THAT WILL HAPPEN IN OUR VIEW IS IF THE GOA AGREES TO AN ALTERNATIVE ADMINISTRATIVE ARRANGEMENT ON THE FALKLAND ISLANDS (I. E., WITHDRAWAL OF ITS MILITARY FORCES). THE SECRETARY SAID THAT A WAY MUST BE FOUND TO DELAY FINAL RESOLUTION OF THE SOVEREIGNTY ISSUE. THERE IS NO POSSIBILITY THAT THE BRITISH GOVERNMENT WOULD RECOGNIZE ARGENTINE SOVEREIGNTY AT THIS TIME.

6. COSTA MENDEZ MADE CLEAR THAT IT WOULD BE VERY DIFFICULT FOR THE GOA TO BACK DOWN FROM ITS RECENT SUCCESS IN ESTABLISHING DE FACTO SOVEREIGNTY AND CONTROL. HE WENT BACK OVER THE HISTORY OF NEGOTIATIONS WITH THE UK, CLAIMING THAT THE BRITISH HAVE ON SEVERAL OCCASIONS BEEN ON THE VERGE OF ACCEDING TO THE ARGENTINE CLAIM. IT IS, IN COSTA MENDEZ'S VIEW, A MUCH MORE IMPORTANT ISSUE TO THE ARGENTINE PEOPLE THAN TO THE BRITISH. HE MUSED ABOUT THE INCREDIBLE SITUATION THAT HAS NOW ARISEN. NEVERTHELESS, HE AGREED THAT HE WOULD DO EVERYTHING POSSIBLE TO FIND AND CONVINCE HIS GOVERNMENT OF THE NEED FOR A FORMULA THAT FINESSES

MESSAGE (CONTINUED):

THE SOVEREIGNTY ISSUE AT THE PRESENT TIME.

7. THE SECRETARY THEN SUMMARIZED THE POSSIBLE ELEMENTS OF A SOLUTION: AGREE TO REMOVE ARGENTINE FORCES AND HALT THE FLEET; SET UP AN IMPARTIAL, THIRD PARTY, ADMINISTRATION FOR THE ISLANDERS; AND, FINALLY, RESOLVE THE SOVEREIGNTY ISSUE THROUGH A NEGOTIATING PROCESS. REGARDING THE IMPARTIAL ADMINISTRATIVE ROLE, THE SECRETARY SUGGESTED THAT IT MIGHT BE BEST TO HAVE OTHER COUNTRIES INVOLVED, PERHAPS THE CANADIANS, OURSELVES, AND TWO LATIN AMERICAN COUNTRIES. COSTA MENDEZ DID

SUGGEST AS HIS OWN PERSONAL IDEA (HE EMPHASIZED HE HAD NOT DISCUSSED IT WITH GALTIERI) THAT IT MIGHT BE MORE PRACTICAL TO THINK IN TERMS OF A JOINT ANGLO-ARGENTINE ADMINISTRATIVE STRUCTURE, PERHAPS WITH A THIRD PARTY TO HELP RESOLVE ANY PROBLEMS THAT MIGHT ARISE.

8. IN SUMMARIZING, THE SECRETARY SAID HE NEEDED TO KNOW FROM THE GOA IF WE CAN KEEP THE SOVEREIGNTY ISSUE OUT FOR NOW, YET FIND A FORMULA THAT WILL REPRESENT A SUFFICIENTLY GREAT CHANGE FROM THE PREVIOUS STATUS SO THAT THE GOA CAN EXPLAIN THE PARTIAL BACKDOWN TO ITS OWN PEOPLE. THE SECRETARY SUGGESTED THAT IF THE GOA CAN AGREE TO DEFER THE SOVEREIGNTY ISSUE IN THIS FASHION, HE WOULD BE WILLING TO GO TO LONDON IMMEDIATELY AND, DEPENDING ON THE RESPONSE FROM PRIME MINISTER THATCHER, FROM THERE TO BUENOS AIRES. COSTA MENDEZ SAID HE WOULD TALK TO PRESIDENT GALTIERI TONIGHT AND GET BACK AS SOON AS POSSIBLE.

9. OTHERS PRESENT AT THE MEETING WERE ARGENTINE AMBASSADORS S TAKACS AND FIGUEROA, ASSISTANT SECRETARY ENDERS, AND ARA/SC SERVICE.

10. THIS MESSAGE FOR YOUR INFO ONLY. HAIG

SECRET



~~SECRET~~

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WHITE HOUSE SITUATION ROOM

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SECSTATE WASHDC 2492

DTG: 070520Z APR 82 PSN: 028330

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39335 23

WHITE HOUSE SITUATION ROOM

PAGE 01 OF 02 SECSTATE WASHDC 3478  
SIT676 DATE 04/15/82

DTG: 080259Z APR 82 PSN: 029882  
TOR: 098/0338Z

DISTRIBUTION: REPT /001

WHTS ASSIGNED DISTRIBUTION:

SIT: MCF VP SIT WHLR JP EOB  
EOB: FONT  
WHSR COMMENT: NODIS

MESSAGE ANNOTATIONS:

NO MESSAGE ANNOTATIONS

MESSAGE:

IMMEDIATE  
DE RUEHC #3478 0980337  
O 080259Z APR 82 ZFF6  
FM SECSTATE WASHDC

TO AMEMBASSY BUENOS AIRES IMMEDIATE 4776

INFO AMEMBASSY LONDON IMMEDIATE 2732  
WHITE HOUSE IMMEDIATE 7337  
BT

~~SECRET~~ STATE 093478  
NODIS  
E.O. 12065: RDS-3 4/7/2002 ENDERS, THOMAS O.)  
TAGS: AR, UK, FA  
SUBJECT: FALKLANDS DISPUTE

DECLASSIFIED  
Authority: NIJ-740-26-b-6-7  
BY CN NARA DATE 12/5/17

1. SECRET - ENTIRE TEXT.
2. COSTA MENDEZ PHONED THE SECRETARY LAST NIGHT APRIL 6 TO SAY ARGENTINA ACCEPTED THE U.S. OFFER OF ASSISTANCE WE ARE NOT USING THE TERM "GOOD OFFICES" AND THAT HE WOULD BE WELCOME TO COME TO BUENOS AIRES. SECRETAR WILL FIRST VISIT LONDON.
3. IT WOULD BE USEFUL FOR YOU TO CALL GALTIERI AT THIS POINT. SAY SECRETARY IS LOOKING FORWARD TO COMING TO BA. REITERATE WHAT SECRETARY TOLD COSTA MENDEZ--THAT HE WOULD NOT PUT HIMSELF AT THE DISPOSITION OF THE PARTIES IF THE SINE QUA NON WERE INSTANT SOLUTION OF A 150 YEAR OLD CONFLICT, INCLUDING AGREEMENT ON

MESSAGE (CONTINUED):

SOVEREIGNTY ISSUES, BUT THAT WE ARE SENSITIVE TO ARGENTINE CONCERNS TO ADVANCE AN ISSUE WHICH HAS BEEN ON DEAD CENTER FOR SO LONG. AND HOPE WE CAN BE HELPFUL TO OUR TWO OLD FRIENDS IN THIS REGARD.

