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(31-78)

FILE No. ALW 040/325/1 (Part B)TITLE: DISPUTE OVER THE FALKLAND ISLANDS BETWEEN ARGENTINA AND UK - POLICY.51
497

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(31-78)

FILE No. **AL** W 040/325/1 (Part B)

TITLE: DISPUTE OVER THE FALKLAND
ISLANDS BETWEEN ARGENTINA AND U.K.
— POLICY

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NAME (and dept. when necessary)	TO SEE:	DATE	NAME (and dept. when necessary)	TO SEE:	DATE	NAME (and dept. when necessary)	TO SEE:	DATE
<i>R</i>		<i>13/9</i>						
<i>Mr. Conling</i>	<i>(75)</i>							
<i>R</i>		<i>3/12</i>						
<i>Mr. Conling</i>	<i>(75)</i>							
<i>R</i>		<i>15/1/80</i>						
<i>Mr. Bright</i>	<i>(75)</i>							
<i>R - bu ca</i>	<i>"</i>	<i>4/2</i>						
<i>Mr. Bright</i>	<i>(75)</i>	<i>4/1</i>						
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FILE NUMBER: ALW040/325/1

TITLE: DISPUTE OVER THE FALKLAND ISLANDS BETWEEN ARGENTINA AND UK - POLICY(B)

<u>YEAR</u>	<u>FOLIO</u>	<u>DATE</u>	<u>ORIGINATOR/RECIPIENT</u>	<u>CONTENT</u>
1979	38	10 May	Ure to Ridley	Options paper
	41A	14 May	Temple to Ure	Options paper
	55	4 June	Ridley to Secretary of State	Acceptance of the principle of negotiations
	58	19 June	Tel-letter Hall to Buenos Aires	No decisions on substance of Falklands problem
	65	31 July	Cowling to Wall	Background
	66	26 July	Telno 90 to Port Stanley	Lease-back in the press

END OF
PART 'B'

NOW SEE PART
'C'

ALW 040/825/1		
20 AUG 1979		
INDEX	PA	Special Agent

Reference _____

Mrs Wiseman, UND

Secretary of State's Speech to UNGA

I attach as requested, some sentences on decolonisation for inclusion in the speech. These assume that Saint Lucia and Kiribati have applied for UN membership.

Anthony Clarke

15 August 1979

A E Clarke
Hong Kong & General Dept

CC
WIAD
SPD
✓ SAMD
MCD
SED

Anthony Clarke
✓ Anthony Clarke

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Ed 12/77

P.A.

Falklands

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From

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DECOLONISATION

Our policy is to respect the wishes of the peoples of our remaining dependent territories to determine their own future in accordance with the principles of the UN Charter. To this end, the British Government will continue to give every support and encouragement to those territories which seek independence.

Saint Lucia and

Already this year we can welcome *the* Republic of Kiribati ~~and the Republic of~~ as new members of the UN, and another of the three remaining West Indies Associated States, St Vincent will become fully independent on 27 October.

77

ALW 040325/1		
RECEIVED IN REGISTRY NO. 3		
20 AUG 1979		
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Mr Duggan

EAST TIMOR: IMPLICATIONS FOR FALKLANDS POLICY

74

1. Please see the papers below from SEAD about recognition of Indonesia's annexation of East Timor. There are, as you will see from Mr Murray's minute of 9 August implications for the Falklands which might arise if we were formally to recognise East Timor's absorption into Indonesia. Our comments are required by close of play on Wednesday, 15 August. (W74)

2. If we formally recognised Indonesia's annexation of East Timor this would hardly of itself encourage an Argentine military adventure against the Islands. But if the Argentines did invade I think we must recognise that they could resist any subsequent British attempt to orchestrate condemnatory moves (eg within the UN) had we previously given recognition to Indonesia's forcible annexation of East Timor. This applies with equal force to both points (b) and (c) of Mr Murray's minute.

3. But that said these considerations do not seem of "overriding" importance and this is, I believe, the view we should put to SEAD.

J. R. Cowling

J R Cowling
SAmD

14 August 1979

Mr Beale

SEAD

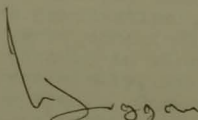
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EAST TIMOR RECOGNITION: IMPLICATIONS FOR FALKLAND ISLANDS

1. From the Falkland Islands stand point, and subject to what the lawyers say, I think it would be unwise to set such a precedent with East Timor.

2. An Argentine invasion of the Falkland Islands is at the moment unlikely; but we cannot rule out the possibility of such an invasion in the future, particularly if our negotiations go badly wrong and we are not able to meet Argentine claims for sovereignty.

3. Physically, there is little or nothing that we could do to prevent an Argentine invasion or to dislodge an invading force once there. Our only recourse would be to bring international diplomatic pressure to bear on Argentina, not least through the United Nations. Our case at the UN would obviously be seriously flawed if we had recognised the Indonesian take-over of Timor, following an invasion which would be very similar to any Argentine action in the Falkland Islands, and not least only four years after it had happened.



G A Duggan
South America Department

14 August 1979

cc:

Miss Wilmshurst
Mr Chamberlain
Mrs Wiseman
Mr Cooper
Miss Croll

Legal Advisers
Legal Advisers
UND
EID(D)
MRCD

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1) *for the Hon 13/8*
benign comment (2)

ALW 040/325/1		
RECEIVED MINISTRY NO. 13		
14 AUG 1979		
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BRITISH EMBASSY

BUENOS AIRES

040/1

G A Duggan Esq
 SAMD
 FCO

Bel one worth.

Dear Gordon

10 August 1979

FALKLAND ISLANDS DISPUTE : THE NINE AND THE POPE

1. In the telegram giving his initial impressions after the visits to Buenos Aires and the Falklands (Brasilia telno 143 to FCO) the Minister of State said that he was keen to involve the Nine to a greater extent in the dispute, and perhaps also the Pope.

2. It would certainly seem helpful to involve some or all of the other EEC members at some stage in the negotiations, should they be willing to lend moral support and exert some influence on the Argentines in favour of compromise. (though in view of their other interests here, particularly commercially, it would probably prove difficult to commit the French, Germans or Italians to action.) As seen from here, there is little we could expect from the Nine at present that would add to our own efforts. An approach to the Nine might therefore best be reserved until such time as negotiations were getting to the heart of the sovereignty dispute. If in the meantime it was decided to keep them more closely informed, I presume this would be done through London or EEC Capitals.

3. The Pope, as we have been forcefully reminded by his role in the Beagle Channel dispute, enjoys great respect in Argentina. The possible advantage - or otherwise - to us of involving him in the Falkland Islands dispute will become clearer once the results of the present mediation are known. At the right moment, The Vatican clearly could be an effective moderating influence on the Argentines. With this possibility in mind, you may see value in periodically briefing the Vatican in general terms about the negotiations.

M Duggan ok 13/8

On X/Y, nothing can be done while after the 1st neg round (at the earliest) I propose to B/C again cc Governor PORT STANLEY

A R Murray
 Head of Chancery

CONFIDENTIAL

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B.U. 12
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20 AUG 1979		
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		Action Taken

Miss Wilmshurst, Legal Advisers

cc: Mrs Wiseman, UND
 Mr Cooper, EID(E)
 Miss Croll, M & CD
 Mr Cowling, South America Dept

EAST TIMOR

1. In his minute of 9 August, Mr Murray posed three questions in relation to possible recognition of the Indonesian annexation of East Timor. I attach the file containing the latest information about the effectiveness of Indonesian administration in East Timor, which it certainly appears that Fretilin resistance is extremely limited. See folio 7. I should be grateful for advice on the answers to Mr Murray's question (a). Presumably a need for formal recognition will arise if at some stage we are obliged to make formal representations to the authorities on the ground in East Timor. I should be grateful for advice about the precedents.

2. On the second question, in the unlikely Spanish or Argentinian invasions of Gibraltar or the Falklands respectively, British recognition of Indonesia's annexation of East Timor could weaken the force of our resultant protests. Belize is protected by British troops whose withdrawal could trigger a Guatemalan invasion regardless of what we say about Indonesia's annexation of East Timor. But here to, if we were able to make some arrangements with Guatemala on which they subsequently renegued, the force of our protests might be somewhat weakened by our acceptance of Indonesia's military action in East Timor. The main point seems to be that we and the rest of the Nine should seek to uphold international standards by delaying for as long as we can the moment of de facto recognition. The longer the Indonesian authorities have been established there and the smaller the resistance against them, the more respectable would be our recognition. I would be grateful if you or any of the other recipients of this minute could let me have by close of play on Wednesday 15 August any observations which you would wish to see included in a submission to Ministers on this subject.

10 August 1979

J J Beale
 South East Asian Department

CONFIDENTIAL

Please see confidential memo to Mr. Simons 7/11
 Mr Simons
 Mr Cortazzi

cc: Miss Wilmshurst, Legal Adviser
 Mrs Wiseman, UND
 Mr Cooper, EID(E)

EAST TIMOR

1. You asked for papers on our attitude towards Indonesia's forcible incorporation of East Timor.

A₁ A₂
 A₂
 B
 2. I attach the latest Parliamentary answer on this matter, together with the briefing prepared for the European Community's Political Committee meeting on 5/6 June (at which the subject was not discussed). The next meeting will have to consider what attitude the Community should collectively adopt when the issue comes up in this year's UN General Assembly. Preliminary consideration was given to this by SEAD at the time of the Asia Working Group meeting in May (FCO telno 140 to Paris of 17 May). I recommend (a) that we postpone submission to Ministers until after the next Asia Working Group meeting (probably 30/31 August) when we should learn of any change in our partners' views, and (b) that there should be no change in our position meanwhile. The Department's legal adviser, UND and EID(E) concur.

BACKGROUND

C
 D
 E
 3. The pros and cons of recognising the annexation were summarized in the paper produced last December by the Community Ambassadors in Jakarta (page 14 onwards of document enclosed with Mr O'Brien's letter of 28 December). The arguments in favour seemed inconclusive (Mr Simons' letter of 20 March). Recognition could complicate our position at the UN (Mr Byatt's letter of 18 January). Portugal is likely to continue to

/condemn

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- 2 -

F condemn Indonesia (Mr Cortazzi's letter to Lord Moran of 20 February).

G 4. Legal Advice is annexed. The Ambassadors' paper did not regard as significant the distinction between de facto and de jure recognition; de facto recognition may not wholly satisfy the Indonesians but when they are in full control it would accord with the facts of the situation. There can be no question of according de jure recognition. We should make this point strongly in the AWG.

5. The case for remaining silent while continuing to be helpful to the Indonesians at the UN has not been undermined by recent discussions - despite the Indonesian Counsellor's inaccurate comment to Mr Flower on 31 July that all except two of the EEC countries were now in favour of recognition. The EEC will, however, be in good company when it decides to recognise East Timor as an integral part of Indonesia; according to page 13 of the Ambassadors' paper, Australia, New Zealand, Japan, Canada and the USA are among 35 states who have already done so.

J J Beale

7 August 1979

J J Beale
South East Asian Department

Mr Murray

~~Mr Cortazzi~~

EAST TIMOR

B 1. The advice in FCO telegram No 140 to Paris is still valid.
H But in the light of the record of conversation at the Asia Working Group meeting in February, we should prepare a move at the forthcoming meeting on 30/31 August to secure a change in the Nine's attitude at the United Nations. *ifw*

/2.

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2. It would be advantageous for Ministerial approval to be sought in advance for our representative's brief for the August meeting. It would, in any case, be necessary to consult Mr Blaker soon afterwards in connexion with briefing for his proposed visit to Indonesia.

B 3. I would propose to submit that we should stick on the guidance in the FCO telegram for as long as possible, and that we should attempt to dissuade our colleagues from moving too far from it. But, as fall-back positions, we should be prepared, with them, to alter our UN vote, and, in the last resort, to de facto so far as to recognise Indonesian occupation of East Timor de facto.

A M Simons

A M Simons
South-East Asian Department

7 August 1979

Copies to:

Miss Wilmshurst, Legal Advisers

Mrs Wiseman, UN

Mr Cooper, EID(E)

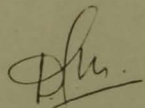
Mr Simons

1. We must be practical about this. East Timor has now been absorbed into Indonesia and I see no prospect that the actual situation will ever be different. By this I mean that Indonesia will exercise control and government, irrespective of what the world thinks about sovereignty and of the degree of unrest in the island. The legal opinion at Flag H is helpful guidance but is, I suspect, out of date in its assessment of the degree of Indonesian control over the region. I believe we are in a position where we could recognise de facto the absorption of East Timor into Indonesia but refrain from recognising de jure on the analogy of the Baltic States.

2. The real question is what this would involve. So far as action in Indonesia is concerned, I see no reason why we should not regard East Timor as part of Indonesia, eg for purposes of travel and visits by Embassy staff and even the Ambassador himself (a distinction without a difference). However, if action is required elsewhere, eg at the UN, particularly if we have to change our present attitude on UN Resolutions, then the implications for British policy elsewhere have to be considered and a submission made to Ministers.

3. Taking FCO telegram to Paris No 140 (Flag B) as the starting point, and assuming that what we want is tacit acceptance of the fact of East Timor's absorption into Indonesia, we need answers to the following questions:-

- (a) Is there any need for a formal recognition of de facto ^{not} sovereignty? Are there precedents for this and, if ~~so~~ why should we create a precedent this time?
 - (b) What would be the precise disadvantages to the British attitude on Gibraltar, Belize and Falkland Islands of a formal announcement on recognition, and are these disadvantages so overriding (I hope they are) that we must make it clear to the Nine and to Indonesia that we can never join in formal action of this sort?
 - (c) What, equally, would be the effect on our policies on Gibraltar, Belize and the Falkland Islands of a British vote against a UN Resolution critical of Indonesia, as distinct from an abstention?
4. I think we need a self-contained submission and we ought to get this to a Minister next week.



D F Murray

9 August 1979

cc Miss Wilmshurst, Legal Adviser
 Mrs Wiseman, UND
 Mr Cooper, EID(E)
 Mr Cortazzi



BUENOS AIRES HERALD

26 JUL 1979

DEPARTAMENTO
de INFORMACION
EMBAJADA BRITANICA
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BUENOS AIRES

ALW

040/325/1

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NR

① Copies on:

Relations
with Argentina

② Mr Ridley's
visit

③ Falklands
Policy 040/325/1

P
N
14/8

Question of status

THE integration of the populated islands of the South Atlantic with the mainland is in everyone's interest. Britain will not be able to administer the islands it calls the Falklands for ever and independence is not a viable solution for the islanders, regardless of the question of sovereignty. It makes good sense, both economically and socially — and, even strategically, in an increasingly insecure world — from everyone's point of view to find a solution to an issue that has harmed Anglo-Argentine relations for far too long and has kept the Kelpers living in isolation. The principal concern, of course, in all negotiations (and this should apply to Argentina as much as Britain) must be the wellbeing of the islanders. They are the most important natural resource, more valuable by far than the other legendary riches beneath the sea, whether fish protein or oil and minerals.

Mr Nicholas Ridley, Mrs Thatcher's assistant foreign secretary for Latin American affairs, is returning today from the Falkland Islands where he has been sounding out the "Kelpers" on the future. In Britain, it is the future of the settlers, not sovereignty and certainly not economic resources, which is politically important. No British government — and least of all a Conservative administration — could afford to appear indifferent to the wishes of the islanders who, in an overwhelming majority, will have told Mr Ridley that they want to remain British. The solution to the long-standing problem — the only remaining bone of contention in the long Anglo-Argentine love-hate relationship — calls for a degree of tact, diplomacy and commonsense which is rare enough. With the ever-present threat of aggressively nationalistic attitudes from all parties, it is a remarkable tribute to the Argentine and British diplomats who have been handling the issue since the thaw began almost a decade ago that so much progress has been made towards a solution that will resolve the islanders' fears and realize the islands' economic potential without destroying their peace and wild beauty.

Mr Ridley's visit here underlines the existing opportunity to re-establish relations at ambassadorial level and pick up again the lost momentum in reaching an understanding over the islands' future. It would be a tragedy if misinformation or a misunderstanding of the status of the current British representative should set the islands' integration back once again. The British Charge d'Affaires, Mr Hugh Carless, chose Buenos Aires post in preference to an ambassadorial posting in another South American country. He did so because, as head of the Latin American department at the foreign office, he realized the importance of this country — and the challenge of the job to be done here — and fully expected relations to be re-established at ambassadorial level, with himself as head of mission. It is ironic that during a debate in parliament, where the decision to restore ambassadorial relations was discussed, criticism of the move by critics of alleged human rights violations in Argentina was overcome by pointing out Mr Carless's outstanding qualifications for the job. Fortunately, reports that the Argentine foreign ministry — acting, presumably, on mistaken ideas about status or because of a lack of information — has sacrificed the opportunity to appoint an ambassador to the Court of St James's by not granting Mr Carless's place have been denied.

Amulogis

S.Am.D. ⁷³

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9 July 1979

COMMONWEALTH HEADS OF GOVERNMENT MEETING

LUSAKA, 1-8 AUGUST 1979

FALKLAND ISLANDS

Brief by Foreign and Commonwealth Office

ALW 040/325/1

RECEIVED
20 AUG 1979

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Points To Make

1. We have no doubt as to British sovereignty over the Falkland Islands and their Dependencies.
2. The Islanders have made it quite clear that they wish to remain British; there is no call for independence.
3. There is no indigenous population; the islanders are almost without exception of British descent. The question of "decolonisation" does not therefore arise.
4. Some Commonwealth countries have in the past supported the Argentine claim to the Islands treating it as a colonial problem. We do not regard this as a colonial problem and would like to see all the Commonwealth support our position.

Background

Negotiations

5. In April 1977 the British and Argentine Governments agreed terms of reference for negotiations directed at the working /out

out of a peaceful solution to the sovereignty dispute over the Falkland Islands. Four rounds of negotiations so far and one meeting of Working Groups. No date yet agreed for a further round of negotiations, but the new Government has undertaken to continue the dialogue in a constructive spirit.

United Nations

6. In November 1976, United Nations Fourth Committee adopted pro-Argentine resolution on Falklands Islands by 94 to 1 (UK) with 32 abstentions. The text of the resolution, linked as it was to the political declarations of the non-aligned conference in Lima and Colombo, was unacceptable. The resolution of the Lima conference specifically denied the right of self-determination to the Islanders. The Colombo declaration urged the UK to pursue the negotiations recommended by the United Nations to restore the Falkland Islands "to Argentine sovereignty". The resolution also referred to "decolonisation" which is inappropriate to the Falkland Islands as there is no indigenous population. Resolution of the Fourth Committee adopted by General Assembly by 102 to 1 (UK) with 36 abstentions. We and the Argentines have reported by parallel letters to the UN Secretary General after each round of negotiations. We hope that while the negotiations continue the question of the Falkland Islands will not be raised by the Argentines in the UN. Argentina continues to receive support for her position from non-aligned countries.

Commonwealth Position

7. A number of Commonwealth countries have in the past supported the Argentines on the Falkland Islands both at the

United Nations and within non-aligned movement. Following Commonwealth countries voted in favour of the pro-Argentine UN resolution of 1 December 1976: Cyprus, Bangladesh, Ghana, India, Lesotho, Malaysia, Malta, Mauritius, Sri Lanka, Swaziland, Uganda, Tanzania, Zambia. Following abstained: Australia, Bahamas, Barbados, Canada, Guyana, Fiji, Gambia, Jamaica, Kenya, Malawi, New Zealand, Papua New Guinea, Sierra Leone, Singapore, Trinidad and Tobago. We expressed disappointment to those Commonwealth countries that supported the UN resolution that they should have chosen to vote in favour of a resolution that specifically denied the people of the Falkland Islands the right to self-determination.

Foreign and Commonwealth Office

9 July 1979

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GRPS 353

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FM BUENOS AIRES 06/2003Z AUG 1979

TO PRIORITY FCO

TELEGRAM NUMBER 213 OF 6 AUGUST 1979

AND TO PRIORITY PORT STANLEY

ALW 040/325/1	
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9 AUG 1979	
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BRASILIA TELNO 143 : FALKLANDS POLICY

1. I AM COMMENTING ON THE PERSPECTIVES WHICH THE MINISTER OF STATE'S VISIT HAS OPENED IN A DESPATCH LEAVING HERE ON 13 AUGUST. THIS ELABORATES THE SPECIAL STATUS IDEA WHICH I BELIEVE MR RIDLEY MAY WISH TO EXPLORE, AND WHICH COULD BE A MEANS OF COMBINING, AT LEAST FOR A YEAR OR SO, THE TWO MAIN OPTIONS WHICH FACE YOU OVER NEGOTIATIONS :

- I) PLAYING FOR TIME ;
- II) GOING FOR A GLOBAL SETTLEMENT.

2. THE IDEA THAT THE NEGOTIATIONS MIGHT NOW BE DIRECTED TOWARDS WORKING OUT SOME SPECIAL TERRITORIAL STATUS FOR THE FALKLANDS HAS THE MERIT OF BEING A BRITISH INITIATIVE. MARTINEZ DE HOZ MADE THE PERSONAL SUGGESTION THAT A NUMBER OF MODELS MIGHT BE DRAWN UP FOR COMPARITIVE STUDY.

3. A TACTICAL EXERCISE IN COMPARING MODELS FOR A SPECIAL FALKLANDS STATUS COULD OFFER SOME ADVANTAGES. IT WOULD :

- A) BE AN IDEA FOR YOU TO PUT TO PASTOR AT THE UNGA ;
- B) OCCUPY THE NEGOTIATORS FOR SEVERAL ROUNDS. ON OUR SIDE WE WE COULD PUT FORWARD SEVERAL MODELS , (EG HONG KONG, SPITSBERGEN AND AALAND ISLANDS) ;
- C) PROVIDE AN OPPORTUNITY FOR THE ISLANDERS TO BE CLOSELY INVOLVED FROM THE START AND WITHOUT COMMITMENT ;
- D) GIVE YOU TIME IN WHICH TO JUDGE IF AND WHEN CONDITIONS FOR A SETTLEMENT WERE RIPENING.

14. IN ANY

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4. IN ANY SUCH EXERCISE THE ARGENTINES WOULD SEEM LIKELY TO GO FOR FORMS OF JOINT ADMINISTRATION COMPATIBLE WITH THEIR FEDERAL CONSTITUTION.

CARLESS

FILES
SAMD
MAED
NAMD
ESSD
LEGAL ADVISERS
UND
PS
PS/LPS
PS/MR RIDLEY
PS/PUS
SIR A PARSONS
SIR A DUFF
MR HALL
MISS BROWN

2

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ALW 040/325/1

6 AUG 1979

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Mr Hickson, OIC

IFU CONFERENCE, CARACAS: CONTINGENCY BRIEFS

1. As requested in your minute of 20 July, I now attach a brief in respect of the Falkland Islands, duly updated.

3 August 1979

J R Cowling
South America Dept

UNCLASSIFIED

CODE 26-78

Contingency Brief

INTER-PARLIAMENTARY UNION MEETING, CARACAS

FALKLAND ISLANDS

1. In mid-1976 an Economic Survey of the Islands, commissioned by the Government and conducted by Lord Shackleton, showed that the Falklands were in decline, and that no new investment was likely, nor any development of economic resources in the area practical in a climate of continued political uncertainty. This led Britain to consider the desirability of opening a dialogue with Argentina with a view to establishing a new framework of economic and political co-operation; without this the future of the Islands appeared bleak. The then Minister of State, Mr Rowlands, accordingly visited the Falklands in February 1977 and, after full and wide-ranging discussions, obtained Islander agreement that the Government should try to establish formal Anglo-Argentine negotiations. The Islanders accepted that these would have to include the sovereignty question. They were given full assurances that they would be closely consulted throughout any talks; that proposals for a settlement - if indeed any emerged - would have to be acceptable to them before being brought to Parliament; and that the talks themselves would be conducted without prejudice to Britain's sovereignty position.
2. Terms of reference for negotiations were subsequently agreed with the Argentines. These cover the twin themes of political and economic co-operation with regard not only to the Falkland Islands, the Dependencies of South Georgia and the South Sandwich Islands, ...

Islands, but to the South West Atlantic in general. They also state that a major objective of the negotiations is to achieve a stable, prosperous and politically durable future for the Islands.

3. There have been four rounds of negotiations so far and one meeting of working groups. The negotiations which the previous Government conducted with the Argentines were exploratory in nature and no decisions were taken. Mr Ridley, the new Minister of State, paid a six day visit to the Falkland Islands (between 20-26 July 1979). During his stay he emphasised the Government's concern for the Islanders' welfare and future and our recognition and acceptance of their wish to remain British. No date has yet been agreed for a further round of negotiations but the new Government has undertaken to continue the dialogue in a constructive spirit.

Subject	Department
1. Madagas	Overseas Department
2. Maldives	ODS
3. South Africa (SW relations)	ODS
4. CUBA	ODS
5. SAAR	Defence Department
6. Anglo/Israel	ODS
7. Mexico	ODS
8. Falkland Islands	ODS
9. Northern Ireland	ODS
10. Iran	ODS
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14. Vietnam: East & West	ODS
15. Canada: plans to buy British pharmaceuticals	ODS
16. Italy: Italy's policy on military aid	ODS
17. China	ODS
18. Luxembourg: Luxembourg's policy	ODS

ANW 040/251

MY NO. 13

7 AUG 1979

Reference.....

PA
Falklands Police (70)

Mr Tait CSCE Unit	Mr Powell NENAD
Mr Watkins Defence Dept	Mr Tyrer OI
Mr Harding ESD	Mr Roberts OI
Ms Falconer M&CD	Mr Wilkinson Rhodesia Dept
Mr Gorham MED	Mr Varcoe SAID
	Mr Cowling SAMD ✓
	Mr Rodger SEAD
	Mr Carter WED

Refer to
R38

IPU CONFERENCE, CARACAS: CONTINGENCY BRIEFS

1. The British delegation to the annual Plenary Conference of the Inter-Parliamentary Union in September (list of members attached) will require a number of contingency briefs similar to those provided for the IPU's Spring Meeting in Prague in April. The preparation of briefs on the actual Conference resolutions is already in hand.

2. List A below shows briefs prepared in April. I should be grateful if these could be brought up to date and returned to me - re-typed if amendments have been made - not later than Wednesday 15 August.

3. List B shows new subjects on which the British delegation has asked for briefing. I should be grateful if these too could reach me by the same deadline. They should be typed in final form, double spaced on plain paper without classification, date or attribution.

BRIEFS REQUIRED

4. List A

Subject	Department
1. Rhodesia	Rhodesia Department
2. Namibia	SAID
3. South Africa (UK relations)	SAID
4. CSCE	CSCE Unit
5. SALT	Defence Department
6. Arab/Israel	NENAD
7. Belize	M&CD
8. Falkland Islands ✓	SAMD
9. Northern Ireland	OI
10. Iran	MED
11. Western Sahara	NENAD

List B

12. Vietnam: Boat People	OI
13. Germany: status of West Berlin parliamentarians	WED
14. Oil: HMG's policy on selling prices	EESD
15. Timor	SEAD
16. Mercenaries: HMG's policy	Defence Department

M Hickson

M Hickson
OI

20 July 1979

66TH INTER-PARLIAMENTARY CONFERENCE CARACAS

13th - 21st September 1979

BRITISH DELEGATION

PAGE, Mr. Jack, MP
(C - Harrow, West)

- Chairman of the Group
Leader of the Delegation
Member of Council

Mrs PAGE

BOTTOMLEY, Rt. Hon. Arthur
(Teesside, Middlesbrough)

Mrs BOTTOMLEY

DAVIES OF LEEK, Rt. Hon. Lord

ENERGLYN, LORD

FORD, Mr. Ben, JP, MP
(L - Bradford)

- Member of Council

OSBORN, Mr. John, MP
(C - Hallam)

Mrs OSBORN

STAMP, Lord

TEMPLE-MORRIS, Mr. Peter, MP
(C - Leominster)

THOMAS, Mr. Jeffrey, QC, MP
(L - Abertillery)

VICKERS, Baroness, DBE

SECRETARY

- Secretary of the
Delegation

STOCKTON, Mrs Lilian

- Deputy Secretary
of the Delegation

ASSOCIATION OF SECRETARIES GENERAL OF PARLIAMENTS

BRADSHAW, Mr. K.A.

- Clerk of the Table Office,
House of Commons.

GREY, Mr. J. E.

- Clerk Assistant,
House of Lords.

