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GRS 312  
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FM FCO 300920Z JULY 82  
TO PRIORITY CIVIL COMMISSIONER PORT STANLEY  
TELEGRAM NUMBER PERSONAL 17 OF 30 JULY

*Read in full.*

YOUR TELNO 69: THE DAVIDOFF CONTRACT

1. FEARN HAS NOW WRITTEN TO ELIOT OF SALVESENS (COPY OF LETTER FOLLOWS BY BAG) TO MAKE IT CLEAR THAT IT IS MOST UNLIKELY THAT THE BRITISH AUTHORITIES WOULD ALLOW DAVIDOFF TO LAND ON SOUTH GEORGIA. FEARN REITERATED THIS POINT IN A CONVERSATION WITH GOW OF SALVESENS, WHO TELEPHONED ON RECEIPT OF THE LETTER. IT WAS AGREED THAT SALVESENS SHOULD TELL SHARP, DAVIDOFF'S LONDON AGENT, THAT DAVIDOFF WOULD NOT (NOT) BE ALLOWED TO RETURN TO SOUTH GEORGIA.

2. SHARP HAS NOW BEEN IN TOUCH BY TELEPHONE WITH THE FALKLANDS UNIT. HE ACCEPTED THAT THERE COULD BE NO QUESTION OF DAVIDOFF BEING INVOLVED IN ANY FUTURE EXECUTION OF THE CONTRACT. HE HAS PROPOSED INSTEAD THAT THE CONTRACT SHOULD BE TRANSFERRED TO HIS NAME. HE WOULD THEN PERSONALLY SUPERVISE ITS EXECUTION, USING EITHER CHILEAN OR URUGUAYAN SHIPPING AND LABOUR. HE WOULD ENSURE THAT ALL NECESSARY FORMALITIES WERE MET: THERE WOULD BE NO REPEAT OF THE NONSENSSES OF LAST TIME. HE ASKED FOR OUR VIEWS.

3. WE TOLD SHARP THAT HE WOULD HAVE TO SUBMIT A FORMAL PROPOSAL, HAVING FIRST CLEARED HIS LINES WITH DAVIDOFF AND SALVESENS. WE WOULD THEN NEED TO CONSIDER HIS PROPOSITION CAREFULLY AND CONSULT YOU. AT FIRST SIGHT, HOWEVER, AND ASSUMING SHARP CAN SQUARE DAVIDOFF AND SALVESENS, WE CAN SEE MERIT IN HIS PROPOSAL. OUR QUARREL IS NOT, AFTER ALL, WITH THE CONTRACT BUT WITH THE PRESENCE OF DAVIDOFF AND ARGENTINE NATIONALS ON SOUTH GEORGIA AND WE KNOW THAT NO BRITISH COMPANY IS LIKELY TO BE INTERESTED. SHARP'S PROPOSAL WOULD AVOID THE POSSIBILITY OF AN UNPLEASANT DISPUTE, EVEN IF WE WERE NOT A PARTY TO IT. BUT OF COURSE SINCE DAVIDOFF WOULD STILL PROBABLY BE THE ULTIMATE BENEFICIARY, WE SHOULD HAVE TO CONSIDER THE PRESENTATIONAL ASPECTS.

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4. GRATEFUL FOR YOUR VIEWS ON SHARP'S IDEA.

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