

THE SECRETARY OF STATE WASHINGTON

April 24, 198282 AFR 24 A 9: 40

MEMORANDUM FOR: THE PRESIDENT

SUBJECT

FROM : Alexander M. Haig, Jr.

: Call from PM Thatcher on the Falklands

Crisis

As I told you, Francis Pym is carrying back to London a text that represents our best judgment of what is fair and just yet stands at least some chance, albeit slight, of acceptance by the Argentines. Mrs. Thatcher will probably call you about it.

The text (at Tab A) goes quite far toward meeting UK objections to the text we brought back from Buenos Aires. However, Pym warned me that the Prime Minister would have great difficulty with one particular element: the provision (as marked in paragraph 6.1) that the Argentine Government would appoint two representatives to the Executive Council, the senior body involved in local administration of the Falklands before the crisis.

The British have a problem with <u>any</u> residual Argentine official presence on the Islands after withdrawal. They have proposed instead that Argentine representatives be selected by the US-UK-Argentine Special Interim Authority.

I believe we must stick with the provision as drafted for several reasons:

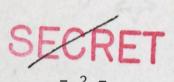
- -- Without this there is absolutely no chance of agreement, especially since we have, for the benefit of the UK, eliminated other provisions that the Argentines told us were critical. In particular, we have removed the bias in favor of Argentine sovereignty from paragraph 8, which establishes guidelines for negotiations on a final settlement.
- -- The presence of two Argentine appointees does not alter the fact that British authority would be substantially restored, thus meeting

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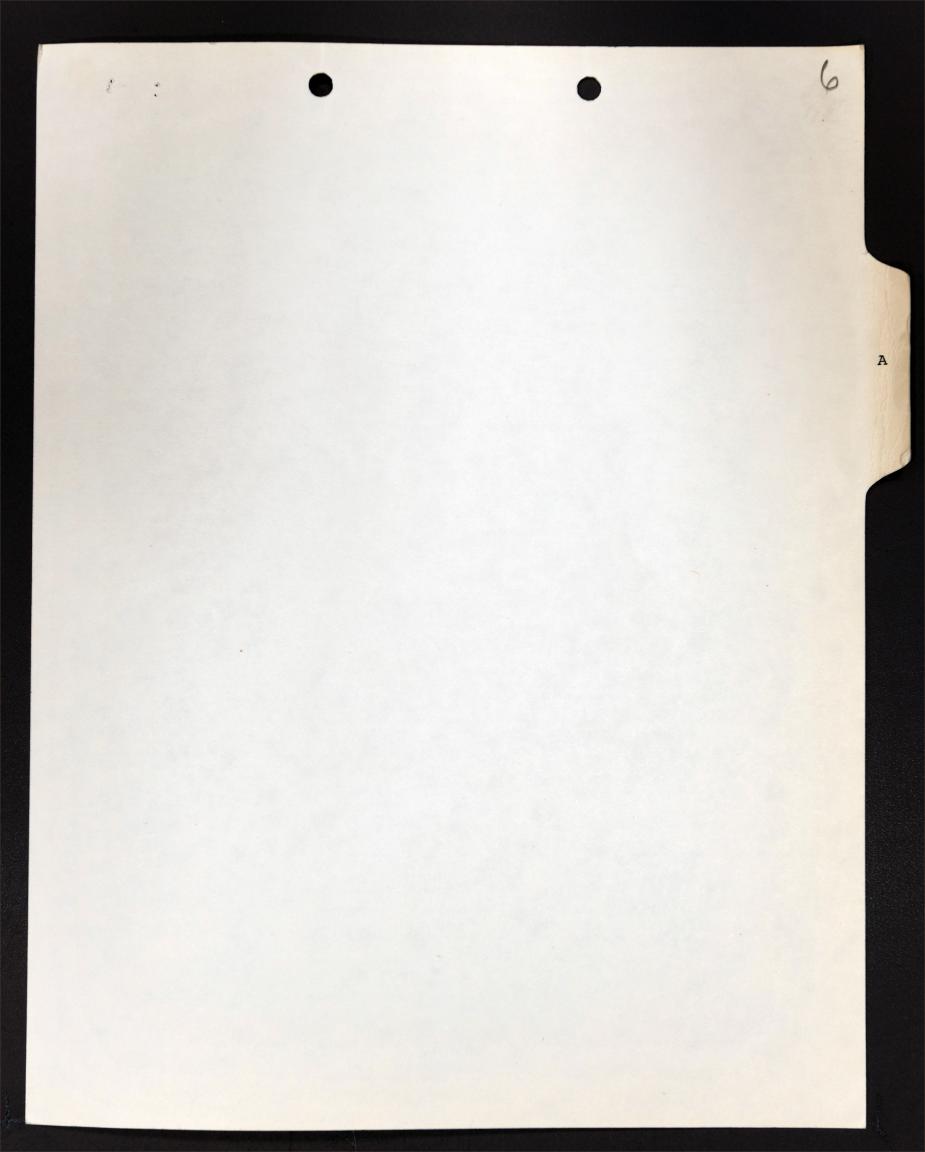


