

#### 417. Telegram From Secretary of State Shultz to the White House and the Department of State<sup>1</sup>

December 18, 1982, 2000Z

Secto 17149. Subject: My Meetings in London. For the President from Secretary Shultz.

1. (S-Entire text)

2. I completed my two week swing through Western Europe<sup>2</sup> today, December 18, after a day of talks in London with Mrs. Thatcher and her Foreign Minister, Francis Pym. The British remain as staunch friends as ever, but I found both Mrs. Thatcher and Pym preoccupied with concerns about economic developments, no doubt in part in view of the national elections which many expect Mrs. Thatcher to call next fall.

[Omitted here is discussion of issues unrelated to the South Atlantic.]

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<sup>1</sup> Source: Department of State, Central Foreign Policy File, N820010-0095. Secret; Immediate; Nodis. Sent from the Secretary's aircraft. Shultz was en route between London and Washington.

<sup>2</sup> In the course of his European trip, Shultz traveled to West Germany (December 7-9), Belgium (December 8-11), The Netherlands (December 11), Italy (December 11-14), France (December 14-15), Spain (December 15-16), and the United Kingdom (December 16-18).

4. Mrs. Thatcher also made it clear that the Falklands are still a serious issue in British politics.<sup>3</sup> She said that the UK was not prepared to enter into negotiations with Argentina at this time, nor to discuss the question of sovereignty. She argued that the Islands were too small to become independent, that the inhabitants are British, and that UK control offered strategic advantages for NATO. I restated our position—the Falklands issue should be settled by negotiation rather than by force of arms.

[Omitted here is discussion of issues unrelated to the South Atlantic.]

**Shultz**

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<sup>3</sup> Shultz recorded in his memoirs that he discussed the Falklands/Malvinas with Thatcher on December 17. Of the meeting at Number 10 Downing Street, his first with Thatcher since becoming Secretary of State, Shultz wrote: “I was apprehensive that I would run into an argument about the Falklands. Again, she [Thatcher] met me at the door. We sat and talked in a living room where a fire burned brightly. The Falklands were on her mind, and she spoke of their strategic significance. What if the Panama Canal were to be closed, requiring shipping to go ‘around the Horn,’ as in clipper-ship days? The location of the Falklands in the shipping lanes of the South Atlantic would then be vital. I thought that was farfetched, but there was no point arguing about it. I agreed with our decision to support her, but I felt it was time to repair the damage done to our interests in South America. I stated my views firmly; she listened, but not sympathetically.” (Shultz, *Turmoil and Triumph*, p. 153)