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FAULKLAND ISLANDS

19 January 1982

## THE FAULKLAND ISLANDS: ANNUAL REVIEW FOR 1981

The Governor of the Falkland Islands to the  
Secretary of State for Foreign and Commonwealth Affairs

## SUMMARY

The Islanders' relations with Britain and Argentina deteriorated during the year. The community was split on the sovereignty issue. Attitudes hardened after the Argentines rejected the freeze proposal in February. Lease-back an insult to Islanders' loyalty, integrity and intelligence (paragraphs 1-3).

2. Islanders suspected that Her Majesty's Government were making life difficult for them because they had rejected the lease-back option: several decisions taken during the year were interpreted as signs of a diminution in Britain's commitment to the Falkland Islands. Their suspicions were compounded by an inept aid programme; but, although they doubted Her Majesty's Government's good faith, their faith in Parliament and the British public increased as a result of favourable coverage in the news media and a visit by two sympathetic Members of Parliament (paragraphs 4 and 5).

3. The Argentines antagonised Islanders by a combination of insensitivity, arrogance and inefficiency. On top of various irritants in their bilateral relations, the Argentine government's poor performance in running its own affairs convinced Islanders that they were better off outside Argentina (paragraph 6).

4. The economy was badly hit by poor wool prices, imported inflation and rising production costs and wages. A deficit was forecast for this financial year, with reserves down to £½ million, which would however have been worse without the bonus of the Royal Wedding (paragraphs 7 and 8).

5. General elections to the Legislative Council were held in September/October. The sole issue was the sovereignty dispute. They were conducted without incident (paragraph 9).

6. The new Council is less conciliatory than the old. A poor outlook for future talks. But the Islands' economy need not continue to decline. Contingency planning is needed now. An alternative to the Argentine air service (paragraphs 10 and 11).

7. The Falkland Islands are important to our stake in the Antarctic (paragraph 12).

8. They are a very small community, only 1800 people - at shearing time. But they have a strong national pride and will never willingly become part of Argentina (paragraph 13).

Stanley

19 January 1982

The Rt. Hon. The Lord Carrington KCMG, MC  
Secretary of State for Foreign and Commonwealth Affairs  
Foreign and Commonwealth Office  
London SW1A 2AH

My Lord,

The last day of 1981, although the middle of our austral summer, was overcast with strong chill winds, violent hail squalls and the menace of worse to come. It reflected accurately the political and economic tenor at the end of the year.

#### The Sovereignty Issue

2. The Islanders' relations with Britain and Argentina deteriorated during the year. The start saw a lively debate on the three sovereignty options left behind by Mr Ridley: a freeze, a condominium or the transfer of titular sovereignty to Argentina with a simultaneous long lease-back to Britain (the so-called "Hong Kong solution"). There was a split in the community between those who were willing to talk to the Argentines about these options and those who wished to restrict talks to anything but sovereignty. There were a few who wanted no more talks with the Argentines and a few who saw independence as the only solution. In the circumstances, it was something that there was only one dissenting vote to a Legislative Council motion agreeing to further talks on the basis of a sovereignty freeze.

3. Following the Argentines' flat rejection of this at ministerial talks in New York in February, Islander attitudes hardened against the one remaining proposal: lease-back (the condominium idea had never been a starter). To the emotive appeal of slogans like "Sovereignty is not for sale" and "We are not living in a rented house, we are not working Argie land" was added the feeling that the British had tried hard enough to find

a solution: now it was the Argentines' turn. As the months passed in the run-up to the general elections, more of the moderates pronounced that they would rather leave the Islands than have them owned by Argentina, no matter how titular that ownership might be. Although some of the younger generation were prepared to consider a complete sell-out if the price was right, the feelings of the majority were probably summed up by a young farmer who, when interviewed for a British television programme, said, "Lease-back is an insult to our loyalty, to our integrity and intelligence."

