

S
807

PREM 19/950

Relations with Argentina etc.

ARGENTINA

PART 32

PcA 1: Sept 1979

PcA 32: Dec. 1982

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
2.3.82							
— ENDS —							
PREM 19 / 1950							

PART 32 ends:-

AJC to FCD 2.3.83

PART 33 begins:-

AJC to MOD 3.3.83

file

289

2 March 1983

FALKLAND ISLANDS

The Prime Minister has noted the contents of your letter of 25 February about the article in the Daily Express by Mr. Eldon Griffiths.

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.

PS
 PS/MR HURD
 PS/MR ONSLOW
 PS/MR RIFKIND
 PS/PUS
 SIR J BULLARD
 SIR I SINCLAIR
 MR GIFFARD
 MR WRIGHT
 MR ADAMS
 LORD N G LENNOX
 MR EVANS
 MR URE
 MR GILLMORE

IMMEDIATE

PS/NO 10 DOWNING ST (3)

PS/S OF S FOR DEFENCE
 MR J STEWART AUSD STAFF MOD

PS/CHANCELLOR)
 MR ILETT) TREASURY
 MR LITTLER)

SIR R ARMSTRONG)
 MR A D S GOODALL) CABINET OFFICE
 DIO)

MR M A PATTISON, FID, ODA

MR A TITCHENER)
 MR C U ROBERTS, IAT) DOT

HD/PUSD (2)
 HD/SAMD
 HD/FID
 HD/DEFENCE DEPT
 HD/NEWS DEPT
 HD/ERD
 HD/ECD(E)
 HD/UND
 HD/PLANNING STAFF



~~RESIDENT CLERK~~

MG

OO FCO
 GRS 60
 CONFIDENTIAL
 FROM PORT STANLEY 021157Z MAR 83
 TO IMMEDIATE FCO
 INFO IMMEDIATE ODA
 TELEGRAM NUMBER 146 OF 2 MARCH

EXECUTIVE COUNCIL: PACKE BROTHERS

- EXECUTIVE COUNCIL AGREED AT THEIR MEETING ON 28 FEBRUARY TO RECOMMEND TO STANDING FINANCE COMMITTEE THAT FIG CONTRIBUTE £50,000 TOWARDS PURCHASE OF PACKE BROTHERS FARMS ON WEST FALKLAND. SFC APPROVED THIS EXPENDITURE TODAY. I AM NOW SENDING A LETTER OF INTENT TO CHAIRMAN OF PACKE'S BOARD MAKING A FIRM OFFER OF £50,000.

HUNT

NNNN

PS
 PS/MR HURD
 PS/MR ONSLOW
 PS/MR RIFKIND
 PS/PUS
 SIR J BULLARD
 SIR I SINCLAIR
 MR GIFFARD
 MR WRIGHT
 MR ADAMS
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 MR LITTLER)

SIR R ARMSTRONG)
 MR A D S GOODALL) CABINET OFFICE
 DIO)

MR M A PATTISON, FID, ODA

MR A TITCHENER)
 MR C U ROBERTS, IAT) DOT

~~RESIDENT CLERK~~

OO FCO
 GRS 230
 VCONFIDENTIAL
 FROM PORT STANLEY 021145Z MAR 83
 TO IMMEDIATE FCO
 TELEGRAM NUMBER 145 OF 2 MARCH

EXECUTIVE COUNCIL: FIDA

1. EXECUTIVE COUNCIL APPROVED ATTORNEY GENERAL'S BILL FOR THE CREATION OF A FALKLAND ISLANDS DEVELOPMENT AGENCY AT THEIR MEETING ON 28 FEBRUARY WITH THE FOLLOWING AMENDMENTS (MR RAISON TOOK WITH HIM A COPY OF THE DRAFT BILL).

- A) NAME TO BE THE FALKLAND ISLANDS DEVELOPMENT CORPORATION NOT AGENCY
- B) FUNCTIONS OF THE CORPORATION TO INCLUDE SOCIAL AS WELL AS ECONOMIC DEVELOPMENT
- C) CIVIL COMMISSIONER IN COUNCIL TO MAKE MAJOR DECISIONS, NOT CIVIL COMMISSIONER ALONE

DADD) POST OF CHIEF EXECUTIVE TO BE CREATED AS RECOMMENDED BY SHACKLETON (THIS TO BE DONE BY AN ORDER IN COUNCIL LIKE THE ONE CREATING CIVIL COMMISSIONER INSTEAD OF GOVERNOR , IE FOR CHIEF SECRETARY READ CHIEF EXECUTIVE IN ALL LEGISLATION

E) THE CHIEF EXECUTIVE, FINANCIAL SECRETARY AND GENERAL MANAGER TO BE MEMBERS OF THE BOARD.

F) DEPUTY CHAIRMAN TO BE CHIEF EXECUTIVE

MANAGER TO BE MEMBERS OF THE BOARD.

- F) DEPUTY CHAIRMAN TO BE CHIEF EXECUTIVE
 - G) GENERAL MANAGER TO BE CHIEF OFFICER OF THE CORPORATION
 - H) EXECUTIVE TO CONSIST OF THE CHIEF EXECUTIVE AS CHAIRMAN, THE GENERAL MANAGER, THE CHIEF ACCOUNTANT AND A MEMBER OF THE CORPORATION
 - I) MEETINGS OF THE EXECUTIVE TO BE CONVENED BY THE CHIEF EXECUTIVE
 - J) TEMPORARY INVESTMENT OFF FUNDS TO BE APPROVED IN WRITING BY THE FINANCIAL SECRETARY
2. REVISED DRAFT BILL WILL BE FORWARDED SOONEST.
 3. BILL WILL BE TAKEN IN LEGISLATIVE COUNCIL ON 25 MARCH.

HUNT

NNNN

SENT/RECD AT 02/12 14 02/1345Z PD/AWW

FALKLAND ISLANDS GENERAL (ADVANCES)

39

PS
PS/MR HURD
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MR GIFFARD
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MR ADAMS
LORD N G LENNOX
MR EVANS
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MR GILLMORE

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MR J STEWART AUSD STAFF MOD
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SIR R ARMSTRONG)
MR A D S GOODALL) CABINET OFFICE
DIO)
MR M A PATTISON, FID, ODA
MR A TITCHENER)
MR C U ROBERTS, IAT) DOT

RESIDENT CLERK

CONFIDENTIAL

(FM DERNE 031614Z)

FM SIS BUENOS AIRES

TO IMMEDIATE FCO
TELNO 90 OF 02 MARCH
INFO IMMEDIATE NEW YORK WASHINGTON



MS

1. FOLLOWING IS THE TRANSLATION OF A REPORT IN "DIARIO POPULAR" OF 1ST MARCH (ORIGINAL TEXT BY BAG TO FCO) ON THE PLANS OF THE CENTRE FOR VOLUNTEERS FOR THE FATHERLAND TO ARRANGE A VISIT TO THE FALKLANDS.

EX COMBATANTS REQUEST PERMISSION TO RETURN TO THE FALKLANDS

THEY WISH TO PAY HOMAGE TO THEIR FALLEN COMRADES. A GROUP OF EX-COMBATANTS OF THE FALKLANDS WAR IS REQUESTING PERMISSION TO RETURN TO THE ISLANDS TO PAY THEIR RESPECTS AT THE GRAVES CONTAINING THE MORTAL REMAINS OF THE ARGENTINES WHO FELL IN BATTLE DURING THE CONFLICT WITH BRITAIN, ACCORDING TO INFORMATION RECEIVED YESTERDAY FROM THE "CENTRE FOR VOLUNTEERS FOR THE FATHERLAND".

IN THIS COMMUNIQUE, SIGNED BY OSVALDO DESTEFANIS, LEADER OF THE ORGANIZATION, IT IS POINTED OUT THAT "IN ORDER TO AVOID SETBACKS, DESIGNED TO FORCIBLY PREVENT THIS MISSION TAKING PLACE, THE CO-OPERATION OF THE INTERNATIONAL RED CROSS HAS BEEN REQUESTED, AS WELL AS THE PROTECTION OF THE UNITED NATIONS".

LET US REMEMBER... THEY CONTINUE... THAT WE ARE LOVED BY THE

"LET US REMEMBER", THEY CONTINUE, "THAT WE ARE MOVED BY THE SAME HUMANITARIAN REASONS THAT BRITAIN INVOKED WHEN SHE REQUESTED FROM THE GOVERNMENT OF URUGUAY, PERMISSION TO LAND IN THAT COUNTRY AIRCRAFT TRANSPORTING THE REMAINS OF BRITISH SOLDIERS WHO FELL IN THE FALKLANDS".

THE PARENTS, WIVES, AND OTHER RELATIVES OF "OUR SOLDIERS BURIED IN THE FALKLANDS", HE ADDS, "WHO WISH TO TAKE PART IN THIS VISIT, SHOULD CONTACT THE HEAD OFFICE OF THE ORGANIZATION AT MEUQUEN 2025, CAPITAL, OR BY POST, TO BOX NO. 173, P.O. 16, POSTAL CODE 1406."

DESTEFANIS POINTED OUT THAT "THIS VISIT HAS NO POLITICAL OVERTONES", AND THAT "IN ORDER TO LEAVE THE COUNTRY, WE ARE PROTECTED BY ARTICLE 14 OF THE ARGENTINE CONSTITUTION". HE ADDED THAT HE WAS PLANNING TO MEET THE HEAD OF THE INTERNATIONAL RED CROSS COMMITTEE'S ARGENTINE OFFICE, TO FINALIZE DETAILS OF THE VISIT WHICH WAS TO TAKE PLACE "IN ABOUT 45 DAY'S TIME, BY SEA", AND CONTINUED, "IT MAY BE A SHIP WHICH CAPACITY FOR 22 PASSENGERS OR FOR 60".

2. THE CENTRE'S REPRESENTATIVES HAVE CONTACTED NEITHER BISBA NOR THE SWISS EMBASSY HERE AND WE FEAR THAT THEY MAY LAUNCH A DELIBERATELY PROVOCATIVE EXPEDITION SOMETIME DURING THE NEXT 45 DAYS.

3. EDMOND CORTHESEY, THE BUENOS AIRES REPRESENTATIVE OF THE RED CROSS HAS INFORMED OUR SWISS COLLEAGUES THAT HE WAS ASKED BY SENIOR OFFICIALS FOR DETAILS OF DESTEFANIS'S PLANS DURING A VISIT TO URUGUAY YESTERDAY. THE URUGUAYANS HAD LEARNED OF THE PROPOSED EXPEDITION THROUGH PRESS RELEASES AND EXPLAINED THAT THEY WOULD NOT BECOME INVOLVED UNLESS OFFICIALLY APPROACHED BY THE ARGENTINE AUTHORITIES. THIS MAY INDICATE THAT THEY ANTICIPATE AN ATTEMPT TO SECURE THEIR CO-OPERATION IN SOME WAY.

4. CORTHESEY WAS ALSO CONTACTED THIS MORNING BY THE ARGENTINE MFA, WHO QUERIED WHERE THE MATTER NOW STOOD. IT WAS NOT CLEAR WHETHER THE ENQUIRY WAS INNOCENT OF WHETHER THE MFA WAS A PARTY TO THE PROJECT. CORTHESEY HAD RECEIVED YESTERDAY A NOTE FROM DESTEFANIS WHICH STRESSED THAT THE GROUP'S OBJECTIVES WERE MERELY HUMANITARIAN, AND WHICH REQUESTED PROTECTIVE ASSISTANCE. THE MESSAGE HAD INCLUDED VIGOROUS CRITICISM OF THE BRITISH POSITION.

5. DESTEFANIS WILL CALL ON CORTHESEY ON THE MORNING OF 3 MARCH, WHEN, BY AGREEMENT WITH THE SWISS, HE WILL BE TOLD THAT ANY UNAUTHORIZED INTRUSION INTO THE FALKLANDS ZONE WILL MEET WITH AN APPROPRIATE RESPONSE FROM THE BRITISH.

JOY

POWELL-JONES



Sur

10 DOWNING STREET

From the Private Secretary

1 March 1983

FALKLAND ISLAND DEPENDENCIES:
WHALING STATIONS

Thank you for your letter of 25 February. The Prime Minister has noted the recent exchanges between the Foreign and Commonwealth Office and Salvesens, as well as the recent exchange of messages between yourselves and Davidoff.

A. J. COLES

J.E. Holmes, Esq.,
Foreign and Commonwealth Office.

CU

Foreign Relations

PS/ NO. 10. DOWNING STREET.

CONFIDENTIAL

GRS 130
CONFIDENTIAL
FM CAIRO 011101Z MAR 83
TO PRIORITY FCO
TELEGRAM NUMBER 86 OF 1 MARCH

mt

YOUR TELNO 41 TO AMMAN: **NAM SUMMIT: FALKLANDS**

1. COUNSELLOR SPOKE ACCORDINGLY TO HEAD OF INTERNATIONAL ORGANISATIONS DEPT ON 24 FEBRUARY. BADAWI REPEATED HIS ASSURANCE (OUR TELNO 73) THAT THE EGYPTIAN DELEGATION WOULD BE AS HELPFUL AS POSSIBLE.

2. I FOLLOWED UP WITH MINISTER OF STATE FOR FOREIGN AFFAIRS ON 26 FEBRUARY. **BOUTROS GHALI COMMENTED THAT THE ARGENTINIANS WERE PULLING OUT ALL THE STOPS ON THE FALKLANDS ISSUE, WITH STRONG SUPPORT FROM THE OTHER LATINS. ON 3 FEBRUARY HE HAD RECEIVED A DELEGATION OF LATIN AMERICA AMBASSADORS WHO HAD REPRESENTED THE ISSUE AS THE TOUCHSTONE FOR THEIR OVERALL RELATIONS WITH EGYPT. SINCE BOUTROS IS PROBABLY BETTER INFORMED THAN ANY OTHER EGYPTIAN ABOUT THE PREPARATIONS FOR THE SUMMIT, YOU SHOULD KNOW THAT HE ADDED PRIVATELY THAT IN HIS VIEW THE UK WAS NOT DOING ENOUGH - WORLDWIDE - TO COUNTER THE ARGENTINE CAMPAIGN.**

*A good deal is being done.
MR 3/3.*

WEIR

[COPIES SENT TO NO 10 DOWNING STREET]

FAKLAND ISLANDS GENERAL
FCO
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ADDITIONAL DISTRIBUTION
FAKLAND ISLANDS

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FALKLAND ISLANDS GENERAL (ADVANCES)

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MR GIFFARD
MR WRIGHT
MR ADAMS
LORD N G LENNOX
MR EVANS
MR URE
MR GILLMORE



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MR J STEWART AUSD STAFF MOD

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MR ILETT) TREASURY
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GRS 300

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ADVANCE COPY

(FM BERNE 021045 Z)

IMMEDIATE

FM BIS BUENOS AIRES
TO IMMEDIATE FCO
TELNO 86 OF 01 MARCH
RD TO IMMEDIATE MOD
INFO PRIORITY MONTEVIDEO SANTAIGO BRASILIA CARACAS
WASHINGTON UKMIS NEW YORK CIVIL COMMISSIONER PORT STANLEY

PRESS SUMMARY

1. PRESIDENT BIGNONE'S RADIO AND TELEVISION SPEECH LAST NIGHT IS TODAY'S MAIN STORY (TEXT AND TRANSLATION BY BAG TO FCO). HE ANNOUNCED THAT NATIONAL, PROVINCIAL AND MUNICIPAL ELECTIONS WILL BE HELD SIMULTANEOUSLY ON OCTOBER 30 AND THAT POWER WILL BE TRANSFERRED TO THE ELECTED CIVILIAN AUTHORITIES ON 30 JANUARY 1984. ELECTIONS FOR THE PRESIDENCY AND VICE-PRESIDENCY WILL BE INDIRECT, ACCORDING TO THE 1853 CONSTITUTION, WHICH WILL NOT BE MODIFIED. THE MILITARY WILL NOT FORM ITS OWN PARTY AND THE PRESENT GOVERNMENT WILL ENDEAVOUR TO ENSURE AN ORDERLY TRANSITION. BIGNONE ADDED THAT HE WAS SATISFIED WITH THE CURRENT

~~PRESENT GOVERNMENT WILL ENDEAVOUR TO ENSURE AN ORDERLY TRANSITION.~~ BIGNONE ADDED THAT HE WAS SATISFIED WITH THE CURRENT COMPOSITION OF HIS CABINET AND THAT THE DIALOGUE WITH THE POLITICIANS HAD BEEN PRODUCTIVE. OTHER STAGES OF THE ELECTORAL TIME-TABLE WILL BE PUBLISHED LATER BY THE INTERIOR MINISTRY.

2. LEADING POLITICIANS WELCOMED BIGNONE'S CLARIFICATION ON DATES BUT GENERALLY CRITICIZED AS EXCESSIVE THE DELAY BETWEEN POLLING DATE AND HAND-OVER.

3. BIGNONE ALSO STATED THAT HE WOULD URGE ARGENTINA'S SOVEREIGNTY CLAIMS TO THE FALKLANDS, SOUTH GEORGIA AND SOUTH SANDWICH ISLANDS AT THE MARCH NAM MEETING IN NEW DEHLI. MOST PAPERS NOTE WITH CONCERN THAT DUE TO ALLEGED BRITISH PRESSURE THE FALKLANDS ISSUE HAS NOT BEEN INCLUDED IN THE PROVISIONAL NAM AGENDA, AND THAT ARGENTINA MAY NOT HAVE AN OPPORTUNITY TO MAKE HER CASE.

4. BIGNONE AND ECONOMY MINISTER JORGE WEHBE ARE EXPECTED TO MEET TODAY FOR DISCUSSIONS ON FUTURE SOCIAL AND ECONOMIC POLICY. THEY WILL BE SUMMONED TO MEET THE JUNTA TOMORROW.

5. THE INTRANSIGENTS, DEVELOPMENTALISTS AND RADICALS HAVE CALLED FOR AN URGENT MEETING OF THE MULTIPARTIDARIA TO ELABORATE A NEW SOCIAL AND ECONOMIC PROGRAMME. THE EMPLOYERS FEDERATION, THE ARGENTINE INDUSTRIAL UNION (UIA), HAS EXPRESSED DOUBTS ABOUT FEASIBILITY OF AN AGREEMENT ON PRICES AND INCOMES, BUT HAS ALSO PROPOSED A MEETING WITH ALL POLITICAL PARTIES, THE TWO BRANCHES OF THE CGT AND THE CHURCH TO FIND SOLUTIONS TO INCREASING ECONOMIC DIFFICULTIES.

JOY

POWELL-JONES



The National Archives

LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>950</i> (one piece/item number)	
Extract/Item details: <i>Folio 10</i> <i>Minute from Butler to Armstrong</i> <i>dated 28 February 1983</i>	
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File

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10 DOWNING STREET

From the Private Secretary

28 February 1983

Thank you for your letter of 24 February enclosing a draft guidance telegram to our representatives abroad about proposals for international solutions to the Falklands dispute. The Prime Minister is broadly content with the telegram but feels that the paragraphs about an extension of the Antarctic Treaty and on UN Trusteeship could be strengthened. In particular she would like the implications of Soviet involvement in both an extension of the Treaty and an UN Trusteeship to be put more clearly. Mrs. Thatcher would also like the first sentence of the paragraph about extension of the Antarctic Treaty to be omitted.

I am sending a copy of this to Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office).

Timothy Flesher

John Holmes, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

da



The Cabinet Office

Hamilton 5-24, Bermuda

Ref No. CAB.128/29

25th February, 1983.

Timonthy Flesher, Esq.,
Private Secretary to the Prime Minister,
10 Downing Street,
London.

Dear Mr. Flesher,

I refer to previous correspondence between the Premier of Bermuda, The Hon. John W. Swan and Mrs. Thatcher, and our contribution to the South Atlantic Fund.

While the official contribution period ended on 31st July further donations have been received by the banks which total £257.75. Bank of Butterfield cheque ... No. A 03 - 012866 in that amount is enclosed.

The Premier hopes that this can be added to the fund on behalf of Bermuda.

Yours sincerely,

W. J. Williams
Secretary to the Cabinet

Enc...

026



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

Worth reading - you could
be tackled about it in the
House.

25 February 1983

A.S.C. 1/3

W.R.

This could come up in questions.

Dear John, Thompson MB

A.S.C. 1/3

Falkland Islands: Article in 'Daily Express'
by Eldon Griffiths

You may have seen the article by Eldon Griffiths in today's 'Daily Express' criticising ODA's role in carrying out necessary work in the Falkland Islands. Mr Griffiths showed this to both Timothy Raison and Cranley Onslow before publication; but did not take any account of their comments before going into print. Mr Raison, who is in the Islands at the moment, may wish to comment further on his return, including publicly, but in the meantime it may be helpful to let you have a few comments.

As a general comment, it is a little unfair to compare decision-making in time of war with that of normal circumstances. During an armed conflict, decision-making is necessarily and rightly accelerated. But in the subsequent peace we are bound to be careful to consult interdepartmentally to a greater extent and at every stage to bear in mind our accountability to the British taxpayer. On issues of greater detail:

(i) Administration

To say that 'hundreds of civil servants and technical advisers have arrived' is absurd. Apart from about 35 people recruited and sent out by ODA at the request of the Civil Commissioner, nine administrative and technical officials from the FCO have visited the Falklands.

(ii) Housing

The houses were ordered at the earliest possible moment after the cessation of hostilities. The delay in erecting them (so far four shells have gone up) was largely due to the inability of the Falkland Islands Public Works Department to finish the foundations in good time. Some supplies for the Public Works Department (and the military) have not been landed because of congestion in the port. Military supplies are given precedence.

/Roads



(iii) Roads

It is military traffic since the war which has been largely responsible for the rapid disintegration of the Stanley/Airport road, and for the state of the streets of the capital itself. Little was done to draw attention to the damage which was being caused in the roads until an ODA official visited the Islands in December and recommended urgent action. So far over £5 million has been made available for repair. ODA have already provided £2.5 million for the roads in Port Stanley and MOD have now accepted responsibility for funding the emergency work on the Airport road. The final sharing of these costs between MOD and ODA will be negotiated later. A team from the chosen contractor, Fairclough, is already in the Islands, and will carry out both tasks.

(iv) Planning for Economic Development/

Rehabilitation

The Government moved quickly. No time was lost in identifying the first task of rehabilitation. In July, £10 million was allocated for the immediate requirements under this programme. A further £5 million was allocated in December.

Lord Shackleton's report was published in September. on 8 December, Mr Pym announced the Government's decisions, in the shape of a programme for economic development to cost some £31 million over six years. Feasibility studies are essential in appropriate cases if money is to be spent wisely.

(v) Falklands Islands Development Agency (FIDA)

The decision to establish the Falkland Islands Development Agency was part of Mr Pym's statement on 8 December. The Falkland Islands Attorney General (recruited by the ODA) have submitted a draft bill creating a FIDA to the Executive Council, and the Civil Commissioner proposes to take it through all its stages in the Islands' Legislative Council in the second or third week of March. There has been no 'interdepartmental confusion and wrangling'. It is unlikely that FIDA will be responsible for spending a very large proportion of the £31 million since the contracts for the larger civil works e.g. the jetty, can only sensibly be let in the UK.

/Chief Executive



(vi) Chief Executive

The post of Chief Executive is linked with the establishment of the Falkland Islands Development Agency. His relationship with the Falkland Islands Government is still under discussion with the Civil Commissioner. It was considered vital to start the work of development as soon as possible and certainly before the full bureaucratic machinery of FIDA could become operational. For some months already therefore a Development Officer has been in the Islands, working in close co-operation with the Chief Secretary and others involved with the development programme. The work of the Grasslands Trial Unit has been resumed. Proposals on the development of a Falkland Islands fishery from British and international firms are being actively considered both in Port Stanley and in London.

The small Falklands Islands administration on the spot has for obvious reasons been under considerable strain since the repossession of the Islands. We are discussing with the Civil Commissioner how best to strengthen it to cope with all the demands on it, including the requests for necessary information which come from here.

Yours ever
John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

2 FEB 14 1963





Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

TH

28/2

25 February 1983

mr

Dear John,

Falkland Islands Dependencies: Whaling Stations

In your letter of 2 February, you recorded the Prime Minister's wish to be kept informed of developments. In particular, you asked for a further letter when we had had the discussions with a director of Salvesens foreseen in my letter of 1 February.

Mr Elliott, Chairman of Christian Salvesen Ltd, called on John Ure on 23 February. He was thanked for Salvesens' cooperation in supplying information about the contract and asked how things stood. Mr Elliott confirmed that Davidoff's contract runs out on 31 March 1983 but that Davidoff was looking for new associates through whom he could arrange an extension of the contract and who would execute it on his behalf.

Mr Ure reminded Mr Elliott that Davidoff had knowingly flouted the immigration and other regulations applying on South Georgia and had rendered himself totally unacceptable to the British authorities by so doing. On the most charitable interpretation he had been an instrument in precipitating the recent conflict and his participation in any future operations to remove the whaling stations would therefore be quite unacceptable. We were sure Salvesens would appreciate this, and we hoped that they would let the contract expire next month as envisaged.

Mr Elliott confirmed that this was his intention. He said that Salvesens had no obligations to Davidoff but he did not want to terminate the contract prematurely or in any way which put the company in the wrong. Mr Ure said that this would clearly not be necessary, and indeed there was no question of our asking Salvesens to do this. Mr Elliott said we should have no worries: Salvesens would certainly not agree to any new arrangement without consulting us, and they understood our point.

Mr Elliott went on to say that ten British companies had contacted Salvesens to express an interest in the removal of the whaling stations. He thought that most of them had an exaggerated idea of the value of the scrap metal which was there, but he hoped that - after due inspection - one of them would enter into a contract as a successor, not as a partner, to Davidoff.

/There has

Argentina: Pdelalun M32



There has been one further development of which the Prime Minister will wish to be aware. In my letter of 1 February, I referred to an exchange of telex messages between Salvesens and Davidoff. I noted that Davidoff's message to Salvesens had also included a message he claimed to have sent to the FCO. That message reached us last week, via the Swiss. Davidoff did not explicitly ask whether he could return to South Georgia, but sought advice in general terms about the further execution of his contract. We have now had a further telex from Davidoff asking for reply by 1 March. We intend instructing our Embassy in Berne to ask the Swiss to convey to Davidoff a reply on 28 February in the following terms:

'The Foreign and Commonwealth Office acknowledge receipt of Sr Davidoff's message through the Swiss authorities. The British Government is not a party to Sr Davidoff's contract with Christian Salvesen Ltd and has no standing in relation to it. It would not therefore be appropriate for the Foreign and Commonwealth Office to offer any advice on Sr Davidoff's contractual position.

However, the Foreign and Commonwealth Office would draw Sr Davidoff's attention to a reply by the Minister of State for Foreign and Commonwealth Affairs on 27 July 1982 to a Parliamentary Question. Referring to the contract between Christian Salvesen Ltd and Sr Davidoff, Mr Onslow said, 'the Government have made it clear to Salvesens that it would be most unlikely that permission would be granted for Mr Davidoff to land in South Georgia in the foreseeable future'.

Yours ever

J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

RESTRICTED

GRS 300

RESTRICTED

FROM PORT STANLEY 241330Z FEB 83

TO PRIORITY FCO

TELEGRAM NUMBER 138 OF 24 FEBRUARY

VISIT OF DEFENCE SELECT COMMITTEE

1. THE DEFENCE SELECT COMMITTEE UNDERSTANDABLY MADE VERY MUCH LESS OF AN IMPACT ON VTHE CIVIL POPULATION THAN THE FAC. THE DSC WERE HERE PRIMARILY TO DISCUSS DEFENCE WITH THE MILITARY AND MET RELATIVELY FEW ISLANDERS.
2. THERE WAS A PUBLIC SESSION IN THE TOWN HALL LASTING ONE HOUR TWENTY MINUTES DURING WHICH TIME THE COMMITTEE EAAMINED SEVEN CIVILIAN WITNESSES: SYD MILLER, TERRY SPRUCE, GRAHAM BOUND, GERALD CHEEK, BILL GOSS(ALL OF WHOM HAD APPEARED BEFORE THE FAC) AND MR AND MRS R BUCKETT(PLANT AND TRANSPORT AUTHORITY MANAGER AND SOCIAL WORKER RESPECTIVELY). THE LINE OF QUESTIONING WAS NOT AGGRESSIVE: THEY ASKED ABOUT MILITARY/CIVIL RELATIONS, LOCAL PREFERENCE FOR THE LOCATION OF A NEW AIRFIELD AND THE OPPORTUNITIES FOR LOCAL BUSINESSES CREATED BY THE PRESENCE OF THE GARRISON. THE WITNESSES SAID THAT RELATIONS WITH THE MILITARY WERE IN THE MAIN EXCELLENT, THOUGH A FEW TENSIONS WERE BOUND TO ARISE FROM TIME TO TIME AND THAT MOST ISLANDERS WOULD PREFER THE NEW AIRFIELD TO BE AT MARCH RIDGE (WITH AN ALL WEATHER ROAD TO STANLEY).
3. ON THE OPPORTUNITIES FOR SERVICING THE GARRISON, THE COMMITTEE GAVE THE APPEARANCE OF NOT HAVING BEEN BRIEFED, THOUGH I UNDERSTAND THAT IN FACT THEY WERE. THE QUESTION WAS PUT TO SPRUCE OF FICO,

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/ WHO HAVE

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WHO HAVE MADE NO PLANS IN THIS REGARD, AND THE COMMITTEE MAY WELL HAVE GAINED THE IMPRESSION THAT NOTHING WAS HAPPENING ON THAT FRONT. HOWEVER, THE DEVELOPMENT OFFICER IS ACTIVELY PURSUING THIS MATTER WITH THE MILITARY, LOCAL PARTIES AND POTENTIAL IMMIGRANTS.

4. ALL IN ALL I THINK IT FAIR TO SAY THAT THE EFFECT OF THE VISIT ON ISLANDER OPINION WAS MINIMAL.

HUNT

**THIS TELEGRAM
WAS NOT
ADVANCED**

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Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

You may like to see the instruction Mr. Lynn is sending about "international solutions" to the Falklands.

24 February 1983

A.C.C. 2 1/2.

Consideration of Antarctic Treaty &

U.N. Trusteeship - the

note we note strongly enough against. They could be "Soviet"

Dear John,

Falklands: Proposals for International Solutions

We have been keeping a watch on the various ideas that have surfaced recently in Parliament and in the press for multilateral or international solutions to the Falklands dispute. You may have seen that a selection of these were put to Mr Onslow when he appeared before the Foreign Affairs Committee on 21 February. Others, especially proposals based on the Antarctic Treaty, are regularly advocated in the media.

It would be helpful to send instructions to our representatives abroad, to ensure that we all speak with the same voice about these proposals. The Foreign and Commonwealth Secretary intends to do this on the lines of the enclosed draft guidance telegram. You may like a chance to comment before it issues.

I am copying this to Richard Mottram (MOD) and Richard Hatfield (Cabinet Office).

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

OUT TELEGRAM

		Classification and Caveats CONFIDENTIAL	Precedence/Deskby ROUTINE
ZCZC	↓		
GRS	1	ZCZC	
CLASS	2	GRS	
CAVEATS	3		
DESKBY	4		
FM FCO	5		
PRE/ADD	6	FM FCO	
TEL NO	7	TO ROUTINE CERTAIN MISSIONS	
	8	TELEGRAM NUMBER	
	9	AND TO SAVING CERTAIN OTHER MISSIONS	
	10	FUTURE OF THE FALKLANDS: PROPOSALS FOR INTERNATIONAL SOLUTIONS	
	11	1. A range of ideas have for some months been canvassed in the	
	12	press and in Parliament for quote internationalising unquote	
	13	the Falklands dispute. The visit of the House of Commons Foreign	
	14	Affairs Committee (FAC) to the Falklands recently has stirred up	
	15	further interest. Mr Onslow was asked about possible	
	16	multilateral solutions when he appeared before the FAC on	
	17	21 February. Among the formulae advocated are:	
	18	(a) extension of the Antarctic Treaty Area to include the	
	19	Falklands and Dependencies;	
	20	(b) the Islands to be put under UN Trusteeship;	
	21	(c) international collaboration, based on the Falklands, to	
///	22	explore and exploit energy resources in the area;	
//	23	(d) international environmental/scientific/wild-life programmes	
/	24	on the Falklands;	
	25	(e) appointment of a High Commissioner for the South Atlantic	
		NNNN ends telegram	
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		Catchword	
		with	
		File number	Dept
		Distribution	
		Drafted by (Block capitals) PRIVATE SECRETARY	
		Telephone number 233 4641	
		Authorised for despatch	
		Comcen reference	Time of despatch

OUT TELEGRAM (CONT)

Classification and Caveats
CONFIDENTIAL

Page
2

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1 <<<<
 2 with a mandate to work for a broad international solution.
 3 LINE TO TAKE
 4 2. You should not take the initiative in raising these topics.
 5 If questioned about them, you should acknowledge that the great
 6 majority of those promoting the schemes are doing so with the
 7 best of intentions, and say we are taking careful note of all of
 8 them. But you should emphasise that proposals for international
 9 multilateral solutions have to take full account of the wishes
 10 and the future security of the Islanders. I have said many times,
 11 eg in the debate on the Franks Report on 26 January, that it must
 12 in the longer term be in the Islanders' interests to be enabled
 13 to live in a peaceful and beneficial relationship with the main-
 14 land, but at present the conditions for this do not exist.
 15 Argentina is unrepentant, and continues to demand nothing less
 16 than the early transfer of sovereignty. Argentina's domestic
 17 political situation is evolving uncertainly. Above all, as I
 18 said in the House on the same occasion, the scars of war are
 19 still too fresh. So, as the Prime Minister said in winding up
 20 the debate on 26 January quote it is obviously premature for
 21 either the Islanders or ourselves to speculate, as has been done
 22 both in the House and in the media, about specific policies for
 23 the long-term future. unquote.
 24 3. A report by the Port Stanley correspondent of the Daily
 25 Telegraph on 9 February, headlined quote Plan for shared
 26 responsibilities for Falklands unquote, suggested that the
 27 Foreign Affairs Committee had, during their visit to the Falklands,
 28 been given the impression that the Islanders were interested in
 29 discussing some of the plans for quote internationalisation unquote.
 30 If this is raised, you may tell trusted contacts that the Civil
 31 Commissioner has reported that Islander witnesses appearing before
 32 the Foreign Affairs Committee did not repeat not welcome
 33 suggestions that their position should be internationalised.
 34 4. If you are pressed on individual proposals, please draw

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Catchword

selectively

OUT TELEGRAM (CONT)

Classification and Caveats
CONFIDENTIAL

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3

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1 <<<<
 2 selectively on the following:
 3 (a) Extension of the Antarctic Treaty
 4 ~~This has the superficial attraction of freezing questions of~~
 5 ~~territorial sovereignty.~~ But extension of the Treaty Area to
 6 include the Islands would require the unanimous consent of all
 7 14 consultative parties. This would give not only Argentina
 8 but also the Soviet Union the right to establish scientific
 9 stations on sites of their choosing and to man them with
 10 military (though unarmed) personnel if they wished. The Treaty
 11 is geared to territory where there is no permanent population.
 12 Direct application of its provisions would not meet the
 13 situation of the Falkland Islanders. The Antarctic Treaty is a
 14 carefully constructed and specialised instrument of great
 15 value, but it was not designed to meet situations such as the
 16 Falklands dispute and it would be wrong to risk de-stabilising
 17 its regime.
 18 (b) UN Trusteeship
 19 The UN accepts that Britain is the sole administering authority
 20 for the Falklands. As such, and in fulfilment of our
 21 responsibilities under Article 73 of the Charter, we have made
 22 it clear that we shall not allow any constitutional arrangements
 23 to be imposed on the Islanders against their wishes. They are
 24 all too well aware that Argentina would be likely to wish to
 25 play a significant role in a Trusteeship arrangement:
 26 Mr Onslow emphasised to the Foreign Affairs Committee on
 27 21 February the difficulty of obtaining Islander agreement in
 28 these circumstances.
 29 5. Other proposals more vaguely formulated than 4(a) and (b)
 30 above also come up against the twin obstacles that they must be
 31 acceptable to the Islanders and that they would only work
 32 satisfactorily with full Argentine co-operation. The process
 33 of consultation with the Islanders about their future is still
 34 in its early stages and it would be wrong to rush them. For

*Soviet
power?*

*Soviet
part?*

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Catchword

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OUT TELEGRAM (CONT)

Classification and Caveats
CONFIDENTIAL

Page 4

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1 <<<<
 2 the moment, their views about their relations with, respectively,
 3 Britain and Argentina are abundantly and understandably clear.
 4 In considering various ideas such as those listed above, the
 5 Islanders will naturally look in the first place for
 6 reassurances against further Argentine aggression. Argentina
 7 has not even declared a formal cessation of hostilities, let
 8 alone renounced the future use of force: none of the proposals
 9 can be regarded as practical without a fundamental change of
 10 heart by Argentina.

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Catchword

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224 FEB 1953



file Argentina Bre
cc MOD,

10 DOWNING STREET

From the Private Secretary

22 February 1983

ARMS SALES TO ARGENTINA

Thank you for your letter of 22 February enclosing a copy of a letter to the Foreign and Commonwealth Secretary from Mr. Stan Newens MP and a proposed line of reply. The Prime Minister saw this before Questions today and is content with the line taken in the draft reply.

You should know, however, that the Prime Minister indicated that she felt that our position could become untenable if many more of these cases were discovered and that we might reach the position where we should be forced to consider refusing or withdrawing permission to export certain arms.

I am copying this letter, together with a copy of yours, to Richard Mottram in the Ministry of Defence.

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

22 February 1983

Argentine

Dear John,

Arms Sales to Argentina

In the light of the continuing criticism of the Government's decision to allow Rolls Royce engines to be released for incorporation in the frigates which the FRG is building for Argentina, you will wish to know of a parallel case involving radar equipment. MEL of Crawley, a division of Phillips, have a contract dating from 1980 for the export of radar equipment to the Netherlands (to another member of the Phillips group) for incorporation there into radar systems for the frigates. In the light of the line taken by OD on the frigates, an export licence was granted last October for the remaining part of this order. A further licence application has now been received from MEL, covering items which, according to MEL, were omitted in error from the earlier application. We propose to grant this licence too.

As far as we know, this radar deal has not yet attracted publicity. However Mr Stan Newens MP has written to Mr Pym about it and it is likely to become public soon. I enclose a copy of the reply which Mr Pym proposes to send. It would be helpful to know whether the Prime Minister is content with this line, since she may well face further questions in the Commons on this difficult subject.

Yours ever
John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL

DRAFT: ~~minute/letter/teleletter/despatch/note~~
XXXXX XXXXXXXXXXXXXXXXXXXX

TYPE: Draft/Final 1+

FROM:
Secretary of State

Reference

DEPARTMENT: TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Stan Newens Esq MP
House of Commons
LONDON SW1A 0AA

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

Thank you for your letter of 31 January on the question of British-made radar equipment being exported to the Netherlands for incorporation there into radar systems destined for destroyers being built for the Argentine Navy in Germany.

The Government considered long and carefully how to deal with cases of equipment for which contracts had been signed with friendly third parties well before the outbreak of hostilities, and eventually decided to release such equipment.

The Government attach great importance to fulfilling contracts whenever possible. We pointed out in November that the British engines for these warships were part of a long-standing contract with a NATO ally, and the same must now apply to the radars. But we made it clear to the Germans that we would be concerned about the early delivery of the warships and, when they did hand over the Almirante Brown, we made plain our regret that they had

/not felt

Enclosures—flag(s).....

not felt able to prevent its delivery. Although we feel constrained to fulfil our own long-standing contracts with those such as the Germans and Dutch, we continually stress to all concerned that it is particularly dangerous and unwise to engage in arms business with the Argentines when they have not even declared a formal cessation of hostilities.

From: Stan Newens, M.P.

V. Arch
2. PID ✓ - diff reply
✓ - s/s ✓ 14/2.
p.c. PS
PS/RD - slow
D/RH
Refer to



HOUSE OF COMMONS
LONDON SW1A 0AA

HF
- 7 FEB 1983

all 7/2

31st January, 1983.

The Rt. Hon. Francis Pym, M.P.,
Foreign and Commonwealth Secretary,
Foreign and Commonwealth Office,
Downing Street,
London, S.W.1.

Dear Francis,

I understand that pressure is being brought to bear on the British suppliers of radar equipment made in this country for a Dutch firm to equip warships being built for the Argentinian authorities by the Germans in Hamburg, in order that they can deliver early in February. In view of the fact that the Argentinians are not yet prepared to indicate that they will desist from all further military action against the Falkland Islands, it is an outrage that the British Government should continue to allow such equipment to be supplied, and an indication of the hollowness of relations between EEC countries if a fellow member of the Community is prepared to supply equipment which may be used to kill or injure citizens of a fellow member.

Engines have already been supplied from the U.K. to equip these vessels. Is the British Government prepared to take clear decisive steps forthwith, since failure to do so would seem to make a mockery of the homage paid to those who died in the Falklands operation - some through the use of British made military equipment or materiel containing British components?

Yours sincerely,

Stan Newens
Stan Newens.

22 FEB 1983

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22 FEB 1983

11 12 1 2
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cc FCO
MOD

File - HU

Argentina

10 DOWNING STREET

From the Private Secretary

cc Sir A Parsons
Mr Jackling

MR. HATFIELD

Israel's arms exports

The Prime Minister read with interest JIC(83)N22.

Sir Robert Armstrong earlier informed the Prime Minister that a further report on current Israeli arms negotiations would be available in the course of March. When that report is available, the Prime Minister will wish to consider what action, if any, we should take to bring home to the Israelis our concern about their sales of arms to countries such as Argentina and Guatemala whose policies are opposed to our interests. Advice on this question will be largely a matter for the Foreign and Commonwealth Office but I thought you would wish to bear the point in mind in preparation of the further report.

I am copying this minute to Mr. Fall (Foreign and Commonwealth Office) and Mr. Mottram (Ministry of Defence).

A. J. COLES

21 February 1983

NR.

SECRET



Foreign and Commonwealth Office

London SW1A 2AH

21 February, 1982

A.J.C. $\frac{22}{2}$

f.a.

Dear John,

Falklands: Territorial Limits

Thank you for your letter of 4 February.

You may wish to know that, with our agreement, the Cabinet Office has now set up a small inter-Ministerial group to clear the paper which you have asked for, since it will touch on the interests of a number of Departments. MOD, DOT, D/En, MAFF and the Home Office will be represented on this group, as well as the FCO. It will meet shortly on the basis of a draft which we are now preparing.

I am copying this to Richard Hatfield (Cabinet Office).

Yours ever

J. E. Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
Private Secretary
10 Downing Street

Argentina,
Relations
Pt 32

6

21 FEB 1953

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GRS 300
UNCLASSIFIED

(FM BERNE 180915Z)

FM BIS BUENOS AIRES

TO IMMEDIATE FCO

TELNO 70 OF 17 FEBRUARY

IFNO PRIORITY MONTEVIDEO SANTIAGO BRASILIA CARACAS WASHINGTON
PANAMA UKMIS NEW YORK CIVIL COMMISSIONER PORT STANLEY
MEXICO CTY MOD

PRESS SUMMARY

1. SEVERAL STORIES VIE FOR THE HEADLINES IN TODAY'S PRESS.
2. "LA PRENSA" AND "LA NACION" BOTH HIGHLIGHT PRESIDENT BIGNONE'S REMARKS AIMED AT REBUTTING RECURRENT RUMOURS OF A RIFT BETWEEN THE GOVERNMENT AND THE JUNTA. HE ASSERTED THERE WAS COMPLETE AGREEMENT BETWEEN THE TWO SIDES.
3. STATEMENTS BY GENERAL CRISTINO NICOLAIDES ARE ALSO GIVEN GENEROUS COVERAGE. SPEAKING IN MENDOZA YESTERDAY, HE SERIOUSLY DOUBTED THAT A COUP WOULD BE MOUNTED, ALTHOUGH HE DID NOT COMPLETELY DISCOUNT THE POSSIBILITY. HE ADMITTED THE EXISTENCE OF TENSIONS WITHIN THE ARMED FORCES AND SAID THAT SINCE ASSUMING COMMAND OF THE ARMY HE HAD BEEN INFORMED OF SOME THIRTY-TWO PLOTS. HE FURTHER WARNED AGAINST MALICIOUS DEFAMATION OF THE MILITARY ESTABLISHMENT.
4. ALL NEWSPAPERS REPORT INITIATION OF THE DIALOGUE BETWEEN BIGNONE AND LEADING POLITICIANS. THE RADICALS WILL MEET HIM TODAY, THE FEDERALISTS TOMORROW, THE DEVELOPMENTALISTS ON MONDAY AND THE CHRISTIAN DEMOCRATS NEXT WEDNESDAY. THE JUSTICIALISTS ALLEGEDLY WANT A POSTPONEMENT OF THEIR APPOINTMENT SO THAT ALL SECTORS OF THE PARTY CAN BE CONSULTED ABOUT ACCEPTANCE OF THE INVITATION. THE EXACT SCOPE OF THE PROPOSED TALKS REMAINS UNCLEAR.

15. COMMENTATO

5. COMMENTATORS RELAY CONDEMNATION BY PANAMERICAN VICE-PRESIDENT JORGE ILLUECA OF THE UK'S REFUSAL TO NEGOTIATE ON THE FALKLANDS AND OUR QUOTE USURPATION UNQUOTE OF THE ISLANDS. ILLUECA, WHO ARRIVED YESTERDAY ON A FIVE-DAY VISIT, SUPPORTED ARGENTINA'S DECISION TO INVADE LAST YEAR AND REAFFIRMED PANAMANIAN SOLIDARITY.

6. IN BAHIA BLANCA, THE COMMANDER OF THE NAVAL AIR FORCE, REAR-ADMIRAL ROBERTO MOYA, CLAIMED THAT THE CARRIER "INVINCIBLE" HAD BEEN HIT BY AN EXOCET MISSILE DURING THE FALKLANDS FIGHTING AND LAMENTED HIS COMPATRIOTS' LACK OF PRIDE AT THEIR ACHIEVEMENTS DURING THE CAMPAIGN. HE AGAIN STRESSED THE COST TO THE UK OF MAINTAINING OUR GARRISON AND DECLARED THAT HIS PILOTS WERE READY TO REPEAT THEIR HEROIC FEATS. (TEXT AND TRANSLATION BY BAG TO FCO)

7. FOREIGN MINISTER AGUIRRE LANARI YESTERDAY SAID THAT THE GOVERNMENT HAD NOT RULED OUT EXPROPRIATION OF BRITISH ASSETS HERE IF THE UK CONFISCATED ARGENTINE HOLDINGS IN THE FALKLANDS.

8. "CLARIN" RECORDS CRITICISM FROM MEXICAN POLITICIANS OF HM THE QUEEN'S VISIT TO MEXICO AS AN AFFRONT TO LOCAL FEELINGS OF SOLIDARITY WITH ARGENTINA.

JOY
POWELL-JONES

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S E C R E T



file No
9

10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

ISRAELI/ARGENTINE ARMS NEGOTIATIONS

The Prime Minister has noted your minute of 15 February in which you state that you expect to produce a new assessment of Israeli/Argentine arms contracts by the end of March and that an initial paper on a new approach to this problem will be ready this week.

A. J. COLES

16 February 1983

S E C R E T

MR

GRS 300

UNCLASSIFIED

RS/ NO. 10. DOWNING STREET.

(FM BERNE 171650Z)

FM BIS BUENOS AIRES

TO PRIORITY FCO

TELNO 68 OF 16 FEBRUARY

IFNO PRIORITY MONTEVIDEO SANTIAGO CARACAS BRASILIA

WASHINGTON UKMIS NEW YORK CIVIL COMMISSIONER PORT STANLEY

PRESS SUMMARY

1. THE PROPOSED TALKS BETWEEN LEADING POLITICIANS AND PRESIDENT BIGNONE FIGURE PROMINENTLY IN TODAY'S MIXED BAG OF HEADLINES. THE MAJOR PARTIES SAID YESTERDAY THAT THEY WOULD MAKE NO AGREEMENT WITH THE CURRENT REGIME THAT MIGHT LIMIT THE NEXT ELECTED GOVERNMENT'S FREEDOM OF ACTION. THE RADICALS HOWEVER, ACCEPTED AN INVITATION TO GENERAL DISCUSSIONS ON 17 FEBRUARY, BUT DESPITE EARLIER POSITIVE INDICATIONS, THE JUSTICIALISTS HAVE NOT YET DECIDED ON PARTICIPATION. THERE IS SIMILAR CONFUSION AMONGST THE CHRISTIAN DEMOCRATS, AND WHILE THE FEDERALISTS WILL JOIN THE DIALOGUE, THE INTRANSIGENT PARTY WILL NOT.

2. FURTHER REPORTS OF THE PRESIDENT'S MEETING WITH THE JUNTA ON MONDAY SUGGEST THAT HE HAD TO DEFEND THE GOVERNMENT'S ECONOMIC POLICY AGAINST SHARP CRITICISM FROM THE MILITARY. THE FALKLANDS ISSUE WAS ALSO RAISED AND, ACCORDING TO AN AIR FORCE SOURCE QUOTED BY 'LA NACION', IT WAS AGREED THAT ARGENTINA WOULD CONTINUE TO INSIST ON ITS SOVEREIGNTY CLAIMS IN ALL INTERNATIONAL FORA AND WOULD ENSURE THAT QUOTE THE BRITISH GOVERNMENT FINDS IT EVER MORE EXPENSIVE TO MAINTAIN ITS OCCUPATION OF THE ISLANDS UNQUOTE.

3. THE POPULAR DAILY 'CRONICA' REFERS TO THE INTERCEPTION BY BRITISH QUOTE PIRATES UNQUOTE OF 2 BRAZILIAN SHIPS OFF THE FALKLANDS AND SOUTH GEORGIA TWO DAYS AGO. 'CONVICCION' CARRIES A SIMILAR STORY.

4. IN A SPEECH TO OFFICERS IN MENDOZA YESTERDAY, ARMY COMMANDER CRISTINO NICOLAIDES LOOKED FORWARD TO A FULL INVESTIGATION OF ARGENTINA'S CONDUCT OF THE FALKLANDS CAMPAIGN, BUT AVOIDED BELLICOSE COMMENTS. HE ALSO REAFFIRMED SUPPORT FOR THE DEMOCRATIZATION PROCESS AND URGED POLITICIANS TO TONE DOWN THEIR STERILE CRITICISM OF THE ARMED FORCES.

5. MOST PAPERS HIGHLIGHT CENTRAL BANK PRESIDENT JULIO GONZALEZ DEL SOLAR'S STATEMENT THAT ARGENTINA'S EXTERNAL DEBT IS NOW 37 BILLION DOLLARS AND THAT 1.5 BILLION DOLLAR LOAN IS BEING ARRANGED WITH A CONSORTIUM OF FOREIGN BANKS.

6. THE ''BUENOS AIRES HERALD'' RECORDS THAT ON MONDAY A MONTONERO
TERRORIST GROUP INTERRUPTED A RADIO PROGRAMME IN MAR DEL PLATA TO
BROADCAST A 10 MINUTES HARANGUE AGAINST THE MILITARY REGIME.

JOY

BOWELL-JONES

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15 February 1983

Thank you for your letter of
14 February enclosing the latest record of
payments made by the South Atlantic Fund.
The Prime Minister has noted this information.

A. J. COLES

D. O. Arnold-Forster, Esq.,
Ministry of Defence.

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The National Archives

LETTERCODE/SERIES <u>PREM 19</u>	Date and sign
PIECE/ITEM <u>950</u> (one piece/item number)	
Extract/Item details: <u>Folio 8</u> <u>Minute from Armstrong to Cles</u> <u>dated 15 February 1983</u>	
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10 DOWNING STREET

THE PRIME MINISTER

14 February 1983

Thanks
Key
In view of MOD
clarification
return to me
15/2

file

cc: IG
fco
HRT
MOD

VB

Dear Mr. News,

Thank you for your letter of 31 January in which you asked whether the Government intends to approve arms sales and financial aid destined for Argentina.

The position on the supply of arms to Argentina has been made clear on more than one occasion. There is a total embargo on the supply of any British defence equipment direct to Argentina. We have no intention of lifting this embargo until a formal cessation of hostilities has been agreed. The Westland helicopters which you mentioned are all covered by this embargo as I stated in the House on 29 November. However, in accordance with long standing contracts with one of our major trading partners, certain naval equipment is being supplied to Germany for installation in warships being built for Argentina. British components may have been used in other military equipment ordered by Argentina before the invasion of the Falklands and delivered subsequently. We are not aware of any cases where British components have been incorporated in military equipment ordered after the invasion and we would certainly take whatever steps are practicable to prevent this. However we must acknowledge that it is not always possible to control the final destination of a large number of small components incorporated in military systems sold widely throughout the world.

As far as your comments about the loans to Argentina are concerned, perhaps I should point out that Argentina is the world's third largest debtor country. She owes about \$39 billion and if she defaulted it would damage the prospects for growth and

/ employment

Bre

employment worldwide. I am surprised you want to risk that. Argentina owes money not just to us but also to many countries whose finances are in a parlous state, and there is a real risk of a domino effect. A default could for instance trigger the collapse of the precarious rescue packages put together in recent months for Mexico and Brazil, with incalculable results. I believe we have acted in a responsible way and in the long term interests of this country.

It would in any case be impossible to stop a determined Government from purchasing arms. But the very tight conditions of the IMF 15 month adjustment programme will limit Argentina's ability to do so. As I said in the House last Thursday, if Argentina defaulted and repudiated her debts she would most likely have more money immediately available to purchase arms.

Yours sincerely
Raymond Shalton

Stan Newens, Esq., M.P.

2

From: Mr D O Arnold-Forster
MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1A 2HB

Telephone 01-218 2452 (Direct Dialling)

01-218 9000 (Switchboard)



PARLIAMENTARY UNDER-SECRETARY OF STATE
FOR THE ARMED FORCES

D/US of S(AF)JW 25/5/7/9

Prime Minister

A.S.C. ^{14.}/₂

A J Coles Esq
10 Downing Street
London
SW1

14 February 1983

Dear John,

I attach the latest record of payments made by the South Atlantic Fund since 14 January.

Yours Ever,

Private Secretary

SOUTH ATLANTIC FUND - REPORT OF PAYMENTS SINCE 14 JANUARY 1983

A total of £3,970,454 has now been disbursed by the Fund in grants.

Interim Grants to Bereaved

A further £3,000 in three separate payments has been paid in respect of children. The total paid now amounts to £1,840,000.

Interim Grants to Injured (excluding those leaving the Services)

One further interim grant of £500 has been paid out from the Fund. Some grants have been returned by units as the cause of the injuries is the subject of investigation. £515,300 has now been paid out in 254 separate payments, an average of £2,029.

Interim Grants to those Leaving the Forces

*Passage deleted and closed, 60 years,
under FOI Exemption*

*Wayland
19 February 2013*

A total of £7,600 has now been paid out in grants to those leaving the Forces.



