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10 DOWNING STREET

THE PRIME MINISTER

16 May 1984

'han in Hayward.

I was grateful for the full and interesting explanation of your ideas about the future of the Falkland Islands which you gave me when you called on me on 3 May. I promised that I would follow up our discussion with a letter describing in greater detail the Government's attitude towards some of the important points which you raised.

The central one, I think, is the possibility of independence for the Falklands, about which I told you I had serious doubts. These are based not so much on principle as on practical considerations. There are some British dependent territories, including those with no indigenous population, where independence is not currently an option. But there are certainly others where it is an option: our policy towards these territories is to give every help and encouragement to those who wish to move toward independence whilst not pressing it upon those who do not want it. In the case of the Falkland Islands, there is no demand for independence. In the run-up to the last elections for the Islands' Legislative Council, held in September/October 1981, only one out of a total of 18 candidates spoke in favour of independence, and even he back-tracked when he discovered the lack of support for his views (he also finished up with the least number of votes). This was before the Argentine invasion: the events of 1982 have inevitably emphasised the importance of the Islanders' links with Britain and the British Government's commitment to their defence and economic development.

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Then there are the practical considerations of which I spoke. Leaving aside the basic question of whether such a small community could ever become a viable independent state, there remain certain obstacles which I believe are at present insuperable. In the first place, I am convinced that it would be completely unrealistic to expect the Argentines to accept or endorse any declaration of independence by the Falkland Islands. claim to sovereignty over the Islands is deeply held - however wrongly in our view - and, as I told you, I am sure nothing would induce them to abandon it. I fear that there is therefore no prospect of Argentina being willing to join with us in guaranteeing the sovereignty of a (hypothetical) newly independent Falkland Islands in the way you suggested. Secondly, and by the same token, there would be no likelihood of Argentina agreeing to co-sponsor an independent Falkland Islands for membership of the United Nations. And thirdly, since admission to membership is effected by a decision of the General Assembly on the recommendation of the Security Council, and since Argentina's claim to sovereignty enjoys the albeit ill-judged support of a majority of present members, it must be assumed that under present circumstances any application by the Falklands for membership would not succeed. That being so, we could have no confidence in the United Nations' willingness or ability to provide any effective protection for the Falklands were they to become an independent state.

These are the realities of the situation, and I am sure that most Falkland Islanders themselves recognise them. But neither we nor they need be discouraged. Part of our response must be to give the Islanders as great a say as possible in the running of their own affairs (a new Constitution for the Islands, on which we are currently working and which is based on proposals put forward by the Legislative Council, will be a step in this direction), and to do all we can to encourage a spirit of initiative, leadership and self-reliance in the Islands. The Falklands are British territory, the Islanders are British citizens, and there is no reason at all why, in these circumstances,

and with our continued support and the welcome and generous commitment of friends such as yourself, they should not thrive and prosper.

As you will realise these are delicate issues. I hope this helps clarify our views. I should be grateful if you could treat this letter as confidential.

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Jack Hayward, Esq.