

Prime Minister



Acknowledged  
on telephone.  
Cj.

May 5, 1982  
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Dear Caroline.

I send you another paper looking ahead,  
for the Prime Minister, as promised on the  
telephone. I have sent a copy to Michael  
Palmer & told him I was telling you -

Yours ever

Angus

See particularly p. 5 sidelined

## A FUTURE SETTLEMENT IN THE FALKLANDS CRISIS

Before considering what variety of longterm settlement we envisage, we have surely to think very precisely what are our permanent interests in the Falklands. First, have we any strategic interests which still are served by our possession of the islands and dependencies? The first Cabinet, I think, to discuss these islands was that of Chatham in 1766. Anson, after his circumnavigation of the globe, had recommended the colonisation of the islands as a convenient port of call on the Pacific route, via Cape Horn to the Far East. The admiralty resolved to enact this. Commander Byron set up our first post on West Falkland. Chatham confirmed the decision - after some hesitation so his biographer says.

It was because of this strategic service which we believed the Falklands gave to us that we insisted on our claim there, and risked war with Spain, in 1771.\* A revival of that strategic preconception led us to raise the question of sovereignty again in 1824, to send HM Clio to the Falklands in 1833, and subsequently to establish the colony. The Australian trade in the ~~XIXth~~ century was assisted by the Falklands base. In the XXth century, the role of the Falklands in both world wars was, of course, considerable.

We have assumed since 1945 and in particular since the 1960s, with the emphasis on European defence - supplemented if at all by the Gulf and the Indian ocean - that the old reason for our being in the Falklands, as enunciated by Anson, has vanished. If that were so, the interests of the Falkland Islanders would indeed be the only reason for any interest in the matter - since we, unlike the Argentinians, have no interest in land per se. (Note: in keeping with Argentinian history and character, their interest in the islands is a matter of physical possession: no real interest in economic development, in oil possibilities, in strategy. But they, of course, bolster their argument for land by reference to the

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\* In this conflict Chatham was specially outspoken. The first preliminary must be confession of guilt from Madrid by the return of Port Egmont: "will you so shamefully betray the King's honour so to make it a matter of negotiation whether His Majesty's possession shall be restored to him or not?" This remark of 1770 indicates what the feeling was *already* then about our right to the island.

continental shelf in whose future they could become seriously interested).

But is it right to assume this? And if we, as Britain, have no further strategic interest - which may be open to question - have we not as Europe? Or as part of the Alliance which formally or not has many interests outside the North Atlantic? \*

Whatever strategic aims we may have thought that we had or did not have in the South Atlantic before April 1982, these are likely to have changed. Can we assume that the attack on the Falklands was an isolated action by the Argentinian navy? It was, after all, followed by an attack on South Georgia. Given the opportunity of the still surviving Argentinian presence in South Thule, it is surely possible that the attack on the Falklands would have been followed, had we done nothing, by the absorption of all our dependencies and that (why not?) either then or in a later internal crisis, by an attack on all the disputed regions in Antarctica - particularly those where they are in dispute with us. There might have been - there still might be - action against Chile, whatever the Pope would have said. Thus we may be really nipping in the bud an aggressive naval power in the South Atlantic. But even if defeated now, that naval power may be revived. People remember defeats more than they do victories.

There is also presumably a possibility that a defeated Argentina could make common cause with the USSR. Stranger friendships have been made even though, in the 1970s, there was a clash, I think, involving some loss of life, between Argentina and the Soviet fishing fleet, in collaboration with the Bulgarians. If Argentina, either under a Peronist revival or an irredentist general, became a Soviet ally, presumably there would be some consequences for the Falklands, affecting the Alliance. There have been some hints that the Argentinians would, had they been allowed to get away with their aggression, have allowed the USSR to use the islands as a major fishing port - and one less innocent even than their major (and worrying) use of the Canaries.

At the back of all this, we recall that the preservation of order at sea is a fundamental interest of all the West and that Britain can still play a major part in securing it. (I suppose even the USSR is also interested in it too - though China less).

