



CONFIDENTIAL

Argentina

PRIME MINISTER

Falkland Islands

BACKGROUND

OD last discussed the Falkland Islands on 7th November (OD(80) 23rd Meeting, Item 1). The Committee agreed that Mr. Ridley should visit the Falkland Islands in order to discover whether his proposals would commend a sufficient degree of support there, and to report the outcome in order that the Committee could consider the next steps.

2. Because of the sensitivity of the issues involved, the circulated OD minutes were kept very brief and contained little more than the conclusion noted above. But a fuller record was also made and is attached. Its existence is not known outside No. 10 and the Cabinet Office.

3. Following an alarmist headline in The Times on 26th November, to which Lord Carrington referred in Cabinet on 27th November, soothing answers were given to questions in Parliament on 27th November. These answers made clear that any solution to the dispute over the Islands would have to be endorsed both by the Islanders and by Parliament. Hansard extracts are attached.

4. Mr. Ridley returned from the Falklands on 1st December and is making a Statement to Parliament today. During his visit he discussed his proposals not only with the official Falkland Islands Council but also in a series of public meetings involving all told about half the Islands' population. The reactions were mixed. A vociferous minority, strongly represented in the unofficial Falkland Islands Committee, were for maintaining the status quo, whatever the cost. The majority seemed to have accepted that change of some kind would have to come. There was no agreement, however, on what kind of change. There was total opposition to any proposal involving joint United Kingdom/Argentine sovereignty or administration. There was some support for the idea that we should attempt to negotiate with Argentina a freeze on their claim to sovereignty over the Islands for 25 years in exchange for giving the

*Ridley under
7.11.80*



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Argentines a share in the benefits of economic development. But it was Mr. Ridley's preferred option, the cession of titular sovereignty in return for a long lease-back, which naturally attracted most attention. Opinion about it was sharply divided. There was a good deal of support from those with most interest in good relations with Argentina - primarily the commercial community and sheep farm managers - but there was also much opposition. Both views were represented in the Council.

5. While Mr. Ridley assured the Islanders that they would not be rushed, he invited the Councillors to make a thorough canvass of opinion in the Islands so that they would be in a position to offer their considered advice at the time of the next full meeting of the Council, on 6th January 1981. Mr. Ridley is anxious, however, not to foreclose the lease-back option and would prefer to see the expression of the Islanders' views deferred rather than have a firm rejection of lease-back on 6th January.

6. On his way to the Falklands, Mr. Ridley paid a courtesy call on the Argentine Deputy Foreign Minister. He made it clear that the Islanders' wishes would be paramount and that their readiness to contemplate lease-back could not be taken for granted. He also made it clear that the concept was not regarded with any enthusiasm in London and that it would not be easy to satisfy Parliament that the terms of an agreement on these lines were adequate. Following Mr. Ridley's visit, the Argentines have restated their views on the question of sovereignty, but not in a provocative manner. Whatever line is taken by the Islanders on 6th January, Mr. Ridley thinks it important that he should visit Buenos Aires again early in the New Year in order to encourage the Argentines to continue treating the Falkland Islands issue in a low key.

HANDLING

7. You will wish Mr. Ridley to give an account of his visit and the Islanders' reactions to it; and you will then wish to seek Lord Carrington's comments.

8. In the subsequent discussion you will wish to establish -

(a) the likelihood of a rejection of the lease-back proposal by the Islanders;



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- (b) the likely reactions of the Argentine Government;
- (c) the Parliamentary prospect here.

CONCLUSIONS

9. No policy decisions are required. You might guide the Committee to take note of Mr. Ridley's report and to invite the Foreign and Commonwealth Secretary to come back to the Committee with further proposals, once the Islanders have expressed their considered views.

RA

(Robert Armstrong)

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B'B.

2nd December 1980

Falkland Islands

Mr. Marlow asked the Lord Privy Seal whether it is the policy of Her Majesty's Government that the United Kingdom will in no foreseeable circumstances relinquish full sovereignty over the Falkland Islands.

