PRESIDENT:

Margaret?

THATCHER:

Yes, Ron?

PRESIDENT:

Could you hear me alright?

THATCHER:

We could hear you very well. Can you hear me?

PRESIDENT:

Yes, seems to be a little echo but I guess that goes with the line we're on. Listen, I'm looking forward to our meeting next Friday, when we can talk about situations that are better in detail.

THATCHER:

I think we should need a good long meeting, we don't want to be hurried.

PRESIDENT:

I hope it can be, although I know they've got me on a schedule that I think will send me home about a foot shorter than I am.

THATCHER:

Well yes, but I think you just have to take the most important things first.

PRESIDENT:

Yes. And listen, could I impose and be presumptuous and give you some thoughts right now on the Falkland situation?

THATCHER:

Yes, of course.

PRESIDENT:

Because, well your impressive military advance could maybe change the diplomatic options, as we see them, that would be available to us between now and next Incidentally, I want to congratulate you on Friday. what you and your young men are doing down there.

SECRET BY LW NARA DATE 1/25/16

• SECRET •

You've taken major risks and you've demonstrated to the whole world that unprovoked aggression does not pay.

THATCHER: Well not yet, but we're half way to that. We're not yet half way, but a third of the way anyway.

PRESIDENT: Yes, yes you are. I know that Al Haig has passed on some of our ideas on how we might capitalize on the success you've had with a diplomatic initiative, and I back the concept that...Hello?

THATCHER: Yes, I'm still here.

PRESIDENT: ...given Argentina's performance through this whole affair, a new initiative may not succeed, but even if they turn it down, I think an effort to show that we're all still willing to seek a settlement, consistent with our principles would undercut the efforts of some of the leftists in South America who are actively seeking to exploit the crisis. Now, in thinking about this plan

THATCHER: This is democracy and our island, and the very worst thing for democracy would be if we failed now.

PRESIDENT: Yes,

THATCHER: There is always a way through for the Argentines and and that is just to withdraw their forces from the island and that is not surrender it's just asking them to withdraw to the mainland.

PRESIDENT: Well, this is just what this idea has in mind, but we believe that it's only chance of success might be prior to the capture of Port Stanley, we wanted Latin cover

• SECRET •

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and we've been talking, when he was here, we talked with the Brazilian President, Figueiredo and he wants to be of help but he believes, know them and knowing the Argentinians that the best chance for a peaceful solution at this point, would be prior to a complete Argentine humiliation and that's why I just wanted to say, I know you're meeting with the cabinet tomorrow and you've got some tough decisions to make. I don't know if the junta can make a deal, but even if it can't be struck I believe you will put yourself in a very favorable position, if I could be so presumptuous to say that, and

THATCHER:

(garbled) lies, because they refused to accept the deal before we had to re-enter to take the island. I have to retake them now. I did'nt lose some of my finest ships and some of my finest lives, to leave quietly under a cease fire without the Argentinians withdrawing.

PRESIDENT:

Oh. Oh, Margaret, that is part of this, as I understand it. This latest proposal that they would want to come from Brazil and ourselves to see if, and it would be that they would have to withdraw.

THATCHER:

Ron, I'm not handing over (garbled) I'm not handing over the island now, to anyone else other than to whom the people want. And that would be intolerable. We will therefore(?)...we have some of our best ships lost, because for seven weeks the Argentines refused to negotiate on reasonable terms.

PRESIDENT: Yes

THATCHER: It's not only the one thing, we lost some of our best



British guard(?) and some of our allies in NATO. When we repossess the island and restore the people to democracy and then we will discuss with them what they want. There can be no question now, of us quietly moving out of the island to hand them over to a contact, local or United Nations or anything like that, before we had the real thing, before we had to do that thing, yes, that's what we were offering to stop the fighting. I can't lose the lives and blood of our soldiers to hand the islands over to a contact. It's not possible.

PRESIDENT:

Well, Margaret, I just thought that are we talking about the same thing, because my understanding was that they would have to withdraw. That the cease-fire would have to be followed with their withdrawal and you, your forces would not have to withdraw until a binational or multinational force arrived then as the housekeeping force.

THATCHER:

Yes, but I think the point is this Ron, and you would understand it, we have born the brunt of this alone. To hand over the Queen's islands to a binational, multinational force immediately and that we must restore our British administration. We must then try to see what kind of security we can get for the islands. And then with a kind of Sinai force. And not to hand the people over to anyone...

PRESIDENT:

No ...

