

SECRET

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Part 27

Confidential Filing

Relations with Argentina,

ARGENTINA

Position of the Falkland Islands.  
Their Rehabilitation and Future

Part 1: Sept '79

Part 27: June '82

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>27.82</del>							
<del>5.6.82</del>							
<del>11.2.82</del>							
<del>13.7.82</del>							
<del>19.7.82</del>							
20.7.82							
encl.							
PREM 19/638							

PART 27 ends:-

20.7.82

PART 28 begins:-

21.7.82





Argentinian  
Prime Minister

②

A J C 20/7



*mg*

PRIME MINISTER

ROLLS ROYCE AERO ENGINES - DELIVERY BY BRAZILIAN COMPANY  
TO ARGENTINE AIRLINE

You asked me to put in writing the advice which I  
gave you over the weekend.

I am satisfied that there is no power under our law  
which could be used to prevent the delivery by the  
Brazilian company (which is a wholly owned subsidiary of  
Rolls Royce) of the aero engines to the Argentinian air-  
line in fulfilment of the existing contract.

*M.H.*  
/

LAW OFFICERS' DEPARTMENT

20 July 1982



THE DIRECTOR

THE DIRECTOR  
GENERAL INVESTIGATION DIVISION  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON, D. C.

I am pleased to hear that you are well and hope you had a good weekend.

I am sorry that I cannot see you in person at the moment.

I am sorry that I cannot see you in person at the moment. I am sure you will understand my position. I am sure you will understand my position. I am sure you will understand my position.

20 JUL 1962

12 1 2 3 4 5 6 7 8 9 10 11

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THE DIRECTOR

WASHINGTON, D. C.



FUE

RM



B/P

10 DOWNING STREET

From the Private Secretary

20 July, 1982

ROLLS ROYCE: SPEY ENGINES FOR ARGENTINA

You confirmed on the telephone last week that the FCO and the MOD were content that the decision by the Brazilian subsidiary of Rolls Royce to return to Argentina two Spey engines should not be challenged.

The Prime Minister saw your letter over the weekend. She expressed considerable doubts about the attitude taken towards this decision and has asked why she was not consulted at an earlier stage (I should be grateful for your comments).

Mrs Thatcher accepts that it may not be possible for us to give directions to the Brazilian subsidiary but has little doubt that there is other action we could take with regard to their commercial activity.

The Prime Minister showed your letter and enclosures to the Attorney General and to Sir Antony Acland when they were at Chequers on Sunday on other business. I understand that both will be providing a comment on the problem.

I am copying this letter to Jim Nursaw (Attorney General's Office) and Francis Richards (FCO).

A. J. COLES

Ms Caroline Varley  
Department of Industry

P

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Handwritten notes and signatures on the left margin, including a large scribble and the words 'Acland' and 'Antony'.

Ref: B06566

PRIME MINISTER

c Sir Robert Armstrong

Future of Measures Against Argentina  
(OD(FAF)(82) 13)

## BACKGROUND

At the meeting of OD(SA) on 8th July which agreed that all the remaining Argentine prisoners of war should be returned, it was agreed also, in the light of the Attorney General's advice, that the maintenance in force of the 12 mile restriction and the Total Exclusion Zone (TEZ) should be kept under constant review, and that the lifting of British economic sanctions and the release of frozen assets should be considered. The paper by officials covers these and all other measures in force against Argentina except the arms embargo (which is to be discussed in OD on 21st July).

2. The Chief of the Defence Staff has been invited for this meeting.

## HANDLING

3. You may like to deal with the substance of each measure in the order in which it appears in the paper, ie

- a. the 12 mile limit and the TEZ
- b. financial assets
- c. imports
- d. ECGD cover
- e. air services
- f. visas

The Sub-Committee could then consider how to approach the Argentines and what to say in public.

- a. The 12 mile limit and TEZ. You should ask the Defence Secretary to comment and the Chief of the Defence Staff to say whether the proposed changes are acceptable to the Chiefs of Staff. The Attorney General should be asked to confirm that the new arrangements are consistent with our rights of self defence under the





United Nations Charter: he may make the point that the proposed 150 mile restriction zone should be kept under constant review. One point to establish is whether the 150 mile restriction is intended to apply only to Argentine warships (including submarines) and combat aircraft and not to Argentine merchant or fishing vessels and civil aircraft (such as the Boeing 707). Another is whether any non-nuclear submarine detected in the 150 mile zone may be presumed to be Argentine and therefore attacked. The Foreign and Commonwealth Secretary and the Secretary of State for Trade may have views.

FLAG A

b. Frozen Argentine Financial Assets. The Chancellor of the Exchequer should be invited to comment in the light of his minute to you of 12th July. The Governor of the Bank of England is believed to be strongly in favour of ending the freeze, on a reciprocal basis, now that hostilities have manifestly ceased. It seems unlikely that maintenance of the restriction will influence the Argentine Government towards a formal agreement that hostilities will not be resumed: the Foreign and Commonwealth Secretary should be invited to comment on this. He has said in his minute to you of 16th July that we should deal with all the commercial and financial measures together.

FLAG B

c. Imports. The Secretary of State for Trade should be invited to comment on the implications for British trade if we were to keep on our sanctions now that all other countries have lifted theirs.

d. ECGD cover This is largely an academic question since ECGD will not restore cover, for economic reasons.

e. Air Services. The Secretary of State for Trade should be invited to comment on the possibility of reaching agreement to restore services.

f. Visas The Home Secretary and the Foreign and Commonwealth Secretary should be asked to comment.



Approach to the Argentines and Public Presentation

Points for decision are

- i. should any lifting of financial or economic sanctions be on a reciprocal basis only;
- ii. whether to remove all the restrictions at once or move one step at a time;
- iii. how best to approach the Argentines;
- iv. what to say publicly.

## CONCLUSIONS

4. Subject to the discussion, the Sub-Committee might be guided:
  - i. to accept the recommendations in paragraph 22 of the officials' paper.
  - ii. To invite the Chancellor of the Exchequer to arrange with the Governor of the Bank of England to make contact with the Argentine central bank to indicate our wish to see all commercial and financial measures lifted on a reciprocal basis. In the light of these contacts, a formal message to this effect should be sent to the Argentine Government through the Swiss.
  - iii. To invite the Foreign and Commonwealth Secretary to send a warning to the Argentines, through the Swiss, to tell them that we are maintaining measures against Argentine warships and combat aircraft within a radius of 150 miles of the Falkland Islands.
  - iv. To invite the Foreign and Commonwealth Secretary, in consultation with the Secretary of State for Trade, to open negotiations with Argentina for the resumption of air services.
  - v. To invite the Defence Secretary to keep the need for the 150 mile restriction under constant review, and to make a public announcement on the TEZ in the terms of Annex A to the officials' paper.



19 JUL 1982



[Faint red line]

[Faint red mark]



vi. To agree that a low key announcement might be made in the near future that we are proposing to the Argentine authorities a reciprocal lifting of economic and commercial sanctions.

*ADS Goodall*

..

19th July 1982

A D S GOODALL





10 DOWNING STREET

Prime Minister

I understand that you discussed  
this with the Attorney-General  
yesterday.

Do you want me to do anything  
more?

A. S. C. -  $\frac{19}{7}$

I also showed  
this to Sir A. A.

We should receive

reply from the

Also inform Indrag - ~~that~~  
my doubts and ask why  
I was not consulted. not



10 DOWNING STREET

THE PRIME MINISTER

19 July 1982

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. 7147/82

Dear Mr. Price,

Thank you for your very kind letter of 28 June.

Now that our immediate task of freeing the Falkland Islands has been accomplished, I should, in turn, like to take this opportunity of thanking you for your generous and steadfast support at home and abroad during this difficult time. It gave us all much encouragement.

I hope we shall be able to meet when next you visit London.

Warm regards,

Yours sincerely

Margaret Thatcher

The Honourable George Price

LB

SUBJECT

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file JK  
cto



10 DOWNING STREET

THE PRIME MINISTER

19 July 1982

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T146/82

Dear Mr. President,

Thank you for your letter of 25 June and for your kind words about recent events in the South Atlantic.

I am most grateful for your Government's helpful stance throughout the crisis and especially for the efforts you have made to secure a moderate and balanced policy within the Non-Aligned Movement. I hope that you will feel able to continue these efforts if the issue again comes before the Non-Aligned Movement.

With my renewed thanks, I send you my warm personal regards.

Yours sincerely

Raymond Thatcher

His Excellency President J.R. Jayewardene

LB



RESTRICTED

HL

19 July 1982

Falkland Islands: Message to Mr. Trudeau

Thank you for your letter of 19 July. I am sure that the Prime Minister would have no objection to Lord Moran stating when necessary that the Prime Minister sent to Mr. Trudeau a message of thanks in warm terms and giving some general indication of the contents of the message of 25 June.

JOHN COLES

Brian Fall, Esq.,  
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

19 July 1982

*Dear John,*

Falkland Islands: Message to Mr Trudeau

on pt 26 —  
You will recall that as a result of a recommendation by the High Commissioner in Ottawa, conveyed in John Holmes' letter to you of 24 June, the Prime Minister sent a message to Mr Trudeau on 25 June thanking him for Canada's support during the Falklands crisis.

The intention was that the message should be released publicly. However, it crossed with one sent to Mrs Thatcher by Mr Trudeau which was confidential and to which the Prime Minister sent a confidential reply on 12 July. Lord Moran has pointed out that in these circumstances the earlier message from Mrs Thatcher could not really be published in isolation and that it would not be appropriate for the confidential exchanges to be released. He recommends therefore that he should be authorised to say in any future speeches or interviews he gives that the Prime Minister had sent a message of thanks in warm terms and to give some general indication of the contents of the message of 25 June. May we take it that the Prime Minister would have no objections to this?

*Yours ever  
Bia*

(B J P Fall)  
Private Secretary

A J Coles Esq  
10 Downing Street

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London and Southampton Office

London SW1 2JH



19 JUL 1982



FILE  
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RM.

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10 DOWNING STREET

19 July, 1982

*From the Private Secretary*

FALKLANDS

The Prime Minister has seen John Holmes' letter of 15 July about the suggestion that we should seek Commonwealth agreement to a text on the Falkland Islands which could be used as a counterweight to the language traditionally employed by the non-aligned countries on this matter.

Mrs Thatcher noted, in particular the statement in paragraph 3 that the Permanent Representatives at the United Nations of Third World Commonwealth countries give priority to their allegiance to the non-aligned rather than their allegiance to the Commonwealth. The Prime Minister has commented that if this is true it is a devastating indictment of the usefulness of the Commonwealth. She believes that we should be very firm with the Commonwealth Secretary-General in seeking his help and advice on harnessing Commonwealth support.

A. J. DOLES

Francis Richards, Esq.,  
Foreign and Commonwealth Office





10 DOWNING STREET

*From the Private Secretary*

19 July, 1982

FALKLAND ISLANDS: LETTER FROM SIR JOHN

CLARK

John Holmes wrote to me on 14 July enclosing a draft of the reply which Mr Pym proposes to send to the letter of 17 June from the Chairman of Plessey. The Prime Minister is content with the proposed reply.

I am copying this letter to Nick Evans (Ministry of Defence), Mike Power (ODA), John Rhodes (DOT) and David Colvin (Cabinet Office).

RECORDED

F Richards, Esq  
Foreign and Commonwealth Office



File AH

ccs OD (FAF)

= HO Mod At  
Tsy Trade CO

10 DOWNING STREET

From the Principal Private Secretary

19 July 1982

Dear John,

FALKLAND ISLANDS : REHABILITATION

The Prime Minister has seen and noted the report on rehabilitation in the Falkland Islands which you sent with your letter of 16 July to John Coles.

I am sending copies of this letter to the recipients of yours.

Yours sincerely,

Oliver L. Williams.

John Holmes Esq.,  
Foreign and Commonwealth Office.

AH



O 141800Z JUL 82  
FM CIVIL COMMISSIONER PORT STANLEY  
TO FCO LONDON  
BT

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*Prime Minister*

*This could be discussed at  
OJ FAF on Tuesday.*

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SIC CSN

*mt* A.S.C. 16.7

TELEGRAM NO. 073 SEA AND AIR COMMUNICATIONS

1. AS THE RAFS PLANS FOR THE AIRPORT AND THE NAVYS FUTURE SHIPPING PLANS BECOME CLEARER, SO TOO DOES THE EXTENT OF THE PROBLEMS WE FACE IN ENSURING ADEQUATE TRANSPORT TO AND FROM THE ISLANDS FOR CIVILIAN PASSENGERS AND FREIGHT.

2. AT THE MOMENT THE RAF CONTINUE TO FLY IN HERCULES FROM ASCENSION ON AN ALMOST DAILY BASIS. WITH ONE OR TWO EXCEPTIONS THEY HAVE NOT BEEN PREPARED TO ACCEPT CIVILIANS ON THIS RISKY (AND PHENOMENALLY EXPENSIVE) ROUTE, AND IN NO CIRCUMSTANCES WILL THEY ACCEPT WOMEN OR CHILDREN. THE PLAN IS TO CLOSE THE AIRPORT FOR ABOUT 4 WEEKS (BEGINNING ON LATEST ESTIMATES IN MID-AUGUST) TO LENGTHEN THE STRIP AND PUT DOWN A TEMPORARY ALUMINIUM SURFACE TO ACCOMMODATE PHANTOMS. THEY WILL REOPEN WITH A 6,000 FOOT RUNWAY, 94 FEET WIDE (INSTEAD OF 150 FEET AS AT PRESENT) EQUIPPED WITH ARRESTER GEAR.

THEY DO NOT EXPECT, ONCE THE AIRPORT REOPENS, TO FLY IN TRANSPORT AIRCRAFT OTHER THAN HERCULES (WHICH WILL STILL NEED TO REFUEL INFLIGHT IF A MAINLAND DIVERSION CANNOT BE ESTABLISHED). AIRCRAFT OF THE SIZE OF A 737 COULD LAND ALTHOUGH THE RUNWAY WILL BE NARROWER THAN THE MINIMUM NORMALLY REQUIRED FOR CIVIL AIRLINES, AND THE ARRESTER GEAR WOULD HAVE TO BE MOVED ON EACH OCCASION (NOT A MAJOR PROBLEM). THESE FACTS HAVE ONLY BECOME CLEAR TO ME IN THE LAST FEW DAYS.

