

Secretary of State

FALKLAND ISLANDS VISIT

1. I visited the Falkland Islands from 3 to 8 October. ✓ 7/0.  
I had useful talks with the Civil and Military Commissioners; held discussions with the Councillors, both informally, and formally at a joint meeting of the Councils; met many Islanders at a number of settlements in the Camp and addressed a public meeting in Port Stanley.

2. The process of reconstruction and rehabilitation is going ahead well and I am confident that the momentum can be maintained. Compensation to the value of £0.5 million has already been paid - most of the claims in Stanley have been met but the estimates of losses in the Camp are more difficult to establish. The mine fields have been marked and care is being taken to keep the people informed of what progress has been made and of future policy. By and large, there is a high degree of co-operation between the military and civil authorities at all levels. There are, of course, areas of potential friction over internal communication, accommodation for the Camp children attending school in Stanley, at the hospital which is very over-crowded, and about the state of the roads in Stanley which have been seriously damaged by military traffic. But both Commissioners are aware of the dangers and I am sure they are doing everything possible to keep things running smoothly.

3. The Islanders' first reaction to the Shackleton Report is that it should be implemented lock, stock and barrel. But they are not unresponsive to the argument that the report is not holy writ and, with encouragement, are prepared to establish priorities within Shackleton's recommendations and even to add ideas of their own. The holding of land is an emotive issue but not everyone I met wanted to own land even if they could obtain the necessary capital. There is certainly not unanimity in the view that sub-division of the large outside-owned holdings would lead to more productive farming. And, more worrying, there is evidence to suggest that the sub-division of farms, far from increasing the number of people employed on the land, would actually reduce it. New enterprises outside the farming sector are therefore required which will assure new immigrants if Shackleton's target of a population of 2,500 is to be achieved.

4. A constant theme among the people to whom I talked was that the present situation offered a last chance to assure the Islands' economic development. I agree that it is a chance that will not recur. But, outside the farming sector, there does not seem to be much self-confidence or initiative

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to build on, and it may take some time before there is a general response to the new opportunities afforded by the post-occupation situation. And although I repeatedly stressed to them the necessity of commitment by the Islanders to the future of their Islands, I think we shall have to take prompt action to improve the level of enterprise and available skills in Port Stanley.

5. A good deal more work needs to be done on possible development projects and much more information is needed about Islander aspirations and the Islands' economic potential. I have encouraged the Civil Commissioner and the Island Councillors to undertake this work and, in particular, to study the likely implications of Lord Shackleton's proposals and to set them in priority with their own suggestions for the future.

6. I have two further comments on the Shackleton Report. I believe that his consideration of the effects of the garrison fails to recognise that the presence of a large number of troops offers the Islanders a new, substantial and consequently changing and comparatively affluent market. They should be encouraged to exploit that market's demand for local produce and souvenirs. I am also concerned that the much higher salaries of imported contract labour will cause widespread local discontent, even if steps are taken to prevent a movement of labour from the land.

7. I have drawn up a commentary on the Shackleton recommendations as I see them after my visit. This is attached as Annex A. I hope that an early decision can be taken to set in hand those that do not involve undue difficulty or expense, since I am anxious that we should be able to show the Islanders and Parliament that we are getting on with it.

8. As for the longer term, it is absolutely clear that the Islanders want no political truck with Buenos Aires, though the more thoughtful of them understand that economic co-existence must be a desirable objective. But they are not in any hurry to discuss any of this in depth, and are content to get on with putting their lives together again under the protection and with the active help of the garrison.



Cranley Onslow

13 October 1982

cc: PUS  
Mr Giffard  
Mr Ure  
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