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10 DOWNING STREET

From the Principal Private Secretary

9 June 1982

Dear John,

FALKLAND ISLANDS : LIKELY LATIN AMERICAN
ATTITUDES TO BRITISH ACTION AGAINST THE
ARGENTINE MAINLAND

The Prime Minister has seen and noted, without comment, your letter of 8 June 1982 to John Coles in which you provided an assessment of likely Latin American activities in the event of British military action against the Argentine mainland.

Yours m,

Anne Whitmore.

John Holmes Esq.,
Foreign and Commonwealth Office.

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Prime Minister
Foreign and Commonwealth Office

London SW1A 2AH

8 June, 1982

Dear John,

Falkland Islands: Likely Latin American Attitudes to British Action
Against the Argentine Mainland

Thank you for your letter of 2 June asking for an FCO assessment of likely Latin American attitudes in the event of:

- (a) action against the Argentine mainland; and
- (b) action against Argentine ships within Argentina's territorial waters.

First, as regards the legal position, action by Latin American States in support of Argentina would probably be taken under the Rio Treaty of Inter-American Reciprocal Assistance which provides for collective action in the event of an armed attack against any member state. Under the Rio Treaty a Resolution requires a two-thirds majority (14 out of 21 signatories) to be mandatory, and no member state can be required to use force against its will.

Latin American attitudes so far have been far from uniform and more has been offered in terms of rhetorical than practical assistance. The two consultative meetings of the Rio Treaty powers held so far have passed resolutions critical of the UK (and the US) but have stopped short of calling for collective practical measures. The Argentines have never been confident of achieving a two-thirds majority in favour of more direct and concerted action against us, and have not therefore pressed their case. Provided our repossession of the Islands can now be quick and effective, we can reasonably hope that Latin American opinion will remain divided and that we can exploit this to our advantage in coming months.

It is always difficult to judge accurately the reaction of Governments in relation to new developments. There is a general consensus however among those who know Latin Americans (including businessmen and academics) that a major air attack on the Argentine mainland or in territorial waters would represent an escalation which Latin American countries could not ignore and which would unite them in more specific action against us. We do not believe that most of those concerned would see a distinction between action against the mainland and that in Argentina's territorial waters, so that the two contingencies can effectively be regarded as the same.

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We have ourselves been making it clear that our quarrel is with the Argentine Government only, not the Argentine people and certainly not other Latin American countries: and that this quarrel is limited to the question of the sovereignty of the Falklands and the Dependencies. Although the Falkland Islands come within the area covered by the Rio Treaty, the act of Argentine aggression and the long history of British occupation have helped to make the relevance of the Treaty's provisions less precise. If we were to act to widen the area of conflict, the Treaty would be seen to apply much more clearly, and in a way that would affect each member state more directly. No Latin American state is likely to accept that Article 51 of the UN Charter, which gives us the right to take the action we have in defence of the Falklands, could be extended to cover action against the mainland or Argentine territorial waters.

We therefore believe that action on the lines of either (a) or (b) above would produce general support in Latin America for practical assistance to Argentina. Several member states, including some moderates, have made it clear to us that such action would inevitably lead to the invoking of the Rio Treaty sanctions machinery. Performance would continue to vary but steps could include:-

- (a) economic sanctions;
- (b) downgrading of diplomatic relations; and
- (c) more importantly, stepping up of overt and covert supply of military equipment and assistance, including use as a conduit for supply from other countries. The impact of such indirect and deniable military assistance could be very telling, as recent experience over EXOCET has shown.

Whatever the level of sanctions adopted, a decision by Latin American countries to take collective action would be seen as a significant milestone in the - so far - toothless history of the Rio Treaty. It would in itself provide impetus to continued Latin American solidarity on the Falklands issue. It would also put the isolation of the United States within the OAS into sharp relief and could lead to further pressures to reorganise regional institutions to the exclusion of the US. The effect on the US position in Latin America - and consequently on US relations with the UK - could be far-reaching. For the United Kingdom it would make a subsequent normalisation of relations with the region very much more difficult.

Yours ever

J E Holmes

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