3. THE PICTURE ON SHIPPING MOVEMENTS IS CONFUSED. OF THE MAJOR REQUISITIONED SHIPS UGANDA IS LEAVING WITH THE NEXT DAY OR TWO AND WILL NOT RETURN, ST EDMUND WILL LEAVE ON 18 JULY AND NORLAND (DUE IN NEXT WEEK) WILL TURN ROUND WITHIN 3 WEEKS. IT HAS NOT BEEN DECIDED, PENDING FINAL DECISIONS ON FORCE LEVELS, WHETHER THESE TWO WILL GO DIRECTLY HOME OR STOP AT ASCENSION AND MAKE ONE OR MORE RETURN TRIPS HERE. THEY WILL BETWEEN THEM BE ABLE TO TAKE OUT ALL ON MY LIST (CURRENTLY NUMBERING 86) OF ISLANDERS AND EXPATRIATES WHO WISH TO RETURN TO UK (MOST OF THESE ON LEAVE). THE FICO SUPPLY SHIP (AES) HAS JUST LEFT HAVING OFF-LOADED STORES AND PICKED UP ITS USUAL WOOL CARGO. IT IS DUE BACK AT THE END OF SEPTEMBER BUT AFTER THAT TRIP WILL NEED TO REFIT AND WILL NOT RETURN AGAIN UNTIL THE END OF JANUARY.

4. THE OVERALL OUTLOOK IS THEREFORE BLEAK. WE SHALL HAVE NO AIR SERVICE FOR CIVILIANS AND, AS FAR AS I CAN SEE, NO PASSENGER SHIPPING ONCE THE ST EDMUND AND NORLAND HAVE LEFT FOR GOOD. ONCE THESE FACTS HAVE SUNK IN THE EFFECT ON ISLANDERS MORALE WILL BE SERIOUS AND WE MUST BE SEEN TO BE TACKLING THE PROBLEM.

5. IN THE LONG TERM YOU ARE I UNDERSTAND CONSIDERING THE CONSTRUCTION OF A SEPARATE MILITARY AIRFIELD WHICH COULD ACCOMMODATE CIVIL AIRCRAFT. MORE IMMEDIATELY, WE SHALL NEED TO LOOK INTO THE POSSIBILITY OF ESTABLISHING AN AIR LINK THROUGH THE MAINLAND, PRESUMABLY MONTEVIDEO OR, FAILING THAT, PUNTA ARENAS, AND, SAY, A WEEKLY 737

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/SERVICE



## CONFIDENTIAL

SERVICE FROM THERE. THERE IS OF COURSE NO PROSPECT OF SUCH A SERVICE PAYING FOR ITSELF EVEN IF YOU COULD FIND AN AIRLINE TO OPERATE ON THE TEMPORARY RUNWAY. AS AN ALTERNATIVE, WE SHOULD LOOK AT A REGULAR SEA LINK WITH MONTIVIDEO BUT, AGAIN, THIS WILL NEED TO BE SUBSIDIZED - YOU WILL RECALL THAT LOSSES OF A QUARTER OF A MILLION POUNDS PER YEAR LED THE FICO TO DISCONTINUE SUCH A SERVICE IN 1972. FAILING AGREEMENT BY URUGUAY OR CHILE TO PROVIDE SEA OR AIR LINKS, WE SHALL FOR THE FORESEEABLE FUTURE HAVE TO LOOK AT SUBSIDIZING A DIRECT PASSENGER SERVICE (EG THE ST HELENA) FROM BRITAIN, ON THE ASSUMPTION THAT SUCH A SERVICE CANNOT BE PROVIDED BY NAVAL SHIPS OR SHIPS REQUISITIONED BY THE MOD.

6. IMMEDIATE PROBLEMS INCLUDE FINDING A PASSAGE FOR THOSE VITAL FIG STAFF WHO DID NOT GET ONTO THE NORLAND THIS TIME AND ALSO FOR MEMBERS OF MY STAFF AND FAMILIES. YOU WILL WISH TO DISCUSS WITH MOD IN CONTEXT OF DECISIONS ON WHETHER NORLAND AND/OR ST EDMUND RETURN HERE.

7. THERE IS ALSO OF COURSE THE PROBLEM OF SUPPLIES. IT WOULD HELP TO KNOW HOW YOU ARE PLANNING TO SHIP OUR REQUIREMENTS FOR BUILDING MATERIALS, FUEL ETC. - IE ALL THOSE SUPPLIES WHICH WE NEED MORE URGENTLY THAN THE AES CAN MANAGE. AS WE UNDERSTAND IT, THE ARMY WILL REQUIRE A CARGO SHIP AND YOU MIGHT ASK MOD ABOUT SPARE CAPACITY (AND WHETHER A FEW PASSENGERS COULD BE ACCOMMODATED).

8. NO DOUBT YOU HAVE ALREADY BEEN STUDYING THE GENERAL PROBLEM OF FUTURE COMMUNICATIONS. IT WOULD BE MOST HELPFUL TO HAVE AN EARLY INDICATION OF YOUR INTENTIONS SINCE IT WILL BE IMPORTANT FOR ME TO BE ABLE TO EXPLAIN TO THE ISLANDERS IN THE NEXT FEW DAYS THE GENERAL LINES ON WHICH WE ARE WORKING TO ENSURE THAT THEY ARE NOT NOW TO BE ISOLATED FOR AN INDEFINITE PERIOD. HUNT  
BT

FALKLANDS REHABILITATION

[COPIES SENT TO NO 10 DOWNING STREET]

LIMITED

S AM D

FALKLANDS REHAB. SECT

FINANCE DEPT

APD

ESID

DEFENCE DEPT

ODA

PS

PS/MR ONSLOW

PS/MR RIFKIND

PS/MR MARTEN

PS/PUS

MR GIFFARD

MR STREETON

MR URE

MR GILLMORE

ADDITIONAL DISTRIBUTION

FALKLANDS REHABILITATION

2  
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Foreign and Commonwealth Office

London SW1A 2AH

16 June 1982

ADL  $\frac{22}{7}$

pa.

Dear John,

"Calling the Falklands"

Your letter of 18 May recorded that the Prime Minister was content to delay sending a message to the Falkland Islanders in the BBC's programme "Calling the Falklands" until there was a suitable major development.

With the Argentine surrender, we believe that a message from the Prime Minister to the Islanders soon would be particularly appropriate and valuable. The BBC would like to broadcast a message tonight. Mr Onslow, who has done several broadcasts to keep up the Islanders' morale in past weeks, considers it important that the Prime Minister should broadcast to the Islanders as soon as practicable, if possible tonight. Mr Pym agrees. It seems to us best that the Prime Minister should broadcast to the Islanders on the crest of the present wave before any new problems intrude. The message could also be cast to include our forces.

I enclose a draft which the Prime Minister might care to draw on. If you agree, the BBC could record the message at No 10 at short notice, but it would need to be recorded before 8.30 pm at the latest.

Yours ever

*J E Holmes*

(J E Holmes)  
Private Secretary

A J Coles Esq  
10 Downing Street



I am glad to be able to speak today to all of you in the Falklands, to rejoice with the Islanders over your newly regained freedom and to congratulate the forces who have done so much to win this precious prize.

To those of you whose homes are in the Falklands, I can say that your welfare has been uppermost in all my waking thoughts these last 10 weeks: I have shared your anguish mentally, even if I have only been able to imagine the physical privations that you have suffered. All of us here have admired your loyalty, resolution and courage; even at the height of the battle for Stanley, you were apparently in good heart. None of this has surprised us; for it is the same spirit of a beleaguered island race which has been displayed here whenever we too faced the invader.

Even now I am appalled at the action of the Argentine government in invading your islands. Fundamentally, I think it was because they did not fully understand the depth of your, and our, democratic convictions. They were prepared to override your democratic rights. They also totally misjudged the strength and vitality of democratic forces in Great Britain. On 3 April the House of Commons here at once resolved that your freedom must be restored; I told the House then that you had a right to live in peace and to choose your own way of life and determine your own allegiance; I said then "It is the wish of the British people and the duty of Her Majesty's Government to do everything that we can to uphold that right". And it was to the House of Commons that I first reported yesterday how we had accomplished that duty. Never in a generation have our people been so united as in demanding the restoration of your rights, regardless of the immense difficulties of the task.

/That we



That we succeeded, we owe to the immense courage, skill and professionalism of our forces. To them I say the challenge was often daunting, but you rose to it magnificently. Again, that does not surprise us: you did no more than live up to the high standards and traditions of the forces of the Crown.

There has been a heavy price to pay, in the lives of some of our finest young men and in some - thankfully very few - tragic casualties among the Islanders. But if their sacrifice secures a free future for the population of the Islands, it will not have been in vain.

Recent events have been a triumph for democracy over the forces of oppression in more ways than one. Yesterday, the Commonwealth Secretary General, speaking for nearly a third of the countries of the world, said that "Britain's response in this instance has been a service to the world community". ". . . aggression in any part of the world", he added, "is a crime against the whole world". Indeed in all our efforts we have been deeply thankful for the support of the United States our partners in the EC and the Commonwealth, and indeed of all who value freedom in the world.

But I know that there is now a further tremendous task ahead of us all, to restore your normal peaceable existence, to rebuild the prosperity of your islands and to make proper arrangements for your future security and administration. In this, you will all need time to settle down again, to collect your thoughts and to consider what is best for the long term future of the Islands and your families. But I can assure you here and now, that in the future, as in the recent dramatic events, you will be able to count on the support of the British people.





PM/82/59

This will be discussed at  
OD(FAF) on Tuesday.

A.T.C. 1 1/2.

PRIME MINISTEREconomic Measures Against Argentina

- attached*
1. I very much see the force of the arguments in Geoffrey Howe's minute of 12 July to you in favour of finding an opportunity to remove our restrictions on Argentine assets here. Arthur Cockfield's minute to me of 30 June argued similarly for lifting the ban on imports from Argentina, once the Argentine Government confirmed the cessation of hostilities and were willing to remove their own measures.
  2. Now that we have assurances from the Argentine authorities on the de facto ending of hostilities, and all our supporters have removed their economic measures, I agree that the time has come to consider how to end our own measures, except of course the arms embargo. I understand that this is to be discussed at OD(FAF) on 20 July.
  3. We must if possible ensure that the Argentines remove all those measures which have the same effect as our own. Their restrictions cover imports from the UK, financial transactions, the use of British property (including HMG's property) and other assets and the operations of British firms in Argentina. We should aim to have all these restrictions removed in return for ending our own import ban and assets freeze. This argues, in my view, for dealing with our commercial and financial measures together and for proposing to the Argentines a deal on economic measures rather than making a unilateral move of our own.
  4. The formal exchanges on removing these measures will probably have to take place through the Swiss, as happened over the return of prisoners. But this is a cumbersome channel and I am attracted by the Chancellor's proposal to have initial contacts made between central banks, which would give much greater flexibility. We could discuss this at OD(FAF). I would, however, suggest that the contacts between central banks should not be entirely limited to financial restrictions but make clear our wish to see both commercial and financial measures removed on a reciprocal basis.

/A



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A positive response would open the way for a formal approach via the Swiss.

5. I am copying this minute to OD colleagues, to the Governor of the Bank of England and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'FP', with a horizontal line underneath.

(FRANCIS PYM)

Foreign and Commonwealth Office  
16 July, 1982

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

16 July, 1982

*Den John*

*A.S.C. 14/7*

*h.c.*

Falkland Islands: Mexican Attitude

You enclosed with your letter of ~~2~~ July a copy of the Mexican President's latest message on the Falklands. We agree that there is no need to continue this correspondence.

*Yours ever,*

*PD*  
(J E Holmes)  
Private Secretary

A J Coles Esq  
Private Secretary  
10 Downing Street





116. 200. 911





2

Foreign and Commonwealth Office

London SW1A 2AH

16 July 1982

*Prime Minister*

*for*

*16/7*

Dear John,

Falkland Islands: Rehabilitation

Your letter of 13 July recorded the Prime Minister's request for briefing at two weekly intervals on the programme of rehabilitation in the Falklands.

I enclose a paper on this subject compiled in conjunction with the Ministry of Defence.

I am copying this letter to the Private Offices of all members of OD(FAF) and to PS/Sir Robert Armstrong.

Yours ever,

(J E Holmes)  
Private Secretary

A J Coles Esq  
10 Downing Street



FALKLAND ISLANDS: REHABILITATION: POSITION AT 16 JULY 1982

EMERGENCY REHABILITATION BY THE ARMED FORCES

1. The armed forces, and the Royal Engineers in particular, are helping with civil rehabilitation when they can be spared from urgent military tasks. There is a close relationship with the Public Works Department of the Falkland Islands Government.

2. The main areas of action are:

Water Supply The system has been patched up but needs major work in the longer term. We await the Civil Commissioner's recommendations.

Electricity Military generators at substations are helping take the load for the time being.

Explosives The main settled areas, plus land required by the military, should be cleared by the end of October .

Roads The Army is concerned about deteriorating conditions and sceptical of PWD ability to do much repair. The machinery being shipped in for the repair of the airfield may be of some help but the Army does not have spare resources for a major repair programme. We shall be considering the longer term road needs.

Housing Houses occupied by troops and civilians have been patched up.

Other Facilities There is some other 'make do and mend' work going on to repair buildings/facilities, for example at ports.

/REHABILITATION



## REHABILITATION BY THE CIVIL AUTHORITIES

3. Support for the civilian rehabilitation programme is being coordinated by the FCO Falklands Rehabilitation Unit, on the basis of requests and advice from the Civil Commissioner. The Unit includes staff seconded from ODA and MOD.

### Housing

4. The Falkland Islands Government have requested 27 prefabricated permanent houses. We have investigated numerous suppliers in Britain and abroad, established a short list and await details from Port Stanley on specifications for sites, foundations, services etc. Once these are complete a final request for tender can be put to possible suppliers. An ODA specialist is on standby to fly out if this would help the Civil Commissioner.

5. The provision of ten mobile homes is being pursued as an interim measure.

### Building Materials

6. The Civil Commissioner's request for building materials for repairs - glass, cement, timber, corrugated iron etc - was received on 5 July. We placed an order with Blue Circle on 12 July. The bulk of these materials are due to be shipped by MOD chartered vessel due to arrive in Port Stanley about 16 August.


