

Lord Buxton

11/7



BA

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LONDON SW1A 2AA

*From the Private Secretary*

Adc/27 June 1986

I enclose a copy of a letter which the Prime Minister has received from Lord Buxton and Lord Shackleton.

I should be grateful if you would provide a draft reply for the Prime Minister's signature, to reach this office by 11 July.

(Timothy Flesher)

R.N. Culshaw, Esq.,  
Foreign and Commonwealth Office.

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House of Lords

26th June, 1986

The Rt. Hon. Margaret Thatcher, M.P.,  
Prime Minister,  
10 Downing Street,  
London, S.W.1

R27

Dear Prime Minister

We much regret having to bother you at such a busy and difficult time but we feel bound to raise a matter that seems to us to be of great urgency concerning the Falklands.

Following the recent sinking of the Taiwanese vessel by the Argentine navy (not specifically disowned by the government in Buenos Aires) we are very concerned to hear of moves to sign a fishing agreement between the Argentine and the Soviet Union, including the possibility of establishing landing rights and possibly a base at Puerto Madryn within the Golfo Nuevo. This action, especially if followed by other countries, could bid fair to destabilise the already uncertain regime in these waters and lead to a 'cod war' with, of course, much more serious implications.

We feel that this threat, if true, could warrant a direct approach to the Soviet Union, and perhaps other fishing countries concerned, to make clear that any such agreement would be regarded as an unfriendly act - not least because it could involve recognition of Argentine rights over Falklands waters, and would put paid to our own efforts to establish a multinational fishing regime. This latter course has already been rejected by Argentine Senator Gass (F.T. June 11th).

A consequence of these developments is continued erosion of our standing in the South Atlantic, with serious implications both with regard to the Antarctic and even in the long term our security and that of the Free World, if ever the Panama Canal was closed.

Attached is a note on fisheries and a possible course of action.

We thought we should draw this to your attention. Warm regards  
yours very sincerely

Amyth Buxton

Eddie Shackleton



## House of Lords

### Note on fisheries - a possible further course of action

Our failure to clarify the position offshore is in danger of weakening our position in regard to Falkland Islands sovereignty, since the latter generates our rights offshore.

There is growing evidence of major fish stocks around the Islands of great interest to our own markets, quite apart from squid, so popular in Japan and the Latin countries. All are in jeopardy if the present free-for-all is allowed to continue. Landings are certainly much higher than were indicated in last year's Beddington report; so are their value.

The stocks need management, but equally desirable is the generation of revenue for the Falkland Islands Government from licence and royalty fees. However the argument raised against this is that the costs of surveillance and enforcement would be too high, much higher than any likely revenue from fees. This is now the subject of investigation by the Commons Defence Committee in relation to future force levels in the South Atlantic.

Our understanding is that much more economical solutions are available using minimal civil assets and a regime based on experience in such regions as the South West Pacific, where less than perfect control is accepted due to the necessity for economy. The North Sea system is wholly inappropriate for the Falklands.

We would suggest the immediate establishment of a regime which at this stage should be limited to the 150 n. miles Falkland Islands Protection Zone (FIPZ), since this would hopefully avoid immediate confrontation with the Argentine over median lines. At the same time, however, reserving our right to the now universally recognised distances offshore - 200 n. miles, or median lines measured from coastal base lines. Some action may in any case be unavoidable since we are informed that fishing activities within the FIPZ are so high that there is a serious risk of squabbles. A clear regime will also encourage the establishment of onshore infrastructure in support of the fisheries both around the Falklands and around South Georgia, all beneficial to the Islands economy and long-term future.

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26/6/86

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