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FILE No. ALW 040/325/1 **(Part** C. 79-141 **)**

TITLE: UK/ARGENTINA DISPUTE OVER THE FALKLANDS - POLICY.

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TITLE: UK / Argentina Dispute over the Falklands — POLICY

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FILE No. ALW 040/325/1 PART C 78

FILE NUMBER: AL W 040/325/1

TITLE: UK/ARGENTINA DISPUTE OVER THE FALKLANDS - POLICY (C)

YEAR	FOLIO	DATE	ORIGINATOR/RECIPIENT	CONTENT
1979	80	17 August	Ure to Hall	Where is the Argentine Note - Flag E[2]
	W80	30 August	Wall to Duggan	Caution on lease-back
	125	15 November	Buenos Aires, Carless to Harding	Argentine Navy's attitude
	130	6 December	Duggan Minute to Fearn/Harding	Paper on shared sovereignty

from Roy Grønneberg Island Governments

Main provisions of Home Rule Law, 28th December 1951

Matters reserved to Åland included:–

- Internal matters, such as local administration, the police force, building control and physical planning, fire control and electrical installations;
- Financial matters, such as the budgetting and long-term financial planning of the Province of Åland, the property of the Province, and the taxes and charges of the Province;
- Social and Health services. Nursing and veterinary services;
- Culture and Education, such as tuition, art, literature, science sport and youth activities, free training, libraries and museums and care of ancient monuments;
- Industries, such as support for the promotion of industries, questions of employment and the labour market, manufacturing, farming, forestry, fishing, tourism and nature and environmental conservation;
- Roads and traffic, such as the building of roads and bridges, road traffic and motor vehicles, and local navigation;

Finland retains the following major branches of administration and jurisprudence:–

- The Constitutional legislation of Åland;
- Foreign affairs;
- Defence;
- General penal legislation and law administration;
- Family, guardianship and inheritance law, and civil law;

The Åland "Parliament" (Landsting) consists of 30 members, elected for a four year term. The Landsting is led by a body consisting of a Speaker and two Vice-Speakers. Matters are drafted by one of four special committees (the Standing Committee on Laws; the Judiciary and Economic Committee; the Culture Committee; and the Finance Committee) and then submitted to the Landsting for final consideration. Legislative matters are also dealt with in the Standing Committee on Miscellaneous Affairs.

The Åland "Government" (Landskapstyrelse) consists of the Governor (Lantråd) is Chairman and six members chosen by the Landsting for a two-year period. The members of the Landskapstyrelse, like the Lantråd, must resign if they lose the confidence of the Landsting.

The Government of Finland is represented in Åland by the

"County Governor" (Landshövding) who is appointed by the President of Finland after agreement with the Speaker of the Landsting. The Landshövding is the head of the "County Government Board" (Länsstyrelse), which together with the central authorities of the Government of Finland, deals with business with Åland belonging to the general administration of Finland. The main part of this business is of a judicial nature.

Laws passed by the Landsting are called Provincial Laws to distinquish them from laws passed by the Finnish Parliament, and must be submitted to the Finnish President before being made effective. There are only two grounds on which the President may veto legislation – firstly, that the law concerns a matter which falls outwith the legislative competence of the Landsting, or secondly, that the law may endanger the internal or external security of the state.

Åland is financed through a special system of payments and counterpayments which involve the state collecting all direct and indirect taxes in Åland on the same scale as elsewhere in Finland, but in return finances Åland through a block grant, the size of which is fixed by a special body, known as the Åland Delegation. Two members each are appointed by the Province of Åland and the Government of Finland, under the Chairmanship of either the County Governor or another person appointed by the President of Finland in consultation with the Speaker of the Landsting. In addition, the Langsting may collect various small taxes peculiar to Åland.

The Åland Islands are entitled to appoint one member of the Finnish delegation to the Nordic Council, enabling this small island community to play its part in inter-Scandinavian affairs.

Åland's flag, consisting of a yellow-edged red cross on a blue ground, is a variation of the Swedish flag, and was granted during a Presidential visit in 1955.

from Ron Grønneberg Island Governments

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The Government of Finland is represented in Åland by the

ADMINISTRATION IN CONFIDENCE

AZW 040/325/1
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11 JAN 1980
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INDEX | PA | Action Taken

Heads of: Southern European Dept)
South American Dept)
Mexico & Caribbean Dept)
Hong Kong & General Dept)

Separate copies

LAST PAPER

SELECT COMMITTEE ON FOREIGN AFFAIRS

1. Since the Chief Clerk's circular of 21 December we have received a letter of 20 December from the Clerk to the Committee, copy of which I attach. The first part of the letter need not concern you, and you need not for the moment take the second part too seriously. The Committee have several times changed their minds about what they want to look at, and Sir Anthony Royle has told us that in fact Hong Kong is not one of the subjects to be investigated. It will be necessary to obtain a clear view from the Committee at the first meeting on 16 January about the specific subjects they wish to tackle. Meanwhile, it may be helpful to you to have the Clerk's letter as a guide.

2. I should be grateful if departments would kindly let me know about the possible problems of timing mentioned on page 2 of the Clerk's letter.

L C W Figg

31 December 1979

cc: Lord N Gordon Lennox
Mr Thompson

COMMITTEE OFFICE
HOUSE OF COMMONS
LONDON SW1A 0AA
01-219 3278 (Direct Line)
01-219 3000 (Switchboard)

FOREIGN AFFAIRS COMMITTEE

Lord Nicholas Gordon Lennox, CMG, MVO,
Foreign and Commonwealth Office,
S.W.1.

20 December 1979

Dear Gordon Lennox,

Confirming our various discussions yesterday, may I ask for the following memoranda (20 copies please) from the FCO:-

1) by 14th January at the latest a (10 to 15 or so page) paper on the general structure and administration of the FCO, at home and overseas, including reference to particular matters such as expenditure and financial control, allocation of resources (between home and overseas posts, and between post and post), relations with "associated public bodies"* and between the component parts of the FCO which have developed from the Foreign Office, India Office, etc. and ODM, recruitment and training, appointment of ambassadors, personnel specialising in trade matters (including training, any special financial arrangements, etc.), communications, speed of transfer of personnel and specialisation and (perhaps) the effects of recent expenditure cuts.

The Committee wish to hold three (or just possibly more) oral evidence sessions on this, on Wednesdays at 10.45 a.m., starting on 16th January. Sessions will start in public, but could go into private if delicate matters are raised. The Committee will be happy, if Sir Michael Palliser cannot attend, for the Chief Clerk to be the principal witness. Presumably other officials will appear with him as appropriate. There is no need, I think, for any Ministers (Mr. Hurd, for example) to attend at this stage. Please let me know, in due course, the exact names, titles etc. of all who will attend as witnesses on the first days.

2) by late January (and subject to further discussions) a paper on British policy towards Gibraltar, including some history, and relations between the UK and Gibraltar, and the UK and Spain in relation to Gibraltar.

The Committee's plans for oral evidence on the subject of

* I have already requested a full list of these, since they are within the remit of the Committee.

Gibraltar are a little less definite after yesterday's meeting in the Secretary of State's office. We had intended to start evidence sessions on 6th February, and to continue, after Gibraltar, with other overseas territories, such as Hong Kong, the Falklands, Belize, and the Caribbean islands. Could the Chairman perhaps have a letter by 14th January (copy to me) giving the FCO view on any problems of timing etc. for the FCO which public evidence and sessions the issue of Committee reports on these subjects might cause.

I shall be available at Willington Place, Maidstone, Kent, throughout the Recess (telephone number : 0622 - 56039), in case I can amplify this letter in any way, or if you have any other problems.

I look forward to our future collaboration and hope the new Committee will not cause you all too much work! Best wishes for Christmas

Yours Sincerely

John Rose

J. R. Rose
Clerk to the Committee

cc. A. Kershaw Esq. MP
P. Thompson Esq. (PCCU).

AZW 040/325/1
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CONFIDENTIAL

(140)

RECORD OF A MEETING BETWEEN FCO MINISTERS AND MEMBERS OF THE SELECT COMMITTEE ON FOREIGN AFFAIRS

1. This meeting took place on 19 December in the Secretary of State's office. The Lord Privy Seal, Mr Blaker, Mr Ridley, Mr Marten and Mr Luce were present, together with the Chief Clerk and myself. All the MPs on the Committee (list attached) attended, except Mr McNamara and Miss Boothroyd, as did the Clerks to the Committee. What follows is a summary account of the Committee's meeting with the Secretary of State, and the Chief Clerk's and my discussion with Mr Anthony Kershaw, the Chairman of the Committee afterwards.

2. Mr Kershaw confirmed that the Committee would normally meet on Wednesday mornings at 10.45 am. Its first three meetings were planned for 16, 23 and 30 January. At these three meetings, the Committee would wish to look at the organisation, structure and working of the FCO, including its relations with other Government Departments. They would like the FCO to provide a paper for them by 14 January, to consider on 16 January, with the idea that the two subsequent meetings might be devoted to pursuing questions arising from the Committee's consideration of that paper.

3. The Clerk of the Committee would write to me in the near future, attempting to give a more precise idea of what the paper should cover. It was agreed that its length should be about 10 to 15 pages. A number of topics for coverage were suggested by individual members of the Committee: these might include an 'ethnic tree' of the FCO, ie a description of its evolution to absorb the CRO, Colonial Office, ODA, etc; its communications systems; the method of appointing Ambassadors; matters concerning the Estimates; and trade promotion.

/4.

4. Mr Kershaw explained that the main purpose of such a paper, and the discussion arising from it, would be to ensure that the members of his Committee were fully informed about how the FCO was organised and what it did, rather than to pursue an in-depth enquiry into these matters. After its first three meetings, the Committee's broad intention was to turn to the consideration of policy matters, and they had agreed to tackle Gibraltar, British Dependencies in the Caribbean, and possibly Hong Kong, in that order.

5. The Secretary of State told the Committee members that he and his Ministers would cooperate fully with the Committee and give them whatever help they needed. There were, of course, some areas of sensitivity, including security matters, when we might have to ask that some of the evidence given was not published. He might also wish from time to time to suggest to the Chairman of the Committee that the timing of their deliberations on specific subjects ought to be adjusted, if these seemed likely to have an awkward effect on negotiations which his Ministers were currently pursuing on these subjects (he mentioned Gibraltar, Belize and the Falkland Islands as examples). It would be for the Chairman of the Committee to decide how far to tell his Committee members of any approaches which the Secretary of State might make to him in this sense. It would then be up to the Committee to decide what to do.

6. The Committee had hoped that Sir Michael Palliser could attend their first three meetings; but it was pointed out that the dates fell awkwardly for him, as he had commitments to be abroad during virtually the whole of January. Mr Kershaw said that in that case the Committee hoped Sir E Youde would be present, and the Secretary of State confirmed this. In subsequent discussion, Mr Kershaw said he did not think it would be necessary for an FCO Minister to attend any of these meetings.

Lord N Gordon Lennox

21 December 1979

MPs present at Secretary of State's meeting
on 19 December 1979

Mr Anthony Kershaw MC (Chairman)
Mr Christopher Brocklebank-Fowler
Mr Eric Deakins
Mr Anthony Grant
Mr Eldon Griffiths
Mr Frank Hooley
Mr Peter Mills
Sir Anthony Royle KCMG
Mr Nigel Spearing

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Mr Aspin
Miss Brown
Mr Day
Mr Evans
Mr Fergusson
Mr Figg
Mr Hannay
Mr Harding
Mr Mills
Mr JC Moberly
Mr PH Moberly
Mr Murray
Mr Russell
Mr Stratton
Mr PB Thompson

DSR 11

Registry No.

DRAFT LETTER

Type 1 +

SECURITY CLASSIFICATION

Top Secret,
Secret.
~~Confidential.~~
Restricted.
Unclassified.

PRIVACY MARKING

In Confidence

To:- Anthony Kershaw Esq MC
Chairman
Select Committee on Foreign Affairs
House of Commons
LONDON SW1

From
Mr Douglas Hurd

Telephone No. Ext.

Department

Copied to:

J R Rose Esq
Clerk to the
Select Committee
on Foreign
Affairs
Committee Office
House of Commons

PCCU

In Mr Rose's letter of 20 December, a copy of which was passed to you, he asked for a paper to be prepared within the Foreign and Commonwealth Office on certain subjects specified in paragraph 1 of his letter. This paper, together with the 20 copies requested, will be sent to you by ~~14 January~~. The end of the week.

Mr Rose asked us to let you have FCO views on any problems of timing which we envisage, should the Committee wish to take public evidence on certain subjects. We should like to make the following comments.

GIBRALTAR

When the Foreign and Commonwealth Secretary had a meeting with the Spanish Foreign Minister at New York in September, which included discussions on Gibraltar, they agreed that it was in the interest of both countries to try to resolve differences over Gibraltar: they anticipated meeting again before long. There have since been a number of exchanges with the Spanish Government through the diplomatic channel and a further meeting between Ministers in the early part of 1980 is a possibility. In that context public evidence and the issue of Committee reports could pose problems. It is difficult to ascertain the timings of any discussions on Gibraltar with the Spaniards, but it would be helpful if you would be prepared to seek a

moratorium on public evidence and issue of Committee reports should it prove necessary. There is to be a General Election in Gibraltar on 6 February and it would therefore be best to curtail evidence sessions before that date.

BELIZE

The problem here is that by early February the FCO may be starting a fresh round of negotiations with Guatemala to try to resolve the matter of their claim to the territory. The Premier of Belize, Mr George Price, was re-elected in November for a further five years and is about to consider with the FCO how to proceed. It may be possible later this month to provide a clearer programme of action. Should the Committee wish to go ahead with an oral evidence session, it is hoped that Belize could be considered in a private session.

FALKLAND ISLANDS

Here again ~~the FCO are looking for~~ [Overseas ~~Development~~] we are preparing for ~~agreement to~~ a renewal of negotiations with the Argentines on the Falkland Isles, ~~which is~~ These are likely to be lengthy and delicate and ~~it is felt that any~~ evidence concerning them would ~~public hearing could be detrimental to the negotiations~~ need to be given in private session.

[redacted] 006/31

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GRPS 40

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TELE-LETTER

ACLW 040/325/1
RECEIVED IN REGISTRY NO. 18
8 JAN 1980
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John Coriel 7/1/80
I believe you have [redacted] sent a copy.

TO: FCO

CONFIDENTIAL

FILE NO: 040/1 DATE: 31 DECEMBER 1979

FOLLOWING FOR: D G DAVIES ESQ, SAMD

FROM: A R MURRAY, BUENOS AIRES

FALKLAND ISLANDS : EXAMPLES OF SHARES SOVEREIGNTY

1. PLEASE REFER TO ROBIN FEARN'S LETTER ALW 040/325/1 OF 5 DECEMBER TO HUGH CARLESS.

2. I SHOULD BE GRATEFUL IF YOU COULD SEND US A COPY OF THE RESEARCH DEPARTMENT PAPER REFERRED TO IN PARAGRAPH ONE: UNFORTUNATELY THIS WAS NOT ENCLOSED WITH ROBIN FEARN'S LETTER.

(SIGNED) A R MURRAY

CONFIDENTIAL

BNNNN

SENT AT 31/1722Z HR (QRU)
RECD THRU BAFO 006(-5 AT 31/1722Z ~~~~~~~PDG

Reference

I recommended to Mr. Quantrill that our figure should be raised to 6 to take account of support staff, mine spent on Falklands matters by Mr. Fearn & Mr. Duggan etc. PA

Mr Holmes
WIAD (G122/3)

HOUSE OF COMMONS FOREIGN AFFAIRS COMMITTEE: DEPENDENT TERRITORIES

1. I attach a draft section on the dependent territories for inclusion in the FCO's descriptive paper for the House of Commons Foreign Affairs Committee, as requested in the Chief Clerk's circular 'B' 111/79 of 21 December (copy attached for those who have not already seen it). I should be grateful for comments by noon on Monday, 31 December. You may wish to know that the 45 staff in the FCO referred to in the final paragraph are made up as follows:-

HKGD	14½
WIAD	15
M&CD	1
SAm D	4 (including polar Regions)
SED	3
EAD	½
SPD	5
Under-Secretaries and Advisers	2

W. E. Quantrill

W E Quantrill
Hong Kong and General Department
K247 233 4381

27 December 1979

cc
Mr Perceval, M&CD (K362)
Mr Duggan, SAmD (K276B)
Mr Gordon, SED (W70)
Mr Wallace, EAD (K323)
Mr Skinner, SPD (G85A/1)
Mr Watkins, Defence Dept (E320)

CODE 18-77

DSR 11 (Revised)

	DRAFT: ~~Minute/Letter/Telegram/Despatch/Note~~	**TYPE:** Draft/Final 1+
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	DEPARTMENT: TEL. NO:	
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~~Top Secret~~ ~~Secret~~ ~~Confidential~~ ~~Restricted~~ Unclassified		Copies to:
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CAVEAT.....		
Enclosures—flag(s).....		

DRAFT EXTRACT FOR FCO PAPER FOR HOUSE OF COMMONS FOREIGN AFFAIRS COMMITTEE

SUBJECT: DEPENDENT TERRITORIES

1. The Foreign and Commonwealth Secretary (FCS) is responsible to Parliament for the good government of the British dependent overseas territories. In the majority of such territories, responsibility for internal matters has been delegated to local administrations. The FCO advises the FCS on those aspects of government for which responsibility has not been delegated. What this means varies from territory to territory, depending on the stage of constitutional development that has been reached; but in all cases the FCS retains direct responsibility for:

i) advising The Queen on the appointment of Governors;

ii) the conduct of the territories' external relations;

iii) defence.

2. Other matters for which the FCS is responsible in certain territories include:

i) law and order, and internal security;

ii) appointments to specified senior posts in the public service (including legal and judicial posts);

iii) the administration of the public service.

3. The FCO may also be called upon to advise and assist local administrations in carrying out their delegated functions.

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4. The FCO also advise the FCS on general questions of policy towards the dependent territories, including constitutional development and decolonisation.

5. The objectives of the FCO's activity in respect of dependent territories are:

i) to ensure that the territories are administered in the best interest of those who live there;

ii) to ensure that the territories are administered in a way that is compatible with broader British national interests.

6. The FCO liaise with the MOD as appropriate over the defence of the dependent territories (see separate section on FCO relations with the MOD), and with the ODA over development programmes. In the case of dependent territories in the Pacific and in the Caribbean cooperation with the ODA is made easier because the relevant FCO departments are jointly staffed by FCO and ODA officials.

7. Dependent territories' work occupies the time of 45 staff in the FCO. There are also 15 staff in the dependent territories paid for by the British Government, in addition to the substantial numbers of staff paid for by the governments of the territories concerned.

Circular Home 'B' 111/79

Foreign and Commonwealth Office

London SW1A 2AH

21 December 1979

HOUSE OF COMMONS FOREIGN AFFAIRS COMMITTEE

1. The new House of Commons Foreign Affairs Committee have warned us that their first three weekly sessions (in January) will be spent examining the working of the Foreign and Commonwealth Office and the Diplomatic Service abroad. We are required to provide an unclassified descriptive paper for the information of the Committee which must be available to them not later than Monday, 14 January.

2. Attached is an outline of what the paper should cover. Each section should be no more than a page or a page and a half. I should be grateful if the Departments indicated could ensure that draft passages for inclusion, cleared as necessary with other Government Departments affected and with Under-Secretaries, could reach Mr Figg by noon on Friday, 4 January. The various contributions could then be married together and submitted to Ministers the following week.

3. Each section should seek to cover, where appropriate, the objectives of the activity described; how action in this field is coordinated with other Government Departments, and the effort devoted to it at home and abroad.

4. The Committee Clerk has promised a further letter detailing any particular points which the Committee will want covered, but this may not reach us until after Christmas. If it goes beyond this outline, the Departments concerned will be informed.

5. This will be our first contact with the Foreign Affairs Committee, and it will be important to provide the Committee with a well considered and well written paper.

EDWARD YOUDE

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Deputy Under Secretaries
Assistant Under Secretaries

Heads of:	Planning Staff	POD
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	EID(E)	Defence Dept
	TRED	ACDD
	FRD	IPD
	HK&GD	CRD
	Consular Dept	OID
	MVD	COD
	PPD	ASD

FCO DEPARTMENT	SUBJECT	OTHER DEPARTMENTS CONCERNED
Planning Staff	1. The conduct of foreign policy at home and abroad 2. Ministerial responsibilities 3. Political and functional departments of the FCO	
EID(I)&(E)	Conduct of EEC business, including political cooperation	Cabinet Office and others
TRED	1. Trade policy 2. Export promotion 3. North/South 4. Inward Investment	DoT DoT Treasury DoI
FRD	1. Aid policy and administration including FCO's relationship with the ODA 2. International financial business and relationship with Treasury	ODA Treasury
HK&GD	Dependent Territories	ODA
Consular Department	Consular work	Home Office
MVD	Visa and immigration work	Home Office
PPD	Manpower distribution	CSD
POD	Recruitment and appointments	
Training Department	Training	
Defence Department	Relations with Ministry of Defence	MOD
ACDD	Aspects of disarmament	MOD
IPD	Information and relations with BBC	
CRD	1. Bilateral cultural activities 2. Relations with British Council	British Council and ODA
OID	1. Guidance to Posts abroad 2. Relations with COI	COI
COD	FCO communications including use of radio	
ASD	1. Accommodation policy and standards including heads of mission residences 2. Relations with PSA	PSA

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FOBA ØØ4/28

Mr Daynes 2 2
Mr Cooling to see o/r

RR BUENOS AIRES

GRS 1Ø1Ø
CONFIDENTIAL
PERSONAL
TELELETTER
FROM G A DUGGAN, SOUTH AMERICA DEPARTMENT
ALW Ø4Ø/325/1 DATED 27 DECEMBER 1979
FOLLOWING FOR H M CARLESS BUENOS AIRES
GOVERNOR PORT STANLEY (BUENOS AIRES PLEASE PASS)

ALAN040/325/1
RECEIVED 31 DEC 1979
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FALKLAND ISLANDS

1. PENDING DECISIONS ON FALKLANDS POLICY (FCO TELNO 293), WE HAVE BEEN GIVING THOUGHT TO POSSIBLE OPTIONS FOR FUTURE SOVEREIGNTY ARRANGEMENTS FOR THE ISLANDS. WE HAVE RECENTLY SENT YOU A COPY OF OUR RESEARCHES INTO SOME EXAMPLES OF SHARED SOVEREIGNTY (ROBIN FEARN'S LETTER OF 5 DECEMBER). WE HAVE ALSO BEEN LOOKING AT THE LEASE-BACK OPTION AND WHAT IT MIGHT MEAN IN PRACTICE.

2. LEASE-BACK HAS FOR SOME TIME SEEMED THE OPTION WHICH HAD THE BEST CHANCE OF SATISFYING BOTH ARGENTINE AND ISLANDER REQUIREMENTS. BUT IT HAS NEVER BEEN FORMALLY PROPOSED IN THE NEGOTIATIONS AND WE DO NOT KNOW HOW THE ARGENTINES OR THE ISLANDERS WOULD RESPOND. IT REPRESENTS RELATIVELY UNCHARTED TERRITORY. BEFORE CONSIDERING WHETHER OR HOW WE MIGHT PURSUE IT FURTHER, IT WOULD BE INVALUABLE TO HAVE YOUR PERSONAL ADVICE (AND THAT OF THE GOVERNOR), BEFORE YOU LEAVE POST, ON WHAT EXACTLY IT SHOULD CONTAIN BOTH IN A NEGOTIATING SENSE AND IN TERMS OF WHAT WE MIGHT REALISTICALLY HOPE TO ACHIEVE. PARAGRAPHS A TO L BELOW CONTAIN SOME TENTATIVE THOUGHTS WHICH HAVE YET TO BE DISCUSSED OUTSIDE THE DEPARTMENT.

A. PERIOD OF LEASE

AS LONG AS CAN BE NEGOTIATED. MINIMUM PERIODS BETWEEN 3Ø AND 99 YEARS DISCUSSED IN WHITEHALL IN 1977. DIFFICULT TO GO BELOW 3Ø YEARS AND STILL HOPE TO OBTAIN ISLANDER AGREEMENT. THE BEST THE ARGENTINES HAVE YET OFFERED IS 8 YEARS AND THAT WAS IN THE CONTEXT NOT OF LEASE-BACK BUT OF JOINT ADMINISTRATION (ARGENTINE PAPER DATED 13 SEPTEMBER 1977). THEY HAVE, ON SEVERAL OCCASIONS, REJECTED THE NOTION OF A LEASE IN PERPETUITY.

B. FORM AND TERMS

THE AGREEMENT WOULD PROBABLY NEED TO BE ENSHRINED BY A FULL TREATY (SPITZBERGEN PRECEDENT), PERHAPS UNDERWRITTEN BY/ REGISTERED AT THE UNITED NATIONS. INVOLVE VATICAN (OTHER POWERS) AS GUARANTOR? WE SHOULD NOT WANT THE LEASE TO BE UNILATERALLY TERMINABLE BUT TO BE RENT-FREE (WE WOULD NEED HOWEVER TO CONSIDER HOW MUCH WE MIGHT BE PREPARED TO OFFER). A CLAUSE PROVIDING FOR RENEWAL IF BOTH PARTIES CONSENTED (ALTHOUGH NOT LIKELY TO BE ACCEPTED BY THE ARGENTINES) TO BE INCLUDED.

C. NATIONALITY

WE SHOULD WANT THE ISLANDERS TO RETAIN FULL CUKC STATUS DURING THE LEASE. THEY WOULD WANT RIGHT OF ABODE IN UK FOR ALL ISLANDERS, REGARDLESS OF PATRIALITY. ARGENTINES PROPOSED DUAL NATIONALITY DURING PERIOD OF JOINT ADMINSTRATION, FOLLOWED BY FULL ARGENTINE NATIONALITY.

D. SELF-GOVERNMENT

SYSTEM OF INTERNAL SELF-GOVERNMENT AND ELECTION OF COUNCILLORS SHOULD BE PRESERVED IN AS NEAR ITS PRESENT FORM AS POSSIBLE. LOCAL ADMINISTRATION SHOULD CONTINUE WITH THE MINIMUM OF OUTSIDE INTERFERENCE. ARGENTINES SUGGESTED IN 1977 A SYSTEM WHICH WOULD GIVE THEM AN IMMEDIATE 50 PER CENT INVOLVEMENT IN LOCAL GOVERNMENT: THEY ALSO WANTED ARGENTINE CIVIL SERVANTS TO TAKE OVER FROM BRITISH AND THE GOVERNORSHIP TO BE HELD ALTERNATIVELY FOR PERIODS OF TWO YEARS BY THE UK AND ARGENTINA. SUCH CONDITIONS WOULD BE UNACCEPTABLE TO US AND THE ISLANDERS.

E. FOREIGN RELATIONS AND DEFENCE

UK SHOULD RETAIN CONTROL. ARGENTINES MAY WELL RESIST THIS AS HMG CONTROL IS NORMALLY REGARDED AS AN ATTRIBUTE OF SOVEREIGNTY. BUT THE POWER TO MAKE TREATIES CANNOT BE EXERCISED IN ISOLATION FROM THE LEGISLATIVE POWER TO GIVE EFFECT TO THEM. ARGENTINE CONTROL OF FALKLAND FOREIGN AFFAIRS WOULD BE INCOMPATIBLE WITH OUR OBJECTIVE OF FULL UK ADMINISTRATION DURING THE LEASE. PERHAPS SCOPE FOR UK SHARING RESPONSIBILITY WITH ARGENTINA?

F. LEGISLATION

ISLAND AUTHORITIES SHOULD CONTINUE TO HAVE THE EXCLUSIVE POWER TO MAKE LAWS. ARGENTINES PROPOSED IN 1977 THAT ALL NEW LEGISLATION SHOULD HAVE THEIR AGREEMENT AND THAT EXISTING LEGISLATION BE BROUGHT INTO LINE WITH THEIRS: PROBABLY UNACCEPTABLE BUT WOULD IT BE POSSIBLE TO AGREE TO OPERATE IN THIS SPIRIT?

G. OWNERSHIP OF LAND

AT PRESENT NO ALIEN MAY OWN LAND WITHOUT THE CONSENT OF THE GOVERNOR IN COUNCIL. ANY SCOPE FOR MODIFYING THIS TO MEET THE ARGENTINE REQUIREMENT THAT ARGENTINE CITIZENS SHOULD BE ALLOWED TO LIVE, WORK AND OWN PROPERTY ON THE ISLANDS?

H. OFFICIAL LANGUAGE

WE SHOULD WANT IT TO REMAIN ENGLISH, BUT COULD PROBABLY ACCEPT INTRODUCTION OF SPANISH AS A SECOND WORKING LANGUAGE, EVENTUALLY TO BE GIVEN EQUAL STATUS WITH ENGLISH. SOLE OFFICIAL USE OF SPANISH, ONCE PROPOSED BY ARGENTINES, WOULD BE UNACCEPTABLE.

I. FINANCE

FINANCIAL SYSTEM AND ECONOMY SHOULD REMAIN UNDER THE CONTROL OF THE ISLAND AUTHORITIES. WE COULD PERHAPS AGREE TO THE GRADUAL INTRODUCTION OF ARGENTINE CURRENCY ALONGSIDE STERLING, BUT WE COULD NOT ACCEPT ARGENTINE INVOLVEMENT IN E.G. THE ISLANDS' TAXATION SYSTEM. AS A CONDITION OF THE FORMAL CESSION OF SOVEREIGNTY, WE WOULD SEEK ARGENTINE AGREEMENT TO AND INVOLVEMENT IN A JOINT PLAN TO DEVELOP ON- AND OFF-SHORE RESOURCES AND TO PUT NO OBSTACLES IN THE WAY OF AN EXPANDED PRIVATE SECTOR PRESENCE E.G. BANKS.

J. FLAGS

ISLANDERS COULD PROBABLY ACCEPT A FEW TOKEN ARGENTINE FLAGS. ARGENTINES HAVE SAID THEY WANT THEIR FLAG TO FLY WHEREVER A BRITISH FLAG IS FLYING THROUGHOUT THE TRANSITIONAL PERIOD.

K. ELECTORAL RIGHTS

ARGENTINES WILL PRESUMABLY PUSH FOR EXTENSION OF FRANCHISE TO THEIR CITIZENS LIVING ON THE ISLANDS AND, AT THE END OF THE LEASE, AMALGAMATION OF THE ISLANDS INTO ARGENTINA'S ELECTORAL TERRITORY. PROBABLY NEITHER WOULD BE ACCEPTABLE AT THIS STAGE. WE MIGHT SUGGEST SOME MINIMUM RESIDENCE PERIOD E.G. FIVE YEARS.

L. OFF-SHORE ECONOMIC RESOURCES

THE ISLANDS SHOULD HAVE A 200 MILE EEZ. ARGENTINA SHOULD ACKNOWLEDGE THEIR CONTINENTAL SHELF. RESOURCES SHOULD BE USED FOR THE BENEFIT OF THE ISLANDERS. THE UK AND ARGENTINA WOULD NEED TO COME TO AN AGREEMERT ON THE JOINT EXPLOITATION OF FISH AND POSSIBLE HYDROCARBON AND MINERAL DEPOSITS WITHIN THE EEZ.

3. PLEASE PASS A COPY OF THIS TELELETTER AT THE EARLIEST OPPORTUNITY TO THE GOVERNOR AT PORT STANLEY. IT WOULD BE HELPFUL TO HAVE HIS VIEWS ALSO ON LIKELY REACTION IN THE ISLANDS TO ANY FORMAL CESSION OF SOVEREIGNTY TO ARGENTINA WHICH APPEARS TO BE A NECESSARY PRECONDITION TO ANY LEASE-BACK SOLUTION.

SIGNED G A DUGGAN

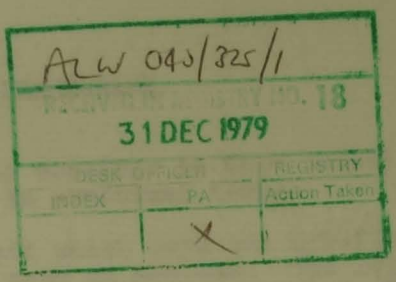
NNNN

SENT AT 28/1615Z GG

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157

Ends



Government House
PORT STANLEY
Falkland Islands

21 December 1979

D G Davies Esq
South America Dept
FCO

Dear Gerald,

FALKLAND ISLANDS: EXAMPLES OF SHARED SOVEREIGNTY

1. Would you please refer to Robin Fearn's letter ALW 040/325/1 of 5 December 1979 to Hugh Carless which was copied to the Governor. Unfortunately the Research Dept paper appears to have been omitted and I should be grateful if you could send a copy.

Yours ever

Michael

M W Growcott

Copy sent R/1

CONFIDENTIAL

AR NAO 10/325/1 SECRET

Reference

136

1 JAN 1980

INDEX

Mr Cowling
Mr Duggan
Mr Fearn

I consider it would be careful before the present incumbents leave post to ask the Governor and Chargé respectively for their comments. The Argentines cannot be bought off with nominal sovereignty without an increased presence on the Islands.

FALKLAND ISLANDS: LEASE-BACK

1. You asked me to consider in more detail what the lease-back option might mean in practical terms.

2. I attach a draft which sets out briefly what I see as the main problems we shall need to address. The list is not exhaustive, indeed the problems are almost endless (eg documents, education, religion, acceptability of professional qualifications etc), but if we were able to achieve agreement on these points we should be well on the way to a solution. We have never formally proposed lease-back to the Argentines, and do not know how they would respond, but it seems likely that the conditions they would apply would be similar to those they proposed in 1977 for an 8 year joint administration (see Annex). Neither do we know in detail how the Islanders would respond to the idea of lease-back; although we can be sure that they will resist any alteration of the status quo which increases Argentine involvement in their daily lives. Even if they could be satisfied on each of the individual problems, there would still remain the difficulty of persuading them to accept prior transfer of sovereignty to Argentina and on expiry of lease eventual handover to Argentine government.

Colin Bright

C C Bright
South America Department

5 December 1979

I have added some points. I think Mr Cowling's suggestion of consulting Messrs Cadbes & Parker a good one.

PA
CCB
11/1

17 Dec

SECRET

CODE 18-77

DSR 11 (Revised)

SECRET

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

DEPARTMENT: TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret
Secret
Confidential
Restricted
Unclassified

Copies to:

Keep on file

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

LEASE-BACK: ESSENTIAL ELEMENTS

1. Period of Lease

It should be for as long as can be negotiated. At various times in 1977, minimum periods of 30, 50, 75 and 99 years were discussed within the FCO. It would be difficult to go much below 30 years and still hope to obtain Islander agreement. The most the Argentines have yet offered is 8 years and that was in the context, not of lease-back, but of joint administration (see Annex). They have, on several occasions, rejected the notion of a lease in perpetuity.

form of agreement - a Treaty? UN registered? internationally underwritten (Vatican?) of Spitzbergen Treaty

2. Terms

It should not be unilaterally terminable. Ideally we should want the lease to be rent-free but would need to consider how much we might be prepared to offer. We might try to include a clause providing for renewal if both parties consented, but that is not likely to be welcomed by the Argentines.

Enclosures—flag(s).....

3. Nationality

The Islanders would want a right of abode in the UK as a possible bolt-hole.

We should want the Islanders to remain CUKCs. The Argentines have proposed dual nationality for the period of joint administration, followed by full Argentine nationality.

/ 4. Self-government

56-ST Dd 0532078 12/78 H+P Ltd Bly

4. Self-government

The present system of internal self-government should be preserved in as near its present form as possible. Local administration should continue with the minimum of outside interference. The Argentines have suggested a system (see Annex) which would give them an immediate 50% involvement in local government; unacceptable to us and the Islanders. They also want Argentine civil servants to take over from British.

5. Foreign relations

The UK should retain control. Argentines may well resist this as such control is normally regarded as an attribute of sovereignty. But the power to make treaties cannot be exercised in isolation from the legislative power to give effect to them. Argentine control of Falkland foreign affairs would give Argentina a say in the Islands' internal affairs incompatible with our objective of full UK administration during the lease.

6. Legislation

Island authorities should continue to have the exclusive power to make laws. The Argentines have proposed that all new legislation should have their agreement and that existing legislation be brought into line with theirs.

7. Ownership of land

At present no alien may own land without the Governor's consent. We should need to consider the scope for modifying this provision to meet the Argentine requirement to allow Argentine citizens to live, work and own property on the Islands.

8. Official Language

We should want it to remain English. The Argentines want gradual development to sole official use of Spanish.

/9. Finance

9. Finance

The financial system and the economy should remain under the control of [the UK and] the Island authorities. We could perhaps agree to the gradual introduction of Argentine currency alongside sterling, but we could not accept Argentine involvement in eg the Islands' taxation system.

10. Flags

We could probably accept a few token Argentine flags. The Argentines want their flag to fly wherever a British flag is flying throughout the transitional period.

11. Electoral rights

The Argentines will presumably push for extension of franchise to their citizens living on the Islands and, at the end of the lease, amalgamation of the Islands into Argentina's electoral territory. Neither would be acceptable at this stage.

12. Maritime ~~taxes~~ zones ~~of~~ share economic resources

The Islands should have a 200 mile EEZ, whose resources should be used for the benefit of the Islanders. The UK and Argentina would need to come to an arrangement on the joint exploitation of a possible hydrocarbon and mineral deposits within the EEZ.

Dd 0532000 400 M 5/78 HMSO Bracknell

ANNEX 1 (N141)

FREE TRANSLATION OF A DOCUMENT PRESENTED BY THE ARGENTINE ~~DELEGATION~~ GOVERNMENT ON ~~7 AUGUST 1968~~ 13 SEPTEMBER 1967

The Argentine Government formulates the following proposal.

1. Establishment of a joint provisional and progressive administrative régime over the Malvinas Islands as a prior step to the time when the Government of the Argentine Republic will asume full constitutional administrative, judicial and legislative functions, responsibility for defence and the conduct of foreign affairs in the Malvinas Islands, at which time the British Government will recognise complete Argentine sovereignty.

2. Joint Administrators will be the President of the Argentine Republic and Her Britannic Majesty.

3. The Joint Administative régime will be for eight years. When it ends the Argentine Government will assume the government of the Islands in the way foreshadowed in paragraph 1.

4. Both during the period of the joint administrative régime and when the Argentine Republic assumes the government of the Islands, guarantees and safeguards of the rights of the Islands' populations will be applied in accordance with the régime to be agreed with the British Government.

5. The Joint Administative régime will have the following terms.

(a) The Argentine and British flags will fly jointly on buildings and on public occasions.

(b) The natives (inhabitants) of the Islands will

/have

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have dual nationality, Argentine and British.

(c) The official languages will be Spanish and English, in which official documents will also be published.