THATCHER:

We wish to reinstate their existing laws, their customs. And I don't know what their wishes will be until the hostilities are complete, are over and we could talk to them and we could get some developments in the islands which would be of help and then we could get some



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security. What I simply can't have now is having born the brunt of this totally alone, if we choose to say, alright the Argentines withdraw and when they've gone we go. Having lost British guard(?) we hand over to someone else all we've got in the future that the island is one. We don't believe we're not being (familiar with the future)(?) under Britain, I think it will be a kind of independence or semi-independence or quasi-independence so that they will go the way that former colonies have gone. They'll come with self-government, which they were on the way to doing. Now, the situation once you've gone through battle is very very different than if you have one with varied offers, (?) before we had actually to do battle.

PRESIDENT: Margaret, but I thought that part of this proposal,

THATCHER: (words garbled)...our young men fighting...

PRESIDENT: But part of the proposal,

THATCHER: (words garbled) to withdraw, that would be marvelous.

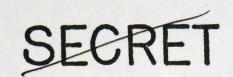
PRESIDENT: But part of the proposal, as I understand it, was that local self-government and the local councils would be established to govern the islands and at the time of this, they would have to, the rapid withdrawal. And yours would be a phased withdrawal after the peacekeeping force came in to assume just the security of the islands for a limited period and then the negotiations, without any preconditions would go forward.

THATCHER:

Yes, but why now negotiations without any preconditions? That time, I think is over, Ron. I can't emphasize too much, how would you feel if you put in a large part of your navy, some of the best of your armed forces to secure and repossess those islands to restore the people with it's administration, (words garbled), under democracy and all of a sudden they say "No you can't have that. We know you've lost your blood for it, but you can't have that. We're going to put in something else." Gradually we will put in something else. But when our people have gone so that we can't reposses British (word garbled) territory with British people on it, any (words garbled) Argentinians there ever. (sentences become garbled) ... we will see what the islanders want. That must be our objective now, and if the Argentinians wish to withdraw from Port Stanley and from the other places, then nothing will please me better. It was ridiculous that they didn't do it before. (sentence garbled) So we are really saying, please return to the mainland.

PRESIDENT:

I thought you were in a sufficient position of power that there wouldn't be any doubt in anyone's mind that they, what they had done was a retreat in the face of defeat. I don't think there is any question, that anyone doesn't know that victory could happen. I was just thinking of how, how much, well I'm worrying about what happens if you have to retain an occupancy, military occupancy against a possible attempt on their part to do it again. Or I'm also wondering about what happens if the present government, as bad as it's been in this whole affair, if it falls and is replaced as it would be by the leftist Peronists.



• SECRET •

THATCHER:

Yes. I understand that we do need help with the security of the island. I'm the first to admit it. But you are surely not asking me, Ron, after we've lost some of our finest young men, your surely not saying, that after the Argentinian withdrawal that our forces and our administration become immediately idle? (I had to go imense distances) (?) and mobilize half my country. I had to go there to (word garbled) the invader, because no one else could do it. I just had to go.

PRESIDENT:

Yes.

THATCHER:

(words garbled) and he must not gain in his aggression. I wonder if anyone over there realizes, I'd like to ask them. Just supposing Alaska was invaded, it's a long way away from you, it's next door to (words garbled) who didn't (garbled) United States. Now you've put all your people up there to retake it and someone suggested that a contact could come in. And if the invader left and if you left and you couldn't stay. (words garbled) and you've lost a lot of men and you ships. You wouldn't do it.

PRESIDENT:

No, no although Margaret I have to say that I don't quite think Alaska is a similiar situation.

THATCHER:

More or less so.

PRESIDENT:

It was always my understanding or feeling that you had in the past been prepared to offer independence to the islands or,

THATCHER:

Yes, but I think now, I think gradually, Ron. I think this really is fairest thing for the Argentines. But



eventually I think I'd be able to say alright we haven't got the islands and I think that (words garbled) they might have been a possibility, they've simply not done that. They've done awful things to our island, we've had a terrible time with them, (word garbled) and Goose Green and Darwin and I think the best thing for the Argentines is that we have repossess the island we shall gradually sympathize. (Sentence garbled) And try to get multinational force there. Not with a view of colonialism but with a view to independence or quasi-independence which will leave the margin there for recognizing a quasi-independence and get the last vestige of colonialism out, and that is what we will try to do. A hundred ships three to seven times as many young men, some of whom are dead. The Argentinians have done everything possible to try to sink the ship with (word garbled) men(?) along with many, many others. You will surely recognize that they need almost as much material help as they can possibly ask. (Sentence garbled)

PRESIDENT: Margaret, I,

THATCHER:

The conditions that exist, (word garbled) you had to go in and your (illusionary) (?) young men are quite different from the conditions that offered before but I would be delighted if the Argentinians said, alright, save our young men and perhaps on the understanding that we would bring the islands gradually to independence.

PRESIDENT: Well,

THATCHER: That would be marvelous. But as things are, our blood and then ask us that if the Argentines withdraw then the British automatically withdraw, before we manage to

• SECRET •

arrange the future that the islanders want, because after all you and I are democracies. It's self-determination we're after.