7. Further materials will be required and we are continuing to investigate suppliers in South America, Australia and New Zealand as well as in Britain.

### Replacement aircraft for Falkland Islands Government Air Service (FIGAS)

8. We have considered a range of options for the re-equipment of FIGAS in light of the Civil Commissioner's

/recommendations





recommendations and the advice of FIGAS pilots, MOD, the Civil Aviation Authority and commercial experts and taking into account the changed condition in the Islands. Proposals will be submitted to FCO Ministers shortly.

#### Reinforcement of Falkland Islands Government

9. All the personnel whose return the Civil Commissioner identified as high priority have been returned to the Islands or have been offered passages.

10. ODA have set up a special Falkland Islands Recruitment Unit, and are pursuing recruitment for 35 posts ranging from medical officers and teachers to plumbers and electricians. The appointments of six of these officers should be completed by 19 July. A new medical officer and police superintendent flew to the Islands over the weekend.

#### Compensation

11. The Civil Commissioner has been asked to compile lists of claims. A submission on policy has been put to FCO Ministers.

#### Stanley Airport

12. The temporary reconditioning of Stanley Airport should be completed by early September. A paper on proposals for a permanent replacement airport is being prepared by MOD for submission to OD(FAF).

#### Civil Air and Sea Links

13. The FCO are considering approaches to the Brazilian, Uruguayan and Chilean governments on possible sea and air links with the Falklands. Careful timing of such approaches will be very important. Meanwhile the RAF continue to

/provide



provide air services for high priority travel and the FCO are considering supplementing the sea service provided by the Falkland Islands Company's vessel.

Problems

14. No major problems have yet been encountered. Programmes have to be undertaken at speed and often in the absence of full information. There is thus a risk of mistakes. The shortage of housing in Port Stanley will remain a short term constraint until we can ship mobile homes and prefabricated housing units and while troops remain billeted in the town. Manufacturing and shipping times are a major obstacle.

Falklands Unit  
Foreign and Commonwealth Office

16 July 1982



CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

15 July 1982

HC

CCO  
DIE  
CDLO  
DOT  
LPSO  
MOD  
LPO  
FCO  
LCO  
HO

Dear John,

Economic measures against Argentina

The Prime Minister has seen the minute of 12 July by the Chancellor of the Exchequer. She thinks that its contents would be best discussed at the meeting of OD(FAF) next Tuesday which is to consider whether the time has come to lift any or all of the measures which we have taken against Argentina.

I am copying this letter to the Private Secretaries to the members of OD, to the Governor of the Bank of England and to Sir Robert Armstrong.

*[Handwritten signature]*

*let meeting*

*you can  
let him.*

John Kerr, Esq.,  
H.M. Treasury.

*[Handwritten flourish]*

CONFIDENTIAL



ADVANCE COPIES: FALKLAND ISLANDS GENERAL 44

**FLASH**

PS  
PS/MR HURD  
PS/MR ONSLOW  
PS/MR RIFKIND  
PS/PUS  
SIR J BULLARD  
SIR I SINCLAIR  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR GILLMORE

PS/NO 10 DOWNING ST (2)  
PS/S OF S FOR DEFENCE  
MR J STEWART AUSD STAFF MOD  
PS/CHANCELLOR )  
MR ILETT ) TREASURY  
MR LITTLER )  
MISS DICKSON D/ENERGY  
SIR R ARMSTRONG )  
SIR M PALLISER )  
MR A D S GOODALL ) CABINET OFFICE  
DIO )

HD/PUSD (2)  
HD/S AM D  
HD/FALKLANDS UNIT (2)  
HD/DEFENCE DEPT  
HD/NEWS DEPT  
HD/ERD  
HD/ECD(E)  
HD/UND  
HD/PLANNING STAFF  
~~RESIDENT CLERK~~

~~ROOM 8 FOR MODUK C IN C FLEET~~

Mr. COLIN ROTH, LACPD, ODA  
Mr. BORDEN, LACPD, ODA.

**FLASH**

Z 161020Z JUL 82  
FM CIVIL COMMISSIONER PORT STANLEY  
TO COMMCEN FCO LONDON  
BT

UNCLAS  
SIC CSA  
TO FLASH FCO TELNO 078 OF 15 JULY  
YOUR TELNO 53 : COMPENSATION

1. AS YOU SAY IT IS IMPOSSIBLE TO GIVE ACCURATE ESTIMATES. THE ARMY HAVE NOT YET FINISHED COLLECTING PRIVATE CLAIMS AND WE HAVE AN INCOMPLETE PICTURE OF DAMAGE AND LOSSES IN CAMP. NOR ARE WE QUITE CLEAR WHAT CATEGORIES OF CLAIM YOU ARE ASKING FOR - IN PARTICULAR SHOULD FIGURES FOR CIVILIANS INCLUDE FIG, AND FIGO?
2. AT A VERY ROUGH GUESS THE SUM VALUE OF DAMAGE/LOSSES ON THE ISLANDS UP TO THE TIME OF THE ARGENTINE SURRENDER IS ABOUT THIRTY MILLION POUNDS AT REPLACEMENT COSTS. THIS FIGURE INCLUDES



THIRTY MILLION POUNDS AT REPLACEMENT COSTS. THIS FIGURE INCLUDES ESTIMATES FOR DAMAGE AT THE AIRPORT (TEN MILLION), AND DAMAGE TO EXISITING ROADS, PLANT (MACHINERY ETC.), HOUSING, VEHICLES, AIRCRAFT, BOATS, FURNISHINGS, LIVESTOCK, FENCING, WATER SYSTEM,

PAGE 2 RBDAPZ 026 UNCLAS

WOOL, RADIOS ETC.

3. OF THIS AMOUNT WE GUESS THAT AT LEAST TWELVE MILLION POUNDS COULD JUSTIFIABLY BE CLAIMED BY PRIVATE INDIVIDUALS.

HUNT

BT

NNNN

*Subject*  
*McMaster  
Ops*  
RESTRICTED

14668 - 1

GRS 224

RESTRICTED

FM FCO 150942Z JULY 82

TO PRIORITY MONTEVIDEO

TELEGRAM NUMBER 417 OF 15 JULY.

YOUR LETTER OF 18 JUNE TO FEARN: MESSAGE TO URUGUAYAN PRESIDENT

1. PLEASE PASS THE FOLLOWING MESSAGE FROM THE PRIME MINISTER TO PRESIDENT ALVAREZ AS SOON AS POSSIBLE AFTER THE DEPARTURE OF HMS HYDRA. BEGINS.

THE VISIT TO MONTEVIDEO OF HMS HYDRA WAS THE LAST OCCASION ON WHICH WE SOUGHT YOUR HELP IN EVACUATING OUR PERSONNEL WOUNDED IN THE RECENT FIGHTING IN THE FALKLAND ISLANDS. I SHOULD THEREFORE LIKE TO TAKE THIS OPPORTUNITY TO EXPRESS TO YOU AND TO THE PEOPLE OF URUGUAY THE BRITISH GOVERNMENT'S PROFOUND GRATITUDE AND WARM ADMIRATION FOR THE HUMANITARIAN ASSISTANCE WHICH YOUR GOVERNMENT HAVE SO EFFECTIVELY PROVIDED IN THE DIFFICULT MONTHS WHICH WE HAVE BEEN THROUGH. IT HAS BEEN A GREAT COMFORT TO US, AND PARTICULARLY TO THE RELATIVES OF OUR WOUNDED SERVICEMEN, TO KNOW THAT THEIR TRAVEL THROUGH MONTEVIDEO HAS BEEN CARRIED OUT WITH SUCH EFFICIENCY AND CONCERN. THE BRITISH GOVERNMENT AND PEOPLE WILL ALWAYS REMAIN DEEPLY GRATEFUL FOR YOUR GOVERNMENT'S GENEROUS ASSISTANCE.

WITH WARM PERSONAL GOOD WISHES, MARGARET THATCHER. ENDS.

2. I SHOULD ALSO LIKE TO TAKE THIS OPPORTUNITY TO EXPRESS MY PERSONAL APPRECIATION OF THE OUTSTANDING WORK WHICH YOU AND YOUR SMALL STAFF HAVE DONE, OFTEN IN VERY TRYING CONDITIONS, IN RECENT MONTHS. WE ARE ALL VERY GRATEFUL.

PYM

**PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T143AA/82**

FALKLAND ISLANDS GENERAL

FCO

FALKLANDS UNIT

CABINET OFFICE

ADDITIONAL DISTRIBUTION

FALKLAND ISLANDS

[COPIES SENT TO NO 10 DOWNING STREET]

RESTRICTED



STATE MINISTERS  
SCHOOL OF THE  
GENERAL NO. 1111

21 OCT 1982  
11 12 1  
6 7 8 9

15 July 1982

Message to the President of Uruguay

The Prime Minister has approved the draft telegram enclosed with your letter of 13 July subject to the deletion in line 20 of the words "this tragic conflict" and the substitution of "travel" for "transit" in line 22.

JOHN COLES

John Holmes, Esq.,  
Foreign and Commonwealth Office.





Foreign and Commonwealth Office

London SW1A 2AH

15 July 1982

Prime Minister

To be aware.

A.F.C. 16/7

X If this is correct - it is a desirable condition of the membership of the Commonwealth. I suggest we are very much in line with Mr. Campbell's view.

Dear John,

Falklands

You wrote to me on 8 July about the suggestion in Sir A Parsons's telegram no 1082 that we should try to get the Commonwealth to agree to a text on the Falkland Islands which could be a counterweight to the traditional non-aligned language and could thus have a beneficial effect on the Non-Aligned Summit and the coming session of the General Assembly.

There is unfortunately no Commonwealth meeting between now and the General Assembly (or indeed during the course of the General Assembly) which could be used for this purpose. Such texts are normally only agreed at Head of Government level and the next CHGM is nearly 18 months away. Moreover, I fear that we could not count on such a meeting endorsing an entirely suitable text. There is a meeting of Finance Ministers in September but it is most unlikely that they would agree to issue a major political statement of the kind that Sir A Parsons had in mind.

We have considered the possibility of getting a special Falklands Committee set up on the analogy of the Commonwealth Belize Committee. But we would not be able to select the membership and it could not be relied upon to serve our purposes. It would be unlikely in any case to have the authority to issue an agreed Commonwealth text. There is a Commonwealth group at the UN, but the Permanent Representatives of Third World Commonwealth countries there give priority to their allegiance to the non-aligned. This group would also be most unlikely to agree to issue any text satisfactory to us. There is a small minority of Commonwealth countries, such as Grenada and Malta, which would be obstructive in any Commonwealth forum.

X !!!  
and India?

/We are





We are of course anxious to harness Commonwealth goodwill in our preparations for the Non-Aligned Summit and for the Assembly. You may now have seen our telegram no 162 to Belmopan (copy enclosed) in which we instructed posts in certain Caribbean Commonwealth countries to encourage their host governments to resist Latin American pressures within the Latin American Sub-Group of the Non-Aligned. We shall send appropriate instructions to Commonwealth posts in other regions as their countries get drawn into the drafting process.

Mr Ramphal has repeatedly offered to help, and is particularly well-placed to give advice on how we can best harness Commonwealth support. We are seeking his support and advice in our campaign. We are also taking a number of steps in the non-Commonwealth context to head off unacceptable results from non-aligned and UN debates.

*Yours ever*

*J E Holmes*

(J E Holmes)  
Private Secretary

A J Coles Esq  
10 Downing Street



Prime MinisterTo note, pending the  
Chancellor's reply.FCS/82/101

A.J.C. 15/7

MS

CHANCELLOR OF THE EXCHEQUERFalkland Islands Financing

attached

1. I have now seen the minutes of the OD(FAF) Meeting held on 6 July and decisions reached on the financing of rehabilitation work this year on the Falkland Islands.
2. It may be helpful if I set out the position on aid programme funds this year. There is absolutely no doubt that they have all already been fully allocated. This has been a particularly tight year. As the table attached to this minute shows, taking the contingency reserve with which we started the year and adding all the savings arising from the failure of the Orissa Steel Mill Project to make progress, (plus two or three other smaller savings) around £65 million was available for allocation. We have already been obliged to make allocations and earmarkings amounting to over £66 m. I should perhaps emphasise that, other than the £30 million or so required to finance the concessions made to Mrs Gandhi during her visit earlier this year, few of the remaining allocations involved new policy decisions; for the most part they are required in order to fulfil existing commitments which now need payments to be made this financial year.
3. Of course considerable uncertainties attach to many aid allocations in that for one reason or another they are not spent in full in the year expected. However, as you know, the aid programme is in accordance with our normal practice 'over allocated' in anticipation of such slippage. The over allocation is about £100 million and, if we are to keep our actual spending within the aid programme cash limits, covering this slippage must be the first call on savings arising between now and the end of the financial year. I know that with your own concern to ensure that spending is held within cash limits you will expect nothing less and you will understand why in these circumstances I have been unable to agree to finding any contribution to the costs of rehabilitation in the Falklands.

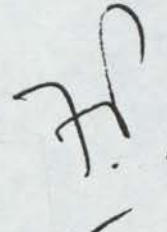




4. While I was therefore pleased that OD(FAF) agreed to make £10 million available for rehabilitation work, I was concerned by the suggestion that some part of this had to be found from within the existing aid programme. I fear that, in the circumstances I have described above, I cannot guarantee being able to find any contribution to the rehabilitation work. Of course if 'slippage' is greater than we have allowed for I will make what contribution I can.

5. As far as administering the £10m in a special account, I see significant political advantage in such an approach. Separate provision for the Falklands in this way would make clear our commitment to rehabilitation work and, subsequently, to development work in the Islands. I have asked my officials to discuss the detailed arrangements with Treasury officials.

