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File Folder MEMORANDUMS OF CONVERSATION - PRESIDENT
REAGAN (MAY 1982)

FOIA

M10-351/M10-371

Box Number 50

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12

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
117170	MEMCON	RE. PRESIDENT'S MEETING WITH TUNISIAN PRIME MINISTER MZALI <i>R 6/22/2015 M371/</i>	3	4/29/1982	B1
117171	MEMCON	RE. TELEPHONE CONVERSATION BETWEEN RR AND MARGARET THATCHER <i>R 1/25/2016 M351/1</i>	9	5/13/1982	B1
117172	MEMCON	RE. PRESIDENT'S MEETING WITH KING HASSAN II OF MOROCCO <i>R 6/22/2015 M371/</i>	2	5/19/1982	B1
117173	MEMCON	RE. PRESIDENT'S MEETING WITH PRIME MINISTER MALCOLM FRASER [COPY OF DOC. 117174] <i>R 6/22/2015 M371/</i>	5	5/17/1982	B1
117174	MEMCON	RE. PRESIDENT'S MEETING WITH FRASER <i>R 6/22/2015 M371/</i>	5	5/17/1982	B1
117176	MEMCON	RE. CALL BETWEEN RR AND KING JUAN CARLOS <i>R 6/22/2015 M371/</i>	2	5/27/1982	B1
117178	CABLE	MADRID 05653 <i>R 6/22/2015 M371/</i>	2	5/28/1982	B1
117181	MEMCON	RE. CALL BETWEEN RR AND THATCHER <i>R 1/25/2016 M351/1</i>	11	ND	B1

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RECEIVED 03 MAY 82 19

RW 4/24/11

TO MCFARLANE

FROM TANTER

DOCDATE 03 MAY 82

KEYWORDS: TUNISIA

AP

MZALI, MOHAMED

SUBJECT: MEMCON OF PRES CONVERSATION W/ PRIME MINISTER MZALI 29 APR

ACTION: FOR DECISION

DUE: 06 MAY 82 STATUS X FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

MCFARLANE

COMMENTS

REF#

LOG 8202146

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[Handwritten signature]

117170

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DECLASSIFIED

NLR 1137111 # 117170

BY RW 6/22/15

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Summary of the President's Meeting with
Tunisian Prime Minister Mzali

PARTICIPANTS: President Ronald Reagan
Walter J. Stoessel, Deputy Secretary of State
Robert C. McFarlane, Deputy Assistant to the
President for National Security Affairs
Walter Cutler, U.S. Ambassador to Tunisia
Nicholas Veliotos, Assistant Secretary,
State Department
Raymond Tanter, Senior Staff Member, NSC

Prime Minister Mohamed Mzali
Slaheddine Baly, Minister of Defense
Mestiri, Secretary of State for Foreign Affairs
Mohamed Hachem, Advisor, Office of the
Prime Minister
Kamel Rekik, Staff Assistant, Office of the
Minister of National Economy
Moncaf Ben Abdallah, President of the
Investment Promotion Agency
Mohamed Gherib, Minister Counselor at the Embassy

DATE, TIME AND PLACE: April 29, 1982, 11:40 a.m.-12:10 p.m.
The Oval Office

The meeting began at 11:40a.m. in the Oval Office.

The President welcomed Tunisian Prime Minister Mzali to the United States, praised Tunisian President Bourguiba as a steadfast friend of the United States, and expressed regret that his health precluded a meeting with the President. He praised Tunisia's development strategy of seeking private American investment capital to replace declining U.S. economic assistance. The President gave strong support for Tunisian security.

The Prime Minister thanked the President for his warm words of welcome. The Prime Minister gave the President best wishes from President Bourguiba. The Prime Minister expressed appreciation for the President's reaffirmation of friendship with Tunisia, support for Tunisia's development strategy, and U.S. concern for Tunisia's security. The Prime Minister said that the Tunisian economy is very fragile. There are impoverished areas in Tunisia, especially along the borders with Algeria and Libya. From the standpoint of Tunisia's economic development plans, it is very important that it receive U.S. Foreign Military Sales credits on concessional terms. Otherwise, the defense burden would pose an unacceptable tradeoff with economic development. Tunisia does

~~CONFIDENTIAL~~

Rvw. on April 30, 2002
Extended by William P. Clark
Reason for Extension: NSC 1.13 (f)

encourage private investment and appreciates the praise given by the President for doing so. The Prime Minister told how some of his closest associates are in touch with U.S. business executives to identify alternatives for investment in Tunisia.

The President acknowledged Tunisia's economic problems and said that the United States would do as much as it could to assist Tunisia.

The Prime Minister said that Tunisia wants to increase the number of its students in the United States. He very much admired the American educational system and wanted to encourage Tunisians to study in the States. Tunisia needs help in order to increase the number of students studying in America.

The President replied that he was unaware of the issue of Tunisian students in America and would discuss it with the Secretary of Education and other relevant officials. He remarked that it sounds like a good idea to increase the number of Tunisians studying here and would like to get comments from his advisors as to how the U.S. might be of assistance.

The Prime Minister mentioned the Libyan threat to Tunisia as a very serious matter. He said that the Libyan threat fully justifies the Tunisian request for Foreign Military Sales credits. The Prime Minister suggested that Tunisia be treated by the United States as it treats Egypt and Israel. For example, Tunisia would like to receive half of its Foreign Military Sales credits in the form of loans at lower than commercial interest rates and the other half would be forgiven.

The President replied that he understood that the Prime Minister had met with the Secretary of Defense, and that he would do the very best to make sure that Tunisia receives good terms that will enhance its security.

The Prime Minister said that he was very concerned with the threat Libya poses to Tunisia.

The President replied that the United States shares Tunisia's concern with the Libyan threat and would like to be as forthcoming as possible in helping Tunisia meet this threat.

The Prime Minister said that Foreign Military Sales on concessional terms allow Tunisia to spend more on economic development. Too many Tunisians are going to Libya because there are greater opportunities to find work there than in Tunisia. When young Tunisians come back from Libya, they are radicalized.

The President said that the West has not been as successful in selling freedom as in marketing products. Nations such as Singapore and Taiwan have chosen the path of freedom and are thus better off economically than other nations.

The Prime Minister asked about the President's views on broader issues in the Middle East. He said that President Bourguiba was interested in hearing about the U.S. attitude on the Iraq-Iran War, especially regarding Iran and Syria's collusion against Iraq. Tunisia is very concerned about the threat to the Gulf as well as about peace in Lebanon.

The President responded that he was going to discuss these wider issues during the luncheon and the discussion about these issues was deferred. The President ended the discussion by telling a story about the need for foreign language competence to which the Prime Minister enthusiastically concurred.

Deputy Assistant to the President for National Security Affairs Robert McFarlane adjourned the meeting at 12:10 p.m., at which time the group went to the President's residence for the luncheon.

