

PRIME MINISTER

MEETING WITH PRESIDENT OF URUGUAY

You are to have a brief meeting with President Sanguinetti - at his request - at the Elysée Palace on Thursday.

There are two main purposes:

- to thank him for the discreet help which Uruguay gives us in relation to Falklands. They accept emergency flight diversions;
- to hear any message he has from the new Argentine President. He will come fresh from a meeting with Menem (who will not be in Paris). Menem's recent statements have been quite realistic and some feelers have been put out e.g. to Alan Walters about readiness to put aside the sovereignty issue. One is bound to be sceptical in the light of experience. We are ready to test the water. But you will not want to give Sanguinetti the impression that we want him to be an intermediary.

Points you might make are:

- congratulate Sanguinetti on leading Uruguay back to democracy;
- thank him for the help Uruguay has given us over flight diversions;
- renew the invitation to him to visit the United Kingdom;
- depending on what he reports about his conversations with Menem, confirm that we are ready to work for more normal relations with Argentina, provided the sovereignty issue is excluded. The Argentines could show their sincerity by lifting restrictions on British trade. We are ready

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to hold talks on fisheries conservation as a first step. But the Argentines should be under no illusions about our determination to defend our interests and those of the Falklands.

There is a fuller note by the FCO in the folder.

(C.D. POWELL)

11 July 1989

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