4. LET US KNOW (REPORT TO LONDON) IF YOU PICK UP ANY SIGNALS DIFFERENT THAN THOSE COSTA MENDEZ IS GIVING OFF--THAT IS THAT A FORM OF WORD CAN BE FOUND ON SOVEREIGNTY, BUT THAT RETENTION OF AN ARGENTINE ADMINISTRATIVE PRESENCE ON THE ISLANDS IS IMPORTANT, AND, OF COURSE, AS MUCH A SENSE OF DIRECTION IN THE NEGOTIATIONS AS POSSIBLE. HAIG

~~SECRET~~

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WHITE HOUSE SITUATION ROOM

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DTG: 080259Z APR 82 PSN: 029882

SECSTATE WASHDC 3478

DTG: 080259Z APR 82 PSN: 029882

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WHITE HOUSE SITUATION ROOM

39336

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PAGE 01 OF 02 BUENOS AIRES 2103  
SIT573 DATE 04/15/82

DTG: 081658Z APR 82 PSN: 030739  
TOR: 098/1814Z

DISTRIBUTION: REPT /001

WHTS ASSIGNED DISTRIBUTION:

SIT: WPC MCF WHLR JP VP SIT EOB  
EOB:  
WHSR COMMENT: NODIS/CHECKLIST

MESSAGE ANNOTATIONS:

NO MESSAGE ANNOTATIONS

MESSAGE:

IMMEDIATE  
DE RUESBA #2103 0981720  
O 081658Z APR 82 ZFF-6  
FM AMEMBASSY BUENOS AIRES

TO AMEMBASSY LONDON IMMEDIATE 1098

INFO SECSTATE WASHDC IMMEDIATE 3122  
THE WHITE HOUSE IMMEDIATE  
BT

~~SECRET~~ BUENOS AIRES 2103  
NODIS

FOR: ENDERS

E. O. 12065: RDS-3 4/8/2002 (SHLAUDEMAN, HARRY W.) OR-A

TAGS: AR, UK, FA

SUBJECT: FALKLAND ISLAND DISPUTE

REF: STATE 093478

1. SECRET-ENTIRE TEXT.

2. I WILL PASS ALONG THE MESSAGE TO GALTIERI.

3. NEGOTIATIONS: UNDER SECRETARY ROS CALLED ME IN THIS MORNING TO DISCUSS ARRANGEMENTS FOR THE SECRETARY'S VISIT. HE COMPLAINED ABOUT THE HARSH STATEMENTS COMING OUT OF LONDON AND SAID THESE WOULD MAKE NEGOTIATIONS MORE DIFFICULT. WITH RESPECT TO THE BRITISH POSITION THAT THERE CAN BE NO MEDIATION OR NEGOTIATION UNTIL THE ARGENTINES WITHDRAW FROM THE ISLANDS, ROS SAID IT WOULD SEEM MORE APPROPRIATE TO TALK OF ACCOMPLISHING THE TWO PRINCIPAL OBJECTIVES OF THE UNSC RESOLUTION "SIMULTANEOUSLY," I. E., THE ARGENTINES TO WITHDRAW THEIR MILITARY FORCES AND THE BRITISH TO TURN THEIR FLEET BACK AT THE SAME

MESSAGE (CONTINUED):

TIME. ROS SAID THIS WAS STRICTLY A PERSONAL REFLECTION. HE EMPHASIZED THAT THE FOREIGN MINISTRY WANTS AND HAS ALWAYS WANTED A NEGOTIATED SOLUTION.

4. THE PROBLEM IS THAT ROS AND COSTA MENDEZ DO NOT SPEAK FOR THE NAVY. WE ARE GETTING ULTRA-TOUGH SOUNDS OUT OF THAT QUARTER, INCLUDING STATEMENTS THAT THE SECRETARY SHOULD NOT COME HERE BECAUSE ALL HE WILL BE DOING IS CARRYING THE CAMPAIGN OF PRESSURE AND DISINFORMATION THE NAVY INTELLIGENCE CHIEF, ADMIRAL GIRLING, HAS BEEN CONDUCTING AGAINST US FROM THE OUTSET. BUT FEELINGS ARE RUNNING HIGH IN THE NAVY. ONE BITTER COMPLAINT FOR THE MARINE BRANCH OF THAT SERVICE IS THAT THE COMMANDOS FAILED TO ACHIEVE COMPLETE SURPRISE AND THUS TOOK CASUALTIES IN THEIR MALVINAS LANDING BECAUSE WE HAD GIVEN THE BRITISH ADVANCE INTELLIGENCE OBTAINED BY

DECLASSIFIED  
Authority PLR 748-266-7-6  
BY CN DATE 12/3/7

~~SECRET~~

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WHITE HOUSE SITUATION ROOM.

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DTG: 081658Z APR 82 PSN: 030739

"SATELLITE." OUR CURRENT IMPRESSION IS THAT THE OTHER TWO SERVICES ARE MORE FLEXIBLE.

5. IN THE EVENT THERE IS ANYTHING MORE TO CONVEY, I AM SEEING COSTA MENDEZ AT 1700 HOURS LOCAL TIME TO DISCUSS FURTHER THE ARRANGEMENTS FOR THE SECRETARY'S STAY HERE. SHLAUDEMANN

BUENOS AIRES 2103

DTG: 081658Z APR 82 PSN: 030739

~~SECRET~~

~~TOP SECRET~~

39337 27

# WHITE HOUSE SITUATION ROOM

PAGE 01 USDEL SECRETARY IN 7875 DTG: 090131Z APR 82 PSN: 031530  
SIT317 DATE 06/10/82 TOR: 099/0414Z

DISTRIBUTION: REPT /001

WHTS ASSIGNED DISTRIBUTION:

SIT: CKLS  
EOB:  
WHSR COMMENT: REDTAG

MESSAGE ANNOTATIONS:

NO MESSAGE ANNOTATIONS

MESSAGE:

FLASH  
DE RUEHLD #7875/01 0990135  
Z 090131Z APR 82 ZFF-4  
FM USDEL SECRETARY IN LONDON

TO SECSTATE WASHDC FLASH 6654

~~TOP SECRET~~ SECTION 01 OF 02 SECTO 5010  
NODIS

DEPT PASS BRIDGETOWN FLASH FOR THE PRESIDENT FROM  
THE SECRETARY  
E.O. 12065: RDS-3 (04/09/02 (HAIG, ALEXANDER M., JR.)  
TAGS: OVIP (HAIG, ALEXANDER M., JR.), UK  
SUBJECT: MEMO TO THE PRESIDENT: DISCUSSIONS IN LONDON

1. (~~TOP SECRET~~ - ENTIRE TEXT).

2. I SPENT FIVE HOURS WITH PRIME MINISTER THATCHER, THE  
FIRST HOUR WITH HER AND THE FOREIGN SECRETARY, PYM, ALONE,  
FOLLOWED BY A WORKING DINNER WHICH INCLUDED THE DEFENSE  
MINISTER, NOTT, AND SENIOR OFFICIALS. BEFORE MEETING WITH  
HER, I SPENT AN HOUR ALONE WITH PYM.

3. THE PRIME MINISTER HAS THE BIT IN HER TEETH, OWING TO  
THE POLITICS OF A UNIFIED NATION AND AN ANGRY PARLIAMENT,  
AS WELL AS HER OWN CONVICTIONS ABOUT THE PRINCIPLES AT  
STAKE. SHE IS CLEARLY PREPARED TO USE FORCE, THOUGH SHE  
ADMITS A PREFERENCE FOR A DIPLOMATIC SOLUTION. SHE IS  
RIGID IN HER INSISTENCE ON A RETURN TO THE STATUS QUO  
ANTE, AND INDEED SEEMINGLY DETERMINED THAT ANY SOLUTION  
INVOLVE SOME RETRIBUTION.

4. HER DEFENSE SECRETARY IS SQUARELY BEHIND HER, THOUGH  
LESS IDEOLOGICAL THAN SHE. HE IS CONFIDENT OF MILITARY

MESSAGE (CONTINUED):

SUCCESS, BASED NOT ON A STRATEGY OF LANDING ON THE ISLANDS  
BUT RATHER BY A BLOCKADE WHICH, HE BELIEVES, WILL  
EVENTUALLY MAKE THE ARGENTINE PRESENCE UNTENABLE. THUS,  
THE PROSPECT OF IMMINENT HOSTILITIES APPEARS LESS ACUTE --  
IF THE ARGENTINES KEEP THEIR DISTANCE -- THOUGH THIS DOES  
NOT FUNDAMENTALLY DIMINISH THE GRAVITY AND URGENCY OF  
THE CRISIS.

