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10 DOWNING STREET

THE PRIME MINISTER

22 March 1985

Dear Julian,

Thank you very much for your letter of 22 February, and the paper you enclosed about policy in the South Atlantic. I am sorry not to have replied before but I have been reflecting on your ideas.

While I see some analogy with the situation which confronted Winston at the time of his Zurich speech in 1946, I do not think you can push it too far. There has been no unconditional surrender by Argentina, not even a formal declaration that hostilities are at an end. Instead we know that the Argentines are intent on acquiring new arms. They have refused to discuss even such elementary matters as the lifting of commercial restrictions. None of this creates the right background for convincing public opinion here that some great gesture towards Argentina is needed. We have made many attempts to convince them that normal relations should be restored but every effort has been countered by the Argentinians raising sovereignty.

Your concept of a South Atlantic Community for exploring and developing the mineral resources of Antarctica with the Falklands as its main logistic base is characteristically bold. The exploitation of these resources will certainly be of fundamental importance, and we must be in the vanguard of

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any exploratory work. As you will know the British Antarctic Survey is already carrying out important work. I certainly envisage Mount Pleasant playing an important role in this context though it is not the only candidate. Chile and Argentina also have well-equipped airports nearer than the Falklands to the Antarctic, while the Americans have an arrangement for facilities in New Zealand. (South Georgia is of course nearer than the Falklands to Antarctica, but it would be impossible to construct a large airport there).

You suggest that the Antarctic Treaty might provide "an international context". I am not entirely clear about the precise relationship you envisage between your plan and the Treaty, which, as you note, may be reviewed from 1991. If you see a direct relationship, there would be difficulties. The Antarctic Treaty was developed to deal with the peculiar circumstances of a part of the world with no permanent inhabitants. An attempt based on the existing terms of the Treaty to apply a comparable arrangement to the South Atlantic would allow all Treaty parties - including the Soviet Union, Poland and Czechoslovakia and some third world countries - to station military personnel (albeit unarmed) wherever they wished in the area and to travel freely in it. This could have serious consequences - even more in the event of disruption of passage through the Panama Canal. But I assume that you had in mind a more limited arrangement which follows the model rather than actually builds on the Antarctic Treaty. I shall ask for this to be examined.

We must also be careful not to disrupt the delicate negotiations currently in progress with the other Antarctic Treaty States to establish a regime to govern the exploitation of mineral resources in Antarctica. If successful, these negotiations may in time help create conditions favourable to the sort of venture you have in mind.

But my main concern remains that the Argentines have still not come to terms with the real world and accepted that they are not going to obtain Sovereignty over the Falklands. Until they lower their sights, any proposal whose aim is to finesse the problem will be bound to fail and perhaps ruin the chances for a worthwhile initiative later on.

It was very good to see you the other night at the dinner for President Mubarak. I am glad that you had a talk with him.

Y
Lansdown
Raymond

The Rt Hon Julian Amery, M.P.