Payments to Charities

No further payments have been made to charities.

Other Payments

The Fund has paid out £9,549 to meet the cost of the hampers given to widows at Christmas. In addition to the verbal thanks at Christmas received through Regiments, a number of letters of thanks have been received from widows expressing appreciation and gratitude that they are still being thought about.

Arrangements are in hand to provide four specially converted Mini Metros to disabled men of the Royal Marines and the Commando Squadron RE. It is expected these will be available in late February. This is in addition to four modified cars already provided for disabled men in the Welsh and Scots Guards by the Army Benevolent Fund from SAF money.

The Assessment Process

The assessment of long term needs is continuing and documentation on 695 cases has now been received by the Fund.

The Trustees of the Fund have so far approved eleven grants as a result of the assessment process totalling £4,450. These particular awards result out of minor gunshot wounds or burns received during the campaign and in each case the individual has returned to full duty. Priority is being given to assessing widows cases and this complex process is being progressed expeditiously except where widows have expressed a wish for the assessment to be delayed.



24 FEB 1954



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Argentina

FILE SW



10 DOWNING STREET

From the Private Secretary

14 February, 1983

Falkland Islands: Education

Thank you for your letter of 9 February. The Prime Minister would, as you suggest, like to see the recommendations made by the ODA Education Adviser, following his visit to the Falkland Islands in March and before you discuss the next steps with the Falkland Islands Government.

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office

NR.

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FROM PORT STANLEY 111818Z FEB 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 106 OF 11 FEBRUARY

YOUR TELNO PERSONAL 10 AND MY TELNO 104: VISIT OF SELECT
COMMITTEE ON FOREIGN AFFAIRS

1. PARA 8 OF MY TUR. WILLIAMS, WHO ATTENDED ALL THE FASC
HEARINGS (I GAVE EVIDENCE BUT DID NOT SIT IN FOR OTHER
WITNESSES) FORMED A DIFFERENT IMPRESSION OF MESSRS LESTER AND
TOWNSEND. HE FOUND THEM SYMPATHETIC TO ISLANDERS WHOM THEY
INTERVIEWED. MY IMPRESSION WAS GAINED IN PRIVATE CONVER-
SATIONS BUT I MIGHT WELL HAVE BEEN WRONG.

HUNT



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FROM PORT STANLEY 111210Z FEB 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 104 OF 11 FEBRUARY

YOUR TELNO PERSONAL 10

VISIT OF SELECT COMMITTEE ON FOREIGN AFFAIRS

1. THE COMMITTEE WERE HERE FROM 2 TO 7 FEBRUARY. THEY TOOK FORMAL EVIDENCE IN PUBLIC FOR TWO FULL DAYS. NONE OF THE INDIVIDUAL WITNESSES VOLUNTEERED BUT, WHEN APPROACHED, WILLINGLY AGREED TO APPEAR. THEY REPRESENTED A BROAD CROSS-SECTION OF THE COMMUNITY.

2. WITNESSES WERE WITHOUT EXCEPTION TOTALLY OPPOSED TO NEGOTIATIONS WITH ARGENTINA OVER SOVEREIGNTY, BUT CLOSE QUESTIONING BY MEMBERS OF BOTH POLITICAL PERSUASIONS BROUGHT INTO THE OPEN ASPECTS WHICH ISLANDERS PREVIOUSLY PREFERRED NOT TO THINK ABOUT. FOR EXAMPLE, WITNESSES WERE ASKED HOW LONG THEY THOUGHT UK COULD AFFORD TO SUPPORT A FORTRESS FALKLANDS POLICY, GIVEN

A) THE ECONOMIC PRESSURES IN A COUNTRY WITH OVER THREE MILLION UNEMPLOYED.,

B) THE DIFFICULTY IN MAINTAINING OUR DEFENCE COMMITMENT TO NATO ETC AND,

C) THE EFFECT THAT THE PRESENT SITUATION HAD ON OUR RELATIONS WITH SOUTH AMERICA AND, INDEED, MUCH OF THE REST OF THE WORLD.

3. THEY WERE INVITED TO CONSIDER WHETHER THE POSITION COULD BE INTERNATIONALISED BY SOME FORM OF CONDOMINIUM OVER THE ISLANDS, BY UN TRUSTEESHIP OR BY FORMING A SOUTH ATLANTIC ALLIANCE WITH SOUTH AMERICAN COUNTRIES. THESE SUGGESTIONS DID NOT APPEAL TO WITNESSES. MOST SAID THAT, IF THE ISLANDS WERE NOT TO REMAIN BRITISH, THEY WOULD PREFER TO LEAVE, AND WOULD EXPECT COMPENSATION OR RESETTLEMENT ELSEWHERE.

4. THE QUESTION OF THE ISLANDS CONSTITUTION WAS AIRED, AS WERE FUTURE LINKS WITH BRITAIN. MOST WITNESSES FAVOURED CLOSER LINKS, THOUGH THERE WERE ONE OR TWO WHO THOUGHT THAT INDEPENDENCE (WITH A DEFENCE GUARANTEE FROM BRITAIN) MIGHT PROVIDE A MORE SECURE FUTURE.

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/ S. THE

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5. THE PUBLIC PROCEEDINGS WERE BROADCAST IN FULL BY THE LOCAL RADIO STATION AT PEAK TIMES OVER SIX EVENINGS AND WERE WIDELY LISTENED TO AND DISCUSSED. IT IS AS YET TOO EARLY TO SAY WHAT LASTING EFFECT THE VISIT MAY HAVE ON PUBLIC OPINION BUT, AS ALREADY INDICATED, IT HAS STIMULATED DISCUSSION ABOUT THE ISLANDS' FUTURE AND, AFTER THE EUPHORIA GENERATED BY THE PRIME MINISTER'S VISIT, IT HAS BROUGHT ISLANDERS TO EARTH WITH A BUMP.

6. THE THEME OF THE PUBLIC PROCEEDINGS WAS CONTINUED IN PRIVATE DISCUSSIONS WITH ISLANDERS BOTH IN STANLEY AND IN THE VISITS TO CAMP. THE COMMITTEE SPLIT INTO FOUR GROUPS AND VISITED 22 CAMP SETTLEMENTS OVER THE WEEKEND. THEY CONSEQUENTLY COLLECTIVELY COVERED A LARGE PART OF THE COLONY AND SPOKE TO A GOOD PROPORTION OF THE ADULT POPULATION.

7. THE MEMBERS THOUGHT THE VISIT HIGHLY SUCCESSFUL AND WERE COMPLIMENTARY ABOUT THE PROGRAMME AND ARRANGEMENTS MADE FOR THEM. IT WAS UNFORTUNATE THAT MR CANAVAN'S HEATED DISCUSSION WITH MONSIGNOR SPRAGGON (AND HAROLD ROWLANDS, FINANCIAL SECRETARY) AT THE WELCOMING COCKTAIL PARTY IN GOVERNMENT HOUSE WAS REPORTED TO THE TELEGRAPH AND WAS SOMEWHAT EMBELLISHED AND EXAGGERATED IN THE TELLING.

8. MESSRS CANAVAN AND HOOLEY ARRIVED WITH PREJUDGMENTS MADE THAT NO EVIDENCE COULD ALTER., MESSRS FOULKES AND SPEARING HAD REFRESHINGLY OPEN MINDS ON THE SUBJECT AND MESSRS LESTER AND TOWNSEND SHOWED LITTLE SYMPATHY FOR THE ISLANDERS' POINT OF VIEW. BUT ALL MEMBERS DEPARTED WITH A BETTER UNDERSTANDING OF THE BASIC PROBLEM OF FINDING ANY SOLUTION THAT WOULD SATISFY BOTH ISLANDERS AND ARGENTINES.

9. A COPY OF THE COMMITTEE'S PROGRAMME IS IN OUR BAG LEAVING TODAY.

HUNT

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(FM BERNE 140930Z)

FM BIS BUNOES AIRES
TO PRIORITY FCO
TELNO 63 OF 11 FEBRUARY

INFO PRIORITY MONTEVIDEO SANTIAGO BRASILIA CARACAS WASHINGTON
UKMIS NEW YORK CIVIL COMMISSIONER PORT STANLEY
PRESS SUMMARY

1. YESTERDAY'S EIGHT-HOUR JUNTA MEETING PRODUCED A STRONGLY-WORDED SIX-POINT COMMUNIQUE (COPY AND TRANSLATION TO FCO BY BAG). THIS ANNOUNCED THE INTENTION TO PROSECUTE FOR SLANDER CERTAIN POLITICIANS AND SECTORS OF THE PRESS FOR QUOTE CARRYING OUT A CAMPAIGN AIMED AT DISCREDITING THE ARMED FORCES UNQUOTE.
2. VICTOR MARTINEZ, VICE-PRESIDENTIAL CANDIDATE OF THE RADICAL PARTY'S MOVEMENT FOR RENOVATION AND CHANGE WAS YESTERDAY SENT A TELEGRAM BY THE JUNTA DEMANDING THAT HE QUOTE RATIFY OR RECTIFY UNQUOTE CRITICAL STATEMENTS OF THE MILITARY'S PERFORMANCE DURING THE FALKLANDS CONFLICT. ACCORDING TO RELIABLE SOURCES, MARTINEZ'S PRESIDENTIAL RUNNING MATE, RAUL ALFONSIN, AND PERONIST LEADER, DEOLINDO BITTEL, CAN EXPECT SIMILAR TELEGRAMS.
3. ALSO INDICATIVE OF THE SUDDEN HARDENING OF THE JUNTA'S ATTITUDE IS THE CONFISCATION OF THE LATEST EDITION OF THE MAGAZINE "QUORUM", WHICH IS PUBLISHING A SERIES OF LISTS OF "DISAPPEARED" PERSONS. THESE MOVES HAVE BROUGHT ONLY MORE CONDEMNATION FROM INDIGNANT POLITICIANS.
4. "CLARIN" REPORTS THAT PRESIDENT BIGNONE MIGHT HAVE OFFERED HIS RESIGNATION DUE TO HIS RELUCTANCE TO WORK TO THE STRICT JUNTA GUIDELINES IN FUTURE DISCUSSIONS WITH POLITICIANS. HOWEVER, RUMOURS OF A RIFT BETWEEN THE JUNTA AND THE PRESIDENCY WERE DENIED BY NAVY AND AIR FORCE SOURCES AND THE PRESIDENTIAL SPOKESMAN SAID THAT BIGNONE HAS BEEN GIVEN COMPLETE FREEDOM IN HIS TALKS WITH POLITICIANS WHICH ARE DUE TO BEGIN ON 17 FEBRUARY.
5. AN EARLIER COURT RULING CHARGING FORMER PRESIDENT MARIA ESTELA MARTINEZ DE PERON OF ABUSE OF AUTHORITY HAS BEEN OVERRULED. HOWEVER, THERE IS STILL A CASE PENDING AGAINST HER FOR MISHANDLING PUBLIC FUNDS. SHE IS BANNED FOR LIFE FROM OCCUPYING PUBLIC POSTS IN ARGENTINA BY INSTITUTIONAL ACTS, WHOSE POSSIBLE ANNULMENT IS BEING CONSIDERED BY THE ARMED FORCES.

JOY

POWELL-JONES

[THIS TELEGRAM WAS NOT ADVANCED]

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Argentina

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FM MONTEVIDEO 101335Z FEB 83

TO PRIORITY FCO

TELEGRAM NUMBER 62 OF 10 FEBRUARY

MY TELEGRAM NO 21 AND MY LETTER OF 9 FEBRUARY TO HEAD OF FID:
STAGING FACILITIES THROUGH MONTEVIDEO FOR FLIGHTS TO THE
FALKLANDS.

SUMMARY

URUGUAY STILL NOT READY TO CONSIDER THE QUESTION OF STAGING
FACILITIES.

1. ON 8 FEBRUARY ON THE EVE OF HIS DEPARTURE FOR TWO DAY
OFFICIAL VISIT TO BUENOS AIRES, URUGUAYAN FOREIGN MINISTER
HELD PRESS CONFERENCE WHEN HE REPLIED TO WRITTEN QUESTIONS
TABLED IN ADVANCE. ON THE QUESTION OF STAGING FACILITIES HE
SAID THAT THERE HAD BEEN NO FORMAL REQUEST BUT IF AND WHEN THIS
WAS MADE IT WOULD BE CONSIDERED QUOTE IN THE LIGHT OF VARIOUS
RELEVANT ELEMENTS. URUGUAY CONDUCTED A COHERENT FOREIGN POLICY
UNQUOTE. HE DENIED THE EXISTENCE OF PRESSURE FROM THE UK,
ADDING THAT AS A SOVEREIGN STATE URUGUAY WOULD NEVER ACCEPT
ANY KIND OF PRESSURES OF ANY KIND. DR MAESO MADE SIMILAR
REMARKS IN BUENOS AIRES YESTERDAY.

2. WHEN I SAW AMBASSADOR DE POSADAS MONTERO, DIRECTOR OF
EXTERNAL POLITICAL AFFAIRS, ON OTHER MATTERS YESTERDAY EVENING
I TOOK THE OPPORTUNITY TO SEEK CLARIFICATION OF THESE
SOMEWHAT SIBYLLINE COMMENTS. DE POSADAS MONTERO SAID THAT THEY
HAD BEEN VERY CAREFULLY CONSIDERED AND WERE INTENDED TO
MAINTAIN A BALANCE. HOWEVER AS DOUBTLESS WE WOULD UNDERSTAND,
FOR THE PRESENT URUGUAY COULD GO NO FURTHER THAN THE NEXT
OF KIN VISIT TO WHICH DR MAESO ALSO REFERRED IN HIS PRESS
CONFERENCE AND IN BUENOS AIRES AS BEING IN ACCORDANCE WITH
URUGUAY'S POLICY OF ASSISTANCE ON HUMANITARIAN MATTERS.

3. BOTH HERE AND IN BUENOS AIRES DR MAESO REITERATED
URUGUAY'S SUPPORT FOR ARGENTINA'S SOVEREIGNTY CLAIM AND HOPE
FOR A PEACEFUL SOLUTION TO THE PROBLEM.

HUTCHINSON

THIS TELEGRAM
WAS NOT
ADVANCED

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in some kind of "internationalisation" provided that it does not end up by their being handed over to Argentina.

iii. Against this background, will the Government not give serious consideration to some of the "internationalisation" proposals which have been put forward, eg extension of the Antarctic Treaty Area to include the Falklands (Lord Kennet), internationalisation of the Falklands as a development or scientific, or wildlife area (Lord Stamp and others), the creation of a multilateral organisation to include leading Latin American countries, UN trusteeship and so on. Would it not be more fruitful for the Government to negotiate with Argentina towards some end of this kind, rather than maintain a sterile policy of standing pat on the status quo?

I think that the basically hostile approach which certain members of the Committee will be disposed to deploy will be accompanied by an intensification of the public debate about internationalisation which is coming from people of good will who accept that there can be no negotiation with Argentina about sovereignty and who are looking for an alternative to an indefinite period of trench warfare.

If this kind of challenge does develop, I suggest that the following points might be included in our response:-

i. Negotiations with Argentina

No question of this until the Argentines are prepared to declare a formal cessation of hostilities and normalise relations with Britain. Even then, we are not prepared to negotiate about sovereignty.

ii. Consultation with the Islanders

Of course we are not avoiding consultation with the Islanders until some set point in the future when we judge that normal life has returned. We are talking to them the whole time; a progressive process of consultation will continue; we obviously will not

/publicly

Falklands

International

publicly reveal every conversation we have with them. For the moment, it is quite clear to us that the Islanders wish to remain British and are determined never to be handed over to Argentina.

iii. Internationalisation Ideas

We understand that a number of propositions have been put forward by individuals for the best motives. But it is far too early to consider any such propositions in detail. Meanwhile, their proponents should ask themselves the following questions. Would
① any such proposition be acceptable to the Islanders, ie would the Islanders consider that such and such an
② international solution would provide them with adequate protection against a surprise attack by a future Argentine Government? Would any such solution be acceptable to Argentina? If not, how could the Islands
③ consider themselves protected against a future attack? Would any such solution work in practice?

iv. Fortress Falklands

It is a gross error to describe this as a "policy". It is "a situation" forced on us for the time being by the Argentine aggression.

I know that the FCO is giving thought to all these questions and that they are awaiting a full report from Rex Hunt on the Parliamentary Committee visit.



A.D. PARSONS
10 February 1983



H M Treasury

with compliments
MINISTERIAL CORRESPONDENCE UNIT

Kay *Overtaken*
We spoke
Kay's 1/2 *W*
1/2

Treasury Chambers
Parliament Street
London SW1P 3AG
Tel: 01-233 5897



bu nr 4/2

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

10 February 1983

Barry Neale Esq
Ministry of Defence

Dear Barry,

Willie Rickett's letter of 2 February requested you to reply to the letter from Stan Newens MP to the Prime Minister about loans to the Argentine Government. I attach a draft contribution from HM Treasury on the question of the banks' support operation for Argentina.

Yours sincerely,

Jill Rutter

JILL RUTTER

DRAFT REPLY

CONTRIBUTION TO A DRAFT REPLY TO:

Stan Newens MP

FROM: The Prime Minister

LOANS TO ARGENTINA

I do not
While I understand your feelings on the question of loans to Argentina,
believe it would be right for the Government to seek to
interfere with the decisions of the individual British banks
involved in this international lending operation.

2. British interests would certainly not be served if
Argentina were to default on her debt obligations. Apart from
the direct impact on creditors here, there could be much wider
repercussions on the stability of the international financial
system and the prospects for recovery in world trade which would hit
industry and employment in the UK particularly hard. I believe
we have acted in a responsible way and in the long term interests
of this country.

3. It would be impossible to stop a determined Government
from purchasing arms. The rules of the IMF do not allow such
restrictions to be attached to its loans. Even so, in supporting
the IMF loans to Argentina we took into account the very tight
conditions imposed by the Fund which will limit her ability
to purchase arms, however financed.



MINISTRY OF DEFENCE
 MAIN BUILDING WHITEHALL LONDON SW1
 Telephone 01-~~930 7022~~ 218 6169

D/S of S/PS/10

10th February 1983

Dear Willie,

In your letter of 2nd February you requested a draft letter for the Prime Minister to send in reply to Mr Stan Newens' letter of 31st January about arms sales and bank loans to Argentina.

I understand that the Treasury are providing you direct with paragraphs on bank loans, and I attach with this letter some draft paragraphs covering our defence sales policy, which have been agreed with the FCO.

The draft paragraphs restate our general policy without covering the various points of detail about reputed sales to Argentina which Mr Newens mentions in his letter. However you may wish to be aware of the various errors made by Mr Newens; these are:

- a. There are only 4, not 6, frigates being built by Blohm & Voss; and the British equipment supplied for them does not include radar equipment.
- b. Rolls Royce 'Viper' engines are fitted in Aeromacchi jet trainers, but although we know that Argentina wishes to buy more of these aircraft there is no evidence that they have succeeded in acquiring any since last April.
- c. The order for the 8 Lynx helicopters for use in the 4 frigates building in Germany was cancelled in June last year, and the Prime Minister has made it clear that more of these aircraft will be supplied to Argentina (Official Report 29th November 1982, Col 18).

I am copying this letter to John Holmes (FCO) and John Kerr (HM Treasury).

Yours ever,

B P Neale

(B P NEALE)
 Private Secretary

W F S Rickett Esq

DRAFT LETTER FROM THE PRIME MINISTER TO MR STANLEY NEWENS MP

Thank you for your letter of 31 January in which you asked whether the Government intends to approve arms sales and financial aid destined for Argentina.

The position on the supply of arms to Argentina has been made clear on more than one occasion. There is a total embargo on the supply of any British defence equipment direct to Argentina. We have no intention of lifting this embargo until a formal cessation of hostilities has been agreed. The Westland helicopters which you mentioned are all covered by this embargo as I stated in the House on 29 November. However, in accordance with long standing contracts with one of our major trading partners, certain naval equipment is being supplied to Germany for installation in warships being built for Argentina. British components may have been used in other military equipment ordered by Argentina before the invasion of the Falklands and delivered subsequently. We are not aware of any cases where British components have been incorporated in military equipment ordered after the invasion and we would certainly take whatever steps are practicable to prevent this. However we must acknowledge that it is not always possible to control the final destination of a large number of small components incorporated in military systems sold widely throughout the world.

As far as your comments about the loans to Argentina are concerned, perhaps I should point out that X — X



s 18-19, Monday 29 November 1982

Exocet Missiles

Mr. Dalyell asked the Prime Minister if she has made representations to the Government of France at the export of Exocet missiles to Argentina.

The Prime Minister: As my right hon. Friend the Secretary of State for Defence said in the House on 22 November, our views about this have been made very clear to the French Government.

Argentina (Arms)

Mr. Dalyell asked the Prime Minister what information she has as to resumed supplies of arms by the Government of France to Argentina.

The Prime Minister: The French Government have resumed the supply to Argentina of certain arms and equipment in fulfilment of existing contracts previously subject to their embargo on arms sales to that country. We have made our views about this very clear to the French Government.

Mr. Dalyell asked the Prime Minister whether the supply of: (a) radar control equipment by British Aerospace, (b) Olympus gas turbines by Rolls-Royce and (c) electronic propulsion control systems by Hawker Siddeley Dynamic Engineering and British Aerospace to Blohm and Voss of Hamburg for installation in the two guided missile destroyers being built by it for Argentina was approved by Her Majesty's Government, in view of the continuation of a formal state of hostilities between the United Kingdom and Argentina.

The Prime Minister: I assume that the question refers to the four frigates being built by Blohm and Voss for Argentina. Approval for the supply of equipment by British manufacturers was given before contracts were signed in 1980. Delivery of the Olympus gas turbines and their control equipment for the first two frigates had been completed before the invasion of the Falkland Islands. An embargo on all further deliveries was then imposed, but this embargo was lifted at the end of August.

No radar control equipment has been supplied or been contracted for supply for these frigates.

Mr. Dalyell asked the Prime Minister if she is satisfied that Westland Lynx helicopters manufactured in the United Kingdom are not being supplied to Argentina while a formal state of hostilities persists.

The Prime Minister: Yes.

Mr. Dalyell asked the Prime Minister what was the size of the United Kingdom loan to Argentina to assist in the purchase of two destroyers to be built in a West German yard; and how much is still outstanding.

The Prime Minister: We have no knowledge of any United Kingdom loan to Argentina in respect of the purchase of destroyers built in the Federal Republic of Germany.

PS
 PS/MR HURD
 PS/MR ONSLOW
 PS/MR RIFKIND
 PS/PUS
 SIR J BULLARD
 SIR I SINCLAIR
 MR GIFFARD
 MR WRIGHT
 MR ADAMS
 LORD N G LENNOX
 MR EVANS
 MR URE
 MR GILLMORE

IMMEDIATE

PS/NO 10 DOWNING ST (3)
 PS/S OF S FOR DEFENCE
 MR J STEWART AUSD STAFF MOD

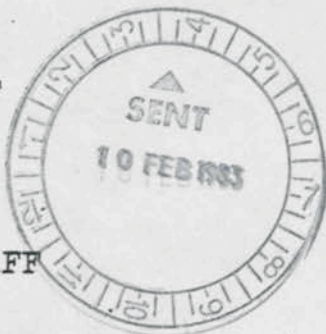
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 MR LITTLER)

SIR R ARMSTRONG)
 MR A D S GOODALL) CABINET OFFICE
 DIO)

MR M A PATTISON, FID, ODA

MR A TITCHENER)
 MR C U ROBERTS, IAT) DOT

HD/PUSD (2)
 HD/SAMD
 HD/FID
 HD/DEFENCE DEPT
 HD/NEWS DEPT
 HD/ERD
 HD/ECD(E)
 HD/UND
 HD/PLANNING STAFF



~~RESIDENT CLERK~~

Lead EMB.

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FM NAIROBI 101245Z FEB 83

TO IMMEDIATE F.C.O.

TELEGRAM NUMBER 57 OF 10 FEBRUARY 1983

YOUR TELEGRAMS NOS: 47 AND 48: KENYAN/ARGENTINE RELATIONS.

SUMMARY

1. PRESIDENT MOI AGREES NOT TO RECEIVE PRESIDENT BIGNONE. HE ALSO AGREES TO HAVE THE ARGENTINIANS TOLD THAT THEY SHOULD RENOUNCE THE USE OF FORCE OVER THE FALKLANDS.

DETAIL

2. I WAS ABLE TO SEE THE PRESIDENT ALONE THIS MORNING AND SPOKE TO HIM AS INSTRUCTED. HE SAID THAT HE WOULD REMAIN ON HIS FARM WHEN BIGNONE WAS HERE AND HE WOULD INSTRUCT THE FOREIGN MINISTER TO MAKE TO THE ARGENTINIANS THE POINTS IN PARA 4 OF YOUR TEL. NO 47. KENYA WAS TOTALLY OPPOSED TO THE USE OF FORCE TO SETTLE DISPUTES AND HAD REPEATEDLY MADE THIS PLAIN.

3. I TOLD THE PRESIDENT THAT AT LOWER LEVELS IN THE KENYAN FOREIGN MINISTRY THERE WAS SOME DISPOSITION TO ARGUE THAT BRITAIN SHOULD NOW TALK TO ARGENTINA. THE PRESIDENT SAID THAT THIS DID NOT

3. I TOLD THE PRESIDENT THAT AT LOWER LEVELS IN THE REPTAN FOREIGN MINISTRY THERE WAS SOME DISPOSITION TO ARGUE THAT BRITAIN SHOULD NOW TALK TO ARGENTINA. THE PRESIDENT SAID THAT THIS DID NOT REPRESENT HIS POINT OF VIEW AND HE WOULD ENSURE THAT HIS FOREIGN MINISTER SAW THAT OFFICIALS TOED THE LINE. THIS CORRECTIVE ACTION IS NEEDED. THE PERMANENT SECRETARY OF THE MINISTRY OF FOREIGN AFFAIRS HAS BEEN NOTICEABLY LESS HELPFUL ON THE FALKLANDS ISSUE IN RECENT DISCUSSIONS.

4. THE PRESIDENT WAS ALSO SYMPATHETIC TO THE IDEA THAT WE SHOULD ARRANGE APPROPRIATE EDITORIAL COMMENT LOCALLY AND DECLARED HIMSELF TO BE WILLING TO LET IT BE KNOWN THAT HE SUPPORTED OUR LINE. I SAID THAT I WOULD BE IN TOUCH WITH HIM LATER TO CONCERT ACTION.

5. THE PRESIDENT SAID THAT HE AGREED THAT THE ARGENTINIANS SHOULD BE COUNSELLED TO AVOID UNNECESSARY CONTENTION AT THE NON-ALIGNED MEETING. WE WILL FOLLOW THIS UP WITH DR OUKO, THE FOREIGN MINISTER.

5. ALTHOUGH THE PRESIDENT ALSO RESPONDED POSITIVELY ABOUT LETTING HSI VIEWS BE KNOWN TO OTHER NON-ALIGNED COUNTRIES, ON PAST PERFORMANCE I FEAR THIS IS NOT LIKELY TO AMOUNT TO MUCH IN PRACTICE. BUT WE WILL ALSO TRY AND FOLLOW THIS UP WITH THE FOREIGN MINISTER WHEN THE PRESIDENTIAL VIEWS HAVE BEEN PASSED ON TO HIM.

ALLINSON

NNNN

Prime Minister



if you agree I shall say Foreign and Commonwealth Office
 that you would like to see London SW1A 2AH
 the report of the ODA Education
 Adviser who is to visit the islands 9 February 1983
 in April - before that report is
 discussed with the Falkland Islands
 Government. Agree?

A.F.C. 19
 Yes [initials]

Dear John,

Falkland Islands: Education

Thank you for your letter of 31 January recording the Prime Minister's concern about the continuing use of unqualified teachers for the travelling posts within the Islands' camp education structure. As our original note on education said, there are differing views on the future of camp education. Over a number of years, ODA education advisers have recommended changes, including the use of qualified teachers. However, the Falkland Islands Government (FIG) has resisted this change. As the Councils have not been prepared to approve salaries appropriate to qualified teachers for these posts, we have been unable to make any progress.

As the Prime Minister will realise, it is important to get the education system functioning in some form for the 1983 academic year. As she may be aware from her own visit, many parents regard this as a critical factor in their judgement about whether to maintain their commitment to the Islands. In the time available, the only realistic option is to aim to operate the pre-invasion system with whatever resources are available. In the course of the year, improvements can be planned for 1984 and beyond. In helping FIG to find travelling teachers for 1983, ODA is approaching both qualified and unqualified individuals who have expressed an interest in working or living in the Islands. However, as FIG does not want to use supplemented staff in these posts, qualified teachers are only likely to take them up on a quasi-volunteer basis.

/The ODA



The ODA education adviser who is to visit the Islands in March is new to the Falklands and will therefore be taking a fresh look at the education system. He will be starting from the proposition that there is no substitute for qualified and experienced professionals. There also seems to be some prospect that the Islanders will now be more receptive to some modernisation of the education system. If it would be helpful, we can report to you further when the adviser's recommendations are available, but before we discuss the next steps with FIG in the light of his report.

Yours ever
J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

110 FEB 1983



Argentina Relations Pt 32

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GRS 370

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FM FCO 041213Z FEB 83

TO PRIORITY BERNE

TELEGRAM NUMBER 22 OF 4 FEBRUARY

INFO PRIORITY CIVIL COMMISSIONER PORT STANLEY, BRASILIA AND
MODUK

INFO SAVING UKMIS GENEVA, UKMIS NEW YORK, MONTEVIDEO AND
SANTIAGO

Dead in full
MS

YOUR TELNO 21: FALKLANDS: ARGENTINE DEAD

1. PLEASE ASK THE SWISS TO TRANSMIT THE FOLLOWING MESSAGE
TO THE ARGENTINE GOVERNMENT.
BEGINS.

THE BRITISH GOVERNMENT, FOLLOWING THE ARGENTINE GOVERNMENT'S
REPLY TO THEIR MESSAGE TRANSMITTED TO THE SWISS AUTHORITIES
ON 4 JANUARY ON THE QUESTION OF THE ARGENTINE DEAD ON THE
FALKLAND ISLANDS, CONFIRM THAT ARRANGEMENTS FOR THEIR BURIAL
ARE BEING CARRIED OUT IN STRICT ACCORDANCE WITH THE GENEVA
CONVENTION, AS THEY HAVE MADE CLEAR WOULD BE THE CASE VIA
THE INTERNATIONAL COMMITTEE OF THE RED CROSS ON A NUMBER OF
OCCASIONS IN 1982.

THE BRITISH GOVERNMENT RECEIVED THE TEXT OF THE
ARGENTINE NOTE TO THE ICRC OF 4 JANUARY, REFERRED TO IN
THE ARGENTINE GOVERNMENT'S REPLY ON 26 JANUARY. THEY HAVE
ALWAYS SOUGHT TO FULFIL THEIR OBLIGATIONS UNDER THE GENEVA
CONVENTION. THERE HAS BEEN NO-CHANGE IN THEIR APPROACH.

THE BRITISH GOVERNMENT HAVE NOTED THAT THE PRESS
REPORTS MENTIONED IN THE ARGENTINE GOVERNMENT'S REPLY
TO THEIR EARLIER MESSAGE REFERRED TO THE BAD STATE OF
THE GRAVES OF THE ARGENTINE DEAD. THEY WERE INDEED LEFT
IN A MOST UNSATISFACTORY CONDITION BY THE ARGENTINE
AUTHORITIES. PERMANENT REBURIAL OF ALL THE ARGENTINE DEAD
WOULD HAVE TAKEN PLACE SOME TIME AGO BUT FOR THE DELAY IN

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RESTRICTED

51433 - 1

RECEIVING ANY FIRM INDICATION OF THE ARGENTINE GOVERNMENT'S WISHES OVER THEIR RETURN. THE BRITISH GOVERNMENT HAVE BEEN SHOCKED BY THE ATTITUDE OF THE ARGENTINE GOVERNMENT.

THE BRITISH GOVERNMENT NOTE THAT THE ARGENTINE GOVERNMENT WISH TO LEAVE OPEN THE QUESTION OF THE RETURN OF THEIR DEAD FROM THE ISLANDS. THE BRITISH GOVERNMENT REMAIN READY TO CO-OPERATE OVER THIS ALTHOUGH THEY MUST EMPHASISE THAT RETURN WILL BE EASIER, THE SOONER ANY REQUEST IS RECEIVED. REBURIAL WILL TAKE PLACE EARLY NEXT WEEK, WITH A RELIGIOUS SERVICE ON 19 FEBRUARY, UNLESS THE ARGENTINE GOVERNMENT SAY IMMEDIATELY THAT THEY WOULD LIKE THEM TO BE RETURNED INSTEAD. THE BRITISH GOVERNMENT DO NOT OF COURSE ACCEPT THE IMPLICATION IN THE ARGENTINE REPLY THAT THE ARGENTINE DEAD ARE ALREADY ON ARGENTINE TERRITORY.

PYM

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FAKLAND ISLANDS GENERAL

FCO

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CABINET OFFICE

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²
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10 DOWNING STREET

MR COLES

[Handwritten signature]

With the compliments of

BERNARD INGHAM

FRIGATES FOR ARGENTINA

Background

Rolls-Royce have a commercial contract, entered into before the Falklands hostilities, to supply equipment to a German firm, Blohm and Voss for incorporation in frigates destined for the Argentine. The contract required Rolls Royce to have a man on board during the crew familiarisation period, which takes place after transfer of ownership and hence under the Argentine flag.

Patrick Bishop of the Observer has contacted MoD and Rolls-Royce to discover the extent of Government pressure on Rolls-Royce, because the first frigate sailed on Wednesday without a Rolls-Royce man on board.

Rolls-Royce have confirmed that they do not have anyone on board and the reasons ~~"instructions from Whitehall not to have someone on board!!!!"~~

If approached we can say:-

Because the Argentines are still refusing formally to declare the Falklands hostilities to be at an end the Government felt grave concern at the prospect of a British national providing these services (ie crew familiarisation).

We made this fact and our concern clear to Rolls-Royce.

In view of that Rolls-Royce approached Blohm and Voss and secured their acceptance of the fact that they would not be providing these services either for the frigate at present undergoing crew familiarisation at sea or for the remainder of the ships to be built under the contract.

We should stick closely to this wording.

Questions of export licences are of course for Department of Trade, but they granted one in September 1982 (the contract pre-dated hostilities).

Source: P J Casey Air Division

JOY SILVER
Chief Press Officer

4 February 1983

* Joy Silver ^{has succeeded in} ~~is attempting to~~ get RR
to take a more responsible line
- i.e. broadly consistent with the Dept's line

GRS 313
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FM F C O 041430Z FEB 83

TO ROUTINE CERTAIN MISSIONS AND DEPENDENT TERRITORIES
GUIDANCE TELEGRAM NUMBER 018 OF 4 FEBRUARY 1983

MEETING OF NON-ALIGNED MOVEMENT (NAM) CO-ORDINATING BUREAU:
MANAGUA: 10-14 JANUARY: FALKLAND ISLANDS

1. THE FOLLOWING IS FURTHER BACKGROUND ON THE DISCUSSIONS IN MANAGUA ON THE FALKLANDS ISSUE (MY GUIDANCE TELEGRAMS NOS 013 AND 014) WHICH IS BASED ON ACCOUNTS PROVIDED TO US BY FRIENDLY DELEGATIONS IN NEW YORK. AT THIS STAGE IT IS FOR YOUR INFORMATION ONLY.

2. IT SEEMS THAT THERE WAS CONSIDERABLE DISAGREEMENT OVER THE DRAFT PARAGRAPHS ON THE FALKLAND ISLANDS, IN PARTICULAR OVER THE ISSUE OF 'SELF-DETERMINATION' WHERE THERE WAS A MOVE TO REPLACE 'INTERESTS' BY 'WISHES'. WE UNDERSTAND THAT THE FORCES ON EITHER SIDE OF THIS ARGUMENT WERE VERY FINELY BALANCED, ALTHOUGH IN THE EVENT 'INTERESTS' WAS MAINTAINED.

3. A NUMBER OF COUNTRIES HAVE INDICATED THAT THEY WOULD HAVE TO ENTER RESERVATIONS ON THE FALKLANDS PASSAGE. BELIZE, JORDAN, EGYPT, GUYANA, OMAN AND SRI LANKA HAVE ALREADY DONE SO, AND A NUMBER OF OTHER FRIENDLY COUNTRIES (INCLUDING MANY OF THOSE WHO PROVED HELPFUL TO US ON THIS ISSUE IN THE PAST) MAY YET FOLLOW SUIT. SOME FRIENDLY DELEGATIONS IN NEW YORK SUCH AS JAMAICA AND TRINIDAD SEEM RELUCTANT TO ENTER RESERVATIONS ON A PASSAGE WHICH IN THEIR VIEW MARKS A CONSIDERABLE IMPROVEMENT ON PREVIOUS NAM TEXTS. UKMIS NEW YORK ARE SEEKING TO PERSUADE SUCH DELEGATIONS THAT A LARGE NUMBER OF RESERVATIONS ON THE MANAGUA COMMUNIQUE WILL MAKE IT EASIER TO PREVENT RADICAL LANGUAGE EMERGING FROM NEW DELHI.

4. IT HAS BECOME CLEAR, THEREFORE, THAT THE ARGENTINES AND THEIR FRIENDS HAD MORE OF A ROUGH TIME THAN THEY MIGHT HAVE ANTICIPATED. WE UNDERSTAND THAT OMAN, SINGAPORE, MALAYSIA, SOMALIA, ST LUCIA AND JAMAICA SPOKE HELPFULLY ON OUR SIDE AND THAT PAKISTAN AND SRI LANKA WERE INSTRUMENTAL IN DILUTING SOME OF THE MORE CONTENTIOUS LANGUAGE.

PYM

BY TELEGRAPH:

ATHENS	DUBLIN	LA PAZ	KUALA LUMPUR
BONN	MADRID	PANAMA	SINGAPORE
BRUSSELS	NEW YORK(UKMIS)	QUITO	LAGOS
BRUSSELS(UKREP,EEC)	NEW YORK(BIS)	SAN JOSE	DAR ES SALAAM
COPENHAGEN	WASHINGTON	ALGIERS	NAIROBI
THE HAGUE	CARACAS	CAIRO	HARARE
LISBON	MEXICO CITY	ADDIS ABABA	LUSAKA
LUXEMBOURG	BRASILIA	JAKARTA	KINGSTON
OSLO	RIO DE JANEIRO	ISLAMABAD	PORT OF SPAIN
PARIS	BOGOTA	OTTAWA	GEORGETOWN
STRASBOURG(UKDEL)	HAVANA	CANBERRA	BRIDGETOWN
ROME	LIMA	WELLINGTON	HONG KONG
BERNE	MONTEVIDEO	NEW DELHI	PORT STANLEY
GENEVA(UKMIS)	SANTIAGO	DACCA	

[ALL ROUTINE]

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Allen...



Foreign and Commonwealth Office

London SW1A 2AH

4 February 1983

Willie Liddell
For questions.

A.T.C. 4/2

Dear Richard,

Plessey Radar for Argentina

Mr Heseltine wrote to Mr Pym on 27 January about the need to inform Plessey at the same time as the French of the decision to revoke the export licence for a radar the company were to supply to Aerospatiale for incorporation in equipment destined for the Argentine Navy.

We have arranged for this to be done by the DOT and the Embassy at Paris respectively.

If asked to comment, we would propose to take the line that the licence, which was applied for after the Falklands invasion, was only granted because the end-user was France. It was revoked when the Government became aware that the end-user was not France but Argentina. In view of the handover of the first FRG-built warship to Argentina this week the Government may be pressed on why they released Rolls Royce engines last year for the ships being built in the FRG for Argentina, but revoked an export licence in this case. Mr Pym believes that our press offices should develop the line Sir J Nott used in the House on 22 November and say: 'The Rolls Royce engines were supplied under a long-standing contract entered into many years ago. They are thus in a quite different category from the Plessey radar contract. We nonetheless made it clear to the German Government that we should regret any early delivery of frigates to Argentina'

I am copying this to Private Secretaries of OD colleagues, the Secretary of State for Industry and Sir R Armstrong.

Yours ever

J E Holmes

(J E Holmes)
Private Secretary

R Mottram Esq
Private Secretary
Ministry of Defence

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Argentina 61
Relaciones, PT 32

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SAVING TELEGRAM

ES/ NO. 10. DOWNING STREET.

BY BAG

FROM ROME

TO FCO

SAVING NO 6

3 FEBRUARY 1983

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TO FCO SAVING NO 6 OF 3 FEBRUARY 1983

AND INFORMATION SAVING TO BRITISH INTERESTS SECTION, BUENOS AIRES

ITALY/ARGENTINA

1. Buenos Aires telno 2 of 31 December 1982.

2. Barbarani, Head of the MFA Latin America political department, has told us that the preparatory visit in December by the 5 members of the Chamber Commission went better than expected. The Argentine reaction was muted. There was now some doubt whether the full delegation would bother to go to Argentina in February/March, as originally intended; public interest in the issue had declined.

3. The desaparecidos issue was debated in Parliament in January, but there was a ritual atmosphere about the proceedings, and attendance was poor. The PSI did not attempt to exploit the subject to embarrass Colombo, who replied in familiar terms to a series of innocuous questions about Italy's policy and contacts with the Argentine Government. Colombo did however commit himself to 3 courses of action:-

/(a) Fioret, the

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(a) Fioret, the DC Under-Secretary (Junior Minister) at the MFA, will visit the capitals of other European countries involved in the desaparecidos problem. His tour will include London (the MFA have promised to give us details as soon as plans are firm).

(b) Colombo will establish within the MFA a special Commission, probably composed of jurists, to monitor the Ministry's work on this issue. Barbarani described this as a cosmetic move which was unlikely to affect the Ministry's work very much.

(c) Colombo said that Italy would refer the desaparecidos problem to the Commission on Human Rights in Geneva, and according to Italian press reports this has now been done. In domestic political terms this was a shrewd move, designed to deflect any criticism of Italian inaction. Barbarani did not expect it to have any effect on the Argentine Government, which was used to criticism in international fora.

4. The discovery of new graves, or any serious threat of renewed aggression by Argentina against the Falklands, would probably spark off a fresh debate here about Italian policy, with consequent risks for the cohesion of the Government on this delicate issue. For the time being, however, other foreign policy problems loom larger.

Rm
ARCULUS

THIS TELEGRAM
WAS NOT
ADVANCED

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10 DOWNING STREET

From the Private Secretary

2 February 1983

I enclose a copy of a letter to the Prime Minister from Mr. Stan Newens MP. He raises two related points. He asks whether the Prime Minister still intends to allow arms sales to Argentina, and also to continue to approve the participation of British banks in loans to the Argentine Government.

I should be grateful if you would provide a draft reply, for the Prime Minister's signature, to send to Mr. Newens by Friday 11 February.

I enclose a note on the question of loans to Argentina which we have produced here, which you may find useful.

I am sending copies of this letter to John Holmes (Foreign and Commonwealth Office) and John Kerr (HM Treasury).

W. F. S. RICKETT

Barry Neale, Esq.,
Ministry of Defence.

ck

File

280

2 February 1983

I am writing on behalf of the Prime Minister to thank you for your letter of 31 January.

I will place your letter before the Prime Minister and a reply will be sent to you as soon as possible.

W. E. S. RICKETT

Stan Newens, Esq., M.P.

Prime Minister



A successful outcome.
Mr. Jenkin may mention
at Cabinet.

PRIME MINISTER

FEB

2.2.

ROLLS ROYCE: FRIGATES FOR ARGENTINA

When we discussed this issue in Cabinet on 27 January, I was invited in consultation with colleagues to pursue the matter with Rolls Royce with a view to avoiding having a British engineer aboard an Argentine warship. You will be pleased to know that a satisfactory outcome has been achieved.

2 Rolls Royce made considerable efforts to find a foreign national who might serve, but these proved unsuccessful. However, on 1 February a meeting took place between Rolls Royce and the German shipbuilders, Blohm and Voss, at which Rolls Royce explained that Argentina had refused to declare the recent armed hostilities to be at an end. Blohm and Voss understood the difficult position in which this placed Rolls Royce, and agreed that they would not press Rolls Royce to put a man aboard the frigate, which we now expect will have put to sea late last night (2 February), with no Rolls Royce personnel aboard. Having reached an amicable agreement with Blohm and Voss, Rolls Royce will not require an indemnity of any kind from Government to protect the company against accusations of breach of contract. Furthermore, the agreement with Blohm and Voss will extend to the



remaining three frigates under construction. This is a highly satisfactory result which owes much to Rolls Royce's co-operation. I am copying this minute to members of OD and to Sir Robert Armstrong.

PJ

P J

2 February 1983

Department of Industry



Argentina

10 DOWNING STREET

From the Private Secretary

2 February, 1983.

Thank you for your letter of 1 February about the South Atlantic Fund. The Prime Minister has noted its contents.

W. J. COLES

D.O. Arnold-Forster, Esq.,
Ministry of Defence.

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Agutter

10 DOWNING STREET

From the Private Secretary

2 February, 1983.

BP

Falkland Islands Dependencies: Whaling Stations

The Prime Minister was grateful for your letter of 1 February describing the latest situation with regard to Salvesens' contract with Davidoff. Mrs. Thatcher has asked to be kept informed of developments. I should be grateful if you could let me have a further letter when you have had the discussions which you envisage with a director of Salvesens.

I am sending copies of this letter to Richard Mottram (Ministry of Defence), Henry Steel (Attorney General's Office), and Richard Hatfield (Cabinet Office).

E. J. HOLMES

J.E. Holmes, Esq.,
Foreign and Commonwealth Office.

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MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1A 2HB

Telephone 01-218 (Direct Dialling)

01-218 9000 (Switchboard)

PARLIAMENTARY UNDER-SECRETARY OF STATE
FOR THE ARMED FORCES

Prime Minister

for information.

A.S.C. 1/2

D/US of S(AF)/JW/25/5/7/9

1 February 1983

A J Coles Esq
10 Downing Street
LONDON SW1

mf

Dear John,

In my note of 15 December covering disbursements from the South Atlantic Fund I mentioned that the winding up of donations to the Fund was under consideration by the Trustees and a note would follow.

The Trustees considered the question of closing the Fund to donations in September following fears that funds might possibly be being diverted from the established Services Charities. They reached the view that as the Fund was set up purely to receive the spontaneous and generous donations which started flowing in during the Operation, so long as the Fund was in being (its life by Trust Deed is a maximum of five years) no donation should be refused.

The Trustees further considered that much of the money donated to the South Atlantic Fund was money that would not otherwise have been sent to a Service Charity, that the South Atlantic Fund would be relieving the Service Charities of a considerable amount of work they would otherwise have to bear; and that ultimately they would benefit by the distribution of any funds remaining when the work of the Fund was complete.

However, having taken the above into account, the Trustees decided to issue a Press Statement on 5 November prior to British Legion Poppy Day. The text of this is attached. In the event it received minimal media coverage but this did not detract from the British Legion achieving record receipts, and indeed the other Service Charities are receiving increased donations undoubtedly due in part to the sympathy and publicity generated by the South Atlantic Fund.



The Trustees have recently reconsidered the position and saw no reason to change their views but they are continuing to emphasise the important on-going work of the main Service Charities with a view to diverting attention back to them from the South Atlantic Fund. A further attempt to achieve coverage in the Press is being considered but the Trustees believe that this needs to be delayed until significant disbursements as a result of the complex assessment process have been achieved; the statement can then be combined with a general updating for the public on the work of the Fund.

Yours Ever,

Private Secretary



PRESS RELEASE

THE SOUTH ATLANTIC FUND

The Trustees of the South Atlantic Fund are most grateful to all those who have given so generously and who have so enthusiastically organised fund-raising activities. The Fund has now reached the splendid total of £13,493,062.

The Trustees believe that the Fund is now at a level where, in conjunction with the Principal Service and associated Charities, it is able to make a substantial contribution towards meeting the needs of those who have suffered as a result of the South Atlantic Operation, and who, in the years ahead, will be in continuing need of assistance.

The Trustees recognise that a number of fund-raising activities are still under way, and contributions will of course continue to be gratefully received. However, they would now like to draw attention to the invaluable work that is carried out on a continuing basis by the established Service and associated Charities. They have over many years provided for Servicemen, ex-Servicemen and their dependents who have suffered in previous conflicts and will continue to offer assistance to those who experience misfortune in the future. The Trustees hope therefore that, now that the needs of those who suffered as a result specifically of operations in the South Atlantic have been so generously provided for, support will return to the established charities.

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Fle Ks

10 DOWNING STREET

From the Private Secretary

1 February 1983

A. J. COLES

The Prime Minister has noted the contents of your Secretary of State's minute of 27 January about the timetable for the despatch of the second accommodation barge to the Falklands.

A. J. COLES

Richard Mottram, Esq.,
Ministry of Defence.

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Foreign and Commonwealth Office

London SW1A 2AH

1 February, 1983

Prime Minister

To note.

Please keep me in touch with latest developments

Dear John,

A.F.C. 1/2

Falkland Island Dependencies: Whaling Stations

In your letter of 24 January you said that the Prime Minister wished to know whether Salvesens consulted us before they assigned the contract to Davidoff.

I can confirm that in the period leading up to the conclusion of the contract there were a number of exchanges between Salvesens, the FCO and the then Governor of the Falkland Islands. Mr Davidoff also contacted the Embassy in Buenos Aires.

While there were misgivings about the political implications of the contract, legal advice was that there was no lawful way of preventing Salvesens concluding an agreement if they were determined to do so. Accordingly, Salvesens were not obstructed in their pursuit of a contract. Ministers were consulted at the time and approved. There is no letter from the FCO to Salvesens acquiescing in the arrangement, but on 27 November 1979 the then Governor wrote to a director of Salvesens, restating his reservations about the arrangement, but confirming that the matter had to be one for the company's own commercial judgement, subject to a number of detailed provisos about the execution of the contract.

The Prime Minister will also wish to know of the latest developments on the contract. On 24 January this year, Christian Salvesen received a telex message from Davidoff. The thrust of this was that he required an extension of his contract as he had been unable to complete removal of the materials 'for reasons beyond our [presumably his and Salvesens] control'. (The message included also a message which Davidoff claimed to have sent to the FCO, in which he implies direct contact with a member of Falkland Islands Department. No such message was received by us. Salvesens have been assured that there has been no such contact although a Mr Colin Sharp, who has described himself in the past as Davidoff's London agent, did call on the Department in December to enquire about the likelihood of Davidoff pursuing his contract and was referred to a Parliamentary Answer making clear that it would be most unlikely that permission would be granted for Davidoff to land in South Georgia in the foreseeable future).

Salvesens have replied to Davidoff in the following terms:

'As explained to Sharp last July, British Government

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/has



has stated publicly that it is most unlikely that permission would be granted for you to land in South Georgia in foreseeable future. Subsequent political events give us no hope of persuading government to admit you, and in these circumstances we cannot extend period of contract while you remain a party. If you can find acceptable British concern to take over your interests in contract we would be willing to enter into negotiations with you and them to agree transfer and extension of contract on appropriate terms. If this is not possible, regret contract will expire on 31 March 1983 and you will then have lost your rights under it'.

Salvesens did not seek, nor did we offer, advice on the form of their reply. They wish to avoid giving Davidoff grounds for seeking the return of his deposit or for taking other legal action against Salvesens. Their reply appears to offer the company the best possibility of appearing reasonable, while ensuring that the contract is allowed to expire on 31 March 1983, when Salvesens would be free to seek other partners.

Salvesens are keen to know the attitude of the Government, and have emphasised their wish to do nothing to cause embarrassment. We propose to invite a director of the company to call on the FCO shortly to discuss possible options. This seems preferable to putting anything substantive in writing at this stage. At such a meeting, we would propose to say that their response to Davidoff was helpful, but to emphasise again that the involvement by Davidoff in any future operation would be unacceptable to us and that we hope that the contract will be allowed to expire and a British partner found to carry out the removal of scrap in a way which would avoid political controversy. It would be helpful also to find out what chance they see of Davidoff finding an acceptable partner and negotiating terms in the time available.

I am copying this letter to Richard Mottram (Ministry of Defence), Henry Steel (Attorney-General's Office) and Richard Hatfield (Cabinet Office).

Yours ever

John Holmes

(J E Holmes)
Private Secretary

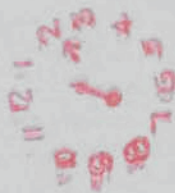
A J Coles Esq
Private Secretary
10 Downing Street

Argentina Relations #4 32

1 FEB 1983



1 FEB 1983



Argentina
Relations.



With the compliments of

THE PRIVATE SECRETARY

FOREIGN AND COMMONWEALTH OFFICE
SW1A 2AH

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UNCLASSIFIED
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Prime Niblock has seen.

FM OTTAWA 310255Z JAN 82
TO IMMEDIATE FCO
TELEGRAM NUMBER 35 OF 31 JANUARY

A.F.C. - 1/2

h a -

MY TELNO 06: FALKLANDS: ARGENTINE AMATEUR RADIO OPERATORS

1. MR PETER NIBLOCK, LICENSED CANADIAN AMATEUR RADIO OPERATOR, CONTACTED US AGAIN TODAY.

2. HE SAID TWO ARGENTINE RADIO STATIONS ARE NOW OPERATING FROM THE SOUTH ATLANTIC. THEIR CALL-SIGNS ARE LU 3ZR (SOUTH SHETLAND) AND LU 5ZA (SOUTH ORKNEY). BOTH ARE WORKING "SPLIT" FREQUENCIES, TRANSMITTING ON 3790 KHZ AND RECEIVING ON 3740 KHZ. THEY SAID THEY WERE COMMUNICATING WITH STATIONS WORLD-WIDE, BUT PRINCIPALLY IN USA AND USING OTHER FREQUENCIES TOO. NIBLOCK ESTIMATED THEIR TRANSMITTING POWER TO BE IN THE ORDER OF 100W, TYPICAL OF AMATEUR RADIO OPERATIONS.

3. NIBLOCK HEARD THEM AT 300700Z. THEY DID NOT SAY WHEN THEY HAD ARRIVED ON THE ISLANDS.

MORAN

- UNITED
- F.I.D.
- S.A.M.D.
- MAED
- DEFENCE. D.
- NAD
- PUSD
- NEWS. D.
- COD
- MR. GIFFARD
- MR. URE
- MR. GILLMORE

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Foreign and Commonwealth Office

London SW1A 2AH

31 January 1983

~~Copy: Dr. Hagan
Mr. Killett.~~

Dear John,

German Warships for Argentina

off 31.
1

With my letter of 28 January ^{with ASL} I enclosed a proposed press line for use when the handover to Argentina of the first MEKO 360 destroyer on 2 February becomes known.

Our Embassy in Bonn have since been in touch with the Germans about this. The Germans have expressed particular sensitivity about any implication that they are 'permitting' delivery, since they believe that they are not able to stop it in view of the legal and contractual position. Their concern could be met if the press line, instead of:

'.....the Government regrets that the German Government have permitted the delivery.....'

were to read:

'.....the Government regrets that the German Government have not felt able to prevent the delivery.....'

