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INDEX	PA	Action Taken

TELETYPE

P. R. FEARNS, SOUTH AMERICA DEPARTMENT

DATED 10 MAY 1981

FOLLOWING FOR A. J. WILLIAMS ESC OMB, BUENOS AIRES
 COPIED TO GOVERNOR, PORT STANLEY (PERSONAL)
 FALKLANDS

1. THANK YOU FOR THE ADVICE IN YOUR TELETYPE OF 5 MAY. AS WE HAD INTENDED TO MAKE CLEAR IN MY LETTER OF 25 MARCH TO THE GOVERNOR AND IN OUR TEL NO 130, WE ARE UNDER NO ILLUSIONS AS TO THE LIMITS OF ARGENTINE PATIENCE OR TO THE RISK OF SERIOUS CONFRONTATION IF WE APPEAR UNWILLING OR UNABLE TO CONTINUE A SUBSTANTIVE NEGOTIATION ON SOVEREIGNTY. THE LOSS OF POSITIVE MOMENTUM CAUSED BY THE ISLANDS ELECTION THIS AUTUMN HAS COME AT AN AWKWARD TIME: AND, WHILE THE ARGENTINES WERE LEFT IN NO DOUBT AT THE END OF THE NEW YORK TALKS THAT FURTHER PROGRESS MIGHT NOT BE POSSIBLE UNTIL AFTER THE ELECTIONS, WE CANNOT OF COURSE EXPECT THEM TO SIT BACK AND ACCEPT THIS SITUATION. OBVIOUSLY THE SOONER THE GOVERNOR IS ABLE TO ARRANGE ELECTIONS THE BETTER: BUT, AS REX HUNT HAS COMMENTED, TO ARGUE IN THE ISLANDS FOR AN EARLIER DATE BECAUSE OF ARGENTINE IMPATIENCE WOULD BE QUITE COUNTERPRODUCTIVE POLITICALLY.
2. WE HAVE THEREFORE TO FACE THE SITUATION AS IT IS. WHILE GIVING PROPER WEIGHT TO THE ARGENTINE POSITION, WE HAVE ALSO TO ACCEPT THAT THE ISLANDER AND UK DOMESTIC/PARLIAMENTARY DIMENSIONS ARE OF EQUAL AND POSSIBLY GREATER IMPORTANCE IF EVENTUAL PROGRESS IS TO BE MADE. HMG ARE FULLY AND PUBLICLY COMMITTED TO THE PRINCIPLE THAT ISLANDER WISHES ARE PARAMOUNT: AND TO SEEK AT THIS STAGE TO EXERT OVERT PRESSURES ON THEM IN FAVOUR OF LEASEBACK (OR EVEN TO MAKE THEIR 'FLESH CREEP', AS YOU SUGGEST) OR TO TRY TO INITIATE NEGOTIATIONS ON LEASEBACK WITHOUT ISLANDER CONCURRENCE COULD ONLY BE DONE AT THE COST OF AN UNACCEPTABLY HIGH LEVEL OF CRITICISM IN THE UK, WHICH WOULD MAKE THE CHANCES OF ANY EVENTUAL SETTLEMENT MUCH MORE

REMOTE. WE ALSO FEAR (YOUR PARA 1(E)) THAT TO PLOD THE ARGENTINES INTO FORMALLY PROPOSING LEASBACK MIGHT (EVEN IF THEY COULD BE SO PERSUADED) PROVE A KISS OF DEATH TO A CONCEPT WHICH HAS ATILL ONLY FRAGILE AND MINORITY SUPPORT BOTH IN THE ISLANDS AND THE UK.

3. THIS, AS YOU WILL APPRECIATE, IS THE DILEMMA. IT IS NOT A QUESTION OF DRIFT. WE TOO WANT THE RIGHT DECISION FROM THE ISLANDERS AS SOON AS POSSIBLE. BUT WE HAVE NO CHOICE BUT TO WORK WITHIN THE VERY REAL POLITICAL CONSTRAINTS. URB'S VISIT IS DESIGNED TO BRING HOME TO THE ISLANDERS THE NEED TO MAKE UP THEIR MINDS. THE PARALLEL PROPOSAL FOR AN INFORMAL MEETING BETWEEN MR RIDLEY AND THE NEW ARGENTINE TEAM AT THE MFA (AND WE FULLY TAKE YOUR POINT THAT THE ARGENTINES MIGHT CONSIDER ENRIQUE ROS TO BE THE RIGHT INTERLOCUTOR) IS DESIGNED TO KEEP OUR LINES OPEN WITH THE ARGENTINES, TO REASSURE THEM OF OUR CONTINUAND GENUINE INTENTION OF MAKING PROGRESS TOWARDS A SOLUTION, AND TO SEEK TO PERSUADE THEM (AS CAVANDOLI PERSONALLY UNDERSTOOD) THAT TO TRAVEL SLOWLY MAY BE THE BEST GUARANTEE OF ARRIVAL. IF THE ARGENTINES CHOOSE TO PUT US UNDER PRESSURE, AS WE MIGHT EXPECT, WE SHALL HAVE TO DEAL WITH THE SITUATION AS IT ARISES, BUT ALWAYS WITH THE PROVISO THAT ISLANDER WISHES ARE PARAMOUNT. ANYTHING ELSE IS UNREALISTIC.

4. ON UN ASPECTS, WE ARE SEEKING THE VIEWS OF WASHINGTON AND UKMIS, NEW YORK, ON THE RISKS SUGGESTED IN YOUR PARA 1(A) AND (B). AS IN THEIR ABSTENTIONS IN 1976, WE WOULD HOPE THAT OUR WESTERN ALLIES WOULD CONTINUE TO DRAW BACK FROM TREATING THIS AS A SIMPLE DECOLONISATION ISSUE AND TO SEE SOME MERIT IN OUR VIEW THAT THE ISLANDERS HAVE A RIGHT TO DETERMINE THEIR OWN FUTURE. THE UN ANGLE WILL ALWAYS BE AWKWARD. BUT, EVEN IF WE WERE TO BE FACED WITH ANOTHER UNFAVOURABLE RESOLUTION, THE DISPUTE WOULD REMAIN ESSENTIALLY A DISPUTE BETWEEN US AND THE ARGENTINES WITH NO OBVIOUS PLACE FOR THIRD PARTY INVOLVEMENT.

SIGNED: P R FEARN