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BRITISH EMBASSY, BUENOS AIRES.

2 October 1981

040/1

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South America Department  
Foreign & Commonwealth Office  
LONDON SW 1

*Copy to Mr Lee 7/10*  
*Mr Lee 7/10*  
*Mr [unclear]*  
*Mr A [unclear]*  
*8/10*

*Dear Robin* A useful input, though very much as seen from BA. Mr Williams is right on the issue of negotiation: but less so on the advantages of coming clean with the Argentines. The hand with the Islanders is not entirely...

FALKLAND ISLANDS STRATEGY

(39) Many thanks for your teletype ALW 040/325/2, telling me the fate of the various strategies we discussed in June. In effect, as I understand it, the decision is to have no strategy at all beyond a general Micawberism. This is not, of course, particularly unusual and although it is, in my view, a pity, our minds must clearly now be devoted not to vain regret but to making our Micawberism as little unintelligent as possible.

*there is no necessity for us to precipitate a breakdown from there - may be inevitable.*

2. In the first place, I suggest, we should recognise that the unguided "wishes of the Falkland Islanders" are very, very unlikely in any foreseeable future to provide even a grudging acceptance of sovereignty transfer in any form. Any contention that there is a tendency to convergence, however slow, between the lines of British and Argentine thinking is, therefore, untrue and, if we go on making it, we are practising a deception - of the Argentines, of the Islanders and even of ourselves. This is not all that unusual either: but it is obviously wise to forearm against the two major risks inherent in deception - unfounded expectation and disillusionment.

3. As regards the Islanders these risks seem to me to take the forms of an unjustified belief that they can eat their cake and have it (or, less fancifully, enjoy Argentine facilities while insulting Argentines) and an eventual discovery that only fairy godmothers can guarantee to make wishes come true.

4. As regards the Argentines, the risks are that they will build hopes and plans on the assumption that HMG is a valid interlocutor (when in fact it is only a pipe line to Councillors' views) and that, on disenchantment, they will come to the conclusion that talking is a waste of time.

/5. For



5. For ourselves, the risk is mainly (I should have thought) that we perpetuate the myth that consenting to "having talks" is a conciliatory gesture on our part in itself - and can be maintained without putting in anything to talk about which is of interest to our interlocutors. This fiction is particularly popular in the Islands and, judging from Rex Hunt's telegram no. 162, they have done a good job once again there in selling it to members of the UK Parliament. I feel I must write it firmly into the record that "talks for the sake of talking" is something the Argentines concede to us and not vice versa; and I am dubious about their being ready to concede it any longer.

*This is not  
made up for  
it is the Argentines  
who want it.*

6. Our other big risk in self-deception is that our masters fail to focus on the real probabilities of the alternative to cooperating with the Argentines. It is for them rather than for me to assess what is politically viable in Parliament for the present government; if they decide (as they have) that any kind of initiative from HMG vis-à-vis the Islanders is politically too costly, it is not for me to object. But have they really been presented with the political risks inherent in allowing Argentine faith in talking to us to collapse?

*If we are being  
in the line anyway*

7. I need not rehearse the details again but, as you know, I believe that a hard-line Argentine leadership, if our moderate friends here are discredited, could mortify and humiliate Her Majesty's Government in a variety of manners to which we would have no effective or immediate response - and could do so without resorting to anything which our closest allies (few though they are on this issue) could regard as aggression in UN terms. These possibilities seem to me a political time bomb - with the fuse in Argentine hands and only too likely to reach explosion point in 1983/84.

8. So what should one do? I have delayed till today's bag replying to your teleletter and the earlier intimations I had from Rex Hunt while wracking my brains for something constructive (rather than reproachful) to put to you. My instinct is that "living a lie" - as my Nanny used to put it - is not only morally wrong but also bad politics. If we do not sincerely believe that the general trend is towards making it possible for us to negotiate meaningfully with the Argentines about sovereignty and have come to the conclusion that we can do nothing to bring about such a trend, then I fear we would be wiser to tell our Argentine friends so frankly and face the consequences.

9. It is because these consequences will not be agreeable that I have hesitated so long in suggesting this. But I

/think

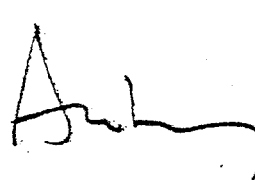


think they will be less disagreeable than those which will follow from faith in us and in our Argentine friends being allowed to collapse, through the exposure of deliberate deception. At least we shall then know - and the Islanders will know - where we stand. We can start openly facing the implications.

10. Fortunately, we have had a very good beginning made for us by the Secretary of State in his talk with Camilión in New York this year. Despite the manner in which Camilión chose to portray that talk, the Ministry of Foreign Affairs here cannot complain that they have been left in any doubt that it is what the Islanders consider their interests, rather than what either HMG or the Argentine Government believe them to be, which will be our sole guiding star. They have also been told that if there is to be another round of talks, we are expecting the Argentines to produce the ideas for it. All that is still needed, if you accept my advice about frankness, is for us to be ready to say, when (as I anticipate) the Argentines produce nothing which could possibly accord with Islander wishes as we currently know them, that while the present circumstances prevail, we can hold out no hope of further fruitful discussion.

11. By being ready to say this, I of course mean being ready to accept that the Argentines may at the least propose a renegotiation of the Communication Agreements and could well decide to start a publicity campaign against us to work up justification for unilateral action.

12. There are, meanwhile, some small tactical weapons we should deploy in our own defence. One of these, I suggest, is the counter to complaints about the Islanders' churlish refusal to be wooed - that gross errors have been made in the Argentine "hearts and minds" operation. This is why I am quite keen, for instance, to shop Gilbert. These are not heavy artillery, but I am glad of anything to improve on using my bare hands.

*you are*  
  
 Anthony Williams

cc: (Secret & Personal)

HE Mr R M Hunt CMG  
 PORT STANLEY