

56

RECORD OF A CALL ON THE MINISTER OF STATE BY REPRESENTATIVES
OF THE FALKLAND ISLANDS COMMITTEE AT 1100 ON 9 MARCH 1982 IN
THE FOREIGN AND COMMONWEALTH OFFICE

Present:

Mr Richard Luce MP	<u>Falkland Islands Committee:</u>
Mr Robin Fearn	Sir John Lapsley
Mr Jeremy Cresswell	Mr Eric Ogden MP
Mr Colin Bright	Air-Commodore Brian Frow
	Major John Spafford
	Mr Frank Mitchell
	Ms Sukey Cameron

1. Mr Luce opened the meeting by saying how helpful it was to have occasional meetings with members of the Falkland Islands Committee. The recent round of Anglo-Argentine talks in New York had provided a good reason for holding a meeting now.
2. He then gave an outline of the discussions in New York, commenting particularly on the presence of Councillors Blake and Cheek, who had played a very helpful and constructive role. In his view, it was essential that Councillors should be present at all talks with the Argentines where the Islands' future was under discussion. The talks had focussed on an Argentine proposal on procedures for making better progress towards a solution of the dispute. There had been no discussion of substance. At the end of the two days of talks, a communique had been issued and both sides had agreed to consider the Argentine proposal in depth and to consult their governments. There was agreement by all present at the talks that the dispute should be solved by peaceful negotiation.
3. Mr Luce emphasised, however, that he had been extremely disappointed at subsequent statements issued by the Argentine Government and at irresponsible articles in the Argentine press which in no way reflected the cordial spirit of the discussions in New York. He had taken the opportunity to make clear in the House of Commons on 3 March that HMG had no doubts about British sovereignty over the Islands; that the wishes of the Islanders were paramount; that any future talks would, as before, have to be conducted without prejudice to our position on sovereignty; and that no final solution could ever be accepted without the agreement of both the Islanders and the British Parliament. He had also expressed deep concern about the tone of recent Argentine statements and press articles. It was unacceptable to HMG to be asked to negotiate against a background of threats. It was now up to the Argentines to see whether they could recover their position. Only if the Argentines were clear about the basic British requirement could negotiations be taken forward.

All concerned wanted a peaceful solution to the dispute but the outlook was not bright. Obviously HMG were concerned not to take any action which might make Islanders' lives more difficult, but negotiations could only be continued on a basis acceptable to all the parties concerned.

4. Sir John Lapsley asked where the Argentine press had been getting their information. Mr Fearn recalled that there had for some time been a build-up of steam in Argentina on the Falklands issue. The Argentine Government had issued a communique in July 1981 which had been a toughly-worded expression of the Argentine position on sovereignty. The Argentines were becoming increasingly frustrated at the lack of progress despite the many years of talks. This communique had been welcomed by the Argentine press and its general line had been repeated many times since. The New York talks had provided a further stimulus to the press: both before and after them there had been a steady stream of articles advocating the need both to accelerate the negotiations and, if this could not be done, to look to other means, including force, to settle the dispute. The Argentine press were not a particularly responsible body and it was unlikely that they would ever accept the need for quiet diplomacy. As a result of the Argentine press attention, the expectations of the Argentine public had been raised. At the same time the new President, General Galtieri, was adopting a much more muscular approach on a number of issues, for example the Beagle Channel dispute with Chile. This general approach was clearly helpful for the Argentine Government's image within the country but it was not likely to help to lead to a solution of the dispute. Mr Ogden wondered whether the press articles had been inspired by the Argentine Government to put pressure on Mr Luce at the New York talks. Mr Fearn said that the Argentine Government claimed that the articles were the press's own work and that they did not subscribe to the advocacy of the use of force. However, the press did attribute some at least of what they said to "unnamed government sources", and it was difficult to believe that the Government had not played at least some role. Mr Luce recalled that he had made clear to Sr Ros that it would be impossible for the British side to continue the negotiations in an atmosphere of threats. If the Argentine Government had hoped to put pressure on him in this particular way, then it had been a clumsy and entirely counter-productive device.

5. Major Spafford had been in Argentina while the talks had been taking place in New York. The Argentine press had made much of the fact that the Councillors were participating as members of the British delegation, rather than as representatives of the Islanders. This clearly led to misunderstandings among the Argentine public, as it encouraged them to see the Islanders as having closer links with the UK than with the Falkland Islands themselves. Was there not some way in which this misrepresentation could be overcome? Mr Luce pointed out that the Argentines could only accept that the dispute was between them and the British Government. They

/could

could not accept the Islanders as a third party. There was nothing significant in this. Mr Ogden recalled that the Councillors had in any case a different role to play at the talks. They acted as observers on behalf of their colleagues and had to report back to them. They had different terms of reference from the rest of the British delegation.

