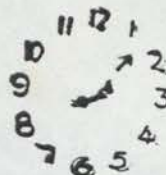


RR FCO

RR ASUNCION

RR BRASILIA

RR SANTIAGO



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GRS 454A

CONFIDENTIAL

FROM MONTEVIDEO 222130Z JUN 82

TO ROUTINE FCO

TELEGRAM NUMBER 512 OF 22 JUNE 1982.

INFO ASUNCION BRASILIA AND SANTIAGO.

INFO SAVING WASHINGTON PANAMA SAN JOSE TEGUCIGALPA UKMIS NEW YORK  
CARACAS BOGOTA QUITO LIMA AND LA PAZ.

YOUR TELNO 198 TO BRASILIA: RELATIONS WITH LATIN AMERICA.

1. THE URUGUAYAN FOREIGN MINISTER LAST WEEK STATED PUBLICLY THAT URUGUAY WOULD NOT BECOME INVOLVED IN ANY WAY WITH THE FALKLANDS WITHOUT THE ACQUIESCENCE OF THE ARGENTINE GOVERNMENT AND PEOPLE. A SENIOR MFA OFFICIAL ALSO TOLD THE PRESS THAT URUGUAY CONTINUED TO SUPPORT ARGENTINA'S CLAIM TO SOVEREIGNTY. THE BASIC URUGUAYAN POSITION HAS NOT THEREFORE CHANGED.
2. ON THE OTHER HAND, URUGUAY DESPERATELY WANTS THE PROBLEM OF THE ISLANDS TO BE SETTLED ONCE AND FOR ALL AND HOPES THAT SOMEHOW DISCUSSIONS WITH ARGENTINA CAN BE GOT GOING SOMEWHERE IN THE NOT TOO DISTANT FUTURE. AN INTRANSIGENT AND UNSTABLE NEIGHBOUR IS, TO SAY THE LEAST, UNFAVOURABLE FOR URUGUAY WHILE POLITICAL UPHEAVALS IN BUENOS AIRES COULD CONCEIVABLY HAVE IMPLICATIONS FOR THE REGIME HERE. FURTHERMORE THE URUGUAYAN ECONOMY CAN ILL AFFORD AN IMPOVERISHED ARGENTINA.
3. THERE IS MUCH WE SHOULD DO TO COUNTER OUR YEARS OF NEAR NEGLECT OF URUGUAY. WE SHALL HOWEVER HAVE TO MOVE CAREFULLY. URUGUAY TOOK CLOSE NOTE OF THE ATTENTION WE PAID TO NEIGHBOURING BRAZIL AND ARGENTINA PRIOR TO 2 APRIL. THEREFORE, ANY SUDDEN ATTENTION ON OUR PART MIGHT WELL BE RECEIVED WITH CYNICISM. ON THE OTHER HAND, WE SHOULD NOT ACCORD MAJOR ATTENTION TO BRAZIL WHILE IGNORING URUGUAY.
4. OUR FIRST MOVE SHOULD BE TO PAY EARLY, GENEROUS AND WELL PUBLICISED TRIBUTE TO URUGUAY'S INVALUABLE HUMANITARIAN HELP

RECEIVED WITH CYNICISM. ON THE OTHER HAND,  
MAJOR ATTENTION TO BRAZIL WHILE IGNORING URUGUAY.

4. OUR FIRST MOVE SHOULD BE TO PAY EARLY, GENEROUS AND WELL PUBLICISED TRIBUTE TO URUGUAY'S INVALUABLE HUMANITARIAN HELP DURING THE FALKLANDS HOSTILITIES. A FURTHER TANGIBLE THANKYOU IN THE WAY OF SAY A GIFT OF A FIELD AMBULANCE WOULD GO DOWN WELL AND IN THE CIRCUMSTANCES COULD NOT BE CRITICISED BY ANYBODY. WE SHOULD THEN LET THE URUGUAYANS KNOW THAT WE PROPOSE TO START A MODEST PROGRAMME OF TECHNICAL ASSISTANCE AND PROVIDE A COUPLE OF BRITISH COUNCIL SCHOLARSHIPS. WE WOULD THUS BE RESUMING PROGRAMMES WHICH WERE CUT OFF A FEW YEARS AGO FOR REASONS WHICH URUGUAY NEVER UNDERSTOOD AND WHICH WE HERE HAVE ALWAYS DEPLORED. ONLY THEN SHOULD WE CONSIDER A VISIT TO URUGUAY AND I WOULD SUGGEST THAT A RETURN VISIT BY LORD TREFGARNE OR A VISIT BY THE MINISTER OF OVERSEAS DEVELOPMENT IF APPROPRIATE WOULD STAND THE LEAST RISK OF BEING TOO OBVIOUS.

5. ON COMMERCIAL MATTERS WE FACE AN UPHILL BATTLE TO RESTORE CONFIDENCE. THE BRITISH PAVILION AT THIS YEAR'S PRADO AGRICULTURAL SHOW IN AUGUST IS RUNNING INTO TROUBLE AS SOME PROSPECTIVE EXHIBITORS DO NOT WISH TO BE SEEN TO BE ASSOCIATED WITH BRITAIN AT THIS STAGE IN TIME AND WE MAY HAVE TO ASK FOR FINANCIAL ASSISTANCE TO ENABLE THE REMAINDER TO CONTINUE. THERE IS NO DOUBT IN ANYONE'S MIND HERE THAT SAJ

TIONS AGAINST ARGENTINA  
HAVE ALSO HURT URUGUAY AND THE DROP IN BRITISH BUSINESS VISITORS TO URUGUAY SINCE EARLY APRIL TELLS ITS OWN STORY. WE HAVE ALSO HAD ONE OR TWO ENQUIRIES FROM BRITISH FIRMS ASKING IF IT IS STILL WORTH TRYING FOR BUSINESS HERE. IF NOTHING ELSE, ACTION SHOULD BE TAKEN IMMEDIATELY TO IMPRESS UPON BRITISH EXPORTERS THE IMPORTANCE OF CONTINUING TO CULTIVATE THE URUGUAYAN MARKET EVEN THOUGH THE LOCAL ECONOMIC SITUATION MAKES IMMEDIATE PROSPECTS SLIM AND IT GOES WITHOUT SAYING THAT NOW MORE THAN EVER WE SHOULD BE AS HELPFUL AS POSSIBLE WITH CREDIT TERMS.

FCO PLEASE PASS SAVING TO  
WASHINGTON PANAMA SAN JOSE TEGUCIGALPA UKMIS NEW YORK CARACAS  
BOGOTA QUITO LIMA AND LA PAZ.

HUTCHINSON