6. I am copying this to other members of OD(FAF) and to Sir Robert Armstrong.

  
(FRANCIS PYM)

Foreign and Commonwealth Office  
15 July, 1982



## ODA CONTINGENCY RESERVE: SOURCES AND USES OF FUNDS

## I RESOURCES AVAILABLE (Contingency Reserve plus other firm savings)

Em

1.	Planned Contingency Reserve	33.282
2.	UN Development Programme (UNDP)	2.000
3.	Asian Development Fund	2.600
4.	Caribbean Development Fund	1.125
5.	Indian steel mill: firm savings	13.300
	probable savings	[ 12.500 ]
	Total: Firm	52.307
	Probable	[ 64.807 ]

## II CLAIMS

Allocations

6.	India: addition to bilateral programme	20.000
7.	EDF: rephasing of amounts originally scheduled for 1981/82	16.000
8.	EC/IDA Special Action	2.600
9.	African Development Bank: Capital subscription	3.200
10.	Sudan: balance of payments support	2.250
11.	Guyana: loss of receipts from capital repayments	1.523
12.	Windward Islands: Banana industry rehabilitation programme	1.476
13.	Tonga: hurricane rehabilitation	0.400
14.	Botswana: drought relief	0.200
	Slippage from 1981/82: spending against existing commitments (15-18)	
15.	Malawi	1.500
16.	Lesotho	0.400
17.	Indonesia	0.250
18.	World Food Programme	1.000

/Additional

	£m
Additional budgetary aid (19 and 20)	
19. Turks and Caicos	0.460
20. St Helena	0.300
21. Minor items: Save the Children Fund; Brandt Commission	0.060
Sub-total	51.619

Earmarkings

Refugee and humanitarian relief (global sum: includes some sub-allocations already agreed)	4.000
Disaster Relief	1.000
Zimbabwe land resettlement: speedier drawdown of aid	1.500
NHS charges for overseas students	0.500
Guyana: consultancy on debt position	0.090
Ilois compensation for move from Diego Garcia: PES transfer	4.000
Bahamas patrol boats: PES transfer as military aid	3.500
Sub-total	14.590

Totals

Allocations plus earmarkings	66.209 =====
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15th July 1982

A.F.C. <sup>15</sup>/<sub>7</sub>

f-a.

Various Naval Matters

Thank you very much for your letter of 14th July, together with its enclosures.

I will study these most carefully.

IAN GOW

Commander Michael Ranken RN (Retd)

cc. The Rt Hon Francis Pym MC MP  
✓ John Coles Esq



Tel: 01-876-6661.

28 Clare Lawn Avenue,  
LONDON SW14.

Ian Gow, Esq., MP,  
10 Downing Street,  
LONDON SW1.

PERSONAL

14/7/82

Dear Mr. Gow.

Various Naval Matters

I am sure you are much involved in Falklands business at present in the aftermath of victory. I am seriously concerned that the natural euphoria and pleasure over liberation will not lead us into hasty development projects based on excessive optimism and wishful thinking - sure recipes for expensive failures. I therefore enclose for your information copies of my letters and notes to Lord Shackleton, which try to be a bit more realistic. My views on fisheries around the Falklands are based on personal experience; South Georgia is quite another matter so far as fish stocks are concerned, but of course is more difficult in other ways. Long-term political stability is the pre-requisite for any kind of viable new development, especially if private money is to be invested, and it is certainly most difficult to establish, especially when at the same time we need to build good relations with the rest of South America, something which has been badly neglected for many years, mainly I suspect through complacency.

HMS 'Endurance' has now been abroad for at least nine months, and the crew has had no run ashore at any major centre of population during that time; the ship has spent most of her time at sea or in South Georgia from mid-March. The families seem to be unable to get firm news about the ship's return to the U.K., though there is vague talk of September. The 'Endurance' had an important role in South Georgia and showed that she had much better teeth than have ever been attributed to her by John Nott and his team, let alone by the Naval Staff; the ship and her crew deserved better publicity than they have had, not least for their solo performance before the task force arrived.

I also hear that some people are gunning for her Captain, Nick Barker, presumably for opening his mouth recently to reporters about what he saw in Ushuaia, and reported to London.

Similarly there are said to be those in the FCO who are determined to replace Rex Hunt as soon as they can engineer it. I hope this is resisted at least until well into next year after the 150th year celebrations, and until things are settling down again and new developments are going ahead. The FCO and the ODA are largely to blame for past neglect, and Rex Hunt is one of the few who is untarnished, popular and respected as being determined to do his best for the Islands. I am of course assuming that his best is good enough in a difficult situation, but this time he can call on all the support he needs, something which was almost totally lacking in the right places before 2nd April.

I do not ask for replies or explanations about any of the above matters, but hope you may find it useful to know about them before too many of them surface publicly, and possibly cause unnecessary embarrassment; the 'Endurance' families already have in the Defence Debate, and Eric Ogden is due to put down a written question to John Nott.

The enclosed article (not by me), yet to be published, may interest you in view of current Naval criticism, some of it ill-informed, but not without justification, especially in relation to the entrenched bureaucracy and the political naivety of most senior naval officers. The current inter-service sniping in "The Times" (not so far by Ancient Admirals) is most disappointing after the unique performance of all of them and many others in the Falklands operation acting in unison under clear and firm leadership, as a truly National achievement.

Best regards  
Yours sincerely  
Michael Ranken  
M.B.F. Ranken.

Encls.



*Seen*

PRIME MINISTER

LORD SHACKLETON'S REPORT

Lord Shackleton is coming to lunch today. We heard this morning that it was now unlikely that his report would reach you until 26 July (the previous estimate was 16 July). It is apparently in the final stages of drafting. You may want to have a word with Lord Shackleton about the timing. It would certainly be a great pity of it slipped any further. OD(FAF) ought to work on it before the summer holidays.

*A.J.C.*

14 July 1982



Foreign and Commonwealth Office

London SW1A 2AH

14 July 1982

Prime Minister

*Yes not* Contact that the Foreign Secretary should write as proposed?

A.F.C. 16/7

Dear John,

Falkland Islands: Letter from Sir John Clark

Sir John Clark, <sup>on 15/25</sup> Chairman of Plessey, wrote to the Prime Minister on 17 June expressing his company's interest in the rehabilitation and expansion of Port Stanley airport. The Prime Minister's acknowledgement promised a fuller response after consulting her colleagues.

Your letter of 25 June asked the FCO to coordinate and despatch this fuller reply which the Prime Minister would wish to see in draft. We have since consulted the MOD, ODA, DOT and Cabinet Office and I enclose a draft of the reply which Mr Pym proposes to send to Sir John Clark

I am copying this letter to Nick Evans (MOD), Mike Power (ODA), John Rhodes (DOT) and David Colvin in the Cabinet Office.

Yours ever

(J E Holmes)  
Private Secretary

A J Coles Esq  
10 Downing Street



D 11 (Revised)

DRAFT: ~~minute~~/letter/~~teletype~~/~~despatch~~/~~note~~

TYPE: Draft/Final 1+

FROM:

Reference

Secretary of State

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Sir John Clark  
 Chairman  
 The Plessey Company plc  
 Millbank Tower  
 LONDON SW1P 4QP

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

The Prime Minister has asked me to write, following up her reply to your letter of 17 June, about your interest in the reconstruction and extension of Port Stanley Airport. I have consulted those of my colleagues with a direct interest in the matter.

The restoration of civil communications is one of our priorities in the rehabilitation of the Falkland Islands. We should certainly like to see commercial air services restored. There are however a number of political, financial and technical questions to be resolved before we can decide the way ahead.

For the immediate future, the armed forces will be repairing the present runway and extending it with special matting to allow its use by military aircraft until a permanent runway is available. As far as its use for a regular civil air service is concerned, the obstacles are considerable. We are considering urgently the best ways of tackling them. On the political side, the longer the current de facto cessation of hostilities continues the

Enclosures—flag(s).....

/more



more favourable the climate will be for seeking the cooperation of states in the region. Meanwhile on the technical side we are examining the potential suitability of the reconditioned runway for civil operations, bearing in mind factors such as its limited load-bearing capacity. We are considering also how far the technical facilities required for military use might be used to support civil operations in order to avoid unnecessary duplication of navigational aids or of the other requirements identified in your paper. When this exercise is complete, we shall be better able to decide what, if any, new equipment we need to acquire from commercial sources for the rehabilitation of the airport. We will then approach suitable contractors.

For the longer term, fundamental decisions on the size of a permanent airport have yet to be taken, since runway length and the technical services that will be necessary will be largely dictated by the requirements of the services to be operated. The options are fairly easy to identify, ranging from a short-range link to say, Punta Arenas, through a medium-range service to points such as Montevideo or Rio de Janeiro, to a long-range service to West Africa. Much less easy to assess, at this stage, is the political and economic background against which the airport will need to operate. Many crucial questions about the stance of Argentina and the attitudes of the neighbouring states have yet to be answered. Judgements on these points will clearly be fundamental to final decisions on the airport, as of course will be a surer estimate of the military requirements and of the likely scale of economic development in the Islands.

/It will be



It will be difficult to have a firm view on these points for some while, but clearly we must press ahead soon. The temporary reconditioning of the airport by the armed forces is expected to sustain services for about two years. Two years is not a long period for the planning and technical studies necessary for an airport project of the type likely to be needed. Nevertheless it is likely to be some weeks before we are in a position to define the technical parameters.

It is clear from your helpful paper that Plessey Airports - with their expertise and direct knowledge of local conditions - will be well placed to compete when this process is complete. You may be sure that we shall bear your interest very much in mind.

4 JUL 1962





CONFIDENTIAL

14589 - 1

OO BELMOPAN

GRS 715

CONFIDENTIAL

FM FCO 131450Z JULY 82

TO IMMEDIATE BELMOPAN

TELEGRAM NUMBER 162 OF 14 JULY

AND TO GEORGETOWN, PORT OF SPAIN, KINGSTON, BRIDGETOWN (FOR  
ST LUCIA)

INFO PRIORITY UKMIS NEW YORK, BAGHDAD

INFO SAVING WASHINGTON

UKMIS NEW YORK TELNO 1102: FALKLANDS: NAM SUMMIT

1. PLEASE TAKE ACTION AT A HIGH LEVEL, AS RECOMMENDED BY  
UKMIS NEW YORK, MAKING IT CLEAR THAT YOU ARE DOING SO ON  
INSTRUCTIONS FROM MINISTERS AND DRAWING ON THE FOLLOWING  
PARAGRAPHS.

2. DURING RECENT WEEKS, MANY COUNTRIES IN THE NON-ALIGNED  
MOVEMENT HAVE MADE IT CLEAR TO US THAT THEY SYMPATHISE WITH  
OUR POSITION ON THE RIGHT OF THE FALKLAND ISLANDERS TO SELF-  
DETERMINATION, WITH THE ACTION WE HAVE TAKEN IN SELF-DEFENCE  
AND IN PROTECTION OF THAT RIGHT, AND WITH OUR POSITION THAT  
WE CANNOT NOW BE EXPECTED TO SIT DOWN AT THE NEGOTIATING TABLE  
WITH ARGENTINA AS IF NOTHING HAD HAPPENED. OUR FRIENDS HAVE  
RECOGNISED THAT THE FALKLAND ISLANDS SECTION OF THE DECLARATION  
PUT UP BY THE COORDINATING BUREAU OF THE NAM IN HAVANA ON  
5 JUNE WAS UNACCEPTABLE IN NUMEROUS RESPECTS. THAT TEXT WAS  
IN LARGE PART DIRECTED TO A SITUATION WHICH HAS COME TO AN  
END AS A RESULT OF OUR DEFEAT OF THE ARGENTINE INVADING FORCES  
AND THE EFFECTIVE CESSATION OF HOSTILITIES IN THE SOUTH  
ATLANTIC, AND IS THEREFORE OVERTAKEN. BUT WE ARE CONCERNED  
THAT THERE MAY BE PRESSURE AT THE NON-ALIGNED SUMMIT TO  
PRODUCE ANOTHER UNACCEPTABLE TEXT WHICH COULD HAVE AN IMPORTANT  
IMPACT ON SUBSEQUENT DEBATES AT THE UNITED NATIONS. WE LOOK  
TO OUR FRIENDS TO ENSURE THAT ANY FURTHER TEXT OF THE  
FALKLANDS ADEQUATELY REFLECTS THE PRINCIPLES OF THE CHARTER  
TO WHICH THE NON-ALIGNED ATTACH SUCH IMPORTANCE. WE MUST  
NECESSARILY LOOK FIRST TO OUR FRIENDS IN THE LATIN AMERICAN

1

CONFIDENTIAL



CONFIDENTIAL

14589 - 1

GROUP TO ENSURE THAT THE GROUP DOES NOT PUT FORWARD AN AGREED TEXT IN UNACCEPTABLE TERMS FOR RUBBER-STAMPING BY DELEGATIONS FROM OTHER REGIONS. IF THIS CAN BE PREVENTED, OUR FRIENDS IN THE LATIN AMERICAN GROUP WILL FIND, WHEN THE QUESTION IS REMITTED TO THE MOVEMENT AS A WHOLE, THAT THERE WILL BE MANY AFRICAN AND ASIAN DELEGATIONS WHICH WILL SHARE THEIR UNDERSTANDING OF OUR POSITION. KEY PRINCIPLES, WHICH MUST BE DEFENDED ARE AT STAKE.

3. WE ARE AWARE THAT THE NAM ATTACHES PARTICULAR IMPORTANCE TO THE PRINCIPLE OF SELF-DETERMINATION OF PEOPLES, THE PRINCIPLE OF THE PEACEFUL SETTLEMENT OF DISPUTES AND THE AUTHORITY OF THE SECURITY COUNCIL. THE ARGENTINE POSITION HAS ALWAYS DENIED THE FIRST OF THESE PRINCIPLES AND WE HAVE BEEN SURPRISED THAT OTHER NON-ALIGNED COUNTRIES HAVE BEEN READY TO GO ALONG WITH IT. WE TRUST THAT THE NAM WILL REFRAIN FROM ENDORSING THE ARGENTINE CLAIM THAT SELF-DETERMINATION DOES NOT APPLY IN THE SPECIAL CIRCUMSTANCES OF THE FALKLANDS. ARGENTINA HAS ALSO BREACHED THE PRINCIPLE OF PEACEFUL SETTLEMENT AND DEFIED A MANDATORY RESOLUTION OF THE SECURITY COUNCIL. THE WORLD HAS SEEN THE RESENTMENT OF THE ISLANDERS AT ARGENTINE OCCUPATION AND THEIR RELIEF AT ESCAPING FROM IT AND THE NAM SHOULD NOT NOW ASSERT THAT THEY SHOULD AFTER ALL BE SUBJECTED TO ARGENTINE RULE.