5. HER FOREIGN SECRETARY DOES NOT SHARE HER POSITION, AND  
WENT SURPRISINGLY FAR IN SHOWING THIS IN HER PRESENCE.  
WHETHER THIS MEANS HE WILL HAVE A RESTRAINING INFLUENCE OR  
INSTEAD THAT THERE WILL BE A PROBLEM WITHIN THE GOVERN-  
MENT IS IMPOSSIBLE TO SAY.

6. THE BRITISH TRIED TO AVOID THE QUESTION OF THE LONG-  
TERM CONSEQUENCES OF USING FORCE, THOUGH THEY ARE CON-

CERNED AND, I BELIEVE, OUR DISCUSSIONS SOBERED THEM  
FURTHER. THEY AGREE WITH OUR ASSESSMENT THAT THE NEXT 72  
HOURS, BEFORE THE FLEET ARRIVES, IS CRUCIAL.

7. THE PRIME MINISTER IS CONVINCED SHE WILL FALL IF SHE  
CONCEDES ON ANY OF THREE BASIC POINTS, TO WHICH SHE IS  
COMMITTED TO PARLIAMENT:  
A. IMMEDIATE WITHDRAWAL OF ARGENTINE FORCES;  
B. RESTORATION OF BRITISH ADMINISTRATION ON THE ISLANDS;  
C. PRESERVATION OF THEIR POSITION THAT THE ISLANDERS  
MUST BE ABLE TO EXERCISE SELF-DETERMINATION.

8. WE FOCUSED ON THREE ELEMENTS OF A SOLUTION, WHICH I  
ARGUED WOULD MEET HER NEEDS:  
A. WITHDRAWAL OF ARGENTINE FORCES;  
B. AN INTERIM ARRANGEMENT INVOLVING AN INTERNATIONAL  
PRESENCE (E.G., US, CANADA, AND TWO LATIN AMERICAN  
COUNTRIES) TO PROVIDE AN UMBRELLA FOR THE RESTORATION OF  
BRITISH ADMINISTRATION;  
C. SWIFT RESUMPTION OF NEGOTIATIONS.

9. THE MAIN PROBLEMS WERE WITH POINT B. SHE WANTS  
NOTHING THAT WOULD IMPINGE ON BRITISH AUTHORITY; SHE  
WANTS THE BRITISH GOVERNOR BACK; AND SHE BRIDLED AT THE  
THOUGHT OF ANY ARGENTINE NON-MILITARY PRESENCE EVEN UNDER  
AN INTERNATIONAL UMBRELLA. SHE DOES NOT INSIST THAT  
BRITISH SOVEREIGNTY BE ACCEPTED -- SHE IS FINESSING THIS  
BY SAYING THAT BRITISH SOVEREIGNTY IS SIMPLY A FACT THAT

MESSAGE (CONTINUED):

HAS NOT BEEN AFFECTED BY AGGRESSION -- BUT SHE RULES OUT  
ANYTHING THAT WOULD BE INCONSISTENT WITH SELF-DETERMINA-  
TION.

10. ALL IN ALL, WE GOT NO GIVE IN THE BASIC BRITISH  
POSITION, AND ONLY THE GLIMMERING OF SOME POSSIBILITIES,  
AND THAT ONLY AFTER MUCH EFFORT BY ME WITH CONSIDERABLE  
HELP NOT APPRECIATED BY MRS. THATCHER FROM PYM. IT IS  
CLEAR THAT THEY HAD NOT THOUGHT MUCH ABOUT DIPLOMATIC  
POSSIBILITIES. THEY WILL NOW, BUT WHETHER THEY BECOME  
MORE IMAGINATIVE OR INSTEAD RECOIL WILL DEPEND ON THE

USDEL SECRETARY IN 7875 DTG: 090131Z APR 82 PSN: 031530

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Authority NLR-740-26-8-5  
BY CA NARA DATE 12/19/17

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~~TOP SECRET~~

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WHITE HOUSE SITUATION ROOM

PAGE 01 USDEL SECRETARY IN 7875 DTG: 090131Z APR 82 PSN: 031532  
SIT316 DATE 06/10/82 TOR: 099/0415Z

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DISTRIBUTION: REPT /001  
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WHTS ASSIGNED DISTRIBUTION:

SIT: WPC MCF WHLR JP VP SIT EOB  
EOB:  
WHSR COMMENT: REDTAG

MESSAGE ANNOTATIONS:

NO MESSAGE ANNOTATIONS

MESSAGE:

FLASH  
DE RUEHLD #7875/02 0990136  
Z 090131Z APR 82 ZFF-4  
FM USDEL SECRETARY IN LONDON

TO SECSTATE WASHDC FLASH 6655

~~TOP SECRET~~ SECTION 02 OF 02 SECTO 5010  
NODIS  
DEPT PASS BRIDGETOWN FLASH FOR THE PRESIDENT FROM  
THE SECRETARY  
POLITICAL SITUATION AND WHAT I HEAR IN ARGENTINA.

11. I WILL ARRIVE IN BUENOS AIRES LATE FRIDAY. I WILL  
CONVEY A PICTURE OF TOTAL BRITISH RESOLVE, AND SEE WHAT  
I CAN DRAW FROM THE ARGENTINES ALONG LINES WE DISCUSSED  
IN LONDON, WITHOUT GIVING ANY HINT THAT THE BRITISH ARE PRE-  
PARED FOR ANY GIVE-AND-TAKE.

12. IF THE ARGENTINES GIVE ME SOMETHING TO WORK WITH, I  
PLAN TO RETURN TO LONDON OVER THE WEEKEND. IT MAY THEN  
BE NECESSARY FOR ME TO ASK YOU TO APPLY UNUSUAL PRESSURE  
ON THATCHER. IF THE ARGENTINES OFFER VERY LITTLE, I  
WOULD PLAN TO RETURN TO CONFER WITH YOU. IN THIS CASE,  
IT MAY BE NECESSARY TO APPLY EVEN GREATER PRESSURE ON  
THE BRITISH IF WE ARE TO HEAD OFF HOSTILITIES. I CANNOT  
PRESENTLY OFFER MUCH OPTIMISM, EVEN IF I GET ENOUGH IN  
BUENOS AIRES TO JUSTIFY A RETURN TO LONDON. THIS IS  
CLEARLY A VERY STEEP UPHILL STRUGGLE, BUT ESSENTIAL,  
GIVEN THE ENORMOUS STAKES.

13. THROUGHOUT WHAT WAS A DIFFICULT DISCUSSION, THERE  
WAS NO TRACE OF ANYTHING BUT GRATITUDE FOR THE ROLE WE  
ARE PLAYING AND FOR YOUR PERSONAL CONCERN AND COMMITMENT

MESSAGE (CONTINUED):

TO THE PRIME MINISTER. SHE SAID, IN CONCLUSION, THAT  
THE CANDOR OF THE DISCUSSION REFLECTED THE STRENGTH OF  
OUR RELATIONSHIP.

14. AS YOU KNOW I HAVE EXCLUDED TRAVELLING US PRESS  
FROM THE PLANE. ALL I HAVE SAID TO THE LOCAL PRESS IS  
THAT WE WANT TO BE HELPFUL AND SUPPORT UN SECURITY COUNCIL  
RESOLUTION 502, WHICH CALLS FOR WITHDRAWAL AND A  
DIPLOMATIC SOLUTION. FOR THE BENEFIT OF THATCHER -- AND  
THE ARGENTINES -- I ALSO SAID I WAS IMPRESSED WITH THE  
RESOLVE OF THE BRITISH GOVERNMENT. WE MUST BE ABSOLUTELY  
DISCIPLINED WITH THE PRESS DURING THIS CRITICAL STAGE,  
AVOIDING AT ALL COST ANY SUGGESTION THAT WE ARE ENCOURAGED.  
THERE IS, IN FACT, LITTLE BASIS FOR ENCOURAGEMENT IN  
ANY EVENT. HAIG

~~TOP SECRET~~

~~SECRET~~

39338

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# WHITE HOUSE SITUATION ROOM

PAGE 01 USDEL SECRETARY AIR 0002 DTG: 091154Z APR 82 PSN: 032052  
SIT315 DATE 06/10/82 TOR: 099/1332Z

HERSELF AND THE PRINCIPLE INVOLVED. SHE MIGHT NOT YIELD THAT FAR ANYWAY.