#### UK/Islander Relations

4. Other "insults" followed: the refusal to grant British citizenship to Falkland Islanders under the new British Nationality Act; the announcement of the withdrawal of HMS Endurance; financial cuts in the British Antarctic Survey and, in particular, the threatened closure of their base in Grytviken, South Georgia; cuts and prohibitive price increases in the BBC transcription services and the postponement of the building of the new barracks for the Royal Marines. Despite all the assurances given by Ministers that these decisions, taken singly or collectively, implied no diminution of Britain's commitment to the Falkland Islands, the Islanders suspected by the end of the year that they were now paying the penalty for having incurred the displeasure of Her Majesty's Government by refusing to accept the favoured lease-back solution: life was deliberately being made difficult in an attempt to bring them to heel. Their suspicions were compounded by the continuing ineptitude of our capital aid programme. They could not believe that the inadequacy of the airport, the snail-like pace of the Darwin road and the dismal failure of the school hostel project were all attributable to incompetence and inefficiency; there must be another, more sinister, motive and in their suspicious minds this was the deliberate misuse of aid funds so that, while deluding friends of Islanders in Parliament and the United Kingdom that they were giving generously to the Falklands (more aid per capita than

anyone else and similarly beguiling phrases), Her Majesty's Government were cynically allowing the Islands' economy to go downhill in order to force Islanders into the hands of the Argentines. Even the delays and difficulties in recruiting key personnel from the United Kingdom, such as doctors, pilots, teachers, engineers and nursing sisters and the absence of a Falkland Islander from the New Year's Honours List were seen as part of the general plot. This is admittedly the more extreme view; but by the end of the year even our most loyal friends were beginning to doubt the good faith of Her Majesty's Government.

5. At the same time, Islanders' faith in Parliament and the British public as champions of their cause was strengthened through the impact made by two television programmes and several newspaper articles about the Falkland Islands which were published during the year. These resulted in a substantial mailbag from supporters in all walks of life in the United Kingdom and did much to boost Islanders' sagging morale. The visit under the auspices of the Commonwealth Parliamentary Association of two Members of Parliament in September gave them further encouragement: Messrs Shersby and Ogden underlined your statement made earlier that month to the Argentine Foreign Minister in New York that the wishes of the Islanders would be paramount on the sovereignty issue and they pledged their support for the Islanders over other issues, including the Nationality Bill and HMS Endurance. The subsequent failure to secure an amendment to the Nationality Bill in the House of Lords and their inability to raise it again in the Commons came in consequence as an even bigger disappointment.

#### Argentine/Islander Relations

6. The Argentines for their part did not help their own cause. By an unfortunate combination of insensitivity, arrogance and inefficiency they managed to antagonise Islanders on innumerable occasions during the year. A major irritant was the withdrawal of their second weekly flight at ridiculously short notice and without

consultation through the established machinery. The sham of reintroducing this flight at the beginning of summer on a trial basis for one month, again without proper notice, served merely to add insult to injury. Other irritants included six overflights by Argentine Air Force aircraft without prior clearance; the boarding by the Argentine Navy of two Polish fishing trawlers on the high seas east and south-east of the Falklands; the advertising of oil concessions across the putative median line; the continuance of radio transmissions and reports of stamp issues from Southern Thule; the building in Stanley of an ostentatious house (by Falklands standards) for the resident senior Argentine Air Force officer and the tactless attempt to publicise it by planning a high-powered housewarming party; the misleading publicity given to two supply flights (which, without the accompanying propaganda, would have won them much goodwill); the refusal to confirm flight bookings to the mainland unless onward flights were by Aerolineas Argentinas; the frequent non-arrival of passengers, mail, fruit and freight, despite half-empty aircraft; the uncompromising nature of the Argentine rejection of the "freeze" proposal and their subsequent Note urging us to speed up negotiations; the unfortunate remarks in a TV interview by the Argentine Ambassador in London about "conquering" the Islanders' hearts and minds and making them "the most pampered people" in South America and Ambassador Blanco's interview on the Falkland Islands Broadcasting Service in which he ruled out any possibility of the Islanders' right to self-determination. On top of all this, the poor performance of the Argentine military government in running its own affairs, with an 80 per cent devaluation, over 100 per cent inflation, falling reserves and rising unemployment, helped to convince Islanders that, whatever their own economic problems, they were better off outside Argentina than in.

### The Economy

7. The Colony is still largely dependent upon one crop, wool, which has been badly hit by the world recession. Government

revenue from wool derives from a tax levied on company profits which, because of low wool prices and rising production costs, was only a quarter of the amount collected in 1980. Inflation, largely imported, was 12 per cent above the 1980 figure and, as hourly paid workers receive an automatic quarterly cost-of-living bonus, which is consolidated into their basic wage every year, the increasing wage bill was becoming more than the Colony and the wool industry could afford. There was a partial recognition of this by the General Employees' Union, who agreed in June to a 50 per cent cut in the cost-of-living bonus for farm workers; but at the end of the year Stanley employees were demanding their full bonus and threatening strike action.

