PS/Mr Ridley

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Falkland Is

NO .7... OF .7.. (42)

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In a secret and personal minute to the Secretary of State before Lord Carrington's departure to New York, Mr Ridley made recommendations on the line to be taken with Sr Pastor.

The meeting with Sr Pastor took place in Lord Carrington's suite in the UN Plaza Hotel (which has certain obvious implications for security). On the British side only Mr Bullard and myself were present, apart from the Secretary of State. Sr Pastor was accompanied only by the Argentine Ambassador from London. Lord Carrington led off with some general points on bilateral relations which I have reported by telegram. After a few minutes on this subject Sr Pastor led the conversation very deliberately into the Falklands question. It was most important that this should be resolved. He was very satisfied with the latest developments. We were on a good road to a solution. On behalf of his government he wished to emphasise Argentina's satisfaction at the goodwill demonstrated in the British Government's efforts to find a solution, and at the results of Mr Ridley's latest meeting with Comodoro Cavandoli.

Sr Pastor said that in the light of this progress we should accelerate our discussions. The Geneva formula had provided a "solid basis" which opened the prospect of "satisfactory results in the near future". He described the concept of a transfer of sovereignty and subsequent lease back as very clever. We could make serious progress with this formula. The one difficulty for Argentina was that the proposed duration of the lease would be regarded as excessive by Argentine public opinion.

Sr Pastor went on to say that Argentina had good intentions towards the Islanders and wished to improve the lot of the present and future inhabitants. Argentina was rich in resources and could offer facilities, and in particular could provide good opportunities for the younger generation. He wound up his initial intervention by saying that if Lord Carrington agreed on the need to accelerate the pace of the talks, the Argentines would like to propose that a further meeting should be set up between Mr Ridley and Comodoro Cavandoli.

Lord Carrington replied that he had noted with approval Sr Pastor's inclusion of a reference to the interests of the Islanders in his speech to the United Nations General Assembly on 24 September. He understood that this reference represented a new departure by comparison with the previous year's speech. He was pleased that his meeting at the 1979 General Assembly with Sr Pastor had set the ball rolling, and that satisfactory progress had since been made. However, it was important that we should avoid any misunderstandings. Lord Carrington therefore

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wished to emphasise that, as Mr Ridley had made clear at Geneva, the proposals discussed there were <u>ad referendum</u> to Lord Carrington's Cabinet colleagues. Because of the holiday season, he had not yet had an opportunity to put these proposals to his colleagues.

Lord Carrington said that we too faced difficulties with our public opinion. It would be difficult to gain their support for any solution involving a transfer of sovereignty, even with a lease of a duration which the Argentines might regard as excessive. Lord Carrington saw the concurrence of the Islanders as being the key to the solution. No solution was possible unless the Islanders themselves advocated it. Mr Ridley thought that it was not impossible to secure the Islanders' agreement to proposals of the kind discussed at Geneva, and that they might prefer the certainty of such arrangements to the present uncertainty.

Summing up the British position, Lord Carrington said that the next step for us would be for the proposals to be discussed by his Cabinet colleagues. At some stage Mr Ridley would wish to visit the Falkland Islands. He would not pretend that the situation was not without its difficulties. But as he had promised Sr Pastor last year, we were trying to press forward and to find an acceptable solution.

Sr Pastor thanked Lord Carrington for speaking frankly. He accepted that we were only at the beginning of negotiations: but with good will and imagination we should be able to find a formula satisfactory to the British Government, the Argentine Government and the Islanders. He suggested that we should continue to negotiate very confidentially, to devise a product which could then be sold to the Islanders.

Lord Carrington then turned the conversation to human rights.

25 September 1980

(R M J Lyne)

ccs:-

PS
PS/LPS
PS/PUS
Mr Day
Mr Harding
Mr Fearn, SAmD

HMA Buenos Aires

SECRET AND PERSONAL No.1. OF Mr Fearn, SAmD Secretary of State's Meeting with the Argentine Foreign Minister I reported the main points of Lord Carrington's meeting with Sr Pastor by telegram from New York. I have recorded the more sensitive aspects of the discussion on the Falkland Islands in a secret and personal minute to PS/Mr Ridley. At the end of the meeting, the Argentine Ambassador asked if he could have a copy of the record (presumably because he had been interpreting, and had also not been accompanied by another official). We agreed that this record would not cover the discussion on the Falklands, and I took the opportunity to stress to the Ambassador that only a very small number of people in the FCO were aware of the most recent Falkland developments. I attach a reasonably full draft record. I should be grateful if you could sanitise it in any way you think necessary and then arrange for it to be passed to the Argentine Ambassador. As you will have seen from the reporting telegrams, some follow up action between the FCO and the Argentine Separate with Embassy is required in the case of Miss Hobson. RM/Lyna (R M J Lyne) 25 September 1980 ccs:-PS/Mr Ridley PS/PUS Mr Day Mr Harding Record circulated

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