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Foreign and Commonwealth Office

London SW1A 2AH

Argentina

17 April 1982

Prime Minister

A.F.C. 15/4

Dear John,

Falkland Islands: Views of Inhabitants

The Chief Secretary of the Falkland Islands, the Chief of Police, the Registrar, and a member of the Executive Council of the Falkland Islands (Mr Luxton) who had returned to the UK on 15 April, were debriefed today by FCO officials on conditions on the Islands and the mood of the Islanders. The Prime Minister may wish to have a summary of the main conclusions.

Morale

People in Port Stanley, having been at the centre of the military action during the invasion, are apprehensive about the prospects of a further battle. Perhaps 40 per cent of the former population of the town have moved out into the hinterland, where morale is high, particularly amongst the permanent Islander population. There has been no collaboration with the occupying forces. Indeed several Islanders have been openly defiant.

Supplies generally are adequate for two months, and so far the Argentines have not been requisitioning them. However, there could be problems over water supply given the large increase in demand, particularly in Port Stanley, where the distribution system was damaged in the fighting. The Savings Bank was still in operation, under the supervision of the Argentines who were believed to be sending an Anglo-Argentine to help run it. The confiscation of the radio telephone sets, which were owned by all the outlying inhabitants, has had some effect on morale. It has also made it impossible to obtain reliable information about reactions amongst the population as a whole.

Evacuation

Shortly before he left, the Chief Secretary asked government servants, expatriate and Islanders, whether they would like to be evacuated. Almost 100 per cent were interested, amounting to 300 people including dependants. He believes that most of these would probably wish to return after Argentine forces had withdrawn.

The great majority of those people would be residents of Port Stanley, apprehensive like those who had left for the hinterland

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about further military conflict. There is no way of ascertaining how many of those in the hinterland share this view. Mr Luxton was confident that many were determined to stay as long as possible, even if there was fighting. But some might well wish for temporary evacuation, if they thought they would be caught in the firing.

Those wishing to leave are not now doing so for a variety of reasons. They are reluctant to abandon their homes to the occupying forces; the only destination to which they could travel from the Islands is Argentina, and they would be compelled to take out Argentine travel documents; and many of them do not have enough money for the fare to where they would wish to go. Nor is the Argentines' attitude to evacuation clear. They are making those who want to leave pay for their passage; and one Islander who was interested in leaving was told by the Argentines that there was no insurance cover, which seems clearly to be a pretext. It may be that the Argentines would not wish to see a mass exodus.

This is clearly a very difficult issue. We are giving further urgent consideration to how the Government should react to the fact that a considerable number of Islanders are now known to be interested in temporary evacuation. Mr Baker and his colleagues have been urged not to reveal this fact, and to weigh very carefully how they answer questions from the press on the subject.

The Future

The Islanders have not yet formulated any firm views about a long-term solution, after Argentine withdrawal. However, they believe that it would not be possible to revert to the former situation, with the gradual development of economic links with Argentina while Britain retained full sovereignty and administration.

Two main possibilities are being considered. One is an almost complete break with Argentina, with Britain providing a substantially enhanced defence capability, as well as all the necessary links for supplies and communications between the

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Falklands and the outside world. Some Islanders would welcome such a solution.

The other main possibility is that more consideration is now being given to some kind of 'lease-back' solution. However, there is no way of telling, under present circumstances, how widely either of these possibilities might be supported, after withdrawal.

Yours ever.

A handwritten signature in dark ink, which appears to read "Francis Richards".

(F N Richards)
Private Secretary

A J Coles Esq
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