

# Ronald Reagan Presidential Library

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**Collection:** Fontaine, Roger: Files  
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# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection Name** Fontaine, Roger: Files

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**Box Number** 8

**Withdrawer**

SRN 1/23/2012

**FOIA**

F01-027/4

O'DONNELL

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
128096	MEMO	JOHN POINDEXTER TO ROGER FONTAINE RE: SECRETARY HAIG'S EVENING REPORT, JUNE 24	1	6/28/1982	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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3350  
1  
*Fantame*  
THE WHITE HOUSE  
WASHINGTON

May 24, 1982

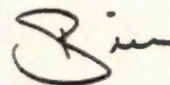
Dear Bob:

Let me first thank you for your note with attachments on the Falkland question. As you know, the overriding interest of the United States is restoring peace in the South Atlantic. Everything we do will be consistent with that objective.

Your friend's comments are of interest, and I have shared them with my staff.

With best wishes,

Sincerely,



William P. Clark

Mr. Robert Keith Gray  
Chairman  
Gray and Company  
The Power House  
Washington, D. C. 20007



## MEMORANDUM

## NATIONAL SECURITY COUNCIL

ACTION

May 17, 1982

SIGNED

MEMORANDUM FOR WILLIAM P. CLARK

FROM: ROGER W. FONTAINE

SUBJECT: Letter from Bob Gray on the  
Falklands: Your Proposed Reply

Bob Gray has transmitted a proposal from Ricardo Zinn, an Argentine banker, who is a client of Gray and Company (Tab II). The proposal outlines the need for the U.S. not to give unlimited support to the British, if we are to preserve the inter-American system.

At Tab I is a brief letter from you to Bob Gray thanking him for his and his client's advice.

RECOMMENDATION:

That you sign the letter to Bob Gray at Tab I.

APPROVE ✓ DISAPPROVE \_\_\_\_\_

Jim Rentschler concurs.

## Attachments

Tab I - Letter to Bob Gray  
Tab II - Letter from Bob Gray

GRAY AND COMPANY

ROBERT KEITH GRAY  
CHAPMAN

3350  
3  
22 MAY 14 25:00

May 13, 1982

The Honorable  
William Clark  
National Security Advisor  
The White House

Dear Judge:

The president of one of Argentina's largest banking systems is a personal friend who has sent me the attachments. In a nutshell these comments make particular sense to me and may be helpful to you:

This is the vital weekend of the Falkland Crisis. Odds are by Monday we will have either settlement or escalated past the point of solution.

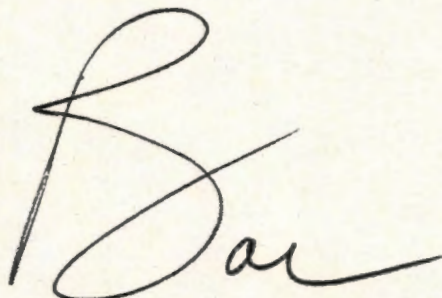
In order to minimize opportunities for escalation the United States should declare its support of Great Britain is limited and does not include escalation.

To make such declaration will discourage escalation.

Making such declaration before the issue is resolved will give the strongest possible benefit to the long process ahead of rebuilding the inter-American system.

I know your platter overflows with problems and suggestions. I add to the latter only in hope it will be helpful.

Cordially,





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WHY THE U.S. SHOULD DECLARE ITS SUPPORT  
OF GREAT BRITAIN IS NOT UNLIMITED

While not questioning Great Britain's right to defend its interests and the United States' decision to uphold its commitments to a steadfast and longtime ally, we do not deem it to be in the best interest of either country for the United States to condone an unlimited use of force in this conflict. The current U.N. negotiations give us some reason to hope peace is in sight. It is important both parties feel that the only way to achieve lasting peace is through these negotiations, that nothing is to be gained by military action. To the extent possible, the U.S. should be seen to be in favor of a negotiated settlement and not as an antagonizing force. Such a position, we strongly feel, would assist in achieving peace; it would also greatly help the United States' post-crisis position in Latin America.

A prompt and peaceful military disengagement is of the highest priority; so too is the projection of a U.S. posture which will enable it quickly to alleviate damage already done to the Inter-American system.

The United States should immediately make clear, in both private and public forums, through spokesmen at the highest level that it opposes any further escalation of the military conflict, either tactically or geographically.



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Further, the United States must make clear publically that its support of Great Britain would not include backing for the extension of conflict to the Argentine mainland, nor the employment of nuclear weapons. The extent of Argentine and Latin American preoccupation over these prospects should not be underestimated.

Moreover, by officially underscoring its support for a negotiated settlement at this moment of rumored deadlines, and by making plain the fact that U.S. support of Great Britain is not unconditional, the United States will be perceived as having been a force for conciliation at this decisive moment.



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AN URGENT ACTION IS NEEDED TO PRESERVE THE INTER-AMERICAN SYSTEM

The United States has worked steadily and consistently during the past 50 years to build up a political and economic alliance with the countries of the Western Hemisphere. With most of the same countries, it has also established a military alliance. The ensemble of these relations established at those various levels through different treaties is known as "the Inter-American System."

But, above all, the Inter-American System is a Western Hemisphere consensus to which the United States as its keystone member has provided direction and orientation during the past decades.

The United States has saved no effort and sacrifice to build up said consensus. It has provided economic and military aid to Western Hemisphere nations, and has waived its rights over areas under American flag in the continent (Panama Canal) to protect and strengthen the system; it has maintained an organizational apparatus to keep a permanent level of dialogue among nations (OAS) and to keep open channels of economic multilateral cooperation (IDB). Under the light of history and past experiences, it seems in the national interest not to break the system built over a half



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century. The very ingenuity and uniqueness of this system is that nations with different cultural and political backgrounds have acknowledged a common interest and international purpose with the United States.

Whatever the reasons and the purposes of the U.S. stance over the present British-Argentine dispute, it is true that the Inter-American consensus (i.e., the very core of the system) has been seriously damaged by the United States siding with the United Kingdom while almost all Latin countries have backed Argentina. Paradoxically, the very creator of the system has provoked its destruction. U.S. actions demonstrate that its interests in the global scenario are no longer parallel to the Latin American members of the system on this issue which is so vital to them.

Positive and immediate U.S. action is required to restore equilibrium. The long-term interests of the United States in the Western Hemisphere cannot afford the collapse of the system. Positive action calls, on one hand, for a public and a diplomatic stance directed toward extricating the U.S. from its unqualified support of British interests in the South Atlantic, and on the

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other, for an urgent and clear sign of renewed commitment to the Inter-American system. This action is needed if the U.S. is to stop any further deterioration of its ties with Latin America.



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