The difference may seem small to us, but the Germans attach much importance to it.

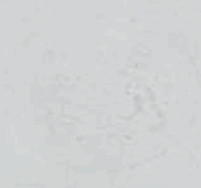
I am copying this to Richard Mottram (MOD).

Yours ever
John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq,
10 Downing Street

Faint, illegible text at the top of the page, possibly a header or title.



1981年1月1日

From: Stan Newens, M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

31st January, 1983.

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
London, S.W.1.

Dear Mrs. Thatcher,

On Wednesday, 27th January, at the conclusion of the debate on the Franks Report, you stated in connection with our relations with Argentina over the Falklands dispute

"First and foremost, the Argentine Government must commit themselves fully and unequivocally to a cessation of hostilities. That has not happened ... If and when Argentina makes a clear declaration that hostilities are at an end there will have to be a period in which I hope they will be prepared to work towards a full normalisation of our bilateral relations."

The next day in an exchange at Question Time, in which I was involved, you defended the participation of British banks in an IMF loan to Argentina on the grounds that it was "in the interests of this country and the Western system".

After denying that money was loaned for the purchase of armaments, you later accepted that if money is loaned for one purpose it releases money for another purpose, i.e. the purchase of arms.

I have always opposed the supply of arms to the Argentine junta - under Labour or Conservative Governments - but the issue we are facing at this moment is whether this country will continue, under your administration, to give financial support to Argentina while it continues to purchase arms from abroad and whether it will permit British firms to supply components required to fulfil orders placed for military equipment by the Argentine authorities.

In the light of our experiences and the tragic loss of life in response to Argentinian aggression, I believe that most British people would deplore your approval of this trade which it is impossible to reconcile with other utterances you have made on relations with the Argentine.

As I pointed out in my speech to the House of Commons on Tuesday evening, Rolls Royce engines, Hawker Siddeley engine controls, David Brown gear components, and radar equipment from other British firms have been or are in process of being supplied for use in six frigates being built at Hamburg for the Argentine navy.

Engines for Italian Aeromachi jet trainers destined for Argentina also come from Britain. British Aerodynamics supplies the nose cone for Exocet missiles; optical equipment and radar components also used in this weapon are provided by British manufacturers based in this country.

A considerable number of additional British firms are also said to be involved in military supplies destined directly or indirectly for Argentina. Westland Helicopters, with which Lord Aldington, a former Chairman of the Conservative Party and a junior minister, has close connections, was originally under contract to supply eight Lynx Helicopters - which were not delivered (although there is some dispute about four of these). The British Manufacture and Research Co. in your native Grantham previously supplied ammunition for some of the weapons carried by these helicopters and others. Geoffrey Pattie told Doug Hoyle in a Parliamentary Reply dated 21st April, 1982, that naval spares were dispatched on 19th February and 22nd March, 1982, though not thereafter. Many British suppliers have been involved in one way or another with military purchases by the Argentine Junta..

The previous policy of your Government is not in doubt. Sir John Nott, as Minister of Defence, stated

"I regret that there are many dictatorships in the world, and if we sold defence equipment only to countries with our constitutional arrangements our sales would be very small." (Hansard, 21st July, 1981, col. 156.)

You yourself intimated on 3rd September, 1980, that British arms sales were not enough and the Defence Sales Organisation has arranged for its staff to visit Latin America on numerous occasions since you assumed office.

If, however, your Government continues to make funds available to Argentina while the Junta buys arms overseas, and permits British firms to supply weapons or components to the Junta, this can in no way be justified by the claim that "it is not in our interests that there should be defaults either on capital or interest on any of the debts of Latin America", as you stated in the House last Thursday.

We should, of course, work for the normalisation of relations with a democratic Argentina, for overcoming the world banking crisis, and for assisting the developing countries, both by trade and aid. This does not, however, mean rearmament of the Argentinian Junta after its aggression against the Falklands - not to speak of its innumerable murders of Argentinian citizens.

I should be most grateful if you would indicate whether you still intend to approve arms sales and financial aid destined for the Argentine Junta.

Yours sincerely,


Stan Newens.



10 DOWNING STREET

From the Private Secretary

31 January 1983

FALKLAND ISLANDS: EDUCATION

Thank you for your letter of 25 January and its enclosure, which the Prime Minister has seen.

Mrs. Thatcher notes that travelling teachers have traditionally been unqualified but is inclined to question this practice. She believes that the work of the travelling teachers is even more difficult than that of regular teachers and that there are thus strong arguments for them being qualified as well. I note that the ODA education adviser is to visit the Islands in March and that he will consider in particular the future of camp education. I think the Prime Minister would be grateful to know what are the possibilities for moving over to a system of qualified teachers for camp education. Could you kindly let me have a further comment.

BF ||
9/2/83.

A. J. COLES

J.E. Holmes, Esq.,
Foreign and Commonwealth Office.

B



SECRET

Foreign and Commonwealth Office

London SW1A 2AH

28 January, 1983

W.A.
1 copy copy to me
copy back page to Mr.
Hyman.

A.F.C. 24

Dear John,

German Warships and Submarines for the Argentine Navy

You asked on 27 January for details of all warships and submarines being built by the Germans for Argentina.

Four MEKO 360 Class destroyers (sometimes referred to as frigates) and two TR1700 Class diesel electric submarines are being built in the FRG. A further six MEKO 140 frigates and four TR1700 Class submarines are to be built in Argentina under licence. The contracts for all of these were signed before the Argentine invasion of the Falklands, from 1977 onwards. Details, including estimated delivery dates where known, are set out in the attached annex, which we have prepared with the help of the Defence Intelligence Staff. They are monitoring developments as a matter of priority.

The first MEKO 360 destroyer is being handed over to the Argentines in Hamburg on 2 February. It will sail for Argentina on or around 28 February, after three weeks of crew familiarisation trials. Ministers have discussed the prospect, which the DOI are doing their best to prevent, of a Rolls Royce engineer being on board for those trials.

All the MEKO 360s contain Rolls Royce power units. Those for the first two were handed over before the Argentine invasion. Those for the second two were released following OD discussion on 21 July and subsequent correspondence. They were to have had Westland Lynx helicopters as part of their equipment. After the invasion, Westlands cancelled the contracts for the helicopters for all four of the frigates and the Argentines are seeking substitutes (probably French or Italian).

Original contracts provided for some UK equipment for the MEKO 140 frigates, notably Vosper Thornycroft stabilising equipment worth £1.1 million (one set out of six was delivered before the conflict), diesel control gear worth £200,000 (one set delivered before the conflict) and Racal-Decca radars (all sets delivered before the conflict). Further deliveries are of course subject to our current ban on military supplies to Argentina. We know of no orders for any British equipment in any of the submarines.

SECRET

/I

SECRET



/ I enclose a suggested press line on the MEKO 140s agreed with the MOD.

I am copying this to the Private Secretaries of other members of OD(EM).

Yours ever
John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
Private Secretary
10 Downing Street

SECRET

SECRET

ANNEX

GERMAN SUPPLIES OF WARSHIPS AND SUBMARINES FOR ARGENTINA
MEKO 360 (Four destroyers, under construction in the FRG)

Displacement : 3600 tons

- MM40 surface to surface Exocets

Armaments

- One 127mm gun

Four Breda/Bofors guns

Two SCLAR multi-purpose rocket launchers

- Two triple torpedo tubes.

Aircraft

- two helicopters

Characteristics

The nearest equivalent UK ship in terms of size and weapon fit is the Batch 3 Type 22 frigate recently ordered by the Royal Navy.

Deliveries

1. "Almirante Brown" handover 2 February 1983
2. "La Argentina" handover expected mid May 1983
3. "Heroína" " handover expected end 1983/early 1984
4. "Sarandi" handover expected mid 1984

SECRET

MEKO 140's (under construction in Argentina)Displacement : 1470 tons

Weapons

- Four MM38 surface to surface Exocet launchers
- One 76mm gun
- Two 40m twin guns
- 2 triple torpedo tubes

Aircraft 1 Helicopter

Characteristics - A heavily armed light frigate for which there is no RN equivalent

Entry into service The first towards the end of this year, the rest planned at six-monthly intervals although this now appears optimistic given previous performance of Argentina's naval construction industry and inevitable delay resulting from the FRG's embargo during and after the conflict.

TR1700 SUBMARINES

Displacement (1760 tonnes (surface)
(2300 tonnes (submerged)

Characteristics a fast, modern, long range ocean going conventional submarine with a minelaying capacity.

Weapons 22 Mark 48 torpedoes
 6 torpedo tubes

Propulsion diesel electric

Construction 2 in the FRG
 4 in Argentina

deliveries/entry into service

The first of the two being built in the FRG is likely to be delivered around November this year. The precise status of the construction programme for the second to be built in the FRG is not clear. We believe construction of the first of the four being built in Argentina started early in 1982. But the programme has been severely delayed because of the FRG's embargo during and after the conflict and the need for considerable German technical assistance.



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone ~~01 936 7000~~ 218 2111/3

MO 5/21

28th January 1983

Dear John,

WJ
Prime Minister
W.L. - to me A.F.C. 28/1
A.F.C. 31/1

You wrote to me on 20th January about the allegation in the Sun newspaper that a letter addressed to the Prime Minister by a serviceman on the Falkland Islands had been intercepted and returned to the sender.

The first point to make is that all concerned are aware that soldiers are perfectly entitled to write to any Member of Parliament or to the Prime Minister herself. There is no censorship imposed on any soldier's mail (unless he is undergoing a custodial sentence) and he may write to anyone he wishes.

The military authorities in Port Stanley have investigated the specific allegation. They have told us that mail leaving Port Stanley is not vetted: even if such vetting was thought to be necessary there is such a voluminous quantity of mail leaving Port Stanley daily that any check on individual letters would be impossible. As you know the writer of the letter to "The Sun" is believed to be a member of the 1 Royal Hampshire Regiment. The unit has no record of any complaint of this kind being lodged by a soldier nor of any reprimand being given to a soldier, as the article suggested. In short we can find nothing to substantiate the allegation.

*Yours ever
NHR*

(N H R EVANS)

A J Coles Esq



10 DOWNING STREET

From the Private Secretary

28 January 1983

Falkland Islands: 150th Anniversary
Celebrations

We spoke earlier this week about your letter of 19 January. This is just to record that the Prime Minister thinks it would be appropriate for Sir Rex Hunt to represent Her Majesty The Queen at the 150th anniversary celebrations.

*Passage deleted and closed, 40 years,
under FOI Exemption.*

*W. Dayland
19 February 2013*

A. J. COLES

J. E. Holmes, Esq.,
Foreign and Commonwealth Office.

Argentine relations

CONFIDENTIAL

PRIME MINISTER

Rolls Royce Engines for German Frigates
(for sale to Argentina)

mt

Since the Cabinet discussion this morning the Department of Industry have spoken to the Company Secretary of Rolls Royce.

The position is held until Friday of next week because the frigate will not sail until then. Rolls Royce will ensure that none of their people are on board meanwhile.

In the next few days they will try to find someone who is not a British national, perhaps a Dutch national, who can sail with the frigate.

The DOI are looking into the legal position and will establish whether they can help Rolls Royce if the latter, because of force majeure, are not able to fulfil their contract on this point. Mr. Jenkin will report to you further next week.

A.J.C.

27 January 1983

mt

B.U. 2/2.

CONFIDENTIAL

mt

MFJ

Argentin

CONFIDENTIAL

27 January 1983

Electra Aircraft

The Prime Minister has noted the contents of your Secretary of State's minute of 25 January.

AJC

Richard Mottram Esq
Ministry of Defence.

CONFIDENTIAL



The National Archives

LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>950</i> (one piece/item number)	
Extract/Item details: <i>Letter from Fellows to Holmes dated 27 January 1983</i>	
CLOSED FOR <i>40</i> YEARS UNDER FOI EXEMPTION	<i>19 February 2013 Wayland</i>
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	
MISSING ON TRANSFER	
MISSING	
NUMBER NOT USED	



Prime Minister

will land, the second Coastal
will be in position by late May.

MO 5/21

A.J.C. 2/1
M

PRIME MINISTER

Your Private Secretary's letter of 12th January asked for the timetable for the despatch of the second accommodation barge to the Falklands.

2. We have reached agreement with a UK consortium of firms known as BASE to build this second floating hostel. Building will be undertaken in Lowestoft providing jobs for about 1,000 men. The contract delivery date in the United Kingdom is 2nd April. It will then take some three weeks to ship to the Falkland Islands and, depending upon the weather, about a further month before she is moored and occupied.

3. This is later than the Commander British Forces or we would wish, but no other British firm could offer an earlier delivery. The contract terms will include bonus and penalty clauses to encourage early delivery and Mr Wiggin is meeting the head of the consortium next week to stress the importance of their meeting the deadline and specifications in the contract. There are other (unfortunately foreign) Coastals available to meet the deadline should the British consortium appear unlikely to do so.

inst

27th January 1983

Ministry of Defence



31 JAN 1988



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Faint, illegible text covering the bottom section of the page, possibly bleed-through from the reverse side.

CONFIDENTIAL



MO 26/9/1

N. S. I. R.

A. J. C. $\frac{25}{1}$

FOREIGN AND COMMONWEALTH SECRETARY

PLESSEY RADAR FOR ARGENTINA

Thank you for your minute of 6th January. You suggested that it would be prudent to inform the French Government, through the Paris Embassy, of our decision to revoke the export licence allowing Plessey to supply a radar to France for incorporation in a weapons system destined for the Argentine Navy. Now that our colleagues have signified that they are content that the licence should be revoked I suggest that the way is clear for action to be taken as you suggest.

2. However I consider that it would be quite wrong for Plesseys to hear from the French - there will be a very rapid phone call. In these circumstances I consider it essential that Sir John Clark be informed - in confidence if necessary - before or at the same time that the French are told. Perhaps our officials could liaise on how this might be done.

3. I am copying this minute to OD colleagues, Patrick Jenkin and to Sir Robert Armstrong.

Ministry of Defence
27th January 1983

CONFIDENTIAL

ARGENTINA : Relations : Pt 32

28 JAN 1963



HL

Argentina

26 January 1983

This is just to record that the Prime Minister has seen your letter of 25 January to John Coles about the state of the roads in and around Port Stanley.

Tim Flesher

John Holmes, Esq.,
Foreign and Commonwealth Office.

HL

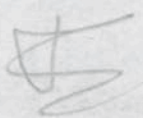
26 January 1983

Tam Dalyell: Parliamentary Question

Thank you for your letter of 25 January. As I told you this morning, the Prime Minister is content for your Secretary of State to write to Mr. Dalyell as in the draft attached to your letter.

WR

N.H.R. Evans, Esq.,
Ministry of Defence.



Argentina
Re: Falkland Islands

GPS 200

CONFIDENTIAL

CONFIDENTIAL

FM UKMIS NEW YORK 262345Z JAN 83

TO PRIORITY FCO

TEL NO 59 OF 26 JANUARY 1983

INFO ROUTINE WASHINGTON

INFO SAVING BIS BUENOS AIRES

YOUR TEL NO 26:

UN SECRETARY GENERALS COMMENTS ON THE FALKLANDS

1. AT HIS PRESS CONFERENCE ON 25 JANUARY PEREZ DE CUELLAR GAVE THE FOLLOWING REPLY TO A QUESTION ON THE FALKLANDS:

AS YOU KNOW, DURING THIS MONTH I HAVE BEEN IN DIRECT CONTACT WITH THE TWO PARTIES CONCERNED AND HAVE ASKED THEM, WITHIN THE FRAMEWORK OF THE RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY, ABOUT THEIR VIEWS ON MY GOOD OFFICES. I HAVE ALREADY RECEIVED REACTIONS FROM THE TWO SIDES. NEXT, I THINK I HAVE TO ASSESS THE SITUATION AND PERHAPS HAVE NEW CONTACTS WITH THE PARTIES IN THE NEAR FUTURE.

2. DURING OUR MEETING ON ANOTHER SUBJECT ON 26 JANUARY, I THANKED PEREZ DE CUELLAR FOR CLEARING UP THE MISUNDERSTANDING IN THIS WAY. PEREZ DE CUELLAR SAID THAT OUR LETTER TO HIM, WITH ITS REFERENCE TO TRANSMISSION OF HIS LETTER TO THE BRITISH GOVERNMENT, HAD BEEN "EQUIVOCAL". I SAID IT WAS FULLY ACCEPTED THAT THIS HAD BEEN A MISUNDERSANDING. THE SECRETARY GENERAL HAD CLEARED IT UP, AND IT WAS NOW WATER UNDER THE BRIDGE. I MENTIONED EN PASSANT THAT WE DID NOT REGARD HIS MANDATE UNDER SCR 505 AS REMAINING IN FORCE.

FCO PASS SAVING

**THIS TELEGRAM
WAS NOT
ADVANCED**

REPEATED AS REQUESTED

WHYTE

[COPIES SENT TO NO 10 DOWNING STREET]

FAKLAND ISLANDS GENERAL

FCO

ADDITIONAL DISTRIBUTION

FID

FAKLAND ISLANDS

CABINET OFFICE

CONFIDENTIAL



MO 26/9/1

PRIME MINISTERPrime Minister

To note - you asked for the
 further information.

HR 1/11.

ELECTRA AIRCRAFT

see 14.183

John Coles' letter to John Holmes sought more information about Argentine possession and operation of Electra aircraft. As this is primarily a matter for the Ministry of Defence I am replying.

2. By way of background I should explain that the Lockheed Electra is a relatively old turbo-prop aircraft which entered airline service in 1959. It is also the airframe used by the United States Navy for their Orion Maritime Patrol aircraft. The maximum range of Electra, with internal fuel, is 2,800 nautical miles with a 1,800 lb pay load.

3. The Argentine Navy acquired 4 Electras for general transport duties prior to 1976. Since June 1982, as John Holmes explained on 14th January, we have seen a number of Argentine enquiries to purchase further Electras. They are readily available. The evidence for an actual purchase is inconclusive but it would seem that the Argentine Navy could have bought up to 4 more. They would be the transport version.

4. There have been 2 approaches close to the Falkland Islands Protection Zone (FIPZ) by Argentine Electras, one on 8th January and the other on 11th January 1983. On the first occasion the aircraft may have penetrated the FIPZ to a depth of 7 nautical miles. On the other the Electra came no nearer than 20 nms.



5. The Electras are usually fitted with a Bendix Weather radar which is by no means a sophisticated radar for maritime surveillance. It would however give the Argentines a limited capability to detect ships in a moderate sea state; for example they could be expected to detect a frigate at 50 nms, although the radars' performances would fall off very rapidly in high sea states. The Bendix would also give a rudimentary submarine detection capability. From recent reports it seems that at least some of the Argentine Electras have been retrofitted with a new Primus radar but this is not significantly better than the Bendix for maritime surveillance.

6. As well as weather radar we think it possible that the Electras have an intelligence-gathering capability. The first Electra turned away when illuminated by HMS Liverpool's Sea Dart radar, which suggests that the Electra had been fitted with equipment to detect our radar transmissions.

7. It would be feasible to modify the Electra, as the USA have done, to provide a sophisticated maritime patrol capability. But to do so would require substantial assistance from Western aerospace industries and there is no evidence that this has been forthcoming. A more limited fit, perhaps to give some restricted anti-submarine warfare capability cannot be ruled out.

8. We have already asked Commander British Forces Falkland Islands to arrange for one of the Phantoms based at Stanley to photograph an Electra so that we can evaluate any aerials, domes or arrays. We will provide further briefing once this information has been obtained.

W. S. A.
Ministry of Defence

25th January 1983

ARGENTINA : Relations : Nr 22



25 JUN 1986





Foreign and Commonwealth Office

London SW1A 2AH

25 January 1983

Prime Minister

MF

ADL 25.
1

Dear John,

Falkland Islands: Roads

You asked for a note about the state of the roads in and around Port Stanley. I attach one describing the work recently set in hand as part of the civilian rehabilitation programme. The note explains that decisions on a more radical approach to road improvement will have to be taken in the context of defence requirements.

I am sending copies of this letter and enclosure to Michael Mottram (Defence) and Terry Mathews (Chief Secretary's Office).

Yours ever

J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street



FALKLAND ISLANDS: ROADS IN THE PORT STANLEY AREA

Many roads in Port Stanley are now impassable for cars and difficult to negotiate in landrovers and trucks. The road to the airport has also collapsed in several places.

Military and civilian authorities in Port Stanley agree that the bulk of the damage - perhaps 90 per cent - has been caused by the volume and weight of British military traffic since the end of the fighting. Repair of the roads was therefore initially seen as primarily a military task.

Late last year, it became clear that Royal Engineers' capacity would be fully employed throughout the Falklands summer on service accommodation work (including site preparation for the first two coastals). Road repair had lower military priority. The Falkland Islands Public Works Department lacks equipment and manpower to tackle a major crash programme of road repair and improvement. Its road work capacity is currently being used on housing infrastructure, and is then earmarked for further work on constructing the Stanley-Darwin Road.

Sir Neil Marten therefore authorised an urgent road repair project to be financed from the £15m civilian rehabilitation budget. A management team is to be engaged through Crown Agents to supervise a labour force obtained through competitive tender from a UK civil engineering contractor. Equipment and materials will be obtained off-the-shelf or from the contractor, whichever best meets the necessary time-scale. The aim is to have the works unit operating by early March. The priority is to restore one adequate heavy traffic

/circuit in



circuit in Port Stanley, to repair the worst town junctions and to deal with the worst sections of the airport road. The work cannot be fully costed in advanced but £2.5m has been allocated to engage, equip and transport a team for this purpose. It will be available for a minimum of eight months, and can tackle other priority tasks if weather halts road work.

The Civil Commissioner and his Director of Public Works recently asked for a much larger scale approach to the problem. They favoured a unit with four times as much manpower and equipment to be made available for twelve months, with the aim of rebuilding the town network and the roads to the airport and to Moody Brook.

Before such a programme can be tackled, decisions are required on funding and on specification to cover projected levels of military traffic. The £15m civilian rehabilitation budget was provided to cope with estimated war damage, and cannot accommodate a larger roads project. Nor is there a civilian requirement to rebuild other than to previous specifications. We understand that Mr Wiggin intends to consider the extent of military requirement during his current visit, with a view to decisions on his return. But that timetable will not allow mobilisation before winter. The Civil Commissioner has therefore agreed that the proposed repair programme should go ahead, with the aim of easing the circulation of traffic rapidly and limiting expensive further deterioration during the winter. An ODA engineer is travelling to Port Stanley on January 26, and will discuss further roads requirements with civil and military authorities.

/There is



There is provision for some work on roads outside Port Stanley within the £31m development programme approved by Ministers in November. The cost of completing the Stanley-Darwin road is a central factor. If the new airfield were to be built at the March Ridge/ Mount Pleasant site, part of this road might need to be finished to a higher specification as a charge to Defence funds. Decisions on civilian road-building in camp can therefore best be taken once details of the new airfield and associated facilities have been settled.



Foreign and Commonwealth Office

London SW1A 2AH

26 JAN 1983

25 January 1983

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1 2 3 4 5 6 7

John Munster
JH

26/1

Dear John,

Falkland Islands: Education

Thank you for your letter of 13 January. I enclose a note on the education system and our aid to it.

You refer to expressions of concern about a shortage of qualified teachers. It may be that some local people are unaware of the impending arrival of seven more. This is the final batch of people recruited on behalf of the Islands' Government last autumn. In view of the accommodation shortage, the Civil Commissioner asked that they should not travel until the school year was about to start.

There remains a shortage of travelling teachers. These have traditionally been unqualified and the salaries offered reflect this. The Civil Commissioner wants to find people who will work on those salaries without supplementation. We are seeking to help. One possibility is that potential immigrants would have their fares met by ODA if they went to take up a one-year teaching contract whilst assessing the prospects for permanent settlement. VSO and similar societies are also being approached, although the British Volunteer Programme has not covered the Falklands for some years.

Why? They should be qualified. Their work is even more difficult than that of regular teachers and your eye

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

than that of regular teachers and

EDUCATION IN THE FALKLAND ISLANDS

1. PRESENT ARRANGEMENTS

Primary

There is a primary school in Port Stanley, which is apparently functioning well despite some sharing of premises.

Outside Stanley, primary education is conducted in individual settlements with support from the camp education unit in the capital. Larger settlements engage their own teacher, whilst smaller ones rely primarily on a travelling teacher in support of part-time work by a resident. The camp education unit is well-staffed and equipped, but the travelling teacher system has an acute staff shortage at present. Efforts are in hand to recruit five such teachers for 1983. Such teachers have traditionally been unqualified, and the teaching unions in the UK have opposed involvement by HMG in their recruitment.

Secondary


Secondary education used to be divided between a government school in Stanley and a Falkland Islands Company boarding school at Darwin. Several years ago plans were made to centralise in Stanley. This involved building a boarding hostel, and temporary arrangements were made to use Stanley House while the hostel was under construction. The hostel building had not been satisfactorily completed at the time of the invasion. It is now serving as HQ, BFFI. Stanley House has therefore been leased for the 1983 school year. It is being refurbished and the accommodation will be extended by the use of mobile homes in the grounds. The existing secondary school provides very cramped quarters for the present number of pupils.

A small number of pupils come to school in England for 'A' level courses.

2. FUTURE NEEDS

At the primary level, there has been dissatisfaction with the travelling teacher system for some years. For 1983, there is no option but to operate on the traditional basis. During the year, there will be a further review leading to decisions on future arrangements. There are differing views among education staff locally about the best way forward.

/At the



At the secondary level, the first priority is to make permanent hostel arrangements. The hostel building may never be accepted for this purpose by the Falkland Islands Government, as there are powerful memories of controversy over design, finishing, and inadequate contractors - the original contractor, linked to the Falkland Islands Company, went into liquidation. FIC then took over the work direct, but performed poorly. The contractual dispute might have gone to law, but ministers concluded that a settlement was desirable at the time when bigger issues had to be pursued with FIC following Lord Shackleton's updated report.

Once plans have been agreed on permanent hostel arrangements, the possibility of rebuilding the secondary school on a larger site will have to be considered.

An ODA education adviser is to visit the Islands in March, to discuss requirements for 1984 and beyond. He will consider in particular the future of camp education, and the question of premises for both teaching and boarding in Stanley at secondary level.

3. EXISTING AID FOR EDUCATION

In Port Stanley about 20 teaching and senior staff posts are filled under the Overseas Service Aid Scheme (OSAS). They are recruited by ODA for the Falkland Islands Government, who pay local salaries; ODA tops these up to UK levels, and meets various expenses including passages. Seven such teachers - some as replacements and some for new posts - travel to the Islands in February for the start of the new school year. ODA is also helping the Falkland Islands Government to find new travelling teachers for 1983. They will be employed on local salaries, but passage costs will be met from rehabilitation funds. ODA has funded equipment for the camp education unit in Port Stanley, and also finances sixth form education in the UK for selected pupils. Training awards are also made for further education in the UK. The building of the school hostel was an aid-financed project, and future hostel arrangements will almost certainly involve aid - whether the present building is finally used or other arrangements are made. (One possibility is to extend the housing contractor's accommodation block, and some design work has already been done on this.)



20 JUN 1982

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MINISTRY OF DEFENCE
 MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~230 7022~~ 218 2111/3

PQ 6510

MT

25th January 1983

- 1 Mr Butler
- 2 Prime Minister

Dear Willie,

Content for Mr Heseltine
 to write to Mr Dalyell in
 these terms?

PQ: MR TAM DALYELL MP

Wh
 25/1

We spoke yesterday about Mr Tam Dalyell's PQ "To ask the Secretary of State for Defence why it took his Department until 12th March to reply to the request made by the Prime Minister to his predecessor on 8th March as to how quickly Royal Naval ships could be deployed to the Falkland Islands if required, as mentioned in paragraph 153 of the Franks Report."

In his reply yesterday Mr Heseltine undertook to write to Mr Dalyell. I now attach the draft of a letter to Mr Dalyell which has been approved by Mr Heseltine and Sir John Nott. In view of the references to conversations between the Prime Minister and Sir John you will no doubt wish to ascertain whether the Prime Minister is content with the draft. For convenience I also attach a copy of the letter which was sent on 12th March.

Your ever
 Nick Evans

(N H R EVANS)

W F S Rickett Esq

DRAFT .

You asked for the reason why no reply was sent until the 12th March in answer to the Prime Minister's request on 8th March for information on the deployment of ships.

The Prime Minister raised the matter with my predecessor at No 10 on the evening of Monday 8th March. The Defence Secretary gave a general indication of the passage time for various ships to the Falklands but suggested that we should examine further whether ships already on missions might be redeployed there. Early next morning the Department was tasked to produce a formal reply. My predecessor approved a draft reply on Thursday, 11th March and a letter was sent to No 10 the next day.

You will appreciate that it is impossible for me to reconstruct in detail events in which I was not involved. But, given the Government's perception of Argentine intentions at the time, it seems to me reasonable that three days should have elapsed in preparing a detailed reply to the Prime Minister, particularly when it was necessary to consider questions of redeployment of ships on operational tasks.



MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~532X02X~~ 218 2111/5

MO 5/21

12th March 1982

*Dear John,*FALKLANDS ISLANDS

The Prime Minister indicated to Mr Nott on Monday evening that she would like to know how quickly RN ships could be deployed to the Falkland Islands. Separately you have written to John Holmes suggesting that the paper which Lord Carrington will put to OD in the near future should address the question of contingency planning. This is in hand and my letter deals only with the limited question of ship deployments.

As to frigates the West Indies guardship, HMS LONDONERRY, is up to 3 weeks sailing time from the Falkland islands. She is, however, essentially a trials ship and carries limited close range armaments. Moreover, she has no dedicated tanker support, so that if ports on the South American coast were denied to her she could not reach the Falklands. This consideration would also apply to the frigate ANDROMEDA currently undergoing trials in the Bahamas.

There are, as the Prime Minister observed, RN ships participating in the NATO Exercise SAFE PASS 82, which continues until 18th March in the Gulf of Mexico and off the Eastern Seaboard of the United States. They are the frigate HMS DANAE (part of STANAVFORLANT) and the nuclear-powered submarine HMS COURAGEOUS. Deployment of HMS DANAE to the Falklands would run into the same problems as that of HMS LONDONERRY; although a tanker is in attendance it is servicing STANAVFORLANT as a whole and is in any case not a British vessel.

In short, if a frigate were to be deployed to the Falklands, RFA support would also be necessary. Passage time whether from the Caribbean or the UK would be in the order of 20 days. Maintenance of one frigate on station on a semi-permanent, deterrent basis would, in practice, require the deployment of two, in order to allow for maintenance and serviceability.

To complete the picture the Prime Minister will be aware that the Ice Patrol vessel HMS ENDURANCE is at present operating in the region. She is currently off Adelaide Island, within 3 days sailing

A J Coles Esq



time from Port Stanley. She will remain in the South Atlantic until mid-April before returning to the UK. ENDURANCE carries two Wasp helicopters armed with close range missiles and is herself armed with two 20mm Oerlikon guns. The Prime Minister will also know of the permanent Falklands Garrison comprising 42 Royal Marines; they are equipped with light infantry weapons. The annual roulement of the detachment is scheduled to take place between 24th March and 5th April.

I am copying this letter to John Holmes.

Yours sincerely

Nick Evans

(N H R EVANS)



10 DOWNING STREET

From the Private Secretary

c: HO
LCO
FCO
HMT
LPO
MOD
LPSO
TRADE
CDL
CO
25 January 1983

Rolls Royce : Argentina

Thank you for your letter of 25 January about the contract between Rolls Royce and the German shipbuilders Blohm and Voss.

The Prime Minister notes the contractual requirement for Rolls Royce to provide one of their own staff aboard the frigate during its North Sea trials, at which time it will be under the Argentine flag. But Mrs Thatcher is concerned that, if this arrangement is implemented, and it becomes known, there could be considerable criticism of the Government for not having sought to avoid such a situation. She would therefore be grateful if the Secretary of State for Industry could reflect further about the possibility of speaking informally to Rolls Royce at a high level in order to establish whether some less embarrassing arrangement could be made. She would be grateful for Mr. Jenkin's further views.

I am copying this letter to the Private Secretaries to members of OD and to Richard Hatfield (Cabinet Office).

AJC

Dr David Saunders,
Department of Industry.

5



JF2476

PS/ Secretary of State for Industry

DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
LONDON SW1E 6RB

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25 January 1983

John Coles Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1

Alan Jones

ROLLS ROYCE : ARGENTINA

My Secretary of State thinks the Prime Minister will wish to know of a development arising under a contract between Rolls Royce and the German shipbuilders Blohm and Voss under which Rolls Royce are supplying engines for incorporation in four frigates which Blohm and Voss are building for the Argentine Navy.

2 The background is that supplies of this equipment were halted during the hostilities with Argentina and Rolls Royce withdrew their technical support personnel. On 9 September 1982 following discussion in OD Committee (OD(82)5th Meeting) and subsequent Ministerial correspondence, my Secretary of State wrote to Lord McFadzean informing him that the Government had now agreed that the equipment might be released. The main basis for this decision was the damage which would be done to Rolls Royce's commercial relations with Blohm and Voss (and possibly to wider commercial relations) by a failure to meet their contractual obligations.

3 Rolls Royce have now informed us that their contract with Blohm and Voss requires them to support the German firm during crew familiarization, which occurs after transfer of ownership, ie. under the Argentine flag. The first frigate is due to be handed over to the Argentines tomorrow (Wednesday); North Sea trials, during which Rolls Royce will have one man aboard the frigate, will start on 5 February lasting until the end of the month. According to Rolls Royce, their contract obliges the company to provide one of their own staff, who has been working with Blohm and Voss on all earlier phases of the contract.



4 The view of officials in this Department, the Ministry of Defence and the Foreign and Commonwealth Office is that this Department has no power to prevent the company from fulfilling its contract; and that given the Government's policy on the sanctity of contracts we should not be seen to apply pressure on the company to break the contract with Blohm and Voss. Equally, we should resist any attempt to transfer any part of the responsibility for the company's latest actions on to the Government. Nevertheless, this Department has expressed to Rolls Royce our concern at the bad publicity and embarrassment which this might attract were it to become publicly known, and has sounded out the possibility of using, for example, a freelance foreign national less closely connected with the company. Since this alternative is apparently not open to the company under the contract the Department is proposing to write to Rolls Royce saying that it is unfortunate that this situation should have arisen but the Department has noted that the company consider that they are contractually bound to provide the services of an employee of the company during the period of crew familiarization.

5 I am copying this letter to the Private Secretaries to members of OD and to Richard Hatfield in Sir Robert Armstrong's office.

Yours ever,

David Saunders

DS

DAVID SAUNDERS
Private Secretary

25 JAN 1983



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FM BIS BUENOS AIRES

U PRIORITY FCO

ELNO 30 OF 24 JANUARY

INFO PRIORITY MONTEVIDEO BRASILIA SANTIAGO MOD WASHINGTON

UKMIS NEW YORK CIVIL COMMISSIONER PORT STANLEY

PRESS SUMMARY

1. THE FALKLANDS AGAIN FIGURED PROMINENTLY IN THE WEEK-END NEWS. A FOREIGN MINISTRY COMMUNIQUE ISSUED LATE ON 21 JANUARY STATED THAT ARGENTINA QUOTE SCRUPULOUSLY OBSERVES THE CURRENT D E F A C T O CESSATION OF HOSTILITIES UNQUOTE AND IS QUOTE FIRMLY COMMITTED TO A PEACEFUL SOLUTION UNQUOTE OF THE SOVEREIGNTY ISSUE. HER WILLINGNESS TO REOPEN TALKS IMMEDIATELY WITH THE UK WAS STRESSED AND STORIES OF POSSIBLE ARGENTINE ATTACKS ON THE ISLANDS WERE DISMISSED IN NOW CONVENTIONAL TERMS AS A BRITISH DISINFORMATION CAMPAIGN DESIGNED TO JUSTIFY THE SIZE OF THE GARRISON AND THE REFUSAL TO NEGOTIATE (TEXT AND TRANSLATION BY BAG TO FCO).

2. GENEROUS COVERAGE IS ALSO GIVEN TO DEFENCE MINISTER MARTINEZ VIVOT'S REITERATED DENUNCIATION OF SUPPOSED UK PLANS TO TURN THE FALKLANDS INTO AN ISLAND FORTRESS. WE COULD ALLEGEDLY COOPERATE IN THE VENTURE WITH ONE OF THE OUR NATO PARTNERS, BY IMPLICATION THE US. VIVOT AGAIN EMPHASISES THAT THERE WOULD BE NO FORMAL DECLARATION OF AN END TO HOSTILITIES UNTIL THE UK CAME TO THE NEGOTIATING TABLE. (TEXT AND TRANSLATION BY BAG TO FCO).

/ 3. Your

3. YOUR BBC RADIO INTERVIEW OF LAST WEEK IS WIDELY REPORTED, AS ARE THE FINDINGS OF THE FRANKS COMMISSION. BRITISH PRESS SPECULATION THAT HRH PRINCE CHARLES MAY VISIT THE FALKLANDS IS RELAYED WITHOUT FURTHER COMMENT.

4. ACCORDING TO "NOTICIAS ARGENTINAS", AN AIR FORCE SOURCE HAS CLAIMED THAT ARGENTINA MAY BUY AN UNSPECIFIED NUMBER OF FRANCE/GERMAN ALPHA JETS, IF THE PRODUCTION OF HER OWN 1-A63 FIGHTER-BOMBER IS DELAYED AND FINANCING PROBLEMS CAN BE OVERCOME. DESPITE SUPPLY DIFFICULTIES FOR CERTAIN ELECTRONIC EQUIPMENT, THE 1-A63 PROJECT IS HOWEVER, PROGRESSING ON SCHEDULE. ARGENTINA IS UNLIKELY TO PURCHASE ISRAELI K-FIR-II AIRCRAFT, SINCE THE ENGINES REMAIN SUBJECT TO THE AMERICAN ARMS EMBARGO, AND SHE HAS REJECTED AN OFFER OF 52 F-104 STAR FIGHTERS.

5. BRAZIL HAS ACCEPTED THE ARGENTINE EXPLANATION OF THE INCIDENT IN WHICH HER ANTARCTIC SURVEY VESSEL WAS INTERCEPTED IN THE BEAGLE CHANNEL ON 18 JANUARY, AND HAS DECLARED THE MATTER CLOSED.

6. AN UNEXPECTEDLY SHARP RISE IN FUEL AND PUBLIC UTILITIES PRICES TOOK EFFECT FROM MIDNIGHT 21 JANUARY. THE INCREASES AVERAGE 24.5 PER CENT AND 15.4 PER CENT RESPECTIVELY, WITH PRICES IN THE TRANSPORT SECTOR GOING UP BY 13 PER CENT.

7. BUS-DRIVERS MAY STRIKE THIS WEEK IF THEIR PAY DEMANDS ARE NOT SATISFIED, AND CGT-AZOPARDO IS LIKEWISE CONSIDERING STRIKE ACTION.

JACKSON-HOULSTON.

THIS TELEGRAM
WAS NOT
ADVANCED

POWEL-JONES

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To IMMEDIATE FCO

TELNO 29 OF 24 JANUARY

INFO PRIORITY WASHINGTON UKMIS NEW YORK EC POSTS PORT STANLEY
OTTAWA WELLINGTON CANBERRA OSLO UKDEL NATO BRASILIA
SANTIAGO MONTEVIDEO

MY TELNO 20 (NOT REPEATED TO ALL): FALKLANDS

1 I SENT TO AMBASSADOR MUHEIM ON 21 JANUARY THE TEXT OF THE PRIME MINISTER'S STATEMENT IN YOUR GUIDANCE NO 11, RELATING TO CONVERSATION REPORTED IN MY TUR. ON 24 JANUARY MUHEIM ASKED ME TO CALL URGENTLY. A TELEGRAM HAD BEEN RECEIVED FROM THE SWISS AMBASSADOR IN BUENOS AIRES WHICH HE WOULD NOT HANDOVER BECAUSE IT CONCERNED MILITARY MATTERS BUT WOULD GIVE ME ORALLY. THE FOLLOWING IS AMBASSADOR KEUSCH'S RESPONSE TO THE FDFA'S REPORT OF MY DISCUSSION WITH MUHEIM OF 17 JANUARY (PARA 3 OF TUR).

2. THE SWISS EMBASSY FOLLOWED VERY CLOSELY THE STATEMENTS BY LEADING ARGENTINE PERSONALITIES INCLUDING THOSE OF THE SORT GIVEN IN YOUR TELNO 66 TO WASHINGTON AND ANALYSED THEM IN CONJUNCTION WITH BISBA STAFF. THE SWISS EMBASSY DID NOT CONSIDER THAT SUCH STATEMENTS HAVE BECOME MORE NUMEROUS OR MORE AGGRESSIVE OF LATE. A GREAT NUMBER OF DECLARATIONS BY ARGENTINE MILITARY AND POLITICAL PERSONALITIES WERE REPORTED IN THE LOCAL PRESS. THEIR TENDENCIES VARIED BUT BELLICOSE STATEMENTS WERE RELATIVELY RARE.

3. AMBASSADOR KEUSCH HAD DISCUSSED THE SITUATION WITH HIS UNITED STATES COLLEAGUE WHO DID NOT THINK THAT THERE WAS AN INCREASE OF TENSION. NEITHER OF THE TWO AMBASSADORS BELIEVED THAT ANY KIND OF MILITARY ACTION ON A LARGE SCALE WAS AT PRESENT CONCEIVABLE.

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4. AMBASSADOR KEUSCH HAS NO REASON TO BELIEVE THAT COMMANDO RAIDS ARE ENVISAGED BY THE MILITARY HIGH COMMAND. NICOLAIDES AND OTHER SENIOR OFFICERS OF THE ARMY GAVE THE IMPRESSION OF HAVING MODERATE VIEWS AND SEARCHING FOR DIPLOMATIC SOLUTIONS. IT WAS HOWEVER ALSO CLEAR THAT THE ARGENTINE AIR FORCE AND NAVY HAVE A DIFFERENT APPROACH BECAUSE THEY DO NOT FEEL THEMSELVES TO HAVE BEEN DEFEATED IN THE FALKLANDS CONFLICT. SINCE THERE IS RIVALRY BETWEEN THE SERVICES AND THE EXACT LOCALISATION OF POWER IN BUENOS AIRES IS DIFFICULT TO DEFINE THERE REMAINED REASONS TO BE CONCERNED AND IT WAS NOT INCONCEIVABLE THAT LIMITED MILITARY ACTIONS COULD BE LAUNCHED EVEN BY LOWER-RANKING PERSONALITIES.

5. KEUSCH AND HIS US COLLEAGUE AGREED THEREFORE THAT THERE IS A RISK OF COMMANDO RAIDS OR SOMETHING SIMILAR GIVEN THE INTERNAL POLITICAL SITUATION. BOTH EMPHASISED HOWEVER THAT THEY DID NOT HAVE ENOUGH ELEMENTS OF INFORMATION TO SAY THAT SUCH RAIDS ARE BEING PREPARED. THE CBS REPORT (YOUR GUIDANCE 11) HAD BEEN DENIED BY HIGH MILITARY SOURCES ACCORDING TO THE ARGENTINE PRESS.

6. AMBASSADOR KEUSCH REPORTED THAT HE ALSO SPOKE TO AMBASSADOR PEREZ THOMAS, HEAD OF THE WESTERN EUROPEAN DIVISION IN THE MINISTRY OF FOREIGN AFFAIRS, WHO HAD QUALIFIED THE RUMOURS OF NEW ARGENTINE ATTACKS AS IRRESONSIBLE. KEUSCH HAD ALSO DRAWN THE ATTENTION OF PEREZ THOMAS TO THE REACTION WHICH SHOULD BE EXPECTED BY THE ARGENTINES BY THE BRITISH SIDE INCLUDING THE QUESTION OF RADIO AMATEURS (YOUR TELNO 08 TO BERNE). PEREZ THOMAS HAD REPLIED THAT HE WAS NOT INFORMED ON THIS LAST POINT. HE HAD ALSO SAID THAT ARGENTINA DESIRED NEGOTIATIONS BUT THESE HAD BEEN REFUSED BY THE UNITED KINGDOM.

7. KEUSCH'S REPORT WENT TO NOTE THAT ON THE DIPLOMATIC LEVEL THE STATEMENT BY AGUIRRE LANARI IN MANAGUA SHOWED A CERTAIN HARDENING IN THE ARGENTINE ATTITUDE TOWARDS GREAT BRITAIN COMPARED WITH PREVIOUS STATEMENTS AT THE UNITED NATIONS OR OAS. THE MANAGUAN STATEMENT ALSO CONFIRMED THAT ARGENTINE RAPPROCHMENT WITH NON-ALIGNED COUNTRIES HAS RECEIVED MORE EMPHASIS. KEUSCH ATTRIBUTED THIS HARDENING TO THE PRIME MINISTER'S VISIT TO THE

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FALKLANDS HAVING COINCIDED UNFORTUNATELY WITH THE MANAGUAN MEETING THE MINISTRY OF DEFENCE HAD ISSUED A PUBLIC STATEMENT THAT NO DECLARATION OF THE CESSATION OF HOSTILITIES WOULD BE MADE BY ARGENTINA AS LONG AS THE UK WAS NOT READY TO NEGOTIATE ALONG THE LINES PROPOSED BY THE UNITED NATIONS.

8 KEUSCH'S CONCLUSION WAS THAT ONE SHOULD NOT DRAMATISE THE RUMOURS OF A POSSIBLE COMMANDO RAID, A CONCLUSION WHICH HE SAID WAS SHARED BY HIS BRITISH COLLEAGUE IN BISBA.

9 MUHEIM PARTICULARLY REQUESTED THAT KEUTSCH'S REPORT SHOULD BE TREATED VERY CONFIDENTIALLY. HE ALSO SAID THAT THE DUAL ROLE OF THE SWISS EMBASSY IN BUENOS AIRES ARISING FROM THEIR RESPONSIBILITY FOR THE PROTECTION OF BRITISH INTERESTS WAS WELL UNDERSTOOD BY THE ARGENTINES (UNLIKE THE IRANIANS IN RESPECT OF SWISS PROTECTION OF AMERICAN INTERESTS IN TEHRAN WHICH HAD PROVOKED SERIOUS DIFFICULTIES FOR SWITZERLAND).

POWELL-JONES

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(Repetition to PORT STANLEY
referred for departmental decision,
repeated as requested to other posts.)

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10 DOWNING STREET

From the Private Secretary

24 January 1983

FALKLAND ISLAND DEPENDENCIES:
WHALING STATIONS

The Prime Minister was grateful for your letter of 19 January on the above subject and your further letter of 20 January specifically related to the Davidoff Contract.

Mrs. Thatcher has one further question: did Salveson consult us before they assigned the contract to Davidoff originally?

I am copying this letter to Richard Mottram (Ministry of Defence), Henry Steel (Attorney General's office) and Richard Hatfield (Cabinet Office).

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office

A
Argentina

file

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ADVANCE COPIES: FALKLAND ISLANDS GENERAL 40

PS
PS/MR HURD
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PS/MR RIFKIND
PS/PUS
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SIR I SINCLAIR
MR GIFFARD
MR WRIGHT
MR ADAMS
LORD N G LENNOX
MR EVANS
MR URE
MR GILLMORE

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PS/CHANCELLOR)
MR ~~MARK DENNISON~~) TREASURY
MR LITTLER)

SIR R ARMSTRONG)
MR A D S GOODALL) CABINET OFFICE
DIO)

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RESIDENT CLERK

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~~MR G. R...~~ ; LARRY, ODA
MR D. LAWLESS
MR A TITCHENER ;
MR C W ROBERTS , IAT ; DOT

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UKDEL NATO BERNE

YOUR TELNOS 8 AND 9: POSSIBLE HOSTILE ACTION IN THE ANTARCTIC.

1. WATTS INTERVENED DURING THIS MORNING'S DEBATE AND DELIVERED THE STATEMENT AT 202325Z

2. ARGENTINE DELEGATION LEADER (CARLOS BLANCO, DIRECTOR

2. ARGENTINE DELEGATION LEADER (CARLOS BLANCO, DIRECTOR GENERAL, ANTARCTIC AND 'MALVINAS' DEPT, MFA) WAS INFORMALLY GIVEN NOTICE OF OUR INTENTIONS, ABOUT TEN MINUTES BEFORE DELIVERY OF STATEMENT. HE COMMENTED IMMEDIATELY IN THE FOLLOWING TERMS, AS NOTED BY UK DELEGATION, BUT VIRTUALLY VERBATIM. QUOTE REGARDING THE STATEMENT JUST MADE, I WOULD LIKE TO SAY FIRSTLY THAT ARGENTINA TRADITIONALLY ABIDES BY ITS INTERNATIONAL OBLIGATIONS AND HAS ALWAYS DONE SO. SECONDLY, ARGENTINA HAS BEEN AN ORIGINAL MEMBER OF THE ANTARCTIC TREATY SINCE 1959 AND THEREFORE IS TOTALLY AWARE OF THE OBLIGATIONS THE ANTARCTIC TREATY IMPOSES, AMONGST THEM THE PRINCIPLE OF NON-MILITARISATION ARGENTINA COMPLIES, HAS COMPLIED AND WILL COMPLY, WITH THOSE OBLIGATIONS, NO MORE NO LESS. THE REPORTS ARE INNACCURATE (HE CHOSE THE WORD CAREFULLY) IN WHATEVER VERSION. THE ARMED FORCES OF ARGENTINA ARE ACTING AS LOGISTIC SUPPORT FOR SCIENTIFIC OPERATIONS IN THE AREA. I AM SORRY THAT THE MATTER HAS BEEN BROUGHT INTO THIS FORUM - IT IS NOT PROPITIOUS - AND I HOPE IT DOES NOT AFFECT THE WORK OF THE CONFERENCE. ENDS. UNQUOTE.

3. NO OTHER STATEMENTS WERE MADE, AND THE WORK OF THE CONFERENCE CONTINUED.

4. IT IS PROBABLE THAT THE FACT THAT WE MADE A STATEMENT (AND POSSIBLY ITS TERMS) WILL BECOME PUBLICLY KNOWN. FOR THE PRESENT, WE AND DELEGATION PROPOSE, IF ASKED, TO DECLINE COMMENT ON SUBSTANTIVE PROCEEDINGS WITHIN THE CONFERENCE, AND ARGENTINES WILL ACT LIKEWISE. CONFERENCE CHAIRMAN (BEEBY, NZ) HAS CONSISTENTLY TAKEN THIS LINE ON OTHER CONFERENCE ISSUES AND INTENDS TO DO SO HIMSELF ON THIS MATTER.

5. ARGENTINA HAS NO MISSION IN WELLINGTON AND WILL HAVE DIFFICULTIES OVER SECURE COMMUNICATIONS WITH BUENOS AIRES. THIS MAY AFFECT THEIR ABILITY TO SAY MORE ON THIS TOPIC DURING THE COURSE OF THE CONFERENCE.

6. FCO PSE PASS EAST BERLIN, IF APPROPRIATE.

FAWCETT

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PS/MR ONSLOW
PS/MR RIFKIND
PS/PUS
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DIO)

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TELEGRAM NUMBER 53 OF 21 JANUARY 1983
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IMMEDIATE

MY TELNO 42: FALKLANDS: POSSIBLE FURTHER ARGENTINE AGGRESSION

1. WE ASKED THE HEAD OF SOUTH AMERICA DEPARTMENT AT THE QUAI
THE RESULTS OF THE FRENCH AMBASSADOR'S PROBE. FOUQUET SAID THAT
THE AMBASSADOR'S ASSESSMENT WAS THAT THE ARGENTINES WANTED
PRIMARILY TO MAINTAIN PRESSURE ON BRITAIN IN ORDER TO KEEP
BRITISH FORCES IN A COSTLY STATE OF ALERT. THEY DID NOT SEEM
TO HAVE ANY IMMEDIATE INTENTION OF CONDUCTING OPERATIONS, THOUGH
THEIR MILITARY PREPARATIONS WOULD ALLOW THEM TO ACT SHOULD
THEY SPOT ANY BREACH IN BRITAIN'S DEFENCES. FOUQUET SAID THAT
THE AMBASSADOR HAD FORMED THIS VIEW FOLLOWING CONTACTS (HE
WAS RELUCTANT TO SPECIFY AT WHAT LEVEL) WITH THE ARGENTINE
AUTHORITIES. ASKED WHETHER THE FRENCH INTENDED TO FOLLOW
UP WITH A FORMAL DEMARCHE FOUQUET SAID THAT THIS HAD NOT YET BEEN
DECIDED.

2. WHEN WE MENTIONED PRESS REPORTS (EG DAILY TELEGRAPH OF 20 JAN) OF FRENCH ARMS SHIPMENTS TO ARGENTINA EARLIER THIS WEEK FOUQUET SAID IT WAS CORRECT THAT THERE HAD BEEN A SHIPMENT OF PANHARD PERSONNEL CARRIERS. THIS WAS AN OLD CONTRACT GOING BACK TO 1980. THE FRENCH EMBASSY IN LONDON HAD BEEN AUTHORISED TO INFORM THE FCO.

FCO PLEASE PASS TO SAVING ADDRESSEES.

FRETWELL.

NNNN

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Prime Minister

(2)

Would you like a discussion when we can fit it in after the Franks debate?
A-F.C. 1/1

MR. COLES

THE FUTURE OF THE FALKLANDS

1. I am not writing this minute specifically in the context of the House of Commons debate next week on the Franks Report. However, the Prime Minister might like to have some of the following thoughts to turn over in her mind.
2. I am an unashamed hard-liner on the question of negotiations. I think that my view is shared by most intelligent people of good will. To put it bluntly, there was a time when it was possible to negotiate with the Argentines on peripheral subjects such as joint economic development, communications, education, etc, thus blurring the central issue of sovereignty. With the Argentine military humiliation, this kind of thing has become impossible. Any negotiations, to be acceptable to Argentina, would have to be about sovereignty and nothing but sovereignty. This is totally unacceptable to us. Hence, we must continue to adopt an inflexible line on this question. If we try to shade the meaning of what we are saying in order not to give offence, eg to our partners and allies, the passion for negotiation which grips the greater part of the world will take over and we will find ourselves on a slippery slope.
3. Having said this, we must at the same time recognise that our position internationally is going to become increasingly isolated and our nerves are going to have to be correspondingly strong. To put it in UN terms, the number of abstentions on a "negotiations resolution" at each General Assembly will dwindle: I doubt whether we will be able to hold EC in the 1983 GA to an abstention position: and we will fairly soon find ourselves accompanied only by micro states such as Caribbean Islands and states with special interests such as Guyana. Our position is not eased by the fact that we are ourselves constantly urging negotiations on others, eg the Arabs to negotiate with Israel, the black Africans to negotiate with the South Africans, and so on and so forth. Never mind. We must be prepared if necessary to see ourselves in a minority of one. Once we put a toe on the slippery slope, we will find ourselves sliding down it with increasing speed.
4. There is, however, another aspect which I think will shortly begin to develop in the internal debate in this country, perhaps amongst our

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/allies and partners

allies and partners as well. Those people who accept that we cannot and will not negotiate over sovereignty with Argentina are already casting about for some kind of internationalisation of the problem. For example, Lord Carrington is reported in The Times of 20 January as saying that a new Antarctic Treaty allowing British Administration of the Falklands under international sovereignty was an eventual answer to Anglo-Argentine confrontation. This idea of an extension of the Antarctic Treaty to encompass the Falklands and the Dependencies has been aired by others and has been put to me in private by a number of people. By the same token, I have just read an article in the Contemporary Review by Lord Stamp in which he proposes an analogous solution. This is that the Falklands should be constituted as a "Falklands Trust" which should be administered in the interests of development of natural resources in the Falklands, the Dependencies and in Antarctica on behalf of the Third World. His idea is that this organisation should come under the aegis of the World Development Fund proposed in the Brandt Report. It should have a Board of Trustees on which developed and developing countries should be equally represented, and so on. As the Prime Minister no doubt knows, Julian Amery and others have a grandiose concept of establishing a South Atlantic Treaty Organisation to include South Africa, Argentina, Chile, the United States and ourselves in which the Falkland Islands would be incorporated as a strategic base. There are other such ideas abroad, for example the formation of a mini Antarctic-type Treaty to include the United States, ourselves, Uruguay, Chile and Argentina in which sovereignty claims over the Falklands and Dependencies would be frozen with the Islands being developed and used only for peaceful purposes.

