

## 257. Memorandum of Telephone Conversation<sup>1</sup>

May 13, 1982, 1:40–2:05 p.m.

### PARTICIPANTS

President Ronald Reagan (calling from Washington, D.C.)

Prime Minister Margaret Thatcher of England

*Mrs. Thatcher:* Well. And you?

*The President:* Well, I'm fine. I just thought, I knew you'd been in with Parliament, and I thought you might want to hear a friendly voice.

*Mrs. Thatcher:* Oh, how kind of you. We've had, yes, we've had quite a difficult time today, as you know you do sometimes with Parliament.<sup>2</sup>

*The President:* Yes. Well, listen, I wanted to call and discuss with you some. . . .

*Mrs. Thatcher:* . . . negotiations we've done. We can't say what they contain, and Parliament's getting pretty restless. And this is that, where we've come up the crux of the real problem in negotiation. And Argentina wants sovereignty and administration, almost as a condition of her withdrawal, and of course that is what we can't grant.

*The President:* Well, now, here is the latest that we have heard here, and then I want to tell you something that came up with the presence here of President Figueiredo of Brazil, who has been here in Washington.<sup>3</sup>

*Mrs. Thatcher:* Yes.

*The President:* It seems that the Secretary General's talks with Ambassador Parsons and his Argentine counterpart have produced some movement, and specifically, Argentine willingness to enter negotiations now without preconditions, at least, this is what their negotiator in New York says. Now what the junta thinks is less clear. But. . . .

*Mrs. Thatcher:* Ah, well, we never know who we're negotiating with.

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<sup>1</sup> Source: Reagan Library, Executive Secretariat, NSC Subject File, Memorandums of Conversation—President Reagan (May 1982). Secret. All brackets are in the original. According to the President's Daily Diary, Reagan spoke to Thatcher from the Oval Office from 1:44 until 2:01 p.m. (Reagan Library, President's Daily Diary) Thatcher was speaking from London. In his personal diary, Reagan wrote of the discussion: "I talked to Margaret but don't think I persuaded her against further action." (Reagan, *Diaries*, p. 131) For Thatcher's account of the conversation, see Thatcher, *Downing Street Years*, pp. 220–221.

<sup>2</sup> Of the day's proceedings in the House of Commons, Thatcher wrote: "In the debate on Thursday 13 May Conservative back-benchers showed evidence of restlessness about our negotiations. Francis Pym continued to pursue a weaker line than I did and it was not liked." (Thatcher, *Downing Street Years*, p. 220)

<sup>3</sup> See Document 255.

*The President:* I know. Well, we. . . .

*Mrs. Thatcher:* Ros [Enrique Ros, Argentine Deputy Foreign Minister for Multilateral Affairs] was saying that yesterday, but then of course Costa Mendez said something different on television.

*The President:* Well, now we didn't get a completely clear signal in Dick Walters' talks yesterday with Galtieri.<sup>4</sup> And . . .

*Mrs. Thatcher:* You didn't.

*The President:* No, and I understand that the remaining issues center on the composition of interim administrative authority and the number of island groups and freedom of movement between the mainland and the islands.

*Mrs. Thatcher:* Yes, they're very important things to us, obviously.

*The President:* Yeah. Well. . . .

*Mrs. Thatcher:* . . . In the interim period can very much affect what happens afterward.

*The President:* But now, just recently, we've been on the phone with the Secretary General, and he now suggests that the two sides are quite close.<sup>5</sup> Is this the way it looks to you? . . . One new element, of course, is the willingness of. . . .

*Mrs. Thatcher:* Wouldn't have said the two sides were quite close because there are two very big outstanding things, one, the interim administration. And of course they want an administration that is much, much more Argentinian. . . .

*The President:* Ah, huh.

*Mrs. Thatcher:* . . . than would suit us or our people. [*The President:* Yeah.] And also want to have movement of Argentinian people in constantly and possibly, and so on, and, and that just, just would not suit the Islanders at all. And, also, there's a question of South Georgia, which of course the title is totally different from that of the Falklands.

*The President:* Ah, huh.