4. HAVING FAILED TO ACHIEVE THEIR OBJECTIVE BY MILITARY MEANS, THE ARGENTINES CLEARLY NOW INTEND TO SUBJECT US TO PRESSURE TO RESUME THE NEGOTIATIONS WHICH THEY THEMSELVES BROKE OFF EARLIER IN THE YEAR AND TO CONCLUDE THEM SPEEDILY. WE ARE SURE OUR FRIENDS UNDERSTAND THAT WE CANNOT AGREE TO NEGOTIATE WITH ARGENTINA ABOUT THE FUTURE OF THE ISLANDS AS IF THERE HAD BEEN NO INVASION, NO OCCUPATION, NO FIGHTING AND NO LOSS OF BRITISH LIVES. WE HAVE MADE IT PLAIN THAT THERE MUST BE A LONG PERIOD OF RECONSTRUCTION AND REHABILITATION. WE TRUST THAT OUR FRIENDS WILL BE ABLE TO ENSURE THAT WE ARE NOT CALLED UPON BY THE NAM TO ENTER INTO EARLY NEGOTIATIONS. WE WOULD CERTAINLY REJECT ANY SUCH CALL.

5. IF REFERENCE IS MADE TO THE ALLEGED UNFORTUNATE IMPACT

2

CONFIDENTIAL



CONFIDENTIAL

14589 - 1

OF OUR VETO ON 4 JUNE ON NON-ALIGNED OPINION, YOU SHOULD POINT OUT THAT THIS WAS THE EFFECT OF A LAST-MINUTE SWITCH OF VOTE BY JAPAN, THAT WITHOUT THAT SWITCH THE DRAFT WOULD HAVE FAILED FOR LACK OF SUPPORT, AND THAT HALF THE NON-ALIGNED MEMBERS OF THE SECURITY COUNCIL REFUSED TO SUPPORT IT.

6. FOR YOUR INFORMATION, WE HAVE BEEN UNABLE TO IDENTIFY ANY WAY IN WHICH THE COMMONWEALTH COULD BE GOT TO PRODUCE A STATEMENT OF SELF-DETERMINATION, AS ENVISAGED BY UKMIS NEW YORK, IN THE RELEVANT TIME SCALE, BUT WE ARE CONSIDERING OTHER WAYS IN WHICH COMMONWEALTH SUPPORT MIGHT BE HARNESSSED.

PYM

[COPIES SENT TO NO 10 DOWNING ST]

FALKLAND ISLANDS GENERAL  
FCO  
UND  
FALKLANDS UNIT  
CABINET OFFICE

ADDITIONAL DISTN.  
FALKLAND ISLANDS

# CONFIDENTIAL

GRS 190

CONFIDENTIAL  
FM MONTEVIDEO 141945Z JUL 82  
TO ROUTINE F C O  
TELEGRAM NUMBER 566 OF 14 JULY.

## ARGENTINA.

AT TODAY'S 14 JUILLET RECEPTION I WAS ABLE TO TALK TO THE FRENCH MILITARY ATTACHE WHO IS RESIDENT IN BUENOS AIRES. IN REPLY TO MY QUESTIONS HE MADE THE FOLLOWING POINTS:

- (A) HE THOUGHT THAT THE CESSATION OF HOSTILITIES WHILE FRAGILE WOULD HOLD BUT
- (B) HE DID NOT DISCOUNT THE POSSIBILITY OF SOME FREE LANCE ACTIVITY BY ONE OF THE SERVICES OR SOME ELEMENT WITHIN ONE OF THE SERVICES. AN ARGENTINE SUBMARINE WAS STILL AT SEA
- (C) THE LOSS OF ARGENTINE PILOTS WAS LESS THAN I SUPPOSED. MANY OF THEM HAD BEEN INJURED BUT MOST WOULD BE ABLE TO FLY AGAIN IN TWO OR THREE MONTHS
- (D) SIMILARLY AIRCRAFT LOSSES HAD TO AN APPRECIABLE EXTENT BEEN MADE GOOD FROM ISRAEL AND PERU
- (E) THE ARMED FORCES IN GENERAL (DESPITE (A) ABOVE) WERE RE-EQUIPPING PARTLY TO ACHIEVE AS MUCH AS THEY COULD PRIOR TO THE RETURN TO CIVILIAN RULE. WHEN I ASKED ABOUT FINANCE THE FRENCH MILITARY ATTACHE SHRUGGED HIS SHOULDERS AND SAID HE SUPPOSED ARMED FORCES WERE USING WHAT LITTLE MONEY WAS LEFT
- (F) AN ADDITIONAL FACTOR FOR RE-EQUIPPING WAS NOT ONLY CHILE BUT ALSO TO RE-ESTABLISH ARGENTINA'S POSITION OF INFLUENCE IN LATIN AMERICA AS A WHOLE.

THIS TELEGRAM  
WAS NOT  
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FM UKMIS NEW YORK 142200Z JUL 82

TO PRIORITY FCO

TELEGRAM NUMBER 1128 OF 14 JULY

INFO CARACAS, MEXICO CITY AND WASHINGTON.

INFO SAVING TO: BOGOTA QUITO LIMA SANTIAGO LA PAZ MONTEVIDEO  
ASUNCION PANAMA CITY SAN JOSE TEGUCIGALPA HAVANA.MEXICO CITY TEL NO'S 549 AND 550: MEXICAN INITIATIVE ON THE  
FALKLANDS.

1. IF TELLO HAS ACCURATELY REPORTED ARGENTINE REACTIONS, IT LOOKS AS THOUGH THE MEXICAN INITIATIVE WILL NOW PROSPER AND SOON TAKE A CONCRETE FORM. (THE SIGNIFICANCE OF 21 AUGUST IS PRESUMABLY THAT THIS IS THE DATE BY WHICH, UNDER RULE 14, REQUESTS FOR THE INCLUSION OF SUPPLEMENTARY ITEMS IN THE GENERAL ASSEMBLY'S AGENDA HAVE TO BE MADE).

2. THE FALKLANDS QUESTION IS ALREADY IN THE GENERAL ASSEMBLY'S AGENDA, THOUGH NOT EXPLICITLY SO, BECAUSE IT WILL BE INCLUDED IN THE COMMITTEE OF 24'S REPORT (TO BE CONSIDERED AS ITEM 18(A)). THERE IS THEREFORE PLENTY OF SCOPE FOR THE ARGENTINES TO MAKE A BIG ISSUE OF THE FALKLANDS IN THE FOURTH COMMITTEE, IN ADDITION TO ANY DEBATE IN PLENARY UNDER THE NEW MEXICAN ITEM. WE HAVE HITHERTO BELIEVED (SIR A PARSONS' TEL NO 1076) THAT THE ARGENTINES WOULD PREFER TO HAVE THE FALKLANDS DISCUSSED AT UNGA 37 IN THE DECOLONISATION CONTEXT, I.E. THE FOURTH COMMITTEE. IT SEEMS FROM HERE UNLIKELY THAT THE ARGENTINES WOULD AGREE THAT THE MEXICAN PROPOSAL, ESPECIALLY IF IT IS AS NON-COMMITTAL AS TELLO SUGGESTED, SHOULD REPLACE A DEBATE AND A TENDENTIOUS RESOLUTION IN THE FOURTH COMMITTEE. THEY MAY HAVE DECIDED TO GO ALONG WITH THE MEXICAN PROPOSAL SO THAT THE FALKLANDS WILL GET TWO AIRINGS AT THE G.A. UNDER SEPARATE ITEMS (AS ALREADY HAPPENS WITH E.G. CAMBODIA AND ARAB/ISRAEL).

3. A PROPOSAL FOR INSCRIPTION OF A SUPPLEMENTARY ITEM WOULD ENJOY BROAD SUPPORT IN THE GENERAL COMMITTEE IF COUCHED IN THE NON-COMMITTAL TERMS DESCRIBED BY TELLO. A RESOLUTION SIMPLY CALLING FOR NEGOTIATIONS BETWEEN BRITAIN AND ARGENTINA IN THE UN FRAMEWORK WOULD PROBABLY COMMAND OVERWHELMING SUPPORT IN THE ASSEMBLY. BUT IF THE INITIATIVE IS TO BE SPONSORED BY ALL LATIN AMERICAN FOREIGN MINISTERS, IT IS DIFFICULT TO SEE HOW THE MEXICANS WILL BE ABLE TO PREVENT THE INCLUSION OF TENDENTIOUS LANGUAGE ABOUT PREVIOUS GA RESOLUTIONS, ARGENTINE SOVEREIGNTY, THE EXISTENCE OF A COLONIAL SITUATION AND SO ON. AS REGARDS THE GENERAL COMMITTEE, WE SHALL HAVE TO DECIDE WHETHER TO FORCE A VOTE ON INSCRIPTION OF THE ITEM OR ACQUIESCE. THIS DECISION CANNOT SENSIBLY BE TAKEN UNTIL WE KNOW THE TERMS OF THE MEXICAN LETTER.

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4. WE HAVE CONSIDERED WHETHER THERE IS SCOPE FOR STRIKING ANY DEAL WITH THE MEXICANS, EG OUR UNDERTAKING NOT TO OPPOSE THE MEXICAN RESOLUTION PROVIDED THAT THEY UNDERTAKE THAT IT WILL BE TRULY NON-COMMITTAL AND THAT THERE WILL BE NO PARALLEL DISCUSSION IN THE FOURTH COMMITTEE. BUT I DO NOT RECOMMEND ANY SUCH IDEA. FIRST, OUR ACQUIESCENCE IN A RESOLUTION CALLING FOR NEGOTIATIONS WOULD BE COMPLETELY INCONSISTENT WITH HM GOVERNMENT'S POSITION THAT NEGOTIATIONS ARE NOT ON UNTIL AFTER A LONG COOLING OFF PERIOD. SECONDLY, EVEN THOUGH THE MEXICANS ENTERED INTO A DEAL IN GOOD FAITH, THEY WOULD HAVE NO SURE MEANS OF DELIVERING IT: THE ARGENTINES COULD EASILY GET SOMEONE ELSE TO INSIST ON DISCUSSION IN THE FOURTH COMMITTEE AND/OR TO PROPOSE AMENDMENTS TO THE MEXICAN DRAFT. THIRDLY, WE HAVE A GOOD CASE TO PUT IN THE COMMITTEE OF 24/FOURTH COMMITTEE CONTEXT. WE CAN MAKE PLAY WITH OUR RECORD AS ADMINISTERING POWER, INSIST ON THE PRINCIPLE OF SELF DETERMINATION, AND PRODUCE REPRESENTATIVES OF THE ISLANDERS AS PETITIONERS.

5. I AM NOT SURE HOW FAR YOU WISH US TO GET INTO A DIALOGUE WITH THE MEXICANS ABOUT THEIR PROPOSAL: TOO CLOSE AN INTEREST MIGHT LEAD THEM TO EXPECT THAT WE MIGHT BE ABLE TO GO ALONG WITH IT. BUT IN ANY FURTHER CONTACTS IT MIGHT BE WORTH ASKING THE MEXICANS:

- (A) WHETHER THEY HAVE ANY REASON TO BELIEVE THAT THE ARGENTINES WILL REFRAIN FROM PURSUING A SEPARATE DEBATE IN THE FOURTH COMMITTEE:
- (B) WHETHER THEY REALLY BELIEVE THAT THEY WILL BE ABLE TO KEEP THEIR SUPPLEMENTARY ITEM AND THEIR EVENTUAL RESOLUTION NON-COMMITTAL, AND IF SO HOW:
- (C) THE TERMS OF THE LATIN AMERICAN FOREIGN MINISTERS' LETTER TO THE SECRETARY GENERAL.

FCO PLEASE PASS SAVING TO ALL.

WHYTE

REPEATED AS REQUESTED

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PS  
PS/MR HURD  
PS/MR ONSLOW  
PS/MR RIFKIND  
PS/PUS  
SIR J BULLARD  
SIR I SINCLAIR  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR GILLMORE

ADVANCE COPY

IMMEDIATE

HD/PUSD (2)  
HD/S AM D  
HD/FALKLANDS UNIT (2)  
HD/DEFENCE DEPT  
HD/NEWS DEPT  
HD/ERD  
HD/ECD(E)  
HD/UND  
HD/PLANNING STAFF  
RESIDENT CLERK

PS/NO 10 DOWNING ST (2)  
PS/S OF S FOR DEFENCE  
MR J STEWART AUSD STAFF MOD  
PS/CHANCELLOR )  
MR ILETT ) TREASURY  
MR LITTLER )  
MISS DICKSON D/ENERGY  
SIR R ARMSTRONG )  
SIR M PALLISER )  
MR A D S GOODALL ) CABINET OFFICE  
DIO )

ROOM 8 FOR MODUK C IN C FLEET

Mr. COLIN ROTH, LAEPD, ODA  
Mr. BORDEN, LAEPD, ODA

CONFIDENTIAL  
FM BRASILIA 14:2205Z JUL 82  
TO PRIORITY FCO  
TELEGRAM NUMBER 319 OF 14 JULY

MIPT: FALKLANDS

1. IN THE COURSE OF MY CONVERSATION WITH THE FOREIGN MINISTER THIS AFTERNOON ABOUT THE MEXICAN INITIATIVE ON THE FALKLANDS, I ASKED HIM HOW THE BRAZILIAN GOVERNMENT VIEWED THE BALANCE SHEET OF THE FALKLANDS CONFLICT.
2. GUERREIRO SAID THAT THINGS HAD NOT TURNED OUT AS BADLY IN ARGENTINA AS THEY HAD FEARED. THEY HAD BEEN APPREHENSIVE THAT THINGS WOULD SPIN OUT OF CONTROL AND THAT SOME LEFT-WING POPULIST OR NEO-PERONIST REGIME MIGHT TAKE OVER IN ARGENTINA, WITH HORRENDOUS CONSEQUENCES FOR EVERYBODY. THE PRESENT ARGENTINE GOVERNMENT SEEMED TO BE THE LEAST BAD SOLUTION THAT ONE COULD POSSIBLY HAVE HOPED FOR.
3. TURNING TO THE INTER-AMERICAN SYSTEM, GUERREIRO SAID THAT THE ARGENTINES HAD BEEN MISGUIDED IN PLACING TOO MUCH FAITH IN THE EFFICACY OF THE TIAR. THE TREATY MIGHT CONCEIVABLY OFFER SOME PROTECTION TO THE SMALL FRY IN CENTRAL AMERICA IF THEY GOT INTO COLLISION WITH THEIR NEIGHBOURS. BUT IT WAS UNREALISTIC TO



~~SOME PROTECTION TO THE SMALL FRY IN CENTRAL AMERICA IF THEY GOT~~  
INTO COLLISION WITH THEIR NEIGHBOURS: BUT IT WAS UNREALISTIC TO  
SUPPOSE THAT IT COULD AFFORD ANY PROTECTION TO THE BIG BOYS LIKE  
BRAZIL AND ARGENTINA, WHO COULD NOT CONCEIVABLY COME UNDER THREAT  
OF AGGRESSION FROM THEIR NEIGHBOURS (SIC). THE FALKLANDS  
CONFLICT HAD NOT DAMAGED THE TIAR: IT HAD MERELY SHOWN UP ITS  
THREADBARE CHARACTER.