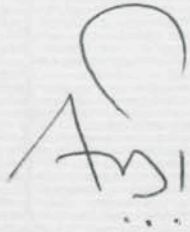
5. All these notions are being floated as long term possibilities designed to escape from the sterile confrontation over sovereignty and the indefinite continuation of "Fortress Falklands". It is easy to demolish all of them: for example an extended Antarctic Treaty would introduce six Communist States, including the Soviet Union, to the Falklands and the Dependencies. It would be difficult, if not impossible, to devise a permutation of "internationalisation" which would hold water and meet all our desiderata. It is in any case too early to do so. Nevertheless, I believe that this particular aspect of the debate will intensify in the weeks and months ahead. We will be expected to take a view on the general proposition, certainly in private, if not in public as well. I do not want to bore the Prime

/Minister with a

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- 3 -

Minister with a written critique of these various propositions.
Perhaps she might like to have a word about this minute when she
has any time to spare.



A.D. PARSONS
20 January 1983

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FM FCO 201335Z JAN 83

TO IMMEDIATE WELLINGTON

TELEGRAM NUMBER 009 OF 21 JANUARY

AND TO PRIORITY CANBERRA, BRUSSELS, PARIS, TOKYO, SANTIAGO,
OSLO, PRETORIA, MOSCOW, WASHINGTON, BONN, WARSAW, EAST BERLIN
INFO PRIORITY UKDEL NATO, CIVIL COMMISSIONER PORT STANLEY,
UKMIS NEW YORK, BERNE

FOR WATTS

MIPT : POSSIBLE HOSTILE ARGENTINE ACTION IN THE ANTARCTIC

1. YOU SHOULD SPEAK AS FOLLOWS. BEGINS.

THE BRITISH GOVERNMENT ARE AWARE OF THE PRESENCE IN THE
ANTARCTIC TREATY AREA OF ARGENTINE NAVAL POLAR VESSELS. THOUGH
THERE IS NOTHING ILLEGAL IN THIS IN ITSELF, THE NAVAL VESSELS'
APPARENTLY COORDINATED MOVEMENT TO THE AREA HAS COINCIDED WITH
CONSISTENTLY BELLICOSE STATEMENTS BY THE ARGENTINE GOVERNMENT,
INCLUDING REFERENCES TO THE RECOVERY OF UNSPECIFIED 'SOUTHERN
ARCHIPELAGOS'. IN THE AFTERMATH OF THE EVENTS OF LAST YEAR, THE
BRITISH GOVERNMENT MUST TAKE SERIOUSLY ANY INDICATION THAT THE
ARGENTINE AUTHORITIES MIGHT BE CONTEMPLATING SOME KIND OF ACTION
THAT WOULD BE IN VIOLATION OF THE ANTARCTIC TREATY, IN PARTICULAR
THE CARDINAL REQUIREMENT IN ITS ARTICLE 1(1) THAT ANTARCTICA
SHALL BE USED FOR PEACEFUL PURPOSES ONLY. ANY SUCH ACTION WOULD
HAVE GRAVE CONSEQUENCES IN DAMAGING THE SPIRIT OF PEACEFUL
COOPERATION THAT HAS BEEN SUCH A SUCCESSFUL ACHIEVEMENT OF THE
TREATY.

MY GOVERNMENT THEREFORE CALL ON THE ARGENTINE GOVERNMENT
CLEARLY AND CATEGORICALLY TO REAFFIRM ITS COMMITMENT TO THE
SPIRIT AND LETTER OF THE ANTARCTIC TREATY. I CAN MAKE SUCH A
COMMITMENT NOW ON BEHALF OF MY OWN GOVERNMENT AND HOPE THAT
THE ARGENTINE DELEGATE WILL BE ABLE TO DO SO ON BEHALF OF HIS
IN THE COURSE OF THIS CONFERENCE.

ENDS

PYM

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Foreign and Commonwealth Office

London SW1A 2AH

Handwritten notes:
Tharbyon
Did Salvesen
commit us before we
signed the contract?
Davidoff?

Prime Minister

20 January 1983

To note.

A.S.C. 27

Dear John,

The Davidoff Contract

I understand that at the meeting of OD(EM) on 19 January, two questions were asked about the contract between Christian Salvesen and Davidoff (I have written separately about the date of expiry of the contract):

- a) would we be justified in refusing Davidoff permission to visit South Georgia on the grounds that he acted in violation of his contract on his last visit?
- b) is there anything we can do to prevent Salvesens entering into a further contract after March 1983 with some other undesirable party?

We are confident that existing immigration legislation enables us to refuse Davidoff permission to visit South Georgia. His previous failure to comply with immigration requirements and his general conduct of the operation give us perfectly adequate grounds. We would not rely on any breach of his contract, in which we have no standing.

If Salvesen wish to enter into a new contract, they are legally free to do so with any party they wish. There is no legal action the Government can take which would have the effect of making the contract void or cancelling its provisions. Under immigration legislation, however, we could effectively frustrate any contract by preventing any person we consider undesirable from landing on South Georgia. This would clearly apply to any Argentine national. It might be more difficult if the contract were to be fulfilled by persons who were not otherwise undesirable immigrants. Each case would need to be considered on its merits. But Salvesens have in any case recently affirmed their intention to do nothing to embarrass the Government. The best way to proceed in our view is by discussion and persuasion, if necessary, with Salvesens. We

/propose

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propose, therefore, to have an early meeting with representatives of the company to discuss their future plans. We will describe to them at that meeting the political implications of possible future actions.

I am copying this to Richard Mottram (MOD), Richard Hatfield (Cabinet Office) and Henry Steel (Attorney General's office).

Yours ever

for Holmes

(J E Holmes.)
Private Secretary

A J Coles Esq
10 Downing Street

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Argentina: Defense of Falklands Pt 12



22 1 JAN 1982

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GRS 412
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FM FCO 201330Z JANUARY 83
TO IMMEDIATE WELLINGTON
TELEGRAM NUMBER 8 OF 20 JANUARY
AND TO PRIORITY CANBERRA, BRUSSELS, PARIS, TOKYO, SANTIAGO, OSLO,
PRETORIA, MOSCOW, WASHINGTON, BONN, WARSAW, EAST BERLIN
INFO PRIORITY CIVIL COMMISSIONER PORT STANLEY, UKMIS NEW YORK,
UKDEL NATO, BERNE
FOR WATTS

POSSIBLE HOSTILE ARGENTINE ACTION IN THE ANTARCTIC

1. YOU AND HEAP (BUT NOT ALL OTHERS) WILL HAVE SEEN JIC ASSESSMENT OF POSSIBILITIES OF HOSTILE ARGENTINE ACTION IN THE ANTARCTIC TREATY AREA. WE BELIEVE THAT THE CONFERENCE ON ANTARCTIC MINERALS OFFERS A GOOD OPPORTUNITY TO SEEK IN FRONT OF CONSULTATIVE TREATY PARTIES A PUBLIC ASSURANCE FROM THE ARGENTINE DELEGATE THAT HIS GOVERNMENT HAVE NO INTENTION OF TAKING ANY ACTION CONTRARY TO THE SPIRIT OR LETTER OF THE TREATY.
2. PLEASE THEREFORE TAKE AN EARLY OPPORTUNITY TO DELIVER IN THE CONFERENCE THE TEXT IN MIFT. YOU SHOULD PRESENT OUR AIM AS BEING TO ELICIT SATISFACTORY ASSURANCES, WITH THE LEAST POSSIBLE DISRUPTION OF THE WORK OF THE CONFERENCE.
3. ONCE YOU HAVE CONFIRMED THAT ACTION IN THE CONFERENCE HAS BEEN TAKEN, OTHER ACTION ADDRESSEES SHOULD INFORM HOST GOVERNMENTS OF IT AND GIVE THEM COPIES OF YOUR TEXT. YOU MAY, IF YOU JUDGE IT APPROPRIATE, TAKE INFORMAL SUPPORTING ACTION WITH FRIENDLY DELEGATES ON LINES SET OUT BELOW.
4. YOU SHOULD DECLINE TO GIVE DETAILS OF ANY 'INDICATION'. YOU AND OTHER POSTS SHOULD DRAW ON THE CATALOGUE OF RECENT BELLICOSE ARGENTINE STATEMENTS (FCO TELNO 66 TO WASHINGTON NOW BEING REPEATED TO NEW ADDRESSEES). YOU CAN ALSO SAY THAT ARGENTINE ACTIVITY IN THE TREATY AREA APPEARS TO HAVE INCREASED MARKEDLY THIS YEAR (AND TO BE MORE MILITARY IN CHARACTER THAN USUAL) WITHOUT THERE BEING ANY OBVIOUS REASON, LET ALONE EXPLANATION

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FROM THEM. WE ARE BOUND TO REGARD THE ACTIVITIES OF THE SHIP BAHIA PARAISO - KNOWN TO BE IN THE AREA - WITH SUSPICION GIVEN THE PART SHE PLAYED IN THE LANDING OF ARMED MARINES ON SOUTH GEORGIA IN MARCH 1982 ON HER RETURN FROM THE ANTARCTIC. WE HAVE OTHER INDICATIONS WE CANNOT DISCLOSE. YOU MAY SUGGEST THAT WE HOPE WE ARE WRONG, BUT ADD THAT, IF WE ARE NOT, THE CONSEQUENCES WOULD BE SO SERIOUS THAT WE FEEL WE MUST ALERT TREATY PARTNERS AND SEEK ASSURANCES FROM THE ARGENTINES.

5. POSTS IN WARSAW PACT CAPITALS HAVE DISCRETION TO TAKE THIS ACTION IF THEY JUDGE IT LIKELY TO BE HELPFUL. WE SHOULD PREFER NOT TO SPLIT THE PARTIES, AND BELIEVE THAT OUR CONCERN THAT THE TREATY SHOULD NOT BE INFRINGED SHOULD BE SHARED BY ALL OF THEM, WHATEVER THEIR POLITICAL HUE.

PYM

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FM UKMIS NEW YORK 202310Z JAN 83

TO IMMEDIATE F C O

TELEGRAM NUMBER 44 OF 20 JANUARY 1983

INFO PRIORITY WASHINGTON,
 INFO SAVING BIS BUENOS AIRES.

BUENOS AIRES TELNO 24: PUBLIC COMMENTS BY UN SECRETARY GENERAL ON THE FALKLANDS.

1. PEREZ DE CUELLAR'S STATEMENT (PARA 3 OF TELEGRAM UNDER REFERENCE) OCCURRED DURING AN UNSCRIPTED PANEL DISCUSSION WITH FIVE UN CORRESPONDENTS RECORDED ON 17 JANUARY AND SUBSEQUENTLY SHOWN TO UN CORRESPONDENTS. IT IS TO BE BROADCAST ON LOCAL CABLE TELEVISION (AT 1.00AM) ON 24 JANUARY.

2. WE HAVE OBTAINED A TRANSCRIPT (FULL TEXT BY BAG). FOLLOWING IS FALKLANDS PASSAGE:

BEGINS

MICHAEL LITTLEJOHNS (REUTER): SOME PEOPLE HAVE SAID THAT YOU HAVE NOT BEEN TOUGH ENOUGH. WHAT IS YOUR REACTION TO THAT KIND OF CRITICISM?

MICHAEL LITTLEJOHNS (REUTER): SOME PEOPLE HAVE SAID THAT YOU HAVE NOT BEEN TOUGH ENOUGH. WHAT IS YOUR REACTION TO THAT KIND OF CRITICISM?

SECRETARY-GENERAL: WELL, I DO NOT KNOW IN WHAT ASPECT THEY WANTED ME TO BE TOUGH. FOR INSTANCE, ON THE FALKLAND ISLANDS, I OFFERED MY GOOD OFFICES ONLY WHEN THE SECRETARY OF STATE HAIG GAVE UP. IT WAS NOT FOR ME TO INTERFERE WITH THE EFFORTS OF ONE OF THE PERMANENT MEMBERS OF THE SECURITY COUNCIL. IF FOR INSTANCE, THERE IS A PROBLEM BETWEEN OTHER COUNTRIES AND EITHER FRANCE OR THE SOVIET UNION OR THE UNITED KINGDOM IS MAKING A PERSONAL EFFORT, WHY SHOULD THE SECRETARY-GENERAL TELL THEM, "LISTEN, FORGET ABOUT YOUR EFFORTS BECAUSE I AM THE ONE WHO HAS THE ROLE OF OFFERING HIS GOOD OFFICES". I THINK THAT WE HAVE TO BE VERY CAREFUL NOT TO BELIEVE THAT THE SECURITY COUNCIL IS THE ONLY CHANNEL OR THE ONLY FORUM FOR DISCUSSING INTERNATIONAL PROBLEMS. I FEEL THAT THE MEMBER COUNTRIES ARE IN A WAY COMMITTED TO USING THE SECURITY COUNCIL AS A CHANNEL OR AS A FORUM FOR SOLVING PEACEFULLY INTERNATIONAL PROBLEMS, BUT THAT DOESN'T MEAN THAT OTHER COUNTRIES CANNOT TRY TO HELP SETTLE INTERNATIONAL PROBLEMS.

LITTLEJOHNS: BUT THE FALKLANDS PROBLEM IS STILL NOT RESOLVED...

SECRETARY-GENERAL: IT IS NOT YET RESOLVED. AS YOU KNOW, I HAVE EVEN TWO MANDATES OF GOOD OFFICES. ONE GIVEN BY THE SECURITY COUNCIL, AND THE OTHER ONE GIVEN BY THE GENERAL ASSEMBLY IN ITS LAST RESOLUTION. I HAVE BEEN AS YOU KNOW, IN TOUCH WITH THE TWO SIDES. I HAVE ALREADY GOT A REACTION FROM THE ARGENTINIANS; HAVE RECEIVED A PROVISIONAL FIRST REACTION FROM THE BRITISH AND I EXPECT THEIR SECOND REACTION.

LITTLEJOHNS: ANY ENCOURAGING REACTIONS?

SECRETARY-GENERAL: THE ARGENTINIAN, OBVIOUSLY IS. FROM THE BRITISH I HAVE NOT YET ANY OFFICIAL, FORMAL REACTION. AS FAR AS THESE PARTICULAR GOOD OFFICES ARE CONCERNED, AS ANY OTHER EFFORT OF THE SECRETARY-GENERAL, THE TIMING IS REALLY EXTREMELY IMPORTANT. I AM, AS YOU KNOW, AN OLD DIPLOMAT, AND I THINK THAT THE KEY FOR A DIPLOMAT, THE GOLDEN RULE, IS TIMING -- TO INTERVENE OR TO ACT WHEN NECESSARY. NOT TO RUSH, NOT TO PRESS WHEN PRESSURE IS NOT NECESSARY OR CAN BE COUNTERPRODUCTIVE. I THINK ON THE FALKLAND ISLANDS WE HAVE TO ALLOW SOME TIME FOR SOME OTHER THINGS TO EVOLVE AND THEN I THINK THE OPPORTUNITY FOR THE SECRETARY-GENERAL TO TRY AGAIN MAY WELL PRESENT ITSELF.

ENDS

3. SEE MIFT.

F C O PLEASE PASS SAVING BIS BUENOS AIRES

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GRS 270
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FM BONN 201515Z JAN 83
TO PRIORITY FCO
TELEGRAM NUMBER 51 OF 20 JANUARY
INFO PRIORITY MODUK (FOR DS11, DS13 AND D173)

FALKLANDS: GERMAN FRIGATES FOR ARGENTINA

1. COUNSELLOR (DEFENCE SUPPLY) WAS ASKED TO CALL THIS MORNING ON HEAD OF MFA DEPARTMENT RESPONSIBLE FOR ARMS EXPORTS. HENZE WISHED TO DISCUSS THE DEFENSIVE PRESS LINE TO BE USED IF NECESSARY AT THE TIME OF DELIVERY OF THE FIRST OF THE GERMAN SHIPS BEING BUILT FOR THE ARGENTINE NAVY. GERMAN COMMENTS ON THE DRAFT UK PRESS LINE AND THE LINE THEY PROPOSE TO USE THEMSELVES ARE BEING SENT BY TELELETTER TO DEW, FALKLAND ISLANDS DEPARTMENT.

2. HENZE INDICATED THAT THE PLANNED DATE OF HANDOVER OF THE FIRST FRIGATE HAD NOW BEEN PUT BACK TO 2 FEB. ASSUMING THERE WAS NO FURTHER DELAY, WE COULD EXPECT THE GERMANS TO NOTIFY US OFFICIALLY OF THIS DATE AT THE END OF NEXT WEEK. THE SHIP WOULD PROBABLY SAIL FOR THE SOUTH ATLANTIC THREE WEEKS AFTER 2 FEB.

3. PERRY REMINDED HENZE OF INDICATIONS WHICH I HAD DRAWN TO THE ATTENTION OF THE MFA (MY TEL 032) THAT ARGENTINA MIGHT BE CONTEMPLATING FURTHER HOSTILE ACTION. HE SAID THAT IN THIS CONTEXT WE WERE ANXIOUS TO CHECK ALL INDICATORS THAT MIGHT HAVE A BEARING ON ARGENTINE INTENTIONS HAD THE GERMANS ANY INDICATION THAT THE ARGENTINES MIGHT BE ANXIOUS TO ACCELERATE DELIVERY OF THE ALMIRANTE BROWN? WAS THERE ANY POSSIBILITY THAT THEY MIGHT CUT SHORT THE TRIALS AND SAIL THE SHIP SOUTHWARDS WITHIN THE NEXT FEW DAYS? THE MFA TOLD US AN HOUR LATER THAT AFTER CHECKING WITH BOTH BLOHM AND VOSS AND THE FEDERAL MOD THEY REMAINED SATISFIED THAT THERE WAS NO REASON TO SUSPECT THAT THE ARGENTINES WERE PLANNING TO ACCELERATE DELIVERY OF THIS SHIP. THE SHIP WAS NOW AT SEA CONTINUING BUILDERS TRIALS AND UNDER COMMAND OF A BLOHM AND VOSS CAPTAIN. ANY TRICKERY WOULD INCUR THE DISPLEASURE OF THE GERMAN GOVERNMENT AND CAUSE CONTRACTUAL COMPLICATIONS WITH BLOHM AND VOSS: AND HENCE PUT AT RISK DELIVERY OF THE REMAINING SHIPS.

TAYLOR

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Handwritten initials and a large flourish.

10 DOWNING STREET

From the Private Secretary

20 January 1983

"SUN" ARTICLE ON CONDITIONS FOR TROOPS IN THE FALKLAND ISLANDS

You kindly provided some briefing for Prime Minister's Question Time on today's article in The Sun.

BK | According to that article, a letter addressed to the Prime Minister by the Serviceman concerned was intercepted at Port Stanley and returned to the sender. I should be grateful for your comments as to the truth of this report. If the facts are as reported, it is on the face of it a little surprising that a letter to the Prime Minister was intercepted in this way.

A. J. COLES

Nick Evans, Esq.,
Ministry of Defence.

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"SUN"ARTICLE ON CONDITIONS FOR TROOPS IN FALKLAND ISLANDS

Line to Také

I have seen the article in this morning's Sun Newspaper. No one would pretend that the conditions in the Falklands for all our servicemen are ideal, but I can assure the House that we regard the comfort and welfare of our troops as being of great importance. Many facilities have already been provided since the ending of hostilities and the Ministry of Defence will continue to do everything possible to provide further improvements as soon as it can. My hon Friend the Under Secretary of State for the Armed Forces is now in the Falkland Islands and these are just the sort of matters he will be examining.

Clair

Jim:

a letter to P.N. was interrupted
at Port Stanley & returned to sender.

BACKGROUND NOTE

At this early stage the allegations appear to be rather exaggerated although there may be substance to a few points.

The soldier apparently belongs to a unit based in an outlying area where sanitation and washing facilities are still limited.

Natural fresh water resources are severely limited even in the Port Stanley area and fresh water is brought to the Falklands in tankers and distributed as necessary. It is therefore expensive and its use must be carefully controlled.

Since May of this year 8 consignments of eggs have been despatched to the Falklands amounting to some 3,000,000 eggs.

The floating hotel is now in position and was never intended as other than sleeping accommodation for some 950 personnel. It is misleading to suggest it has been gutted. It is fulfilling its intended function.

Fresh milk is not available. The powdered milk is the same as supplied to the Services around the world.

A mobile laundry unit has been procured and is understood to be working very efficiently.

Ian Kydd



With the compliments of
THE INFORMATION DEPARTMENT

Mr Graham

Very positive coverage of Frank's
but less so on the PM's
visit to the Falklands - I have
highlighted the more critical
aspects.

BRITISH EMBASSY
WASHINGTON, D.C.

W 25/

Mr Giles
to see

Ian Kydd

I think John likes that
See leaders of M



British Embassy

3100 Massachusetts Avenue NW Washington DC 20008

Telex Domestic USA 89-2370/89-2384

Telex International 64224(WUI)/440015(ITT)

Telephone (202) 462-1340

John Doble
Information Dept
F C O

Your reference

Our reference

Date 20 January 1983

Dear Mr Doble

FALKLANDS : US MEDIA COMMENT

As promised in our telegram of 19 January, I enclose copies of the articles in the US press both about the Franks Report and Mrs Thatcher's visit to the Falkland Islands. There is likely to be further comment about the Franks Report which we shall send you.

Scott
PPC V Anson
First Secretary (Information)

Enc.

cc Roger Westbrooke
Falkland Islands Dept
F C O

cc Ian Kydd
Press Office
No 10 Downing St

British Inquiry on Falkland War Clears the Thatcher Government

N. Y. T.
19. 1. 83.

By R. W. APPLE Jr.
Special to The New York Times

LONDON, Jan. 18 — Prime Minister Margaret Thatcher's Government was officially cleared of blame today for Britain's failure to anticipate or prevent Argentina's capture of the Falkland Islands last April 2, which led to a two-month war in the South Atlantic.

The report of a committee of inquiry, which spent six months studying secret documents and interviewing dozens of Britons, came as a political tonic for the Prime Minister, who is expected to call a general election later this year. It was signed not only by the committee chairman, Lord Franks, an Oxford don who served as Ambassador to the United States 36 years ago, but also by the four other committee members, including two leading figures in the opposition Labor Party.

Although the report criticized some Government decisions and some intelligence assessments, it stated flatly in one of the key paragraphs of a closely printed 90-page text that "the invasion of the Falkland Islands could not have been foreseen." And it said there was

"no reasonable basis for any suggestion — which would be purely hypothetical — that the invasion would have been prevented if the Government had acted" in ways suggested by the five-man panel.

"We conclude," they wrote, "that we would not be justified in attacking any criticism or blame to the present Government for the Argentine junta's decision to commit its act of unprovoked aggression in the Falkland Islands."

Mrs. Thatcher was greeted with jeers from the opposition as she read sections of the report in the House of Commons this afternoon, and there were some critical comments later.

Adrian Moni, the London representative of the Falkland government, said the islanders would be surprised, adding, "I find it difficult to believe that there were no strong indications from Argentina, with all the maneuvers and stockpiling that were taking place, that

Continued From Page A1

the invasion would take place when it did."

Lord Franks and his colleagues said that Lord Carrington, then the Foreign Secretary, and his Foreign Office colleagues underestimated early last year the speed with which the crisis would develop. They also argued that the Foreign Office underrated the possibility that a stalemate in negotiations might prompt a sudden invasion — a prospect mentioned in a mid-1981 intelligence paper.

But the report said that the decision to invade, as opposed to simply increasing military pressure, was probably not made until March 31 or April 1. A warning was flashed to Mrs. Thatcher on March 31 by the British Embassy in Buenos Aires, the report went on, and after meeting with Cabinet colleagues, she called President Reagan that night to ask him to try to persuade Argentina not to take the final step.

The report specifically rejected as untrue charges published in British newspapers that the embassy sent a warning of an invasion on March 24, that American intelligence sources did likewise at about the same time, that Argentina made large purchases of British maps of the Falklands well before the invasion and that the captain of the survey ship *Endurance* sent an early warning that invasion was imminent.

So muted was the criticism of the Foreign Office, which had been expecting heavy criticism, that many politicians wondered aloud why Lord Carrington had resigned after what he called "a great national humiliation." He himself noted that the report suggested alternative methods of procedure. But he added: "It does not go on to suggest that that would have made any difference, and I think that is rather an important qualification. There were things, there are always things, that one could do better or do differently."

Ship Withdrawal 'Inadvisable'

The committee did say that it was "inadvisable" for the Government to have announced that it planned to withdraw the *Endurance*, a Royal Navy ship that regularly patrolled the Falklands, from service at the end of its 1981-82 tour.

Documents seen by the committee showed that the decision to scrap the *Endurance* — cited after the invasion by Mrs. Thatcher's critics as a signal to the Argentines that Britain did not take the islanders seriously — had been a subject of dispute within the Cabinet. Lord Carrington, the report said, wrote four times to Sir John Nott, then the Defense Minister, urging him to reverse the decision to withdraw the ship. The decision was not reversed until much later,

and the committee said that the refusal to change course was "inadvisable."

The committee also said that the Government's machinery for assessing intelligence should be overhauled. The Joint Intelligence Organization, which is responsible for such assessments, is "too passive in operation to respond quickly and critically to a rapidly changing situation which demanded urgent attention," the report said.

But no individual was singled out for criticism, which will probably mean that many diplomats and intelligence officers who had been considering resignation will remain in government service.

In a Boisterous Mood

The Commons chamber and the public gallery were packed as Mrs. Thatcher outlined the report's main conclusions. Lord Franks, a 78-year-old Liberal, was among the onlookers. The mood was boisterous, and the Prime Minister had difficulty in making herself heard, but no one directly challenged the thrust of the committee's findings.

A debate will be held next week, which will undoubtedly deal also with Mrs. Thatcher's determination to hold on to the Falklands no matter how difficult it is. Her trip there this month appears to have hardened her resolve not to enter into negotiations with Argentina, and she told the House today, "We have no option now except 'Fortress Falklands' if we are to continue, as I believe we should, to honor the wishes of the islanders."

The Falklands, a British colony since 1833, were recaptured in June with the loss of 255 British lives. This country now has a 4,000-man garrison there to protect 1,800 islanders, and it faces the outlay of tens of millions of dollars a year to garrison the islands and to improve military and commercial facilities there.

Continued on Page A3, Column 1

Panel Exonerates Thatcher on Falklands Invasion Preparedness

W.P.
19. 1. 83.

By Peter Osnos
Washington Post Foreign Service

LONDON, Jan. 18—Prime Minister Margaret Thatcher's government could not have foreseen and probably could not have prevented Argentina's invasion of the Falklands last April 2 even if every hint in advance had been correctly assessed, an official investigation into the causes of the war declared today.

"We conclude," a blue-ribbon panel reported after a six-month inquiry, "that we would not be justified in attaching any criticism or blame to the present government for the Argentine junta's decision to commit its act of unprovoked aggression."

That exoneration of the Thatcher government—which the prime minister pointedly read out to Parliament this afternoon in presenting the eagerly awaited report—is the main political finding of a study based on complete access to intelligence assessments and official deliberations dating back to 1965. So sweeping is the conclusion that Thatcher's critics will be hard-pressed to score points against her based on what the investigation found.

Under the chairmanship of Lord Franks, a distinguished scholar and former ambassador to Washington, the panel asserts in its 106-page report that the invasion decision clearly was taken by the junta "at a very late date" and that the government could not, therefore, have had "earlier warning." Moreover, the report says, "there is no reasonable basis for any suggestion" that a different British policy as the crisis developed would have forestalled the Argentine action.

However, the report does note some shortcomings, particularly in the handling of intelligence. It notes a number of points in the months leading up to the war where "different decisions might have been taken, where fuller consideration of alternative courses of action... might have been advantageous and where the machinery of government could have been better used."

That these did not occur, the study suggests, was the fault, at least in part, of an inadequate assessment

Falklands Invasion

of Argentine intentions by the Joint Intelligence Organization. This is a coordinating group made up of officials from several government departments, under the leadership of the Foreign Office—which the report, in turn, also criticizes for underestimating certain signals from Buenos Aires.

If there is any direct consequence of today's report, it is likely to be a shake-up in the intelligence committee to give it greater independence from diplomats. The study says the group failed to credit adequately the increasing militancy of the Argentines in early 1982, both in the press

and through diplomatic exchanges. It said the committee relied on "secret intelligence which at that time was reassuring about the prospects of an early move to confrontation."

In addition, the study said, the impact of cumulative British actions, which might have given Argentina the idea that the Thatcher government would not react decisively to an invasion, was underestimated by the committee in predicting Argentine plans.

These included the decision, taken twice by successive governments, to withdraw the Falklands patrol ship of the Royal Navy, HMS

Endurance, to save money; plans to withhold full British citizenship from some of the 1,800 Falkland Islands residents, and the failure of two British governments to implement a 1976 report on developing the islands.

The study singles out no individuals for criticism. But neither does it question the resignation of foreign secretary Lord Carrington, who called the invasion a "national humiliation." Carrington was in Israel on March 31, the day British intelligence firmly reported that an invasion could take place on April 2.

In the months preceding, the

Preparedness

panel writes, the Foreign Office "did not attach sufficient weight... to the changing Argentine attitude... and did not give sufficient importance to the new and threatening elements in the Argentine government's position."

The Franks panel was created in July, a month after a British task force successfully reclaimed the Falklands. It had six members—two from the Conservative Party, two from Labor, Franks, who is a member of the Liberal Party, and a retired senior civil servant.

Opposition politicians clearly hoped to turn Thatcher's gains

popularity after the conflict into liabilities by pinning her and the government with the blame for not avoiding it. Despite the report's conclusions absolving Thatcher, Labor Party leader Michael Foot told Parliament that it showed "a complete collapse of effective Cabinet government," an apparent reference to Thatcher's dominance of decision-making and perhaps to the problems that were revealed in coordination of intelligence among ministries.

Thatcher, doubtless pleased and relieved at the panel's findings, praised it for producing a "thorough and comprehensive report in so short a time." Thatcher returned from a triumphal tour of the Falklands last week.

The U.S. role in advance of the war, as portrayed in the study, appears to have been small and there is no indication that American intelligence information played any part in Britain's underestimate of the Argentine plans.

Then-secretary of state Alexander M. Haig Jr. was informed by the British of "Argentine intentions" April 1. Interviewed by BBC television tonight, Haig said the United States had not been looking for and did not seek indications of the invasion in the weeks before it happened. On learning from the British that war was imminent, the study said, President Reagan then attempted to persuade the junta leader, Gen. Leopoldo Galtieri, by telephone not to invade. But he was unsuccessful.

W.P.

19. 1. 83.

Mrs. Thatcher to the Falklands

The Post's Jan. 13 editorial, "Mrs. Thatcher's Journey," cannot be allowed to pass without comment. The Post says that her "dedication to the Falklands continues to astonish"; well, it certainly does not astonish me. The fact that it does astonish The Post only goes to prove how little the newspaper has understood the feelings—indeed, the passions—generated by the unsuccessful Argentine takeover attempt last year.



As an expatriate Briton, I felt the stirring of patriotic feelings that I did not even know existed. As a child growing up in London, I was always aware of the Falklands and of our fellow citizens across the sea. For a British government to have allowed this illegal seizure would have been unthinkable.

Having made the sacrifice to regain the territory, the prime minister certainly does not need the permission of Washington or Buenos Aires to pay a visit. Even a long-time Labor Party supporter such as myself would be sorely tempted to vote for Mrs. Thatcher should I return home. I never thought the day would come!

MARION BARBER

Washington

Inquiry says Thatcher can't be

By Robert A. Erlandson
London Bureau of The Sun

London—Prime Minister Margaret Thatcher's government could neither have foreseen nor prevented Argentina's invasion of the Falkland Islands April 2, an independent inquiry concluded yesterday.

The 110-page report, the unanimous product of a six-member independent committee of privy councillors with broad authority that included two members of the opposition Labor Party, said the government could not have foreseen the invasion. The Buenos Aires junta decided on the act as late as March 31 or April 1, the report said.

Further, the committee said the inquest "would not be justified in attaching any criticism or blame to the present government" for creating conditions that could have led to the Argentine decision to invade.

The report was released yesterday just as Mrs. Thatcher began a statement on it in the House of Commons. A formal debate on the

report will be held later, after members of Parliament have been able to study it.

But Labor MPs, particularly those who had opposed the war throughout, saw themselves robbed by the report's chief conclusions of a club with which to beat Mrs. Thatcher's government and responded by starting a series of rancorous exchanges.

This led Mrs. Thatcher to comment that "they do not like the conclusions of this independent report" and to point out that the two Labor members of the committee subscribed to it.

The report criticizes some decisions that might have encouraged the Argentine government. For instance, it was decided to withdraw the patrol ship *Endurance*—but the decision was not implemented before the invasion. And Britain planned to sell the aircraft carrier *Invincible* to Australia—but that decision was rescinded during the war.

But the committee said it was "impossible to judge" what impact on the junta different decisions might have had.

The committee was headed by Lord Franks, 77, provost of Worcester College, Oxford, and former ambassador to Washington. Lord Franks is one of the most respected men in British public life. In fact, his was the only name all political parties could agree on to head the inquiry, which began in July.

The committee said British intelligence assessment procedures had failed to predict Argentine intentions, based on the junta's actions, and it urged a review of them.

There were periodic reports in Argentine newspapers of the military's intention and reaffirmations of Argentina's objective of regaining the Malvinas, as the Falklands are called in Argentina. It has been said those reports should have gone far toward tipping off British intelligence to the imminence of the invasion.

The report generally cleared Lord Carrington, who resigned as foreign secretary after the invasion. When the islands were seized, Lord Carrington protested that he had acted properly; nevertheless, he felt that the

BART.

THE SUN, Wednesday, January 19, 1983

blamed for attack on Falklands

weight of public opinion was so overwhelmingly against the Foreign Office that he had no choice but to leave and spare Mrs. Thatcher further embarrassment.

The report cleared the Foreign Office of allegations that it had been working for years to "get rid" of the Falklands and turn them over to the Argentines, but it said the diplomats had not taken sufficiently seriously warning signs that Argentina's attitude was hardening.

The committee did accuse Foreign Office ministers and officials of misjudging Argentine intentions last year during the period when negotiations were still continuing despite rejection by both the Falklanders and Parliament of a plan to cede sovereignty to Argentina and lease back the islands for a long period.

London published a joint communique saying talks were continuing—but Buenos Aires did not. This ominous sign was apparently underestimated.

The report said the Foreign Office was unduly influenced by Argentina's history of making threatening noises about the islands, but not carrying them through. Once the lease-back proposal was rejected, Argentina was left with nothing but the prospect of endless negotiations because Britain made it clear that sovereignty would not be ceded.

In the Commons yesterday, Labor's James Callaghan told Mrs. Thatcher that her policies had left Britain with "the worst possible option—Fortress Falklands."

Prime Minister Thatcher told her predecessor that so long as Argentina refuses to declare an end to hostilities, Britain has no option but "Fortress Falklands" if it is to honor its commitment to the islands' 2,000 inhabitants.

The British death toll in the brief war was 255 dead and 777 wounded. The cost is estimated at nearly \$4 billion.

On the Argentine side, the officially acknowledged death toll was 750, but unofficially it is believed to have been closer to 1,000.

N.Y.T.

14. 1. 83.

Saving Face or the Falklands?

Prime Minister Thatcher's bold trip to the Falklands showed that in one sense she is capable of movement. But her Government's South Atlantic policy is another matter: it lies dead in the doldrums. By evading negotiations on the ultimate sovereignty of the islands, Mrs. Thatcher risks appearing just as stiff-necked and chauvinist as the Argentine junta she defeated.

The junta deserved its drubbing. It violated law by grabbing the Falklands, then violated sense by rejecting a British offer — now withdrawn — before much blood was shed. A good part of the world, including the United States, rallied to Britain's support when the islands were retaken at a cost of hundreds of British and Argentine lives and billions of dollars.

But Mrs. Thatcher is wrong to construe that support as endorsement of a British claim to the Falklands. That was never the case. The question of who owns these islands is old, tedious and murky. What

is clear is that Britain has no vital interest in permanent possession of every fogbound foot of them. The Union Jack need not fly indefinitely over the Falklands for Britain to uphold the interests of some 1,800 settlers.

Various plans for fudging sovereignty were on the agenda before Argentina's rash invasion. Britain should revive them, and consider fresh proposals for putting the Falklands, South Georgia and the South Sandwich Islands under an international protectorate. One would think that everyone under the British flag would prefer that solution to the four-year, \$4.8 billion military buildup that is needed to "protect" the Falklands.

In response to reckless Argentine aggression, misgivings were brushed aside about the origins and conduct of what some called "the war of Thatcher's face." It may yet earn that name if she fails to lead Britain and the Falklands toward a permanent disposition that is sensible, just and secure.

W.P.

13. 1. 83.

Mrs. Thatcher's Journey

MARGARET THATCHER'S dedication to the Falklands continues to astonish. She has just made the grueling 23-hour, 8,000-mile flight to help the residents celebrate the 150th anniversary of Britain's takeover of the islands from Argentina. To be sure, any place worth sending troops to fight and die for—the British toll was 255—is worth a prime minister's visiting. But in making the visit, Mrs. Thatcher nails Britain more firmly into a position it will eventually have to abandon.

To see why, you must realize that the 23-hour, 8,000-mile flight is not merely a measure of Mrs. Thatcher's patriotism but of the true isolation of the Falklands. Latin solidarity with Argentina has meant that civil air service from the mainland has not resumed, and probably will not resume so long as the British insist that the sovereignty of the islands is not negotiable. Sovereignty was on the table for the 17 years of fruitless negotiation before the war came last April, but Mrs. Thatcher took it off as

the British fleet closed. British title is now no less legally clouded than it had been for the previous 150 years. But Mrs. Thatcher stands on a position that precludes an ultimate settlement.

Meanwhile, since the Argentine grievance remains raw, the islands must be defended. A light defense will not do, given Argentina's invasion last spring and Mrs. Thatcher's embarrassment for not having been adequately prepared for it. The cost of recapturing the islands, garrisoning them for four years and making them livable is estimated at about \$4.8 billion—on the order of \$3 million for each of the 1,600 Falklanders—out of a defense budget now running at \$25 billion a year. Even for a country whose economy was not a disaster area, this would be an immense bill to pay.

Britain's friends owe their best judgment: the wise course is to find a way to turn sovereignty over to Argentina under conditions ensuring fair treatment of the interests of the islanders. We still don't think that's an impossible dream.

BALT. SUN

19. 1. 83.

'Fortress Falklands'

Fresh from her surprise visit to the Falkland Islands, Britain's Prime Minister Margaret Thatcher is enjoying a second triumph—the conclusion by a special commission that her government could not have foreseen or averted the Argentine invasion last April 2. Mrs. Thatcher had known for a fortnight that an exoneration was coming. While her critics were led to speculate that her 8,000-mile journey to the South Atlantic was planned to offset adverse findings, the prime minister deftly fashioned an upbeat beginning to what could be an election year.

While in the Falklands, she told the 1,800 islanders that "in the end, everyone knew you were British and wanted to remain British." Back in London, she said "we have no option now except 'Fortress Falklands,' if we are to continue, as I believe we should, to honor the wishes of the Falkland Islanders." The Falklands issue promises to be one of the prime minister's trump cards. It identifies her with British glory while her opponents appear as hand-wringers. What must worry her, however, is whether the Falklands euphoria can endure in the midst of a plummeting pound, high unemployment and inflation, and growing sentiment for unilateral nuclear disarmament.

Britain seems to be stuck with a Falklands com-

mitment that makes no more economic and military sense today than it did a year ago. At that time, Whitehall was still negotiating with Argentina over a series of proposals that ranged from a freezing of the status quo to an arrangement under which Argentina would get sovereignty over the islands and lease them back to Britain. The aim then was to get rid of the islands while somehow meeting the mother country's obligations to a small number of faraway "kelpers." Now what?

The war so unwisely launched and lost by Argentine militarists is over, to be sure, but the enmity from last spring's fighting endures. And so Britain is left without air links between the Falklands and the South American mainland. It has to maintain a garrison of 4,000 men, plus support ships and aircraft, at a sizable cost that detracts from its commitments to NATO. Its relations with almost all of Latin America are frayed.

President Reagan, swayed by admiration for Mrs. Thatcher, said her Falklands journey showed she is "the best *man* in England." Nevertheless, Washington has to distance itself from Britain's emotional attachment to the Falklands. Having tilted to a European ally in the midst of war, this country now needs to re-emphasize its hemispheric ties and its interest in a negotiated settlement.

NEW HAVEN REGISTER 12/11/83
Mrs. Thatcher visits the Falklands

British Prime Minister Margaret Thatcher is making a big hit with her visit to the Falkland Islands. She has been received enthusiastically by residents of the islands, has been photographed learning how to fire a 105 MM artillery piece and has been given the first-ever "Freedom of the Falklands" award. As the Englishmen usually say after they have gunned down all the Nazis in the World War II movies, it's been a "jolly good show."

Whether the long-range impact of the visit will be all that jolly is another question. While the prime minister has described her visit as "a profoundly moving experience," others think it is no more than a profoundly public relations stunt that will only make it more difficult to settle the Falklands' issue once and for all. Mrs. Thatcher's political opponents at home claim the trip was undertaken to defuse a soon-to-be-released report that criticizes her government for the way it handled the war, or to take the attention of the British public off such domestic problems as unemployment.

They argue that her visit is a provocation to Argentina, which may have lost the war, but still claims the islands; and that it is an irritant to other Latin American nations which, rightly or wrongly,

see it as a vainglorious demonstration of British colonialism in their own backyard.

It does seem that, having won the war, the British might better concentrate on an equitable solution to the Falkland Islands problem rather than rubbing the noses of the Argentines in the dirt. It is a fact of geographical life that the islands are thousands of miles from Great Britain and only several hundred miles from Argentina. It is a fact of political life that retaining the islands is going to become more costly and less attractive for Great Britain with the passage of time. Given these facts, it would make sense for Great Britain to adopt a conciliatory, rather than a provocative, policy now. In this case especially, generosity would befit the victor.

From a strictly selfish viewpoint, Mrs. Thatcher certainly doesn't do the United States any favors when she makes a triumphal visit to the Falklands. The Reagan administration took a lot of flak from Latin American nations for its decision to stand by Great Britain in the war. Since the war, the administration has spent a lot of time and effort attempting to mend our fences in Latin America. It does not help our fence-mending effort when the British prime minister goes out of her way to remind the Argentines and all Latin Americans about how Britain whipped them.

New York Daily News - Sat. 15 Jan. 83.

Waving the Union Jack

British Prime Minister Margaret Thatcher's journey to the Falkland Islands provided plenty of grabby television newsreel footage for the folks back home and probably boosted her political stock. There were lots of stirring shots of loyal subjects greeting Maggie as their "liberator" and paying homage with her at the graves of British soldiers killed in the bloody campaign to retake the colony from invading Argentine forces last year.

But with all the flag-waving, the journey underscored the futility of Thatcher's policy of maintaining a large military presence in a place 8,000 miles and 23 hours flying time from London—a tremendous expense to a nation that is in the throes of a deep financial crisis.

And her repeated statements that Britain will never accede to Argentine claims on the islands soured the trip by stirring up new anti-British feelings in Buenos Aires. By now, Thatcher should at least be accepting the notion of negotiations, perhaps through the United Nations.

Surely, it's high time for Thatcher to take the high road of conciliation and work with the Argentines on a formula for the Falklands that will, at the same time, protect the rights of the 1,800 Britons living there.

Daily News, Saturday, January 15, 1983

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10 DOWNING STREET

From the Private Secretary

20 January 1983

Dear Sir,

PLESSEY RADAR FOR ARGENTINA

The Prime Minister has seen Mr. Nott's minute of 4 January and subsequent correspondence ending with Lord Cockfield's minute of 11 January. She agrees with her colleagues that Plessey should be denied an export licence allowing them to supply radar to France for incorporation in a weapons system designed for the Argentine Navy.

I am copying this to the Private Secretaries of members of OD and also to Jonathan Spencer (Department of Industry) and Richard Hatfield (Cabinet Office).

*Your ever
John Wiles.*

Richard Mottram, Esq.,
Ministry of Defence.

CONFIDENTIAL

Brc

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

19 January, 1983

Dear John,

Falkland Islands: 150th Anniversary Celebrations.

Since I wrote to you on 14 December 1982, the Prime Minister and Mr Pym have agreed that the Government should be represented at the celebrations by Mr Raison.

The Falkland Islanders' Co-ordinating Committee have sent invitations to a variety of people connected with the Falklands. The following Members of Parliament have accepted the invitation - Mr Ogden, Mr Shersby, Lady Vickers, Lord Shackleton and Lord Buxton. Replies are still outstanding from the Labour and Liberal Party Whips. The Parliamentarians will travel as an official party and the cost of their travel will be borne by the FCO vote. Representatives of private enterprise such as Mr Needham of the Falkland Islands Company will travel with the official party but at their own expense. The Ministry of Defence are in touch with Rear Admiral Sir Sandy Woodward and Major General Sir Jeremy Moore about their invitations.

There had, at an earlier stage, been some suggestion from the Islands that Prince Andrew might attend the celebrations. We had reservations about this, principally on security grounds. However, no formal invitation has been forthcoming and, in any case, I understand His Royal Highness is now at sea. As you will recall, The Queen has already sent a message to the Islanders on the occasion of the 150th anniversary and for the celebrations we believe it would be appropriate for Her Majesty simply to be represented by the Civil Commissioner.

*Passages deleted and closed, 60 years, under
FOI Exemption.*

*Wayland
19 February 2013*

Yours ever

John Holmes

A J Coles Esq
10 Dowing Street

(J E Holmes)
Private Secretary

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The National Archives

LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>950</i> (one piece/item number)	
Extract/Item details: <i>Draft letter from Coles to Moore (enclosure to letter Holmes to Coles dated 19 January 1983)</i>	
CLOSED FOR <i>40</i> YEARS UNDER FOI EXEMPTION	<i>19 February 2013 Wayland</i>
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FM MEXICO CITY 192300Z JAN 83
TO ROUTINE FCO
TELEGRAM NUMBER 72 OF 19 JANUARY
INFO WASHINGTON, UKMIS NEW YORK,

YOUR TELNO GUIDANCE 5: PRIME MINISTER'S VISIT TO THE FALKLANDS/
MEXICAN REACTIONS.

1. THE MEXICAN PRESS HAS GIVEN EXTENSIVE AND ON THE WHOLE OBJECTIVE COVERAGE TO THE PRIME MINISTER'S VISIT, WITH NO ATTEMPT TO DISGUISE THE ENTHUSIASTIC RECEPTION ACCORDED TO HER BY THE FALKLAND ISLANDERS. REACTION IN ARGENTINA AND ELSEWHERE HAVE ALSO BEEN FULLY REPORTED. PRESIDENT REAGAN'S REMARK ABOUT THE PRIME MINISTER BEING THE BEST MAN IN ENGLAND WAS GIVEN MUCH PROMINENCE.
2. THE MEXICAN AMBASSADOR AT THE UNITED NATIONS HAS BEEN REPORTED IN THE PRESS AS DENOUNCING THE VISIT IN LANGUAGE WHICH COULD ALMOST HAVE BEEN USED BY AN ARGENTINE SPOKESMAN. THE MEXICAN AMBASSADOR TO THE ORGANISATION OF AMERICAN STATES WAS ALSO REPORTED AS HAVING CRITICISED THE VISIT. BUT BOTH THESE INDIVIDUALS ARE KEPT UNDER ONLY LOOSE CONTROL FROM MEXICO CITY AND THE MEXICAN GOVERNMENT HAS ITSELF REMAINED SILENT.
3. EDITORIAL COMMENT HAS GENERALLY BEEN MILDLY DISAPPROVING BUT NOT INDIGNANT. THE ONLY REALLY SOUR NOTE WAS STRUCK IN THE LEFT WING 'UNO MAS UNO' WHICH DESCRIBED THE VISIT AS A CALCULATED GESTURE OF ARROGANCE AND CONTEMPT FOR WORLD OPINION. IT CLAIMED THAT AT A TIME WHEN BRITISH DIPLOMACY WAS BEING REPUDIATED THROUGHOUT LATIN AMERICA AND ELSEWHERE, THE QUEEN'S IMPENDING VISIT TO MEXICO WAS AROUSING SCANT ENTHUSIASM. BUT THIS LINE IS UNTYPICAL AND INDEED DEMONSTRABLY FALSE. THE MEXICAN PRESS AND TELEVISION HAVE GENERALLY BEEN ENTIRELY POSITIVE AND WELCOMING OVER THE QUEEN'S VISIT, WITH A NUMBER OF SPECIAL FEATURES ALREADY APPEARING ON THE ROYAL FAMILY AND THE ROLE OF THE BRITISH MONARCHY.

MORRIS

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FAKLAND ISLANDS GENERAL
FCO
FID
CABINET OFFICE

ADDITIONAL DISTRIBUTION
FAKLAND ISLANDS

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Foreign and Commonwealth Office

Prime Minister

London SW1A 2AH

To note.

A.J.C. $\frac{26}{1}$

19 January 1983

Dear John,

Falkland Island Dependencies:
Whaling Stations

Thank you for your letter of 17 January about an apparent contradiction between the information provided by Salvesens on the expiry date of the Davidoff contract and the comments contained in the Franks Report. I can confirm that the information in my letter of 14 January, which focussed on the present state of the contract, is accurate - the contract expires on 31 March 1983.

We have consulted Christian Salvesen again on the point. They agree that the Franks Report is correct in stating that 'Salvesen reported to the Foreign and Commonwealth Office and to the Governor on 16 March that Davidoff had notified them of the visit and that they had granted his request for an extension of the contract to 31 March 1984'.

However, the telex message of 16 March to the FCO was incomplete in that it did not refer to one of the conditions of the extension, which was the deposit of £30,000 with Salvesens by 31 March 1982. As soon as Davidoff told Salvesens of his intention to use the extension option, the company reminded him of the requirement to transfer the further deposit by 31 March 1982.

Davidoff subsequently told Salvesens on 26 March that he had given instructions that £30,000 be deposited with a Notary Public in Argentina. On 29 March, Salvesens instructed him to transfer the money to their account with the Royal Bank of Scotland in Edinburgh, and on 7 April, Davidoff replied that he was unable to do so because of financial measures taken by Argentina. Accordingly, on 8 April, Salvesens told Davidoff that the deadline for acceptance of their offer of an extension had expired, and it was not possible to extend the contract beyond the existing expiry date, which was and remains 31 March 1983.

We are considering a number of other questions about the Davidoff contract which arose at this morning's OD(EM) meeting. In the meantime we wanted to clarify the position on the date of expiry.

/I am

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I am copying this letter to Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office).

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

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Angkatan: Belanda Pt 32

20 JAN 1966





Requested
8:30PM
19/1

Translation
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TO IMMEDIATE FCO
TELNO 21 OF 18 JANUARY
AND TO PRIORITY UKMIS GENEVA
INFO ROUTINE BRASILIA
INFO SAVING MONTEVIDEO SANTIAGO CIVIL COMMISSIONER PORT STANLEY

PS/
PS/M'Donogh
M' Guffan
M' U M
No 10 DS

YOUR TELNO 01: FALKLANDS : ARGENTINE DEAD

1. THE SWISS FDFA HAVE PASSED TO US THE TEXT OF THE ARGENTINE NOTE OF 14 JANUARY IN REPLY TO THE MESSAGE IN YOUR TUR. TEXT IS AS FOLLOWS:

BEGINS

~~MMY TIENE EL HONOR DE SOLICITABLE LA TRANSMISION DE~~

SOR I

BEGINS

BEGINS

....Y TIENE EL HONOR DE SOLICITARLE LA TRANSMISION DE LA SIGUIENTE COMUNICACION A LAS AUTORIDADES BRITANICAS :

''EL GOBIERNO ARGENTINO HA MANTENIDO PERMANENTE CONTACTO CON EL COMITE INTERNACIONAL DE LA CRUZ ROJA, RESPECTO DE LOS RESTOS DEL PERSONAL ARGENTINO MUERTO EN EL TERRITORIO DE LAS ISLAS MALVINAS. CON FECHA 21 DE SEPTIEMBRE DE 1982, LE INFORMO AL CITADO COMITE QUE LAS AUTORIDADES ARGENTINAS DECIDIRIAN EN EL MOMENTO OPORTUNO ACERCA DEL EVENTUAL TRASLADO DE ESOS RESTOS, AGREGANDO QUE, EN ESE CASO, SE CONVENDRIAN LOS DETALLES TECNICOS PARA REALIZAR TAL OPERACION.

ASIMISMO Y CON FECHA 4 DE ENERO DEL CORRIENTE, EL GOBIERNO ARGENTINO SE DIRIGIO AL COMITE INTERNACIONAL DE LA CRUZ ROJA SOLICITANDO QUE DE LOS PASOS NECESARIOS PARA CONFIRMAR O DESVIRTUAR LA VERACIDAD DE INFORMACIONES DE PRENSA PROVENIENTES DE GRAN BRETANA QUE SENALABAN EL MAL ESTADO EN QUE SE ENCONTRABAN LAS TUMBAS CORRESPONDIENTES A PERSONAL MILITAR ARGENTINO MUERTO EN LAS ISLAS MALVINAS. SE AGREGABA LA ALARMA QUE PRODUCIAN DENUNCIAS DE ESA NATURALEZA Y ANTICIPABA QUE, EN EL CASO DE CONFIRMARSE LAS MISMAS, SE INVOCARIAN CON TODA ENERGIA LAS DISPOSICIONES DE LOS CONVENIOS DE GINEBRA, ESPECIALMENTE LAS NORMAS PREVISTAS EN EL ARTICULO 17. DEL PRIMER CONVENIO.