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\*This matter is pursued in a letter to The Times May 5 1982

*attached*

This brings up the question of the Antarctic. Perhaps I have been talking too much to Lord Shackleton. But at all events as a major trading power if nothing else we have an interest in preserving stability in Antarctica. As a nation experienced in research in that region, we presumably can hope to play a continuing part in Antarctic exploration, and, if there are economic benefits, from krill or oil or anything else, we could hope to benefit from them, at the same time as having a due regard for natural life. (On environmental grounds, we must have a strong case for holding onto South Georgia and the dependencies: the lives of penguins may not be a major concern, but much time and money of high minded persons is spent in other parts of the world on just such causes).

We have to anticipate trouble in Antarctica, however the current issue is resolved. In 1978 Dr Barry Buzan wrote a paper in which he said: "the outbreak of active dispute over Antarctica seems almost inevitable ... there seems to be ground for low level conflict among Argentina, Chile and Britain, in their overlapping areas". There might also be fishing disputes involving Japan and the Soviet Union with the Latin Americans.

As to the Falkland Islanders, we have said that their wishes must be 'paramount'. Francis Pym has said that he would be surprised if their views about their future would not have changed as a result of events since April 2: but it would also be surprising - astonishing - if they had become more enthusiastic about living under Argentinian rule. The change might be that they would realise more sharply than they did before that they needed more defence support if they are to survive there. I imagine that the general sense of Britain (adequately expressed by Peter Shore on television (BBC Newsnight, Saturday May 1) is that the community of Falkland Islanders have a right to live under laws and customs of their own in the place where they and their ancestors have lived.

In the past this general sense was not what it is now. Perhaps it would have been possible for a government to have persuaded Parliament to accept either Nicholas Ridley's or Richard Luce's version of the Foreign Office proposals with a little more commitment and a little helpfulness from the Argentines. The Falklanders, after all, did not get what they wanted under the Nationality Act, unlike the Gibraltarians (though the Falklanders are in blood much more British than the Gibraltarians).

But this ~~now~~ must have changed. I cannot see that it would be easy for us, any more than for the Argentines, to return to the proposals discussed in March.

Furthermore, various remarks by Argentinians during the crisis have made it evident that if they were to win, they would seek to alter the Falklanders' way of life. After what has happened, the Argentinians too will have changed. If the Argentinians were to receive sovereignty with a lease to us - even for example guaranteed by the Pope or the King of Spain - what real safeguard could there be that the community as such would be preserved? One Argentinian government could indeed easily repudiate any other unless the events of 1982 do usher in a resumption of that era of ordered progress which characterised Argentinian history between 1853 and 1930: that is not a probability, though it may be that that may in the end be a consequence of military defeat: to face the facts for the first time as a nation and realise that vainglory is not glory.

Is therefore the only real settlement an indefinite assumption of British sovereignty, whatever the cost in terms of a full time commitment to defend the islands, whatever the likelihood of Argentinian long term resentment, whatever trouble which might be caused in Latin America and whatever opportunity in propoganda in Latin America, ~~and~~ politically and economically in Argentina itself, that this might give the Russians, and however unclear the long term strategic benefits? If it is so, the defence needed there could be costed; the possibility that contact with the Falklands directly via Argentina (but not Uruguay perhaps?) would be impossible, would have to be costed too. There would be other perhaps large costs to be taken into account.\*

We must presumably think through all the alternatives. If neither the Argentines would accept the British, nor the British the Argentines, is there really a chance, on a long term basis, of a condominium? In the present state of our relations it is hard to see it. Would the situation be improved by a UN or US chairman, or component? Perhaps but would such a thing really guarantee the interests which are mentioned above? The UN would seem unnecessary to British opinion. The US might not wish to incur what might turn out to be odium in the rest of Latin America for what might seem no good purpose. Could other countries be involved? No doubt ad interim but I should

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\* But on this there are other views. See Times letter attached.

not have thought permanently.

The various alternatives suggested for independence of the islands or trusteeship under the UN should also be considered carefully in the light of British interests and what is possible politically and internationally. UN trusteeship has its points surely provided the strategic interests can be so secured.

