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DESK O.P.	REGISTRY
INDEX	Action Taken

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GHS 262
 CONFIDENTIAL
 FM PORT STANLEY 272042Z NOV 80
 TO IMMEDIATE FCO
 TELEGRAM NUMBER 163 OF 27 NOVEMBER
 INFO IMMEDIATE BUENOS AIRES

MY TELNO 180: FALKLAND ISLANDS: MR RIDLEY'S VISIT.

1. MR RIDLEY IS CONTINUING VISITS TO OUTLYING SETTLEMENTS (RETURNING TO PORT STANLEY PM 28 NOVEMBER), DISCUSSING POSSIBLE WAYS FORWARD WITH ISLANDERS. IN GENERAL HE IS RECEIVING A SERIOUS AND SENSIBLE RESPONSE. THE MOST NEGATIVE REACTION HAVE TENDED TO BE FROM THOSE MORE RECENTLY SETTLED IN THE ISLANDS. OTHERWISE THERE APPEARS TO BE A BROAD RECOGNITION THAT SOME WAY MUST BE FOUND TO REMOVE THE CLOUD OF THE DISPUTE AND THAT A LEASEBACK SOLUTION IN PARTICULAR SHOULD BE CAREFULLY CONSIDERED, DESPITE THE EMOTIONAL ANTI-PATHY TO THE IDEA OF ANY CESSION OF TITULAR SOVEREIGNTY.
2. IT WILL HOWEVER TAKE TIME FOR A CLEAR REACTION TO EMERGE AND ONE CANNOT BE OPTIMISTIC ON THE PROSPECTS FOR LEASEBACK. THE ROLE OF COUNCILLORS IN MAINTAINING THE MOMENTUM WILL BE IMPORTANT IN THE NEXT FEW WEEKS.
3. COUNCILLORS' WISH THAT MR RIDLEY SHOULD PUT THE ISSUES OPENLY TO ISLANDERS INEVITABLY COMPLICATES THE PRESENTATION OF THE VISIT. THE LINE THAT MR RIDLEY IS STRESSING HERE IS THAT, FOR FUTURE TALKS WITH ARGENTINA, ISLANDERS WISHES AND PREFERENCES ARE OF PARAMOUNT IMPORTANCE. THERE IS A NEED GENUINELY TO CONSULT THEM ON HOW MATTERS MIGHT BEST BE TAKEN FORWARD. OUR INTEREST IS TO IDENTIFY A WAY OF ENSURING MAINTENANCE OF ISLANDS UNDER BRITISH ADMINISTRATION WHILE ALLOWING ECONOMY TO DEVELOP FREE OF DEAD HAND OF DISPUTE. IT WAS FOR ISLANDERS TO AGREE ON WHAT IDEAS MIGHT BE EXPLORED IN NEGOTIATIONS. ANY FINAL SOLUTION WILL HAVE TO BE ACCEPTABLE BOTH TO ISLANDERS AND PARLIAMENT.

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ADDITIONAL DISTN.
 FALKLANDS ISLANDS

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RECEIVED NO. 18	
28 NOV 1980	
DESK OFFICE	REGISTRY
INDEX	RESTRICTED
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41

GRS 865
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 DESKBY 280923Z
 FM PORT STANLEY 271827Z NOV 80
 TO IMMEDIATE FCO
 TELEGRAM NUMBER 182 OF 27 NOVEMBER
 INFO IMMEDIATE BUENOS AIRES

TOP COPY

MY TELNO 180: FALKLAND ISLANDS: MR RIDLEY'S VISIT.

