

CONFIDENTIAL

1/1/86

PRIME MINISTER

## FALKLAND ISLAND FISHERIES

Pg. 1

You read the Foreign Secretary's paper over the weekend, and have also seen the JIC's paper on the implications of the Argentine/Soviet fisheries agreement. The latter underlines the urgency of reaching a decision.

The Cabinet Office brief lists the issues which need to be resolved.

The Defence Secretary has put in a minute saying that he sees risks in declaring a fishing zone now. He would prefer to wait at least until the FAO report has been circulated. He is also concerned that the scale of the effort needed to enforce the regime could be greater than foreseen by the paper.

You will want to watch carefully the formulas used in discussion and recorded in OD's minutes about discussion with Argentina. We should make clear in advance that our offer of discussions is limited to practical matters; that sovereignty would not be on the agenda and would not be for discussion; and that attempts by Argentina to introduce the issue of sovereignty would be rejected and would imperil the exercise.

EDP

(C. D. POWELL)

1 October 1986

CONFIDENTIAL





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PRIME MINISTERFALKLAND ISLAND FISHERIES

1. I have seen the paper by the Foreign and Commonwealth Secretary which we are to discuss in OD tomorrow. I have sympathy with the Foreign and Commonwealth Secretary's starting point but I have considerable unease about the course recommended. It seems to me, and to the Chiefs of Staff who have examined the paper, that there are considerable risks which will need very careful examination before we commit ourselves to the declaration of a fishing zone on the basis proposed; and I am not persuaded that the timing for such a declaration is yet right. It has not been established that the Soviet agreement with Argentina constitutes a challenge to our sovereignty, nor am I persuaded that we should act now before the FAO report has been circulated.





2. If, however, we do decide to go ahead, then we will have to take careful account of the resource implications. I am glad to see that the Foreign and Commonwealth Secretary's paper acknowledges that the enforcement of a fisheries regime is a civil task but I do believe that there is a considerable risk that the sale of effort required will be much greater than that described. There is also a clear risk of a long drawn out military confrontation developing which could have very serious implications for the forces we require in the area.

3. I thought it right to state my unease at the outset. I will expand on these points tomorrow.

4. I am coping this to members of OD, the Secretaries of State for Energy and Northern Ireland, the Minister of Agriculture, Fisheries and Food, the Attorney General and to Sir Robert Armstrong.

L4.

Ministry of Defence

1st October 1986