

Minist H

2/12/5

Mr Harding
PS/Mr Ridley

ALW 040 / 325 / 12		
RECEIVED BY NO. 18		
-3 DEC 1980		
DESK OFFICER	REGISTRY	
INDEX	PA	Action Taken
	[Signature]	

Wednesday: 0930

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cc
PS
PS/LPS
PS/PUS
Mr Day

3/12

FALKLAND ISLANDS: OD MEETING: 3 DECEMBER 1980

Flag A

1. I submit Points to Make for Mr Ridley's use at OD tomorrow, together with a copy of the statement that has been made in both Houses of Parliament today.

(33), (41), (42), (51) or (52)

Flag B

2. I also attach copies of the main reporting telegrams on Mr Ridley's visit to the Islands.

[Signature]

P R Fearn
South America Dept.

2 December 1980

[Signature]
2 Dec.

Mr Davies
3/12
[Signature]
3/12

FALKLAND ISLANDS: OD MEETING: 3 DECEMBER 1980

POINTS TO MAKE

STATEMENTS MADE IN BOTH HOUSES YESTERDAY

1. Emphasis in statements on need for negotiated settlement to remove dead hand of dispute: and on respect for Islanders' wishes.

TOO EARLY TO JUDGE ISLANDERS' REACTIONS ON LEASEBACK

2. Predictably cautious. General recognition of need for settlement and that other possibilities (freeze, condominium) unworkable. But emotional difficulty over cession even of only titular sovereignty. Other factors - distrust of Argentines, lack of apparent Argentine belligerence, concern over UK settlement rights. Will need time to consider.

NEED TO MAINTAIN INTERNAL DEBATE AND ENCOURAGE FAVOURABLE RESPONSE WITHOUT EXERTING PRESSURE

3. Councillors will meet on 6 January to give response: 50:50 assessment at this stage.

IMPORTANT TO KEEP EXITS OPEN AND TO ENSURE THAT FURTHER DIALOGUE WITH ARGENTINES NOT BLOCKED

4. If leaseback too big a step at first for Islanders, we shall need their agreement to talk to Argentines without commitment in order to minimise reactions. This could help to bring home to Islanders that leaseback is best bet.

ARGENTINES EXERCISING WELCOME RESTRAINT

5. Argentine press critical but little public comment from the Argentine Government. I shall be sending Argentine Deputy Foreign Minister a message stressing need for patience.

LONG HAUL AHEAD

6. Islander distrust of Argentines acute. Even if agree to leaseback being explored, eventual acceptance will depend on very long lease, no Argentine presence, international guarantees and probably financial assistance to develop economy. But first step is to get them to negotiating table.