Foreign and Commonwealth Office London SW1A 2AH 23 June 1989 K Bilateral with Uruguayan President, Julio Sanguinetti On 22 June the Uruguayan Foreign Minister rang Mr Eggar and requested a meeting at the Paris Summit between President Sanguinetti and the Prime Minister. We have Falklands-related interests in good relations with Uruguay. During the past year the Uruguayans tilted in the Argentine direction. The Uruguayans are always wary of their large and unpredictable neighbour, and their main concern has been to assist the Alfonsin Government and keep the Peronists out of power. Now that this policy has failed, they are looking for a reasonable relationship with Menem. Barrios Tassano stressed to Mr Eggar that a 10-15 minute meeting could have an important effect on "perceptions of the relations between Britain and Uruguay". The Uruguayans may want to show Menem that Uruguay cannot always be bullied over Falklands issues. Some evidence of independence on this would also be a useful signal to the Brazilians (whose President will also be in Paris). Sanguinetti leaves office in December 1989: it is not clear yet whether a new Uruguayan President would be more accommodating to our concerns. The Foreign Secretary is well aware that the Prime Minister's programme is tightly packed, but believes 15 minutes of her time will be worthwhile in ensuring continued Uruguayan assistance over emergency diversions of Falklands-bound aircraft. It might also ease the introduction of the commercial shipping links between the Falklands and the mainland. The public demonstration of good relations between Britain and Uruguay could give us useful leverage in dealing with Argentina and, indeed, Brazil. It is always possible that Sanguinetti may wish to offer his offices as an intermediary. He may even bring some sort of message from Menem, whom he is meeting on 26 June. We would want to resist this, pointing to the established US channel. But it is important to demonstrate to other leaders in the region that we wish to see normalisation of our relations with Argentina. The Uruguayans are pressing for a response before Sanguinetti's meeting with Menem on 26 June. We have told them that we are unlikely to be able to given an answer by then. (R N Peirce) C D Powell Esq Private Secretary 10 Downing Street

