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B.06956

PRIME MINISTER

c Sir Robert Armstrong

Falkland Islands: Possible Declaration
of a 200 mile Exclusive Fisheries Limit

(OD(83) 19)

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BACKGROUND

1. The recommendation that a 200 mile exclusive fisheries limit (EFL) be established around the Falkland Islands is the one major recommendation of Lord Shackleton's Falkland Islands Economic Study 1982 on which the Government has not yet announced any decision. The establishment of such a limit would make it easier to introduce effective measures for the long-term conservation of fish stocks and for the control of the size of the fishing fleet in the area. The coastal state state declaring such a limit can also derive revenue from the sale of licences to fish.

2. Lord Shackleton also recommended the expenditure of some £20 million over five years in exploratory fishing with a view to the establishment of a large-scale fisheries operation based on the Falkland Islands themselves; this proposal has not been taken further because, if a 200 mile limit is declared and fish stocks rebuilt, normal commercial considerations might result in private capital undertaking the sort of investment envisaged by Lord Shackleton.

3. In his memorandum, the Foreign and Commonwealth Secretary reports that there is strong pressure in the Falkland Islands for the establishment of an EFL; the Executive Council made a formal request on 22 November. The Foreign and Commonwealth Secretary estimates that revenue from licences and possible joint ventures could

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amount to as much as 30 per cent of the Islands' present budget. The Minister for Overseas Development, in his minute of 20 January to the Foreign and Commonwealth Secretary, says he believes this estimate to be conservative, and that the figure could be as high as 90 per cent of the Islands' budget. Mr Raison makes the further point that recent studies indicate that an EFL is required if the Islands' budget is to be balanced without recourse to budgetary aid.

4. The Foreign and Commonwealth Secretary's memorandum examines three possible courses of action as regards an EFL: to do nothing; || to declare an EFL unilaterally; / or to explore with the Argentines, without prejudice to the United Kingdom's position on sovereignty, the possibility of the establishment of a Regional Fisheries Administration in co-operation with them. || To do nothing would result in increasing criticism of British policy by the Falkland Islanders, and present them with budgetary problems. To establish a limit unilaterally would be confrontational, and run counter to the policy agreed by OD on 25 January of seeking a gradual normalisation of Anglo-Argentine relations. The Foreign and Commonwealth Secretary therefore proposes that the possibility of jointly establishing a Regional Fisheries Administration should be added to the agenda of the talks with Argentina which have already been agreed by OD. The Foreign and Commonwealth Secretary's memorandum canvasses the idea that an eventual Fisheries Administration might be operated under the auspices of the Food and Agriculture Organisation, although the Minister for Overseas Development is sceptical. The actual mechanics of the scheme need not be addressed at this stage, since the Foreign and Commonwealth Secretary is inviting the Committee's agreement only to his pursuing further the feasibility of the course of action proposed.


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Further detailed work will be needed on these proposals in the light of the Argentine response to our initial approach. This might also examine the parallel recommendation in the Shackleton report that a 200 mile fishing limit should be declared around South Georgia, the South Sandwich Islands and, as and when it becomes practicable, around the dependencies to the South.

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5. In his minute of 30 January, the Foreign and Commonwealth Secretary draws attention to the fact that our approach through the Swiss to the Argentines can have left the latter in no doubt that sovereignty over the Falkland Islands is not on the agenda of the proposed talks. The addition of possible fisheries arrangements to the topics for discussion, would not alter this. If the Argentines were to press the point, the most that could be accepted in the fisheries talks would be, as with the other talks, an arrangement whereby each side made at the outset a self-contained statement of their position and proceeded to discuss practical issues without prejudice to these positions. The Foreign and Commonwealth Secretary also re-emphasises the potential problems (referred to in paragraph 6(c) of his memorandum) of policing a unilaterally-declared EFL; this could involve stopping and searching among others Russian, Polish and Spanish vessels, whose governments do not recognise British sovereignty over the Islands.

6. The Foreign and Commonwealth Secretary also outlines the incentives for Argentina to join us in establishing an agreed fisheries regime in the area, and draws attention to indications that for domestic reasons the Argentine Government wish to maintain an impression that progress is being made in their relations with the United Kingdom, and that they might therefore be prepared to discuss the joint exploitation of resources, including fisheries.


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7. The Chancellor of the Exchequer is unable to attend or be represented because of a meeting on the Budget. The Secretary of State for Defence is out of the country and will be represented by the Minister of State for the Armed Forces (Mr Stanley). The Secretary of State for Trade and Industry is unable to attend because of Parliamentary business and will be represented by the Parliamentary Under Secretary of State, Department of Trade and Industry (Mr Fletcher). The Attorney General, the Chief of the Defence Staff and Sir Antony Acland have also been invited to attend. The Secretary of State for Northern Ireland is not taking up the permanent invitation to him to attend on this occasion.

HANDLING

8. You should invite the Foreign and Commonwealth Secretary to introduce his memorandum. Points to cover in the discussion are -

(a) Does the Committee agree that it would be desirable to establish a 200 mile exclusive fisheries limit around the Falkland Islands? If so

(b) is the Committee satisfied that a fisheries limit could be introduced with Argentine co-operation without constituting a step towards Argentine involvement in the exercise of sovereignty over the Islands?

(c) Would the establishment of a fisheries regime in agreement with Argentina enable us to get round the policing/enforcement difficulties inherent in a unilaterally declared regime?

(d) Is it agreed that the negotiated approach is to be preferred to a unilateral declaration?

CONCLUSION

9. Subject to the points made in discussion, you could guide the Committee -

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(i) to agree in principle that a 200 mile exclusive fisheries limit should be established around the Falkland Islands;

(ii) authorise the Foreign and Commonwealth Secretary to explore with the Argentines the possibilities of introducing a jointly agreed fisheries regime;

(iii) invite the Foreign and Commonwealth Secretary to bring forward detailed recommendations in the light of the Argentine response to our approach.

David Goodall

A D S Goodall

30 January 1984