8. Government expenditure for 1981/82 is estimated at almost £2½ million, with an anticipated deficit of about £200,000. The Colony's development funds are likely to be exhausted and no new capital aid projects are expected from the British Government. Reserves at the end of the financial year (June, 1982) are expected to be £½ million compared with £700,000 in June last year. The one bright spot was the revenue from stamp sales. Thanks to the Royal Wedding, estimated revenue for the year was approaching £½ million, more than double the figure for 1980.

### The Elections

9. In a normal post, the heading for this section would be "Internal Politics"; but there are none here: the sole issue is the sovereignty dispute, which dominated the debate leading up to election in September/October of six members of Legislative Council to represent the people for the next four years. With one exception, those leaders of the community who would have been prepared to discuss a possible lease-back solution with the Argentines declined to stand: they made various excuses but the blunt fact was that they knew they would lose (as the one exception did). I have reservations about the calibre of some of the newly-elected members but I have no doubts about their

integrity or that they truly reflect the wishes of the majority. In a world of political violence and rigged elections, it is worth recording that the Falkland Islands conducted their elections in a fair and orderly fashion, with only four policemen and without incident, protest or petition.

### The Outlook

10. The new Legislative Councillors have already shown themselves to be less conciliatory towards Argentina than the old. They have made clear their opposition to any increase in the Argentine presence here and I anticipate greater difficulties over the interpretation and implementation of our existing agreements. As for a settlement of the main issue, as long as the Argentines continue to insist upon sovereignty first and we continue to maintain that Islander wishes are paramount, I see no way ahead in future talks. - Where, then, do we go from here? If the talks break down, much will depend upon Argentine reactions and the British Government's response to those reactions; but I do not subscribe to the view that the economy of the Islands will necessarily continue to decline. If the present uncertainty were removed and the rest of the world convinced that Britain was determined to keep the Falkland Islands British, there could well be an injection of capital and people into the Islands. I have no doubt that the potential for development exists: over the past year I have had enquiries from private enterprise in the fishing, kelp and tourist industries; salmon ranching; krill harvesting, the export of beef and mutton, both on the hoof and frozen; the salting and drying of fish and various schemes for adding value to the wool. Some of these (tourism in particular) would be badly hit if the Argentines removed their air service; but in those circumstances the Islanders would look to the British Government to subsidise an alternative air service for as long as practicable and a passenger/freight shipping service thereafter. If the Argentines terminated the fuel agreement, alternative sources of supply would undoubtedly be more expensive but present indications



are that they would not be prohibitively so. Short of a military invasion, then, the Islands could survive: with financial help from Britain, they might actually prosper. But I suggest that we should be making practical contingency plans now.

11. I presume that the first step the Argentines would be likely to take if the talks broke down would be to stop their subsidised air service. The Falkland Islands Government Air Service (FIGAS) could fill the gap provided that the British Government would agree to supply a suitable aircraft, such as a Twin Otter, Bandirante or Avro 748, and subsidise its operation. If they closed their skies to FIGAS, we could operate to and from Punta Arenas, in Chile. If they brought pressure to bear on Chile to close her skies also, we should require a longer range aircraft to get to Uruguay. If they then put pressure on Uruguay, we would be reduced to sea communications and in that event we should require a subsidy from the British Government to replace the present charter vessel, which carries freight only, with a passenger/freight vessel such as the "St Helena".

#### British Antarctic Territory

12. I am unable to calculate the cost of these possibilities but I hope that your planners when doing so will not forget the importance of the Falkland Islands to our stake in the Antarctic. If we wish to maintain a presence there - and this is not the place to argue whether we do or not - I consider that we have an additional interest in keeping the Falkland Islands. The Chileans and Argentines currently supply their bases in the Antarctic from airfields in South America using Lockheed C130s and Chinook helicopters. The Royal Air Force could do the same from Stanley, using Hercules and flying Montevideo-Stanley-Rothera. Stanley is a little over 1000 miles from Montevideo, a little less from Rothera. The Hercules could fly from Montevideo to Stanley without traversing Argentine airspace and without needing a diversionary airfield in Argentina as it has the range, I

understand, to return to Montevideo if necessary. I venture to suggest that, if France (or Germany or the USA or the USSR) owned the Falkland Islands, they would be using Stanley now as their main supply base for Antarctica. Even more important in the future could be the ice-free deep-water harbours of South Georgia.

