

Foreign and Commonwealth Office

London SW1A 2AH

ALW 040/325/12

31 December 1980

R M Hunt Esq CMG PORT STANLEY

Dear lex,

ALW 040 325 12

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DESK OFFICER | REGISTRY Action Taken

MR RIDLEY'S VISIT

- Many thanks for your admirable despatch of 8 December, which is being printed as a Diplomatic Report.
- It is very helpful, in the midst of the rush of activity here on the Falklands front, to see set out so clearly the background to Mr Ridley's visit and the choices which the Islanders must now face up to. The leaseback idea is now out in the open: and while as you say the emotional difficulties are considerable I think we were all impressed by the degree of realism shown by Islanders in their discussion of it. It is only through greater appreciation of the realities of the problem that the Islanders will accept the need for substantive negotiations with the Argentines on the dispute. Mr Ridley's visit has pulled their heads out of the sand; I know that you will be doing all you can to counter their understandable inclination to bury them again.
- By the time you receive this, we shall probably know Councillors' response to Mr Ridley's proposals. If, as seems inevitable, there is no clear approval of the leaseback idea, it will be vital to keep it on the table for the future. Also, we cannot allow Councillors to shut the door on continuing the dialogue with the Argentines. Were that to happen, we should be in very difficult waters, particularly with the imminent change of the Argentine Government. You should discourage any hope that the problem will go away when Videla's Government leaves office; if anything, we would expect their successors to be more hard-line.
- Your role in the coming months will be both difficult and important. We must avoid any appearance of pressure on the Islander But they will continue to need firm guidance if they are to develop an understanding of the full corplexities of the problem. It looks set to be a long haul. But if at the end of the day we can lift the dead hand of the dispute, then it will have been worthwhile. Overal despite the immediate difficulties both here and in the Islands, a good start has been made.



5. Finally, we are all most grateful for the excellent programme which you arranged for Mr Ridley and for your very positive and helpful part in steering discussions throughout a most active week of debate.

John .

P R Fearn South America Dept.

CC
A J Williams Esq CMG
BUENOS AIRES