TYPISTS teg) 36 + 7 = 43

ADVANCE COPIES: FALKLAND ISLANDS

BIMR HURD (3) PS/MR ONSLOW PE ND.

PS/PUS

MR GIFFARD

MR WRIGHT

MR ADAMS

MR URE

MR GILLMORE

HD/SAMD (FCO DIST + A/D F/I)

HD/DEF · D

HD/NEWS D HD/UND

HD/PLANNING STAFF

RESIDENT CLEPK

PS No.10 DOWNING ST.

PS/CHANCELLOR SIR K COUZENS

MR LITTLER

MR HAWTIN

MR PERETZ

MR ILETT

MR McINTYRE

Miss DICKSON (EIP DIV) D/EN

DIO CABINET OFFICE MR WADE-GERY CABINET OFFICE MR FULLER SAPU CABINET OFFICE

H.M. TSY

BIR M PALLISER, CABINET OFFICE

SIR R ARMSTRONG, DIO. CAB. OFFE

(Copies passed to Emergency Staff, MOD Sitcen and CinC Fleet)

CONFIDENTIAL DESKBY WASHINGTON 232200Z APR 82 FM BRASILIA 231945Z APR 82 TO IMMEDIATE FCO TELNO 108 OF 23 APRIL 82 AND TO IMMEDIATE WASHINGTON INFO PRIORITY UKMIS NEW YORK

YOUR TELNO 81: FALKLANDS/OAS

- 1. I CALLED ON THE FOREIGN MINISTER AT 1 PM AND SPOKE AS INSTRUCTED IN YOUR TUR.
- 2. COMMENTING ON THE POINTS IN PARAGRAPH 5 OF TUR, GUERREIRO SAID:
  - THE BRAZILIANS DID NOT SEE THAT THE TIAR MEETING SHOULD HAVE ANY NEGATIVE EFFECT ON THE COURSE OF NEGOTIATIONS, PROVIDED TAT A RESOLUTION CLEARLY WITHIN THE TERMS OF ARTICLE 6, AND NOT STRAYING INTO ARTICLE 8, WAS ADOPTED. SUCH A RESOLUTION WOULD CERTAINLY NOT BE TO THE LIKING OF THE BRITISH GOVERNMENT, SINCE IT WOULD HAVE TO ENDORSE THE CLAIM OF ARGENTINA TO SOVEREIGNTY OVER THE FALKLANDS - A POINT ON WHICH ALL THE LATIN AMERICAN STATES WERE AGREED. HE HOPED THAT IT MIGHT BE POSSIBLE

FALKLANDS - A POINT ON WHICH ALL THE LATIN AMERICAN STATES WERE AGREED. HE HOPED THAT IT MIGHT BE POSSIBLE TO INCLUDE IN IT A POSITIVE REFERENCE TO MR HAIG'S NEGOTIATING EFFORTS.

