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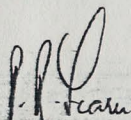
Mr U/e

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DESK OFFICER	REGISTRY	
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CHILE AND THE FALKLANDS

A (17) 1. In his letter of 19 February, Mr Heath raised the question of Chilean assistance in the event of an Argentine withdrawal of services to the Falklands: and sought our views on whether we should now take advantage of tensions in the Beagle dispute to sound out Chilean views. I have delayed replying until after the New York talks. I now submit a draft reply (for the bag on 18 March).

2. Although the present low level of Chile/Argentine relations makes it more likely that the Chileans would respond positively to a request for air or sea facilities, we have no reason to believe that the Chileans would be able to provide a long-term alternative. We also have to be cautious about the price which the Chileans may seek to extract. On balance, I think that we should delay any direct talking to the Chileans until we are quite clear that their assistance is what we want.



P R Fearn
South America Dept

16 March 1982

cc Mr Giffard

Mr Fearn, SAMD

1. I am content for this draft to issue.

2. You will remember that the Chileans (both the MFA and the Navy) made it very clear to me on my visit to Santiago last June that they would not be able to provide any permanent facilities for the Falklands in the face of Argentine intransigence. They implied that however abrasive their


/relations

Mr Clarke
Mr Griffiths
Mr. Keirns - Smith
have seen

The draft (and cover) takes account of your web point.

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relations with the Argentine Government might become at any given moment, their relations with them in the long run would always remain more important to Chile than relations with the UK. These sentiments reinforce in my mind the arguments set out in your letter.

A handwritten signature in black ink, consisting of the letters 'J B Ure' in a cursive, stylized script.

J B Ure

17 March 1982

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Foreign and Commonwealth Office 17/3

London SW1A 2AH

17 March 1982

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J M Heath Esq CMG
SANTIAGO

John Selwyn

CEB
17/3

CHILE AND THE FALKLAND ISLANDS

1. Many thanks for your thoughtful letter of 19 February.
2. As you will have seen, developments since the New York talks (cf the enclosures to my letter of 3 March to Bill Harding) have brought closer the prospect of a breakdown in negotiations. Even if it does prove possible to extend the negotiating process, we can probably expect to gain no more than a breathing-space. There is on the one hand a clear hardening of Argentine determination to secure sovereign rights over the Islands and on the other little prospect of either the Islanders or ourselves being prepared to concede this. The way seems therefore set for an eventual confrontation which will require us to find alternatives to the services which the Argentines at present provide to the Islands.
3. In anticipation, we (and the MOD) have already prepared outline civil and military contingency plans. When Ministers have considered these and their financial implications (which we expect them to want to do shortly), we hope to be able to thicken them up. But, whether we are contemplating an air or a sea alternative to the present LADE service to the Islands, we must assume that our first action would be to consult the Chileans and the Uruguayans to see whether they would help us. Our assessment is that the Uruguayans, however sympathetic, would not be prepared to take any action which might arouse Argentine disfavour. We might however expect the Chileans (despite their negative reaction to previous soundings) to be more forthcoming in present circumstances, for the reasons set out in your letter.
4. We need however to be clear in our mind about the likely Chilean motives and about the implications. As we see it, if the Chileans are prepared to help us it will be for two main reasons. First, because they would see it as a useful method of scoring a point off the Argentines; and second, they might hope for a change in British policy towards Chile in general and the Beagle Channel dispute in particular. While it is the Beagle dispute which will primarily condition the Chilean reaction to any approach from us, the Chileans would even so have to judge very carefully whether assistance for the Falklands might not increase the risk of provoking just the sort of



Argentine military action they are presumably anxious to avoid. We on our part would have to think equally carefully before we allowed the Falklands' vital services to become a pawn in this particular game. We should, for example, be powerless to prevent the Chileans dropping us if this seemed to them tactically necessary for their relations with Argentina. We have to remember that, despite her traditional links with the Falklands, Chile has hitherto always supported Argentina's position at the UN. They might cast their votes differently now out of pique over the Beagle: but can we have any confidence that, if their relations with Argentina improve, they would not revert?

5. If this is the right way of assessing the Chilean position, the conclusion is that an alternative air (or sea) service to Punta Arenas from Port Stanley could offer a short-term but not a permanent solution. This may well be something we should go along with. But we have to bear in mind that an alternative service will require a capital input from HMG and we shall need to be sure that funds are spent in the most sensible way.

6. There remains the difficulty of what we might be expected to do for the Chileans in return. At the very least they would expect a more actively sympathetic attitude from us on the Beagle dispute. While there is still a prospect of continuing negotiations on the Falklands, we would of course want to do nothing to irritate the Argentines needlessly. Even if that constraint were to be removed, the fact remains that it was only with great difficulty that we managed to extricate ourselves from our responsibility for adjudication of the dispute and we would prefer to avoid any action which implied that we saw ourselves as still involved. I do not see that we have any locus standi for dropping a word in the ear of the Pope, who might in any case be unreceptive to such unsolicited advice. A statement (eg in reply to an inspired PQ) expressing general support for a peaceful solution through the Papal mediation would be easier. But we would need to be sure that any such a general statement would be sufficient for the Chileans, since to issue one with no obvious reason would be to draw attention to ourselves in an unwelcome way. I do not think that we would be able to engineer a statement by the Ten in present circumstances. We could not expect our partners to agree to this simply to help us out on the Falklands; and the only justifiable context for a statement by the Ten would have to be one of imminent warfare in the Southern Cone and as an expression of the Ten's general wish that disputes between sovereign nations should be settled peacefully.

7. A final thought. Would not the Chileans hope to get more from us than some public sympathy over the Beagle? Would they

not also be likely to seek a more helpful British position on human rights? It is of course possible that Ministers would feel able to soften our human rights line somewhat in return for help over the Falklands and to defend this in Parliament, but I must say I doubt it. It would not be easy to argue that a point of principle should be weakened to help resolve a practical difficulty.

8. These are a few reflections on the idea of using Chile to replace Argentine services. We would find it very helpful to have any further views which you or other addressees might have. I am not suggesting that we are against the idea of using Chile; in fact quite the reverse. I am sure that our first reaction to any withdrawal of Argentine services would be to consult the Chileans. But we need to be clear about the implications and about the extent to which the advantages might outweigh the disadvantages.

9. Against this background, we think that it would be premature for you to speak to the Chileans now in any formal way about whether and how they might help us on the Falklands. It would seem best to wait until the need arises so that our approach can take full account of the situation at the time and in order to avoid encouraging Chilean counter-requests at this stage. However, any further indications of the likely Chilean position which you might be able to gain informally and with the necessary discretion would of course be most helpful.

*Your ever
Peter*

P R Fearn

cc A J Williams Esq CMG, BUENOS AIRES
 R M Hunt Esq CMG, PORT STANLEY
 Miss P M Hutchinson CMG, MONTEVIDEO)
 Sir M Heath KCV0 CMG, VATICAN CITY) plus copy of
) Mr Heath's letter