

R E S T R I C T E D

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OO BRUSSELS

GRS 319

RESTRICTED

FM FCO 121630Z MAY 82

TO IMMEDIATE CERTAIN MISSIONS AND DEPENDENT TERRITORIES
TELEGRAM NUMBER GUIDANCE 92 OF 12 MAY.

FALKLAND ISLANDS COMPANY

1. ARGENTINE PROPAGANDA IS SEEKING TO PORTRAY THE FALKLAND ISLANDS COMPANY AS A MONOPOLISTIC ENTERPRISE WHICH HAS DOMINATED AND ATROPHIED POLITICAL, SOCIAL AND ECONOMIC LIFE IN THE FALKLANDS. IN COUNTERING SUCH PROPAGANDA, YOU SHOULD DRAW ON THE FOLLOWING:
2. THE FALKLAND ISLANDS COMPANY HAS PLAYED A SIGNIFICANT ROLE IN THE DEVELOPMENT OF THE ISLANDS, BUT SO HAVE COMMERCIAL CONCERNS IN MANY BRITISH AND FOREIGN COMMUNITIES. WE REJECT ANY SUGGESTION THAT IT DOMINATES THE ISLANDS. IT EMPLOYS LESS THAN 14 PER CENT OF THE ISLANDS POPULATION. THOUGH IT HAS SUBSTANTIAL HOLDINGS, IT IS ONLY ONE OF ABOUT 40 INDEPENDENT LAND OWNERS ON THE ISLANDS. IT HAS BEEN WORKING ACTIVELY OVER A NUMBER OF YEARS TO SPLIT UP AND SELL OFF SIGNIFICANT HOLDINGS TO SMALL FARMERS AND ENCOURAGE INDEPENDENT TENANTS. THE COMPANY HAS ALSO BEEN COOPERATING IN PLANS TO DIVERSIFY THE ISLANDS ECONOMY INTO NEW FIELDS.
3. THE COMPANY'S ROLE IN NO WAY DETRACTS FROM THE POLITICAL AND SOCIAL RIGHTS OF THE ISLANDERS, WHICH ARE EXERCISED THROUGH THEIR OWN FREE AND DEMOCRATIC INSTITUTIONS INDEPENDENT OF COMPANY INFLUENCE. THE GOVERNMENT OF THE ISLANDS IS BASED ON UNIVERSAL SUFFRAGE, ELECTING COUNCILS WHICH INCLUDE NO EX-OFFICIO COMPANY REPRESENTATIVES. ONLY TWO COMPANY EMPLOYEES SERVE ON THE PRESENT COUNCILS. THEY WERE FREELY ELECTED BY THE POPULATION AND HAVE DEMONSTRATED THAT THEY ARE EXTREMELY INDEPENDENT MINDED IN THEIR ATTITUDE TO COMPANY AFFAIRS. THERE ARE FULL UNION RIGHTS IN THE

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FALKLANDS, A UNION WITH OVER 500 MEMBERS WORKING FOR NUMEROUS EMPLOYERS, AND LEGISLATION GOVERNING WAGES, WORKING CONDITIONS, COMPENSATION, ETC.

4. AN ALLEGATION HAS SURFACED THAT MR DENIS THATCHER IS A FALKLAND ISLANDS COMPANY SHAREHOLDER. IF RAISED, YOU CAN SAY THAT THERE IS ABSOLUTELY NO TRUTH IN THIS STORY.

PYM

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