It looks though as if for the foreseeable future British sovereignty is the only acceptable British policy. If that is so I wonder whether there are not some concessions which could be made to prevent permanent Argentinian irredentism. Do we need the continental shelf on which the Falklands sit? If not, could we not accept, as the Norwegians have in respect of Spitsbergen, that the Falklands have no continental shelf of their own? We have no long distance fishing fleet: could we therefore waive fishing rights beyond a short distance - our old three miles? Could we not devise an Argentinian economic commissioner on one of the islands on which he could fly the white-and-blue flag?

If we do not by any chance really desire to share in the development of Antarctica could we perhaps make some concession to Argentina there: a lease? a cession of part of our claim - perhaps the section immediately east of latitude 53° (see map attached).

If there really is no practical alternative to our sovereignty, with or without the concessions above suggested, a major information campaign should perhaps be launched as soon as possible to put over the legal case for it. Perhaps this could be done by a visit by you to the UN and a speech by you at that forum, couched in conciliatory terms designed to explain our case to the Spanish world as well as to Argentina. It would seek to deflate the idea of a "continent" having interests in expelling "colonialists", particularly since the Falklands are hundreds of miles away. This will not be easy because of the shared Latin America illusions on this matter, but it should be tried. To it could be added a reminder to all that once accepted frontiers begin to be challenged by force, every country in Latin America could soon be at war - and Africa, come to that. The speech could be in the nature of a policy statement and could