DISTRIBUTION: REPT / 001

WHTS ASSIGNED DISTRIBUTION:

SIT: SIT  
EOB:  
WHSR COMMENT:

MESSAGE ANNOTATIONS:

NO MESSAGE ANNOTATIONS

MESSAGE:

IMMEDIATE  
DE WTE34 #0002 0991332  
O 091154Z APR 82  
FM USDEL SECRETARY AIRCRAFT (86972)

TO THE PRESIDENT, NIACT IMMEDIATE

~~SECRET~~ SENSITIVE  
O 091120Z APR 82  
FM USDEL SECRETARY AIRCRAFT  
TO THE PRESIDENT NIACT IMMEDIATE  
INFO SECSTATE WASHDC NIACT IMMEDIATE  
NODIS  
E.O. 12065: RDS-3, 4/9/82  
TAGS: OVIP (HAIG, ALEXANDER M)  
SUBJECT: MEMORANDUM FOR THE PRESIDENT

1. AS I LEAVE LONDON FOR BUENOS AIRES, I WANTED YOU TO HAVE MY CURRENT THINKING ABOUT THE BALANCE OF OUR INTERESTS.

2. MRS. THACHER HAS PAINTED HERSELF INTO A CORNER BY HER COMMITMENTS TO PARLIAMENT, WHICH I BELIEVE ARE BASED SQUARELY ON HER STRONG PERSONAL CONVICTIONS. THE BASIC PRINCIPLE ON WHICH SHE STANDS IS THAT AGGRESSION MUST NOT BE REWARDED--THAT IS, THAT THE ARGENTINES MUST NOT BE ABLE TO SECURE BY FORCE WHAT THEY COULD NOT SECURE BY PEACEFUL MEANS. IF NEW ARRANGEMENTS REGARDING THE FALKLANDS ARE AT ALL MORE FAVORABLE TO THE ARGENTINES THAN THE STATUS QUO ANTE, SHE FEARS AN EXAMPLE WILL BE SET THAT WE WILL ALL REGRET. SHE REMINDED ME, EMOTIONALLY, ABOUT BRITISH SHAME OVER MUNICH AND ITS CONSEQUENCES.

3. IT IS THEREFORE IMPORTANT FOR HER AS A MATTER OF

MESSAGE (CONTINUED):

PRINCIPLE--NOT TO MENTION THE POLITICS OF SURVIVAL-- THAT SHE COME AWAY WITH A SUCCESS, ONE WAY OR ANOTHER. AND IT IS VIRTUALLY AS IMPORTANT TO US THAT SHE HAVE THAT SUCCESS, FOR THE PRINCIPLE AT STAKE IS CENTRAL TO YOUR VISION OF INTERNATIONAL ORDER, IN ADDITION TO BEING IN OUR STRATEGIC INTEREST.

4. THIS, IT SEEMS TO ME, MUST GUIDE HOW WE PROCEED IN THE BROADEST SENSE, AS I PURSUE THE POSSIBILITIES OUTLINED IN MY MESSAGE OF LAST NIGHT. IF, IN FACT OR APPEARANCE, WE IMPOSE ON MRS. THATCHER TERMS THAT REGARD ARGENTINE AGGRESSION, WE WILL NOT ONLY ENDANGER HER BUT ALSO DAMAGE THIS IMPORTANT PRINCIPLE. THIS IS NOT TO SAY THAT WE SHOULD BE GENTLE WITH HER IF HER OWN RIDGIDITY BECOMES THE OBSTACLE TO A DIPLOMATIC SUCCESS. BUT WE SHOULD NOT PRESSURE HER TO ACCEPT A DEFEAT FOR

5. THE AREA FOR POSSIBLE COMPROMISE APPEARS TO BE CENTERED ON THE ISSUE OF THE ARRANGEMENT FOR AUTHORITY ON THE ISLAND THAT CAN TRIGGER ARGENTINE WITHDRAWAL. YESTERDAY, MRS. THATCHER INSISTED ON RETURN TO THE STATUS QUO ANTE -- I.E., RESTORATION OF BRITISH AUTHORITY, UNDER THE GOVERNOR. THIS WOULD RULE OUT ARGENTINE ACCEPTANCE, UNLESS SOME WAY CAN BE FOUND AT LEAST COSMETICALLY TO ALTER BRITISH AUTHORITY AND PROVIDE FOR SOME FORM OF ARGENTINE ROLE. THIS MAKES THE IDEA OF AN INTERNATIONAL UMBRELLA PIVOTAL. THERE IS VERY LITTLE ROOM TO MANUEVER ON THIS QUESTION BECAUSE IT IS CRITICAL AND POLITICALLY EXPLOSIVE FOR BOTH SIDES. IT IS ON THIS QUESTION THAT WE MAY HAVE TO EXERT PRESSURE ON MRS. THATCHER.

6. THE KEY QUESTION IS WHETHER I CAN BRING BACK ENOUGH FROM THE ARGENTINES TO CONVINCHE HER THAT SHE HAS WITHIN REACH A SUCCESSFUL, PEACEFUL SOLUTION. OBVIOUSLY, IF GALTIERI ACCEPTS A POLITICAL DEFEAT IT'S THE END OF HIM. JUST AS MRS. THATCHER MUST BE ABLE TO SHOW THAT GALTIERI GOT NOTHING FROM HIS USE OF FORCE, HE MUST BE ABLE TO SHOW THAT HE GOT SOMETHING. WHETHER THIS RULES OUT A DIPLOMATIC SOLUTION, OR WHETHER THERE IS A NARROW BAND IN WHICH SOME AMBIGUITY WILL PERMIT BOTH PARTIES A WAY OUT OF THEIR RESPECTIVE

MESSAGE (CONTINUED):

CORNERS, I DO NOT KNOW. OF COURSE, IT IS ALSO POSSIBLE THAT THE ARGENTINES TAKE AN APPROACH THAT SCRAMBLES THE FOREGOING ANALYSIS. THUS, WE WILL NOT KNOW UNTIL TOMORROW WHETHER THERE IS ANY REAL BASIS FOR HOPE.

7. THE CONSEQUENCES OF HOSTILITIES WOULD BE DEVASTATING. OUR INTERESTS THROUGHOUT LATIN AMERICA WOULD BE DAMAGED, AND THE SOVIETS MIGHT EVEN ESTABLISH A FOOHOLD IN THE SOUTHERN CONE. BUT THE CONSEQUENCES OF AVERTING HOSTILITIES BY IMPOSING A DEFEAT ON MRS. THATCHER WOULD BE WORSE. WITH SAME LUCK, WE MAY NOT HAVE TO MAKE THAT CHOICE.

HAIG  
BT

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Authority NF-748-76-69-4  
BY CN NARA DATE 12/9/87

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WHITE HOUSE SITUATION ROOM.