GORDON, Mr. C.A.S.S., CB

- Clerk Assistant,
House of Commons

MILTON, Mr. Robert

- Senior Clerk, House
of Commons
Joint Secretary of the
Association

Contingency Brief

INTER-PARLIAMENTARY UNION SPRING MEETING, PRAGUE

FALKLAND ISLANDS

1. In mid-1976 an Economic Survey of the Islands, commissioned by the Government and conducted by Lord Shackleton, showed that the Falklands were in decline, and that no new investment was likely, nor any development of economic resources in the area practical in a climate of continued political uncertainty. This led Britain to consider the desirability of opening a dialogue with Argentina with a view to establishing a new framework of economic and political co-operation; without this the future of the Islands appeared bleak. The Minister of State, Mr Rowlands, accordingly visited the Falklands in February 1977 and, after full and wide-ranging discussions, obtained Islander agreement that the Government should try to establish formal Anglo-Argentine negotiations. The Islanders accepted that these would have to include the sovereignty question. They were given full assurances that they would be closely consulted throughout any talks; that proposals for a settlement - if indeed any emerged - would have to be acceptable to them before being brought to Parliament; and that the talks themselves would be conducted without prejudice to Britain's sovereignty position.
2. Terms of reference for negotiations were subsequently agreed with the Argentines. These cover the twin themes of political and economic co-operation with regard not only to the Falkland Islands, the Dependencies of South Georgia and the South Sandwich Islands, but to the South West Atlantic in general. They also state that a major objective of the negotiations is to achieve a stable, prosperous and politically durable future for the Islands. There have been three rounds of negotiations so far and one meeting of working groups. The negotiations, which are still at an exploratory stage, continue with a further meeting planned for the first half of 1979.

cutting dated 31 JUL 1976 19

The Falkland Islands

From the Director-General,
The Falkland Islands Office
S.S.—The Hon. Nicholas
Ridley, MP, Minister of State at
the Foreign and Commonwealth
Office is reported (July 26) to
be discussing the "Hong Kong"
solution to Argentina's claim
over the Falkland Islands.

This has never been accept-
able to the Islanders. A lease-
hold arrangement under which
Britain cedes sovereignty to
Argentina has been mooted
several times before. British

sovereignty is indisputable in
international law.

We should not forget the
potential advantages to the
British economy of the massive
fish resources of the South
Atlantic—highlighted in the
annual report from the White
Fish Authority. Such resources
emphasise the importance of the
proposed 200-mile limit around
the Falkland Islands and their
dependent areas.

(Air Commodore)
Brian G. Frow,
2 Grosvenor Place,
Westminster, SW1

ALW 040/525/1

Sir A Parsons

Mr Hall

ALW 040/25/1		
RECEIVED IN DEPT. NO. 18		
7 AUG 1979		
DESK OFFICER		REGISTRY
INDEX	PA	Action Taken

AD 27/7

1. I submit a draft telegram to Port Stanley along the lines we discussed. The relevant telegrams are below.

See ALW 026/1

Bure

J B Ure
South America Department

27 July, 1979

John Hall 27/VII

Mr Courtney -

Ron 27/7

To OJLome.

R

27/7

CONFIDENTIAL

68

GR 160

CONFIDENTIAL

DESKBY 262100Z JUL

FM PORT STANLEY 262007Z JUL 79

TO IMMEDIATE BUENOS AIRES

TELEGRAM NUMBER 39 OF 26 JULY

INFO IMMEDIATE FCO

ALW 0740/225/1

RECEIVED IN FCO NO. 13

6 AUG 1979

DESK	OFFICE	FILE	ENTRY
INDEX	PA	RECORD	FILE

TOP COPY

FOLLOWING FOR PS/MR RIDLEY

67

MY TELNO 133 TO FCO: FINANCIAL TIMES ARTICLE

1. I DREW COUNCILLORS' ATTENTION THIS MORNING TO THE FINANCIAL TIMES CORRESPONDENT'S REVELATIONS (WITH THE EXCEPTION OF BOWLES, WHO IS ACCOMPANYING HIS WIFE TO BUENOS AIRES FOR MEDICAL TREATMENT, OSS, WHO HAS BEEN AWAY FROM STANLEY SINCE LAST SATURDAY ON MY MONSUNEN AND EVANS WHO RETURNED HOME THIS MORNING). I GAINED NO CLUE AS TO WHO, IF ANYONE, COULD HAVE LEAKED THE STORY AND, IN FACT, THE COUNCILLORS PRESENT FELT THAT THE ARTICLE WAS BASED ON LITTLE MORE THAN AN ASTUTE PUTTING TOGETHER BY LINDLEY OF VARIOUS RUMOURS HE HAD HEARD ABOUT TOWN. WHILE THE COUNCILLORS SEEMED FAIRLY RELAXED ABOUT POSSIBLE REACTIONS TO THE STORY LOCALLY, I SUGGESTED THEY SHOULD, NEVERTHELESS, FOLLOW THE LINE SET OUT IN MY TUR.

2. THE GENERAL VIEW OF COUNCILLORS WAS THAT THE VISIT HAD GONE OFF WELL, AND THAT IN DRAWING ATTENTION TO THE REALITIES OF THE SITUATION MR RIDLEY HAD HELPED SET THEIR THINKING ALONG A MORE PURPOSEFUL AND, INDEED, A MORE HOPEFUL COURSE.

PARKER

FILES
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PS/LPS
PS/PUS
SIR A PARSONS
MR HALL

CONFIDENTIAL

ALW 020/325/1

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FM PORT STANLEY 261545Z JUL 79

TO IMMEDIATE FCO

TELEGRAM NUMBER 133 OF 26 JULY

INFO IMMEDIATE BUENOS AIRES

YOUR TELNO 90: FINANCIAL TIMES ARTICLE

1. IF NECESSARY, THE MINISTER WILL TAKE THE LINE THAT THE ARTICLE IS BASED ON PURE SPECULATION BY THE FINANCIAL TIMES. WHILE THE IDEA THE WRITER SUGGESTS AS A SOLUTION TO THE PROBLEM HAS SOME INTEREST, ANYTHING LIKE THE TERMS OF YEARS MENTIONED WOULD BE FAR TOO SHORT TO BE REALISTICALLY CONTEMPLATED.

2. I WILL SAY THE SAME HERE AND AM ADVISING COUNCILLORS ACCORDINGLY.

PARKER

FILES.

SAMD

NEWS D.

PS/MR RIDLEY

SIR A PARSONS

MR HALL

CONFIDENTIAL

Plan for Falklands future

BY ROBERT LINDLEY IN BUENOS AIRES

A "HONG KONG" solution for the future of the Falkland Islands is being talked about as the visit by Mr. Nicholas Ridley, junior Minister at the Foreign and Commonwealth Office, comes to an end.

Under such a scheme sovereignty over the islands would be transferred to Argentina which would then lease them back to Britain for, say, 99 years. The British way of life of the islanders would be

respected and Argentinian co-operation on the economic development of the islands could yield dividends.

Mr. Ridley is reported to be interested in such a solution, without which some observers see the future of the islands as bleak. However Falklanders are distrustful of assurances about their future from Whitehall, now that Argentina has again stepped up its campaign to acquire the islands.

B

00 PORT STANLEY

CPS 211

DESKBY 261300Z

UNCLASSIFIED

FM FCO 261145Z JULY 79

TO IMMEDIATE PORT STANLEY

TELEGRAM NUMBER 90 OF 26 JULY 1979

INFO IMMEDIATE BUENOS AIRES

FOLLOWING FOR PS/MR RIDLEY: ARTICLE IN FINANCIAL TIMES

1. UNDER HEADING 'PLAN FOR FALKLANDS FUTURE', THE FT'S
CORRESPONDENT IN BUENOS AIRES, ROBERT LINDLEY, HAS AN ARTICLE
IN TODAY'S PAPER READING AS FOLLOWS:

'A 'HONG KONG' SOLUTION FOR THE FUTURE OF THE FALKLAND
ISLANDS IS BEING TALKED ABOUT AS THE VISIT BY MR
NICHOLAS RIDLEY, JUNIOR MINISTER AT THE FOREIGN AND
COMMONWEALTH OFFICE, COMES TO AN END.

UNDER SUCH A SCHEME SOVEREIGNTY OVER THE ISLANDS WOULD
BE TRANSFERRED TO ARGENTINA WHICH WOULD THEN LEASE THEM
BACK TO BRITAIN FOR, SAY, 99 YEARS. THE BRITISH
WAY OF LIFE OF THE ISLANDERS WOULD BE RESPECTED AND
ARGENTINIAN CO-OPERATION ON THE ECONOMIC DEVELOPMENT OF
THE ISLANDS COULD YIELD DIVIDENDS.

MR RIDLEY IS REPORTED TO BE INTERESTED IN SUCH A SOLUTION,
WITHOUT WHICH SOME OBSERVERS SEE THE FUTURE OF THE
ISLANDS AS BLEAK. HOWEVER, FALKLANDERS ARE
DISTRUSTFUL OF ASSURANCES ABOUT THEIR FUTURE FROM WHITEHALL,
NOW THAT ARGENTINA HAS AGAIN STEPPED UP ITS CAMPAIGN
TO ACQUIRE THE ISLANDS'.

2. NEWS DEPARTMENT WILL OFFER NO COMMENT ON THIS STORY.

CARRINGTON

FILES

S AM D

NEWS D

MR HALL

ALW 040/325/1

RECEIVED IN REGISTRY NO. 13		
6 AUG 1979		
DESK OFFICER		REGISTRY
INDEX	PA	Action Taken

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ALW 090/25/1	
RECEIVED BY	
1 AUG 1979	
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INDEXED	

Mr Wall, Private Office

FALKLANDS PAPERS

1. As requested, I attach key papers on the Falklands dispute which will give your successor a good idea of the way this issue has been played over the last couple of years:

- a) Terms of reference for negotiations
- b) Report to Number 10 on the Rome talks, July 1977
- c) Report to Number 10 on the New York talks, December 1977
- d) Report to Number 10 on meeting of working groups (at official level) in Lima, February 1978
- e) Secretary of State's DOP minute of 13 December, 1978 setting out tactics for negotiations resumed in Geneva (18/20 December)
- f) Secretary of State's DOP minute of 13 March, 1979 summarising results of Geneva meeting and outlining tactics for next negotiating round at official level in New York, 21/23 March, 1979
- g) South America Department's position paper on the Falkland Islands of 26 April, 1979
- h) South America Department's Falklands options paper of 10 May, 1979 (and accompanying minute by Mr Hall of 11 May, 1979)
- i) Steering Brief covering Mr Ridley's visit to the Falkland Islands/Argentina, July 1979
- j) Secretary of State's personal letter to Argentine Foreign Minister (delivered by Mr Ridley) with reference to possible meeting in New York during the UN General Assembly in September.

J R Cowling
J R Cowling
South America Department

31 July 1979

Q283 344

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FM BUENOS AIRES 27/24147 JULY 1979

TO IMMEDIATE FCC

TELEGRAM NUMBER 198 OF 27 JULY 1979

INFO IMMEDIATE PORT STANLEY

ALW 040/325/1

RECEIVED IN REGISTRY NO. 18
30 JUL 1979

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INDEX	PA	Action Taken

FOR RESIDENT CLERK : PLEASE PASS TO COWLING SAND, THIS EVENING
IF POSSIBLE

MY TELNO 195

MINISTER OF STATE'S VISIT TO ARGENTINA : COMMUNIQUE

1. FOLLOWING IS TEXT OF JOINT COMMUNIQUE TO BE ISSUED BY MEA
AT 1944 HOURS LOCAL TIME ON 27 JULY.

BEGINS :

CURTE DURING HIS VISIT TO ARGENTINA, THE MINISTER OF STATE,
MR NICHOLAS RIDLEY, ACCOMPANIED BY THE CHARGE D'AFFAIRES, MR HUGH
CARLESS, AND OFFICIALS, HELD FRIENDLY AND CONSTRUCTIVE WORKING MEET-
INGS WITH THE UNDER-SECRETARY OF FOREIGN AFFAIRS, COMODORO CARLOS
R CAVANDOLI AND OFFICIALS OF THE MINISTRY OF FOREIGN AFFAIRS
ON 26 AND 27 JULY.

RELATIONS BETWEEN THE TWO COUNTRIES WERE DISCUSSED, WITH
PARTICULAR REFERENCE TO THE LEVEL OF DIPLOMATIC REPRESENTATION,
AND TO POSSIBLE DATES AND FORMS OF THE NEXT ROUND OF NEGOTIATIONS
OVER THE FALKLAND ISLANDS, TAKING INTO ACCOUNT THE WISH EXPRESSED
BY THE TWO FOREIGN MINISTERS THAT THEY MIGHT MEET IN NEW YORK
DURING THE OPENING SESSIONS OF THE GENERAL ASSEMBLY OF THE UNITED
NATIONS. THERE WAS ALSO AN EXCHANGE OF VIEWS ON THE SUBJECT OF
BILATERAL COMMERCIAL AND ECONOMIC RELATIONS, AND ON THE ANTARCTIC
TREATY NEGOTIATIONS ON THE CONSERVATION OF MARINE RESOURCES.

IN A WIDER CONTEXT THE PROBLEM OF REFUGEES FROM SOUTH
EAST ASIA AND OTHER MATTERS OF MUTUAL AND INTERNATIONAL
INTEREST WERE CONSIDERED.

MR RIDLEY WAS RECEIVED BY H E THE MINISTER OF FOREIGN
AFFAIRS, BRIGADIER CARLOS PASTOR. ON THIS OCCASION THE
EARLIER AGREEMENT OF BOTH GOVERNMENTS TO EXCHANGE AMBASSADORS

(WAS CONFIRMED

WAS CONFIRMED, IT BEING ACCEPTED THAT DIPLOMATIC RELATIONS SHOULD BE RAISED TO THIS LEVEL AS SOON AS POSSIBLE, AND THAT THE TWO GOVERNMENTS WOULD SEEK AGREEMENT FOR THEIR RESPECTIVE CANDIDATES IN DUE COURSE IN ACCORDANCE WITH ESTABLISHED PROCEDURE.

MR RIDLEY WAS ALSO RECEIVED BY H E THE MINISTER OF ECONOMY OR JOSE ALFREDO MARTINEZ DE HAZ. UNQUOTE

ENDS

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ADDITIONAL DISTRIBUTION

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AW 040/315

17 JUL 1979



Mr Bell

BRITISH EMBASSY

Mr Worsnop, Parliamentary Clerk

BUENOS AIRES

040/1

12 July 1979

NOTION FOR THE SUMMER ADJOURNMENT

J R Cowling Esq

SAMD

FCO

1. As requested in your

Dear Sirs,

ALW 040/325/1	
RECEIVED IN REGISTRY NO. 18	
31 JUL 1979	
DESK OFFICER	REGISTRY
INDEX	PA
	SECTION 10/11

FALKLAND ISLAND DISPUTE : MENTION BY ADMIRAL LAMBRUSCHINI

1. Since it was the first public reference to the dispute by a member of the Military Committee which we had seen since President Videla's speech in Tucuman (my letter of 15 May) it is worth recording that in the course of a long and unexceptional speech on foreign affairs given to the Diplomatic Association on 10 July Admiral Lambruschini referred to the Falklands.

2. He said that the Argentine Government would try through direct diplomatic negotiations to achieve the return of the Islands. The Islands belonged to Argentina by right, he said, and this position was not negotiable.

Yours, Richard.

R Gozney

cc Government House
PORT STANLEY

① R. G. G. G. G.

② P.A.

27

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RECEIVED		13
17 JUL 1979		
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Mr Worsnop, Parliamentary Clerk

Proton

R. Tolson (62)
R. J. Baker

Mr Hall

Mr Worsnop, Parliamentary Clerk

MOTION FOR THE SUMMER ADJOURNMENT

1. As requested in your minute of 10 July, I attach briefing material on:

- (a) Ambassadors to Argentina/Chile
- (b) Falkland Islands.

J B Ure

J B Ure
 South America Department

17 July, 1979

MOTION FOR THE SUMMER ADJOURNMENT

AMBASSADOR TO ARGENTINA

SPEAKING NOTE

If for use on or before 26 July

1. We are actively considering the restoration of relations at Ambassadorial level with Argentina. This decision carries no implications for our Falklands policy.

If for use after 26 July

2. It was announced on 26 July, in the course of a visit by the Minister of State at the Foreign & Commonwealth Office (Mr Ridley), that we confirmed our intention to restore relations with Argentina at the level of Ambassadors in the near future. This decision carries no implication for our Falklands policy.

3. It was the Argentines who withdrew their Ambassador from London and requested the withdrawal of ours from Buenos Aires in 1975/76. It is they who took the initiative over the restoration of Ambassadors. The presence of an Ambassador does not imply approval for the policies of the host Government, but it does facilitate official communication at the highest level.

AMBASSADOR TO CHILE

4. We are considering the restoration of relations at Ambassadorial level with Chile: no decisions have yet been taken.

MOTION FOR THE SUMMER ADJOURNMENT

FALKLAND ISLANDS

SPEAKING NOTE

1. The Minister of State, Mr Ridley, has recently paid a visit to the Falkland Islands to see the situation there for himself. We intend to continue to consult the Falkland Islanders fully on any developments which affect their interests. No proposals about the future of the Islands will be brought before Parliament unless these are acceptable to the Islanders. The negotiations which the previous government conducted with the Argentines were essentially exploratory in nature and no decisions were taken. We intend to continue the dialogue with the Argentine Government in a constructive spirit. But no date has been fixed for a further round of talks.

Southern Thule

2. The position on the Argentine scientific station on Southern Thule remains as it was. We have protested at their presence and in doing so protected our sovereignty position. Negotiations have been undertaken to remove any sovereignty implications from these scientific activities but these have not been concluded. This is one of the topics which will be for consideration when we continue talks with the Argentines.

Revised

MOTION FOR THE SUMMER ADJOURNMENT

FALKLAND ISLANDS

SPEAKING NOTE

1. The Minister of State, Mr Ridley, has recently paid a visit to the Falkland Islands to see the situation there for himself. We intend to continue to consult the Falkland Islanders fully on any developments which affect their interests. No proposals about the future of the Islands will be brought before Parliament unless these are acceptable to the Islanders. The negotiations which the previous government conducted with the Argentines did not go beyond the exploratory stage and no decisions were taken. We intend to continue the dialogue with the Argentine Government in a constructive spirit. But no date has been fixed for a further round of talks.

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MOTION FOR THE SUMMER ADJOURNMENT

FALKLAND ISLANDS

SPEAKING NOTE

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IMMEDIATE

Distribution Attached

MOTION FOR THE SUMMER ADJOURNMENT

1. The timing of the debate on the Motion for the Summer Adjournment is undecided but it is expected to be debated in the last week of July or the beginning of August. The Leader of the House has asked for briefing material for his use in winding up the debate.

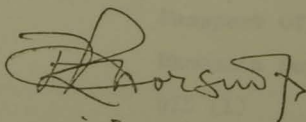
2. Briefing is required on any matter which may be raised by backbenchers as reasons why "the House should not adjourn." FCO subjects of current interest which could arise seem likely to be:

- | | |
|---|---|
| 1. Anglo-Irish relations | 23. Indo-Chinese refugees |
| 2. Afghanistan | 24. India |
| 3. <u>Ambassadors to Argentina/Chile</u> | 25. International Energy Policy |
| 4. Anglo-USSR relations
(including dissidents) | 26. Kampuchea/Vietnam |
| 5. Arms limitations | 27. MBFR and SALT |
| 6. Arms sales | 28. Namibia |
| 7. Arab Boycott | 29. North/South dialogue |
| 8. Arab-Israeli dispute | 30. Neutron bomb |
| 9. Belize/Guatemala | 31. Nicaragua |
| 10. British property claims
(Cyprus, Portugal) | 32. Nuclear non-proliferation |
| 11. China | 33. Passport issue delays |
| 12. Cuba | 34. Rhodesia |
| 13. Cyprus | 35. Rudolf Hess |
| 14. El Salvador | 36. Security for HMAs overseas |
| 15. EEC current problems | 37. South Africa (including
sporting contacts) |
| 16. <u>Falkland Islands</u> | 38. The Queen's African visit
and CHGM Lusaka |
| 17. Ghana | 39. Terrorism |
| 18. Gibraltar | 40. Turkey |
| 19. Hong Kong | 41. Uganda/Tanzania |
| 20. Horn of Africa | 42. UNLOSC |
| 21. Iran | 43. Zambia |
| 22. Independence for the West
Indies Associated States | |
3. Would Departments please consider whether material on other topics should be offered and, if so, discuss this with the Parliamentary Unit (PU) before drafting? If Departments decide not to offer briefing on any subject specified above, I should be grateful if they would telephone their nil return to the PU.

4. As always, material should be succinct. The briefs should be in the form of a separate speaking note (unclassified), supplemented by a short background note only where absolutely necessary.

5. I should be grateful if briefs could reach me by NOON on Tuesday 17 July at the latest.

6. Please pass the attached note on the presentation of briefs to your Secretarial staff.



E R Worsnop
Parliamentary Clerk

10 July 1979

Distribution

Heads of Department - for action

ACDD (5)	MCD (9), (12), (14) & (31)
C Af D (43)	MED (21)
CCD (38)	NENAD (7) & (8)
Claims Dept (10)	Passport Office (33)
CRD (37)	Rhodesia Dept (34)
Defence Dept (6), (27) & (30)	RID (1)
EAD (20) & (41)	Security Dept (36)
EESD (4)	SAD (2) & (24)
ESSD (25)	S Af D (28) & (37)
EID (15)	✓ S Am D (3) & (16)
FED (11)	SEAD (23) & (26)
FRD (29)	SED (10, (13), (18) & (40)
HKGD (19)	TRED (29)
JNU (32)	WAD (17)
MAED (39) & (42)	WED (35)
	WIAD (22)

Heads of Department - for information

A & SD	OID
Consular Dept	PPD
Finance Dept	PSD
IPD	Planning Staff
MVD	PCD
NAD	SPD
NTD	UND

Information Copies

Private Secretary	PS/Mr Ridley
PS/Lord Privy Seal	PS/Mr Blaker
PS/Mr Hurd	PS/Mr Luce



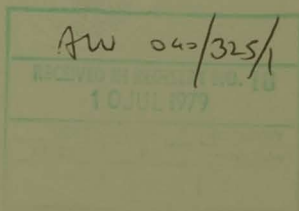
MOTION FOR THE SUMMER ADJOURNMENT

Note for Secretarial Staff

1. The speaking notes and any background notes are to be typed on separate sheets of blue crested (minute) paper. 3 photo-copies of each note are also required. No photo-copies are needed of any covering minute or submission.
2. Please do not staple the speaking and any background note together.
3. The appropriate headings (in block capitals) are:

MOTION FOR THE SUMMER ADJOURNMENT
(SUBJECT) - there is no need
to indicate a
Brief No

SPEAKING (or BACKGROUND) NOTE



Mr Hall ✓

FAULKLAND ISLANDS

(10)

1. We have been asked to produce a brief on the Falkland Islands for bilateral talks with Heads of Government or Ministers at the Commonwealth Heads of Government Meeting in Lusaka. I submit a draft brief. The points to make follow our standard line when discussing the matter with members of the Commonwealth.

Bure

10 July 1979

J B Ure
South America Department

J Hall 10/Jul

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FMT(79) C3

COPY NO

9 July 1979

COMMONWEALTH HEADS OF GOVERNMENT MEETING
LUSAKA, 1-8 AUGUST 1979

FAULKLAND ISLANDS

Brief by Foreign and Commonwealth Office

Points To Make

1. We have no doubt as to British sovereignty over the Falkland Islands and their Dependencies.
2. The Islanders have made it quite clear that they wish to remain British; there is no call for independence.
3. There is no indigenous population; the islanders are almost without exception of British descent. The question of "decolonisation" does not therefore arise.
4. Some Commonwealth countries have in the past supported the Argentine claim to the Islands treating it as a colonial problem. We do not regard this as a colonial problem and would like to see all the Commonwealth support our position.

Background

Negotiations

5. In April 1977 the British and Argentine Governments agreed terms of reference for negotiations directed at the working

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out of a peaceful solution to the sovereignty dispute over the Falkland Islands. Four rounds of negotiations so far and one meeting of Working Groups. No date yet agreed for a further round of negotiations, but the new Government has undertaken to continue the dialogue in a constructive spirit.

United Nations

6. In November 1976, United Nations Fourth Committee adopted pro-Argentine resolution on Falklands Islands by 94 to 1 (UK) with 32 abstentions. The text of the resolution, linked as it was to the political declarations of the non-aligned conference in Lima and Colombo, was unacceptable. The resolution of the Lima conference specifically denied the right of self-determination to the Islanders. The Colombo declaration urged the UK to pursue the negotiations recommended by the United Nations to restore the Falkland Islands "to Argentine sovereignty". The resolution also referred to "decolonisation" which is inappropriate to the Falkland Islands as there is no indigenous population. Resolution of the Fourth Committee adopted by General Assembly by 102 to 1 (UK) with 36 abstentions. We and the Argentines have reported by parallel letters to the UN Secretary-General after each round of negotiations. We hope that while the negotiations continue the question of the Falkland Islands will not be raised by the Argentines in the UN. Argentina continues to receive support for her position from non-aligned countries.

Commonwealth Position

7. A number of Commonwealth countries have in the past supported the Argentines on the Falkland Islands both at the

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United Nations and within non-aligned movement. Following Commonwealth countries voted in favour of the pro-Argentine UN resolution of 1 December 1976: Cyprus, Bangladesh, Ghana, India, Lesotho, Malaysia, Malta, Mauritius, Sri Lanka, Swaziland, Uganda, Tanzania, Zambia. Following abstained: Australia, Bahamas, Barbados, Canada, Guyana, Fiji, Gambia, Jamaica, Kenya, Malawi, New Zealand, Papua New Guinea, Sierra Leone, Singapore, Trinidad and Tobago. We expressed disappointment to those Commonwealth countries that supported the UN resolution that they should have chosen to vote in favour of a resolution that specifically denied the people of the Falkland Islands the right to self-determination.

Foreign and Commonwealth Office

9 July 1979

Assistant Heads of Department
cc: Mr C R O Jones, ODA
(Distribution see attached list)

CHGM LUSAKA 1-8 AUGUST: BRIEFING FOR PRIME MINISTER AND UK DELEGATION

1. Following comments by Departments on the draft list of briefs circulated with my minute of 21 May, and subsequent discussions with Cabinet Office, the latter have now approved the list attached at Annex A and called for the briefs to be prepared. Annex A shows the PCO Department responsible for each PCO brief plus those others which we assume will need to be consulted, although the responsible Department will be the judge of this. Briefs are in four categories:

- (i) Category A: prepared statements by the Prime Minister. Drafts should be in speech form for statements that will take about 10 minutes to deliver.
- (ii) Category B: intended for use at business sessions, are grouped under agenda headings.
- (iii) Category C: briefs are for bilateral talks with Heads of Government or Ministers, Section I listing subjects common to all or several countries, Section II being individual country briefs. The latter may be extremely short, at discretion of Departments.
- (iv) Category D: briefs will provide background material and are for issue, in the first place, to officials only.

2. The format for briefs is shown at Annex B - it is essential that this is kept to. In view of Cabinet Office's deadline, briefs in final form (original plus three copies, white A4 paper) must reach CCD not later than 6.00 pm on Wednesday 11 July. A further copy should be sent at the same time to Mr Cornish, Planning Staff. It is most important that this deadline be adhered to, even if Addenda may subsequently be needed. It would be most helpful if straight-forward briefs could be forwarded as soon as possible to ease the pressure on DRC. All briefs must be cleared within the Office to whatever level Departments think necessary as well as with other necessary Whitehall Departments before they are sent to CCD. A unit to process briefs has been set up in CCD: briefs should be sent to Miss G H Pegler, Room W137 (8354). Enquiries can also be made on 8249. Originating Departments only will receive a copy of the brief concerned once finally reproduced.

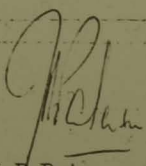
3. Annex B also sets out the requirements relating to Addenda or additional briefs which might be needed. If either are thought necessary however it is essential that you consult me (4493) or Mr Dewar (4558) as a first step.

4. Appropriate Departments have also received separate copies of the annotated agenda and of Commonwealth Secretariat background papers. They should take these into account when drafting. The following comments concern particular briefs:

/(a)

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- (a) Category A and B: the Prime Minister is expected to make interventions on the problems of Vietnamese refugees for Hong Kong and on the Tokyo Summit. No doubt these would best appear in Category A2 and A4 (statements on International Developments and World Economic Situation) but, if so, Departments will want to cross reference to relevant Category B briefs;
 - (b) Arms control and Non Proliferation (B9) will need to include pieces on Pakistan and South Africa;
 - (c) South East Asia (B11) should also cover developments in Indo-China;
 - (d) Rhodesia (B13) should also cover "Bingham" aspects;
 - (e) North South Dialogue (B18) should also cover IMF conditionality. The section on Programme of Commodities should cover marketing and other commodity problems;
 - (f) UK Aid Policy (B20) should also cover multilateral aspects;
 - (g) Regional Cooperation (B26) will need to include the Colombo Plan;
 - (h) Commonwealth Fund for Technical Cooperation (B28) should also cover the Commonwealth Fund for Mozambique;
5. I would be grateful if Mr Jones could act as coordinator within ODA to ensure that ODA briefs are forwarded to GCD to meet the above requirements.
6. I am issuing a separate minute about briefing for The Queen.