Mrs. Thatcher's pledge to Parliament. Indeed, the two Argentines would be clearly out-numbered by British and local appointees in the Executive Council.

- -- It cannot reasonably be argued that two Argentines represent a reward for aggression. In fact, in her letter to you of April 16, Mrs. Thatcher said we must avoid "a device that leaves the aggressor in occupation." Two out-numbered Argentines hardly constitutes occupation.
- -- Finally, the presence of two Argentine appointees can be defended in terms of the unquestionable Argentine interest and stake in the Islands. Indeed, giving them such representation could help relieve the total frustration that led to the crisis in the first place.

Apart from this issue, it would be most useful if you could make clear to Mrs. Thatcher that we now face the last chance for a settlement before hostilities escalate, possibly beyond control. She must be clear that you are prepared to advocate acceptance of the current text with the Argentines, and on the public record, but that you are not prepared to stand behind the text if she makes changes that exclude altogether the possibility of Argentine acceptance. You may want to draw on the talking points at Tab B.





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SECRET/SENSITIVE

Preamble:

On the basis of United Nations Security Council Resolution 502, and the will of the Argentine Republic and of the United Kingdom to resolve the controversy which has arisen between them, renouncing the use of force, both Governments agree on the following steps, which form an integrated whole:

SECRET/SENSITIVE

Authority NUE-748-76-11-5-2

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1.

1. Effective on the signature of this agreement by both Governments, there shall be an immediate cessation of hostilities.

PARAGRAPH 2

- 2. Beginning at 0000 hours local time of the day after the day on which this agreement is signed and pending a definitive settlement, the Republic of Argentina and the United Kingdom shall not introduce or deploy forces into the zones (hereinafter, "zones"), defined by circles of 150 nautical miles radius from the following coordinate points (hereinafter, "coordinate points"):
 - A) LAT. 51 DEG 40' S LONG, 59 DEG 30' W
 - B) LAT. 54 DEG 20' S LONG, 36 DEG 40' W
 - C) LAT. 57 DEG 40' S LONG, 26 DEG 30' W
- 2.1. Within 24 hours of the date of this agreement, the United Kingdom will suspend enforcement of its zone of exclusion and Argentina will suspend operations in the same area.
- 2.2. With 24 hours of the date of this agreement, Argentina and the United Kingdom will commence the withdrawal of their forces in accordance with the following details.
 - 2.2.1. Within seven days from the date of this agreement, Argentina and the United Kingdom shall have withdrawn one-half of their military and security

forces present in the zones on the date of this agreement, including related equipment and armaments. Within the same time period, the United Kingdom naval task force will stand off at a distance equivalent to (X) days' sailing time (at 12 knots) from any of the coordinate points, and Argentine forces that have been withdrawn shall be placed in a condition such that they could not be reinserted with their equipment and armament in less than (same X) days.

2.2.2. Within 15 days from the date of this agreement, Argentina shall remove all of its remaining forces and redeploy them to their usual operating areas or normal duties. Within the same period the United Kingdom naval task force and submarines shall redeploy to their usual operating areas or normal duties.

