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the Tuline Dear Solming appealing the Pen and to me Thom? The Falklands and the EC Once our European partners get down to work after their summer holidays they can be expected to take a renewed interest in the Falklands. They are bound to want to know how we intend to approach the Falklands now that hostilities are (as they will see it) well behind us. Most of them, especially the larger ones, will want to get on with rebuilding their relations with Argentina and Latin America, which they reckon have suffered as a result of their support for us during the conflict. We are likely to have difficulty in retaining their full support and understanding both at the UN General Assembly, where we shall be resisting very strong pressures on us to negotiate, and over their embargoes on

arms supplies to Argentina. We know that many of our partners do not fully understand why we cannot negotiate with Argentina on sovereignty over the Falklands. Sr Colombo has sent his colleagues in the Ten a long message following his visit to Argentina, Brazil and Peru earlier this month, reflecting some of these themes. I enclose a copy.

In these circumstances, the Foreign and Commonwealth Secretary believes that we need to make a particular effort to ensure that our partners understand our position, that they appreciate that there is no point in their pressing us to negotiate with Argentina and that they maintain as solid a position over arms supplies as we can induce them to. Mr Pym therefore proposes to send a and personal message to each of the Foreign Ministers of the Ten/to M. Thorn. Such a message, which Mr Pym believes should take our partners into our confidence and be cast in a firm but positive tone, would ensure that our position was firmly registered in Community capitals as soon as the recipients return to their desks. It would be helpful for it to be absorbed before Political Directors discuss the Falklands on 1/2 September, followed by Foreign Ministers on 9 September. It could be followed up in the variety of contacts we shall be having with our partners in September, eg Sr Colombo's visit on 7 September. I enclose a draft accordingly, and should be grateful for your agreement that it should be despatched.

I am copying this letter to the Private Secretaries of other OD members.

> Your eve (J E Holmes)

A J Coles Esq, 10 Downing Street Private Secretary



UNOFFICIAL TRANSLATION OF LETTER TO THE FOREIGN AND COMMONWEALTH SECRETARY FROM THE ITALIAN FOREIGN MINISTER, SIGNOR COLOMBO

Minister and dear colleague

On my return from a visit to Latin America which took me to Peru, Brazil and Argentina, I would like to share with you and with my other Community colleagues some reflections and assessments which may, I believe, be of some use for our work together within the framework of European political cooperation. Moreover, I held in Lima a meeting of Italian Ambassadors in Latin America and I was thus able to get a general view of the situation in the region.

(1) There is everywhere a lively recognition of the problem of the revival of the European/Latin American relationship. would say that it is seen in both polemical and constructive terms, in the sense that while there are resentments and misunderstandings, there is also a strong desire for a dialogue. Over and above the resentments caused by the Falklands conflict (which of course caused the greatest difficulties in Argentina) there is, it seems to me, a firm resolve to initiate at least a more political, more sustained and more intense relationship between the Ten and the Latin American region. Careful attention must be paid to a tendency which is apparent in Venezuela, and more recently in Colombia, in favour of a close integration of these countries with the non-aligned movement. There are no precise ideas on the procedures for reviving the European/Latin the Ten should put forward proposals and that there should in American relationship but there is certainly an expectation that any case be a stronger presence and greater attention paid than in the past. I think that the bilateral channels which are at the disposal of each of us are useful: but closer coordination is necessary. This is the general view, particularly explicit in Brazil - a country which seems to me resolved to take up more firmly the role and responsibilities which belong to it.