J R Paterson
Commonwealth Coordination Dept
W140 233-4493

2 July 1979

Encl

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DISTRIBUTION:

Mr Willson

Assistant Heads of :

ACDD	HKGD	RID
CAfD	IPD	Rhodesia Dept
CSCE Unit	Joint Nuclear Unit	SaMD
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CRD	MCD	SEAD
Defence	MED	SaFD
EAD	MVD	SED
EESD	NENAD	SPD
Economists	News Dept	TRED
ESSD	NAD	UND
EID(E)	Planning Staff	WAD
FED	PCD	WIAD
FRD		

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All Private Offices

All Under Secretaries

Mr C R O Jones ODA

Mr P J Fowler, Cabinet Office

Heads of: OID

PUSD

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Category B. List of Briefs for Use at the Meeting

ANNEX A

LIST OF MINISTERIAL BRIEFS FOR
COMMONWEALTH HEADS OF GOVERNMENT MEETING
LUSAKA 1-8 AUGUST 1979

Category A. Prepared Statements by the United Kingdom

<u>No.</u>	<u>Agenda Item</u>	<u>Lead</u> <u>Department</u>	<u>In consultation</u> <u>with</u>
1.	Opening Session	CCD/ [†] As necessary	FCO
2.	International Developments	Planning Staff/ [†] as necessary	FCO
3.	Southern Africa	Mr Willis/ (Safb/ODA)	FCO Treasury, Department of Trade, MOD, Department of Industry Cabinet Office
4.	World Economic Situation and Prospects	Treasury	FCO (FRD/TRED/EINE)/ Planning Staff/ODA/CCD)
5.	Commonwealth Co-operation	CCD / FRD CRD ODA	FCO Treasury, Department of Trade, Department of Industry
6.	Trade		
7.	World Bank (Trade Representative)		
8.	East-West Relations		
9.	Arms Control and Non-Proliferation		
10.	East-West Relations		
11.	South East Asia (Including Vietnamese Refugees)		
12.	China		
13.	Southern Africa		
14.	Rhodesia		
15.	Namibia		
16.	Sporadic contacts with South Africa		
17.	Other problems in Southern Africa		

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Category B. List of Briefs for Use at the Meeting

<u>No.</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
<u>Organisational</u>			
1.	Steering Brief	CCD/ as necessary FCO	As appropriate (including Cabinet Office)
2.	Procedures and Agenda	CCD FCO	Cabinet Office
3.	Timing and Venue of the next Meeting	CCD FCO	Cabinet Office
<u>INTERNATIONAL DEVELOPMENTS</u>			
<u>World Political Scene</u>			
4.	Belize	MCD FCO	Treasury, MOD
5.	Cyprus	SED (ODA) FCO	Treasury, MOD
6.	Iran	MED FCO	Industry, Trade
7.	Middle East (Peace Negotiations)	NENAD FCO	
8.	Indian Ocean (including proposals for Nuclear Weapons Free Zones and Peace Zones)	Defence FCO (ACDD, EAD, SEAD, SAD)	MOD
9.	Arms Control and Non-Proliferation	Defence FCO (ACDD JNU CSCE unit SfyD SAD)	MOD
10.	East-West Relations	EESD FCO	MOD, Trade
<u>South East Asia</u>			
11.	South East Asia (including Vietnamese Refugees)	FCO SEAD (HKG, UND, FED, ODA)	Treasury, Home Office, Industry, MOD
12.	China	FED (TRED) FCO	Trade, MOD
<u>Southern Africa</u>			
13.	Rhodesia	Rhodesia (ESSD) (ODA) FCO	Treasury, Trade, MOD
14.	Namibia	SAfD (ODA) FCO	Trade, Energy, Industry, MOD
15.	Sporting contacts with South Africa	CRD (SAfD) CCD FCO	DOE, Home Office
16.	Other problems in Southern Africa	SAfD (ODA) FCO	Treasury, Trade, Industry, Energy, MOD

<u>No.</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
<u>World Economic Scene</u>			
17.	World Economic Situation and Prospects (including Tokyo Summit)	Treasury	Industry, FCO, Trade, Energy
18.	North/South Dialogue including (a) UNCTAD V (b) Common Fund (c) Programme of Commodities	FCO FRD (TREED, ODA)	Trade, Treasury, Industry, Energy, MAFF, Cabinet Office
19.	Multilateral Trade Negotiations	Trade	(EID(E), ODA) Treasury, FCO, MAFF, Industry, Cabinet Office
20.	United Kingdom Aid Policy (including Giscard Fund)	ODA (FRD) FCO	Treasury
21.	The EEG and the Commonwealth including Lome II	EID(E) (ODA) FCO	Trade, Treasury, MAFF, Cabinet Office, Industry
22.	Energy	Energy	FCO (ODA, ESSD)
23.	Law of the Sea Conference	MAED FCO	Industry, Energy, Trade Cabinet Office, MAFF, DAFS, MOD
24.	Housing Urbanisation and the Environment	[Lead Dept under discussion] FCO ODA (MAED)	DOE
<u>COMMONWEALTH CO-OPERATION</u>			
25.	Industrial Co-operation	ODA (FRD CCB) FCO	Trade, Treasury, Industry
26.	Regional Co-operation	CCB (ODA SPD MCB SMD SEAD) FCO	Treasury, Cabinet Office
27.	Problems of Island Developing and other Specially Disadvantaged States	CCB (ODA + as necessary) FCO	
28.	Commonwealth Fund for Technical Co-operation	ODA (CCB) FCO	Treasury
29.	Commonwealth Youth Programme	ODA (CRD, CCB) FCO	Treasury
30.	Commonwealth Foundation	CCB (ODA) FCO	Treasury

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No.	Subject	Lead	In consultation
		Department	with
31.	Human Rights (Gambian Proposal for Commonwealth Human Rights Commission)	FCO WMD (CCD) WAD	
32.	Commonwealth Film and Television Institute	FCO IPD (News, CCD, Col)	COI

STUDIES COMMISSIONED IN 1977

33.	Liaison between the official and unofficial Commonwealth	FCO CCD (ODA)	
34.	Women and Development	FCO ODA (CCD)	

OTHER BUSINESS

35.	Special membership of the Commonwealth and Nauru	FCO CCD (SPD)	
36.	Format of Commonwealth Heads of Government Meetings	CCD FCO	
37.	Resolutions of Ministers of Health	DHSS	FCO - ODA WMD CCD
38.	Resolutions of Commonwealth Youth Leaders	ODA FCO (CRD, CCD)	

CONTINGENCY BRIEFS

39.	Commonwealth Secretary-General	CCD FCO (FRD Rhodesia MCD SAD ODA)	Cabinet Office, Treasury, Trade
40.	Immigration and Race Relations	Home Office	FCO / MVD (SAD) (WMD)
41.	Aid to Uganda	ODA (EAD) FCO	MOD
42.	Community Service Project for Commonwealth Youth	FCO ODA (CCD)	

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Category C. List of Briefs for Bilateral Discussions
Outside the Meeting

<u>No.</u>	<u>Subject</u>	<u>Lead</u> <u>Department</u>	<u>In consultation</u> <u>with</u>
I.	GENERAL BRIEFS		
1.	Non-Aligned Movement	UND (CCD) FCO	
2.	Pakistan and the Commonwealth	CCD (SAD) FCO	
3.	Falkland Islands	SAND (ODA) FCO	Treasury
4.	Constitutional Development of Remaining Dependencies	HKG-D FCO (UND SPD MCD WIAD)	Treasury, Home Office
5.	Security in the Caribbean	MCD (Defence) FCO	
II.	BRIEFS FOR BILATERAL TALKS WITH INDIVIDUAL COUNTRIES		
6.	Australia	SPD FCO	
7.	Bahamas/Barbados/Dominica/St. Lucia Grenada/Guyana/Jamaica/Trinidad and Tobago	FCO MCD (ODA)	
8.	Bangladesh	SAD (ODA) FCO	Treasury
9.	Botswana	SAFD (ODA) FCO	
10.	Canada	WAD FCO	
11.	Fiji/Kiribati (Gilbert Islands - including Banaba issue)/Papua New Guinea/Solomon Islands/Tonga/W. Samoa	FCO SPD (ODA)	
12.	Gambia	WAD FCO	
13.	Ghana	WAD FCO	
14.	India	SAD (ODA) FCO	Treasury, Home Office
15.	Kenya/Uganda/Tanzania	EAD (ODA) FCO	
16.	Lesotho/Swaziland	SAFD (ODA) FCO	
17.	Malawi	SAFD FCO	
18.	Malaysia	SEND (MAED, HKG-D, FCO UND, CCD) ODA) FCO	Treasury, MOD
19.	Malta	SED (ODA) FCO	Treasury

<u>No.</u>	<u>Subject</u>	<u>Lead</u> <u>Department</u>	<u>In consultation</u> <u>with</u>
20.	Mauritius/Seychelles	EAD FCO	
21.	New Zealand	SPD FCO	
22.	Nigeria	WAD (ODA) FCO	
23.	Sierra Leone	WAD(ODA) FCO	Treasury
24.	Singapore	SEAD (MAED, HKGD, WAD, CRD) ODA) FCO	Treasury, Home Office
25.	Sri Lanka	SAD (ODA) FCO	
26.	Zambia	CAF D FCO	

Category D. Background Briefs

<u>No.</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
1.	The United Kingdom Economy	Treasury	
2.	Current Situation in Northern Ireland	NIO	FCO / R.I.B.
3.	Food Production and Rural Development	FCO ODA	MAFF, Treasury
4.	United Nations Conference on Science and Technology for Development (UNCSTD)	FCO ODA (FRB)	
5.	Commonwealth Secretariat Accommodation	FCO CDD (ASD)	DOE
6.	Commonwealth Commodity Publications	FCO CDD (ODA-TP1)	MAFF

- (d) Briefs should be typed in double spacing, using both sides of the paper. Pages should be numbered at the foot of each page.
- (e) The top page only should bear the symbol and number of the briefs in the top left-hand corner (e.g. PMVT(79) A3), with the date of production below; a copy number in the top right-hand corner; and the word heading, the title of the brief (in capitals) and the name of the Department responsible (as in Annex C).
- (f) Briefs should bear at the foot of the last page, on the left-hand side, the name of the originating Department and the date of origin.
- (g) If late developments require a brief to be amended or updated, an addendum should be prepared. It should be set out in the standard way with the brief number (e.g. PMVT(79) A3 Addendum) and date to which it relates at the top of the first page. The Private Secretary to the Secretary of the Cabinet should be informed when an addendum is in preparation.
- (h) Additions to the list of briefs in Annex A require the authorization of the Private Secretary to the Secretary of the Cabinet.

INSTRUCTIONS ABOUT FORMAT

All briefs should be laid out in the same way with a top page in accordance with the specimen layout at Annex C. Those preparing briefs should note the following:-

- (a) Briefs should be as concise as possible. Each brief should if possible be no more than four sides long.
- (b) The main body of each brief should comprise two sections, a concise list of Points to Make, followed by a factual Background section which distinguishes clearly between information which can be freely used and information which should not be disclosed.
- (c) Briefs should be complete and self-contained and with all the information required on that particular subject. Except where indicated in the List of Briefs, briefs should not be divided into separate self-contained sub-sections.
- (d) Briefs should be typed in double spacing, using both sides of the paper. Pages should be numbered at the foot of each page.
- (e) The top page only should bear the symbol and number of the briefs in the top left-hand corner (e.g. PMVT(79) A3), with the date of production below; a copy number in the top right-hand corner; and the visit heading, the title of the brief (in capitals) and the name of the Department responsible (as in Annex C).
- (f) Briefs should bear at the foot of the last page, on the left-hand side, the name of the originating Department and the date of origin.
- (g) If late developments require a brief to be amended or updated, an addendum should be prepared. It should be set out in the standard way with the brief number (e.g. PMVT(79) A3 Addendum) and title to which it relates at the top of the front page. The Private Secretary to the Secretary of the Cabinet should be informed when an addendum is in preparation.
- (h) Additions to the list of briefs in Annex A require the authorisation of the Private Secretary to the Secretary of the Cabinet.

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ANNEX C

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↓ [To correspond to Category]

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COMMONWEALTH HEADS OF GOVERNMENT MEETING
LUSAKA, 1-8 AUGUST 1979

SUBJECT Insert subject in capitals

Brief by name of originating Department e. g. Foreign and
Commonwealth Office

At the foot of the last page:-

Department of origin e. g. Foreign and Commonwealth Office

Date of origin

CLASSIFICATION

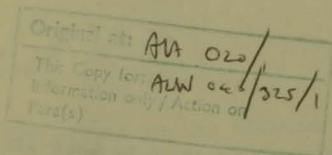
BAFO 013/04

GRPS 280

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TELE-LETTER

TO: FCO



RESTRICTED

FILE NO: 040/1

DATE: 29 JUNE 1979

FOLLOWING FOR: J R COWLING ESQ, SAMD

COPY TO: (BY BAG) GOVERNMENT HOUSE, PORT STANLEY

FROM: R H GOZNEY, BUENOS AIRES

FALKLANDS DISPUTE AND EXCHANGE OF AMBASSADORS: PUBLIC COMMENT

1. TWO INTERESTING PIECES HAVE APPEARED IN THE PRESS OVER THE PAST WEEK.
2. IN AN EDITORIAL ON ANGLO-ARGENTINE RELATIONS, LA NACION STRONGLY SUPPORTED THE RESUMPTION OF DIPLOMATIC RELATIONS AT AMBASSADORIAL LEVEL WHICH, THE PAPER SAID, HAD BEEN INTERRUPTED UNDER MOST UNFORTUNATE CIRCUMSTANCES OVER THREE YEARS AGO. THE FALKLAND ISLANDS ISSUE, QUESTIONS OF JURISDICTION IN THE SOUTH ATLANTIC AND ANGLO-ARGENTINE COMMERCIAL LINKS ALL MADE AMBASSADORIAL RELATIONS WORTHWHILE. PROBLEMS BETWEEN THE TWO COUNTRIES COULD BE BETTER DEALT WITH AND SOLUTIONS WOULD NATURALLY BE EASIER, WITH AMBASSADORS IN LONDON AND BUENOS AIRES. THE EDITORIAL ADDED THAT CAVANDOLI'S VISIT TO LONDON AND MR RIDLEY'S PROPOSED VISIT TO BUENOS AIRES WERE GOOD SIGNS.
3. THAT THIS EDITORIAL FOLLOWED THE CRITICISMS OF CASTEX (OUR TELNO

133) ADDED TO ITS IMPACT.

4. ON 26 JUNE DR CARLOS HELBLING (PRESIDENT OF THE BANCO NACIONAL DESAROLLO (ECONOMIC DEVELOPMENT) UNTIL LAST YEAR AND, ALTHOUGH OUT OF THE NEWS IN RECENT MONTHS, STILL A PROMINENT FIGURE) REFERRED TO ARGENTINE FOREIGN POLICY AND THE FALKLANDS IN THE COURSE OF A WIDE-RANGING SPEECH IN CORDOBA. HE SAID THAT THERE WAS A NEED FOR BURNING ISSUES TO INSPIRE THE PEOPLE AND THAT THESE SHOULD INCLUDE AN AGGRESSIVE AND EXPANSIONIST FOREIGN POLICY. HE CALLED FOR QUOTE THE RE-CONQUEST OF THE MALVINAS, EFFECTIVE CONTROL OF THE ANTARCTIC, AND THE RE-OCCUPATION OF THE GEO-POLITICAL AREA BELONGING TO THE NATION UNQUOTE. HE LEFT AMBIGUOUS WHETHER HE INTENDED THAT THE RE-CONQUEST SHOULD BE BY MILITARY OR MERELY DIPLOMATIC MEANS.

5. DR HELBLING'S REMARKS CONTINUE THE TREND WHEREBY NON-GOVERNMENT FIGURES ARE MAKING INCREASING USE OF THE FALKLAND ISLANDS QUESTION TO CATCH THE PUBLIC EYE. THIS CONTRASTS WITH THE LOW KEY APPROACH TAKEN BY MINISTERS OR OFFICIALS, FOR EXAMPLE ON QUOTE MALVINAS DAY UNQUOTE.

(SIGNED) R GOZNEY

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NNN

SENT AT 04/2005Z HR QRU
RECD UP TO AND INCLUDING BAFO 013/ AT 04/2005Z ITF



1) MIN/ES/14/3/1

AW 040/325/1
RECEIVED
- 4 JUL 1979
IN 55

MINISTER OF STATE FOR DEFENCE
WHITEHALL LONDON SW1A 2HB

Telephone 01-218 6621 (Direct Dialling)
01-218 9000 (Switchboard)

21 June 1979

Dear Michael,

At the end of the Debate on the Address of 22 May, I was unfortunately unable to respond to all the points raised. I therefore thought that it might be helpful to write to you about some of the matters you touched on concerning British interests in the South West Atlantic.

May I first assure you of the Government's interest in the potential of the South West Atlantic; we will be looking carefully at any possibilities for commercial opportunities in the development of the region's resources. I understand the report by the White Fish Authority on fishing opportunities in the South West Atlantic is in its final stages of preparation. Once it is finalised, we shall consider what action needs to be taken in the light of its recommendations.

We have still not received the evaluation of the data from the seismic survey of the Falkland Islands continental shelf. As you will appreciate, the amount of data involved is considerable, and the evaluation is taking longer than the experts at first predicted.

It is not the case that the talks between the UK and Argentina on the future of the Falkland Islands and the region in general have broken down. The last round took place in New York in late March shortly before the announcement of the General Election. The Government will be looking carefully at

The Lord Morris

/this

this matter in the coming months. The position on the proposed Scientific Cooperation Agreement with Argentina remains that all Island Councillors have been consulted about the scheme and that it has been left for further consideration. It would be incorrect to describe these exchanges as an attempt to place "a cloak of spurious legitimacy around the illegal occupation of Southern Thule by the Argentines". We have protested to the Argentines about their presence and have thereby protected our sovereignty position. The purpose of the negotiations was to remove any sovereignty implications from their scientific activities and to ensure that they were conducted in the spirit of the Antarctic Treaty.

You mentioned also an exchange of Ambassadors with Argentina. I can confirm that the Argentine Government have approached us and that the level of our relations is under active consideration.

Yours

Eric

Lord Strathcona

Copied to

Hd JS11

Hd JS12

BA 0000047

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RR MODUK (DEFENCE SALES)

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CONFIDENTIAL

FM BUENOS AIRES 07/2000Z JUNE 1979
TO PRIORITY FCO

TELEGRAM NUMBER 124 OF 7 JUNE 1979
INFO PORT STANLEY MOD (DEFENCE SALES)

YOUR TELNO 02 : CAVANDOLI

Original at: ALA 353/3

This Copy for: ALA 020/1
Information only / Action on
Para(s)

Mr Hall

Mr Courtney

4

1. THANK YOU FOR THIS GUIDANCE. PRESS SPECULATION HERE CONTINUES. LA PRENSA OF 7 JUNE SUGGESTS THAT MR RIDLEY'S MEETING WITH CAVANDOLI MAY PREPARE THE GROUND FOR A MORE FORMAL MEETING IN JULY IN BUENOS AIRES, FOLLOWING A VISIT BY THE MINISTER OF STATE TO THE FALKLAND ISLANDS. YOU MAY WISH TO HAVE MY ESTIMATE OF THE LINE CAVANDOLI IS LIKELY TO TAKE WHEN HE SEES THE MINISTER OF STATE.

2. ON THE QUESTION OF AMBASSADORS, CAVANDOLI MAY SEEK CONFIRMATION THAT YOU AGREE, AND PRESS FOR SIMULTANEOUS ANNOUNCEMENT OF THE APPOINTMENTS. IN THIS CONNECTION, CLARIN OF 7 JUNE SPECULATES THAT AMBASSADORS MAY BE APPOINTED BY THE END OF JUNE.

3. ON THE FALKLANDS, CAVANDOLI IS UNDER SOME PRESSURE. HE IS LIKELY TO PRESS FOR ASSURANCES THAT ANY RENEWAL OF THE BILATERAL TALKS WILL BE PRODUCTIVE (FROM THE ARGENTINE VIEWPOINT) AND, IN PARTICULAR, THAT YOU WILL BE PREPARED TO ENTER INTO DISCUSSIONS ON SOVEREIGNTY AT AN EARLY STAGE. IT WAS ONLY THE CALLING OF THE GENERAL ELECTION SOON AFTER THE NEW YORK ROUND OF TALKS THAT ENABLED THE MFA TO EXPLAIN AWAY THE PAUCITY OF RESULTS ACHIEVED DURING TWO YEARS OF NEGOTIATIONS.

4. THROUGH THE LOCAL REPRESENTATIVE OF THE GENERAL ELECTRIC

COMPANY WE HAVE LEARNT THAT THE CHIEF OF MATERIEL OF THE ARGENTINE AIR FORCE (BURGOS) IS AT PRESENT IN LONDON WITH ROLLS ROYCE, WITH WHOM HE IS DISCUSSING ENGINEERING SUPPORT FOR THE FORCE'S A4 AIRCRAFT. FOSTER HAS ALSO TOLD US THAT THE CHIEF OF STAFF OF THE AIR FORCE (TEMPORINI) WISHED TO GO TO LONDON BETWEEN 22 AND 25 JUNE TO SEE LORD NELSON, TO WHOM HE WISHES TO PUT THE IDEA THAT A PARTNERSHIP BETWEEN THE UK AND ARGENTINA IN THE INDUSTRIAL AND DEFENCE FIELDS COULD HELP TOWARDS A SOLUTION OF THE FALKLANDS DISPUTE. CAVANDOLI, AN AIR FORCE MAN, MAY TOUCH ON THIS THEME.

5. IN CONNECTION WITH CAVANDOLI'S CURRENT ATTENDANCE AT THE NON-ALIGNED MEETING IN COLUMBO, FOREIGN MINISTER PASTOR, AT A LUNCH GIVEN BY EEC HEADS OF MISSION ON 6 JUNE, DEFENDED ARGENTINA'S CONTINUED MEMBERSHIP OF THE NON-ALIGNED GROUP. HE SAID THAT, EVEN THOUGH ARGENTINA CONSIDERS ITSELF A PART OF THE WESTERN WORLD, THE POLITICAL SUPPORT OF THE NON-ALIGNED IN SUCH MATTERS AS UN VOTES (PRESUMABLY ON THE FALKLANDS AND HUMAN RIGHTS) WAS A VALUABLE COUNTERBALANCE TO THE HEAVY CRITICISM ARGENTINA RECEIVES FROM THE UNITED STATES AND ELSEWHERE. HOWEVER, HE PERSONALLY DID NOT BELIEVE PRESIDENT VIDELA WOULD ATTEND THE HAVANA MEETING. HAD IT BEEN ELSEWHERE, HE PROBABLY WOULD HAVE.

6. ON HUMAN RIGHTS, SEE MIFT.

CARLESS

T 07/20567 HR

Copy to A4 354/3
58
Mr Line of R.
Ans 25/6.

FOBA 021/21

RR BUENOS AIRES

Ans 04-0/325/1

GROUPS 879
PERSONAL AND CONFIDENTIAL

TELE-LETTER
FROM G E HALL

DATED 19 JUNE 1979

FOLLOWING FOR H M CARLESS ESQ, BUENOS AIRES
UK-ARGENTINE RELATIONS

1. YOU SHOULD KNOW THAT FOLLOWING MY TELELETTER TO YOU OF 22 MAY, WE PRODUCED A PAPER FOR THE SECRETARY OF STATE WHICH WAS AGREED BY MR RIDLEY IN WHICH WE RECOMMENDED PUTTING A MINUTE TO THE PRIME MINISTER AND THE RELEVANT CABINET COMMITTEE ASKING FOR GENERAL AGREEMENT TO THE OUTLINES OF FALKLAND ISLANDS POLICY IN ORDER TO GIVE MR RIDLEY A GENERAL CONTEXT IN WHICH TO OPERATE DURING HIS VISITS TO THE FALKLAND ISLANDS AND BUENOS AIRES. THE PROPOSAL WAS THAT WE SHOULD AGREE TO CONTINUE NEGOTIATIONS ON THE PREVIOUS BASIS, INCLUDING NEGOTIATIONS ON SOVEREIGNTY, AND THAT, AS PART OF AN OVERALL SOLUTION, WE SHOULD BE PREPARED TO CONSIDER FRESH ARRANGEMENTS ON SOVEREIGNTY IN FAVOUR OF ARGENTINA WHICH WOULD NOT AFFECT THE EXERCISE OF SOVEREIGN RIGHTS OVER THE FALKLAND ISLANDERS BY HMG, PROVIDED THAT SUCH ARRANGEMENTS WERE ACCEPTABLE TO THE FALKLAND ISLANDERS.
2. THE SECRETARY OF STATE'S REACTION WAS THAT HE DID NOT WANT TO HAVE TO DEAL WITH THIS PROBLEM FOR THE FORESEEABLE FUTURE AND THAT WE SHOULD TRY TO KEEP IT QUIET FOR AS LONG AS POSSIBLE. I ARGUED FOR THE LINE WHICH WE HAD PROPOSED, BUT COULD GET NO DECISION TO TAKE THIS FURTHER.
3. NEVERTHELESS, AS YOU WILL HAVE SEEN FROM THE LETTER TO WASHINGTON PASTOR, 'WE SHALL CONTINUE THIS DIALOGUE IN A CONSTRUCTIVE SPIRIT, ETC'. I THINK YOU WILL FIND, HOWEVER, THAT WE WILL GO ON FROM WHERE MATTERS WERE LEFT IN MARCH, BUT THERE IS NO ENTHUSIASM FOR TAKING BOLD DECISIONS. IN THE TALK AND LUNCH WITH CAVANDOLI MR RIDLEY MADE IT CLEAR THAT WE WANTED TO CO-OPERATE WITH ARGENTINA CLOSELY IN ANTARCTIC MATTERS, IN FISHERY AND OIL EXPLOITATION IN THE SOUTH ATLANTIC, OVER SUPPLIES FOR THEIR NUCLEAR POWER PROGRAMME, IN THEIR AIR FORCE AND NAVY AND IN TRADE AND ECONOMIC MATTERS GENERALLY. CAVANDOLI REPLIED THAT THE ARGENTINE SIDE EQUALLY WANTED THIS BUT THAT PART OF THE PACKAGE WOULD NEED TO BE BRITISH WILLINGNESS TO CONTINUE NEGOTIATIONS OVER THE FALKLAND ISLANDS, INCLUDING SOVEREIGNTY, AND THAT THESE NEGOTIATIONS NEEDED REVIVING FROM THE LOW POINT THEY HAD REACHED AT THE END OF MARCH. MR RIDLEY SAID WE WERE PREPARED TO CONTINUE THESE NEGOTIATIONS BUT THAT THE GOVERNMENT WOULD NEED TIME TO LOOK CAREFULLY AT THIS PROBLEM BEFORE UNDERTAKING FORMAL NEGOTIATIONS, PREOCCUPIED AS THEY WERE WITH MANY OTHER IMMEDIATE PROBLEMS AND WITH HAVING TO BRIEF THEMSELVES AS MINISTERS COMING FRESH TO MANY OF THE QUESTIONS REACHING THEM FOR DECISION. CAVANDOLI SEEMED VERY HAPPY WITH THIS AND IN GENERAL WITH THE RECEPTION HE HAD RECEIVED. I TOLD HIM THAT THE SORT OF PROGRAMME WE HAD IN MIND WAS FURTHER GENERAL EXPLORATORY DISCUSSION BETWEEN MR RIDLEY AND HIMSELF IN MID-JULY, COVERING ANGLO-ARGENTINE RELATIONS IN GENERAL, A FIRST CONTACT BETWEEN THE SECRETARY OF STATE AND WASHINGTON PASTOR IN NEW YORK IN THE AUTUMN AND PERHAPS A FORMAL ROUND OF NEGOTIATIONS BETWEEN MR RIDLEY AND HIMSELF BEFORE THE END OF THE YEAR. MR CAVANDOLI TOLD ME THAT HE THOUGHT THIS PROGRAMME WOULD SUIT THE ARGENTINE GOVERNMENT ADMIRABLY. CAVANDOLI ASKED MR RIDLEY PARTICULARLY TO TRY IF HE COULD TO AVOID MAKING ANY STATEMENT IN THE ISLANDS OR IN ARGENTINA BEFORE HE HAD TALKED TO THE ARGENTINE GOVERNMENT, UNDER THE PRESSURE THERE WOULD UNDOUBTEDLY BE FROM THE PRESS, WHICH MIGHT BE TAKEN UP AND MISUSED BY CERTAIN ELEMENTS IN ARGENTINA TO ATTACK OUR IMPROVED RELATIONS OR THE NEGOTIATIONS OVER THE FALKLAND ISLANDS. MR RIDLEY SAID THAT WHILST, OF COURSE, HE MUST REMAIN FREE TO SAY WHAT HE THOUGHT BEST, HE UNDERSTOOD CAVANDOLI'S POINT, AGREED WITH IT, AND HOPED THE ARGENTINES WOULD DO THE SAME.
4. AS YOU SEE WE ARE IN FOR A CONTINUATION OF THE 'BACK BURNER' AND MR RIDLEY WOULD RATHER DISCUSS ALL ITEMS OF RELATIONS WITH ARGENTINA OTHER THAN SOVEREIGNTY OVER THE FALKLAND ISLANDS BUT WILL BE PREPARED TO DISCUSS THIS ALSO, WITHOUT GOING FURTHER THAN WE HAVE DONE BEFORE. EVEN TO GO AS FAR WILL PROBABLY REQUIRE US TO MAKE A FURTHER ATTEMPT WITH THE SECRETARY OF STATE BEFORE MR RIDLEY GOES TO BUENOS AIRES.
5. YOU SHOULD KNOW THAT THE LUNCH FOR CAVANDOLI WAS ALSO ATTENDED BY SIR RONALD ELLIS, JAMES JOHNSON MP, DAVID MONTGOMERY AND HUNTER CHRISTIE. THERE WAS A GOOD DEAL OF CONVERSATION ABOUT FISHERIES IN THE SOUTH ATLANTIC AND MR RIDLEY AND RON ELLIS TALKED ABOUT ARGENTINE AIR FORCE REQUIREMENTS. ON FISHERIES I REPEATED STRONGLY WHAT I HAD SAID TO GUEVARA, THAT THE FIRST ESSENTIAL WAS TO CONTROL THE ACTIVITIES OF THIRD PARTIES FISHING IN THE AREA, PARTICULARLY TO CONSERVE AND RENEW FISH STOCKS AND THAT THE BRITISH WIDE WOULD BE PERFECTLY WILLING TO BEGIN SUCH CO-OPERATION IMMEDIATELY, WHILST THE ARGENTINES WERE BLOCKING THIS BY DEMANDING CONCESSIONS ON SOVEREIGNTY FIRST. THIS WAS SUPPORTED BY ALL THOSE ON THE BRITISH SIDE, INCLUDING HUNTER CHRISTIE WHO IN GENERAL MADE NO QUALIFICATIONS ABOUT SUPPORT FOR ANGLO-ARGENTINE CO-OPERATION.
6. I HOPE THIS WILL BE USEFUL IN THE RUN UP TO MR RIDLEY'S VISIT. WE ARE PRODUCING TALKING POINTS FOR HIM ON ALL ASPECTS OF ANGLO-ARGENTINE RELATIONS AND CO OPERATION. THE EMPHASIS FROM HIS SIDE WILL BE TO PLAY DOWN POLITICS, AND PARTICULARLY SOVEREIGNTY, AND TO HIGHLIGHT TRADE AND ECONOMICS. YOU WILL UNDOUBTEDLY BE UNDER PRESSURE FROM THE ARGENTINES TO DO EXACTLY THE REVERSE.

