TOP COPY

## CONFIDENTIAL

GRS 260 CONFIDENTIAL \*AMENDED COPY 2 DECEMBER

FM BUENOS AIRES 1/0015Z DEC 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 278 OF 30 NOVEMBER VP

AND TO PRIORITY PORT STANLEY

, FROM FEARN

Am	040/3	25/12
-3 DEC 1980		
DESK OFFICER		REGISTRY
INDEX	PA	Action Taken

' PORT STANLEY TELNO 183: FALKLAND ISLANDS: MR RIDLEY'S VISIT

- DEPARTURE ON 29 NOVEMBER. DISCUSSION WAS INCONCLUSIVE WITH ABSENT\*

  MOST COUNCILLORS (MONK AND LUXTON) TAKING COVER AND RELUCTANT

  TO TAKE A PERSONAL POSITION ON NEGOTIATING OPTIONS. IT WAS

  LEFT THAT COUNCILLORS WOULD GIVE THEIR VIEWS AT NEXT JOINT

  COUNCIL, NOW PLANNED FOR 6 JANUARY.
- PORT STANLEY WHO HAD ALREADY DECLARED THEIR VIEWS THE MAJORITY

  WAS STRONGLY OPPOSED TO LEASEBACK CONCEPT OR TO ANY NEGOTIATIONS

  ON SOVEREIGNTY, ALTHOUGH COMMERCIAL SECTORS AND THOSE IN OUTLYING

  SETTLEMENTS TOOK MORE POSITIVE VIEW OF NEED FOR EARLY NEGOTIATED

  SOLUTION. THERE WAS HOWEVER REAL DIVISION OF OPINION AND

  EVERYONE NEEDED MORE TIME FOR THOUGHT. OPPOSITION TO LEASEBACK

  RESTED PRINCIPALLY ON EMOTIONAL HOSTILITY TO ANY IDEA OF CEDING

  FULL SOVEREIGNTY. BUT DISTRUST OF ARGENTINE GOOD FAITH AND OF GUARANTEES FOR A LEASEBACK AGREEMENT, LACK OF RECENT EVIDENCE

  CONFIDENTIAL OF ARGENTINE

OF ARGENTINE PRESSURE AND WORRY OVER UK SETTLEMENT RIGHTS OF

NON-PATRIAL ISLANDERS WERE CONTRIBUTORY FACTORS. SOME

COUNCILLORS THOUGHT THAT MOST ISLANDERS WOULD PREFER TO SEE NO SUBSTANTIVE DIALOGUE WITH ARGENTINA AND TO FACE CONSEQUENCES OF ARGENTINE RETALIATION.

3. MR RIDLEY MADE CLEAR THAT NEED FOR MORE TIME FOR THOUGHT

WAS FULLY RECOGNISED. NO-ONE WAS BEING HUSTLED. BUT WE HAD

IN DUE COURSE TO RESPOND TO ARGENTINE REQUIREMENT FOR SUBSTANTIVE

MEGOTIATIONS AND IT WAS ESSENTIAL TO KNOW WHAT ISLANDERS WANTED

DONE: CLEAR ADVICE THROUGH GOVERNOR OF COUNCILLORS' AND PUBLIC

CONSENSUS WAS NEEDED. COUNCILLORS SHOULD GIVE LEAD AND WORK TO

DISCOVER VIEWS OF ALL, NOT JUST VOCAL MINORITY. PROBLEM OF DISPUTE WOULD NOT GO AWAY. IF ISLANDERS REJECTED ANY SUBSTANTIVE NEGOTIATIONS ON SOVEREIGNTY. A FURTHER MEETING WITH ARGENTINA MIGHT BE NECESSARY TO EXPLAIN POSITION AND MINIMISE REACTIONS. HMG WOULD CONTINUE TO HELP AND SUPPORT: BUT THERE WAS NO BOTTOMLESS PIT OF RESOURCES. ISLANDS EITHER WENT BACKWARDS - OR FORWARD THROUGH A NEGOTIATED SETTLEMENT.

- 2. IN FINAL RADIO BROADCAST ON 29 NOVEMBER MR RIDLEY CONCENTRATED ON HMG'S WISH GENUINELY TO SEEK ISLANDER OPINION: ON NEED FOR CLEAR APPRECIATION OF EFFECTS OF DISPUTE AND FOR THOROUGH AND CAREFUL DEBATE ON WHAT SHOULD BE DONE.
- 5. ON DEPARTURE AT AIRPORT THERE WAS A DEMONSTRATION OF "KEEP FALKLANDS BRITISH" VARIETY, WHICH MAY GET UK PUBLICITY: IT WAS HOWEVER WELL-BEHAVED, NOT PARTICULARLY HOSTILE AND WITH MORE WATCHING THAN PARTICIPATING.

WILLIAMS

LIMITED S AM D NEWS D EESD MAED PS PS/LPS

PS/MR RIDLEY PS/PUS CHIEF CLERK MR DAY MR HARDING ADDITIONAL DISTRIBUTION FALKLAND ISLANDS