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ATTACHMENT

NATIONAL SECURITY COUNCIL

May 3, 1982

ACTION

MEMORANDUM FOR ROBERT C. McFARLANE

FROM: RAYMOND TANTER *RT*

SUBJECT: Memcon of the President's Meeting with
Tunisian Prime Minister Mzali, April 29, 1982,
11:40 a.m.-12:10 p.m., the Oval Office

Attached for your review and approval at Tab A is the memorandum of conversation between the President and the Tunisian Prime Minister Mzali on April 29, 1982.

Recommendation

That you review and approve the memcon at Tab A and forward it to Ed Roberts for filing.

APPROVE

[Handwritten signature]
for

DISAPPROVE _____

Attachment
Tab A - Memorandum of Conversation

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ATTACHMENT

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157

National Security Council
The White House

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Package # 3108

82 MAY 3 10:39

	SEQUENCE TO	HAS SEEN	ACTION
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Bud McFarlane	_____	_____	_____
Jacque Hill	_____	_____	_____
Judge Clark	_____	_____	_____
John Poindexter	<u>1</u>	<u>J</u>	_____
Staff Secretary	<u>2</u>	_____	<u>R</u>
Sit Room	_____	_____	_____
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DISTRIBUTION

cc: VP Meese Baker Deaver

Other _____

COMMENTS

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117171

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SYSTEM II

THE WHITE HOUSE
WASHINGTON

~~SECRET~~

MEMORANDUM OF TELEPHONE CONVERSATION

PARTICIPANTS: President Ronald Reagan
(calling from Washington, D.C.)

Prime Minister Margaret Thatcher of England

DATE, TIME May 13, 1982
AND PLACE: 1:40-2:05 p.m.

Mrs. Thatcher: Well. And you?

The President: Well, I'm fine. I just thought, I knew you'd been in with Parliament, and I thought you might want to hear a friendly voice.

Mrs. Thatcher: Oh, how kind of you. We've had, yes, we've had quite a difficult time today, as you know you do sometimes with Parliament.

The President: Yes. Well, listen, I wanted to call and discuss with you some. . . .

Mrs. Thatcher: . . . negotiations we've done. We can't say what they contain, and Parliament's getting pretty restless. And this is that, where we've come up the crux of the real problem in negotiation. And Argentina wants sovereignty and administration, almost as a condition of her withdrawal, and of course that is what we can't grant.

The President: Well, now, here is the latest that we have heard here, and then I want to tell you something that came up with the presence here of President Figueiredo of Brazil, who has been here in Washington.

Mrs. Thatcher: Yes. .

The President: It seems that the Secretary General's talks with Ambassador Parsons and his Argentine counterpart have produced some movement, and specifically, Argentine willingness to enter negotiations now without preconditions, at least, this is what their negotiator in New York says. Now what the junta thinks is less clear. But. . . .

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Classified by William P. Clark
Review on May 14, 2012
Extended by reason of NSC 1.13 (a)

DECLASSIFIED
NLRR M351 #117171
BY RW NARA DATE 11/25/16

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Mrs. Thatcher: Ah, well, we never know who we're negotiating with.

The President: I know. Well, we. . . .

Mrs. Thatcher: Ros [Enrique Ros, Argentine Deputy Foreign Minister for Multilateral Affairs] was saying that yesterday, but then of course Costa Mendez said something different on television.

The President: Well, now we didn't get a completely clear signal in Dick Walters' talks yesterday with Galtieri. And. . .

Mrs. Thatcher: You didn't.

The President: No, and I understand that the remaining issues center on the composition of interim administrative authority and the number of island groups and freedom of movement between the mainland and the islands.

Mrs. Thatcher: Yes, they're very important things to us, obviously.

The President: Yeah. Well. . . .

Mrs. Thatcher: . . . In the interim period can very much affect what happens afterward.

The President: But now, just recently, we've been on the phone with the Secretary General, and he now suggests that the two sides are quite close. Is this the way it looks to you? . . . One new element, of course, is the willingness of

Mrs. Thatcher: Wouldn't have said the two sides were quite close because there are two very big outstanding things, one, the interim administration. And of course they want an administration that is much, much more Argentinian. . . .

The President: Ah, huh.

Mrs. Thatcher: . . . than would suit us or our people. [The President: Yeah.] And also want to have movement of Argentinian people in constantly and possibly, and so on, and, and that just, just would not suit the Islanders at all. And, also, there's a question of South Georgia, which of course the title is totally different from that of the Falklands.

The President: Ah, huh.

Mrs. Thatcher: And we're in possession of South Georgia. And, so, those are two very, very big points at that moment. But there is

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Mrs. Thatcher (cont'd.): the other thing as well, that you don't know quite who you're negotiating with and that what Ros says, we're ready to negotiate without any preconditions about sovereignty, we don't know whether it's true. But the other thing is, if they're saying that, what their ploy obviously is, is to try to arrange an interim administration and conditions to that administration, which would lead inevitably to sovereignty at the end of the period. And the third thing is, there's absolutely no guarantee that at the end of the period, if they haven't got what they want, they won't just invade again. [The President: Uh, huh.] There's quite a long way to go.

The President: I see. Well, now, uh

Mrs. Thatcher: Now, you tell me what your information is, particularly from General Walters.

The President: All right. Well, no, mainly this is what, from President Figueiredo. [Mrs. Thatcher: . . . of Brazil.] He admittedly is closer to the Argentine position on the interim administration, but he will support you on a number of, the groups of islands, and on the movement of people between the mainland and the island which he thinks should be subject of negotiation rather than decided in the agreement. And, he

Mrs. Thatcher: They're trying to get it into an agreement, of course.

The President: Yes. And he thinks that he might be helpful with Galtieri because of the familiarity they have with each other, and he's willing to go ahead on that. But last night, when he came over to the White House, he took me aside immediately. We'd been together during the day, and he said he had just heard from his ambassador in Buenos Aires. And he said the ambassador was telling him that . . . that you were preparing to attack targets on the mainland, in Argentina, and that the admirals down there were underway in movements and so forth, and he told the President that he was the only one who could intervene and have any impact on the Argentinians, and then suggested that I should be doing the same thing with you. And both the President and I, he has agreed and is going to, if he hasn't started already, to get in touch and to try and ask them to hold off as to any further action. And I don't know whether what he said was true about what your plans were or not, with regard to that, but if there is any way in which we can hold off military action, in view of what we're getting from the Secretary General, we can contact him some more and stay in touch with this.

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Mrs. Thatcher: They attacked our ships yesterday, so they're not holding off on military action. But even if they were, it's easy for them to hold off knowing that I with a task force bobbing around on the sea have not got the length of endurance on the sea which they have on the mainland.

The President: Yes, that's right.

Mrs. Thatcher: It makes sense for them to say, look, don't have any military action while you're negotiating. And all they've got to do then is to go on and on and on. And we'd be able to get nowhere and have our capacity to take military action steadily whittled away.

The President: Yeah.

Mrs. Thatcher: So I've said, continuously said, and still say, that the negotiations have not stopped military action nor can they, because the fact is, Ron, we're only getting anywhere as the military pressure builds up. Uh, until it has built up, we've got nowhere.

The President: Well

Mrs. Thatcher: But did I understand you, that their president, that the Brazilian president is talking to Galtieri?