(d) Argentine, British and local currencies will be legal tender in the Islands, and the rate of exchange will be fixed by common agreement.

(e) All new legislation must have the agreement of the Joint Argentine Administrator.

(f) The existing legislation will be modified as regards ~~khexxxegexxds~~ the requirements for residence and work in the Islands in order to allow the establishment of "continental Argentines". At the same time necessary modifications will be introduced so that its citizens can purchase property.

(g) The public offices which are at present occupied by British Civil Servants in the Islands will be progressively occupied by Argentine Civil Servants.

Administration of the Islands

1. The Joint Administrators will alternately appoint the Governor for a period of two years.

2. The Vice Governor and the Secretary will be appointed for two years by the Joint Administrator, who has not been responsible for the appointment of the Governor during this period.

3. Each Joint Administrator will appoint one of the ex-oficio members of the Executive Council.

4. A Development Council will be created which will have as its responsibility the planning of development and the execution of the respective plans which it will place before the Governor for his approval. It will be

/composed

composed of a Director appointed by the Joint Argentine Administrator, a Sub Director nominated by the Joint British Administrator, and "ad honorem" representatives of active local interests, including the representatives of Argentine state firms which will be active in the Islands.

5. Later the creation of other organisms will be examined with the objective of implementing the Joint Administrative Régime proposed.

SECRET

ANNEX II

BOUT DE PAPIER

With regard to the safeguards which could be studied in the course of the negotiations between the Argentine Republic and Great Britain with a view to preserving the socio-cultural and economic values of the inhabitants of the Malvinas Islands, the following subjects are proposed on a merely illustrative basis:-

(1) Full exercise of civil rights.

(2) Unrestricted freedom of worship.

(3) Recognition of the probatory force of the civil registries in all their effects.

(4) Special study of the problem which could be raised by the institution of divorce.

(5) Total respect for private property, the system of inscription and registration, notarial practices etc.

(6) Study of the social services situation.

(7) Gradual application of Argentine labour legislation.

(8) Issue of provisional identity document in Spanish and English.

(9) Recognition of educational qualifications.

(10) Prima facie recognition of the juridical personalities of the companies and legal associations legally established in the Islands.

(11) Special measures to avoid double duties or taxes on capital or harm to the Islanders as a result of their incorporation in our fiscal system.

(12) Gradual use of the Spanish language, passing through a stage, whose duration is to be established, of use of both languages.

(13) Establishment at an agreed date of dual nationality.

(14) Recognition of political rights for the inhabitants of the Islands.

(15) Consideration of penal legislation.

(16) Encouragement of wool sales.

(17) Right to purchase properties for sale.

(18) Respect of acquired rights in so far as this does not affect public order, morality and good customs.

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Ents

Foreign and Commonwealth Office
London SW1A 2AH

Telephone 01-

Your reference

Our reference

Date 7 December 1979

J Sanders Esq
PANAMA CITY

PW AKW 040/325/1
RECEIVED IN REGISTRY NO. 18
12 DEC 1979
DESK OFFICER | REGISTRY
INDEX | PA | Action Taken

Dear John,

GIBRALTAR: THE PANAMANIAN ATTITUDE

Thank you for your letter 021/5 of 15 November.

2. My initial reaction is to agree with the general line you have put forward in para 6 of your letter particularly in view of Torrijo's personal interest and support for our position on Belize. However, I am copying your letter to the other geographical departments concerned and it is possible that we may wish to comment further in due course.

Yours ever,

Alan.

A J Payne
Mexico and Caribbean Department

cc: SED
S AM D
Research Dept

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Mr Ryott Draft shortly attached
for draft reply & copy action
as rec'd.

British Embassy,
Panama.

021/5

15 November 1979

cc South American D.
SED.
Research D.

A Payne Esq
Mexico and Caribbean Department
Foreign and Commonwealth Office
London SW1A 2AH

Dear Alan,

GIBRALTAR: THE PANAMANIAN ATTITUDE

1. FCO Guidance telegram No 116 Saving prompted me to consider once more this aspect of Anglo-Panamanian relations.

2. The Panamanian attitude to Gibraltar, like that on the Falkland Islands, contrasts with their generally helpful if somewhat unpredictable policy on Belize. In these two cases it is not the principle of self-determination which guides Panamanian thinking, but rather their general anti-colonial stance and their bilateral relations with Spain and Argentina respectively. It is a fact of life that the latter are more important to them than their relations with the UK. The most recent manifestation of this is the relatively strong passage in President Royo's speech to the Havana Non-aligned Summit in which he expressed the hope that the UK would agree to the commencement of meaningful negotiations with Spain - "La Madre Patria" - with a view to the "restoration of Spanish territorial integrity and the rapid decolonialisation of the Rock of Gibraltar". Slightly more perfunctory remarks were made in support of the Argentinian claim to the Falklands and are also a regular feature of nearly all Panamanian foreign policy pronouncements.

3. This Panamanian attitude has, I believe, nothing to do with the merits of the issue. Relations with Spain are an emotional as much as a political question, particularly for President Royo - see my comments on Humphrey Maud's review of Spanish relations with Latin American countries (his letter of 28 August to Gordon in Southern European Department). Having tried at various times and various levels to probe the Panamanian position, I am convinced that nothing we can say or do will alter their views. To the extent that we reach a composition with Spain, the Panamanians can be expected to forget the matter - and vice versa.

4. Much the same applies over the Falklands though here Panamanian policy is more a question of Latin solidarity and the dictates of bilateral interest than of emotion. So long as the Argentinians keep up their pressure on the issue, we

/must

must expect Panama to stand with them - unless relations with Argentina develop as adversely as Panamanian/Guatemalan relations. The latter, and Torrijos' personal interests in Belize are the determining factors in the Panamanian attitude to Belize and explain the inconsistency of their policy. The views developed by Materno Vasquez in the Inter American Judicial Committee of the OAS are a truer reflection of Panamanian views on the merits of the matter.

5. These attitudes have very little other effect on Panamanian relations with the UK. They never raise these questions with us - indeed they seldom raise any questions with us! Apart from the initial probings I made in general reviews of our relations, it has been my policy to ignore them.

6. I suggest this should be our general line. Panama is entitled to her opinion, but we have no need to pay much attention to it. On the other hand, we need to be careful not to give grounds for misunderstandings eg when we receive high level visitors from Panama. It will then be appropriate to consider carefully, in the light of the state of play, whether to raise the matter and in what terms. In doing so, we shall need to take account of the fact that anything in the nature of criticism of the Panamanian position will be counter-productive. If it is necessary to raise the matter at all our aim should be an understanding that;

a. these are not issues directly affecting our bilateral relations; and

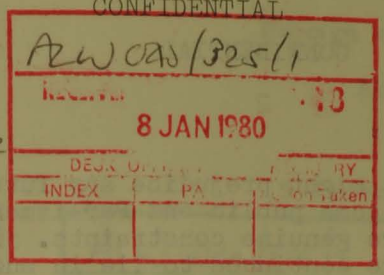
b. while we do not see eye to eye on substance, we understand the Panamanian position and they accept the good faith with which the UK is seeking a solution with Spain and Argentina respectively.

J L Y Sanders

cc Chanceries

MADRID
BUENOS AIRES
UKMIS NEW YORK

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Reference

(135)

See tel. to Port Stanley

Mr Duggan minute
Mr Fearn

FALKLAND ISLANDS

1. We have submitted a draft Falklands guidance (paragraph 2(a) of Mr Fearn's minute of 30 November). This minute considers the question of preparing domestic opinion for a solution involving sovereignty concessions.

2. Our policy where public and Parliament are concerned has been to play the previous rounds of negotiations in as low a key as possible avoiding any action which might provoke a major political row over the Falklands. If we look back over the last 15 years, we see that wherever fresh initiatives were attempted, this resulted in the Falklands lobby suggesting that our policy was to "sell out" the Islanders to Argentina. This created an emotional climate in which rational discussion of the issues became well nigh impossible. We therefore need to weigh with great care the implications of attempting to "educate" public and Parliament to any eventual settlement involving a sovereignty concession. We must avoid creating the very situation which would lead to Parliamentary hostility.

3. So what do we do? We must live with successive ministerial commitment not to bring any proposals for settlement before Parliament without the agreement of the Islanders. Thus our priority should be to consider whether anything can be done to condition Islanders' opinions. If we could bring the Islanders to agree to the terms of a negotiated settlement this would largely disarm the lobby in this country at one stroke. It may be worth quoting from Ted Rowlands's minute of 4 October 1977 (folio 155 on file AUW 040/325/6) in favour of the lease-back option:

> "It will require that a British Minister goes to the Islanders and tries to win them over before the lobby have the opportunity to sabotage the solution. It will be vital that he is able to present a package involving the concept of lease-back, the acquisition of the Falkland Islands Company and development projects in the Islands to demonstrate that we care for the welfare and long-term social and economic future of the Islanders".

4. We have also previously mentioned the need to "educate" the Islanders. The previous Administration went to great pains to keep Councillors fully in the picture (Mr Rowlands twice went to Rio de Janeiro to brief Councillors following a negotiating round and sought to maintain their confidence by a series of personal messages). So far so good. But these exchanges were in confidence. We know that Councillors do not speak to their constituents. We also know that Councillors are fickle: they changed their minds on the Draft Scientific Cooperation Agreement. And also back-tracked on the LADE house. There are obvious difficulties. If Councillors were authorised to speak freely amongst

/their

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their constituents this might prejudice any future negotiations; and possibly draw unwelcome public and Parliamentary interest in this country. These are genuine constraints. It may well be that the balance of advantage continues to lie in muzzling Councillors, and avoiding controversy in this country. But I think we should take advantage of Mr Parker's experience to seek his views before he gives up the Governorship as to whether and in what circumstances it would be realistic to prepare Islander opinion for the lease-back solution we favour.

5. Perhaps we could discuss.

J R Cowling
South America Department
K 274 233 4077

6 December 1979

The key to opinion in the UK & in the Falklands: if we can say that Councillors agree with any moves we are proposing then the lobby and any other local critics won't have a leg to stand on.

2. How to win Councillors over is a tricky matter. Ministerial visits & message are certainly very important & effective. It might well be worth asking the Governor for advice — perhaps when he returns.

(134)

Foreign and Commonwealth Office

London SW1A 2AH

ALW 040/325/1

5 December 1979

H M Carless Esq CMG
BUENOS AIRES

ALW 040/325/1
RECEIVED IN REGISTRY NO. 18
6 DEC 1979
DESK OFFICER TELEGRAM
INDEX | PA | Action Taken

Dear Carless.

FALKLAND ISLANDS: EXAMPLES OF SHARED SOVEREIGNTY

1. In your despatch of 8 August about the Minister of State's visit to Argentina, you referred to Spitzbergen and the Aaland Islands as models of shared sovereignty which might be applicable in the Falklands context. We have since examined both these examples and I attach a copy of a paper drawn up by Research Dept.

2. On Spitzbergen (where Norway has sovereignty but other powers have right of economic access), we conclude in the Falklands context that since it would involve no concessions on sovereignty, it would be most unlikely to be of interest or acceptable to Argentina. Spitzbergen's real importance is strategic with the Soviet Union maintaining pressure to strengthen her hold under the guise of economic activity. The Treaty permits uncontrolled economic access by signatory states and has little real relevance to our ideas about co-administration of the Falklands maritime area.

3. The Aaland Islands model - being concerned with the wishes of people - is more interesting. The League of Nations endorsed Finland's sovereignty in 1921 contrary to the Islanders' wishes. But the Islanders were granted home rule and enjoy a large degree of autonomy reflecting their historically close links with Sweden. The constitutional and administrative arrangements seem to work well in practice. Apart from the greater Nordic discipline and cultural affinity, the Islands' relative equi-distance from Finland/Sweden must impose inhibitions on high-handed action by either side. This would not be the case with the Falklands.

4. If we went for a lease-back solution, it would be on the assumption that Argentina would enjoy only nominal sovereignty with the Islanders continuing under a British Governor and existing institutions. To this extent, the Aaland example is not particularly relevant since there is considerable Finnish administrative involvement in internal matters. Nevertheless if lease-back failed, we believe there are some elements of the Aaland solution that might be worth looking at more closely.

/5. ...

5. We would be grateful for any comments that you and the Governor might have.

Yours ever

Robin.

P R Fearn
South America Dept.

cc
J R W Parker Esq CMG OBE
Government House
PORT STANLEY

As you may know I have just recently taken over from John Lee. I look forward to seeing you in the New Year.

CONFIDENTIAL

Mr Davies

We spoke about the amendment made to the Agency Manual for airline operators. Attached is what we have now received from BA who are protesting against the change in name.

With the compliments of

MARITIME, AVIATION AND ENVIRONMENT

DEPARTMENT

FOREIGN AND COMMONWEALTH OFFICE

SW1 2AH

3.12.79

× 4423

Mr Bowling

We spoke. British Airways are looking after their interests 6/12

133

British Airways (S33)
R306 Comet House
PO Box 10
Heathrow Airport (London)
Hounslow TW6 2JA
Telephone: 01-759 5511
Extn 3853

British airways

IA/1150

26th November 1979

J. Daly Esq
Foreign & Commonwealth Office
MAED
Great Smith Street
London SW1A 2AH

ALW 040/325/1
RECEIVED 18
4 DEC 1979
DESK REGISTRY
INDEX PA Action Taken

Dear Jim,

FALKLAND ISLANDS

I have now received from my namesake at West London Terminal the documents from IATA which indicate that they intend to change the title of the Agency Investigation Panel from "Argentina, Paraguay and the Falkland Islands" to "Argentina, Paraguay and Islas Malvinas (Falkland Islands)".

The change arose out of a meeting in Montreal in October when the Aerolineas Argentinas representative "slipped in" the point at the end of the meeting. Unfortunately, it has been picked up by the Secretary of the meeting and the IATA Memorandum is the result.

I have asked our experts in this field to write to the relevant officer in IATA protesting at the change and asking that the title should remain in its original form.

Yours sincerely

Alan

A. Davison
Asst Manager International Affairs

/ph

BU

R Daley

PE follow up in six weeks.

Spoke to Daly 6/12. He will follow up. BU 13/12

BU 9/12

International Air Transport Association

P.O. BOX 550, SUCCURSALE, PLACE DE L'AVIATION INTERNATIONALE
1000 SHERBROOKE STREET WEST, MONTREAL, CANADA

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BRITISH AIRWAYS
EXECUTIVE
SECRETARIAT
15 NOV 1979

MEMORANDUM
TCl AG-P/MAN 3

IN REPLY QUOTE

TO: TCl AAB Delegates
TCl AIP Chairmen
TCl AIP Secretaries
PAC Members

FROM: Assistant Agency Administrator, TCl

DATE: November 5, 1979

SUBJECT: Agency Manual - Passenger - TCl (Exc. USA and Canada)
CORRECTION

Reference is made to our memorandum TCl AG-P/MAN 2 dated October 16, 1979 which accompanied the new TCl Agency Manual - Passenger.

Please note a correction should be made to page 85, Appendix 'A' of the Manual.

Area of jurisdiction of the Agency Investigation Panel for Argentina and Paraguay should now read:

Amendment

"Argentina, Paraguay and Islas Malvinas (Falkland Islands)"

This amendment was agreed by the TCl Agency Administration Board at its 68th meeting held in Montreal, October 1-4, 1979 and will be recorded in the Minutes of that meeting.

John M. Ruggiero

AR/mme

ARGENTINA AND PARAGUAY

Area of Jurisdiction — Argentina, Paraguay and Falkland Islands ← ORIGINAL FORM

Mr. Andrea Abbate
Chairman
c/o ALITALIA
Suipacha 1111, Piso 28
Buenos Aires
Argentina

Sita: BUEUPAZ

Mr. Antonio Petrone
Secretary
c/o AEROLINEAS ARGENTINAS
Peru 2, 2 piso
Buenos Aires
Argentina

Sita: BUEKKAR

BOLIVIA AND PERU

Area of Jurisdiction — Bolivia and Peru

Mr. Peter Falshaw
Chairman
c/o BRANIFF INTERNATIONAL
Union 986
Lima, Peru

Sita: LIMKMBN

Mr. Carlos Lopez
Vice Chairman
c/o BRITISH CALEDONIAN
Refino Torrico 822
Lima, Peru

Sita: LIMDMBR

BRAZIL

Area of Jurisdiction — Brazil

Mr. Robert Cassabian
Chairman
c/o SOUTH AFRICAN AIRWAYS
Av. Almirante Barroso 22
Sobreloja
Rio de Janeiro
Brazil

Sita: RIOXYSA

Mr. Marcello Caldas (Permanent)
Secretary
c/o VARIG
Av. Almirante Sylvio de Noronha, 365
Rio de Janeiro
Brazil

Sita: RIOSZRG

RESTRICTED

ALW CAO/325/1
REGISTRY NO. 18
6 DEC 1979

Sir Douglas (132)
Minister
16/12

PS/Mr Ridley
Thank you
16/12

Mr Harding

SERVICES PROVIDED FOR THE FALKLAND ISLANDS BY THE ARGENTINES

1. You asked for details. Argentina provides the following:

Under the 1971 Communications Agreement:

a) the twice weekly air service, run by the Argentine Air Force LADE, between Argentina and the Islands, carrying cargo, passengers and mail. (This service runs at a loss);

b) links from Island services into the Argentine telephone and telegraphic services; (the Cable and Wireless link with the UK is direct and independent of the mainland);

c) education (including an unlimited number of scholarships) for Falkland Islands' children in Argentine schools. (Full secondary education is only available outside the Islands.). In 1977 14 children from the Islands were educated in Argentina;

d) medical facilities. (In 1976, 45 of the Islands' more serious cases were referred to Argentina for treatment;);

Under the 1974 YPF Agreement

e) gasoline, avgas and kerosene. Yet to be implemented in full because of lack of suitable off-loading facilities, (the YPF Jetty has still to be built), the Agreement provides the Islands with comparatively cheap fuel and Islanders pay less for a gallon of petrol than we do;

/Other

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CONFIDENTIAL

Other

f) foodstuffs and fresh provisions. The ship on charter to FICO picks these up at Mar del Plata four or five times a year on its way to the Islands;

g) propane gas under agency arrangements from the Argentine Gaz del Estado. About 25 households in the Islands use this service. But the demand for this cheap fuel is increasing.

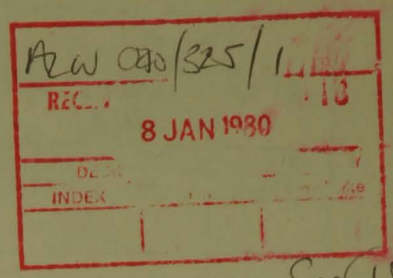
13 November 1979

G A Duggan
South America Department

The Minister of State may be interested to see this. The services are more wide-ranging than I had thought.

13 Nov.

Reference ..... (131)



Mr Duggan
Mr Cowling

cc
Mr Harding

FALKLAND ISLANDS

1. Mr Ridley has drawn attention to the need - once a resumption of negotiations gets the go-ahead - to prepare international and domestic opinion.

2. This is clearly right and there would seem to be two separate tasks:

(a) to update guidance for posts (and we presumably have a good deal of existing material to draw on). Mr Ridley made the point to me that, during his visit to Latin American countries earlier this year, he found a good deal of ignorance in Governments about the actual situation in the Falkland Islands, i.e. the essential Britishness of the population and of its way of life and the absence of an Argentine presence and influence. We should make sure that new guidance brings this out clearly.

(b) apart from the initial public line on a resumption of talks, we need to consider ways of preparing domestic opinion for the possibility of an eventual agreement involving concessions on sovereignty. Again this would seem to boil down to putting over the realities of the situation on the ground in the Falklands, the smallness of the population and the essential connection between the Islands' future prosperity and economic cooperation with Argentina.

3. I should be grateful if you could consider the above and discuss. The first priority is clearly to make sure that our guidance to posts is in hand.

P R Fearn
South America Dept.

30 November 1979

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RECEIVED IN REGISTRY NO. 18
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Mr Fearn / Minute below.

Mr Harding Minute

FALKLAND ISLANDS: EXAMPLES OF SHARED SOVEREIGNTY

1. Research Department have produced the attached paper on Spitzbergen and the Aaland Islands.

SPITZBERGEN

2. Summary of present position: under an international settlement negotiated in 1920, Norway was granted sovereignty over the Spitzbergen archipelago, while other countries (notably the Soviet Union) were granted equal rights of economic access. Spitzbergen's real importance is strategic and the Soviet Union has maintained pressure to strengthen her hold under the guise of economic (mainly coal mining) activities.

3. Assessment: the granting to Britain of rights similar to those enjoyed by Norway under the Spitzbergen Treaty would probably be unacceptable to Argentina. The Treaty has not settled differences between Norway and the USSR and does not seem to provide a happy precedent.

AALAND ISLANDS

4. Summary of present position: Finland's sovereignty was endorsed, contrary to the Islanders' wishes, by the League of Nations in 1921. But the Islanders were granted home rule and enjoy a large degree of automony, reflecting their historically close links with Sweden. The constitutional and administrative arrangements seem to work well in practice. But common Nordic heritage and geographical proximity to both Sweden/Finland played a large part.

/5.

5. Assessment: while the Aaland community of 21,000 is nearer in size and poses a similar problem to that in the Falklands, a solution on these lines would go against Islanders' wishes not to have an Argentine administrative presence. There Islanders do not have cultural affinities with Argentina of the sort the Aalanders have with Finland within the Nordic community.

6. Neither example seems to be particularly relevant to the Falklands situation.

G A Duggan
South America Department

27 November 1979

cc: Research Dept

1. This is a useful exercise if only to discard the Spitzbergen and Aaland examples.

2. I agree with Mr Duggan's assessment. The main irrelevance for the Falkland Islands of the Spitzbergen precedent is that it involves no transfer of sovereignty; and for that reason would presumably be of little interest to the Argentines. But Spitzbergen is instructive on the consequences of permitting uncontrolled economic access to third parties. We could expect the Argentines to embark on similarly active salami tactics.

/3. ...

4. On the Aalands, a crucial point - apart from the greater Nordic discipline and commonalty - is that relative equidistance of the Aalands from Finland and Sweden imposes inhibitions on any high-handed action by either party. This is of course not the case on the Falkland Islands.

5. We now need to do more advance homework on the implications (legal, administrative, economic etc.) of a possible lease-back solution for the Falklands. The Department will start work on this, in conjunction with Legal Advisers and Research Department, in order initially to identify the issues requiring more detailed study.

P R Fearn
South America Dept.

30 November 1979

cc
Research Dept.

Thank you. I think this was a useful exercise. If leaseback fails, there are some elements of the Aaland solution that might be worth looking at more closely.

Her Embassy Buenos Aires should be sent a copy of this paper and your conclusions.

30/11

FALKLAND ISLANDS: EXISTING EXAMPLES OF SHARED SOVEREIGNTY

A. SPITZBERGEN

Norway has sovereignty, but other powers have right of "economic access".

Historical

1. Spitzbergen, a centre for British, Dutch, French, German, Russian, Danish and Norwegian whaling industries since the 18th century, was formally identified by the Norwegian Government as "terra nullius" in 1871. A Norwegian proposal made at this time to annex the archipelago had been rejected by the Norwegian Ministry of the Interior, although Russia was the only one of the interested European powers consulted to raise objections to the proposal. Russia argued inter alia that the Islands' long recognised position as a no man's land available for all states whose subjects wished to make use of its natural resources "best served the international interest".

2. The discovery of extensive coal resources and the wish to exploit them at the end of the 19th century, led to clashes of interest between various European powers (e.g. Russia and Germany in 1899). By 1906, the Norwegian Foreign Ministry felt that, given conflicting interests, there was an increasing need for an international settlement to pre-empt the possibility of any single nation attempting to take possession of the Islands.

3. A Norwegian government initiative in 1907 met with a universally favourable response from the seven interested European powers, who all agreed that ~~(one)~~ a continuation of the existing unregulated circumstances served no-one. In principle, there were no differences: the status of Spitzbergen as "terra nullius" was to remain inviolate; but problems arose in trying to use this framework as the basis of a legal code to

/regulate

regulate activities in the archipelago. The final conference of all interested powers convened in Norway in August 1914 was a failure: there were difficulties in producing an acceptable formula (e.g. Britain objected to the idea of a tripartite Norwegian, Swedish, Russian Commission which would have supreme authority over the islands, as it was incompatible with Spitzbergen's status as "terra nullius") and the highly charged atmosphere on the eve of World War I, made a settlement impossible.

4. At the 1919 Paris Peace Conference, Norway with the support of France and the United States, pressed for an urgent resolution of the Spitzbergen problem. There was more than one school of thought in Norwegian government circles but the view that prevailed was that the only workable solution would be to abandon the principle of "terra nullius" and to grant Norway sovereignty over the archipelago.

The 1920 Settlement

5. The settlement reached in 1920, which granted Norway sovereignty, was only a modest success for Norwegian diplomacy, due largely to the strong line taken by Britain in the negotiations of the Big Five (Britain, France, Italy, Japan and USA; both Germany and Russia were excluded; and neutral countries like Sweden, although consulted, were not official participants). Britain, with the strong support of Sweden, secured economic rights in the archipelago on the promise that the treaty should be open to all nations and insisted that the Islands should remain unfortified, with Norway as guarantor of the archipelago's demilitarised status. The Treaty was ultimately accepted by Norway, despite disappointment that Spitzbergen had not been quietly assimilated into the Kingdom, and signed on February 9, 1920. It was agreed that all nations

/should

should have the right of accession on equal terms once the Treaty had been ratified. Most of the nine signatory states ratified during 1924 and the Treaty came into force in 1925. 28 states have since acceded in addition to the original nine signatories.*

6. The Treaty has not served to remove the archipelago from the theatre of international politics. It made few people happy and some were more dissatisfied than others. But given the strategic sensitivity of the area, it is probable that no other likely settlement would in the long run have had better results.

Soviet Objections

7. The Soviet Union has been the only power to contest the Treaty, and since the 1940s, whenever it has done so seriously, it has felt obliged to invoke arguments which tacitly recognise the Treaty's legality and has clearly been aware of the legal difficulties in its position. It had adhered to the Treaty in 1935 without qualification or reservation and in 1924 when the Soviet Government declared its intention to do so, it had given an undertaking that it would not in future raise objections "against the Spitzbergen Treaty or against the Mining Regulations provided for therein".

8. During the 1940s the prime concern of the Soviet Union was apparently revision not cancellation of the 1920 Treaty and was aimed expressly at Article 9 of the Treaty which established the demilitarised status of the archipelago. The high point of Soviet demands - the proposal for a Soviet/Norwegian condominium - was raised only once in 1944 and coincided with

/Norway's

* Great Britain (Dominions, Commonwealth, Empire) USA, Denmark, France, Italy, Japan, Norway, Sweden and Netherlands.

Norway's moment of greatest weakness as a government in exile. The request that Bear Island (Bjornoya) should be placed under the exclusive control of the Soviet Union was raised in both 1944 and again in 1946, but on the latter occasion only in a very tentative manner. The Soviet Government at the end of the war, was apparently, prepared to confine its demands for change to Article 9 of the Treaty. So far as is known, there have been no direct representations from the Soviet Union to the Norwegian Government for revision or cancellation of the Treaty since the 1940s. The Russians have however remained very sensitive to military developments that might affect the status of the Islands, and the issue of Norwegian membership of NATO brought a predictable reversal to the old arguments regarding Soviet historical claims. However while Norway was not persuaded to change its mind about NATO, the Norwegian Government has been doubly anxious since joining to ensure that Spitzbergen should not become an area of conflict in the cold war. When in 1965 the siting of an ESRO telemetry station on Spitzbergen brought a renewal of Soviet protest, Norway did its best to meet Russian demands although it stood firm on the issue of sovereignty. The Soviet Union contended that Norway was in breach of the 1920 Treaty. According to this new Article Five also stated that scientific research projects could only be agreed after consultation with all signatories. There is genuine doubt about what the clause actually does specify, but the Norwegian Government rejected the Russian construction and insisted that its authority was supreme in this matter. Russian interest in establishing a legal point was clearly minimal; when Norway invited the Soviet Union to send experts to inspect the site of the communications station the Soviet Union, once satisfied that it was unsuitable for military purposes, soon dropped the matter.

/9.

9. The Soviet Union had been a substantial presence on Spitzbergen since the 1930s. (During the 1930s the Soviet Union rapidly expanded its operations, buying up bankrupt and ailing concerns when the depression made the price of Spitzbergen coal uncompetitive.) There were some 25,000 Russians on Spitzbergen in 1979.

10. Under the terms of the Treaty and the Norwegian mining regulations for the archipelago, proprietary rights lapse if a mine is not worked, or becomes worked out. Yet at one abandoned Soviet mining settlement, Soviet representatives have taken advantage of other Norwegian regulations to maintain their proprietary rights; another mine has been leased for 25 years. But coal reserves on Spitzbergen have diminished considerably and only one mine produces coal in comparatively large quantities. In 1974 only the Norwegians and Russians were engaged in coal mining, the latter having 2,000 men mining some 400,000 tons of coal in that year. While no statistics are to hand on the production costs of Spitzbergen coal, it seems that both Norway and the Soviet Union are mining coal, on a subsidised basis, for political and strategic motives. The Norwegian Prime Minister admitted in August 1975 that successive Norwegian Governments had neglected Spitzbergen, while the Soviet Union has pushed ahead with coal mining and oil drilling. Norwegian Governments intended to reverse this trend by stepping up development under a strengthened administration. Oslo however does not seem to have done a great deal about the frequently flagrant disregard, on the part of the Russians, of the limits on their rights, e.g. the power station built at Barentsburg (a mining township with 1,300 Russians) is unlicensed by the Norwegians and the construction and operation of the helicopter base at Cape Heer infringes the Norwegian Royal Air Transport Decree of November 1973.

/11.

11. Recently the Soviet Government has been more assertive in claiming special rights in Spitzbergen. During sets of talks with the Norwegians in February 1974 on various legal and scientific matters, and on the status of the new international airport on Spitzbergen, the Russians refused to accept many of the administrative regulations which the Norwegians are empowered to draw up under the treaty, arguing that joint regulations should be issued based on prior bilateral agreements. They also refused to accept that Norwegian aviation regulations should apply to Russian aircraft, and insisted that the proposed airport should have some Russian ground staff. The resulting agreement between Norway and the Soviet Union substantially met Russian requirements for the airport, but the Norwegians refused to conclude any bilateral agreements about the exploitation of natural resources or co-operative scientific work which might affect the rights of the other signatories of the 1920 Treaty.

Law of the Sea aspects

12. Norwegian difficulties have been compounded by their wish to reach agreement with the Russians on the unresolved issue of the median line between Norway and the Soviet Union in the Barents Sea. The area is strategically important to both countries as well as being an important fishing zone and potentially rich in oil. The Soviet Government disputes the application in the Barents Sea of the "median line" principle outlined in the 1958 UN Convention on the Continental Shelf, and favours a line based on converging meridians, akin to the so-called "sector principle" which would place the dividing line considerably further west and give the Soviet Union sovereignty over an additional 155,000 sq kms of continental shelf.

/13.

13. The continental shelf issue has also served to demonstrate that the interests of Norway and of the western signatories of the 1920 Treaty are not necessarily identical (Norway claims that the sea bed area outside the four miles of territorial waters around Spitzbergen is part of the unbroken Norwegian continental shelf. The British and United States Governments have also reserved their positions on this Norwegian claim). It has also demonstrated that Norway's NATO allies will have to weigh these differences against the strong probability that failure to support the Norwegian Government against Russian pressure will lead to the progressive erosion and final elimination of the rights of the contracting parties to the 1920 Treaty. Already the Russians have succeeded in establishing in many practical ways, their thesis that Spitzbergen is a kind of joint bilateral operation.

14. It was hoped that the 1920 Treaty would be a guarantee of effective policing measures on the Islands. Having secured equality of economic access, Britain in 1920 was anxious to effect a speedy ratification of the Treaty, as it was felt that British interests were being disadvantaged by the absence of effective law and order. (There were complaints made by UK mining firms to the FO about Norwegian claim jumping, etc). However, the economic decline of the late 1920s rather overtook the urgent need for the authority of the Treaty's mining and other regulations. Today, few of the signatories of the 1920 Treaty are making use of their rights of economic access. Other than the Norwegian and Soviet oil and coal enterprises, French and US firms had concessions to explore for oil in 1974.

15. The severe limitations imposed on Norwegian sovereignty have also undermined the Norwegian Government's authority. The Norwegian concessions to Russian demands are in part a recognition of this fact but also stem from the wish to avoid trouble. The Norwegian Government have been most unwilling to impose sanctions on the Soviets for flouting regulations,

/although

although there are instances when the Russians have been persuaded to abide by the rules. (In 1976 Moscow abandoned an attempt to increase the number of observers at the airport by arranging "visits", which was in clear infringement of an agreement with Oslo). Most of the difficulties on Spitzbergen stem from the limited nature of the Norwegian Government's authority. The tendency of the Soviets to ignore Norwegian sovereignty, coupled with the amplitude of legitimate rights of access has put Norway in a difficult position. The Norwegian state mining corporation, in recognition of the Island's strategic importance has given few concession areas on Bear Island to other companies. However the Russians (who once demanded the return of Bear Island on the grounds that it did not belong to th Spitzbergen archipelago) are sending increasing numbers of "scientific expeditions" to the Island and their rights entitle them to set up a permanent research station.

Parallels with the Falklands

16. The issue of who should have sovereignty was never a major stumbling block in the Spitzbergen negotiations; the concept of "terra nullius" was universally recognised in principle and the inhabitants of the Islands were itinerant whalers. The issue of sovereignty did not involve the 'human factor' as it does in Falklands, where the wishes of the inhabitants are a primary concern in the British Government's negotiations with Argentina. The Soviet Union, the only government to contest the Spitzbergen Treaty, has been mainly concerned to ensure a continuing Soviet strategic presence in the area. (Although the Soviet Union in representations to the Norwegian government has made passing reference to Russian economic interests).

17. The Spitzbergen Treaty has not proved an entirely satisfactory solution and recent differences over the demarcation of the continental shelf and exploration of the oil and fishing resources of the Barents Seas have lent a new edge to the long-standing conflict of interests between Norway and the Soviet Union.

/B.

B. AALAND ISLANDS

Finland has sovereignty but the Islanders enjoy certain special rights which reflect their close ethnic, cultural and linguistic links with Sweden.

Historical

18. The strategic position of the Aaland Islands in the Baltic, mid way between Sweden and Finland, have resulted in their unavoidable involvement in every conflict for mastery of the Baltic. After the Russo-Swedish war of 1808-9, the Swedes renounced their claim to sovereignty over the Aalands, which became part of the Grand Duchy of Finland (and part of the Russian Empire). The Aalanders however have always considered themselves as part of Sweden (although there is a strong sense of "Aaland identity").

19. When the Russian revolutionaries recognised Finnish independence in December 1917, the Aalanders sent a petition to King Gustav seeking the "reunion of the archipelago with Sweden". Feelings ran high on all sides, and in Sweden itself there was talk of settling the question by force. A deputation of Aalanders raised the problem of their independence at the Paris Peace Conference, and the 'Aaland Question' was the first issue to be brought before the newly established League of Nations in 1920. A League of Nations Commission, sent to Aaland, held a referendum to determine the Islanders' wishes. The Commission reported back to the League that although the desire of the Aalanders was overwhelmingly for union with Sweden, they accepted Finland's claim to sovereignty over the Islands. (The League was only too well aware of the delicacy of the issue in the post war climate of national self-determination, but justified the ruling on the grounds that while a minority had the right to fair and just

/treatment

treatment within the State, it could not be permitted to separate itself from or incorporate itself into a country just because it wanted to do so. Such a doctrine would, the League thought, lead to international anarchy).

20. The League undertook to ensure that the rights and interests of the inhabitants were neither damaged nor threatened. The agreement concluded in June 1921 made major concessions to the Aalanders e.g. Swedish would be the official language; immigrants could not vote until they had been resident for 5 years; in choosing a governor for the province the Aalanders were given the right to present a list of candidates to the Helsinki government; Aalanders were given the right of pre-emption in the purchase of land etc. One observer considered that the guarantees given to the Aalanders amounted to "the most far-reaching minority rights enjoyed by any group in Europe".

21. The first Home Rule Law of 1921, which was accepted by the Aalanders after some hesitation, divided legislative competence between Finland and Aaland in such a way that the branches of jurisprudence reserved to Finland were specified in the Law, the unspecified remainder being reserved to Aaland. In the second, revised Home Rule Law of 1951, the spheres of competence of both Finland and Aaland were
A delineated (see attached papers giving the major provisions of the Home Rule Law 1951, taken from Roy Gronneberg: Island Governments). The Islands are also demilitarised in accordance with the League's recommendations. (Demilitarisation dates from an 1856 treaty between the French, the British and the Russians at the end of the Crimean War).

/Present...

Present practice

22. The arrangements for the government of the Aaland Islands seem to have worked well in practice. One historian of the period has said " .... having accepted the (League's) decision, both governments conformed to it with Scandinavian honesty". Some emigration inthe inter-war period was probably prompted by Finnish chauvinism and there were occasional displays of resentment at the more outward manifestations of Finnish identity (such as the addition of Ahvenanmaa to Aaland on maps and official documents), but on the whole life in Aaland was orderly and quiet. This remains true today. More Aalanders emigrated to Sweden during the 1970's but for economic rather than political reasons, as the Island's farm economy cannot compete with Sweden or Finland. The common language makes Sweden the obvious choice for would be Aaland emigrants. There are some 21,000 people living on the Islands at present.

Parallels with the Falklands

23. The Aaland Islands have obvious similarities to the Falkland Islands in a group of people whose ethnic, cultural and linguistic links are predominantly, if not entirely, with one country, and whose stated preference was to be governed by that country. The rights of the Aaland minority have been fairly extensively safeguarded, but Finnish sovereignty is far from being titular.

24. This 'shared sovereignty' arrangement would seem to have worked well in the Aaland Islands primarily because of the peoples concerned and the geographical proximity of both Sweden and Finland. The existence of a common Nordic labour market is also smoothingout differentials. The Aaland Islands are recognised within the Scandinavian community and the Islands are entitled to appoint one member of the Finnish delegation to the Nordic Council, enabling them to play a part in inter-Scandinavian affairs.

CONFIDENTIAL

(12)

5696. Reference ARW 040/325/1

4 DEC 1979

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Miss Murray,
Research Department

FALKLAND ISLANDS: EXISTING EXAMPLES OF SHARED SOVEREIGNTY

1. I have now had a chance to look at the RD Memorandum on Spitzbergen (your minute of 25 October).

2. While neither the Spitzbergen nor the Aaland examples would be acceptable to the Islanders because they would involve an Argentine presence and intervention in their British way of like, our purpose is to draw up a short paper indicating whether there are any lessons from these two examples of shared sovereignty which might be applicable in any Falklands settlement.

