

**379. Telegram From the Department of State to the Embassy in the United Kingdom<sup>1</sup>**

Washington, August 3, 1982, 1617Z

215502. Subj: The Secretary's July 29 Meeting with Pym: The Falklands.

1. Secret—Entire text.

2. Summary: During a two-hour meeting July 29, the Secretary and UK Foreign Secretary Pym discussed the war in the South Atlantic and the prospects for reconciliation. Pym said that as a result of the war, the UK could not discuss the Falklands with Argentina for at least another year, and it would be even longer before the issue of sovereignty could be on the agenda. Pym also asked for the continuation of the US arms embargo. The Secretary encouraged Pym to move quickly to repair relations with Latin America, and he said that at some point the US may have to reopen its military sales pipeline to Argentina, but promised to consult closely with the UK before taking any action. End summary.

3. The Secretary congratulated Pym on Britain's conduct of the war. He remarked that he had been struck by how quickly a dispute in an isolated area became the center of world attention. Pym said that although HMG believes that the conflict has resulted in only slight long-term damage to the UK's relations with Latin America, they realized that the US and Europeans were worried about their own ties with the hemisphere. The Secretary said the US may have been hurt in Latin America more than the UK, since there was some feeling that the US betrayed its hemispheric neighbors. He said that the US had no second thoughts about its support for great Britain: A clear principle had been involved. Nevertheless, he added, the US needs to proceed with repairing its relations in the region, particularly with Venezuela.

4. Pym remarked that the UK no longer expected to secure a formal cessation of hostilities from the GOA, and that the UK will probably go ahead soon and lift its economic measures against Argentina. He said that no one in Britain will be able to think about the long-term future of the Falklands until sometime next year. In the meantime, there will be a new Shackleton commission to study the future of the Islands. Pym added that although HMG will attempt to normalize

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<sup>1</sup> Source: Department of State, Central Foreign Policy File, N820007-0183. Secret; Immediate; Nodis. Sent for information to Buenos Aires. Drafted by K. Smith; cleared by Pendleton, Burt, McManaway, and in S/S-O; approved by Seitz.

relations with the GOA, after what has happened, no government, at least in the foreseeable future, could negotiate on sovereignty.

5. Pym stated that the UK will forever continue its arms embargo on Argentina, and asked the US to keep its embargo in place for some time. He said that they did not want to see direct sales to Argentina by the allies, and had spoken to France about it. The Secretary remarked that the US is considering the question of military items sold to Argentina prior to 1978 but never delivered, adding that there may be a time in the future when we will want to reopen the pipeline. He said on new arms sales, we first have to make a judgement regarding human rights conditions in Argentina. In any case the Secretary said he would consult with the UK before taking any action.

6. The Secretary and Pym then discussed the broader effects of the South Atlantic crisis. Pym thought the war had had a significant impact in Britain, by unifying the country and increasing Mrs. Thatcher's popularity. It had also helped end the recent rail strike. The Secretary wondered whether war had not had a broader effect on world affairs—and whether it could be compared in some respects to the President's firm action during the air controllers strike since both had injected a new reality into the resolution of disputes. He added that fighting for a principle and making it stick could have an effect far beyond the dispute itself. Pym made a point of expressing HMG's appreciation for US intelligence assistance during the crisis.

7. Also present for the UK were Ambassador Henderson; Brian Fall, Pym's Private Secretary; DCM Derek Thomas; and Embassy Political Officer Christopher Crabbie. From the US side were Under Secretary Eagleburger, Assistant Secretary Designate Burt, and EUR/NE Keith Smith.

**Shultz**