*Mrs. Thatcher:* And we're in possession of South Georgia. And, so, those are two very, very big points at that moment. But there is the other thing as well, that you don't know quite who you're negotiating with and that what Ros says, we're ready to negotiate without any preconditions about sovereignty, we don't know whether it's true. But the other thing is, if they're saying that, what their ploy obviously is, is to try to arrange an interim administration and conditions to that administration, which would lead inevitably to sovereignty at the end of the period. And the third thing is, there's absolutely no guarantee

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<sup>4</sup> See Document 253.

<sup>5</sup> Not further identified.

that at the end of the period, if they haven't got what they want, they won't just invade again. [*The President*: Uh, huh.] There's quite a long way to go.

*The President*: I see. Well, now, uh. . . .

*Mrs. Thatcher*: Now, you tell me what your information is, particularly from General Walters.

*The President*: All right. Well, no, mainly this is what, from President Figueiredo. [*Mrs. Thatcher*: . . . of Brazil.] He admittedly is closer to the Argentine position on the interim administration, but he will support you on a number of, the groups of islands, and on the movement of people between the mainland and the island which he thinks should be subject of negotiation rather than decided in the agreement. And, he. . . .

*Mrs. Thatcher*: They're trying to get it into an agreement, of course.

*The President*: Yes. And he thinks that he might be helpful with Galtieri because of the familiarity they have with each other, and he's willing to go ahead on that. But last night, when he came over to the White House, he took me aside immediately. We'd been together during the day, and he said he had just heard from his ambassador in Buenos Aires. And he said the ambassador was telling him that . . . that you were preparing to attack targets on the mainland, in Argentina, and that the admirals down there were underway in movements and so forth, and he told the President that he was the only one who could intervene and have any impact on the Argentinians, and then suggested that I should be doing the same thing with you. And both the President and I, he has agreed and is going to, if he hasn't started already, to get in touch and to try and ask them to hold off as to any further action. And I don't know whether what he said was true about what your plans were or not, with regard to that, but if there is any way in which we can hold off military action, in view of what we're getting from the Secretary General, we can contact him some more and stay in touch with this.

*Mrs. Thatcher*: They attacked our ships yesterday, so they're not holding off on military action. But even if they were, it's easy for them to hold off knowing that I with a task force bobbing around on the sea have not got the length of endurance on the sea which they have on the mainland.

*The President*: Yes, that's right.

*Mrs. Thatcher*: It makes sense for them to say, look, don't have any military action while you're negotiating. And all they've got to do then is to go on and on and on. And we'd be able to get nowhere and have our capacity to take military action steadily whittled away.

*The President*: Yeah.

*Mrs. Thatcher:* So I've said, continuously said, and still say, that the negotiations have not stopped military action nor can they, because the fact is, Ron, we're only getting anywhere as the military pressure builds up. Uh, until it has built up, we've got nowhere.

*The President:* Well. . . .

*Mrs. Thatcher:* But did I understand you, that their president, that the Brazilian president is talking to Galtieri?

*The President:* Yes. Yes, he's doing what he can. You know, Margaret, the one thing with them down there, as it builds up, what we are concerned with very much, you know where we come down, and we've made it very plain where we come down with you, but it is, and it's had a price on what we've been trying to accomplish in creating a better relationship with the Latin states, the South American countries, but we're worried, and so is the president of Brazil, about the original feeling that they were the aggressors, the Argentine, and that was why they did not invoke the Rio Treaty and so forth, but each time they're creating a kind of David-Goliath image now, in which you're Goliath.

*Mrs. Thatcher:* Well, I can hardly be Goliath when I have to go eight thousand miles.

*The President:* (laughing) I know, but that's their perception, and I don't know how important it is, the sympathy of the rest of the countries are [*or?*] not, but this is a great concern of ours as we see them. . . .

*Mrs. Thatcher:* Ten per cent of rest of the country is important, but this is what happened: our people did not want to live under an Argentine military rule, nor under Peronista. They've consistently said so, that they would live under democracy. And you wouldn't like to put any of your people to live under a military junta, nor, one, I can't see, which goes to the military junta to Peronistas and terrorists. I can't put mine under that either, without their consent. And I don't think that having had the Islands occupied, the Falklands occupied, and the Falklands is a long way further from the mainland than Trinidad and Tobago are from Venezuela. . . .

