



(81)

Mr Smith
Mr Bedford

An interesting letter. Written early on in the debate, it never fully shows the degree of support for leaseback + suggests that the Councils' preference may have been based more on the need to fund work. We should mention this point.

Government House
PORT STANLEY
Falkland Islands

19 December 1980

2) Mr Daires draft attached if this is typical it's hard to see where the pressure commitment came from. Shall draft ack. for Mr Fearn to send. pse.

P R Fearn Esq
South America Dept
RCO

AW 040/325/12

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cc 29 DEC 1980

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14/1 *CEB*

Dear Robin,

MR RIDLEY'S VISIT: MAINTAINING THE MOMENTUM

1. I have recently returned from a visit to Pebble Island, Douglas Station, San Salvador and Teal Inlet. The latter three settlements are on East Falkland and the former on the West.

2. My first call was at Douglas Station where, due to a lack of time, I met the people together in the settlement hall rather than individually in their homes. This was unfortunate as a young New Zealander, a member of the itinerant shearing gang, tended to dominate the discussion. He had an anarchistic turn of mind which mistrusted HMG's motives. He was convinced Islanders would go for leaseback because HMG left them with no other option. He had been at Mr Ridley's meeting at Green Patch. Before that meeting, he said, the people were unanimous in rejecting Mr Ridley's ideas but during the meeting Mr Ridley's 'clever' arguments had made them stop and think. However when Mr Ridley left, the meeting at Green Patch 'came to its senses' and rejected the ideas once again. This New Zealander continued to express his disbelief of my constantly reiterated assurance that the Islanders decision would be paramount. I finally told him that he insulted the Islanders' intelligence if he thought they were unable to make up their own minds. Meanwhile the Islanders present had clearly been swayed by this man and could see no reason why they should decide anything. They could go on as they were. I pointed to the lack of development which appeared to be the result of the continuing dispute but was at pains to avoid even hinting at any Argentine threat. There was no need; Islanders were very aware that the essential services were vulnerable. When I was asked to confirm this I only commented that they could probably judge much better than I what the Argentines were capable of. I closed the meeting by stressing that if my personal views had shown through they should be discounted and that the decision to proceed with negotiations on any of the options lay with the Islanders. In private talk with Mr and Mrs McKay, the manager and his wife, I had the impression that though they disliked the idea of talking to the Argentines about sovereignty they thought it was a necessary evil. Michael Clarke who drove me back

(Kinley)

/to



to the Beaver jetty said that he thought development was necessary for survival.

3. Pebble Island was a much easier ride. Because I spent the night there I had a long evening in which to visit every family in the settlement. Pat Watts on the radio had done a good job in publicising the three ideas which Mr Ridley had put to them. In a short introduction, in an effort to be impartial, I added the fourth option of doing nothing. At that point I was generally told that something had to be done though one or two favoured none of the ideas put forward. Though I did not seek to elicit people's views I was nevertheless given them. The majority are certain that leaseback offers a way forward. The most enthusiastic I gently warned that if negotiation produced a definite proposal it might not be as favourable as we all hoped towards the Islanders. They said that of course they realised that this might be the case but that things could not continue as they were and it was at least worth finding out what the Argentine response would be. On Pebble it was the middle aged who supported the leaseback idea. The young and the old were not so sure.

4. The following morning the Golding Island boat brought Fenton Hirtle and his son Tony across for the specific purpose of making their views known. They had been upset by the 'ignorant people' at the Stanley Airport demonstration and by Councillors Goss and Bowles' views expressed on the radio. Mr Hirtle is investing a great deal of money and energy in the development of Golding Island. He saw leaseback as a way of satisfying Islander and Argentine aspirations and welcomed the chance of some settled years in which to develop his farm. He was not optimistic that the Argentines would agree to a leaseback scheme but if we obtained only a thirty year lease he foresaw that the young Islanders would integrate with their Argentine neighbours during that time. A start was being made now with the Stanley schools teaching Spanish. Mr Hirtle then said if all failed he would be able to live under an Argentine administration. He is convinced that they would not want his land and he was not going to give it/to them simply because he did not like their language or customs. I told Mr Hirtle that his views should be made known to his Councillor rather than to me but that I was grateful that he had taken the trouble to come across to see me.

5. At Salvador settlement I was again able to meet the families in their homes during the evening. Apart from one elderly couple and a Chilean gaucho with twenty years residence here, all realised the necessity of continuing talks with the Argentines and accepted that sovereignty would have to be included on the agenda. The majority were certain that a freeze was no answer and that leaseback offered the best chance of a settlement. However none were optimistic that the Argentines would agree but saw value in putting the ball into their court. As in Douglas and Pebble I only outlined what Mr Ridley had said but the response I received seemed to indicate that I was hearing a re-run of a well rehearsed discussion. The most encouraging factor was that people were giving real thought to the problem and the possible solutions.



6. The pattern was repeated at Teal Inlet except that here all were agreed that talks should continue. Again some were enthusiastic about leaseback whilst others bitterly regretted the necessity of talking about this to the Argentines but nevertheless agreed that it was a better option than a freeze. One young couple, recently arrived from the UK, were completely ignorant of the political situation! After a brief explanation they expressed puzzlement that we had not already been talking with the Argentines about a solution to the sovereignty dispute (rather than the communications, fuel agreements etc).

7. Although at Douglas Station I expressed the view that Islanders could think for themselves there is no doubt that the persuasive influence of Robin Pitaluga at Salvador and David Barton at Teal Inlet had influenced their workers in favour of leaseback. At Pebble Island Griff Evans appeared not to have discussed the matter with his men and they were not therefore so unanimous in their thinking. At Douglas itself the New Zealander was articulate and persuasive enough to sway people away from further talks with the Argentine. Because I had to be impartial I felt frustrated at letting him get away with it but was at least able to argue that it was the Islanders' opinion that counted.

8. Most of those I spoke to saw HMG's assurance on this last point as a very real safety valve. If further talks produce an unacceptable proposal they will, I believe, demand a referendum and throw it out. They will not feel bound to accept a leaseback arrangement simply because they agreed HMG should discuss it with the Argentines.

9. Despite the demonstration at the airport, or perhaps because of it, and supported by the Governor's broadcast to the Islanders, I found a great deal of sympathy for Mr Ridley's difficult task and a trust in his sincerity that was not always there before his visit. This was shaken a little by a BBC news report that Mr Ridley had recently returned to the UK after 'talks with the Argentines and the Falkland Islanders'. I assured those who raised this that Mr Ridley had kept to his word and had returned to the UK without any further meetings with the Argentine authorities. I said that the BBC report probably referred to Mr Ridley's courtesy call on Comodoro Cavandoli on his way here. I think that they were satisfied with this explanation. This is an example of how closely we are all being watched to see if Islanders' trust in HMG is justified.

Yours ever

Michael

M W Growcott