

UNCLASSIFIED

E7.

DEPARTMENT OF STATE
BRIEFING PAPER

RELEASED IN FULL

FALKLAND ISLANDS

Despite President Reagan's direct approach to President Galtieri, the Argentines occupied the Falkland Islands on April 2.

The US has an important stake in peaceful resolution of this crisis. One of our most important allies, the UK plays a vital role in East/West relations through its participation in NATO. UK involvement in a prolonged South Atlantic crisis would divert important defense resources far from Europe and the Northern Hemisphere. In the case of Argentina our relations have been improving, contributing toward the stability of the region as a whole, and carrying the promise of a future partnership on a variety of important issues. We also want to avoid damage to the Inter-American system.

Immediately following the invasion, the US deplored Argentine use of force, and voted in favor of UN Security Council Resolution 502. This resolution, the basis of the subsequent US approach to the crisis, called for immediate cessation of hostilities, the withdrawal of Argentine military forces and a diplomatic settlement. The President said repeatedly that we would do all that we could to help resolve the crisis. While deploring violence, the US has sought to maintain a balanced tone in dealing with Argentina and the UK, necessary if we were to succeed in helping them resolve their dispute.

At the President's direction, Secretary Haig has visited London twice and Buenos Aires twice, in each place consulting with the top political leadership. (We have never, however, assumed the formal role of mediator between Argentina and the UK.)

Out of these conversations the Secretary has developed a US proposal which would provide an equitable solution. This proposal has been transmitted to both HMG and the Argentine government. Neither has yet accepted, though the Thatcher government has asked us to present it to the Argentines following meetings in Washington between Secretary Haig and Foreign Secretary Pym.

Meanwhile, the conflict threatens to worsen. We are concerned that if the conflict drags on, the Argentine Junta will look for support where it can find it. Though the regime is anti-Communist, it might turn to the Soviet Union for military, economic, or political help. (The USSR is currently Argentina's largest grain customer.) Such a development would have serious consequences for Argentina and the strategic security of the Western Hemisphere.

UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: DONALD A JOHNSTON
DATE/CASE ID: 25 AUG 2005 200403676

UNCLASSIFIED
CONFIDENTIAL
RDS-1.3. 4/29/02

April 28, 1982

LOT 820328 BOX 3
VP Bush's Trip 20 EAP

UNCLASSIFIED

- 2 -

Drafted:FWG:KSmith:JCampbell:mas
4-29-82

Cleared:PM:MAustin
P:TPrice
FWG:REService

UNCLASSIFIED