Sir Ian Gilmour: The British Government are in no doubt about the United Kingdom's sovereign rights over the Falkland Islands and the Falkland Islands Dependencies. It remains our intention to seek a solution to the sovereignty dispute which is acceptable to all parties. We have made it clear that any proposals for a settlement would have to be acceptable to the islanders and would be laid before the House.

House of Lords - 27 Nov. 1980

Falkland Islands

3.20 p.m.

Lord Morris: My Lords, I beg leave to ask the Question which stands in my name on the Order Paper.

The Question was as follows:

To ask Her Majesty's Government whether they intend making a statement as a result of their negotiations with the Government of Argentina and the Legislative Council of the Falkland Islands.

Lord Carrington: My Lords, as my noble friend Lord Trefgarne told your Lordships at the conclusion of last night's debate, my honourable friend the Minister of State has gone to the Falkland Islands

[LORD CARRINGTON.]

following exploratory talks with the Argentine Government in April and my general discussion with the Argentine Foreign Minister in September. My honourable friend is consulting the islanders to establish their views. It is the Government's aim to achieve a solution which would be acceptable to all parties. I would repeat that no solution can be agreed without the endorsement of the islanders as well as that of Parliament.

Lord Morris: My Lords, I thank my noble friend the Secretary of State for Foreign and Commonwealth Affairs for that Answer. May I once more ask him whether Her Majesty's Government intend making a statement as a result of the negotiations between the Argentinian Government and the Legislative Council of the Falkland Islands?

Lord Carrington: My Lords, I can assure my noble friend that if there is anything to make a statement about it will be made.

Lord Avebury: My Lords, is the Minister aware that many people in the Falkland Islands view with the greatest alarm these conversations that Mr. Nicholas Ridley has had with the military authorities in Argentina; and that, bearing in mind that 3,600 people have totally disappeared into thin air in that country and no explanation has ever been vouchsafed by the authorities in spite of comprehensive investigations by the Inter-American Commission on Human Rights, this is a régime to which the people of the Falkland Islands quite understandably do not want to be subjected?

Lord Carrington: My Lords, in the light of the undertaking and the pledge I gave in the original Answer to the Question, I do not think the Falkland islanders have any cause for alarm.

The Earl of Lauderdale: My Lords, is my noble friend aware that following the visit of Mr. Ridley leaks have begun to appear in the London Press in a fashion all too familiar to those of us who are Whitehall-watchers; and will he give us an assurance that this Government will put absolutely no pressure on the islanders to accede to whatever may be the Whitehall view?

Lord Carrington: My Lords, of course I give that undertaking. I would only add that if my noble friend thinks that I have leaked it he must think that I enjoy being questioned in this House about it.

Lord Paget of Northampton: My Lords, why are we talking to the Argentine at all? What is their *locus standi* here? They are 500 miles away from islands which, when uninhabited, were occupied by British people and have, in the period since then, been British territory. What has it got to do with the Argentine?

Lord Carrington: My Lords, like it or not, over a great many years the Argentinians have claimed the Falkland Islands. We of course do not admit that claim, but the fact that there has been that claim has

cast an economic blight over the Falkland Islands, as anybody who knows the subject will be well aware. Consequently, if an agreement could be reached which is acceptable to the Falkland islanders, to the Argentinians and to ourselves, it will be greatly to the benefit of all of us.

Lord Monson: My Lords, following on the question asked by the noble Lord, Lord Paget, would the noble Lord the Foreign Secretary not agree that Argentina is no more morally justified in claiming the right to rule the Falkland Islands than, for example, Liberia would be justified in claiming the right to rule the Canary Islands?

Lord Carrington: My Lords, the noble Lord will know enough about international affairs to know that a lot of people claim things that do not belong to them.

Viscount Thurso: My Lords, can the noble Lord give us an assurance that before assuming that we know the views of the Falkland islanders they will be given some chance of being heard by a referendum or by a means that ascertains their views person by person?

Lord Carrington: My Lords, I think that at this moment we had better take one thing at a time. I have no idea at the moment what the views of the Falkland islanders are, but I should like to hear what my honourable friend the Minister of State says when he comes back to England, and then we can discuss it all. But certainly there will be a lot of opportunity in your Lordships' House to discuss how we go, if we go anywhere.