

ODO(SA)(82) 27

COPY NO

45

22 April 1982

CABINET

DEFENCE AND OVERSEA POLICY (OFFICIAL) COMMITTEE

SUB-COMMITTEE ON THE SOUTH ATLANTIC AND THE FALKLAND ISLANDS

EVACUATION OF THE FALKLAND ISLANDS: FINANCIAL ASSISTANCE

Note by the Secretaries

1. Attached is a Note by the Foreign and Commonwealth Office, prepared in consultation with the Home Office and the Treasury, which examines the financial implications of evacuation from the Falkland Islands.
2. The circulation of this document has been restricted, and recipients are accordingly asked to ensure that the need-to-know principle is strictly observed.

Signed C H O'D ALEXANDER
G R G MIDDLETON
S D SPIVEY

Cabinet Office

22 April 1982

CONFIDENTIAL

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EVACUATION OF THE FALKLAND ISLANDS : FINANCIAL ASSISTANCE
(Note by the Foreign and Commonwealth Office)

PRESENT POSITION

1. Since the Argentine invasion a trickle of people have left the Falkland Islands. On 19 April, a total of 30 left by air for Argentina and thence to Montevideo. Another group is likely to leave on 22 April. Most of those who have so far left are personnel under contract to HMG rather than resident Islanders and will wish to return from Montevideo to the United Kingdom.
2. The Chairman of the Falkland Islands Company (FIC) is already - through his representative in the Islands and a travel agency - making arrangements for people who wish to leave to get tickets valid for the United Kingdom. He proposes to continue to do so. This is the only way at present in which the people on the Islands can leave, and there is no means by which undertakings to repay can be obtained.
3. Our Embassy in Montevideo is, on instructions, requiring people without funds who need tickets for the UK to sign undertakings to repay HMG the cost of fares. These undertakings are not, however, being enforced in the case of people deported from the Islands by the Argentines, as opposed to those who leave voluntarily: only one family has at present fallen into this category.

FUTURE POSSIBILITIES

4. Future departures from the Islands will of course depend greatly upon the situation prevailing at the time: the nearer the Task Force gets and the less the chances for a peaceful settlement seem to be, the more people may wish to get out. Accurate information is hard to come by, but latest reports seem to indicate that the majority of the Islanders want to stay put for the present and watch how things go. This mood could change rapidly. Future possibilities are:

/(a)

(a) Things will continue for a time as they are now, with a trickle of people wishing to leave.

(b) A larger number, perhaps the majority, of the Islanders will wish to leave.

(c) HMG may decide that it wishes to arrange for an evacuation of all the inhabitants.

5. For the purposes of this paper, we assume that the Argentines who control the means of departure from the Islands - will be content, as now, for the Islanders to leave. If a much larger number decide to leave, the present ad hoc arrangements made by the FIC will be inadequate and other means for their transport would have to be devised.

FINANCIAL IMPLICATIONS

6. In the case of (a) and (b) above, we may be able to continue as we are doing now - see paragraph 2 above. But if there are a number of people wishing to return, there are likely to be some with insufficient means to pay their passage home and for whom an undertaking to repay would be both unrealistic and resented. There could also be a few who would not wish to return to the UK, but to stay for a while in Montevideo or elsewhere in South America in the hope that things will blow over and they will be able to return fairly shortly. Both categories of person might take the view that it was up to HMG to support them financially, at least temporarily, and also pay for their eventual return.

7. If HMG were to decide on a mass evacuation, all those to be evacuated would expect that the cost of their evacuation (and their eventual return) to be met. Our preliminary estimate of the travel cost in the event of total evacuation of all the Islanders (and their eventual return) would be in the region of £2 million.

8. If the movement grows beyond its present trickle, costs would also be incurred in assisting the reception and accommodation of the returned Islanders to this country. The Home Office are circulating a paper on this.