SIGNED G E HALL

NNNN

SENT AT 012413Z JGV JUST ONE MORE SMALLIE ONE THEN ITS ALL YOURS

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12 JUN 1979	
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Heaviside

Mr Ure
Mr Hall
Mr Cornish Planning Staff

LORDS DEBATE ON THE ADDRESS: DEFENCE AND FOREIGN AFFAIRS

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1. As requested in your minute of 8 June, I attach draft letters from Lord Strathcona to Lord Morris and Viscount Montgomery in reply to points raised during the Debate which Lord Strathcona did not have time to answer when winding up.

G A Duggan

G A Duggan
South America Department

11 June 1979

cc: Parliamentary Unit

Registry

DRAFT

Type 1 +

SECURITY CLASSIFICATION

Top Secret,
Secret,
Confidential,
Restricted,
Unclassified.

PRIVACY MARKING

In Confidence

To:-

From

Lord Strathcona

Telephone No. Ext.

The Lord Morris
House of Lords
LONDON SW1

Department

At the end of the debate on the Address of 22 May, I was unable to respond to all the points raised and thought it might be helpful to write to you about some of the matters you touched on concerning British interests in the South West Atlantic.

May I first assure you of the Government's interest in the potential of the South West Atlantic; we will be looking carefully at any possibilities for commercial opportunities in the development of the region's resources. I understand the report by the White Fish Authority on fishing opportunities in the South West Atlantic is in its final stages of preparation. Once it is finalised, we shall consider what action needs to be taken in the light of its recommendations.

We have still not received the evaluation of the data from the seismic survey of the Falkland Islands continental shelf. As you will appreciate, the amount of data involved is considerable and the evaluation is taking longer than the experts at first predicted.

It is not correct to say that the talks between the UK and Argentina on the future of the Falkland Islands and the region in general, have broken down. The last round took place in New York in late March shortly before the announcement of the General Election. The Government will be

/looking

looking carefully at this matter in the coming months. The position on the proposed Scientific Co-operation Agreement with Argentina remains that all Island Councillors have been consulted about the scheme and that it has been left for further consideration. It would be incorrect to describe these exchanges as an attempt to place "a cloak of spurious legitimacy around the illegal occupation of Southern Thule by the Argentines". We have protested to the Argentines about their presence and have thereby protected our sovereignty position. The purpose of the negotiations was to remove any sovereignty implications from their scientific activities and to ensure that they were conducted in the spirit of the Antarctic Treaty.

You mentioned also an exchange of Ambassadors with Argentina. I can confirm that the Argentine Government have approached us and that the level of our relations is under active consideration.

Register
No.

DRAFT LETTER

Type 1+

SECURITY CLASSIFICATION

Top Secret,
Secret.
Confidential.
Restricted.
Unclassified.

To:-

Viscount Montgomery
House of Lords

From

Lord Strathcona
Telephone No. Ext.

Department

PRIVACY MARKING

***** In Confidence

I am afraid that during my winding up speech ⁱⁿ ~~for~~ the Debate on 22 May on the Address, the length of the Debate and the lateness of the hour meant that I was unable to respond to a specific point which you had raised about the restoration of medium-term credit facilities for Chile.

I am sure that you will since have seen the announcement made by ECGD on 8 June of the resumption of such cover for UK exports to Chile. I enclose a copy of the press notice. I am sure that this news was most welcome to you.

Sand
(56)

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12 JUN 1979
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Searched by [signature]
8/6

Mr Hall first

Mr Wall, Private Office

FALKLAND ISLANDS: PARLIAMENTARY EXCHANGES

1. You asked about Conservative party reactions in Parliament to the negotiations with Argentina.

2. The terms of reference for Falklands' negotiations announced on 26 April, 1977, were in the form of a written Parliamentary Answer by Dr Owen. But this was preceded by a statement on 2 February, 1977, by Mr Crosland about the Falkland Islands and our relations with Argentina. This statement gave rise to a lengthy exchange and I have sidelined some of the more important points made by members of the then Conservative opposition.

3. Since then there have been a series of Parliamentary Questions in the main relating to progress in the negotiations, fishing, potential hydrocarbon wealth, implementation of the Shackleton report, and the illegal Argentine presence on Southern Thule (which was also the subject of an Adjournment Debate on 5 July last).

Bure

J B Ure
South America Department

7 June, 1979

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FALKLAND ISLANDS: TERMS OF REFERENCE FOR NEGOTIATIONS (WRITTEN PARLIAMENTARY
ANSWER BY THE SECRETARY OF STATE, 26 APRIL 1977)

The British and Argentine Governments have now reached agreement on the Terms of Reference for negotiations about the Falkland Islands dispute, as follows:

The Governments of the Argentine Republic and the United Kingdom of Great Britain and Northern Ireland have agreed to hold negotiations from June or July 1977 which will concern the future political relations, including sovereignty, with regard to the Falkland Islands, South Georgia and South Sandwich Islands, and economic co-operation with regard to the said territories, in particular, and the South West Atlantic, in general. In these negotiations the issues affecting the future of the Islands will be discussed, and negotiations will be directed to the working out of a peaceful solution to the existing dispute on sovereignty between the two states, and the establishment of a framework for Anglo-Argentine economic co-operation which will contribute substantially to the development of the Islands, and the region as a whole.

A major objective of the negotiations will be to achieve a stable, prosperous and politically durable future for the Islands, whose people the Government of the United Kingdom will consult during the course of the negotiations.

The agreement to hold these negotiations, and the negotiations themselves, are without prejudice to the position of either Government with regard to sovereignty over the Islands.

The level at which the negotiations will be conducted, and the times and places at which they will be held, will be determined by agreement between the two Governments. If necessary, special Working Groups will be established.

the European Parliament to attend even when the subject is relevant to a particular committee? Is it not time that this curtain of silence was pulled down?

Dr. Owen: This is a difficult issue. If it were possible to make a definite separation between the legislative function and the Cabinet decision-making function it would be easy to do, but it is difficult to make that separation.

Mr. Hudge: Does the Minister agree that the first thing that must be done in respect of the European institutions is to define and limit the rôle and functions of the European Assembly? Does he agree that it is clear, for instance, from the speech of Mr. Roy Jenkins in Luxembourg on 11th January that no one has an agreed or clear idea of what the European Assembly should do, and, indeed, that until there is such a redefinition of the functions and the rôle of that Assembly there should be no direct elections to it?

Dr. Owen: The speech of the President of the Commission is a matter for him. There are many different views about the rôle and functions of the European Parliament, or Assembly. However, one thing is quite clear. That is that the mere fact of introducing direct elections carries with it no commitment to any change in its existing powers.

Mr. Fernyhough: What does my right hon. Friend think will be the cost to this country of direct elections? Will he take it from me, in view of the cuts that have recently been made in education and social services, that the money would be much better spent in my constituency of Jerrow?

Mr. Ernest G. Perry: And in Battersea, South.

Dr. Owen: I am afraid that I am not able to give my right hon. Friend an estimate of the cost of European elections. One of the matters that the House will wish to discuss is the whole question of financing and what financial arrangements may need to be made concerning European elections. However, I shall give as much information as I can to the House.

Rear-Admiral Morgan-Miles: Following the reply given to my right hon. Friend the Member for Brighton, Pavilion (Mr. Amery) a moment ago, may I ask whether

the Government will arrange for a document to be issued explaining where the President thinks that the greatest threat to Europe comes from, because that surely is the basis on which defence in Europe must primarily depend?

Dr. Owen: Did the hon. and gallant Gentleman say "Where does the President feel that the greatest threat is?" The Government are always making clear their views on the threats to both the security of this country and the NATO Alliance, and the traditional way of dealing with that matter is in the annual Defence White Paper.

FALKLAND ISLANDS

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Anthony Crosland): With permission, Mr. Speaker, I will make a statement on the Falkland Islands and our relations with Argentina.

Since my right hon. Friend, now Prime Minister, made a statement on this subject on 14th January last year, Lord Shackleton has presented his "Economic Survey of the Falkland Islands". The whole House will join me in warmly thanking him and his colleagues for this immensely thorough and wide-ranging report.

The survey paints a vivid picture of this small community of 1,900 people, 7,500 miles away, yet staunchly British and with rich potential in the seas around them. But currently they face an uncertain economic future. The economy, essentially a mono-culture based on wool, is stagnant; the resources do not exist to exploit the new potential in other fields; and emigration is increasing.

To remedy this situation, Lord Shackleton made a large number of recommendations, many of which will require further study and detailed consultation with the Islanders. Meanwhile the Government will proceed to implement those internal constitutional changes which have already been approved by the Falkland Islands Legislative Council.

The recommendations on development aid will fall to my hon. Friend the Minister of State for Overseas Development to implement. But I can say now that the Government are ready to consider

after such proposals be required. mutton fresh and improved propose to put to the I. tions, with availability of local 2

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I must m clear. First, would inevi tions in the Islands, Br

after such pre-investment studies as may be required, agricultural diversification, mutton freezing, knitwear production, and improvements to education. We also propose to pay special and urgent attention to the Islands' internal communications, with particular reference to the availability and maintenance of an efficient local air service.

The survey further recommended certain major capital projects, notably an enlargement of the airport and a pilot fishing project, which would bring the total recommended expenditure by the United Kingdom up to some £13 million to £14 million. The Government, like Lord Shackleton and his colleagues, are in no doubt that the potential for development is there, and they will at the appropriate moment commission the essential preliminary studies to determine whether airport enlargement is likely to be practicable and cost effective.

But for the rest, we cannot at this time accept more costly recommendations. The overseas aid budget, recently cut in the December public expenditure exercise, would not stand it. There are more urgent claims from much poorer communities. And the right political circumstances do not exist.

In Lord Shackleton's words, "in any major new developments of the Islands' economy, especially those relating to offshore resources, co-operation with Argentina—even participation—should, if possible, be secured."

The Government agree. Such new developments require a framework of greater political and economic co-operation in the region as a whole. Without such a framework, the prospect of achieving a prosperous and durable future for the Islands is bleak.

The Government have therefore decided that the time has come to consider both with the Islanders and the Argentine Government whether a climate exists for discussing the broad issues which bear on the future of the Falkland Islands, and the possibilities of co-operation between Britain and Argentina in the region of the South-West Atlantic.

I must make certain things absolutely clear. First, any such discussion, which would inevitably raise fundamental questions in the relationship between the Islands, Britain and Argentina, would

take place under the sovereignty umbrella; that is, Her Majesty's Government would wholly reserve their position on the issue of sovereignty, which would in no way be prejudiced. Secondly, any changes which might be proposed must be acceptable to the Islanders, whose interests and well-being remain our prime concern. In consequence, thirdly, there must be full consultation with the Islanders at every stage; nothing will be done behind their backs.

To fulfil this pledge, I am sending my hon. Friend, the Minister of State, to the Falkland Islands in Mid-February to hear from the Islanders at first hand how they view their future. He will also visit Buenos Aires. His object will be, in effect, to see whether terms of reference can be agreed for further more formal talks between the parties concerned.

My right hon. Friend the Prime Minister said this to the House last January:

"Given good will on both sides, Britain and Argentina should be able to transform the area of dispute concerning the sovereignty over the Islands into a factor making for co-operation between the two countries which would be consonant with the wishes and interests of the Falkland Islanders." [Official Report, 14th January 1976: Vol. 903, c. 392.]

To day, as 12 months ago, the situation in the South-West Atlantic is a source of potential confrontation, of which there have been recent examples. It is co-operation, not confrontation, both in the Islands and in the Dependencies, which we seek to achieve.

Mr. John Davies: First, may I thank the Secretary of State for making that statement? I join him, naturally, in paying tribute to the work of Lord Shackleton in putting before us the very valuable report that we have had to work on. Moreover, may I say that I welcome the tone of the right hon. Gentleman's statement, and particularly the reassurance that he is giving the House regarding the absolute need for the Islanders' acceptance of any arrangements which may be entered into on their behalf?

We welcome the announcement that there are to be discussions about co-operation with the Argentine, but we are anxious lest the case be presented to the Islanders in a form which in some sense looks like some degree of coercion upon them to accept what might otherwise be unwelcome arrangements in order to

[Mr. Davies.]

secure their economic future. I hope that the right hon. Gentleman will be able to reassure us on that subject. With that caveat, we welcome greatly the visit by the Minister of State and wish him well in his work.

May I ask one or two specific questions? First, on the subject of aid, we sympathise with and understand the need at present not to extend an aid programme when there is so much need for constraint. However, is it not a fact that currently we in Britain enjoy from tax revenue resulting from activities in the Islands an extent of revenue which exceeds the aid that we currently furnish? Would it not be quite practicable at least to assure the Islanders that we would not remain a beneficiary of their own problems?

Secondly, on the fishing issue, may I ask whether it is the intention that an exclusive economic zone should be declared round the Islands at an early stage, and will that be of the same extent as that for the United Kingdom—200 miles?

Moreover, has the right hon. Gentleman considered, and will he ask the Minister of State during his visit to give careful consideration to, the potential offered by sea organisms known as krill which abound in the area of the Islands and could provide valuable revenue?

Finally, can the right hon. Gentleman reassure the House that he is not falling between two stools in the matter of the airport? Is it a fact that the airport as presently constructed is too short and that the extension of it to a greater length would be too expensive and would face us with a problem that would be highly unwelcome?

Perhaps the right hon. Gentleman can reassure us on those various points.

Mr. Crosland: I am obliged to the right hon. Gentleman for his opening remarks. We have no intention of trying to apply coercion to the Islanders. That would be wrong. Both we in this Parliament and the Islanders face a dilemma, because the future of the Islanders without co-operation with Argentina is undoubtedly not very favourable. That is something that the Shackleton Report has underlined for us all.

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On the specific question of aid versus the amount of money coming to this country from the Falkland Islands, the position is that if we take the last 25 years we find, as the Shackleton Report says, that more money has come to Britain from the Islands than has gone from Britain to the Islands in the form of aid. If we take the last five years, we see that the picture is the other way round. We have the somewhat ironic situation that almost all the post-tax profits in the Islands are drawn to this country and made good by the taxpayer here in the form of economic aid. Lord Shackleton has rather pointed remarks to make about this slightly curious and unusual situation.

The situation with regard to the 200-mile fishing limit is unbelievably complicated. Argentina has claimed a 200-mile limit round the Falkland Islands as part of her claim to sovereignty. There is a complication inside UNOSCO, there are complications within the EEC about this, and there are possible analogies with Rockall which need careful study. I should not like to give a definite answer on the subject except to say that what is essential is that we have *de facto* agreement on the question of fisheries.

The answer to the question about krill is "Yes", and the point that emerges from the Shackleton report is that it is not just krill but a mass of blue whiting, alginates, tourism potential and possibly oil at some point, all of which ought to be explored, and can be explored only if we take a regional view of the South-West Atlantic as a whole.

On the matter of the airport, the right hon. Gentleman is right in saying that there is a risk. That is why, before we take a final decision, we must have technical studies.

Mr. Russell Kerr: Will my right hon. Friend accept the congratulations at least of many hon. Members on this side of the House at this attempt to plan a viable economic future for the Falkland Islands? Will he also take into account the fact that there is widespread perturbation lest in our attempt to help the Islanders economically, we hand them over politically to a quasi-Fascist State next door?

Mr. Crosland: I am well aware of that complication, which I considered

most anxious the end of this matter to anybody do is to see that there will be full and nothing meet the will of the people, while by my hon. the conditions vide a sur

Mr. Be recognise poorer cou ability to commend the Gentleman about poli right strik of the Is pressure Furtherme man agree ment abou nificant th determina made the

Mr. Cr accept the are com question be to do popular v able way showing the Islanders' we were operation have that are raised full cons have to spect and

Mr. D. air servic ers want direct ai tina? plication limits?

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most anxiously, but I still think that at the end of the day we have to proceed in this matter. Nobody is being handed over to anybody. All that my hon. Friend will do is to see whether the Islanders agree that there is a basis for discussion. There will be full consultation at every stage, and nothing will be done that does not meet the wishes of the Islanders. Therefore, while I strongly take the point made by my hon. Friend, I must tell him that the conditions that I have laid down provide a sufficient safeguard.

Mr. Beith: Although it is easy to recognise that the competing claims of poorer countries restrict the Government's ability to implement the more costly recommendations, does not the right hon. Gentleman recognise that his phrase about political circumstances not being right strikes apprehensions into the hearts of the Islanders and raises fears that pressure is being put upon them? Furthermore, does the right hon. Gentleman agree that, in moral terms, the argument about sovereignty is much less significant than that about the right of self-determination by the Islanders, who have made their views pretty clear?

Mr. Crosland: I agree, and we wholly accept the right of self-determination and are committed to that. On the final question, by far the easiest thing would be to do nothing—a very attractive and popular way out in a sense but a miserable way out—but we have this report showing the enormous potential for the Islanders' future economic development if we were willing to have economic co-operation with Argentina. We cannot have that unless certain political issues are raised. Therefore, I think that, in full consultation with the Islanders, we have to take a certain risk in this respect and see what comes out of it.

Mr. Dwyer: Does not an efficient local air service include that which the Islanders want most, which is some kind of direct air link and not through Argentina? Secondly, what are these complications with the EEC about fishing limits?

Thirdly, does not Gordon Roberts go to Buenos Aires at the invitation of the Argentine Government?

Fourthly, when he is there, can he ask whether it would be possible, if there

are links with Argentina, that they should be through the Province of Patagonia which has similarities with the Falklands and not directly through Buenos Aires, which is an alien city?

Mr. Crosland: In my rather tired condition, I am not sure that I have remembered all four questions. The airport enlargement which is proposed by Shackleton would enable planes to fly in from other parts of South America and further afield than Argentina.

With regard to Rockall, I would rather not go into that in more detail now, for a number of reasons that will be obvious to some hon. Members.

It is my hon. Friend the Member for Merthyr Tydfil (Mr. Rowlands) who is going to Buenos Aires and the Falklands, and both the Falkland Islands and the Argentine Government are happy to receive him.

Mr. Michael Clark Hutchison: Does the right hon. Gentleman understand that the key to development in the Falklands and their safety is a proper airstrip? The construction company is there, and so is the equipment. The first duty of the Government is to get on with the extension of the airstrip.

Mr. Crosland: I think that this is the critical factor that colours a large part of the Shackleton Report. The position is that the present permanent airfield is not complete. It is way behind schedule and will not be completed until May. At the end of the day, it will have cost £41 million. The enlargement of this permanent airfield, which Lord Shackleton strongly recommends, is essential to the development of tourism, of fishing and possibly of oil in the future. It is essential to the whole island, but the trouble is that all these developments depend to a considerable extent upon co-operation with Argentina. That is why the question of the airport and co-operation in the region as a whole are so closely interlinked.

Mr. MacFarquhar: In view of my right hon. Friend's reassurance to the Islanders and the continuing intransigence of the Argentine Government on the question of sovereignty, what is it that has changed so that he is able to send the Minister of State to the Falkland Islands and Buenos Aires with confidence that he will not be going on a wild-goose chase?

[Mr. Farquhar.]

Mr. Crosland: I do not think that I have total confidence in that. As my predecessors and those who served in Conservative Governments know, one has to make a judgment in these matters whether the time is appropriate for taking an initiative. An initiative of this sort carries the risk of failure. I do not hide that. But we cannot let this situation drag on and on with all the major recommendations of the Shackleton Report depending upon co-operation with Argentina. Without any total 100 per cent. confidence in success, I judged—and in my view this was right—that this was the moment to take the initiative.

Mr. Amery: As the right hon. Gentleman may know, I had some experience of the Falkland Islands problems while serving in the Department over which he now presides. May I join him and my right hon. Friend the Member for Knutsford (Mr. Davies) in welcoming Lord Shackleton's report? I entirely agree that in the long run the problems of the Falkland Islands must be worked out in conjunction with Argentina, but timing is of the essence. Is the right hon. Gentleman satisfied that it is possible to proceed or to seek that co-operation before the airfield is fully enlarged and that the stability of the present Argentinian régime is sufficient to allow it to embark on what may be the rather important negotiations which his statement inevitably opens up?

Mr. Crosland: The right hon. Gentleman is correct in saying that he had experience of this extraordinarily difficult problem. Of course it was a Conservative Government who, I think rightly, concluded the communications agreement with Argentina in 1971. It is a matter of judgment whether the chances of success outweigh the chances of failure. My judgment is that on the whole they do and that it is better to take this risk than to let the situation go on and on with, as I said, this vast potential waiting there to be exploited and nothing effective being done to exploit it.

Mr. Faulds: I warmly endorse my right hon. Friend's initiatives, but will he understand that some of us on these Benches—and I think some on the other side of the House—will have some continuing reservations both about the degree of self-determination in these matters

assured to the Islanders and about the danger that the Islanders may become prisoners of developments in Argentinian political circumstances?

Mr. Crosland: Yes, Sir, these dangers exist, but at the end of the day it will be for this House, and only for this House, effectively to determine whether any changes in the present situation are made. Thus, our position is reserved to that extent. What I very much hope—so far I think this is occurring—is that when my right hon. Friend the Minister of State goes out to see whether a basis exists for proper discussion, he will, generally speaking, go out with the good will of the whole House.

Sir Bernard Braine: While in general no one could find any fault with the right hon. Gentleman's statement—it must be welcomed, particularly his recognition that the Falkland Islanders wish to remain British—is he aware that there could be conflict in what he has said? Does he recall that the Shackleton report said that two developments must go hand in hand—first, the reform of administration and closer participation of the inhabitants and, second, the injection of sufficient aid to give a new economic impetus? Does the right hon. Gentleman realise, therefore, that if Her Majesty's Government will not find the aid on the scale envisaged by Shackleton, that may lead to great disillusionment among the Islanders?

Mr. Crosland: I hope that the group of recommendations referred to by the hon. Gentleman, who knows the Falkland Islands well, will go through. A number of them have already been approved by the Falkland Islands Legislative Council. On the second question—the major capital projects, as opposed to the smaller matters of aid that I mentioned—if we were the richest country in the world with lots of money to dish out in all directions, we might be able to take these on entirely by ourselves. But that is not our position, and that is why I came to the conclusion, which I think I do not want to put words into Lord Shackleton's mouth—is implicit in many of the things Lord Shackleton says about tourism, fisheries, airport enlargement and so on, that in practice they can go ahead only in the framework of a wider economic co-operation in the South-West Atlantic.

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Mr. Hefter: Since we have so often heard in the House that the positions of Governments are being reserved and that no commitments will be entered into only to discover later that we have been slid into a position which perhaps the House did not want, shall we have a report back to the House once the Minister of State returns and shall we be kept fully informed of the negotiations at all stages? Thirdly, how precisely will the Falkland Islanders be asked in the final analysis whether they accept the outcome of these negotiations?

Mr. Crosland: Yes, the House will be kept fully informed and I do not doubt for a moment that my hon. Friend will make a statement when he returns. As to how the Islanders will be consulted, in the initial stages my hon. Friend is spending five days there. If he reaches any final conclusion which may be put to the Islanders, how the consultations should occur under those circumstances will then be a matter for discussion at the time, but there will be full consultation.

Several Hon. Members rose—

Mr. Speaker: Order. I propose to call the four hon. Members who have been here throughout and who have been rising to catch my eye, and the hon. Member for Birmingham, Handsworth (Mr. Lee). But I hope that they will be brief.

Mr. Luce: Will the right hon. Gentleman make it absolutely clear that there will be no change in the sovereignty of the Islands without the full consent of the Islanders? Since the Shackleton report highlights the important commercial prospects in the islands and its fisheries, tourism and so on, can the Government not look at this whole matter as a prospect for joint investment opportunities which would bring great benefits to Great Britain, the Islands and Argentina, if Argentina co-operated economically with us, rather than as a question of doling out aid as money which will be wasted?

Mr. Crosland: My statement is clear on the first point. On the other point, the hon. Gentleman made a speech in an Adjournment debate recently which I read with some interest. I agree with what he said then, that these investment opportunities, as he rightly described them, must in practice be undertaken in

co-operation with Argentina. The dilemma that we face—this is the difficulty which underlies these questions—is that we know that the Argentine Government will not want to discuss solely economic co-operation. Inevitably, political issues will come up. That is why I have given the assurance, and it is in respect of that that we take this risk, deliberately.

Mr. Lee: Is not the effect of this economically desirable approach likely only to be to fan the flames of the Argentine Government's pretensions to sovereignty? Is not the reality that the Argentine Government have not abandoned their claim to the Islands and that, whether my right hon. Friend likes it or not, this initiative is bound to give impetus to that claim?

Mr. Crosland: It is correct that the Argentine Government have not abandoned their claim to sovereignty, and they will not abandon it. The question is whether we should allow that claim to impose on us a position of total passivity. That does not seem sensible to me.

Mr. David James: Would the right hon. Gentleman explain to me, as someone who has lived and worked in the Falkland Islands, why it is proposed to drag our feet over the vital air runway decision, which is the key to the entire development in the future of the Falkland Islands? Do we have to seek the permission of the Argentine Government to lengthen a runway on British property?

Mr. Crosland: No, Sir; certainly we do not have to seek their permission. But Lord Shackleton made it clear in his report that the runway development—the airport enlargement—was needed for the sake of tourism, further fisheries development and major capital developments in the Islands, and that those capital developments in turn largely depended on co-operation with Argentina. That is the link. Certainly there is no question of its depending on the permission of the Argentine Government.

