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RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND MEMBERS OF  
THE LEGISLATIVE AND EXECUTIVE COUNCILS AT GOVERNMENT HOUSE ON  
SUNDAY 9 JANUARY 1983 AT 1200 NOON

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Present: The Prime Minister  
Admiral Sir John Fieldhouse GCB  
Mr. F.E.R. Butler  
Mr. A.J. Coles  
Mr. B. Ingham

Sir Rex Hunt, Civil Commissioner  
Major General D.C. Thorne, CBE, Military Commissioner  
The Hon. F.E. Baker, OBE, Chief Secretary  
The Hon. H.T. Rowlands, OBE, Financial Secretary  
The Hon. W.H. Goss, MBE, JP, Elected Member for  
East Stanley  
The Hon. L.G. Blake, OBE, JP, Elected Member for  
West Falkland  
The Hon. R.E. Binnie, Elected Member for East  
Falkland  
The Hon. J.E. Cheek, Elected Member for West Stanley  
The Hon. A.T. Blake, Elected Member for Camp Division  
The Hon. W.R. Luxton, Nominated Member of Executive  
Council  
Mr. M.C.Ll Gaiger, Attorney General  
Mr. R.D. Williams, Assistant Civil Commissioner  
Mr. R. Browning, Clerk to Councils

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The Civil Commissioner invited Mr. Goss first to welcome the Prime Minister to the Falkland Islands on behalf of the Joint Councils.

Mr. Goss said that he regarded the present moment as the most honoured of his life. He expressed the heartfelt thanks of the people he represented to the Government and Parliament in Britain, to the British people and to the Task Force for the liberation of the Falkland Islands. He had never been in any doubt that the British Government would come to the aid of the Islands. He had been asked on three occasions to attend a meeting for the purpose of discussing some compromise with the Argentines under which they would maintain a presence in part of the Falkland Islands. He had attended such a meeting

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and had spoken first, refusing to compromise, and expressing his confidence that the Task Force would come to release the Islanders. When the people of Stanley had heard the Task Force shelling the Argentine positions every night they had regarded the sound as sweet music. The last three days of the campaign had been the most worrying but it was a most remarkable achievement that Port Stanley had been recovered with the loss of only three civilian lives, especially when it was considered that the Argentines had taken up military positions in the town. He concluded by repeating thanks from the bottom of his heart to the Prime Minister.

The Prime Minister thanked Mr. Goss for what he had said. The Argentine invasion had caused a traumatic experience in the Falkland Islands, and an agonising one in London as she and her colleagues had waited day after day to see the outcome of their decisions. Councillor Cheek had told her that reports of cooperation by one or two civilians with the Argentines should be discounted and that the people of the Falkland Islands would be united in the cause of freedom and justice. The British Government had total faith in the spirit of the Falklanders and in the beliefs which they shared; the Government had also had total faith in the bravery and skill of the armed forces, which had led to a famous victory. The British Government and the Islanders had been fortunate in having Sir Rex Hunt as Governor at the time. Everyone in Britain knew that the Falklanders were British and wanted to remain British. Just as the week in which she had received the news of the impending Argentine invasion was the worst of her life, so the occasion on which she had told the House of Commons that white flags had appeared over the Argentine positions in Stanley was the most memorable. Her present visit was another occasion which she would always remember. It was hoped that the experience of the invasion would never be repeated, but those who had been involved could take pride in what had been achieved, including the effect on Britain itself.

/ Other members

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Other members of the Councils then spoke in turn, expressing their thanks and those of the people they represented to the Prime Minister and the British Government.

The Prime Minister, after thanking the Councils for what they had said, suggested that they should discuss what now had to be done to build a future of which not only the British Government and the Islanders but also the families of those who had fought could be proud.

