To Downing Street

From the Private Secretary

7 April 1982

Falkland Islands: Conversation with Chancellor Schmidt

The German Chancellor rang the Prime Minister at 1210 hours today. He said he had interrupted his Easter break to preside over a Cabinet meeting. The Prime Minister's message of 6 April requesting support on a range of economic measures had reached him just in time.

Herr Schmidt said that he had emphasised to the Cabinet the vital German interest in assisting Great Britain in obtaining a peaceful solution of the conflict. The Argentine action was a gross violation of international law. Such aggression, against a friend and an ally, was more important than similar cases elsewhere in the world. He had asked his Ministers not to be influenced by the German press who had not yet-understood the gravity of the matter.

The German Government would announce the Cabinet's decisions at about 2.30 p.m. today. In summary:-

- (a) The Cabinet condemned the Argentinian invasion as a flagrant violation of international law and of the obligation to settle international disputes peacefully.
- (b) It endorsed the Declaration of the <u>Ten</u> of 2 April and the UN Security Council Resolution of the same day.
- (c) It decided that, in conjunction with its European partners, the Federal Republic would assist the United Kingdom as an ally and a friend in an attempt to bring about a peaceful solution.
- (d) The Cabinet decided that no licences would be issued henceforth for the export of military weapons, ammunition or other equipment to the Argentine.

CONTRACTOR

(e) Finally, Germany would contribute constructively to discussion and decisions within the Economic Community on economic matters.

The Prime Minister said that she was most grateful to the Chancellor. We were facing a case of naked aggression. If we did not resist then similar aggression could take place elsewhere. It was vital to us that our European partners should show solidarity both on the principles at stake and with regard to the practical measures against the Argentine which were required.

Chancellor Schmidt said that he would contact France today to explain his position. The Prime Minister said that President Mitterrand had been very helpful, especially in connection with the UN Security Council Resolution.

Finally, Chancellor Schmidt said that he thought it would be useful for the Foreign and Commonwealth Secretary to meet his EC opposite numbers soon.

I am sending a copy of this letter to David Omand (Minist@y of Defence), John Kerr (HM Treasury) and David Wright (Cabinet Office).

your our fell below.

John Holmes Esq Foreign and Commonwealth Office.