Mr. Kershaw: Would the right hon. Gentleman accept that, in spite of several references to the airfield, the position remains a little obscure, at least to me? Would he agree that the point of extending the airfield so as to allow international flights to places other than Argentina

[Mr. Kershaw.]

is a political rather than an economic problem?

Mr. Crosland: With respect, I think that it is a mixture of the two.

Mr. Jessel: Is there not great potential in krill, which have been increasing in numbers rapidly in the South Atlantic because of the slaughter of whales which used to feed on them, so that the balance of nature has been disturbed and they are now multiplying with great rapidity? Is that not a large potential source of food-stuffs for starving people in development countries, which could at the same time bring great benefit to the Falkland Islands?

Mr. Crosland: That is certainly the case, and it comes out dramatically from the Shackleton report.

To come back to the question which has underlain much of the discussion in the last half-hour, the potential for development around the Falkland Islands—not just with krill but with alginates and the blue whiting and other species of fish—is a basic reason that I do not think that we can simply go on sitting on our backsides and doing nothing about the political situation as well. It is that which supplies the impetus for some new initiative and move in the area.

ST. MARYLEBONE GRAMMAR
SCHOOL.

~~Mr. Baker: I beg to ask leave to move the Adjournment of the House, under Standing Order No. 9, for the purpose of discussing a specific and important matter that should have urgent consideration; namely,~~

"the use of her powers by the Secretary of State for Education and Science to cease to maintain St. Marylebone Grammar School"

This is the first occasion on which I have asked leave to move the Adjournment of the House under Standing Order No. 9. It would be quite wrong for any Member to seek to use this procedure for a narrow constituency point, but the issues involved in this case go far wider than its circumstances. What is at issue is the use by a Minister of her powers, which have hitherto been used for administrative purposes only, to

attain a political objective, the attainment of which has been denied by the courts. I shall not seek to argue the merits of the case, but the circumstances are important.

On Monday evening, the Secretary of State for Education and Science decided to cease to maintain St. Marylebone Grammar School. That means that the school will slowly die. It will not be able to pay salaries, and there will not be another intake of boys. This follows a proposal by the Inner London Education Authority that the school should cease

There is a long history here with which I shall not bore the House. Suffice it to say that ILEA has been trying to destroy the school for a long time. Six months ago ILEA proposed that St. Marylebone Grammar School should merge with another school in my constituency which has considerable social and educational problems. The parents took ILEA to court and won an injunction delaying it from proceeding with the merger. ILEA then had a choice. It could have taken that injunction, and the decisions surrounding it, to a higher court, and ultimately to the Court of Appeal or even to the House of Lords, but it decided not to do so and asked the Secretary of State to use her powers under the 1944 Education Act to cease to maintain St. Marylebone Grammar School.

These powers are in the Act for administrative purposes only. They have been used in the past, for example, when a central city school has wished to move with consent to the country. Then the Secretary of State ceases to maintain. The powers have been used when a school wished to go independent. Some schools in London now wish to go independent and the Secretary of State will cease to maintain them. This is not the wish of the parents of St. Marylebone Grammar School. They want to reorganise the school on mini-comprehensive lines.

The powers have been used when the population has declined in an area and there is no need for the school. This is not the case with St. Marylebone Grammar School. Indeed, the immediate area around the grammar school is the only area in Central London where the population is increasing because of the building of a huge council estate. The

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Secretary of State

ARGENTINA AND THE FALKLAND ISLANDS

1. I have been looking at the various options open to us.
2. These seem to be:
 - (a) thumbing our noses at the Argentines and provisioning and defending the Falkland Islands - the "Fortress Falklands" option:
 - (b) selling out the Falkland Islanders:
 - (c) negotiating with Argentina.
3. I think that negotiation is the only valid option. The Argentines will not negotiate unless the negotiations include questions of sovereignty so, although I am much more interested in negotiating with them about economic co-operation, we will have to agree to discuss sovereignty. If we are going to do this we must keep the Falkland Islanders with us. If we do not they will complain and we will have a blow up in Parliament and in the press. I am therefore proposing to go out to the Islands in July.



4. I cannot go to the Islands without also going to Buenos Aires and having a preliminary talk with the Argentines. For this I need to have the backing of the Government for the general lines of a negotiation with the Argentines. I therefore attach a draft letter from you to the Prime Minister and other members of the OD Committee which, if it is agreed, would give me the necessary coverage. As you will see there is no question of my getting into a negotiation with the Argentines during this visit, but I do need to know that the way my thoughts are going will, subject to my conclusions as a result of these visits, be an acceptable basis for formal negotiations with the Argentines later.

A handwritten signature in dark ink, appearing to read 'Nick', written in a cursive style.

Nicholas Ridley

4 June 1979

5 JULY 1978

Question is on the third.

was introduced in another place at this House. I agreed that there was an amendment in clause 23. It was not clear whether the new statutory provision introduced before the Act or after the Act came into force.

When I introduced a Government amendment to resolve that ambiguity, it was that in respect of the substantive law the Act would apply only as from the date it came into force. But in procedural matters the Act would apply in all proceedings initiated before it came into force, even where the law in respect of an agreement was prior to the Act.

On the right hon. and noble Lord for Wimbledon (Sir Michael Havers) amendment to my Bill. He argued that to make the law applicable to agreements already made would be a fundamental principle of retrospective legislation. I said I was not entirely convinced, and I was in doubt whether a State general indignation by saying they had been deprived retrospectively of their expectation. I thought I was to break my promise, and that I am being compelled

that there were weighty considerations, and I said that I was for my noble Friend the Lord to decide and that I was to him. He considered the matter as impressed by the argument by the right hon. and noble Lord for Wimbledon and by the other place. I think my noble Friend was particularly anxious to see the very institutions gain most from the change but those most anxious that should not operate retrospectively because they feared that it would acquire a reputation, however, for legislating retrospectively. My noble Friend agreed that I introduced in another

It now falls to me to move that we should agree with that amendment, but I fear that there is a further complication. The amendment in its present form makes provision only for written agreements to submit to the jurisdiction, those covered by clause 2(2). It makes no provision for written agreements to submit to execution, dealt with in clause 13(3). Clearly, it would be inconsistent to make different provision for the two cases. Therefore, the proposed amendment to the Lords amendment is to extend this principle to include also those agreements falling within clause 13(3).

Finally, I think that I should repeat a warning given by my noble Friend in another place. The amendment says only that the statutory provision will not apply to agreements made before the Bill comes into effect. Therefore, the rules of the common law will apply, but the common law may no longer always recognise immunity. It appears from the majority of judgments of the Court of Appeal in the *Trendex* case that the common law itself may have developed. First, a State may have no immunity to waive where a contract was commercial in character, so an undertaking not to claim immunity may transpire to be academic. Secondly, even if it were entitled to immunity, the common law may now recognise that that can be waived by a previous agreement. These questions may have to be argued if and when they arise, but if that is the case at least it cannot be contended that that result came about by reason of retrospective legislation.

Sir Michael Havers (Wimbledon): I stayed in this Chamber after the division at 10 o'clock and time after time heard Opposition speakers congratulating the Government on their generosity and kindness and wondered whether I had wandered into the wrong Chamber. However, the needle is stuck in the groove and I am in exactly the same position. I, too, must congratulate the Government on responding to the request that I made in Committee and to the amendment made in the other place by Baroness Elles.

I am grateful to the Government, because not only have they accepted the point I made in Committee but they have gone further and taken on board a

point which, I confess, we missed. It is right, as the Solicitor-General said, that there was an inconsistency in that we were dealing with the matters covered in clause 2(2) and had overlooked matters provided in clause 13. However, this has now been covered. The Solicitor-General made the point, and it should be appreciated, that it is at the request of those who would stand to gain most if the law had not been altered in the way in which we wish it to be altered by this further amendment that the element of retrospectivity should be removed. It would be usually their clients who would benefit by the element of retrospectivity, but quite properly the City of London Solicitors' Company put the reputation of our law and legal system in England above the interests of the clients of its members—which in the long term, I suspect, will be in the interests of their clients—and said that it was important that there should be no feeling among foreign sovereign States that if they entered into contracts in this country there would be any risk of future retrospective legislation, which would be very damaging to the very important and remunerative work that is done in the City of London.

Therefore, I join in what has become the common form since 10.15 p.m. in this Chamber tonight and I thank the Government very much for the response they have made to what I wanted them to do.

Question put and agreed to.

Lords amendment No. 2 to Commons amendment agreed to.

* FALKLAND ISLANDS

Motion made, and Question proposed, That this House do now adjourn.—[Mr. Frank R. White.]

11.6 p.m.

Mr. John Farr (Harborough): I wish to raise on the Adjournment the illegal occupation of South Thule, in the Falkland Islands, by the Argentine.

This debate is taking place as the result of an unsatisfactory exchange at Question Time on 24th May. It relates to the illegal occupation, by an Argentine expedition of about 50 persons, of Southern Thule Island, which is one of the South

[Mr. Farr.]

Sandwich Island group, in the Falkland Islands Dependencies, lying far to the east of the Falkland Islands and over 1,400 miles from Argentina.

I remind the House that on 24th May I asked whether Argentina had yet brought to an end this squatting, and, if not, when their departure would take place. Tonight, six weeks later, my remarks will hinge around these two essential questions—namely, whether Argentina has ended this occupation, and, if not, when their departure will take place.

I suggest right away that if Argentina has ended the occupation or is about to end it, perhaps the Minister will be kind enough to indicate that in the usual way. I would then sit down right away and we could have an early night's sleep. In the absence of that confirmation, I should like to point out that this occupation was first published and generally known on 7th May, about two months ago. Many hon. Members, on both sides of the House, want to know why the Foreign and Commonwealth Office has been so reluctant to make the announcement about this particular incursion beforehand.

If Her Majesty's Government are unable to give confirmation that the illegal occupation is about to come to an end, I want to urge the Minister to say tonight quite clearly that the situation which was continued there for about 20 or 21 months will no longer be tolerated and that Her Majesty's Government will formally notify the Argentine Government that, after a reasonable period for evacuation of personnel and stores—say, six months or thereabouts, which would enable the evacuation to take place in the spring and summer months there—after 31st December this year any illegal immigrants will be repatriated in the normal manner to their homeland.

I very much hope that tonight the Minister will give the House that particular assurance. It is a simple, straightforward request. A statement of that nature would be in accordance with international custom and precedent.

Whatever are the considerations in the Minister's mind, possibly relating to export orders for Argentina or matters relating to questions about the sovereignty of the Falkland Islands group as

a whole, they should be of no concern to him in this particular issue, as they surely only fudge what is a perfectly clear case of illegal occupation by people from a country which has a military Government.

Another point which has been puzzling the House for some time and which the Minister must clear up tonight is why the Government have remained silent about this invasion for about 21 months. Is it true that the Falkland Islands office in London was asked to keep quiet about this invasion when it occurred nearly two years ago, and, if so, what was the purpose of this conspiracy of silence? Can the Minister tell us what has been achieved since November 1976, when this occupation began?

In order to give a little background to the present serious situation, I shall remind the House of one or two facts which are of great importance. Southern Thule lies nearer to the Falkland Islands than it does to Argentina. A few years ago a naval vessel visited the island and raised the Argentine flag there, and, as far as is known, they were the first Argentinian people to visit the South Sandwich Islands, which had been British since their discovery by Captain Cook in 1775.

What are the consequences if this illegal occupation is allowed to continue? Surely, if it is allowed to continue it will be an invitation, by tacit assent, for Argentina or any other ambitious country to establish bases on other islands in the Falkland Islands which bases might well be physically defended. If this occupation remains unchallenged and these people are allowed to remain where they are, it will be an open invitation not only to the Argentine Government to take steps of this nature and perhaps cast their eyes elsewhere in the group but for other countries to do the same, especially in view of the possibility of there being very large oil and other natural resources under the ocean.

The Falklandese people themselves—one tends to take it for granted that they are British and wish to remain so; the Minister was there recently and he found out for himself how staunchly pro-British they are—are very worried about this incursion. They are becoming more and more worried now because, apparently, Her Majesty's Government are pursuing

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that.

It is possible that significant reserves of
oil and other minerals could be found in
the Falkland Islands group. If an illegal
occupation is allowed to take place, it
could well have a serious effect when it
comes to our re-establishing our
sovereignty and our rights to those re-
sources on their being exploited. There
are already known to be massive resources
of natural food in the seas around the
Falkland Islands which cover immense
areas. The continued presence of a foreign
base within the area would affect our
establishment of sovereignty on those
resources being exploited.

In 1976 we had an excellent report
by Lord Shackleton dealing with some of
the long-term problems in the Falkland
Islands. The noble Lord made a number
of important and interesting recommenda-
tions on the agro-structure of the
country, education, further education and
special measures for the economy and
recommendations relating to fish and
other matters in particular on extending
the runway.

Perhaps the Minister will take the
opportunity tonight to say whether the
Government will do something about
those recommendations. As far as the
House can ascertain, very few of the
noble Lord's recommendations have been
put into effect, though I gather that they
received universal support from both sides
of the House.

I hope that the Minister can give me
an assurance that a message will be sent
to the Argentine Government giving them
a deadline by which they must be out and
that he will do his best to end the con-
tinued aggro by Argentina and serve it
notice to quit Southern Thule.

11.12 p.m.

The Minister of State, Foreign and
Commonwealth Office (Mr. Edward
Rowlands): I accept and appreciate the
concern of the hon. Member for Har-
borough (Mr. Farr) and many other hon.
Members about this issue. It is one
involving the principle of sovereignty,
and that is why we take it seriously.

I should like to make clear exactly
what we are dealing with, as I think the
hon. Gentleman started to do in his

way. He spoke of the infringement of
the sovereignty of the Falkland Islands.
There has been some confusion about
this in recent weeks. Let us clear up some
of it.

We are not dealing with an illegal
occupation of the Falkland Islands them-
selves. But our estimation, Thule is—I
must take 200 miles away from the hon.
Gentleman—about 1,200 miles south-east
of the Falklands. It is an islet in the
Southern Thule group of islands, which
are in turn the southernmost of the South
Sandwich Islands, themselves one of the
Falkland Islands Dependencies, as op-
posed to the Falkland Islands themselves.

None of the islands is inhabited. In-
deed, few are habitable. The islet is at
present in the depth of the Antarctic
winter. Not only is the weather bad, as
one would expect in a place which is only
60 miles north of the Antarctic Treaty
area, but there is constant seismic activity
and there is a coating of penguin guano—
there is a more colloquial expression
which I do not know whether Mr.
Deputy Speaker would allow me to use—
up to a metre thick. In other words, it
is a very unpleasant place to be at the
best of times.

Nor are we dealing at this time with
a military occupation. It is important to
say that. Although the Argentines use
service personnel for logistic support in
their Antarctic work, their activities on
Thule are purely scientific. I do not think
that anybody has challenged that
assumption.

We have a dialogue with the Argentines
about scientific work in this area, and
they have both explained to us and given
details publicly of the scientific work that
has been carried on. A recent Argentine
article on the subject said:

"The aim"—

of this activity—

"is scientific and includes the collection of
meteorological and geological data, data on
fauna and flora, magnetism, the study of the
ice flows, heliography, etc."

The hon. Gentleman should also be
reminded that the Argentines have carried
on this scientific work on Thule on pre-
vious occasions—in the 1954-55 and
1955-56 Antarctic seasons. The record
shows that successive British Govern-
ments considered then, as now, that the
best way to pursue an answer to the

[Mr. Rowlands.] problems caused by such activity was by diplomatic action.

Indeed, I was extremely interested to consider how successive Governments have dealt with such situations. One of my predecessors in Mr. Churchill's Government reported to the House that there were no fewer than 11 such unauthorised occupations. He recommended—and rightly so—a policy of “firmness and patience”. What is interesting about such a precedent is that the answer lay not in military confrontation but in diplomatic and political action. The result was a form of scientific co-operation which damaged the sovereignty arguments on neither side.

The hon. Member did not claim that we object to the scientific activities, and that is correct. We object to the fact that they are being carried out on British territory without our permission. That is the bone of contention of the hon. Member. What the Argentines are doing there does indeed constitute a violation of our sovereignty, and, as hon. Members are already aware, we have firmly protested to them about this. Our sovereignty position has thus been protected fully and explicitly.

It is important to spell out the background and perspective of the issue. We are disturbed at the renewal of activity on South Thule, despite its distance and despite the context in which I have placed the matter. When we learnt of it, we pursued the matter immediately. We are going back 18 months, but at that time we had reason to believe that the dispute would be resolved speedily and satisfactorily.

However, information was received at the end of 1977 that these activities might be renewed in the 1977-78 Antarctic season. We again protested to the Argentines, but because of the difficult conditions in the area, to which I have already referred, we were only able to verify that the Argentines had returned in February of this year.

It was only then that we had concrete and independent evidence that the Argentine activities were not short-term and temporary but had a wider and more permanent basis. The Governor in Port Stanley discussed the matter with the Falkland Island councillors, who have,

of course, been informed of the action we have been taking in recent months.

The hon. Gentleman referred to a conspiracy of silence. I had a difficult decision to make on how to handle the issue. I thought that it would be wrong for us to have a slanging match with the Argentine Government. The original presence of the Argentines on the island had become known earlier and it had been mentioned in the Falkland Islands. The hon. Gentleman has a right to criticise me, but it was my view that we should not enter into a public slanging match on an issue which, I firmly believe, can and should be resolved by diplomatic and political action. I do not support the idea of a conspiracy of silence. Discussions took place between ourselves and the members of the important and valuable committee in London. I was not at the meetings, but the official view was that we would not embark on a slanging match and it was up to the committee to decide what to do. I go no further than that because there is no point in going over old ground.

The Government take this matter seriously. We have protected our sovereignty position by formal action and by diplomatic and political action. If the hon. Gentleman believes that by not pursuing a policy of direct and hard confrontation with Argentina we have jeopardised our sovereignty rights or the rights that follow from our sovereignty in regard to oil or fisheries, I can assure him that this is just not so. We firmly believe that international disputes and incidents of this sort, which are not new in our relationships with the Argentine Government, can and should be pursued by negotiation rather than by force.

It has been suggested by some that we should break off any form of negotiation with the Argentine Government and, therefore, pursue a course of confrontation. I say to those who take that view—the hon. Gentleman was extremely moderate in his remarks—that there are many wider issues involved in the discussions and negotiations concerning not only an uninhabited piece of territory, to which, nevertheless, we attach importance as the issue of sovereignty is raised, but the people of the Falkland Islands.

The matters under discussion and negotiation cover many areas of economic

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flow from our sovereignty in
or fisheries, I can assure
is just not so. We firmly
international disputes and
ort, which are not new
ps with the Argentine
can and should be pursued
rather than by force.

suggested by some that we
of any form of negotiation
giving Government and,
for a course of condem-
those who take that view
Gentleman was extremely
is remarks—that there are
issues involved in the dis-
negotiations concerning not
abled piece of territory, to
less, we attach importance
sovereignty is raised, but
the Falkland Islands.

s under discussion and
er many areas of economic

co-operation as well as sovereignty. To
break off negotiations would be to take
a serious step. It is one that we should
not take without considering the full
and fundamental implications.

We must say to the Argentine Govern-
ment that the negotiations that began last
year were begun in a spirit of agreement.
My visit to the islands involved the most
extensive consultation with the islanders.
I challenge any Minister in a previous
Government to say that it was not the
most extensive that has ever been made.
There were agreed terms of reference with
the Argentine Government which implied
that no action should be taken which
would challenge the respective positions
of sovereignty.

The development of our negotiations
and discussions depends upon Govern-
ments creating the right climate and con-
text. The Argentine authorities should
and must be aware of that.

The Argentine Government's activities
on Thule are only a part of the more
general problem of our dispute with the
Argentine Government about the Falk-
land Islands. The Government's policy
throughout has been one designed to pro-
tect the interests and to further the pros-
perity of the Falkland Islanders. Such
prosperity is inevitably dependent upon
a measure of co-operation.

We must accept the realities of life. No
one will invest in the area, privately or
publicly, while a cloud of political un-
certainty hangs over the future of the
islands. Such investment is necessary
whether for the development of possible,
though as yet unproven, oil resources,
of fishing or of industries based on alginates.
That is why, with the explicit concurrence
of the islanders, we have embarked on a
series of meetings with the Argentine
Government to explore possible ways for-
ward in that respect.

These are early days. We have had
only one meeting of the working group
that was set up to consider the possibili-
ties. We have made it clear to the
Argentine Government that actions such
as those they are undertaking in Southern
Thule, and those which involve the
harassment of shipping in waters over
which we could ourselves claim fishing
rights, make the process of negotiating
much more difficult for us. However,
like previous Governments in the 1950s

and like other Governments who have
dealt with such problems in the past,
we believe that it is necessary to be
patient. Patience can go hand in hand
with firmness. That is what my predeces-
sors have said from both sides of the
House. I support that view.

Whenever and wherever there has been
an Argentine infringement of our
sovereignty, we have protested vigorously.
By doing so we have protected our po-
sition. In parallel, we have been seeking
solutions that would be compatible with
both the development of the area and the
desire of the islanders to remain British.

Although the exploratory process is
still in an early stage, it is sure—every-
body knows it and I have repeated it over
and over again in the House—that no
proposals will be brought before the
House unless we know that such pro-
posals have the support of the islanders.
With that assurance, they have nothing
to fear from the exploratory process on
which we have embarked.

It is in that context that I ask the
House to consider what I agree are dis-
turbance developments on Southern Thule.
Of course we should react. We have
reacted promptly and firmly. I ask the
hon. Gentleman to accept that we should
not over react.

Finally, I should say that, over many
years, understandably the feeling has
grown—and I think that the hon. Gentle-
man might express it not only on this
occasion, but on others—that the Foreign
Office, its Ministers and officials, thou-
sands of miles away from the Falkland
Islands, do not have deep concern and
worries for the islanders and the islands.
It is no part of my brief remarks tonight
to comment on the historic past, but
during the last two years we have tried
to create a new relationship with the
islanders based on consultation and
contact.

The hon. Gentleman referred to the
Shackleton report. I share and support
not only the sentiments but many of the
recommendations in that report. We
have made new efforts to get develop-
ments off the ground in order to meet
what I once described as the "doorstep
hopes" of the majority of islanders. They
have an interest in getting on with a
number of specific developments. We
may not be able to accept some of the

[Mr. Rowlands.]

recommendations in the Shackleton report, but I must tell the hon. Gentleman that we have already done a great deal.

Mr. Farr: Does the Minister recognise that we cannot wait for ever for the Argentine Government to co-operate? Will he assure the House that if ready co-operation in a sensible manner, is not forthcoming from the Argentine Government at an early date, we shall proceed with the necessary work set out in the Shackleton report?

Mr. Rowlands: There are two different areas of developments. There are developments which extend beyond the islands and inevitably involve us in areas of co-operation with the Argentine Government. There are things on the islands that we can do which arise from the Shackleton report. That is what I meant when I referred to the "doorstep hopes" of the islanders. A great deal more progress has been made on those things in the last 18 months to two years than has been made for a very long time.

I am proud that, for the first time, a road is to be built between Stanley and

Darwin. That is the result of progress that have been brought to bear both personally ministerially and collectively. A new school is to be built. We have acquired public equipment so that the islanders may build some of these public developments. There is a host of things which have been listed in replies to Questions. I shall be happy to provide the hon. Gentleman with the list as he has taken such a genuine interest in this matter, an interest which I share.

Whatever criticisms one makes—the hon. Gentleman may make them—and however we choose to act or deal with the kind of problems we have had to face in relation to Southern Thule, our actions are dictated by real concern, created by my own knowledge of and contact with the islanders and for the well-being and future of the people I have the privilege and pleasure of serving as a Minister. It is in that context that I ask the hon. Gentleman to appreciate the way in which we are trying to deal with this incident.

Question put and agreed to.

Adjourned accordingly at twenty-eight minutes past Eleven o'clock.

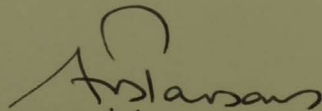
54

Am 040/025/1
12 JUN 1979
CONFIDENTIAL

FALKLAND ISLANDS

I do not dissent from the attached draft paper which I have discussed with the department. We should however keep in mind that what we are proposing is dangerously close to Mr Begin's concept for the West Bank. Mr Begin is in effect saying that there can be autonomy for the people but that Israel must maintain control of land, water etc and, eventually, of sovereignty. His idea is to divorce the concept of territorial sovereignty from personal autonomy. We have already told him - most recently at the Prime Minister's lunch - that we think this concept a complete non-starter. The Prime Minister was very forthright on this point, describing Mr Begin's concept as an unknown constitutional animal.

2. The road down which we are proposing to go with Argentine could lead us to an analogous conclusion with the Argentines having titular sovereignty over the land with the people retaining their Britishness. If and when this practice surfaced, we could find the Arabs and Israelis drawing awkward conclusions from our policy.


A D Parsons

30 May 1979

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TOP COPY

PS 25

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FM BUENOS AIRES 29/1954Z. MAY 1979

TO PRIORITY FCO

TELEGRAM NUMBER 110 OF 29 MAY 1979

INFO PORT STANLEY COLOMBO

AW 04.125/	
11	13
- 4 JUN 1979	
CLERK	BY
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ANGLO- ARGENTINE RELATIONS : FALKLANDS

[TELEGRAM REF OMITTED: ? BA-108 TO FCO]

1. CORRECTION TO PARA 1 LINE 5 :

QUOTE ON RETURN FROM THE NON-ALIGNED SUMMIT PREPARATORY MEETING IN SRI LANKA, AS BLANCO ETC UNQUOTE.

2. ERROR REGRETTED.

CARLESS

FILES

SAMD

END

NEWS D

OID

PS

PS/SIR I GILMOUR

PS/MR RIDLEY

PS/AUS

SIR A PARSONS

MR HALL

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RRS 254

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BUENOS AIRES 22/1455Z MAY 1979

TO PRIORITY FCO

TELEGRAM NUMBER 148 OF 29 MAY 1979

INFO POST STANLEY AND COLOMBO

sw 04.05/1

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- 4 JUN 1979	
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ANGLO-ARGENTINE RELATIONS : FALKLANDS

1. THE DEPUTY FOREIGN MINISTER, CAVANDOLI, TOLD ME LAST NIGHT THAT HE HAD INSTRUCTED THE ARGENTINE CHARGE IN LONDON TO SEEK A MEETING FOR HIM WITH THE MINISTER OF STATE BETWEEN 11 AND 14 JUNE WHEN CAVANDOLI EXPECTS TO BE STOPPING OVER IN LONDON ON RETURN FROM THE NON-ALIGNED SUMMIT IN SRI LANKA. AS BLANCO MAY HAVE ALREADY BEEN IN TOUCH WITH YOU, I MADE NO COMMENT.
2. CAVANDOLI HAS A REPUTATION FOR INTELLECTUAL ABILITY BUT, AS HE HIMSELF ADMITS, STILL HAS A LOT TO LEARN ABOUT POLITICS AND FOREIGN AFFAIRS. IF HE IS TO SPEND TWO OR THREE DAYS IN BRITAIN, YOU MAY PERHAPS WISH TO USE THE OPPORTUNITY TO EDUCATE HIM ABOUT THE POLITICAL PARAMETERS OF THE FALKLANDS PROBLEM. AT THE MEETING IN SRI LANKA, HIS TASK WILL HAVE BEEN TO INCLUDE MENTION OF THE FALKLANDS IN SOME APPROPRIATE ANTI-COLONIAL RESOLUTION WHICH THE NON-ALIGNED SUMMIT CAN BE EXPECTED TO ADOPT WHEN IT LATER TAKES PLACE IN HAVANA. (LAST YEAR THE THEN ARGENTINE FOREIGN MINISTER SECURED SUCH A REFERENCE AT THE BELGRADE MEETING).
3. IN CONNECTION WITH OUR ANTARCTIC INTERESTS AND IN PARTICULAR WITH THE NEGOTIATIONS TOWARDS A CONVENTION ON MARINE RESOURCES, YOU MAY WISH TO CONSIDER SUGGESTING THAT CAVANDOLI SPEND A DAY VISITING THE SCOTT POLAR RESEARCH INSTITUTE AND THE BRITISH ANTARCTIC SURVEY AT CAMBRIDGE.

CARLESS

FILES
SAND
UND

NEWS ID.
C/O
PS

PS/LAND PRINCE SEAL

PS/MR RIDLEY

PS/PS

SIR A PARSONS

MIR HALL

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Reference

(51)

Mr Cowling

AW 24/25/

RECEIVED IN PRIVY 18

- 4 JUN 1979

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PA

Action Taken

ARGENTINA AND THE FALKLANDS

1. The PS to the Lord Privy Seal telephoned to say that the Lord Privy Seal had seen Mr Ure's submission of 23 May on the above and had not commented. We could therefore assume that he was content with what was proposed.

