

14/112

41

Atw 040/325/1	
RECEIVED	17 MAY 1979
<u>CONFIDENTIAL</u>	

Private Secretary to
 Mr Ridley
 cc Mr J Ure, SAD
 Mr G Hall

THE FALKLAND ISLANDS

I have read with much interest the paper submitted by Mr Ure on the Falklands and on Antarctica as well as Mr Hall's minutes on these two subjects.

2. My own feeling is that we must approach the problem of the Falklands in a series of steps. We might consider the following steps in the following order:-

- (i) to secure the exchange of Ambassadors with Argentina, thus establishing a better climate of confidence with the Argentines;
- (ii) a visit by the Minister of State to the Falklands in order to gain the confidence of the islanders and to enable the Minister of State to get a personal feel of the likely reactions to whatever option we might eventually favour;
- (iii) ministerial discussion here of the way ahead.

3. All this will of course take some time but I see no reason that we should be rushed. Provided that we build a bit of confidence with the Argentines through the Ambassadorial exchange, we will be in a very strong position to fend off requests from them for early negotiations on the grounds that the new Government needs time to study this complex problem.

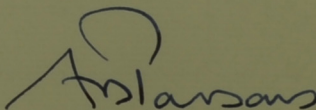
/4.

CONFIDENTIAL

- 2 -

4. Meanwhile, I would not rule out further talks with the Argentines on the lines of Mr Ure's paragraph 11(c) ie negotiations on peripheral matters such as fisheries on the clear understanding that these involve no commitment to political change.

5. On the substance of the problem, I would be opposed to the lease back solution unless it had the full consent of the islanders and I fear that this will not be forthcoming unless and until the islanders themselves propose it off their own bat. If we were to enter into negotiation with this final position in our own minds and there was a leak somewhere along the way - as I have no doubt there would be - the whole thing would blow up in our faces. My preliminary feeling is that we will end up with no alternative but to carry on more or less as we have done ie try to encourage confidence building measures and functional co-operation without any change on the sovereignty issue in the hope that time will help to change the shape of people's attitudes. Having dealt with the Arab/Israel problem over the best part of 35 years I have become doubtful about the proposition that there necessarily are tidy solutions to all problems!



A D Parsons

11 May 1979

CONFIDENTIAL

Atw 04-325/1		
RECEIVED 17 MAY 1979		
DESK	PA	Station Taken
INDEX		

An Conroy
Bu 16/s
R. Osborne

(42)

Sir A Parsons

AS 15/s

cc: PS
 PS/Lord Privy Seal
 Mr Hall
 Mr Ure

(41)

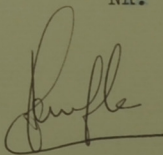
THE FALKLAND ISLANDS

Mr Ridley was grateful for your minute of 11 May, and has commented as follows:

"I agree with Sir A Parsons' minute, but would add:-

- 1) More emphasis on economic co-operation with Argentina on fish, oil, Antarctica etc;
- 2) It is vital to keep the confidence of the Islanders and this seems to me to require keeping quiet about lease-back plans, at least for the time being.

NR."



K D Temple
 15 May 1979