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From the Private Secretary

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I enclose a copy of a message which the Prime Minister received last night from President Reagan. There was some discussion of this message at this morning's meeting of OD(SA), as a result of which the Prime Minister has sent a reply to President Reagan. A copy of that reply is enclosed.

I am copying this letter and its enclosures to David Omand (MOD), John Halliday (Home Office), Keith Long (Paymaster General's Office) and David Wright (Cabinet Office).

your ever

B Fall, Esq Foreign & Commonwealth Office Thank you for your message of 15 April about your conversation with General Galtieri.

I am sure that neither you nor Al Haig, following his most helpful visits here, are in any doubt that it is the strong wish of the British Government, Parliament and people to avoid conflict. We have done our utmost to put Al Haig in a position where he has reasonable proposals to offer the Argentine Government.

I regret that we have seen no corresponding flexibility on the part of the Argentines. I note that General Galtieri has reaffirmed to you his desire to avoid conflict. But it seems to me - and I must state this frankly to you as a friend and ally - that he fails to draw the obvious conclusion. It was not Britain who broke the peace but Argentina. The Mandatory Resolution of the Security Council, to which you and we have subscribed, requires Argentina to withdraw its troops from the Falkland Islands. That is the essential first step which must be taken to avoid conflict. When it has been taken, discussions about the future of the Islands can profitably take place. Any suggestion that conflict can be avoided by a device that leaves the aggressor in occupation is surely gravely misplaced. The implications for other potential areas of tension and for small countries everywhere would be of extreme seriousness. The fundamental principles for which the free world stands would be shattered.

May I ask you to convey my strong feelings on this point urgently to Al Haig in Buenos Aires.

We remain ready at any time to continue discussions with yourself and Al Haig. Our earnest aim is to avoid conflict. But it is essential that America, our closest friend and ally, should share with us a common perception of the fundamental issues of democracy and freedom which are at stake, as I am sure you do.

With warm personal regards
Margaret