AHORA, A TRAVES DE LA COMUNICACION RECIBIDA POR INTERMEDIO DE LAS EMBAJADAS DEL BRASIL Y SUIZA, EL GOBIERNO BRITANICO PROPONE PROCEDER A UN NUEVO ENTIERRO DE LOS ARGENTINOS MUERTOS, EN UN CEMENTERIO ESPECIALMENTE CONSTRUIDO EN LAS ISLAS, LLEVANDO A CABO INHUMACIONES INDIVIDUALES Y DE ACUERDO CON LOS RITOS DE LA RELIGION CATOLICA ROMANA. ESTA PROPUESTA CORRESPONDE ESTRICTAMENTE A LAS OBLIGACIONES QUE LE IMPONE AL GOBIERNO DE GRAN BRETANA EL CITADO ARTICULO 17. DE LA PRIMERA CONVENCION, CUANDO DISPONE ESPECIFICAMENTE LO SIGUIENTE : ''CUIDARAN ADEMAS LAS PARTES CONTENDIENTES, DE QUE SE ENTIERRE A LOS MUERTOS HONORABLEMENTE, SI ES POSIBLE SEGUN LOS RITOS DE LA RELIGION A LA QUE PERTENCIAN, DE QUE SUS SEPULTURAS SEAN RESPETADAS, ORDENADAS SI SE PUEDE CON ARREGLO A LA NACIONALIDAD DE LOS CAIDOS, CONVENIENTEMENTE ATENDIDAS Y MARCADAS DE MODO QUE SIEMPRE PUEDAN SER ENCONTRADAS''.

EL GOBIERNO ARGENTINO CONSIDERA QUE LAS AUTORIDADES BRITANICAS DEBEN CUMPLIR CON LAS DISPOSICIONES CITADAS, RESER-

EL GOBIERNO ARGENTINO CONSIDERA QUE LAS AUTORIDADES
BRITANICAS DEBEN CUMPLIR CON LAS DISPOSICIONES CITADAS, RESER-
VANDOSE EL DERECHO DE DECIDIR, CUANDO SEA ADECUADO, ACERCA DEL
TRASLADO DE LOS RESTOS DE LOS SOLDADOS ARGENTINOS DESDE ESA PAR-
TE DE SU TERRITORIO AL CONTINENTE".

EL MINISTERIO.....

BUENOS AIRES 14 DE ENERO DE 1983

ENDS

POWELL-JONES

NNNN

SENT AT RECD AT 181620Z TWPM/ PDG

Unofficial Translation

ARGENTINE NOTE DATED 14 JANUARY 1983 CONTAINED IN THE TEXT OF THE BRAZILIAN EMBASSY'S NOTE NO 3/921.5(B29)(F27) OF 19 JANUARY

"The Ministry of Foreign Affairs and Warships (South American Department) presents its attentive greetings to the Embassy of the Federative Republic of Brazil and has the honour to request the transmission of the following communication to the British authorities:

The Argentine Government has maintained permanent contact with the International Committee of the Red Cross with regard to the remains of dead Argentine personnel in the territory of the Falkland Islands ('Islas Malvinas'). On 21 September 1982 the said Committee were informed that the Argentine authorities would decide at an opportune moment about the eventual transfer of these remains, adding that, in that case, agreement would be reached on the technical details for carrying out such an operation.

In like manner and on 4 January, the Argentine Government wrote to the International Committee of the Red Cross asking that the necessary steps be taken to confirm or deny the veracity of press reports emanating from Great Britain that indicated the bad state of the graves corresponding to Argentine military personnel killed in the Falklands ('Islas Malvinas').

The Government went on to note the alarm caused by charges of this nature and anticipated that, in the event that these charges were confirmed, the dispositions of the Geneva Convention, especially the norms set out in Article 17 of the First Convention, would be energetically invoked.

Now, by means of the communication received through the Brazilian and Swiss Embassies, the British Government proposes to proceed to a new burial of the Argentine dead, in a specially constructed cemetery on the Islands, carrying out individual burials and in accordance with the rites of the Roman Catholic religion. This proposal corresponds strictly with the obligations imposed on the Government of Great Britain by the said Article 17 of the

Hiss Eumick
H20/1

First Convention when it specifically lays down the following: ^{They (parties to the conflict) shall further ensure} 'Moreover the contending parties will make sure ~~that the dead are honourably interred,~~ ^{that the dead are honourably interred,} ~~that the dead are buried honourably,~~ if possible according to the rites of the religion to which they belonged, that the graves ~~be~~ ^{are} respected, ~~arranged if possible in groups~~ ^{if possible} according to the nationality of the ~~fallen,~~ ^{deceased} ~~duly~~ ^{properly} maintained and marked ~~in such a way~~ ^{so} that they ~~can~~ ^{may} always be found'.

The Argentine Government considers that the British authorities should comply with the above dispositions, reserving for itself the right to decide, when it is appropriate, about the transfer of the remains of Argentine soldiers from that part of her territory to the continent.''

Argentina

ADVANCE COPIES: FALKLAND ISLANDS GENERAL 42

B B 180900z

PS
PS/MR HURD
PS/MR ONSLOW
PS/MR RIFKIND
PS/PUS
SIR J BULLARD
SIR I SINCLAIR
MR GIFFARD
MR WRIGHT
MR ADAMS
LORD N G LENNOX
MR EVANS
MR URE
MR GILLMORE

IMMEDIATE

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HD/DEFENCE DEPT
HD/NEWS DEPT
HD/ERD
HD/ECD(E)
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HD/PLANNING STAFF
HD/MCAD
RESIDENT CLERK

MF

PS/NO 10 DOWNING ST (3)
PS/S OF S FOR DEFENCE
MR J STEWART - AUSD STAFF MOD
PS/CHANCELLOR)
MR ILETT) TREASURY
MR LITTLER)
SIR R ARMSTRONG)
MR A D-S GOODALL) CABINET OFFICE
DIO)

*MR M. PATTISON ; FID
MR G. P. ; LAGB, ODA
MR S. LAWLESS
MR A TITCHENER ; DOT
MR C J ROBERTS ; IAT*

UNCLASSIFIED ← *DESXBY 180900z*
FM SAN JOSE 172135Z JAN 83
TO PRIORITY FCO IMMEDIATE FCO
TELEGRAM NUMBER 11 OF 17 JANUARY 83
INFO ^{*Priority*} UKMIS NEW YORK

*Communique of non-aligned
meeting (Foreign Ministers) on
Falklands.*

YOUR TELNO 2 OF 11 JAN NAM MEETING IN MANAGUA

1. HERewith TEXT OF COMMUNIQUE (FALKLANDS ISLANDS PASSAGE)
REQUESTED IN TEL UNDER REFERENCE.:

QUOTE

THE MINISTERS WARNED WITH CONCERN THAT IN SOUTH AMERICA THERE
REMAIN FOCUSES OF TENSION BECAUSE OF A COLONIAL PRESENCE IN
THE SOUTH ATLANTIC, THE DISPUTES INVOLVING SEVERAL COUNTRIES IN
THE REGION, THE CONTINUOUS DIFFICULTIES BEING FACED BY SOME OF
THOSE COUNTRIES TO ACHIEVE DEVELOPMENT AND THE EXISTENCE OF
MILITARY AND POLITICAL COOPERATION BETWEEN SOME OF THE COUNTRIES

~~THE REGION, THE CONTINUOUS DIFFICULTIES BEING FACED BY SOME OF THOSE COUNTRIES TO ACHIEVE DEVELOPMENT AND THE EXISTENCE OF MILITARY AND POLITICAL COOPERATION BETWEEN SOME OF THE COUNTRIES IN THE REGION AND THE APARTHEID REGIME IN SOUTH AFRICA AND THE ZIONIST REGIME IN ISRAEL~~

THE MINISTERS REITERATED THEIR SUPPORT FOR THE DECISION REACHED AT PREVIOUS CONFERENCES AND MEETINGS OF THE NONALIGNED COUNTRIES MOVEMENT TO SUPPORT THE RIGHT OF THE REPUBLIC OF ARGENTINA TO HAVE ITS SOVEREIGNTY OVER THE MALVINAS ISLANDS RESTORED THROUGH NEGOTIATIONS., THEY ALSO REAFFIRMED THE NEED FOR THE PARTIES INVOLVED TO GIVE DUE CONSIDERATION TO THE INTERESTS OF THE INHABITANTS OF THE ISLANDS.

THEY RECALLED THAT THE STRUGGLE AGAINST COLONIALISM, NEOCOLONIALISM, IMPERIALISM, HEGEMONISM, APARTHEID, AND RACISM AND ALL KINDS OF FOREIGN DOMINATION; FULL RESPECT FOR SOVEREIGNTY AND ALL KINDS OF FOREIGN DOMINATION; FULL RESPECT FOR SOVEREIGNTY AND TERRITORIAL INTEGRITY; THE ABSTENTION FROM THE USE OR THE THREAT OF FORCE; AND THE PEACEFUL SOLUTION OF DISPUTES ARE BASIC PRINCIPLES OF THE NONALIGNED MOVEMENT.

THE MINISTERS RECALLING THE STATEMENTS MADE IN THE FINAL COMMUNIQUE OF THE MINISTERIAL MEETING OF THE COORDINATING BUREAU HELD IN HAVANA IN 1982 , RECOGNISED THAT THE MALVINAS, SOUTH GEORGIA AND SOUTH SANDWICH ISLANDS ARE INTEGRAL PARTS OF LATIN AMERICA; AND IN THIS REGARD THEY EXPRESSED THEIR PLEASURE OVER THE SOLIDARITY AND THE FIRM SUPPORT THAT THE LATIN AMERICAN AND OTHER NONALIGNED COUNTRIES GAVE TO ARGENTINA IN ITS EFFORTS TO SOLVE THAT DISPUTE AND PREVENT THE CONSOLIDATION OF THE COLONIALIST SITUATION THAT EXISTS IN THOSE ISLANDS.

THE MINISTERS SAID THAT THE WAY TO DECOLONIZE THE TERRITORIES INVOLVED IN THE MALVINAS CASE IS TO ARRIVE AT A SOLUTION TO THE SOVEREIGNTY DISPUTE BETWEEN THE ARGENTINE AND BRITISH GOVERNMENTS. THEY URGED BOTH PARTIES TO RESUME NEGOTIATIONS WITH THE GOOD OFFICES OF THE UN SECRETARY GENERAL IN ORDER TO ARRIVE AS SOON AS POSSIBLE AT A JUST, PEACEFUL AND PERMANENT SOLUTION TO THE CONFLICT IN CONFORMITY WITH THE PRINCIPLES AND DECISIONS OF THE NONALIGNED MOVEMENT , RESOLUTION 1514, 2065 AND 3160 OF THE GENERAL ASSEMBLY AND SECURITY COUNCIL RESOLUTIONS 502 AND 505.

THE MINISTERS FELT THAT THE MASSIVE MILITARY AND NAVAL PRESENCE AND THE ACTIVITIES OF THE UNITED KINGDOM IN THE AREA OF THE MALVINAS ISLANDS ARE CAUSE FOR SERIOUS CONCERN TO THE COUNTRIES OF THE REGION AND HAVE AN ADVERSE EFFECT ON THE REGION'S STABILITY.

ENDS.

FCC PLEASE PASS

OSBORNE

NNNN

STATE AT 172100Z

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SECRET



Argentina 5

10 DOWNING STREET

From the Private Secretary

Sir Robert Armstrong

Israeli/Argentine Arms Negotiations

Thank you for your minute of 14 January and the accompanying note by the Assessments Staff.

The Prime Minister commented that, unfortunately, we know very little about Israeli/Argentine arms contracts. *Passage deleted and retained under Section 3(4)*

*OhDayland
19 February 2013*

A. J. COLES

*See Argentine
Defense of the
Falklands, PHB*

17 January, 1983.

SECRET

SM



FILE

RW

10 DOWNING STREET

From the Private Secretary

17 January, 1983

ELECTRA AIRCRAFT

Thank you for your letter of 14 January about press reports that Argentina has recently bought three or four Lockheed Electra Airliners from the United States for conversion into maritime patrol aircraft.

BR
The Prime Minister would be grateful if this matter could be investigated further. She received the strong impression from her military briefings during her visit to the Falkland Islands that at least one Electra aircraft owned by Argentina was already monitoring the movements of our Phantoms. Are we sure that one or more Electras have not yet already carried out maritime control functions?

I am sending a copy of this letter to Richard Mottram (Ministry of Defence).

A. J. COLES

J. Holmes, Esq.,
Foreign and Commonwealth Office

RW



Argentina

huk

BF

RW

10 DOWNING STREET

From the Private Secretary

17 January, 1983

FALKLAND ISLANDS DEPENDENCIES: WHALING STATIONS

Thank you for your letter of 14 January, the contents of which the Prime Minister has noted.

As I told you on the telephone, there appears to be some conflict between the information provided by Salvesen's and the comments on the contract contained in the Franks Report. When the Franks Report is published, can you kindly ask Salvesen's to comment on the relevant paragraphs which refer to the extension of Davidoff's contract until 1984.

I am copying this letter to Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office).

A. J. COLES

J.E. Holmes, Esq.,
Foreign and Commonwealth Office

SB

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PS/MR HURD
PS/MR ONSLOW
PS/MR RIFKIND
PS/PUS
SIR J BULLARD
SIR I SINCLAIR
MR GIFFARD
MR WRIGHT
MR ADAMS
LORD N G LENNOX
MR EVANS
MR URE
MR GILLMORE

PS/NO 10 DOWNING ST (3)
PS/S OF S FOR DEFENCE
MR J STEWART AUSD STAFF MOD
PS/CHANCELLOR)
MR ILETT) TREASURY
MR LITTLER)
SIR R ARMSTRONG)
MR A D S GOODALL) CABINET OFFICE
DIO)

ED/PUSD (2)
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ED/DEFENCE DEPT
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ED/ECD(E)
ED/UND
ED/PLANNING STAFF
RESIDENT CLERK

MRS M. PATTISON ; FID
~~MR G. P...~~ ; LACTY, ODA
MR B LAWLESS
MR A TITCHENER ; DOT
MR C U ROBERTS , IAT ;

00 FCO DESKBY 170930Z

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By 170930Z
IMMEDIATE

FM UKMIS NEW YORK 161730Z JAN 83
TO IMMEDIATE FCO
TELEGRAM NUMBER 29 OF 15 JANUARY

INFO PRIORITY WASHINGTON
INFO SAVING ALL EC POSTS, OTTAWA, CANBERRA, WELLINGTON, OSLO, BERNE,
PORT STANLEY, SANTIAGO, BRASILIA, MONTEVIDEO, MODUK.

YOUR TELNO 65 TO WASHINGTON;
FALKLANDS: POSSIBLE FURTHER ARGENTINE AGRSSION

I SAW THE SECRETARY-GENERAL AT HIS HOUSE THIS EVENING (15 JANUARY)
AND SPOKE AS IN PARA 7 OF T.U.R. I LEFT A COPY OF THE STATEMENTS
IN YOUR TELNO 66 TO WASHINGTON AND TOLD HIM OF THE INFORMATION IN
YOUR TELNO 34 TO CIVIL COMMISSIONER PORT STANLEY.

~~2. THE SECRETARY-GENERAL HAD NO INFORMATION THAT BORE ON THE~~

~~YOUR TEL NO 34 TO CIVIL COMMISSIONER PORT STANLEY.~~

2. THE SECRETARY-GENERAL HAD NO INFORMATION THAT BORE ON THE IMMEDIATE POINTS AT ISSUE, BUT HE DID NOT SEEM SURPRISED AT WHAT I TOLD HIM. HE SAID HE UNDERSTOOD THAT I WAS SPEAKING TO HIM PRIVATELY AND NOTED THAT I WAS NOT MAKING ANY REQUEST. HE WOULD KEEP OUR CONVERSATION TO HIMSELF BUT ON HIS OWN RESPONSIBILITY AND WITHOUT MENTIONING US HE WOULD TELL THE ARGENTINE PERMANENT REPRESENTATIVE THAT THERE SHOULD BE NO ADVENTURES OR FOOLISH STATEMENTS. THE SECRETARY-GENERAL VOLUNTEERED THAT THERE WAS ALWAYS THE POSSIBILITY THAT ONE OR TWO ARGENTINE OFFICERS MIGHT TAKE SOME INDIVIDUAL ACTION DESIGNED TO FORCE THEIR GOVERNMENT'S HAND.

3. IN RESPONSE TO MY QUESTION THE SECRETARY-GENERAL COULD NOT GIVE A FIRM OPINION ON INTERNAL DEVELOPMENTS IN ARGENTINA. HOWEVER HE HE BELIEVED THAT OVER TIME THE ONLY ALTERNATIVE TO MILITARY RULE WAS PERONISM WHICH WAS AWFUL AND WOULD TRIGGER A FURTHER COUP.

4. THE SECRETARY-GENERAL NOTED THAT HE HAD A NEW MANDATE ON THE FALKLANDS DISPUTE IN ACCORDANCE WITH THE GENERAL ASSEMBLY RESOLUTION. HE HAD THEREFORE BEEN OBLIGED TO WRITE TO US AND TO THE ARGENTINES. HE HAD DONE THE MINIMUM POSSIBLE. THE ARGENTINES HAD RESPONDED POSITIVELY AND WE HAD SENT A PRELIMINARY REPLY. IN DUE COURSE WE WOULD NO DOUBT SEND HIM A FURTHER COMMUNICATION. HE WAS IN NO HURRY. THE TIME WAS PLAINLY NOT RIPE.

5. PLEASE SEE MY I.F.T. (NOT TO ALL) FOR THE SECRETARY-GENERAL'S ACCOUNT OF HIS VISIT TO WASHINGTON.

FCO PLEASE PASS ALL SAVING ADDRESSEES EXCEPT OTTAWA

THOMSON

~~REPEATED SAVING AS REQUESTED~~

NNNN

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GR 240

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

FM WASHINGTON 151813Z JAN 83

TO IMMEDIATE F C G

TELEGRAM NUMBER 107 OF 15 JANUARY

INFO IMMEDIATE UKMIS NEW YORK, EC POSTS, OTTAWA, CANBERRA,
WELLINGTON, OSLO, BERNE, PORT STANLEY, PRIORITY SANTIAGO, BRASILIA,
MONTEVIDEO AND MODUK

YOUR TELNO 65: FALKLANDS

WE HAVE DRAWN THE STATE DEPARTMENT'S ATTENTION TO THE POSSIBILITY
THAT THE ARGENTINIANS MAY BE CONTEMPLATING SOME HARRASSING ACTION.
THEY HAVE THE SAME ASSESSMENTS AND WILL LET US KNOW IMMEDIATELY IF
THEY BECOME AWARE OF ANY FURTHER INDICATIONS OF ARGENTINE PLANS.
SHULTZ AND OTHER SENIOR MEMBERS OF THE DEPARTMENT ARE AWARE OF THE
ASSESSMENTS.

2. THE STATE DEPARTMENT HAVE ASSURED US THAT THEY ARE MAKING CLEAR
TO THE ARGENTINIANS THAT THERE HAS BEEN NO CHANGE IN THE U.S.
POSITION AND THAT THEY SHOULD NOT THINK THAT IN THE EVENT OF ANY
RESUMPTION OF HOSTILITIES THE U.S. ATTITUDE WOULD BE ANY MORE
BENIGN. THE DIRECTOR FOR SOUTHERN CONE AFFAIRS, WHO IS AT PRESENT
IN BUENOS AIRES, HAS BEEN INSTRUCTED TO GET THIS ACROSS TO ARGENTINE
CIVIL AND MILITARY OFFICIALS.

3. WE HAVE THANKED THE STATE DEPARTMENT FOR THE ACTION THEY ARE
TAKING. I SHALL BE PURSUING THIS WITH EAGLEBURGER WHEN I SEE
HIM ON MONDAY.

WRIGHT

Repetition to PORT STANLEY
referred for departmental decision,
repeated as requested to other posts.

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FM FCO 142030Z JAN 83

TO IMMEDIATE WASHINGTON

TELEGRAM NUMBER 66 OF 15 JANUARY

AND TO IMMEDIATE ALL EC POSTS, OTTAWA, CANBERRA, WELLINGTON,
OSLO, UKMIS NEW YORK

INFO IMMEDIATE BERNE

INFO PRIORITY SANTIAGO, BRASILIA, MONTEVIDEO, PORT STANLEY,
MODUK

FALKLANDS: BELLICOSE STATEMENTS BY LEADING ARGENTINE
PERSONALITIES

(A) MEMBERS OF THE JUNTA:

(I) ADMIRAL FRANCO, 20 DECEMBER 1982

QUOTE THE OBJECTIVE ESTABLISHED TO RECOVER THE MALVINAS, SOUTH
GEORGIA AND THE SOUTH SANDWICH ISLANDS REMAINS INTACT . . . OUR
DESIRE TO WIN HAS NOT BEEN CRUSHED. UNQUOTE

(II) LT GEN AUGUST HUGHES (COMMANDER OF THE AIR FORCE),
30 DECEMBER 1982

QUOTE ON THE OCCASION OF THE 150TH ANNIVERSARY OF THE BRITISH
OCCUPATION OF OUR MALVINAS ISLANDS ON 3 JANUARY, THE ARGENTINE
AIR FORCE REITERATES ITS SOLEMN PROMISE TO RECOVER OUR SOUTHERN
ARCHIPELAGOS. UNQUOTE.

(B) OTHER MILITARY PERSONALITIES

(I) LT COL MUHSAED ALI SEINEIDIN (FORMER COMMANDER OF 25 INFANTRY
REGIMENT) 15 NOVEMBER 1982

QUOTE WHILE A BRITISH FLAG FLIES ON THE MALVINAS THERE WILL NEVER
BE PEACE FOR BRITAIN . . . 4, 5 OR 6 YEARS MAY PASS BUT WITHOUT
DOUBT WE WILL RETURN. I WOULD NOT WAIT TO DIE BEFORE RETURNING
TO PARTICIPATE IN THE DEFINITIVE RECOVERY OF OUR ISLANDS. UNQUOTE.

(II) MAJOR DOUGLAS PATRIC DOUGLIY (V ARMY CORPS) 15 DECEMBER
1982

QUOTE REGARDLESS OF THE SET-BACK WE HAVE EXPERIENCED, WE MUST
LOOK INTO THE FUTURE BY VIEWING EVENTS WHICH HAVE OCCURRED AS
THE CONTEMPORARY STAGE OF THE SECULAR BATTLE THAT ARGENTINA HAS
BEEN WAGING AGAINST BRITAIN . . . GREAT BRITAIN IS BEING

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PREMPTED BY A DESIRE FOR ATTAINING HEGOMONY IN THE SOUTH ATLANTIC AND BY THE ANTARCTIC REGION'S ECONOMIC PROSPECTS . . . SINCE THE ONLY CONCRETE RESULTS WILL BE THOSE ATTAINED THROUGH OUR TENACITY, THE V CORPS IS GETTING READY FOR ANOTHER WAR PROFITING BY THE SITUATIONS ALREADY EXPERIENCED. THE V CORPS HAS CONFIDENCE IN THE JUSTICE OF OUR CAUSE AND IS STRONGLY WILLING TO DEFEAT THE BRITISH ENEMY AS HAS HAPPENED ON THREE OCCASIONS IN THE PAST. UNQUOTE.

(C) BY POLITICIANS, ALL IN CONNECTION WITH THE 150TH ANNIVERSARY OF CONTINUOUS BRITISH SETTLEMENT (3 JANUARY)

(I) DOCUMENT SIGNED BY A NUMBER OF POLITICANS FROM ACROSS THE SPECTRUM

QUOTE THE FOURTEENTH OF JUNE WAS ONLY A DE FACTO CEASEFIRE. THE WAR REMAINED UNFINISHED. WE ARGENTINES RESERVE THE IMPERATIVE RIGHT TO RECOVER DEFINITELY AND TOTALLY OUR ISLANDS BY THE MEANS AND WAYS WHICH MOST SUIT US. UNQUOTE

(II) FRANCISCO MANRIQUE (LEADER OF THE FEDERAL PARTY)
QUOTE ONE MUST NOT DISCOUNT A SECOND ARMED CONFLICT OVER THE ISLANDS. UNQUOTE

(III) BLAS ALBERTI (LEADER OF THE POPULAR LEFTIST FRONT)
QUOTE WE AGREE WITH AN ARMED CONFLICT WHICH WOULD DEFINITELY RECOVER THE ISLANDS. UNQUOTE

PYM

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FM ECO 142030Z JAN 83

TO IMMEDIATE WASHINGTON

TELEGRAM NUMBER 65 OF 15 JAN

AND TO IMMEDIATE ALL EC POSTS, OTTAWA, CANBERRA, WELLINGTON, OSLO,
UKMIS NEW YORK

INFO IMMEDIATE BERNE, PORT STANLEY, PRIORITY SANTIAGO, BRASILIA,
MONTEVIDEO, MODUK

FALKLANDS: POSSIBLE FURTHER ARGENTINE AGGRESSION

1. THERE ARE DANGERS OF RENEWED HOSTILE ACTION BY THE ARGENTINES. WE BELIEVE THAT THEY MAY THINK THAT SUCH ACTION COULD BENEFIT THEM DOMESTICALLY: IT MIGHT BE SEEN BY THE MILITARY TO OFFER A WAY OUT OF THE DILEMMA OF THE BASIS ON WHICH THEY COULD HAND OVER POWER WITHOUT THREAT OF TRIALS AND RECRIMINATIONS. THEY MAY ALSO BELIEVE THAT THERE WOULD BE NO SIGNIFICANT COST TO THEM INTERNATIONALLY: THAT THE AMERICANS WOULD NOT ACTIVELY OPPOSE IT: AND THAT IT COULD INCREASE INTERNATIONAL PRESSURE ON US TO NEGOTIATE ABOUT SOVEREIGNTY.

2. WE SHOULD WANT TO ENSURE THAT ANY SUCH ACTION IS IMMEDIATELY CONDEMNED, BUT IT IS BETTER TO PREVENT IT HAPPENING. ACTION ADDRESSEES SHOULD TAKE AN EARLY OPPORTUNITY TO SPEAK TO HOST GOVERNMENTS AT A HIGH LEVEL AS FOLLOWS:

A) WE HAVE HAD A NUMBER OF INDICATIONS, WHICH WE ARE OBLIGED TO TAKE VERY SERIOUSLY, THAT THE ARGENTINE ARMED FORCES MAY BE PLANNING FURTHER HOSTILE ACTION AGAINST THE FALKLANDS. THE MOST LIKELY POSSIBILITY IS OF A COMMANDO RAID, OR OTHER HARASSING ATTACK. (WE DO NOT THINK AN ATTEMPT AT LARGE-SCALE REINVASION IS VERY LIKELY IN THE IMMEDIATE FUTURE.)

B) THESE INDICATIONS ARE ACCOMPANIED BY REPEATED BELLICOSE STATEMENTS ISSUED FROM BUENOS AIRES (EXAMPLES IN MIFT).

C) WE WOULD BE GRATEFUL FOR ANY INDICATIONS OTHERS HAVE HAD POINTING IN THE SAME DIRECTION AND FOR ANY ASSESSMENTS OF

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read in full.

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ARGENTINE INTENTIONS WHICH MAY BE AVAILABLE TO HOST GOVERNMENTS.
(THE ITALIANS MAY BE WELL-PLACED TO HELP HERE.)

D) IT IS IN OUR VIEW ESSENTIAL THAT THE ARGENTINES SHOULD BE MADE TO REALISE THAT THE INTERNATIONAL COMMUNITY WOULD NOT (NOT) CONDONE ANY FURTHER USE OF FORCE. WARNINGS TO THIS EFFECT SHOULD HELP TO DISSUADE THE HOT-HEADS IN BUENOS AIRES.

E) WE SHOULD THEREFORE BE GRATEFUL IF OUR ALLIES AND PARTNERS WOULD TAKE ANY OPPORTUNITY TO MAKE CLEAR PRIVATELY TO THE ARGENTINES NOT ONLY THAT THEY WOULD IN NO CIRCUMSTANCES CONDONE ANY FURTHER ACT OF FORCE, BUT THAT SUCH ACTION WOULD SERIOUSLY EFFECT THEIR RELATIONS WITH ARGENTINA. THEY SHOULD PIN ANY APPROACH ON THESE LINES TO PUBLIC STATEMENTS ((B) ABOVE.)

F) IN MAKING SUCH REPRESENTATIONS, FRIENDLY GOVERNMENTS SHOULD ADD THAT THE ARGENTINES SHOULD BE UNDER NO ILLUSION ABOUT THE STRENGTH OF OUR RESPONSE TO ANY HOSTILE ACTION.

3. WASHINGTON SHOULD STRESS TO THE STATE DEPARTMENT THAT THE ARGENTINES' PERCEPTION OF LIKELY US REACTIONS TO ANY MOVE BY THEMSELVES IS BOUND TO BE A KEY FACTOR IN THEIR PLANNING. IT IS THEREFORE PARTICULARLY IMPORTANT THAT THEY SHOULD BE LEFT IN NO DOUBT OF THE SERIOUSNESS WITH WHICH THE US ADMINISTRATION WOULD REGARD ANY FURTHER INITIATION OF HOSTILE ACTION.

4. WHERE APPROPRIATE, POSTS SHOULD SAY THAT THIS SITUATION UNDERLINES THE CONCERN WHICH WE HAVE ALREADY EXPRESSED TO OUR FRIENDS ABOUT CONTINUING ARMS SUPPLIES TO ARGENTINA. OUR REFERENCES TO ARGENTINA'S FAILURE TO ACCEPT A DEFINITIVE CESSATION OF HOSTILITIES HAVE NOT BEEN MADE SIMPLY FOR PROPAGANDA PURPOSES. THE SITUATION IS POTENTIALLY SERIOUS.

5. YOU SHOULD REBUT FIRMLY ANY SUGGESTION THAT OUR OWN REFUSAL TO ENTER INTO NEGOTIATIONS ABOUT SOVEREIGNTY WOULD JUSTIFY THE ARGENTINES IN TAKING AGGRESSIVE ACTION. IT IS THEIR CLEAR DUTY TO RENOUNCE THE USE OF FORCE IN PURSUIT OF THEIR CLAIM, AND FRIENDLY GOVERNMENTS SHOULD BE ENCOURAGED TO DRAW ATTENTION TO THIS IN ANY REPRESENTATIONS THEY MAKE. THEY MAY ALSO WISH TO DRAW THE ARGENTINES' ATTENTION ONCE AGAIN TO OUR OWN READINESS TO MOVE TOWARDS THE RESTORATION OF NORMAL BILATERAL RELATIONS WITH ARGENTINA, TO WHICH THERE HAS SO FAR BEEN SO LITTLE RESPONSE.

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THIS IS THE ROAD WHICH ARGENTINA SHOULD BE TAKING.

6. YOU CAN ALSO POINT OUT IF NECESSARY THAT, WHILE THE CELEBRATION OF THE 150TH ANNIVERSARY OF CONTINUOUS BRITISH SETTLEMENT OF THE FALKLANDS MAY BE RESENTED IN ARGENTINA, THIS CELEBRATION IS A NATURAL EXPRESSION OF THE ISLANDERS' OWN FEELINGS. YOU SHOULD ALSO REBUT ANY SUGGESTION THAT HOSTILE INDICATIONS FROM ARGENTINA ARE A RESPONSE TO THE PRIME MINISTER'S VISIT. THE EVIDENCE WE HAVE, AND THE BELLICOSE PUBLIC STATEMENTS, DATE IN THE VAST MAJORITY OF CASES FROM WELL BEFORE THIS.

7. UKMIS NEW YORK SHOULD FOR THE PRESENT DO NO MORE THAN RECALL PRIVATELY TO THE SECRETARY-GENERAL OR A SENIOR MEMBER OF HIS STAFF THAT OUR REPLY TO THE SECRETARY-GENERAL'S LETTER TRANSMITTING THE TEXT OF GENERAL ASSEMBLY RESOLUTION 37/9 POINTED OUT ARGENTINA'S FAILURE TO DECLARE CESSATION OF HOSTILITIES AND REFUSAL TO RENOUNCE USE OF FORCE, AND SHOULD GO ON TO DRAW ATTENTION TO THE STATEMENTS IN MIFT.

PYM

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LETTERCODE/SERIES <u>PREM 19</u>	Date and sign
PIECE/ITEM <u>950</u> (one piece/item number)	
Extract/Item details: <u>Folio 4A</u> Minute from Pym to Hailsham dated 14 January 1983	
CLOSED FOR <u>40</u> YEARS UNDER FOI EXEMPTION	19 February 2013 B. Wayland
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	
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MISSING	
NUMBER NOT USED	



Foreign and Commonwealth Office

London SW1A 2AH

14 January 1983

From what we were told about the Electra aircraft to monitor the movements of our aircraft & civil air report - this wire compliance not

Prime Minister
To note.

A.S.C. 14/1

Dear John,

Electra Aircraft

You asked about the recent Reuters Report quoting military sources in Buenos Aires as saying that Argentina had recently bought three or four Lockheed Electra Airliners from the United States for conversion into maritime patrol aircraft.

This is the first indication we have had that Argentina has bought more Electra aircraft although we know that since last June Argentina has been interested in buying all types of civilian transport aircraft including the Electra. In the past Argentina has converted civilian transport aircraft to a military role. There is very little we can do to prevent Argentina purchasing them. The Electra is a civilian commercial transport aircraft and is therefore not subject to the US ban on arms sales to Argentina, nor subject to export licencing procedures.

Conversion to a proper maritime patrol aircraft is a major task (similar to transforming a Comet into a Nimrod) and would, MOD tell us, be beyond the capability of the Argentines themselves. It is more likely that extra equipment would be installed so that the aircraft could be used to some extent in a maritime patrol role. But this could take some considerable time and the Argentines would almost certainly need help from elsewhere.

Argentina already owns four Electra aircraft which they use for routine military transport but this would be the first occasion such a conversion will have been made. Although the report denies the aircraft will be equipped for anti-submarine warfare we understand that the Electra could be fitted with a torpedo capability.

/I am

It was an Electra that seemed to monitor our Phantom's.

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I am copying this to Richard Mottram (MOD).

Your ever
J E Holmes
(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

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Handwritten text

12 1 2 3 4 5 6 7 8 9 10 11





The National Archives

LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>950</i> (one piece/item number)	
Extract/Item details: <i>Minute from Armstrong to Coles dated 14 January 1983, with attachment.</i>	
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FM CARACAS 141750Z JAN 83
TO PRIORITY F C O
TELEGRAM NUMBER 13 OF 14 JANUARY
AND TO UKMIS NEW YORK
AND SAVING TO WASHINGTON, BOGOTA, LIMA, BRASILIA, GEORGETOWN,
BELMOPAN

PRIME MINISTER'S VISIT TO FALKLAND ISLANDS

1. SUMMARY. THERE HAS BEEN LITTLE REACTION HERE TO THE PRIME MINISTER'S VISIT. MEANWHILE, THE VENEZUELAN REMAIN DETERMINED TO DO THEIR BIT IN RE-ESTABLISHING DEMOCRACY IN ARGENTINA. ALFONSIN, DUE HERE TODAY, WILL BE WARMLY RECEIVED.
 2. DETAIL. MEDIA REACTION HAS BEEN MUTED WITH AS MANY REPORTS FROM LONDON AND THE US BEING PUBLISHED AS THOSE REFLECTING ARGENTINE OPINION. THE FOREIGN MINISTER IN A ROUTINE STATEMENT TO THE PRESS MERELY SUPPORTED THE LATIN AMERICAN POSITION ON SOVEREIGNTY. IN CONVERSATION WITH ME HE WENT NO FURTHER THAN TO REMARK THAT HE FOUND THE JOURNEY QUOTE UNNECESSARY UNQUOTE.
 3. THE EMBASSY HAS RECEIVED AGGRESSIVE AND OBSCENE TELEPHONE CALLS BUT OTHERWISE THERE HAS BEEN VIRTUALLY NO ANTI-BRITISH ACTIVITY.
 4. BOTH THE VENEZUELAN GOVERNMENT AND THE OPPOSITION REMAIN COMMITTED TO DO WHAT THEY CAN TO HELP RESTORE DEMOCRACY IN ARGENTINA. THE ARGENTINE RADICAL PARTY LEADER, ALFONSIN, IS DUE HERE TODAY AS THE GUEST OF THE OPPOSITION BUT WILL BE RECEIVED BY THE PRESIDENT AND GIVEN POLITICAL AND PERHAPS FINANCIAL SUPPORT.
- FCO PLEASE PASS SAVING TO WASHINGTON, BOGOTA, BRASILIA, LIMA, GEORGETOWN AND BELMOPAN.

CARLESS

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FM BIS BUENOS AIRES

TO PRIORITY FCO TELNO 17 OF 14 JAN 83

REPEATED PRIORITY MONTEVIDEO SANTIAGO BRASILIA WASHINGTON UKMIS
NEW YORK AND CIVIL COMMISSIONER PORT STANLEY.

MIPT

TEXT OF PRESIDENT BIGNONE'S COMMENTS ON THE FALKLANDS PRINTED
IN "LA NACION" ON 13 JANUARY IS AS FOLLOWS :

L A S M A L V I N A S

QUESTION : MRS TATCHER'S VISIT TO THE MALVINAS ISLANDS IS UNIQUE
IN THAT IT IS THE FIRST ONE THAT A BRITISH PRIME MINISTER HAS
MADE TO THE ISLANDS.

WOULD THAT SUGGEST THAT THE POLITICAL DECISION TO INVADRE THE
ISLANDS HAS, INSTEAD OF BRINGING US NEARER TO THEIR RE-INCORPORATION
INTO OUR NATIONAL TERRITORY, DRAWN US A LITTLE FURTHER AWAY FROM
THAT ARGENTINE OBJECTIVE ?

ANSWER : THE RESULTS WILL GIVE THE CONCRETE ANSWER TO THE QUESTION,
THE TIME THAT IT WILL TAKE US TO ACHIEVE THOSE RESULTS. EVIDENTLY,
TO CONTINUE AS WE ARE, GIVES US ONE CONCRETE RESULT : WE SPENT 17
YEARS NEGOTIATING WITHOUT ANY REAL RESULT. HOW MUCH FARTHER HAVE
WE PROGRESSED SINCE 2 APRIL ? AND ... IT WILL DEPEND ON WHAT
MEASURES ARE TAKEN.

QUESTION : BUT DOES THIS NOT REVEAL A FIRMER DECISION ON THE PART
OF THE BRITISH GOVERNMENT TO STRENGTHEN THEIR POSITION ON THE
ISLANDS, INCLUDING THE SETTING UP OF A MILITARY BASE? AN OBJECTIVE
WHICH DID NOT EXIST BEFORE.

REPLY : WE CANNOT ASSESS THE BRITISH GOVERNMENT'S INTENTIONS
BECAUSE THEY ARE EXCLUSIVELY THEIR OWN. BUT I WOULD SAY THAT
THIS IS NOT NECESSARILY THE CASE. I BELIEVE THAT IT IS A POLITICAL
MATTER

QUESTION : THAT IS, YOU CONSIDER THAT THE POLITICAL DECISION OF
THE ARGENTINE GOVERNMENT WILL BE SUCCESSFUL ?

REPLY : THAT POLITICAL FACTOR WHICH EMERGES FROM MRS TATCHER'S
VISIT, INCLUDING SETTING UP A MILITARY BASE OR REMAINING FOR
LONGER ON THE ISLANDS, MUST BE ASSESSED AS BEING IN THE REALM OF
INTENTIONS. WE OURSELVES WILL DO ALL THAT POSSIBLE TO PREVENT
THIS HAPPENING.

QUESTION : HOW WILL WE ACHIEVE THIS ?

REPLY : BY EVERY MEANS THAT IS NECESSARY. THAT IS AND HAS ALWAYS
BEEN ARGENTINA'S DECISION.

/ THE

THE DIPLOMATIC TOOLS :

QUESTION : WHEN YOU MENTION USING ALL MEANS THAT MAY BE NECESSARY,
WHICH FOR EXAMPLE ARE YOU REFERRING TO ?

REPLY : WELL, I MEAN THE MOST SUITABLE TOOLS WHICH THE GOVERNMENT
POSSESS TO ACHIEVE AN OBJECTIVE WHICH IS A NATIONAL OBJECTIVE, SUCH
AS IN THE CASE OF THE SOVEREIGNTY OF THE MALVINAS ISLANDS.

AT THIS MOMENT THE TOOL WHICH IS WITHIN REACH OF THE GOVERNMENT'S
HANDS AND WHICH THEY ARE USING INTENSIVELY IS THE DIPLOMATIC ONE.

THEY ARE MAKING VERY GOOD USE OF IT AND I BELIEVE WITH VERY
POSITIVE RESULTS.

ENDIT

JOY

POWELL-JONES

THIS TELEGRAM
WAS NOT
ADVANCED

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FALKLAND ISLANDS GENERAL

FCO

FID

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OW

From: Mr D O Arnold-Forster

MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1A 2HB

Telephone 01-218 2452 (Direct Dialling)

01-218 9000 (Switchboard)



PARLIAMENTARY UNDER-SECRETARY OF STATE
FOR DEFENCE FOR THE ARMY

D/US of S(AF)/JW/25/5/7/9 14 January 1983

A J Coles Esq
10 Downing Street
London
SW1

Prime Minister

AR 14/1

cc. Mr. Hichette

Mr. Taylor.

Dear John,

I attach the latest record of payments made by the South Atlantic Fund since 15 December 1982.

Yours Ever,

David

Private Secretary



SOUTH ATLANTIC FUND - REPORT OF PAYMENTS SINCE 15 DECEMBER 1982

A total of £3,952,293 has now been disbursed by the Fund.
£38,364 more than at the time of the previous report.

Interim Grants to Bereaved

Since the first report three additional grants totalling £4,500 have been paid making a total of £1,837,000.

Interim Grants to Injured (excluding those leaving the Service)

A further £30,500 has been paid out in 17 further payments raising the total of interim grants to £518,300 in 258 separate payments with the average now being £2,008.

Interim Grants to those leaving the Forces

No further discharges have taken place.

Payments to Charities

About £500 has been paid to HMS Tamaris Welfare Fund in respect of Christmas Hampers for the widows of Chinese personnel killed. These hampers contained local delicacies such as preserved ducks, special dried seaweed, dried shrimps and preserved oysters and clams. A total of £1,587,693.45 has now been paid to charities.

The Future

The assessment of long term needs is progressing satisfactorily with the complete documentation on 211 separate cases having already been received by the Fund. These cases are now being considered as a matter of urgency and final payments will be calculated and made as soon as possible.



14 JAN 1985



CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

14 January 1983

Prime Minister

It looks as though Franks has got the facts wrong - as that Salvesen do not know the facts.

A.S.C. 14/1

When the Franks report is published - I suppose we will ask Salvesen about the relevant parts extending to 1982.

Dear John,

Falkland Islands Dependencies: Whaling Stations

You asked for further information about the contract for dismantling and removing whaling stations from South Georgia.

The Scottish firm of Christian Salvesen Ltd is lessee under Crown lease of three disused whaling stations in South Georgia. In September 1979, the firm concluded a contract with Constantino Davidoff, giving an option to buy all buildings, installations and boats, whether afloat, sunk or stranded, at the whaling stations. One whale catcher was excluded from the contract. The contract originally specified that, if the options were exercised, the goods were to be removed by 31 March 1982. This was subsequently extended to 31 December 1982 and finally to 31 March 1983.

*see overleaf. 1
AR 4/1*

After the removal of the Argentines from the Falkland Islands and Dependencies, the question arose of whether the contract was still in force. Davidoff or his agents were clearly in breach of the contract, which states that he should 'collect and take away the goods . . . without interfering with navigation to and from wharves used by the government of the Falkland Islands and/or by the British Antarctic Survey team stationed in South Georgia and without causing any nuisance or annoyance to third parties or any breach by seller of any of the covenants in his leases of the whaling stations . . .'. One of the covenants prohibits the killing of animals without permission: Davidoff's men were witnessed killing reindeer without permission.

/In



In a letter of 38 June 1982 to the Civil Commissioner, Mr G H Elliot, Director of Christian Salvesen Ltd, nonetheless stated that the contract with Davidoff was still in force and the company had no right to cancel it unilaterally. Despite the breach of the terms of the contract, Davidoff's actions in themselves do not make the contract automatically invalid. The FCO's Legal Advisers agree with the latter point, but in their judgement it would be open to Salvesen to take action unilaterally to cancel on the grounds that the terms of the contract had been breached. But such action could provoke a dispute with Davidoff which might be time-consuming and costly. And in any event the contract will expire on 31 March 1983 (this fact was checked and confirmed on 14 January by Christian Salvesen Ltd).

Her Majesty's Government have no standing in relation to the contract itself and there is no action which the Government of the Falkland Islands could take directly to annul or otherwise cancel it. But the Falkland Islands Government do of course have the right to refuse Davidoff or any of his employees permission to land on South Georgia. Accordingly, Mr Fearn wrote to Mr Elliot on 23 July 1982 saying in part 'We naturally accept that it is for your company to determine the extent of your legal liability to Mr Davidoff. I should, however, make it clear that we consider it most unlikely that permission would be granted from the British authorities for Mr Davidoff to land on South Georgia, even if he applied in the proper way'. At a meeting in the FCO on 18 August 1982 Mr Elliot accepted our refusal to allow Mr Davidoff to return. He proposed either to transfer the contract to a Mr Sharp, who has links with Davidoff, or allow the contract to expire. He acknowledged that any involvement by Mr Sharp could still leave Davidoff as the ultimate beneficiary. He was, therefore, inclined to let the contract expire in March of this year. He saw no problem in this and confirmed that he wished to do nothing which might embarrass HMG. He has recently repeated this.

At the same meeting, Mr Elliot expressed indifference to any action by Davidoff to sue or seek the return of money paid to Christian Salvesen. There would be little chance of success of any action pursued against HMG by Davidoff or by Salvesen if the contract were frustrated because Davidoff or others were refused entry to South Georgia. He also said that, once Davidoff's contract had expired (on 31 March 1983) his company might then look for someone entirely different to take over, although it was not very likely that there would be much interest in it.

/In summary



- In summary therefore there are four possibilities:
- a) to let the contract quietly run out on 31 March 1983 (favoured by Salvesens),
 - b) to take the initiative to tell Davidoff that he will not in any circumstances be allowed to go again to South Georgia, with the risk that this may provoke him into legal or conceivably other action;
 - c) Davidoff approaches the British Interests Section in Buenos Aires for permission to go again to South Georgia. This would of course be refused.
 - d) Davidoff tries to get to South Georgia by some means without permission. This seems highly unlikely. Any ship that he was on would be spotted and monitored and if he succeeded in landing, be subsequently removed.

In any of these scenarios, Davidoff would not proceed with the fulfilment of his contract. But in the light of our contacts with Salvesen, scenario (a) seems the most likely course and also the right one.

Mr Pym has not seen this letter before its issue; I am submitting it to him in parallel.

I am copying this letter to Richard Mottram (MOD) and to Richard Hatfield (Cabinet Office).

Yours ever
J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

eps 320
UNCLASSIFIED
(FM BERNE 141635Z)
FM BIS BUENOS AIRES
TO PRIORITY FCO
TELNO 18 OF 13 JAN 83

REPEATED PRIORITY MONTEVIDEO SANTIAGO BRASILIA WASHINGTON
NEW YORK AND CIVIL COMMISSIONER PORT STANLEY.
PRESS SUMMARY

1. FOREIGN MINISTER AGUIRRE LANARI'S SPEECH TO NAM REPRESENTATIVES IN MANAGUA DOMINATES TODAY'S HEADLINES. HIS DENUNCIATION OF THE PRIME MINISTER'S FALKLANDS VISIT AND OF THE UK'S ENTIRE POLICY IN THE AREA IS REPORTED AT LENGTH AND SUPPLEMENTED WITH NUMEROUS COMMENTARIES IN SIMILAR VEIN.

2. IN BUENOS AIRES, A MEMBER OF THE FRENTE DE IZQUIERDA POPULAR BURNT THE UNION FLAG OUTSIDE THE BOLSA OFFICES, BUT IN CONTRAST TO RECENT PRESS HYSTERIA, PRESIDENT BIGNONE ADOPTED A SOBER AND RESTRAINED TONE WHEN BRIEFLY COVERING THE FALKLANDS QUESTION IN AN EXCLUSIVE INTERVIEW WITH "LA NACION". (TRANSLATION OF TEXT IN MIFT). HE ALSO SAID CURRENT ARMED FORCES RE-EQUIPMENT FOLLOWED PLANS LAID DOWN BEFORE THE FALKLANDS CONFLICT.

3. ECONOMY MINISTER JORGE WEHBE TOLD A PROVINCIAL GOVERNORS CONFERENCE YESTERDAY THAT THE CENTRAL GOVERNMENT WOULD ABSORB A LARGE PART OF THE DEBT CONTRACTED BY THE PROVINCES, ON WHOM HE NOW INTENDS TO IMPOSE TIGHT BUDGETARY AND CREDIT RESTRICTIONS. HE ALSO SAID PUBLIC SECTOR EMPLOYEES WOULD RECEIVE BIMONTHLY WAGE INCREASES UP TO JUNE 1983 AND QUARTERLY THEREAFTER, BUT THAT THESE WOULD NOT EXCEED 5 PER CENT IN REAL TERMS OVER THE FULL YEAR. THERE WOULD BE NO INTERFERENCE IN THE PRIVATE SECTOR. MEANWHILE, THE CGT-AZOPARDO BRANCH HAS CALLED FOR A 23 PER CENT RISE IN THE TAKE-HOME PAY OF ALL WORKERS FOR JANUARY.

4. THE CONTROVERSY OVER THE CONFISCATION OF THE LATEST ISSUE OF THE MAGAZINE "HUMOR" IS GATHERING MOMENTUM. PERONIST, RADICAL AND FEDERAL PARTY POLITICIANS HAVE ADDED THEIR VOICE TO THE GROWING CONDEMNATION OF THE ACTION AS AN UNACCEPTABLE VIOLATION OF PRESS FREEDOM.

JOY

POWELL-JONES

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From the Private Secretary

13 January, 1983

Falkland Islands: Education

During her visit to the Falkland Islands the Prime Minister saw something of the education system, both in Port Stanley and in Camp.

She was informed that there was a shortage of fully trained teachers and there did indeed appear to be some criticism of the Falkland Islands Government on this matter. I should be grateful for a note about the position. I think it would be helpful if you could also include a note on current Overseas Development assistance to the Falkland Islands in the education field.

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office



Argentina

10 DOWNING STREET

From the Private Secretary

13 January, 1983.

Falkland Islands: 150th Anniversary

I wrote to you on 7 January saying that the Prime Minister and Foreign and Commonwealth Secretary had decided that Mr. Cranley Onslow should be invited to represent HMG at the 150th anniversary celebrations in the Falklands. Following a further brief word with Mr. Pym this afternoon, the Prime Minister now thinks that it might be more appropriate for the new Minister for Overseas Development to represent the Government at this event.

A. J. COLES

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.

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FROM THE
MINISTER OF STATE
FOR INDUSTRY AND
INFORMATION TECHNOLOGY

DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 -6401
SWITCHBOARD 01-212 7676

Kenneth Baker MP

N. B. P. R.

The Rt Hon Francis Pym MP
Secretary of State for Foreign
and Commonwealth Affairs
FCO
Whitehall

ML 14/1

13 January 1983

Dear Foreign Secretary,

PLESSEY RADAR FOR ARGENTINA

In his minute of 4 January to you, John Nott sought agreement for the revocation of a licence for the export of a naval radar display system destined for Argentina. I am commenting in Patrick Jenkin's absence overseas.

2 While turning away any business is to be regretted this particular order is not critical to the company's future. Therefore, I agree that the licence be revoked.

3 I am copying this to the members of OD and to Sir Robert Armstrong.

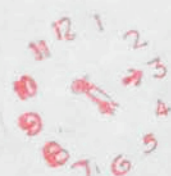
Yours sincerely

Kenneth Baker

sp KENNETH BAKER (approved by the Minister
and signed in his absence)

Argentina, Relations, Pt 32

3 JAN 1983



GRS 540

UNCLASSIFIED

(FM BERNE 130955Z)
FM BIS BUENOS AIRES
TO IMMEDIATE FCO
TELNO 13 OF 12 JAN 83

REPEATED IMMEDIATE CIVIL COMMISSIONER PORT STANLEY AND PRIORITY
MOD MONTEVIDEO SANTIAGO BRASILIA WASHINGTON AND UKMIS NEW
YORK.

UNDEC
[JXMTHCZLRXVDEG]

Prime Minister
I have ~~been~~ asked for
a report on para. 6.

A. J. C. ^{Mr} / 1.

1. THE PATTERN OF THE PAST FEW DAYS HAS BEEN MAINTAINED WITH THE PRIME MINISTER'S PLEDGE OF LONG-TERM DEFENCE OF THE FALKLANDS PROVOKING A FURTHER BARRAGE OF LOGGL PRESS CRITICISM. PROMINENCE IS ALSO GIVEN TO MRS TATCHER'S STATEMENT THAT IF ARGENTINA DOES NOT WISH TO HONOUR HER DEAD, THE BRITISH WILL DO SO BY GIVING THEM A DECENT BURIAL.
2. ALL PAPERS AGAIN CARRY A LITANY OF CONDEMNATIONS OF THE VISIT CULLED FROM THE FOREIGN PRESS AND POLITICIANS IN ARGENTINA AND ABROAD. THERE HAS BEEN OFFICIAL CONFIRMATION THAT NOTES OF PROTEST WILL BE SUBMITTED TO BOTH THE UN AND THE OAS.
- 3) THE MILITARY GOVERNMENT LAST NIGHT CONFISCATED THE LATEST ISSUE OF THE SATIRICAL REVIEW "HUMOR" ON THE GROUNDS THAT IT WASNTTNYBERSIVE AND IMMORAL. THE DETERMINING FACTOR MAY HAVE BEEN THE REPRINTING OF AN ALLEGED CONVERSATION IN WHICH FORMER FEDERAL JUDGE, PETRO NARVAIZ, WAS WARNED BY THE ARMY'S LEGAL ADVISER, GENERAL HECTOR LOPEZ DOMINGUEZ, AGAINST PURSUING SENSITIVE CASES. THE MAGAZINE HAS NOT BEEN CLOSED DOWN, BUT THE LEFT-WING "LA VOZ" REFERS TO THE INCIDENT AS A FRESH ATTACK ON PRESS FREEDOM.
4. THE QUESTION OF THE QUOTE DISAPPEARED UNQUOTE RE-EMERGES IN THE EXTENSIVE COVERAGE OF THE PARLIAMENTARY SPEECH BY THE ITALIAN FOREIGN MINISTER, EMILIO COLOMBO, IN WHICH HE DESCRIBED AS UNACCEPTABLE ARGENTINA'S FAILURE TO PROVIDE INFORMATION ON THE FATE OF MISSING ITALIANS.
5. FOLLOWING THE MEETING YESTERDAY BETWEEN CGT-AZOPARDO LEADERS AND THE GOVERNMENT'S SOCIAL AND ECONOMIC TEAM, THE DECISION TO INTRODUCE A SIX-MONTH UNEMPLOYMENT BENEFIT SYSTEM IS HIGHLIGHTED ONCE MORE. ZPAYMENTS WILL BE SET AT A MONTHLY TWO MILLION PESOS FOR A SINGLE PERSON AND THREE MILLION PESOS FOR MARRIED COUPLES, AND WILL BE BACK-DATED TO 1 JANUARY. THE SOURCE OF FUNDING REMAINS UNSPECIFIED.