4. I THEN ASKED THE MINISTER WHETHER HE THOUGHT THAT RELATIONS  
BETWEEN BRAZIL AND BRITAIN HAD BEEN AFFECTED BY THE CONFLICT.  
HE SAID THAT THEY HAD NOT, IN ANY SUBSTANTIVE DEGREE. OF COURSE,  
THE BRAZILIAN GOVERNMENT HAD VIEWED THE MATTER FROM A DIFFERENT  
STANDPOINT TO THAT OF THE BRITISH GOVERNMENT: BUT THEY HAD BEEN  
AT PAINS TO KEEP COOL HEADS AND VIEW THE DISPUTE WITHOUT EMOTION.  
I SAID THAT, FOR MY PART, I SHARED THE MINISTER'S VIEW. FAR FROM  
BEING IMPAIRED, I THOUGHT THAT OUR RELATIONS HAD STOOD THE  
OCCASIONAL STRESSES AND STRAINS VERY WELL. FOR THE FUTURE,  
WE MUST ALL HOPE THAT THE UPWARD CURVE IN OUR BILATERAL RELATIONS-  
SHIP WHICH HAD MATERIALISED IN THE MONTHS PRECEDING THE  
ARGENTINE INVASION OF 2 APRIL COULD BE RESUMED AS SOON AS POSSIBLE.  
GUERREIRO SEEMED DISPOSED TO AGREE WITH THIS, THOUGH HE ADDED THE  
CAVEAT THAT WE WOULD DO WELL TO AVOID ANY OVER-DRAMATIC  
INITIATIVE IN THE COMING MONTHS (MY TELNO 289 REFERS).  
5. OUR CONVERSATION THEN TURNED TO THE PROPOSED VISIT BY  
MR ONSLOW (SEE MIFT).

HARDING

NNNN

SENT/RECD AT 14:2305Z AD/RR



PS  
PS/MR HURD  
PS/MR ONSLOW  
PS/MR RIFKIND  
PS/PUS  
SIR J BULLARD  
SIR I SINCLAIR  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR GILLMORE

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PS/S OF S FOR DEFENCE  
MR J STEWART AUSD STAFF MOD  
PS/CHANCELLOR )  
MR ILETT ) TREASURY  
MR LITTLER )  
MISS DICKSON D/ENERGY  
SIR R ARMSTRONG )  
SIR M PALLISER )  
MR A D S GOODALL ) CABINET OFFICE  
DIO )

HD/PUSD (2)  
HD/S AM D  
HD/FALKLANDS UNIT (2)  
HD/DEFENCE DEPT  
HD/NEWS DEPT  
HD/ERD  
HD/ECD(E)  
HD/UND  
HD/PLANNING STAFF

ROOM 8 FOR MODUK C IN C FLEET

Mr. COLIN ROTH, LACPD, ODA  
Mr. BORDEN, LACPD, ODA.

RESTRICTED

FM MONTEVIDEO 141230Z JUL 82  
TO IMMEDIATE F C O  
TELEGRAM NUMBER 559 OF 14 JULY  
AND TO IMMEDIATE TRAFFIC RELAY.

ARGENTINA: POLITICAL DEVELOPMENTS.

1. THIS SUMMARY OF POLITICAL DEVELOPMENTS IS TAKEN FROM THE PAPERS ON 13 JULY.
2. THE MAIN NEWS IN ALL THE PAPERS IS THAT BRITAIN HAS ANNOUNCED THE RELEASE OF THE REMAINING 593 ARGENTINE PRISONERS OF WAR. THE P O WS ARE REPORTED TO BE EMBARKED ON THE ST EDMUND WHICH IS BOUND FOR PUERTO MADRYN.
3. THIS IS REGARDED AS A SIGN THAT BRITAIN RECOGNISES A FORMAL END TO THE FALKLANDS CONFLICT.
4. AGUIRRE HAS CONFIRMED THAT HE SENT MRS THATCHER A MESSAGE ABOUT THE 'DE FACTO' CEASEFIRE. HE SAID THAT ARGENTINA WILL NOT DECLARE A FORMAL CESSATION OF HOSTILITIES UNTIL BRITAIN LIFTS ITS AIR AND SEA BLOCAD



DE FACTO CEASEFIRE. HE SAID THAT ARGENTINA WILL  
NOT DECLARE A FORMAL CESSATION OF HOSTILITIES UNTIL BRITAIN LIFTS  
ITS AIR AND SEA BLOCADE ON THE ISLANDS.

5. THERE IS A MEETING OF THE COMITE MILITAR ON 13 JULY, TO BE  
ATTENDED BY NICOLAIDES, LAMI DOZO, ANAYA, BIGNONE AND SUAREZ  
DEL CERRO, CHIEF OF JOINT STAFF. THE QUESTION OF THE "RENEWAL"  
PRESIDENT WILL BE DISCUSSED. A POSSIBLE CANDIDATE FOR THE LATTER  
POST WOULD BE JORGE AGUADO, NEWLY CONFIRMED AS GOVERNOR OF  
BUENOS AIRES.

HUTCHINSON

NNNN  
SENT AT  
OF THE JUNTA AND THE POSSIBILITY OF ELECTING A CIVILIAN VICE-  
PRESIDENT .....



GRS 648  
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PS/ NO. 10. DOWNING STREET.

FM MEXICO CITY 132200Z JULY 82

TO PRIORITY FCO

TELEGRAM NUMBER 549 OF 13 JULY

INFO ROUTINE WASHINGTON, UKMIS NEW YORK, BRASILIA, CARACAS, BOGOTA, QUITO, LIMA, SANTIAGO, LA PAZ, MONTEVIDEO, ASUNCION, PANAMA CITY, SAN JOSE, TEGICIGALPA.

MY TELNO 542: MEXICAN INITIATIVE ON FALKLANDS

1. TODAY MANUEL TELLO (MEXICAN DEPUTY FOREIGN MINISTER) GAVE ME AN ACCOUNT OF THE VISIT OF THE TWO ARGENTINE EMISSARIES (LISTRE AND QUIJANO) TO MEXICO ON 12 JULY. THE TEXT OF A COMMUNIQUE PUBLISHED BY THE MEXICAN MINISTRY OF FOREIGN AFFAIRS IS IN MIFT.
2. TELLO SAID THAT HE HAD BEEN PRESENT AT ALL THE MEETINGS WITH THE ARGENTINES EXCEPT THAT WITH THE PRESIDENT WHICH HAD BEEN FORMAL IN CHARACTER. QUIJANO AND LISTRE HAD THROUGHOUT SHOWN THEMSELVES TO BE REASONABLE AND REALISTIC MEN. THEY HAD MADE NO ATTEMPT TO BEEF UP THE MEXICAN PROPOSAL FOR A GENERAL ASSEMBLY ITEM ON THE FALKLANDS WITH REFERENCES TO BRITISH COLONIALISM OR ARGENTINE SOVEREIGNTY OVER THE ISLANDS, AND HAD DECLARED THEMSELVES FULLY CONTENT WITH MEXICAN TACTICS. TELLO EXPLAINED THAT THESE WERE TO GET ALL LATIN AMERICAN FOREIGN MINISTERS TO SIGN A LETTER CALLING FOR NEGOTIATIONS BETWEEN BRITAIN AND ARGENTINA IN THE UNITED NATIONS FRAMEWORK. THIS LETTER WOULD BE DELIVERED TO THE UN SECRETARY-GENERAL BEFORE 21 AUGUST. THE NEXT STEP WOULD BE TO DRAFT SOME EQUALLY NON-COMMITTAL RESOLUTION (TELLO ACKNOWLEDGED THIS WOULD BE DIFFICULT) WHICH COULD BE APPROVED BY A SOLID MAJORITY IN THE GENERAL ASSEMBLY.
3. TELLO SAID THAT THE ARGENTINES CLEARLY HOPED THAT THESE TACTICS WOULD NOT MEET WITH OUTRIGHT BRITISH OPPOSITION. IN THIS RESPECT QUIJANO HAD REFERRED TO THE PRIME MINISTER'S MEETING WITH PEREZ DE CUELLAR TODAY. TELLO ADDED THAT SOONER OR LATER WE WOULD HAVE TO NEGOTIATE WITH THE ARGENTINES OVER THE FALKLANDS, AND THAT IF THIS DANGEROUS PROBLEM WERE TO BE RESOLVED THE MEXICANS BELIEVED THAT THEIR APPROACH WAS THE BEST AVAILABLE. NO ONE EXPECTED RESULTS SOON: THEY WOULD PROBABLY TAKE YEARS.
4. I ASKED WHETHER THE ARGENTINE EMISSARIES HAD GIVEN ANY INDICATION OF WHAT THEY THOUGHT ANGLO/ARGENTINE NEGOTIATIONS SHOULD BE ABOUT. AS TELLO WELL KNEW, OUR OWN PRIORITIES WERE QUITE DIFFERENT, AND THERE WAS NO PROSPECT OF OUR DISCUSSING SOVEREIGNTY WITH THE ARGENTINES. ONE DAY WE MIGHT BE READY TO TALK TO THE ARGENTINES ABOUT THE RELATIONSHIP BETWEEN THE FALKLANDS AND ARGENTINA, IF ONLY TO PICK UP THE BITS OF WHAT HAD BEEN BROKEN BY THE ARGENTINE INVASION. TELLO REPLIED THAT QUIJANO AND LISTRE HAD NOT MENTIONED ANY PRE-CONDITIONS FOR NEGOTIATION. THEY HAD NOT OF COURSE RENOUNCED THEIR OBJECTIVE OF ESTABLISHING ARGENTINE SOVEREIGNTY OVER THE ISLANDS, BUT THEY WERE REALISTIC ENOUGH TO KNOW THAT THIS

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/WAS



# CONFIDENTIAL

WAS NOT A SUBJECT WHICH THE BRITISH WOULD DISCUSS. WHEN I REPEATED MY QUESTION ABOUT AN AGENDA, TELLO MENTIONED THE QUOTE NORMALISATION OF RELATIONS UNQUOTE TO WHICH I HAD REFERRED, AND ADDED THE POSSIBILITY OF SOME FORM OF UNITED NATIONS INVOLVEMENT OR TRUSTEESHIP OVER THE ISLANDS. WHEN I SAID I SAW NO MORE PROSPECT OF OUR DISCUSSING THAT THAN SOVEREIGNTY, HE SAID THAT THE MAIN THING WAS TO GET NEGOTIATIONS STARTED. THE STING HAD TO BE DRAWN FROM A DISPUTE WITH IMPLICATIONS NOT ONLY FOR BRITAIN AND ARGENTINA BUT FOR HEMISPHERIC RELATIONS AS A WHOLE.

5. I ASKED WHETHER THE MEXICANS HAD ANY NEWS OF THE ATTITUDE OF OTHER LATIN AMERICAN GOVERNMENTS. HE SAID THAT THE RESULT OF THE MEETING WITH THE ARGENTINES YESTERDAY SHOULD RALLY THE WAIVERERS BEHIND THE MEXICAN INITIATIVE. HE WAS OPTIMISTIC THAT ALL LATIN AMERICAN COUNTRIES WOULD NOW AGREE TO GO FORWARD.

6. I REMARKED THAT THE LATEST DECLARATIONS FROM BUENOS AIRES WERE MUCH LESS REASONABLE THAN THE LINE TAKEN BY QUIJANO AND LISTRE. ALTHOUGH WE WERE NOW RETURNING THE PRISONERS, THE ARGENTINES STILL SEEMED TO BE TALKING ABOUT WITHDRAWAL OF BRITISH TROOPS FROM THE ISLANDS AS A CONDITION FOR FULL ABANDONMENT OF HOSTILITIES. TELLO SAID HE HAD NOT SEEN ANY SUCH DECLARATIONS (THEY ARE IN THE MEXICAN PRESS THIS MORNING): BUT HE COULD NOT EXCLUDE AN ARGENTINE CAMPAIGN FOR INTERNATIONAL SUPPORT FOR CLAIMS TO SOVEREIGNTY. FOR EXAMPLE HE THOUGHT THEY MIGHT TRY HARD TO GET SOME ENDORSEMENT OF ARGENTINE SOVEREIGNTY AT THE MEETING OF NON-ALIGNED HEADS OF GOVERNMENT IN EARLY SEPTEMBER. THIS WOULD THEN FORTIFY THEIR POSITION AT THE GENERAL ASSEMBLY LATER THAT MONTH.

7. PLEASE SEE MIFT.

TICKELL

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Secretary of State for Industry

DEPARTMENT OF INDUSTRY  
ASHDOWN HOUSE  
123 VICTORIA STREET  
LONDON SW1E 6RB  
TELEPHONE DIRECT LINE 01-212 3301  
SWITCHBOARD 01-212 7676

URGENT  
Please refer to A-G above  
Argentina has not agreed with the Minister.

13 July 1982

John Coles Esq  
Private Secretary to the  
Prime Minister  
10 Downing Street  
London SW1

Five Minutes  
The ROD and FCO were consulted about this and raised no objection.  
A.G.C. 65/7

Dear John,

ROLLS ROYCE: SPEY ENGINES FOR ARGENTINA

My Secretary of State has suggested that the Prime Minister should be aware of the attached correspondence from Lord McFadzean of Rolls Royce about a decision by their wholly-owned Brazilian subsidiary, Motores Rolls Royce, to return to Argentina two Spey engines that had been overhauled by the latter, and his reply.

Yours ever,

Caroline Varley

CAROLINE VARLEY  
Private Secretary

We may not be able to visit the Brazilian subsidiary but there is certainly future action we can take with regard to their work.