- (2) Nobody sought to hide the concern which is felt at the deterioration of relations with the United States. Some aspects of US behaviour during the recent crisis have caused a greater resentment than the Community's solidarity with Great Britain. Rightly or wrongly, they had counted on an inter-American solidarity, which would have taken priority over all other considerations.
- (3) Argentina is naturally a special case. The process of a return to democracy seems certain to me. However, because of the very serious current economic, financial and social conditions, and also the serious wounds inflicted on the national pride, the task of the democratic forces may not be easy. Moreover, the latter, having been for so long detached from concrete problems, will undoubtedly have difficulties in taking up the heavy responsibilities, which are now placed on them in charting a path towards a revival of their country's fortunes.
- (4) Still on Argentina, there is also the problem of the initiatives which Buenos Aires intends to promote at the next United Nation& General Assembly. With the support of other Latin American countries (particularly at this moment of Mexico), Afgentina is aiming for a resolution which would in some way balance out in the eyes of public opinion the serious defeat which they have suffered. I was very frank with them. I said that, so far as Italy was concerned, despite the damage caused by the inadmissable use of force by Argentina, it was certainly to be hoped that there would be a resumption of the dialogue between London and Buenos Aires under the auspices of the United Nations. But I added that it did not seem to me acceptable to Europe that one should try to lay down, by means of a General Assembly Resolution, guidelines which would be prejudicial and of a committing nature with regard to the objectives of a dialogue on the future of the Falkland Islands.

No

I believe that it is necessary for us in Europe to follow closely the evolution of this debate, either in Buenos Aires or in the other Latin American capitals and to try to avoid the creation in September of a new and contentious situation in the Western region which would see Europe and Latin America ranged against each other. We should, in my view, do everything possible to avoid this or at least, in a spirit of reciprocal loyalty between Europeans and Latin Americans and understanding of our respective positions, to minimise the negative repercussions of such a confrontation.

- (5) I think we must also reflect on what we need to do with regard to the serious economic and financial difficulties of Latin American countries. This is of course not a matter for the Ten alone. But it seems to me unwise to ignore the situation either from the political point of view or taking into account the important interests which all of us have in Latin America.
- (6) In the context of Latin America, the special problem of the Central American nations is becoming increasingly acute and confused. There is a risk that on top of the local tensions and difficulties the theme of East/West confrontation will become even more dangerously present than it is now. I believe therefore that we must resume discussion in the Ten on ways of promoting and contributing to the efforts which other countries are in a position to make (United States, Mexico, Venezuela, Canada), efforts aimed at providing a prospect of political stability at least to those countries of Central America where it is still practicable.

With best wishes
EMILIO COLOMBO

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	1. Please pass the following message from me to the Fo Minister.UKREP Brussels should take action with M. Thorn BEGINS								
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	Following the holiday period I would like to share with some thoughts on future relations with Argentina and the future of the Falkland Islands. Our aim is to see peace fully restored in the South Atlanda is the Falkland in the South Atlanda is the Falklands in the South Atlanda is the South Atlanda is the South Atlanda in the South Atlanda is the South Atlanda								
	21	and the Falklands issue removed as a factor complicating Europe's relations with the region. We are more than willing to live at							
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in the region. But there is as yet no sign of their recognising this. They have accepted only a de facto suspension of hostilities, clearly reserving the right to resort to force again if they choose. Although there has been a certain relaxation of tension in the area, our efforts towards normalisation have not yet been fully reciprocated by Argentina. We must hope that the internal situation in Argentina will evolve in a way which will allow a more sensible and realistic outlook to emerge. It will be valuable for to keep in close touch on developments in this context.

I know that there is much interest in the question of our resuming negotiations with Argentina. But I fear that it is unrealistic to pretend that nothing has happened and that 'negotiations' can simply be resumed where they left off. There needs to be a fundamental change in Argentine attitudes. Serious negotiations, conducted in good faith on our part, were abruptly broken off by the invasion of the Falklands. The fact of this invasion and its physical and psychological effects cannot just be ignored or forgotten. Nor can the loss of life and damage caused by the unlawful Argentine resort to force.

At present the Islanders' full attention is being absorbed by the immediate problems which confront them. The aftermath of war is still with them, including the constant risks from the mines so indiscriminately scattered by the occupying Argentine forces. It will be some time yet before they are able to give proper consideration to what they want for their future. After a reasonable period of reconstruction we shall want to take soundings of Islander opinion. I would however be surprised if, after what has happened, they opted for closer association with Argentina. Britain will certainly not be prepared to push them in this direction, which I am sure you will agree would be unreasonable, indeed impossible.

