

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

Washington, September 21, 1982

SUBJECT

Secretary Shultz's Memorandum on "Strategy Toward Argentina"

*Issue*

We are about to take two steps that will improve U.S.-Argentine and U.S.-Latin American relations following the Falklands crisis.

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<sup>1</sup> Source: Reagan Library, Executive Secretariat, NSC Country File, Latin America/Central, Argentina (08/16/1982-03/31/1983). Secret. Sent for information. Drafted by Fontaine. Fontaine sent the memorandum to Clark under a September 15 memorandum requesting that Clark sign it. Reagan initialed at the top of the memorandum. A typewritten notation also indicates that Reagan saw it.

## *Facts*

Secretary Shultz's information memorandum at Tab A describes two measures we are about to take with respect to U.S.-Argentine relations. The first would be a favorable U.S. vote on a U.N. General Assembly resolution on the Falklands to call for a peaceful solution to the problem, provided that resolution did not prejudice the question of sovereignty and did not impose an unrealistic timetable on the British regarding future negotiations. The second step will reopen the pipeline for small military items to Argentina which has been closed since April 30. The British have been informed of both decisions.<sup>2</sup>

## *Discussion*

These two steps will help in repairing relations with Argentina. The first step will have a positive impact in Latin America as a whole. Both measures fall within the principles and guidelines that have directed our policy since the beginning of the crisis in early April. Both measures will also strengthen the hand of the moderates, particularly in the Argentine military, at a critical time in Argentine history. Such strengthening may help us avoid that major South American country lurching completely into a highly nationalistic and anti-American position with only the Soviets and Cubans being the clear winners. As Secretary Shultz explains, the British are not keen about these measures but have acknowledged acceptance of the second. These are clearly in our national self-interest, and the NSC strongly supports them.

## *Recommendation*

That you read Secretary Shultz's memo at Tab A.<sup>3</sup>

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<sup>2</sup> On September 17, Shultz informed Wright "that we intend to release on September 24 the small pipeline of military spare parts to Argentina (including FMS and Munitions List transactions). However, we will say nothing to Argentina or key congressional leaders until after we have a readout from the September 20 meeting of EC Ministers, following which we expect the FRG and others to lift their military sanctions. The Secretary said we would act quietly, with no formal announcement, by simply informing Munitions List suppliers and being prepared to answer press queries." In reference to a UNGA resolution on the Falklands, Shultz noted that, "while we could well end up differing with the UK on a resolution calling for negotiations, we would not support any resolution that prejudices the issue of sovereignty or imposes an unrealistic deadline on negotiations." (Telegram 263770 to London, September 18; Reagan Library, Executive Secretariat, NSC Country File, Europe and Soviet Union, United Kingdom (08/01/1982-10/31/1982) (3)) In Shultz's later account of this "stormy" meeting, he recalled that Wright "read me off like a sergeant would a recruit in a Marine Corps boot camp. I felt Mrs. Thatcher was wrong to oppose us for taking a reasonable position on a critical issue in our neighborhood. And Wright was wrong to lay it on so thick." (Shultz, *Turmoil and Triumph*, p. 152)

<sup>3</sup> Reagan initialed his approval of the recommendation.

**Tab A**

**Memorandum From Secretary of State Shultz to  
President Reagan<sup>4</sup>**

Washington, September 13, 1982

SUBJECT

Strategy toward Argentina

We are making progress on two issues essential to improving relations with Latin America—our position on the Falklands question at the UN and a phased resumption of military sales to Argentina.

*UN Falklands Resolution*

At the UN, we support inscribing the Falklands issue on the agenda but will only support a resolution on negotiations that does not pre-judge Falklands sovereignty or impose an unrealistic timetable on the British. This is now a central political theme for Latin America. We have positioned ourselves to gain support in the hemisphere while attempting to make sure we are in very close touch with the British about their own interests. Francis Pym has asked that we not support any resolution on negotiations. The European Community countries are expected to turn down a similar request. Led by the French, Germans and Italians, the EC may offer to vote for a simple call for negotiations. This is our traditional position as well. We would find it impossible, from a political and international legal standpoint, to fail to support a resolution calling for peaceful settlement. The British will continue to press us. Their diplomats seem to understand the political necessity of our position in Latin America but Mrs. Thatcher may feel much stronger on this issue than her diplomats.

*Military Sales*

We plan very soon to remove the embargo on our small pipeline of spare parts and reinstate munitions control sales, hopefully in step with action by key European states. The French have resumed deliveries of Mirage aircraft and Exocet missiles. The Germans have told the Argentines they soon will authorize shipments of naval craft but prefer official EC action first to lift the European embargo on military sales. The British remain strongly opposed but will not be too surprised. Our own FMS pipeline and munitions control licenses are more modest,

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<sup>4</sup> Secret.

about \$6 million in assorted spare parts for ships and aircraft. Again, we will consult with the British and carefully phase our actions with those of key Europeans. We should act soon to regain needed influence with the Argentine military.