

ALW 040/325/10

RECEIVED IN DEPT. NO. 18
- 4 NOV 1980

DESK OFFICER		REGISTRY
INDEX	PA	Action Taken
Mr Harding		

SECRET

28/10/2

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PS/Mr Ridley

PS

cc
PS/LPS
PS/PUS
Mr Day

FALKLAND ISLANDS

Problem

I think there is doubt about a green light from O.D. - and if the light was red, or amber, this course of action could put us in trouble. We would need time to decide how to react to a non-green light - I therefore doubt if we should do or say anything until Nov 8 - this still leaves time to ask the Argentines to give a positive answer before I set off. R

1. OD is to discuss the Falkland Islands on 7 November. In advance of OD's conclusions, we need to consider a timetable for future action with the Islanders and the Argentines.

Recommendation

2. I recommend that:
- (a) HMA Buenos Aires should on his return (end October) inform the Argentines that Cabinet are shortly to discuss the Falkland Islands; that, if Ministers agree, Mr Ridley hopes to visit the Islands soon; but that Mr Ridley will need some assurance that the Argentine Junta accept the leaseback proposal as a basis for negotiation before he talks to the Islanders;
 - (b) we should speak to the Argentine Ambassador in London in similar terms after Mr Williams's return to Buenos Aires;
 - (c) if OD gives the green light, we should send a Ministerial message (either from the Secretary of State to Foreign Minister Pastor or from Mr Ridley to Comodoro Cavandoli) to the Argentines to inform them of Cabinet's decision and to reinforce the need for a formal statement of their position before Mr Ridley's visit to the Islands; and

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1(d) ...



- (d) Mr Ridley should visit the Islands from 22-29 November, travelling via Buenos Aires where he might receive the Junta's reply, or, if it has already been received, pay a courtesy call on Comodoro Cavandoli.

Background and Argument

3. OD's discussion on 7 November will leave little time to organise follow up action, if it endorses Mr Ridley's proposals. HMA Buenos Aires, presently in the UK, has advised that we should seek to get the Argentine Junta to commit itself firmly now to leaseback in advance of the Presidential succession and consequent change of Government next March. He considers that the chances of doing so are to be rated highly; but that if we have not reached agreement with the Argentine Junta on the basis for negotiations by the end of this year, our chances of doing so subsequently will be reduced. We might even have to start the whole process again from scratch with the new Government after next March.

4. We for our part (and assuming OD concurrence) will be unable to commit ourselves to leaseback negotiations until Islander views have been obtained. We cannot be optimistic of obtaining Islander agreement. But there is no reason to delay. Moreover the longer we wait before consulting the Islanders (when the issue will inevitably become public knowledge), the greater the risk of leakage of the secret discussions we have had with the Argentines.

Flag A 5. With this in mind, Mr Ridley has warned the Governor of the Islands of a possible visit between 22 and 29 November. But if Mr Ridley is to be able to discuss the leaseback proposal with Islanders, it will be essential for him to know beforehand that the Junta support the initiative. If we do not have that assurance, we risk bringing the whole idea out into the open, facing the storm that will inevitably accompany it, only to discover that all our efforts have been wasted because the Argentines will not play ball.

/6. ...



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6. The Secretary of State decided that we should not go back to the Argentine Government until OD had considered the position we have reached. However, if we were now to wait until after OD before seeking to prompt an Argentine response, it would leave little time for the Foreign Minister to consult the Junta. The best solution would be to ask our Ambassador, on his return to Buenos Aires on 29 October, to warn the Argentines of our need to obtain the assurance probably at very short notice. A similar approach through Sr Ortiz de Rozas would be helpful. We could then follow up more formally after OD with a Ministerial message.

7. If the Junta prove unable or unwilling to give a clear answer, or reject the proposals, we shall have to consider our position again urgently. But we would be in time to ensure that our thinking on leaseback did not become public knowledge. Mr Ridley could either cancel his visit to the Islands altogether or treat it as purely pastoral.

P R Fearn
South America Dept.

24 October 1980

Provided that Ministers are confident that they can carry OD, I see much advantage in using HM Ambassador's return to Buenos Aires as an opportunity to stir up the Argentines and get the Junta to focus on the problem. But if there is any doubt about our getting the green light from OD, we ought to hold our fire until 7 November.

G W Harding

27 October 1980
cc Mr Day