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PAGE 01 OF 02 USDEL SECRETARY AIR 0013 DTG: 091435Z APR 82 PSN: 033828  
SIT566 DATE 04/15/82 TOR: 100/2016Z

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MESSAGE ANNOTATIONS:

MESSAGE:

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DE RUEHAI #0013 0991435  
O 091435Z APR 82  
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~~SECRET~~ SECTO 5024  
NODIS  
E. O. 12065: RDS 1, 3 (4/9/02)  
TAGS: OVIP (HAIG, ALEXANDER M)  
SUBJECT: UK REQUESTS FOR ADDITIONAL SUPPORT ON ASCENSION ISLAND  
(S/S 8209834)

FOR EAGLEBURGER (P) MCMANANWAY (S/S) AND WAYNE (S)  
FROM THE SECRETARY

REF: STATE 94877 (TOSEC 50043)

1. LARRY: PROCEED WITH ONLY THOSE ELEMENTS OF UK REQUEST WHICH CLEARLY FALL WITHIN RANGE OF OUR TREATY COMMITMENT.
2. CONCERNING GREY AREAS, SUCH AS ASSIGNMENT OF ADDITIONAL AIR CONTROLLERS, YOU SHOULD ADDRESS THE ISSUE INDICATING THAT WE WILL VIEW THE REQUEST SYMPATHETICALLY BUT IN AN UPBEAT MANNER WITHOUT COMMITTING OURSELVES TO APPROVAL AT THIS TIME. WE FIRST NEED TO MAKE AN ASSESSMENT IN WAKE OF RESULT OF BUENOS AIRES STOP THIS WEEKEND--AND POSSIBLE RETURN TO LONDON. I AM CONCERNED THAT APPROVAL AT THIS POINT WOULD QUICKLY BECMMME KNOWN TO ARGENTINES, WITH UNHELPFUL IMPACT ON UPCOMING TALKS WITH ARGENTINES.
3. WE RECOGNIZE THAT THE PRACTICAL EFFECT OF THIS GUIDANCE IS THAT

MESSAGE (CONTINUED):

24 HOUR OPERATION OF WIDE-AWAKE WILL NOT LIKELY BE POSSIBLE FOR TIME-BEING UNLESS IT CAN BE ATTAINED WITHOUT USING ADDITIONAL AIR CONTRROLLERS. IF BRITISH CONVEY SENSE OF GREAT URGENCY, YOU SHOULD GET BACK TO ME. BUT MY THINKING NOW IS THAT IT WOULD BE A GREAT MISTAKE TO AGREE TO THE REQUEST FOR AIR CONTROLLERS WHILE I AM IN BUENOS ARIES.  
HAIG

SECRET

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Authority NYC-748-76-6-10-2  
BY CH NARA DATE 12/19/17

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WHITE HOUSE SITUATION ROOM

PAGE 02 OF 02 USDEL SECRETARY AIR 0013 DTG: 091435Z APR 82 PSN: 033828

USDEL SECRETARY AIR 0013 DTG: 091435Z APR 82 PSN: 033828

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WHITE HOUSE SITUATION ROOM

PAGE 01 THE PRESIDENT 0010 DTG: 091640Z APR 82 PSN: 032292  
SIT340 DATE 06/08/82 TOR: 099/1725Z

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JHSR COMMENT: PLEASE ADVISE ON ADDITIONAL DISSEM RED TAG

MESSAGE ANNOTATIONS:

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MESSAGE:

IMMEDIATE

DE WTE13 #0010 0991725  
O 091640Z APR 82  
FM THE PRESIDENT

TO SECRETARY OF STATE

INFO WHITE HOUSE  
LEM

~~TOP SECRET~~

REF: SECTO 5010  
SUBJECT: YOUR DISCUSSIONS IN LONDON

1. (TS) THE REPORT OF YOUR DISCUSSIONS IN LONDON MAKES CLEAR HOW DIFFICULT IT WILL BE TO FOSTER A COMPROMISE THAT GIVES MAGGIE ENOUGH TO CARRY ON AND AT THE SAME TIME MEETS THE TEST OF "EQUITY" WITH OUR LATIN NEIGHBORS. AS YOU EXPECTED THERE ISN'T MUCH ROOM FOR MANEUVER IN THE BRITISH POSITION. HOW MUCH THIS "GOING-IN" POSITION CAN BE INFLUENCED IS UNCLEAR ALTHOUGH LONDON HEADLINES GIVE LITTLE BASIS FOR OPTIMISM. POINT B LOOKS TO BE THE CRUX AND I'D BE INTERESTED IN YOUR FURTHER THINKING ON HOW A MULTINATIONAL PRESENCE MIGHT BE MADE MORE APPEALING IN LONDON. IT'S MY GUESS FROM THE DIFFIDENT BRITISH STANCE THAT ANY COMPROMISE ON THATCHER'S PART WILL TAKE TIME. IF THAT'S TRUE THE CLOSURE OF THE BRITISH SUBMARINES IS ALL THE MORE WORRISOME. IN THIS REGARD, WHETHER WE CAN EXPECT GALITERI TO HAVE THE WISDOM AND STRENGTH TO KEEP HIS DISTANCE IS OBVIOUSLY A CENTRAL NEAR-TERM ISSUE.

2. (TS) ON A SEPARATE SUBJECT, I WAS STRUCK BY REPORTING FROM TEL AVIV THAT BEGIN IS MOVING SOVIET TANKS TO THE NORTHERN BORDER. RECOGNIZING YOU HAVE YOUR HANDS FULL, I'D APPRECIATE YOUR VIEWS ON WHETHER ANOTHER INTERVENTION FROM US WOULD BE

MESSAGE (CONTINUED):

USEFUL OR NOT.

3. (TS) HERE, WE HAD USEFUL SESSIONS IN JAMAICA AND BARBADOS. WHAT STRUCK ME MOST WAS THAT WHILE THEY ARE INTERESTED IN THE CONTENTS OF THE CBI, THROUGH IT WE HAVE ACHIEVED THE LARGER PURPOSE OF A BREAKTHROUGH IN U.S. CREDIBILITY IN THIS PART OF THE WORLD. THEIR CONFIDENCE THAT FINALLY WE CARE IS A FRAGILE BUT TERRIBLY IMPORTANT ACHIEVEMENT FOR WHICH YOU SHOULD BE VERY PROUD.

4. (TS) ON THE PRESS LINE YOU PROPOSE WITH RESPECT TO THE FALKLANDS, I AGREE. WE ARE SAYING NOTHING FROM HERE TO COLOR EXPECTATIONS.

5. (TS) AS YOU PROCEED TO BUENOS AIRES, I'M VERY CONSCIOUS OF THE ENORMITY OF THE TASK. I'D APPRECIATE A CALL ON THE SECURE LINE WHEN YOU HAVE A CHANCE TO DISCUSS WHERE THINGS MIGHT LEAD IN THE DAYS AHEAD.

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Authority NLR-748-26-6-1-1

BY CIV NARA DATE 12/10/19

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WHITE HOUSE SITUATION ROOM

39341

PAGE 01 OF 02 SECSTATE WASHDC 5959  
SIT668 DATE 04/15/82

DTG: 092036Z APR 82 PSN: 032947  
TOR: 100/0135Z

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MESSAGE:

IMMEDIATE  
DE RUEHC #5959 0992051  
O 092036Z APR 82 ZFF4  
FM SECSTATE WASHDC

TO USDEL SECRETARY AIRCRAFT IMMEDIATE 7606

~~SECRET~~ STATE 095959 TOSEC 050071  
NODIS  
PASS TO K. SCOTT GUDGEON  
E. O. 12065: RDS-3 - 4/9/02 (ROBINSON, D. R.)  
TAGS: US, AR, US, FA, MARR, MILI  
SUBJECT: RELATIONSHIP OF RIO TREATY, OAS CHARTER, AND UN  
-- CHARTER TO FALKLAND ISLANDS DISPUTE

1. ~~SECRET~~ (ENTIRE TEXT).

2. OFFICE OF LEGAL ADVISER HAS COMPLETED AN ANALYSIS OF THE INTERRELATIONSHIP OF THE RIO TREATY, OAS CHARTER, AND UN CHARTER TO THE PRESENT DISPUTE BETWEEN UK AND ARGENTINA. IN SUMMARY, L HAS CONCLUDED THAT:

(A) ARGENTINA'S ACTION IN TAKING CONTROL OF THE FALKLAND ISLANDS THROUGH ARMED FORCE VIOLATED INTERNATIONAL LAW;

(B) UN SECURITY COUNCIL RESOLUTION 502 OF APRIL 3, 1982, IMPOSES ON ARGENTINA A LEGAL DUTY TO WITHDRAW ITS FORCES IMMEDIATELY, AND THIS DUTY CANNOT BE AVOIDED BY RECOURSE TO THE OAS OR THE RIO TREATY MECHANISMS;

(C) THE UNITED KINGDOM, IN THE EXERCISE OF ITS RIGHT OF SELF-DEFENSE UNDER THE UN CHARTER, MAY USE REASONABLE

MESSAGE (CONTINUED):

FORCE TO RETAKE THE ISLANDS;

(D) SUCH USE OF FORCE BY THE UK WOULD NOT PROVIDE A BASIS FOR COLLECTIVE ACTION BY RIO TREATY PARTIES, ALL OF WHOM ARE ALSO PARTIES TO THE UN CHARTER AND LEGALLY BOUND TO CARRY OUT THEIR PRE-EMINENT UN CHARTER OBLIGATIONS;

(E) THE OAS MAY OFFER ITS GOOD OFFICES TOWARDS THE RESOLUTION OF THE DISPUTE, BUT HAS NO POWER TO IMPOSE A SOLUTION ON THE PARTIES OR TAKE ANY OTHER ACTION THAT WOULD BE INCOMPATIBLE WITH THE UN SECURITY COUNCIL'S ACTION OR THE RIGHTS OF ANY STATE UNDER INTERNATIONAL LAW.