/ 6 .

6. ACCRODING TO A REUTER'S REPORT IN THE "BUENOS AIRES HERALD", MILITARY SOURCES CLAIM THAT THE ARGENTINE NAVY HAS RECENTLY BOUGHT THREE OR FOUR LOCKHEED ELECTRA AIRLINERS FROM THE USA FOR CONVERSION INTO MARITIME PATROL AIRCRAFT. THE PLANES ARE BEING EQUIPPED WITH MODERN SURFACE DETECTION RADAR AND WOULD BE ADAPTED TO CARRY TORPEDOES AND OTHER WEAPONS. THEY WOULD NOT BE ARMED FOR ANTI-SUBMARINE WARFARE.

JOY

POWERH-JONES

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From the Secretary of State

The Rt Hon Michael Heseltine MP
Secretary of State for Defence
Ministry of Defence
Main Building
Whitehall
London
SW1

Agreed - We must DENY the licence.
Proc Minutes
H
12/1

mt 11 January 1983
It is the Defence Secretary's clear intention to revoke the licence.
A.S.C. 12/1

Dear Michael,

PLESSEY RADAR FOR ARGENTINA

Your predecessor copied to me his minute of 4 January to the Foreign Secretary. I have since seen the Foreign Secretary's reply of 6 January, with which I agree.

Given that the equipment is specifically intended for launching Exocet, an offensive weapon for which our own Armed Forces would be the most likely targets, I believe we must deny it to the Argentines. While I recognise that in revoking the licence we may be criticised for inconsistency, this would be as nothing compared with the criticism we should receive if we were to permit the export.

I am copying this to OD colleagues, Patrick Jenkin and to Sir Robert Armstrong.

Yours,
Arthur

LORD COCKFIELD

CONFIDENTIAL

Argenturci

Relationis

CONFIDENTIAL

GRS 180
CONFIDENTIAL
FM SANTIAGO 111320Z JAN 83
TO IMMEDIATE F C O
TELEGRAM NUMBER 35 OF 11 JANUARY

CHILEAN INTEREST IN MRS THATCHER'S VISIT TO THE FALKLANDS

1. THE CHILEAN MEDIA ARE TAKING A VERY CLOSE INTEREST IN MRS THATCHER'S CURRENT VISIT TO THE FALKLANDS, AND HAVE GIVEN IT FRONT PAGE COVERAGE SINCE 8 JANUARY. WE HAVE IN PARTICULAR BEEN ASKED TO EXPLAIN ITS TIMING AND PURPOSE, AND TO COMMENT ON ARGENTINE CHARGES OF PROVOCATION. IN THE ABSENCE OF MATERIAL FROM US, THE PAPERS HAVE GIVEN DISPROPORTIONATE SPACE TO ARGENTINE AND EVEN SOVIET COMMENT FIERCELY CRITICAL OF THE VISIT, FOR EXAMPLE AGUIRRE LANARI'S CHARGES IN MANAGUA THAT WE ARE BASING NUCLEAR WEAPONS IN THE FALKLANDS AND ALLEGATIONS BY TASS ON 10 JANUARY THAT WE ARE TURNING THE ISLANDS INTO A MAJOR MILITARY BASE.
2. THERE HAS BEEN NO OFFICIAL COMMENT BY THE CHILEANS BUT I AM EXPECTING TO SEE THE FOREIGN MINISTER SHORTLY FOR A GENERAL EXCHANGE BEFORE LEAVING TO ATTEND THE HEADS OF MISSION CONFERENCE NEXT WEEK AND NEED MORE SPECIFIC GUIDANCE IF POSSIBLE BY 1500Z ON 12 JANUARY. SO FAR ALL WE HAVE IS RETRACT 0309 JAN.

HICKMAN

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GRS 280
UNCLASSIFIED
FM BRASILIA 11:1520Z JAN 83
TO PRIORITY FCO
TELEGRAM NUMBER 10 OF 11 JANUARY

ES/ NO. 10, DOWNING STREET.

MS

RIME MINISTER'S VISIT TO THE FALKLANDS: PRESS COMMENT

1. TWO LEADING BRAZILIAN NEWSPAPERS HAVE TAKEN A ROBUST LINE IN DEFENCE OF THE PRIME MINISTER'S RIGHT TO VISIT THE FALKLANDS. A SHORT EDITORIAL IN "O GLOBO" WHICH NORMALLY REFLECTS ORTHODOX GOVERNMENT THINKING, READS AS FOLLOWS:

QUOTE

THE ARGENTINE GOVERNMENT IS WASTING TIME AND ABANDONING COMMON SENSE IN BECOMING INDIGNANT OVER THE VISIT OF PRIME MINISTER MARGARET THATCHER TO THE FALKLANDS. AFTER ALL, THE FLAG THAT FLIES OVER THE ISLANDS IS BRITISH - AND HOW DOES ONE DENY THE RIGHT OF A HEAD OF GOVERNMENT TO VISIT HER OWN SUBJECTS, IN TERRITORY WHERE NOT A SINGLE ARGENTINE CITIZEN IS LIVING? ARGENTINA IN ITS TURN, HAS EVERY RIGHT TO CONTEST OWNERSHIP OF THE ISLANDS IN APPROPRIATE INTERNATIONAL ORGANISATIONS: THEIR CLAIM, WHICH HAS NOT BEEN AFFECTED IN THE SLIGHTEST BY MRS THATCHER'S VISIT, WILL NOT BENEFIT BY ILL-CONSIDERED APPEALS TO THE PATRIOTIC PRIDE OF THE ARGENTINE PEOPLE.

UNQUOTE

2. AN EXCELLENT EDITORIAL IN THE "JORNAL DO BRASIL" REFERS TO THE "STRANGE PLASTICITY" OF ARGENTINE REASONING IMPLIED BY THEIR COMMENT THAT THE ONLY TITLE GREAT BRITAIN HAD TO THE ISLANDS WAS THAT OF FORCE. EVEN SUPPOSING THAT "THE LANGUAGE OF FORCE" WAS THE BEST WAY TO DESCRIBE THE PRIME MINISTER'S VISIT, THE EDITORIAL ASKS, WHAT RIGHT HAVE THE ARGENTINES AFTER 2 APRIL TO CENSOR THIS? (FULL TEXT BY BAG). *the Ministry of Foreign Affairs*

3. AS WAS TO BE EXPECTED, THE ITAMARATY HAVE TAKEN A MORE CRITICAL LINE. THEIR PRESS SPOKESMAN HAS REFUSED TO MAKE ANY OFFICIAL COMMENT ON THE VISIT: BUT UNOFFICIALLY SOME FOREIGN MINISTRY OFFICIALS ARE QUOTED AS SAYING THAT THE VISIT COULD ONLY BE DESCRIBED AS "INOPPORTUNE" AND WOULD ONLY SERVE TO STIR UP THE ARGENTINE PEOPLE AGAIN AND DELAY THE REINITIATION OF NEGOTIATIONS FOR A PEACEFUL SOLUTION TO THE DISPUTE.

HARDING

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(FM BERNE 111520Z)
FM BIS BUENOS AIRES
TO IMMEDIATE FCO
TELNO 11 OF 10 JAN 83

INFO IMMEDIATE CIVIL COMMISSIONER PORT STANLEY AND PRIORITY
TO MONTEVIDEO SANTIAGO BRASILIA WASHINGTON AND UKMIS NEW YORK

PRESS SUMMARY

1. THE LOCAL PRESS GREETED THE PRIME MINISTER'S VISIT TO THE FALKLANDS WITH SURPRISED AND VEHEMENT INDIGNATION. ALL PAPERS AVIDLY REPORT DETAILS OF THE TRIP, WHICH HAS ELICITED RHETORICAL BANNER HEADLINES, ALLEGING IN THE WORDS OF FOREIGN MINISTER AGUIRRE LANARI QUOTE AN ACTION OF PROVOCATION AND ARROGANCE UNQUOTE, QUOTE AN AFFRONT TO ARGENTINA AND THE WHOLE OF LATIN AMERICA UNQUOTE, WHICH QUOTE WILL EARN REJECTION FROM THE ENTIRE CIVILISED WORLD UNQUOTE. (TEXT AND TRANSLATION BY BAG TO FCO).
2. INTERIOR MINISTER LLAMIL RESTON HAS SPOKEN IN SIMILAR TERMS ALTHOUGH NO OFFICIAL STATEMENT HAS YET COME FROM PRESIDENT BIGNONE OR THE COMMANDERS OF THE ARMED FORCES.
3. THERE IS UNANIMOUS CONDEMNATION FROM ASSORTED POLITICAL AND LABOUR LEADERS. THE MOST EXTREME POSITION HAS BEEN ADOPTED BY THE QUOTE CENTRO DE VOLUNTARIOS POR LA PATRIA UNQUOTE, WHICH CHARACTERISES THE VISIT AS QUOTE AN ACT OF WAR UNQUOTE AND DEMANDS BOTH THE EXPROPRIATION OF BRITISH FIRMS IN ARGENTINA AND THE CESSATION OF DEBT REPAYMENTS TO BRITISH BANKS (TEXT AND TRANSLATION BY BAG TO FCO).
4. LOCAL COMMENTATORS SEEK TO INTERPRET THE PRIME MINISTER'S PRESENCE IN THE FALKLANDS AS A GESTURE DESIGNED FOR DOMESTIC POLITICAL CONSUMPTION AND TAKE SOME CONSOLATION FROM REPORTS OF DISSENTING VOICES IN LONDON. THEY RECORD WITH SATISFACTION DECLARATIONS OF SUPPORT FROM THE NICARAGUAN, ECUADOREAN, CUBAN AND MEXICAN REPRESENTATIVES AT THE MEETING OF NON-ALIGNED STATES IN MANAGUA, AND EXPECT AGUIRRE LANARI TO PRESS THE ISSUE THERE TODAY. ACCORDING TO 'LA VOZ', HE WILL SINMULTANEOUSLY DENOUNCE THE UK FOR HAVING INSTALLED NUCLEAR WEAPONS ON THE ISLANDS.
5. ON 9 JANUARY WIDE COVERAGE WAS ALSO GIVEN TO AIR FORCE COMMANDER AUGUSTO HUGHES' STATEMENT THAT A DECISION ON THE BEAGLE CHANNEL DISPUTE SHOULD BE LEFT TO THE NEXT CIVILIAN GOVERNMENT. THE RUMOUR OF PROGRESS ON THIS QUESTION WAS THEREFORE APPARENTLY A RED HERRING.

/ 6. IN AN

6. IN AN INTERVIEW WITH "CLARIN", PRESIDENT BIGNONE DISCOUNTED TALK OF A POSSIBLE C O U P AND EXPRESSED CONFIDENCE THAT THE ELECTIONS WILL TAKE PLACE. LLAMIL RESTON HAS ANNOUNCED THAT THESE MAY BE HELD BEFORE NOVEMBER IF THE POLITICAL PARTIES CONSIDER THAT THEY CAN ORGANISE THEMSELVES MORE SWIFTLY.

7. BIGNONE IS DUE TO MEET PRESIDENT JOAO FIGUEIREDO OF BRAZIL IN PUERTO MEIRA ON 13 JANUARY. THE AGENDA WILL INCLUDE EXTERNAL DEBT, COOPERATION IN LATIN AMERICA, AND THE FALKLANDS.

JOY

POWELL-JONES

(Repetition to PORT STANLEY
referred for departmental decision,
repeated as requested to other posts.)

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10 DOWNING STREET

From the Private Secretary

10 January 1983

As you know, the Prime Minister has now seen the letter from the Prime Minister of Canada about the vote in the United Nations General Assembly debate on the Falkland Islands which arrived here belatedly and a copy of which is enclosed.

Mrs. Thatcher did not consider that a reply was necessary.

T. FLESHER

John Holmes, Esq.,
Foreign and Commonwealth Office

ARGENTINA

7 January 1983

Falkland Islands: Civil Commissioner

When the Foreign and Commonwealth Secretary called on the Prime Minister today, he said that he believed it would be right to extend Sir Rex Hunt's appointment as Civil Commissioner until spring, 1984. The Prime Minister agreed and said that she thought this would help to maintain continuity.

A J COLES

Brian Fall, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

file

da

7 January 1983

Falkland Islands:
150th Anniversary Celebrations

When the Foreign and Commonwealth Secretary called on the Prime Minister this morning it was agreed that the Government should be represented at the above event by Mr. Cranley Onslow.

A J COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL



FCS/83/2

SECRETARY OF STATE FOR DEFENCE

Prime Minister

The Foreign and Defence Secretaries are agreed that we should not allow Blaney to supply radar to France for a weapons system destined to Argentina.

A.S.C. $\frac{6}{1}$ Plessey Radar for Argentina

1. Thank you for your minute MO 26/9/1 of 4 January.
2. I agree that this licence should be revoked. I believe that the arguments in paragraph 5 of your minute are compelling. There would be a serious problem in defending in Parliament and in public any decision to allow the radar to be exported, given its clearly offensive nature and its potential role in a system including Exocets.
3. We must be ready for trouble from the French. They may seek to argue that we are discriminating against them or at least, as you suggest, that we are acting inconsistently in embargoing this equipment while releasing Rolls Royce engines to Germany for the four Argentine frigates under construction there. I therefore propose that we should inform the French Government of our decision, through the Embassy at Paris, rather than leave them to find out from Aerospatiale: this may help to reduce the risks of unnecessary ill-feeling.
4. I am copying this to OD colleagues, Patrick Jenkin and Sir Robert Armstrong.

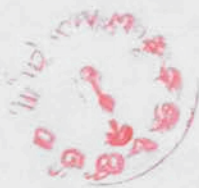
ms

78

(FRANCIS PYM)

Foreign and Commonwealth Office
6 January, 1983

Argentina, Relations, Pt 32



6 January 1983

Thank you for your letter of 5 January about the recent exchanges in New York arising from the General Assembly's adoption in November of a Resolution on the Falkland Islands. The Prime Minister has noted the content of your letter.

JOHN COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.

Jo

CONFIDENTIAL

Prime Minutes

(2)

To note.

A.S.C. 5.
T



Foreign and Commonwealth Office

London SW1A 2AH

5 January 1983

Dear John,

You may find helpful a summary of recent exchanges in New York resulting from the General Assembly's adoption in November of the Latin American-sponsored Resolution (No 37/9) on the Falkland Islands.

On 16 December, the Secretary-General, as he is required to do, wrote to the United Kingdom and Argentine delegations formally transmitting the text of Resolution 37/9. Sr Perez de Cuellar's letter took up operative Paragraphs 1 and 2 of the Resolution by confirming his readiness to extend to the two Governments 'whatever assistance they may require in the search for a peaceful solution' to the Falklands question.

Sir John Thomson recommended that, although we were not obliged to reply, we should do so. The Argentines were sure to, and he saw merit in taking the opportunity to re-state our position on the Resolution: he advised that delay, too, might be interpreted as indicating an imminent change in our policy. The Argentines duly replied on 23 December, accepting 'with pleasure' the Secretary-General's renewed mission of good offices. Their letter also included a reference to previous exchanges about a cessation of hostilities.

Mr Pym has approved the terms of a reply, which our Mission are delivering. It acknowledges the Secretary-General's letter and goes on to recall that we voted against Resolution 37/9 and that we remain opposed to it for the reasons given by Sir J Thomson during the debate in the General Assembly. Finally, the letter observes that there is no sign that the Argentine Government is willing to declare a definitive end to hostilities and expresses disappointment that they are not prepared to renounce the use of force. We have also asked Sir J Thomson to take an opportunity to remind the Secretary-General's office orally that we do not accept that the mandate which he received under Security Council Resolution 505 is still valid, since that resolution was addressed to a situation that no longer exists (the Secretary-General in his letter refers to the interim report he made in May in response to that Resolution).

/The Argentines

A J Coles Esq
10 Downing Street

CONFIDENTIAL



The Argentines wrote again to the Secretary-General on 30 December, asking that their reply to his letter of 16 December be circulated as a document of the UN General Assembly. They also seem to have made the text available to the press. This is inconsistent with the normal practice that dealings with the Secretary-General about his good offices should be in confidence. The Secretary-General's staff have indicated that there is no intention to publish Perez de Cuellar's letter. Our present thinking is that we should not take the initiative to ask him to circulate our reply; we are considering how best to deal with enquiries that may be prompted by the Argentines' circulation of theirs.

The Secretary-General has also received from the Argentine delegation a letter dated 3 January which re-states the Argentine claim to the Falkland Islands, complains about the protection zone, lists the various General Assembly Resolutions, states the need for negotiations to end the 'anachronistic colonial situation' and expresses the hope that the British Government will co-operate with the Secretary-General's mission of good offices. We are now considering whether we should reply to this letter in due course, if only to re-state our rejection of the Argentine claim to sovereignty, and are awaiting considered advice from Sir J Thomson.

Yours ever
J E Holmes

(J E Holmes)
Private Secretary



The National Archives

LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>950</i> (one piece/item number)	
Extract/Item details: <i>Letter from Attorney General to Pym dated 5 January 1983</i>	
CLOSED FOR <i>40</i> YEARS UNDER FOI EXEMPTION	<i>19 February 2013</i> <i>C. Wayland</i>
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TO PRIORITY FCO

TELNO 01 OF 04 JANUARY

INFO PRIORITY MONTEVIDEO SANTIAGO BRASILIA WASHINGTON

UKMIS NEW YORK CIVIL COMMISSIONER PORT STANLEY

PRESS SUMMARY

1. OVER THE PAST THREE DAYS, ATTENTION HAS PREDICTABLY BEEN FOCUSED ON THE 150TH ANNIVERSARY OF THE BRITISH OCCUPATION OF THE FALKLANDS. THERE WAS CONSIDERABLE COVERAGE OF FOREIGN MINISTER AGUIRRE LANARI'S STATEMENT REASSERTING ARGENTINA'S SOVEREIGNTY CLAIMS AND EXPRESSING THE HOPE THAT THE BRITISH TOO WOULD NEGOTIATE IN GOOD FAITH. (TRANSLATION TO FCO BY BAG). ARGENTINE DECLARATIONS AT THE UN AND THE OAS ARE SIMILARLY HIGH-LIGHTED.

2. A WIDE VARIETY OF CEREMONIES TO REPUDIATE THE BRITISH PRESENCE IN THE ISLANDS AND TO COMMEMORATE THE ARGENTINE TROOPS LOST IN THE FIGHTING WERE HELD HERE YESTERDAY. ALL PASSED OFF WITHOUT SERIOUS ALARM, BUT THERE WAS A FLAG-BURNING INCIDENT OUTSIDE THE BOLSA OFFICES IN BUENOS AIRES, THIS CONTRAVENED LOCAL LAW AGAINST INSULTING NATIONAL SYMBOLS AND YOU MAY WISH TO CONSIDER WHETHER WE SHOULD MAKE A LOW LEVEL PROTEST THROUGH THE SWISS.

3. CIVILIAN POLITICIANS FROM ACROSS THE ENTIRE SPECTRUM AND LABOUR LEADERS PUBLICLY ANNOUNCED THAT ARGENTINA SHOULD RESERVE HER "LEGITIMATE" RIGHT TO EXERCISE THE MILITARY OPTION IF PEACEFUL ATTEMPTS TO REGAIN THE FALKLANDS FAIL. (TRANSLATION TO FCO BY BAG).

But will close

The FIC.O.

eye.

A.S.C. 7

h.c.

4. MOST PAPERS ALSO REFER TO A DECISION BY MRS THATCHER TO CANCEL A VISIT TO PORT STANLEY FOR THE ANNIVERSARY AND NOTE RECENT BRITISH LEGISLATION GRANTING FULL UK CITIZENSHIP TO THE FALKLAND ISLANDERS.

5. ON THE DOMESTIC FRONT, THE GOVERNMENT HAS BEGUN CONSULTATIONS WITH PROMINENT POLITICIANS ON THE FRAMING OF THE ELECTORAL LAW. THE SIGNING OF THE BRIDGING LOAN ON 31 DECEMBER WAS REPORTED WITH SATISFACTION AND THE CONTROVERSY OVER THE PROPOSED UNEMPLOYMENT BENEFIT SYSTEM RUMBLES ON.

6. RUMOURS OF AN IMMINENT DEVALUATION OF THE PESO HAVE BEEN OFFICIALLY DENIED BUT INFLATION FOR 1982 HAS BEEN PUT AT 200 PER CENT, THE HIGHEST RATE SINCE 1976.

JOY

POWELL-JONES

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FM FCO 041600Z JAN 83

TO IMMEDIATE BERNE

TELEGRAM NUMBER 1 OF 4 JANUARY

AND TO PRIORITY UKMIS GENEVA

INFO BRASILIA

INFO SAVING MONTEVIDEO, SANTIAGO, CIVIL COMMISSIONER PORT STANLEY

FALKLANDS: ARGENTINE DEAD

1. PLEASE ASK THE SWISS TO PASS THE FOLLOWING MESSAGE URGENTLY TO THE ARGENTINE GOVERNMENT. BEGINS:

'THE ARGENTINE GOVERNMENT WILL KNOW FROM ITS CONTACTS WITH THE INTERNATIONAL COMMITTEE OF THE RED CROSS (ICRC) THAT SINCE THE END OF JULY THE BRITISH GOVERNMENT HAVE ON HUMANITARIAN GROUNDS BEEN PREPARED TO FACILITATE THE RETURN TO ARGENTINA OF ALL THE BODIES OF ARGENTINE SERVICEMEN RECOVERED ON THE FALKLAND ISLANDS. FULL DETAILS OF THOSE BODIES, AND OF THEIR IDENTITIES WHERE IT HAS BEEN POSSIBLE TO ESTABLISH THEM, HAVE BEEN MADE AVAILABLE TO THE ICRC.

THE BRITISH GOVERNMENT NOW PROPOSES, IN THE ABSENCE OF ANY REPLY FROM THE ARGENTINE SIDE, TO PROCEED WITH THE REBURIAL OF THE ARGENTINE DEAD IN A SPECIALLY CONSTRUCTED CEMETERY ON THE ISLANDS, AS THE ARGENTINE AUTHORITIES WILL ALREADY HAVE BEEN INFORMED. THIS WILL BEGIN IN JANUARY. ALL BODIES WILL BE EXHUMED AND INDIVIDUALLY REBURIED, ACCORDING TO THE RITES OF THE ROMAN CATHOLIC RELIGION. THE REQUIREMENTS OF THE GENEVA CONVENTION WILL BE STRICTLY COMPLIED WITH.

THE BRITISH GOVERNMENT'S OFFER TO RETURN THE DEAD HOWEVER WILL REMAIN OPEN, EVEN AFTER THE REBURIALS DESCRIBED ABOVE. IT WOULD HOWEVER BE MUCH EASIER TO RETURN THE DEAD BEFORE REBURIAL TAKES PLACE. THE BRITISH GOVERNMENT THEREFORE URGE THE ARGENTINE AUTHORITIES, SHOULD THEY WISH TO HAVE THE

/DEAD RETURNED,

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read in full.

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45000 - 2

DEAD RETURNED, TO LET THEM KNOW AS SOON AS POSSIBLE.
SUITABLE ARRANGEMENTS COULD BE WORKED OUT VIA THE PROTECTING
POWERS OR THE ICRC.' ENDS

2. WE ARE INFORMING THE BRAZILIAN EMBASSY HERE. NEWS DEPARTMENT
ARE BRIEFING THE PRESS OFF THE RECORD THAT WE HAVE SENT SUCH A
MESSAGE BUT THEY ARE NOT (NOT) DIVULGING THE TEXT.
3. (FOR UKMIS GENEVA) PLEASE GIVE THIS TEXT TO THE ICRC.

PYM

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FAIKLAND ISLANDS

HAUT-COMMISSARIAT DU CANADA
DIVISION DES AFFAIRES POLITIQUES
ET ECONOMIQUES,
MACDONALD HOUSE,
1 GROSVENOR SQUARE,
LONDON, W1X 0AB.



Mr. Palmer *5/1*
CANADIAN HIGH COMMISSION,
POLITICAL AND ECONOMIC AFFAIRS
DIVISION,
MACDONALD HOUSE,
1 GROSVENOR SQUARE,
LONDON, W1X 0AB.
Telephone: 01-629 9492 Ext.

January 4, 1983

Dear Mr. Palmer,

*Sited on
Belgium Pt 31*
-- forward to 10 Downing Street the enclosed letter
dated November 23 to Prime Minister Thatcher from
Prime Minister Trudeau, on the subject of the
U.N. General Assembly resolution on the Falkland
Islands question. I have enclosed a copy for your
own records.

For reasons which are not clear, this letter
has just reached us and I hope you will excuse the long
delay in transmitting it to you.

Yours sincerely,

Stewart Beattie
Stewart Beattie
Minister-Counsellor

Mr. A.E. Palmer
Falkland Islands Department
Foreign and Commonwealth Office
Whitehall
London S.W.1

10 JAN 1983



B/F



Await reply from Foreign
Secretary & S. U. Sec.

A.F.C. 4/11

MO 26/9/1

SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRSPLESSEY RADAR FOR ARGENTINA

You may be aware that our officials, together with those from the Department of Trade, have been examining the problem of whether to revoke an export licence allowing Plessey to supply a radar to France for incorporation in a weapons system destined for the Argentine Navy.

2. At the end of March 1982 Plessey signed a contract to supply Aerospatiale with a Type 406 Naval Display system. In May the Department of Trade sought and obtained the agreement of our two Departments to the issue of an export licence for this equipment on the understanding that the end-user was France. Nothing further occurred until last month when Plessey sought advice from DOT as to whether supply of the radar could go ahead, drawing attention to a letter they claimed to have sent on 16 April which stated that the radar was to be incorporated into a fire control system for the Argentine Navy. I understand that DOT have no record of this letter.

3. The present position is that the licence has been returned voluntarily by Plessey to DOT, but it has not as yet been revoked. Although the equipment was due originally for delivery to Aerospatiale this month, Plessey suspended work on it at a very early stage and estimate that it would take between 6-12 months to complete. Aerospatiale have been informed by Plessey that there is an embargo on supply and that work has been suspended.



4. The contract is worth some £350,000 and has ECGD cover. The radar will form part of the Fire Control System for ship launched Exocet missiles and Plessey understand that the system will be fitted in the Argentine Type 42 destroyer Santissima Trinidad. From the time of delivery to Aerospatiale it is estimated that it would take a further 3-4 months to instal.
5. The military view here is that the radar is an integral part of a weapon system whose prime purpose is offensive rather than defensive and its export should not be permitted.
6. There are, of course, wider issues and other considerations. We have recently been criticised in the House for continuing to supply components for Exocet missiles and the decision to release equipment, particularly Rolls Royce engines, contracted to supply for the Argentine frigates being built in Germany. On the other hand, if the licence was revoked we could be accused of inconsistency in allowing these deals to proceed whilst embargoing the Plessey equipment.
7. On balance I am inclined to revoke the licence for the Plessey radar on the grounds that it will be directly incorporated in a weapons system for Argentina, the contract was signed only just before the invasion of the Falklands and an export licence was granted subsequently on incomplete information. I would be glad to know whether you and other colleagues agree.
8. I am copying this letter to OD colleagues, Patrick Jenkin and Sir Robert Armstrong.

SW

Ministry of Defence
4th January 1983

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4 JAN 1983

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TO PRIORITY FCO

TELNO 545 OF 29 DECEMBER

INFO PRIORITY MONTEVIDEO SANTIAGO BRASILIA WASHINGTON
UKMIS NEW YORK CIVIL COMMISSIONER PORT STANLEY

PRESS SUMMARY

1. THE PAPERS REFLECT A QUIET FESTIVE PERIOD WHOSE MAIN ITEM OF INTEREST WAS PRESIDENT BIGNONE'S ANNOUNCEMENT ON THURSDAY EVENING (TRANSLATION TO FCO BY BAG) THAT THE TIME-TABLE FOR NATIONAL, PROVINCIAL AND MUNICIPAL ELECTIONS, TO BE HELD SIMULTANEOUSLY WILL BE PROVIDED IN FEBRUARY. NO DATE FOR ELECTIONS WAS SPECIFIED BUT THEY WILL TAKE PLACE NO LATER THAN 6 NOVEMBER 1983 AND POLITICAL PARTIES HAVE UNTIL THE END OF MARCH TO COMPLETE QUALIFYING MEMBERSHIP REGISTRATION. THIS ANNOUNCEMENT RECEIVED A FROSTY RESPONSE FROM POLITICIANS WHO WANT A FIRM ELECTION DATE AND AN IMMEDIATE CHANGE IN PRESENT SOCIO-ECONOMIC POLICIES.
2. NAVY COMMANDER FRANCO, IN HIS CHRISTMAS MESSAGE, REITERATED EARLIER STATEMENTS PLEDGING HIS INTENTION TO QUOTE FLY OUR FLAG IN THIS CORNER (OF THE COUNTRY I.E. FALKLANDS) WHICH BELONGS TO US AND WHICH WE WILL NEVER GIVE UP UNQUOTE. IN CONTRAST, HUGHES AND NICOLAIDES WERE MORE SUBDUED : THE LATTER STRESSING THE NEED TO PROVIDE A FIRM AND PERMANENT BASE FOR DEMOCRACY AND NOT MENTIONING ARGENTINA'S INTENTIONS TOWARDS THE ISLANDS.
3. FORMER VICE-PRESIDENT VICENTE SOLANO LIMA WILL ADDRESS A RALLY ON 3 JANUARY ORGANIZED BY THE POPULAR DEFENCE COMMISSION FOR ARGENTINA SOVEREIGNTY OF THE MALVINAS TO PROTEST AGAINST 150 YEARS OF BRITISH RULE WHICH CURRENTLY QUOTE CONSTITUTES A NEW THREAT TO PEACE IN THE REGION UNQUOTE. A MARCH IS SCHEDULED FOR 7 JANUARY.
4. THE TRANSPORT WORKERS HAVE CALLED OFF STRIKES SCHEDULED FOR THE CHRISTMAS AND NEW YEAR PERIOD. THIS WILL ALLOW WORKERS TO VISIT FAMILIES AND FRIENDS.
5. OVER 200 POLITICAL DETAINEES HAVE BEEN FREED. BISHOP LAGUNA OF THE EPISCOPATE SOCIAL WORK TEAM HAS STATED THAT ANY AMNESTIES SHOULD BE GRANTED BY THE NEXT GOVERNMENT AND NOT BY INTERESTED PARTIES I.E. THE MILITARY.

/6. AN

6. AN EMERGENCY UNEMPLOYMENT BENEFIT SYSTEM STARTING 1 JANUARY AND EXPECTED TO LAST SIX MONTHS HAS BEEN ANNOUNCED BY THE SOCIAL ACTION MINISTRY. THIS SHOULD PROVIDE TWO MILLION PESOS PER MONTH FOR SINGLE PERSONS AND THREE MILLION PESOS FOR FAMILIES. BUT SOME CONFUSION STILL EXISTS OVER THE METHOD OF FUNDING THE PROJECTED SCHEME AND DISCUSSIONS WITHIN THE GOVERNMENT CONTINUE.

7. LUFTHANSA RESUMED FLIGHTS TO ARGENTINA ON SUNDAY. "LA NACION" ANTICIPATES EARLY RESUMPTION OF AIR FRANCE AND OTHER EUROPEAN FLIGHTS. AEROFLOT ARE ALSO EXPECTED TO BEGIN FLIGHTS TO BUENOS AIRES SOON.

JOY

POWELL-JONES

THIS TELEGRAM
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ADVANCED

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FAULKLAND ISLANDS

FROM THE CHAIRMAN



Coalite Group PLC

24th December, 1982

Mr. John Coles,
Private Secretary,
10 Downing Street,
London WC1.

A.S.C. 3
f-a

Dear John

Thank you for your reply of 16th December on behalf of the Prime Minister.

I appreciated that the decision must have been made on considerations other than cost but made the offer in case it would ease changing that decision if considered appropriate. It was a great pity that David and Mrs. Thorne had to suffer such embarrassment.

I can understand the dilemma and, having raised the subject as I thought I should, am grateful to the Prime Minister for the re-consideration it was given.

Yours sincerely
C. E. Needham

C. E. Needham

Best Wishes for 1983



Foreign and Commonwealth Office

London SW1A 2AH

23 December 1982

Paul Muntz

JH

23/12

Dear John,

Papua New Guinea was one of the countries sent a message of encouragement from the Prime Minister during the run-up to the United Nations General Assembly vote in November on the Argentine-inspired draft Resolution on the Falkland Islands. In the event PNG was one of the eleven countries to join us in voting against the Resolution.

Mr Michael Somare, Prime Minister of Papua New Guinea, asked through our High Commission in Port Moresby for his reply to be passed to the Prime Minister. This message (text attached) took a long time to make its way here from the Pacific, but the general points Mr Somare makes on Papua New Guinea's position are still relevant. Our High Commissioner in Port Moresby has already thanked Mr Somare for PNG's 'No' vote, on the Prime Minister's behalf.

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street



MESSAGE FROM MR MICHAEL SOMARE, PRIME MINISTER OF PAPUA NEW GUINEA, TO THE PRIME MINISTER

My Dear Prime Minister,

Papua New Guinea regards the Argentinian military invasion of the Falkland Islands in April this year as a serious act of aggression and interference in the internal affairs of another sovereign state. Papua New Guinea has opposed Argentina's actions and will continue to maintain this position. On this basis, Papua New Guinea will not lend its support to the draft Resolution to be introduced by Argentina at the current session of the United Nations General Assembly.

However, Papua New Guinea will continue to support initiatives by the United Nations and other international organisations to bring about a peaceful settlement to the Falkland Islands dispute.

Yours sincerely,

Michael T Somare
Prime Minister of Papua New Guinea



The National Archives

LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>950</i> (one piece/item number)	
Extract/Item details: <i>Minute from Hailsham to Foreign Secretary dated 23 December 1982</i>	
CLOSED FOR <i>40</i> YEARS UNDER FOI EXEMPTION	<i>19 February 2013</i> <i>Wayland</i>
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B/K

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Argentina

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From the Principal Private Secretary

23 December, 1982

FALKLAND ISLANDS: 150th ANNIVERSARY CELEBRATIONS

The Prime Minister had a brief word with the Foreign and Commonwealth Secretary today about the proposals in your letter of 14 December on representation at the celebrations of the 150th Anniversary of the Falkland Islands. They did not reach a conclusion and agree to return to the question after the Christmas holiday.

A. E. R. BUTLER

J. E. Holmes, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL

By



ccB1
Argentina

10 DOWNING STREET

From the Private Secretary

22 December 1982

FALKLAND ISLANDS: 150TH ANNIVERSARY:
MESSAGE FROM THE PRIME MINISTER

The Prime Minister agrees with the recommendation of the Foreign and Commonwealth Secretary that she should send a message of good wishes on behalf of the Government on the occasion of the 150th Anniversary. As you suggest, our Press Office will take action accordingly on 3 January.

The text which the Prime Minister has approved reads as follows:

"I have the greatest pleasure in sending you my congratulations and very best wishes on this historic occasion.

1982 brought both tragedy and triumph to the Falkland Islands. Neither you nor we in Britain will ever forget those experiences.

Today, we salute a brave and loyal people. We remember with pride the role of the Falkland Islands in British history. We look forward to a future in which you and your children continue to live in freedom with justice, in peace with security.

It is worth working for. We shall strive and succeed together."

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.

PS
 PS/MR HURD
 PS/MR ONSLOW
 PS/MR RIFKIND
 PS/PUS
 SIR J BULLARD
 SIR I SINCLAIR
 MR GIFFARD
 MR WRIGHT
 MR ADAMS
 LORD N G LENNOX
 MR EVANS
 MR URE
 MR GILLMORE

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 MR J STEWART AUSD STAFF MOD
 PS/CHANCELLOR)
 MR ILETT) TREASURY
 MR LITTLER)

 SIR R ARMSTRONG)
 MR A D S GOODALL) CABINET OFFICE
 DIO)

 MRS M. PATTISON) FID
 MR C. ROTH) ODA

 MR A TITCHENER) DOT
 MR C W ROBERTS) IAT

GR 400

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 FM UKMIS NEW YORK 221632Z DEC 82
 TO IMMEDIATE F C O
 TELEGRAM NUMBER 2169 OF 22 DECEMBER 1982

ADVANCE COPY
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 MT

MIPT: FALKLANDS: NAM MEETING IN MANAGUA.

1. FOLLOWING IS TEXT OF SIX PARAGRAPHS ABOUT THE FALKLANDS
 CONTAINED IN NAM DRAFT COMMUNIQUE:-
 BEGINS

60. THE MINISTERS NOTED WITH CONCERN THE SITUATION IN SOUTH
 AMERICA, WHERE TROUBLE SPOTS PERSIST DUE TO THE COLONIAL
 PRESENCE IN THE SOUTH ATLANTIC AND THE CONTINUED ABSENCE OF
DEMOCRATIC INSTITUTIONS IN SOME COUNTRIES IN THAT REGION,
THAT MAINTAIN POLITICAL AND MILITARY TIES WITH THE IGNOMINIOUS
APARTHEID REGIME.

61. THE MINISTER REITERATED THEIR CONCERN OVER THE CONTINUED
 TENSION IN THE SOUTH ATLANTIC AS A CONSEQUENCE OF THE
 COLONIALIST AND IMPERIALIST POLICY OF AGGRESSION AND
 INTERVENTION, AND THEY REITERATED THE DECISIONS OF EARLIER

NON-ALIGNED CONFERENCES AND MEETINGS THAT EXPRESSED THEIR SUPPORT FOR THE ARGENTINE REPUBLIC'S RIGHTS TO THE RESTORATION OF THE MALVINAS ISLANDS TO ITS SOVEREIGNTY.

62. THEY RECALLED THAT STRUGGLE AGAINST COLONIALISM IN ALL ITS FORMS IS A BASIS PRINCIPLE OF THE MOVEMENT OF NON-ALIGNED COUNTRIES, AND THEY REITERATED THEIR FIRM SOLIDARITY WITH ARGENTINA IN ITS EFFORTS TO PUT AN END TO THE COLONIAL PRESENCE IN THE MALVINAS ISLANDS; THEY ALSO REITERATED THAT THE MALVINAS, SOUTH GEORGIA AND SANDWICH ISLANDS ARE AN INTEGRAL PART OF LATIN AMERICA AND THAT BRITISH MILITARY ACTIONS AND THE UNITED STATES' AND OTHER DEVELOPED COUNTRIES' COVERT AND/OR OVERT PRESSURES AND ACTIONS AFFECT THE WHOLE REGION. THE SOLIDARITY AND FIRM SUPPORT THAT THE LATIN-AMERICAN COUNTRIES CONTINUE GIVING TO THE ARGENTINE REPUBLIC'S RIGHT ARE ELOQUENT PROOF OF THIS.
63. THE MINISTERS STRONGLY DENOUNCED THE BRITISH COLONIAL AGGRESSION AGAINST ARGENTINE TERRITORY AND OPPOSED THE POLITICAL AND MILITARY SUPPORT, BOTH IN WEAPONS AND LOGISTICS, THAT THE UNITED STATES HAD GIVEN THE EXTRA-HEMISPHERIC AGGRESSOR POWER FOR THIS ACTION, THUS DENYING THE PROCLAIMED GOOD NEIGHBOR POLICY AND THE THESIS OF COLLECTIVE REGIONAL DEFENSE HYPOCRITICALLY INVOKED BY THAT COUNTRY ON EARLIER OCCASIONS.
64. THE MINISTERS DENOUNCED ALL ATTEMPTS BY THE UNITED KINGDOM OR ANY OTHER POWER TO ESTABLISH MILITARY BASES OR IMPOSE SECURITY AGREEMENTS IN THAT LATIN-AMERICAN TERRITORY AGAINST THE SOVEREIGN WILL OF THE ARGENTINE REPUBLIC, AS A MEANS FOR IMPOSING IMPERIALIST DOMINATION IN THE AREA AND AS A SERIOUS THREAT TO INTERNATIONAL PEACE AND SECURITY.
65. THE MINISTERS ASKED THE GOVERNMENTS OF ARGENTINA AND OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND TO RESUME THEIR TALKS WITH THE PARTICIPATION OF THE GOOD OFFICES OF THE SECRETARY GENERAL OF THE UNITED NATIONS, SO AS TO FIND A PEACEFUL, FAIR SOLUTION FOR THIS QUESTION AS QUICKLY AS POSSIBLE, KEEPING IN MIND THE PRINCIPLES AND DECISIONS OF THE MOVEMENT OF NON-ALIGNED COUNTRIES AND RESOLUTIONS 1514 (XV), 2065 (XX), 2621 (XXV), 3160 (XXVIII), 31/49 AND (THE LAST ONE OF THE 37TH SESSION OF THE GENERAL ASSEMBLY) OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS.

ENDS

THOMSON



The National Archives

LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>950</i> (one piece/item number)	
Extract/Item details: <i>Minute from Pym to Lord Chancellor dated 21 December 1982</i>	
CLOSED FOR <i>40</i> YEARS UNDER FOI EXEMPTION	<i>19 February 2013 Wayland</i>
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FROM PORT STANLEY 211530Z DEC
TO IMMEDIATE FCO
TELEGRAM NUMBER 597 OF 21 DECEMBER

LEGISLATIVE COUNCIL

1. COUNCIL MET FROM 16 TO 19 DECEMBER INCLUSIVE AND PASSED THE APPROPRIATION (1982-83) ORDINANCE WITH SOME AMENDMENTS MADE BY SELECT COMMITTEE. TOTAL EXPENDITURE £3,920,611. TOTAL ORDINARY EXPENDITURE £3,070,097. REVENUE £3,421,990. DETAILS FOLLOW IN BAG.

2. FOLLOWING MOTIONS WERE PASSED:

"THAT THIS HOUSE RECOGNISES THAT STANLEY ROADS HAVE PASSED THE POINT OF BEING IN URGENT NEED OF REPAIR AND NOW HAVE BECOME AN EMERGENCY SITUATION. IT THEREFORE URGES HER MAJESTY'S GOVERNMENT TO FIND AND EMPLOY A CIVIL CONTRACTOR, AS SOON AS POSSIBLE, IN VIEW OF THE FACT THAT THE LOCAL LABOUR FORCE AND EQUIPMENT ARE CLEARLY INADEQUATE TO CARRY OUT THE REPAIRS."

ONE COUNCILLOR (TONY BLAKE) VOTED AGAINST ON THE GROUNDS THAT, IF WE DID NOTHING, THE MILITARY WHO HAD CAUSED MOST OF THE DAMAGE WOULD HAVE TO REPAIR THE ROADS IN THEIR OWN INTEREST AS WELL AS IN THE ISLANDERS'.

3. "THAT THIS COUNCIL WELCOMES THE PROGRESS OF THE BRITISH NATIONALITY (AMENDMENT) BILL THROUGH THE HOUSE OF LORDS AND WISHES TO RECORD ITS THANKS TO BARONESS VICKERS AND HER SUPPORTERS FOR THEIR EFFORTS ON OUR BEHALF. FURTHER IT CALLS ON THE HOUSE OF COMMONS TO ALLOW TIME FOR DEBATE OF THIS AMENDMENT AND TO GIVE IT AS EASY A PASSAGE AS IT IS HAVING THROUGH THE HOUSE OF LORDS."

4. FOLLOWING MOTION WAS WITHDRAWN, FOLLOWING STATEMENT BY ME THAT WE WOULD REVIEW THE SITUATION MONTHLY AND TAKE THE 'FORREST' OFF MILITARY CHARTER IF SHE WAS NEEDED TO RE-SUPPLY SETTLEMENTS: "THAT THIS COUNCIL ASKS THE ADMINISTRATION TO WITHDRAW THE MV FORREST FROM CHARTER AND USE IT TO SHIP ESSENTIAL SUPPLIES TO CAMP, AND THAT IT BE KEPT FOR THE PURPOSE OF SUPPLYING FUEL AND STORES TO CAMP STATIONS AND OUTLYING ISLANDS UNTIL THIS COUNCIL IS SATISFIED THAT SUPPLIES TO CAMP HAVE REACHED A SATISFACTORY LEVEL."

IN WITHDRAWING HIS MOTION, COUNCILLOR TONY BLAKE EXPRESSED HIS CONSTITUENTS' CONCERN ABOUT THE AD HOC AND OFTEN INADEQUATE ARRANGEMENTS MADE FOR SEA AND AIR TRANSPORT TO AND FROM CAMP.

HUNT

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FAULKLANDS REHABILITATION

LIMITED
FID
S AM D
FINANCE D

APD

DEFENCE D
ODA
PS

PS/MR ONSLOW
PS/MR RIFKIND
PS/MR MARTEN
PS/FUS
MR GIFFARD
MR STREETON
MR URE
MR GILLMORE

ADDITIONAL DISTRIBUTION
FAULKLANDS REHABILITATION

PRIME MINISTER

FALKLAND ISLANDS: 150th ANNIVERSARY

The attached letter from the FCO recommends that you should send a message on 3 January to mark this event.

I attach a message which The Queen will be sending.

I am not entirely happy with the FCO text. You may like to send a message on the following lines:

"I have the greatest pleasure in sending you my congratulations and very best wishes on this historic occasion.

1982 brought both tragedy and triumph to the Falkland Islands. Neither you nor we in Britain will ever forget those experiences.

Today, we salute a brave and loyal people. We remember with pride the role of the Falkland Islands in British history. We look forward to a future in which you and your children continue to live in freedom with justice, in peace with security.

It is worth working for. We shall ~~work with you.~~

share and succeed together.

MS

A.S.C.

Handly on my behalf

21 December 1982

Message approved by The Queen.

"I have great pleasure in sending you my congratulations on the occasion of the 150th Anniversary of continuous British settlement of the Falkland Islands. You have recently been through a terrible experience during which the sympathies of the British people were with you. I hope that we can now look forward to a peaceful and prosperous future for the Falkland Islands. My very best wishes to you all."

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

21 December 1982

Dear John,

As you know, 3 January 1983 marks the 150th Anniversary of continuous British settlement of the Falkland Islands.

Mr Pym believes that a message of good wishes from the Prime Minister, on behalf of the Government, would be appropriate on this occasion. *Passage deleted and closed, 40 years, under FOI Exemption. @Wayland, 19 Feb. 2013*

Such a message from the Prime Minister would be greatly appreciated by the Islanders after their recent experiences. It might also be appropriate to mention the future development of the Islands now that the Government's response to Lord Shackleton's report has been made public.

Although, as the Prime Minister is aware, celebrations to mark the Anniversary have been postponed, for rehabilitation reasons, until late February, Mr Pym believes that a message might most appropriately be transmitted (via the Civil Commissioner) on 3 January.

If the Prime Minister agrees, we suggest that the message might be on the following lines:

'I have great pleasure in sending you my congratulations and very best wishes on this historic occasion.

The past year has seen both tragedy and triumph for the Falkland Islands. Many of you went through experiences in 1982 that you will not easily forget. We in Britain will not forget them either.

Our task now, as life returns to normal, is to look forward. The British Government have made it clear, in our response to the Shackleton Report, that we are determined to play our part. I know we can rely on you, the Falkland Islanders, to work with us in the years ahead, so that together we can build a secure, prosperous and peaceful future'.

/If the

CONFIDENTIAL

CONFIDENTIAL



If the Prime Minister agrees to send a message,
your Press Office may wish to issue it to the press on
3 January.

Yours ever

J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL

21 DEC 1982

1234
5678



The National Archives

LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>950</i> (one piece/item number)	
Extract/Item details: <i>Letter from Hailsman to Pym dated 20 December 1982</i>	
CLOSED FOR <i>40</i> YEARS UNDER FOI EXEMPTION	<i>19 February 2013</i> <i>AWayland</i>
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
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MISSING ON TRANSFER	
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NUMBER NOT USED	

GPS 150
UNCLASSIFIED

(FM BERNE 201050Z)

FM BIS BUENOS AIRES
TO PRIORITY FCO
ELNO 537 OF 17 DECEMBER
INFO PRIORITY MONTEVIDEO SANTIAGO BRASILIA WASHINGTON
UKMIS NEW YORK CIVIL COMMISSIONER PORT STANLEY

PRESS SUMMARY

1. YESTERDAY'S MULTIPARTIDARIA-ORGANISED MARCH DOMINATES TODAY'S FRONT PAGES TO THE VIRTUAL EXCLUSION OF ANY OTHER NEWS. THE PRESS AND MARCH ORGANISERS AGREE ON AN ESTIMATED 100,000 PLUS ATTENDANCE (THE POLICE AN UNREALISTIC 25,000) FOR THE RALLY, WHICH WAS MARRIED BY VIOLENCE IN ITS FINAL STAGES. ONE DEMONSTRATOR WAS KILLED BY AN UNIDENTIFIED GUNMAN, DOZENS, INCLUDING POLICE, WERE INJURED AND MORE THAN 100 WERE DETAINED. THE GOVERNMENT HAS BLAMED LEFT WING AGITATORS FOR THE VIOLENCE AND STATED THE EPISODE DOES NOT AFFECT THEIR AIM TO BRING THE COUNTRY TO DEMOCRACY. LATE LAST NIGHT THE MULTIPARTIDARIA ISSUED A DOCUMENT PLACING RESPONSIBILITY FOR THE CLASHES ON THE GOVERNMENT AND DEMANDING AN INVESTIGATION INTO POLICE REPRESSION. SOME VIOLENCE WAS EXPECTED AND LEFT WING PERONIST YOUTH ELEMENTS SEEM TO HAVE BEGUN IT AND PROVOKED READY RETALIATION. WE SHALL SEE MORE OF THE SAME.

2. THE MILITARY JUNTA YESTERDAY DECIDED TO ASK THE INTERNATIONAL RED CROSS TO ENSURE THE RULES OF THE GENEVA CONVENTION WERE ADHERED TO CONCERNING ARGENTINE DEADS ON THE FALKLANDS. MEANWHILE THE MILITARY AUTHORITIES WILL CONSULT WITH RELATIVES TO DISCOVER THEIR WISHES OVER THE REPATRIATION AND BURIAL. THE JUNTA ALSO DISCUSSED THE EXTERNAL DEBT AND THE MULTIPARTIDARIA'S MARCH.

Joy
POWELL-JONES

(Repetition to PORT STANLEY
referred for departmental decision,
repeated as requested to other posts.)

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FALKLAND ISLANDS GENERAL

FCO
FID
CABINET OFFICE

ADDITIONAL DISTRIBUTION

THIS TELEGRAM FALKLAND ISLANDS
WAS NOT
ADVANCED

GRS 50
UNCLASSIFIED
FROM PORT STANLEY 171200Z DEC
TO PRIORITY FCO
TELEGRAM NUMBER 589 OF 17 DECEMBER

200 MILE EXCLUSIVE ECONOMIC ZONE

1. LEGISLATIVE COUNCILLORS IN THEIR MEETING YESTERDAY WELCOMED
HMG'S RESPONSE TO THE SHACKLETON PROPOSALS AND EXPRESSED THEIR
GRATITUDE AT GOVERNMENT'S DECISION TO MAKE £31M AVAILABLE FOR
ECONOMIC DEVELOPMENT IN THE FALKLAND ISLANDS.
THEY EXPRESSED THE HOPE HOWEVER THAT A 200 MILE FISHERIES
LIMIT COULD BE DECLARED AS QUICKLY AS POSSIBLE.

HUNT

THIS TELEGRAM
WAS NOT
ADVANCED

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FALKLAND ISLANDS GENERAL
FCO
FID
CABINET OFFICE

ADDITIONAL DISTRIBUTION
FALKLAND ISLANDS

M. Com

OR.



A.P.C. 24.12

CABINET OFFICE

With the compliments of

M. Goodall

70 Whitehall, London SW1A 2AS
Telephone 01 233



CABINET OFFICE
70 WHITEHALL
LONDON SW1A 2AS

~~XXXXXXXXXX~~ 233 8378

17th December 1982

Ref B06663

Shackleton Report

I wrote to you on 14th December to let you know that Lord Shackleton had asked me to lunch today to follow up the discussion at the Prime Minister's dinner on 9th December, and I promised to let you have a report of any points of interest which arose.

2. It emerged that Lord Shackleton was mainly concerned to emphasise the two points which I mentioned in my letter: namely his anxiety that he and the other members of his team (but particularly Mr Bob Storey of the Highlands and Islands Development Board), should be given the opportunity to "interpret" the recommendations in the report and offer advice, where appropriate, on implementation to the officials concerned; and to find out more about how the Falklands Islands Development Agency would operate and how soon it would be set up. Lord Shackleton indicated that he was under some pressure to adopt a critical public stance in relation to the Government's reaction to his report and to brief Opposition MPs before next Wednesday's debate. He had made it clear that as chairman of a review committee appointed by the Prime Minister it would not be appropriate for him to do this. He said more or less in terms that as long as he and one or two of his colleagues were given access to officials and the opportunity to express their views on the implementation of the report, he would not want to put the Government under pressure by making public criticisms of their policies in the Falklands. He emphasised that he was not seeking any *droit de regard* over those policies: he and Mr Storey, whose firsthand knowledge of the islands was unrivalled, simply wanted to be as helpful as they could. Any consultation with officials would be private and without commitment on either side. Lord Shackleton also made it tactfully clear that he hoped that the lead on policy towards the Falklands would continue to be taken by the diplomatic wing of the FCO.

3. In the light of my telephone conversation with Roger Westbrook yesterday, I was able to assure Lord Shackleton that it was the FCO's intention to stay in touch with him and his team as implementation of the Falkland Islands development programme got under way; and that we were hoping that Mr Onslow would be able to make this clear in the course of next Wednesday's debate. I encouraged him to make contact with you direct (he said that he would prefer to deal with officials and did not want to bother Ministers unnecessarily). He hoped that he might also remain in touch with me; and he wondered whether it would be useful for you and me to meet him and Bob Storey early in the near year to discuss how continuing contact might best be maintained. I explained that I was not in the driving seat on all this and that responsibility lay with the FCO. But in the light of the earlier part of our conversation I took the liberty of saying that I would be happy to invite Lord Shackleton and Bob Storey to lunch early next month to meet you and any other representative of the FCO or ODA you

/wanted

A E Palmer Esq.
Foreign and Commonwealth Office

to bring with you, in order to get the process of consultation started. Lord Shackleton warmly welcomed this, and it was agreed that I would be in touch with him shortly about it (he will be away from 12th-26th January and was clearly hoping that we might meet before then. I suggest therefore that we might aim for 7th or 10th January. Perhaps you could let me know if either of these dates would suit you.)

