

70. **Memorandum From the President's Assistant for National Security Affairs (Clark) to President Reagan<sup>1</sup>**

Washington, April 6, 1982

Mr. President:

Several days ago when the Falklands matter arose, I tasked my staff to answer a number of questions. Their answers are attached.

The most recent development was the request this afternoon from Prime Minister Thatcher<sup>2</sup> that we:

1. Ban all military assistance to Argentina;
2. Impose restrictions on all imports from Argentina;
3. Discontinue export credit guarantees for Argentina.

These rather extreme proposals which we cannot agree to, make clear the near hysterical pitch to which the UK has propelled the political debate in London.

You may wish to scan the highlighted portions of the attached in preparation for Wednesday morning's NSPG.<sup>3</sup>

**Bill**

---

<sup>1</sup> Source: Reagan Library, Executive Secretariat, NSC Country File, Latin America/Central, Falklands War (04/06/1982). Secret. Copies were sent to Bush, Meese, Baker, and Deaver.

<sup>2</sup> Attached but not printed is a copy Thatcher's April 6 message to Reagan (see Document 68).

<sup>3</sup> A list of topics relating to the situation in the Falklands/Malvinas, which was prepared in advance of the April 7 NSPG meeting, is attached but not printed.

## Attachment

### Memorandum From James M. Rentschler, Dennis C. Blair, and Roger Fontaine of the National Security Council Staff to the President's Assistant for National Security Affairs (Clark)<sup>4</sup>

Washington, April 6, 1982

#### SUBJECT

Falklands Follow-Up

*SUMMARY:* Provides in-house answers to the questions we raised concerning middle- and longer-term implications of the Falklands crisis; supplements these with a summary of the meeting Secretary Haig chaired on the same general subject this morning;<sup>5</sup> and recommends that you use the information we have provided as a discussion basis during the time you will spend with the President and Haig in the Caribbean.<sup>6</sup> *END SUMMARY*

You asked for staff thinking on the package of questions we raised vis-à-vis the Falklands crisis and our belief that an SSG would be a useful forum in which to address the middle- and longer-term (as opposed to the immediate and operational) implications of the crisis in the Southern Atlantic.

At Tab A you will find a summary of in-house responses to those questions. We have carried these as far as we can, with the information and background to which we now have access, but there remain issues which clearly require much broader inter-agency consideration, particularly those involving the extent to which we should or must support the UK in the event of hostilities. *This is a major policy decision with far-reaching potential, and it may need determination relatively soon (a matter of days).*

Meanwhile, in addition to the material appended we summarize as follows the main points of consensus emerging from the meeting Secretary Haig chaired this morning in which we participated along with Walt Stoessel, Larry Eagleburger, Tom Enders, Bill Middendorf, and a number of others:

---

<sup>4</sup> Secret. Rentschler signed "Jim" above his name in the "From" line and also signed for Blair and Fontaine. The memorandum was extensively underlined by an unknown hand with a highlighter pen.

<sup>5</sup> See footnote 10, Document 69.

<sup>6</sup> Reagan and Haig were scheduled to travel to Jamaica and Barbados for meetings with Caribbean leaders April 7-11.

—We do not have the luxury of either side-stepping this crisis or attempting to wait it out;

—To the extent that third-party activity may be effective in averting hostilities, the U.S. must be the one to initiate it (no other likely candidates are in view); moreover, we will have more flexibility moving early (i.e. now) rather than later;

—The Thatcher government is at great risk and could well fall over this crisis; it will be important for us to avoid a Suez- or Skybolt-type situation where we are perceived to have thwarted the one lever (military threat against Argentina) capable of turning the crisis around in Britain's favor;

—The above consideration, in turn, requires a basic policy determination concerning the extent of support we will be willing to provide the British, particularly in the context of hostilities involving British naval units (we have already agreed to be responsive to the first series of specific items of military assistance which the Brits have requested);<sup>7</sup>

—Three elements in particular would serve U.S. interests in the crisis: withdrawal of Argentine troops from the islands, turn-around of the British fleet, and establishment of some negotiating/arbitration mechanism or formula agreeable to both the Brits and the Argentines;

—The most promising avenue at present may be a U.S.-sponsored OAS initiative which would result in an MFO-type authority in the islands, possibly composed of U.S. and Canadian elements, plus elements from two Latin American countries (trying for this would be contingent on earlier bilateral soundings with both the Brits and the Argentines, which the Secretary is beginning this afternoon);

—The bottom-line issue—ultimate sovereignty over the islands—will have to be addressed at a far later stage in the process and should be allowed to remain murky at present (as one participant put it, “we have to resolve the Sinai before we resolve Jerusalem”);

—State will develop a specific game-plan incorporating the above essentials, including a press line and an early start on some U.S. diplomatic movement which does not leave the President looking exposed and impotent while he is in Barbados.

Since the President, you, and the Secretary will be travelling together to the Caribbean tomorrow, you may wish, in the course of that trip, to use this memo as the basis for a discussion on where and how we proceed from here on out.

---

<sup>7</sup> See Document 69.

**Tab A**

**Paper Prepared by the National Security Council Staff<sup>8</sup>**

Washington, undated

*PRELIMINARY NSC STAFF VIEWS ON QUESTIONS/ISSUES  
WHICH WE NEED TO ADDRESS IN THE CONTEXT OF  
MIDDLE- AND LONGER-TERM IMPLICATIONS OF UK-  
ARGENTINE DISPUTE OVER THE FALKLAND ISLANDS*

**I. INTELLIGENCE AREA**

Q. [*1½ lines not declassified*]

A. [*3½ lines not declassified*]

Q. What is the situation of the small number of American citizens known to be residing in the islands?

A. Under control. Embassy Buenos Aires is keeping a careful watching brief on their whereabouts and safety, and is impressing upon the Argentine authorities our interest in this matter.