1. FOLLOWING ARE MAIN POINTS OF MR RIDLEY'S ADDRESS TO PUBLIC MEETING ON EVENING 25 NOVEMBER.
 2. MR RIDLEY SAID HE HAD NOT COME WITH FIRM PROPOSALS BUT TO DISCUSS WHAT WE SHOULD DO NEXT. ARGENTINE CLAIM HAD NOT GONE AWAY. NEW YORK TALKS LAST APRIL HAD NOT MADE PROGRESS BUT HE BELIEVED THAT DIALOGUE SHOULD CONTINUE. HE HAD COME TO ISLANDS TO CONSULT COUNCILLORS AND ISLANDERS ABOUT NEXT ROUND. BRITISH GOVERNMENT WOULD DO NOTHING THAT WAS NOT ACCEPTABLE TO THE ISLANDERS. THAT WAS WHY HE HAD COME FIRST TO THE ISLANDS.
 3. THERE WERE VARIOUS ALTERNATIVES. THE TALKS COULD BE DISCONTINUED. BUT THIS DID NOT SEEM TO BE IN ANYONE'S INTEREST. ISLANDS HAD ENOUGH PROBLEMS WITHOUT FURTHER ARGENTINE PRESSURES.
 4. WHAT COULD BE POSSIBLE BASIS OF AN AGREEMENT? WHAT ISLANDERS SURELY WANTED AND NEEDED WAS TO RETAIN BRITISH WAY OF LIFE, ADMINISTRATION, LAWS, NATIONALITY AND FREEDOMS. AND ALSO SECURITY AND STABILITY. IT WAS UNCERTAINTY OF DISPUTE THAT DENIED SCOPE FOR PEACEFUL DEVELOPMENT.
 5. WHAT WERE THE ARGENTINES WANTING? ARGENTINE CLAIM FOR HISTORICAL REASONS NOT NECESSARILY BECAUSE THEY WANTED TO LIVE IN THE ISLANDS. WE KNOW THAT OUR CLAIM TO SOVEREIGNTY IS RIGHT AND WE DO NOT ACCEPT THEIRS. BUT WE MUST LOOK AT PROBLEM IN PRACTICAL TERMS.
 6. THREE IDEAS FOR FINDING POSSIBLE COMMON GROUND. IF ISLANDERS AGREE THAT ANY OF THESE SHOULD BE EXPLORED AND ARGENTINES ALSO AGREE, NO FINAL AGREEMENT COULD BE REACHED WITHOUT FURTHER ISLANDER ENDORSEMENT. PLEDGE THAT YOU WILL HAVE FULL CHANCE TO GIVE YOUR FINAL APPROVAL.
- THREE OPTIONS ARE:
- (A) JOINT ADMINISTRATION, BUT UNDERSTAND THAT THIS IS NOT ACCEPTABLE TO YOU;
 - (B) TO FREEZE THE ARGENTINE CLAIM FOR A NUMBER OF

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/YEARS. NO

YEARS. NO IDEA WHETHER THIS WOULD INTEREST ARGENTINES BUT WITHOUT CONCESSIONS (EG ON FISH AND OIL) WOULD NOT SEEM ATTRACTIVE TO THEM:

(C) TO CEDE TITLE OF SOVEREIGNTY AND TAKE BACK IMMEDIATELY FULL AND LONG LEASE TO BRITISH GOVERNMENT. AIM WOULD BE FOR NOTHING TO CHANGE ON THE GROUND IN TERMS OF BRITISH ADMINISTRATION, WAY OF LIFE ETC. CANNOT SAY WHAT ARGENTINE REACTION WOULD BE. PERIOD OF LEASE ESSENTIAL ASPECT AND WOULD HAVE TO BE BARGAINED. BUT WOULD NOT BE ACCEPTABLE UNLESS VERY VERY LONG - A NUMBER OF GENERATIONS.

7. FREEZE WOULD BUY TIME BUT UNCERTAINTY WOULD RETURN AT END OF PERIOD. LEASE-BACK REQUIRES 'GULP-MAKING' STEP ON TITLE OF SOVEREIGNTY. ADVANTAGE WOULD BE TO PRESERVE ADMINISTRATIVE STATUS QUO FREE OF THREAT OF DISPUTE PLUS CHANCE OF DEVELOPING FISH OR ANY OIL RESOURCES AND TO ENCOURAGE INVESTMENT. STRESS THAT WE ARE ONLY TALKING ABOUT POSSIBLE NEGOTIATING POSITION FOR NEXT ROUND OF TALKS, AT WHICH ISLANDERS WOULD BE REPRESENTED. ANY OUTCOME OF TALKS WOULD AGAIN NEED TO BE PUT TO YOU FOR AGREEMENT. NOTHING CAN BE DONE AGAINST ISLANDERS' WISHES. THERE IS NO RUSH: KNOW THAT YOU NEED TIME TO THINK ALL THIS OVER.