The President: Yes. Yes, he's doing what he can. You know, Margaret, the one thing with them down there, as it builds up, what we are concerned with very much, you know where we come down, and we've made it very plain where we come down with you, but it is, and it's had a price on what we've been trying to accomplish in creating a better relationship with the Latin states, the South American countries, but we're worried, and so is the president of Brazil, about the original feeling that they were the aggressors, the Argentine, and that was why they did not invoke the Rio Treaty and so forth, but each time they're creating a kind of David-Goliath image now, in which you're Goliath.

Mrs. Thatcher: Well, I can hardly be Goliath when I have to go eight thousand miles.

The President: (laughing) I know, but that's their perception, and I don't know how important it is, the sympathy of the rest of the countries are not, but this is a great concern of ours as we see them. . . .

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Mrs. Thatcher: Ten per cent of rest of the country is important, but this is what happened: our people did not want to live under an Argentine military rule, nor under Peronista. They've consistently said so, that would they live under democracy. And you wouldn't like to put any of your people to live under a military junta, nor, one, I can't see, which goes to the military junta to Peronistas and terrorists. I can't put mine under that either, without their consent. And I don't think that having had the Islands occupied, the Falklands occupied, and the Falklands is a long way further from the mainland than Trinidad and Tobago are from Venezuela. . . .

The President: Yes. . . .

Mrs. Thatcher: I don't think that our people having been occupied would be very ready to welcome Argentinian.

The President: No. . . .

Mrs. Thatcher: And it's like the Channel Islands in wartime, when they once had been occupied by the Germans, they're only too delighted to get rid of them.

The President: Yep.

Mrs. Thatcher: But the title of the Falklands, you know, is not necessarily by a long chalk the Argentinians, they've always refused to take it to the International Court of Justice. And knowing the title, I can see why. But as they say, because an island four hundred miles, is four hundred miles off the coast, there are a lot of islands, including Trinidad and Tobago, who would shake in their shoes, because they're much, much nearer South American continent.

The President: Yes. . . . Well, Margaret, I agree with you that one thing that has been neglected, particularly on the part of the Argentinians, in this whole thing, is consideration for the people on the island who live there. And when I talked to him that first night, trying to get him to turn his task force, his invasion fleet around, when we knew it was on its way, oh, he swore to me up and down that the culture and the lifestyle and the rights of the people on the island would go on just the same as they had always been. Well, we know that isn't true and we know they've made great changes already under this occupation.

Mrs. Thatcher: There you are, anyone in the government of Argentina who says that! But, you see, some of our people have been in the Falkland Islands for far more generations than some of the people in Argentina. I had some one in my room just a few days ago-- seventh generation in the Falklands.

The President: Good Lord.

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Mrs. Thatcher: Now his ancestors were in the Falklands, British. . . .

The President: Yeah. . . .

Mrs. Thatcher: . . . when many of the ancestors of the Argentinians were still in Spain and Italy. There are only forty Argentinians on the Falkland Island, of whom twenty return regularly to the mainland because they're only there temporarily.

The President: Yes.

Mrs. Thatcher: A country is its people. There are eighteen hundred of ours, five thousand in wartime.

The President: Yes.

Mrs. Thatcher: Because it was a very, very important port. And, as a matter of fact, Ron, which I don't know that people have really got hold of: the Falklands are important strategically. You've only got to have the Panama Canal closed and that would be easy. You need a passage through the Magellan Strait.

The President: Yes. Yeah.

Mrs. Thatcher: You need Port Stanley, and you need it in the hands of an assuredly friendly power. And you need South Georgia. So you can have South Georgia as a summer harbor and Port Stanley as a winter harbor. And it was very important during the last war to the Western world, and it was very important in World War One. Now, you know that the Argentines are getting very close to the (garbled), very close indeed. And one day the junta will fall and teh Peronistas will be in control. And you'll then have the Peronistas plus the trade all with the Soviets. And at that point of time, you and the Western world will need to know that the Falklands are true. And that you can use their Port Stanley.

The President: Yes.

Mrs. Thatcher: It's very, very important, and I thought the last thing anyone wanted was the Russians in Cuba and Russians controlling the Falklands. So there really is a tremendous strategic point and also on South Georgia. Because when the Antarctic is developed, and one day it will be, the port that will be the best port for that development which does not get iced up, is the port in South Georgia. So let's not just tack the thing up to a country that could go under communist rule by the fall of a junta and into the hands of the Peronistas.

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The President: Yes.

Mrs. Thatcher: And who's never had its people in the Falklands-- never, never, never.

The President: Yes. I, I

Mrs. Thatcher: Anyway, if they say we have no right to be in the Falklands, what right have the Spaniards and the Italians to be in Argentine?

The President: (laughing) Yes, yes.

Mrs. Thatcher: That was one of our Venezuelan friends the other day (both laughing) [The President: Well] On weak ground, as far as title is concerned--I've always been prepared to go to the International Court of Justice. And the idea that our people could be put under a junta that might become Peronista, (garbled) --so would you if one of your islands were taken back.

The President: Yes, yep.

Mrs. Thatcher: And they simply cannot say, right, we're prepared to withdraw, but we want to keep what we went and invaded for, namely, sovereignty, and administration.

The President: No, they can't have that. That must be in the negotiations. Well, listen, we'll keep on here with the Secretary General and keep in touch and doing whatever we can.

Mrs. Thatcher: All right, but Al Haig really was extremely good, and we were very happy to have him as a mediator. But of course we're trying to negotiate, but we cannot say, right, if you withdraw, you will have the very things for which you invade. . . .

The President: No, no, it was only that the impression [Mrs. Thatcher: Yeah.] we got from talking to the, up at the U.N., was that those main points now that they had conceded, but, as you say, who are we negotiating with. . . .

Mrs. Thatcher: Oh, we're negotiating with, and there's quite a bit more to negotiate. But it is conceded that, the arrangement they're trying to get on the interim settlement, is that there're so many extra Argentines going in there with rights and property rights, et cetera, that our people leave. And that maybe is what they want

The President: Well

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Mrs. Thatcher: . . . or get it that way.

The President: Yeah, well, we know you

Mrs. Thatcher: You know, it's a bit tough on our people, Ron.

The President: No, you can't give on that.

Mrs. Thatcher: They're hard-working, they've done everything which you and I say in our speeches, they've been loyal, they've been true; all they want is to live their own lives in their own way under a government of their own choice.

The President: Yes.

Mrs. Thatcher: And I think it's terrible if the two greatest democracies in the world, yours, as it's the largest and the most powerful, and ours the oldest, don't listen (garbled). . . . [The President: Well. . . .] To say that they have to be handed over, to some one they don't want to be handed over to--in the name of what?

The President: No, no, I can't quarrel with that.

Mrs. Thatcher: I know, you and I make the same speeches.

The President: (laughing) Yes.

Mrs. Thatcher: Well, I'm trying to apply mine to this particular problem. [The President: All right. . . .] But it's terribly, it's very helpful to know--it's simply helpful to know what General Walters finds with General Galtieri also. Brazil is, we regard as a friend, you know.

The President: Yes.