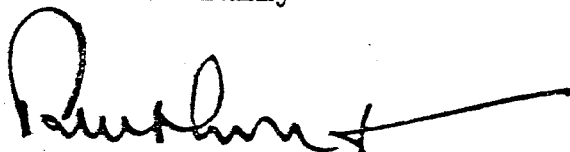
### Conclusion

13. Falkland Islanders are like islanders the world over: their insularity makes them suspicious and narrow-minded and they feel vulnerable and insecure. I recall Mr Lee Kuan Yew urging his Singaporeans to greater efforts after the Tunku had kicked him out of Malaysia: "You must remember," he said, "That we are a very small country, only 224 square miles - at low tide." Well, they have not done badly. We must remember that the Falkland Islands are a very small community, only 1800 people - at shearing time. They may not have the entrepreneurial skills of the Chinese, but they have the same sense of national pride and are equally self-reliant and hard-working. They are also intelligent and well-informed about world affairs. Brought up on BBC Overseas and without daily newspapers, they have a well-balanced and objective view on most things not Argentine. But Argentina spells danger and emotion takes over from reason: the shutters come down and one can make no headway. I must conclude by stating that I cannot see Falkland Islanders ever willingly expressing a wish to become part of Argentina. And I do not blame them.

14. I am sending copies of this despatch to Her Majesty's Ambassadors at Buenos Aires and Santiago.

I am Sir,

Yours faithfully



R M HUNT

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PS/Mr Luce

*M. Smith*

16/2/83 PA. A  
 Dr Heap. Every good one  
 if I may say so.  
 7/14/83  
 Mc Smith  
 To see the reply (3)  
 to the Governor  
 4/3 C. B. Wright

FALKLAND ISLANDS: ANNUAL REVIEW

- A 1. I submit the Governor's 1981 Annual Review for the Falkland Islands together with my draft letter of acknowledgement. The despatch is being printed as a Diplomatic Report.
2. The despatch concentrates on the sovereignty dispute. It is inevitable that the view it gives should be a partial one. But, as a description of the Islanders' position, it is admirable and worth reading carefully for that reason. It does however take less account of either the difficulties which confront HMG or the realities of the potential Argentine threat. In advance of the New York talks, it is worth looking at the Governor's various points in detail.

The sovereignty issue

X 3. In 1981 the leaseback initiative ran into the ground and the Islanders moved to open support of a Fortress Falklands policy. At the beginning of 1981 we had some hope, though not much, that the Islanders might yet be brought to see the need for movement on the sovereignty issue as a prerequisite for overall progress on the dispute. Although Island Councillors proposed a 'freeze' at the Anglo-Argentine talks in February 1981 - a concept which we and they knew in advance to be unacceptable to the Argentines - they did not rule out leaseback: indeed, once a freeze had been rejected, leaseback was all that was left. However, against a background of strong parliamentary opposition to any cession of sovereignty, titular or otherwise, we had no option but to adhere rigidly to a policy of putting no pressure on the Islanders. With the stimulus of the Island elections acting unhelpfully, their position at the end of the year was that they were no longer prepared even to discuss the sovereignty issue with the Argentines. Leaseback is now effectively dead. But its demise means that we are left with no alternative way to prevent the dispute moving sooner or later to more open confrontation. As the Governor says, if the Argentines continue to insist on sovereignty first and we continue to maintain that Islander wishes are paramount, it is difficult to see any way forward through negotiations.

UK/Islander relations

> 4. It was particularly unfortunate that the Islanders should have been given so much cause in 1981 to suspect HMG's motives over the dispute. It is also ironic, given that our commitment to acting only in accordance with Islander wishes is now stronger and more frequently stated than at any time in recent

508  
 years. None of the various "insults" cited by the Governor in his paragraph 4 were in fact aimed specifically at the Falklands; they were all part of wider policies, eg the Nationality Act and the Defence Review. On most of the issues the FCO supported the Islanders' view in Whitehall. As regards the aid programme, there is a long history of bad relations between the Governor and the ODA; we in the diplomatic wing have done our best to encourage them to smooth over their differences. There have been faults on both sides and I suspect that the ODA will react to the charge of ineptitude by accusing the Governor of making extravagant demands.

#### The media and Parliament

5. 1981 was certainly a year when the Islanders received ample coverage in the media and attention in both Houses. To the extent that this increased the stock of knowledge in the UK about the Islands, it has been helpful. But overall, the Islanders have probably been done a disservice: they have been encouraged to adopt a tougher stance in the knowledge that they have widespread support in the UK. But that support will be of no practical help in preventing the consequences if the Argentines choose to increase direct pressures on the Islands.

