

FROM : TIMOTHY RAISON

DATE : 20 JANUARY 1984

Secretary of State

FALKLAND ISLANDS : POSSIBLE DECLARATION OF A 200 MILE EXCLUSIVE FISHERIES LIMIT (EFL)

Since the OD meeting, originally scheduled for 25 January, has been postponed until 31 January (or possibly later), when I shall be in Uganda, I am minuting you now with my reactions to the three options put forward in OD(83)19. ✓ pt 35

2. The first option, to leave things as they are, would in my view be the wrong course to follow, primarily because of the developmental importance of an EFL, but also in the light of the very strong pressure for positive action from many quarters. I see that Janet Young has come under great pressure on this issue during her current visit. Strong political arguments are advanced against the second option, unilateral declaration of an EFL, and I recognise these. I therefore support the third option, to pursue the establishment of the EFL in a non-confrontational way.

3. But I would like to make two points. First, we must not pin the success of our efforts to the proposal in the Annex to the paper. In our view, FAO is most unlikely to be prepared to act as a licensing agent on behalf of the Falkland Islands Government (in the example given in paragraph 3 of the Annex, the North East Atlantic Fisheries Convention, the FAO does not act as a licensing agency) nor to undertake any task likely to draw them into controversy or involve the exercise of judgement. The most we could hope for would be a routine processing of paperwork.

4. Second the paper does not do justice to the economic and developmental importance to the Falkland Islands of establishing a 200 mile EFL. Briefly -

- (a) It is clear from a macro-economic study undertaken by one of my advisers in the Islands last month that balancing the Falkland Islands budget requires an EFL: the alternative - which we may well have to contemplate anyway - is budgetary aid. Budgetary aid would go down very badly in Parliament; would dramatically change the nature of our relationship with the FIG, because we should have to sanction their every expenditure; and would risk eroding public support in this country for our Falklands policy.

/(b)

- (b) The estimate in paragraph 3 of the benefit of licensing to the Islands' present budget is, we believe, a conservative one. It could be as high as £3 million per annum (over 90 per cent, not 30 per cent, of the budget). Inability to police an EFL will not necessarily eliminate this income, as the experience of other similarly placed countries shows.
 - (c) There would be indirect benefits. A licensed offshore fishery would result in a substantial offshore fishing fleet in Falklands waters, providing a long term captive market for bunkering facilities, as well as for other goods and services produced in the domestic economy.
 - (d) It is the absence of a 200 mile EFL that is anomalous. The claiming of 200 mile EFLs is now virtually universal, and the absence of such a claim on the part of the Falklands could be taken as an indication that the UK is not serious on the sovereignty issue.
5. I am copying this minute to the other members of OD and to Sir Robert Armstrong. I am also sending a copy to Janet Young.

TR

T R

Overseas Development Administration
20 January 1984

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