3. Our fundamental position on the Falklands is that nothing could happen without the Islanders' consent and that their existing British way of life and institutions should be retained. We consider that a compromise settlement might be based on leaseback whereby Argentina obtained titular sovereignty but allowed the Islands to continue as now under a British Governor. Our ideas on the sharing of resources have not been developed. But if the Argentines met us on leaseback we might well agree to share resources (fish and hydrocarbons (if proved).)

4. I therefore suggest it would be helpful if your paper could show why the two territories in question were subject to disputed sovereignty and the key elements in the negotiations which led to an acceptable compromise. In the case of Spitzbergen sovereignty went to Norway with economic access to the Soviet Union and others. Your paper should bring out how the sharing of economic resources has worked in practice. Have problems arisen? Are there lessons which might be applied in the case of a Falklands settlement? Are there pitfalls which could be avoided?

5. The Aaland Islands are under Finnish sovereignty but there is local autonomy, a different language (Swedish) and customs. I believe the Islands are also demilitarised. How well do the arrangements work? What is the nature of the Finnish presence? What useful parallels are there for Falklands?

J R Cowling
South America Department

5 November 1979

CODE 18-77
SS 8/78

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ARW 040/825/1
26 NOV 1979
DESK OFFICER
IND X FA

Foreign and Commonwealth Office
London SW1A 2AH

26 November 1979

H M Carless Esq CMG
Charge d'Affaires
BUENOS AIRES

Dear Hugh,

ARGENTINA AND THE FALKLANDS

1. Thank you for your letter of 15 November. My own clear impression, both from my all-too-brief visit to Buenos Aires in August and from talking to Admiral Massera last month, is that the Argentines are not in a tearing hurry but that they do want to see, and to be able to show their people, some forward movement in solving the Malvinas problem to their own satisfaction.

2. In briefing Ministers on this question we have very much in mind the rivalry between branches of the Armed Forces which you mention in your paragraph 2. We realise that the Air Force Ministers will need to show before too long that they too are capable of keeping up the momentum and showing some results. It ought not, however, to be too difficult for Pastor and Cavandoli to defend their corner for a little while yet: the Navy did not have a great deal to show for those negotiations which took place during their period at the Foreign Ministry before Pastor took over in November 1978 and before Cavandoli joined him in January 1979. But inter-service rivalry is indeed a significant factor in the Argentine threat and is covered in the draft JIC assessment we have sent you for comments.

3. We are conscious also of the possibility of the Argentines doing something unpredictable. We realise your difficulties in being able to give us any advance warning of this. We have indeed ensured that HMS Endurance has written into its instructions a requirement to look out for activity by any foreign warships and specifically for incursions into British Territory by the Argentines. Masters of BAS ships have no similar written instructions but they are experienced men and know the situation and can be expected to report anything untoward.

Yours ever,

G W Harding

cc J R W Parker Esq CMG OBE
Port Stanley

(127)

~~BKFC 042/23~~

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Discussed with Capt Govan Cabinet Office

GRPS 580

SECRET
UK EYES ALPHA
FM BUENOS AIRES 23/1255Z NOV 79
TO PRIORITY FCO
TELNO 377 OF 23 NOVEMBER 1979

YOUR TELNO 273 : JIC ASSESSMENT ON THE ARGENTINE THREAT TO THE FALKLAND ISLANDS AND DEPENDENCIES.

1. I AGREE WITH THE LINES OF ARGUMENT AND IN GENERAL WITH THE CONCLUSIONS OF THE ASSESSMENT.

2. SEVERAL ADDITIONAL CHANGES HAVE BECOME APPARENT SINCE THE LAST ASSESSMENT, WHICH MAY DESERVE MENTION :

A) INCREASING ARGENTINE CONCERN AT THIRD PARTY FISHING AROUND THE FALKLAND ISLANDS AND DEPENDENCIES, TO WHICH THEY HAVE SO FAR TURNED A BLIND EYE :

B) GREATER DEVELOPMENT OF OIL ON THE PATAGONIAN CONTINENTAL SHELF, PARTICULARLY OFF THE STRAITS OF MAGELLAN AND TIERRA DEL FUEGO, WHICH HAS INCREASED INTEREST IN EXPLORATION FOR OIL UNDER WHAT WE WOULD CONSIDER THE FAKLANDS SHELF. WE MUST PRESUME THAT THE ARGENTINES HAVE DRAWN THE SAME CONCLUSIONS FROM THE GSI AND WESTERN GEOPHYSICAL SEISMIC SURVEYS AS DID BNOC :

C) THE RECENT SOLUTION OF ARGENTINA'S IMMEDIATE PROBLEMS WITH BRAZIL AND PARAGUAY OVER THE HYDROELECTRIC SCHEMES ON THE PARANA RIVER :

D) OUR LOSS OF A POTENTIAL LEVER, PARTICULARLY WITH THE NAVY, ONCE THE FRIGATES CONTRACT WENT TO GERMANY.

3. MY COMMENTS ON THE CONCLUSIONS OF THE ASSESSMENT ARE AS FOLLOWS :

PARA A - I WOULD AMEND TO READ QUOTE DURING THE PERIOD FEBRUARY 1977 TO DATE THE ARGENTINE MILITARY THREAT WAS DIMINISHED BY THE BRITISH GOVERNMENT'S DECISION TO NEGOTIATE AND BY ARGENTINA'S PREOCCUPATION WITH HIGHER PRIORITIES IN FOREIGN AFFAIRS, NOTABLY THE BEAGLE CHANNEL DISPUTE. CHANGES IN THE ARGENTINE GOVERNMENT HAVE

THE BEAGLE CHANNEL DISPUTE. CHANGES IN THE ARGENTINE GOVERNMENT ...
BEEN A CONTRIBUTORY FACTOR UNQUOTE.

PARA B - SUBSTITUTE QUOTE THE CURRENT MILITARY JUNTA AND PRESIDENT UNQUOTE FOR QUOTE THE ARGENTINE GOVERNMENT UNQUOTE.

PARA C - AFTER THE FIRST SENTENCE I WOULD ADD QUOTE DURING 1979 THE ARGENTINES HAVE BECOME MORE SCEPTICAL ABOUT HMG'S INTENTIONS FOLLOWING THEIR FAILURE TO SIGN THE SCIENTIFIC CO-OPERATION AGREEMENT FOR THE DEPENDENCIES AND UNWILLINGNESS TO RENEW MINISTERIAL TALKS THIS AUTUMN. IF DOUBTS ABOUT BRITISH INTENTIONS DEEPEN, THE ARGENTINES HAVE CERTAIN OPTIONS OPEN TO THEM, BOTH TO SATISFY DOMESTIC PRESSURES AND TO REMIND US OF THEIR CLAIM, SUCH AS THE ESTABLISHMENT OF AN ARGENTINE PRESENCE ON ANOTHER OF THE DEPENDENCIES, NOTABLY SOUTH GEORGIA, OR MILITARY ACTION TO CONTROL THIRD PARTY FISHING VESSELS IN PUTATIVE FALKLANDS AND DEPENDENCIES WATERS UNQUOTE.

PARA D - MIGHT THEN READ QUOTE IN SUCH CIRCUMSTANCES THE ARGENTINES COULD TAKE A RANGE OF MEASURES TO HARASS BRITISH INTERESTS, AND DIRECT MILITARY ACTION AGAINST BRITISH SHIPPING OR AGAINST THE FALKLAND ISLANDS CANNOT BE DISCOUNTED UNQUOTE.

4. ON THE MAIN PART OF THE ASSESSMENT I WOULD COMMENT THAT, ALTHOUGH PUT TO MEDIATION, THE BEAGLE CHANNEL DISPUTE IS STILL A DISTRACTION AND FOR THE MOMENT A HIGHER PRIORITY THAN THE FALKLAND ISLANDS, (RE PARAS 5 AND 1Ø). SECONDLY, MASSERA'S REMOVAL FROM THE NAVY WAS MORE IMPORTANT THAN THE SWITCH OF THE FOREIGN MINISTRY TO THE AIR FORCE IN LESSENING THE LIKELIHOOD OF FORCEFUL POLICIES ON THE FALKLANDS (PARA6). THE AIR FORCE ARE NO LESS HAWKISH THAN THE NAVY. THEY MERELY LACK A FIGURE OF MASSERA'S STANDING AND AMBITION FOR THE PURSUIT OF FOREIGN POLICY OBJECTIVES.

5. WITHIN THE NEXT FORTNIGHT WE SHOULD KNOW THE END OF YEAR PROMOTIONS (PARA 7).

CARLESS

NNNN

SENT AT 23/1542Z HR
RECD AT 23/1542Z

QSL AT END THEN PSE

126

ALW 090/825 1/1
26 NOV 1979
INDEX PA

Mr Harding

Agree draft as amended. LD 23/11

ARGENTINE AND THE FALKLANDS

1. I submit a draft reply, as requested, to Mr Carless's letter of 15 November.

Flag A

Flag B ALW 089/1

2. A copy of the instructions issued to HMS Endurance is attached, paragraphs 15 and 16 being the ones in question.

Flag C ALW

MOD have explained that there are difficulties in the way of our securing access to US satellite information.

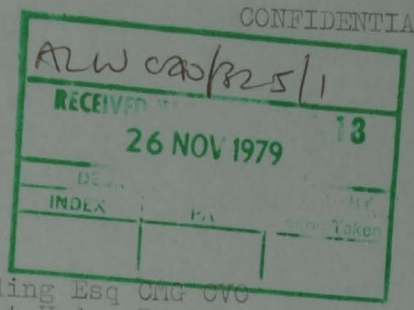
P. R. Fearn

P R Fearn
South America Dept.

23 November 1979

(125)

CONFIDENTIAL



BRITISH EMBASSY,
BUENOS AIRES.

15 November 1979

Draft telegram

A sensible warning. 21/xi

What standing instructions are in force, ref X in para 4?

I must reply to this.

G W Harding Esq CMG CVO
Assistant Under Secretary of State
Foreign & Commonwealth Office
LONDON SW 1

Dear Bill,

ARGENTINA AND THE FALKLANDS

The message from Mr Ridley to Comodoro Cavándoli contained in FCO telegram no.264, while something of a disappointment, came as no great surprise to me. While I would stick to my earlier judgement (my telegram no.355) that turning down Comodoro Cavándoli's invitation is unlikely to provoke the Argentines into unwelcome action over the next few months, we should bear in mind some of the forces that will be at play.

2. Cavándoli and Pastor, and by extension the Air Force, are probably most concerned about criticism they are likely to receive from the Navy for their failure to continue negotiations. The Navy and others would not hesitate at the appropriate moment to point out that nearly 2½ years of talks have produced no concrete results and that the one small step forward, which was almost finalised in Geneva in December 1978, has subsequently failed completely with the Falkland Islanders' refusal to accept the agreement on Scientific Cooperation in the Dependencies.

3. Within the Navy there are, as there have always been, voices which scorn the value of negotiations with Britain and which favour direct action, if not aimed at the Falklands themselves, at least on the lines of the Southern Thule occupation at the end of 1976. We have seen no signs of the Navy planning any similar intrusion but then nor would I expect us to see them in advance. At the beginning of the southern summer and with the Argentines' annual campaign in the Antarctic getting under way, the danger of naval impatience being expressed in stronger terms than mere criticism of the Foreign Ministry should never be forgotten.

/4. Doubtless

CONFIDENTIAL

4. Doubtless the BAS ships and HMS Endurance have instructions to watch as carefully as ever for any signs of Argentine activity in the Dependencies, particularly around South Georgia, and due consideration has been given to the use of satellite surveillance to supplement their work.

Yours Hugh.

H M Carless

cc:

J R W Parker Esq CMG OBE
Governor & Commander-in-Chief
PORT STANLEY

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GRPS 123

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TOP COPY

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FM BUENOS AIRES 23/2ØØZ NOV 79
TO PRIORITY FCO
TELNO 379 OF 23 NOVEMBER 1979
INFO PRIORITY PORT STANLEY

ACW 090/325/1
RECEIVED NO. 18
26 NOV 1979
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MY TELNO 377 : ANGLO ARGENTINE RELATIONS

1. I HAD A CHAT YESTERDAY WITH THE FOREIGN MINISTER AT A LUNCH GIVEN BY PRESIDENT VIDELA AND ASKED HIM HOW HE SAW RELATIONS WITH BRITAIN DEVELOPING.

2. PASTOR REPLIED THAT HE HAD ENJOYED AN EXCELLENT MEETING WITH YOU IN NEW YORK IN SEPTEMBER, THAT HE UNDERSTOOD YOUR RECENT PREOCCUPATION WITH AFRICAN PROBLEMS AND THAT HE BELIEVED THAT AN ADVANCE WOULD BE MADE OVER THE FALKLANDS PROBLEM WHEN THE NEW ARGENTINE AND BRITISH AMBASSADORS WERE IN PLACE.

3. HE SEEMED UNRUFFLED BY YOUR INABILITY TO AGREE TO A MEETING AT MINISTERIAL LEVEL THIS AUTUMN. SO FAR SO GOOD.

CARLESS
FILES
SAmD
MR HARDING

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(123)

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OO BUENOS AIRES

GRS 1974
SECRET
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FM FCO 211610Z NOV 79
TO IMMEDIATE BUENOS AIRES
TELEGRAM NUMBER 273 OF 21 NOVEMBER.
PERSONAL FOR CHARGE
ARGENTINE THREAT TO THE FALKLAND ISLANDS AND DEPENDENCIES
1. JIC HAVE PREPARED FOLLOWING ASSESSMENT OF ARGENTINE THREAT TO FALKLANDS. WE ARE ASKED TO COMMENT BY 26 NOVEMBER. GRATEFUL FOR YOUR VIEWS BY 1600Z ON 26 NOVEMBER.
2. TEXT BEGINS.
THE ARGENTINE THREAT TO THE FALKLAND ISLANDS AND DEPENDENCIES
INTRODUCTION
1. ANGLO/ARGENTINE NEGOTIATIONS ON THE ECONOMIC AND POLITICAL FUTURE OF THE FALKLAND ISLANDS AND DEPENDENCIES RE-OPENED IN JULY 1977. FOUR ROUNDS OF TALKS WERE HELD BY THE LAST BRITISH GOVERNMENT BUT NO PROGRESS WAS MADE. THE ISSUE OF PRIMARY IMPORTANCE TO THE ARGENTINE GOVERNMENT REMAINS THE EARLY TRANSFER OF SOVEREIGNTY OVER THE FALKLAND ISLANDS AND DEPENDENCIES, THE SURROUNDING SEA AREAS WITHIN 200 NAUTICAL MILES AND THE MARITIME ZONES GENERATED BY THESE ISLANDS. THE ARGENTINES REFUSE TO ACCEPT HER MAJESTY'S GOVERNMENT'S FUNDAMENTAL NEGOTIATING POSITION THAT ANY SOLUTION TO THE DISPUTE SHOULD BE CONDITIONAL ON ITS ACCEPTANCE BY THE ISLANDERS THEMSELVES. THE ARGENTINE GOVERNMENT IS PRESSING FOR A RESUMPTION OF TALKS.
2. IN OUR LAST ASSESSMENT (PREPARED FOR THE SECOND ROUND OF TALKS) WE CONCLUDED THAT THE MILITARY JUNTA AS A WHOLE WOULD PREFER TO ACHIEVE ITS SOVEREIGNTY OBJECTIVES BY PEACEFUL MEANS, AND THAT SO LONG AS IT CALCULATED THAT HER MAJESTY'S GOVERNMENT IS PREPARED TO NEGOTIATE SERIOUSLY ON THE ISSUE OF SOVEREIGNTY, IT WAS UNLIKELY TO RESORT TO FORCE. BUT IF NEGOTIATIONS BROKE DOWN, OR IF THE ARGENTINES CONCLUDED FROM

THEM THAT THERE WAS NO PROSPECT OF REAL PROGRESS TOWARDS A NEGOTIATED TRANSFER OF SOVEREIGNTY, THERE WOULD THEN BE A HIGH RISK OF THEIR RESORTING TO MORE FORCEFUL MEASURES, INCLUDING DIRECT MILITARY ACTION.

3. WE HERE ASSESS THE RISK OF ARGENTINA RESORTING TO FORCIBLE ACTION OVER THE FALKLAND ISLANDS.

DEVELOPMENTS SINCE 1977

4. SINCE OUR LAST ASSESSMENT THE ARGENTINE THREAT TO THE FALKLAND ISLANDS HAS BEEN AFFECTED BY TWO MAIN FACTORS: ARGENTINA'S PRE-OCCUPATION WITH ITS DISPUTE WITH CHILE OVER THE BEAGLE CHANNEL, AND ARGENTINA'S BELIEF THAT BRITAIN INTENDS GENUINELY TO NEGOTIATE ON SOVEREIGNTY. HER MAJESTY'S GOVERNMENT'S WILLINGNESS TO INCLUDE THE SOVEREIGNTY ISSUE IN THE NEGOTIATIONS DESPITE THE DISCOVERY (IN DECEMBER 1976) OF AN ARGENTINE BASE ON SOUTHERN THULE, RAISED ARGENTINE HOPES OF PROGRESS TOWARDS THE PEACEFUL TRANSFER OF SOVEREIGNTY. IT ALSO ALLOWED THEM TO DEVOTE MORE ATTENTION TO THE BEAGLE CHANNEL DISPUTE AND OTHER PROBLEMS.

5. ARGENTINA'S REJECTION OF THE BEAGLE CHANNEL ARBITRATION, IN FAVOUR OF CHILE, RESULTED IN INCREASING TENSION BETWEEN THESE COUNTRIES WHICH, IN 1978, BROUGHT THEM TO THE BRINK OF WAR. THIS WAS AVERTED ONLY BY THE VATICAN'S INTERVENTION WITH AN OFFER OF MEDIATION WHICH WAS ACCEPTED BY BOTH SIDES. THE ENTRENCHED POSITIONS OF BOTH SIDES ARE SUCH THAT RENEWED CONFRONTATION BETWEEN THEM REMAINS A POSSIBILITY, REPORTS AT THE END OF 1978 CONFIRMED OUR BELIEF THAT, SO LONG AS ARGENTINA SEES THAT POSSIBILITY AS A REAL THREAT, IT WOULD BE UNLIKELY TO MAKE A MAJOR MILITARY MOVE AGAINST THE FALKLAND ISLANDS. THE VATICAN HAS SO FAR MANAGED TO HOLD THE RING IN NEGOTIATIONS, WHICH SEEM LIKELY TO BE PROTRACTED, AND FOR THE MOMENT THE BEAGLE DISPUTE CANNOT BE COUNTED AS A DISTRACTION.

6. SINCE OUR LAST ASSESSMENT THERE HAVE ALSO BEEN SIGNIFICANT CHANGES IN THE ARGENTINE GOVERNMENT. GENERAL VIOLA REPLACED GENERAL VIDELA AS ARMY COMMANDER AND AS THE ARMY MEMBER OF THE THREE MAN RULING MILITARY JUNTA WHEN VIDELA BECAME PRESIDENT. BOTH MEN ARE FORCES FOR MODERATION IN ARGENTINE AFFAIRS.

ADMIRAL LAMBRUSCHINI THE NAVY COMMANDER AND NAVAL MEMBER OF THE JUNTA IS LESS HAWKISH THAN HIS PREDECESSOR ADMIRAL MASSERA ALTHOUGH THE LATTER STILL REMAINS A POWER IN THE COUNTRY AND ALSO HAS PRESIDENTIAL AMBITIONS. UNDER MASSERA THE NAVY CONTROLLED THE FOREIGN AFFAIRS MINISTRY (MFA) AND SOUGHT TO IMPROVE ITS OWN STANDING BY ADVOCATING MORE FORWARD FOREIGN POLICIES, PARTICULARLY IN THE SOUTH WEST ATLANTIC. CONTROL OF THE MFA HAS NOW PASSED TO THE AIR FORCE. THIS COMBINATION OF CHANGES IN THE ARGENTINE HIERARCHY HAS TENDED TO LESSEN THE LIKELIHOOD OF THEM ADOPTING FORCEFUL POLICIES ON THE FALKLAND ISLANDS.

CURRENT POLITICAL PRESSURES

7. VIOLA IS SCHEDULED TO RETIRE IN DECEMBER 1979, HE HAS AMBITIONS TO SUCCEED AS PRESIDENT WHEN VIDELA RETIRES IN MARCH 1981. THE PROSPECT OF CHANGES IN LEADERSHIP IS ADDING STRAIN TO THE ALREADY DELICATE RELATIONSHIPS BETWEEN JUNTA MEMBERS. ENDEMIC INTER-SERVICE RIVALRIES AND PERSONAL AMBITIONS CONTINUE TO UNDERMINE THE STRENGTH AND STABILITY OF THE JUNTA. IN OCTOBER 1979 THE REVOLT OF GENERAL MENENDEZ (A HARDLINE CORPS COMMANDER) AND HIS ATTEMPT TO FORCE VIOLA'S RESIGNATION ILLUSTRATES THE DEEP DIVISIONS THAT EXIST IN THE ARMY HIGH COMMAND. MENENDEZ AND MEMBERS OF HIS FACTION HAVE CONSISTENTLY ACCUSED VIDELA AND VIOLA OF BEING 'SOFT' ON SUBVERSION AND HAVE STRONGLY OPPOSED VIDELA'S DECISION TO NEGOTIATE ON THE BEAGLE CHANNEL DISPUTE. THOUGH THE ENFORCED RESIGNATION OF MENENDEZ WILL HAVE STRENGTHENED VIOLA'S HAND FOR THE TIME BEING, HE IS LIKELY TO TAKE MORE ACCOUNT OF HARDLINE ARMY OPINION, PARTICULARLY WITH REGARD TO FUTURE APPOINTMENTS INCLUDING THAT OF HIS OWN SUCCESSOR, WHICH MIGHT AFFECT HIS AMBITIONS FOR THE PRESIDENCY. IF FOR SOME REASON ONE OF THE MORE HARDLINE GENERALS REPLACED VIOLA, THERE COULD BE SIGNIFICANT ADVERSE IMPLICATIONS FOR THE FALKLAND ISLANDS DISPUTE, ALTHOUGH THIS SEEMS UNLIKELY AT PRESENT. BUT EVEN WITH ANOTHER MODERATE AS ARMY COMMANDER WE BELIEVE THE STRAINS WITHIN THE JUNTA AND THE ARMED FORCES WILL CONTINUE. THE DANGER WILL REMAIN THAT INTERNAL DIVERSIVE PRESSURES MIGHT BUILD UP TO A POINT WHERE THC JUNTA FELT BOUND TO SEEK A FOREIGN

POLICY SUCCESS IN ORDER TO UNITE THE COUNTRY AND TO PRESERVE ITS OWN POSITION.

8. [redacted] INDICATED THAT THERE WAS WIDESPREAD CRITICISM IN THE ARGENTINE ESTABLISHMENT OVER THE GENERAL PERFORMANCE OF THE MFA UNDER THE AIR FORCE, AND ITS HANDLING OF THE FALKLAND ISLANDS ISSUE AND OF THE RE-APPOINTMENT OF AN ARGENTINE AMBASSADOR TO BRITAIN IN PARTICULAR. DISSATISFACTION WAS FOCUSSED ON BRIGADIER GENERAL PASTOR THE FOREIGN MINISTER (A RETIRED AIR FORCE OFFICER AND PRESIDENT VIDELA'S BROTHER IN LAW) AND COMMODORE CAVANDOLI HIS DEPUTY. AT PRESENT WE HAVE NO EVIDENCE TO SUGGEST THAT THIS WILL LEAD TO PERSONALITY CHANGES, BUT THE CONTINUING LACK OF PROGRESS IS LIKELY TO INCREASE PRESSURES ON THE MFA TO SHOW A MORE ROBUST APPROACH TOWARDS THE FALKLAND ISLANDS DISPUTE.

ARGENTINE INTENTIONS

9. THE THREAT OF MILITARY ACTION IN PRESENT CIRCUMSTANCES IS NOW AT A LOW EBB. BUT THIS DOES NOT INDICATE ANY DIMINUTION IN ARGENTINA'S DETERMINATION EVENTUALLY TO ACHIEVE ITS SOVEREIGNTY AIMS IN THE FALKLAND ISLANDS AREA. THE ARGENTINES WILL WANT SOME PROGRESS TO SUPPORT THEIR HOPES THAT A PEACEFUL TRANSFER OF SOVEREIGNTY CAN BE REALISED, PARTICULARLY SINCE THEY DESCRIBED THE LAST ROUND OF ANGLO/ARGENTINE TALKS IN MARCH AS 'A REGRETTABLE STEP BACKWARDS'. AT THOSE TALKS ARGENTINE OFFICIALS MADE CLEAR THEIR IMPATIENCE AT WHAT THEY SAW AS BRITISH DELAYING TACTICS AND EXPRESSED DISAPPOINTMENT AT THE BRITISH DECISION, BECAUSE OF THE ISLANDERS' DEEP SUSPICION OF ARGENTINE INTENTIONS, NOT TO GO AHEAD WITH A DRAFT AGREEMENT ON SCIENTIFIC CO-OPERATION AGREED IN DECEMBER 1978. THE ARGENTINE GOVERNMENT HAS SINCE ACCEPTED THAT THE NEW BRITISH GOVERNMENT NEEDS TIME TO STUDY THE SITUATION, BUT HAVE RECENTLY STATED THAT NEGOTIATIONS SHOULD NOW BE CONDUCTED AT A MORE DYNAMIC PACE.

10. ON 26 SEPTEMBER GENERAL PASTOR TOLD LORD CARRINGTON THAT THOUGH 'THE ISLANDS WERE A LONG WAY DOWN IN BRITISH PRIORITIES, THEY WERE AT THE TOP OF THE LIST FOR ARGENTINA'. IN OUR

THIS IS A COPY
THE ORIGINAL HAS BEEN RETAINED IN THE DEPARTMENT UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958

OPINION THE BEAGLE CHANNEL AND FALKLAND ISLANDS'S DISPUTES PROBABLY SHARE EQUAL PRIORITY IN THE MIND OF THE ARGENTINE GOVERNMENT. BOTH HAVE SIMILARLY FAR-REACHING POLITICAL AND ECONOMIC IMPLICATIONS, AND BOTH ARE MATTERS OF NATIONAL HONOUR AND PRIDE, INSPIRED PARTLY BY FEARS OVER SECURITY AND PARTLY BY AMBITION, AND ENCOURAGED BY AN OBSESSIVE PRE-OCCUPATION WITH 'SOVEREIGNTY'. THE MOST IMPORTANT DIFFERENCE BETWEEN THEM LIES IN THE RISKS THEY CARRY FOR ARGENTINA. WHILE THE ARGENTINE'S DISPUTE WITH CHILE INVOLVES THE POSSIBILITY OF DIRECT CONFRONTATION WITH A LARGE AND MILITARILY POWERFUL NEXT DOOR NEIGHBOUR, THAT WITH BRITAIN INVOLVES NO MILITARY THREAT TO ARGENTINA ITSELF. NEVERTHELESS THE ARGENTINES PREFER TO HAVE ONLY ONE FOREIGN POLICY ISSUE IN PLAY AT A TIME AND THE BEAGLE MEDIATION HAS TAKEN ATTENTION OFF THEIR DISPUTE WITH CHILE. IF NEGOTIATIONS WITH BRITAIN BROKE DOWN OR IF THE ARGENTINES CALCULATED THAT HER MAJESTY'S GOVERNMENT WAS SIMPLY PLAYING FOR TIME, WE BELIEVE THEY WOULD QUICKLY TURN ATTENTION TO MEASURES TO FURTHER THEIR CLAIM TO THE FALKLAND ISLANDS. WE ALSO SEE THIS RISK ARISING IF ARGENTINA'S DISPUTE WITH CHILE LINGERS ON WITH NO PROSPECT OF A SATISFACTORY SETTLEMENT AND THE JUNTA SAW AN URGENT NEED FOR A FOREIGN POLICY SUCCESS ELSEWHERE.

11. IN SUCH CIRCUMSTANCES THE LIKELIHOOD OF ARGENTINA RESORTING TO FORCIBLE ACTION IS DIFFICULT TO PREDICT. MUCH WOULD DEPEND ON THE STATE OF ANGLO/ARGENTINE NEGOTIATIONS AND ON ARGENTINE RELATIONS WITH BRITAIN AT THE TIME. WE HOLD TO OUR BELIEF THAT THE ARGENTINE GOVERNMENT WOULD PREFER TO ACHIEVE ITS OBJECTIVES IN THE FALKLAND ISLANDS BY PEACEFUL MEANS, AND THE IMMINENT APPOINTMENT OF AN ARGENTINE AMBASSADOR IN LONDON TENDS TO SUPPORT THIS VIEW. HOWEVER, WE ALSO CONTINUE TO BELIEVE THAT THE OVER-RIDING CONSIDERATION FOR THE ARGENTINES WILL BE THEIR PERCEPTION OF HER MAJESTY'S GOVERNMENT'S INTENTIONS EVENTUALLY TO TRANSFER SOVEREIGNTY TO ARGENTINA. IF THE ARGENTINE GOVERNMENT CALCULATES THAT HER MAJESTY'S GOVERNMENT DOES NOT INTEND O NEGOTIATE SERIOUSLY ON SOVEREIGNTY, WE BELIEVE THERE WOULD BE A HIGH PROBABILITY OF IT ADOPTING FORCIBLE MEASURES. WE CANNOT PREDICT WITH CONFIDENCE WHICH OF THESE THE ARGENTINES

MIGHT PURSUE. BUT IT SEEMS LIKELY THAT THEY WOULD ADOPT, AT LEAST IN THE FIRST INSTANCE, EASILY IMPLEMENTED DIPLOMATIC AND ECONOMIC MEASURES. ANOTHER OCCUPATION OF ONE OF THE DEPENDENCIES IN ORDER TO ASSERT THEIR SOVEREIGNTY CLAIMS WOULD ALSO SEEM TO US TO BE A DISTINCT POSSIBILITY. WE CANNOT DISCOUNT DIRECT MILITARY ACTION AGAINST BRITISH SHIPPING OR AGAINST THE FALKLAND ISLANDS, BUT IN THE PRESENT CIRCUMSTANCES WE BELIEVE THE RISK OF SUCH ACTION WOULD NOT BE AS HIGH AS HITHERTO.

CONCLUSIONS

12.

A) IN THE PERIOD SINCE OUR LAST ASSESSMENT THE ARGENTINE MILITARY THREAT HAS BEEN DIMINISHED BY THE BRITISH GOVERNMENT'S DECISION TO NEGOTIATE AND BY ARGENTINA'S PRE-OCCUPATION WITH ITS DISPUTE WITH CHILE OVER THE BEAGLE CHANNEL, CHANGES IN THE ARGENTINE GOVERNMENT HAVE BEEN A CONTRIBUTORY FACTOR.

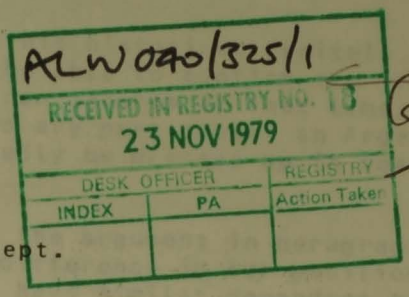
B) WHILE WE CONTINUE TO BELIEVE THAT THE ARGENTINE GOVERNMENT WOULD PREFER TO ACHIEVE ITS SOVEREIGNTY OBJECTIVES BY PEACEFUL MEANS, THERE IS A RISK THAT THE ABSENCE OF ANY DISTRACTING ISSUE SUCH AS THE BEAGLE CHANNEL DISPUTE, CONTINUING STALEMATE IN THAT DISPUTE, AND INTERNAL PRESSURES COULD COMBINE TO CAUSE THE ARGENTINE GOVERNMENT URGENTLY TO SEEK A FOREIGN POLICY SUCCESS ELSEWHERE.

C) THE OVER-RIDING CONSIDERATION FOR THE ARGENTINE GOVERNMENT WILL REMAIN ITS PERCEPTION OF HER MAJESTY'S GOVERNMENT'S WILLINGNESS TO NEGOTIATE ABOUT AND EVENTUALLY TO TRANSFER SOVEREIGNTY. IF NEGOTIATIONS BREAK DOWN, OR IF FOR SOME OTHER REASON THE ARGENTINE GOVERNMENT CALCULATES THAT HER MAJESTY'S GOVERNMENT IS NOT PREPARED TO NEGOTIATE SERIOUSLY ON SOVEREIGNTY, THERE WILL BE A HIGH RISK OF IT RESORTING QUICKLY TO MORE FORCEFUL MEASURES.

D) IN SUCH CIRCUMSTANCES, THE ARGENTINES HAVE OPEN TO THEM A RANGE OF MEASURE TO HARASS BRITISH INTERESTS, THE ESTABLISHMENT OF AN ARGENTINE PRESENCE ON ANOTHER OF THE DEPENDENCIES WOULD BE A DISTINCT POSSIBILITY, DIRECT MILITARY ACTION AGAINST BRITISH SHIPPING OR AGAINST THE FALKLAND ISLANDS CANNOT BE DISCOUNTED,

BUT WE GENERALLY BELIEVE THE RISK OF SUCH ACTION WOULD NOT BE AS HIGH AS HITHERTO.

CARRINGTON



Mr Flower, SEAD

cc
Mr Gordon, SED
Mr Perceval, M&CD
Mrs Wiseman, UND
Mr Hoare, Research Dept.

EAST TIMOR/FALKLAND ISLANDS AT THE UNITED NATIONS

1. Your minute of 9 November.

2. We considered many of the points raised in Mr Furness's teleletter some months ago and the factors set out in my minute of 14 August still obtain.

3. We cannot rule out an Argentine invasion of the Falkland Islands: there is a strong element of unpredictability in Argentine foreign policy, particularly under a Junta with intense inter-Service rivalries. These have to be added to the normal Argentine ingredients of excessive national pride and over-attention to machismo. If negotiations were to break down or if the Argentines were to decide for their own part that they were not progressing properly, there is a constant danger that they will take some provocative action which might well include military action against either the Falkland Islands or the Dependencies, uninhabited except for the British Antarctic base in South Georgia.

4. Again, the only reasonable option open to us would be to bring international diplomatic pressure to bear on Argentina, above all at the United Nations. Our case would be seriously flawed if we had given legal recognition of Indonesia's forcible takeover of East Timor.

5. I should like to trespass on your Department's patch. Mr Furness bases his case on dubious historical grounds (his paragraph 2). It is true that before the Portuguese revolution in April 1974 the Portuguese had done nothing to establish what the wishes of the local people were. But these wishes were pretty well established by the time of the various Indonesian interventions in late 1975: there was exceedingly little support for incorporation in Indonesia. It is true also that the Portuguese threw in their hand quickly: but the struggle between the two main parties (Fretilin and UDT) was settled in a little over a fortnight in August 1975. The so-called civil war from September to December was really only a clandestine Indonesian invasion and was confined to the border area with Indonesian Timor. It was the failure of this clandestine effort and the fear that Fretilin, having declared East Timor independent of Portugal, might secure international recognition which prompted the Indonesian invasion of 7 December 1975. There can be no doubt that Indonesian intentions throughout i.e. from the time of the Portuguese revolution were to incorporate East Timor into Indonesia: the only problem was the method and in the end it had to be an invasion, the course least favoured in Jakarta. Even so, the invasion was dressed up as action on the part of Indonesian "volunteers", over whom the Government pretended it had no control.

/6. ...

6. I hope you will forgive this historical recital. I imagine that Research Department will be able to confirm it, if only on the basis of the reports I wrote from Jakarta at that time. Nevertheless, the circumstances are pertinent: an Argentine invasion of the Falklands would undoubtedly be dressed up in some similar fashion.

7. I am also doubtful about the argument in paragraph 3 of Mr Furness's teleletter. The difference in our position and that of our allies is that they do not have similar dependent territories problems; and there are obviously particular reasons why countries in the region such as Australia and New Zealand should want to make their peace with the largest country in South East Asia. We are under no such pressure.

8. The circumstances would, of course, be somewhat altered if Portugal and Indonesia were somehow to engineer a legitimate transfer of sovereignty. But it seems that Portugal maintains her claim.

9. Doubtless the pressures on the Embassy in Jakarta to swallow the Indonesian line are the same as they always were. I see no cause for abandoning our resistance to them at this stage.

G A Duggan
South America Dept.

16 November 1979

CONFIDENTIAL

AZW 040/35/1
RECEIVED IN F... Y... 13
23 NOV 1979
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Reference ... Mr Fowling (121)

file.

GD

Mr Flower (SEAD)

EAST TIMOR AT THE ~~UNITED NATIONS~~

1. Please refer to your minute of 9 November.

2. Presumably we have been asked about this in the context of UK/Indonesian interests rather than of any parallel colonial situations in South and South East Asia and the Pacific. Happily the latter do not exist. In the case of the former, while the Indonesians would no doubt welcome a change on our stand and might even expect it after a successful (?) State Visit, I have no doubt that they are sufficiently pragmatic to continue to accept our present policy, albeit with raised eyebrows should a number of western governments switch their position on East Timor.

3. I do not, however, believe that we should ignore considerations of humanity such as that put forward by the New Zealand Government (para 5 of Mr Furness's Teleletter). East Timor has been closed to outside contact for some time now and what information that has come out indicates that its remaining population is in urgent need of humanitarian aid. A continued refusal to accept that East Timor is now an integral part of Indonesia would not help to open channels for such aid and could under certain circumstances, eg if we were left amongst a rump of governments known to be unsympathetic towards human rights, cause us some embarrassment. It is also relevant, though in a different - perhaps neocolonialist - context but with humanitarian parallels, that we are considering moving some way towards an acceptance of the Vietnamese imposed government of Kampuchea, though in that case there is, of course, no question of recognising Kampuchea as a part of Vietnam. The point remains, however, that flexibility on Kampuchea and rigidity on East Timor lie oddly together.

?

John M Hay

J M Hay
Asian Region
Research Dept

16 November 1979

cc: Mrs Wiseman, UND
Mr Gordon, SED
Mr Perceval, MCD
Mr Duggan, SAmD

We should not allow the Indonesians to use the plight of the inhabitants as moral blackmail to pressure us into recognition. We can still contribute through UNHCR. 19/xi

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Reference AtW 048/325/1
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Mr Flower

EAST TIMOR/BELIZE

1. I can see Mr Furness' point, and we would be more than willing to help the Indonesians on this point if we could. Unfortunately, I do not see how we could switch our vote their way on East Timor so long as the Belize issue remains unresolved. To change now, could lose us votes on Belize; more to the point, it could draw accusations that our position on Belize was insincere. It would certainly give the Guatemalans much solace, and a dialectical weapon of some strength to use against us at the UN and elsewhere. This would reduce the effectiveness of the isolation-strategy we have mounted at their expense, which is designed to induce them to the negotiating table.

