

TELEPHONE CONVERSATION BETWEEN THE PRIME MINISTER AND THE
FOREIGN AND COMMONWEALTH SECRETARY ON SUNDAY 28 MARCH 1982
AT 2215

PM Peter, have you got these latest batch of telegrams?

FCS I have heard of them but I haven't actually read them.
You mean from Buenos Aires?

PM Yes. We have got one from Williams.

FCS I haven't seen the Williams' one but I was told
about the message.

PM What he says is, he gives a summary, but what they
are saying is that they have a right - he's got the
full message that he was due to collect today.
He has transmitted it and virtually what the
Argentinians are saying is that they are entitled
under the 1971 Agreement, it is totally clear that
they intend to take no initiative whatsoever and he
says I feel I must point out your Excellency that
the present situation is a direct result of the
persistent lack of recognition by the United Kingdom
to the titles to sovereignty which my country has
over the *Halvinis* South Georgia, and the
Sandwich Islands. This is confirmed by the
negative attitude of your Excellency's Government
throughout many years of negotiations which
Argentina has given adequate evidence of its wish
to resolve the dispute by peaceful means, the
imagination and patience which / ^{today have} lasted over 15
years to resolve the present situation I consider
it necessary your Excellency's Government should
display, as does the Argentine Government the
political will to negotiate, not only the current
problems which concern us, but also the sovereignty
dispute, bearing in mind that so long as this
continues our similar disturbances.

/There is also

There is also a telegram in from Hunt in Port Stanley saying that ^{basic} inaccuracies in Costa Mendes' message, the 1971 Communications Agreement does not apply to the dependencies. Even if it did the ^{of the requirement} white card should not absolve the holder to present himself to an immigration officer at a recognised port of entry, and the MFA and Davidoff knew the recognised port of entry to South Georgia was Brit Vicken(?). He goes on to say that I am appalled at the arrogance of the message which confirms my previous fears that the Argentine Government are using Davidoff as a ^{claim} affront to assert the political presence of their sovereignty over South Georgia. Now what I am worried about Peter is you can't go off for two days to Brussels and then you go straight off to Israel without sorting this out.

FCS What I have done is that Richard Luce is going to have a meeting tomorrow morning while you and I go to Brussels and he is going to go through all the options ^{and ring me up} /at lunch time.

PM Not many options are there. What struck me about this clutch of telegrams is there is now open dispute on sovereignty

FCS But there always has been. There is nothing new in this and it has escalated. And they have escalated it on purpose this way.

PM That's right. Agreed.

FCS And we have got to think and sit down and think what we can do about it. What I have done is, I have sent a message to Al Haig asking him to go in and cool it. I mean not him personally but the Americans, and say that a ^{very} serious situation would arise and tell them to back off a bit. I did that tonight. And then what they are going to do /tomorrow

is to think of the various options - there aren't very many, because the cards are the trouble. And I thought that we would then have a look at it in Brussels at lunch time, and then try and decide what we would do. I think there will have to be a statement in the House of Commons tomorrow.

PM Yes. How much trade it said do we have with the Argentine.

FCS Well, not much. I don't think we've got many cards. I mean we buy a bit of their beef and you know they have a flight here. You know it's not much and the role of the British subjects there.

PM Yes the thing is we can't do anything - we can do very little for the Falklands without them can we.

FCS a ship. But it looks to me as if we are going to have to find some diplomatic way of OK-ing these people on South Georgie with a certain loss of face, but that is not going to solve the real problem. I mean the real problem is that if they really want to they can take the place over and there's not much we can do about it.

PM No. The old whaling station looked quite a place. Did you see it on television tonight.

FCS It wasn't on my tele.

PM Oh well it was on London Weekend which I have just been watching.

FCS Oh was that it do you think?

PM Oh I don't know. I was absolutely amazed.

FCS I did see that one but it didn't seem to me it could possibly be that.

PM Well, that's what it was described as and I was utterly amazed. It looked so substantial

/FCS But I

FCS

But I think we had better let John Ure and the Department and Richard Luce have a talk tomorrow and then you and I can have a talk and see what we do. My difficulty is that it is going to be quite awkward to put Israel off because they will think we are doing it for the West Bank.

PM

Yes. How long are you there?

FCS

Oh well, less than 48 hours.

PM

Yes. And our chap in Buenos Aires says that the only thing he can think of is to take up your suggestion that a special envoy goes over, but what in the world he is to go over about,

FCS

And also it looks awfully feeble doesn't it.

PM

It does. If we have got open sovereignty clashes and they are openly asserting their open message to you, I would have thought it is possible to go to The Hague.

FCS

Well I am told, I did a bit of work on that after talking to you this morning, I am told you can apply to go but they won't accept it if the other people won't.

PM

Yes but at least it might give us a bit of time.

FCS

And it puts you in a better position. But we will have to get lawyers on to whether you can go to The Hague on the basis of what is happening now rather than on the sovereignty issue.

PM

Yes, but this is the occasion on which they are challenging the issue.

FCS

Well it's a bit confused isn't it, because you've got this salvage thing all mucked up in it.

PM

Yes. It looked to me as if his message is an open
/challenge

challenge on sovereignty. But you get the whole message and have a look. I don't think there is any doubt about it. The message itself is an open assertion of sovereignty. Open assertion.

FCS They have always done that, you know. That is nothing new.

PM, Well maybe there isn't, but maybe the occasion means that they find it difficult to refuse the resolution of the issue. Anyway they ^{would} find it difficult to refuse to go to court.

