

272. Memorandum of Telephone Conversation¹

Washington, May 18, 1982

PARTICIPANTS

Esteban Takacs, Argentine Ambassador to the U.S.
J. William Middendorf, II U.S. Ambassador to the OAS

SUBJECT

South Atlantic Crisis

During our talk, Ambassador Takacs made the following points:

UNSYG Position: Perez de Cuellar spoke to Ros late May 17, after his meeting with Ambassador Parsons. The SYG was pessimistic about the prospects for his effort because Parsons had brought back only small concessions from London, and at this moment, the sides are too far apart. Perez de Cuellar has decided to shorten his effort with a view to making a decision on Wednesday, May 19, as to whether he

¹ Source: Department of State, Executive Secretariat, S/S Special Handling Restrictions Memos 1979–1983, Lot 96D262, ES Sensitive May 6–18 1982. Confidential; Limdis. Drafted by Middendorf. Copies were sent to Haig, Stoessel, Eagleburger, Clark, Enders, Briggs, Bosworth, Service, Kirkpatrick, and Walters.

can produce a position workable for both parties as a basis for negotiations or must announce he has failed to do so.

If the SYG decides he can proceed, Takacs envisages his proposing a formula bridging the positions sufficiently to form the basis for a cease-fire to take effect next weekend; followed immediately by a phased withdrawal and subsequently by negotiations. This, in effect, would implement UNSC Res. 502.

Issues in Cease-Fire Negotiations:

Sovereignty—Takacs wanted me to understand that both Perez de Cuellar and the UK say that the Argentine de-linking of the sovereignty issue has been accomplished and that this issue is not a problem.

Withdrawal—Simultaneity has not been agreed. The UK wants Argentine forces withdrawn first. Nevertheless, he urged me to believe that agreement on arrangements for withdrawal of forces will not represent a problem and should be settled by the SYG's May 19 deadline.

Interim Administration—The main problem in the negotiations now is UK insistence that the islanders be represented through the councils as separate units. He said for Argentina to accept the British position would negate seventeen years of negotiations. The rights of the islanders constitute an issue to be settled in the subsequent negotiations—not as a precondition to the negotiations. To my query as to why Argentina could not demonstrate integrity on this issue by offering to include the islanders in the Argentine administrative element, Takacs said he assumed there would be no Argentine objection.

Despite what he had said about the UK position on representation of the islanders, Takacs insisted that none of the remaining issues—especially that of the interim administration—presents major difficulties. (In what I took to be a rather rueful second look at a missed opportunity, Takacs remarked that it had even been suggested by Costa Mendez that Secretary Haig's trilateral (Argentina/US/UK) formula for the interim administration, made on his first visit to Buenos Aires, was not a bad formula.)

I said I assumed Argentina would not attempt a *Sudetenland* solution during the interim administration and would therefore not seek to change the national composition of the island population. Takacs agreed.

Scope of Negotiations—Takacs noted the lack of agreement on whether the South Georgia and Sandwich Islands are to be included. He argued that British documents have lumped these islands in the UK jurisdictional claim to the Malvinas Islands. He speculated that perhaps the timing for the transfer of these islands could be worked out in the course of the negotiations to come. In any case, he said, the Malvinas Islands are the real issue.

Argentina-U.S.: Takacs asserted that the Argentines are far more sensitive to what President Reagan says than to what Prime Minister Thatcher says. Argentina had no real difficulty with President Reagan's remarks last week, that one side "*had (once) been*" intransigent.² This was an effort to improve the situation. But the Argentine press misquoted the President to say "*is (now) intransigent.*" As a result, the Argentines feel they are getting a "bum rap" from us. They feel they have shown flexibility over the past week, while not getting credit for it, at a time when the British have done all their negotiating *ad referendum* and did not answer Perez de Cuellar from Wednesday, May 12 to Monday, May 17, and, in the meantime, have attacked the islands and merchant ships.

Walters Visit: Takacs appraised the Walters visit³ as "very successful." He said it had been very timely because it helped cool down public opinion and prevented Argentine over-reaction to the misinterpretation of President Reagan's remarks. Public opinion "took the Walters visit to mean the U.S. sent a message."

Definitive Negotiations (Following Cease-Fire): Takacs surmised that the long-term negotiations could well be something like a continuation of the Perez de Cuellar effort and totally separate from the elements of the interim administration. However, he was unsure of the mechanics of the negotiations. As a practical matter, he anticipated that they could go on for as much as a year or two.

Public Relations: Takacs said he would receive a last-minute briefing this morning from Ros and then do a tape for BBC. He also visited Senator Laxalt on Thursday.⁴

Comment: If we learn that Perez de Cuellar is about to abandon his effort, with all that implies for military escalation and risks/costs for us, I wonder if it would not be greatly to our advantage to make one more desperate effort to induce both sides to be more flexible.

As an additional fallback, it would seem desirable to have another negotiating vehicle ready to be activated in the event the Perez de Cuellar effort collapses.

² See footnote 3, Document 270.

³ See Documents 253 and 254.

⁴ May 13.