*The President:* Yes. . . .

*Mrs. Thatcher:* I don't think that our people having been occupied would be very ready to welcome Argentinian.

*The President:* No. . . .

*Mrs. Thatcher:* And it's like the Channel Islands in wartime, when they once had been occupied by the Germans, they're only too delighted to get rid of them.

*The President:* Yep.

*Mrs. Thatcher:* But the title of the Falklands, you know, is not necessarily by a long chalk the Argentinians, they've always refused

to take it to the International Court of Justice. And knowing the title, I can see why. But as they say, because an island four hundred miles, is four hundred miles off the coast, there are a lot of islands, including Trinidad and Tobago, who would shake in their shoes, because they're much, much nearer South American continent.

*The President:* Yes. . . . Well, Margaret, I agree with you that one thing that has been neglected, particularly on the part of the Argentinians, in this whole thing, is consideration for the people on the island who live there. And when I talked to him that first night, trying to get him to turn his task force, his invasion fleet around, when we knew it was on its way, oh, he swore to me up and down that the culture and the lifestyle and the rights of the people on the island would go on just the same as they had always been.<sup>6</sup> Well, we know that isn't true and we know they've made great changes already under this occupation.

*Mrs. Thatcher:* There you are, anyone in the government of Argentina who says that! But, you see, some of our people have been in the Falkland Islands for far more generations than some of the people in Argentina. I had some one in my room just a few days ago—seventh generation in the Falklands.

*The President:* Good Lord.

*Mrs. Thatcher:* Now his ancestors were in the Falklands, British. . . .

*The President:* Yeah. . . .

*Mrs. Thatcher:* . . . when many of the ancestors of the Argentinians were still in Spain and Italy. There are only forty Argentinians on the Falkland Island, of whom twenty return regularly to the mainland because they're only there temporarily.

*The President:* Yes.

*Mrs. Thatcher:* A country is its people. There are eighteen hundred of ours, five thousand in wartime.

*The President:* Yes.

*Mrs. Thatcher:* Because it was a very, very important port. And, as a matter of fact, Ron, which I don't know that people have really got hold of: the Falklands are important strategically. You've only got to have the Panama Canal closed and that would be easy. You need a passage through the Magellan Strait.

*The President:* Yes. Yeah.

*Mrs. Thatcher:* You need Port Stanley, and you need it in the hands of an assuredly friendly power. And you need South Georgia. So you can have South Georgia as a summer harbor and Port Stanley as a winter harbor. And it was very important during the last war to the

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<sup>6</sup> See Document 41.

Western world, and it was very important in World War One. Now, you know that the Argentines are getting very close to the (garbled), very close indeed. And one day the junta will fall and the Peronistas will be in control. And you'll then have the Peronistas plus the trade, all with the Soviets. And at that point of time, you and the Western world will need to know that the Falklands are true. And that you can use their Port Stanley.

*The President:* Yes.

*Mrs. Thatcher:* It's very, very important, and I thought the last thing anyone wanted was the Russians in Cuba and Russians controlling the Falklands. So there really is a tremendous strategic point and also on South Georgia. Because when the Antarctic is developed, and one day it will be, the port that will be the best port for that development which does not get iced up, is the port in South Georgia. So let's not just tack the thing up to a country that could go under communist rule by the fall of a junta and into the hands of the Peronistas.

*The President:* Yes.

*Mrs. Thatcher:* And who's never had its people in the Falklands—never, never, never.

*The President:* Yes, I, I. . . .

*Mrs. Thatcher:* Anyway, if they say we have no right to be in the Falklands, what right have the Spaniards and the Italians to be in Argentine?

*The President:* (laughing) Yes, yes.

