



Ref: B06571

PRIME MINISTER

c Sir Robert Armstrong

Future Administration of the Falkland Islands
(OD(FAF)(82) 15)

BACKGROUND

In answers to questions in the House on 15th June, you said that there would need to be a settling down period of at least six months before it would be realistic to address the problem of the longer term future of the Islands, and you referred to three possible choices for the islanders within the Commonwealth: independence; associated status or self-government. As the Chairman's note explains, the purpose of the attached papers is to examine these options (and the additional option of bringing the Falkland Islands within the ambit of the Antarctic Treaty regime) and to seek guidance from Ministers on the general direction which constitutional development in the Falklands should take. Officials favour full internal self-government with the United Kingdom retaining responsibility for defence and external affairs. This would not preclude us from associating other countries with arrangements for guaranteeing the Islands' security, or even with the exercise of sovereignty over the Islands if that should eventually seem desirable. But nor need it involve any weakening of the Islands' links with the United Kingdom.

2. Linked to the question of future constitutional development is that of economic development on which Lord Shackleton is submitting his report to you today. The Sub-Committee will not have had time to read it: but it will be desirable at this meeting to agree how it should be handled.

HANDLING

3. For convenience the discussion could be divided into three parts.

Constitutional Development.

4. You might invite comments, starting with the Foreign and Commonwealth Secretary, on the following questions.



- i. Is it agreed that there is a requirement for constitutional development, even though there is no pressure for this from the islanders? Are officials right in thinking that constitutional change on the lines suggested will help us with international opinion?
- ii. Is it agreed that self-government, as officials argue, is the only viable option? Are the arguments for ruling out independence, associated status and the Antarctic Treaty regime compelling?
- iii. If full internal self-government is the right long term objective, is it agreed that the proposed single council system is the one to go for rather than following the more normal pattern of constitutional development in a colonial territory by building on the existing executive and legislative councils?
- iv. Are the arrangements proposed adequate to protect the interests of the garrison, which will play a dominating part in the Islands affairs for the foreseeable future?
- v. Once Ministers' have approved the general outline, officials would propose to seek the views of the Civil and Military Commissioners with a view to having constitutional proposals ready for public discussion with the islanders by about the end of the year. Is this timing right? Should it be accelerated? At what point in the process should we inform the United States and our other close allies of what we have in mind?

Further Work

5. The questions here are
 - i. Can officials be authorised to go ahead with the work described in paragraph 7 of the Chairman's note?
 - ii. Do Ministers wish officials to examine the possibilities for associating other countries
 - a. with the security of the Islands, or
 - b. as possible joint protecting powers with the United Kingdom, which could imply some sharing of sovereignty with them.
- (This work could be kept strictly confidential: there would be no question of approaching other countries without prior authority from Ministers.)

Lord Shackleton's Report

6. An immediate decision is required on whether and when the report should be published. It has always been understood that Lord Shackleton's findings and recommendations would be made public and the secretary of his committee will be preparing a sanitised version for this purpose. But Ministers will first wish to agree a line to take in announcing publication and in answering questions. Ministers will need to consider this when they have had time to see what the report contains. It would seem sensible for the report then to be remitted to officials to prepare recommendations on it for consideration by Ministers at a meeting of OD(FAF) in September.

CONCLUSIONS

7. Subject to the discussion you might aim to guide the Sub-Committee to the following conclusions.

i. To approve the proposal to move to a system of internal self-government for the Falkland Islands based on a single elected council.

ii. To instruct officials to undertake the further work described in paragraph 7 of the Chairman's note, including consultation with the Civil and Military Commissioners.

iii. To instruct officials to examine and report on the feasibility in principle of associating other countries with the security arrangements or the constitutional status of the Islands.

iv. To invite the Foreign and Commonwealth Secretary to suggest a line to take in announcing publication of the sanitised version of the Shackleton Report for clearance out of committee by the end of this week.

v. To instruct officials to examine the Shackleton Report and make recommendations on its implementation for consideration by Ministers early in September.

A D S Goodall

27th July 1982

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