2. The French, Germans and others who may be contemplating a switch on East Timor presumably do not face the same obstacle as we. The Indonesians appear to understand our difficulty. Indeed, they vote for us consistently on Belize, which shows that there is no ill-will. No doubt they can rationalise this asymmetry to their own satisfaction. No doubt we too could rationalise a switch in favour of Indonesia on the grounds of ethnic similarity between one bit of Timor and the other, the question of inhabitants' expressed wishes etc, but none of this would convince in the media or the international fora.

3. I am afraid that what we stand to lose by a switch is far more than we stand to gai and that so far as this Dept is concerned, the matter should be set aside for the time

being, with a b.u. for after the independence of Belize.

Michael Perceval
Mexico and Caribbean Dept

15 November 1979

cc Mr Gordon, SED
Mr Duggan S.Am D
Mrs Wiseman UND
Mr Hoare Research Dept

Reference .....

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Mr Flower, SEAD

EAST TIMOR AT THE UNITED NATIONS

1. Your minute of 9 November.

2. As I have already pointed out to SEAD on the phone, the problem is no longer really relevant from the purely Gibraltar angle; there is no real danger that the Spaniards are going to seek anything other than a political solution to the dispute (here the contrast with Belize and the Falkland Islands is of course very marked). However, while this is not a strictly SED point, I should have thought that the broader question of principle was still relevant, despite the arguments in para 2 of Mr Furness' letter, particularly since Portugal - despite her abandonment of the territory in 1975 - still claims responsibility (Declaration of 25 July 1978). Portugal is afterall a far closer ally than Indonesia, and we should show some respect for her position (although, I admit, the Portuguese have been extremely backward in arguing their own case). Should formal agreement be reached between Portugal and Indonesia then clearly the theoretical difficulties in the way of recognition would be removed.

3. It is, of course, for your department to judge on the moral issues, ie, whether we should be recognising the claims of a regime which is alleged to have followed a policy which has led to the deaths of large numbers of East Timorese. These accusations may be entirely fallacious, but I wonder whether they should not at least be considered.

J K Gordon
15 November 1979 Southern European Department

cc: Mr Perceval, MCD
Mr Duggan, SAmD
Mrs Wiseman, UND
Mr Hoare, Research Dept

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Mr Gordon, Southern European Dept)
Mr Perceval, Mexico & Caribbean Dept) separate copies
Mr Duggan, South America Dept)

cc: Mrs Wiseman, United Nations Dept
Mr Hoare, Research Dept

EAST TIMOR AT THE UNITED NATIONS

1. I attach a copy of Mr Furness' teleletter of 30 October in which he queries the continuing validity of the argument that we cannot support the Indonesians over East Timor because of our residual responsibilities in Belize, Gibraltar and the Falkland Islands.

2. UND have advised that our policy in this respect is based on the views of the Departments concerned with the territories in question. From the UN point of view, we can be inconsistent if we choose to be; it is largely a matter of political will and presentation.

3. The Indonesians are in fact well aware of the reasons why we regularly abstain in UN votes on East Timor. But they would certainly like us to change our mind, and the indications are that several members of the Nine (France, Belgium and the FRG) may be on the point of moving over to a position of support for the Indonesians. Against this background, I should be grateful to know your views on the points made by Mr Furness.

R P Flower
South East Asian Department

9 November 1979

Reply sent

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TELELETTER

FROM A.E. FURNESS JAKARTA

FILE REF: 014/4 DATED 30 OCTOBER 1979

FOLLOWING FOR A M SIMONS ESQ SEAD FCO.

EAST TIMOR AT THE UNITED NATIONS.

1. I HOPE I HAVE NOT BEEN TOO CONDITIONED BY THE EFFECT OF LIVING IN INDONESIA TO ASK HOW FAR IT IS WORTH PURSUING OUR INSISTENCE ON THE PARALLEL BETWEEN EAST TIMOR AND BELIZE, THE FALKLAND ISLANDS AND GIBRALTAR, AS MORE COUNTRIES (INCLUDING SOME OF OUR PARTNERS IN THE NINE) ACCEPT INDONESIA'S ANNEXATION OF EAST TIMOR AS IRREVERSIBLE AND VOTE AGAINST FRETILIN RESOLUTIONS AT THE UN.

2. I KNOW THAT IN BELIZE, THE FALKLAND ISLANDS AND GIBRALTAR BRITISH ACCEPTANCE AT THE UN OF INDONESIAN ANNEXATION OF EAST TIMOR COULD BE TAKEN TO BE AN EMBARRASSING PRECEDENT. BUT THE STRONGEST PART OF OUR CASE OVER OUR THREE COLONIES IS PRESUMABLY NOT SO MUCH THAT WE OPPOSE ANNEXATION IN ITSELF, BUT THAT WE NEED TO UPHOLD THE WISHES OF THE LOCAL INHABITANTS. DISCOURAGING THE POSSIBLE USE OF FORCE BY GUATEMALA, ARGENTINA OR SPAIN IS A SEPARATE ISSUE (ALTHOUGH ABVIOUSLY IN JAKARTA I CANNOT JUDGE HOW URGENT THIS ASPECT IS). IN EAST TIMOR, HOWEVER, BEFORE 1974, THE PORTUGUESE HAD DONE NOTHING TO ESTABLISH WHAT THE WISHES OF THE LOCAL PEOPLE WERE. AND ONCE THE TERRITORY WAS EMBROILED IN CIVIL WAR IN 1975, THE PORTUGUESE AUTHORITIES WITHDREW, LEAVING CHAOS BEHIND THEM - NO SIMILARITY AT ALL TO THE PRESENT OR, I PRESUME, THE LIKELY FUTURE SITUATION IN ANY OF OUR THREE SMALL COLONIES. BUT IF, FOR THE SAKE OF ARGUMENT, WE WERE TO WITHDRAW IN DISARRAY FROM ANY OF THEM LEAVING CHAOS BEHIND US, WOULD WE (OR ANY SUPPORTERS WE HAD) REALLY THEN BE IN A STRONG POSITION TO CRITICISE GUATEMALA, ARGENTINA OR SPAIN FOR ANY SUBSEQUENT ACTIONS THEY FELT OBLIGED TO TAKE?

3. EVEN IF WE ARE STILL FULLY CONFIDENT ABOUT OUR ARGUMENT THAT OUR RESPONSIBILITIES FOR BELIZE, THE FALKLAND ISLANDS AND GIBRALTAR INHIBIT OUR ACCEPTING INDONESIAN ANNEXATION OF EAST TIMOR, IS THERE NOT SOME RISK OF OUR BECOMING UNDULY EXPOSED IF AN INCREASING NUMBER OF COUNTRIES THAT ARE NORMALLY SYMPATHETIC TO US, EG THE UNITED STATES, AUSTRALIA AND NOW NEW ZEALAND, AND PERHAPS ALSO SOME OF OUR PARTNERS IN THE NINE, ALL VOTE AGAINST FRETILIN RESOLUTIONS AT THE UN, WHILE WE STILL ABSTAIN? WILL THIS BE TAKEN AS A SIGN THAT THEY ARE UNSYMPATHETIC TO OR EVEN CRITICAL OF OUR ARGUMENT THAT ABSTENTION ON EAST TIMOR IS NECESSARY TO PROTECT BELIZE, THE FALKLANDS AND GIBRALTAR?

4. THERE SEEMS TO BE A FURTHER POSSIBLE DIFFICULTY, IF THERE EVER WERE A PORTUGUESE-INDONESIAN RECONCILIATION, ON THE LINES OF THE RDCONCILIATION BETWEEN PORTUGAL AND INDIA AFTER 1975. IF THIS SHOULD EVER COME ABOUT, WOULD THAT BE SUFFICIENT REASON IN ITSELF FOR US TO ACCEPT THE LEGITIMACY OF THE TRANSFER OF SOVEREIGNTY OF EAST TIMOR FROM PORTUGAL TO INDONESIA (AS WE HAVE DONE OVER GOA AND INDIA)? IF IT WOULD, HOW RELEVANT ARE OUT PRESENT ARGUMENTS AGAINST THE USE OF FORCE BY INDONESIA?

5. AS I HAVE SUGGESTED, IT SEEMS WORTH RAISING THESE POINTS NOW IN VIEW OF THE POSSIBLE RISK (NEXT YEAR EVEN IF NOT THIS) OF OUR BEING ISOLATED FROM ALL OUR PRINCIPAL ALLIES ON THIS ISSUE THEY HAVE LARGELY ACCEPTED THAT WHATEVER THE INDONESIANS DID WRONG IN 1975 THERE IS NOW NO REALISTIC ALTERNATIVE TO INTEGRATION WITH INDONESIA. AT A PRESS CONFERENCE IN JAKARTA LAST WEEK, FOR EXAMPLE, THE NEW ZEALAND DEPUTY PRIME MINISTER, MR TALBOYS EXPLAINED NEW ZEALAND'S INTENDED SWITCH OF VOTE ON EAST TIMOR IN FAVOUR OF INDONESIA BY REFERRING TO THE INTERNATIONAL RED CROSS BEING ALLOWED TO OPERATE IN EAST TIMOR AND TO THE REALITY OF INTEGRATION AND INDONESIA'S EFFORTS AT DEVELOPMENT (AND TO THE DISAPPEARANCE OF FRETILIN FROM EAST TIMOR).

6. I SUGGEST THEREFORE THAT THERE MAY SOON BE AT LEAST SOMETHING TO BE SAID FOR QUIETLY ACCEPTING THE FACT OF ANNEXATION - AND NOT RISKING, FOR EXAMPLE, BEING THE ODD MAN OUT AMONG THE NINE IN REFUSING TO VISIT EAST TIMOR, OR IN REMAINING AT A DISTANCE FROM THE INDONESIANS BECAUSE OF A DYING CAUSE, WHOSE AIMS AS A COMMUNIST REVOLUTIONARY MOVEMENT WERE FAR FROM SYMPATHETIC TO BRITAIN OR ANY OF OUR COLONIES.555

I AM COPYING THIS TELELETTER TO CHANCERIES IN LISBON (M I GOLDING ESQ) AND UKMIS NEW YORK (R A C BYATT ESQ).

SEAD REGISTRY PLEASE PASS COPY TO UKMIS NEW YORK.

A.E. FURNESS

CONFIDENTIAL

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Mr Harding

ARGENTINE THREAT TO THE FALKLAND ISLANDS: JIC ASSESSMENT

1. In preparation for the postponed O.D. discussion of the Falkland Islands, you suggested that we might get the JIC/MOD to prepare a current assessment of Argentine intentions and capabilities (updating the Chiefs of Staffs' Assessment of 1977) as presently covered in Annex 5 to the OD paper.

2. I attach a draft, prepared by the JIC coordinator in the Cabinet Office, which draws on the existing Annex 5 and which now includes a number of amendments we have suggested.

3. The next step is for JIC to issue this draft formally and they will do so in the next couple of days. All concerned will then be asked to comment within a fortnight. Depending on the extent and nature of comments, there may subsequently be a meeting to agree a final report. The aim is to get this to JIC by 6 December.

4. The MOD have meanwhile been specifically tasked to up-date the Chiefs of Staffs' Assessment which will appear as an annex to the paper.

G A Duggan
South America Department

8 November 1979

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Draft

ARGENTINE THREAT TO THE FALKLAND ISLANDS (DELICATE SOURCE)

Introduction

1. In this note we review the threat posed by Argentina to the Falkland Islands. In our last assessment* we concluded that the Military Junta would prefer to achieve their sovereignty objectives by peaceful means; so long as they calculated that Her Majesty's Government was prepared to negotiate seriously on sovereignty, it was unlikely that Argentina would resort to force. But if negotiations broke down, or if the Argentines concluded from them that there was no prospect of real progress towards a negotiated transfer of sovereignty, there could be a high risk of more forceful measures, including direct military action.

2. These judgements were made in wake of an agreement reached between the then governments of Britain and Argentina on terms of reference for Falklands negotiations which included sovereignty as well as economic cooperation. The negotiations were without prejudice to the position of either Government with regard to sovereignty over the islands. Four negotiating rounds were conducted between 1977 and March 1979. No decisions were taken: the talks were essentially exploratory. Last July the Argentines gave Mr Ridley a note in which they expressed concern over lack of progress and called for a more dynamic approach.

New Factors

3. Since our last assessment Argentina has been preoccupied with its dispute with Chile over the Beagle Channel. Reports at the end of 1978 confirmed that Argentina would be unlikely to make any move against the Falkland Islands while faced with the threat of a military confrontation with Chile. The dispute brought both countries to the brink of a war, averted only by the intervention of the Vatican with its offer of mediation. Both Chile and Argentina have entrenched positions but for the moment relations are more relaxed. To date both sides have continued to cooperate with the Vatican: it

/seems

* JIC 77 (N) 46 dated 1 November 1977

seems reasonable to expect them to do so for some time yet.

4. There have been significant changes in the Argentine Junta and Government since our last assessment. The former Army Commander and Junta leader, General Videla was replaced by General Viola when the former became President. However both men are moderate in their approach to foreign affairs and unlikely to be easily provoked into belligerent policies which might undermine Argentine international standing. In this, they probably have the support of the present naval member of the Junta, Admiral Lambruschini, who replaced the hawkish Admiral Massera when the latter retired in September 1978. Control of the MFA has passed from the Navy to the Air Force which has hitherto shown a less aggressive attitude to foreign affairs. We believe these changes may lessen the risk of too forceful a policy towards the Falkland Islands.

5. We cannot however be certain of stability within the Junta. Relationships are delicate and those of the individual members of the Junta and their parent armed service constantly threatened by personal ambition. The attempted uprising led by the "hard-liner" General Menéndez in August revealed the deep divisions that exist in the army high command. Although some generals and younger officers were reported sympathetic to Menendez' cause only a handful of his own local commanders supported him in his attempt to oust Videla and Viola. While Viola's subsequent handling of Menendez may have gained the former some temporary prestige, the enforced resignation of Menendez means that for the sake of Army morale Viola must now take more account of hardline opinion. A right wing coup is a possibility he must now guard against.

The Threat

6. All Argentine régimes subscribe to the sovereignty claim over the Falkland Islands. The claim is not just a matter of law but of national honour and machismo; it is also engendered by a military and nationalistic pre-occupation with "sovereignty", inspired partly by fear over national security, and partly by ambition.

(in their interpretation of which they are supported by almost all Latin American States)

/7.

7. The Argentine government has recently formally restated its willingness to continue with Falklands negotiations. It has also sought to improve relations ~~and furthermore~~ with Britain by seeking to restore Ambassadors. We have agreed. But the Argentines have been looking to us for some months for a renewal of the dialogue. While there is reasonable prospect of their engaging HMG in serious discussion of sovereignty, there is no reason to expect any hardening in their position. One report indicated (August 1979) that Adm Lambruschini had described the Falklands dispute as a low priority at present. But Argentine patience could evaporate quickly if they concluded we were prevaricating. There are already reports of "disappointment and frustration" among those in the Argentine Foreign Office concerned with Falkland negotiations: their views were reflected in a robust note handed to Mr Ridley as he left Buenos Aires in July which described the March talks as a regrettable step backwards. Reports have also mentioned widespread criticism of the performance of the MFA under the Air Force. This may account for current pressure from the Argentines for a meeting between Mr Ridley and Deputy Foreign Minister, Cavandoli. The Argentines could always apply pressure through diplomatic, political, commercial or military means (see range of options at Annex A) if domestic uncertainties or lack of progress made it useful for them to raise the temperature.

8. In the past Argentina has demonstrated its willingness to apply diplomatic and political pressure, but apart from some harassment have so far not threatened military action.

Conclusions

9. We believe the present régime would prefer to achieve their Falklands objectives by peaceful means and will seek to do so as long as they calculate that Her Majesty's Government are prepared to negotiate seriously on the issue of sovereignty.

10. If negotiations break down, or if the Argentines conclude that there is no prospect of real progress towards a negotiated transfer of sovereignty, some form of diplomatic, political or

/commercial

commercial pressure is inevitable. Some form of military action could not be discounted.

11. They might attempt to apply pressure in stages: eg cutting off air and communications links by abrogation of the Communications Agreement, which would effectively isolate the Islands; occupation of the BAS station on South Georgia; harrassment of British shipping or commercial interests in Argentina. There is no question of their capability to take the Islands by military means.

ANNEX A

POSSIBLE ARGENTINE OPTIONS

1. Diplomatic/Political

a. Lowering the level of diplomatic representation.

b. Breaking off diplomatic relations.

c. Action against HM Embassy in Buenos Aires not involving a complete rupture of relations but requiring, for example, a reduction in staff, or maintaining only consular relations.

d. Orchestrated physical action including demonstrations against HM Embassy, probably preceded by a virulent press campaign.

e. Restricting movements between Argentina and the Islands (eg by implementing a more restrictive policy on the issue of white cards).

f. Orchestrated industrial and/or bureaucratic action against British commercial and industrial interests (possibly including trade union violence).

g. Harassment of the British community in Argentina (there are over 17,000 British passport holders).

h. Intensified diplomatic campaign in the United Nations and/or the Organisation of American States.

2. Commercial

Commercial and economic action against Her Majesty's Government and British companies which might include the cancellation of contracts. British exports may be threatened and British assets in Argentina expropriated.

3. Military

a. Harassment or attempted arrest of British shipping in disputed waters.

b. A military occupation of one or more of the uninhabited Dependancies.

c. Arrest of the British Antartic Survey team in South Georgia.

d. An officially sponsored "unofficial" adventure against the Islands.

e. Military invasion of the Falkland Islands.

4. Action against the Islands

a. Suspension of the LADE air service.

b. Suspension of the naval transport service to the Islands.

c. Cutting off supply of necessities, in particular foodstuffs, to the Islands.

d. Cancellation of scholarships held by island children at Argentine schools.

e. Suspension of medical co-operation.

f. Denunciation of the YPF agreement.

g. Withdrawal of Gas Del Estado facilities from the Islands.

h. Wholesale denunciation of the communications agreement.

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2. These judgements were made in wake of an agreement reached between the then governments of Britain and Argentina on terms of reference for Falklands negotiations which included sovereignty as well as economic cooperation. The negotiations were without prejudice to the position of either Government with regard to sovereignty over the islands. Four negotiating rounds were conducted between 1977 and March 1979. No decisions were taken: the talks were essentially exploratory. Last July the Argentines gave Mr Ridley a note in which they expressed concern over lack of progress and called for a more dynamic approach.

New Factors

3. Since our last assessment Argentina has been preoccupied with its dispute with Chile over the Beagle Channel. Reports at the end of 1978 confirmed that Argentina would be unlikely to make any move against the Falkland Islands while faced with the threat of a military confrontation with Chile. The dispute brought both countries to the brink of a war, averted only by the intervention of the Vatican with its offer of mediation. Both Chile and Argentina have entrenched positions but for the moment relations are more relaxed. To date both sides have continued to cooperate with the Vatican: it

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Conclusions

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10. If negotiations break down, or if the Argentines conclude that there is no prospect of real progress towards a negotiated transfer of sovereignty, some form of diplomatic, political or

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final preliminary draft

ARGENTINE THREAT TO THE FALKLAND ISLANDS (DELICATE SOURCE)

Introduction

1. In this note we review the threat posed by the Argentine to the Falkland Islands. In our last assessment* we concluded that the Military Junta as a whole would prefer to achieve their sovereignty objectives by peaceful means, and that so long as they calculated that Her Majesty's Government was prepared to negotiate seriously on the issue of sovereignty, it was unlikely that the Argentine would resort to force. But the judgement was also made that if negotiations broke down, or if the Argentines concluded from them that there was no prospect of real progress towards a negotiated transfer of sovereignty, there would be a high risk of their resorting to more forceful measures, including direct military action.

2. These judgements were made in wake of an agreement reached between the then governments of Britain and Argentina on terms of reference for a new round of negotiations, which would pursue questions of economic and scientific co-operation, but would be conducted without prejudice to the position of either Government with regard to sovereignty over the islands. Four rounds of negotiations were conducted between 1977 and March 1979, but little has been achieved. In a recent note to HMG's Minister of State Mr Ridley, the Argentinians have forcibly expressed their concern over lack of progress and called for a more dynamic approach.

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* JIC 77(N) 46 dated 1 November 1977

New factors

3. Since our last assessment the Argentine has been preoccupied with its dispute with Chile over the Beagle Channel. This dispute brought both countries to the brink of a war which was only averted by the intervention of the Vatican with its offer of mediation. This process continues and is likely to be protracted. Both Chile and the Aregentine have entrenched positions and there could at any time be renewed tension between both countries. So far however the Vatican has been able to contain negotiations and there seems to be good prospects of this situation continuing. Reports at the end of 1978 confirmed our belief that the Argentine would be unlikely to make any move against the Falkland Islands while faced with the threat of a military confrontation with Chile, and a reliable source reported more recently (August 1979) that Admiral Lambruschini, a member of the Junta, had with emphasis said that the Falkland dispute was at present low in the Argentine Government's list of foreign policy priorities. However we also have reports of "disappointment and frustration among those in the Argentine Foreign Office concerned with negotiations over the Falklands, and of widespread criticism of the performance of the Argentime Ministry of Foreign Affairs under Brigadier General (Rtd) Pastor and Comodoro Cavandoli. This criticism, rather than any real hardening of attitude, may account for the robust note handed recently to Mr Ridley. We therefore continue to believe that the Beagle Channel dispute has priority in Argentine foreign affairs.

4. There have also been significant changes in the Argentine Junta and Government since our last assessment. The former Army Commander and Junta leader, General Vidda, was replaced by General Viola when the former

became President. However both men are moderate in their approach to foreign affairs and unlikely to be easily provoked into belligerant policies which might undermine Argentinian international standing. Furthermore they will get more support for their moderate policies from the new naval member of the Junta, Admiral Lambruschini, who replaced the hawkish Admiral Massera when the latter retired in September 1978. Under Admiral Massera the Argentine Navy held the senior positions in the MFA, and sought to improve its internal standing by advocating a more aggressive foreign policy. Lambruschini is not so aggressive and control of the MFA has been passed to the Air Force which has hitherto also shown a less aggressive attitude to foreign affairs. We believe these changes in the Argentine hierarchy may lessen the risk of too forceful a policy being adopted by the Argentine towards the Falkland Islands.

5. We cannot however be certain of stability within the Junta. Relationships within the Junta are delicate and those of the individual members of the Junta and their parent armed service constantly threatened by personal ambition. The attempted uprising led by the "hardliner" General Menendez in August revealed the deep divisions that exist in the army high command. Although a number of generals and a significant group of younger officers were reported to be sympathetic to Menendez' cause only a handful of his own local commanders supported him in his attempt to oust Videla and Viola. While Viola's subsequent handling of Menendez may have gained the former some temporary prestige, the enforced resignation of Menendez will lead to a number of other resignations and changes in the army high command which in turn might weaken Viola's position.

The Threat

6. All Argentine regimes subscribe to the sovereignty claim over the Falkland Islands. The claim is not just a matter of law but of national honour and machismo; it is also engendered by a military and nationalistic pre-occupation with "sovereignty", inspired partly by fear over national security, and partly by ambition.

7. The Argentine government has recently formally restated its willingness to continue with negotiations over the Falkland Islands and furthermore demonstrated a warming of attitude towards Britain by seeking re-establishing diplomatic representation at Ambassador level. We believe this Argentine attitude could continue as long as they believe there to be some opportunity of engaging Her Majesty's Government in serious discussion on the sovereignty issue. If however the Argentinians became convinced that there was no such prospect, or some domestic issue made it necessary for the Argentine government to divert internal or international attention, the Argentine could apply pressure through diplomatic, political, commercial or military means. The range of options open to the Argentine government is at Annex A.

8. In the past the Argentine has demonstrated its willingness to apply diplomatic and political pressure, but apart from some harassment have so far not threatened military action. We have no reason to suppose they would necessarily go further in the future.

Conclusions

9. We believe the present military Junta in the Argentine would prefer to achieve their sovereignty objectives over the Falkland Islands by peaceful means and will continue to do so as long as they calculate that Her Majesty's Government are prepared to negotiate seriously on the issue of sovereignty.

10. If negotiations break down, or if the Argentinians conclude that there is no prospect of real progress towards a negotiated transfer of sovereignty, some form of diplomatic, political or commercial pressure is inevitable, but military action is considered unlikely.

11. The possibility of the Argentina resorting to military action would increase if the Junta lost collectively and was unable to control military hardline opinion, or faced some serious domestic crisis from which it had to divert internal and international attention. We believe it highly unlikely that the Argentines would mount an invasion against the Falkland Islands, but we do not discount the possibility of their establishing a presence on one or more of the Dependencies.

ANNEX A

POSSIBLE ARGENTINE OPTIONS

1. Diplomatic/Political

a. Lowering the level of diplomatic representation.

b. Breaking off diplomatic relations.

c. Action against HM Embassy in Buenos Aires not involving a complete rupture of relations but requiring, for example, a reduction in staff, or maintaining only consular relations.

d. Orchestrated physical action including demonstrations against HM Embassy, probably preceded by a virulent press campaign.

e. Restricting movements between Argentina and the Islands (eg by implementing a more restrictive policy on the issue of white cards).

f. Orchestrated industrial and/or bureaucratic action against British commercial and industrial interests (possibly including trade union violence).

g. Harassment of the British community in Argentina (there are over 17,000 British passport holders).

h. Intensified diplomatic campaign in the United Nations and/or the Organisation of American States.

2. Commercial

Commercial and economic action against Her Majesty's Government and British companies which might include the cancellation of contracts. British exports may be threatened and British assets in Argentina expropriated.

3. Military

a. Harassment or attempted arrest of British shipping in disputed waters.

b. A military occupation of one or more of the uninhabited Dependancies.

c. Arrest of the British Antartic Survey team in South Georgia.

d. An officially sponsored "unofficial" adventure against the Islands.

e. Military invasion of the Falkland Islands.

4. Action against the Islands

a. Suspension of the LADE air service.

b. Suspension of the naval transport service to the Islands.

c. Cutting off supply of necessities, in particular foodstuffs, to the Islands.

d. Cancellation of scholarships held by island children at Argentine schools.

e. Suspension of medical co-operation.

f. Denunciation of the YPF agreement.

g. Withdrawal of Gas Del Estado facilities from the Islands.

h. Wholesale denunciation of the communications agreement.

SECRET

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DELICATE SOURCE

AZW 080/225/1
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15 NOV 1979
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INTRODUCTION

1 Anglo/Argentine negotiations on the economic and political future of the Falkland Islands and Dependencies re-opened in April 1977. Four rounds of talks have since been held but no progress has been made. The issue of primary importance to the Argentine Government remains the early transfer of sovereignty over the Falkland Islands and Dependencies, the surrounding sea areas within 200 nautical miles and the maritime zones generated by these islands. The Argentines refuse to accept HMG's fundamental negotiating position that any solution to the dispute should be conditional on its acceptance by the islanders themselves. The Argentine Government is pressing for another round of talks.

2 In our last assessment* (prepared for the second round of talks) we concluded that the military Junta as a whole would prefer to achieve its sovereignty objectives by peaceful means; and that so long as it calculates that HMG is prepared to negotiate seriously on the issue of sovereignty, it is unlikely to resort to force. But if negotiations broke down, of if the Argentines concluded from them that there was no prospect of real progress towards a negotiated transfer of sovereignty, there would then be a high risk of their then resorting to more forceful measures, including direct military action.

3 We here assess the risk of Argentina resorting to forcible action over the Falkland Islands.

DEVELOPMENTS SINCE 1977

4 Since our last assessment the Argentine threat to the Falkland Islands has been diminished by two main factors: Argentina's pre-occupation with its

* JIC(77)(N)46 dated 1 November 1977

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dispute with Chile over the Beagle Channel, and Argentina's belief that Britain intends genuinely to negotiate on sovereignty. Both factors continue to apply.

5 Argentina's rejection of the Beagle Channel arbitration, in favour of Chile, resulted in increasing tension between these countries which, in 1978, brought them to the brink of war. This was averted only by the Vatican's intervention with an offer of mediation which was accepted by both sides. The Vatican has so far managed to hold the ring in negotiations, which seem likely to be protracted. But the entrenched positions of both sides are such that renewed confrontation between them remains a possibility. Reports at the end of 1978 confirmed our belief that, so long as Argentina sees that possibility as a real threat, it would be unlikely to make a major military move against the Falkland Islands.

6 However Argentine thinking on both their sovereignty disputes in the south west Atlantic has been conditioned since 1977 by the British Government's decision to proceed with negotiations on the Falkland Islands despite the discovery (in December 1976) of an Argentine base on Southern Thule. This decision, which we know the Argentines regarded as a diplomatic success, raised their hopes of progress towards the peaceful transfer of sovereignty and allowed them to devote more attention to the Beagle Channel dispute and other problems.

7 Since our last assessment there have also been significant changes in the Argentine government. General Viola replaced General Videla as Army Commander (and as the Army member of the three man ruling military Junta) when Videla became President. We consider both men are forces for moderation in Argentine affairs. Viola is scheduled to retire in December 1979; [redacted] confirm our belief that he has ambitions to succeed as President when Videla retires in March 1981. Admiral Lambruschini the Navy Commander and naval member of the Junta, is less

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PUBLIC RECORDS ACT 1

hawkish than his predecessor Admiral Massera, who remains a power in the country and who also has presidential ambitions. Under Massera the Navy controlled the Foreign Affairs Ministry (MFA) and sought to improve its own standing by advocating more forward foreign policies, particularly in the south west Atlantic. Control of the MFA has passed to the Air Force. [redacted] indicates that there is widespread criticism in the Argentine establishment over the MFA's performance in general, and its handling of the Falkland Islands issue and of the possible re-appointment of an Argentine Ambassador to Britain in particular. Dissatisfaction is focussed on Brigadier General Pastor the Foreign Minister (a retired air force officer and President Videla's brother in law) and Commodore Cavandoli his deputy. Though we have no evidence to indicate that personality changes are yet in prospect, we believe such changes and hence a more robust MFA approach towards the Falkland Islands dispute than at present must be on the cards in the coming months. So far we believe the combination of changes in the Argentine hierarchy has tended to lessen the likelihood of them adopting forceful policies on the Falkland Islands.

8 We are less sure of the stability of the Junta itself. Relationships between its members, stemming from endemic inter-Service rivalries and personal ambitions, continue to be delicate and to undermine its strength. In October 1979 the revolt of General Menendez (a Corps Commander) and his attempt to force Viola's resignation illustrates the deep divisions that exist in the army high command. Menendez and members of his faction have consistently accused Videla and Viola of being "soft" on subversion and have strongly opposed Videla's decision to negotiate on the Beagle Channel dispute. Though the enforced resignation of Menendez will have strengthened Viola's hand for the time being we expect other resignations will follow. Changes in the army high command are likely to weaken Viola's position and also affect the imminent appointment

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DELICATE SOURCE

of his successor. If for some reason one of the more hard-line generals replaced Viola, there could be significant adverse implications for the Falkland Islands dispute, although this seems unlikely at present. But even with another moderate as Army Commander we believe the strains within the Junta and the armed forces will continue. The danger will remain that internal divisive pressures might build up to a point where the Junta felt bound to seek a foreign policy success in order to unite the country and to preserve its own position.

ARGENTINE INTENTIONS

9 Though the threat of military action in present circumstances is now at a low ebb, we have no evidence to indicate any diminution in Argentina's determination eventually to achieve its sovereignty aims in the Falkland Islands area. At present Argentina has received no indication that their hopes of a peaceful transfer of sovereignty will be realised. They described the last round of Anglo/Argentine talks in March 1979 as "a regrettable step backwards". At those talks Argentine officials expressed disappointment at the British decision, because of the islanders' deep suspicion of Argentine intentions, not to go ahead with a draft Agreement on Scientific Co-operation agreed in December 1978. They also made clear their impatience at what they saw as British delaying tactics, although they accepted that the imminence of a general election caused difficulties for the British side. The Argentine Government has since accepted that the new British Government needs time to study the situation, but have recently stated that negotiations should be "at a more dynamic pace".

10 On 26 September General Pastor told Lord Carrington that though "the Islands were a long way down in British priorities, they were at the top of the list for Argentina". In our opinion the Beagle Channel and Falkland Islands' disputes

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probably share equal priority in the mind of the Argentine Government. Both have similarly far-reaching political and economic implications, and both are matters of national honour and pride, inspired partly by fears over security and partly by ambition, and encouraged by an obsessive pre-occupation with "sovereignty". The most important difference between them lies in the risks they carry for Argentina. While the Argentina's dispute with Chile involves the possibility of direct confrontation with a large and militarily powerful next door neighbour, that with Britain would under no circumstances of which we can conceive involve a military threat to Argentina itself. For this reason, and because of the British decision to negotiate, the Argentines have so far been able to play the Falkland Island issue for long and concentrate on the Beagle Channel. But we believe this situation is likely quickly to be reversed if negotiations with Britain broke down or if the Argentines calculated that HMG was itself simply playing for time. We see some risk of this possibility arising if Argentina's dispute with Chile lingers on with no prospect of a satisfactory settlement and the Junta saw an urgent need for a foreign policy success elsewhere.

11 In such circumstances the likelihood of Argentina resorting to forcible action is difficult to predict. Much would depend on the state of Anglo/ Argentine negotiations and on Argentine relations with Britain at the time. We hold to our belief that the Argentine Government would prefer to achieve its objectives in the Falkland Islands by peaceful means, and the imminent appointment of an Argentine Ambassador in London tends to support this view. However we also continue to believe that the over-riding consideration for the Argentines will be their perception of HMG's intentions eventually to transfer sovereignty to Argentina. If the Argentine Government calculates that HMG does not intend to negotiate seriously on sovereignty, we believe there would be a high probability of it adopting forcible measures. A range of options open to the Argentine

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Government is at Annex A. We cannot predict with confidence which of these the Argentines might pursue. However our evidence suggests that they would be more likely, at least in the first instance, to choose diplomatic and economic measures. We cannot discount the possibility of direct military action against British shipping or against the Falkland Islands particularly in circumstances in which the Argentine Government saw its own position under threat. But we generally believe the risk of such action would not be as high as hitherto. Another Argentine occupation of one of the Dependencies in order to assert their sovereignty claims would seem to us to be a distinct possibility.

CONCLUSIONS

12 a. Since our last assessment the Argentine military threat has been diminished by the British Government's decision to negotiate and by Argentina's pre-occupation with its dispute with Chile over the Beagle Channel; changes in the Argentine Government have been a contributory factor.

b. While we continue to believe that the Argentine Government would prefer to achieve its sovereignty objectives by peaceful means, there is a risk that continuing stalemate in the Beagle Channel dispute and internal pressures could combine to cause the Argentine Government urgently to seek a foreign policy success elsewhere.

c. The over-riding consideration for the Argentine Government will remain its perception of HMG's intentions eventually to transfer sovereignty. If the Argentine Government calculates that HMG is not prepared to negotiate seriously on sovereignty, there will continue to be a high risk of it then resorting to more forceful measures.

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d. In such circumstances, the establishment of an Argentine presence on another of the Dependencies would be a distinct possibility; direct military action against British shipping or against the Falkland Islands cannot be discounted, but we generally believe the risk of such action would not be as high as hitherto.

DSR.11 (Revised)

CONFIDENTIAL

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1

PHW

FROM:

Private Secretary

DEPARTMENT: TEL. NO:

Reference

(CD)

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

PRIVACY MARKING

.....In Confidence

CAVEAT.....

Enclosures—flag(s).....

TO:

Michael Alexander Esq
Number 10

Your Reference

Copies to:

ALW CAO/325/1

SUBJECT:

ANGLO/ARGENTINE RELATIONS

In your letter of 15 October, you said that the Prime Minister had asked that discussion of the Falkland Islands by OD on 17 October should be postponed until after the Rhodesian issue had been settled. Roderic Lyne spoke to you about this shortly afterwards and I write now to confirm what he said and ask that consideration by OD of this matter should not be long delayed after the end of the Lancaster House Conference.

The Argentines have been looking to us now for some months for a firm indication of this Government's willingness to enter into substantive negotiations with them. When the Foreign and Commonwealth Secretary saw the Argentine Foreign Minister in New York at the end of September, Lord Carrington explained that overriding problems of European Community affairs and Southern Africa had made it difficult to think deeply about the Falkland Islands so far but that he was now considering the matter. The Argentine Foreign Minister will have been left with the impression that our approach would not now be too long delayed. Brigadier Pastor suggested for his part what he called a programme of work, which included Mr Ridley meeting with the Argentine Deputy Foreign Minister twice a year very informally with an open agenda, switching to official meetings when there was something agreed to be formalised.

/The

The Argentine Charge d'Affaires called on Mr Ridley the other day to convey an invitation from the Deputy Foreign Minister, Commodore Cavandoli, to meet him in New York in the next week or so. The meeting would be informal, with no agenda, and would be aimed at enabling the Ministers to become better acquainted in advance of further Falklands discussions.

We do not know for sure why the Argentines have suggested this meeting at this time. We have repeatedly made clear to them that we are not yet ready to discuss the Falkland Islands question. There is some possibility that the Air Force, now in charge of the Argentine Foreign Ministry, wants to be able to show that they are doing no less well than their Navy predecessors and that discussions with us on Falklands matters are in progress. If this were to help them to keep their wilder military colleagues in check, so much the better for us.

To decline this invitation runs the risk of awakening Argentine suspicions that we are simply stringing them along. This carries with it the danger of their doing something unpredictable. However, we are not in favour of a meeting which has no substance: the Argentines would want to talk about the Falkland Islands and there is clearly as yet nothing for us to say. Total silence on Mr Ridley's part would hardly make for a constructive meeting. Mr Ridley has therefore, with the Secretary of State's agreement, sent the Argentine Deputy Foreign Minister a polite but gentle message of regret.

It is however, becoming increasingly difficult to keep putting the Argentines off. There is some danger of our losing all the goodwill which the restoration of Ambassadors is currently generating. We cannot continue to expect the Argentines to accept our protestations of sincerity while we remain unable to talk to them about the only real issue in which they

89280 Dd 532113 200M 2/79 S&S

are interested. We would want to avoid tempting the Argentines into any provocative act, as it would make subsequent reasoned exchanges more difficult.

I hope therefore that you will consider arranging with OD to discuss the Falkland Islands fairly soon after the end of the Rhodesia Conference and in any case well before Christmas.