- (B) BRAZIL, IN COMMON WITH OTHER OAS MEMBERS INCLUDING THE UNITED STATES AND MEXICO, TOOK THE VIEW THAT ARTICLE 53(1) OF THE UN CHARTER REFERRED ONLY TO MILITARY MEASURES OF COERCION. THOUGH HE WOULD NOT SAY SO PUBLICLY, BRAZIL CONSIDERED THAT BOTH SIDES IN THE DISPUTE HAD ACTED ILLEGALLY, ARGENTINA BY HER INITIAL ACT OF AGGRESSION AGAINST THE ISLANDS AND BRITAIN BY SEEKING TO USE FORCE IN TURN UNDER THE CLOAK OF RESOLUTION 502. IF BRITAIN WISHED TO USE MEASURES OF HER OWN TO CONTEST THE ARGENTINE POSITION, SHE SHOULD FIRST SEEK SPECIFIC ENDORSEMENT FROM THE SECURITY COUNCIL. BUT HE DID NOT AT THIS STAGE SEE ANY FUTURE IN AN ATTEMPT TO DO SO: INDEED, IT MIGHT MAKE MATTERS WORSE.
- (C) ON ECONOMIC ISSUES, BRAZIL CONSIDERED THAT THE EC MEASURES WERE PURELY UNILATERAL AND WERE NOT AUTHORISED EITHER UNDER THE TERMS OF THE UN CHARTER OR OF GATT. HE THOUGHT THAT THEY HAD ALREADY POLARISED OPINION BETWEEN EUROPE ON ONE SIDE AND LATIN AMERICA ON THE OTHER AND THAT THEY SET A DANGEROUS PRECEDENT.
- (D) HE AGREED WARMLY WITH WHAT I SAID ABOUT THE VALUE ATTACHING TO RELATIONS BETWEEN BRITAIN AND BRAZIL AND UNDERLINED THE FACT THAT THERE WAS NO CONFLICT OF INTEREST BETWEEN US WHATSOEVER. I SAID THAT I WAS CONFIDENT THAT YOU WOULD NOT WISH TO SEE THE CAREFUL WORK PUT INTO BUILDING UP OUR RELATIONS IN THE PAST YEAR OR TWO UNDONE: ON THE CONTRARY, WE WISHED TO IMPROVE THEM STILL FURTHER AND, AS THE MINISTER KNEW, HAD SPECIFIC IDEAS IN THIS RESPECT. GUERREIRO AGREED WITH THIS POINT TOO. ON THE QUESTION OF A POSSIBLE REDUCTION IN RELATIONS (VIZ IF REQUIRED UNDER A TIAR RESOLUTION), GUERREIRO SAID JOKINGLY THAT THEY MIGHT INDEED CONTEMPLATE WITHDRAWING AMBASSADOR ROBERTO CAMPOS FROM LONDON FOR POLITICAL REASONS, IN ORDER TO ALLOW HIM TO PURSUE HIS CANDIDATURE FOR THE SENATE IN THE NOVEMBER ELECTIONS.
- 3. MORE GENERALLY, GUERREIRO SAID THAT THE BRAZILIAN GOVERNMENT WERE WORRIED ABOUT THE WAY THE SITUATION WAS DEVELOPING. THOUGH

- 3. MORE GENERALLY, GUERREIRO SAID THAT THE BRAZILIAN GOVERNMENT WERE WORRIED ABOUT THE WAY THE SITUATION WAS DEVELOPING. THOUGH THEY WERE NOT INFORMED OF THE DETAIL OF THE HAIG NEGOTIATIONS, THEY COULD SEE THAT THE POSITIONS ADOPTED BY THE TWO SIDES WOULD BE DIFFICULT TO RECONCILE. THEY GREATLY FEARED THE ERUPTION OF THE DISPUTE INTO AN ARMED CONFLICT, WHICH WOULD BE DISASTROUS FOR ALL CONCERNED AND COULD HAVE UNFORESEEN CONSEQUENCES,, THOUGH HE PERSONALLY THOUGHT THESE WOULD STOP SHORT OF AN INTERCONTINENTAL CONFLICT.
  - 4. SPECIFICALLY ON THE CONDUCT OF THE TIAR MEETING, GUERREIRO SAID THAT HE WAS WORRIED THAT ONE OF THE MORE HOT-HEADED LATIN AMERICAN DELEGATIONS MIGHT TRY TO OUT-ARGENTINE THE ARGENTINES AND GO FOR A RESOLUTION UNDER ARTICLE 8. HE IMPLIED THAT THIS WOULD PUT THE BRAZILIANS IN A VERY DIFFICULT SPOT AND THAT THEY WOULD DO WHAT THEY COULD TO PREVENT SUCH A DEVELOPMENT. BUT IN THE LAST RESORT, THEY COULD NOT AFFORD TO ISCLATE THEMSELVES FROM THE OTHER TREATY MEMBERS.
  - 5. GUERREIRO IS LEAVING ON SATURDAY EVENING FOR WASHINGTON.
    HE EXPECTS TO MEET A NUMBER OF LA FOREIGN MINISTERS FOR DILATERAL
    DISCUSSIONS ON SUNDAY. HE HAS ACCEPTED AN INVITATION TO DINE
    WITH COSTA MENDES ON THAT DAY.

HARDING

NNNN

SENT AT 23:2035 Z ED //DW