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Foreign and Commonwealth Office

London SW1A 2AH

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UKMIS  
NEW YORK

*Dear Goulding*

FALKLAND ISLANDS AT THE UN

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*CSB*  
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1. Thank you for your letter of 7 August. I am sorry if we appear not to have kept you in the picture; but the lack of news from us since the February talks has reflected the absence since then of real movement on the dispute.
2. Immediately following the February talks, the two Island Councillors who had attended seemed to have taken to heart that progress had to be made and that this necessarily involved substantive discussion of the sovereignty issue. But this more realistic approach did not long survive their return to the Islands. Both are now strongly opposed to talks on sovereignty and their views have carried weight with other Islanders. With minor problems over the operation of Argentine facilities acting as additional irritants, the prospects for securing Islander agreement to any sovereignty solution other than the status quo, have sensible receded. The imminence of the Islands' elections, to be held in September/October, has also served to prevent any decisions being taken. We have been doing what we can to keep the pot boiling, within the limits imposed by the need to avoid any pressure on the Islanders; for example, John Ure visited the Islands in June. But it will not be possible for us to make any firm commitment to a next round of talks until after the Islands' elections and it looks likely that the new Councillors will be more strongly opposed to sovereignty discussions than the outgoing team.
3. We have not meanwhile, at least until this latest development, come under strong pressure from the Argentines: the Beagle Channel dispute and the distractions of their internal political and economic problems have helped in this. They have also been aware of the difficulties both for us and for the Islanders in having a further round before the Islands' elections are concluded. Mr Ridley had an unpublicised and informal meeting with the new Argentine Deputy Foreign Minister in June - its main purpose being to allow the two Ministers to get to know each other. Discussion of the dispute was friendly and relaxed. It did however bring out the Argentine Government's increasing sensitivity to domestic criticism over the lack of visible progress on the dispute and their anxiety to see the pace of negotiation accelerated. This view is now set out formally in the Argentine Foreign Minister's letter to Anthony Williams, accompanied by the communiqué which their UN mission have

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released as a UN document. All the telegrams relevant to this development have now been copied to you. We shall not be asking you to circulate a reply to the UN document; we intend to reply orally to the written Note only, confirming our wish to see negotiations continue but making clear that a next round cannot take place until after the Islands' elections. The next step that will involve you will be the proposed meeting between the Secretary of State and the Argentine Foreign Minister in September in the margins of the General Assembly.

4. As to our own strategy, there is little that I can add at present. We expect that Ministers will next be discussing the dispute in September. There is, however, a general acceptance here that we cannot continue much longer on our present path of keeping the Argentines at arm's length while leaving the Islanders and public and Parliamentary opinion in the UK to be persuaded of the merits of seeking a sovereignty solution. The broad alternatives are either to let the negotiating process run into the sand and to deal with the (difficult and costly) political and practical consequences; or to mount a more vigorous campaign both here and in the Falklands to bring home to everyone concerned just how serious these consequences would be and the corresponding need to find an answer to the dispute through negotiations on sovereignty. The keystone of our policy must however remain the paramountcy of the Islanders' wishes; it is not politically possible for us to backtrack from that, even if we wished. At the same time we have a responsibility to ensure that the Islanders wishes are formed on the basis of a full and informed consideration of the realities of the situation.

6. We shall keep you in the picture, as matters develop. Meanwhile we would agree with your own assessment that the present Argentine action at the UN should not be interpreted as presaging a firm intention to promote activity in the Fourth Committee this year. But we cannot rule out the possibility that they will do so, if, after the Islands' elections, an early date for a next round of talks is not set. The circulation of the communique can perhaps be seen, partly at least, as a preparation of the ground should the need arise.

*Yours ever*  
*Robin Fearn*

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