Mrs. Thatcher: And, so, it's good to know what their views are and that they will be trying to bring pressure to bear on Galtieri.

The President: Well, we'll, we'll convey that to you, when we

Mrs. Thatcher: All right, Ron. Yes, do ring up again, it's marvelous to hear your voice.

The President: Well, it's good to talk with you.

Mrs. Thatcher: And one does need cheering up now and then.

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The President: O.K., all right.

Mrs. Thatcher: I very much enjoyed seeing George Shultz.

The President: Oh, that's fine. Good.

Mrs. Thatcher: It's good to say that I think you're absolutely right to try to reduce the deficit by getting expenditure down.

The President: Yeah, we think we're gonna succeed in that.

Mrs. Thatcher: I think you're going to succeed. All right, Ron, look forward to seeing you soon.

The President: O.K., good luck.

Mrs. Thatcher: Good bye.

The President: Bye.

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National Security Council The White House

Package # _____

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>[Signature]</u>	<u> </u>
Bud McFarlane	<u>2</u>	<u>m</u>	<u>I</u>
Jacque Hill	<u> </u>	<u> </u>	<u> </u>
Judge Clark	<u> </u>	<u> </u>	<u> </u>
John Poindexter	<u> </u>	<u> </u>	<u> </u>
Staff Secretary	<u> </u>	<u> </u>	<u> </u>
Sit Room	<u> </u>	<u> </u>	<u> </u>
<u>Ed Roberts</u>	<u>3</u>	<u> </u>	<u>FIVE</u>

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FROM TANTER

DOCDATE 26 MAY 82

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KEYWORDS: MOROCCO

AP

HASSAN II

SUBJECT: MEMCON OF PRES MTG W/ KING HASSAN ON MAY 19

ACTION: FOR DECISION

DUE: 28 MAY 82 STATUS X FILES

FOR ACTION

FOR CONCURRENCE

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CLARK

COMMENTS

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THE WHITE HOUSE
WASHINGTON

3522

18

MEMORANDUM OF CONVERSATION

SUBJECT: Summary of the President's Meeting with King Hassan II of Morocco

PARTICIPANTS: President Ronald Reagan
 Vice President George Bush
 Alexander M. Haig, Secretary of State
 William P. Clark, Assistant to the President for National Security Affairs
 Ambassador Joseph Verner Reed, Jr., U.S. Ambassador to Morocco
 Nicholas Veliotos, Assistant Secretary, State Department

King Hassan II
 Ambassador Ali Bengelloun
 His Excellency Ahmed Reda Guedira, Counselor to the King
 His Excellency M'Hamed Boucetta, Minister of Foreign Affairs

DATE, TIME AND PLACE May 19, 1982; 11:30 a.m. - 12:15 p.m.
 The Oval Office

A focus of the Oval Office discussion was on peace in the Middle East, with special reference to the Camp David negotiations and the King's peace initiative to settle the Western Sahara War. The President told the King that despite differences between Morocco and the United States on the Camp David peace process, we hope to find some common ground. The President received the King's views on the Palestinian issue and on the Iraq-Iran War. In this respect, prospects for peace in the Gulf were discussed in detail.

Regarding the Western Saharan peace process, the President was pleased to acknowledge Morocco's continued adherence to the King's peace initiative for a cease-fire and referendum presented to the Organization of African Unity.

The President and the King had lunch in the State Dining Room from 12:15 to 1:30 p.m. A focus of the luncheon discussion was on security in the Middle East. In this respect, the

~~CONFIDENTIAL~~

Cl. by William P. Clark
 Review on May 21, 2002
 Reason for Extension NSC 1.13 (a)

DECLASSIFIED
 NLRR M371/1 # 117172
 BY RW DATE 6/22/15

President and King talked about their common perceptions of threats to the area and the need for increased strategic cooperation between the two countries. Considerable time was spent on the Persian Gulf in general and on Iran in particular. The King surmised that Iran would not end the war until President Saddam Hussein of Iraq is replaced. The following participated in the luncheon:

19

United States

The President
The Vice President
Secretary Haig
Secretary Baldrige
Edwin Meese, III
William P. Clark
Ambassador Joseph Verner Reed, Jr.
Ambassador-at-Large Vernon Walters
Assistant Secretary Nicholas A. Veliotos
Raymond Tanter, NSC

Morocco

King Hassan II
His Royal Highness Prince Moulay Abdallah,
King's brother
His Excellency M'Hamed Boucetta, Minister of
Foreign Affairs
General Moulay Hafid El Alaoui, Chief of Royal
Protocol
Ambassador Ali Bengelloun
His Excellency Taieb Bencheikh, Minister in
charge of Economic Affairs, Office of the
Prime Minister
General Ahmed Dlimi, Director of the King's
Aides de Camp
His Excellency Reda Guedira, Counselor to the
King
Colonel Major Mohamed Kabbaj, Inspector,
Royal Moroccan Air Force
His Excellency Abdelfattah Frej, Director of
His Majesty's Private Secretariat

UNCLASSIFIED
WITH ~~CONFIDENTIAL~~
ATTACHMENT

NATIONAL SECURITY COUNCIL

May 26, 1982

20

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: RAYMOND TANTER *RT*

SUBJECT: Memorandum of Conversation-- The President's
Meetings with King Hassan II of Morocco
May 19, 1982

A Memorandum of Conversation for the subject meetings with the President is attached at Tab A. Since I did not attend the Oval Office meeting, the memo has been coordinated with Nicholas Veliotis, State Department.

Recommendation

That you approve the memo at Tab A and forward to Ed Roberts for filing.

APPROVE *[Signature]* DISAPPROVE _____

Attachment
Tab A - Memorandum of Conversation

UNCLASSIFIED
WITH ~~CONFIDENTIAL~~ *rw 8/24/11*
ATTACHMENT

National Security Council
The White House

194

RECEIVED Package #

3522

22 MAY 26 P 3: 39

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	_____	_____	_____
Bud McFarlane	_____	M	_____
Jacque Hill	_____	_____	_____
Judge Clark	_____	_____	_____
John Poindexter	_____	_____	_____
Staff Secretary	_____	_____	_____
Sit Room	_____	_____	_____

I-Information A-Action R-Retain D-Dispatch

DISTRIBUTION

cc: VP Meese Baker Deaver

Other _____

COMMENTS

NSC/S PROFILE

SECRET *rwg/aly*

ID 8203731

UNCLASSIFIED INFORMATION
OF CLASSIFIED INFORMATION

RECEIVED 27 MAY 82 16

TO CLARK

FROM GREGG

DOCDATE 27 MAY 82

22

KEYWORDS: AUSTRALIA

VISIT

FRASER, J MALCOLM

SUBJECT: MEMCON OF PRES MTG W/ FRASER ON MAY 17

ACTION: FOR DECISION

DUE: 01 JUN 82 STATUS X FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

CLARK

COMMENTS

REF#

LOG 8202826

NSCIFID

(C /)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
	- 6/2	Poundexter approved		
Wheeler	S 6/2	for signature	6/3	
	C 6/02	Wheeler signed memo		mw, DG
		to Bremer		

DISPATCH

cd 6/2 mw

W/ATTCH

FILE *AA*

(C)2

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

~~SECRET~~

June 2, 1982

23

MEMORANDUM FOR L. PAUL BREMER III
Executive Secretary
Department of State

SUBJECT: Transmittal of Memorandum of Conversation

Attached, for your information, is a copy of the Memorandum of Conversation of the meeting between the President and Australian Prime Minister Malcolm Fraser, held on May 17, 1982.