6. Mr Ogden thought that the Minister's rebuttal in the House of Commons of the Argentine threats had not received the publicity it should have. Mr Luce disagreed. Both The Times and The Guardian had had substantial articles on the dispute in the last week. Mr Ogden wondered whether the Argentine tactics had been designed to push Ministers into a corner where they would have no option but to call off the talks. In particular, he wondered whether the press reports that the Argentines had demanded that talks should continue at monthly intervals were accurate. Mr Luce said there had been many specific proposals put forward by the Argentines, some of which had been accurately reflected in the press. However, the important thing to remember was that no decisions had been taken in New York: all the discussions had been ad referendum to the Islands' Council and HMG. Sir John Lapsley asked what future there would be in continuing the negotiations: presumably the Argentines were still adamant about the need for sovereignty to be transferred to them? Mr Luce stressed that it was important to be clear that if agreement were reached on the principle of continuing the negotiations, both sides should participate in the talks without prejudice to their position on sovereignty and be prepared to discuss all the individual aspects of the dispute. Unless this were the case, they would not be true negotiations. Mr Ogden asked whether other Government departments would be involved. If negotiations were carried forward solely by the respective Foreign Ministries they would inevitably centre on the sovereignty aspect. If the discussions were widened to cover every aspect of the dispute and if several different Ministries were involved, he was sure this would be helpful. Mr Luce repeated that every aspect would have to be covered and that other Departments would necessarily be involved in the detailed work. Mr Fearn said that experts would clearly need to be called in to look at some aspects of the points which would need to be cleared up, but it would be premature to take any decisions now.

7. Air-Commodore Frow asked whether, following the Islanders' rejection of lease-back, there had been any further discussion of this with the Argentines. Mr Luce replied that lease-back had not been touched on at the New York talks. HMG had taken note of the Islanders' opposition to the whole idea; we had no intention of pushing any particular solution on anyone. Our sole intention was to search for a solution to the dispute which would be acceptable to everyone. Mr Ogden asked whether the Argentines had shown any willingness to offer an overall package of concessions in exchange for British agreement to meet more regularly. Mr Luce had the feeling that, if only a structured dialogue could be developed, the Argentines might be prepared to

discuss how best to pursue a comprehensive solution to the dispute. He was sure that the best hope of resolving the difficulties lay in peaceful negotiations. Mr Ogden hoped that the whole question of British relations with Argentina could be involved in these discussions. This was, after all, what the Argentines principally wanted. Development of the Falkland Islands would be of little help to them, but they would value development of commercial links with Britain. Mr Luce said that he had already given some thought to this. The Argentines clearly attached importance to their relations with the United Kingdom and, even more, to their relations with the USA. Mr Enders of the US State Department was visiting Buenos Aires at this very moment. If the Argentines were really interested in improving their relations with the USA, then there was a possibility that it could be helpful for us over the dispute. But he repeated that HMG were only prepared to take talks forward on the basis which he had already outlined.

8. The representatives of the Committee raised a number of individual issues. Air-Commodore Frow asked whether the British Ambassador in Buenos Aires had really told the Argentine press that sovereignty was at the bottom of the list as far as HMG were concerned. Mr Bright recalled that the Ambassador had subsequently made clear that he had been speaking in Spanish and that this was not what he had intended to say. Rather he had wished to make clear that sovereignty was the basic issue. Mr Ogden asked whether the Embassy in Buenos Aires had been strengthened. Mr Fearn said that numbers had not been changed, but the post of Head of Chancery had been upgraded. Mr Mitchell asked whether the decision to withdraw HMS Endurance was irrevocable. Did the news that HMS Fearless and HMS Intrepid were to continue in service give any grounds for hope on HMS Endurance? Mr Luce said that this was a matter for MOD. However, he personally thought it unlikely that the decision would be changed. Mr Ogden asked whether HMG would be able to help FIG financially to open an office in London. The Falkland Islands Office was a useful organisation, but it was handicapped by not being the official representative of the Falkland Islands Government. He was thinking of something along the lines of the Hong Kong Government Office. Mr Luce recalled that the Hong Kong Government Office dealt above all with commerce and tourism, and was paid for by the Hong Kong Government. However, he was prepared to look at the idea without commitment. Mr Fearn asked whether Mr Ogden saw the work of this office as being primarily to attract investment to the Falkland Islands. Mr Ogden agreed that it was. On the Islands, even the private sector looked to the Government for finance. He wondered whether HMG could help provide more finance for FIG. Mr Fearn said that the Governor had been pursuing the possibility of using FIG reserves as a guarantee for a commercial loan. This had been discussed in detail during the Governor's most recent visit to the UK and the Crown Agents were relatively optimistic. But it was for FIG to take the decision on whether to do this.

9. Major Spafford asked whether the Minister thought that the recent increase in Argentine activity had anything to do with the Islands' 150th anniversary celebrations, planned to take place in 1983. Mr Luce conceded that this was possible, but stressed again that HMG could only conduct talks in the right atmosphere. If the Argentines thought that their present tactics would put pressure on HMG, they must think again. Mr Ogden said that the 150th anniversary was a very important milestone for the Islanders. He thought it was essential that a member of the Royal Family should visit to take part in celebrations. Mr Luce replied that we were actively looking at the possibility of a Royal Visit. But no-one should be in any doubt that relations with Argentina could well deteriorate in the near future: there were implications in this for the question of a Royal Visit.

10. Sir John Lapsley wondered whether it would ever be possible to work out a solution which would guarantee for the Islanders what they wanted but which would also be saleable to the Argentine Government and public. Mr Luce replied that there should be no doubt that this was a very difficult problem indeed. But if a structured framework of discussion could be set up, then it was just possible that a solution might emerge.

11. The meeting ended at 1145.

SOUTH AMERICA DEPARTMENT
10 March 1982

Distribution:

SAMD
Defence Dept
LACPD(ODA)
PS
PS/Mr Luce
PS/PUS
Mr Giffard
Mr Ure
The Governor, Port Stanley
HM Ambassador, Buenos Aires