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CABINET

DEFENCE AND OVERSEAS POLICY (OFFICIAL) COMMITTEE

SUB-COMMITTEE ON THE SOUTH ATLANTIC AND THE FALKLAND ISLANDS

INTERNATIONAL REACTION TO THE ARGENTINE INVASION
OF THE FALKLAND ISLANDS

Note by the Foreign and Commonwealth Office

1. As of midday on 20 May the situation was as follows. American support has become somewhat less robust. Some members of the US administration, not including Mr Haig, now seem to share the feeling apparent in the US press that while the US should continue to support us because of historic Anglo-US ties and the need to support the principle that aggression should not be rewarded, the cost to the US of this support could be high. During a televised press conference on 13 May, when he was asked about US relations with Latin America, President Reagan seemed to stand back a little from Mr Haig's firm support for us. He referred inter alia to "those of us who want to be brokers". Principal US concerns are first the effects of the crisis on our strategic planning and our capacity to fulfil NATO commitments; second, the consequences for US-Latin American relations and the corresponding scope for increased Soviet influence in the region. Old Commonwealth official support is still firm, although there is a mixed press in New Zealand. Mr Malcolm Fraser called on President Reagan on 17 May with the intention of expressing strong Australian support for our position.

/2. The

288 The agreement of EC Foreign Ministers on 17 May to continue the EC embargo on imports of Argentine goods until 24 May was reached with difficulty. Neither Italy nor Ireland went along with the decision although they will not undermine implementation of sanctions by other member states. This was a serious set-back for us but was not altogether unexpected. Although Signor Colombo, the Italian Foreign Minister, himself personally favoured renewal, the Italian government had domestic political problems arising from the fact that the two largest political parties in the Italian Parliament were opposed to a continuation of the embargo. This factor, they claimed, threatened the survival of the government. The Italian attitude is particularly influenced by the fact that there are large numbers of Italians and people of Italian origin in Argentina. The Irish government continues to emphasise its neutrality and its opposition to continuing sanctions when these appear to be operating in support of British military activities. Denmark, though in favour of continuing sanctions, did not want this done through a Community decision, considering it to be a matter for national governments. Because of the Italian, Irish and Danish attitudes, the renewal of the Community Regulation imposing an import embargo will probably be difficult. Some EC countries may be prepared to take national measures to impose a continued embargo. Much, however, will depend on military developments. EC governments, with an increasingly concerned public opinion, are likely to be far less willing to continue the embargo if there is a major British military initiative. The Norwegians continue to follow the majority EEC line on sanctions. The NATO Foreign Ministers meeting on 17/18 May reaffirmed their support for a withdrawal of Argentine forces and implementation of SCR 502 in its entirety. The Spanish government through its Foreign Minister is maintaining its neutral policy, although the Prime Minister shows an inclination to support Argentina. Spanish public opinion is strongly pro-Argentine.

3. In the absence of major military action, opinion in Latin America has remained stable. President Figueiredo visited Washington on 13 May and told President Reagan that Brazil, while maintaining her support for the Argentine claim, hoped for an early solution to meet the just requirements of both sides. Brazil

was prepared to urge Argentina to be flexible and in particular to accept islander participation in an interim administration. The Venezuelans are continuing their support for Argentina and have sent a high level delegation to several European capitals (including the Vatican) at the Argentine government's request. There have been few anti-British incidents reported in Latin America. A small demonstration at the Embassy in Lima was quickly dealt with by the police.

4. On 14 May the Soviet government announced that it regarded our imposition of the TEZ around the Falklands and its further extension as illegal. This decision was almost certainly designed to influence public opinion in Latin America. Eastern European countries continue to be restrained in their comment. Mr Ceausescu of Romania has said privately that he thinks we are in the wrong over the Falklands, and that while the Argentinians should not have used force, the Romanian view is that their claim is a valid one. The Vietnamese, by contrast, have begun taking a particularly hostile line towards us.

5. Argentina's supporters (notably Cuba) continue to press for condemnation of Britain in UN and non-aligned fora, but have not so far achieved any real new support. The first Iranian statement on the Falklands, made on 15 May, was hostile towards us. The Egyptians issued an even-handed statement on 16 May calling for a ceasefire and describing the dispute as a threat to world peace.