#### Argentine/Islander relations

6. On this I agree with the Governor's analysis. The Argentines' apparent inability to understand the Islanders is a major stumbling-block in the path of any hopes of ever achieving a settlement. The Argentines complain that the Islanders take the services offered but give nothing in return: the 'hearts and minds' operation has failed. In view of the arrogant and insensitive way the Argentines have carried out the whole programme, it is hard to see how it could ever have succeeded. And even if the Argentines had handled the Islanders more carefully, it would remain entirely understandable that people used to the British way of life would not voluntarily elect to be ruled by a military government with an appalling human rights record and an economy in a very poor state.

#### The Islands' economy

7. Here I feel the Governor is being disingenuous. The Islands' economy is in decline. The cost of living is rising, the income from wool is static or falling. FIG's reserves are slowly being whittled away: it is primarily the revenue from stamp sales which has kept them in the black. I cannot agree with the Governor when he says that, if only we showed more determination to keep the Falklands British, the economy would for that reason pick up. There may well be commercial interest in the various areas he lists in his paragraph 10. However, what investors

want from HMG is not an assurance about sovereignty, nor an unspecified commitment to support and defend the Islands: what they want, failing a solution to the dispute, is a permanent and effective defence presence and financial backing for their ventures. No reputable company is going to invest in any significant way in the Falklands if it know that its investment is vulnerable to the whim of the Argentines. If HMG pumped in enough money, the Islands "might actually prosper". But I can see no prospect of the ODA agreeing to increase their relatively substantial aid programme on developmental grounds in view of the relatively high standard of living which the Islanders enjoy. Nor is it apparent why HMG should consider other forms of financial assistance for the economy unless in the context of an overall solution to the dispute or of a rescue operation.

#### Contingency plans

8. As the Governor is aware, we have already undertaken preliminary contingency plans for action in the event of Argentine withdrawal of services. These include alternative air services to Chile and Uruguay. But we cannot easily go further without allowing such contingency planning to become public knowledge (or without seeking ministerial agreement to a financial context within which to work). I believe that the Governor is too optimistic on the likely cooperation of Uruguay. Chile, itself embroiled with Argentina on the Beagle Channel dispute, would be the better prospect, both politically and in practical terms. But any such solution would be likely to be temporary and very costly for HMG. The most practical long-term replacement for the air-service would be a sea-service, which would be very infrequent and greatly inconvenient to the Islanders.

#### British Antarctic Territory

9. The Governor's view of the importance of the Falklands for our position in the BAT is not well-founded. When we started work in the Antarctic 38 years ago, Stanley was the main supply base and, since then, the British Antarctic Survey's establishment in Stanley has been steadily reduced until it is, now, one person. This has been done because of the greater efficiency, helped by better communications, with which BAS can be organised in and managed from Cambridge. All the nations he mentions use ships as the primary means of re-supplying their Antarctic stations. His suggestion that large, multi-million pound aircraft could be used to service our stations from the Falklands makes very little sense. At only one of our six stations is it possible to land any aircraft other than a helicopter. The only facility that the Falklands provide to the Survey that it would be difficult to replace, if use of the Islands were denied to us, is the marine fuel depot. His point about ice-free, deep-water harbours in South Georgia

could be a good one but no-one is clamouring to use them. Even if any oil resources in the Antarctic were to be exploited, a pre-condition would be UK/Argentine agreement on the modalities (within an Antarctic Treaty regime) and we would expect oil companies to prefer to work to the more developed facilities on the South American mainland.

### The Outlook

10. The outlook is certainly gloomy. The Argentines are adopting a tough posture. The Islanders are more firmly opposed to sovereignty concessions than ever. We stand uncomfortably in the middle, unable to please either side, but accused by both of failing to end the dispute. If talks break down, the range of actions open to the Argentines will be a good deal wider than the Governor assumes in this despatch: and our limited ability to prevent or withstand Argentine pressures will be embarrassingly apparent. We may still hope that the Islanders will come to the view that an accommodation with Argentina is in their best interest. But it seems more probable that we will find ourselves drawn into increasingly costly political and financial commitments.

11. It will always be difficult for a Governor in Port Stanley to see matters other than through Islander eyes. I have however thought it useful to set out our views in full in the draft reply.