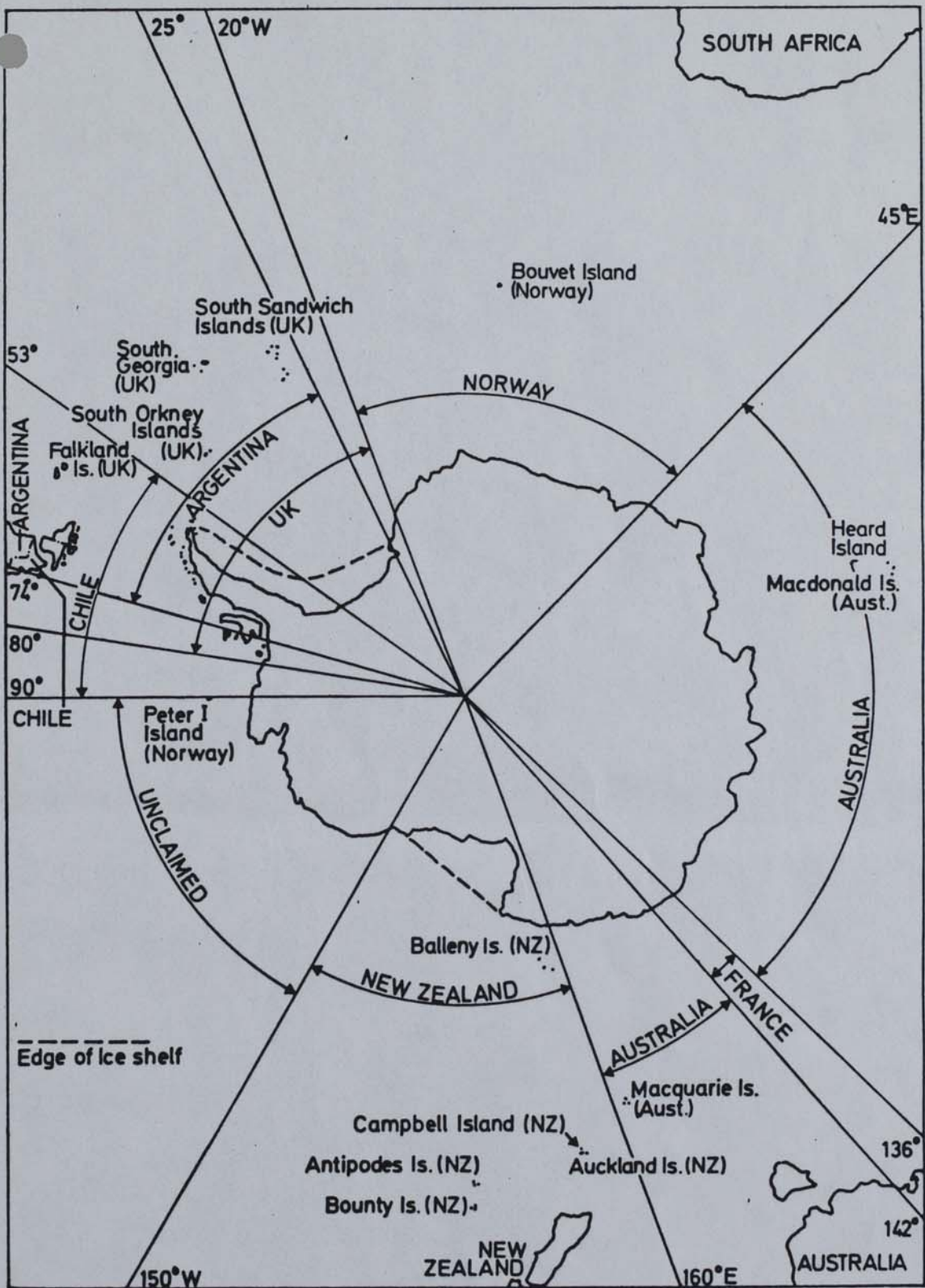
from the  
mainland

be immediately printed and distributed widely in several languages. You may think that this suggests that I am too great a believer in the power of the spoken and written word, and that is a criticism, but perhaps the policy has a chance.

Such a speech could also include the following points:

1. We are aware of the strong feelings of the Argentines on the question of the Falklands but we must accept the rules of law, not feelings. We consider that the case for our sovereignty is watertight but we are always willing to put the matter to the ICJ.
2. Our long close friendship and beneficial collaboration with Argentina in the past makes us optimistic we can reach an effective understanding. The existence of an argument over the Falklands in the 1880s did not prevent our investment of vast trade. Are we less tolerant than those of the 1880s?
3. The real colonialist danger in Latin America remains Marxism and its quite irrelevant prescriptions for the modern world. There is the real anachronism, if we are looking for such things.

HUGH THOMAS  
5.v.82



Map 8: Antarctic Claims



# LETTERS

## Falklands: policy considerations

From Professor John Hutchinson

Sir, Four considerations should dominate Western policy on the Falkland Islands, once British rule has been restored:

1. The Islands are important to Western security, especially since the United States might eventually lose access to the Panama Canal, and other Latin American states turn sharply Left. The Islands should be permanently garrisoned by Britain, Canada, Australia, New Zealand and the United States, perhaps joined by Nato as a whole.

"In such circumstances", a leading Islander has told me, "we would vote 80 or 90 per cent or more to stay". It is absurd to argue that the Islands are indefensible except at prohibitive cost. Rockets trained on the mainland will deter.

2. The United Nations might properly mediate if its agent is acceptable, but it must not arbitrate. Its role, to adapt Bagehot on the Monarch, should be to advise but not to ordain, to encourage but not to harangue, to warn but not to proscribe. It might shepherd the Argentine withdrawal and other ceremonies, but must not intrude on British rights. British sovereignty must be inalienable by anyone, domestic or foreign.

3. Her Majesty's Government should pledge itself to the maximum economic development of a grossly neglected principality. Hardly a leg of mutton or a hide leaves the Islands, so poor are storage and refrigeration facilities. We spend 1,000 times as much on aid to sometimes surly foreign countries as we do on Falkland welfare. The priorities will have to change.

4. Argentina should be invited to join in the economic and strategic development of the Falkland Islands and to have an official presence and flag, provided the flag does not fly from Government House. Argentina should also receive aid and counsel from the Western powers in meeting its own accelerating and possibly lethal economic problems.

British sovereignty should remain inalienable, but with the Argentine case on the duty agenda. Long and partnered friendship might make the issue moot.

Faithfully,

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24 John Islip Street, SW1  
May 2.