89280 Dd 532113 200M 2/79 StS

(116)

Foreign and Commonwealth Office

London SW1A 2AH

13 November 1979

PERSONAL

Dear L. Blanco,

Further to your telephone conversation this afternoon with Mr Ridley, I enclose a copy of the message which the Minister has sent to Commodoro Cavandoli. We have sent a telegram to Mr Carless, our Chargé d'Affaires in Buenos Aires, asking him to deliver the message to the Commodoro as soon as possible.

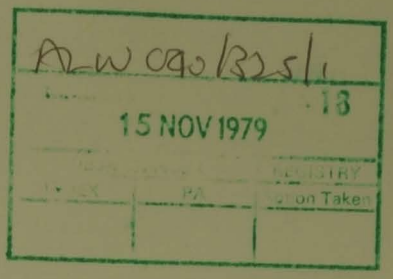
The telegram we have sent to Buenos Aires is of course classified; I am sure you will agree that it is best to keep its terms private.

Yours sincerely,

K D Temple
Private Secretary to
Mr Nicholas Ridley

Senor Carlos Lucas Blanco
Chargé d'Affaires
Embassy of the Argentine Republic
9 Wilton Crescent
LONDON SW1X 8RP

(115)



Mr Duggan

cc: Mr Harding

PROPOSED MEETING BETWEEN COMMODORO CAVANDOLI AND MR RIDLEY

1. When we spoke on the telephone, I read to you the draft of a telegram which I proposed sending to Buenos Aires covering Mr Ridley's message (as now approved by the Secretary of State) to Commodoro Cavandoli.

2. Mr Ridley this afternoon telephoned the Argentine Chargé to explain. He said that the Secretary of State, when Mr Ridley had at last had time to consult him, had taken the view (with which Mr Ridley agreed) that since he could not say anything positive to Cavandoli, it might be a mistake to fly to New York; when he met the Argentine Minister, Mr Ridley wanted it to be a proper meeting, for which he had full instructions. Accordingly he was declining Cavandoli's invitation at this stage, and as soon as he was ready, he would be in touch both in Buenos Aires and with Sr Blanco, to set up an early meeting. Mr Ridley added that he had sent a message to Cavandoli, and was posting Sr Blanco a copy. Sr Blanco said he was sorry, but understood.

(116) 3. I attach a copy of my letter to Sr Blanco.

K D Temple
13 November 1979

COPY

OO BUENOS AIRES

GRS 480

ALW 000/325/1
15 NOV 1979
DESK OFFICER
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CONFIDENTIAL
FM FCO 131600Z NOV 79
TO IMMEDIATE BUENOS AIRES
TELEGRAM NUMBER 264 OF 13 NOVEMBER

FROM PS/MR RIDLEY
YOUR TELNO 355: ANGLO/ARGENTINE EXCHANGES

1. IT HAS NOW BEEN DECIDED ON BALANCE THAT MR RIDLEY SHOULD NOT REPEAT NOT ACCEDE TO CAVANDOLI'S INVITATION. FOR YOUR OWN INFORMATION THE MAIN FACTOR IN REACHING THIS DECISION WAS THAT MR RIDLEY WOULD HAVE NOTHING POSITIVE TO SAY TO HIM: YOUR ADVICE THAT THE ARGENTINES WOULD NOT BE PROVOKED AT THIS STAGE IF MR RIDLEY DECLINED THE MEETING WAS CAREFULLY NOTED.

2. MR RIDLEY WOULD BE GRATEFUL IF YOU COULD PASS THE FOLLOWING MESSAGE TO CAVANDOLI:

'I WAS VERY GRATEFUL TO RECEIVE YOUR MESSAGE, THAT YOU THOUGHT IT WOULD BE HELPFUL FOR US TO GET TOGETHER IN NEW YORK AT SOME TIME THIS MONTH. I HAD BEEN HOPING MYSELF TO HAVE HAD A FURTHER MEETING WITH YOU BY NOW, AS I MENTIONED IN MY LAST MESSAGE TO YOU IN SEPTEMBER.

AS YOU WILL KNOW FROM SR BLANCO HERE AND FROM THE MEETING WHICH THE FOREIGN AND COMMONWEALTH SECRETARY HAD IN NEW YORK WITH FOREIGN MINISTER PASTOR IN LATE SEPTEMBER, OVERRIDING PROBLEMS OF EUROPEAN COMMUNITY AFFAIRS AND THE LANCASTER HOUSE CONFERENCE ON RHODESIA HAVE SO FAR MADE IT IMPOSSIBLE FOR SENIOR MINISTERS TO GIVE DUE CONSIDERATIONS TO OUR RELATIONS GENERALLY AND SPECIFICALLY TO OUR DIFFERENCES OVER THE FALKLAND ISLANDS. UNDER THESE CIRCUMSTANCES, ALTHOUGH I WOULD BE HAPPY TO COME TO NEW YORK TO MEET YOU, THERE IS NOT A GREAT DEAL I COULD ADD AT THIS STAGE TO WHAT LORD CARRINGTON TOLD SR PASTOR. WHEN WE MET IN JULY, I WAS ALREADY AFRAID THAT PRESSURE OF OTHER PROBLEMS MIGHT NOT ENABLE COLLEAGUES TO GIVE THE CLOSE AND

CONSIDERED ATTENTION TO THESE MATTERS WHICH THEY REQUIRE. I FEAR THAT MY ESTIMATE OF THE LIKELY DELAY HAS, AS A RESULT OF RHODESIA, PROVED TOO SHORT.

I MUCH APPRECIATE THE UNDERSTANDING YOU AND YOUR COLLEAGUES HAVE SHOWN HITHERTO AND I, FOR MY PART UNDERSTAND AND SHARE YOUR DESIRE TO MAKE PROGRESS.

I AM PLEASED TO NOTE THAT NOTWITHSTANDING THE PRESSURES WE ARE FACING, IT HAS NOW PROVED POSSIBLE FOR US ALMOST TO COMPLETE ALL THE LENGTHY PROCEDURES INVOLVED IN AGREEING TO AN EXCHANGE OF AMBASSADORS. AN ANNOUNCEMENT IS TO BE MADE BY BOTH SIDES FAIRLY SOON. I HOPE THAT YOU WILL TAKE THIS AS FIRM EVIDENCE OF OUR WISH, WHICH I EXPRESSED TO YOU IN JULY, TO PUT OUR RELATIONS ON A BETTER FOOTING. AS THE FOREIGN AND COMMONWEALTH SECRETARY AGREED WITH FOREIGN MINISTER PASTOR, OUR TWO AMBASSADORS BOTH EXPERIENCED DIPLOMATS OF HIGH RANK, SHOULD BE ABLE, ONCE APPOINTED, TO DEPLOY THEIR IMAGINATION AND EXPERIENCE ON THE PROBLEM.

MEANWHILE, I ASK YOU TO EXCUSE ME FROM TAKING UP YOUR THOUGHTFUL SUGGESTION AT THIS TIME.'

3. THE ARGENTINE CHARGE HAS UNDERSTANDABLY BEEN PRESSING US FOR A REPLY. MR RIDLEY HAS SPOKEN TO HIM ON THE TELEPHONE EXPLAINING THAT HE FEELS HE CANNOT USEFULLY MEET CAVANDOLI AT THIS STAGE. HE HAS GIVEN BLANCO A COPY OF THE MESSAGE TO CAVANDOLI.

CARRINGTON

NNNN X
DIST
FILES
SAMD
PS
PS/LPS
PS/PUS
PS/MRRIDLEY
SIR A DUFF
MR HARDING

AZW 040/325/1
RECD 15 NOV 1979
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CONFIDENTIAL

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Secretary of State

Drafts F, G

S. has D. to issue

cc: PS/PUS
Mr Harding
Mr Duggan

PROPOSED MEETING BETWEEN MR RIDLEY AND ARGENTINE DEPUTY FOREIGN MINISTER

Mr Ridley has considered the advice in Mr Duggan's submission ... of 5 November, attached, and Mr Harding's minute of 6 November. Having talked the problem over with them, he has commented as follows:

> ''This question is finely balanced. On the one hand, it seems unnecessary to travel to New York simply to accede to Cavandoli's request for a meeting when I not only have nothing yet to say to him but must also stall as to whether and when we will negotiate. On the other hand, we have already used at least twice the excuse that the Rhodesia Conference is preventing senior Ministers considering Falklands policy - by Lord Carrington to Pastor in New York, and in my contacts with the Argentine Chargé here. To spurn this latest advance citing the same grounds risks not only making us look indecisive but also offending them. I am a little afraid that this approach is designed to test our good intentions, and to refuse it might confirm their worst suspicions. Our Chargé in Buenos Aires does not think that the Argentines will be provoked at this stage if I decline the meeting. On balance, therefore, I am prepared to accept that advice, but in so doing I should like:
>
> a. to send a fairly fulsome message to Cavandoli explaining why I am not meeting him (draft attached); FLAG F ...
>
> and b. a letter to go to No 10 reporting this Argentine approach as evidence of their growing impatience at our stalling, and urging that the delay in OD consideration of the Falklands Memorandum be as short as possible (second draft attached). FLAG G ...
>
> NR''

K D Temple
6 November 1979

GRPS 240 CONFIDENTIAL (112)

CONFIDENTIAL

DESKBY 05/1400Z

FM BUENOS AIRES 05/1335Z NOV 79

TO IMMEDIATE FCO

TELNO 355 OF 5 NOVEMBER 1979

INFO PRIORITY PORT STANLEY

ARW 040/325/1 M. Fisher
15 NOV 1979
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TOP COPY

YOUR TELNO 252 : ANGLO-ARGENTINE EXCHANGES

1. I HAVE SEEN NO SIGNS OF ARGENTINE IMPATIENCE OVER THE ABSENCE OF TALKS. ON 31 OCTOBER WHEN I SAW AMBASSADOR OLIVERI LOPEZ, HE MADE NO MENTION OF THIS PROPOSAL FOR AN INFORMAL MINISTERIAL MEETING.

2. CAVANDOLI'S INVITATION PROBABLY STEMS LESS FROM ARMED FORCES' PRESSURE THAN FROM A WISH ON PASTOR'S AND HIS PART TO HAVE SOMETHING TO OFFER THEIR FELLOW AIR FORCE OFFICERS AND CRITICS. THE LATTER, IN ADVANCE OF THE SUMMER RECESS, WILL BE COMPARING THEIR ACHIEVEMENTS ON THE FALKLANDS ISSUE WITH THOSE OF THEIR NAVAL PREDECESSORS IN 1977 AND 1978. IF THE MOTIVATION IS INDEED PRESENTATIONAL, THE SUBSTANCE OF ANY DISCUSSIONS MATTERS LESS THAN THAT THEY BE SEEN TO HAVE TAKEN PLACE.

3. I JUDGE IT UNLIKELY THAT REFUSAL OF THE INVITATION WILL RESULT IN FOOLISH OR PROVOCATIVE ARGENTINE ACTION FOR THE MOMENT. BUT TO REFUSE AN INFORMAL MEETING NOW IS LIKELY TO CAUSE THE ARGENTINES TO PRESS HARD IMMEDIATELY AFTER THEIR SUMMER BREAK (JANUARY AND FEBRUARY) FOR SUBSTANTIVE TALKS. BY SHOWING WILLING NOW, YOU MAY BE ABLE TO GAIN SOME ADDITIONAL TIME.

4. AS SEEN FROM HERE, AGREEING TO THE ARGENTINE PROPOSAL WOULD KEEP THEM IN PLAY WITHOUT STARTING SERIOUS DISCUSSIONS UNTIL THE SPRING. I WOULD THEREFORE FAVOUR IT.

5. IF HOWEVER YOU DECIDE AGAINST IT, I RECOMMEND YOU SHOULD SEND A MESSAGE TO THE FOREIGN MINISTER WHICH HE COULD CIRCULATE TO HIS COLLEAGUES AND EVEN REFER TO IN PUBLIC. TELELETTER FOLLOWS.

CARLESS
FILES
SAMD
PS
PS/MR RIDLEY
MR HARDING

CONFIDENTIAL

(111)

Discussed.

Mr Ure

ALW 040/325/1
RECEIVED 8 NOV 1979
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FALKLAND ISLANDS: VIEWS OF THE VCNS

1. I called this morning on the Vice Chief of Naval Staff in order to explore his views on the Falkland Islands problem and possible ways of solving it.

2. Vice Admiral Sir Anthony Morton said without hesitation that from a military standpoint the defence of the Falkland Islands would be an unattractive proposition. It would be possible to marshal a suitable force and despatch it there, though the distances involved (17 to 30 days sailing) would make it a laborious process that would not necessarily pass unnoticed. The crucial point would be the extent of Ministers' determination: they would have to resolve themselves from the outset to the inflicting and sustaining of casualities, with all that that would entail in terms of the arousal of public opinion at home, in Argentina and elsewhere in the world. Since it seemed improbable that Ministers would be able to steel themselves to this extent, he favoured continued efforts to find a solution with the Argentines. If it did come to a naval battle, he had no doubt that the Royal Navy could take care of the Argentine Navy without too much difficulty, though they would also presumably have to face air attack and might not be able by themselves to counter an Argentine paratroop drop on the Islands. I asked whether he placed any importance on the Falklands as a naval base in the foreseeable future. He said that it could conceivably acquire more importance if the Soviet Navy began to expand into the South Atlantic and more especially if the countries of South America (not only Argentina) began to go "red". But in that case one could hardly envisage the Falklands as being a viable base only 350 miles from a hostile Argentina, given the extremely long lines of communication from the UK. It might be worth asking the Americans for a view on this point, though admittedly they had not hitherto shown much interest in it.

3. As to the means of solving the problem, Admiral Morton is attracted by the idea of buying out the Islanders. He thinks that they could not resist an offer of, say, £50,000 per family to resettle themselves in the wilds of Scotland. We agreed that this solution might pose political difficulties at home and might prove an uncomfortable model for future solutions of analogous problems such as Gibraltar. Apart from that, he did not oppose the idea of a lease-back solution, though he believed that it would not be long before an Argentine Government reneged on the lease, thus confronting us with the alternative of using force or taking the Argentines to court, which they might very well not agree to. He also saw the force of the argument that we ought to hold on to any real estate we might be able to claim in the Falkland Islands area for oil exploration purposes, though obviously this could not be done without Argentine co-operation or at least acquiescence. He thought perhaps the final answer might be a package including buying out, lease-back and joint resource exploration.

/4.

4. I asked Admiral Morton if he had any views on the relevance of the Spitzbergen and Aaland Islands as models for a dual regime. He viewed the former as a thoroughly bad example, since the Russians were doing their best - with some success - to force the demilitarisation not only of the Spitzbergen archipelago but also of the north coast of Norway. The Aaland Islands did not seem to him to have much relevance to our problem.

5. We might discuss these interesting views sometime.

G W Harding

30 October 1979

(110)

Mr Fowling
file
Mr Ridley has seen & agrees

ALW 040/325/1
RECEIVED IN REGISTRY 13
8 NOV 1979
DESK OFFICER | REGISTRY
INDEX | PA | Action Taken

PS/Mr Ridley

8/11

ANGLO/ARGENTINE EXCHANGES

1. In paragraph 5 of his telegram number 355 of 5 November, Mr Carless promised to send a teleletter with further comments about the invitation from Deputy Foreign Minister Cavandoli. This has now arrived and a copy is attached. I have discussed with Mr Harding.

A

2. We do not think that these further suggestions from Mr Carless require any alteration in the course of action which was agreed at the Minister's meeting yesterday. We have effectively covered the points which Mr Carless makes, with the following exceptions only:

a) He talks in terms of a message from the Secretary of State: but we have already agreed that a message from Mr Ridley should suffice.

b) He proposes that the message should mention the Antarctic: but we feel that this runs the risk of awakening Argentine suspicion that we are stringing them along on the Falkland Islands while extracting advantages on Antarctica.

3. We have envisaged hitherto that Mr Ridley's message would be confidential. But there should be no difficulty in agreeing to the Argentines making mention of its existence publicly, if they so wish. (Mr Carless's paragraph 4).

G A Duggan
South America Department

7 November 1979

(109)

ALW 040/325/1

RECEIVED 7 NOV 1979

DESPATCHED INDEX P... FILE

BAFO ØØ8/Ø6

GRPS 34Ø

CONFIDENTIAL

TELE-LETTER

TO: FCO

CONFIDENTIAL

FILE NO: Ø4Ø/1 DATE: 6 NOVEMBER 1979

FOLLOWING FOR: G W HARDING ESQ CMG CVO, AUSS

COPY TO (BY BAG): HE THE GOVERNOR, PORT STANLEY

FROM: CHARGE D'AFFAIRES, BUENOS AIRES

ANGLO/ARGENTINE EXCHANGES

1. IN MY TELEGRAM NUMBER 355 OF 5 NOVEMBER I RECOMMENDED THAT, SHOULD THE SECRETARY OF STATE DECIDE AGAINST SENDING MR RIDLEY TO AN INFORMAL MEETING WITH CAVANDOLI THIS MONTH, THEN HE SHOULD SEND A MESSAGE TO PASTOR.

2. IN THE ABSENCE OF A MINISTERIAL MEETING THE MOST DIFFICULT TIME FOR CAVANDOLI AND PASTOR IS LIKELY TO BE THE FIRST 2 OR 3 WEEKS OF DECEMBER. FOLLOWING ROUNDS OF TALKS IN DECEMBER 1977 AND 1978, THERE IS A CERTAIN EXPECTATION AT THIS TIME, AND IT IS ALSO THE PERIOD WHEN THE YEAR'S BUSINESS NEEDS TO BE COMPLETED IN THE RUN-UP TO THE LONG SUMMER HOLIDAYS. SO FAR THIS YEAR A ROUND OF TALKS AT MINISTERIAL LEVEL HAS BEEN CONSPICUOUS BY ITS ABSENCE, AND IT WOULD BE IN OUR INTEREST TO HELP PASTOR AND CAVANDOLI EXPLAIN TO OTHERS, PRINCIPALLY TO SENIOR FIGURES IN THE ARMED FORCES, WHY THERE HAD BEEN NONE THIS

YEAR. I THINK A SHORT MESSAGE WOULD HELP THEM TO HOLD THE LINE, AND SHOW THAT HMG HAD NOT LOST SIGHT OF THE FALKLAND ISLANDS DISCUSSIONS.

IT WOULD BEST BE SENT IN THE SECOND HALF OF THIS MONTH, PERHAPS AD WITH MR RIDLEY'S EXPRESSIONS OF REGRET AT BEING UNABLE TO ACCEPT CAVANDOLI'S INVITATION.

3. THE MESSAGE WOULD NEED TO EXPRESS REGRET THAT CAVANDOLI AND MR RIDLEY WERE HAVING TO DELAY A FURTHER MEETING AND MIGHT ALSO REPEAT THE POINTS MADE BY MR RIDLEY TO CARLOS BLANCO ON 19 OCTOBER (FCO TELEGRAM NUMBER 238 OF 22 OCTOBER). IT MIGHT REFER TO:

(A) THE SECRETARY OF STATE'S CONTINUED PREOCCUPATION WITH RHODESIA AND HIS BELIEF THAT IT WOULD NOT BE IN THE MUTUAL INTEREST FR HMG TO ENTER INTO IMPORTANT EXCHANGES BEFORE THEY HAD CONSIDERED FALKLANDS POLICY IN DEPTH:

(B) THE REINSTATEMENT OF AMBASSADORS AS A POSITIVE SIGN OF BRITISH INTEREST IN IMPROVING ANGLO/ARGENTINE RELATIONS:

(C) PLEASURE AT SEEING A COMMUNITY OF INTERESTS AND USEFUL CO-OPERATION BETWEEN ARGENTINA AND BRITAIN IN THE ANTARCTIC TREATY FORUM.

4. IF A MESSAGE IS SENT, I THINK IT WOULD HELP PASTOR TO BE TOLD THAT HMG WOULD HAVE NO OBJECTION TO HIS REFERRING PUBLICLY TO ITS EXISTENCE AND THEME IF HE SO WISHED.

(SIGNED) H M CARLESS

CONFIDENTIAL

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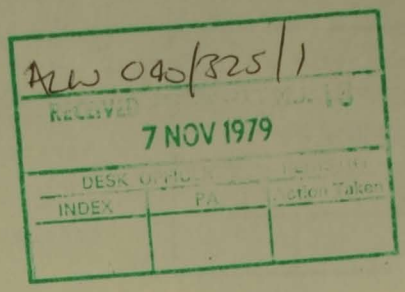
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RESTRICTED

GRPS 33

RESTRICTED
DESKBY Ø5/ØØØØZ
FM BUENOS AIRES Ø2/2Ø45Z NOV 79
TO IMMEDIATE FCO
TELNO 354 OF 2 NOVEMBER 1979



FOR SAMD AND PS MR RIDLEY
YOUR TELNO 252 : ANGLO-ARGENTINE EXCHANGES

1. CHARGE D'AFFAIRES IS AWAY ON TOUR, RETURNING LATE ON 4 NOVEMBER. OUR REPLY WILL BE WITH YOU BY 14ØØZ ON 5 NOVEMBER.

CARLESS

F I L E S
S AM D
PS/MR RIDLEY

RESTRICTED

(107)

Mr Harding

PS/Mr Ridley Separate minute as dlts.

PS

P. 6/11

cc
PS/PUS

ARW 090/323/1
RECEIVED IN REGISTRY NO. 18
15 NOV 1979
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ARGENTINA AND THE FALKLAND ISLANDS

Problem

1. The Argentine Charge d'Affaires, Senor Blanco, called on Mr Ridley on 2 November to extend an invitation to meet the Argentine Deputy Foreign Minister in New York later this month. How should we react?

Recommendation

2. The Minister of State is inclined to accept the invitation and has asked for a draft letter to No. 10. I submit a draft.

Background and Argument

3. We do not know why the Argentines have suggested this meeting. Senor Blanco was rather vague. We have consulted our
Flags A & B Charge who thinks that the Air Force, now in charge of the Argentine MFA, wants to be able to show some contact for presentational reasons.

4. The Argentines have been fairly patient with us. We have been putting them off, since the last round of formal talks in March, for some time with a variety of reasons (e.g. impending General Election, new government, and now Rhodesia). The Argentine
Flag C Foreign Minister, in conversation with the Secretary of State in New York in September, was fairly relaxed. The Charge has
Flag B detected no signs of Argentine impatience over the absence of talks.

/5. ...

5. Nevertheless, the Argentines have sought meetings on a number of occasions. Senior Argentine officials in the MFA pressed for a meeting at official level before the Secretary of State met Brigadier Pastor. Commodore Cavandoli also tried to get Mr Ridley to agree to a meeting when Mr Ridley met him in Buenos Aires in July. Mr Carless thinks that pressure may build up on the Argentine side after their summer break; he suggests that, by meeting them now, we could buy time and relieve pressures in subsequent months.

6. The problem is that there is nothing substantive to be said about the Falklands. OD was meant to discuss policy last month but consideration has been put off until after the Lancaster House Conference is completed. The Argentines have been told this, Flags C & D by the Secretary of State in New York and by Mr Ridley. An unproductive meeting, with little content, could discount the value of exchanges at this level.

7. There is also some danger of wider misunderstanding, by Councillors, by the Committee and by the Lobby. If the Argentines are to make some use of the meeting, they will want to ensure that it becomes public knowledge. This could arouse expectations among those interested in the Falklands question; subsequent explanations that nothing substantive was discussed may not be taken at face value and there could be suspicions that we were cooking up something with the Argentines.

8. Mr Carless does not seem to think that the Argentines will take umbrage or do anything foolish if we refuse this invitation. He has suggested that, if Mr Ridley does not go, the Secretary of State might send a message to the Argentine Foreign Minister which he could use with his ministerial colleagues

/and even

Flag E

and even refer to in public. Alternatively Mr Ridley could send a further message to Commodore Cavandoli. This could make reference to the forthcoming announcement of names of Ambassadors as concrete evidence of our wish to make progress in improving our relations. This might offer an acceptable way out.

G A Duggan
South America Dept.

5 November 1979

The Minister of State wishes to discuss this. I am not in favour of meeting with no substance and I do not see how Mr Ridley could be briefed to do other than stall politely on all the main issues. I therefore favour a carefully-drafted message from him to Cavandoli explaining why a meeting would not be timely at present. He might also point out to No.10 the reasons for pressing ahead with the OAS meeting.

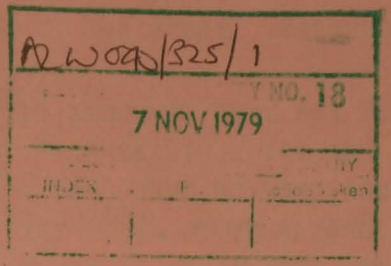
6 Nov.

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GRS 317
CONFIDENTIAL

DESKBY 022030Z
FM FCO 021830Z NOVEMBER 79
TO IMMEDIATE BUENOS AIRES
TELEGRAM NUMBER 252 OF 2 NOVEMBER 79
INFO PORT STANLEY

ANGLO-ARGENTINE EXCHANGES

1. THE ARGENTINE CHARGE TODAY CONVEYED AN INVITATION FROM COMMODORE CAVANDOLI TO MR RIDLEY THAT THEY SHOULD MEET IN NEW YORK LATER THIS MONTH. THE MEETING WOULD BE INFORMAL WITH NO AGENDA, AND WOULD BE AIMED AT ENABLING THE MINISTERS TO BECOME BETTER ACQUAINTED IN ADVANCE OF FURTHER FALKLANDS DISCUSSIONS.

2. SINCE THE ARGENTINES HAVE ALREADY BEEN INFORMED (MOST RECENTLY BY MR RIDLEY: FCO TELNO 238 TO YOU) THAT WE ARE NOT READY FOR SUBSTANTIVE FALKLANDS TALKS, WE IMAGINE THAT THIS LATEST INITIATIVE REPRESENTS EITHER PRESSURE BY THE ARMED FORCES ON THE FOREIGN MINISTRY FOR GREATER ACTIVITY, OR ELSE IMPATIENCE ON THE PART OF THE FOREIGN MINISTRY THEMSELVES.

3. WE SEE SOME DISADVANTAGES IN ACCEPTING THIS INVITATION: HOWEVER PRESENTED IN PUBLIC IT COULD AROSE EXPECTATIONS OR ANXIETIES AMONG THE FALKLAND ISLANDERS, THE FALKLANDS LOBBY ETC. ALSO AN UNRODUCTIVE MEETING WITH LITTLE CONTENT (PARTICULARLY AFTER SUCH A LONG JOURNEY), COULD DISCOUNT THE VALUE OF EXCHANGES AT THIS LEVEL.

4. ON THE OTHER HAND THERE ARE SOME REAL ATTRACTIONS IN THE IDEA. IT WOULD SHOW THE ARGENTINES THAT WE ARE NOT DELIBERATELY AVOIDING ENCOUNTERS WITH THEM. IT MIGHT ENABLE THE FALKLANDS

ISSUE TO BE PUT IN THE WIDER CONTEXT OF OTHER MATTERS OF ANGLO-ARGENTINE CONCERN. ABOVE ALL IT WOULD SHOW WILLING.

5. GRATEFUL FOR YOUR COMMENTS BY 5 NOVEMBER WHEN WE SHALL NEED TO CONSULT THE PRIME MINISTER IF THIS IDEA IS TO BE PURSUED. IN PARTICULAR, DO YOU FEEL THAT A POSITIVE RESPONSE TO THIS REQUEST IS NECESSARY TO AVOID THE RISK OF FOOLISH OR PROVOCATIVE ACTION BY THE ARGENTINES IN ADVANCE OF ANY DISCLOSURE BY US OF OUR NEGOTIATING POSITION ON THE FALKLANDS? PRESUMABLY THE FORTHCOMING ANNOUNCEMENT (SEE SEPARATE TELEGRAM) OF AN EXCHANGE OF AMBASSADORS WILL DO SOMETHING TO HOLD THE LINE?

CARRINGTON

NNNN

DIST
FILES
S AM D
PS
PS/MR RIDLEY
MR HARDING

Mr Cowling

21/9

In replying we should mention our action beforehand re Navarra in perspective

N Davies

Mr Cowling
I attach a draft (not cleared with UN Dept)

Did you establish what was done "beforehand"

21/9.

CONFIDENTIAL

P/W

GR 500
CONFIDENTIAL
FM F C O 201515Z AUG 79
TO PRIORITY BRASILIA
TELEGRAM NUMBER 136 OF 21 AUGUST
AND TO CERTAIN OTHER POSTS
INFO SAVING KABUL, BAGHDAD, VIENTIANE, HANOI, ADEN, SANA'A, UKMIS NEW YORK, UKMIS GENEVA, WASHINGTON, VIENNA, STOCKHOLM, LISBON, HELSINKI, BERNE, BUCHAREST, MANILA, MADRID, UKDEL NATO, CANBERRA, OTTAWA, WELLINGTON AND BELMOPAN.

N I P T: NON-ALIGNED MOVEMENT: HAVANA SUMMIT.

RHODESIA.

1. INDICATIONS FROM HAVANA ARE THAT THE CUBANS WOULD LIKE TO SEE IN THE COMMUNIQUE A LONG PASSAGE ON RHODESIA HOSTILE TO THE UK, EXCLUSIVELY FAVOURABLE TO THE PATRIOTIC FRONT, AND GENERALLY INCOMPATIBLE WITH THE AGREEMENT REACHED AT LUSAKA.

(COMMONWEALTH POSTS).

2. ON RHODESIA, OUR MAIN CONCERN IS THAT THE DISCUSSIONS IN HAVANA AND IF POSSIBLE THE COMMUNIQUE/RESOLUTIONS SHOULD TAKE FULL ACCOUNT OF WHAT WAS AGREED AT LUSAKA. YOU SHOULD EMPHASISE THE IMPORTANCE WE ATTACH TO THE COMMONWEALTH AGREEMENT ON RHODESIA AND EXPRESS THE HOPE THAT IT WILL BE SUPPORTED BY THE NON-ALIGNED MOVEMENT. YOU SHOULD DRAW ATTENTION TO THE OPENING DATE OF THE CONSTITUTIONAL CONFERENCE, IMMEDIATELY AFTER THE END OF THE NON-ALIGNED SUMMIT, AND THE IMPORTANCE OF AVOIDING ANY ACTION LIKELY TO COMPLICATE THE TASK OF ACHIEVING A NEGOTIATED SETTLEMENT. WE WOULD MUCH PREFER TO AVOID THE REPETITION IN HAVANA OF THE O A U DECLARATION GIVING EXCLUSIVE RECOGNITION TO THE PATRIOTIC FRONT (INCOMPATIBLE WITH THE LUSAKA AGREEMENT, AS WELL AS WITH THE POLITICAL REALITIES). OUR CHANCES OF SUCCESS IN THIS MAY BE SLIM, BUT WE AIM TO GET AT LEAST SOME POSITIVE ACKNOWLEDGEMENT OF THE COMMONWEALTH AGREEMENT.

(OTHER POSTS).

CONFIDENTIAL / 3.

3. WE LEAVE IT TO POSTS' DISCRETION AS TO WHETHER LOBBYING ON THE LINES OF PARAGRAPH 2 ABOVE IS LIKELY TO BE PRODUCTIVE. IN CASES WHERE GOVERNMENTS HAVE EXPRESSED SUPPORT FOR THE LUSAKA AGREEMENT ON RHODESIA THERE SHOULD BE A GOOD OPENING FOR AN APPROACH.

SOUTH AFRICA.

4. NON-ALIGNED COUNTRIES TRADITIONALLY INCLUDE STRONG ATTACKS ON GOVERNMENTS HAVING CLOSE LINKS WITH SOUTH AFRICA, WITH PARTICULAR REFERENCE TO NAMED WESTERN COUNTRIES INCLUDING THE UK. WE DO NOT CONSIDER THE NAMING OF GOVERNMENTS IN THIS WAY EITHER FAIR OR HELPFUL. THE BRITISH GOVERNMENT IS TOTALLY OPPOSED TO APARTHEID AND IS FULLY IMPLEMENTING THE SECURITY COUNCIL ARMS EMBARGO RESOLUTION: THERE ARE NO EQUIVALENT SANCTIONS ON ECONOMIC, OR DIPLOMATIC RELATIONS WITH SOUTH AFRICA. WE ARE OPPOSED TO EXTENDING SANCTIONS (FOR WHICH NON-ALIGNED COUNTRIES REGULARLY CALL). UK LINKS WITH SOUTH AFRICA, PARTICULARLY EXTENSIVE FOR HISTORICAL REASONS, CAN BE USED CONSTRUCTIVELY TO ENCOURAGE CHANGES IN SOUTH AFRICA'S POLICIES.

FALKLANDS.

5. NON-ALIGNED COMMUNIQUES HAVE TRADITIONALLY SUPPORTED THE ARGENTINE LINE. YOU SHOULD REMIND GOVERNMENTS THAT THE UN CHARTER REFERS TO SELF-DETERMINATION OF PEOPLES, AND THAT THE INHABITANTS OF THE FALKLAND ISLANDS HAVE EXPRESSED THEIR DESIRE TO REMAIN BRITISH.

CARRINGTON

FCO/WH.
UND.

S.A.M.P. K 2474

040/-

CONFERENCE OF HEADS OF STATE OR
GOVERNMENT OF NON-ALIGNED COUNTRIES
3-7 SEPTEMBER, 1979
CUBA.

Distr. GENERAL

NAC/CONF.6/DOC.1/Rev.1
ENGLISH
ORIGINAL: SPANISH

N. Davies 10/9.

Pl see para 137 – this is a standard formulation from the non-aligned. Cf their different attitude on Belize.

DRAFT FINAL DECLARATION FOR THE SIXTH CONFERENCE OF HEADS OF STATE AND/OR GOVERNMENT OF THE NON-ALIGNED COUNTRIES

RELEVANT SECTIONS COPIED TO FCO DPT'S.

UNITED NATIONS DPT
7 SEPT 1979

CUB-770-0001

136 - MxCD (K366)

136. The Conference again expressed its unconditional backing of the Belizean people's inalienable right to self-determination, independence and territorial integrity; condemned Guatemala's pressures and threats to prevent full exercise of that right; and supported the Belizean government and people's right to make the agreements they consider necessary to effectively counteract this threat.

The Heads of State and/or Government demanded full implementation of the resolutions on this question adopted at the Thirty-Second and Thirty-Third sessions of the United Nations General Assembly.

The Conference also exhorted all states, and especially the members of the Movement of Non-Aligned Countries, to support Belize's speedy progress toward immediate and secure independence, with strict respect for its sovereignty and territorial integrity.

137 - S.AM.D. (K274)

137. In the special and particular case of the Falkland Islands, the Heads of State and/or Government firmly reiterated their support for the Argentine Republic's right to the restitution of that territory and sovereignty over it and asked that the negotiations in this regard be speeded up.

138-140 MxCD (K365)

138. The Heads of State and/or Government recalled that, ever since its First Summit Conference, in each of its conferences, the Movement of Non-Aligned Countries has supported the Cuban people's right to choose their political and social system and their claim to the territory occupied by the naval base at Guantánamo and has condemned the unjust blockade that the United States has imposed on the Cuban Revolution. In view of the continued existence of that situation, the Conference ratified the Movement's denunciation of the hostile acts, pressures and threats against Cuba by the United States, in flagrant violation of the United Nations Charter and the principles of international law and in jeopardy to world peace.

/...

CONFIDENTIAL

CONFIDENTIAL
FM FCO 2115157 AUG 79
TO PRIORITY BRASILIA
TELEGRAM NUMBER 135 OF 21 AUGUST
AND TO CERTAIN OTHER POSTS
AND SAVING TO KABUL, BAGHDAD, VIENTIANE, HANOI, ADEN, SANA'A, UKMIS NEW YORK, UKMIS GENEVA, WASHINGTON, VIENNA, STOCKHOLM, LISBON, HELSINKI, BERNE, BUCHAREST, MANILA, MADRID, UKDEL NATO, CANBERRA, OTTAWA, WELLINGTON, BELMOPAN.

NON-ALIGNED MOVEMENT: HAVANA SUMMIT

INTRODUCTION

1. THE SIXTH NON-ALIGNED SUMMIT MEETING I TO BE HELD IN HAVANA FROM 3-7 SEPTEMBER, PRECEDED BY MEETINGS AT AMBASSADORIAL LEVEL FROM 28-29 AUGUST AND FOREIGN MINISTER LEVEL FROM 30 AUGUST/1 SEPTEMBER.

2. PROSPECTS FROM THE NON-ALIGNED MOVEMENT (NAM) AND OPTIONS FOR WESTERN GOVERNMENTS ARE SET OUT IN A PLANNING STAFF DISCUSSION PAPER WHICH IS BEING SENT BY BAG (FOR INFORMATION ONLY) TO NON-ALIGNED POSTS. BRIEFLY, THIS SUGGESTS THAT OUR AIM SHOULD BE TO INFLUENCE NAM POLICIES AND ACTIVITIES BY SEEKING TO DEVELOP A CONSTRUCTIVE DIALOGUE WITH NON-ALIGNED COUNTRIES, PARTICULARLY THE MODERATES, ON THE BASIS THAT WE TAKE THE MOVEMENT SERIOUSLY AND RESPECT GENUINE NON-ALIGNMENT. WE SHOULD LIKE TO INFLUENCE GOVERNMENTS ATTENDING THE HAVANA CONFERENCE, THE CONCLUSIONS OF WHICH COULD AFFECT US AT THE UN AND IN OTHER CONTEXTS.

INSTRUCTIONS

3. ACTION POSTS SHOULD, AT THEIR DISCRETION AND WITHOUT RISKING ACCUSATIONS OF INTERFERENCE IN NAM BUSINESS, MAKE EARLY APPROACH TO HOST GOVERNMENTS [illegible] PARTICULARLY ON RHODESIA, SOUTH AFRICA AND FALKLANDS [illegible]

CONFIDENTIAL 18)

TO ASK HOW THEY SEE THE PROSPECTS AT THE SUMMIT ON THESE AND OTHER ISSUES:

C) TO ASK AT WHAT LEVEL THEY PROPOSE TO BE REPRESENTED AT THE HAVANA SUMMIT (WE HOPE THE MODERATES WILL BE STRONGLY REPRESENTED, CONVERSELY THE EXTREMISTS):

D) COMMONWEALTH POSTS MIGHT RECALL THE CONSTRUCTIVE AND HARMONIOUS ATMOSPHERE OF THE RECENT LUSAKA CONFERENCE AND EMPHASISE THE NEED FOR COMMONWEALTH COUNTRIES TO TAKE THE LEAD IN ENSURING THAT AN ATMOSPHERE OF CO-OPERATION RATHER THAN CONFRONTATION PREVAILS IN INTERNATIONAL RELATIONS.