I believe this decision will damage U.K. in Parliament while we have our own search





DEPARTMENT OF INDUSTRY  
ASHDOWN HOUSE  
123 VICTORIA STREET  
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 3301  
SWITCHBOARD 01-212 7676

Secretary of State for Industry

12 July 1982

The Lord MacFadzean  
Rolls Royce Ltd  
65 Buckingham Gate  
London  
SW1E 6AT

Dear Frank,

ARGENTINA

Thank you for your letter of 5 July informing me of the decision taken by Motores Rolls Royce (MRR) to return to Argentina the two Spey engines that have been overhauled by MRR.

I note the conclusion of MRR that, in the circumstances, this course of action is in their best interests.

Yours  
Patel



569

# ROLLS-ROYCE LIMITED



Chairman's Office

The Rt.Hon. Patrick Jenkin, M.P.,  
Secretary of State for Industry,  
Ashdown House,  
123 Victoria Street, SW1H 0ET.

5th July 1982.

15.27

Dear Patrick,

Argentina

On 16th April I put on record to you the problems we had with Motores Rolls-Royce (MRR), our wholly owned, Brazilian registered, subsidiary which, in the normal course of business, overhauls engines for Brazil and other countries, including Argentina.

The work done by MRR for the Argentine is solely on Rolls-Royce civil engines and, from 3rd April onwards, despite contractual commitments to support such engines, nothing has been despatched from MRR to the Argentine customers. This has been by decision of MRR's management in what they have seen as the best interests, at the time, of their company: under company law we, R-R Ltd., cannot, of course, instruct this subsidiary in the manner of its operations.

The MRR management have now concluded they have to change their policy. Specifically MRR has in its possession two Spey engines which are owned by Austral, the Argentine airline. These engines are required for Austral's fleet of 8 BAC1-11 aircraft and, as mentioned to you in April, the two were already in MRR before 3rd April. Austral are now commencing legal proceedings. The airline has every right to the return of its property and MRR's management have concluded that it is in their company's interest now to release these engines without further argument.

We considered we should let you know the latest position on this matter in advance because of our earlier discussions about it and the way in which, in the event, MRR's operations have been able to avoid causing, during the hostilities, the sort of difficulties to the U.K.'s policy which we feared might arise.

Yours ever,

McFadzean





Foreign and Commonwealth Office

Prime Minister

London SW1A 2AH

Agree message?

13 July 1982

A.J.C. 14/7.

Dear John,

Yes mb

Message to the President of Uruguay

Our Ambassador in Montevideo has recommended that when the last hospital ship leaves Montevideo, the Prime Minister might send a message of appreciation to the President of Uruguay, General Alvarez, for the humanitarian cooperation which the Uruguayan Government have provided throughout the Falklands crisis. We support this recommendation. Despite the delicacy of their position as Argentina's neighbour, the Uruguayan Government have given unstinting and invaluable assistance, beginning with the return of the Governor and of the captured marines in April and ending with HMS Hydra's final visit to Montevideo on 12 July.

I enclose a suggested text of a message from the Prime Minister, in the form of a draft telegram to Montevideo, which also expresses our appreciation of the great amount of effective work which our Ambassador, Patricia Hutchinson, and her small staff have done over the past few months.

Yours ever

John Holmes

(J E Holmes)  
Private SecretaryA J Coles Esq  
10 Downing Street



# OUT TELEGRAM

	Classification and Caveats <b>RESTRICTED</b>	Precedence/Deskby <b>PRIORITY</b>
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ZCZC	1	ZCZC
GRS	2	GRS
CLASS	3	RESTRICTED
CAVEATS	4	
DESKBY	5	
FM FCO	6	FM FCO                      JULY 82
PRE/ADD	7	TO PRIORITY MONTEVIDEO
TEL NO	8	TELEGRAM NUMBER

9 YOUR LETTER OF 18 JUNE TO FEARN: MESSAGE TO URUGUAYAN PRESIDENT

10 1. Please pass the following message from the Prime Minister to

11 President Alvarez as soon as possible after the departure of HMS

12 Hydra. Begins.

13 The visit to Montevideo of HMS Hydra was the last occasion on

14 which we sought your help in evacuating our personnel wounded in

15 the recent fighting in the Falkland Islands. I should therefore

16 like to take this opportunity to express to you and to the people

17 of Uruguay the British Government's profound gratitude and warm

18 admiration for the humanitarian assistance which your Government

19 have so effectively provided in the difficult months which we

20 have been through. Throughout ~~this tragic conflict~~ it has been

21 a great comfort to us, <sup>and</sup> ~~the~~ particularly to the relatives of our

22 wounded servicemen, to know that their <sup>travel</sup> ~~transit~~ through Montevideo

23 has been carried out with such efficiency and concern. The

24 British Government and people will always remain deeply grateful

25 for your Government's generous assistance.

NNNN ends telegram	BLANK	Catchword  With
File number	Dept SAmD	Distribution Falklands General
Drafted by (Block capitals) P R Fearn		
Telephone number 8020		
Authorised for despatch		
Comcen reference	Time of despatch	

OUT TELEGRAM (CONT)

Classification and Caveats  
RESTRICTED

PRIORITY

Page  
2

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1 <<<<  
 2 With warm personal good wishes, Margaret Thatcher. Ends.  
 3 2. I should also like to take this opportunity to express my  
 4 personal appreciation of the outstanding work which you and your  
 5 small staff have done, often in very trying conditions, in recent  
 6 months. We are all very grateful.  
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 8 PYM  
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NNNN ends  
telegram

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Catchword



11 3 JUL 1982

11 3 JUL 1982

FILE

da



10 DOWNING STREET

*From the Private Secretary*

13 July 1982

Falkland Islands: Rehabilitation

The Prime Minister remains closely interested in this subject but the telegrams are now becoming too detailed to merit her attention and do not convey a general picture of the extent of progress being made.

Mrs. Thatcher would be grateful if you could, in conjunction with the Ministry of Defence, provide a full report on the progress of rehabilitation at least every two weeks (and more frequently if the material suggests this is necessary). I think it would be helpful if the report could follow the same format on each occasion and identify the progress made in the various sectors and also the obstacles and problems.

I am copying this letter to David Omand (Ministry of Defence) and David Wright (Cabinet Office).

A. J. COLES

John Holmes, Esq.,  
Foreign and Commonwealth Office.

R



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44 (39)

**IMMEDIATE**

PS  
PS/MR HURD  
PS/MR ONSLOW  
PS/MR RIFKIND  
PS/PUS  
~~SIR J BULLARD~~  
~~SIR Z SINCLAIR~~  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR GILLMORE

Sir J BULLARD,  
Mr FREELAND

PS/NO 10 DOWNING ST (2)  
PS/S OF S FOR DEFENCE  
MR J STEWART AUSD STAFF MOD  
PS/CHANCELLOR )  
MR ILETT ) TREASURY  
MR LITTLER )  
MISS DICKSON D/ENERGY  
SIR R ARMSTRONG )  
SIR M PALLISER )  
MR A D S GOODALL ) CABINET OFFICE  
DIO )

HD/PUSD (2)  
HD/S AM D  
HD/FALKLANDS UNIT (2)  
HD/DEFENCE DEPT  
HD/NEWS DEPT  
HD/ERD  
HD/ECD(E)  
HD/UND  
HD/PLANNING STAFF  
~~RESIDENT CLERK~~

~~ROOM 8 FOR MODUK O IN C FLEET~~

Mr. COLIN ROTH, LAEPT, ODA  
Mr. BORDEN, LAEPT, ODA

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(FM BERNE 141200Z)

FM BIS BUENOS AIRES

TO IMMEDIATE FCO  
TELNO 218 OF 13 JULY  
AND TO IMMEDIATE MONTEVIDEO WASHINGTON UKMIS NEW YORK

PRESS SUMMARY

1. THE SERIOUS PAPERS ( LA PRENSA, LA NACION AND CLARIN, WITH SUPPORT FROM LA CONVICCION) MAKE THE CESSATION OF HOSTILITIES AND THE RETURN OF PRISONERS THEIR TOP NEWS. THE POPULARS (DIARIO POPULAR AND CRONICA). HEADLINE SOCIAL PROBLEMS : QUOTE EATING FORBIDDEN UNQUOTE, QUOTE TROUBLE ON THE LABOUR FRONT OVER PRICES AND PAY UNQUOTE. THE FINANCIAL PAPERS ( AMBITO FINANCIERO AND CRONISTA COMERCIAL) ARE DEEPLY PREOCCUPIED WITH THE RAPIDLY DETERIORATING STATE OF THE ECONOMY.



RAPIDLY DETERIORATING STATE OF THE ECONOMY.

2. LA PRENSA LEADS WITH QUOTE ARGENTINE NOTE SATISFIES LONDON UNQUOTE, LA NACION ADDS QUOTE GREAT BRITAIN FREES 593 PRISONERS UNQUOTE AND CLARIN REPORTS QUOTE CESSATION OF HOSTILITIES AGREED : PRISONERS RETURN TOMORROW UNQUOTE. CONVICCION (NAVY MOUTH-PIECE) QUOTE HOTAGES TO BE RELEASED: ARGENTINE DID NOT SIGN A CESSATION OF HOSTILITIES WITH GREAT BRITAIN AND ALL HER RIGHTS ARE PRESERVED UNQUOTE. THE FOREIGN MINISTER IS REPORTED TO HAVE SAID LAST NIGHT THAT QUOTE THE ARGENTINE POSITION HAS NOT CHANGE SINCE ITS PRESENTATION TO THE UN SECURITY COUNCIL MADE ON 18 JUNE UNQUOTE AND TO HAVE REFERRED TO THE EXXNOTE HANDED TO THE SWISS EMBASSY HERE ON 10 JULY, THE TEXT OF WHICH IS PUBLISHED IN MOST OF TODAY'S PAPERS. LA NACION RECALLS THE CONTENT OF ARGENTINA'S NOTE TO THE SECURITY COUNCIL INDICATING THAT THE TOTAL CESSATION OF HOSTILITIES WOULD ONLY BE ACHIEVED WHEN GREAT BRITAIN QUOTE ENDED THE NAVAL AND AIR BLOCKADE AND ECONOMIC SANCTIONS WERE LIFTED AND WITHDREW ITS MILITARY OCCUPATION FORCES FROM THE ISLANDS, THE NAVAL TASK FORCE AND THE NUCLEAR SUBMARINES UNQUOTE.

3. ALL PAPERS ALSO CARRY NEWS OF THE LIFTING OF US ECONOMIC SANCTIONS.

4. ON THE INTERNAL FRONT THERE IS FURTHER SPECULATION THAT THE APPOINTMENT OF A CIVILIAN VICE-PRESIDENT MAY BE EXPECTED SOON AND THAT HE WOULD ALSO HEAD THE PRESENT SUBSTITUTE FOR A LEGISLATURE WHICH IS THE LEGISLATIVE ADVISORY COMMISSION (CAL) WHOSE PRESENT MILITARY MEMBERS WOULD BE REPLACED BY CIVILIANS. EARLY RE-ESTABLISHMENT OF THE MILITARY JUNTA IS AGAIN FORECAST.

5. OTHER HEADLINES AND EDITORIAL COMMENT RELATE TO THE RAPIDLY RISING COST-OF-LIVING WHICH WILL SOON OUT-STRIP THE EMERGENCY PAY INCREASES IN BOTH PUBLIC AND PRIVATE SECTORS DECREED OVER THE LAST FEW DAYS. THERE IS STILL NO AGREEMENT OVER ANY FORM OF PRICE CONTROL AND FEARS OF HYPER-INFLATION INCREASE DAILY. IN THE LIGHT OF THE RAPID SLIDE INTO ECONOMIC CHAOS DOUBTS OVER THE CHANCES OF THIS GOVERNMENT'S SURVIVAL FOR MORE THAN A FEW MONTHS ARE ALSO INCREASING.

JOY



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SIR G SINCLAIR  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR GILLMORE

Mr FREELAND

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PS/CHANCELLOR )  
MR ILETT ) TREASURY  
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SIR R ARMSTRONG )  
SIR M PALLISER )  
MR A D S GOODALL ) CABINET OFFICE  
DIO )

HD/PUSD (2)  
HD/S AM D  
HD/FALKLANDS UNIT (2)  
HD/DEFENCE DEPT  
HD/NEWS DEPT  
HD/ERD  
HD/ECD(E)  
HD/UND  
HD/PLANNING STAFF  
RESIDENT CLERK

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Mr. COLIN ROTH, LAEPD; ODA  
MR. BORDEN, LAEPD, ODA.

ADVANCE COPY

ms

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FM UKMIS GENEVA 131350Z JUL 82

TO IMMEDIATE FCO

TELNO 401 OF 13 JULY 1982

INFO BERNE, WASHINGTON, UKMIS NEW YORK, BRASILAI, MONTEVIDEO.

YOUR TELNO 286: RETURN OF ARGENTINE PRISONERS

1. WE HAVE GIVEN TO THE ICRC THE TEXTS OF THE MESSAGES REFERRED TO, AND HAVE SPOKEN AS INSTRUCTED.

2. DESPITE OUR URGING, ICRC WOULD NOT (NOT) AGREE TO MAKE ANY PUBLIC STATEMENT ABOUT THE CONDITIONS UNDER WHICH THE PRISONERS WERE DETAINED. THEY CLAIM TO UNDERSTAND OUR CONCERN AND CONFIRMED THAT THEIR DELEGATES WOULD REPORT ON ALL ASPECTS OF THE TREATMENT OF THE PRISONERS. THESE REPORTS WILL HOWEVER BE FOR THE CONFIDENTIAL INFORMATION OF THE GOVERNMENT S CONCERNED AND NOT (NOT) FOR PUBLICATION. IN DEALING WITH THE MEDIA ICRC LIMITED THEMSELVES TO DESCRIBING THE ACTION THEY THEMSELVES HAD TAKEN BUT DID NOT (NOT) COMMENT ON ANYTHING THEY HAD SEEN (OR ON THE ACTIONS OF OTHERS).



HAD TAKEN BUT DID NOT (NOT) COMMENT ON ANYTHING THEY HAD SEEN (OR ON THE ACTIONS OF OTHERS).

