

Mr Harding

PS/Mr Ridley

cc
PS/PUS
Mr Day - 4 NOV 1980

Ans 0210/325/10

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FALKLAND ISLANDS

I commented on Mr Fearn's minute of 24 Oct before reading this - I still adhere to my view expressed in that minute - but I would be very happy to discuss

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1. Following Mr Fearn's submission of 24 October, we asked HMA Buenos Aires to call in for a final word before his return to Argentina. Some points emerged which are relevant to the submission.
2. Mr Williams stressed again that the chances of getting an agreement on the lines proposed may not be so favourable again for a long time. Over a period of four years HMG had brought the Argentines some way down the path to an acceptable settlement. But the authority of the people with whom we had dealt would shortly begin to diminish with the change of Presidency and of Ministers in March. The Foreign Ministry could pass from the Air Force either to the Navy, which traditionally adopted a harder nationalistic attitude than the Air Force on South Atlantic matters; or to a civilian, who would have little authority. Before long, the new administration would turn its attention to the Falklands, particularly if the Beagle dispute had been resolved or (more likely) put on ice by the Vatican to avoid a collapse in the mediation. The Falklands represented too a convenient issue if the regime wanted to divert public attention away from the worsening economic situation. Mr Williams would counsel against any delay in pursuing the proposal: we risked having to educate the Argentines all over again from square one, and in the face of rasher demands for more direct action.
3. Mr Williams was firmly of the view that he should be authorised to speak to Comodoro Cavandoli as proposed fairly soon after his return to Buenos Aires so that the latter would be able to arrange an approach to the Junta (which does not meet that frequently) before Mr Ridley's arrival in Buenos Aires (21 November).
4. In discussing the above, we noted two particular problems which might inhibit Mr Williams's approach or Mr Ridley's visit:
 - (i) the Junta's answer (assuming it gave one in time) might not be entirely clear e.g. Argentine national pride might jib at having our acceptance of their decision made conditional on the wishes of the sheepfarmers in the Islands;
 - (ii) OD might not give the green light: if not red, it might only be amber, should Ministers decide that this was not the time to pursue such a sensitive issue.

/Mr Williams



Mr Williams thought we should not be deflected by either. He still thought the Junta would commit itself far enough for our purposes; and he did not think our position would be any worse for having spoken to Comodoro Cavandoli as proposed if we then could not proceed. He considered that we might gain credit and understanding by being frank and that there would still be merit in Mr Ridley visiting Buenos Aires (and the Islands) to explain our position personally to Cavandoli.

5. Mr Williams arrives in Buenos Aires late this week. He could arrange to call on Cavandoli early next week. He asked for a telegram of instruction before close of play on Monday 3 November.

G A Duggan
South America Dept.

29 October 1980

1. Mr Williams' arguments in favour of pressing ahead with the present Air Force team at the MFA are persuasive and will need to be spelled out either in an OD paper or orally at the meeting itself. Otherwise non-FCO Ministers may opt for slowing down the negotiations in the interests of avoiding additional parliamentary and public difficulties in the months to come.
2. Commodore Cavandoli will expect to hear from Mr Williams on his return. I think that nothing is to be lost by telling the Argentines (in strict confidence) that the matter will be coming to Cabinet very soon, that Mr Ridley is already making preliminary arrangements to visit the Islands at the end of November (calling at Buenos Aires on the way) and that we look for a clear answer on the principle of lease-back from the Junta before he ventilates the question publicly in the Islands.
3. If the Minister of State is content with the advice in Mr Fearn's submission, Mr Duggan's minute and paragraphs 1 and 2 above, the Department will proceed with the drafting of an anodyne OD paper and of a telegram of instructions to Mr Williams. Alternatively, he may wish to discuss.

29 October 1980

cc PS/PUS
Mr Day

G W Harding