G A Duggan

G A Duggan
SAMd

1 June 1979

cc: Mr Hall ✓
PS/Mr Ridley ✓

M Kingston RL

X- above: pl let me see

RL 6

FOBA 064/23

AW 08/05/1	
24 MAY 1979	

GROUPS 448

PERSONAL AND CONFIDENTIAL

TELE-LETTER

FROM G E HALL, FCO

DATED 22 MAY 1979

FOLLOWING FOR H M CARLESS ESQ, BUENOS AIRES

UK-ARGENTINE RELATIONS

1. I THOUGHT IT MIGHT BE HELPFUL TO YOU TO HAVE SOME FIRST INDICATIONS OF HOW IT SEEMS LIKELY THAT MINISTERS WILL BE LOOKING AT ARGENTINA AND THE FALKLANDS. WE HAVE HAD SOME PRELIMINARY DISCUSSIONS WITH MR RIDLEY AND SOME RESPONSES FROM THE SECRETARY OF STATE.

2. IT IS CLEAR THAT THERE ARE TO BE NO DRAMATIC REVERSALS OF POLICY, BUT THAT MINISTERS FEEL WE SHOULD CONSOLIDATE OUR RELATIONS WITH ARGENTINA AND TRY TO CONTINUE OUR DIALOGUE WITH HER ABOUT THE FALKLANDS. TO THIS END, THE SECRETARY OF STATE HAS AGREED THAT AMBASSADORS SHOULD BE REINSTATED IN LONDON AND BA. WE DO NOT YET KNOW QUITE THE TIMING OF THIS AND, OF COURSE, OTHERS ARE LOOKING AT THE PERSONNEL FACTORS. SO YOU SHOULD TREAT THIS AS BEING VERY MUCH FOR YOUR OWN INFORMATION ONLY AT THIS STAGE.

3. MINISTERS HAVE LOOKED AT THE TERMS OF REFERENCE UNDER WHICH THE ANGLO-ARGENTINE FALKLANDS TALKS HAVE BEEN CONDUCTED AND I HAVE FED IN SOME OF THE IDEAS IN YOUR LETTER OF 30 MARCH TO ME. FIRST INCLINATIONS ARE TO CONTINUE THIS DIALOGUE BASED ON THE 'MIXED APPROACH'. BUT IT IS SEEN AS IMPORTANT THAT THE CONFIDENCE OF THE FALKLAND ISLANDERS SHOULD NOT BE LOST. MR RIDLEY IS THEREFORE CONSIDERING VISITING THE ISLANDS - POSSIBLY AS SOON AS JULY - AND STOPPING OFF FOR EXPLORATORY TALKS IN BA ON THE WAY BACK.

4. MR RIDLEY WOULD STRESS TO THE FALKLAND ISLANDERS THAT THE ~~NEW GOVERNMENT IS AS DETERMINED AS ITS PREDECESSORS TO CONSULT THEM FULLY ABOUT ANYTHING WHICH COULD AFFECT THEIR INTERESTS.~~ IN TALKING TO THE ARGENTINES HE WOULD PROBABLY STRESS HIS WILLINGNESS TO CONTINUE NEGOTIATIONS WITHIN THE PRESENT TERMS OF REFERENCE. HE WILL PROBABLY WANT TO PLACE EMPHASIS IN THE FIRST PLACE ON ECONOMIC CO-OPERATION, CO-ADMINISTRATION OF MARITIME ZONES AND SCIENTIFIC CO-OPERATION WITHIN A CONTEXT OF CLOSER OVERALL ANGLO-ARGENTINE RELATIONS INCLUDING ANTARCTICA. IF THE ARGENTINES PRESS HIM ON SOVEREIGNTY AND RELATED ISSUES HE WOULD EXPLAIN THAT THE GOVERNMENT IS IN ITS EARLY DAYS AND TIME WILL BE NECESSARY BEFORE THESE PROBLEMS CAN BE LOOKED AT IN DEPTH. NEVERTHELESS HE WOULD BE LIKELY TO LEAVE OPEN THE NARROW GAP WHICH OLIVERI LOPEZ SAW IN MARCH. HE WOULD HOPE AT LEAST TO HOLD THIS LINE UNTIL A MEETING BETWEEN THE SECRETARY OF STATE AND PASTOR IN NEW YORK IN THE AUTUMN AFTER WHICH THERE MIGHT BE A NEGOTIATING ROUND.

5. ALL THESE IDEAS ARE SUBJECT TO THE SECRETARY OF STATE'S ENDORSEMENT AND YOU SHOULD NOT IN ANY WAY TAKE THEM AS REPRESENTING FIRM DECISIONS YET. THEY MAY HOWEVER PROVIDE A FRAMEWORK AGAINST WHICH YOU CAN LISTEN TO WHATEVER THE ARGENTINES HAVE TO SAY TO YOU.

SIGNED G E HALL

NNNN

Mr Hall ✓
 Sir A Parsons ✓
 PS/Mr Ridley ✓
 Private Secretary

Ans 040/325/1

RECEIVED	12 JUN 1979
DESK	PA

Profile

Use type as
 amended.

P. 4/6

ARGENTINA AND THE FALKLANDS

1. Following discussion with Mr Ridley and Under Secretaries, I submit self-explanatory drafts (prepared in consultation between Mr Hall and the department) of a minute from Mr Ridley to the Secretary of State, and from the Secretary of State to the Prime Minister and other members of OD.

JBure

J B Ure
 South America Department

23 May, 1979

Copy (with draft) attached for:

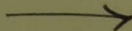
PS/Lord Privy Seal

(has seen and not commented)

Hall 23/v

Copies (with draft) sent to:

PS/PUS
 Miss Brown
 News Dept
 M & CD
 MAED
 ESSD



Copied to AW 040/325/2
" AW 040/325/7

AW 040/325/1

22 MAY 1979

(48)

HOUSE OF LORDS FOREIGN AFFAIRS DEFENCE DEBATE ON 22 MAY: NOTES FOR
WINDING UP SPEECH

FALKLAND ISLANDS (DEFENSIVE)

Speaking Note

1. The position on the Argentine scientific station on Southern Thule remains as it was: we have protested at their presence and in doing so protected our sovereignty position. Negotiations have been undertaken to remove any sovereignty implications from these scientific activities, but these have not been concluded. This is one of the topics which will be for consideration when we continue talks with the Argentines.

Background

2. We had reached a draft agreement on scientific co-operation with Argentina in the Falkland Dependencies. This would have explicitly removed any sovereignty implications, but the Falkland Island Councillors have said they are not happy with such an agreement as it stands and the matter has been left for further consideration.

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22 MAY 1979	
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Mr White, Planning Staff

FOREIGN AFFAIRS DEBATE: 18 MAY

1. In response to your minute of 15 May, I attach contributions for the winding up speech for the Commons debate; these are identical to those already forwarded to Mr Cornish for use in the Lords debate.

J B Ure

J B Ure
South America Department

16 May, 1979

Copy to:

Mr Hall

HOUSE OF COMMONS FOREIGN AFFAIRS DEBATE ON 18 MAY:
NOTES FOR WINDING UP SPEECH

CHILE

Speaking Note

1. We shall shortly be looking carefully at all aspects of our policy towards Chile, including those mentioned in this debate.

Background

2. A number of issues concerning our relations with Chile may be raised, including

- (a) the possible resumption of medium-term credit cover by ECGD
- (b) the possible restoration of Ambassadorial relations
- (c) policy on arms sales
- (d) human rights situation.

3. Ministers will probably have to look at these before too long but there has not yet been time to do so. ECGD are in the process of reviewing the position on credit and are now consulting Ministers.

HOUSE OF COMMONS FOREIGN AFFAIRS DEBATE ON 18 MAY:
NOTES FOR WINDING UP SPEECH

ARGENTINA

Speaking Note

1. The level of our diplomatic relations with Argentina is a matter I shall be considering.

Background

2. Ministers are at present considering our response to an Argentine approach, suggesting simultaneous action in requesting and granting agrément for the restoration of Ambassadors. Relations have been at Chargé level since 1976.

HOUSE OF COMMONS FOREIGN AFFAIRS DEBATE ON 18 MAY:
NOTES FOR WINDING UP SPEECH

FALKLAND ISLANDS

Speaking Note

1. No dates have been arranged for further talks with Argentina about the Falkland Islands. We shall continue fully to consult the Falkland Islanders on any developments which affect their interests.

CONFIDENTIAL

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P/W

the Cape

Smely this is a misunderstanding
I thought you meant said v. clearly
that oil companies were

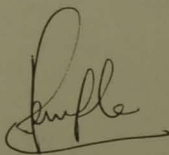
Mr Ure

FALKLANDS/ANTARCTIC RESOURCES

but only later in possible oil
the Antarctic. (how this can
we corrected. J. Parsons
Mr Ridley was grateful for your minute of 16 May. Noting that
no British concerns are apparently interested in exploiting the
potential oil and fish resources in the area, Mr Ridley has
minuted:

"Then we can concede rights to the Argentines in fish and
oil - if none of our own people are interested!"

NR."



K D Temple
17 May 1979

cc: Sir A Parsons
Mr Hall
Miss Brown
MAED
ESSD

Mr. Parsons
I spoke to Mr. Parsons
office - Bu 30/5

CONFIDENTIAL

AW 04/025/
RICE
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FB
THRU

Mr. Duggan 1875
 Mr. Cowley 1875
 Dr. Heap - 1875
 1875.

FALKLANDS/ANTARCTIC RESOURCES

Mr Ridley was grateful for your minute of 16 May. Noting that no British concerns are apparently interested in exploiting the potential oil and fish resources in the area, Mr Ridley has

minuted:

"Then we can concede rights to the Argentines in fish and oil - if none of our own people are interested!

NR. 11

Simple

K D Temple
17 May 1979

cc: Sir A Parsons
Mr Hall
Miss Brown
MAED
ESSD

17/5/1

CONFIDENTIAL

(45)

Mr Hall

PS/Mr Ridley

Minute of 17/5.

Aw 040/225/	
RECEIVED IN DEPT. NO. 18	
21 MAY 1979	
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Copied to
Aw 162/4.

FALKLANDS/ANTARCTIC RESOURCES

(41A)

1. Mr Temple's minute of 14 May: Mr Ridley's questions about UK commercial interest in Antarctic oil and fish.

Oil

2. Despite our directing their attention to the area, BP have no current interest in exploration/exploitation in the Antarctic area. We understand that the oil industry's capacity is at present well engaged in more accessible areas. No hydrocarbon resources have yet been found in the Antarctic and there is at present no jurisdictional basis for regulating economic activity in the area which would give the oil industry appropriate guarantees to ensure the safety of its investment. Given the formidable technological problems that would be involved, the oil industry are unlikely to become interested in this area within the next 10/15 years.

3. Exploration of the more limited area of Continental Shelf around the Falkland Islands is however more advanced. We are shortly to receive from ENOC the results of their evaluation of two seismic surveys carried out over the Falkland Islands Continental Shelf last year. Such surveys cannot however prove the presence of hydrocarbons; only exploratory drilling can establish whether oil or gas exists and if so whether in commercially exploitable quantities. Apart from the political difficulties, exploration drilling also poses practical problems. The deep water and severe climatic conditions around the Falkland Islands are much worse than, for example, those encountered in the North Sea and it is doubtful if offshore oil technology has yet developed sufficiently to cope.

/Fishing ...

CONFIDENTIAL

Copied 6. Aug 123/2

Fishing

4. The waters of the South West Atlantic (i.e. around the Falklands, their Dependencies and the Antarctic peninsula) are rich in marine life and have been fished on an increasing scale over the past 12 years, primarily by the Soviet Union, Poland and Japan (for their domestic markets).
5. The British fishing industry has to date shown little interest in these distant waters. The MAFF are of the view that domestic requirements for white fish are adequately met by resources in our present 200 mile zone and are not convinced that a commercial fishery in the South West Atlantic could pay for itself. They point out that frozen white fish from such a distance would have to compete with plentiful frozen supplies from nearer at hand (e.g. North America, Iceland and Norway). They recognise that there may be wider considerations and that the resources in the area may be exploitable as food fish for markets in the Far East and Africa or fishmeal for world markets.
6. However, a draft of a desk study by the White Fish Authority on the area's resources (commissioned by Ministers after an approach by Mr James Johnson MP, President of the South Atlantic Fishing Committee, which claims to represent the interests of the British fishing industry as well as Falkland Islanders) has now been received. It concludes that:
- (a) the typical British freezer trawler is not suited to operations in the South West Atlantic and on account of the limited hold capacity would be unlikely to operate profitably;
 - (b) accurate information on catch rates and hence on the viability of British fishing in the area would only be obtained by a British expedition;

/(c) ...

- (c) the British fishing industry would only be willing to invest in a South West Atlantic Fishery on the basis of factual information which such an exploratory voyage will provide;
- (d) a 12 month survey programme involving two vessels would cost in the region of £5m (perhaps offset by as much as £1m in revenue from the sale of fish).

When the WFA's report is finalised these recommendations will be examined by other Departments, especially the MAFF who have previously seen no justification in their meeting the costs of any exploratory voyage believing that it was for industry to fund.

7. There are also legal and political difficulties. Because of the sovereignty dispute with Argentina, no 200 mile fishing zone around the Falklands and their Dependencies has yet been declared. Argentina regards such seas as hers; we continue to look on them as high seas. It is this impasse which lets in third country fishing vessels. In the negotiations, fisheries cooperation has been examined in some detail; but Argentine insistence on their sovereignty has prevented practical progress. This would naturally inhibit the use of the Falkland Islands as a fishery base by commercial interests. This is one of the problems that will receive priority attention when we resume talks with the Argentine government.

Bure

J B Ure
South America Department

16 May, 1979

Copies to:
Sir A Parsons
Miss Brown
MAED
ESSD

[Signature] 16/v

AW 040/225/1

16 MAY 1979

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11/10/5

Mr Hall

Mr Cornish, Planning Staff

LORDS DEBATE: FOREIGN AFFAIRS AND DEFENCE

1. As requested in paragraph 3 of Mr Cornish's minute of 14 May, I attach short speaking notes for incorporation in Lord Strathcona's winding up speech - on Chile, Argentina and the Falkland Islands.

2. Lord Montgomery has indicated in a letter to the Secretary of State that he intends to raise policy towards Chile during the debate.

Bure

J B Ure
South America Department

16 May, 1979

Copies to:

Sir A Parsons ✓

PS/Mr Ridley

News Dept

HOUSE OF LORDS FOREIGN AFFAIRS AND DEFENCE DEBATE ON 22 MAY:
NOTES FOR WINDING UP SPEECH

CHILE

Speaking Note

1. We shall shortly be looking carefully at all aspects of our policy towards Chile, including those mentioned in this debate.

Background

2. A number of issues concerning our relations with Chile may be raised, including

- (a) the possible resumption of medium-term credit cover by ECGD
- (b) the possible restoration of Ambassadorial relations
- (c) policy on arms sales
- (d) human rights situation.

3. Ministers will probably have to look at these before too long but there has not yet been time to do so. ECGD are in the process of reviewing the position on credit and are now consulting Ministers.

HOUSE OF LORDS FOREIGN AFFAIRS AND DEFENCE DEBATE ON 22 MAY:
NOTES FOR WINDING UP SPEECH

ARGENTINA

Speaking Note

1. The level of our diplomatic relations with Argentina is a matter I shall be considering.

Background

2. Ministers are at present considering our response to an Argentine approach, suggesting simultaneous action in requesting and granting agrément for the restoration of Ambassadors. Relations have been at Chargé level since 1976.

HOUSE OF LORDS FOREIGN AFFAIRS AND DEFENCE DEBATE ON 22 MAY:
NOTES FOR WINDING UP SPEECH

FAKLAND ISLANDS

Speaking Note

1. No dates have been arranged for further talks with Argentina about the Falkland Islands. We shall continue fully to consult the Falkland Islanders on any developments which affect their interests.

ALW 040/25/1

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16 MAY 1979	
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Sir A Parsons

FALKLAND ISLANDS

Mr Jagger 15/5
Mr Conway 15/5
Mr [unclear] 15/5
Bob (43)

1. Thank you for sending me a copy of your minute of 11 May to Private Secretary to Mr Ridley on this subject.
2. You put Ministerial discussion here of the way ahead after a visit by the Minister of State to the Falklands. I am not sure that this is advisable. If Mr Ridley goes to the Falklands he will have to go to Argentina as well. Before he talks to the Islanders and the Argentines I think he needs to have discussed the way ahead with his colleagues otherwise we could easily get off very much on the wrong foot. This does not mean that Ministers would have to agree on a final solution but they would, I think, at least have to agree on the general framework within which they propose to proceed, ie whether it was "Falkland Fortress" "Sell Out" or substantive negotiation with the Argentines. I do not think that we can count on the Argentines being willing to negotiate on peripheral matters, however much Martinez de Hoz might like this to happen. This does not mean to say that we have to be committed to political change but we have to be able to discuss the possibility of such a change.
3. On the substance of the problem, of course, we have to get the consent of the Islanders unless there is to be a "sell out". I am not sure, however, how far you are aware that the previous Government agreed in DOP to a lease back solution as our final position of principle. In fact, the then Foreign Secretary had

/authority

authority to negotiate a solution on this basis. We never, of course, put forward such a solution but during the negotiations papers were tabled by Mr Rowlands, particularly in December 1977, which were based on such a final position and in clarifying these papers during subsequent negotiations it became more and more clear to the Argentines that this was what our proposals would lead to. Although it has never been stated openly it was absolutely clear to my Argentine opposite number during my meeting with him in New York in March that a lease back solution was the only possible way of squaring the circle between the Argentine and British positions. It is not therefore a question of putting forward or not a lease back solution but of continuing with or breaking off a negotiation in which both sides have known that such a solution was implied in British proposals and might represent the only way to a final solution. If we are to continue the negotiations they will have to remain negotiations about the whole dispute including sovereignty: neither I nor anyone in the Department or in the Embassy in Buenos Aires, as far as I am aware, believe in the possibility of negotiating with the Argentines on economic questions alone. If in the sovereignty part of the negotiations we are to go back from a position which implies lease back as a final solution then I think that we may well have a blow up in which I could not guarantee that the Argentines would not take measures against the Falkland Islands which would have the danger of escalating into possible military action.

4. When you say that your "preliminary feeling is that we will end up with no alternative but to carry on more or less as we have done" this may well be the case but, as I have said, doing this means continuing to discuss sovereignty with an implied final position being lease back. Doing anything else would not be to carry on as we have done but to make a fundamental change which, unless we are offering something else on sovereignty to the Argentines, is likely to lead to an early breakdown. How long we could continue to go on as we have been without actually discussing lease back is a matter of judgement and of how far we are willing to go to be nice to the Argentines about other things. As far as the Islanders are concerned my own belief, and this is not necessarily shared by others, is that they would find the lease back solution of the kind that I outlined in my previous minute acceptable because it would completely maintain their way of life for the foreseeable future, would provide the basis for such economic progress in the area as is technically feasible and would give them services from and in Argentina which they want.

5. To sum up, I think there should be some Ministerial discussion before the Minister of State goes to the Falklands and Argentina and I think our advice should be that this discussion should agree to the continuation of the negotiations with the Argentines on the present basis, including an implied lease back solution as a final position. But that the lease back solution should not be considered for formal adoption until after the Minister of State has been able to take soundings in the Falkland Islands and in Buenos Aires: questions of timing could be decided ad hoc in the light of events.


G E Hall

15 May 1979

cc Mr Ure

15/1/14

AW 040/225/

420

RESTRICTED

Si A. Parsons

12/12/77

P/S Mr Ridley

Copies to Mr Hall
Mr Ure

R. Ridley is hoping to
see Lord Shackleton

for a drink this evening.

THE FALKLANDS

Lord Shackleton and I were fellow guests of Lord Jellicoe
over the weekend. Lord Shackleton and I inevitably
discussed the Falklands at some length.

[Signature]

12/7

2. He would very much like an opportunity to call
on Mr Ridley and to have a talk to him about the
problem, based on his many years of knowledge of it
and his recent report.

[Signature]

A D Parsons

14 May 1979

[Signature]
[Signature]

13/7

RESTRICTED

AW 04-125/1

REGISTERED	17 MAY 1979
INDEXED	FILED

An Confin.
Bu 16/5

(42)

R. Osborne

Sir A Parsons ✓

AS 15/5

cc: PS
PS/Lord Privy Seal
Mr Hall
Mr Ure

(41)

THE FALKLAND ISLANDS

Mr Ridley was grateful for your minute of 11 May, and has commented as follows:

"I agree with Sir A Parsons' minute, but would add:-

- 1) More emphasis on economic co-operation with Argentina on fish, oil, Antarctica etc;
- 2) It is vital to keep the confidence of the Islanders and this seems to me to require keeping quiet about lease-back plans, at least for the time being.

NR."

K D Temple

K D Temple
15 May 1979

AW 04-325/1	
REC-5	10.13
21 MAY 1979	
INDEX	STBY
	TALK

Mr Ure

FALKLAND ISLANDS

1. Mr Ridley has read with great interest the note attached to your submission of 10 May on the Falkland Islands, and Mr Hall's minute of 11 May. He has minuted as follows:

"The fourth option is the only possible one - but we must put most emphasis on the fish and oil aspects of Antarctica. I would hope to preserve the Falklands as British - maybe its not possible - in return for helping Argentina to carve up the Antarctic with us as a partner. I do think its important for me to go

- a) to the Falklands
- b) to Argentina

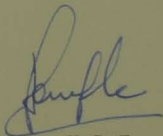
as soon as possible.

I think we should go further with UK commercial fish and oil interests to see what we can in fact do in the Antarctic. Is not BP interested? Could we get some trawler fleets to take an interest?

NR."

/2.

2. I should be grateful for your advice on these two questions.

A handwritten signature in blue ink, appearing to read 'K D Temple', with a stylized, cursive script.

K D Temple
14 May 1979

cc: (With Mr Ure's submission, Mr Hall's minute and paper) to:

PS

PS/Lord Privy Seal

(Without papers) to:

Sir A Parsons

Mr Hall

14/11/2

Aw 040/325/1

17 MAY 1979

CONFIDENTIAL

Private Secretary to
Mr Ridley
cc Mr J Ure, SAD
Mr G Hall

THE FALKLAND ISLANDS

I have read with much interest the paper submitted by Mr Ure on the Falklands and on Antarctica as well as Mr Hall's minutes on these two subjects.

2. My own feeling is that we must approach the problem of the Falklands in a series of steps. We might consider the following steps in the following order:-

- (i) to secure the exchange of Ambassadors with Argentina, thus establishing a better climate of confidence with the Argentines;
- (ii) a visit by the Minister of State to the Falklands in order to gain the confidence of the islanders and to enable the Minister of State to get a personal feel of the likely reactions to whatever option we might eventually favour;
- (iii) ministerial discussion here of the way ahead.

3. All this will of course take some time but I see no reason that we should be rushed. Provided that we build a bit of confidence with the Argentines through the Ambassadorial exchange, we will be in a very strong position to fend off requests from them for early negotiations on the grounds that the new Government needs time to study this complex problem.

/4.

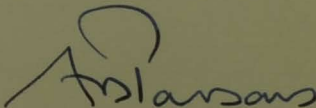
CONFIDENTIAL

CONFIDENTIAL

- 2 -

4. Meanwhile, I would not rule out further talks with the Argentines on the lines of Mr Ure's paragraph 11(c) ie negotiations on peripheral matters such as fisheries on the clear understanding that these involve no commitment to political change.

5. On the substance of the problem, I would be opposed to the lease back solution unless it had the full consent of the islanders and I fear that this will not be forthcoming unless and until the islanders themselves propose it off their own bat. If we were to enter into negotiation with this final position in our own minds and there was a leak somewhere along the way - as I have no doubt there would be - the whole thing would blow up in our faces. My preliminary feeling is that we will end up with no alternative but to carry on more or less as we have done ie try to encourage confidence building measures and functional co-operation without any change on the sovereignty issue in the hope that time will help to change the shape of people's attitudes. Having dealt with the Arab/Israel problem over the best part of 35 years I have become doubtful about the proposition that there necessarily are tidy solutions to all problems!

A handwritten signature in blue ink, appearing to read 'A D Parsons', with a large, stylized initial 'A'.

A D Parsons

11 May 1979

CONFIDENTIAL

ALW 040/215/1

16 MAY 1979

(40)

Mr Duggan 11/5 See (38)

Mr Zaring

Mr O'Sullivan

Ron

11/5.

1. I believe the Minister of State will find this useful.
It goes further than a previous paper on the Falklands in particular in outlining options for future policy. The Minister of State will wish to consider these and perhaps to have the arguments expanded on paper and in discussion.
2. As the official principally concerned during the past 18 months in the negotiations with the Argentines, I believe that if Ministers were to decide to proceed along the general lines of Mr Ure's paragraph 11(d) there would be some possibility of achieving a solution, or at least of continuing more or less amicable negotiations with the Argentines for some time to come. For this to be possible I believe that the negotiations would have to be seen in the context of our overall relations with Argentina,

CONFIDENTIAL

/including

including in particular our relations with them over Antarctica (which is covered in a separate submission). A possible solution could, I believe, be along the following lines:

(a) The United Kingdom would surrender formal sovereignty to Argentina over the Falkland Islands and the Falkland Islands Dependencies.

(b) The Argentine Government would simultaneously grant the United Kingdom a perpetual lease over the Falkland Islands and South Georgia. (This might be reduced in negotiation to a 100 year lease).

(c) The United Kingdom and Argentina would agree to equal co-administration of the economic resources of the maritime areas (continental shelves and super adjacent waters) of the Dependencies and the Falkland Islands outside territorial waters.

(d) The Argentine Government would bind itself to provide all the necessary facilities for the Falkland Islanders for transit through and services (education, medical, etc) within Argentina.

(e) The United Kingdom, Argentina and, if possible, Chile would agree to a condominium over the area of their overlapping claims in Antarctica.

3. The chances of achieving all of these may not be too great but they exist. A major problem would be how to reach such a final solution without a breakdown coming from either the Argentine or /the

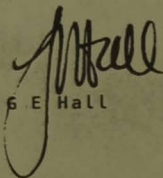
the Falkland Islander side and how, while such a solution was worked out, to deal with the question of maritime resources around the Falkland Islands and the Dependencies.

4. As far as the Islanders are concerned they will be deeply suspicious of any partial agreements with the Argentines. They would be likely to see these as stages towards their coming under Argentine sovereignty, as they did with the draft agreement on scientific activities in the Dependencies. Only a total solution including 2(c) above would make them feel safe. The Argentines on the other hand would find it very difficult to swallow the idea of this major element in an overall solution ie a purely nominal sovereignty for them over the Falkland Islands and South Georgia, and they would wish to bite off those portions of an overall agreement which would represent progress from their point of view without making this sacrifice.

5. My personal view is that there would be two ways of making progress along these lines. The first would be to continue on the course which has been adopted for the past two years of coming to an overall solution very tentatively and by implication rather than directly. The second would be to face the Argentines openly with an overall solution of the kind I have outlined, making it clear that this is the best that they could get and that all negotiations about detail would have to be within this framework. The first course would continue to try the patience of the Argentines but might still be feasible for some time to come.

/It

It would make the conclusion of partial agreements very much dependent on volatile Islander goodwill. The second would have the danger that the Argentines would reject the concept outright in which case negotiations would cease and we would have to decide on pursuing either the policy of "Fortress Falklands" or that of "selling out". My own view is that boldest would be best and that we should try an overall solution on the Argentines. But we would have to weigh very carefully the question of timing and try to sound out the Argentines at top level before making our bid. I should add that my Argentine colleague in the negotiations has, I am quite sure, seen that the implication of the position which we have so far maintained in the negotiations is the sort of solution I have outlined as possible.



G. E. Hall

11 May 1979

cc Mr Ure ✓

Ans-04-325/1

RECEIVED		15 MAY 1979
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INDEX		

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 14

Mr Hall
 Mr Worsnop

MOTION FOR THE WHITSUN ADJOURNMENT

1. I submit a very brief speaking note about the Falkland Islands, as requested in your minute of 11 May.
2. We spoke about item 3 ("Argentina/Chile") and you agreed that since the quarrel between these countries about the Beagle Channel, which looked as if it might result in hostilities a few months ago, is now quiescent, it is unlikely that the matter would be raised on the adjournment and therefore unnecessary to submit a note.

Bure

J B Ure
 South America Department

11 May, 1979

Copy to:
 Sir A Parsons

MOTION FOR THE WHITSUN ADJOURNMENT

FAKLAND ISLANDS

SPEAKING NOTE

1. No date has been arranged for a resumption of talks between the British and Argentine Governments about the Falkland Islands. The British Government will continue to consult closely with the Falkland Islanders about any developments which could effect their interests.

