

Mr Duggan *minute*
Mr Fearn

ALW 040/325/1		
8 JAN 1980		
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		Not Taken

See tel.
to Pert Stanley
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FAKLAND ISLANDS

1. We have submitted a draft Falklands guidance (paragraph 2(a) of Mr Fearn's minute of 30 November). This minute considers the question of preparing domestic opinion for a solution involving sovereignty concessions.
2. Our policy where public and Parliament are concerned has been to play the previous rounds of negotiations in as low a key as possible avoiding any action which might provoke a major political row over the Falklands. If we look back over the last 15 years, we see that wherever fresh initiatives were attempted, this resulted in the Falklands lobby suggesting that our policy was to "sell out" the Islanders to Argentina. This created an emotional climate in which rational discussion of the issues became well nigh impossible. We therefore need to weigh with great care the implications of attempting to "educate" public and Parliament to any eventual settlement involving a sovereignty concession. We must avoid creating the very situation which would lead to Parliamentary hostility.
3. So what do we do? We must live with successive ministerial commitment not to bring any proposals for settlement before Parliament without the agreement of the Islanders. Thus our priority should be to consider whether anything can be done to condition Islanders' opinions. If we could bring the Islanders to agree to the terms of a negotiated settlement this would largely disarm the lobby in this country at one stroke. It may be worth quoting from Ted Rowlands's minute of 4 October 1977 (folio 155 on file ALW 040/325/6) in favour of the lease-back option:

"It will require that a British Minister goes to the Islanders and tries to win them over before the lobby have the opportunity to sabotage the solution. It will be vital that he is able to present a package involving the concept of lease-back, the acquisition of the Falkland Islands Company and development projects in the Islands to demonstrate that we care for the welfare and long-term social and economic future of the Islanders".

4. We have also previously mentioned the need to "educate" the Islanders. The previous Administration went to great pains to keep Councillors fully in the picture (Mr Rowlands twice went to Rio de Janeiro to brief Councillors following a negotiating round and sought to maintain their confidence by a series of personal messages). So far so good. But these exchanges were in confidence. We know that Councillors do not speak to their constituents. We also know that Councillors are fickle: they changed their minds on the Draft Scientific Cooperation Agreement. And also back-tracked on the LADE house. There are obvious difficulties. If Councillors were authorised to speak freely amongst

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their constituents this might prejudice any future negotiations; and possibly draw unwelcome public and Parliamentary interest in this country. These are genuine constraints. It may well be that the balance of advantage continues to lie in muzzling Councillors, and avoiding controversy in this country. But I think we should take advantage of Mr Parker's experience to seek his views before he gives up the Governorship as to whether and in what circumstances it would be realistic to prepare Islander opinion for the lease-back solution we favour.

5. Perhaps we could discuss.

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6 December 1979

The key to opinion in the UK lies in the Falklands: if we can say that Councillors agree with any moves we are proposing then the lobby and any other local critics won't have a leg to stand on.

2. How to win Councillors over is a tricky matter. Ministerial visits & message are certainly very important & effective. It might well be worth asking the Governor for advice - perhaps when he returns.

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