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Foreign and Commonwealth Office

London SW1A 2AH

13 May 1982

Dear John,

MS

Prime Minister  
To note

AL 12/5

AL 13/5. h.c.

Call on the Prime Minister by the Governor of the Falkland Islands

In your letter of 10 May you recorded points arising from the Prime Minister's conversation with the Governor, and Mr Cheek and Mr Luxton, on 7 May.

On your paragraph 2(b), the background, which we have discussed further with the Governor, is as follows. Gas del Estado (the Argentine National Gas Company) has been the supplier of domestic butane gas to the Islands. There have been problems on where to store the cylinders and in 1981, Gas del Estado asked the Falkland Islands Government (FIG) to make available a site near to the fuel depot, where the gas cylinders could be more suitably stored and loaded more easily on to land rovers for distribution. Permission was given and in due course FIG were informed that the regular STN vessel would be bringing in cement and aggregate for the construction of a ramp. FIG had assumed that the work would be carried out by local contractors and were therefore surprised when 17 Argentines, claiming to be employees of Gas del Estado, arrived on the LADE flight on 23 March. The STN vessel arrived shortly afterwards but work on the ramp had not begun before the invasion.

This was not reported from Port Stanley at the time; and it is hard at this stage to judge whether the Governor's suspicions are well-founded. It is possible that the Argentines were some form of advance guard. But there is no firm evidence to support this. They were rounded up with other Argentines on the morning of the invasion: no arms or transmitters were found.

We shall be replying separately on the question of a broadcast to Falkland Islanders by the Prime Minister.

We shall also shortly let you have a copy (with our comments) of the Governor's paper on the future of the Falkland Islands.

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I am sending a copy of this letter to David Omand in the Ministry of Defence.

*Yours ever*

*John Holmes*

(J E Holmes)  
Private Secretary

A J Coles Esq  
10 Downing Street

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14 MAY 1966

