

File  
CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

14 April, 1982

Dear Sir,

FALKLAND ISLANDS: CONVERSATIONS WITH

MR HAIG

The United States Secretary of State rang the Prime Minister at 1930 hrs today. Following their conversation, the Prime Minister discussed its contents briefly with the Foreign and Commonwealth Secretary and at 2000 hrs rang Mr Haig to convey her views on the earlier conversation. A note of the main points in the two calls is enclosed with this letter.

I am copying this letter and its enclosure to David Omand (Ministry of Defence), John Halliday (Home Office), Keith Long (Paymaster General's Office) and David Wright (Cabinet Office).

Yours ever

John Cole

B Fall, Esq  
Foreign and Commonwealth Office

NOTE OF TWO TELEPHONE CONVERSATIONS BETWEEN THE PRIME MINISTER AND THE  
UNITED STATES SECRETARY OF STATE ON WEDNESDAY, 14 APRIL, 1982

Mr Haig said that there had been much activity in Washington during the last few hours. Considerable complications had been caused by reports in the American media alleging that the United States was giving unusual support to the United Kingdom in intelligence and operational matters. This had created a difficult situation in Buenos Aires. The Argentines had concluded that they could not proceed with negotiations unless the situation was rectified.

A further complication was that the Argentine Government was not prepared to put forward new ideas for the negotiation until they received confirmation that there was some flexibility in the British attitude or at least that the United States had new proposals. Furthermore they were insisting that unless they received some (unspecified) assurance about "The Fleet" (presumably a reference to the Task Force) they would appeal to the Organisation of American States and invoke the Rio Treaty.

Mr Haig said that he thought it necessary to issue a statement to deal with these matters. This would be on the following lines:-

"The dispute between Argentina and the United Kingdom was an exceptionally difficult and dangerous problem. The positions held by both countries were deeply felt and in many respects mutually contradictory. But the leaders of both countries had assured him today that they were prepared to go on working to reach a political solution. That would require flexibility on both sides - not abandonment of principles but responsible and sensible adjustments. As a result of his discussions in London, in addition to telephone contacts today, he (Mr Haig) had developed new ideas which he had described to the Argentine Government. In the light of these new ideas, the Argentines had invited him to return to Buenos Aires. He proposed to do so and would go tomorrow or, if necessary, tonight.

/From

CONFIDENTIAL

From the outset in this crisis the United States had viewed its role as one of assisting the two sides to find a peaceful solution. Its ability to do so was based on its longstanding relationships with both the United Kingdom and Argentina. The United States had been careful to maintain these relationships in order to preserve its influence with both governments. Failure to live up to existing obligations or going beyond them would obviously jeopardise the United States ability to play the role which both countries wished it to perform. Since the outset of the crisis the United States had not acceded to requests that would go beyond the scope of customary patterns of cooperation. That would continue to be its stand while peace efforts were under way. Britain's use of US facilities on Ascension Island had been restricted accordingly."

The Prime Minister said that the latter point was particularly awkward. It was covered by a treaty. She had just come from a House of Commons debate where considerable disappointment had been expressed that the United States appeared to adopt a neutral position as between democracy and dictatorship.

Mr Haig said that he took this point but while peace negotiations continued, the normal patterns of cooperation would also continue. If the peace effort failed restrictions would no longer be maintained. He was therefore not talking about any substantive change. He felt it necessary to issue his statement very soon.

Mr Haig then briefly repeated his description of the situation to the Foreign and Commonwealth Secretary who was with the Prime Minister. He added that the Argentines felt that they had received no proposals of any kind from the United Kingdom. This pointed to the need for a proposal on the lines of the paper which Mr Haig had left with us yesterday. The Foreign and Commonwealth Secretary said that we hoped to let him have a revised formula tomorrow.

CONFIDENTIAL

/After a

After a brief discussion with the Foreign and Commonwealth Secretary, the Prime Minister rang Mr Haig. She explained that parts of his proposed statement would be liable to cause a very adverse reaction in the United Kingdom. To begin with, the statement that the use of Ascension Island would be restricted contradicted the statement that customary patterns of cooperation would continue. Any suggestion that restrictions were being placed on our use of Ascension Island would evoke a strong reaction. There was already a feeling that the United States was doing less for us than we deserved, given the support which the British Government had given to President Reagan and the help which Argentina seemed to be receiving from the Soviet Union.

Mr Haig said that he understood these points. But as the Prime Minister would know, a great deal was being done to help the United Kingdom. The fact that fuel was being made available at Ascension Island had caused difficulties with the Argentines but he had made it clear that America would respect its treaty obligations. Argentina had denied officially that it was receiving help from the Soviet Union. The Prime Minister said that that was only to be expected. But it was very difficult for us if we were placed on an equal footing with the Junta.

Mr Haig said that he recognised our concerns. He would delete the reference to Ascension Island. But the rest of the statement was necessary. In his view there were some 48 - 72 hrs left to obtain a peaceful solution. If the Argentines knew what help the United States was really giving to the United Kingdom, they would not continue with the negotiations. The American aim was to keep the affair away from the Organisation of American States where discussion would be very inflamed.

The Prime Minister said that the important thing was that the United States and Europe should stick together. It would be argued here that America could bring the dispute to an end by applying economic pressure. Mr Haig stated that the American press stories of the previous day had been almost fatal to the peace process. He was afraid that the revised statement would be too weak for the Argentines. But he would resist any attempt by them to re-insert a reference to Ascension Island. He had not yet discussed the statement with the Argentines. It would not mean any change in practical cooperation with us.