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FURTHER SESSION WITH COUNCILLORS, HELD IN GOVERNMENT HOUSE,
25 JULY, AT 9.30

1. The same participants were present as for the earlier meeting except that Councillor Goss was absent.
2. Mr Ridley gave his impressions. On the personal side, he had had five marvellous days; he was amazed at the beauty of the Islands and the welcome and courtesy of the people. He was sure it had been right to come as early as possible after the UK Election.
3. On the political side he had identified three themes. The first was that the dispute with Argentina overhung everything; this was true of agriculture, but more especially of developing fish and oil resources. Since coming to the Islands he had become convinced that it was right to work for an early settlement; the tactic of playing the negotiations long was wrong. Secondly, he was struck by the shortage of capital in the Islands. British aid, averaging £1 million per annum, was high; but in terms of the overall needs this was woefully inadequate. It would be better to improve access to commercial capital. He believed that FIC activities were not helpful, in that the Company took money out, and did not sufficiently encourage agricultural development. His third impression concerned the labour shortage. The population trend was of course tied up with the dispute with Argentina and the shortage of capital, but he suggested that Islanders could perhaps be more active in recruitment. There were other points he could discuss, but at this stage he would mention only the question of immigration to the UK. He would convey Islanders' wishes to the Home Office, but he had already told Councillors of the difficulties of protecting their right of immigration to the UK in law; it was impossible to include Falkland Islanders, but exclude, for example, colonial subjects from Hong Kong. Moreover, he felt that to concentrate on the immigration issue was defeatist, because it was not compatible with the intention to develop the Islands.
4. It was of course difficult to be bullish about the future. No-one could know the outcome of negotiations; if they failed, there would be a period of difficulty with Argentina, and therefore expectations should not be raised too far. He felt it was better to say rather little in public about the prospects for the negotiations at this stage. This problem was inevitable in tripartite negotiations, but he had come first to the Islands, because it was their people who mattered.
5. His aim was to deal with all aspects of the dispute with Argentina in a global settlement, an international treaty internationally underwritten. He repeated his twin assurances a) that he would conclude no agreement which did not meet Islanders' wishes, and b) that he would keep Councillors fully informed through the Governor. The constraints were strong - primarily the clearly understood Islanders' wish to remain

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British" - and there was little room for manoeuvring. He was far from believing he had found the answer.

6. Mr Bowles spoke briefly on behalf of all the Councillors. They much appreciated the Minister's visit, and his frankness. They were grateful for British aid. They were unanimously in favour of a moratorium or freeze. They welcomed the assurance the Minister had given concerning right of abode; they were aware of the problems for Britain, but felt that the Islanders were unique. On the Scientific Co-operation Agreement, they believed it should be redrafted and left on the table. The house for the LADE manager could go ahead at the same time as local housing schemes. The Councillors agreed to accept ten Vietnamese families (which in population terms was compatible with Argentina taking 1,000 families!). They would welcome further direct talks with the Minister in London before negotiations with Argentina.

7. Mr Ridley was happy for Councillors to participate in negotiations, provided there were no leaks. But perhaps a final decision should be left until we knew how and when talks might take place. The Governor believed that earlier doubts concerning Councillors' participating in talks with the Argentines were now disappearing.

8. Mr Miller hoped that UK aid would be maintained in order to keep up morale in the Islands. Mr Ridley said that although he was not the Minister in charge of aid, he would make sure that any worthwhile projects which were put up were not stopped; he had simply drawn the Councillors' attention to the general climate of opinion in Britain concerning aid. He was himself keen on economic assistance taking place commercially.

9. Mr Evans said he had been very depressed at the end of the first meeting with the Minister. But he was now most reassured to hear what the Minister had said. Had Councillors been required to go round the Camp talking about the negotiations, the population drift would have increased.

10. Some discussion followed concerning the School Hostel. Mr Monk regarded it as unfortunate that the contractors, a local venture, had made such a mess. The Governor said that he would take a fresh look at the whole project.

11. Concerning Vietnamese refugees, Mr Miller hoped the British Government would publicise the Islanders' effort. Mr Gozney said it was important to inform the Argentines before making this public.

12. Mr Luxton expressed views on several points. Concerning immigration, did not Irish citizens have complete access to the UK? Therefore could not the Falkland Islanders be similarly written into Britain's new Nationality Act? He strongly hoped that the Grasslands Trials Unit would continue to receive support since its work was invaluable. Finally, concerning negotiations generally,

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he feared that when they got under way hard things would be said in the Islands against HMG, and against Mr Ridley personally. He hoped Mr Ridley would always remember that he was talking about the Islanders' homes. Mr Ridley, responding to these points, explained that Ireland had had preferential immigration provisions to the UK; now the Irish were EEC members, they were covered by the Treaty of Rome which allowed free movement of labour within the Community. On nationality, to write into an Act special exception for Falkland Islanders would be interpreted in Britain as racial discrimination. The best way to deal with Islanders' worries was probably through the discretion allowed to Ministers concerning individual cases. He knew of no threat to the GTU, and suggested that farmers could do more to steer its activities. He recognised of course that he would be talking about the future of the Islanders in negotiations; this was why he had given the guarantees he had. But speaking personally, his own political life had for twenty years been tied up with the question of British entry to the EEC; this had raised many arguments about sovereignty, and some now believed that Britain had given sovereignty away. But this had not made any difference to the British way of life. In other words, it was possible to reach solutions to problems where "sovereignty" was in question; he felt the word was used in the Islands in a confusing way. What he believed the Islanders wanted was: to remain under British control, with British links, and with the right to conduct their affairs in their own way.

13. Some discussion followed on how public opinion could be tested on a settlement package. Mr Wallace believed that Councillors would have to resign if the moratorium option did not run, and a package was based on the lease-back proposal. Mr Ridley thought that perhaps the Governor would believe an election or referendum was necessary anyway, if matters got that far. But until then he needed the Councillors' support. The Governor said that Councillors had assured him that they would stand again in an election, campaigning in favour of a successfully negotiated package. Mr Ridley was very grateful.

14. Mr Rowlands took a strong view on sovereignty. He felt that the whole question should be widely discussed in the Islands, by Councillors in an informal way. People were adult enough to understand the issues. For Councillors to be abreast of Islanders' views would help towards a solution. Mr Ridley had to leave this decision to Councillors. But it was important that he himself said nothing in public and that particular solutions should not be attributed to him; opinions should be tested on a whole range of possibilities.

15. Mr Morrison said he had been concerned to hear Mr Ridley remark that Britain could not defend the Islands. If Britain was not behind the Islanders, perhaps people should consider wrapping up now. Mr Ridley said the problems of defence were practical ones. The British Navy was heavily committed elsewhere; if there were

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special aggravations a special force could be sent to the Islands, but what was certainly out of the question was a continuing state of confrontation between the Islands and Argentina. Nevertheless, were the Islands invaded tomorrow, of course Britain would react.

16. Finally, Mr Ridley sought Councillors' advice on what he should say in the broadcast he was about to record for the Island Radio Service.

17. Mr Monk brought the discussion to a close on behalf of the Councillors, by repeating that all had appreciated the Minister's frankness. He had clarified minds on a number of points, and his visit had been most useful. Although there were many rumours and misconceptions he believed the Islanders generally would feel reassured, not discouraged. Mr Ridley was most grateful. He had much enjoyed the kindness and hospitality he had received everywhere, and now felt intensely involved in the Islands as a place. His parting wish was that the Islanders should regard the guarantee he had given, as a British Government Minister, that nothing would be done against their wishes, as being as cast iron a bond as could be given.

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