FCS Yes. We might get the wrong answer.

PM Oh Lord. I don't think so.

FCS Well I think there is some doubt.

PM Well it's the first time if there is Peter. That is the first time I have ever heard it expressed, and if there is I would like to know.

FCS I think not. I think there's always been this sort of residual. I think we think we're right. But they have got a case.

PM Well if that is so one would like to know about it. But quick, because there is no point in us going on like this unless it's ours. What is Endurance doing there?

FCS Well, it's been there for the last 170 years. But I mean they have got a case which we think is wrong.

PM Well the lawyers had better get cracking.

FCS Yes, but I mean the lawyers have cracking over this subject for the last 25 years and I think what they say is that the odds are that we would win but you can't be absolutely sure.

/PM Well let me put

PM Well let me put it this way. If we do it's ours, if we don't it's theirs and there is no point in us mucking about with Endurance or anything else.

FCS Well, But may be if it gets worse I shall have to come back, but I think we had better go there and see what happens tomorrow morning. I don't think honestly that one wants to answer that message too quickly.

PM No. I would like .. You alarm me when you say you think we might not win on sovereignty.

FCS Well I think most people think we would, but there is an element of doubt.

PM Because there is no earthly point in our sweating blood over it if it's not ours. Not at all. It's crazy.

FCS We thought it was for the last 170 years or something. But you know what these legal cases are. I mean you never know which way people are going to jump.

PM Well you should in an international court. It's all right for the European Court of Human Rights, which isn't anything.

FCS Well my recollection of the last time I went into this is that they said that they weren't absolutely sure you could win.

PM Well let's get the opinions again.

FCS Yes. We'll do that.

PM But Peter if we win or if we lose, at least we know where we are.

FCS Yes I know. There is something to be said for that any way.

/PM In the meantime

PM In the mean time, what sort of power has Haig got to play with ...

FCS Well, they are of course increasingly unpopular, but because of ^{their} human rights, and the Americans have been friendly with them because of the Americans' wish to have some people on their side in the Central American dispute. And so the Americans have got a certain clout. Whether they will use it for us or not is another matter. But it was the only thing I could think of, to try and cool it.

PM I don't think they will, but er

FCS No I think probably they won't.

PM I don't think anyone is going to be able to cool it. Because it looks to me as if right from the beginning this has been calculated.

FCS I think it was calculated by the military and the Ministry of Foreign Affairs knew nothing about it. That's what it looks like. I think it's too much of a coincidence that that ice breaker was there in the storm and all the rest of it. Because it is one of the occasions rather like Malaysia when we don't have any clout at all.

PM Well we have got to find some haven't we.

FCS We'll look for some.

PM You had better find some, because we just mustn't look powerless. All right Peter.

FCS I think we had better let them do it tomorrow.

PM They will jump to it won't they. I mean they won't be casual about it, because we are not going to get away with it in the House of Commons.

/FCS No. But I will be

FCS No. But I will be talking to Richard about that. He said Ogden was quite good on the news.

PM I didn't hear that. Our chaps?

FCS Yes our people. But I told him to go round and do a bit of judicious, trying to make people understand there is a bit of a problem, as you and I know.

PM Yes there is. But it has now been going on a week and it's getting worse and not better.

FCS This ^{there} has been the problem/ for the last 15 years. Probably because you have never been able to explain what the problem is.

PM Never being able to say openly, no.

FCS We can't do that either can we.

PM Well I don't think we can.

FCS This is what makes it that much more difficult. It's a fair cow!

PM Yes. And the contract is now with an Argentine company. But I am not quite certain. We want to know the nature of the contract.

FCS I think that they have just sold it off.

PM Who is they? Who has sold what to whom?

FCS To Salverson

PM But who sold what to Salverson?

FCS They sold the contract to collect the scrap.

PM Yes but who is they? Who sold the contract? Who did Salverson get a contract from?

FCS I think it's the Falkland Islands company isn't it?

PM I don't know. This is what I would like to know.
First find the facts and we haven't got them.

FCS I am pretty sure it was them. They sold it off and they got paid for it. So it's now a sort of Argentinian thing, and the Governor of the Falkland Islands complained about it at the time, selling it to a Falkland Islands company, to an Argentine company.

PM Complained that Salversons had sold it. Well isn't Harper Gow(?) Salversons?

FCS I don't know.

PM Well some one will have to find a lot of facts won't they. But your boys will do that presumably.
Is John listening? John Coles?

FCS No it's me Prime Minister. It's William.

PM William. Are you listening? We want the facts about that contract William.

FCS What we want, William what we really want to know is I think it's the Falkland Islands company, but otherwise I think I've got the facts right.

PM Well we want all the facts. What was the nature of the contract; what were the authorities that did it; to whom was it sold; what was the consideration and then what

FCS I think it was a quarter of a million pounds.

PM To who and what was signed. They can't have signed more than they had.

/FCS I think they sold it for

FCS I think they sold it for £250,000. And got paid.
PM Yes it was a very stupid thing to permit wasn't it.

FCS Yes very stupid. I mean you could see what the problem was going to be. Absolutely crazy.

PM And first they got and now they get South Georgia. And the next one of the Falklands presumably.

FCS Well they will put the pressure on, yes. I mean that's the next thing they'll do. And they are obviously working up to that.

PM All right Peter. If your boys will...

FCS You know we better just have... I have got everybody onto it tomorrow morning and they'll ring me up tomorrow lunch time and we'll just have to have a talk about it.

PM It's more urgent than anything there really.
All right Peter. Good night.