Distribution Attached

MOTION FOR THE WHITSUN ADJOURNMENT

1. The timing of the debate on the Motion for the Whitsun Adjournment is still undecided but it is possible that the debate may take place during the week beginning 21 May. The Leader of the House has asked for briefing material for his use in winding up the debate.

2. Briefing is required on any matter which may be raised by back-benchers as reasons why "the House should not adjourn". FCO subjects of current interest which could arise seem likely to be:

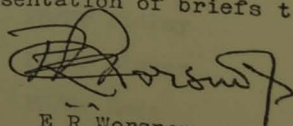
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|---|---|
| 1. Afghanistan | 24. India |
| 2. Angle-USSR relations | 25. International Energy Policy |
| 3. Argentina/Chile | 26. Kampuchea/Vietnam |
| 4. Arms Limitations | 27. MBFR |
| 5. Arms Sales | 28. Malta |
| 6. Arab Boycott | 29. Namibia |
| 7. Arab-Israeli dispute | 30. North/South dialogue |
| 8. Banabans: New Hebrides Condominium | 31. Neutron bomb |
| 9. Belize/Guatemala | 32. Nuclear-non-proliferation |
| 10. British property claims (Cyprus Portugal) | 33. Pakistan: Bhutto |
| 11. China | 34. Rhodesia |
| 12. Cuba | 35. Rudolf Hess |
| 13. Cyprus | 36. Security for HMAs overseas |
| 14. El Salvador | 37. South Africa/Muldergate |
| 15. EEC current problems | 38. Sporting Contacts in South Africa |
| 16. Falkland Islands | 39. The Queen's African visit and CHGM Lusaka |
| 17. Gibraltar | 40. Tokyo Economic Summit |
| 18. Hong Kong | 41. Turkey |
| 19. Horn Of Africa | 42. Uganda/Tanzania |
| 20. Hawks for Indonesia | 43. UNLOSC |
| 21. Indonesian political prisoners | 44. Vietnamese refugees |
| 22. Immigration procedures/medical tests | 45. WestGerman Statute of Limitations |
| 23. Iran/CENTO | 46. Zambia |

3. Would Departments please consider whether material on other topics should be offered and, if so, discuss this with the Parliamentary Unit (PU) before drafting? If Departments decide not to offer briefing on any subject specified above, I should be grateful if they would telephone their nil return to the PU.

4. As always, material should be succinct. The briefs should be in the form of a separate speaking note (unclassified), supplemented by a short background note only where absolutely necessary.

5. I should be grateful if briefs could reach me by NOON on Wednesday 16 May at the latest.

6. Please pass the attached note on the presentation of briefs to your Secretarial Staff.



E R Worshop
Parliamentary Clerk

11 May 1979



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PS/Mr Ridley
PS/Mr Blaker
PS/Mr Luce



MOTION FOR THE WHITSUN ADJOURNMENT

Note for Secretarial Staff

1. The speaking notes and any background notes are to be typed on separate sheets of blue crested (minute) paper. 3 photo-copies of each note are also required. No photo-copies are needed of any covering minute or submission.
2. Please do not staple the speaking and any background note together.
3. The appropriate headings (in block capitals) are:

MOTION FOR THE WHITSUN ADJOURNMENT
(SUBJECT) - there is no need to
indicate a Brief No

SPEAKING (or BACKGROUND) NOTE

Mr Hall
PS/Mr Ridley

Aw 09-025/1
RECEIVED IN DEPT. OF STATE
21 MAY 1979

FALKLAND ISLANDS

1. I submit a note about the Falkland Islands dispute for the background information of the Minister of State.

Bure

J B Ure
South America Department

10 May, 1979

Copy to:

Sir A Parsons

1. I believe the Minister of State will find this useful. It goes further than a previous paper on the Falklands in particular in outlining options for future policy. The Minister of State will wish to consider these and perhaps to have the arguments expanded on paper and in discussion.
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including in particular our relations with them over Antarctica (which is covered in a separate submission). A possible solution could, I believe, be along the following lines:

(a) The United Kingdom would surrender formal sovereignty to Argentina over the Falkland Islands and the Falkland Islands Dependencies.

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(e) The United Kingdom, Argentina and, if possible, Chile would agree to a condominium over the area of their overlapping claims in Antarctica.

3. The chances of achieving all of these may not be too great but they exist. A major problem would be how to reach such a final solution without a breakdown coming from either the Argentine or /the

the Falkland Islander side and how, while such a solution was worked out, to deal with the question of maritime resources around the Falkland Islands and the Dependencies.

4. As far as the Islanders are concerned they will be deeply suspicious of any partial agreements with the Argentines. They would be likely to see these as stages towards their coming under Argentine sovereignty, as they did with the draft agreement on scientific activities in the Dependencies. Only a total solution including 2(c) above would make them feel safe. The Argentines on the other hand would find it very difficult to swallow the idea of this major element in an overall solution ie a purely nominal sovereignty for them over the Falkland Islands and South Georgia, and they would wish to bite off those portions of an overall agreement which would represent progress from their point of view without making this sacrifice.

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/It

It would make the conclusion of partial agreements very much dependent on volatile Islander goodwill. The second would have the danger that the Argentines would reject the concept outright in which case negotiations would cease and we would have to decide on pursuing either the policy of "Fortress Falklands" or that of "selling out". My own view is that boldest would be best and that we should try an overall solution on the Argentines. But we would have to weigh very carefully the question of timing and try to sound out the Argentines at top level before making our bid. I should add that my Argentine colleague in the negotiations has, I am quite sure, seen that the implication of the position which we have so far maintained in the negotiations is the sort of solution I have outlined as possible.



G E Hall

11 May 1979

cc Mr Ure

THE FALKLAND ISLANDS DISPUTE

Nature of the dispute

1. Both Britain and Argentina claim sovereignty over the Falkland Islands, the (uninhabited) Falkland Islands Dependencies and over the maritime zones generated by both. In the past, the British Government has been prepared to submit the dispute to international arbitration but the Argentines have never been prepared to accept such arbitration.

The Political Problem

2. (a) The Falkland Islanders and the UK Domestic Political Dimension. The Falklands have a, declining, population of 1,850. They are all of British descent, firm in their desire to remain British and resolutely opposed to becoming part of Argentina. There is a vociferous and highly organised Falkland Islands lobby in this country with the capacity to enlist considerable support in Parliament and in the media. Its function, in the name of the Falkland Islanders, is to monitor and oppose any attempt by the British Government to establish closer links between the Falkland Islands and Argentina. The lobby is now beginning to turn its attention also to the Dependencies and to the maritime zones where, because of possible fish and oil resources, it perceives an additional threat by Argentina to a British and Falkland Islander interest. The greater part of the Falklands commercial life and economy is in the hands of the Falkland Islands Company, now part of the Coalite group. The Company is an active member of the Falklands lobby. More recently, opposition to any accommodation with Argentina has come also from those, inside and outside Parliament, most concerned with the present Argentine régime's abuses of human rights.

(b) The Argentine position. The Argentines remain resolutely convinced of the validity of their own sovereignty claim. All Argentine political régimes subscribe to this.

/The ...

The Argentines seek full sovereignty over the Falklands but are prepared to offer residual safeguards for the Islanders after transfer of sovereignty. The present military régime continues to press its Falklands claim vigorously. It has also sought to assert Argentine maritime sovereignty in the South West Atlantic either by licensing mechanisms (West German and Japanese fishing agreements and seismic surveys by two US oil companies) or by naval and air patrolling, including the use of force (against Bulgarian, Russian and Polish fishing trawlers). In the last days of the Isabelita Peron régime, the Argentine Navy also fired at the Royal Research Ship Shackleton.

(c) The International Position. The Argentine claim enjoys widespread international support. Voting in the 1976 pro-Argentine General Assembly resolution was 102 votes in favour, 1 against (ourselves) and 32 abstentions and the Non-Aligned movement at Foreign Minister and Head of State level has regularly included a pro-Argentine passage on the Falklands in its political declarations. The main concern of our European partners and of the United States is to avoid becoming entangled in what they regard as a bilateral dispute between Britain and Argentina.

The Economic Problem

3. Life for the Falkland Islanders is hard but in economic terms not uncomfortable (per capita income for 1974 was £1,164). Socially and economically the Islands run on feudal/paternalistic lines with the one major industry, wool, run by the Falkland Islands Company and other absentee landlords. The Colony is in decline, although improved wool prices over the last five years have concealed the underlying downward trend. There has been no new private investment in the Islands and the Falkland Islands Company does little more than reinvest locally sufficient of its profits to keep its operations ticking over at their present level.

4. As a result of the growing problems of the Falklands economy, the Government commissioned Lord Shackleton and a team from the Economist Intelligence Unit to produce a comprehensive report on the Falklands. The report was published in July 1976. It contained a number of proposals, both for internal development measures on the Islands and offshore resources, notably oil and fish. Lord Shackleton's task was to study the economy of the Islands; he had no brief to consider the political background. However, the Report noted that "In any major new development of the Islands' economy, especially those relating to the exploitation of the offshore resources, co-operation with Argentina should, if possible, be secured. The sovereignty issue overhangs our report, as it does the Falklands, and the absence of a settlement could well inhibit the development of the Islands".

5. Meanwhile, the only new money that goes into the Falklands at present is from the ODM. In 1979/80, ODM expect to spend £170,000 on topping up salaries for the range of administrative and social services (doctors, nurses, teachers, pilots, policemen) without which the Colony cannot function and for which it cannot itself pay the full costs. Also in 1979/80, ODM expect to spend £140,000 on technical co-operation for development. From capital aid funds, ODM have just spent £6.0m for the Colony's first permanent airfield and already have funds of £1.57m committed for an oil jetty, a new school hostel and the Colony's first all-weather road outside Stanley (which will link the capital with Darwin, the second biggest concentration of population). Consideration is also being given to the allocation of funds for a new aircraft for the Islands' vital internal air service. None of these projects is directly income-generating in developmental terms; indeed, the initial effect will be to add additional burdens to the Colony's budget. But the road may eventually lead to agricultural development and diversification. All these projects are, however, important in social, welfare

/and ...

and morale terms. They also reflect a decision to implement the "onshore" areas of the Shackleton report. Apart from the on-the-spot benefits to the Islands, implementation of these schemes is important as a means of sustaining Islander confidence and in generating willingness to accept the continuation of negotiations with Argentina.

The Defence Problem

6. The Falklands are currently defended by a small permanent detachment of Royal Marines in Port Stanley and by the annual visit to the area from October to March of HMS Endurance, an Ice-Patrol Vessel with limited armament which carries out scientific work on behalf of the British Antarctic Survey as well as demonstrating a Royal Navy presence in the area. These measures cost the MOD £3.6 million per annum. Even at this cost, they are inevitably little more than symbolic deterrent measures. The distance from the UK and the consequent communications and supply problems make the maintenance of an effective UK deterrent military force prohibitive. Were there to be an Argentine invasion, any operation to dislodge the Argentines would again be not only extremely costly but could only be carried out at major and probably unacceptable cost to our NATO commitments.

The Current Position

7. In 1977 the British Government embarked on a new round of negotiations with Argentina about the political and economic future of the Falklands, including sovereignty. These talks were embarked upon with the knowledge of Parliament and the agreement of the Falkland Islanders. They were explicitly "under the sovereignty umbrella", i.e. without prejudice to either side's sovereignty claims.

/8. ...

8. A number of meetings at Ministerial (Mr Rowlands) and official level have explored the ground, without making any substantive progress. The Argentines have produced lists of "guarantees" they would give to the Islanders in the event of their achieving sovereignty. We have explored "a mixed approach" based on dealing separately with maritime questions and the Dependencies in advance of or in place of making changes regarding the status of the inhabited islands; we have also emphasised that while there might be room for negotiation over territory, any ^{overall} ~~official~~ settlement would have to leave with us effective sovereign rights over the inhabitants of the Islands.

9. The talks have been prejudiced by the establishment of an Argentine scientific station on Southern Thule, one of the Falkland Dependencies 1,400 miles from the inhabited islands. While we have no real quarrel with the Argentines pursuing scientific work in the area (since in the nearby Antarctic Treaty area we conduct scientific work in collaboration with them) we do, of course, take exception to their establishing a base on British territory without our consent. We have taken legal steps to protect our sovereignty position but have resisted suggestions that we should forcibly evict the Argentines since this would very possibly lead to retaliation against our own scientific station on South Georgia (another of the Dependencies). Recently we have proposed an agreement on scientific co-operation which would extend to the Falklands Dependencies the sovereignty freeze which applies in Antarctica: it would effectively divest the Argentine station on Thule of any political significance. The Argentines were prepared to go along with this, but the Falkland Islanders rejected the idea when we put it to them because they felt it was opening the door to further Argentine activities in the area. We have therefore declined to sign the agreement but it rests "on the table".

/Future Policy ...

Future Policy

10. Over recent months the Argentines have been fully aware that we have been dragging our feet on these negotiations. They have understood that British Ministers could not make fresh initiatives or arrive at far reaching decisions in the last months of a dying Parliament. However there will undoubtedly be Argentine expectations that the new Government will re-open the negotiations in a more positive frame of mind.

11. This presents us with real difficulties because there are effectively four possible policies for us to pursue:

(a) To refuse to discuss the substance of the dispute at all with Argentina, break off the talks and be prepared to maintain and defend the Falklands against Argentine boycotts on communications and supplies, Argentine harassment or worse. This option is known as "Fortress Falklands". It would involve very heavy additional expenditure on aid to the Islands and almost certainly on defence, with implications for our NATO commitments.

(b) To give up the Falklands, buying out and re-settling the Islanders elsewhere and negotiating whatever safeguards we could for those remaining under Argentine administration. This would be totally unacceptable to the Islanders and would provoke the sharpest possible attacks on the Government from both sides of the House on the grounds that we were "selling out". It appears to be politically - and probably morally - indefensible.

(c) To continue to go through the motions of negotiations with Argentina but to avoid any commitment to political changes which would upset the Islanders or their supporters in this country. With two years of unproductive negotiations

/behind ...

behind us, this course is likely to prove no longer viable: the Argentines' patience is evaporating and the credibility of such negotiations would rapidly collapse.

(d) To continue the negotiations in good faith with the Argentines to establish whether a solution could be developed which might ultimately prove acceptable to the Islanders and to Parliament. This would be a long drawn out process, attended by criticism from many quarters, and dependant for its success on winning and maintaining the confidence of the Islanders. It would certainly be necessary for the responsible Minister to visit the Islands as soon as possible, and both to gain an appreciation of their preoccupations and begin the process of educating them to the harsh realities of their situation. Negotiations would aim at securing some form of British participation in any future development of resources (including oil in the area) and would also endeavour to achieve a fishing regime with the co-operation of the Argentines. It is not possible at this stage to forecast what sort of ultimate political solution might be forthcoming, but one idea which might ultimately prove acceptable would be some form of "lease back" (analogous to Hong Kong) under which the Argentines gained nominal sovereignty but the Islanders remained under British jurisdiction.

AWW 040/325/1

CONFIDENTIAL

EXTRACT FROM SPEAKING AND BACKGROUND NOTES FOR THE VISIT
OF ARGENTINE MINISTER OF THE ECONOMY 30 APRIL - 5 MAY 1979

FAKLANDS

Line to take

1. The Falklands issue has bedevilled British-Argentine relations for years. It is a difficult problem requiring patience and understanding on both sides. It is right that we should continue to seek some solution through negotiations. There are possibilities for economic co-operation which could be of benefit to all. But we cannot accept the Argentine claim to sovereignty and our major concern must be for the inhabitants of the Islands. No proposals for a settlement can go forward unless they are acceptable to the Islanders themselves. Both the Islanders and the British Parliament have been given clear assurances on this.
2. We continue to feel that the best way forward is to examine closely the possibilities for agreement on specific issues such as fishing co-operation. There are still basic differences of approach but there appears to be sufficient common ground to encourage us to believe that with goodwill progress in the negotiations can prove possible.

CONFIDENTIAL

BACKGROUND

State of the negotiations

1. Negotiations have been going on for two years. We have made some progress in elucidating each other's position and concerns but we are a long way from any solutions. Argentine patience is beginning to wear thin. They have been prepared to accept that the impending general election has made it difficult for us in the past few months. But they will be looking for an early Ministerial meeting when the new Government is installed. As long as the negotiations continue and move in a direction they consider positive, they are unlikely to force the pace too much. But if relations were to turn sour, the Argentines could easily make difficulties for us and the Islanders, e.g. by cutting off the air services ^{to} fuel supplies, intercepting fishing vessels in waters we claim, by discriminating against British trade or other interests in Argentina and by returning the whole question to the United Nations.

The negotiating rounds

2. The terms of the negotiations were announced in the House of Commons on 21 April 1977 (copy attached). There have been four rounds, two at Ministerial level (the latest in Geneva in December 1978), the most recent being at official level in New York in March.

3. The atmosphere of the talks has generally been good. But the failure to make any progress in March has led the Argentines to wonder about their usefulness. They were disappointed in particular about our inability to sign a Scientific Co-operation Agreement: the Island Councillors would not accept the text agreed because of their deep suspicion of Argentine motives and actions.

/The Issues ...

The Issues

4. Argentina claims sovereignty over the Falkland Islands, the (uninhabited) Dependencies and the waters and continental shelf of both. They have continued to insist in the negotiations on sovereignty but have indicated a willingness to provide safeguards for the Islanders' way of life. We have insisted that sovereign rights over the Islanders must continue to rest with Britain as long as the Islanders so wish. We have, however, suggested possible new sovereignty arrangements in the Dependencies in favour of Argentina if the Islanders are given such absolute safeguards. The Islanders have consistently declared their wish to remain British.

5. Both sides agree that if the sovereignty issue can be resolved there could be co-administration of economic resources. The most recent negotiating rounds have included detailed exchanges about joint regulation of fishing in the area but practical progress has not been possible as the Argentines have insisted that any co-administration of a maritime zone must begin with a transfer of sovereignty.

6. Exchanges on scientific co-operation in the Dependencies, following the establishment by the Argentines of a scientific presence in Southern Thule, resulted in informal agreement on a draft scientific co-operation agreement. Under this, the Argentine activities were to be put under the "sovereignty umbrella", i.e. to be held to have no implications for either Government's sovereignty position. The Island Councillors, when it came to agreeing the text with them, refused to let it go forward. With some difficulty, during the New York talks, we were able to persuade the Argentines to leave the agreement lying on the table; they undertook also to conduct any future activities of a similar nature in the spirit of the draft.

17. ...

7. There has also been mention of possible co-operation in the exploitation of any hydro-carbons in the area. None have yet been identified but seismic surveys are currently being evaluated.

Further Talks

8. No commitment has been made about the timing or level of any further talks.

AWW 040/25/1

EXTRACT FROM MINUTE ~~FILED~~ BY SIA A. PARSONS :
MEETING WITH ARGENTINE MINISTER OF THE ECONOMY

CONFIDENTIAL

- 2 -

5. The Falkland Islands. We had a longish discussion most of which I need not record. I made clear to Dr Martinez that no Argentine Government could expect any change in our position on sovereignty. He of all people would understand that the claims of small, distant and loyal communities of British descent were extremely emotive in the British political context. With obvious differences, the same was true over Gibraltar. We must try to make progress around the periphery of the dispute as we had tried to do in recent years.

6. Dr Martinez did not contest what I said. He speculated about the possibility that the islanders might eventually change their views and regretted the fact that the practical contacts ie visits by islanders to Argentina seemed to have died down.

7. Dr Martinez went on to say that he was in favour of making progress through economic co-operation and had asked for studies. There were two areas in which it might be possible to proceed, perhaps on the basis of joint ventures between British and Argentine companies. These two areas were oil and fishing. What did I think?

8. I said that we were in favour of economic co-operation although I could never exclude the possibility that individual projects would run into difficulties with the islanders. Of the two areas which he had suggested I favoured making a start on fishing. The problem with oil exploration was that it was so politically emotive. If there was any move towards exploring oil off-shore, there would be a great

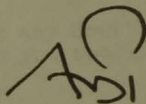
/deal

CONFIDENTIAL

CONFIDENTIAL

- 3 -

deal of controversial publicity and political considerations would immediately be brought into play. The same was not true of fishing. Dr Martinez agreed.

A handwritten signature in dark ink, consisting of a large, stylized 'A' followed by a 'D' and a 'P' that are connected and written in a cursive, fluid manner.

A D Parsons

2 May 1979

CONFIDENTIAL

Am 040/25/	
14 MAY 1979	
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SECRET	SECRET

Mr Wall, Private Office

CABINET COMMITTEE'S BUSINESS FORECAST

1. Your minute of 4 May (a copy of which only reached me today).
2. We would not expect to have to put any South American subject to DOP in the short term period you specified (i.e. 14 May to 1 June).
3. In the medium term, it is likely that we shall have to put to DOP policy on the Falkland Islands and our negotiations with Argentina. The timing will depend on when Ministers are able to focus on this particular question.

Bone

J B Ure
South America Department

9 May, 1979

Copies to:

Mr Hall
Sir A Parsons
PS/Mr Ridley

Heads of: ACDD, CAD, CCD, Defence Dept, EAD, EESD, EID(E), EID(I)
ESSD, FED, FRD, HK&GD, MAED, M&CD, NENAD, Planning Staff
Rhodesia Dept, RID, SAD, SAfD, SED, SEAD, WAD and WIAD

DOP and GEN 12 Business Forecasts

Although we do not yet know precisely what Cabinet Committees the Prime Minister will decide to establish, Cabinet Office are preparing a forecast of business for DOP and GEN 12 covering the period 14 May to 1 June. This will be put to No 10 next week.

Mr Whitmore in the Cabinet Office has given advance notice that he will be asking next Wednesday for our assessment of likely DOP and GEN 12 business during that period. In order to be ready to respond as quickly as possible, I should be grateful if you could let me know as soon as possible, whether there is likely to be any urgent DOP or GEN 12 business during the period in question.

Mr Whitmore will be writing separately about the long-term forecast of DOP, DOP(S) and GEN 12 business. However, it would be helpful to have advance warning of any items which departments think likely to need DOP or GEN 12 consideration during the next to three months. (A copy of the last exchange is attached).

I should be grateful if replies, covering both short-term and long-term business, could reach me by mid-day on Wednesday 9 May. I should also be grateful for a nil return where appropriate.

J S Wall
 (J S Wall)

4 May 1979

cc: (for information)

PS/All Ministers
 PS/PUS
 Sir A Duff
 Sir A Parsons
 Mr Bullard
 Mr Butler
 Mr Cortazzi
 Mr Leahy
 Mr J Moberly
 Mr P Moberly
 Miss Brown
 Mr Thomas

Mr Hall
 Mr Murray
 Mr Stratton
 Mr Day
 Mr Weir
 Mr Fergusson
 Mr Willson
 Mr Williams
 Legal Advisers
 Mr Fretwell

① Mr A. G. G. taken

② Mr B. B.

Please let me
 hear an
 urgent draft

W. S. G.

PA

AW 040/325/1

R. Duggan has seen.

Mr Cowling

You may wish to see

P25.

DOP REPORT ON FALKLANDS TALKS

1. I have discussed the attached drafts with Mr Hall and we both think that little useful purpose would be served at this point by sending a Private Secretary letter to No 10 about earlier Ministerial exchanges in a Cabinet Office Committee, since if a Conservative Government is returned these papers would not be appropriate for submission to Ministers, and if a Labour Government is returned it will make more sense to send a general round-up of where we stand on the Falklands negotiations at the appropriate moment. I suggest that you keep the drafts which I have "suspended" on the file; they may save time later on.

Rsw

J B Ure
South America Department

2 May, 1979

CONFIDENTIAL

SAM 13

(27)



PM/79/28

PRIME MINISTER

Att 040/325/1

B Mr Rowlands
 B Pus
 Sir A Parsons
 Mr Hall
 Legal Advisers
 Mr Stephen

Falkland Islands: Anglo/Argentine Negotiations

1. In my minute (PM/78/139) of 13 December I set out our tactics for the talks last December with the Argentines. My colleagues will wish to know how matters now stand.
2. Geneva Talks. On Southern Thule Ted Rowlands tabled a paper on scientific co-operation in the Dependencies, along the lines of the scheme described in Annex A of my minute of 13 December. The Argentines also tabled a paper on similar lines. As a result, we reached agreement in principle on a scheme under which the Argentines accepted that their station on Thule would have no implications for sovereignty. But, as I anticipated, the Argentines objected to the clause we wanted specifically preventing their setting up other stations. Ted Rowlands left them in no doubt that the whole negotiating process would be seriously prejudiced if they set up another station. The Argentines maintained they could not give up their right in principle to have other stations but said they were not planning any for the time being and would talk to us beforehand. On the strength of this assurance Ted Rowlands dropped the restrictive clause judging that, otherwise, we would not have got an agreement at all.
3. Both we and the Argentines also tabled outline papers on co-administration of the Dependencies' maritime zones. The Argentines saw no problems in our ideas over the mechanics as far as fishing was concerned and agreed on the need for urgent action to deal with third parties. The Argentines agreed that action would be required to declare a 200 mile fishing zone. They suggested this should be done jointly but did not explain how they would reconcile this with their own sovereignty claim and existing zone. But they rejected the idea of a co-administration scheme being under the sovereignty umbrella. Instead, they wanted a transfer of sovereignty over the Dependencies to Argentina as the price for co-administration of a fishery zone; and they wanted to exclude the continental shelf. We told them firmly that none of this was on. We left it that all these ideas would be looked at at later meetings.



4. There was no substantive discussion on sovereignty. The Argentines repeated their position of principle on familiar lines and tried to draw us out on the sovereignty changes we had in mind in the Working Paper. Ted Rowlands gave Captain Allara in the New York talks in December 1977. We rejected the idea that the aim of the negotiations was simply to transfer sovereignty to Argentina and stressed that there could be no consideration of fresh sovereignty arrangements in favour of Argentina in the Dependencies without Argentine acceptance that sovereignty rights in respect of the Falkland Islanders should continue to rest with Britain.
5. Consultation with Island Councillors. Here there has been a set-back. Ted Rowlands met a delegation of Island Councillors in Rio on 7 January, and briefed them fully on the Geneva talks. The meeting went well and the delegation raised no objections to the Southern Thule scheme. But when they reported back to their colleagues in Port Stanley the Falkland Councils as a whole decided they could not accept the scheme at all. Their objections are, firstly, that unless the scheme applies only to Thule we are in effect giving the Argentines some sort of status in the rest of the Dependencies and, secondly, that it represents the beginning of a process of concession to the Argentines, which will lead to the loss of sovereignty over the Falklands. We have tried to put it to Councillors that on both counts their fears are misplaced; in particular we have pointed out that if the agreement only applied to Thule, it would be an invitation to the Argentines to set up stations - with sovereignty implications - elsewhere in the Dependencies. But they have dug their heels in. We have re-assured them that we will not now sign the agreement, although we will not tear it up. Councillors have agreed to maintain confidentiality over their objections, and that they and we should take the line in public that the scheme has been left on the table for further consideration. So we have, so far, prevented this disagreement coming into the open.
6. Future tactics. The Islanders' position is a problem. I am satisfied, however, that, even though we cannot sign an agreement, our own sovereignty position over Thule is still not seriously eroded. I have considered whether Ted Rowlands should go out to the Islands in a further attempt to win Councillors over. But such a Ministerial visit would inevitably attract publicity and speculation and would focus attention on the Falklands when we want to avoid this. We have therefore told Councillors that we shall need to meet the Argentines again soon; /and that
- CONFIDENTIAL



and that we will discuss their reservations about the scheme and report back to them. We have also said we shall try to pursue other issues, notably fishing, with the Argentines in the hope of producing a wider package with economic benefits for them. Councillors have accepted that we should have a further exploratory meeting with the Argentines on this basis.

7. Meanwhile, the Argentines have proposed that the next negotiating round should be at official level in New York from 21-23 March. I concluded we should agree and we have therefore accepted their proposal. To have tried to stall them over the timing of a meeting would only have made more difficulties over issues of substance when a meeting eventually took place. There is no question of any decisions being taken in New York this month; our intention is to pre-empt trouble and continue talking. I therefore propose that we should take the line that, whilst we maintain the agreement we reached in principle in Geneva on the scientific cooperation scheme, we cannot sign it because of Islander opposition; but we will want to go back to the Argentines later on this. Meanwhile we seek assurances from the Argentines that the de facto understanding we reached in Geneva will continue - in particular the understanding that the Argentines will not set up any new stations. We should then urge progress on fishing arrangements on the grounds that this could improve the prospects for the arrangements we both seek over scientific cooperation. We would thus be conducting a holding operation with the Argentines as we are with the Islanders. In neither case is there any guarantee of success but this seems the least hazardous course.