Given our responsibilities towards the people of the

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territory under the UN Charter, and against the background of Argentine insistence that negotiations must lead to a transfer of sovereignty despite the Islanders' clear opposition, I am convinced that it would be irresponsible to encourage the idea that negotiations over sovereignty between the UK and Argentina offer a realistic way ahead for the foreseeable future. course we want to encourage cooperation between the Falkland Islands and their neighbours on the mainland, but even this is difficult to contemplate for the moment.

I know that we shall be in close touch before the UN General Assembly discusses the Falklands, and I hope that you will resist pressures to support any resolution calling for us to negotiate with Argentina on the sovereignty issue and disregarding the principle of self-determination to which we all attach great importance. However moderate the wording of the resolution may appear, its implications need to be fully understood. For Argentina, negotiations mean only a cession of sovereignty to them, without taking any account of the wishes of the inhabitants of the Falklands. This is of course quite unacceptable to me and, I hope, to you.

(For Rome only)

I was most interested to learn of your views on future relations between Europe and Latin America, as set out in your recent message. I am grateful to you for sharing your thoughts on this matter of interest to us all. Our assessment is that our own relations with the rest of South America have suffered surprisingly little, despite an inevitable degree of rhetoric. I do not believe it necessary for any of us in Europe to regard negotiations between Britain and Argentina as a prerequisite to the revival of our relations with the rest of Latin America. (All except Rome)

I do not think any of us in Europe should regard such negotiations as being necessary in order to revive the momentum

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of our relations with the rest of Latin America, which I know is a common concern to us all. Our assessment is that our own relations with the rest of the continent have suffered surprisingly little, despite an inevitable degree of rhetoric. (To all)

There is also the important question of arms supplies to Argentina. In our view it is still important to ensure that Argentina does not succeed in re-equipping its forces in the immediate future. Argentina has not renounced hostilities. The Argentine Government is still keeping open the option of a further unlawful recourse to force and a resumption of arms supplies can only give her an unfortunate signal that this is acceptable internationally.

(Following additional paragraph for Paris only)

I was naturally disappointed to hear that France had decided to lift the ban on arms supplies to Argentina. I hope that the French Government will scrutinise very carefully any proposed arms sales to Argentina, and ensure that particularly sensitive and sophisticated equipment (particularly of course AM39 missiles and Etendard aircraft) is not supplied for the immediate future. I would also hope that our Governments could continue to keep in close touch on this issue: as you know, I greatly value the close and confidential cooperation that we have been receiving.

ENDS

- 2. UKREP Brussels have discretion to make minor necessary editorial changes for M. Thorn.
- 3. We hope that these messages will get the basic elements of our approach across to EC partners on their return from holiday. We shall be pursuing them in bilateral contacts and at eg the Political Directors' meeting on 1/2 September and the Ministerial Poco discussion on 9 September. You should ensure that these points are also put across in your own direct contacts.

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10 DOWNING STREET / PO MOD 24 August 1982 From the Private Secretary 8) Trade 0020 Thank you for your letter of 20 August enclosing a message which the Foreign Secretary proposes to send each of the Foreign Ministers of the Ten and to M. Thorn. The Prime Minister agrees wholeheartedly with the objective of the message to convince our partners that there will be no negotiations with the Argentine on British sovereignty over the Falklands. She does not however think that the draft is quite firm enough; in particular she would like the paragraph on page 2 of the proposed telegram commencing "I know that there is much interest" to be amended to avoid giving the impression that we . may negotiate at some time in the future. Subject to that amendment the Prime Minister is content. I am sending a copy of this letter to the Private Secretaries to the members of OD. (TIMOTHY FLESHER) John Holmes, Esq., Foreign and Commonwealth Office