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ALA 0142 CONFIDENTIAL

RECEIVED			J. 12		
20 FEB 1980					
DESK OFFICER			REPLY TO		
INDEX	PA	Action Taken			
		Sir D. Maitland			

Mr Maitland

Minister

2m 13/2

Mr Harding

PS / Mr Ridley

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Mr [Signature]

Mr [Signature]

19/2

CEB

ARGENTINA: MR CARLESS'S VALEDICTORY DESPATCH

1. I submit Mr Carless's Valedictory Despatch from Buenos Aires, which has been sent for printing as a Diplomatic Report. It has certain emotional overtones. But it is well worth reading.
2. Mr Carless gives a lengthy retrospective analysis of the events and policies on the Falklands dispute, which he sees as continuing to be the determining factor in our relations with Argentina and the main cause of our failure to win any large commercial contracts in recent years. His implicit criticisms of past mistakes and missed opportunities on the Falklands are interesting but seem to me a little over-simplified, taking insufficient account of the reality of the political constraints and also of the strength of the British legal claim and the intransigence of the Argentines. On other points, "going fishing" would be fine except that the British fishing industry are not apparently interested; and the card of economic cooperation in the South West Atlantic, while certainly a valid one, has already been played to little effect. Mr Carless appears to conclude that the dispute is intractable, not because negotiable solutions are unavailable but because of lack of sufficient political nerve to confront Islanders' opinion and the domestic lobby in the UK.
3. More to the point is his view that time is against us. Argentina grows progressively stronger economically and militarily, while its determination to gain the Falklands is undiminished. We can continue to hold the situation by going on talking. But the ball cannot be kept for ever "in the long grass". This is no doubt right but the political background to any future negotiations will continue severely to limit room for manoeuvre.
4. Given the Falklands emphasis in this despatch, it would be useful for Mr Ridley to see this advance copy.

P. R. Fearn

P R Fearn
South America Dept.

7 February 1980

A highly readable and thought-provoking despatch. We must discuss it with Mr Carless as

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return to London at the end of February.

Handy

11 Feb.