Michael O. Wheeler

Michael O. Wheeler
Staff Secretary

Attachment

Tab A Memorandum of Conversation

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Review on May 27, 1988

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DECLASSIFIED
Sec. 3.4(b) E.O. 12958, as amended
White House, Washington, Sept. 11, 2008
BY NARA RW . DATE 8/24/11

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117173
3731

THE WHITE HOUSE
WASHINGTON

~~SECRET~~

24

MEMORANDUM OF CONVERSATION

SUBJECT: Summary of the President's Meeting with Prime Minister Malcolm Fraser of the Commonwealth of Australia

PARTICIPANTS: President Ronald Reagan
Vice President George Bush
Acting Secretary of State Walter J. Stoessel, Jr.
Secretary of the Treasury Donald Regan
Attorney General William French Smith
William P. Clark, Assistant to the President for National Security Affairs
U.S. Ambassador to Australia Robert Nesen
John H. Holdridge, Assistant Secretary of State for East Asian and Pacific Affairs
Donald Gregg, NSC Senior Staff Member (Notetaker)

Prime Minister Malcolm Fraser
Foreign Minister Anthony Street
Charge d'Affairs Geoffrey Price
Geoffrey Yeend, Secretary of Department of Prime Minister and Cabinet
Peter Henderson, Secretary, Department of Foreign Affairs
Denis White, Director of Prime Minister's Personal Staff
C. F. Teese, Deputy Secretary, Department of Trade and Resources
R. G. Whitelaw, First Assistant Secretary, Department of Treasury
Allen Griffith, Special Advisor to the Prime Minister
Geoffrey Miller, First Assistant Secretary, Prime Minister's Department

DATE, TIME May 17, 1982
AND PLACE: 3:00-4:00 p.m., Cabinet Room

President Reagan opened the meeting by thanking the Prime Minister for graciously hosting the Vice President's visit to Australia. President Reagan voiced thanks for Australian participation in the

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Review on May 26, 2012
Classified and Edtended by William P. Clark
Reason: NSC 1.13(a)

DECLASSIFIED

NLRR M3711 # 117173

BY RW NARA DATE 6/22/15

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Sinai MFO operation. The President concluded his greeting by saying that he looked forward to hearing Mr. Fraser's views on the Versailles and NATO meetings.

After responding to the President's greeting, Prime Minister Fraser spoke at length about what can be done to restore economic growth in the free world economies. He cited high unemployment rates and fears of economic collapse in Europe. He applauded what President Reagan is doing in the United States to improve the economy and also lauded his efforts toward increasing western unity.

Returning to economic problems, Prime Minister Fraser stated that beating inflation may not be enough and that economic growth is needed to quell unemployment. He felt that all countries should do as much as they could to help stimulate growth. Mr. Fraser expressed concern that some countries are now conducting bilateral trade negotiations which make the multilateral system suffer. He urged that there be an effort to recreate the spirit which had motivated the Bretton Woods and other post World War II agreements which had set up a financial system that has worked well for forty years. Mr. Fraser stated that six of seven of the world's major economies had shown negative growth in the last quarter and said something should be done at Versailles to restore confidence and to deal with the impact of 30 million unemployed.

Prime Minister Fraser's proposal was a three-point program:

- The Summit participants should commit themselves to make no new increases in any protectionist measures.
- The Versailles participants should also commit themselves to undertaking no new export subsidies or incentives for a five-year period.
- He also urged that over five years there be a commitment to significant and progressive reduction in all forms of trade protectionism. GATT, Mr. Fraser said, should play a major role in this effort.

Prime Minister Fraser admitted that to be effective such measures would have to be adopted by all the Versailles participants. He suggested that Australia and a number of other countries would move quickly behind such a program in order to forestall reactions from "pressure groups." Mr. Fraser admitted that his suggestions were being made "late in the day" but that the measures are needed just as were the post World War II agreements mentioned earlier.

President Reagan responded that he was very interested to hear Mr. Fraser's proposals and that he was opposed to protectionism.

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He suggested that perhaps all the Summit nations put their protective measures "on the table" to see what could be done about them. 26

Turning to the United States economy, President Reagan voiced a certain degree of optimism, saying that housing and the automobile industry have improved their performance of late. He also cited the continuing damage which high interest rates inflict on these industries and stated that he has met with United States business leaders, trade association leaders and other influential persons to discuss this problem. The key issue, President Reagan stated, is continuing pessimism in the minds of the American people about the way the Congress will handle the out-year budget deficit problem.

President Reagan stated that we have had eight recessions in the post war period and that all have led to government intervention and stimulation to reduce unemployment. He said that such intervention improves the situation in the short term, but within two years another recession usually develops. Under his program, the President stated, inflation has gone well down and interest rates have dropped 20 percent. He cited other favorable indicators from among banking, industrial and labor groups. The President restated his conviction that government intervention is counterproductive. He admitted that there are those in Congress who strongly favor intervention but voiced his hope that with a budget passed, national confidence should rise. Concluding his remarks, the President stated that frank talk would be needed at Versailles to deal with the economic problems and that he supports Fraser's views on protectionism.

Prime Minister Fraser responded that the measures he was suggesting support what the President has been trying to do within the American economy. Sadly, Mr. Fraser noted that there is pressure for more protection, particularly coming out of Europe. Mr. Fraser stated that world trade must grow if the American program should succeed as it should.

President Reagan responded that the United States imports many Third World products tariff free. He added that while there are ten million unemployed in the country, he is not certain that our statistical basis for arriving at this figure is a correct one. He said that even today we have a higher percentage of working-age people employed than at any time in history and that only 30 percent of technically unemployed families are without any wage earner.

Prime Minister Fraser responded that Australia has many more women workers than ever before as well as many multiple wage earners. Mr. Fraser said that the opposition labor party

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charges that Australia's 6.5 percent unemployed understates the problem. Mr. Fraser added that in Australia many people say they want a job but do not actively seek one.

Turning to Versailles, Prime Minister Fraser stated that if some measures could be adopted there to support the President's program, some specific measures could be implemented in the upcoming GATT.

Turning to the Soviets, President Reagan stated that the free world needs to stop subsidizing the Soviet Union through extension of free world credits. The President said that we should "let the Soviets know there is a better way to go" but cut them off from credits if they persist in current aggressive patterns.

Prime Minister Fraser stated his approval of this concept but stated that the upcoming high-level meeting at Bonn will not go well as the pessimism which Europe feels about its individual economies may make it difficult to work in concert against the Soviets.

Still speaking of withholding credits from the Soviet Union, President Reagan said that he was not speaking necessarily of a long-term program, and that a breakthrough could be made in terms of expanded trade on a friendly basis if the Soviets' behavior changed. The President stated that we needed to inflict economic pain on the Soviet Union.