4. Lord Shackleton stressed his hope that FIDA would be set up quickly, and recalled the proposal in his report that the Chief Executive should be someone of stature with experience of business as well as of the public service (he made it clear incidentally that he was not offering himself in this capacity). He also reiterated his anxiety that the Government's proposals on land transfer would prove too gradualist and were likely to be ineffective - although he admitted that it had been a mistake for the report to advocate wholesale compulsory purchase. He drew my attention to a letter (extract enclosed) to Sir Rex Hunt from Mr Colin Smith arguing the urgency of the case for land subdivision and expressed the hope that we would study this carefully. He was doubtful whether Mr Onslow had been given the full picture on this question during his visit to the Islands in October and hoped that, at the very least, FIDA would be authorised to interpret its remit on land transfer in a positive, rather than simply a passive, way. If this could be publicly stated, so much the better.

5. Finally, Lord Shackleton said that the Prime Minister had mentioned to him that he would be on the invitation list for the 150th anniversary celebrations in Stanley in February, but he had so far had no confirmation of this. Since his diary for the early part of next year was now filling up it would be helpful if he could be given some indication as soon as possible of whether he would be expected to go. I said that I would pass this on and that you or Roger Westbrook would have a word with him on the telephone about it early next week.

A D S GOODALL

General Comment upon Subdivision and the future of the Islands.

- 15) The Islands population, especially in Camp is declining and growing older, there will soon be a crisis on many of the large farms, with insufficient labour forces to run them. The labour force on the farms is growing older and retiring and not being replaced by young people in the same numbers. This will be worsened by the need for more labour to repair war damages and the drift of people into services for the garrison and perhaps other developments envisaged by Shackleton. This is the single greatest reason for subdivision from the Owners standpoints. This problem is more serious than the decline in net profitability of the farms, which in relation to the catastrophic World economic recession and decline in profitability of all industries, is by no means severe.

To Page 4.



The National Archives

LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>950</i> (one piece/item number)	
Extract/Item details: <i>Letter from Holmes to Staff dated 16 December 1982</i>	
CLOSED FOR <i>40</i> YEARS UNDER FOI EXEMPTION	<i>19 February 2013</i> <i>Wayland</i>
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10 DOWNING STREET

From the Private Secretary

16 December 1982

The Prime Minister has asked me to thank you for your letter of 9 December with which you enclosed a telex sent to you by Mr. Milne, your Manager in Port Stanley, in which he expressed concern at the decision that Mrs. Thorne and her family should not visit her husband over the Christmas period.

The Prime Minister has noted the views expressed by Mr. Milne and in particular that Major General Thorne is held in such high esteem in the Falkland Islands. It is entirely in keeping with his character as a professional soldier that, even though it must have been a great disappointment to all concerned, he has accepted the decision and regards the matter as closed.

The Prime Minister has asked me to thank you for your extremely kind offer of meeting the cost of the air fare to enable the visit to go ahead. The fact is, however, that the visit was not cancelled on grounds of cost. There are difficulties in transport and accommodation which make it impossible at present to offer visits to the garrison on a wider basis, and Ministers felt for a number of reasons that now was not the time to allow a single visit of this nature to go ahead.

The Prime Minister was grateful to you and Mr. Milne for writing as you did.

A. J. COLES

C.E. Needham, Esq.

R



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1A 2HB
Telephone 01-218 6169 (Direct Dialling)
01-218 9000 (Switchboard)

D/S of S/PS/10(E48/10)

16th December 1982

Dear Tom,

Type letter pl.

AD 12/12.

/ As you asked in your letter of 10th December to Richard Mottram I enclose a draft reply for you to send to Mr Needham, Chairman of the Coalite Group, offering to pay the air fare for General Thorne's family to visit the Falkland Islands over Christmas.

Yours ever

Henry Piper

(D T PIPER)

A J Coles Esq

The Prime Minister has asked me to thank you for your letter of 9th December with which you enclosed a telex sent to you by Mr Milne, your Manager in Port Stanley, in which he expressed concern at the decision that Mrs Thorne and her family should not visit her husband, over the Christmas period.

The Prime Minister has noted the views expressed by Mr Milne and ~~has commented that it is heartening to learn~~ ^{in particular} that Major General Thorne is held in such high esteem in the Falkland Islands. It is entirely in keeping with his character as a professional soldier that, even though it must have been a great disappointment to all concerned, he has accepted the decision and regards the matter as closed.

The Prime Minister has asked me to thank you for your extremely kind offer of meeting the cost of the air fare to enable the visit to go ahead. The fact is, however, that the visit was not cancelled on grounds of costs. There are difficulties in transport and accommodation which make it impossible at present to offer visits to the garrison on a wider basis, and Ministers felt for a number of reasons that now was not the time to allow a single visit of this nature to go ahead.

The Prime Minister was grateful to you and Mr Milne for writing as you did.

16 DEC 1982

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The National Archives

LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>950</i> (one piece/item number)	
Extract/Item details: <i>Letter from Fellowes to Holmes dated 15 December 1982</i>	
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STAFF IN CONFIDENCE

1932

(2)

From: Mr D O Arnold-Forster



MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1A 2HB

Telephone 01-218 2452 (Direct Dialling)

01-218 9000 (Switchboard)

PARLIAMENTARY UNDER-SECRETARY OF STATE
FOR THE ARMED FORCES

D/US of S(AF)/JW/25/5/7/9

15 December 1982

A J Coles Esq
10 Downing Street
London
SW1

~~Prime Minister~~

A.S.C. 15/12

P.R. has seen.

12/12

Dear John,

in
attached
folder.

I enclose a detailed fact sheet on disbursements from the South Atlantic Fund, listing interim payments to those individuals most seriously injured and grants made to service charities. This will be updated in the form of a regular progress report as requested.

Together with my letter of 7 December and Jane Ridley's of 9 December about compensation for victims of terrorism, we now seem to have met the remits in your letter of 29 November to Richard Mottram, apart from the request for a note on winding up the South Atlantic Fund. This is currently being prepared on the basis of consideration of this matter by the Management Committee of the Trustees.

Yours Ever,

Private Secretary

STAFF IN CONFIDENCE

STAFF IN CONFIDENCE

S. Atlantic
Fund

SOUTH ATLANTIC FUND

Payments Already Made

A total of £3,913,929.00 has been paid out of the Fund, made up as follows:

1. Interim Grants to Bereaved

£1,832,500 paid out in all made up of:

- a. 136 separate payments of £10,000 to widows and common law wives.
- b. 170 additional payments of £1000 in respect of children.
- c. 121 separate payments of £2,500 to next of kin other than widows.

2. Interim Grants to Injured (excluding those leaving service).

£487,800.00 paid out in all made up of 241 separate payments ranging from £300 to £20,000 (average £2024). A complete list of the serviceman, his injury, and the payment is at Annex A.

3. Interim Grants to those leaving the Forces

Everybody who was injured and has subsequently been discharged since Operate Corporate has received a interim payment. In all 9 payments have been made totalling £6,400. A list of those concerned, their injuries, and the payments is at Annex B.

4. Payments to Charities

A further £1,587,229.00 has been paid to charities as shown at Annex C. This money can only be used in accordance with the SAF Trust Deed ie to meet needs arising out of the engagement of the Armed Forces and civilian personnel attached in operations relating to the recent dispute over the Falkland Islands or hereafter in work relating to the due administration of the Islands.

The Future

5. The process of assessing all the 1034 cases (257 bereaved and 777 injured) with a view to deciding final payments has begun. The first completed final assessments for the more straightforward cases can be expected before Christmas.
6. Interim payments have now been made to all those with serious and moderate injuries; and cases of minor injuries are now being considered.
7. There are no difficulties obstructing progress, which can be expected to continue at a reasonable pace. A further report will be made in two weeks time.

STAFF IN CONFIDENCE

CONFIDENTIAL



c.c. Mr. Ingham
Mr. Rickett

10 DOWNING STREET

From the Private Secretary

15 December, 1982.

Falklands: Next of Kin Visit

The Prime Minister has seen your letter of 14 December about the content and timing of the announcement that will need to be made soon on the visit of UK next of kin to the Falklands. Mrs. Thatcher agrees with the line you propose to take.

I am sending a copy of this letter to Richard Mottram (Ministry of Defence).

J.E. Holmes, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

PS
 PS/MR HURD
 PS/MR ONSLOW
 PS/MR RIFKIND
 PS/PUS
 SIR J BULLARD
 SIR I SINCLAIR
~~MR GIFFARD~~
 MR WRIGHT
 MR ADAMS
 LORD N G LENNOX
 MR EVANS
 MR URE
 MR GILLMORE

PS/NO 10 DOWNING ST (2)
 PS/S OF S FOR DEFENCE
 MR J STEWART AUSD STAFF MOD
 PS/CHANCELLOR)
 MR ILETT) TREASURY
 MR LITTLER)
 SIR R ARMSTRONG)
 MR A D S GOODALL) CABINET OFFICE
 DIO)

HD/PUSD (2)
 HD/S AM D
 HD/FID (2)
 HD/DEFENCE DEPT
 HD/NEWS DEPT
 HD/ERD
 HD/ECD(E)
 HD/UND
 HD/PLANNING STAFF
~~RESIDENT CLERK~~



MR M. PATTISON } FID
 MR C. ROTH } ODA
 MR A TITCHENER }
 MR C W ROBERTS , IAT } DOT

RESTRICTED

(FM BERNE 161440Z)

FM BIS BUENOS AIRES

ADVANCE COPY
 IMMEDIATE

TO IMMEDIATE FCO

ELNO 531 OF 15 DECEMBER

INFO IMMEDIATE MONTEVIDEO BRASILIA SANTIAGO UKMIS NEW YORK
 WASHINGTON CIVIL COMMISSIONER PORT STANLEY

PRESS SUMMARY

1. "CLARIN" REPORTS THAT THE LEGISLATIVE ADVISORY COMMITTEE (CAL), ARGENTINA'S PRESENT MILITARY QUOTE PARLAMENT UNQUOTE, YESTERDAY DECIDED NOT TO CHANGE LAW 22.591 FREEZING BRITISH ASSETS AND CONTROLLING BRITISH COMPANIES AND THUS KILLED AN ATTEMPT TO CONCENTRATE RESPONSIBILITY FOR IT WITH THE MINISTER OF ECONOMY. (TRANSLATION FOLLOWS TO FCO BY TELEGRAM). THIS IS A SERIOUS SETBACK TO HOPES OF GETTING TRADE SANCTIONS LIFTED SOON.
2. IN THEIR QUOTE PEOPLE'S MARCH UNQUOTE SCHEDULED FOR THURSDAY EVENING THE MULTIPARTIDARIA (5-PARTY GROUPING) ARE EXPECTED TO CALL FOR ELECTIONS BY JULY 1983 WITH A HAND-OVER OF POWER TO AN ELECTED GOVERNMENT BY 12 OCTOBER NEXT YEAR AT THE LATEST, AND FOR AN IMMEDIATE CHANGE IN THE PRESENT GOVERNMENT'S SOCIO-ECONOMIC POLICY. THE MARCH ORGANISERS EXPECT ABOUT 100.000 TO ATTEND THE RALLY WHICH THEY ARE BILLING THE MOST IMPORTANT SINCE THE MILITARY ASSUMED POWER IN MARCH 1976.
3. SOME 2.000 ("CLARIN") TO 5.000 ("B A HERALD")

3. SOME 2,000 ("CLARIN") TO 5,000 ("B A HERALD") METALWORKERS PROTESTED IN FRONT OF THE LABOUR MINISTRY FOR HIGHER PAY YESTERDAY. THIS MORNING SAW A HEAVY BUILDUP OF TRAFFIC IN THE CITY AS RAILWAY SIGNALMEN Began A TWO-HOUR PER SHIFT PROTEST FOR HIGHER WAGES. PROVINCIAL JUDICIARY CLERKS ARE ALSO ON STRIKE TODAY. THE MODERATE CGT-AZOPARDO YESTERDAY CALLED ON THE GOVERNMENT TO REPLY TO THEIR DEMANDS FOR WAGE INCREASES, ANNUAL BONUS PAYMENT CHANGES, AND UNEMPLOYMENT BENEFIT OR FACE ANOTHER GENERAL STRIKE BEFORE THE YEAR-END. THE PERONIST "LA VOZ" SUGGESTS 23 DECEMBER AS A POSSIBLE DATE. GROWING SOCIAL UNREST IS REPORTED TO HAVE BEEN ONE OF THE TOPICS DISCUSSED AT A MEETING OF ARMY COMMANDERS WITH ECONOMY MINISTER WEHBE AND INTERIOR MINISTER RESTON YESTERDAY.

4. DETAILS OF THE ANTICIPATED INTERNATIONAL BANKS' BRIDGING LOAN TO ARGENTINA ARE PUBLISHED IN "AMBITO FINANCIERO" WHICH PUTS THE LOAN AT US DOLLARS 8.100 MILLION. "LA NACION" UNDER BANNER HEADLINES ANNOUNCES ARGENTINA WILL RECEIVE US DOLLARS 10,000 MILLION IN CREDITS DURING 1983. INCLUDED IN THIS FIGURE ARE THE IMF AND BRIDGING LOANS.

5. MOST PAPERS CARRY PRESS AGENCY REPORTS OF BRITISH INTENTIONS TO RE-EQUIP HER NAVY AND REPLACE LOSSES INCURRED DURING THE SOUTH ATLANTIC CONFLICT.

JOY

CCCN

PARA 2 LINE 1 SHOULD READ

" 2. IN THEIR QUOTE PEOPLE'S MARCH UNQUOTE SCHEDULED" ETC ETC

POWELL-JONES

NNN

SENT AT RECD AT 161523 ZTWPM

Argentina

GRS 320
UNCLASSIFIED
FROM PORT STANLEY 141720Z DEC
TO IMMEDIATE FCO
TELEGRAM NUMBER 575 OF 14 DECEMBER
INFO IMMEDIATE ODA

FROM PALMER AND PATTISON
REHABILITATION: STANLEY ROADS

1. TOWN ROADS ARE RAPIDLY BECOMING IMPASSABLE AND AIRPORT ROAD IS IN AN APPALLING STATE. DETERIORATION HAS ACCELERATED IN LAST THREE WEEKS. UNLESS MAJOR REMEDIAL WORK IS UNDERTAKEN BEFORE WINTER, TOTAL RECONSTRUCTION WILL BECOME NECESSARY FOR MUCH OF THE NETWORK.
2. FORCES ACCEPT THAT 90 PER CENT OF DAMAGE HAS BEEN CAUSED BY THEIR TRAFFIC SINCE RE-POSSESSION. HOWEVER, ROYAL ENGINEERS WILL NOT HAVE SPARE CAPACITY FOR ROAD REPAIR THIS SEASON. COASTAL SITE WORK AND OTHER ACCOMMODATION WORK MUST COME FIRST. PWD ARE UNDERTAKING SOME FIRST AID ON ROADS (WITH A GANG OF SIX) BUT HOUSING PROJECT WILL OCCUPY THE REST OF THEIR ROADS CAPACITY FOR THE REST OF THE SEASON.
3. THERE MAY BE ROOM FOR ARGUMENT AS TO WHETHER PWD OUGHT TO BE ABLE TO HANDLE THE REMEDIAL WORK, BUT WE ARE CONVINCED THAT THEY CANNOT FIND THE LABOUR TO DO SO IN THE CURRENT SEASON. WE THEREFORE RECOMMEND THAT A CONTRACTOR BE BROUGHT IN TO REPAIR TOWN ROADS AND AIRPORT ROAD. AIM SHOULD BE TO MOBILIZE EARLY IN FEBRUARY WITH WORK SCHEDULE RUNNING TO MID-APRIL. CONTRACTOR WILL BE ABLE TO BORROW SOME PLANT, BUT WILL NEED TO BRING LABOUR, MOST PLANT, AND SPECIALIST MATERIALS. PWD WILL PROVIDE DETAILED INFORMATION ON REQUIREMENTS BY 1 JANUARY.
4. PENDING RECEIPT OF INFORMATION, ODA AND CROWN AGENTS SHOULD CONSIDER BASICS FOR TENDER AND CANDIDATES FOR INVITATION TO TENDER. PAULINGS MUST BE INCLUDED IN VIEW OF TROUBLE TAKEN BY COULSON TO TRAVEL HERE TO ASSESS PROSPECTS FOR HIMSELF.
5. CONTRACT MANAGEMENT MAY REQUIRE SPECIAL ARRANGEMENTS, ESPECIALLY IF COST PLUS APPROACH IS FOUND TO BE ONLY FEASIBLE BASIS OF OPERATION. USE OF A CROWN AGENTS MANAGEMENT TEAM MIGHT BE CONSIDERED, TO HANDLE BOTH QUANTITY SURVEYING REQUIREMENTS AND PROCESSING OF PAYMENTS WITHIN AID RULES.
6. CONTRACT WILL COVER WORK ON TWELVE KILOMETRES OF TOWN ROADS

is this recommendation accepted?

/AND

AND ON VARIOUS SECTIONS OF THE AIRPORT ROAD. PWD ESTIMATE THAT TOWN ROAD WORK WOULD COST ABOUT £500,000 IF CAPACITY WERE AVAILABLE LOCALLY. EXTRA COST OF CONTRACT APPROACH WILL BE JUSTIFIED BY PROSPECT OF MAJOR DAMAGE ESCALATION IF WORK WERE NOT COMPLETED THIS SEASON.

7. IN VIEW OF CAUSE OF PROBLEM, IT MAY BE THAT FUNDS SHOULD BE FOUND FOR THIS PROJECT FROM PROPOSED MOD CONTRIBUTION TO NEW REHABILITATION GRANT.

HUNT

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FAKLANDS REHABILITATION

LIMITED

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PS/MR MARTEN
PS/PUS
MR GIFFARD
MR STREETON
MR URE
MR GILLMORE

ADDITIONAL DISTRIBUTION

FAIKLANDS REHABILITATION



Prime Minister

Foreign and Commonwealth Office

Content that Mr. & Mrs. Marten
should go to the celebrations? -

London SW1A 2AH

Agree that, in view of the security
problem, we should not actively
encourage Royal participation?

14 December 1982

Munster- documents
with F.S.

A.J.C. 17/12

mb.

Dear John,

Falkland Islands: 150th Anniversary Celebrations

As you know, since I wrote to you on 22 October about a possible visit to the Islands by the Prime Minister, further consideration has been given to ministerial representation at the celebrations.

The Foreign and Commonwealth Secretary proposes to ask the Minister for Overseas Development and Mrs Marten to represent HMG on this occasion. This decision would not be announced immediately for security reasons of which you will be aware. In the meantime the Civil Commissioner would be instructed to reply to enquiries about ministerial representation in the terms of telegram number Personal 38 to Port Stanley, a copy of which is attached.

There is also a potential problem about Royal representation. In my letter of 22 October I gave you Mr Pym's view that we should not seek to discourage Prince Andrew from attending. However, no formal invitation to him has yet been issued and as you know there has been more recent consideration of the threat. In the circumstances we have thought it best not to refer directly to Prince Andrew and propose to suggest to the Civil Commissioner that he not encourage the idea of Royal participation. If Prince Andrew is invited nevertheless, we shall have to look carefully at the nature of the advice we should give the Palace.

Yours ever
John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

The Uruguayans are being helpful about the visit by next-of-kin to the Falklands. It seems sensible to meet their wishes over publicity.

14 December 1982

A.F.C. $\frac{14}{12}$

Agreed not

Dear John,

Falklands: Next of Kin Visit

Ministers in the FCO and MOD have now considered together the content and timing of the announcement we need to make soon of the visit of UK next of kin to the Falklands. The Prime Minister will know that this visit is being arranged for April 1983. We have consulted the Uruguayan Government in some detail about this because their continued cooperation is vital.

The Ambassador at Montevideo has now persuaded the Uruguayan Government to accept that we should make a fairly explicit announcement, mentioning Uruguay. They accept that a less explicit one would only provoke press enquiries which could easily blow the whole thing out of proportion. I enclose a copy of the text which they have accepted.

In accepting the text we put to him, the Uruguayan Foreign Minister has however asked us to make the announcement close to Christmas, in a low key way and via the FCO. He fears that an announcement by the MOD would give the visit too military a flavour and that a high-level statement, particularly by the Prime Minister, would give the issue too much prominence and political significance. He himself wants to be able to stress the humanitarian side of the visit

Passages deleted and closed, 40 years, under
FOI Exemption.

Wayland
19 February 2013

CONFIDENTIAL



Mr Pym therefore proposes that the announcement should be made, as in the enclosed text, by the FCO News Department at one of its regular daily press briefings. Tuesday 21 December would be a suitable date. The MOD could then immediately inform all the next of kin personally the same day. The MOD have told us that their Ministers are also prepared to accept this course for the reasons given in paragraph 4.

I am copying this letter to Richard Mottram.

Yours ever

for Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL

RESTRICTED



Announcement

Following earlier undertakings, plans are being made to enable close relatives of those who were buried in the Falklands, or who were lost at sea in the fighting, to visit the Islands in April next year, at public expense. Transport will be by civil air to Montevideo and thence by a civilian cruise liner, the Cunard Countess. We expect the departure date to be on or about 7 April.

The whole journey will last some ten days of which about three will be spent on or around the Islands. The visit will be timed to coincide with a special service in the new military cemetery for those who are buried on the islands and with the dedication of the memorial to those who are not in marked graves. Next of kin of those who died will be visited shortly by the appropriate Service authority when details of the visit will be explained.

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10 DOWNING STREET

From the Private Secretary

10 December 1982

I enclose a copy of a letter which the Prime Minister has received from Mr. C.E. Needham, Chairman of the Coalite Group. He refers to a telex received from his Manager in Stanley protesting about the fact that the Military Commissioner will not be joined by his family for Christmas. You will see that Mr. Needham asks whether his firm can, anonymously, pay the fares of General Thorne's family.

Bi
10/12

I should be grateful for a draft reply for my signature on behalf of the Prime Minister as soon as possible.

A. J. COLES

Richard Mottram, Esq.,
Ministry of Defence.



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Argentina

10 DOWNING STREET

From the Private Secretary

10 December, 1982.

The Prime Minister has asked me to thank you for your letter of 8 December describing the provision made by the Services Benevolent Funds for the continuance of private education for children of servicemen killed or invalided from the Service.

A. J. COLES

Air Chief Marshal Sir David Evans, GCB, CBE,
CBIM, RAF,
Ministry of Defence.

BTC

RESTRICTED



Foreign and Commonwealth Office

London SW1A 2AH

*Mr. Needham's letter
has arrived and I have
written to the ro. d.*

10 December, 1982

A-F-C-^{10.}/₁₂

Dear John,

h-u.

Falkland Islands Military Commissioner: Visit by Family at
Christmas

The Chairman of Coalite, (the parent company of the Falkland Islands Company), Mr Ted Needham, has rung Mr Onslow in a state of some excitement about the decision to cancel the arrangements for the Military Commissioner's family to join him in the Falkland Islands for Christmas.

The incident has (according to Mr Needham) created a furore in the Islands. He read out a telegram from the recently retired local director of the Falkland Islands Company in Port Stanley, expressing the Islanders' admiration for General Thorne and their 'disgust' at the way he had been treated. As the Commanding Officer, on a far longer tour than any of his accompanying officers or men, the Islanders thought it entirely appropriate that his family should join him at Christmas-time and were determined to pursue the case even though General Thorne himself had made it clear he was not. Mr Needham ended by saying that he would be writing to the Prime Minister about this.

Mr Onslow took note, but made it clear that this was entirely a matter for the MOD and not one on which he could make any comment.

You will wish to be aware that a letter from Mr Needham may be on its way. In view of the central MOD interest, I am copying this letter to Richard Mottram.

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
Private Secretary
10 Downing Street

RESTRICTED

FROM THE CHAIRMAN



Coalite Group PLC

PERSONAL

Leambr.
9th ~~November~~, 1982

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
London SW1.

Dear Prime Minister

FALKLAND ISLANDS

As you suggested, I have been keeping in touch with Cranley Onslow on the Shackleton proposals and other developments on the Islands. I like to think we have been mutually helpful. The balance in Francis Pym's statement yesterday seemed to me admirable.

The main purpose of writing to you, however, is to pass you the attached copy of a telex from Harry Milne in Stanley, the Manager with whom I was in telex contact during the early stages of Argentinian occupation. He is retired now and not regularly in touch, so there must be a lot of feeling on the subject he writes about for him to contact me and ask that I raise it with you.

I had the pleasure of getting to know David Thorne during my recent visit to the Islands and it was clear that he was well liked and respected for all that he had done, not least in respect of the marvellous relationships existing between civil and military personnel.

I did not see the News of the World article but did hear a radio broadcast in which David Thorne was having to explain why it had been proposed his family would join him at Christmas, half way through his twelve months stint. As a good soldier, he obviously has indicated that he accepts the decision and the matter is closed. It seems to me that it should perhaps not be left there.

I can see the problems from the M.O.D. point of view and wonder whether it might help if we offer, anonymously, to pay the fares of General Thorne's family, for which the flights could of course only be arranged by M.O.D. authority.

With best wishes

James Sincerely
C. E. Needham

C. E. Needham

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9TH DECEMBER 1982

TO: C E NEEDHAM

FR: H M MILNE

DEAR TED,

THE ARTICLE IN THE NEWS OF THE WORLD AND THE SUBSEQUENT REFUSAL BY M.C.D. TO ALLOW GENERAL THORNE'S WIFE AND FAMILY TO JOIN HIM AT CHRISTMAS HAS CAUSED CONSIDERABLE ILL FEELING IN STANLEY BOTH WITH TROOPS AND CIVILIANS.

GENERAL THORNE SAYS THAT THE MATTER IS CLOSED, BUT THAT ONLY APPLIES TO THE TROOPS. BOTH CIVILIAN AND MILITARY ARE DISGUSTED AND ANGERED BY THE ACTIONS OF M.C.D. IN PAMPERING TO THE ILL-INFORMED, SPITEFUL AND BACK-BITING PUEBISH PUBLISHED IN A RAG SUCH AS THE NEWS OF THE WORLD.

ON CHRISTMAS DAY THE GENERAL STARTS AT 07.30 HRS AND WILL BE WITH HIS TROOPS UNTIL 23.00 HRS. HE IS ADMIRER AND EXTREMELY WELL LIKED BY BOTH CIVILIANS AND MILITARY WHO CONSIDER HIM A VERY HARDWORKING MAN WHO KEEPS IN CLOSE CONTACT WITH ALL RANKS.

A MAN WITH HIS DRIVE, PERSONALITY AND WHO IS SERVING OUT HERE FOR 12 MONTHS COMPARED TO THE 4 - 6 MONTHS SERVED BY HIS OFFICERS AND MEN SURELY DESERVES SOME LITTLE CONSIDERATION. A SHORT VISIT BY HIS WIFE AND FAMILY AT CHRISTMAS IS LITTLE ENOUGH COMPENSATION. THE COST IS VERY SMALL COMPARED WITH THE VAST SUMS WHICH ARE BEING SPENT ON OTHER LESS WORTHY CAUSES.

CAN YOU PLEASE CONTACT SOME OF YOUR FRIENDS IN HIGH OFFICE, IF POSSIBLE MRS. THATCHER, AND LET THEM ALL KNOW OF OUR ANGER AND DISGUST AT THEIR TREATMENT OF AN OFFICER WE ALL HOLD IN HIGH ESTEEM. THEIR ACTION IN THIS INSTANCE CAN ONLY HARM THE WONDERFUL IMAGE CREATED BY THEIR ACTIONS REGARDING THE FALKLAND ISLANDS CAMPAIGN.

MANY THANKS,

HARRY.

PLS HAVE U RECD THIS CK+?

54250 COALTE G

YES WE HAVE RECD CK THANK YOU

216 FALKISCO FKTA BETTY EILI - MARIE AND ROSIE.

54250 COALTE G

216 FALKISCO FK



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Argentina

10 DOWNING STREET

From the Private Secretary

9 December, 1982

South Atlantic Fund

Thank you for your letter of 7 December. The Prime Minister has noted the intention of the Trustees of the South Atlantic Fund to give hampers before Christmas to the 132 bereaved widows.

Mrs. Thatcher has considered the suggestion that she should send a short personal note or card to the widows on the first Christmas of their bereavement. While she was attracted to this idea, she feels that it would be difficult for her to implement it without also writing to the widows of those killed in Northern Ireland both now and in the future. This commitment might become rather impracticable. Mrs. Thatcher is therefore inclined not to pursue the suggestion.

A. J. COLES

D. O. Arnold Forster, Esq.,
Ministry of Defence

Chairman of the Trustees of the South Atlantic Fund

MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1A 2HB

Telephone 01-218 6287 (Direct Dialling)

01-218 9000 (Switchboard)

Prime Minister

A.S.C. 8/11

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VICE CHIEF OF THE DEFENCE STAFF
(PERSONNEL AND LOGISTICS)

VCDS(P&L) 19/5

The Right Honourable Margaret Thatcher MP
10 Downing Street
London SW1

8 December 1982

Dear Prime Minister,

As you requested at our meeting on 29 November I have had a further look at the Services' Benevolent Funds attitudes to the continuance of private education for children of Servicemen killed or invalided from the Service. You also asked for a note on the subject.

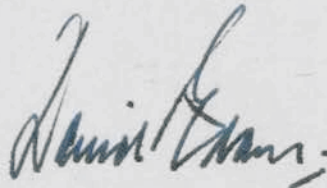
I confirm what I told you about the RAF (although I was less certain about the Army and Navy policy) in that the RAF Benevolent Fund's policy is one of maintaining the expectations for children, ie continuance at school through to 'O' and 'A' level as appropriate, or entry to a school at the appropriate age if that was a fair and reasonable expectation. As I also emphasised, the Fund does not aim necessarily to improve on such parental expectations and would not normally fund the move of a child to a more expensive school, except in unusual family circumstances where each case would be judged on individual merit. However, the Fund would not simply take on total responsibility for full payment of all educational costs. Initially, they would take into account the fact that Service Boarding School Allowance would continue for a short period (at least for one term and in some circumstances for up to two years). They would then arrange a scheme drawing aid from County Councils, the schools themselves, other bursaries which may be available to the RAF, and then finally make a grant from the RAF Benevolent Fund in the form of an educational bursary. Some parental contribution is also normally expected, depending upon family circumstances.

As I expected - although I was not absolutely certain - the Royal Navy and Royal Marines also have similar arrangements through the King George's Fund for Sailors, as do the Army through the Army Benevolent Fund. In all cases sympathy and generosity prevails and, where circumstances subsequently change and it becomes necessary to help to send a child to boarding school - for example where a mother remarries and moves abroad - bursaries would normally be awarded.

Passage deleted and closed, 40 years, under
FOI Exemption. *Wayland, 19 February 2013*

Both the Secretary of
the King George's Fund for Sailors and the Secretary of the
South Atlantic Fund have been in touch with her and with her
solicitor on this matter.

As you already know, the South Atlantic Fund will, of course,
provide appropriate financial support to ensure continuity of
Schooling for all who have been affected by the Falklands operation
and the Services' Benevolent Funds are fully aware of this. You
may also wish to know that schooling requirements are being
included specifically in the longer term financial assessments
currently being made.



Chairman of Trustees
South Atlantic Fund

PRIME MINISTER

MH

SHACKLETON REPORT

Mr. Healey, leading the response to Mr. Pym's statement, made three points: first, why had the Government rejected Lord Shackleton's proposal for the wholesale transfer and subdivision of absentee-owned farms; second, was it not the case that the Government was not immediately pressing ahead with the airfield because there was no possibility of setting up air links with the mainland; and third, were not friendly relations with the mainland absolutely crucial to the future of the Islands, and did the Foreign Secretary reject your view that there should be no negotiations of any kind with Argentina. Most of the subsequent questioning followed these themes. David Owen called for negotiations on the long-term future of the Islands and its relations with the mainland. Nigel Spearing called for the new development agency to take over all absentee-owned land, and to redistribute it bit by bit. Sir Hugh Fraser and Sir Bernard Braine said that the construction of an all-weather airfield was essential. George Foulkes maintained that the Government had approached Chile, Uruguay and Brazil about the possibility of opening air links with the Islands, and they had all refused.

There was one other theme to the questions. A number of Opposition MPs, such as Kevin McNamara and Dennis Canavan, argued that the Government should devote as much attention to the depressed areas of the UK as it was clearly devoting to the Falkland Islands. Dennis Canavan maintained that the Government would be spending over £1 million on every Islander, and that "it was clearly time for Galtieri to invade 10 Downing Street", so as to promote investment in the UK.

Francis Pym said that the Islanders were not persuaded of the need for the wholesale redistribution of absentee-owned land, and would prefer a more gradual process. The Government were convinced that there would have to be an improved airfield;

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the feasibility study was not about whether there should be an airfield, but about how best to establish a better airfield. The Government had been trying to normalise relations with the mainland for some time; a joint European approach had been made on the question of lifting sanctions; and he hoped that proper relations could be established in the long run, including air services; we were, however, a long way from negotiations on the future of the Islands, and the question of sovereignty simply did not arise. What we were looking for was a change of attitude on the part of the Argentines. There could be no comparison between the situation in the Islands and the depressed areas of the UK; the Islands had been invaded and had undergone a long campaign, and rehabilitation was absolutely necessary.

WR

8 December 1982

Argentina 17 32

Falkland Islands (Shackleton Report)

3.31 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Francis Pym): As the House knows, Lord Shackleton, at the Government's request, produced and published in September an updated version of his 1976 report on the economy of the Falkland Islands. We are enormously grateful to Lord Shackleton and his team for their work.

In considering the report's recommendations, we have been guided by the need to assure the economic future of the islands through a development programme, while at the same time preserving the islanders' way of life as far as possible. The report has been discussed with the Civil Commissioner, with the island councillors, amongst the islanders generally and with other interested parties. Their views have been carefully taken into account.

The Government agree with the broad conclusions of Lord Shackleton's report and are ready to support action by the Falkland Islands Government in the following major areas covered by his recommendations:

—A Falkland Islands Development Agency should be established. This would be provided with funds to buy land on the open market, and to divide it into smaller holdings. It would also have powers to make loans and grants towards the cost of a number of small-scale development projects.

—The islands' agricultural research centre, the Grasslands Trials Unit should be expanded;

—there should be a feasibility study on an improved harbour complex, including a new deep-water jetty;

—the Stanley-Darwin road should be completed and the existing network of tracks should be improved;

—a pilot scheme for salmon-ranching and a survey of shellfish resources should be established; hotel and guest house facilities upgraded; and cottage industry skills developed.

Although they were not specifically covered in Lord Shackleton's report, we believe that urgent action should also be taken to improve the water supply and sewerage system in Port Stanley, and to study the requirements for future electricity generation and distribution, and the telephone system in the islands.

The following proposals made by Lord Shackleton in our view require further study:

—Exploratory offshore fishing and the establishment of a 200-mile fisheries limit: the implications of such a limit, not least its policing, and the degree of commercial interest in fishing need to be carefully assessed.

—Expansion of tourism: this will depend to a large extent on the establishment of commercial air links.

We are not convinced by Lord Shackleton's proposal for the wholesale transfer and sub-division of absentee-owned farms. We believe that this is inappropriate and consider a gradual approach to land redistribution under the auspices of the Falkland Islands Development Agency more in keeping with the capacity of the islands' existing agricultural population and more consistent with realistic immigration prospects. We are also not convinced of the need for a major expansion of the road network and are looking at more cost-effective ways of improving transport within the islands, in particular by improving the existing network of roads and tracks.

Lord Shackleton proposed expenditure of between £30 million and £35 million. My tentative estimate is that the programme that I have outlined would cost about £31 million over six years. The Government also propose to make available a further £5 million for civilian rehabilitation, in addition to the £10 million announced in July.

The islands' economy will inevitably be affected by the presence of a sizeable military garrison there, and by the outcome of the Government's present studies into the feasibility and cost of establishing a better airfield on the islands.

I should also remind the House that the economic future of the islands does not depend on the Government alone. There will be continuing scope for private sector investment and involvement which I hope will be encouraged by the commitment that we are making to the islands' future. We expect that Government and private investment together will lead to the creation of new jobs.

We have restored the freedom of the Falkland Islanders and shall continue to do what is necessary to guarantee their future security. As Lord Shackleton has reminded us in both of his studies, the economic development of the islands will ultimately depend upon the degree of local commitment to the future of the islands. For our part, we shall do all that we can to enable the islanders to look forward to a sound economic future and a worthwhile life. Our positive response to Lord Shackleton's report demonstrates our commitment to this.

Mr. Denis Healey (Leeds, East): Has this meagre response to Lord Shackleton's proposals secured the assent of the Falkland Islanders whom the Foreign Secretary says he has consulted? Can the right hon. Gentleman say why he has rejected Lord Shackleton's absolutely central proposal for the transfer of absentee-owned land to the islanders? How can he argue that the agricultural capacity of the population is inadequate when the present population is now farming the absentee-owned land? The question is whether one gives them some incentive to farm more efficiently which does not exist under the existing system.

Am I right in thinking that the right hon. Gentleman has accepted Lord Shackleton's view that there is no sense in expanding the airfield unless there are friendly airfields on the Latin American mainland from which traffic can operate?

What scope does the right hon. Gentleman see for private sector investment against the present background? The Minister said the other day that he hoped that some private entrepreneur would establish a fish and chip shop—or was it a unisex haircutting establishment? Does he really think that his proposals provide any incentive for private sector investment from Britain? Does not his statement expose the heroic postures of the Prime Minister about the Falklands as cynical vote catching? Does not his statement also reveal that the economic development of the Falklands depends on friendly relations with the mainland?

Can the right hon. Gentleman confirm diplomatic correspondents' reports, which appeared with interesting unanimity in the press recently, that the Foreign Office rejects the Prime Minister's view that no negotiations can take place with Argentina before or after the next general election?

Mr. Pym: The Shackleton report was delivered in the Falkland Islands on the day that it was published here. It received careful consideration in the way that I described in my statement. The Minister of State naturally discussed it with the islanders when he was there. We certainly have taken full account of what they said.

Islander opinion, which has been consulted on the important matter of land redistribution, is unpersuaded of

[Mr. Pym]

the advantages of wholesale sub-division in the way proposed in the Shackleton report. Our approach is gradualist. We shall start on a small scale and then see what develops. That is a sound way to approach the matter.

As to the airfield, it is not a question of a decision not yet having been reached, because the airfield facilities must be improved. A feasibility study is in progress and in due course my right hon. Friend the Secretary of State for Defence will inform the House of his conclusions.

With the sizeable garrison on the islands, there is already scope for private sector investment. Interest has already been expressed in the fishing possibilities and in mutton processing. That is happening, although Lord Shackleton and his team were not optimistic about it.

I remind the right hon. Gentleman that since the end of the conflict we have done everything that we can to re-establish friendly relations with the mainland and especially to normalise our relations with Argentina. We have achieved progress on the financial side, but we have not yet been able to obtain the lifting of the economic sanctions. However, the United Kingdom and other Community members made a joint approach to Argentina. That approach did not get an encouraging response, but we hope that in the long run—the sooner the better—proper relations will be restored, because that is of real interest and importance to the Falkland Islanders. We are doing our best to achieve that.

Mr. Healey: The Secretary of State did not comment on my point that Lord Shackleton's report stated that the case for an airfield rests crucially on the readiness of neighbouring countries on the mainland to make available airfields for British aircraft and to send their aircraft to the islands. Has any progress been made in that respect, and does the Secretary of State accept Lord Shackleton's judgment on the case for an airfield? The right hon. Gentleman did not comment on the Foreign and Commonwealth Office briefing of diplomatic correspondents to the effect that it disagreed with the Prime Minister's view on negotiations with Argentina.

Mr. Pym: "Negotiations" is not an appropriate term because, first, formal hostilities have not been ended and, secondly, even with the help and support of our European friends, Argentina is not prepared to lift economic sanctions. We have a long way to go before we reach that position.

The right hon. Gentleman is correct to say that air communications should be as easy and as cheap as possible. That means facilities on the mainland. We would welcome now the establishment of a regular commercial air service, but there are obvious difficulties in the aftermath of the fighting. There is no immediate prospect of establishing such a service, but we hope to do so in due course and with the minimum of delay.

Dr. David Owen (Plymouth, Devonport): Will the Secretary of State make it clear that when formal hostilities are ended and economic sanctions have been lifted the Government will be prepared to enter into discussions, without pre-emption on either side, about the long-term future of the Falkland Islands? Nothing would give greater security to the islanders than such a clear declaration.

Mr. Pym: Both during the conflict and subsequently I have said to the House constantly that it must be in the islanders' long-term interests to restore good relations with the mainland. The right hon. Gentleman postulates a hypothetical position on which I shall not comment, except to say that he knows that I have an open mind about how we can make progress in the way that he describes that will benefit the present islanders and future generations.

Sir Anthony Kershaw (Stroud): Would it not be desirable for an airfield to be constructed so that, as far as possible, it could stand by itself without help from the mainland? Will my right hon. Friend bear in mind that for many generations, when there were no aircraft, communication by sea was perfectly satisfactory?

Mr. Pym: Yes; but, if one is to encourage the development of tourism, it must be made easier to reach the islands. Whether or not we can establish commercial air services with the mainland soon, we need better airfield facilities on the island, and the question is how that can best be provided. My right hon. Friend the Secretary of State for Defence will report to the House in due course.

Mr. Nigel Spearing (Newham, South): Is the Secretary of State aware that the Shackleton report states on page 28 that between £½ million and £1 million a year is sent back to Britain from the 10 land companies? Lord Shackleton's proposal publicly to own the land would staunch that flow. If the Secretary of State is worried about management problems, why cannot the new development authority take over the land and bit by bit—or gradually, as he said—transfer the land as and when it is appropriate? Would that not benefit the islanders, and would it not gain both national and international agreement?

Mr. Pym: The Government do not believe that to be the best approach, nor is it the general wish of the islanders.

Sir Hugh Fraser (Stafford and Stone): Will my right hon. Friend make it clear whether the Government propose to proceed with the creation of a better all-weather airfield? That has always been the key—whether we are friendly with or negotiate with Argentina—to the eventual safety of the islands. We are talking about a feasibility study now but, after the first Shackleton report, I and many hon. Members pressed many times for such a study and seven or eight years ago it would have cost only a few million pounds. Will the Government make it clear that they are determined to construct an all-weather airfield on the islands that is capable of reinforcement if need be?

Mr. Pym: Yes, Sir.

Mr. Tam Dalyell (West Lothian): What hard evidence is there that any South American Government on that continent will enter into serious negotiations about providing landing rights with a Prime Minister—not with the Secretary of State, because he had no part in the decision to sink the "General Belgrano"—who, in cool calculation, sank the "General Belgrano"? Why should South American Governments deal with such a leader?

Mr. Pym: Although it has not been possible to make progress in arranging a commercial air service involving a mainland airfield in any country, I can tell the hon. Gentleman that there is a general desire in every Latin American country, with the exception of Argentina, not only to maintain but to improve their relations with Britain

and Europe. That is reciprocated by us. I hope that from that general desire will grow the possibility of establishing the airfield facilities that will be of great help to the islanders.

Sir Bernard Braine (Essex, South-East): Bearing in mind that infirmity of will in this matter has been the curse of the Falkland Islands during the past 20 years, and recalling that Lord Shackleton recommended six years ago that an all-weather airport was crucial to the development of the islands and that he still says the same, will my right hon. Friend assure the House that, feasibility study or not, it is the Government's firm intention not to keep the Falkland Islands dependent upon Argentina for its external communications for one moment longer? Will he assure the House that those air facilities will be provided and supplemented by adequate sea communication?

Mr. Pym: I thought that I had made it clear that the question is not whether we shall improve the airfield but the best way of achieving that objective. There are various ways of doing it and that is what is being studied. However, my hon. Friend's principle is conceded, and there will be an improvement.

Mr. George Foulkes (South Ayrshire): Is the Foreign Secretary aware that Lord Shackleton said that the prospects for any development in the Falkland Islands are gloomy unless a civil air link is established quickly? Will the Secretary of State confess that his officials have approached Chile, Uruguay and Brazil and that all those countries have said that there is no prospect of their granting landing rights to British aircraft? Will the right hon. Gentleman admit that?

Mr. Pym: We have had friendly conversations with all Latin American countries, but we have not been able to achieve—

Mr. Foulkes: And never will.

Mr. Pym: —the arrangement that I have sought. However, that objective is clearly in the interests of the islanders, and we are doing our best to achieve it.

Sir Hector Monro (Dumfries): My right hon. Friend's proposals are both realistic and practical. Does he agree that the farmers of the Falkland Islands will welcome his policy of the gradual purchase of land through the Falkland Islands Development Agency, provided that it can start soon? Does he accept that money put into the Grasslands Trials Unit is money well spent?

Mr. Pym: I am grateful to my hon. Friend for his remarks. It is for the Falkland Islands Government to pursue the policies that I outlined, with our financial support, and we shall consult them. I have every reason to believe that they will make an early start.

Mr. David Young (Bolton, East): will the right hon. Gentleman recognise that, as Her Majesty's Government discovered where the Falklands were only after the invasion, hon. Members hope that no ongoing commitment will be entered into until this House has discussed the matter in full? The Leader of the House failed to give me the assurance that I requested a week last Thursday that not a penny would be spent until this House had discussed the matter. In my opinion, the present discussion on this statement is totally inadequate to meet

the future commitments that we may face if the Government go off on a tangent without consulting the House on the implications of future commitments.

Mr. Pym: It is not reasonable to describe my statement and the provision that it outlines as unreasonable and inadequate. In total, it is a sum within the bracket suggested by the Shackleton report. My right hon. Friend the Leader of the House has heard what the hon. Gentleman said about a debate, and that of course is a matter for him.

Sir John Biggs-Davison (Epping Forest): Do not the local commitment and the private investment which my right hon. Friend rightly seeks depend on confidence at home and in the Falkland Islands that the British will to defend British sovereignty in the Falklands will be maintained? In view of my right hon. Friend's exchange with the former Foreign Secretary, the right hon. Member for Plymouth, Devonport (Dr. Owen), is my right hon. Friend aware that the nation will not tolerate a return to the shilly-shallying, ambivalent conversations that took place over the years on the question of sovereignty?

Mr. Pym: My hon. Friend is quite right in saying that private investment depends on confidence. I hope that he will agree that my statement and the contribution that the Government are making, as outlined in the statement, about economic development are strongly in the direction of that confidence.

On the security of the islands, we shall of course do whatever is necessary, as we are now doing, to secure the safety of the people there. The question of sovereignty does not arise.

Dame Judith Hart (Lanark): Will the Foreign Secretary answer the following points? Will the £31 million plus £5 million that he announced come out of the budget of the Overseas Development Administration? Does his announcement about the development agency and his attitude to the private sale of land mean that Government money will subsidise the infrastructure from which Coalite and other private owners can make further profit? Given the long-term problems of resolving the diplomatic questions concerning the Falklands, has he, before he made this statement, had any discussions with the United Nations Secretary-General, because clearly United Nations trusteeship is a possible future solution?

Mr. Pym: In answer to the right hon. Lady's first question, the new aid for the Falklands will be financed mainly from additional funds. No existing commitments will be cut to pay for it.

In answer to the right hon. Lady's question about infrastructure, what I announced today goes further in that direction than the Shackleton report recommends. In our view, it is important for the development of the islands, and the islands and the islanders will benefit from it.

In answer to the right hon. Lady's last question, I am commenting on the report by Lord Shackleton and his team, and in my view no question of United Nations consultation arises.

Mr. Churchill (Stretford): Does my right hon. Friend, as a former Secretary of State for Defence, agree that as long as the air defence of the islands depends on a single runway on a single airfield we shall be in an exposed position in defending the Falkland Islands from a large

[Mr. Churchill]

scale air attack? Will he confirm that the Government are determined to find a location for developing a second airport?

Mr. Pym: That is a matter for my right hon. Friend the Secretary of State for Defence. There will be opportunities in due course for my hon. Friend the Member for Stretford (Mr. Churchill) to question my right hon. Friend on that matter.

Mr. Kevin McNamara (Kingston upon Hull): Will the right hon. Gentleman say how much the sums he has announced represent per capita in investment on the Falkland Islanders, who have been facing tremendous problems, and what it would mean if the same investment were made in areas in the United Kingdom where unemployment is, say, over 10 per cent., so that we could then gauge the value of the Government's consideration for the Falkland Islanders and for the unemployed, say, in Hull? Would it not be important for the Government to announce at this stage the building of cold store facilities in the Falklands as the first requirement in the proper maintenance and supply of mutton to the Services there, and as a prerequisite for fishing interests in the deep waters, as the right hon. Gentleman described?

Mr. Pym: The answer to the hon. Gentleman's first question is £17,000. The comparison that he makes is nonsensical, and it does not help in any way. One recalls the bridge that was built in certain circumstances which cost a lot of money which might with advantage have benefited the unemployed in the hon. Gentleman's constituency.

The cold store could well come in due course, if the development of the islands takes place in a way that makes that sensible. I have said that some private investment sources are interested in the possibility of mutton processing, and if the fishing possibilities are explored there may be further reason for a cold store. However, it is too soon to judge.

Mr. John Farr (Harborough): Although I welcome my right hon. Friend's statement, he said nothing about the mineral resources or about the important problem of population introduction from Great Britain to the Falkland Islands. In addition to the recommendations in the Shackleton report, which my right hon. Friend suggested for agriculture and farming projects there, as the House last night approved an increase in the Commonwealth Development Corporation allocation from a £500 million ceiling rate to £850 million, will my right hon. Friend tell us whether the CDC will be involved there in a meaningful way?

Mr. Pym: I agree that the resources in and around the islands are capable of exploration and, possible, development. As I said in my statement, we do not think that the stage has been reached in some cases where it is either sensible or right to put in Government money. However, they could be further explored, and if the prospect seems more promising than it does now further money can be found from private sources and, possibly, public sources. However, that remains to be seen.

Population increase, again, is desirable in many ways, but it depends on how the plan and the economic development of the islands go. If they are successful,

clearly there would be an increase. Otherwise, the increase may be in the garrison. We must see how things go.

What my hon. Friend said about the Commonwealth Development Corporation is right, but, off the cuff, I cannot say whether it will be a contributor to the Falkland Islands' financial resources. The answer is probably "No", but I shall let my hon. Friend know.

Several Hon. Members rose—

Mr. Speaker: Order. I propose to call four more hon. Members from either side, and then we shall move on to the main business.

Mr. Andrew Faulds (Warley, East): As British naval and military forces brilliantly salvaged the politicians from their failures, is it not time to recognise that the Falkland Islands are a long-term and expensive liability, and that the sooner we come to terms with the realities of interests of South America the better?

Mr. Pym: The hon. Gentleman is entitled to his view. Obviously, it was an expensive exercise and expedition. However, not only the House but the country supported our wish to drive back the aggressor and restore freedom to the islanders. No one says, or pretends, that it was a cheap exercise.

Lord James Douglas-Hamilton (Edinburgh, West): Will my right hon. Friend confirm that the French capacity to operate the island diversion scheme in getting long-haul civilian aircraft to land in the Austral Islands in the South Pacific can also be applied by us in the Falklands, in the context of a developed, or a new, runway?

Mr. Pym: That question is beyond my technical knowledge. I shall let my hon. Friend know the answer.

Mr. John Maxton (Glasgow, Cathcart): In view of the large increase in profits that was announced by the Coalite Company yesterday, will the Minister say how much of that profit will be reinvested in the Falkland Islands? If the money is not reinvested in the Falkland Islands, why should that company continue to own the land, or why should the people of this country invest in that area, when the company that owns it is not prepared to do the same?

Mr. Pym: It is not for me to say what the company's intentions are. What I am concerned about, and what I think the House is concerned about, is to do everything that we can to improve the economic future and environment in the islands. That is what the statement is about.

Mr. Bowen Wells (Hertford and Stevenage): Will my right hon. Friend reassure me that the developments that are to take place in the Falkland Islands are viable and profitable? Would it not be foolish to overload the Falkland islanders with many public investments, which the recurrent budget could not sustain? Will my right hon. Friend try to attract neighbouring countries and even Commonwealth countries to assist us in the development of the Falkland Islands in view of their strategic importance and control over the South American passage to the Pacific?

Mr. Pym: As I have announced in the statement, a considerable part of the resources that are allocated are for infrastructure, roads, agriculture and so on. Some is for the development of businesses of one kind or another. However, we must see how we go. If the future turns out

be reasonably hopeful and confidence returns, I think that there will be increased scope for developing more business. The only way that we can proceed is to take a gradual approach.

Mr. James Lamond (Oldham, East): How can the Foreign Secretary say that sovereignty does not arise today when the success or failure of the package that he has announced depends on that very matter? Can the Falkland islanders, or those whom he thinks will put money into the private sector investment in the Falkland Islands, safely disregard the repeated calls by the President of the United States when he was in Latin America for the resumption of talks about the future of the Falkland Islands, which can end only in sovereignty passing to Argentina?

Mr. Pym: The House knows the British Government's position. I do not think that the House would expect me to take any other position. We are trying to make Argentina change its attitude. They were the people who invaded the islands. They were the people who did all the damage. They are the people who are not now prepared to restore normal relations. The change that we want to bring about is there. We are doing everything that we can to achieve it. As I said before—and it is true—in the meantime the question of sovereignty does not arise.

Mr. Ivor Stanbrook (Orpington): On the subject of land redistribution, in all the circumstances of this case would it not be a sensible interim measure for the Government to acquire the interests of Coalite Ltd. in the Falkland Islands?

Mr. Pym: We have not thought so.

Mr. Dennis Canavan (West Stirlingshire): Why is it acceptable for the Government to use public expenditure to regenerate the Falkland Islands economy but not the British economy. Now that total Government spending on the Falkland Islands is to amount to about £1 million for every Falkland islander, will the Government ask Lord Shackleton to assess the likely effects on the British economy if Galtieri were invited to invade 10 Downing Street?

Mr. Pym: The hon. Gentleman knows the extent of our national resources that are helping our economy and the people adversely affected by rising unemployment. He knows of our schemes for youth and so on. That was a wrong comparison to make. To do anything less than what we have proposed in the statement would not be in accordance with the wishes of the House.

Mr. Robert Banks (Harrogate): Bearing in mind the fact that the report draws attention to the rich resources of krill off South Georgia, will my right hon. Friend include a pilot scheme in his proposals for offshore fishing to see whether those resources can be commercially exploited?

Mr. Pym: We want to see the possibilities of fishing explored much more widely. We are considering how best to do that. There should be further studies before we put any money into that venture. We hope that it will turn out to have good prospects, but that remains to be seen.

