

**353. Memorandum From Dennis C. Blair, Roger W. Fontaine, and James M. Rentschler of the National Security Council Staff to the President's Assistant for National Security Affairs (Clark)<sup>1</sup>**

Washington, June 18, 1982

SUBJECT

Falklands

Following are the assessment and recommendations of the informal NSC Falklands working group:

*Where we are now:*

*UK:* Mrs. Thatcher has taken personal charge of all aspects of Falklands policy. The Foreign Office is doing no staff work, or at least none that the Prime Minister supports. As late as last week, according to our British contacts, there was not even an options paper in circulation on long-range plans for the area.

Right now Mrs. Thatcher is thinking short-term, i.e., consolidation of the military victory. Her plans for the longer term are not well formed, but do not sound encouraging ("We have not retaken the

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<sup>1</sup> Source: Reagan Library, Dennis C. Blair Files, Falklands (May 1982–September 1982). Secret. Sent for action. Sapia-Bosch initialed his concurrence.

islands to turn them over to the UN," "the future of the islands will be decided by the U.K. and the Falklanders themselves.")

*Argentina:* The new Argentine government will not be a strong one; it is highly unlikely that prominent civilian politicians will join it. Its priorities will be with the economy, rebuilding its military, particularly the Air Force, unless it is forced to keep the Falklands on the front burner.

*U.S. Objectives:*

A peace settlement and agreement for negotiations for final settlement of the status of the islands that will allow the new Argentine government to transcend failure in the Falklands; allow the British to return their forces to the North Atlantic area where they contribute to NATO deterrence; and allow the U.S. to resume constructive relations with Latin American countries (including Argentina) unfettered by the Falklands experience.

*U.S. Leverage:*

Since Mrs. Thatcher is so personally in charge, it will be necessary to do business with her directly, which means the President will have to be involved. In the final analysis, the President will simply have to make it clear that we will not provide any support to a long-term peace settlement that does not at least include an approach to solving the sovereignty question.

*Tactics:*

Timing is tricky. It is clearly premature to approach Mrs. Thatcher right now while the flush of military victory is still strong. However, we cannot wait too long, since a rigid British peace settlement will be difficult to reverse.

Mrs. Thatcher will be visiting the United States on June 22, 23 to address the SSOD in New York. We suggest that she be asked to Washington for a meeting with the President in which he asks point blank what her plans are for the future, and presents not only what U.S. objectives are for the future, but a number of alternative schemes which would meet our objectives and would be acceptable to the U.K. We should not get back between the UK and Argentina again, but the British need to know just how far our support goes and what our requirements are.

Al Sapia-Bosch concurs.

*RECOMMENDATION:*

That an NSC (or NSPG) session be convened as soon as possible to assess U.S. policy options in the weeks and months directly ahead, and to formulate specific guidance for a Presidential meeting with Mrs.

Thatcher next Tuesday or Wednesday<sup>2</sup> on the margins of her SSOD visit to New York.<sup>3</sup>

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<sup>2</sup> June 22 or 23.

<sup>3</sup> Clark neither approved nor disapproved the recommendation.