8. MR RIDLEY THEN DEALT WITH QUESTIONS. ASKED ABOUT WHAT GUARANTEES, IF SOVEREIGNTY WERE CONCEDED, THERE WOULD BE TO ENSURE ARGENTINE FULFILLMENT OF TERMS OF A LEASE-BACK, MR RIDLEY SAID NO DOUBT ABOUT OUR CLAIM TO ISLANDS BUT LOOKING FOR PRACTICAL SOLUTION. ANY ARGENTINE AGREEMENT WOULD HAVE TO BE IN FORM OF TREATY, UNDERWRITTEN BY UN AND WITH MAXIMUM INTERNATIONAL ENDORSEMENT. IF ARGENTINES WERE TO BREAK ANY LEASE, WORLD OPINION WOULD BE AGAINST THEM.

9. ASKED ABOUT WHAT MIGHT HAPPEN AT END OF LEASE, MR RIDLEY SAID ISLANDS WOULD BE BRITISH PROPERTY FOR LENGTH OF LEASE. WHEN IT ENDED IT COULD BE POSSIBLE TO SEEK RE-NEGOTIATION.

12. ASKED ABOUT POSITION IF ISLANDERS PREFERRED NO NEGOTIATIONS, MR RIDLEY SAID THAT ISLANDERS HAD THEIR OWN EXPERIENCE OF ARGENTINE PRESSURES. IF THERE WERE NO TALKS, PRESSURES COULD BE EXPECTED TO RESUME, BUT HOPED THAT THESE WOULD BE WITHIN BOUNDS.

11. ASKED WHY ISLANDERS SHOULD DISCUSS OR CONCEDE ANYTHING, BUT SIMPLY RESIST PRESSURES, MR RIDLEY SAID ISLANDERS HAD EVERY RIGHT TO DECIDE WHAT SHOULD BE DONE IF THEY FELT THAT THIS WAS BEST FOR THE ISLANDS, FOR FUTURE OF ECONOMY AND FOR FUTURE GENERATIONS. IT WAS FOR THEM TO CONSIDER THE ISSUES: THEIR RESPONSIBILITY TO DECIDE.

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12. ASKED ABOUT OIL AND FISH RIGHTS UNDER LEASE-BACK, MR RIDLEY SAID HE EXPECTED ISLANDERS WOULD WISH THESE TO BE INCLUDED AS BELONGING TO FIG UNDER A LEASE.

13. ASKED ABOUT THE POSITION IF ARGENTINES DID NOT AGREE TO LEASE-BACK, MR RIDLEY SAID WE WOULD HAVE TO CONSIDER WITH ISLANDERS CONSEQUENCES OF A CONTINUING DISPUTE AND DISCUSS WHAT MIGHT BE DONE. COULD NOT SAY WHAT ARGENTINE REACTION WOULD BE BUT HOPED THEY MIGHT CONSIDER IT.

14. ASKED WHETHER HMG WERE GIVING ISLANDERS ULTIMATUM, MR RIDLEY EMPHASISED THAT THIS WAS ABSOLUTELY WRONG, BUT WE HAVE TO CONSIDER WHAT SHOULD BE DONE IN DISPUTE: ARGENTINES WILL NOT JUST LEAVE ISLANDS ALONE.

15. ASKED ABOUT RIGHT OF SETTLEMENT IN UK FOR ISLANDERS, MR RIDLEY SAID TWO-THIRDS OF ISLANDERS ALREADY PATRIAL. PROPOSED NATIONALITY LEGISLATION WILL NOT AFFECT THESE RIGHTS. FOR REST HMG WOULD, IN REAL EMERGENCY, BE ABLE TO EXERCISE DISCRETION ON ENTRY INTO UK. CANNOT GO FURTHER SINCE CANNOT DISCRIMINATE BETWEEN DEPENDENCIES.

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PS/LPS
PS/MR RIDLEY
PS/PUS
SIR E YOUDE
MR DAY
MR HARDING

ADDITIONAL DISTN.
FALKLAND ISLANDS

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