2.3. The United States, depending on its acceptance, shall verify compliance with provisions 2 through 2.2.2.

Paragraph 3: "dropped

PARAGRAPH 4

From the date of this agreement, the two governments will initiate the necessary procedures to terminate simultaneously, and without delay, the economic and financial measures adopted in connection with the current controversy, including restrictions relating to travel, transporation, communications, and transfers of funds between the two countries. The United Kingdom at the same time shall request the European Community and third countries that have adopted similar measures to terminate them.

PARAGRAPH 5

The United Kingdom and Argentina shall each appoint, and the United States has indicated its agreement to appoint, a representative to constitute a Special Interim Authority which shall provide observers to verify compliance with the obligations in this agreement.

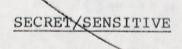
Each representative may be supported by a staff of not more than 10 persons on the islands.

PARAGRAPH 6

- 6.1 Pending a definitive settlement, all decisions. laws and regulations hereafter adopted by the local administration on the islands shall be submitted to and expeditiously ratified by the Special Interim Authority, except in the event that the Special Interim Authority deems such decisions, laws or regulations to be inconsistent with the purposes and provisions of this agreement or its implementation. The traditional local administration shall continue, except that the Executive and Legislative Councils shall be enlarged to include: (A) two representatives appointed by the Argentine Government to serve in the Executive Council; and (B) representatives in each Council of the Argentine population whose period of residence on the islands is equal to that required of others entitled to representation, in proportion to their population, subject to there being at least one such representative in each Council. Such representatives of the resident Argentine population shall be nominated by the Special Interim Authority. The flags of each of the constituent members of the Special Interim Authority shall be flown at its headquarters.
- 6.2 Pending a definitive settlement, neither Government shall take any action that would be inconsistent with the purposes and provisions of this agreement or its implementation.

PARAGRAPH 7

- 7.1 Pending a definitive settlement, travel, transportation, movement of persons and, as may be related thereto, residence and ownership and disposition of property, communications and commerce between the mainland and the islands shall, on a non-discriminatory basis, be promoted and facilitated. The Special Interim Authority shall propose to the two signatories for adoption appropriate measures on such matters. Such proposals shall simultaneously be transmitted to the Executive and Legislative Councils for their views. The two signatories undertake to respond promptly to such proposals. The Special Interim Authority shall monitor the implementation of all such proposals adopted.
- 7.2 The provisions of paragraph 7.1 shall in no way prejudice the rights and guarantees which have heretofore been enjoyed by the inhabitants on the islands, in particular rights relating to freedom of opinion, religion, expression, teaching, movement, property, employment, family, customs, and cultural ties with countries of origin.



8. December 31, 1982 will conclude the interim period during which the signatories shall complete negotiations on removal of the islands from the list of Non-Self-Governing Territories under Chapter XI of the United Nations Charter and on mutually agreed conditions for their definitive status, including due regard for the rights of the inhabitants and for the principle of territorial integrity, in accordance with the purposes and principles of the United Nations Charter, and in light of the relevant Resolutions of the United Nations General Assembly. The negotiations hereabove referred to shall begin within fifteen days of the signature of the present agreement.

PARAGRAPH 9

- 9. In order to assist them in bringing their negotiations to a mutually satisfactory settlement by the date stipulated in the preceding paragraph, the Authority shall, after consultation with the Executive Council, make specific proposals and recommendations as early as practicable to the two signatories, including proposals and recommendations on:
- 9.1 The manner of taking into account the wishes and interests of the islanders, insofar as islands with a settled population are concerned, based on the results of a sounding of the opinion of the inhabitants, with respect to such issues relating to the negotiations, and conducted in such manner, as the Authority may determine;
- 9.2 Issues relating to the development of the resources of the islands, including opportunities for joint cooperation and the role of the Falkland Islands Company; and
- 9.3 Such other matters as the two signatories may request, including possible arrangements for compensation of islanders, or matters on which the Authority may wish to comment in light of its experience in discharging its responsibilities under this Agreement.
- 9.4. The signatories have agreed on the procedure in sub-paragraph 9.1 without prejudice to their respective positions on the legal weight to be accorded such opinion in reaching a definitive settlement.