E) THE HIGH COMMISSION, SINGAPORE , MIGHT DELICATELY ENQUIRE (IN THE CONTEXT OF THE GENERAL DIRECTION OF THE NAM'S POLICIES OVER THE NEXT FEW YEARS) WHETHER THE SINGAPOREANS KNOW IF THER NON-EXTREMIST MEMBERS, ABLE TO AFFORD THE COST OF HOSTING A CONFERENCE, ARE THINKING, EVEN AT THIS LATE STAGE OF OFFERING AN ALTERNATIVE TO IRAQ AS SUCCESSOR TO CUBA (PARA 9 BELOW).

4. IN THE CASE OF FRIENDLY GOVERNMENTS, YOU SHOULD ENCOURAGE DELEGATES GOING TO THE SUMMIT TO MAKE CONTACT WITH HM AMBASSADOR IN HAVANA. WE SHOULD LIKE TO KNOW THE NAMES AND OFFICES OF ALL DELEGATES: IT WOULD ALSO BE HELPFUL TO KNOW WHO IS PARTICULARLY SYMPATHETIC. (WE ARE SECONDING TWO OFFICIALS TO ASSIST THE AMBASSADOR IN REPORTING ON THE CONFERENCE PROCEEDINGS, AND USEFUL CONTACTS ARE NEEDED).

5. PLEASE COPY ALL REPLIES AND SUBSEQUENT REPORTS TO HAVANA AND UKMIS NEW YORK.

6. WE WILL BE EXCHANGING VIEWS ON DEVELOPMENTS IN THE NAM WITH THE NINE, US, AUSTRALIA, NEW ZEALAND AND CANADA. YOU MAY INFORM THESE COLLEAGUES OF ANY APPROACH YOU MAKE TO THE GOVERNMENT TO WHICH YOU ARE ACCREDITED.

BACKGROUND

7. AS HOST OF THE SUMMIT MEETING, CUBA WILL TAKE OVER THE CHAIRMANSHIP OF THE NAM FROM SRI LANKA FOR THREE YEARS. (SEE BACKGROUND BRIEF ON QUOTE PREPARATIONS FOR THE NON-ALIGNED SUMMIT UNQUOTE OF JULY 1979, SENT TO MOST NON-ALIGNED

POSTS).

POSTS). THE CUBANS HAVE MADE KNOWN THEIR INTENTION OF
[illegible]ING THE NAM CLOSER TO THE SOVIET BLOC ON THE GROUNDS
THAT COMMON POLICIES ON ISSUES SUCH AS IMPERIALISM AND COLONIALISM
MAKE THE NAM AND SOVIET BLOCK NATURAL ALLIES. MOVEMENT TOWARDS THE
SOVIET BLOC IS STRONGLY OPPOSED BY OTHER NON-ALIGNED
COUNTRIES (NOTABLY YUGOSLAVIA, INDIA AND EGYPT, AS FOUNDER
MEMBERS, AND OTHER SUCH AS SINGAPRE AND INDONESIA) WHO ARE
SEEKING INSTEAD TO REDIRECT THE MOVEMENT BACK TO ORIGINAL
CONCEPTS OF NON-ALIGNMENT. WE WOULD LIKE,
WHERE NECESSARY AND PRODUCTIVE, TO ENCOURAGE
MODERATE NON- ALIGNED COUNTRIES TO DISPLAY SUFFICIENT
WEIGHT AND DETERMINATION AT HAVANA TO WITHSTAND CUBAN
EFFORTS TO MAKE THE SUMMIT AND ITS COMMUNIQUE CONFRONTATIONAL
AND ANTI-WESTERN. WE MUST, HOWEVER, AVOID OVERT INTERFERENCE
WHICH COULD RISK MAKING THE MODERATES SEEM WESTERN STOOGES.
8. ISSUES IN THE COMMUNIQUE OF DIRECT INTEREST TO THE UK
(SEE MIFT) ARE LIKELY TO BE RHODESIA, NAMIBIA:
SANCTIONS AGAINST SOUTH AFRICA: SANCTIONS AGAINST ISRAEL:
CONDEMNATION OF MILITARY BASES: THE STATE OF THE NORTH/SOUTH
DIALOGUE: SUPPORT FOR ARGENTINA OVER THE FALKLANDS: SUPPORT FOR
INDEPENDENCE FOR BELIZE. REFERENCES TO RACIAL DISCRIMINATION AND
HUMAN RIGHTS ARE LIKELY TO EMPHASISE THEMES AND IDEAS
UNACCEPTABLE TO THE UK AND OTHER WESTERN GOVERNMENTS.
9. STRICTLY FOR YOUR OWN INFORMATION WE HAVE SEEN THE CUBAN'S
FIRST DRAFT OF THE COMMUNIQUE (APPROPRIATELY DESCRIBED BY ONE
MEMBER AS QUOTE LIKE SOMETHING OUT OF PRAVDA UNQUOTE).
IT CRITICISES EGYPT OVER CAMP DAVID. IT NAMES IRAQ AS HOST
TO THE 1982 SUMMIT (AND HENCE CHAIRMAN OF THE MOVEMENT
FOR THREE YEARS FROM 1982) AND INDIA AS HOST TO THE 1981 MEETING
OF FOREIGN MINISTERS.

10. POSTS WHOSE GOVERNMENTS ARE LIKELY TO ATTEND THE HAVANA
SUMMIT AS GUESTS, IE AUSTRIA, SWEDEN, PORTUGAL, FINLAND,
SWITZERLAND, SPAIN, PHILIPPINES AND ROMANIA, AND THOSE WHOSE
GOVERNMENTS ARE NOT SUSCEPTIBLE TO LOBBYING, ARE BEING SENT
THIS TELEGRAM SAVING BUT SHOULD, AT THEIR DISCRETION,
ATTEMPT TO DEBRIEF DELEGATES AFTER THE SUMMIT CONFERENCE.

CARRINGTON

FCO/WH
UNR

Reference .....

(105)

ARW 090/325/1
2 NOV 1979
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Mr Duggan

FALKLANDS: ARGENTINE THREAT

1. Mr Harding has said that the 1977 assessment of the Argentine threat against the Falklands should be updated.

2. I have discussed with Captain Gowan (JIC coordinator in the Cabinet Office). He sees the problem comprising two parts:

a) Political (that is to say the political circumstances likely to condition military decisions) and

b) military (namely the Argentine military capability to move against the Falklands (ability to invade, ability to hold the Islands, ability to mount naval blockade and so on)).

3. He considers that MOD would be reluctant to set in hand a Chief of Staffs' assessment of the Argentine military capability without a matching political contribution. He would therefore like to see a JIC paper covering both aspects.

4. But it is clear that our assessment of the threat to the Falklands must largely depend on policies adopted by HMG. If we were to indicate, for example, a willingness to consider sovereignty concessions the threat would be minimal. But if we refuse to negotiate it would be high. Captain Gowan advises, therefore, that JIC be tasked after OD have discussed and taken decisions on our policy paper.

5. I consider the way forward is to assume that there will be a JIC assessment after the OD discussion; and that meantime MOD should be asked informally to update their earlier assessment covering the points at 2(b). There would thus be the forward movement Mr Harding has asked for. I propose to set this in train. Do you agree?

J R Cowling
South America Department

1 November 1979

(104)

SECRET

D J Morley Esq
Port Stanley

AR W C40/325/1
2 NOV 1979
INDEX PA Action Taken

31 October 1979

I enclose the first two RD memoranda requested in your note of 2 October, 020/492/1. I regret that I am not able to include the third paper - PRN 012/490? of March 1976, as this was a paper written within the Office at Mr Rowlands request. The paper is about the condominium initiative in which there currently is no interest this end nor, I assume, at your end.

M J I DUNCAN
American Section
Research Dept.

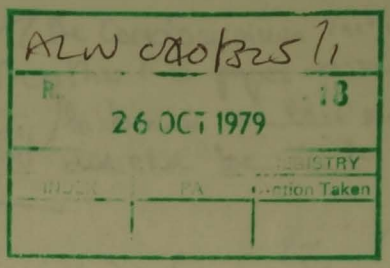
Blind copy to Mr Cowling, S.Am.D

COVERING SECRET

Reference .....

(108)

Mr M J Duncan
Research Department,
G84/3



MEMORANDA ON FALKLAND ISLANDS

1. We share your doubts about sending to Port Stanley the (Secret) memorandum on the Condominium Initiative.

2. Although the other two documents requested in Mr Morley's note are also classified "Secret" they are not so topical and hence less sensitive. We see no reason why you should not send them.

3. When Research Department do so, we suggest that you attempt to draw Port Stanley as to why, at this point, they need to see the paper on the Condominium Initiative (as you know while the Argentines might still regard this as a runner, we definitely do not).

J R Cowling
South America Department

25 October 1979

COVERING SECRET

Reference M Duncan Discussed

Secret. I agree with Mr Duncan. We should withhold the memo on the Condominium initiative. But the other RD papers - essentially historical & less sensitive - could be sent.

SAmD (Mr Cowling)

1. We have been asked by Mr Maclehose (on a handwritten memo) to supply the Governor's Office with certain RD papers on the Falkland Islands, including the March 1976 Memorandum on The Condominium Initiative. I would myself be inclined on balance to withhold this, inter alia because it contains fairly explicit criticism of the then Governor and a bit of criticism of the F.I.C. This could be plausibly done on the grounds that it was a paper written within the Office for Mr Rowlands.

2. Since the paper was initially commissioned by and submitted through SAmD, I would be glad of your views.

7.7.71 Duncan

2410.

Secret

Flag A

CODE 18-77

MEMORANDUM SECRET

From D. J. MORLEY, PORT STANLEY

To Registry
1 each dept (DS LD).
FCO

Your reference

Our reference
020/492/1
Date
2.10.79

Subject

Memoranda on Falkland Islands

1. Many thanks for sending me copies of DS 8/73 & DS 10/74.

2. There are three more papers which we would like copies of. They are:

i) AS 5728 1311/2 of 17/9/46 ✓
ii) 17214 of 30/11/46 ✓
iii) PRN 012/4901 of March 1976

The first two are RD Memoranda, the third is a paper on the Condominium ~~Initiative~~ Initiative.

Many thanks

This form may be completed in manuscript. A reply may be returned on the reverse.

844/4 Dd107962 4,000pads 4/76 RG.Ltd. 552

SECRET

RESTRICTED

Reference.....

RCW 040/325/1
RECEIVED 13
26 OCT 1979
DESK OFF
INDEX

Assistant Heads of:

CAfD
CRD
Defence Dept
EAD
EESD
EID(E)
ESSD
FRD
HKGD
MAED
M&CD
M&VD
Rhodesia Dept
RID
SAfD
SEAD
SPD
UND

ODA (Mr M Pennington, Development Co-ordination Dept)

LORD PRIVY SEAL'S VISIT TO NEW ZEALAND: CLASSIFIED BRIEFS
ADDENDUM TO MY MINUTE OF 4 OCTOBER

1. The following briefs should be added to Annex D of my minute of 4 October in which I requested briefing material in connection with the Commonwealth Parliamentary Association's Annual Conference:

14	Security of the Smaller Countries of the Commonwealth	Defence Dept
15	Northern Ireland	RID
16	British Policy in the South Pacific	SPD
17	East-West Relations	EESD

2. The classified briefs in Annex D should normally be written so that they can fulfil a dual function:

(a) as background for debates and selective briefing for the Lord Privy Seal at the CPA Conference; and

(b) for his bilateral talks with the New Zealand Government.

BUT IF THEY JUDGE IT NECESSARY DEPARTMENTS SHOULD SUBMIT SEPARATE BRIEFS FOR GENERAL AND BILATERAL USE. In this case, the general classified briefs should be numbered eg 2A and bilaterial briefs 2B. The bilateral briefs should be self-contained.

3. The format of the briefs should be as indicated in para 6 of my minute of 4 October, but bilateral briefs - those in the B series - should carry the heading "Lord Privy Seal's Visit to New Zealand: November 1979".

4. Departments should submit their briefs as rapidly as possible, but in any event by 8 November.

5. Any queries please to myself or Mr Higgins (tel: 233 3851).

James Paterson

J R Paterson
Commonwealth Co-ordination Department

23 October 1979

CODE 18-77

RESTRICTED

/cc.

cc(for information):

PS/LPS	OID
PS/Mr Blaker	PCCU
PS/Mr Marten	PCD
PS/PUS	Planning Staff
PS/Mr Luce	PUSD
Sir A Duff	SED
Mr Stratton	SAD
Mr Willson	SAmD
Consular Dept	SPD
NAD	WAD
News Dept	WIAD

P/W (illegible)

Mr Dyson:

Why do we get his P/W

I wonder?

23/x

Falklands involvement

Foreign and Commonwealth Office
London SW1A 2AH

Telephone 01-

Head of Chancery

Your reference

Our reference HCA 022/2

Date 22 October 1979

A2A 040/325/1
RECEIVED
2 NOV 1979
DESK
INDEX | PA | Action Taken

Dear Head of Chancery

COMMONWEALTH PARLIAMENTARY ASSOCIATION: ANNUAL CONFERENCE

1. It may be useful to you to have the following information about the Annual Conference of the CPA, which is being held this year in New Zealand from 17 November to 1 December.

2. The Lord Privy Seal will lead the UK Delegation. He will be accompanied by his Private Secretary and Roger Barltrop, Head of Commonwealth Co-ordination Department.

3. The other members of the Delegation will be:

Rt Hon Dr J Dickson Mabon MP (Lab)
Mr Leo Abse MP (Lab)
Mr Kenneth Baker MP (Con)
Mr Ron W Brown MP (Lab)
Lord Chelwood MC DL (Con)
Mr Paul Dean MP (Con)
Mrs Jill Knight MBE MP (Con)
Mr Laurie Pavitt MP (Lab)
Mr Michael Shaw MP (Con)

Mr Neil Marten, in his capacity of Treasurer at the CPA Headquarters Secretariat, will also attend the conference.

4. CPA annual conferences are gatherings at which Commonwealth Parliamentarians exchange views on political, economic and other subjects of mutual interest. No resolutions are passed and no communiqué is issued. These meetings do however provide an opportunity for our MPs to explain the British point of view on current problems to as many as 200 other Parliamentarians from a wide selection of developed and developing countries.

5. It is expected that virtually all Commonwealth countries and dependent territories which have Parliaments will send delegates. In federal countries the Parliaments of the centre and of the provinces or states are entitled to representation. Certain independent countries will not be represented at this year's Conference as their membership is in abeyance. They are

/those

those countries where Parliamentary institutions have not been functioning, namely Bangladesh, Ghana, Nigeria, Swaziland, Seychelles and Uganda. It is hoped that applications for reactivation of membership will be considered at Wellington from all except Seychelles and Uganda.

6. Cyprus will be represented at this year's conference for the first time.

7. A large proportion of the delegations will be led by Ministers.

... 8. We attach a copy of the agenda.

Yours ever

Commonwealth Co-ordination Department

cc: Auckland
Wellington

25TH COMMONWEALTH PARLIAMENTARY CONFERENCE

NEW ZEALAND 1979

CONFERENCE AGENDA

Monday 26 November

1st Plenary P.M.	THE ENERGY CRISIS

Tuesday 27 November

2nd plenary A.M.	THE REFUGEE PROBLEM
3rd plenary P.M.	THE SECURITY OF THE SMALLER COUNTRIES OF THE COMMONWEALTH

Wednesday 28 November

4th plenary A.M.	AFRICA SOUTH OF THE SAHARA
P.M.	PANEL A The Year of the Child
	PANEL B Pollution and protection of the Environment
	PANEL C The Drug Traffic

THREE PANELS SITTING CONCURRENTLY

Thursday 29 November

A.M.	PANEL D Population growth and Economic Assistance to Developing Countries
	PANEL E International Terrorism
	PANEL F The MP - his functions and responsibilities
P.M.	FREE

THREE PANELS SITTING CONCURRENTLY

Friday 30 November

A.M.	GENERAL ASSEMBLY
P.M.	GENERAL ASSEMBLY

Saturday 1 December

5th plenary A.M.	PARLIAMENT, THE EXECUTIVE AND THE CIVIL SERVICE
6th plenary P.M.	FREEDOM OF THE INDIVIDUAL, HUMAN RIGHTS AND THE AUTHORITY OF GOVERNMENT IN A PARLIAMENTARY DEMOCRACY
	Closure of the Conference

Reference ALW 040/325/1
23 OCT 1979
DESK OFFICER | REGISTRY
INDEX | PA | Action Taken

(107)

Miss Farrell, Hong Kong and General Dept

ANNUAL CONFERENCE OF THE COMMONWEALTH PARLIAMENTARY ASSOCIATION: WELLINGTON: 17 NOVEMBER/1 DECEMBER 1979

1. I refer to your minute of 9 October.

2. I have rewritten the Falklands brief. In so doing, I have assumed that we will be authorised to continue negotiations with the Argentines. The position should be clearer by Thursday, 25 October. I will let you know, however, if we wish to propose any last minute amendments.

J R Cowling
South America Department

12 October 1979

Miss Farrell was told about amendments to para 6.
23 Oct.

FALKLAND ISLANDS AND DEPENDENCIES

1. The Falkland Islands have been administered continuously by Britain since 1833 but are claimed by Argentina. The Falkland Islands have as Dependencies, South Georgia and the South Sandwich Islands. South Georgia (uninhabited except for a British Antarctic Survey base) lies 800 miles east-south-east of the Falklands; and the South Sandwich Islands (uninhabited) some 470 miles south-east of South Georgia.

2. There is an Executive Council consisting of the Governor, as President, two ex-officio members, two unofficial members appointed by the Governor and two elected members, elected from the members of the Legislative Council. The Legislative Council consists of the Governor, two ex-officio members and six members elected on the basis of universal adult suffrage.

3. The Economic Survey of the Falkland Islands (the Shackleton Report of 1976) examined the economic future of the Islands. It underlined the need for closer co-operation with Argentina, pointing out that no new investment was likely nor any development of economic resources in the area practical in a climate of continued political uncertainty.

4. After consultations with the Islanders, the previous British Government agreed (April 1977) terms of reference for future talks with the Argentines. These covered both economic and political co-operation including sovereignty. Four rounds of talks were subsequently held, two at Ministerial level. (The most recent at official level, in March 1979). The talks were without prejudice to Britain's position on sovereignty..

5. The Islanders were closely consulted throughout the talks and assured that proposals for a settlement - if any emerged - would have to be acceptable to them before being brought before Parliament. The four rounds of talks were exploratory. No decisions were taken.

/6.

6. The Minister of State at the FCO, Mr Nicholas Ridley, visited the Islands and Argentina in July. As a result, it was announced that Britain and Argentina would restore Ambassadors in respective capitals [- ~~(but neither side has to date put forward a candidate for agrement).~~] We have told the Argentines that we intend to continue the dialogue on the Falklands in a constructive spirit. [~~We expect to announce shortly a further negotiating round at Ministerial level.~~]

7. We are in no doubt about our sovereignty (150 years of British administration). The population are all of British origin. The Islanders do not want independence but retention of links with Britain. Their wishes must be respected. Some Commonwealth countries do not support our determination to take account of Islander wishes. In 1976 UNGA pro-Argentine Resolution on Falklands was adopted by 102-1 (UK) with 36 abstentions (including EEC). Commonwealth Countries voting with Argentina: Bangladesh, Cyprus, Ghana, India, Lesotho, Malaysia, Malta, Mauritius, Sri Lanka, Swaziland, Uganda, Tanzania, and Zambia.

Reference HKG.022/6 (100)

AZW 095/325/1
RECEIVED IN REGISTRY NO. 18
2 NOV 1979

Mexico & Caribbean Dept. (Mr ID Kydd - K 366)

West Indian & Atlantic Dept. (Mr Sullivan - G.125/3)
(Miss M B McLoughlin - G 126/3)
(Miss Doig - G 121/3)
(Mr Hefferon - G 121/3
(Mr GJC Pirnie - G 126/3)

South American Dept (Mr D G Davies - K 274)
(Dr J Heap - K 303)

Southern European Dept (Mr CJH Keith - W 105)

East African Dept (Mr CCD Haswell - K 301)

South Pacific Dept (Mr N A Thorne - G 87/1)
(Miss C M Rylance - G 82/1)

Hong Kong & General Dept. (Ms Ritchie)

ANNUAL CONFERENCE OF THE COMMONWEALTH PARLIAMENTARY ASSOCIATION (CPA): Wellington, NZ, 17 November - 1 Dec.'79

CCD, in Mr Paterson's minute of 4 October 1979, calls for briefs for the UK Delegation to the abovementioned meeting and the List of Unclassified Briefs shows that No.12 should deal with "Commonwealth Dependent Territories". CCD have confirmed that they wish the brief on this subject, which was produced by this Section last year, to be up-dated and not necessarily re-written.

2. I attach hereto the up-dated general chapter together with the section on the territory dealt with in your department and should be glad if you would be good enough to up-date the latter as necessary. It would help to have these back as soon as possible - at latest by Monday 15 October 1979.

N Farrell

(N Farrell(Miss))
HONG KONG & GENERAL DEPARTMENT
Room K 245 - Tel No.4828
9 October 1979

Brief No ~~15~~ 12

COMMONWEALTH PARLIAMENTARY ASSOCIATION
24TH ANNUAL CONFERENCE: JAMAICA 1978

The Dependent Territories

1. There now remain ~~16~~ 14 British Dependent Territories with a total population of approximately five million. The majority are isolated islands or island groups and are small in terms of their area and economy. A list of the Dependent Territories is attached at Annex A, together with a short background on each territory.

2. By far the most significant in population and economy is Hong Kong, while the giant in area is British Antarctic Territory, (666,000 square miles) which has no permanent population: the wide contrast in physical, human and economic conditions is a peculiar feature of Dependent Territory affairs. They each present their own set of problems and, as a result, Britain's responsibilities to her dependencies do not fall into any general pattern.

3. Many of the territories pose difficult problems because of their small size, geographical isolation, inadequate communications, paucity of natural resources, weak economies and, in some cases, sovereignty disputes with neighbouring states.

4. The situation in Hong Kong is unique. Special problems confront Belize, Falkland Islands and Gibraltar, all of which are subject to territorial claims. The remote islands communities of Pitcairn in the Pacific and Tristan da Cunha in the Atlantic are no bigger than many small villages in Britain.

5. Despite these difficulties there continues to be steady constitutional, political and economic progress in the Dependent Territories. The majority have now adopted a ministerial system of government, in response to local political aspirations and have as a result, assumed a large degree of

responsibility over their own internal affairs.

~~6. Tuvalu will become independent on 1 October 1978 and the Gilbert Islands are expected to follow suit in 1979. The New Hebrides Condominium will probably become independent before the end of 1980.~~

6. In addition to the Dependent Territories there will be, as from November 1979, two ~~are five~~ Associated States in the West Indies ~~that have~~ having full internal self-government ~~and~~ with the British Government retaining responsibility for external affairs and defence, although certain responsibilities, e.g. regional affairs and trade, have been delegated to the State governments. The association of these states with the United Kingdom is free and voluntary and may be terminated unilaterally. ~~Dominica becomes an independent republic within the Commonwealth on 3 November 1978.~~ ~~A list of~~ the Associated States ~~and background notes on each~~ is at Annex B.

Information

ANNEX A

THE DEPENDENT TERRITORIES

Page	Territory	Population	Area (sq miles)
1.	Belize	144,000	8,866
2.	Bermuda	57,000	20½
4.	British Antarctic Territory	Transient	666,000
5.	British Indian Ocean Territory	Transient	87
6.	British Virgin Islands	11,000	59
8.	Cayman Islands	12,000	100
10.	Falkland Islands & Dependencies	1,930 1850	6,207
13.	Gibraltar	31,000	21¼
15.	~~Gilbert Islands~~	~~55,000~~	~~315~~
16.	Hong Kong	4,514,000	404
17.	Montserrat	12,500	40
19.	New Hebridesx	100,000	5,700
21.	Pitcairn Islands Group	59	1¼
22.	St Helena & Dependencies	6,500	119
23.	Turks & Caicos Islands	6,500	166
25.	~~Tuvalu~~	~~9,000~~	~~10½~~

ANNEX A

THE DEPENDENT TERRITORIES

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25.	~~Tuvalu~~	~~9,000~~	~~10½~~

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FALKLAND ISLANDS AND DEPENDENCIES

(1) ~~The Falkland Islands have~~ (2) There is an Executive Council consisting of the Governor, as President, two ex-officio members, two unofficial members appointed by the Governor and two elected members, elected from the members of the Legislative Council. The Legislative Council consists of the Governor, two ex-officio members and six members elected on the basis of universal adult suffrage.

(3) The Falkland Islands have been ~~a British Dependency for 150 years~~ administered continuously by Britain since 1833 but are claimed by Argentina. 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 cooperation; 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 under what has come to be known as the sovereignty umbrella, ie without prejudice to Britain's sovereignty position. Terms of reference for negotiations were subsequently agreed with the Argentines; copy attached. Two rounds, both essentially exploratory in nature have been held so far, the first at official level in Rome in 1977 and the second at Ministerial level in New York in December. At the December meeting it was agreed that parallel working groups, dealing respectively with political relations, including sovereignty, and economic cooperation, should be established at official level. Their task would be to examine in closer detail the themes with which the negotiations are concerned and to report back to Ministers. The first meeting of these

The Falkland Islands have as Dependencies, South Georgia and the South Sandwich Islands. South Georgia (uninhabited except for a British Antarctic Survey base) lies 800 miles east-south-east of the Falklands; the South Sandwich Islands (uninhabited) some 470 miles south-east of South Georgia.

groups was held in Lima from 15-17 February.

The negotiations are still at an early stage, but it has been made clear to the Islanders that when they feel the time has come for them to take a direct part in the negotiations, Falkland Islanders will be welcome as part of the British delegation. This is fully accepted by the Argentine Government.

HMG has a large aid programme to the Falkland Islands. Construction of the permanent airfield at Port Stanley was completed last year at a cost of some £6 million. Work will start this year on the construction of a 60 mile road between Port Stanley and the second largest settlement at Darwin and also on a new school hostel which will enable secondary education to be concentrated in Port Stanley.

There are a number of agreements between the UK and Argentina covering communications between the Falkland Islands and the Argentine mainland and the supply of petroleum products by the Argentine State Oil Corporation.

The Dependencies are South Georgia, the South Sandwich Islands, Shag Rocks and Clerke Rocks; none have a resident population except South Georgia, where there is a scientific research station.

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 cooperation 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

for Anglo-Argentine economic cooperation 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.

RESTRICTED

Assistant Heads of:

CAfD
CRD
Defence Dept
EAD
EID(E)
ESSD
FRD
HKGD
MAED
M&CD
M&VD
Rhodesia Dept
RID
SAfD
SEAD
SPD
UND
ODA (Mr M Pennington, Development Coordination Dept)

AZW 040/325
2 NOV 1979
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COMMONWEALTH PARLIAMENTARY ASSOCIATION (CPA): ANNUAL CONFERENCE

1. The 1979 Annual Conference of the CPA will be held in Wellington, New Zealand, from 17 November to 1 December. The agenda is at Annex A. A list of the members of our delegation from both Conservative and Labour Parties, is at Annex B. The Lord Privy Seal will lead the delegation, and is expected to arrive in Wellington on 25 November. Mr Neil Marten, in his capacity of Treasurer at the CPA Headquarters Secretariat, will also attend the conference.

2. CPA annual conferences are gatherings at which Commonwealth Parliamentarians exchange views on political, economic and other subjects of mutual interest. No resolutions are passed and no communique is issued. These meetings provide however an opportunity for our MPs to explain the British point of view on current problems to as many as 200 other Parliamentarians from a wide selection of developed and developing countries. The UK delegation has always taken pride in being one of the best informed, and considerable attention is paid to our members' speeches. They speak as individual Parliamentarians, but on the whole an esprit de corps prevails and the facts of the Government's position, and arguments to support it, are well used by delegates.

3. All members of our delegation will need unclassified briefs as indicated at Annex C. These should contain general background information, not 'Line to Take'. They should be concise, but delegates are not necessarily well informed on all topics and it is therefore necessary to include a certain amount of basic material in the briefs. Some members of the delegation may not be used to handling confidential papers. The risk of their briefs being mislaid cannot therefore be excluded. The briefs will also be made available to delegates from the legislatures of the Channel Islands and the Isle of Man.

4. We should be prepared for criticism of our policies on Rhodesia and Southern Africa, particularly as the issue of the renewal of sanctions will have been debated shortly before the conference opens. The briefs, even though unclassified, should contain as much material as possible to enable our delegates to participate effectively in debates. It is appreciated that in some cases updating will be necessary after submission of briefs to CCD. Departments should submit such amendments to briefs as rapidly as possible, or in any event by 8 November, to ensure that the revised information can be passed to delegates.

5. The delegation leader will need classified briefs which he may use for background in debates, in bilateral discussions and to brief members of the delegation. We have identified topics (Annex D) on which, subject to the views of Departments, we consider our delegation might come under pressure. I should be grateful if the recipients /of this

RESTRICTED

of this minute would add to the list at Annex D if they consider it necessary. These classified briefs should supplement rather than repeat information in the unclassified briefs and should be in the form of 'Line to Take' and 'Background'.

6. Please send briefs in final form to Mr Higgins in this Department by 6.00 pm on Thursday 25 October, in the following format:

a) Unclassified briefs

[HEADING] Brief No.

Commonwealth Parliamentary Association

25th Annual Conference: New Zealand 1979

[SUBJECT]

Top copy plus one. White paper. 1½ spacing. Typed on one side only. One inch margin at each side. No attribution to British Government. CCD will pass completed briefs to DRC for reproduction.

All briefs should be self-contained, with abbreviations spelt out the first time they are used. Length: as short as possible - preferably not exceeding 3 pages.

All briefs should be cleared as necessary in the FCO and elsewhere before submission.

b) Classified Briefs

As above, but, "Brief by Foreign and Commonwealth Office" to be typed under subject. Classification (not higher than Confidential) to be typed top and bottom. "Foreign and Commonwealth Office" and date to be at the end of the brief in the bottom left-hand corner.

7. Any queries please to myself or Mr Higgins (tel: 233-3851).

James Paterson

J R Paterson
Commonwealth Coordination Dept
W140 233-4493

4 October 1979

cc: for information

PS/LPS	PS/Mr Luce	Consular Dept	OID	PUSD	SPD
PS/Mr Blaker	Sir A Duff	EESD	PCCU	SED	WAD
PS/Mr Marten	Mr Stratton	NAD	PCD	SAD	WIAD
PS/PUS	Mr Willson	News Dept	Planning Staff	SAmD ✓	

Annex A.

RESTRICTED

25TH COMMONWEALTH PARLIAMENTARY CONFERENCE

NEW ZEALAND 1979

CONFERENCE AGENDA

Monday 26 November

1st Plenary P.M.	THE ENERGY CRISIS

Tuesday 27 November

2nd plenary A.M.	THE REFUGEE PROBLEM
3rd plenary P.M.	THE SECURITY OF THE SMALLER COUNTRIES OF THE COMMONWEALTH

Wednesday 28 November

4th plenary A.M.	AFRICA SOUTH OF THE SAHARA
P.M.	PANEL A The Year of the Child PANEL B Pollution and protection of the Environment PANEL C The Drug Traffic

Thursday 29 November

A.M.	PANEL D Population growth and Economic Assistance to Developing Countries PANEL E International Terrorism PANEL F The MP - his functions and responsibilities
P.M.	FREE

RESTRICTED

Fri y 30 November	
A.M.	GENERAL ASSEMBLY
P.M.	GENERAL ASSEMBLY
Saturday 1 December	
5th plenary A.M.	PARLIAMENT, THE EXECUTIVE AND THE CIVIL SERVICE
6th plenary P.M.	FREEDOM OF THE INDIVIDUAL, HUMAN RIGHTS AND THE AUTHORITY OF GOVERNMENT IN A PARLIAMENTARY DEMOCRACY
	Closure of the Conference

ANNEX B

COMMONWEALTH PARLIAMENTARY ASSOCIATION: ANNUAL CONFERENCE

UK DELEGATION TO NEW ZEALAND

17 NOVEMBER - 1 DECEMBER 1979

Leader:	Rt Hon Sir Ian Gilmour Bt MP (Con)
Deputy Leader:	Rt Hon Dr J Dickson Mabon, MP (Lab)
Members:	Mr Leo Abse, MP (Lab)
	Mr Kenneth Baker, MP (Con)
	Mr Ron W Brown, MP (Lab)
	Lord Chelwood, MC, DL (Con)
	Mr Paul Dean, MP (Con)
	Mrs Jill Knight, MBE, MP (Con)
	Mr Laurie Pavitt, MP (Lab)
	Mr Michael Shaw, MP (Con)

Reserves:

Government:	1.	Sir William Elliott, MP
	2.	Mr John Corrie, MP
	3.	Mr David Madel, MP
Opposition:	1.	Mr Joe Dean, MP
	2.	Mr Albert Roberts, JP, DL, MP
	3.	Mr John Golding, MP

ANNEX C

RESTRICTED

COMMONWEALTH PARLIAMENTARY ASSOCIATION: ANNUAL CONFERENCE NEW ZEALAND 1979

UNCLASSIFIED BRIEFS

A. Briefs arising from Agenda

(i) Geographical

1.	New Zealand	SPD
2.	Rhodesia (including sanctions)	Rhodesia D
3.	Southern Africa (including Namibia)	SAfD/CAfD

(ii) Functional

4.	British Aid Policy and Programmes	ODA
5.	Energy	ESSD
6.	International Drug Traffic	UND
7.	International Terrorism	MAED
8.	Pollution and the Environment	MAED
9.	Refugee Problem	SEAD/UND
10.	Security of the Smaller Countries of the Commonwealth	Defence D
11.	Year of the Child	UND

B. Defensive Briefs

(i) Geographical

12.	Commonwealth Dependent Territories	HKGD
13.	Belize and Guatemala	M&CD
14.	Cyprus	SED
15.	Indian Ocean	EAD
16.	Northern Ireland	RID
17.	Uganda	EAD

(ii) Functional

18.	Heads of Government Meeting, Lusaka	CCD
19.	EEC and the non-APC Commonwealth (with special reference to New Zealand)	EID(E)/SPD
20.	Human Rights	UND
21.	Immigration & Race Relations	M&VD
22.	Law of the Sea	MAED
23.	The Lome Convention	EID(E)
24.	North/South Dialogue	FRD
25.	South Pacific Forum and SPEC	SPD
26.	Sporting Contacts with South Africa	CRD
27.	Treaty Organisations - NATO, ANZUS etc	Defence D

NOTE: Where more than one Department is involved the first-named should lead

RESTRICTED

ANNEX D

COMMONWEALTH PARLIAMENTARY ASSOCIATION: ANNUAL CONFERENCE, NEW ZEALAND 1979

CLASSIFIED BRIEFS

A. Briefs arising from Agenda

1.	New Zealand	SPD
2.	Rhodesia (including sanctions)	Rhodesia D
3.	Southern Africa (including Namibia)	SAfD/CAfD
4.	Energy	ESSD
5.	International Terrorism	MAED
6.	Refugee Problem	SEAD/UND

B. Defensive Briefs

7.	Heads of Government Meeting, Lusaka	CCD
8.	EEC and the non-APC Commonwealth (with special reference to New Zealand)	EID(E)/SPD
9.	Human Rights	UND
10.	Immigration and Race Relations	M&VD
11.	The Lome Convention	EID(E)
12.	North/South Dialogue	FRD
13.	Sporting Contacts with South Africa	CRD

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(98)

GR 210
CONFIDENTIAL
FM PORT STANLEY 111433Z OCT 79
TO PRIORITY FCO
TELEGRAM NUMBER 189 OF 11 OCTOBER
INFO BUENOS AIRES

ALW 090/325/1
RECEIVED 15 OCT 1979
DESK OFFICE SECRETARY
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FALKLANDS: ANGLO-ARGENTINE NEGOTIATIONS

1. I AM MEETING COUNCILLORS ON OTHER MATTERS NEXT WEEK FROM 18 OCTOBER.

2. I WOULD BE GRATEFUL TO KNOW IF THERE IS A MESSAGE I CAN CONVEY OR ANYTHING I MAY SAY TO THEM REGARDING THE NEXT ROUND OF TALKS. AT THE LEAST I COULD RESPOND TO LIKELY ENQUIRIES BY SAYING THAT PRESSURE OF OTHER MATTERS HAS NOT YET ALLOWED A DEFINITIVE RESPONSE TO AN ARGENTINE PROPOSAL FOR A MINISTERIAL MEETING, POSSIBLY IN NOVEMBER, AND THAT THEY WILL BE KEPT IN TOUCH.

3. COUNCILLORS SEEM TO BE IN A FAIRLY RELAXED MOOD AT THE MOMENT ALTHOUGH THEY MAY BECOME WORRIED AND IMPATIENT AT HEARING FINANCIAL SECRETARY ROWLANDS' ACCOUNT OF HIS LONDON VISIT TO FIND SOURCES OF FINANCE FOR DEVELOPMENT IF HE DID, UNFORTUNATELY, LEAVE AS QUOTE CHASTENED UNQUOTE AS HE IS SAID TO HAVE BEEN (FCO TELNO 123 NOT TO BUENOS AIRES). I SHALL TRY TO CHEER HIM UP WHEN HE ARRIVES, ALTHOUGH THE MINUTE OF THE MEETING HE HAD WITH THE MINISTER OF STATE ON 18 SEPTEMBER INDICATED THAT THIS DISCUSSION AT LEAST WENT WELL AND TO A CONSTRUCTIVE PURPOSE: I AM GRATEFUL TO MR RIDLEY FOR BEING ABLE TO FIND THE TIME TO SEE HIM.

4. IF THEY HAVE NOTICED ARGENTINE PRESS REPORTS ABOUT IT COUNCILLORS WILL ALSO BE KEEN TO KNOW WHAT TRANSPIRED AT THE UNGA MEETING WITH PASTOR ON 26 SEPTEMBER, THE RECORD OF WHICH I HAVE STILL TO SEE (MY TELNO 187).

PARKER

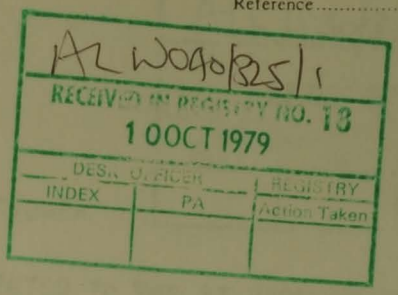
DEPARTMENTAL DIST:
SAMD
MAED
UND
DEF.D
ESvSD
NEWS.D
SPD
CABINET OFFICE

ADDITIONAL DIST:
FALKLAND ISLANDS

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Reference .....