Q. What are U.K. deployment plans, assets and capabilities?

A. U.K. force now underway has capability of sinking Argentine surface ships, blockading of Falklands, and hit-and-run attacks on Argentinian mainland; successful amphibious operation to retake the Falklands is difficult, but probably within U.K. capability;

—Primary shortcoming of present U.K. force is lack of fixed-wing aircraft. Argentina has one old aircraft carrier with fixed-wing aircraft, and can operate from shore bases on Falklands and mainland;

—U.K. plans unknown, but statements of leaders and thoroughness of preparations suggest intentions at least to retake Falklands by force if necessary. This aspect should *not* be underestimated.

Q. What are Argentine capabilities, vulnerabilities and intentions?

A. Argentine Navy would be unable to prevent U.K. sea blockade of Falklands.

—By time of British arrival, Argentine force on Falklands will be well garrisoned, provisioned, and an airlift could bring essential supplies for period of weeks even if U.K. sea blockade were in place;

---

<sup>8</sup> Secret. The paper was underlined extensively by an unknown hand with a highlighter pen.

—Argentine Navy and air force would not be able to lift a British sea blockade of either Falklands or mainland ports (negligible capability against British nuclear submarines).

—Argentine intentions are to dig in on the Falklands, raising the cost of a British attempt to recapture the islands.

Q. What are realistic U.K. options, with best estimate of future actions, both military and political?

A. British options are limited, given the domestic political considerations driving the crisis in both the U.K. and Argentina, and given the logistical constraints on a purely military British response;

—The British hope for a peaceful settlement but are quite prepared to use force;

—Political options have already been embarked on to bring pressure on Argentina, (severance of diplomatic relations, freezing of Argentine assets) but in and of themselves such measures will not be enough to change the situation in the U.K.'s favor;

—Unless third-party activity (i.e. U.S. initiative) proves effective, the prospect is for armed conflict via naval engagements in the very near future; realistically, that is the only option the present British government has absent face-saving intervention.

## II. POLITICAL/DIPLOMATIC AREA

Q. What is the recommended U.S. role in private and public diplomacy?

A. This is a major policy decision, to a significant degree already considered by the President's stated willingness to offer U.S. good offices;<sup>9</sup>

—In the *short-term* we should, following bilateral soundings with both parties, attempt an initiative under OAS auspices which seeks replacement of the Argentine military presence with an MFO-type authority (U.S., Canada, plus two Latin America elements from two Latin American countries), in concert with the turn-around of British naval units and agreement by both sides to some impartial negotiating mechanism;

—In the *longer-term* we must at some point address the fundamental issue, which is the question of ultimate sovereignty over the islands;

Q. What should be the extent of U.S. support for the British?

A. This is a major policy decision, to a certain extent conditioned by our formal alliance relationship with the U.K., our positive feelings about the present U.K. government, our need to avoid a Suez-type

---

<sup>9</sup> See footnote 4, Document 64.

perception of U.S. unhelpfulness, our recognition of the support Mrs. Thatcher's government has given us on many issues; and the fact that we are already favorably responding to a first series of British requests for specific items of military and logistical assistance.

—The NSC's West Europe office recommends a strong pro-British tilt, even at the risk of damaging some relationships in the hemisphere (which we judge to be less serious than our larger strategic interests in the NATO/transatlantic context).

Q. What is our assessment of U.S. public opinion and Congressional opinion re extent of U.S. role?

A. Public interest currently low to moderate, and bemused by the whole affair;

—If military conflict breaks out, U.S. opinion would probably be on side of U.K.

Q. What are the middle- and longer-term implications for other key U.S. policy areas (UK/NATO credibility and capability? Impact on US/UK bilateral relations? Effects on U.S. regional interests, e.g., Middle East?)

A. In the *short-term*, serious degradation of U.K. commitments/capability in NATO Europe and other regions of the world;

—In the *longer-term*, assuming British success in thwarting Argentina, psychological enhancement of Western capabilities (nothing succeeds like success), with possible favorable implications for regional areas, including Middle East;

—In the *longer-term*, assuming further British humiliation or outright failure (particularly in a military context), serious damage to the image of Western strength, accompanied by a likely deterioration in the US/UK bilateral relationship (particularly if a Labour government assumes power in the wake of a Tory debacle).

Q. What are the middle- and longer-term implications of the crisis for U.S. Hemispheric policy?

A. *Middle-term implications*. The destruction of a currently promising U.S.-Argentine relationship which has yet to be achieved in the history of our two countries.

—*Longer-term implications*. The straining and perhaps collapse of the OAS and its security aspects embedded in the Rio Treaty.

### III. MILITARY/LOGISTICAL AREA

Q. What will be likely U.K. support requests?

A. These are likely to reflect (and keep pace with) the extent of U.K. military involvement; the more committed the British become militarily, the greater the number and frequency of requests for specific assistance (we have already received a number of requests in both the political and military areas);

—The initial focus will be on communications assistance, resupply, and overflight facilitation;

—A later phase, assuming expanded military action, would entail an intensification of requests in the above area and the U.K. pressing for a generally higher profile of U.S. assistance across the board.

Q. What will be the impact on other U.S. assets and commitments in event of support to British?

A. In the *short-term*, no significant impairment of our assets militarily;

—In the *longer-term*, and assuming sustained military operations, drawdowns on available assets transferred from other areas could have a range of adverse consequences from moderate to serious, particularly in some technical areas ([*less than 1 line not declassified*], communications gear).