



<b>ALWOAD/325/2</b>		
<b>RECEIVED IN REGISTRY NO. 18</b>		
<b>7 FEB 1980</b>		
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 Sir P. Maitland  
 Mr. Harding  
~~CC ESPD~~

(27)

PM/80/6

PRIME MINISTER

Falkland Islands

1. We are to discuss policy towards Argentina in the dispute over the Falkland Islands in OD on 29 January. My memorandum (OD(79)31) of 12 October 1979 sets out the background and the options. These remain valid.

2. The Argentines have been looking to us for some time for a firm indication of our willingness to hold substantive negotiations. We have explained that other matters (in particular Rhodesia) have been taking up our attention. They have suggested meetings on a number of occasions, including a proposal in November last year that Nicholas Ridley should go to New York for an informal exchange with the Argentine Deputy Foreign Minister. We decided not to take this up as there was nothing to be said on our side until policy had been decided.

3. We ought to start exploratory talks with the Argentines soon. To continue to stall could be risky. There are pressures within Argentina, some of them resulting from inter-Service rivalry, which carry with them the possibility of the Argentines taking measures against the Falkland Islands which could cause us serious difficulties. (The JIC(79)(N)74 assessment of the Argentine threat has been circulated separately.) On the other hand, the fact that Ambassadors have now been restored (the new Argentine Ambassador has arrived in London: our Ambassador will reach Buenos Aires next month) should help to create a favourable climate for discussions in a satisfactorily low key.

4. I am copying this minute to other members of OD, to the Secretary of State for Energy, to the Attorney-General and to the Secretary of the Cabinet.

*C*