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BY CN NARA DATE 12/9/17

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DTG: 092036Z APR 82 PSN: 032947

3. FULL TEXT OF V ANALYSIS HAS BEEN TRANSMITTED TO AMEMBASSY BUENOS AIRES BY SEPTTEL FOR GUDGEON'S ATTENTION. UNLESS ADVISED TO THE CONTRARY, WE INTEND TO MAKE THIS ANALYSIS AVAILABLE TO USOAS AND USUN ON SATURDAY AFTERNOON ON A CONFIDENTIAL BASIS FOR BACKGROUND IN EVENT OF ARGENTINE EFFORT TO DIMINISH EFFECT OF UN SECURITY COUNCIL ACTION OR AN ATTEMPT TO INVOKE RIO TREATY OR OAS CHARTER MECHANISMS. STOP SSEL

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DTG: 092036Z APR 82 PSN: 032947

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7/20/07

STATE - AID - USIA COVER SHEET FOR

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INFORMATION

312/82

TOP SECRET CONTROL NUMBER

DESCRIPTION

TELEGRAM, MEMO, LETTER, ETC.

TELEGRAM USDEL LONDON SECTO 5010

SUBJECT

MEMO TO THE PRESIDENT: DISCUSSIONS IN LONDON

ORIGINATOR

USDEL LONDON

DATE

9 APR 82

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Authority MK-748-26-6739

CONVERSATION WITH AL HAIG

SY CAC NARA DATE 12/19/17

BACKGROUND THIS MORNING, THE SECRETARY MET WITH THE ARGENTINE FOREIGN MINISTER, COSTA-MENDEZ FROM 10:00-11:00. HE THEN MET WITH PRESIDENT GALTIERI AND WILL MEET AGAIN WITH GALITIERI THIS EVENING AT 6:00PM. BEFORE THESE MEETINGS, HIS EXPECTATION WAS TO REMAIN OVERNIGHT IN ARGENTINA AND PROCEED TO LONDON TOMORROW MORNING. DURING THE MEETINGS, A PUBLIC DEMONSTRATION ESTIMATED TO INCLUDE UP TO ONE MILLION PEOPLE TOOK PLACE OUTSIDE THE PALACE. IT WAS NON-VIOLENT AND SUPPORTIVE OF THE GOVERNMENT'S POSITION BUT WITHOUT ANY ANTI-U.S. OVERTONES.

OUR STRATEGY IS BUILT AROUND THREE POINTS:

1. TO ACHIEVE A WITHDRAWAL OF ARGENTINE FORCES FROM THE ISLANDS
2. TO ESTABLISH A MULTINATIONAL PRESENCE, AND
3. TO GET THE AGREEMENT OF BOTH SIDES TO NEGOTIATE

THE SECOND POINT APPEARS TO BE THE MOST DIFFICULT. VARIOUS FORMULAS ARE BEING CONSIDERED--THE U.S., CANADA AND TWO LATIN COUNTRIES, AN ODD NUMBER OF NEUTRAL COUNTRIES OR CONCEIVABLY, A UN FORCE. SECRETARY HAIG WILL REPORT ON THIS MORNING'S TALKS AND PROVIDE HIS ESTIMATE OF WHETHER THERE IS A BASIS FOR COMPROMISE AND IF SO, THE CONTENTS OF IT.

TALKING POINTS

--WHERE DO WE STAND?

--(POINTS TO BE ADDRESSED AFTER HAIG'S SUMMARY)

- o ARGENTINE RESPONSE TO THE THREE POINTS--WITHDRAWAL ESTABLISHMENT OF A FORCE ON THE ISLANDS, AND AGREEMENT TO NEGOTIATE.
- o HAIG'S ESTIMATE OF THE PROSPECT FOR VIOLENCE FROM EITHER SIDE IN THE NEAR-TERM (E.G. BRITISH ACTION TO ENFORCE THE BLOCKADE; ARGENTINE EFFORTS TO TEST IT).
- o HAIG'S VIEW OF THE ELEMENTS OF A COMPROMISE.
- o HOW TO PURSUE IT--IMMEDIATE RETURN TO LONDON? REMAIN IN BUENOS AIRES ANOTHER DAY?
- o WHEN AND IN WHAT WAY SHOULD YOU INTERVENE?

NOTE: IF, AS AL TENTATIVELY PLANS, HE IS TO RETURN TO LONDON LEAVING TOMORROW MORNING, HE WOULD UNABLE TO REACH BARBADOS BEFORE YOUR PLANNED DEPARTURE (FLIGHT TIME BUENOS AIRES TO BARBADOS, 7hrs-20 minutes).

--GOOD LUCK, LET ME KNOW WHENEVER I CAN HELP.

WHITE HOUSE SITUATION ROOM.

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PAGE 01 USDEL SECRETARY IN 5036 DTG: 101220Z APR 82 PSN: 033574  
SIT567 DATE 04/15/82 TOR: 100/1425Z

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IMMEDIATE  
DE RUEHLA #5036 1001255  
O 101220Z APR 82 ZFF-4  
FM USDEL SECRETARY IN BUENOS AIRES

TO SECSTATE WASHDC IMMEDIATE 6664

~~SECRET~~ SECTO 5036  
NODIS

E. O. 12065: RDS 1, 3 4/10/02  
TAGS: OVIP (HAIG, ALEXANDER)  
SUBJECT: SECRETARY'S DISCUSSION WITH AMBASSADOR GHORBAL

1. ~~SECRET~~ - ENTIRE TEXT.
2. AT HIS INITIATIVE, THE SECRETARY TELEPHONED AMBASSADOR GHORBAL THIS MORNING AT 8:30 (LOCAL) TO EXPRESS HIS CONCERN ABOUT THE SITUATION IN ISRAEL. THE SECRETARY NOTED RECENT ISRAELI ALLEGATIONS OF EGYPTIAN TREATY VIOLATIONS AND THE ABDUL MEGUID SPEECH IN KUWAIT. THE SECRETARY WANTED GHORBAL TO KNOW THAT WE HAD INSTRUCTED ATHERTON TO SEE MUBARAK TODAY, THAT VELIOTES WOULD BE ARRIVING IN EGYPT OVER THE WEEKEND, AND THAT HE WAS CONSIDERING SENDING STOESSEL OVER TO BOTH COUNTRIES (BUT PRIMARILY BECAUSE OF THE ISRAELI SITUATION). THE SECRETARY ALSO NOTED THAT WE HAD SENT INSTRUCTIONS FOR LEWIS TO SEE BEGIN, BUT WE WISHED TO KEEP THIS FACT QUIET. IN CLOSING, THE SECRETARY SUGGESTED THAT IT MIGHT BE NECESSARY FOR MUBARAK TO DO SOMETHING--FOR EXAMPLE, A MESSAGE. OUR AMBASSADOR HOWEVER, WOULD DISCUSS THAT IN CAIRO.  
HAIG

SECRET

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Authority NLE-748-006-148  
BY CW NARA DATE 12/15/17



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PAGE 01 OF 04 SECSTATE WASHDC 6364  
SIT666 DATE 04/15/82

