



10 DOWNING STREET

~~Schen~~

I understand from the
Resident Clerk that Mr
Pym did not deliver this
letter to the President
as it would need redrafting
after his discussions in
the United States. I
have informed the PM it was
not delivered.

Daly

4/5

MESSAGE FROM THE PRIME MINISTER TO PRESIDENT REAGAN

I am tremendously heartened by the way you and Al Haig have come out in our support over the Falkland Islands. This will make it unmistakably clear to the Argentines that they cannot profit from aggression.

The measures you have announced, suspending supplies of military equipment and denying new export credit guarantees, will show the Argentines that you are in earnest. I hope that the measures on military supplies will enable your people to prevent the export of any equipment which might be used for military purposes, such as engines for the Sky-hawk aircraft.

I wonder if I could ask you to consider going further and to impose a complete ban on imports to the United States from Argentine? I believe this would be by far the most effective single measure which you could take to bring this crisis to a solution by peaceful means and I feel we must make every effort to do that. Also it would match the action which our European and Commonwealth partners have taken.

It would encourage the Community to maintain their own ban, imposed initially for one month, should this prove necessary. It would induce other countries, like Japan, to do the same. The political impact on the Argentine junta would be extremely powerful. They would face the prospect of 40% of their overseas markets being closed to them. The economic impact would be slower to take effect. But if it brings the Argentine junta to their senses quickly, it could be reversed without lasting damage.

I know that this will affect your economic interests, which are greater in the area than ours are. But the same is true of several of our European partners, especially Italy and Germany. They have been ready to take these radical measures, despite political and legal problems, because they see the very dangerous threat to the security of us all if Argentine aggression is not reversed. I hope most sincerely that you can do the same.

/So many

So many young lives are at risk - British and Argentinian - that I feel we must make a supreme effort to prevent a major military clash. Reason, humanity, commonsense have so far failed. With all my heart, I hope that the measures I propose will succeed.

Warm regards