8. Level of diplomatic relations with Argentina. The Argentines withdrew their Ambassador from London in late 1975 and asked, in early 1976, that our Ambassador should leave Buenos Aires. This Argentine action has meant that our relations have been at Charge level ever since. We have taken no steps ourselves to restore Ambassadors. The Argentines have now shifted their ground and have indicated informally that they would like to re-appoint an Ambassador in London and sought our reaction. There are conflicting reports about the human rights situation in Argentina but the Argentines have at least now agreed to receive the Inter-American Human Rights Commission. In these circumstances



circumstances, and given the delicacy of the problem we face over the Falklands, we have told the Argentines we would not object.

9. I ask my colleagues to note the way we intend to handle the further round of talks with the Argentines as outlined above.

10. I am copying this minute to other members of DOP, the Secretary of State for Energy, the Attorney-General and Sir John Hunt.

A handwritten signature in dark ink, appearing to read 'D. Owen', with a long, sweeping horizontal stroke extending to the right.

(DAVID OWEN)

Foreign and Commonwealth Office

13 March 1979

AW. 011/

NH
RS

C O N F I D E N T I A L

CWG013 28/1255 11800887

FOR CWG

PRIORITY/PRIORITY 272047Z APR

FROM WPS001
TO MODUK HAVY
INFO BUENOS AIRES

C O N F I D E N T I A L

SIC JDA/ACA

FOLLOWING RECEIVED FROM GH. FOR DS5 FOR MOSS.

1. I WOULD BE GRATEFUL IF YOU WILL INFORM URC, IN CONFIRMATION OF THE COWLING/PARKER TELEPHONE CONVERSATION, THAT THE MESSAGE IN YOUR 181250Z APRIL WAS DULY DELIVERED AND WELL RECEIVED BY THOSE TO WHOM I HAVE BEEN ABLE TO SPEAK.

2. AS EXPECTED, ONE CYCROW (WALLAGE) WAS SLIGHTLY RAISED AT THE REFERENCE TO THE CONDUCT OF FUTURE SCIENTIFIC ACTIVITIES QUOTE IN THE SPIRIT OF THE DRAFT AGREEMENT UNQUOTE. I COUNTERED THIS BY SUGGESTING THAT THIS SEEMED ONLY TO MEAN THAT THE PRESENCE OF THE THULE BASE COULD NOT BE ADDUCED AS A CLAIM TO SOVEREIGNTY AND THAT THERE WOULD BE AN EXCHANGE OF SCIENTIFIC INFORMATION. THIS SEEMED TO BE SATISFACTORILY ACCEPTED.

3. IN VIEW OF THE VALEDICTORY TONE OF THE LAST PART OF THE MESSAGE,

PAGE 2 RSDMCR 5013 C O N F I D E N T I A L

SOME COUNCILLORS INTENDED TO WRITE DIRECTLY TO TED ROWLANDS AT HIS HOME ADDRESS EXPRESSING THEIR GOOD WISHES AND GRATITUDE.

BT

DISTRIBUTION JDA

N
CWG 14 DS 5 ACTION (CYR 14 RUS Clerk)



BRITISH EMBASSY,
BUENOS AIRES.

20 April 1979

George Hall Esq CMG
FCO

Dear George,

FAULKLAND ISLANDS

1. Yesterday the Foreign Minister gave a farewell lunch for the Italian Ambassador. I had a word with him afterwards.
2. Pastor said that the Argentines were disappointed that we had not been able to conclude the draft Agreement on scientific cooperation in the Dependencies. Such an Agreement would have allowed him to meet the criticism he faced. One form which the criticism now took was that during recent years the Argentines had spent a great deal of money on the communications agreements and had gained nothing in return. He did not himself agree with this point of view and was anxious to proceed with the construction of the YPF jetty although its estimated cost had trebled. He did not, however, say when the Air Force would be ready with their revised estimate for it.
3. He added that he would probably be letting us have some comments on the New York round soon.
4. As for nominating an Ambassador, I gather from senior people in the Foreign Ministry that they are still awaiting a decision from the President. The Argentines may perhaps wait to see what happens in our elections before deciding what to do.

Yours ever

Hugh Cross

Hugh. 1) Mr Cowling
2) Mr Carter

copy to

H E
Mr J R W Parker, CMG OBE
Governor
Falkland Islands

3) Mr Mac OR

25/IV

Mr Hall

PS/Mr Rowlands

FALKLAND ISLANDS TALKS: NEW YORK, 21-23 MARCH: MINISTERIAL
MESSAGE TO COUNCILLORS

A 1. Mr Rowlands' last message to Island Councillors promised a further message reporting on the New York round. I now submit a draft message (which, unless things take a turn for the worse, we should be able to pass telegraphically to Port Stanley using Ministry of Defence channels).

2. We also have in hand the drafting of a minute for the Secretary of State to send to DOP colleagues (although I realise that given present circumstances this might have to issue on the Private Secretary net.) In drafting this, we shall need to take into account Councillors' reaction to the Ministerial message - and indeed any reaction there may be from the Argentine Government to the somewhat difficult session in New York.

J B Ure

J B Ure
South America Department

4 April, 1979

Copy to:
Private Secretary

CONFIDENTIAL

CONFIDENTIAL

TO IMMEDIATE PORT STANLEY

TEL U/N OF 20 APRIL AND SAVING TO BUENOS AIRES

FAKLAND ISLANDS NEGOTIATIONS

1. Please pass following message to the Island Councillors from the Minister of State

BEGINS

In my message of 13 March, I undertook to let you know what happened at the talks in New York from 21-23 March attended by George Hall, the Under Secretary who supervises Falklands matters, and Sr Oliveri Lopez, the Head of the Antarctic and Falklands Department in the Argentine Foreign Ministry.

George Hall has given me a detailed account of the talks. I did not expect this round between officials to produce a great deal at this time and so it turned out. The talks were low-key and no progress was made on any of the issues of substance.

On the Scientific Co-operation Agreement, we had to tell the Argentines frankly of your feelings and our consequent inability to sign. This came as a severe disappointment to them as they were ready to do so. They refused to consider any changes to the text but did agree to leave the document lying on the table and to conduct any future scientific activities in the spirit of the draft. They also repeated the assurances that Allara gave me in Geneva that no further stations in the Dependencies were intended - "there would be no repetition of South Thule."

This exchange put something of a damper on the talks as a whole and although there were lengthy exchanges on fisheries co-operation, we did not get any further forward. The Argentines continued to insist that any agreement should include not only maritime areas but should be extended also to the land area of the Dependencies and affect sovereignty. We again rejected this and argued that any co-operation scheme must be under the sovereignty umbrella.

On sovereignty, there were lengthy but inconclusive exchanges. The Argentines once again insisted that any final solution must include concessions on sovereignty over the Falkland islands in their favour whilst we repeated to them that we flatly rejected any assumption

/that this

CONFIDENTIAL

that this must be so. We told them that the best solution would be for them to give up their claim, that the people of the Islands should continue to have the right to choose that sovereign rights over them should lie with Britain and that their institutions, laws, and way of life should develop in this framework. Nevertheless we continued to be willing to negotiate in accordance with the terms of reference, particularly in order to find ways to develop the resources of the area for the benefit of those who live there.

There was no decision on a further meeting and both sides will have to consider carefully the next step.

Meanwhile, you will have heard that we will be having a General Election on 3 May. I want you to know how much I have valued the confidence you have placed in me. I have fought hard for your best interests in these last few years, and you may be sure that whatever the future may hold for me I shall not lose my interest in and concern for your affairs. Nor shall I forget the comradeship and hospitality I encountered among you.

Good luck to you all.

Ted Rowlands

ENDS

2. Grateful for early report on Councillors' reactions to the message.

OWEN

F I L E S

S A M D

MAED

ES & SD

LEGAL ADVISERS

PS

PS/MR ROWLANDS

MR A PARSONS

MR HALL

MISS BROWN

Aw 04/25/1

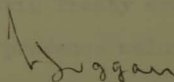
-1 MAY 1979

gal
Mr Cornish, Planning Staff

PAPERS FOR INCOMING MINISTERS: FAIKLAND ISLANDS

1. As required by your minute of 25 April, I have amended, re-cast and shortened the department's paper on the Falkland Islands. 20 copies are attached.

2. With the deletion of sentences as proposed in your paragraph 2, I see no objection to the paper now being classified "Confidential".



G A Duggan
South America Department

26 April, 1979

1. The Falkland Islands are small, extremely remote, have a dwindling population (now 1,850) and limited economic prospects. The Falkland Islands Company dominates the economy, especially the wool trade, which is dependant on world prices. Surveys - still being evaluated - have yet to show any off-shore oil. The Falkland Islands Government also administers the Dependencies of South Georgia and the South Sandwich Islands which lie just outside the Antarctic Treaty area and are uninhabited but with the British presence maintained by a British Antarctic Survey research station.
2. Argentina claims sovereignty over the Falkland Islands, the Dependencies and the waters and continental shelf of both. If Argentina were to resort to force, the garrison of 40 Royal Marines in Port Stanley would not be able to prevent a landing in the Dependencies or on some of the Islands: to dislodge them would require a major amphibious operation, diverting very substantial resources from NATO commitments.
3. The Argentine claim is unsound but overshadows our relations with Argentina, affecting our trade and our interests in Antarctica and causing difficulties at the United Nations, where Argentina has the support of other South American countries. The Islands rely on Argentina for communications and supplies, especially of fuel. A solution would be in our and Islander interests, would make possible the development of any economic resources in the area, in which we might have a share (e.g. oil and fish) and would bring relief to contingency defence commitments.

4. For the past two years, HMG has been conducting negotiations with the Argentine Government without prejudice to the sovereignty position of either, to explore possible solutions to the sovereignty dispute and to establish economic co-operation which could benefit all. The Islanders, who have consistently declared their wish to remain British, have been informed and consulted. With Argentine agreement they have been invited to participate but have so far not wished to do so. Successive British Governments have undertaken to bring no solution to Parliament which did not have the support of the Islanders.

5. The Argentines insist on sovereignty but are prepared to provide safeguards for the Islanders' way of life. HMG have insisted that sovereign rights over the Islanders must continue to rest with HMG as long as the Islanders so wish, but that, if this is absolutely safeguarded, new sovereignty arrangements in the Dependencies in favour of Argentina could be contemplated. Both sides agree that if the sovereignty issue can be resolved, there could be co-administration of the economic resources. Discussions about joint regulation of fishing in the area continue in spite of disagreement on the sovereignty implications.

6. An agreement to place Argentine scientific activities on an island in the Dependencies (Southern Thule) under the "sovereignty umbrella" is in suspense because the Islanders have not agreed to its signature.

7. No commitment has been made about the timing or level of further talks. We must expect the Argentine Government to press for an early Ministerial meeting when the new Government is installed. As long as negotiations continue and move in a direction they consider positive, they are unlikely to force the pace too much. Otherwise they might take action, possibly

/cutting-off ...

cutting-off the air service and fuel supplies, intercepting fishing vessels in waters we claim, further activities (scientific or otherwise) in the Dependencies and discrimination against British trading or other interests in Argentina. They would also return the question to the United Nations.

South America Department
Foreign & Commonwealth Office
26 April, 1979

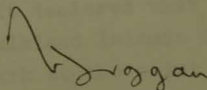
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AW 040/345/1		
RECEIVED 13 APR 1979		
3 APR 1979		
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Mr Wyatt, MAED

IMCO: POLITICAL BRIEF

1. Your minute of 11 April, copied to Mr Sindall (whom I have succeeded).
2. I attach a redraft of paragraph 19 covering the pilotage dispute between Argentina and the Falkland Islands.
3. We have no other specific amendments to suggest at this stage; but note that a new Conservative Government might take a different line on Chile (para 18) and suggest that, if timing permits, we take another look at this section following the Election.



G A Duggan
South America Department

26 April, 1979

Registry
No.

DRAFT

Type 1 +

SECURITY CLASSIFICATION

Top Secret,
Secret,
Confidential,
Restricted,
Unclassified.

To:-

From

Telephone No. Ext.

Department

PRIVACY MARKING

In Confidence

ARGENTINA AND THE FALKLAND ISLANDS - PILOTAGE DISPUTE

BACKGROUND

There has been for some time a dispute between the Falkland Islands Government and the Argentine authorities over pilotage. The Argentine Government issued a Presidential decree on pilotage services in Argentina on 12 September 1978. It declared that all ships arriving at any port of the Falkland Islands from any port in Argentina should embark at the point of origin an official Argentine pilot for entry and departure operations.

The Argentines made a similar attempt in 1975 to introduce obligatory pilotage in the Falkland Islands. We did not protest and, in practice, difficulties were avoided by informal arrangements whereby Argentine pilots did not attempt to carry out their functions on ships entering and leaving Port Stanley. The new regulations appear to be an attempt by the Argentine Government to further their sovereignty claims by having Argentine pilots perform shipping functions in Falkland Island waters. The British Government have protested.

The Falkland Islands' Government does not insist on pilotage for vessels approaching Stanley but Masters of vessels not taking advantage of their pilotage services are required to bear full responsibility for injury, loss or damage.

CONFIDENTIAL

/Line to take
Dd 0532000 800M 3/78 HMSO Bracknell

Line to take

If the matter is raised, the UK delegation should take the line that pilotage within the territorial waters of the Falkland Islands is the responsibility of the Falkland Islands' Government. It is therefore unacceptable to the British Government that the Argentine authorities should have purported to place this pilotage requirement on vessels calling at the Falkland Islands.

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Mr Ure (South American Dept)

PAPERS FOR INCOMING MINISTERS: FALKLAND ISLANDS

At their meeting today the PUS and DUSs had the following comments on your paper. I should be grateful for 20 copies of a revised version by 5 pm on Thursday, 26 April - I am circulating separately a sample sheet for the format.

- The paper should be recast and shortened, eg omitting the second sentence of paragraph 1, dropping the passage: "To deter.. the Islands" and adding "To dislodge them would require..."
- It would be useful to explain the distinction between the Islands and the Dependencies, and to mention the Falkland Islands Company.
- Lease-back should not be mentioned in the paper.
- Add "The" at the beginning of paragraph 7.
- Presumably the paper could then be classified "Confidential" - this would be desirable.

J E Cornish

J E Cornish
Planning Staff

25 April 1979

Separate minute

26/4

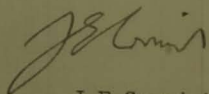
110

Heads of EID(I)
 EID(E)
 SED
 Defence Dept
 EESD
 ACDD
 CSCE Unit
 SAD
 ESSD
 TRED
 FRD
 MAED
 MED
 Rhodesia Dept
 S Af D
 M&CD
 WIAD
 ROID
 NAD
 WED
 CCD
 SPD
 CCD
 UND
 S Am D ✓
 HK&GD
 News Dept
 OID
 MVD
 IPD
 CRD
 NTD
 PPD
 Deputy Chief Clerk
 NENAD

PAPERS FOR AN INCOMING GOVERNMENT

DUSs are now working through the draft papers submitted last week. Planning Staff will be contacting departments individually about suggested amendments (if any).

2. Revised briefs should be submitted, in 20 copies, by lunch-time on Thursday 26 April (for final discussion by DUSs on Monday 30 April). Papers should follow the attached format. They need bear no classification: Planning Staff will arrange for their final reproduction on DRC paper.



J E Cornish
Planning Staff

24 April 1979

cc: Under Secretaries (for information)
Economists Dept

Paper No

Title

Briefs to be typed on one side of the paper only, in double spacing, and with numbered paragraphs.

Classification is not required, as Planning Staff will arrange for final reproduction on DRC paper.

Department

Foreign & Commonwealth Office

Date

AW 040/325/1	
REC'D 24 APR 1979	
INDEX	FILE
+ to CHO.	

Mr Hall

PAPERS FOR INCOMING MINISTERS: FALKLAND ISLANDS

1. As required by the Private Secretary to the PUS in his minute of 6 April, I submit a short draft position paper on the Falkland Islands. This is required by the Planning Staff, in final form before close of play on 18 April.

Bure

J B Ure
South America Department

10 April, 1979

→ Sir A. Parsons

I have recast and amended the paper and agreed the revised version with Mr. Ure.

J Hall 12/11

I sent this on to Planning Staff to meet the deadline, and attach a copy. T. Bure 17/4.

AB 18/4

PAPER NO:

FAULKLAND ISLANDS

1. The Falkland Islands are small, extremely remote, have a dwindling population (now 1,850) and limited economic prospects. Surveys - still being evaluated - have yet to show any off-shore oil. The surrounding seas are rich in fish and this is not exploitable while the sovereignty over the waters remains in dispute, and even if it were it is questionable how much it would contribute to the economy of the islands. We maintain a garrison of 40 Royal Marines roulement taking place through Uruguay. It would be impossible to prevent an Argentine landing on the Dependencies or some of the Islands. To deter such a landing would require a balanced task force of two destroyers/ frigates and a nuclear submarine with RFA support. We could not prevent a determined Argentine assault to evict the garrison and would be faced with the task of recapturing the Islands. This would require a major amphibious operation diverting very substantial resources from their NATO commitments.
2. Argentina claims sovereignty over the Falkland Islands, the uninhabited Dependencies and the waters and continental shelf of both. Their claim is unsound but it over-shadows our relations with them and is supported by other South American countries and at the United Nations.
3. HMG has been conducting negotiations with the Argentine Government over the past two years to explore possible solutions to the sovereignty dispute, and to establish economic cooperation which could benefit the islanders and the UK. These talks have
/been ...

been without prejudice to the sovereignty position of either government. The islanders have been informed and consulted. With Argentine agreement they have been invited to participate but have so far not wished to do so. Successive British Governments have undertaken to bring no solution to Parliament which did not have the support of the Islanders.

4. The Argentines have insisted that they must have sovereignty but are prepared to provide safeguards for the Islanders' way of life. HMG have insisted that sovereign rights over the Islanders must continue to rest with HMG as long as the Islanders so wish, but that if this is absolutely safeguarded, new sovereignty arrangements in the Dependencies in favour of Argentina could be contemplated. Both sides agree that if the sovereignty issue can be resolved, there could be co-administration of the economic resources. Each is aware that one, and perhaps the only, way to resolve the sovereignty issue could be a nominal transfer of sovereignty over the Falkland Islands to Argentina and a lease-back to the UK, but this has not been mentioned and might not be acceptable.

5. Discussions about joint regulation of fishing in the area continue in spite of disagreement on the sovereignty implications.

6. An agreement to place Argentine scientific activities in the Dependencies (Southern Thule) under the "sovereignty umbrella" is in suspense because the Islanders have not agreed to its signature.

7. British interest is to remove this dispute as a barrier to good relations with Argentina, which are important to our trade and to our interests in Antarctica, and to do so without deserting

/the ...

the Islanders, who have consistently declared their will to remain British, and without sacrificing the possibility of sharing in such economic resources as there may be in the area. A solution would bring relief to contingency defence commitments.

8. No commitment has been made about the timing or level of further talks. We must expect the Argentine Government to press for an early Ministerial meeting when the new Government is installed. As long as negotiations continue and move in a direction they consider positive, they are unlikely to force the pace too much. Otherwise they might take action. This could include cutting-off the air service and fuel supplies they at present provide to the Islanders, the interception of fishing vessels in putative British waters in the area, further activities (scientific or otherwise) in the Dependencies and discrimination against British trading or other interests in Argentina. They would also return the question to the United Nations.

ALW 04-125/1

agree: there is no parallel with Belize which enjoys much lower commonwealth sympathy. p 30-31

Mr Cowling

Mr Duggan

FALKLAND ISLANDS: COMMONWEALTH HEADS OF GOVERNMENT MEETING

1. The Falkland Islands was not put on the agenda for the last CHGM and although we provided "if raised" briefing for the meeting, there was in the event no discussion on the subject.
2. The Commonwealth has in the past shown little interest in the Falkland Islands problem, and I would not have thought it was in our interest to awaken their curiosity.



C W Osborne
South America Department

30 March 1979

Thank you. pl be prepared to provide defensive briefing again (as per your para 12). 2. you may well be right on para 2 but it could be true also that few CW members would find much to sympathize with in Argentina's attitude

31
30
30
3

Mr Cowling 30
Mr Osborne 30/31

The majority
is not
for pro-Argentine
conclusions
on the Falklands.

CHD
Consular Department
Defence Department
EAL
Economists Department
EID (E)
HKGD
MCD
NAD
News Department
SAD
SAMD
SEAD
WAD

With enclosure

cc: Mr Stratton
Sir A Duff
PS/PUS

Mr Coulter
Mr Macdonald
Mr Davies

*Am I right in thinking
that we do not get
involved & that
Falkland is not a
CHGM issue?*

CAFD
FRD
NENAD
PCD
Rhodesia Department
SAFD
SED
TRED
WIAD

Without enclosure

COMMONWEALTH HEADS OF GOVERNMENT MEETING: AGENDA

1. I attach (for those departments who have not already received it) a copy of a letter sent by the Commonwealth Secretary-General, Mr Ramphal, to the Prime Minister and, we assume, to the Heads of all other Commonwealth Governments, giving his suggestions for agenda items for the CHGM in Lusaka, 1-8 August, and asking for ours by the end of April. No. 10 have asked for a draft reply by 13 April.
2. An interdepartmental Officials' Working Party is being set up by the Cabinet Office to coordinate preparations for the 1979 CHGM. Its first meeting will probably be on Thursday 5 April, at which it will consider a draft reply to Mr Ramphal, which COD will prepare.
3. To assist us in preparing this would departments please let me have any points they would wish to be included in the reply to Mr Ramphal. I would be glad to have these comments by close of day on Friday 30 March.
4. Apart from the items suggested by Mr Ramphal, we may expect a number of other topics to be put forward by other governments. One obvious one is sporting contacts with South Africa.
5. We are treating Mr Ramphal's letter as CONFIDENTIAL, not SECRET.

J R Paterson

Commonwealth Coordination Department

28 March 1979

UK - CONFIDENTIAL

~~SECRET~~

C 152/10

22 March 1979

Arrangements are well in hand for the Commonwealth Heads of Government Meeting in Lusaka which, as I informed you in my message of 11 January, will be held from 1 to 8 August this year. I am now writing to seek your views on the subjects which you would like to see discussed at the Meeting and to submit for consideration some preliminary ideas.

The consultations I have had with Heads of Government so far and the views of others as reflected at the Senior Officials Meeting in Kuala Lumpur indicate that the Agenda should retain its customary pattern of a combination of global political and economic issues and specific topics, including Commonwealth functional co-operation.

In the two years since Commonwealth Heads of Government last met in London we have witnessed changes in the political field of worldwide significance and the initiation of other processes not yet complete. Perhaps by the time of the Meeting it will be possible to record a satisfactory outcome in certain of these areas. If the political scene has shown signs of change the same can hardly be claimed of the world economic scene. Despite the multitude of meetings that have taken place in a variety of international forums and at different levels since the middle of 1977 it is not possible to record much progress in the vital task of improving the lot of the world's poor.

In considering those matters of particular concern to the Commonwealth, Heads of Government will undoubtedly wish to do so in the wider context of their global setting. The

developments that have occurred in South East Asia and the greater activity and new orientation of China in its external relations will be of interest not only to Commonwealth members in Asia and the Pacific but more generally. Similarly the efforts that have been made and are still being made to bring peace to the Middle East, although not directly involving any Commonwealth member, are of significance for the world at large. The reverberations of the change of regime in Iran have not only a political but also an economic impact of considerable significance.

On subjects of special Commonwealth interest developments in Southern Africa will inevitably and rightly occupy a high place in the Agenda. Lusaka will be the first occasion on which Commonwealth Heads of Government have held one of their regular Meetings on the continent of Africa and Zambia has been one of the leaders in the liberation struggle. As I write there are so many uncertainties and imponderables that no-one can forecast what the situation in either Zimbabwe or Namibia will be by the time the Meeting takes place. We can be certain, however, that whatever developments may ensue there will surely be both scope and need for continuing Commonwealth concern with and assistance in the area.

The Meeting will also provide an opportunity to review developments in Cyprus and the work of the Ministerial Committee on Belize established at the London Meeting.

In the economic sphere, Heads of Government will wish, as is customary, to review the world economic situation and prospects in the light of the continuing dialogue on restructuring international economic relations. The MTNs, the Common Fund Negotiating Conference and UNCTAD V would have ended and their outcome would undoubtedly be major points of reference for the discussions in Lusaka. Of interest to many will also be the progress made in the negotiation of a new Lome Convention. The Meeting will provide an opportunity to evaluate developments and to consider how the Commonwealth, building on recent achievements, can make a purposeful contribution to progress in important areas of the "North/South" dialogue. The Commonwealth has, for example, an important stake in international commodity trade and with the Common Fund negotiations hopefully concluded, there may be interest in other aspects of commodity trade and production - progress in the establishment of International Commodity Agreements and the expansion of processing in the raw material producing countries.

In the area of international finance, the restrictive conditionality measures of the IMF have posed major constraints on the use of IMF resources by many Commonwealth countries which have found themselves in serious balance of payments

~~SECRET~~

UK CONFIDENTIAL

difficulties. I wonder whether you would see value in a frank discussion of this issue?

In the specifically Commonwealth field, we have just witnessed a very successful Ministerial Meeting on Industrial Cooperation. Ministers saw immense value in launching an action-oriented Commonwealth programme designed to accelerate industrialisation and agreed that an Industrial Development Unit with catalytic functions should be established within the Secretariat for this purpose. They also requested me to establish a Working Group to investigate further all relevant issues related to the creation of a Commonwealth Venture/Capital Company or alternative arrangements to meet identified needs for equity capital. In the light of their discussions at Kingston and London, Heads of Government will, I am sure, wish to consider arrangements to put these decisions into effect, including the provisions of the additional resources identified as being needed over a three-year period for the Industrial Development Unit.

Another area in which the Commonwealth may be able to make a contribution relates to the special problems faced by very small states. As you will probably be aware, a meeting of Commonwealth officials to consider this subject is to be held in London in the second half of April and the results of that meeting will be submitted for consideration by Heads of Government in Lusaka. It is my hope that through practical measures of assistance we can find ways of responding to the particular problems of our smallest member countries.

The Commonwealth Fund for Technical Cooperation continues to be the prime agency for functional cooperation within the Commonwealth. It is at the heart of an ever-widening range of joint Commonwealth assistance programmes and also provides an instrument for corporate action at the direction of Commonwealth leadership as a whole - such as the Commonwealth programmes of assistance in Southern Africa. Such practical manifestations of the Commonwealth's solidarity on major global issues, and its capacity to contribute in a meaningful way to the development efforts of its member countries, has been of immense and enlarging value. It is my hope that Heads of Government will wish to consider the measures necessary to strengthen this unique instrument for mutually beneficial cooperation.

The Commonwealth Youth Programme is another manifestation of such cooperative effort. Given the importance which Heads of Government have attached to work in the youth field, it would be helpful to have a discussion on the objectives and resources of the Programme in the light of its present financial constraints.

~~SECRET~~

UK CONFIDENTIAL

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In London in June 1977, in closed session, Heads of Government discussed the style and format of their future meetings with a view to enhancing their informality and purposefulness. A number of suggestions were made, and I was asked to pursue the matter further and put forward recommendations. Following my discussion of this issue with Commonwealth Senior Officials at Kuala Lumpur, I am in the process of consulting as many Heads of Government as I can and will submit specific proposals for your consideration nearer the time of the Meeting. It is already clear, however, that there is a general wish for more restricted sessions than in the past, and in formulating your thoughts on the Agenda you might perhaps wish to bear this in mind for the opportunities it will present.

I am aiming to prepare and circulate an annotated draft agenda for your consideration by the end of May and I should therefore welcome replies by the end of April.

With deep respect,

Shridath S. Rana

~~SECRET~~

UK CONFIDENTIAL

CDD
 External Department
 External Department
 CDD
 Economics Department
 TD (E)
 HKGD
 MGD
 NAD
 News Department
 SAD
 SAND
 SEAD
 WAD

cc: Mr Stratton
 Sir A Duff
 PS/PDS

With enclosure

See Security Separate copy
See Macdonald 1979
No South American issue to raise in this forum, Sir Duff

Am I right in thinking

that we do not get involved & that

Without enclosure

Falkland is not a
 CHGM issue?

CAFD
 FRD
 WENAD
 PCD
 Rhodesia Department
 SAID
 SED
 TRED
 WILD

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 Commonwealth Coordination Department

25 March 1979

CONFIDENTIAL

UK - CONFIDENTIAL

~~SECRET~~

C 152/10

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UK CONFIDENTIAL

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With deep respect,

Shridath S. Ranaivosoa

⁴
~~SECRET~~

UK CONFIDENTIAL