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Foreign and Commonwealth Office

London SW1A 2AH

15 October 1986 *CSA*

*Prime Minister*  
*I have commissioned from*  
*MOD the further work you*  
*want on Rules of Engagement.*

*Dear Christopher,*

*Agree that meanwhile we can*  
*go ahead with consulting the*  
*Falkland Islands government?*

Falklands Fish

*CD P16/x*

Lady Young has consulted the Foreign Secretary in China about the report prepared by officials in response to OD's request of 2 October. Both believe that we must now go forward to implement the fisheries regime which officials have drawn up.

*7/15*  
*ms*

The postponement of the start-up date by one month gives time to consult the Falkland Islands Government and make an announcement before the end of this month. But unless an announcement can be made by then, the deadline of 1 February cannot be met. Sir Geoffrey Howe therefore believes that we must lose no further time in putting our proposal to the Falkland Islands Government. He proposes that this should be done on 17 October, and hopes to hear by then that all colleagues are content to go forward on this basis.

Sir Geoffrey recognises that there are risks for the Falkland Islands budget in the course of action now proposed. The presence of our garrison on the Islands will of course do a great deal to enhance the credibility of the civilian assets that will implement the fisheries regime. But we are asking the Falkland Islands Government to implement the extension of HMG's jurisdiction. What is proposed is nicely judged, but Sir Geoffrey thinks colleagues should be aware that the Falkland Islands Government may be reluctant to accept the financial implications; and that circumstances could arise in the future in which there would be a choice between (a) the Falkland Islands Government incurring disproportionate extra expense or (b) HMG extracting added value from the capacity of our military assets on station, through some flexibility over the charges levied.

Sir Geoffrey will inform colleagues before an announcement is made on the feasibility of positioning civilian assets on time. Securing diplomatic clearance for an aircraft to transit Latin America en route for

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the Falkland Islands presents particular problems, to which an urgent solution is being sought. No problem is foreseen over seaborne assets and personnel.

I am copying this letter to Private Secretaries at No 10, Lord President of the Council, Chancellor of the Exchequer, Secretaries of State for Defence, Energy, Trade & Industry, the Attorney General, Minister of Agriculture Fisheries & Food, and ODA.

*Yours ever*

*Alan (Culshaw)*

(R N Culshaw)  
Private Secretary

C L G Mallaby Esq CMG  
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