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RECORD OF CONVERSATION BETWEEN PRIME MINISTER AND MR HAIG, WEDNESDAY,  
14 APRIL, 1982

Haig: There has been a lot of activity here this morning. We had two very difficult complications. The first was the news reporting here in Washington alleging unusual American support for Great Britain in intelligence and operational matters.

PM: We read the reports.

Haig: That has caused quite naturally a major crisis in Buenos Aires. Based on that they have concluded that there is no way we can proceed unless there is some rectification of that situation.

And the second problem involves the attitude of that government on new ideas. We of course have some new ideas, based on our discussions in London and the suggestions made by the Argentine Foreign Minister to me on the phone the night before last. But they will not forward them formally until they have confirmation that there has been some British flexibility, or perhaps US proposals as well. The third problem involves their insistence <sup>that they have some assurance</sup> on the fleet or they will be forced to go to the OAS and invoke the Rio Treaty. Now what we have done Madam Prime Minister is to put together a statement here in which I would clearly confirm that there were new ideas and that I am prepared to bring them to Buenos Aires.

PM: What, fairly soon

Haig: Well there are new ideas clearly and no-one on either side could contradict that.

PM: Well obviously we would not contradict it. But the thing I am most concerned about of all, of course, as you know because you know the implications is your first point is that in no way could we proceed unless there is some rectification of that situation. That is the thing which concerns me most of all, and for reasons which you will appreciate.

Haig: I think I understand that but I think it is also understandable that they would have a difficult problem in the face of that intelligence information which is really not correct.

PM: But are you going to make that clear.

/Haig:

Haig: Yes, what I would like to say and I could read to you what I propose to say here in about an hour after I have discussed it in Argentina as well.

PM: Well let us then go back to the point that you are making immediately that you are preparing to make a statement there on the new ideas but that there are new ideas and that you are prepared to take them to Buenos Aires. Of course no-one here would contradict that, we should be deeply concerned if you did not go to Buenos Aires.

Haig: Absolutely.

PM: You won't actually give the new ideas because we <sup>don't know</sup> know of us know what they quite are.

Haig: Would that be helpful.

PM: It would if you could just indicate, yes please.

Haig: What I would say is that I want to make a statement on the dispute between Argentina and the United Kingdom. It is exceptionally difficult and an exceptionally dangerous problem. The positions that both countries hold are deeply felt and in many cases mutually contradictory. But the leaders of both countries have assured me again today that they are prepared to go on working with us to reach a political solution. That will require flexibility on both sides not abandonment of principles but responsible and sensible adjustments.

PM: .....

Yes I think the latter is important

Haig: As a result of my conversations in London plus telephone conversations today, I have developed new ideas which I have described to the Argentine Government. Based on these new ideas the Argentines have invited me to return to Buenos Aires. I propose to do so and it will probably be tomorrow but if it has to be even tonight again. This is the important thing on the intelligence - from the outset of this crisis the United States has viewed its role as that of assisting the two sides in finding a peaceful solution. Our ability to do this is based on our long-standing relationships with both the UK and Argentina.

Haig: continued .. we have been careful to maintain the relationships in order to preserve our influence with both governments.

PM: Yes. And I read between the lines and between the letters there can I?

Haig: Yes. And here is the key point. Failure to live up to existing obligations or going beyond them would obviously jeopardise our ability to play the role both countries wish us to perform.

PM: I've got, got it all.

Haig: Since the onset of the crisis the U.S. has not exceeded to requests that would go beyond the scope of our customary patterns of co-operation. That will continue to be our stand while our efforts are under way. British use of US facilities on the United Kingdom Island of Ascension has been restricted accordingly.

PM: Oh, now that's a bit devastating.

Haig: Now we have looked very carefully at our agreement on this and we feel that that statement has been and remains justified.

PM: But we have a treaty on this. I have just come out of the House where we have just concluded our Debate and we had enormous support on this, indeed as much unity as I have ever seen in the House and please don't take this amiss but considerable disappointment at the US position in a way - that the full difference between democracy and dictatorship is not appreciated and that we are both treated the same. And the view we have taken, of course, is that that has to be during these negotiations. But you see why I just need to look back at that Treaty, because it is very important to us.

Haig: Yes, I certainly agree with that. And I have made it clear with Buenos Aires that so long as we are conducting the effort we will attempt to stay within normal patterns. We have done that this far and believe that we can stand by that position. On the other hand we have made it clear to them if this peace effort fails those restrictions can no longer be maintained. Now within normal patterns as you know

/there has been

Haig: continued .. there has been extensive words. So I am not talking about any changes.

PM: That I understand. The important thing is I think at the moment is that you continue the process of negotiation. that you have started, that would be our view. We wish you to go back to Buenos Aires, we would like to have more details of the ideas. I can see that you have gone to considerable lengths to reassure me things about which I am concerned about which you have just spoken.

Haig: Well I think thats fine and I think its important that I get this statement out immediately to clamp down what has become a major internal problem in Argentina.....

PM: The statement is going out within a matter of minutes is it?

Haig: Yes.

I think we have enough to continue this process constructively. I will call Francis.

PM: He's right here:

Haig: Francis I just told the PM this press business in Washington has caused a major crisis in Buenos Aires and I read a statement to her which I hope will assist this. They will never accept us down there until we do so and I can understand their concern. Now another problem which they had was that they feel they have had no submission from Gt Britain and I told them that we did have some ideas, that you have given us, but it would be helpful if you recognised that I also must have, and I can portray it as my own, something along the lines of the paper I left with you.

Francis: Yes, we've been working on that all day. We can send it over to you tomorrow or tonight if you like, but tomorrow might be better.

Haig: I would be pleased to have that. I don't what to extract it from you. But I would like your OK in any event to discuss those ideas ... referendum from my own point of view.

Francis: Yes you must do that. We will send it over to you - will tomorrow be in time?

Haig:

Haig: Yes, that's fine ... and I will make a statement here in about an hour as I told the Prime Minister, designed to quiet this down. They had some difficulties with the combination of the very tough positions you have just espoused in Parliament and otherwise on top of this intelligence I think you can see that we didn't anticipate those mischevious press stories.

Francis: Absolutely, it makes the whole process more difficult and I quite see that....

Haig: It's abosolutely essential that we do that and that we move quickly. Francis I will wait to hear your ideas on that paragraph 8.

Francis: We've been working on them all day.

Haig: Well I know you have had a difficult day and I will keep you full primed.