TOP COPY

## CONFIDENTIAL

GRS 260 CONFIDENTIAL \* AMENDED COPY 2 DECEMBER

FM BUENOS AIRES 1/0015Z DEC 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 278 OF 30 NOVEMBER VPP

AND TO PRIORITY PORT STANLEY

FROM FEARN

RECEIVED TO STEVY NO. 18

-3 DEC 1980

DESK OFFICER REGISTRY Action Taken

PORT STANLEY TELNO 183: FALKLAND ISLANDS: MR RIDLEY'S VISIT

- 1. MR RIDLEY HELD FINAL MEETING WITH COUNCILLORS BEFORE

  DEPARTURE ON 29 NOVEMBER. DISCUSSION WAS INCONCLUSIVE WITH

  MOST COUNCILLORS (MONK AND LUXTON) TAKING COVER AND RELUCTANT

  TO TAKE A PERSONAL POSITION ON NEGOTIATING OPTIONS. IT WAS

  LEFT THAT COUNCILLORS WOULD GIVE THEIR VIEWS AT NEXT JOINT

  COUNCIL, NOW PLANNED FOR 6 JANUARY.
- PORT STANLEY WHO HAD ALREADY DECLARED THEIR VIEWS THE MAJORITY

  WAS STRONGLY OPPOSED TO LEASEBACK CONCEPT OR TO ANY NEGOTIATIONS

  ON SOVEREIGNTY, ALTHOUGH COMMERCIAL SECTORS AND THOSE IN OUTLYING

  SETTLEMENTS TOOK MORE POSITIVE VIEW OF NEED FOR EARLY NEGOTIATED

  SOLUTION. THERE WAS HOWEVER REAL DIVISION OF OPINION AND

  EVERYONE NEEDED MORE TIME FOR THOUGHT. OPPOSITION TO LEASEBACK

  RESTED PRINCIPALLY ON EMOTIONAL HOSTILITY TO ANY IDEA OF CEDING

  FULL SOVEREIGNTY. BUT DISTRUST OF ARGENTINE GOOD FAITH AND OF

  GJARANTEES FOR A LEASEBACK AGREEMENT, LACK OF RECENT EVIDENCE

  CONFIDENTIAL

OF ARGENTINE PRESSURE AND WORRY OVER UK SETTLEMENT RIGHTS OF

NON-PATRIAL ISLANDERS WERE CONTRIBUTORY FACTORS. SOME

COUNCILLORS THOUGHT THAT MOST ISLANDERS WOULD PREFER TO SEE

NO SUBSTANTIVE DIALOGUE WITH ARGENTINA AND TO FACE CONSEQUENCES

OF ARGENTINE RETALIATION.

- 3. MR RIDLEY MADE CLEAR THAT NEED FOR MORE TIME FOR THOUGHT
  WAS FULLY RECOGNISED. NO-ONE WAS BEING HUSTLED. BUT WE HAD
  IN DUE COURSE TO RESPOND TO ARGENTINE REQUIREMENT FOR SUBSTANTIVE
  NEGOTIATIONS AND IT WAS ESSENTIAL TO KNOW WHAT ISLANDERS WANTED
  DONE: CLEAR ADVICE THROUGH GOVERNOR OF COUNCILLORS' AND PUBLIC
  CONSENSUS WAS NEEDED. COUNCILLORS SHOULD GIVE LEAD AND WORK TO
  DISCOVER VIEWS OF ALL, NOT JUST VOCAL MINORITY. PROBLEM OF DISPUTE
  WOULD NOT GO AWAY. IF ISLANDERS REJECTED ANY SUBSTANTIVE
  NEGOTIATIONS ON SOVEREIGNTY, A FURTHER MEETING WITH ARGENTINA MIGHT
  BE NECESSARY TO EXPLAIN POSITION AND MINIMISE REACTIONS. HMG WOULD
  CONTINUE TO HELP AND SUPPORT: BUT THERE WAS NO BOTTOMLESS PIT OF
  RESOURCES. ISLANDS EITHER WENT BACKWARDS OR FORWARD THROUGH A
- 4. IN FINAL RADIO BROADCAST ON 29 NOVEMBER MR RIDLEY CONCENTRATED ON HMG'S WISH GENUINELY TO SEEK ISLANDER OPINION: ON NEED FOR CLEAR APPRECIATION OF EFFECTS OF DISPUTE AND FOR THOROUGH AND CAREFUL DEBATE ON WHAT SHOULD BE DONE.
- 5. ON DEPARTURE AT AIRPORT THERE WAS A DEMONSTRATION OF "KEEP FALKLANDS BRITISH" VARIETY, WHICH MAY GET UK PUBLICITY: IT WAS HOWEVER WELL-BEHAVED, NOT PARTICULARLY HOSTILE AND WITH MORE WATCHING THAN PARTICIPATING.
- 6. FOR ASSESSMENT SEE MIFT. \*---

NEGOTIATED SETTLEMENT.

WILLIAMS

LIMITED S AM D NEWS D EESD MAED PS PS/LPS

PS/MR RIDLEY PS/PUS CHIEF CLERK MR DAY MR HARDING ADDITIONAL DISTRIBUTION FALKLAND ISLANDS