Prime Minister Fraser indicated his full support.

Prime Minister Fraser then turned to the Falklands crisis and expressed support for Prime Minister Thatcher.

President Reagan fully reciprocated these sentiments.

President Reagan then asked Attorney General Smith to speak.

Attorney General Smith stated that substantial agreement had been reached with the Australian representatives that morning on the question of the extraterritorial application of United States laws.

Prime Minister Fraser expressed his appreciation upon hearing that news.

Vice President Bush stated that he had used some lines Mr. Fraser had given him in Australia in talking with the People's Republic of China on the Falklands crisis. He also thanked the Prime Minister for having helpfully intervened with the Chinese.

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The meeting ended with Prime Minister Fraser saying that he would try out his economic suggestions in Canada, Japan and Korea.

President Reagan wished Mr. Fraser well but said that Prime Minister Trudeau appeared deeply pessimistic about general economic prospects.

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29

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~SECRET~~

May 27, 1982

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: DONALD GREGG *DG*

SUBJECT: Summary of the President's Meeting with Prime Minister Malcolm Fraser of the Commonwealth of Australia

Attached is a memorandum of conversation, summarizing the President's meeting with Malcolm Fraser on May 17 (Tab II).

RECOMMENDATION

- | | |
|---|--|
| <input checked="" type="checkbox"/> <u>OK</u>
<input type="checkbox"/> <u>No</u> | <p>1. That you distribute this memorandum to State.</p> <p>2. If you agree with the above, that you authorize Mike Wheeler to sign the memorandum to State at Tab I.</p> |
|---|--|

Attachments

- Tab I Memorandum for Wheeler Signature to Bremer
A Copy of MEMCON
- Tab II Memorandum of Conversation (Original)

cc: Henry Nau
Norman Bailey

~~SECRET~~

Review on May 27, 1982

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DECLASSIFIED
Sec. 3.4(b), E.O. 12958
White House Guidelines
BY NARA RW DATE 8/24/11

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117174

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Summary of the President's Meeting with Prime Minister Malcolm Fraser of the Commonwealth of Australia

PARTICIPANTS: President Ronald Reagan
Vice President George Bush
Acting Secretary of State Walter J. Stoessel, Jr.
Secretary of the Treasury Donald Regan
Attorney General William French Smith
William P. Clark, Assistant to the President for National Security Affairs
U.S. Ambassador to Australia Robert Nesen
John H. Holdridge, Assistant Secretary of State for East Asian and Pacific Affairs
Donald Gregg, NSC Senior Staff Member (Notetaker)

Prime Minister Malcolm Fraser
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Denis White, Director of Prime Minister's Personal Staff
C. F. Teese, Deputy Secretary, Department of Trade and Resources
R. G. Whitelaw, First Assistant Secretary, Department of Treasury
Allen Griffith, Special Advisor to the Prime Minister
Geoffrey Miller, First Assistant Secretary, Prime Minister's Department

DATE, TIME May 17, 1982
AND PLACE: 3:00-4:00 p.m., Cabinet Room

President Reagan opened the meeting by thanking the Prime Minister for graciously hosting the Vice President's visit to Australia. President Reagan voiced thanks for Australian participation in the

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Review on May 26, 2012
Classified and Edtended by William P. Clark
Reason: NSC 1.13(a)

DECLASSIFIED

NLR #117174

BY RW DATE 6/22/15

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Returning to economic problems, Prime Minister Fraser stated that beating inflation may not be enough and that economic growth is needed to quell unemployment. He felt that all countries should do as much as they could to help stimulate growth. Mr. Fraser expressed concern that some countries are now conducting bilateral trade negotiations which make the multilateral system suffer. He urged that there be an effort to recreate the spirit which had motivated the Bretton Woods and other post World War II agreements which had set up a financial system that has worked well for forty years. Mr. Fraser stated that six of seven of the world's major economies had shown negative growth in the last quarter and said something should be done at Versailles to restore confidence and to deal with the impact of 30 million unemployed.

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President Reagan wished Mr. Fraser well but said that Prime Minister Trudeau appeared deeply pessimistic about general economic prospects.

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National Security Council
The White House

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Package # 3731

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02 MAY 27 P 4: 09

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>2</u>	<u>[initials]</u>	
Bud McFarlane	<u>[initials]</u>	<u>M</u>	
Jacque Hill	<u>[initials]</u>		
Judge Clark			
John Poindexter			
Staff Secretary	<u>3</u>		<u>D</u>
Sit Room			

I-Information A-Action R-Retain D-Dispatch

DISTRIBUTION

cc: VP Meese Baker Deaver

Other _____

*Hold 5/27
JMP*

COMMENTS

MEMORANDUM OF CONVERSATION BETWEEN PRESIDENT REAGAN AND SPANISH KING

JUAN CARLOS. Call was placed by King Carlos to the President at his ranch at 8:18 PM EDT May 27, 1982

37

President: Hello your Majesty.

King Carlos: Mr. President. How are you?

P ust fine.

K Nice to hear you.

P Well it's nice to be talking to you again. Incidentally, I want to thank you very much for your May 20th letter suggesting mediation efforts...we are doing what we can. I don't know if we can succeed as yet, but we are working behind the scene to promote resumption of events to a negotiated settlement in the Falklands.

K I hope things go better...Look, I'm told there's one remaining problem in the negotiations of the defense agreement between Spain and America.

P Yes. I understand there's a problem concerning overflight and transit rights of our aircraft.

K At this point yes. I think only Spain wants the right to know and approve, when necessary, of certain overflights of Spanish territory. These are inherent rights of every country and rights and principle which have already been agreed and will not affect at all the usual operations. Spanish armed forces have always had excellent and very good cooperation between American forces and we haven't any problem at all and I don't think we will have in the future now that we are going into NATO. And I ask you personally because I think it would be very important for our two countries to end the negotiations quickly.

P I'm having trouble hearing you, your Majesty. Do I understand that there's just some difficulty about the details of having to do with advance notice or request for transit.

K Exactly. I mean, it's just the fact that one point blocks everything. Spain wants to have the right to know and approve when necessary certain flights over Spanish territory. It would not affect at all the usual operations.

P I'll ask Secretaries of State and Defense to get together immediately on this issue which is of great importance to both of us and we'll get back to you as soon as possible.

DECLASSIFIED
NLR 10371/1 # 117176
BY RW DATE 6/22/15

King Carlos: Exactly, I was thinking for our two countries to end the talks quickly.

President: Alright. I'm in California, 3,000 miles from Washington, but I'll get on this right away and I know that they'll go to work on it and then we'll get back to you.

K (inaudible)....It would be very good that we sign the agreement without further delay because I think a delay would create problems and suspicions also....

P I know. Well, we shall get right back. I hope that I heard enough here...it has been very difficult...for some reason the transmission to where I am has made it difficult to hear, but just let me add again that this has to do with our over-flights involving giving or getting advance permission for such flights.

K Exactly.