The Civil Commissioner said he saw the job facing Joint Councils as first getting life back to normal and then building for the future. He acknowledged the help which they were receiving from the armed forces. Problems remained on accommodation and communications, but he hoped that the Beaver would be back in service this month and the two Islanders perhaps next month. By April it was hoped that completion of the military camps would reduce pressure on accommodation in Stanley. Difficulties would remain on external communications while no South American country was willing to provide a staging post for air services. Some roads needed reconstruction and it was hoped to bring a contractor in by the end of the summer.

Mr. Tony Blake said that, as a general proposition, the cost of improving grazing land by fertilizer would not be justified by the return. Lime was needed, which could be acquired for \$70 a ton in Uruguay, but other fertilisers would also be required. Considerable research on grass improvement had been put in, but there was no point in putting in better grass unless it could be fed and sustained. The only point of improving pasture was more intensive sheep farming: the lambing average in the Islands was low, but it was sufficient for wool production. In his view, the key to improving the agriculture was breaking up the present large holdings into family farms, which would be developed not for current profit but for long-term capital improvement: New Zealand experience had shown how successful this was.

/Mr. Tim Blake

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Mr. Tim Blake, commenting on this, said that in the West Falkland, which he represented, there was no great desire for self employment. But the present form of farming was ceasing to be profitable and diversification was necessary. One possibility was to set up a deep sea fishing unit using the 150-mile exclusion zone. A Japanese company was enquiring about inshore fishing; and development of deep sea and inshore fishing should go hand in hand. Unless some diversification of this sort was undertaken, the position of the Islands' exchequer was bound to deteriorate since there was not an agricultural community in the world which yielded revenue sufficient to support its government.

In discussion of other forms of economic development, the following points were made:

- i) it would be hard to build up tourism in the absence of an air link. More hotel accommodation was also needed on the Islands. Another possibility was to use the Falklands as a centre for cruising, including South Georgia.
- ii) Philately was already yielding about £½ million net a year, but it could well provide further scope.
- iii) The requirements of the garrison provided opportunities for employment, but it was difficult for the people of Stanley to satisfy the requirements since their approach to life was to be as self sufficient as possible, and they were already fully occupied. The FCO had been notified of skills which were in short supply, so that they could taken them into account in considering potential settlers.
- iv) One shortage was teachers: the ODA had been asked to help with this. One possibility was to make more use of the wireless for education of children in camp, but it was pointed out that the wireless was not by itself a satisfactory medium for the education of young children.

Summing up the points made by members of the Joint Councils, the Civil Commissioner said that the UK Government's commitment to implementation of the Shackleton Report was very encouraging. The first priority was rehabilitation - the re-opening of the hostel so that the boarding school could operate properly;

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the restoration of the Beaver and the Islander air services; the re-commencement of the supply services to the outlying settlements using mv MONSUNEN; and the repair of the roads. The purchase of the Pack Brothers' farm at Fox Bay offered an opportunity of early progress in diversifying farm holdings. Thereafter there was scope for development along some of the lines which had been mentioned. The Falkland Islands Development Agency, when established, would help with this.

Turning to political development, the Civil Commissioner said that the main feeling of the Islanders was that no-one wanted negotiation with the Argentines. The Prime Minister agreed. The problem was that Argentina would not be prepared to have discussions except about sovereignty and, because this was unacceptable, it prevented discussion on other areas of cooperation.

At the invitation of the Civil Commissioner, Mr. Tim Blake told the Prime Minister of the work being done by his Select Committee on the structure of the Falklands Government. A questionnaire had been sent out to which answers had now been received. There was hope that by July proposals would be produced for modifying the internal constitution of the Islands. But there was no intention of making proposals about the relationship with Britain.

The Prime Minister, concluding the meeting, said that she had been very touched by the warmth of the welcome she had received and was grateful for what had been said. It had been useful for her to hear at first hand the view taken by the Joint Councils about the priorities for the rehabilitation and development of the Islands. Clearly there was much to do, but there were also substantial opportunities for progress. One way in which the Joint Councils could stimulate such progress was by setting timetables for achievement of the various goals.