DTG: 100240Z APR 82 PSN: 033169  
TOR: 100/0459Z

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WHTS ASSIGNED DISTRIBUTION:

SIT: MCF WHLR JP VP FONT RENT SIT EOB  
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NO MESSAGE ANNOTATIONS

MESSAGE:

IMMEDIATE  
DE RUEHC #6364 1000258  
O 100240Z APR 82 ZFF4  
FM SECSTATE WASHDC

TO USDEL SECRETARY IMMEDIATE 0000

~~CONFIDENTIAL~~ STATE 096364 TOSEC 050094  
NODIS

E. O. 12065: GDS 4/9/88 (HORMATS, ROBERT D.)  
TAGS: EFIN, UK, AR  
SUBJECT: REQUEST FOR STUDY: ANALYSIS OF IMPACT OF  
ARGENTINE DEFAULT

REF: (A) SECTO 5012; (B) TOSEC 50032

1. THIS MESSAGE TRANSMITS OUR INITIAL ANALYSIS OF IMPACT ON INTERNATIONAL FINANCIAL SYSTEM OF AN "ARGENTINE DEFAULT".

2. INTRODUCTION. THE KEY VARIABLE IN CONSIDERING THE IMPACT OF THE ARGENTINE/U.K. CONFRONTATION ON THE INTERNATIONAL FINANCIAL SYSTEM IS THE DEGREE TO WHICH IT AFFECTS ARGENTINA'S WILLINGNESS AND ABILITY TO SERVICE HER EXTERNAL DEBT. WHETHER, OR AT WHAT POINT IN TIME, FOREIGN CREDITORS DECLARE ARGENTINA TO BE IN DEFAULT OF CONTRACTURAL OBLIGATIONS IS A SECONDARY QUESTION GOVERNED BY LEGAL AND TACTICAL CONSIDERATIONS. THE CONFRONTATION, OF COURSE, AFFECTS THE U.K.'S ECONOMIC SITUATION DIRECTLY, ESPECIALLY THE VALUE OF STERLING, BUT THIS ANALYSIS IGNORES THAT ASPECT SINCE MARKET MECHANISMS CAN BE EXPECTED TO INDUCE COMPENSATORY FORCES. OUR CONCERN IS WITH THE IMPACT ON WESTERN BANKS OF LOSSES ON LOANS TO ARGENTINA.

MESSAGE (CONTINUED):

3. EXPOSURE OF U.S. BANKS. U.S. BANKS ARE HEAVILY EXPOSED IN ARGENTINA, ALTHOUGH TO LESS THAN HALF THE EXTENT OF EXPOSURE IN EITHER BRAZIL OR MEXICO. AS OF MID-1981, PUBLISHED FIGURES SHOW RELEVANT OUTSTANDING CLAIMS OF MAJOR U.S. BANKS (HEAD OFFICES PLUS FOREIGN OFFICES) AT 7.6 BILLION DOLLARS. OTHER SOURCES INDICATE CLAIMS MIGHT BE 1 BILLION DOLLARS HIGHER NOW. (THERE WERE ALSO COMMITMENTS TO LEND OF ABOUT 1.5 BILLION DOLLARS.) SUCH EXPOSURE RELATIVE TO INDIVIDUAL BANKS' CAPITAL EXCEEDS TEN PERCENT FOR 48 OF THE 110 U.S. BANKS KNOWN TO BE INVOLVED, AND IN SOME INDIVIDUAL CASES RANGES MUCH HIGHER THAN 10 PERCENT. (BEAR IN MIND THAT LARGE BANKS MAINTAIN ASSETS AT ROUGHLY 20 TO 30 TIMES THE AMOUNT OF CAPITAL.) A TOTAL LOSS, WHICH IS BY NO MEANS LIKELY EVEN IF ARGENTINA

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DTG: 100240Z APR 82 PSN: 033169

TEMPORARILY CEASED ALL DEBT SERVICE PAYMENTS, WOULD THUS ENTAIL ON AVERAGE SOMETHING LIKE A YEAR'S PROFIT. BY ITSELF, LOSSES OF THIS MAGNITUDE WOULD NOT THREATEN THE SOUNDNESS OF OTHERWISE HEALTHY BANKS.

4. EXPOSURE OF UK BANKS. PUBLISHED IN MID-1981 DATA SHOW EXPOSURE IN ARGENTINA OF UK REGISTERED BANKS (INCLUDING THEIR WORLDWIDE OFFICES) AT 2.6 BILLION DOLLARS, OR ROUGHLY ONE-THIRD THAT OF U. S. BANKS. AS A PERCENT OF CAPITAL, THIS EXPOSURE WOULD BE SOMETHING LESS THAN THAT OF U. S. BANKS.

5. EXPOSURE OF OTHER WESTERN BANKS. OTHER COUNTRIES' BANKS IN WESTERN EUROPE, CANADA, AND JAPAN HAVE AN EXPOSURE OF ABOUT 11 TO 12 BILLION DOLLARS, AFTER ALLOWANCE FOR SOME CREDITS GUARANTEED BY THEIR GOVERNMENTS. UNLIKE DATA FOR U. S. AND UK BANKS, THESE AMOUNTS CANNOT BE READILY ALLOCATED BY NATIONALITY OF BANK. SOME OTHER COUNTRIES' BANKS (E. G. BRAZIL) COULD ALSO HAVE SIGNIFICANT EXPOSURE.

6. ASSESSMENT. FOR PERSPECTIVE, WESTERN BANKS' UNGUARANTEED CLAIMS ON ARGENTINA OF 22 BILLION DOLLARS ARE TWICE THEIR CLAIMS ON POLAND AND HALF THE AGGREGATE CLAIMS ON THE SOVIET BLOC (EXCLUDING YUGOSLAVIA). WE HAVE PREVIOUSLY CONCLUDED THAT EVEN A TOTAL LOSS ON LENDING TO POLAND COULD

SECSTATE WASHDC 6364

DTG: 100240Z APR 82 PSN: 033169

MESSAGE (CONTINUED):

BE MANAGED--CERTAINLY FOR U. S. BANKS, AND ACCORDING TO GERMAN AND OTHER COUNTRIES' OFFICIALS FOR THEIR BANKS AS WELL--WITHOUT SIGNIFICANT OFFICIAL INTERVENTION, BUT THAT LOSS ON ALL LENDING TO THE SOVIET-BLOC COULD WELL REQUIRE WIDESPREAD OFFICIAL SUPPORT. WHILE EXPOSURE IN ARGENTINA IS GREATER THAN IN POLAND, IT IS MORE EVENLY DISTRIBUTED, AND THUS IT IS NOT UNREASONABLE TO ASSUME THAT THE IMPACT OF A TOTAL LOSS COULD BE CONTAINED.

7. THE ASSUMPTION HERETOFORE HAS BEEN ONE OF TOTAL LOSS, BUT THIS IS A MOST UNLIKELY REPEAT MOST UNLIKELY OUTCOME. ARGENTINA CAN AFFORD EVEN LESS THAN POLAND OR THE SOVIET BLOC TO BE FINANCIALLY ISOLATED FROM WESTERN CREDIT MARKETS AND HAS GIVEN EVERY INDICATION OF WANTING TO AVOID DAMAGE TO ITS CREDITWORTHINESS. ARGENTINE CENTRAL BANK DISCUSSIONS IN NEW YORK INDICATE ARGENTINA IS FULLY AWARE OF DANGERS TO ITS OWN POSITION AND THE INTERNATIONAL SYSTEM MORE GENERALLY, AND GENUINELY WANTS TO WORK OUT ARRANGEMENTS FOR ORDERLY SERVICING OF ITS DEBT, INCLUDING ULTIMATELY THAT TO UK CREDITORS. THE UK HAS EQUALLY SHOWN RELUCTANCE TO DAMAGE ITS REPUTATION AS A MAJOR FINANCIAL CENTER. MAJOR BANKS THEMSELVES RECOGNIZE DANGERS, ARE SHOWING PATIENCE AND RESTRAINT, AND ARE TRYING TO WORK OUT SOLUTION ACCEPTABLE TO ALL PARTIES.