P Alright. I shall get ahold of Secretaries Haig and Weinberger right away.

K Look. A proposal on this point has been given by Spain today to your representative. I think it can and should be now accepted....(inaudible)

P Alright. I'll get right on it.

K Thank you so much Mr. President.

P Thank you your Majesty. It's good to talk to you.

K I'm sorry always to bother you.

P You're not bothering at all. Glad to hear from you.

K Thank you very much.

P Thank you sir.

K Bye Bye

P Bye

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117178

WHITE HOUSE SITUATION ROOM

39

PAGE 01 OF 02 MADRID 5653
SIT202

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TOR: 148/1153Z

DISTRIBUTION: WPC MCF WHLR JP VP RENT SIT EOB /011
WHSR COMMENT: RED TAG

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NODIS
FOR THE SECRETARY FROM AMBASSADOR TODMAN
DEPARTMENT PLEASE PASS WHITE HOUSE, SECDEF AND JCS,
IMMEDIATE
E. O. 12065: RDS-1.5/28/82 (TODMAN, TERENCE A.) OR-M
TAGS: MARR, MASS, US, SP
SUBJECT: US-SPANISH NEGOTIATIONS

1. KING JUAN CARLOS CALLED ME JUST NOW TO SAY THAT HE HAD
TELEPHONED THE PRESIDENT IN CALIFORNIA AT 2:00 A.M. MADRID
TIME TODAY AND ASKED FOR THE PRESIDENT'S INTERVENTION TO
RESOLVE THE MAJOR STUMBLING BLOCK TO THE CONCLUSION OF A NEW
US/SPANISH BILATERAL AGREEMENT. HE SAID HE HAD EXPLAINED
HIS UNDERSTANDING THAT SPAIN IS WILLING TO ACCEPT SIMPLE
NOTIFICATION FOR U.S. TRANSITS AND OVERFLIGHTS IF THE
U.S. WOULD AGREE TO A WRITTEN STATEMENT OF ITS RECOGNITION
OF SPANISH SOVEREIGNTY AND CONTROL OVER ITS AIRSPACE.
HE HAD EXPLAINED THAT THIS WAS VERY IMPORTANT FOR PRE-
SENTATION TO THE SPANISH PARLIAMENT AND AS A SIGN OF SUPPORT
FOR SPANISH DEMOCRACY.

DECLASSIFIED

BY #117178

BY RW

6/22/15

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WHITE HOUSE SITUATION ROOM

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PAGE 02 OF 02 MADRID 5653

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2. THE KING SAID THAT THE TELEPHONE LINES WERE NOT VERY CLEAR BUT HE FELT CERTAIN THAT THE PRESIDENT UNDERSTOOD HIS MESSAGE AND HAD PROMISED TO LOOK INTO THE MATTER AND DO WHATEVER HE COULD TO BE HELPFUL.

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3. THE KING SAID BECAUSE OF THE IMPORTANCE OF TIMING ON THIS MATTER HE WOULD APPRECIATE KNOWING WHAT ACTION THE PRESIDENT WAS ABLE TO TAKE. TODMAN
BT

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May 28, 1982

TO: JIM RENTSCHLER

For your information/files

*Return to ED Robert
for files*

Dona

JR has seen TX.

WHSR
ROUTE SLIP

Time Stamp

STAFF	C/O
Clark	C
McFarlane	C
Poindexter	C/O
Merchant	
NSC S/S	

C : Copy O : Original

Secure call
1800 May 31, 1987

~~SECRET~~

117181

43

PRESIDENT: Margaret?

THATCHER: Yes, Ron?

PRESIDENT: Could you hear me alright?

THATCHER: We could hear you very well. Can you hear me?

PRESIDENT: Yes, seems to be a little echo but I guess that goes with the line we're on. Listen, I'm looking forward to our meeting next Friday, when we can talk about situations that are better in detail.

THATCHER: I think we should need a good long meeting, we don't want to be hurried.

PRESIDENT: I hope it can be, although I know they've got me on a schedule that I think will send me home about a foot shorter than I am.

THATCHER: Well yes, but I think you just have to take the most important things first.

PRESIDENT: Yes. And listen, could I impose and be presumptuous and give you some thoughts right now on the Falkland situation?

THATCHER: Yes, of course.

PRESIDENT: Because, well your impressive military advance could maybe change the diplomatic options, as we see them, that would be available to us between now and next Friday. Incidentally, I want to congratulate you on what you and your young men are doing down there.

DECLASSIFIED

NLRR M351 #117181

BY

RW

NARA DATE

1/25/16

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44

You've taken major risks and you've demonstrated to the whole world that unprovoked aggression does not pay.

THATCHER: Well not yet, but we're half way to that. We're not yet half way, but a third of the way anyway.

PRESIDENT: Yes, yes you are. I know that Al Haig has passed on some of our ideas on how we might capitalize on the success you've had with a diplomatic initiative, and I back the concept that...Hello?

THATCHER: Yes, I'm still here.

PRESIDENT: ...given Argentina's performance through this whole affair, a new initiative may not succeed, but even if they turn it down, I think an effort to show that we're all still willing to seek a settlement, consistent with our principles would undercut the efforts of some of the leftists in South America who are actively seeking to exploit the crisis. Now, in thinking about this plan

THATCHER: This is democracy and our island, and the very worst thing for democracy would be if we failed now.

PRESIDENT: Yes,

THATCHER: There is always a way through for the Argentines and and that is just to withdraw their forces from the island and that is not surrender it's just asking them to withdraw to the mainland.

PRESIDENT: Well, this is just what this idea has in mind, but we believe that it's only chance of success might be prior to the capture of Port Stanley, we wanted Latin cover

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and we've been talking, when he was here, we talked with the Brazilian President, Figueiredo and he wants to be of help but he believes, know them and knowing the Argentinians that the best chance for a peaceful solution at this point, would be prior to a complete Argentine humiliation and that's why I just wanted to say, I know you're meeting with the cabinet tomorrow and you've got some tough decisions to make. I don't know if the junta can make a deal, but even if it can't be struck I believe you will put yourself in a very favorable position, if I could be so presumptuous to say that, and

THATCHER: (garbled) lies, because they refused to accept the deal before we had to re-enter to take the island. I have to retake them now. I didn't lose some of my finest ships and some of my finest lives, to leave quietly under a cease fire without the Argentinians withdrawing.

PRESIDENT: Oh. Oh, Margaret, that is part of this, as I understand it. This latest proposal that they would want to come from Brazil and ourselves to see if, and it would be that they would have to withdraw.

THATCHER: Ron, I'm not handing over (garbled) I'm not handing over the island now, to anyone else other than to whom the people want. And that would be intolerable. We will therefore(?)...we have some of our best ships lost, because for seven weeks the Argentines refused to negotiate on reasonable terms.

PRESIDENT: Yes.

THATCHER: It's not only the one thing, we lost some of our best

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British guard(?) and some of our allies in NATO. When we repossess the island and restore the people to democracy and then we will discuss with them what they want. There can be no question now, of us quietly moving out of the island to hand them over to a contact, local or United Nations or anything like that, before we had the real thing, before we had to do that thing, yes, that's what we were offering to stop the fighting. I can't lose the lives and blood of our soldiers to hand the islands over to a contact. It's not possible.