Mr. Denis Healey (Leeds, East): The Foreign Secretary rightly revealed the fact that he has been trying, though in vain so far, to establish air links with countries in Latin America other than Argentina. I am sure that he can confirm that the main obstacle to that is the Government's refusals to enter into any sort of discussion with the Argentine Government. As it was he who referred to obstacles to such talks, will he assure the House, as the Foreign Office appears to have assured diplomatic correspondents, that once the Argentine Government have ended sanctions and the formal state of war with Britain, Her Majesty's Government will be prepared to enter into talks with Argentina without preconditions?

Mr. Pym: Let us consider that position when we get to it. What matters is the future of the islands, the islanders and the next generation. That is what we must consider. The fact that we have taken the line that we have over Argentina is not the reason why countries in Latin America so far have not been prepared to grant us air services. None of them has produced that as a reason. They are just reluctant at the moment to take that step for their own reasons. They have not identified that as a reason, nor have they said that if we did have discussions they would grant us such services.

The question of negotiations or anything of that kind does not arise at present for the reasons that I have stated. We want to see a change of attitude by Argentina. That is of fundamental importance to the future of the islands. Even without that, in the meantime we are taking all necessary military steps to protect the islanders and taking economic steps here to make their prospects brighter.

NEW MEMBER

The following Member took and subscribed the Oath: Mrs. Helen Margaret McElhone, for Glasgow, Queen's Park.

BILL PRESENTED

LANDS VALUATION AMENDMENT (SCOTLAND):

Mr. Secretary Younger, supported by Mr. Allan Stewart, presented a Bill to amend the definition of the expression "machinery fixed or attached" in section 42 of the Lands Valuation (Scotland) Act 1854: And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed. [Bill 42]

BILL PRESENTED

TRADE UNION (AMENDMENT)

Mr. J. W. Rooker, supported by Mr. David Stoddart, Mr. Robert Kilroy-Silk, Mr. Andrew F. Bennett and Mr. Frank Field, presented a Bill to amend the Trade Union Act 1913 in order to provide for each member paying into the political fund the right to a vote in respect of certain elections; and for connected purposes: And the same was read the First time; and ordered to be read a Second time upon Friday 28 January and to be printed. [Bill 38.]

Orders of the Day

SUPPLY

[3RD ALLOTTED DAY]—*considered*

The Economy (Impact on Women)

Mr. Speaker: I should inform the House that I have selected the amendment in the name of the Prime Minister.

4.6 pm

Miss Joan Lestor (Eton and Slough): I beg to move,

That this House condemns the disastrous effects on employment of Her Majesty's Government's economic policies and their particularly damaging impact on the social and economic position of women.

We are debating today the impact of the economic recession, particularly on women. This debate is long overdue. It is being listened to by women throughout the country. Many women representing organisations have written to me on particular aspects of the recession and its impact on women.

If we cast our minds back to the general election, we recall that many women voted for the Prime Minister. They voted for the Prime Minister not because she was a monetarist, not because she was a militarist, not because she was a reactionary and not because she was a Tory. They voted for her not because they wanted at least 3½ million unemployed, and not because they wanted cuts in the National Health Service nor in State education. Those women voted for the right hon. Lady because she, too, was a woman. They believed that because of her sex she would advance the cause of women's equality. How wrong they were. It was the biggest political error since Neville Chamberlain—[HON. MEMBERS: "Where are the Tories?"]

Mr. D. N. Campbell-Savours (Workington): On a point of order, Mr. Speaker. Is it not disgraceful that there are very few Conservative Members in the Chamber? Is not that an indication of the Government's attitude to women in society?

Mr. Speaker: Order. The hon. Gentleman knows that attendance in the Chamber is not compulsory.

Mr. Campbell-Savours: On a point of order—

Mr. Speaker: Order. This is not a point of order. I can understand the hon. Gentleman's feeling, but it is not a point of order to me even if the Benches are empty—as long as there are two hon. Members present we keep going.

Mr. Campbell-Savours: On a point of order, Mr. Speaker. Would it not be in order to suspend the sitting?

Mr. Speaker: Order. I have already said that this is not a point of order. Suspend the sitting indeed!

Miss Lestor: The women who voted for the Prime Minister because she was a woman made the biggest political error since Neville Chamberlain was heard to say that Hitler had missed the bus. My hon. Friend the Member for Workington (Mr. Campbell-Savours) has already pointed out that there are only six or seven Conservative Members in the Chamber at the moment.

That fact will go out to the public who are watching the debate with great interest, and who will see it as a demonstration of how little concern the Government have for the position of women.

The right hon. Lady has a commendable public stance on the treatment of women and on the Equal Pay Act. On the Second Reading of the Equal Pay Bill in 1970, she said:

"One of the reasons why . . . women go out to work is the quite ordinary one that the wife needs to work to keep up a good standard of living for the family."—[*Official Report*, 9 February 1970; Vol. 795, c. 1024.]

We all know that that is true. However, that was the right hon. Lady's public stance. The private stance of the right hon. Lady and her Government is different, as the recent submission to the European Commission of Human Rights in defence of their sexist and racist immigration rules shows. That submission says:

"Women are not necessarily bound to compete for employment and are unlikely to be breadwinners. Women as breadwinners are unusual. . . . Society still expects the man to work and the woman to stay at home. This is a fact of life, a common pattern. The majority of women do not threaten the labour market."

We now have a position where unemployment among women is escalating at a great rate. It is difficult to obtain precise figures of this. However, we know that the estimated figures given by the Government are in error, and the true figure is possibly double the Government's figure, just as the official unemployment figures are much less than the figures of which we have evidence.

The Department of Employment figures show that 71,000 women have been dropped from the unemployment register because of the new way of compiling the unemployment figures. That is a fact that cannot be disputed. In addition, the work availability tests just introduced are likely to make it more difficult for women to work, assuming that a job is available. The Government justify this test on the grounds that women with children were signing on and claiming benefits because it was easy money.

Thus, according to many people who are not concerned with the advancement of women in our society—most Members of the Government and the Conservative Party are in that position—women in work earn pin money. This same attitude carries over when women are out of work as well. It is not that women are not available for work, it is that the jobs are not available for them. The failure of this Government to expand the economy and to ensure investment has had a disproportionate effect upon women. That has to be taken in conjunction with the failure to expand day nurseries and nursery schools to meet women's requirements, and the limiting of local authority provisions for the elderly and handicapped.

It is a well known fact that at any time in our history, women in the 35 to 54 years age group are those most likely to be called upon to give up their jobs and stay at home to look after elderly and handicapped relatives and dependents. That has been compounded by the present Government because local authority facilities have been squeezed. These women give up their jobs and are judged not to be available for work because they have to care for elderly and dependent relatives. In addition, if they are married, they are denied the invalidity care allowance at the same time because it is judged that married women

SHACKLETON REPORT: STATEMENT IN THE HOUSE OF COMMONS BY THE
FOREIGN AND COMMONWEALTH SECRETARY, 3.30 PM, 8 DECEMBER 1982

As the House knows, Lord Shackleton, at the Government's request, produced and published in September an updated version of his 1976 report on the economy of the Falkland Islands. We are enormously grateful to Lord Shackleton and his team for their work.

In considering the report's recommendations, we have been guided by the need to assure the economic future of the Islands through a development programme, while at the same time preserving the Islanders' way of life as far as possible. The report has been discussed with the Civil Commissioner, with the Island Councillors, amongst the Islanders generally and with other interested parties. Their views have been carefully taken into account.

The Government agree with the broad conclusions of Lord Shackleton's report and are ready to support action by the Falkland Islands Government in the following major areas covered by his recommendations:

- A Falkland Islands Development Agency (FIDA) should be established. This would be provided with funds to buy land on the open market, and to divide it into smaller holdings. It would also have powers to make loans and grants towards the cost of a number of small-scale development projects.
- The Islands' agricultural research centre, the Grasslands Trials Unit, should be expanded;

/- There should

- there should be a feasibility study on an improved harbour complex, including a new deep-water jetty;
- the Stanley/Darwin road should be completed and the existing network of tracks should be improved;
- a pilot scheme for salmon-ranching and a survey of shellfish resources should be established; hotel and guest-house facilities upgraded; and cottage industry skills developed.

Although they were not specifically covered in Lord Shackleton's report, we believe that urgent action should also be taken to improve the water supply and sewage system in Port Stanley; and to study the requirements for future electricity generation and distribution, and the telephone system in the Islands.

The following proposals made by Lord Shackleton in our view require further study:

- exploratory offshore fishing and the establishment of a 200-mile fisheries limit: the implications of such a limit, not least its policing, and the degree of commercial interest in fishing need to be carefully assessed;
- expansion of tourism: this will depend to a large extent on the establishment of commercial air links;

/We are not

We are not convinced by Lord Shackleton's proposal for the wholesale transfer and sub-division of absentee-owned farms. We believe this is inappropriate and consider a gradual approach to land redistribution under the auspices of the Falkland Islands Development Agency more in keeping with the capacity of the Islands' existing agricultural population and more consistent with realistic immigration prospects. We are also not convinced of the need for a major expansion of the road network and are looking at more cost-effective ways of improving transport within the Islands, in particular by improving the existing network of roads and tracks.

Lord Shackleton proposed expenditure of some £30 - £35 million. My tentative estimate is that the programme I have outlined would cost about £31 million over six years. The Government also propose to make available a further £5 million for civilian rehabilitation, in addition to the £10 million announced in July.

The Islands' economy ^{may also be considerably} ~~will inevitably~~ be affected by the presence of a sizeable military garrison there, and by the outcome of the government's present studies into the feasibility and cost of establishing a better airfield on the Islands.

I should also remind the House that the economic future of the Islands does not depend on the Government alone. There will be continuing scope for private sector investment and involvement which I hope will be encouraged by the commitment we are making to the

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Islands' future. We expect that government and private investment together will lead to the creation of new jobs.

Mr Speaker, we have restored the freedom of the Falkland Islanders and shall continue to do what is necessary to guarantee their future security. As Lord Shackleton has reminded us in both of his studies, the economic development of the Islands will ultimately depend upon the degree of local commitment to the future of the Islands. For our part, we shall do all we can to enable the Islanders to look forward to a sound economic future and a worthwhile life. Our positive response to Lord Shackleton's report demonstrates our commitment to this.

CONFIDENTIAL



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~920-7022X~~ 218 2111/3

MO 5/21

8th December 1982

Dear John

SHACKLETON REPORT : STATEMENT IN PARLIAMENT

Thank you for copying to us the draft statement. As I explained over the telephone there are two amendments which we would like to suggest.

Firstly, it would be useful if the paragraph on page 3 on the impact of the garrison and the potential airfield could be amended to reflect our uncertainty about the precise effect of the garrison on the Islands' economy and to describe more clearly the current position on the airfield. It might read as follows:

"The Islands' economy may also be considerably affected by the presence of a sizeable military garrison there and by the outcome of the Government's present studies - into the feasibility and cost of establishing a better airfield on the Islands."

It might also be useful to identify in the statement one of the principal difficulties over the establishment of a 200 mile fisheries limit, namely the cost of effectively policing it. The following amendment to the penultimate paragraph on page 2 would suffice:

".... the implications of such a limit, not least its policing, and the degree of"

I am copying this letter to the Private Secretaries to the members of OD(FAF) and to Sir Robert Armstrong.

Yours ever,
Jane Ridley
(J E RIDLEY)(MISS)

J E Holmes Esq

CONFIDENTIAL

1952



ARGENTINA



A.J.C. 8/12

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

8 December 1982

J.E. Holmes, Esq.,
Private Secretary to the
Secretary of State for Foreign and Commonwealth Affairs,
Foreign and Commonwealth Office

Dear John,

SHACKLETON REPORT : STATEMENT IN PARLIAMENT

You sent me a copy of your letter of 3^{TPM} December to John Coles, enclosing the draft text of the Foreign Secretary's Parliamentary Statement. There are two changes the Chancellor would like to propose.

Paragraph 5 of the draft includes, under items for further study, a major expansion of the road network. However, Ministers at OD(FAF) (82)8th meeting did not agree to such a study. And paragraph 11 of OD(FAF) (82)22, the note by officials which Ministers were then considering, states that officials do not support Lord Shackleton's recommendation for an expanded road network on the Islands. The Chancellor therefore suggests the deletion from paragraph 5 of the reference to a major expansion of the network and the addition, at the end of paragraph 6, of a sentence on the following lines: "We are also unconvinced of the need to embark on a major expansion of the road network".

He would also like to suggest a strengthening of paragraph 9 to underline the point that it is not within the Government's power to make a success of development on the Falklands and that a great deal will depend on how the Islanders respond. This could be done by drawing on Lord Shackleton's study (paragraph 2.1.2) and inserting a new second sentence in paragraph 9 of the statement, as follows: "As Lord Shackleton has recognised in both of his studies, economic development will ultimately depend for its success upon the degree of local commitment to the future of the Islands".

I am copying this letter to John Coles and to the Private Secretaries to other members of OD(FAF) and Sir Robert Armstrong.

Yours sincerely,
A handwritten signature in cursive script that reads 'Jill Rutter'.
JILL RUTTER

Argentina
Relations
Pt 32

78 DEC 1992

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10 DOWNING STREET

Prime Minister

You can hardly write to the
132 widows without writing
to Northern Ireland widows -
and then you would have to
write to all widows in Northern
Ireland in future.

It is an attractive idea,
but, I fear, rather impacticable.

Agree?

A. J. C. $\frac{8}{11}$

RESTRICTED

From: Mr D O Arnold Forster

A32 ①



MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1A 2HB
2452

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01-218 9000 (Switchboard)

PARLIAMENTARY UNDER-SECRETARY OF STATE
FOR THE ARMED FORCES

D/US of S(AF)JW/25/5/7/9

7 December 1982

A J Coles Esq
10 Downing Street
London
SW1

[Handwritten mark]

Prime Minister

*Should you like to send a short note
before Christmas to the 132 widows?
If so we will draft.*

A.J.C. 7/12

Dear John,

A-31

Mr Wiggin has seen your letter of 29 November to Richard Mottram concerning the South Atlantic Fund, the contents of which have been passed on to the Fund Trustees.

Air Chief Marshal Sir David Evans met Mr Wiggin yesterday and explained to him that the Trustees had been unable to accept the proposal to make further substantial capital payments before Christmas to large numbers of the injured and bereaved, both for legal reasons which were well understood and because they are satisfied that current needs are being met. However, they had decided to give hampers of value £80-£100 to all 132 widows. The hampers will be prepared by NAAFI and will arrive with widows in the United Kingdom and Hong Kong before Christmas. They are thought to be a warmer gesture, more indicative of the Trustees' continuing concern and interest than a further charitable cash disbursement, which it is firmly believed would be neither needed nor particularly welcomed by the bereaved at Christmas. This view has been confirmed by soundings taken among the widows, some of whom have added that they would find a short personal note or card from the Prime Minister on the first Christmas of their bereavement preferable to cash; Mr Wiggin has asked me to pass on this suggestion.

Mr Wiggin has arranged to chair an All-Party meeting in the House of Commons Committee Room 7 on 15 December at 5pm, which will be attended by Sir David Evans and the South Atlantic Fund Secretary, who will be prepared to answer questions from Peers and MPs about the Fund. He has also made arrangements for the Prime Minister to receive regular reports on Fund disbursements as requested.

Yours Sincerely
[Signature: David Arnold Forster]

Private Secretary

RESTRICTED

6 DEC 1982

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CONFIDENTIAL



Argentina
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CHIEF SECRETARY TO THE TREASURY

N.B.P.R.

AR 2/12

2 PB

Falklands and Gibraltar: Additions to Aid Programme

1. Thank you for your minute of 6 December. Your counter-proposition will involve the Aid Programme finding a further £18.7m, of which £13m falls in the PES period, towards these items. That is a substantial contribution towards these two items, for both of which very special factors apply. Furthermore, £7.7m of the £21m which you are offering is, as you say, merely the rolling over underspending on EC attributions in 1981/82.
2. However, I do not think we should prolong the debate on this matter and I will therefore accept your offer on the basis set out in your minute. My only caveat is the obverse of yours: should the cost of commercialisation in Gibraltar exceed the figures at present contemplated, I should need to discuss the position with you again.
3. I am copying this minute to the Prime Minister, members of OD(FAF) and Sir R Armstrong.

7/12

(FRANCIS PYM)

Foreign and Commonwealth Office
 7 December 1982

Argentina : Celular Pt 31

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LORD SHACKLETON'S APPEARANCE BEFORE THE FOREIGN AFFAIRS COMMITTEE

Line to Take

(a) Land Reform

The case for sub-division of the existing large farms, either to promote development or to create employment, is not yet proven.

(b) Fisheries

The Government will be announcing its detailed decisions on Lord Shackleton's recommendations shortly. I can however say that at least some of his recommendations concerning fisheries have been accepted.

(c) Oil

There is no proof that oil reserves actually exist in this area. No applications for drilling licences have been received.

(d) Air Communications

We would welcome the establishment of a regular commercial air service between the Falklands and the South American mainland in due course.

BACKGROUND

1 Lord Shackleton appeared before the Foreign Affairs Committee of the House of Commons on 6 December to answer questions arising from his recently up-dated Falkland Islands Economic Study which was published on 13 September. Among the subjects reportedly discussed were land reform (which Lord Shackleton apparently described as a 'key issue', and one whose rejection would adversely affect prospects for development); air communications between the Falklands and the South American mainland (which he described as vital, though he saw no immediate likelihood of their being established); offshore oil (on which his views were 'pretty negative'); and fisheries, about which he was much more optimistic.

A

2 The Government's response to Lord Shackleton's recommendations will be announced by Mr Pym in a Parliamentary Statement on 8 December. A draft text is attached.

B

3 The Statement will indicate that the Government do not regard the case for the sub-division of large farms to be proven. On fisheries, it will indicate acceptance of the recommendations for salmon-ranching and a survey of shell fish resources, but will say that those concerning exploratory offshore fishing and the establishment of a 200-mile fisheries limit require further study. It will not refer to oil, about which Lord Shackleton made no recommendations. Nor will it refer to an air-link with the mainland, although Mr Pym indicated in the House of Commons on 24 November that this would be welcome.

SHACKLETON REPORT: DRAFT STATEMENT

As the House knows, Lord Shackleton, at the Government's request, produced and published in September an updated version of his 1976 report on the economy of the Falkland Islands. We are enormously grateful to Lord Shackleton and his team for their work.

In considering the report's recommendations, we have been guided by the need to assure the economic future of the Islands through a development programme while at the same time preserving the Islanders' way of life as far as possible. The report has been discussed with the Civil Commissioner, with the Island Councillors, amongst the Islanders generally and with other interested parties. Their views have been carefully taken into account.

The Government agree with the broad conclusions of Lord Shackleton's report and believe that action should be taken in the following major areas covered by his recommendations:

- a Falkland Islands Development Agency (FIDA) should be established. This would be provided with funds to buy land on the open market, and to divide it into smaller holdings. It would also have powers to make loans and grants towards the cost of a number of small-scale development projects;

- The Islands' agricultural research centre, the Grasslands Trials Unit, should be expanded;
- there should be a feasibility study on an improved harbour complex, including a new deep-water jetty;
- the Stanley/Darwin road should be completed and the existing network of tracks should be improved;
- a pilot scheme for salmon-ranching and a survey of shellfish resources should be established, hotel and guest-house facilities upgraded, and cottage industry skills developed.

Although they were not specifically covered in Lord Shackleton's report, we believe that urgent action should also be taken to improve the water supply and sewage system in Port Stanley, and to study the requirements for future electricity generation and distribution and the telephone system in the Islands.

The following proposals made by Lord Shackleton in our view require further study:

- exploratory offshore fishing and the establishment of a 200-mile fisheries limit: the implications of such a limit and the degree of commercial interest in fishing need to be carefully assessed;
- expansion of tourism: this will depend to a large extent on the establishment of commercial air links;

/- a major

- a major expansion of the road network. This might produce an unacceptable local maintenance burden and there may be more cost-effective ways of improving transport within the Islands.

We are not convinced by Lord Shackleton's proposal for the wholesale transfer and sub-division of absentee-owned farms. We believe this is inappropriate and consider a gradual approach to land redistribution under the auspices of the Falkland Islands Development Agency more in keeping with the capacity of the Islands' existing agricultural population and more consistent with realistic immigration prospects.

Lord Shackleton proposed expenditure of some £30 - £35 million. My tentative estimate is that the programme I have outlined would cost about £31 million over six years. The Government also propose to make available a further £5 million for civilian rehabilitation, in addition to the £10 million announced in July.

The Islands' economy will also be considerably affected by important military decisions, particularly on the airfield, which are still being considered and about which the House will be informed as soon as possible.

I should also remind the House that the economic future of the Islands does not depend on the government alone. There will be continuing scope for private sector investment and involvement which I hope will be encouraged

by the commitment we are making to the Islands' future. We expect that government and private investment together will lead to the creation of jobs for new blood with new skills. This is essential.

Mr Speaker, we have restored the freedom of the Falkland Islanders and shall continue to do what is necessary to guarantee their future security. At the same time, we must ensure that the Falkland Islanders can look forward to a sound economic future and a worthwhile life. Our positive response to Lord Shackleton's report demonstrates our commitment to this.

would further the peacemaking process. Our basic position has been that it would be inappropriate to see the PLO until it renounces violence and recognises the right of Israel to exist. It is essential to take a decision about that difficult matter in the light of the answer to the question whether or not it will help the peacemaking process. We are considering the request, which we have now received formally, contrary to what was originally proposed, that the delegation should include PLO representation. That is now under consideration by the Government.

Mr. Hooley: Does the Secretary of State agree that in areas like the Middle East it is vital to uphold the authority of the United Nations peacekeeping operations, and that as long as the great powers allow those operations to be treated with complete contempt—as Israel has done—the prospect of stability and peace is remote?

Mr. Pym: Yes, indeed. That is just one aspect of the difficulties that I mentioned of achieving the withdrawal of all forces from the Lebanon. There is no doubt that that multinational force has an important role to play. At the moment, I think that it is adequate for the job that it is doing, but there is a request for further reinforcements, and that is what we are now considering.

Mr. Walters: Did it emerge from my right hon. Friend's talk with the King that the Reagan proposals would have a chance of making progress only if there were an immediate freeze of settlements on the West Bank? What positive steps will we and the Americans take to bring that about?

Mr. Pym: Fundamentally, it is a decision for Israel to take. It is Israel's responsibility. We have made representations to that country in various ways. Clearly, the country with the greatest influence is the United States, and for that reason I have made direct representations more than once about the importance of this change. If the policy now followed by Israel is not altered, a credibility gap will arise in the minds of Arab countries. Clearly that would set-back the peacemaking process, for which there is a broad and general desire.

Falkland Islands

2. **Mr. Winnick** asked the Secretary of State for Foreign and Commonwealth Affairs what consultations with overseas Governments he is having regarding the Falkland Islands and their future.

Mr. Pym: Our first task remains that of reconstruction and rehabilitation of the islands. When the islanders have had time to recover and consider the future, we shall be consulting them about their views. It would be premature to discuss their future with other Governments until that stage has been reached, but I have of course explained to a large number of other Governments the British Government's position and approach.

Mr. Winnick: Is the right hon. Gentleman aware that no one in his right mind would wish to live under the rule of the junta in Argentina? However, is there not a danger now of Britain becoming isolated over the Falklands issue? Would it not be sensible at least to explore the possibility of United Nations trusteeship? Will the Foreign Secretary confirm today that he has not ruled out the possibility of negotiations on the future of the Falklands?

Mr. Pym: The immediate problem is to restore and rehabilitate the islanders, their way of life, and the

structure of the islands. Secondly, our aim is to restore normal relations with Argentina. That has been our policy since the end of the conflict. We have had the advantage of our friends in the European Community making approaches direct to Argentina with us in an effort to bring that about. So far, there has been remarkably little sign by Argentina that it wishes to restore normal relations. That, I think, must be the beginning of relations—negotiations or relationships, call them what one will—with Argentina.

It is premature to consider the question of trusteeship or the other possibilities that could arise in the long-term future. When the islanders have recovered from the shock that they suffered, and have considered their future in the light of events, that will be a more appropriate time to consider the possibility that the hon. Gentleman mentioned.

Sir Anthony Kershaw: Does my right hon. Friend agree that whether the negotiations are undertaken bilaterally or with others as well, there is little point in such negotiations if it is proclaimed in advance that they must end in the sole sovereignty of Argentina not only over the islands but over the dependencies?

Mr. Pym: There is no question of negotiations of that sort taking place at present, as I made absolutely clear—[HON. MEMBERS: "At the moment?"]—well, maybe never. I am talking about negotiations on sovereignty. That is the whole point and the argument which we deployed at the United Nations and which I have made clear to countries all round the world. However, there is good reason to restore normal relations with Argentina in commercial, diplomatic and other ways, because that is to the advantage of the islanders.

Mr. Dalyell: What have the Governments of Chile and Uruguay said to our requests for landing rights? May there not be a dreadful accident involving Hercules aircraft in the hazardous business of refuelling and refuelling again from Victor tankers?

Mr. Pym: We would welcome, of course, the establishment of a regular commercial air service of any kind between the Falklands and the South American mainland, whether in Chile or elsewhere. At present, however, there are political and practical obstacles to that. Undoubtedly Argentina's neighbours are somewhat sensitive about the matter at the moment, and there are other problems. However, it is a desirable objective and one that we are pursuing.

Mr. Nicholas Winterton: Although I appreciate my right hon. Friend's answer, does he agree that it would help the British Government to have discussions with Chile, because that could provide splendid communications with the Falkland Islands, without going to Argentina or impinging on Argentine air or land space? Does my right hon. Friend agree that Chile is gradually moving back through a voted constitution towards democracy, and that that would stabilise Chile as well as the southern Atlantic?

Mr. Pym: As I said, we would welcome the establishment of links of that kind with the South American mainland. As Chile is part of that mainland, I include that country in the answer that I have just given.

Mr. Clinton Davis: How does the Foreign Secretary distinguish between the Fascism that exists in Chile and the Fascism and breaches of human rights that occur in

PS
PS/MR HURD
PS/MR ONSLOW
PS/MR RIFKIND
PS/PUS
SIR J BULLARD
SIR I SINCLAIR
MR GIFFARD
MR WRIGHT
MR ADAMS
LORD N G LENNOX
~~MR EVANS~~
MR URE
MR GILLMORE
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RESIDENT CLERK

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PS/S OF S FOR DEFENCE
MR J STEWART AUSD STAFF MOD
PS/CHANCELLOR)
MR ILETT) TREASURY
MR LITTLER)

SIR R ARMSTRONG)
MR A D S GOODALL) CABINET OFFICE
DIO)

MRS M. PATTISON ; FID
MR C. ROTH ; ~~WES~~ ; ODA

MR A TITCHENER ; DOT
MR C W ROBERTS , IAT ;

M

Lead in file.

GRS 600
CONFIDENTIAL
FM PARIS 061800Z DEC 82
TO IMMEDIATE FCO
TELEGRAM NUMBER V1168 OF 6 DECEMBER 1982
AND TO IMMEDIATE MODUK

IMMEDIATE

ADVANCE COPY

MY TELNO 1166: FRENCH ARMS DELIVERIES TO ARGENTINA

1. HEAD OF CHANCERY CALLED ON FOUQUET (HEAD OF SOUTH AMERICAN DEPARTMENT) AT THE QUAI ON 6 DECEMBER TO ASK FOR CLARIFICATION OF THE REPORTS IN LE MONDE AND LE MATIN.
2. FOUQUET SAID THAT AT THE TIME THE FRENCH ARMS EMBARGO WAS IMPOSED ON ARGENTINA, 9 SUPER ETENDARDS PREVIOUSLY ORDERED HAD NOT YET BEEN DELIVERED. SINCE FRANCE HAD LIFTED THE EMBARGO, ALL NINE HAD BEEN DELIVERED, 5 ON 18 NOVEMBER, AND 4 LAST WEEK (HE HAD TO CHECK WITH THE MINISTRY OF DEFENCE BEFORE HE COULD CONFIRM LAST WEEK'S DELIVERY).
3. FOUQUET SAID THAT 5 EXOCET AM39S HAD BEEN SENT BEFORE THE CONFLICT AND A FURTHER 5 HAD BEEN SENT BY AREOPLANE ON THE NIGHT OF 20/21 NOVEMBER.
4. FOUQUET ADMITTED THAT THE MINISTRY OF DEFENCE DID NOT KEEP THE QUAI COMPLETELY IN THE PICTURE. HE WAS QUITE CERTAIN, HOWEVER, THAT NEWSPAPER REPORTS ABOUT DELIVERIES OF SUPER

~~HOWEVER, THAT NEWSPAPER REPORTS ABOUT DELIVERIES OF SUPER-~~
ETENDARDS OR EXOCETS ADDITIONAL TO THOSE HE HAD MENTIONED WERE
FALSE. HE WAS ALSO QUITE CERTAIN THAT NO OTHER TYPES OF
EXOCETS HAD BEEN DELIVERED WHICH MIGHT ACCOUNT FOR THE
LE MONDE CLAIM (PARA 1 OF TUR) THAT 10 EXOCETS HAD BEE
LOADED ON 1 DECEMBER. ALL THAT HAD BEEN DELIVERED WAS WHAT HAD
BEEN IN THE ORIGINAL CONTRACT I.E. A GRAND TOTAL OF 14 SUPER
ETENDARDS AND 10 EXOCET AM39S.

5. FOUQUET WENT ON TO SAY THAT THE ARGENTINES WERE ASKING FOR
A CONSIDERABLE NUMBER OF NEW WEAPONS, INCLUDING 10 MORE SUPER
ETENDARDS: EXOCET AM39S, MM38S AND MM40S: ROLAND SURFACE TO
AIR MISSILES: AND SUPER PUMA AND GAZELLE HELICOPTERS, THE
LATTER EQUIPPED WITH HOT.

6. ARBUTHNOTT REMINDED FOUQUET OF THE SENSITIVITY OF THE ISSUE
FOR HMG AND THAT WE HOPED THAT THE FRENCH WOULD NOT DECIDE TO
SUPPLY ANY NEW ARMS. FOUQUET SAID THAT THE FRENCH HAD NEVER
UNDERTAKEN TO ACCEPT A BRITISH VETO OVER THEIR SALES.

NEVERTHELESS HE COULD SAY, SPEAKING PERSONALLY, THAT CHEYSSON
HAD PROPOSED TO THE INTER-MINISTERIAL COMMITTEE CONSIDERING
ARMS SUPPLIES THAT THE FRENCH SHOULD NOT ALLOW THE MOST
SOPHISTICATED WEAPONS TO GO TO ARGENTINA. HERNU WAS, HOWEVER,
UNDER CONSIDERABLE PRESSURE FROM DASSAULT AND SNIAS AND STRONGLY
OPPOSED ANY LIMITATION ON SALES. THE GOVERNMENT AS A WHOLE WAS
UNDER PRESSURE FROM THE TRADES UNIONS TO MAXIMISE SALES
BECAUSE OF THE UNEMPLOYMENT SITUATION. FOUQUET SAID THAT NO
DECISION HAD YET BEEN TAKEN ON THE ARGENTINE REQUEST NOR
COULD HE SAY WHEN IT WOULD BE. IT WOULD DEPEND IN PART ON THE
EVOLUTION OF THE SITUATION IN ARGENTINA ITSELF.

7. CONTINUING TO SPEAK PERSONALLY, FOUQUET SAID THAT IF THE
UK WISHED TO HAVE THE BEST CHANCE OF PREVENTING THE SALE OF
ARMS, IT SHOULD CONCENTRATE ON TRYING TO PREVENT THE SALE OF
THE MOST SOPHISTICATED EQUIPMENT, E.G. THE AM39S. BUT EVEN
HERE, TO MAXIMISE THE CHANCES OF SUCCESS, IT MIGHT BE
NECESSARY FOR MRS THATCHER TO SPEAK TO PRESIDENT MITTERRAND AT
SOME STAGE. ARBUTHNOTT REMINDED FOUQUET THAT I HAD ALREADY
GIVEN MARTIN IN THE QUAI A LIST OF THE WEAPONS WE BELIEVED TO
BE THE MOST SENSITIVE (MY TELNO 806 OF 11 AUGUST). FOUQUET
SAID THAT HE WOULD LOOK IT OUT.

COMMENT

8. IF YOU WISH TO PURSUE THE IDEA OF TRYING TO PREVENT THE
SALE OF THE MOST SOPHISTICATED WEAPONS, I SUGGEST THAT WE RE-
EXAMINE THE LIST IN YOUR TELNO 205 TO ATHENS. THERE IS NO
CHANCE OF STOPPING THE FRENCH DELIVERING ALL THE ITEMS LISTED.
ON THE OTHER HAND, IF WE WERE TO CONCENTRATE OUR EFFORTS ON ONE
OR TWO WEAPONS ONLY E.G. IN PARTICULAR THE AM39S WE WOULD HAVE
A BETTER CHANCE.



Await F/C.O. reply.

A.S.C. 7/12.

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Francis Pym MC MP
Secretary of State
Foreign & Commonwealth Office
Downing Street
London SW1A 2AL

6 December 1982

2 Francis,

FALKLANDS AND GIBRALTAR ADDITIONS TO AID PROGRAMME

Thank you for your minute of 1 December about the funding of the further expenditure in the Falklands agreed by OD(FAF). Our officials have also been discussing the funding of the commercialisation of the Gibraltar dockyard agreed at OD on 5 November. It is convenient to deal with the two items together.

It was accepted at the OD(FAF) discussion that some part of the Falklands expenditure should come from the existing aid programme. I must ask you to make a slightly greater contribution than that suggested in your minute. Your proposal would involve an ODA contribution of only £1.8 million over the whole three years of the PES period taken together.

With regard to 1982-83, you have already had two cash limit increases this year on the aid programme. Moreover, my understanding is that it would in fact be possible for you to absorb the £3.7 million required this year. I do not therefore think any increase for 1982-83 should be agreed. For Gibraltar dockyard I accept that the bulk of the expenditure has to be additional, but again I think the aid programme should make some contribution.

I suggest therefore that, taking the Falklands and Gibraltar together, there should be additions to the aid programme of £21 million (of which £7.7 million would be a "carry-over" of the 1981-82 underspend) in 1983-84; £15 million in 1984-85; and £4 million in 1985-86.

This addition of £40 million to the aid programme over a 3 year period must be regarded as wholly exceptional. I am prepared to go as far as this because of the quite special considerations applying to the Falklands and Gibraltar and because of the other pressures on the aid programme which I know you face.

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It is in both our interests that these figures should be regarded as firm, even if the phasing of the expenditure fluctuates. This will give you a solid basis on which to plan the aid framework. My only slight caveat is that in the unlikely event of a major development preventing the commercialisation of the Gibraltar dockyard going ahead at all, we should then need to reconsider the figures.

I am copying this minute to the Prime Minister, other members of OD(FAF) and to Sir Robert Armstrong.


LEON BRITTAN

CONFIDENTIAL

Argentina, Relations, Pt 31

6 DEC 1982



RESTRICTED

Prime Minister

This is all rather vague. We can expect to hear such stories from time to time. I do not think any specific action is called for. A.J.C. 7/12

GRS 140
UNRESTRICTED
FM MONTEVIDEO 061806Z DEC 82
TO ROUTINE F C O
TELEGRAM 796 OF 06 DEC 82
FLKLANDS

Paragraph 1 deleted and closed, 40 years, under FOI Exemption. MS

*Wayland
19 February 2013*

2. SUBSEQUENTLY I LEARNED THAT BRITISH BUSINESS GROUPS IN URUGUAY WITH CONTACTS IN ARGENTINA HAVE HEARD THAT BUENOS AIRES IS FULL OF RUMOURS ABOUT A POTENTIAL NEW ATTEMPT TO 'TO RECOVER THE ISLANDS'.

3. I FIND IT DIFFICULT TO ASSESS THE SIGNIFICANCE OF PARAS 2 AND 3 ABOVE AGAINST THE VIEW OF THE MINISTRY OF FOREIGN AFFAIRS THAT ARGENTINA'S INTERNAL POLITICAL AND ECONOMIC PROBLEMS ARE SUCH AS TO MILITATE AGAINST FURTHER FOREIGN ADVENTURES. YET ONE OF MY MOST WELL INFORMED URUGUAYAN BUSINESS CONTACTS WITH INTERESTS IN ARGENTINA IS CLEARLY WORRIED, AGAIN BECAUSE OF THE ARMS BUILD UP IN ARGENTINA.

HUTCHINSON

[COPIES SENT TO NO 10 DOWNING STREET]

FAKLAND ISLANDS GENERAL

FCO
FID
CABINET OFFICE

THIS TELEGRAM
WAS NOT
ADVANCED

ADDITIONAL DISTRIBUTION
FAKLAND ISLANDS

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6 December 1982

Falkland Islands: Rehabilitation

The Prime Minister has noted the latest progress report annexed to your letter of 29 November.

JOHN COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.



10 DOWNING STREET

From the Private Secretary

6 December 1982

Falklands: RAF Hercules Flights via Brazil

Thank you for your letter of 3 December. The Prime Minister has noted that the Brazilian Government have granted clearance for a Hercules flight to stage at Porto Alegre today on the way to Port Stanley and that you propose to seek clearance for another flight next week, thereafter stepping up the frequency if possible.

I am coping this letter to Nick Evans (Ministry of Defence).

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

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Lo

10 DOWNING STREET

From the Private Secretary

6 December, 1982.

Shackleton Report

Thank you for your letter of 3 December. The Prime Minister is content with the draft Parliamentary statement which you enclosed. I will assume that you have agreed with the Lord President's Office that the statement will be made on 8 December, unless I hear to the contrary.

I am sending copies of this letter to Nicholas Huxtable (Lord President's Office), and Richard Hatfield (Cabinet Office).

W. F. S. RICKETT

J.E. Holmes, Esq.,
Foreign and Commonwealth Office.

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RM

GRS 550
RESTRICTED
FROM PORT STANLEY 041455Z DEC
TO IMMEDIATE FCO
TELEGRAM NUMBER 543 OF 4 DECEMBER

RESTRICTED

Read in full.
The pressure on accommodation is
clearly very serious.
mt *A.S.C. 6/12.*

ACCOMMODATION AND SHIPPING

1. I HAVE DISCUSSED THE FOLLOWING WITH THE MILITARY COMMISSIONER AND IT REPRESENTS OUR JOINT VIEW.
2. IT IS NOW ALMOST SIX MONTHS SINCE THE LIBERATION AND STANLEY IS CREAKING UNDER THE PRESSURE OF 2000 PEOPLE LIVING IN A TOWN BUILT TO ACCOMMODATE BARELY 1000. ROADS AND INHABITANTS ARE SHOWING SIGNS OF WEAR AND TEAR.
3. UNAVOIDABLE DELAYS (THE GROUNDING OF CHINOOKS, THE BREAKDOWN OF THE SHIP CARRYING OUR NEW HOUSES) MEAN THAT UNDER PRESENT PLANS, WE CANNOT EXPECT ANY IMPROVEMENT IN ACCOMMODATION IN STANLEY BEFORE MARCH/APRIL. I DO NOT THINK THAT THE CIVILIAN POPULATION SHOULD BE EXPECTED TO WAIT THAT LONG. THANKS TO A MAGNIFICENT EFFORT BY ODA RECRUITMENT SECTION, MOST OF THE RECRUITS FOR OUR EXTRA GOVERNMENT POSTS REQUIRED FOR REHABILITATION HAVE NOW ARRIVED (THOUGH TEN MORE ARE DUE BY THE END OF FEBRUARY). THIS HAS HOWEVER MEANT AN INCREASE IN THE CIVILIAN POPULATION OF STANLEY. SINCE 14 JUNE A TOTAL OF 152 CIVILIANS HAVE LEFT THE FALKLANDS AND 247 HAVE ARRIVED, AND MOST OF THEM ARE IN STANLEY: TOWNSFOLK HAVE ALSO RETURNED FROM CAMP. MOST OF THE NEWCOMERS ARE WITHOUT THEIR FAMILIES BUT HOPE THAT THEY WILL BE JOINED BY THEM SOON. FOR EXAMPLE, THE ATTORNEY GENERAL, THE DEVELOPMENT OFFICER AND MY DEPUTY ARE SHARING A PRIVATE HOUSE WHOSE OWNER IS DUE TO RETURN BEFORE CHRISTMAS. AT PRESENT THEY HAVE NO PROSPECT OF BEING JOINED BY THEIR FAMILIES UNTIL OUR NEW HOUSES ARE BUILT IN MARCH/APRIL. WE HAVE 13 NURSES SHARING 4 SINGLE NURSES' FLATS. TWO OF OUR NEWLY RECRUITED NURSING SISTERS HAVE SAID THEY WILL RESIGN IF THEY HAVE TO PUT UP WITH THIS UNTIL MARCH/APRIL. SEVERAL OF OUR PWD RECRUITS HAVE THREATENED TO RESIGN IF THEIR FAMILIES DO NOT JOIN THEM BEFORE THEN.
4. THE MILITARY ARE STILL WHOLLY OCCUPYING 16 GOVERNMENT QUARTERS AND PARTLY OR WHOLLY OCCUPYING OVER 20 PUBLIC BUILDINGS. WE HAD HOPED THAT THIS SITUATION WOULD BE RELIEVED BY THE ARRIVAL OF THE COASTEL IN MID-DECEMBER BUT I UNDERSTAND THAT A CONDITION OF THE MILITARY GETTING THE COASTEL WAS THAT ONE OF THE DORMITORY SHIPS MUST BE RETURNED TO UK. OF THE 930 PLACES AVAILABLE IN THE COASTEL, 650 WILL THEREFORE BE TAKEN UP BY MILITARY CURRENTLY ACCOMMODATED ON THE ST EDMUND AND THERE ARE STILL 369 TO BE MOVED FROM TENTS AT THE AIRPORT. THE COASTEL WILL THUS BRING NO RELIEF TO THE CONGESTION IN STANLEY.
5. THE ONLY SOLUTION I CAN SEE TO THIS IS TO KEEP THE ST EDMUND FOR ANOTHER 3 OR 4 MONTHS. NOT ONLY WOULD THIS RELIEVE THE PRESSURE IN STANLEY BUT IT WOULD ALSO ENABLE THE SIR TRISTRAM TO BE REMOVED FROM OUR ONLY WORKABLE JETTY, WHICH WOULD RESULT IN A QUICKER TURNAROUND OF SHIPS (15 ARE DUE THIS MONTH) AND HENCE A SPEEDING-UP OF OUR REHABILITATION WORK IN GENERAL. THE 230 MILITARY HOUSED IN SIR TRISTRAM (WHO HAVE TO BE SHORE-BASED) COULD GO INTO THE COASTEL IN PLACE OF A SIMILAR NUMBER REMAINING ON THE ST EDMUND.

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/6.

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6. I SHOULD THEREFORE BE GRATEFUL IF YOU WOULD TAKE UP THIS MATTER IMMEDIATELY WITH MOD AND THE TREASURY TO SECURE THE EXTENSION *of* THE ST EDMUND AS A DORMITORY SHIP FROM THE MIDDLE OF THIS MONTH TO APRIL NEXT YEAR. I AM INFORMED THAT SHE IS DESTINED FOR THE BREAKERS YARD WHEN SHE RETURNS TO UK SO I PRESUME THAT THE ONLY QUESTION TO BE DECIDED IS THE EXTRA COST INVOLVED IN KEEPING HER HERE FOR 3 OR 4 MONTHS. I HOPE THAT THIS CAN BE SATISFACTORILY AND QUICKLY RESOLVED BETWEEN FCO AND MOD.

HUNT

[COPIES SENT TO NO 10 DOWNING STREET]

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DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Minister of State for Social Security and the Disabled

Tim Flesher Esq
Private Secretary
10 Downing Street
Whitehall
LONDON SW1

3 December 1982

Mr Roberts to see

Dear Tim

H

7/12

THE SOUTH ATLANTIC FUND

Further to my letter of 26 November, I attach for your information a copy of a letter which Mr Hugh Rossi has received from Sir David Evans.

Yours ever,

Chris Evans

CHRIS EVANS
Private Secretary

Enc

6 DEC 1982



16/12

Chairman of the Trustees of the South Atlantic Fund



*Remember To Sign
Send copy to P.D.'s office
11/12*

MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1A 2HB

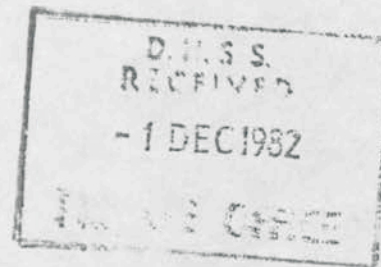
Telephone 01-218 6287 (Direct Dialling)

01-218 9000 (Switchboard)

VICE CHIEF OF THE DEFENCE STAFF
(PERSONNEL AND LOGISTICS)

VCDS(P&L) 19/5

Hugh Rossi Esq MP
Minister of State for Social Security
and the Disabled
Department of Health and Social Security
Alexander Fleming House
Elephant & Castle
London SE1 6BY



26 November 1982

Dear Minister,

Thank you for your letter dated 23 November concerning the South Atlantic Fund and the grievance expressed to you by some of the disabled. I am both surprised and appalled - in view of the information that has been passed through single-Service Command chains and the briefings that have been held - that any man or family who suffered as a result of the South Atlantic Operation is not receiving every possible assistance, advice and support. I have taken this matter up with my single-Service colleagues because you will no doubt appreciate that the South Atlantic Fund Administration is a very small group and the links with individuals are through the normal Service Command chain of welfare authorities, Regimental and Unit representatives.

Whilst there can be no excuse for the views expressed to you, it is perhaps relevant that the South Atlantic Fund is bound by its Trust Deed to deal through other Charities; hence it is possible that many of those that have received help may not appreciate that the money has in fact originated from the South Atlantic Fund.

I believe that now that the assessments of long term need are in progress many of the unfortunate individual anxieties expressed to you will be allayed; meanwhile, interim grants to the seriously injured have already been made to meet their immediate needs over their rehabilitation period. I trust that those you met will now have received their cheques from the appropriate Charity. A list of those injured has been provided by the Medical authorities but they are still working hard at interpreting the basic documentation so that a considerate, fair and compassionate interim assessment may be made in the case of the less seriously injured. Further interim grants from this on-going work are currently being made as assessments are completed by the panel of specialists.

*Yours sincerely,
David Evans*

Argentina Relations, P731

CONFIDENTIAL



Prime Minister.
To Mr
Foreign and Commonwealth Office

London SW1A 2AH

3.12.82
Duty Clerk

3 December 1982

Dear John,

Falklands: RAF Hercules Flights via
Brazil

The Prime Minister may wish to be aware that, following a good deal of delicate and patient work with the Brazilians, the Brazilian Government have granted clearance for a Hercules flight on Monday 6 December to stage at Porto Alegre on the way to Port Stanley. We propose to seek clearance for another flight the following week and, if all goes well, to step up this frequency after a few weeks.

It is vital that there should be no recurrence of the leaks that brought the earlier series of flights to an end. We have urged maximum discretion on all concerned - in Port Stanley and in Brasilia, as well as here. If there is a leak, we shall say that occasional staging flights by Hercules aircraft have been permitted at Brazilian airfields, in accordance with normal international practice; and that reciprocal rights are granted to aircraft of the Brazilian Air Force transitting the UK. But we very much hope that we shall not be called upon to deploy this line.

I am copying this to Nick Evans (MOD).

Yours ever
John Holmes

(J E Holmes)
Private Secretary

CONFIDENTIAL

CONFIDENTIAL

cf 19, BJ,
ec. LPO
CO

1



1) Mr Rickett ^{mm} 3/12 Foreign and Commonwealth Office

2) Prime Minister London SW1A 2AH

Content?

TH Yes not
3/12

3 December 1982

Dear John,

Shackleton Report: Statement in Parliament

OD(FAF) agreed on 25 November that the Government's response to Lord Shackleton's Report should be announced in Parliament soon. I enclose the proposed text of a Parliamentary Statement and would be grateful for comments as soon as possible. The Statement is likely to be made on 8 December, although the timing has not yet been finally fixed.

I am copying this letter to the Private Secretaries to other members of OD(FAF) and to Sir R Armstrong.

Yours ever
John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL

SHACKLETON REPORT: DRAFT STATEMENT

As the House knows Lord Shackleton, at the Government's request, produced and published in September an updated version of his 1976 report on the economy of the Falkland Islands. We are enormously grateful to Lord Shackleton and his team for their work.

In considering the report's recommendations, we have been guided by the need to assure the economic future of the Islands through a development programme while at the same time preserving the Islanders' way of life as far as possible. The report has been discussed with the Civil Commissioner, with the Island Councillors, amongst the Islanders generally and with other interested parties. Their views have been carefully taken into account.

The Government agree with the broad conclusions of Lord Shackleton's report and believe that action should be taken in the following major areas covered by his recommendations:

- a Falkland Islands Development Agency (FIDA) should be established. This would be provided with funds to buy land on the open market, and to divide it into smaller holdings. It would also have powers to make loans and grants towards the cost of a number of small-scale development projects;

- The Islands' agricultural research centre, the Grasslands Trials Unit, should be expanded;
- there should be a feasibility study on an improved harbour complex, including a new deep-water jetty;
- the Stanley/Darwin road should be completed and the existing network of tracks should be improved;
- a pilot scheme for salmon-ranching and a survey of shellfish resources should be established, hotel and guest-house facilities upgraded, and cottage industry skills developed.

Although they were not specifically covered in Lord Shackleton's report, we believe that urgent action should also be taken to improve the water supply and sewage system in Port Stanley, and to study the requirements for future electricity generation and distribution and the telephone system in the Islands.

The following proposals made by Lord Shackleton in our view require further study:

- exploratory offshore fishing and the establishment of a 200-mile fisheries limit: the implications of such a limit and the degree of commercial interest in fishing need to be carefully assessed;
- expansion of tourism: this will depend to a large extent on the establishment of commercial air links;

/- a major

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- a major expansion of the road network. This might produce an unacceptable local maintenance burden and there may be more cost-effective ways of improving transport within the Islands.

We are not convinced by Lord Shackleton's proposal for the wholesale transfer and sub-division of absentee-owned farms. We believe this is inappropriate and consider a gradual approach to land redistribution under the auspices of the Falkland Islands Development Agency more in keeping with the capacity of the Islands' existing agricultural population and more consistent with realistic immigration prospects.

Lord Shackleton proposed expenditure of some £30 - £35 million. My tentative estimate is that the programme I have outlined would cost about £31 million over six years. The Government also propose to make available a further £5 million for civilian rehabilitation, in addition to the £10 million announced in July.

The Islands' economy will also be considerably affected by important military decisions, particularly on the airfield, which are still being considered and about which the House will be informed as soon as possible.

I should also remind the House that the economic future of the Islands does not depend on the government alone. There will be continuing scope for private sector investment and involvement which I hope will be encouraged

/by the

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by the commitment we are making to the Islands' future. We expect that government and private investment together will lead to the creation of jobs for new blood with new skills. This is essential.

Mr Speaker, we have restored the freedom of the Falkland Islanders and shall continue to do what is necessary to guarantee their future security. At the same time, we must ensure that the Falkland Islanders can look forward to a sound economic future and a worthwhile life. Our positive response to Lord Shackleton's report demonstrates our commitment to this.

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13 DEC 1982

*With the Compliments of the
Assistant Legal Secretary*

H. STEEL

*Attorney General's Chambers,
Law Officers' Department,
Royal Courts of Justice,
Strand. W.C.2A 2LL*

01 405 7641 Extn. 3229

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2 pp's

01-405 7641 Ext. 3229

Communications on this subject should
be addressed to
THE LEGAL SECRETARY
ATTORNEY GENERAL'S CHAMBERS

ATTORNEY GENERAL'S CHAMBERS,
LAW OFFICERS' DEPARTMENT,
ROYAL COURTS OF JUSTICE,
LONDON, W.C.2.

Our Ref:400/82/162

3 December, 1982

Dear John,

A.S.C. 6/12
h.a.

SHACKLETON REPORT: STATEMENT IN PARLIAMENT

Thank you for sending me a copy of your letter to
John Coles of today's date together with the draft
of a Parliamentary Statement. We have no comments
on that draft.

I am copying this letter to John Coles and to the other
recipients of yours.

Yours ever,
Henry Steel

H. STEEL

J E Holmes Esq
Private Secretary
Foreign and Commonwealth Office
London .SW1A 2AH

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Argentina:

Relatives

6 DEC 1982

9 11 12 1
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Argentina

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2

10 DOWNING STREET

From the Private Secretary

2 December, 1982.

Argentine Military Operations

The Prime Minister has noted the contents of your letter of 1 December.

I am sending copies of this letter to Richard Mottram (Ministry of Defence), Henry Steel (Attorney General's Office) and Richard Hatfield (Cabinet Office).

A. J. COLES

J.E. Holmes, Esq.,
Foreign and Commonwealth Office.

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2



FCS/82/199

CHIEF SECRETARY, TREASURYFalkland Islands: Aid Expenditure

1. OD(FAF) instructed me to agree with you the funding of both development expenditure and further civilian rehabilitation expenditure in the Falklands. The general view of the meeting was that as the sums involved were relatively small compared to our overall Falklands commitments, undue difficulties about this should be avoided.

2. It was agreed that a development programme costing £31m should be funded and that a further £5m for civilian rehabilitation needs should also be found. I understand that the Treasury expect certain items under rehabilitation to fall on MOD votes, thus reducing my commitment to £4m. Of the £35m which will have to be met from FCO votes, I am ready, after a very searching look at my programmes, to absorb £7.3m. But I expect to need the following additional sums in the current Public Expenditure Survey period:

£m	£m	£m	£m
1982/3	1983/4	1984/5	1985/6
3.7	11	9	4

3. OD(FAF) agreed that there should be an early statement on our response to the Shackleton Report (I shall be circulating a draft separately). I cannot make this until the principle of the funding issue is settled. Although I will not have to deal with this issue in the statement itself, it is certain to be raised in supplementaries.

/The Foreign

Argentina

Await reply from Chief Secretary.

AR 1/12.



The Foreign Affairs Committee have already given notice of Parliamentary concern to ensure that Falklands commitments are not met at the expense of programmes in other developing countries. I must therefore settle the question before I go to the House.

4. I said in my minute to you of 20 October that I would have to bid for additional funds both for further rehabilitation and in respect of the Shackleton proposals. I should therefore be grateful if you could agree, as a matter of urgency, to add to my public expenditure provision the sums set out in paragraph 2 above. This would not of course affect the usual careful scrutiny by our officials of the individual proposals of both development and rehabilitation programmes as they arise, although the decisions will have to be based on the special criteria agreed by OD(FAF). It is in any case agreed that there should be a report on the progress of the development programme in twelve months' time.

5. I am sending copies of this minute to the Prime Minister, other members of OD(FAF) and to Sir Robert Armstrong.

(FRANCIS PYM)

Foreign and Commonwealth Office
1 December 1982

Argentina: Bahia

PT 31



-1 DEC 1982

PART 31 ends:-

Asc to MOD (mtg record) 29.11.82

PART 32 begins:-

FCS to CST (FCS/82/199) 1.12.82