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Miss Paget MAED

RESEARCH VESSEL "RRS SHACKLETON": PROPOSED 1980/81 PROGRAMME

1. On 31 July you minuted seeking comment on Shackleton's 1980/81 programme. I told you that part of the cruise (December/April 1981) in the Scotia and Weddell Seas was politically sensitive and would require a submission to Ministers. I asked you to ask NERC for a precise indication of the area where "Shackleton" would undertake her geological investigations. You have since told me that NERC have been unable to meet our request.

2. I have recently seen a letter from NERC's Secretary which makes it clear that they have lost £3 million from their budget this year and that they are "completely in the dark" about financial prospects beyond 1980/81. Where their British Antarctic Survey operations are concerned, NERC say that they will seek to economise by restricting the operations of the two BAS vessels, Bransfield and John Biscoe.

3. In the light of this, I wonder whether NERC's reluctance to provide an answer to our question about Shackleton stems from the uncertain financial climate. I should therefore be grateful if you would press further. We cannot put forward our submission on Shackleton until we know precisely where the vessel intends to sail in the Antarctic area; without Ministerial clearance for such activity NERC cannot complete their planning. So it is in their interests to let us know where things stand.

J R Cowling
South America Department

5 October 1979

RR PORT STANLEY

GPS 200
CONFIDENTIAL
FROM FCO 051215Z
TO ROUTINE PORT STANLEY
TELEGRAM NUMBER 122 OF 5 OCTOBER

A2W 040/825/10
12 OCT 1979
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FOLLOWING TELEGRAM NOW REPEATED TO YOU AT REQUEST OF SAM DEPT WAS SENT TO BUENOS AIRES TELNO 200 OF 21 SEP 79.

ARGENTINE CHARGE'S CALL ON MINISTER OF STATE

1. BLANCO CALLED ON MR RIDLEY ON 17 SEPTEMBER TO DELIVER A LETTER FROM BLOOMER REEVE. THIS WAS IN REPLY TO MR RIDLEY'S MESSAGE ON THE AIDE MEMOIRE (BRASILIA TELNO 144) WHICH YOU DELIVERED ON 6 AUGUST.

2. BLOOMER REEVE'S LETTER SEEKS TO EXPLAIN AWAY THE UNFORTUNATE TIMING OF THE AIDE MEMOIRE AND EXPRESSES REGRET IF IT RESULTED IN MISUNDERSTANDING. MR RIDLEY ASKED BLANCO TO MAKE IT CLEAR THAT NO CRITICISM HAD BEEN IMPLIED IN HIS REPLY. HE WENT ON TO SAY THAT, IF THE NEW YORK TALKS BETWEEN FOREIGN MINISTERS WENT WELL, HE WOULD BE READY FOR NEGOTIATIONS ON THE 1977 BASIS, BUT WITHOUT PRECONDITIONS, WHILE RESPECTING THE WISHES OF THE ISLANDERS, ABOUT THE FUTURE OF THE ISLANDS AND RELATED QUESTIONS (EG BROAD COOPERATION IN ECONOMIC AND ANTARCTIC MATTERS). EARLY NOVEMBER MIGHT SUIT, PERHAPS IN NEW YORK OR WASHINGTON. HE WOULD WELCOME PROPOSALS FROM COMMODORE CAVANDOLI ON VENUE/DATES.

3. WE DO NOT INTEND SENDING ANY FORMAL REPLY TO BLOOMER-REEVE'S MESSAGE, AS BLANCO'S REPORT WILL CONVEY ALL THAT NEEDS TO BE SAID. BUT YOU MIGHT REINFORCE WHAT MR RIDLEY SAID, IF YOU SEE FIT, AS OCCASION OFFERS.

4. BLANCO ALSO RAISED LAW ON DISAPPEARED PERSONS, EMPHASISING GOVERNMENT'S WISH TO HELP RELATIVES. HE SAID THAT PROCEEDINGS WOULD NORMALLY BE INITIATED BY RELATIVES AND THE COURTS WOULD FINALLY DECIDE WHETHER A DECLARATION OF PRESUMED DEATH SHOULD BE ISSUED.

5. COPY OF LETTER AND RECORD OF CALL BY BAG.

CARRINGTON

CONFIDENTIAL

8491 - 1

AZW 040/325/1
RECEIVED IN REGISTRY NO. 18
10 OCT 1979
DESK OFFICER | REGISTRY
INDEX | PA | Action Taken

GRS 238
CONFIDENTIAL

TELELETTER
FROM G A DUGGAN, DEPARTMENT SAMD
FILE REFERENCE DATED 5 OCTOBER 1979
FOLLOWING FOR A R MURRAY BUENOS AIRES
B EASTWOOD POD

FALKLAND ISLANDS: NEXT ROUND OF NEGOTIATIONS

1. THANK YOU FOR YOUR TELELETTER 040/1 OF 2 OCTOBER, MAKING THE MOST HELPFUL SUGGESTION THAT RICHARD GOZNEY MIGHT BREAK HIS JOURNEY HOME FOR LEAVE TO JOIN THE DELEGATION IN THE NEXT ROUND OF NEGOTIATIONS ON THE FALKLAND ISLANDS.

2. IN PRINCIPLE, I THINK THIS AN EXTERMELY GOOD IDEA. AT THE MOMENT, HOWEVER, WE ARE NOT QUITE SURE WHAT THE TIMING IS GOING TO BE. MINISTERS HAVE STILL, OF COURSE, TO GIVE THE GO AHEAD FOR NEGOTIATIONS AND THE COMPOSITION OF THE DELEGATION WILL NATURALLY BE A MATTER FOR MR RIDLEY. NEVERTHELESS I WOULD HOPE THAT THERE WOULD BE NO PROBLEM: BOTH WE AND POD CAN WELL SEE THE USEFULNESS TO YOU OF HAVING SOMEONE AT THE TALKS AND CLEARLY IT WOULD BE OF HELP US ALSO TO HAVE RICHARD GOZNEY WHO WOULD KNOW MANY OF THE PARTICIPANTS ON THE ARGENTINE SIDE. IT WOULD BE USEFUL, BY THE WAY, TO HAVE SOME ASSESSMENT FROM YOU OF RICHARD GOZNEY'S SPANISH, AS WE SHALL NEED TO HAVE SOMEONE IN THE DELEGATION APART FROM BILL HARDING WHO COULD ASSIST WITH INTERPRETING.

3. I HOPE THAT OUR INABILITY TO SUGGEST ANY FIRM DATES WILL NOT CAUSE YOU OR RICHARD GOZNEY TOO MUCH DIFFICULTY IN FIXING HIS LEAVE PLANS. WE SHALL BE IN TOUCH AGAIN AS SOON AS ANY DATES EMERGE.

SIGNED G A DUGGAN

NNNN

(94)

Mr Hannay

Mr Ure

Mr Davies

ALW 020/325/1
12 OCT 1979

ND

ARGENTINA AND THE FALKLAND ISLANDS

1. Further to the Embassy, Buenos Aires', note dated 31 August of my calls in the Argentine Foreign Ministry on 24 August, I think it worth recording the following additional points made by Ambassador Oliveri-Lopez over lunch, hosted by the Head of Chancery Mr Murray, at which Mr Gozney was also present:

(a) He personally considered Britain as a natural partner for Argentina: the Argentine man in the street harboured no ill-feelings whatsoever towards Britain and found much to admire in our country. But there was a real need to find a mutually satisfactory solution to the Falkland Islands dispute if this relationship was to prosper. No Argentine Government, of whatever colour, could possibly survive the surrender of the Argentine claim to the Islands. On the other hand, there was no great need for hurry, so long as continuous forward movement was evident. He personally had been much disappointed that the Falkland Islanders had been allowed to veto the agreement on joint economic and scientific exploitation of the South Sandwich Islands (?) which had been agreed between Mr Rowlands and Argentine Ministers.

(b) He had therefore been correspondingly encouraged to hear Mr Ridley say that the wishes of the Falkland Islanders, though of paramount importance, were not an insuperable obstacle to the reaching of an agreement between the two Governments.

(c) He welcomed the idea of a preliminary meeting with me before the first round of resumed Ministerial negotiations. He could, if necessary, come straight to a rendezvous after the Antarctic conference in Washington; he would not need to return first to Buenos Aires for briefing, as he had it all in his head anyway!

2. As to point (c) above, you will recall that Ambassador Oliveri-Lopez told Mr Hall last week that he still very much wanted to meet me again. Mr Hall explained to him that there was really nothing of substance that I could say at the moment. Oliveri-Lopez replied that he understood this and realised that any matters of substance would have to await the Ministerial meeting; but he would still nevertheless like to come to London. He mentioned one or two points about fishing and other practical measures discussed in March which he would like to explain to me. Mr Hall believes, however, that his main concern was to wangle a trip to London for purely personal reasons.

/3.

3. I have as yet been unable to speak to Mr Hall on the telephone about this. But I ought to do so soon. I take it that, in the light of the impending OD discussion and the conversation between the Secretary of State and the Argentine Foreign Minister we shall have to put Oliveri-Lopez off. I should be grateful for your views on this point.

G W Harding

4 October 1979

Mr Harding

1. I agree that we should try to put off Sr Oliveri-Lopez. I would have thought that Mr Hall could say that, as the Argentines already know, British Ministers are actively considering how best to continue our dialogue and it seems very possible that the next step proposed may be a meeting between Mr Ridley and Commodore Cavandoli (though nothing is definite). At all events, it would probably be premature to rush into another meeting of senior officials before the way ahead had been more clearly charted.

J B Ure
South America Department

4 October 1979

(1) Mr Hall OR

Mr Hall tells me that Sr. Oliveri-Lopez was completely mystified by the outcome of the talks between Brig. Gen. Castro and the S/State! No further action for the moment, I think.

(2) Mr Goulding

Reference. ALW 040/325/1

Restricted covering (embodied in) (93)

Mr Davies

Mr Cowley (SA to D)

This may come in useful again.

Falkland Islands 1832-33

I attach an earlier minute and letter of mine on this subject. As you will see, there is a lot we do not know

2 I still think this worth pursuing vis a vis Buenos Aires.

2 The best what we do know of those sent back or evicted is:

(a) The 1828 Vernet colony was small: the population of Puesto de la Soledad in 1829 was 103; it was dispersed by the US Lexington in December 1831

(b) by May 1832 the settlement

CODE 18-78

had been left practically non-existent (Vernet in any case had returned to Argentina)

(c) ~~[illegible]~~ the immediate sequel of HMS Clio's visit in December 1832 - January 1833 was that the Argentine naval schooner HMS Sarandi ~~[illegible]~~ left for B.A. taking with it part of the force of 25 soldiers and (to quote the Master of Clio) "several of the inhabitants who wished to return to B.A." The mutineers were taken to BA in irons on board another British schooner the Rapid.

Thus, the known number is 25 soldiers (a few in irons - as result of mutiny) ~~[illegible]~~; plus an unknown number of settlers who volunteered for repatriation

Reference.....

– in fact most wanted to go. I can only guess that those would have been a score or so – and they must have been well under a hundred (but see my earlier minute)

7.71

mean

3.10

(93)

CONFIDENTIAL

Foreign and Commonwealth Office
London SW1 A 2AH

Telephone 01-

Your reference

Our reference

Miss M G D Evans
BUENOS AIRES

Date

February 1974

1. Following on your letter of 12 November to Stanley Kelton, I have been looking to see what collateral there might be in the archives to challenge the Argentinian version of the events of January 1833.

2. There is very little extra this end. The FO papers, which I have checked, yield nothing beyond what is already recorded in the Department's 1946 memorandum. I tracked down the Captain's Log of the Clio and it proved inscrutably terse. The Master's Log of the Rapid is not yet traceable (due inter alia to a surfeit of Rapids). Canning House yielded nothing.

3. There is, obviously, quite a lot of archival material in Buenos Aires; some of it is referred to in the Caillet-Bois book "Una Tierra Argentina - Las Islas Malvinas", Buenos Aires 1948 (see enclosed photostat). You doubtless have other bibliographical references yourselves.

4. The points already documented, to a greater or lesser extent, are;

(a) no physical force was used contrasting with the action previously taken by the US Lexington),

(b) the only persons sent back to the mainland under duress appear to have been the ringleaders of the earlier mutiny who were shipped to BA on board the Rapid in irons.

5. The points on which (additional) documentation might be helpful are;

(a) the numbers of those repatriated on board the Sarandi: any break-down of them into settlers and garrison; any specific identification of those repatriated at their own wishes; were the settlers on board Vernet-ones, post-Vernet, or post-Lexington;

/ (b)

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(b) who exactly were carried on board the Rapid.

6. I see from Caillet-Bois that the Pinedo trial documentation, for example, is with the Archivo Judicial Militar del Consejo Superior de Guerra y Marina. This, presumably, poses problems of access. There may, however, be other public material unknown or unavailable to us here.

7. Latin American Department agree that, as you imply in your letter, any background note on this theme would probably have to be for discreet use in corridors at the UN. It might also perhaps be useful in those non-aligned capitals where the mythology of colonial duress obtains a sympathetic hearing. If there should be enough collateral to refute the "forcible occupation" argument, it might be worthwhile keeping this separate from the other points in your paragraph 3 which is in effect diametrically opposed to it.

M J F Duncan
American Section
Research Department

Enc

Reference .....

Mr Relton (LAD)

Steve

1. Before sending out a new guidance incorporating a passage commenting on the January 1833 "Forcible Expulsion", I suggest we check back with Buenos Aires. This would also be relevant to the idea of producing a condensed background note, suggested by Mr Hankey on other papers.

2. As a preliminary, I have looked through the FO papers for 1833 (FO6/500), the limited documentation on the subject at Canning House, and the Master log of HMS Clio and hunted, to date unsuccessfully, for the log of the Rapid. My conclusion is that we need to accumulate more evidence as the circumstances of the actual expulsion before launching this on the waters as a talking point; and most of the documentation on this is located in Buenos Aires. This raises a question of access.

3. There is some hope that further searches might unearth helpful collatoral. The points already documented, to a greater or lessor extent, are;

(a) no physical force was used (contrasting with the action taking by the US Lexington earlier on),

(b) the only persons sent back to the mainland under duress appear to have been the ringleaders of the muting who were taken back to BA on board the Rapid in irons.

The points on which further material might be helpful are;

What were the numbers of those repatriated on board the Sarandi; can they be broken down into settlers and garrison; who among them were the "several of the inhabitants" repatriated at their own wishes; were the "settlers" aboard the Sarandi, Vernet-ones or post-Vernet or post-Lexington?

NB

4. It seems probably that the record of Commander Pinedo's trial and other contemporary Spanish launguage documents located in BA (and referred to in the Caillet Bois Book "Las Islas Malvinas) may provide some of the answers. Thus if, for example, Pinedo himself acknowledged that some of the settlers had come back of thier own free will this would be a valuable testimony indeed.

5. However, to persue such an enquiry would raise two questions. Whether it is feasible and advisable; the Pinedo trial documentation seems to be held by the Archivo Judicial Militar del Consejo Superior de Guerra y Marina. Secondly, in seeking to challenge the question of the use of force we may flush a different hare.

6. The population of the islands (i.e. Port Louis, as of then; Port Egmont being deserted) according to Captain Onslow's list totalled 18; of these 12 were "gauchos" natives of BA who had been on the islands for "2 years", and the other six were, 1 from Ireland (5 years stay), 1 from France (6 years stay), 1 from Jamaica (1 Year), 2 from Germany (2 years each) and one sailor from London (6 months). This does not exhibit a high UK content. The dozen "gauchos" on the list presumably correspond to the dozen whom Onslow persuaded to stay on to look after the cattle and who were inferentially left-overs from the Vernet Settlement. If so this means not only that a predominant "gaucho" element continued to reside in situ but also that the earlier "dispersal of the Colonists" by the Captain Duncan, the commander of the US sloop Lexington, in December 1831 may have been less than complete, and yet this US spoliationof the settlement was largely what rendered the Argentine occupation of the East Falkland Islands "ineffective".

M J F Duncan
American Section
Research Department

(92)

Upper 7.

BAFO 011/02 GRPS 200

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No acknowledging reply sent

TELE-LETTER

TO: FCO

ARW 010/325/1
RECEIVED IN REGISTRY NO. 13
12 OCT 1979

CONFIDENTIAL

FILE NO: 040/1 DATE: 2 OCTOBER 1979

FOLLOWING FOR: G A DUGGAN ESQ, SAMD

COPY TO: A J BEAMISH ESQ, POD, FCO

FROM: A R MURRAY, BUENOS AIRES

FALKLAND ISLANDS: THE NEXT ROUND OF NEGOTIATIONS

1. WE WERE GRATEFUL FOR FCO TELNOS 200 AND 202 ABOUT THE EXCHANGES BETWEEN CARLOS BLANCO AND MINISTER OF STATE ON THE POSSIBLE TIMING AND VENUE OF A FURTHER ROUND OF NEGOTIATIONS. WE AWAIT SUGGESTED DATES IN DUE COURSE.

2. AS AND WHEN THE DATES ARE ARRANGED YOU WILL BE THINKING OF THE COMPOSITION OF THE BRITISH DELEGATION. IN THE SERIES OF ROUNDS OF

NEGOTIATIONS SINCE 1977 THIS EMBASSY HAS SOMETIMES SENT SOMEONE, (HOWARD PEARCE IN DECEMBER 1977 AND ROB HENDRIE IN FEBRUARY 78), THOUGH NOT FOR THE 2 MOST RECENT ROUNDS LAST DECEMBER AND MARCH. WE ARE WELL AWARE OF THE FINANCIAL CONSTRAINTS ON ENLARGING THE DELEGATION, BUT HAVING SOMEONE FROM THIS EMBASSY AT THE TALKS IS A SUBSTANTIAL HELP TO OUR WORKING RELATIONS WITH THE FOREIGN MINISTRY, AND PROVIDES US WITH A FIRST-HAND IMPRESSION OF THE ATMOSPHERE AT THE TALKS AS WELL AS WHAT PASSES IN THE CORRIDORS. AT TIMES SOMEONE WHO IS, IN DAY TO DAY CONTACT WITH THE OFFICIALS HERE CAN ALSO OFFER USEFUL ADVICE ON THE SPOT.

3. RICHARCH GOZNEY HAPPENS TO BE DUE FOR TWO MONTHS' HOME LEAVE FROM NOVEMBER. IF YOU AGREE THAT HIS PRESENCE AT THE TALKS MIGHT B HELPFUL, RICHARCH COULD ARRANGE HIS LEAVE PLANS TO STOP-OVER IN NEW YORK ON THE WAY BACK TO THE UK. IN THIS WAY THERE NEED BE NO EXTRA COST IN AIR FARES.

4. I SHOULD BE GRATEFUL TO KNOW WHAT YOU THINK IN DUE COURSE.

(SIGNED) A R MURRAY

CONFIDENTIAL

CCN : PARA 3 LINE ONE FIRST WORD/LINE THREE SECOND WORD TO READ QUOTE RICHARD UNQUOTE

NNNN

[illegible]NT AT Ø2/1952Z HR

RESTRICTED

P/W

ALW 020/325/1
16 OCT 1979
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Private Secretary
to
Minister of State

cc: Mr Harding
Mr Ure
Mr Anderson, UKMIS New York
Chargé d'Affaires, Buenos Aires
Chargé d'Affaires, Santiago

ANTARCTIC COOPERATION BETWEEN THE UK, ARGENTINA AND CHILE

1. At my suggestion a meeting was held in UKMIS New York on the afternoon of 14 September. The Argentine representative was Ambassador Oliveri Lopez. He was accompanied by Brigadier General Gomez of the Argentine Air Force, Captain Castagna of the Argentine Navy and Lt Colonel Campos, Argentine Air Force and a member of the Antarctic National Directory. The Chilean representative was Minister Counsellor Novoa, Director of Special Policy for the Ministry of Foreign Affairs, Senor Felix Salas, Head of the Antarctic and Marine Department in the Ministry of Foreign Affairs, and Commander Alejandro Sepulveda of the Chiefs of Staff Committee of the Ministry of National Defence. The care taken by my Argentine and Chilean colleagues to be accompanied by military representatives is significant. I was accompanied by Mr David Anderson, Legal Adviser at UKMIS with long experience of Antarctica questions.

2. I started off by saying that we were all agreed that the meeting was on a purely personal and non-commital basis and that the agreed objective was to see whether we could make some progress towards strengthening our position as claimant states in Antarctica which was weakened by our overlapping claims. I referred to the discussion we had had that morning at the meeting of the "southern hemisphere" claimant states when there had been general agreement that it was necessary to take the existence of sovereign rights of the claimant states as a starting point to secure the maximum possible advantage in any régime jointly agreed by the Consultative Powers for minerals exploration and exploitation in Antarctica. I said that to do this the UK, Antarctica and Chile needed to reach a measure of understanding about their overlapping claims. At this preliminary stage it was difficult to be precise about the form which such an understanding should take but it seemed to me evident that a simple coordination of policies would not be enough, whilst a condominium would be going unnecessarily far and probably too far for any of our governments. It seemed to me somewhere between these two points we should achieve common policies not only for mineral exploration and exploitation but for other matters such as telecommunications (including links between South America and the Antarctic peninsula), meteorology,

/marine

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marine living resources, scientific research, geo-physical exploration, cooperation over postal services and the maintenance of historical monuments. To achieve and conduct such common policies we might need some kind of institutional mechanism. The area of application of such common policies should probably be the territory in the Antarctic treaty area claimed by all or any of the three countries and the adjacent maritime areas. Any arrangements we made would have to be on the basis that none of us would renounce their sovereignty, i.e. we would need to agree on a "Sovereignty Umbrella" similar to that of article 4 of the Antarctic Treaty. Any arrangements we made would have to be compatible with the Antarctic Treaty. Whilst there would appear to be no reason to try to include the other claimant states in such arrangements, their existence would probably be welcome by the others (particularly Australia and New Zealand but perhaps also France and Norway) since the claimant state position would be generally strengthened by such arrangements in the negotiations with the non-claimants.

3. The Chilean representative said that they found the suggestion most interesting. They were certainly looking for a common front of the claimant states and especially of the United Kingdom, Chile and Argentina. Certainly questions of sovereignty would have to be put on one side and it was difficult to think in terms of common political action at the level of a political community. But he saw no reason why economic cooperation for common action should not be considered in terms of an economic community. Our division over Antarctic claims weakened our position in Antarctica and we should take action to strengthen it. He agreed that the kind of understanding suggested should be between the three parties and covering the area claimed by the three.

4. The Argentine representative said that the Argentine government agreed on the need to strengthen the claimant position, which was weakened by our counter-claims. Something on the lines that I had suggested would achieve such strengthening. The sovereignty problem was implicit in what had been suggested and he consequently agreed with the Chilean suggestion that it would be worth talking about an economic community. He agreed that such discussions should, at least in the first place, be between the three of us and cover the area claimed by the three. He suggested that we might, even before we had reached firm conclusions, consider making a declaration that an understanding existed between the UK, Argentina and Chile with regard to our claims. When little enthusiasm was shown for this idea he said that, even if it were not possible to make a formal declaration, if it became known that we had reached any degree of understanding this would have an important political effect. He agreed with my suggestion that it would first be necessary to have reached a

/measure

measure of agreement about the common policies that were to be adopted as a basis for the understanding.

5. It was agreed that the three sides would consider what had been said and that there would be further discussions on a similar basis in the reasonably near future to carry the matter forward. It was also agreed that we should continue to keep in close touch during the forthcoming Antarctic Consultative Meeting.

G Hall

2 October 1979

ONFI

With the compliments of

CHANCERY

A2W 040/325/1

RECEIVED IN REGISTRY NO. 18

16 OCT 1979

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BRITISH EMBASSY

BUENOS AIRES

(91)

NOTE ON MR HARDING'S CALLS IN THE FOREIGN MINISTRY, FRIDAY 24 AUGUST

1. On 24 August Mr Harding made 3 calls at the Foreign Ministry: on Comodoro Bloomer-Reeve, Chef de Cabinet of the Foreign Minister, Ambassador Ortiz de Rosas (in the absence of Comodoro Cavándoli) and on Ambassador Lupiz, the Political Director, Ambassador Oliveri López, Head of the Falklands and Antarctic Department and Minister Ruben Vela, Head of Western European Department. He saw the last 3 together. Subsequently he had lunch with Ambassador Oliveri López.

2. Little of substance was discussed during the call on Ambassador Ortiz de Rosas but it is worth recording some of the points made by Bloomer-Reeve, Lupiz and Oliveri López. Both Bloomer-Reeve and López expressed grave concern at recent events in Nicaragua. The dangers of the new regime there have been brought home to the Argentine Government, they said, by the way in which Montonero leaders, notably Firmenich, had appeared in Managua and made public statements. The Montoneros had also been able to operate a radio station from within Costa Rica beaming propaganda against the Argentine Government to the region. The Argentines feared for the political future of El Salvador and Guatemala following the overthrow of Somoza's regime in Nicaragua. They also saw recent changes and discontent in some of the Lesser Antilles as possibly part of a common threat in the Caribbean region. Lupiz and Bloomer-Reeve showed themselves to be at a loss to understand the foreign policy of President Carter.

3. There was also discussion of Peruvian foreign policy. Lupiz and Bloomer-Reeve indicated that the Argentine Government was following closely the Peruvian approach towards the Non-Aligned Summit. They thought the Peruvians might be trying to use the Non-Aligned movement as a counter to United States influence over them. Mr Harding drew a distinction between the attitude of the new Peruvian Foreign Minister and the Peruvian President, Bermudes Morales. The former had a robust attitude and was likely to take a firm line over some of the ideas likely to be put up at the summit. The President, however, was more easily influenced by the concept of promoting a new Economic Order through the Non-Aligned Movement.

4. Over lunch Oliveri López said he had taken heart at the reference in Mr Ridley's latest message to Comodoro Cavándoli, (sent after the Minister of State's visit to Buenos Aires), to the Minister's belief that the British commitment to the wishes of the Islanders did not close the door to a settlement. In a response to a question from Mr Harding about the timing of any changes that might be agreed in negotiations, Oliveri López said that it would be negotiable.

/5.

5. Possibilities for the next round of negotiations were discussed briefly, Oliveri López pointing out that the Argentines were still waiting for an answer to Comodoro Cavándoli's suggestion that he might meet Mr Ridley before the Foreign Ministers met at the end of September. Mr Harding suggested that it might be useful if he and Oliveri López met informally after the Foreign Ministers' meeting but a few weeks before a round of negotiations between Mr Ridley and Comodoro Cavándoli. As to the venues for meetings, whether between officials or at Minister of State level, the possibility of meeting in London or Buenos Aires was discussed but it was agreed that New York and a European conference centre such as Geneva remained the best bets.

BUENOS AIRES

31 August 1979

Distribution:

G W Harding Esq CMG, AUS, FCO
J B Ure Esq MVO, SAmD, FCO
HE The Governor, PORT STANLEY
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GRS 200
CONFIDENTIAL
FM FCO 211802Z SEP 79
TO PRIORITY BUENOS AIRES
TELEGRAM NUMBER 200 OF 21 SEPTEMBER

(Copies on N Ridley's visit and Falkland Policy)

25 9.

ARGENTINE CHARGE'S CALL ON MINISTER OF STATE

1. BLANCO CALLED ON MR RIDLEY ON 17 SEPTEMBER TO DELIVER A LETTER FROM BLOOMER REEVE. THIS WAS IN REPLY TO MR RIDLEY'S MESSAGE ON THE AIDE MEMOIRE (BRASILIA TEL NO 144) WHICH YOU DELIVERED ON 6 AUGUST.

2. BLOOMER REEVE'S LETTER SEEKS TO EXPLAIN AWAY THE UNFORTUNATE TIMING OF THE AIDE MEMOIRE AND EXPRESSES REGRET IF IT RESULTED IN MISUNDERSTANDING. MR RIDLEY ASKED BLANCO TO MAKE IT CLEAR THAT NO CRITICISM HAD BEEN IMPLIED IN HIS REPLY. HE WENT ON TO SAY THAT, IF THE NEW YORK TALKS BETWEEN FOREIGN MINISTERS WENT WELL, HE WOULD BE READY FOR NEGOTIATIONS ON THE 1977 BASIS, BUT WITHOUT PRECONDITIONS, WHILE RESPECTING THE WISHES OF THE ISLANDERS, ABOUT THE FUTURE OF THE ISLANDS AND RELATED QUESTIONS (EG BROAD CO-OPERATION IN ECONOMIC AND ANTARTCTIC MATTERS). EARLY NOVEMBER MIGHT SUIT, PERHAPS IN NEW YORK OR WASHINGTON. HE WOULD WELCOME PROPOSALS FROM COMMODORE CAVANDOLI ON VENUE/DATES.

3. WE DO NOT INTEND SENDING ANY FORMAL REPLY TO BLOOMER-REEVE'S MESSAGE, AS BLANCO'S REPORT WILL CONVEY ALL THAT NEEDS TO BE SAID. BUT YOU MIGHT REINFORCE WHAT MR RIDLEY SAID, IF YOU SEE FIT, AS OCCASION OFFERS.

4. BLANCO ALSO RAISED LAW ON DISAPPEARED PERSONS, EMPHASISING GOVERNMENT'S WISH TO HELP RELATIVES. HE SAID THAT PROCEEDINGS WOULD NORMALLY BE INITIATED BY RELATIVES AND THE COURTS WOULD FINALLY DECIDE WHETHER A DECLARATION OF PRESUMED DEATH SHOULD BE ISSUED.

5. COPY OF LETTER AND RECORD OF CALL BY BAG..

ALW 040/325/1
24 SEP 1979
INDEX PA REGISTRY

CONFIDENTIAL

M Davies (90)

– worth reading in FI's context

13?

ANTARCTIC MINERALS

RECORD OF A MEETING HELD AT THE FOREIGN AND COMMONWEALTH OFFICE ON 10 SEPTEMBER.

Present:

Mr Hall AUS, FCO	Mr Guinness CFRS
Mr Ramsay	Mr Bretherton (Dept. of Energy)
Dr Heap	Mr Muir (Dept. of Energy)
Mr Ayres	Mrs Williams (DS5 MOD)
	Mr Peretz (HM Treasury)
	Mr Pearcey (Dept. of Industry)

1. Mr Hall opened the meeting by saying that its purpose was to provide him with a line to take at the Antarctic Treaty Meeting to be held in Washington beginning on 17th September. In his view there did not appear to be much disagreement on short term tactics in the paper produced by the Department of Energy and the comments of the CFRS: both agreed we should continue to maintain our claimant state position, together with Argentina and Chile especially, but also with Australia and New Zealand. In Antarctic Treaty context we were likely to find ourselves in a position between that of the United States and the Soviet Union, that is to say somewhere between those who wish to start exploiting straight away and those who wish to delay this for the foreseeable future, and preferably for ever. Decision on the longer term prospects for UK policy were more difficult.

2. The positions of the Department of Energy and CFRS were set out in their respective papers: the FCO view, which broadly coincided with that of the Department of Energy, has been set out by Mr Luard in his letter of 5th April to Lord Peart, although that letter was in the context of the marine living resources question.

3. Mr Hall reported an FCO approach to Argentina in which it had been mooted that the Falkland Islands problem should be considered in a wider context of Anglo/Argentine relations, ie including nuclear co-operation, trade, South-West Atlantic, Antarctica and so on. The Argentine response had been noticeably restrained because they evidently believe we may be moving in their direction in relation to Antarctica.

4. Mr Hall also reported his personal and informal discussions on the Antarctic with his Argentine opposite number, Senor Oliveri Lopez. Senor Lopez's response had been positive and with Argentine agreement similar discussions had been held with Senor Berguno (Chilean Chargé d'Affaires in London) whose response had also been positive. Mr Hall said he would be resuming these personal and informal talks in New York on Friday (14th September) with Argentine and Chilean contacts. He would be exploring ways of getting together with them in order to reduce the lack of credibility of our respective claims arising from the territorial dispute. This would be important in future Antarctic Treaty discussions. Depending on the outcome of these talks and subsequent Ministerial decisions, we could find ourselves on the way, in the longer term, towards a common Anglo/Argentine/Chilean position.

5. In response to a question by Mr Bretherton, Mr Hall explained that the Argentines see two main policy options in Antarctic:

(i) an exclusively claimant state position;

(ii) a régime giving them, and other Antarctic Treaty partners, equal access to the whole Antarctic region.

In informal talks they had expressed their preference for (ii). They see no way of defending a purely national exploitation of their zone as their proximity is offset by their lack of finance and technology. Mr Hall said he intended to raise the question with the Chileans but not with the Australians nor the New Zealanders whom he would also be seeing while in New York (and, indeed, at the Consultative Meeting in Washington).

6. There was then a short discussion as to whether or not it was intended to submit a paper on Antarctic minerals to Ministers before the departure of the UK delegation for the meeting on 17th September, but it was agreed that a paper restricted to consideration of the minerals problem alone, put forward at short notice, would probably not give Ministers an adequate basis for a thorough airing of all the issues involved. Mr Hall was of the opinion that none of the Antarctic Treaty partners is in a hurry to reach a mineral régime. He was practically certain that no attempt would be made at Washington to produce a definitive legal/political régime for Antarctic minerals. He foresaw that there would be meetings of groups of experts and others on the topic, but most people would shy away from a decisive meeting at the moment. The USSR for example would like to postpone the whole subject forever.

7. There was then a short discussion of Soviet attitudes and an examination of how realistic was the Soviet threat to take Antarctic questions to the UNLOSC. It was agreed that timetable difficulties in UNLOSC probably made any such threat unrealistic in the short run, but that the placing of Antarctic problems in North-South or other UN contexts was an ever present threat.

8. Mr Hall summed up that the sense of the meeting appeared to be that in Washington our delegation should try to strengthen our claimant state position, and should close no options, pending Ministerial decisions on our long term Antarctic policy.

9. Mr Hall went on to say that it was his firm view that if we are to maintain our claimant state position we need seriously to consider stepping up our activity in the British Antarctic Territory. In an Antarctic context the only realistic presence is a scientific one and if maintaining our interests in the area are as important as the Department of Energy and CIRC papers indicate, it will be necessary to spend money on increasing the activities of the British Antarctic Survey. Our position in the BAT is under challenge by

Argentine policy of colonization and by Soviet geological work. In the current financial climate the Natural Environment Research Council might find itself faced with cuts, but our overall interests in Antarctica pointed to increases rather than cuts in the BAS budget.

10. Mr Guinness pointed out that a Ministerial decision to make a positive policy thrust in Antarctica would enhance the justification for increased BAS expenditure.

11. Mr Guinness then expressed misgivings over any future re-affirmation of Antarctic Treaty recommendation IX - 1(4). Mr Hall pointed out that this Recommendation had been ratified by HMG and that there could be no question of going back on it at this stage. He went on to explain the background to this particular Recommendation and the intense third world pressures which had given rise to the reference in it to the interests of mankind. The wording had succeeded in taking the steam out of the third world threat at the Ninth Consultative Meeting.

12. The meeting ended with a short discussion about the longer term aspects of mineral policy, and Mr Hall repeated that the FCO view was as summarised in Mr Luard's letter of 5 April to Lord Peart. In short, the FCO's preference was for option (ii) of the Department of Energy's paper. It was evident from Sir M Berrill's letter that the CIRS preference would be for option (iv) but that they would settle for option (iii). The meeting closed on the understanding that the Washington meeting would do nothing to close these options and that all would remain to be played for in subsequent inter-Departmental and Ministerial discussions.

AHW 000/325/1
RACE
24 SEP 1979
DESC
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BUENOS AIRES
GRS 288
CONFIDENTIAL
FM FCO 071730Z SEP 79
TO IMMEDIATE BUENOS AIRES
TELEGRAM NUMBER 182 OF 7 SEPTEMBER.
INFO PRIORITY UKMIS NEW YORK.
YOUR TEL NOS 244 AND 245 AND YOUR TELELETTER OF 29 AUGUST TO HALL: TIMETABLE FOR FALKLAND ISLAND NEGOTIATIONS

1. I AM HOPING TO MEET FOREIGN MINISTER PASTOR IN NCW YORK IN THE MARGINS OF THE UN GENERAL ASSEMBLY AND OUR MISSION HAS BEEN INSTRUCTED TO CONTACT THE ARGENTINE MISSION TO MAKE ARRANGEMENTS. THERE IS THEREFORE NO NEED FOR ANY ACTION BY YOU ON THIS.

2. IT WILL NOT BE POSSIBLE FOR MR RIDLEY TO MEET COMMODORE CAVANDOLI BEFORE THEN. PLEASE PASS TO HIM FROM MR RIDLEY THE FOLLOWING MESSAGE:

> ' WHILE I WAS IN BUENOS AIRES, YOU HELPFULLY SUGGESTED THAT WE MIGHT TRY TO MEET AGAIN IN EARLY SEPTEMBER TO PREPARE THE WAY FOR A MEETING BETWEEN THE SECRETARY OF STATE AND FOREIGN MINISTER PASTOR. I UNDERTOOK TO CONSULT ON THIS ON MY RETURN. I HAVE NOW DONE SO. I FEAR THAT MY COMMITMENTS AND THE NEED FOR CONSULTATION OF MY COLLEAGUES JUST NOW DO NOT PERMIT ME TO GET AWAY FOR SUCH A MEETING. I TOLD YOU I FEARED THAT THIS MIGHT BE THE CASE AND I HOPE YOU WILL UNDERSTAND. I VERY MUCH LOOK FORWARD TO GETTING TOGETHER WITH YOU BEFORE TOO LONG'.

3. AS TO MEETING AT OFFICIAL LEVEL, FOR THE REASONS GIVEN IN YOUR TEL NO 244, EARLY OCTOBER WOULD NOT BE EASY FOR HARDING SO SOON AFTER TAKING UP HIS DUTIES. IT MIGHT ALSO BE TOO LONG BEFORE A MINISTERIAL NEGOTIATING ROUND TO BE USEFUL. IF OLIVERI LOPEZ RAISES PROPOSAL AGAIN, YOU COULD POINT OUT THAT HALL WILL BE ATTENDING ANTARCTIC MEETING ALSO AND THAT THERE SHOULD BE OPPORTUNITY THEN TO COVER ANY POINTS

POINTS HE MIGHT WISH TO DISCUSS BETWEEN THE MEETING OF FOREIGN MINISTERS AND THE MINISTERIAL ROUND.

CARRINGTON

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PS
PS/LPS
PS/MR RIDLEY
PS/PUS
MR HALL

Mr Goulding to enter draft submitted (88)

Mr Duggan S. Am. b. 11/9

To revise the draft OD paper in the light of today's meeting. Could we discuss the timing of the OD meeting? Russell Fox

ALW C(80)325/1

14 SEP 1979

Reg

PS/Mr Ridley

Private Secretary

FALKLAND ISLANDS

At reference

1. In his minute of 30 August Mr Wall said that the Secretary of State would like more detail about Leaseback and other options for consideration.

