

Foreign and Commonwealth Office London SW1A 2AH

16 April 1982

Dear John,

Falkland Islands Company

Willie Rickett wrote to me on 15 April reporting Mr Needham's call on the Prime Minister on 15 April and asking for advice.

Mr Pym is inclined to doubt whether any general evacuation of the sort which Mr Needham appears to have in mind would necessarily be in line with the wishes of the Islanders (their views on this appear very mixed and the telexes provide no convincing evidence either way); or that it would be allowed by the Argentine authorities (who may want to hang on to a substantial proportion of the population as hostages against a military assault). He therefore does not think that any authorisation should be given to Mr Needham to encourage a general evacuation: individuals and companies such as his will have to make their own decision in the light of particular circumstances.

Mr Pym also does not believe that we should give assurances about the Falkland Islands Company (FICo) not losing financially, or the Islanders being in a position to rescue their savings from the Falklands, at this juncture. The question of reparations for losses resulting from the Argentine invasion or subsequent hostilities - whether these losses are incurred by companies or by individuals will have to be part of a larger long-term settlement. They should not be made the subject of individual undertakings at this stage. However, Mr Pym entirely shares the Prime Minister's 'determination that nothing should stand in the way of those Islanders who wished to return to the UK'. The enclosed draft letter to Mr Needham indicates that arrangements are being made to give the necessary support to any Islanders who have either been deported or made arrangements for their own evacuation from the Islands. letter is drafted as from the Prime Minister, since past experience shows that Mr Needham will not take anything else, for example a Private Secretary letter, as representing her views.

This is obviously a question of some importance and the Prime Minister may wish to discuss it further, for example in

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ODSA, before replying to Mr Needham. I am copying this letter, with the enclosed draft, to John Halliday (Home Office), David Omand (Ministry of Defence) and David Wright (Cabinet Office) Yours ever for Holmes (J E Holmes) Private Secretary A J Coles Esq 10 Downing Street

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ASCENSION ISLAND: USE OF US AIRFIELD BY CIVILIAN AIRCRAFT

The MOD are proposing to charter UK registered civilian aircraft with all-civilian crews to transport troops to Ascension Island. The aircraft would have to use Wide Awake Airfield which (as its name implies) is part of the US facility established on the Island pursuant to the Agreement of 25 June 1956. Paragraph (a) (i) of the Agreement of 29 August 1962 (Cmmd 1869) provides that the Government of the United Kingdom shall have the right to land "United Kingdom military aircraft" at that airfield, provided 24 hours notice are given of the arrival of a single aircraft and 72 hours notice of the arrival of groups of two or more aircraft. Although the reference to "military aircraft" is pretty explicit, I think a fairly respectable argument can be constructed that the object of that Agreement was to enable us to use the airfield for military purposes. Clearly what it was not intended to do was to enable us to land civilian aircraft for non-military purposes. However, the lease of a civilian aircraft and its crew for the sole purpose of transporting members of HM Armed Forces to be used in connection with the Task Force would seem to be completely consistent with the object of the Agreement.

A I Aust Legal Advisers

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