

68. Message From British Prime Minister Thatcher to President Reagan¹

London, April 6, 1982

Begins:

I am seeking your urgent help in bringing pressure to bear on Argentina to withdraw from the Falkland Islands. Argentina has made clear that it will defy the Security Council Resolution adopted on 3 April, calling for its immediate withdrawal.² This is unacceptable: all our efforts must be devoted to bringing Argentina to respect the will of the Security Council and to act according to this resolution. In this context we should use all available means of pressure on them. Economic and financial measures would have a particularly powerful impact.

¹ Source: Department of State, Executive Secretariat, S/S Special Handling Restrictions Memos 1979–1983, Lot 96D262, ES Sensitive April 1–9 1982. Confidential. Thomas sent the message to Stoessel under an April 6 covering note that stated that in Henderson's absence, Thomas would deliver Thatcher's message to McFarlane at the White House that afternoon. (Ibid.)

² Galtieri announced on April 4 that Argentina rejected Resolution 502: "Argentina will maintain its freedom of action to protect the nation's interests and honor, which will not be negotiated. Argentina is not willing to renounce its historical rights over the islands and withdraw from what is hers the armed forces who are and represent the people of our nation." ("Argentina Rejects Resolution," *New York Times*, April 4, p. A18)

I am deeply grateful for your own energetic intervention with the Argentine President³ and the help which you gave us in the Security Council.⁴ What you did was widely noted and applauded here. The United States is a substantial trading and financial partner with Argentina. If you can support us with economic measures, this will be vital to their success. We must not forget that we are dealing with an unprovoked aggression in flagrant breach of international law and of all the principles which your country and mine have done so much to defend.

I seek your personal backing for the urgent introduction of economic and financial measures against Argentina. I am already approaching our Community partners on this, since we are bound to consult together on many economic matters. But I very much hope that you will join us too. Coordinated action by the Community, the United States, Japan, Canada, Australia and New Zealand would bring home to Argentina the consequences of their illegal actions.

The Argentine economy has suffered serious difficulties over the years and is now in a fragile and vulnerable condition. The Argentines depend critically on maintaining their export earnings and in raising finance both to pay for their imports and to cover their external deficit. Measures to limit their access to markets and to credit will hit them hard. We in Britain are already taking action. But such action will be far more effective if our close friends and trading partners will support us as fully as possible. About 40 per cent of Argentina's exports go to these countries, including the countries of the Community. Argentina seeks to raise funds at the leading world financial centres. They cannot afford to be cut off from trade and finance on this scale.

A Security Council resolution imposing sanctions on Argentina would bring universal economic action. But the experience over Iran in 1980 shows that the Soviet Union would be bound to veto this:⁵ and time is short. I must therefore turn to you, together with our other friends, to ask you to take national action in solidarity with us in introducing economic measures.

The measures I propose are these:

(a) A complete ban on the supply of arms and other military material to Argentina. We have already done this. I urge that you will also ban arms supplies, maintain this ban in force and encourage others to do likewise.

³ See Document 41.

⁴ See footnote 3, Document 50.

⁵ Reference is to the January 1980 veto by the Soviet Union of a United Nations Security Council resolution that sought to impose economic sanctions on Iran in the aftermath of its taking of U.S. hostages from the Embassy in Tehran.

(b) An embargo on all or some imports of goods from Argentina. We are announcing a complete embargo with effect from midnight tonight 6 April. I urge you to take supporting action and to be ready to announce it and introduce it as soon as possible.

(c) The ending of export credit guarantees for new commitments to Argentina, and discouragement of further international lending to Argentina. We have ourselves ceased to enter into new guarantee commitments and frozen all Argentine financial assets in London, and we expect British financial institutions to be very reluctant to undertake new commitments towards Argentina in present circumstances. The aggressive actions by the Argentine authorities and the uncertainty of their outcome, against a background of considerable domestic economic difficulty, have already undermined confidence in that country's creditworthiness. The further actions we have taken will directly create financial difficulty for Argentina. Prudence alone should deter the international banking community and other governments from undertaking further credits and loans to Argentina. I ask you to provide no incentive and no encouragement.

I know that these measures will affect your own economic interests. But if they are taken rapidly, with the widest possible solidarity among our partners, they should bring the Argentine Government to their senses. They would show Argentina that force does not pay and lead us towards withdrawal of their forces and the peaceful solution which we want if at all possible. The quicker these measures can be agreed, announced and put into effect, the stronger their impact on Argentina and the better the prospect that they can as quickly be reversed.

I look forward to your earliest possible response.

Ends.