Objective

2. The options must be measured against our objective. Our objective is a solution with which the Argentines might agree (which means concessions on sovereignty) and which the Islanders will accept (which means the complete maintenance of their way of life). Any option which does not meet this objective is useless. We cannot sell out the Islanders to Argentina and we have to give the Argentine something on sovereignty.

Leaseback

3. The proposal put is that we should concede to Argentina sovereignty over the Falkland Islands, the Dependencies and their Maritime Zones. Argentina should simultaneously give HMG a perpetual lease over the Falkland Islands and South Georgia and their territorial waters and agree on equal co-administration of the economic resources of the maritime zones and seabed pertaining to all the Falkland Islands and Dependencies. The Argentines should also undertake to continue to provide services (eg air service and oil supplies) to the Islands and for the Islanders in Argentina (eg schooling, medical services, etc.)

/4.

4. This proposal would provide what the Islanders have said they must have and would make possible increased economic development. It would give the Argentines concessions on sovereignty which they may be brought to accept as sufficient, although they may not meet their ambitions even if, as a fall back position, we were to agree to a lease limited to 100 or 50 years and left out South Georgia.

Other Options

5. (a) Spitzbergen where Norway has sovereignty but other powers have the right of "economic access".

(b) The Aaland Islands where Finland has sovereignty but the Islanders enjoy certain special rights reflecting their relationship with Sweden.

(c) A Condominium (cf the New Hebrides) involving co-sovereignty and (eventually) co-administration.

(d) A "Mixed Approach" under which sovereignty over the uninhabited Dependencies and Maritime Zones would be ceded to Argentina who would abandon her sovereignty claim over the Falkland Islands.

6. (a), (b) and (c) would not be acceptable to the Islanders because they would involve Argentine intervention in their way of life in one form or another, whilst (d) would be unacceptable to Argentina because it did not involve the concession of sovereignty over the Falkland Islands.

/The

The "Fortress Falkland" Concept

7. This is the idea that we need make no sovereignty concession to Argentina and that if we stood firm either the Argentines would give way or we could hold the Falklands against them. The concept is false. The Argentines are not going to give up. If we tell them that we will make no concessions on sovereignty the negotiations will break down, the Argentines will stop the air service and the supply of oil and we shall be faced with a bill for millions of pounds a year to supply the Islands from the UK. No-one will help us, certainly not Chile, Uruguay or Brazil. We are completely outnumbered in the United Nations on this issue. To prevent an Argentine attack we would have to maintain a deterrent force of a size which it is not possible to contemplate over an extended period. There is no question of the Argentine threat going away. Once we removed the deterrent force a successful Argentine attack on the Islands would be highly likely. The political and military cost of dislodging them would be great and the problem would remain, ie we would have to maintain a deterrent force or face another successful attack. The prospect of a continuing "Fortress Falklands" would also effectively prevent all development of the Islands.

Timing

8. If leaseback is the only viable option we have discovered, does it have to be pursued now? Mr Ridley's view is that dragging our feet will do no good for our interests and those of the Islanders. If we were willing to lose the possible benefits of

/an

an early overall solution for the sake of gaining time then we could probably play this long, although Argentine patience is beginning to wear thin. But we would have to continue to hold out to Argentina the prospect of sovereignty concessions and accept that in practice we would become increasingly committed to a particular solution. This process has already gone on for some time and the solution to which we have become increasingly committed, and the Argentines know it, is leaseback. It would be highly dangerous to continue to negotiate with the Argentines without a clear decision by Ministers on the final solution they would be prepared to accept. If a decision were taken to go ahead with negotiations with Argentina on the basis of leaseback such negotiations could, within certain limits, be handled to be as fast or as slow as circumstances require.

G E Hall

4 September 1979

cc
PS/LPS
PS/PUS
Mr Duggan, SAmD

CONFIDENTIAL

ALW040/325/1
24 SEP 1979
DEPARTMENT
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C C

H of C

cc Western European Department ✓

M Davies

FALKLAND ISLANDS

When I called today on the Head of the Economic Section of the MFA (Ambassador Dr Reisch) I mentioned en passant the question of the Falkland Islands. Reisch smiled and said that later this month he was in fact accompanying the Foreign Minister on a visit to Argentina. I therefore took the chance to point out that in our opinion the views of the inhabitants should be taken into proper account, not only in places like Rhodesia, and perhaps Czechoslovakia, but also in the Falkland Islands. Reisch was carefully non-committal but I think he got the point.

(D McD Gordon)

4 September, 1979

CONFIDENTIAL

Private Secretary

Mr Duggan

You may wish to check with MAD whether the first sentence of the sec. still stands. It can then go, I think

Tel sent

file.

P.A.

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4/9/1

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Mr Hall

CONFIDENTIAL

(86)

Secretary of State
Tony Lyne
8/ix

Private Secretary.
M. Ridley has made 2 small amendments.
+/9.

P.S. Mr. Ridley

FALKLAND ISLAND NEGOTIATIONS: TIMETABLE

A 1. Mr Carless, in his telegram nos 244 and 245 and in a teleletter of 29 August, has asked for guidance on the timetable and a possible meeting between Mr Ridley and the Argentine Deputy Foreign Minister Commodore Cavandoli. What reply should we send?

Recommendation

2. I recommend that we send the attached draft telegram in reply.

Argument and Background

3. The Secretary of State has asked for a meeting on 6 September to discuss the Department's submission of 17 August, covering a draft minute from the Secretary of State to the Prime Minister, containing policy proposals for the next steps in our contacts with Argentina on this matter. It will not be clear for some time, therefore, how the timetable for negotiations will work out.

4. Nevertheless, the Secretary of State has already indicated to
B the Argentine Foreign Minister in a message his willingness to meet him in New York in the margins of the UN General Assembly. Our mission in New York have been instructed to arrange this in consultation with the Argentine mission. We have yet to hear whether any date has been fixed.

C 5. When Mr Ridley was in Buenos Aires, the Argentines suggested that Mr Ridley might meet Deputy Foreign Minister Cavandoli in early September. Mr Ridley explained the difficulties at the time but undertook to consult on his return. A meeting is obviously not possible but we still have formally to tell the Argentines so. We should instruct Mr Carless to pass on a short message from Mr Ridley.

/6.

6. The official in the Argentine Ministry of Foreign Affairs directly concerned with previous negotiations and probably with future rounds, Sr Oliveri Lopez, has suggested an informal and confidential exchange at official level in New York in early October at the end of the consultation meeting of the Antarctic Treaty states, which he will be attending. The idea is that Mr Harding, Mr Hall's successor, would meet him then. Mr Harding has been in Buenos Aires this week but does not formally take up his duties in the office until 17 September. We are not quite clear what Oliveri Lopez wants to discuss at such a meeting. He will in any case be seeing Mr Hall during the Antarctic meeting when there should be opportunity to discuss any matters he has in mind, if necessary.

G A Duggan
South America Department

3 September 1979

cc: UND

ALW 040/325/1 P.W.

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ALW 040/325/1
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FILE NOTE

FALKLAND ISLANDS: 1977 JIC PAPERS

1. File ZJC 10/492 (PUSD) contains the following papers:

a) Falkland Islands - Argentine base in Southern Thule: JIC (77) (1A) 1, 1 February 1977

b) The Argentine military threat to the Falkland Islands: JIC (77) (N) 11, 10 February 1977

c) Falkland Islands: The Argentine Attitude: JIC (77) (N) 16, 8 March 1977

d) South Sandwich Islands: JIC (77) (1A) 40, 11 October 1977

e) The Argentine military threat to the Falkland Islands and Dependencies: JIC (77) (N) 46, 1 November 1977 (NB: possible Argentine diplomatic, commercial and military options against UK/Islands).

2. 1977 papers (including Chiefs of Staff Assessments) about British Defence Policy towards the Falklands are contained on DPP 061/492/1 (Defence Department).

South America Department
September 1979

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24 SEP 1979
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GRS 267
CONFIDENTIAL

TELELETTER
FROM J R COWLING, SOUTH AMERICA DEPARTMENT

FOLLOWING FOR R H GOZNEY, BUENOS AIRES
RESEARCH VESSEL 'SHACKLETON': PROPOSED 1980/81 PROGRAMME
1. THE NATURAL ENVIRONMENT RESEARCH COUNCIL'S TENTATIVE PROGRAMME FOR 1980/81 INVOLVES THE 'SHACKLETON' IN GEOLOGICAL INVESTIGATIONS IN BOTH THE WEDDELL AND SCOTIA SEAS. THE VESSEL WOULD THUS BE OPERATING BOTH IN WATERS AND OVER CONTINENTAL SHELF CLAIMED BY ARGENTINA. IN VIEW OF THE 1976 INCIDENT WE CLEARLY NEED TO GIVE THIS PROPOSAL CAREFUL CONSIDERATION.
2. AS FAR AS THE WEDDELL SEA IS CONCERNED, SHACKLETON'S ACTIVITIES IN THIS AREA WOULD BE COVERED BY THE ANTARCTIC TREATY AND WE WOULD BE OBLIGED, AS PREVIOUSLY, TO GIVE THE ARGENTINES DUE NOTICE OF HER PROGRAMME IN ACCORDANCE WITH OUR TREATY OBLIGATIONS. BUT THE SCOTIA SEA IS ANOTHER MATTER. UNFORTUNATELY, OUR 1975 FILES ON SHACKLETON'S ACTIVITIES IN THE SOUTHERN OCEAN ARE NOT COMPLETE AND WE HAVE NOT, FOR EXAMPLE, BEEN ABLE TO DISCOVER PRECISELY WHAT WAS SAID TO THE ARGENTINES ABOUT SHACKLETON'S PROGRAMME OUTSIDE THE ANTARCTIC TREATY AREA. WE HAVE, HOWEVER, SEEN A REFERENCE IN PARAGRAPH 2 OF BUENOS AIRES TELNO 92 OF 5 FEBRUARY, 1976, TO THE ARGENTINES BEING PROVIDED WITH CO-ORDINATES OF SHACKLETON'S WORKING AREA. THERE IS ALSO A REFERENCE IN THIS TELEGRAM TO A LETTER WHICH MISS BROOKFIELD SENT TO PEARCE ON 30 SEPTEMBER 1975. WE HAVE NOT BEEN ABLE TO TRACE THIS LETTER AND I SHOULD BE GRATEFUL, ASSUMING A COPY IS TO BE FOUND ON YOUR FILES, IF YOU WOULD TELEGRAPH THE TEXT TOGETHER WITH THE TEXT OF ANY NOTE ON SHACKLETON'S ACTIVITIES HANDED OVER TO THE ARGENTINES

SIGNED J R COWLING

FOBA Ø1Ø/14

RR BUENOS AIRES

GRS 267
CONFIDENTIAL

TELELETTER
FROM J R COWLING, SOUTH AMERICA DEPARTMENT

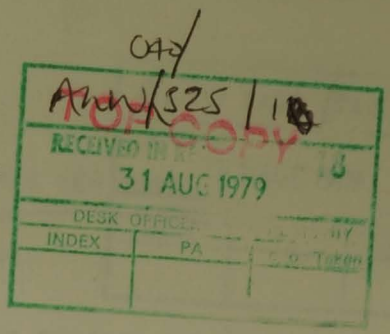
FOLLOWING FOR R H GOZNEY, BUENOS AIRES
RESEARCH VESSEL 'SHACKLETON': PROPOSED 198Ø/81 PROGRAMME
1. THE NATURAL ENVIRONMENT RESEARCH COUNCIL'S TENTATIVE PROGRAMME FOR 198Ø/81 INVOLVES THE 'SHACKLETON' IN GEOLOGICAL INVESTIGATIONS IN BOTH THE WEDDELL AND SCOTIA SEAS. THE VESSEL WOULD THUS BE OPERATING BOTH IN WATERS AND OVER CONTINENTAL SHELF CLAIMED BY ARGENTINA. IN VIEW OF THE 1976 INCIDENT WE CLEARLY NEED TO GIVE THIS PROPOSAL CAREFUL CONSIDERATION.
2. AS FAR AS THE WEDDELL SEA IS CONCERNED, SHACKLETON'S ACTIVITIES IN THIS AREA WOULD BE COVERED BY THE ANTARCTIC TREATY AND WE WOULD BE OBLIGED, AS PREVIOUSLY, TO GIVE THE ARGENTINES DUE NOTICE OF HER PROGRAMME IN ACCORDANCE WITH OUR TREATY OBLIGATIONS. BUT THE SCOTIA SEA IS ANOTHER MATTER. UNFORTUNATELY, OUR 1975 FILES ON SHACKLETON'S ACTIVITIES IN THE SOUTHERN OCEAN ARE NOT COMPLETE AND WE HAVE NOT, FOR EXAMPLE, BEEN ABLE TO DISCOVER PRECISELY WHAT WAS SAID TO THE ARGENTINES ABOUT SHACKLETON'S PROGRAMME OUTSIDE THE ANTARCTIC TREATY AREA. WE HAVE, HOWEVER, SEEN A REFERENCE IN PARAGRAPH 2 OF BUENOS AIRES TELNO 92 OF 5 FEBRUARY, 1976, TO THE ARGENTINES BEING PROVIDED WITH CO-ORDINATES OF SHACKLETON'S WORKING AREA. THERE IS ALSO A REFERENCE IN THIS TELEGRAM TO A LETTER WHICH MISS BROOKFIELD SENT TO PEARCE ON 3Ø SEPTEMBER 1975. WE HAVE NOT BEEN ABLE TO TRACE THIS LETTER AND I SHOULD BE GRATEFUL, ASSUMING A COPY IS TO BE FOUND ON YOUR FILES, IF YOU WOULD TELEGRAPH THE TEXT TOGETHER WITH THE TEXT OF ANY NOTE ON SHACKLETON'S ACTIVITIES HANDED OVER TO THE ARGENTINES

SIGNED J R COWLING

CONFIDENTIAL

(83)

GRPS 23Ø
CONFIDENTIAL
FM BUENOS AIRES 3Ø/15ØØZ AUG 1979
TO PRIORITY FCO
TELEGRAM NUMBER 244 OF 3Ø AUGUST 1979
INFO PORT STANLEY



Sd (82)

FALKLAND ISLANDS NEGOTIATIONS

1. WHEN HARDING LUNCHED WITH AMBASSADOR OLIVERI LOPEZ ON 24 AUGUST, A TENTATIVE SUGGESTION WAS MADE THAT, IN ADVANCE OF ANY ROUND OF NEGOTIATIONS AT MINISTERIAL LEVEL IN THE AUTUMN, HE AND OLIVERI LOPEZ SHOULD MEET FOR AN INFORMAL AND CONFIDENTIAL DISCUSSION.

2. OLIVERI LOPEZ CALLED ME IN LAST NIGHT TO FOLLOW UP THIS SUGGESTION. THE ARGENTINES, HE SAID, WERE EXPECTING A ROUND OF NEGOTIATIONS AT MINISTERIAL LEVEL IN OCTOBER OR NOVEMBER AND WOULD NOT (REPEAT NOT) WANT ANY DISCUSSIONS AT OFFICIAL LEVEL TO BE CONSIDERED A SUBSTITUTE. BUT, PROVIDING IT WAS FOLLOWED BY A MINISTERIAL MEETING, CAVANDOLI HAD AUTHORISED OLIVERI LOPEZ TO TELL US THAT THE ARGENTINES WOULD BE IN FAVOUR OF AN INFORMAL AND CONFIDENTIAL DISCUSSION BETWEEN THE 2 OFFICIALS.

3. THE BEST DATES AND VENUE FOR OLIVERI LOPEZ WOULD BE NEW YORK EARLY IN THE SECOND WEEK OF OCTOBER, AFTER THE CONSULTATIVE MEETING OF THE ANTARCTIC TREATY STATES HAS ENDED.

4. OLIVERI LOPEZ HOPED WE COULD PROVIDE AN ANSWER BY 12 SEPTEMBER WHEN HE LEAVES FOR THE ANTARCTIC MEETING. I EXPLAINED THAT I THOUGHT THIS WOULD BE DIFFICULT IF NOT IMPOSSIBLE SINCE HARDING WAS NOT DUE TO TAKE UP HIS POST UNTIL AFTER THAT DATE. THE TIMING OF ANY MEETING BETWEEN THE 2 OFFICIALS WOULD, I THOUGHT, DEPEND ON YOUR VIEWS ABOUT THE TIMETABLE FOR CONSIDERATION OF FALKLANDS POLICY

CARLESS

FILES PS/LPS
SAMD PS/MR RIDLEY
OID PS/PUS
NEWS.D SIR A DUFF
PS MR HALL

CONFIDENTIAL

CRPS 220 CONFIDENTIAL

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FM BUENOS AIRES 30/1855Z AUG 1979

TO PRIORITY FCO

TELEGRAM NUMBER 245 OF 30 AUGUST 1979

INFO PRIORITY PORT STANLEY ROUTINE UKMIS NEW YORK

ALN 040/32511
RECEIVED 31 AUG 1979
DESK OFFICE
INDEX PA Miss Take

MY TELNO 244 (83) : FALKLANDS NEGOTIATIONS

1. WHEN I WAS REQUESTED TO CALL AT THE FOREIGN MINISTRY LAST NIGHT I HAD EXPECTED TO BE QUESTIONED ABOUT YOUR VIEW ON THE TIMETABLE FOR POSSIBLE FUTURE MINISTERIAL MEETINGS, IN PARTICULAR :

I. A POSSIBLE MEETING BETWEEN THE MINISTER OF STATE AND CAVANDOLI IN EARLY SEPTEMBER WHICH I PRESUME YOU HAVE NEVER REGARDED AS PRACTICABLE (MY TELELETTER OF 29 AUGUST TO HALL REFERS) :

II. YOUR PROVISIONAL ARRANGEMENT TO MEET THE ARGENTINE FOREIGN MINISTER AT THE UNGA IN LATE SEPTEMBER :

III. THE SUBSEQUENT DATE FOR A ROUND OF NEGOTIATIONS AT MINISTER OF STATE LEVEL.

2. IN THE EVENT, THE ONLY ALLUSION WHICH OLIVERI LOPEZ MADE TO A TIMETABLE WAS TO VOLUNTEER THAT THE ARGENTINES HOPED THAT THE MINISTERIAL ROUND MIGHT TAKE PLACE IN OCTOBER OR NOVEMBER, I DID NOT COMMENT.

3. I WOULD BE GRATEFUL FOR ANY GUIDANCE WHICH YOU CAN SEND ME ABOUT (II) ABOVE. IF YOU REMAIN READY TO MEET WITH PASTOR AT THE UNGA, DO YOU WISH THE TIME TO BE ARRANGED BY DELEGATIONS AT THE UN : AND DO YOU WISH ANY FORM OF AGENDA TO BE PREPARED ?

CARLESS

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S AM D
OID
NEWS D
PS

PS/LPS
PS/MR RIDLEY
PS/PUS
SIR A DUFF
MR HALL

CONFIDENTIAL

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INDEX

(81)

Reference .....

P.A. Falklands Policy

Mr Cowling

1. Thank you for showing me in draft your proposed response to Mr Wall's minute of 30 August. (W80)

2. In answer to your questions: I do not think BAS needs to be mentioned in such a broad brush minute. Neither do I think it would be right to raise the possibility of Antarctic co-operation beyond what has already been mentioned in the draft OD paper; Antarctica is not relevant to the Secretary of State's central concerns.

3. May I say, however, that I do not think your draft would greatly clear the mind of the Secretary of State. It seems to me that the paper should set out:

1. Scope Formal cession of sovereignty over all Falklands and Dependencies.
2. Lease back Permanent lease back of Falkland Islands, South Georgia with all economic rights in maritime area and South Sandwich Islands. This is unlikely to be acceptable to Argentines.
3. Therefore we need ~~need~~ successive fall back positions: There are, in order of increasing value to us and therefore increasing enticement to the Argentines:
   (a) Acceptance that we would not lease back the South Sandwich Islands;

But a meeting is to be held.

CODE 18-77

(b) acceptance that the maritime zones dependant on the areas leased and ceded would be subject to co-administration;

(c) acceptance that only maritime zones dependant on the leased areas would be subject to co-administration;

(d) acceptance that we would not lease back co-administering rights in maritime zone and South Georgia while monitoring rights to engage in scientific research on a basis of equality with Argentines

(e) acceptance that the duration of the lease back of the Falkland Islands themselves should be limited to not less than 50 years.

4. The bottom line of negotiations on the lease back idea would therefore be lease back of Falkland Islands for 50 years plus co-administration of maritime zones dependant on ~~Sou~~ Falkland Islands and South Georgia.

5. Your draft would then go on to deal with entitlements of lease back to the Islanders and other options which, in my view, have to be criticised on the basis of the effects on the islanders British way of life and prejudice to the economic base of that way of life – i.e. the maritime zones dependant on ~~Sou~~ the Falkland Islands and South Georgia.

John Heap
Polar Regions Section.

31 August 1979

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Private Secretary
Having expanded para 8 of the draft, Mr Ridley agrees.
24/8.

Mr Hall
P.S. Lord Privy Seal
With copies for PS/Lord Privy Seal
PS/PUS

ALW 040/325/1

FALKLAND ISLANDS

Problem

1. Following Mr Ridley's visit to the Falkland Islands and Argentina, in July, we need to clear our lines with Cabinet on the next moves in our dispute with Argentina on sovereignty over the Falkland Islands.

Recommendation

2. I recommend that the Secretary of State write to the Prime Minister and to his OD colleagues seeking their agreement to resume negotiations with Argentina in the autumn, to see whether an overall solution involving a leaseback, or some other special status, is possible. I submit a draft.

Background

Flag A 3. Since the terms of the negotiations were announced in April 1977, there have been 4 rounds, two at ministerial and two at official level, none of which got very far largely because of the fundamental differences on the sovereignty question. (A
Flag B Research Department Memorandum traces the recent history of
Flag C negotiations.) In his letter to the Argentine Foreign Minister 14 June, the Secretary of State indicated his willingness to continue this dialogue. The Argentine Foreign Minister welcomed
Flag D this in his reply and spoke in similar terms to Mr Ridley in Buenos Aires.

Argument

4. There is no real alternative to continuing talks. But the talks will not be easy: the Argentines have already given an indication of the tough attitude they are likely to adopt in the
Flag E Aide Memoire which they sent without warning to Mr Ridley at the airport as he was about to leave Buenos Aires.

/5.

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5. The failure to make any progress at the last round of negotiations in New York in March disappointed the Argentines but they were willing to accept the political difficulty for us inherent in the then impending election. They are now looking to the new government to give a positive and early indication of its willingness to conduct meaningful negotiations; they have been encouraged by the Government's willingness to meet their proposal for the restoration of Ambassadors, announced during Mr Ridley's visit. It is important to keep up the momentum. We need now to report on Mr Ridley's visit and to put policy options to the OD Committee of the Cabinet. (Records of his meetings are attached.)

Flags F & G

6. Mr Ridley is convinced that dragging our feet will do no-one any good, and that we should seek an overall solution to the dispute which would help unlock the potential of the Islands and the area. Mr Ridley thinks that there is a reasonable chance that the Argentines will respond positively; Mr Carless in his despatch of 8 August takes a similar view. The solution which has most to commend it is that of a lease-back; there are other sovereignty options, touched on by Mr Carless in his despatch, which might usefully be examined with the Argentines as the talks develop.

Flag H

7. No solution stands any chance of success if we do not take the Islanders with us. Mr Ridley spoke frankly while in the Islands about the need for negotiations and the sort of realistic possibilities open. He agreed that the Islanders might send a representative to any talk; it will be important to keep the Councillors informed through the Governor of our intentions. Meanwhile, the Governor considers that Islander morale, following Mr Ridley's visit, is much higher than it has been for some time.

Flag I

J B Ure
South America Department

17 August, 1979

20/VIII

ALW 080/325/1
14 SEP 1979

W80

Mr Duggan (SAmD) W84/9

Falkland Islands

The Secretary of State has seen Mr Ure's submission of 17 August and the draft OD paper attached.

Lord Carrington would like to have an office meeting to discuss the leaseback option and other options.

The Secretary of State would be grateful for more detail about how the leaseback scheme would work, particularly such matters as length of duration, who would control economic resources, how we would bring the Islanders along with us. The Secretary of State is not convinced that leaseback is the only or the right solution. He - and he thinks OD colleagues will feel the same - would like to consider other options before reaching a conclusion on leaseback.

J. S. Wall

30 August 1979 (J S Wall)

ccs:-

PS/LPS
PS/Mr Ridley
PS/PUS
Mr Hall
PS

CONFIDENTIAL

Reference AZW 040/325/1

Mr Gosling, South American Department, FO Temple

K274.

There are four lessons here I fear.

J. R. Gosling

Hong Kong: New Territories Lease

1. I attach a copy of the Peking Convention of 1898 which provided for the extension of Hong Kong by leasing from China for 99 years that part of the Mainland now as the New Territories.

2. You will note that, formally speaking, the lease will expire in 1997. However, the New Territories as an integral part of Hong Kong have been administered as part and parcel of the Colony, the other parts of which were ceded in perpetuity to Britain by China in Treaties of 1842 and 1860. For this reason, the present Chinese Government recognise none of these Treaties and regard the whole of Hong Kong as Chinese Territory. Although the Chinese Government's attitude in the year 1997 may regard the status of the Colony as a whole (i.e. including the land ceded in perpetuity) as a matter left over by history, to be settled when the time is ripe, the lease is a subsidiary complication which exercises our own, rather than Chinese, lawyers.

3. The special and privileged commercial position enjoyed by the British in their relations with China make questions of the New Territories lease of 1898 particularly sensitive. I should be grateful if you would bear this in mind in any [illegible] to the media.

[illegible]

Hong Kong and General Department
233 - 3488

[illegible]

CODE 18-77

CONFIDENTIAL

CONVENTION FOR THE EXTENSION OF HONGKONG, 1898.

(Signed at Peking, 9th June 1898.)

WHEREAS it has for many years past been recognised that an extension of Hongkong territory is necessary for the proper defence and protection of the Colony:

It has now been agreed between the Governments of Great Britain and China that the limits of British territory shall be enlarged under lease to the extent indicated generally on the annexed map. The exact boundaries shall be hereafter fixed when proper surveys have been made by officials appointed by the two Governments. The term of this lease shall be ninety-nine years. It is at the same time agreed that within the city of Kowloon the Chinese officials now stationed there shall continue to exercise jurisdiction except so far as may be inconsistent with the military requirements for the defence of Hongkong. Within the remainder of the newly-leased territory Great Britain shall have sole jurisdiction. Chinese officials and people shall be allowed as heretofore to use the road from Kowloon to Hsinan.

It is further agreed that the existing landing place near Kowloon city shall be reserved for the convenience of Chinese men-of-war, merchant and passenger vessels, which may come and go and lie there at their pleasure; and for the convenience of movement of the officials and people within the city.

When hereafter China constructs a railway to the boundary of the Kowloon territory under British control, arrangements shall be discussed.

It is further understood that there will be no expropriation or expulsion of the inhabitants of the district included within the extension, and that if land is required for public offices, fortifications, or the like official purposes, it shall be bought at a fair price.

If cases of extradition of criminals occur, they shall be dealt with in accordance with the existing Treaties between Great Britain and China and the Hongkong Regulations.

展拓香港界址專條

溯查多年以來素悉香港一處非展拓界址不足以實保衛今中英兩國政府議定大略按照粘附地圖展擴英界作爲新租之地其所定詳細界線應俟兩國派員勘明後再行畫定以九十九年爲限期又議定所有現在九龍城內駐紮之中國官員仍可在城內各司其事惟不得與保衛香港之武備有所妨礙其餘新租之地專歸英國管轄至九龍向通新安陸路中國官民照常行走又議定仍留附近九龍坡原營馬頭一區以便中國兵商各船渡艇任便往來停泊且便城內官民任便行走將來中國建造鐵路至九龍英國管轄之界臨時商辦又議定在所展界內不可將居民迫令遷移產業入官若因修建衙署築造礮台等工需用地段皆應從公給價自開辦後遇有兩國交犯之事仍照中英

原約香港至租辦理在按照粘附地圖所租與英國之地內有大鵬灣深圳灣水面惟議定該兩灣中國兵船無論在局內局外仍可享用此約應於畫押後自中國五月十三日即西曆七月初一號開辦施行其批准文據應在英國京城速行互換爲此兩國大臣將此事係畫押蓋印以昭信守此事係在中國京城繕立漢文四分英文四分共八分

光緒二十四年四月二十一日
西歷一千八百九十八年六月初九日

大清國 太子太傅文華殿大學士一等肅毅伯李 經 諱 官 禮 部 尚 書 許

大英國欽差駐劄中華便宜行事大臣竇

The area leased to Great Britain as shown on the annexed map includes the waters of Mirs Bay and Deep Bay, but it is agreed that Chinese vessels of war, whether neutral or otherwise, shall retain the right to use those waters.

This Convention shall come into force on the first day of July, eighteen hundred and ninety-eight, being the thirteenth day of the fifth moon of the twenty-fourth year of KUANG HSÜ. It shall be ratified by the Sovereigns of the two countries, and the ratifications shall be exchanged in London as soon as possible.

In witness whereof the undersigned, duly authorized thereto by their respective Governments, have signed the present Agreement.

Done at Peking in quadruplicate (four copies in English and four in Chinese) the ninth day of June in the year of Our Lord eighteen hundred and ninety-eight, being the twenty-first day of the fourth moon of the twenty-fourth year of KUANG HSÜ.

(Signed)

CLAUDE M. MACDONALD. LI HUNG-CHANG.

HSÜ TING-K'UEI.

L.S. L.S.

MINISTER OF STATE

W.80

MEMORANDUM

From PRIVATE SECRETARY

To Mr Ure, SAmD

cc: PS/LPS
PS/PUS
Mr Hall

M Duggan

To see

29/8

FALKLAND ISLANDS

This is to let you know that Mr Ridley expanded (as attached) para 8 of the draft minute under your submission of 17 August, before passing it to the Private Secretary.

J W Yapp
24 August 1979

8. Aid expenditure on the Falklands is very high - probably the highest per capita spending anywhere. On the other hand there is a very large economic potential in the Islands, which could easily be unlocked if the shadow of the Argentine dispute were removed. It should be possible to create an economic framework where business and development flourish without any aid being needed. This we should seek to do whether the negotiations succeed or fail: it would save us aid money in the long run, as well as leading to much greater prosperity in the Islands: there is no reason why the Falklands could not support a much greater population.

What is needed is proper banking facilities (including access to private capital); a less onerous tax regime, (and one which encourages inward investment), the break up of the monopolistic Falklands Islands Company which inhibits agricultural development; and publicity to get the opportunities more widely known. We shall develop policy in these respects.

9.

para 9 continues below:

P.W.

Reuter

B/v mr willis 20/8

cc SAID

Telex 27333 Telegrams Prodelcom Geneva
Telephone 31 38 00 33 23 85

UNCLASSIFIED

F W Willis Esq
EID(E)
FCO

Your reference

Our reference

Date 8 August 1979

MXE 12/16/4
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Dear Frank

GATT MTN'S: TERRITORIAL APPLICATION

1. For the sake of completeness, I should draw your attention to the fact that the complications mentioned in Peter Williams' minute of 25 June were resolved without further difficulty. I enclose photocopies of the relevant extracts from the GATT Secretariat's record of the TNC. This shows the Argentinian reservation recorded as a written statement following the record of its oral intervention of the TNC, with a footnote referring to our counter-statement which appears as an addendum.

Yours sincerely

Robert Lowson

R Lowson

Good.

cc: Mr Parry
Legal Advisers
FCO

R OS Some - to see.

23 8/.

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/P/5/Add.1
9 July 1979

Special Distribution

Trade Negotiations Committee

Original: English

PROCEEDINGS OF THE SESSION

Held in the International Labour Office,
Geneva, 11 and 12 April 1979

Addendum

The following written statement is circulated at the request of the United Kingdom mission.

The United Kingdom Permanent Representative wishes to refer to the written statement by the Argentine representative on point (c) in paragraph 2 of the Proceedings of the Session (MTN/P/5, page 43) which purports to assert Argentine sovereignty over the Falkland Islands, South Georgia and the South Sandwich Islands.

The United Kingdom representative wishes to make it clear that the United Kingdom has no doubt as to its sovereignty over the Falkland Islands, South Georgia and the South Sandwich Islands, and rejects entirely Argentine claims to these territories.

in the record of this meeting of the Trade Negotiations Committee, as part of this statement.

Written statement by the representative of Argentina on point (c) in paragraph 2 above of the Proceedings of the Session and referred to in paragraph 9 1/

"With reference to the paragraph contained in the final provisions of each one of the multilateral agreements which relates to the applicability of Article XXVI:5(a) and (b) of the General Agreement, the Argentine delegation wishes to clearly register that: 'any acceptance of the present Agreement that might eventually be intended by a third State in the name of the Islas Malvinas, Georgias del Sur and Sandwich del Sur, is firmly objected to by the Argentine Republic, on the grounds that those islands form an integral part of its territory'."

1/ See also document MTN/P/5/Add.1.

CONFIDENTIAL

(79)

Reference ALW 040/325/1

RECEIVED
22 AUG 1979
PA

Mr Chamberlain Legal Advisers

HINTS TO EXPORTERS: ARGENTINA

1. This publication issued by the Department of Trade contains a map (pages 28/29) which excludes the Falkland Islands.

2. The Department of Trade tell me that the publication contained no map until 1977. The previous edition had a much larger "key" which I am told more or less covered the area in the Atlantic Ocean where one would expect to find the Falkland Islands. But the absence of the Falklands in the map is made more evident by the fact that the key is now much more reduced in size!

3. It seems to me inconceivable that in an official Argentine publication they would exclude the "Malvinas". So should not a map appearing in an official British publication not include the Falklands?

4. Since "Hints to Exporters" is intended for a British readership there is no paramount requirement to take account of Argentine sensitivity although one cannot altogether rule out the possibility of the publication falling into Argentine hands. But even then, since we are in no doubt as to our sovereignty over the Islands does one not arrive at the conclusion, regardless, that the map should include the Falklands?

5. I should welcome your guidance.

J R Cowling
South America Department

15 August 1979

Mr Cowling.

I agree that the absence of the Falkland Islands on the map looks a little odd and may appear to the Argentines that we have some doubts about including them. On the other hand, the map is after all a map of Argentina and I do not think we can simply draw in the Islands on this part of the map where they should appear

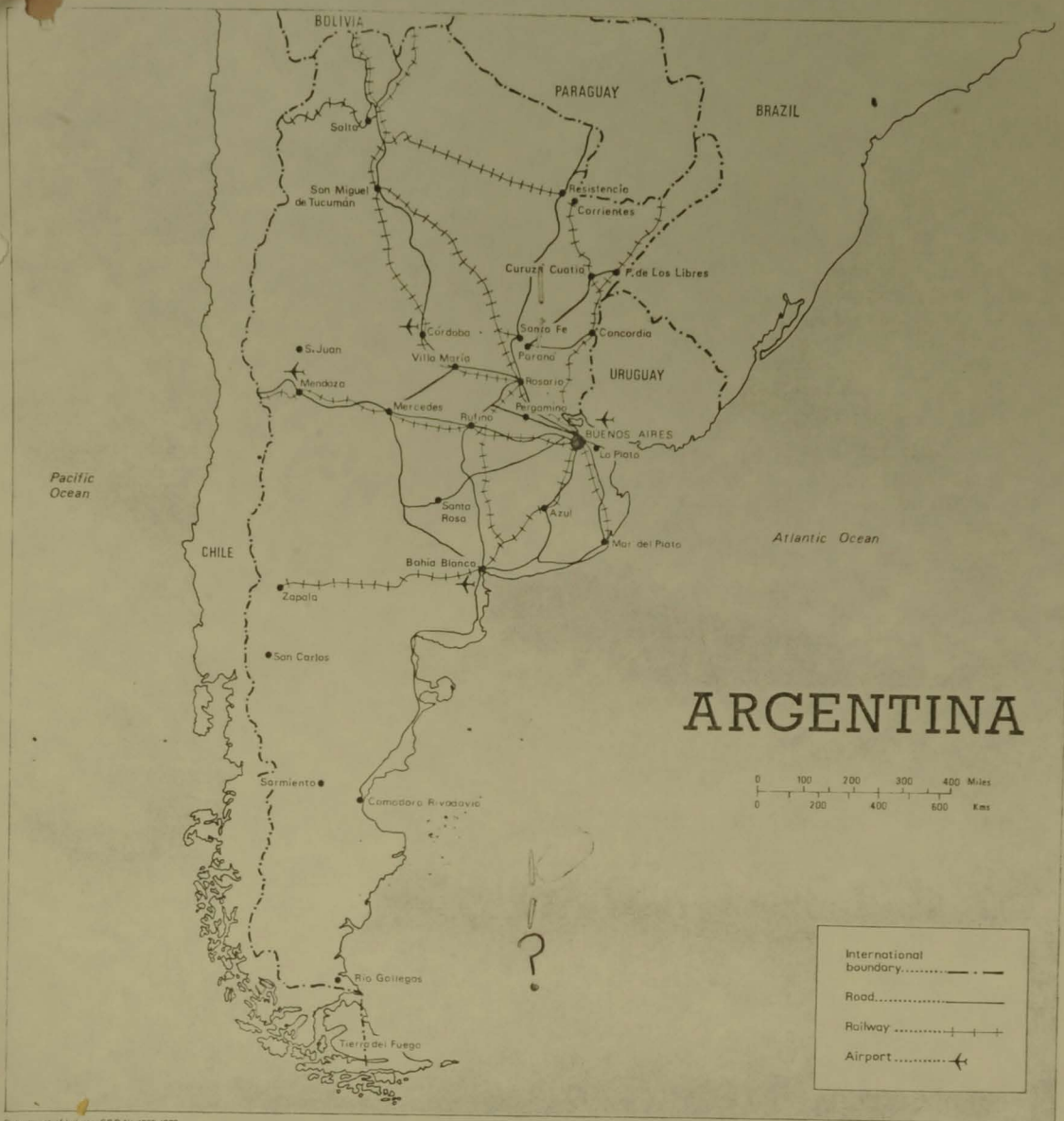
appear. This would give the impression that the Islands are part of Argentina. If the Islands are to be included, they should, in my view be designated as follows:-

"Falkland Islands (British)".

16/8.

Discussed with Mr Duggan. This is just the sort of thing that tends to enrage the Committee. I told Mr Owen (CRE) that in the next review we would like to see a large "key" covering the area where otherwise one word have formed the FI's. !

17/8



Department of Industry CDO No. 1979, 1979

TAKEN FROM 'HINTS TO EXPORTERS-ARGENTINA'
(BRITISH OVERSEAS TRADE BOARD 1979/80)