8. THE DEFAULT CLAUSE PROVISION OF MANY SYNDICATED ARGENTINE LOANS OF RECENT ORIGIN ARE NOT AUTOMATIC. CONTRACT PROVISIONS DIFFER FROM LOAN TO LOAN, BUT SINCE THE IRANIAN ASSET FREEZE, LOAN AGREEMENTS GENERALLY REQUIRE THE AGENT BANK TO POLL ALL PARTICIPANTS, USUALLY WITH A REQUIREMENT THAT AT LEAST HALF TO TWO-THIRDS OF PARTICIPANTS AGREE TO ACTUALLY DECLARE DEFAULT. FOR EXAMPLE, A LOAN CONTRACT MIGHT LIST MANY POSSIBILITIES AS "EVIDENCE OF DEFAULT", INCLUDING NON-PAYMENT AND FORCE MAJEURE (E. G., ACT OF HOSTILITY), BUT BANKERS WHO ARE ACTIVE IN LENDING TO ARGENTINA SAY THAT A MAJORITY OF THE PARTICIPANTS WOULD

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STILL HAVE TO BE POLLED AND INSTRUCT THE LEAD OR AGENT (I.E., BOOKKEEPING) BANK BEFORE EVIDENCE OF DEFAULT WOULD BE CONSIDERED AN ACT OF DEFAULT, RESULTING IN THE PARTICIPANT DECLARING THE LOAN TO BE IN ACTUAL DEFAULT. HOWEVER, NOT ALL ARGENTINE BANK DEBT IS CONTRACTED THROUGH LARGE SYNDICATED EUROLOANS. MANY BANKS LEND DIRECTLY OR THROUGH

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MESSAGE (CONTINUED):

CLUB LOANS, I.E. SMALL NUMBER OF PARTICIPANTS. THESE CREDITORS HAVE MORE LIBERAL LICENSE TO DECLARE DEFAULT. IF THEY DO, AND WE CONSIDER IT POSSIBLE, THEN PARTICIPANTS IN OTHER SYNDICATIONS MIGHT EXERCISE CROSS DEFAULT PROVISIONS.

9. THUS, EVEN IF THE CONFRONTATION CONTINUES AND ESCALATES INTO WIDER EMBARGO/ARMED CONFLICT, FINANCIAL MARKETS ARE UNLIKELY, AT LEAST IN THE SHORT RUN, TO REGARD BANK LOANS TO ARGENTINA AS TOTAL LOSSES. ARGENTINA CONTINUES TO BE ABLE TO GENERATE FOREIGN EXCHANGE, AND, IN COMPARATIVE TERMS, LOANS TO ARGENTINA LOOK SOUNDER THAN LOANS TO POLAND. HOWEVER, A HIGH PROPORTION OF THESE CREDITS ARE SHORT TERM (UNDER ONE YEAR)--THE FIGURE IS TWO-THIRDS FOR U.S. BANKS ALTHOUGH MUCH LESS FOR OTHER BANKS--SO THAT THE PRESSURE ON ARGENTINA TO AVOID A LOSS OF CREDITWORTHINESS IS SUBSTANTIAL. MOREOVER, ANY EXPANSION OF THE UK BLOCKADE TO PRINCIPAL ARGENTINE PORTS WOULD OVER TIME DEGRADE THE PERCEIVED SOUNDNESS OF BANKS' LOANS, AS OF COURSE WOULD BE THE CASE IF THE EXISTING CONFRONTATION PROVED LONG-LASTING.

10. NEVERTHELESS, TAKEN IN ISOLATION THE ARGENTINE PROBLEM APPEARS MANAGEABLE IN TERMS OF THE INTERNATIONAL FINANCIAL SYSTEM. WHAT THREAT EXISTS LIES IN THE POTENTIAL FOR A CONFLUENCE OF ADVERSE EVENTS: A WORSENING OF THE SITUATION IN POLAND, OTHER EASTERN EUROPEAN COUNTRIES, ARGENTINA AND PERHAPS ANOTHER MAJOR BORROWER. CHANCES OF SIMULTANEOUS OCCURRENCE ARE SLIM, BUT THEY CANNOT BE EXCLUDED.

11. TREASURY HAS ESTABLISHED WORKING GROUP TO MONITOR ARGENTINE DEBT SITUATION ON CONTINUING BASIS AND COORDINATE U.S. RESPONSE TO THE FINANCIAL DEVELOPMENTS.

12. AS REPORTED REF B, BOA OFFICIAL FLOATED ON PERSONAL BASIS POSSIBILITY THAT U.S. TREASURY MIGHT CONSIDER RECEIVING ARGENTINE PAYMENTS TO BRITISH CONCERNS AND HOLDING THEM IN ESCROW. LEGAL SITUATION REGARDING THIS IDEA HAS BEEN CLARIFIED, AND INITIAL TREASURY DOUBTS ARE NOW RESOLVED. TREASURY THUS HAS NOT TAKEN POSITION ON THIS IDEA. NOR HAS IT BEEN SUGGESTED TO US IN ANY WAY BY ARGENTINE OR BRITISH AUTHORITIES, ALTHOUGH ARGENTINES VIEW SETTLEMENT OF "TECHNICAL DETAILS" OF DEBT SITUATION AS A PART OF ULTIMATE

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MESSAGE (CONTINUED):

MEDIATION OF DISPUTE. WITH RESPECT TO ESCROW IDEA, QUESTIONS ARE WHETHER IT WOULD IN FACT CONTRIBUTE TO MEDIATION EFFORT AND WHETHER ESCROW AGENT AND/OR DEPOSITORY COULD BE ADEQUATELY INDEMNIFIED AGAINST LOSS. A U.S. ROLE AS ESCROW/DEPOSITORY AGENT WOULD BE VIABLE ONLY IF DESIRED BY BOTH PARTIES, AND COULD WELL BE OPPOSED BY THE BRITISH, BECAUSE IT IS A ;EANS OF FACILITATING NO-PAYMENT TO BRITISH CONCERNS. IF A "NEUTRAL" ESCROW HOLDER WERE DESIRED BY BOTH PARTIES AND INDEMNIFICATION WERE PROVIDED, USG COULD PLAY A ROLE (AS COULD COMMERCIAL BANKS, NY FED OR BIS) IF THAT WOULD CONTRIBUTE TO OUR MEDIATION EFFORT. TREASURY RECOM-

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RECOMMENDS WE NOT PROPOSE SUCH A U. S. ROLE, BUT CONSIDER IT ONLY  
IF THE PARTIES ASK FOR IT.

19. REGAN AND MCNAMAR FEEL THERE IS SUBSTANTIAL ECONOMIC  
LEVERAGE ON ARGENTINA FROM FEAR OF LOANS BEING DECLARED IN  
DEFAULT AND SUBSEQUENT LOSS OF ARGENTINE ACCESS TO FOREIGN  
CREDIT. MUCH ARGENTINE DEBT IS SHORT-TERM AND MUST BE  
ROLLED OVER REGULARLY. ANY BRITISH BLOCKADE OF RIVER  
PLATE COULD RESULT IN LOSS OF EXPORTS NEEDED TO GAIN  
FOREIGN EXCHANGE AND MAINTAIN CREDITWORTHINESS. BRITISH  
PROBABLY RECOGNIZE LINKAGE OF BLOCKADE, SUBSEQUENT CAN-  
CELLATION OF MARINE INSURANCE, AND THEIR INSISTENCE THAT  
DEBTS BE PAID TO ALL FOREIGN BANKS AS DUE. ARGENTINE  
FOREIGN RESERVES LOW IN RELATION TO DEBTS COMING DUE  
AND CONTINUOUS IMPORT NEEDS OF ECONOMY. THUS ARGENTINA  
VULNERABLE TO CASH SQUEEZE. U. S. CAN USE THIS FACT IN  
MEDIATION. STOESSEL

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