PRESIDENT: Well, Margaret, I just thought that are we talking about the same thing, because my understanding was that they would have to withdraw. That the cease-fire would have to be followed with their withdrawal and you, your forces would not have to withdraw until a binational or multi-national force arrived then as the housekeeping force.

THATCHER: Yes, but I think the point is this Ron, and you would understand it, we have born the brunt of this alone. To hand over the Queen's islands to a binational, multi-national force immediately and that we must restore our British administration. We must then try to see what kind of security we can get for the islands. And then with a kind of Sinai force. And not to hand the people over to anyone...

PRESIDENT: No...

THATCHER: We wish to reinstate their existing laws, their customs. And I don't know what their wishes will be until the hostilities are complete, are over and we could talk to them and we could get some developments in the islands which would be of help and then we could get some

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security. What I simply can't have now is having born the brunt of this totally alone, if we choose to say, alright the Argentines withdraw and when they've gone we go. Having lost British guard(?) we hand over to someone else all we've got in the future that the island is one. We don't believe we're not being (familiar with the future)(?) under Britain, I think it will be a kind of independence or semi-independence or quasi-independence so that they will go the way that former colonies have gone. They'll come with self-government, which they were on the way to doing. Now, the situation once you've gone through battle is very very different than if you have one with varied offers, (?) before we had actually to do battle.

PRESIDENT: Margaret, but I thought that part of this proposal,

THATCHER: (words garbled)...our young men fighting...

PRESIDENT: But part of the proposal,

THATCHER: (words garbled) to withdraw, that would be marvelous.

PRESIDENT: But part of the proposal, as I understand it, was that local self-government and the local councils would be established to govern the islands and at the time of this, they would have to, the rapid withdrawal. And yours would be a phased withdrawal after the peacekeeping force came in to assume just the security of the islands for a limited period and then the negotiations, without any preconditions would go forward.

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THATCHER:

Yes, but why now negotiations without any preconditions? That time, I think is over, Ron. I can't emphasize too much, how would you feel if you put in a large part of your navy, some of the best of your armed forces to secure and repossess those islands to restore the people with it's administration, (words garbled), under democracy and all of a sudden they say "No you can't have that. We know you've lost your blood for it, but you can't have that. We're going to put in something else." Gradually we will put in something else. But when our people have gone so that we can't reposses British (word garbled) territory with British people on it, any (words garbled) Argentinians there ever. (sentences become garbled)...we will see what the islanders want. That must be our objective now, and if the Argentinians wish to withdraw from Port Stanley and from the other places, then nothing will please me better. It was ridiculous that they didn't do it before. (sentence garbled) So we are really saying, please return to the mainland.

PRESIDENT:

I thought you were in a sufficient position of power that there wouldn't be any doubt in anyone's mind that they, what they had done was a retreat in the face of defeat. I don't think there is any question, that anyone doesn't know that victory could happen. I was just thinking of how, how much, well I'm worrying about what happens if you have to retain an occupancy, military occupancy against a possible attempt on their part to do it again. Or I'm also wondering about what happens if the present government, as bad as it's been in this whole affair, if it falls and is replaced as it would be by the leftist Peronists.

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THATCHER: Yes. I understand that we do need help with the security of the island. I'm the first to admit it. But you are surely not asking me, Ron, after we've lost some of our finest young men, your surely not saying, that after the Argentinian withdrawal that our forces and our administration become immediately idle? (I had to go immense distances) (?) and mobilize half my country. I had to go there to (word garbled) the invader, because no one else could do it. I just had to go.

PRESIDENT: Yes.

THATCHER: (words garbled) and he must not gain in his aggression. I wonder if anyone over there realizes, I'd like to ask them. Just supposing Alaska was invaded, it's a long way away from you, it's next door to (words garbled) who didn't (garbled) United States. Now you've put all your people up there to retake it and someone suggested that a contact could come in. And if the invader left and if you left and you couldn't stay. (words garbled) and you've lost a lot of men and you ships. You wouldn't do it.

PRESIDENT: No, no although Margaret I have to say that I don't quite think Alaska is a similiar situation.

THATCHER: More or less so.

PRESIDENT: It was always my understanding or feeling that you had in the past been prepared to offer independence to the islands or,

THATCHER: Yes, but I think now, I think gradually, Ron. I think this really is fairest thing for the Argentines. But

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eventually I think I'd be able to say alright we haven't got the islands and I think that (words garbled) they might have been a possibility, they've simply not done that. They've done awful things to our island, we've had a terrible time with them, (word garbled) and Goose Green and Darwin and I think the best thing for the Argentines is that we have repossess the island we shall gradually sympathize. (Sentence garbled) And try to get multinational force there. Not with a view of colonialism but with a view to independence or quasi-independence which will leave the margin there for recognizing a quasi-independence and get the last vestige of colonialism out, and that is what we will try to do. A hundred ships three to seven times as many young men, some of whom are dead. The Argentinians have done everything possible to try to sink the ship with (word garbled) men(?) along with many, many others. You will surely recognize that they need almost as much material help as they can possibly ask. (Sentence garbled)

PRESIDENT: Margaret, I,

THATCHER: The conditions that exist, (word garbled) you had to go in and your (illusionary)(?) young men are quite different from the conditions that offered before but I would be delighted if the Argentinians said, alright, save our young men and perhaps on the understanding that we would bring the islands gradually to independence.

PRESIDENT: Well,

THATCHER: That would be marvelous. But as things are, our blood and then ask us that if the Argentines withdraw then the British automatically withdraw, before we manage to

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arrange the future that the islanders want, because after all you and I are democracies. It's self-determination we're after.

PRESIDENT: Yes, well,

THATCHER: Mr. President (you have tried your round,)(?) that's why I'm here.

PRESIDENT: Yes.

THATCHER: You really do think that when our people have lived through the most blameless lies (sentences garbled) there can be any choice that they be put under anything other than their own choice. (sentence garbled) otherwise you have perpetual trouble down there. You yourself said on television the other evening, I would remark, if the aggressor wins anything out of this, there would be fifty other (word garbled) risk. But I would think that you would be delighted if Port Stanley without a death. It would be the most sensible both for them and for us.

PRESIDENT: Well, Margaret, I know that I've intruded and I know how, I know,

THATCHER: You haven't intruded at all, and I'm glad you telephoned. I will talk to my people about it tomorrow and maybe we can have a broader talk on Friday.

PRESIDENT: Alright, I'll look forward to it and I, I know how

THATCHER: Understand that when you've lost some of your wonderful regiment.

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PRESIDENT: Yes I know what this, I know how, how tragic this has been for you. I look out here at some of our own young men at some of the formations you've seen and I know how I would feel if that were happening to them. So I do know.

THATCHER: And you know how you'd feel if you went through the same conflict.

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PRESIDENT: Yes, I know

THATCHER: (sentences garbled) Anyhow I will see on next Friday and we will have a long talk then.

PRESIDENT: Alright and God bless you.

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