PARAGRAPH 10

2. 1.

to conclude the negotiations by December 31, 1982, the United States has indicated that, on the request of both signatories, it would be prepared at such time to seek to resolve the dispute within six months of the date of the request by making specific proposals for a settlement and by directly conducting negotiations between the signatories on the basis of procedures that it shall formulate. The two signatories agree to respond within one month to any formal proposals or recommendations submitted to them by the United States.

PARAGRAPH 11

1. 1.

11. This Agreement shall enter into force on the date of signature.

TALKING POINTS

- WE HAVE REACHED A CRITICAL JUNCTURE -- RIGHT ON THE LINE THAT SEPARATES WAR AND PEACE.
- WHILE WE CANNOT ABANDON DIPLOMATIC EFFORTS IN THE MIDST OF HOSTILITIES, WE THINK THE ARGENTINES WILL BE EVEN MORE DIFFICULT TO REASON WITH ONCE FORCES ARE ENGAGED.
- IN THE FACE OF CASUALTIES AND MILITARY SETBACKS, GALTIERI WILL EITHER BE SWEPT ASIDE OR HAVE TO CONFORM TO THE WISHES OF MILITARY HARD-LINERS AND PERONISTS.
- AL HAIG AND FRANCIS PYM WORKED HARD TO FIND A BASIS FOR PEACE THAT IS BOTH IN LINE WITH OUR COMMON PRINCIPLES YET STANDS A CHANCE OF ACCEPTANCE.
- THE TEXT PYM BROUGHT TO YOU GOES VERY FAR TO MEET YOUR CONCERNS. I REGARD THIS TEXT AS FAIR, JUST, AND SOUND.
- I AM PREPARED TO ADVANCE IT AS A US PROPOSAL, AND TO PRESS GALTIERI TO ACCEPT IT.
- IN FACT, IN PRESENTING IT TO THE ARGENTINES, WE WOULD SAY THAT THERE IS NOT ONLY NO CHANCE OF FURTHER BRITISH GIVE, BUT I MYSELF WOULD NOT WANT TO GO FURTHER.
- I DOUBT THAT GALTIERI WILL BE ABLE TO ACCEPT IT. BUT IT IS WORTH THE EFFORT. IN ANY CASE, YOU AND I BOTH MUST BE ABLE TO SHOW THAT WE WENT THE LAST MILE, WITHOUT

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COMPROMISING PRINCIPLE.

- -- WE ALSO WANT TO BE ABLE TO SHOW THAT, IN THE END,
 THERE WAS NO DISTANCE BETWEEN THE US AND THE UK.
- -- I'M AFRAID THAT ANY WEAKENING OF THE TEXT WOULD MAKE
 ITS REJECTION INEVITABLE.
- -- PLEASE GIVE THE TEXT ALL THE STUDY IT REQUIRES. WITH

 A GREEN LIGHT FROM YOU, WE WILL FORMALLY PRESENT IT

 AS A US PROPOSAL TO BOTH SIDES TOMORROW. TIME IS OF

 THE ESSENCE.
- -- THROUGHOUT THIS CRISIS WE HAVE CONDUCTED OURSELVES IN

 A WAY THAT SERVES OUR COMMON INTERESTS. WE SUPPORT

 YOU BECAUSE YOU ARE OUR CLOSEST FRIEND -- AND BECAUSE
 YOU ARE RIGHT.



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SITUATION ROOM NOTE

ATTACK ON ARGENTINE SUBMARINE

4/15/82 E.O. 13521 As Amended Sec. 3.3 b(1)(4)

attack an Argentine submarine

with helicopters dropping ordnance on the sub.

believe the

submarine was seriously damaged. The submarine was last seen making an on-top-of-the-water transit toward the port of Grytviken on South Georgia Island.

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BY LW NARA DATE 6/18/18

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