PRESIDENT: Yes, well,

THATCHER: Mr. President (you have tried your round,) (?) that's why
I'm here.

PRESIDENT: Yes.

THATCHER: You really do think that when our people have lived through the most blameless lies (sentences garbled) there can be any choice that they be put under anything other than their own choice. (sentence garbled) otherwise you have perpetual trouble down there. You yourself said on television the other evening, I would remark, if the aggressor wins anything out of this, there would be fifty other (word garbled) risk. But I would think that you would be delighted if Port Stanley without a death. It would be the most sensible both for them and for us.

PRESIDENT: Well, Margaret, I know that I've intruded and I know how, I know,

THATCHER: You haven't intruded at all, and I'm glad you telephoned.

I will talk to my people about it tomorrow and maybe we can have a broader talk on Friday.

PRESIDENT: Alright, I'll look forward to it and I, I know how

THATCHER: Understand that when you've lost some of your wonderful regiment.

PRESIDENT: Yes I know what this, I know how, how tragic this has

been for you. I look out here at some of our own young men at some of the formations you've seen and I know how I would feel if that were happening to them. So I do

know.

THATCHER: And you know how you'd feel if you went through the same

conflict.

PRESIDENT: Yes, I know

THATCHER: (sentences garbled) Anyhow I will see on next Friday and

we will have a long talk then.

PRESIDENT: Alright and God bless you.

May 28, 1982

TO:

JIM RENTSCHLER

For your information/files.

Return to ED Robert

Dona

To has seen. Tx.

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Secure coll 1800 May 31,1987 PRESIDENT:

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PRESIDENT:

Because, well your impressive military advance could maybe change the diplomatic options, as we see them, that would be available to us between now and next Friday. Incidentally, I want to congratulate you on what you and your young men are doing down there. DECLASSIFIED IN PART

NLRR M08-193 #29074

SECRET BY KML NARA DATE 6/10/10

E. O. 12958 As Amended Sec. 3.3 (b) (6) You've taken major risks and you've demonstrated to the whole world that unprovoked aggression does not pay.

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THATCHER: E.O. 12958 As Amended Sec. 3.3 (b)(6)

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PRESIDENT:

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E. O. 12966 As Amended Sec. 3.3 (W(6)

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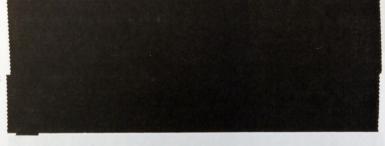
E. O. 12958 As Amended Sec. 3.3 (b)(6)

PRESIDENT:

Yes.

THATCHER:

E.O. 12958 As Amended Sec. 3,3 (6)(6)



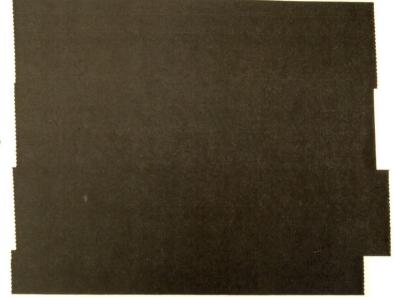
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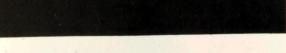


PRESIDENT:

Well,

THATCHER:

E. O. 12958 As Amended Sec. 3.3 (b) (6)



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THATCHER: E. O. 12958 As Amended

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PRESIDENT: Yes, I know

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UNPUBLISHED
May 28, 1982
6:00 pm

THE WHITE HOUSE



WASHINGTON

THE PRESIDENT'S SCHEDULE Monday, May 31, 1982

10:40 am	Depart for Arlington Cemetery for Memorial Day Ceremonies (Stephen Studdert)	South Grounds
12:00 m	Return White House	South Grounds
12:05 pm (20 min)	Meeting with Ambassador Jeane J. Kirkpatrick 12:/5-12:50 (William P. Clark)	Oval Office
12:30 pm (3½ hrs)	Lunch and Personal Staff Time	Oval Office/ Residence
4:00 pm (10 min)	Taping for French D-Day Special (Bakshian/Goode)	Library
4:15 pm	To Residence for remainder of the day	Residence

- on the Falklands crisis and to convey new information received this morning from my discussions with President Figueiredo of Brazil who is here in Washington, and from the Secretary General.
- Ambassador Parsons and his Argentine counterpart have produced some movement -- specifically, Argentine willingness to enter negotiations without preconditions. that at least is what their negotiator in New York says -- what the Junta thinks is less clear. We did not get a completely clear signal in Dick Walters' talks yesterday with Galtieri. I understand the remaining issues center upon the composition of interim administrative authority, the number of island groups, freedom of movement between the mainland and the islands.

DECLASSIFIED | RELEX

NURR <u>FO2-67-/1</u> #29073

BY CI NARADATE 7/3,/66