

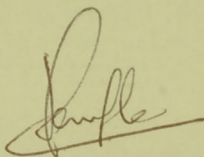
Secretary of State (49)

PS ✓

ALW 040/325/10	
RECEIVED	13 OCT. 1980
13 OCT 1980	
DESK OFFICER	REGISTRY
FALKLAND ISLANDS	Action Taken
INDEXED	FILED

1. Mr Ridley has seen Mr Fearn's minute of 6 October, to which was attached a copy of a personal letter dated 3 October from HM Ambassador in Buenos Aires; these papers added further arguments to those in Mr Fearn's submission of 2 October.

2. Mr Ridley is now persuaded, by the arguments in Mr Williams' letter, and in the minutes by Mr Harding (of 6 October) and Mr Day (of 3 October), that we should not make a further approach to the Argentinians at this stage, but should now go to OD.



K D Temple  
PS/Mr Ridley

7 October 1980

cc: PS/LPS  
PS/PUS  
Mr Day  
Mr Harding  
Mr Fearn

7/10/148

AW 940/325/10	
RE	18
13 OCT 1980	
DEPT. OF STATE	REGISTRY
INDEX	Action Taken
Mr Harding	PA
PS/Mr Ridley	

cc  
 PS  
 PS/LPS  
 PS/PUS  
 Mr Day

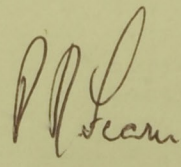
see no need to rush into. As  
 Mr Williams will be back in the UK  
 next week, I suggest that we ask  
 him to come in and discuss tactics  
 with the Minister of State. On present  
 evidence I myself favour reference to OD  
 as the next step.

FALKLAND ISLANDS

Flag A

45

1. Since my submission of 2 October, we have received a further letter from H M Ambassador in Buenos Aires. This argues in favour of the course of action advocated in para. 1(b) of Mr Day's minute of 3 October: that we should not press the Argentines for a firmer position on the length of leaseback now but should put the issue to Cabinet.
2. The arguments are, as Mr Day pointed out, finely balanced. Mr Williams has a valid point in emphasising the difficulty which the Argentines would have in taking a firm position on length of leaseback before the matter is put to the Junta. At the same time it would clearly be helpful if we were able to go back to OD with a more specific idea of the prospects than we now have. I would still be inclined to have another go at the Argentines though the draft telegram attached to my submission of 2 October might need modification (e.g. to give greater recognition to the fact that any Argentine MFA response is understood to be still ad referendum to the Junta itself).
3. Mr Williams will be back in the UK for a private visit between 15 and 29 October and will be available for consultations.



P R Fearn  
 South America Dept.

6 October 1980



BRITISH EMBASSY

BUENOS AIRES

3 October 1980

P R Fearn Esq  
South America Dept.  
FCO

Dear Robin

FALKLANDS

A quick note to catch this evening's bag in answer to your ALW 040/325/10 of 1 October, which I have just received.

2. First, I have just seen (at Korea Day) Cavandoli who had just debriefed Pastor on his return. What he said (guardedly in so public a place) was that they were very satisfied and it had all gone right.

3. Second, I don't think you are really going to get anything much more specific in the way of endorsement from the Argentines before Cabinet. I myself regard what has been got as really very specific and a definite commitment to the idea. The length of lease remains obviously a subject for negotiation, but this does not mean we need envisage the result being less than 99 years - only that we cannot expect the Argentines to commit themselves to accept that length of time before negotiations even start.

4. Of course I will try to get a rather more specific form of words, if you need it. I now have very close relations with Cavandoli and, if you give me a formula, I think I can say whether I can make him buy it or not. But really, I think you have what you want already - that the concept is not only clever, but a solid basis for negotiation with the prospect of serious progress. The fact that the only cavil is over length of lease implies acceptance of the principle which it is proposed to put to Cabinet. This can surely be put on the basis that (provided the Islanders agree etc.) and provided 99 years can be negotiated, can we put forward formally the principle of leaseback which the Argentine negotiators have said they regard as providing a solid basis for achieving a satisfactory result.

5. Finally you should bear in mind that, while we are ad referendum to the Cabinet and the Islanders, the Argentines are ad referendum to the Junta. It could well be counter-productive to insist on the degree of definition from them which they could only get following (pretty probably leaky) reference to the Junta, when we have not cleared either of our two hurdles. In fact, already,

/Pastor



Pastor has really committed himself more than the Secretary of State has. Press too hard for more and you may get a negative reaction!

Greetings

Yours ever

Anthony

PS. I am keeping a photocopy of this. I have had - under suitable oaths - to let in Richard Gozney.