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Mr A. PARSONS
Foreign Policy

10 DOWNING STREET

From the Private Secretary

MR HATFIELD
CABINET OFFICE

THE STRATEGIC AND COMMERCIAL IMPORTANCE OF THE SOUTH ATLANTIC AND ANTARCTICA

The Prime Minister has seen your minute of 29 April and the assessment contained in JIC(83)(N)67. She has commented that she does not find the arguments in these papers convincing. Paragraph 2 of your minute points out that "Much world merchant shipping, including strategic minerals for most Western industrialised countries and nearly half of Western Europe's oil, passes through the South Atlantic". Paragraph 3 of your minute states "The strategic importance of the South Atlantic is ... low at present". The Prime Minister believes that it is difficult to reconcile these two statements which are reflected in the JIC paper.

I am sending a copy of this minute to Brian Fall (FCO), Richard Mottram (Ministry of Defence), Tony Rawsthorne (Home Office) and to John Kerr (HM Treasury).

A. J. COLES

5 May, 1983

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