*P. R. Fearn*

P R Fearn  
South America Dept

16 February 1982

cc PS/PUS  
Mr Day  
Defence Dept

*An excellent - if gloomy -  
certain raise to the next  
round of talks. Paragraph  
4 of the despatch is a salutary  
gaze through Islander spectacles.*

*P. R. Fearn 16/2.*

Foreign and Commonwealth Office

London SW1A 2AH

4 March 1982

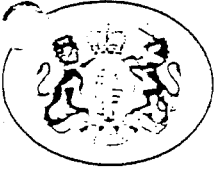
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R M Hunt Esq CMG  
PORT STANLEY*Sean Rex,*

## ANNUAL REVIEW

- ① 1. Many thanks for your Annual Review for 1981. It has been copied widely in the FCO and Whitehall and will be printed as a Diplomatic Report.
2. The despatch provided an admirable exposition of the situation as seen from the Islands. This is valuable to us in itself. Inevitably, on certain aspects, the perspective in the Islands differs from our own view of the realities; and perhaps I could comment on some of these.
3. On the present position in the dispute, we share your own pessimistic view of the prospects for progress. As you say, while the Argentines continue to put sovereignty first and we continue to make Islander wishes paramount, there is no obvious way ahead through negotiations. We cannot simply persuade the Argentines to drop their claim: and I imagine that Islanders would not want us to disregard their own wishes? This means - and the present repercussions from the New York talks have confirmed it - that we are now perilously near the inevitable move from dialogue to confrontation. I assume that Islanders do fully appreciate the difficulties which this would cause them? The range of options open to the Argentines goes of course far wider than a withdrawal of present services. It must also be recognised that for HMG it will not only be difficult to find the necessary finance but also, in the final analysis, to defend the Islands and the Dependencies in any adequate way.
4. We had a full discussion of the possible scenarios when you were on leave last summer and you will be aware of the contingency planning undertaken against a withdrawal of services. We need now to carry these further forward. But our ability to provide an alternative air service is unlikely to be conditioned only by what is practical and politically possible (which, incidentally, I doubt would be the case with Uruguay). A main factor will also have to be what it costs to the British taxpayer in terms of capital outlay and running costs, given that any such alternative would be required for an indefinite period. I cannot prejudge Ministers' decisions. But it is probable that the only viable long-term service

/would



would have to be by ship: and that whatever ship is found (and you will have seen Robin Fearn's reply to your letter of 25 January about the RMS St Helena), it may only be able to make infrequent calls at the Islands. Islanders would have to be prepared to live with such a situation not just temporarily but for an indefinite period.

5. This leads me to comment on your view of the prospects for the Islands' economy. I really cannot see that a stronger assertion of HMG's determination to keep the Islands British would in itself do much to encourage private investment. The main reason why private investors are hesitant is because the sovereignty dispute makes their investment insecure. Until the Argentines choose to renounce their claim or the dispute is resolved in another way, the inclination of investors will be to put their money in a safer place. The potential for expansion is certainly present: but it cannot do other than depend on movement in the dispute. Additional aid for the Falklands economy from HMG might be a palliative, but hardly a solution: and here too one could not neglect the famous British taxpayer!

6. I am sorry to write in such Cassandra-ish style and I am sure you will not interpret what I say as being in any sense 'pressure' for Islanders to take a different view on the dispute. They should be in no doubt of the strength of HMG's commitment to act only in accordance with their wishes: but they should also be under no illusion on the difficulties ahead or on the limits to our ability to mitigate the consequences. Unless there is to be a negotiated settlement to the dispute, the way forward for the Islands can only be downhill.

7. A final comment on your point about the value of the Falklands as a support base for operations in BAT. I do not think that there is anything in this. The fact is that, when we started work in the Antarctic 38 years ago, Port Stanley was the main supply base. Nowadays the BAT establishment in the Islands is minimal. This has reflected the greater efficiency, helped by better communications, with which BAS can be organised in and managed from Cambridge. All the countries to which you refer use ships as the primary means of re-supplying their Antarctic stations. The cost (including the infrastructure costs) of operating large aircraft to service our own Antarctic stations would be very great and the benefits relatively minor (at only one of our six stations in BAT is it at present possible to land any aircraft other than a helicopter). If the oil resources of Antarctica are eventually exploited, the significance of the Falklands could perhaps change. But the present view is that since a pre-condition for exploitation within BAT would be UK/Argentine/Chilean agreement on the modalities, oil companies could be expected to look first at the more developed facilities on the mainland.



