

370. Memorandum From Secretary of State Haig to  
President Reagan<sup>1</sup>

Washington, June 30, 1982

SUBJECT

Rebuilding Relations with Argentina

General Bignone is scheduled to become the new president of Argentina on July 2. The threat of a coup by disgruntled military officers is still real but seems to have receded; Bignone has selected some moderates for his cabinet, and he has held positive talks with responsible civilian political leaders, promising a return to elected government by 1984.

Bill Clark has had a message from Argentine Army Chief Nicolaides, asking that we attempt to arrange the return of the remaining 1,000 prisoners.<sup>2</sup> It appears that the British are contemplating an early repatriation even in the absence of an explicit Argentine acknowledgment of an end to hostilities, which the British now realize is unrealistic. We want to be sure that we get all the credit we can with the Argentines for a prisoner release. I therefore propose:

—that we have our Ambassador tell Nicolaides that we will do what we can with the British;

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<sup>1</sup> Source: Reagan Library, Executive Secretariat, NSC Country File, Latin America/Central, Argentina (07/02/1982–07/15/1982). Secret.

<sup>2</sup> See Document 366.

—that I call in Nicko Henderson to encourage an early move on the prisoners and to ask that they use us as the intermediary.

If we succeed on the prisoners, we will have an early and natural occasion on which to lift our own economic sanctions against Argentina. If the British are not prepared to return the prisoners soon, we should lift economic sanctions anyway in another week or so, after advising the UK. These sanctions, while largely symbolic, are a serious obstacle to restoration of US-Argentine ties, and it will be hard to justify their continuation if the *de facto* ceasefire holds. We should not, however, reopen the military pipeline until we have a clear idea of where the new Argentine Government is heading.

Once we have taken these steps, a message from you to President Bignone would be in order. Before we have taken some concrete steps, I am concerned that sending a Presidential message would be leading with our chin.

I will also instruct Ambassador Shlaudeman to initiate a dialogue with the new Foreign Minister.

*Recommendation*

That you approve the course of action outlined above.<sup>3</sup>

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<sup>3</sup> Reagan neither approved nor disapproved the recommendation. However, at the bottom of the page, he wrote: "I'd like to have British agreement on the prisoner return & on the sanctions. In view of the fuss over the pipeline I'd like to know the U.K. would have no reluctance about our lifting sanctions other than mil. of course. Asking them to let us be the intermediary on prisoners should be on basis that if & when they (U.K.) are ready it could help us with our other Latin Am. interests. RR."