*Mrs. Thatcher:* That was one of our Venezuelan friends the other day (both laughing) [*The President:* Well. . . .] On weak ground, as far as title is concerned—I've always been prepared to go to the International Court of Justice. And the idea that our people could be put under a junta that might become Peronista, (garbled)—so would you if one of your islands were taken back.

*The President:* Yes, yep.

*Mrs. Thatcher:* And they simply cannot say, right, we're prepared to withdraw, but we want to keep what we went and invaded for, namely, sovereignty, and administration.

*The President:* No, they can't have that. That must be in the negotiations. Well, listen, we'll keep on here with the Secretary General and keep in touch and doing whatever we can.

*Mrs. Thatcher:* All right, but Al Haig really was extremely good, and we were very happy to have him as a mediator. But of course we're trying to negotiate, but we cannot say, right, if you withdraw, you will have the very things for which you invade. . . .

*The President:* No, no, it was only that the impression [*Mrs. Thatcher:* Yeah.] we got from talking to the, up at the U.N., was that those main

points now that they had conceded, but, as you say, who are we negotiating with. . . .

*Mrs. Thatcher:* Oh, we're negotiating with, and there's quite a bit more to negotiate. But it is conceded that, the arrangement they're trying to get on the interim settlement, is that there're so many extra Argentines going in there with rights and property rights, et cetera, that our people leave. And that maybe is what they want. . . .

*The President:* Well. . . .

*Mrs. Thatcher:* . . . or get it that way.

*The President:* Yeah, well, we know you. . . .

*Mrs. Thatcher:* You know, it's a bit tough on our people, Ron.

*The President:* No, you can't give on that.

*Mrs. Thatcher:* They're hard-working, they've done everything which you and I say in our speeches, they've been loyal, they've been true; all they want is to live their own lives in their own way under a government of their own choice.

*The President:* Yes.

*Mrs. Thatcher:* And I think it's terrible if the two greatest democracies in the world, yours, as it's the largest and the most powerful, and ours the oldest, don't listen (garbled). . . . [*The President:* Well. . . .] To say that they have to be handed over, to some one they don't want to be handed over to—in the name of what?

*The President:* No, no, I can't quarrel with that.

*Mrs. Thatcher:* I know, you and I make the same speeches.

*The President:* (laughing) Yes.

*Mrs. Thatcher:* Well, I'm trying to apply mine to this particular problem. [*The President:* All right. . . .] But it's terribly, it's very helpful to know—it's simply helpful to know what General Walters finds with General Galtieri also. Brazil is, we regard as a friend, you know.

*The President:* Yes.

*Mrs. Thatcher:* And, so, it's good to know what their views are and that they will be trying to bring pressure to bear on Galtieri.

*The President:* Well, we'll, we'll convey that to you, when we. . . .

*Mrs. Thatcher:* All right, Ron. Yes, do ring up again, it's marvelous to hear your voice.

*The President:* Well, it's good to talk with you.

*Mrs. Thatcher:* And one does need cheering up now and then.

*The President:* O.K., all right.

*Mrs. Thatcher:* I very much enjoyed seeing George Shultz.<sup>7</sup>

*The President:* Oh, that's fine. Good.

*Mrs. Thatcher:* It's good to say that I think you're absolutely right to try to reduce the deficit by getting expenditure down.

*The President:* Yeah, we think we're gonna succeed in that.

*Mrs. Thatcher:* I think you're going to succeed. All right, Ron, look forward to seeing you soon.

*The President:* O.K., good luck.

*Mrs. Thatcher:* Good bye.

*The President:* Bye.

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<sup>7</sup> Traveling as a Presidential envoy, Shultz met with Thatcher at Chequers on May 9, where the two discussed the upcoming Economic Summit at Versailles and NATO issues. According to a memorandum of conversation, based upon a telephoned report to Eagleburger, they also discussed the Falklands/Malvinas issue, with Shultz reporting that Thatcher was "clearly not overwhelmed by the Falklands" and that she "went out of her way to say some very nice words about Secretary Haig for his efforts to help resolve the Falklands problem." (Department of State, Executive Secretariat, S/S Special Handling Restrictions Memos 1979-1983, Lot 96D262, ES Sensitive May 6-18 1982)