COMMENT

3. ICRC SET THE HIGHEST VALUE ON THEIR TRADITIONS OF DISCRETION AND NEUTRALITY. THEIR SETTLED POLICY IS TO AVOID COMMENTING IN PUBLIC ON CONTROVERSIAL MATTERS IN ORDER TO MAINTAIN THEIR ACCESS TO ALL THE PARTIES TO A CONFLICT. IN THE CASE OF ARGENTINA THEY NEED TO PROTECT THEIR ACCESS TO POLITICAL DETAINEES, AND THEREFORE CANNOT PUT THEIR RELATIONSHIP WITH THE ARGENTINES AT RISK. WE SEE NO (NO) PROSPECT OF BUDGING THEM IN THE PRESENT CASE.

LONG

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GRS 110  
UNCLASSIFIED  
FM WELLINGTON 130055Z JUL 82  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 228 OF 13 JULY

YOUR TELNO 1310 TO WASHINGTON: ARGENTINA: NZ ECONOMIC MEASURES.

1. THE PRIME MINISTER, MR MULDOON, ISSUED FOLLOWING STATEMENT THIS MORNING:

QUOTE RELATIONS WITH ARGENTINA. THE BRITISH GOVERNMENT HAS INFORMED US THAT IT IS SATISFIED ACTIVE HOSTILITIES IN THE SOUTH ATLANTIC ARE AT AN END AND IT IS PROCEEDING WITH THE RETURN OF PRISONERS. WITH THIS WELCOME NEWS THE WAY IS CLEAR FOR NEW ZEALAND TO RESTORE THE LINKS WITH ARGENTINA SUSPENDED IN EARLY APRIL. FROM TODAY WE ARE LIFTING THE BAN ON ALL TRADE AND OTHER CONTACTS, EXCEPT FOR THE EXPORT OF STRATEGIC GOODS. WE ARE ALSO READY TO RESTORE DIPLOMATIC RELATIONS WHICH HAVE EXISTED BETWEEN OUR TWO GOVERNMENTS AND COUNTRIES.

UNQUOTE

STRATTON

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FALKLANDS UNIT

CABINET OFFICE

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CONFIDENTIAL

*Agarwal*



Foreign and Commonwealth Office

London SW1A 2AH

13 July 1982

*Type letter.*  
*✓*  
*13/7.*

*Dear John,*

*Pt. 26 /*

Thank you for your letter of 29 June with which you enclosed one from President Jayewardene of Sri Lanka to the Prime Minister of 25 June about the Falkland Islands. I enclose a draft reply from the Prime Minister.

The Government of Sri Lanka supported the UK in private during the Falkland Islands crisis and was helpful within the NAM but their public statements were limited to an expression of regret at the use of force to settle disputes in a manner contrary to the UN Charter and accepted principles of the Non-Aligned Movement.

Sri Lanka was represented at Havana but was not on the drafting committee which produced the Communique. After our High Commissioner in Colombo made representations about its biased content the Sri Lankans entered the reservations described in President Jayewardene's letter.

*Yours ever*  
*J E Holmes*

(J E Holmes)  
Private Secretary

A J Coles Esq  
10 Downing Street

CONFIDENTIAL



DRAFT: ~~minute~~/letter/~~teletype~~/~~despatch~~/~~note~~

TYPE: Draft/Final 1+

FROM:  
Prime Minister

Reference

DEPARTMENT: TEL. NO:

SECURITY CLASSIFICATION

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

TO: His Excellency President  
J R Jayewardene  
President of the Democratic  
Socialist Republic of Sri Lanka

Your Reference

Copies to:

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.....In Confidence

CAVEAT.....

SUBJECT:

Thank you for your letter of 25 June and for your kind words about [redacted] recent events in the ~~Falkland Islands~~ *South Atlantic*.

I am most grateful for your Government's helpful stance throughout the crisis and especially for the efforts you have made to secure a moderate and balanced policy within the Non-Aligned Movement. I hope that you will <sup>*continue to*</sup> continue ~~with~~ these efforts if the issue again comes before the Non-Aligned Movement.

With my renewed thanks, I send you my warm personal regards.

*AR 13/7*

Enclosures—flag(s).....



12 JUL 1982



CONFIDENTIAL

Prime Minister

①

*MS*



*Content that the former of the bank should approach the Argentine Central bank with a view to removal of restrictions on financial assets:*

*A.S.C. 14/7*

Treasury Chambers, Parliament Street, SW1P 3AG

01-233 3000

Prime Minister

PRIME MINISTER

*I think this would be best discussed next Tuesday at OD(FAF) which is to consider whether any or all of our restrictions should be lifted. Agree? Yes MS*

*A.S.C. 14/7*

ECONOMIC MEASURES AGAINST ARGENTINA

As I mentioned at OD(FAF) on 6 July, I have been examining with the Governor of the Bank of England the question of lifting the freeze of Argentine assets. As the Foreign Secretary's minute to you of 18 June indicated, it would be natural to insist on the two conditions of cessation of hostilities and reciprocal lifting of discriminatory measures taken by Argentina against us. But we could well continue to have difficulty in extracting formal and unambiguous statements of intention from the Argentine authorities, and there are one or two special considerations which apply to the frozen assets.

2. You will remember that we were conscious, when we decided to make the Order freezing assets, of potential disadvantages to the UK. It happens that we had, and still have, very much larger UK financial claims on Argentina than the Argentine has financial assets here. There was also the risk, because of the complex multilateral arrangements in much international commercial lending, that the disruptive effects of our action would cause resentment among other leading industrial countries and financial centres, with consequent damage to the City role's in international business generally.

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3. We took great care in presenting and conducting the operation to emphasise its temporary and selective nature and wholly exceptional justification. Happily, the Governor is satisfied that any damage which may have been done to the reputation of the City is trifling. British banks have not been receiving payments due on their participations in loans, but no irreversible action against them has been taken.

4. However, the Governor and I are concerned about possible developments if we were unable to remove the freezing restrictions soon. Many other countries and financial centres have already taken the view that hostilities have effectively ceased, and this must make them less sympathetic to the maintenance of our restrictions, with the consequential inconvenience for them. And there now are reliable reports that Argentina is beginning to consider some restructuring or rescheduling of its international debt: such a move is likely to be welcomed by the international financial community as a step towards regularising future arrangements.

5. In this context, our restrictions on assets are relevant in two ways:

- a) First, a comprehensive rescheduling without our participation is hard to envisage, though it is equally hard to see how we could participate while still maintaining a freeze on Argentine assets;





b) Secondly, if others were to find ways of going ahead without us, our national financial interests could well be severely damaged (our outstanding banking claims on Argentina are of the order of \$6 billion).

6. Finally, there is no doubt that the removal of our restrictions would help our relations with Latin America generally, and would be well-received more widely, because it would help to dispose of one of the current trouble-spots in the international financial system.

7. Against this background, I would put a gloss on each of the conditions for removal of sanctions mentioned at the outset.

8. First, I hope that we could, perhaps very soon now in the light of some recent developments, conclude for this purpose that hostilities with the Argentines have effectively ceased. I would be rather reluctant to wait to extract a formal declaration to this effect from Argentina.

9. Secondly, although we would certainly want to see reciprocal removal of discriminatory restrictions, I would not want to insist on undertakings to settle outstanding payments to British banks, etc., as an immediate part of this. In practice we probably stand a better chance of getting a satisfactory move by Argentina if we make the first move, rather than insisting on formal parallel movement. The Governor has canvassed opinion among some of the main British banks affected, and it is clear that they would in general not dissent from this, and are looking forward to an opportunity of protecting their interests in future negotiations through normal banking channels.





10. I conclude that we should now positively look for an opportunity to remove the restrictions on Argentine assets.

11. If we wanted to develop a dialogue on this front, leading to reciprocal arrangements, a possible first step would be to make the initial overtures through central banks, rather than through diplomatic channels. The central banks at both ends in practice administer the financial restrictions. To use these channels could be a way of breaking the ice which would not commit either Government from the start, but might lead to relatively quick results.

12. If you and our OD colleagues agree, I would ask the Governor to proceed accordingly.

13. If an initial contact through central bank channels (about lifting the freeze on financial assets) were to produce a reasonable response, we might then consider whether to make a similar move on other economic restrictions (with the obvious exception of the arms embargo which is in a different category). The public presentation of whatever relaxation of restrictions we allow could link it to such evidence as we have of cessation of hostilities, to the arrival of a new government in Argentina, and to the prospect of rescheduling, along with the expectation of reciprocal action from Argentina.

14. I am copying this minute to OD colleagues, to the Governor of the Bank of England, and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'G.H.', written over a white rectangular redaction mark.

(G.H.)

12 July 1982





Faint, illegible text at the top of the page, possibly a header or title.

Faint, illegible text in the middle section of the page.

Large, faint watermark or bleed-through text in the center of the page.

Red stamp with the text "53 JOHN" oriented vertically.



Faint, illegible text in the lower middle section of the page.

Faint, illegible text in the lower section of the page.

Faint, illegible text at the bottom of the page.

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Foreign and Commonwealth Office

London SW1A 2AH

12 July 1982

*Type letter p.*

*A.J.C. 13/2.*

*Dear John,*

Falklands Crisis: Letter from Mr George Price

I enclose a draft reply from the Prime Minister to Mr Price's letter of 28 June, as requested in your letter of 5 July.

You may wish to be aware that Mr Price expects to visit the UK on his way to or from the Non-Aligned Movement Heads of Government meeting due to be held in Baghdad from about 6 - 10 September.

*Yours ever*

*J E Holmes*

(J E Holmes)  
Private Secretary

A J Coles Esq  
10 Downing Street



DRAFT: ~~memo~~/letter/~~teletype~~/~~despatch~~/~~note~~

TYPE: Draft/Final 1+

FROM:  
Prime Minister

Reference

DEPARTMENT: TEL. NO:

SECURITY CLASSIFICATION

TO:  
The Hon George Price  
Prime Minister of Belize

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

Thank you for your very kind letter of 28 June.

CAVEAT.....

Now that our immediate task of freeing the Falkland Islands has been accomplished, I should, in turn, like to take this opportunity of thanking you for your generous and steadfast support at home and abroad during this difficult time. It gave us all much encouragement.

I hope we shall be able to meet when next you visit London.

Enclosures—flag(s).....

2 JUL 1964

1 2 3 4 5 6 7 8 9 10 11 12





12 July 1982


Tunisia and the Falklands

Thank you for your letter of 8 July.

I enclose a letter to President Bourguiba, signed by the Prime Minister. I should be grateful if you could arrange for this to be conveyed through our Embassy in Tunis. You may wish to send a copy separately to the Tunisian Ambassador (I have not done so from here).

JOHN COLES

John Holmes, Esq.,  
Foreign and Commonwealth Office.



SUBJECT

c.c. Master, Ops

086

C.F.O.



PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T 1429/82

10 DOWNING STREET

THE PRIME MINISTER

12 July 1982

Dear Mr. President -

Thank you for your heartwarming message of congratulations on the occasion of the success of Her Majesty's Armed Forces in the South Atlantic. Like you, I regret the loss of life in a conflict which was not of our choosing, but the principles at stake were, and remain, of the greatest importance to my Government and to the British people. We are devoting our efforts to the reconstruction and rehabilitation of the Falkland Islands so that the Islanders can again enjoy the way of life they have freely chosen.

I was touched that you should write. My best wishes to you, Mr. President, and to the people of Tunisia.

Yours sincerely  
Margaret Thatcher

His Excellency M. Habib Bourguiba.



SUBJECT

CF

de Mater, op



FILE JR

Copied to: FCO

10 DOWNING STREET

THE PRIME MINISTER

12 July, 1982

*Pear Pierre*

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No: T.142/82

Thank you so much for your congratulations conveyed in your letter of 27 June and for your most generous remarks about the conduct of the Falkland Islands campaign.

It is a matter of great relief to us all that we were able to complete it so swiftly, and that further loss of life was thereby avoided. You will know from my earlier messages to you how very much we value the support which Canada gave us.

We are now concentrating on the reconstruction and rehabilitation of the Islands so that their people can again enjoy the way of life which they have freely chosen.

We certainly seek peace and stability in the region as a whole and are sensitive to the need of our allies to restore and strengthen relations with the countries of Latin America. Much will depend on the attitude of the new government of Argentina who are well aware of our desire to establish that hostilities have permanently ceased.

*Yours*

*Pierre*

The Rt. Hon. Pierre E. Trudeau, PC, MP.

SW

PRIME MINISTER

Falkland Islands: Rehabilitation

You will obviously wish to be kept fully informed about progress in the rehabilitation of the Falkland Islands. But the telegrams are not a very useful vehicle for this. They are becoming very detailed and do not convey a general picture.

If you agree, I shall ask the Foreign and Commonwealth Office to let you have, in conjunction with the Ministry of Defence, a full report on progress at least every two weeks (and more frequently if the material justifies it). Agree?

Yes  
not A.J.C.

12 July 1982



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GRS 255

RESTRICTED

DESKBY 121900Z

FM FCO 121600Z JUL 82

TO IMMEDIATE UKMIS GENEVA

TELEGRAM NUMBER 286 OF 12 JULY

INFO IMMEDIATE BERNE, WASHINGTON, UKMIS NEW YORK, BRASILIA,  
MONTEVIDEO

MY TELEGRAM TO BERNE NO 151

RETURN OF ARGENTINE PRISONERS

1. PLEASE PASS TO THE ICRC THE TEXTS OF OUR MESSAGES TO THE ARGENTINE GOVERNMENT IN MY TELS NOS 148 AND 151 TO BERNE AND OF THE ARGENTINE MESSAGE IN BERNE TELNO 21.
2. YOU SHOULD EXPLAIN THAT MV ST EDMUND WILL SAIL AS SOON AS POSSIBLE. THE UNITED KINGDOM PRISONERS OF WAR BUREAU WILL CONFIRM THE DETAILS DIRECT TO THE ICRC.
3. IN SPEAKING TO THE ICRC YOU SHOULD DRAW THEIR ATTENTION TO THE STATEMENT IN THE ARGENTINE MESSAGE THAT THE PRISONERS WERE RETAINED UNDER HARSH CONDITIONS. YOU SHOULD SAY THAT THE ALLEGATION IS COMPLETELY UNFOUNDED. WE ARE TAKING ACTION TO REFUTE IT BOTH WITH THE ARGENTINE GOVERNMENT AND PUBLICLY. WE SHOULD BE GRATEFUL IF THE ICRC WOULD ALSO MAKE A STATEMENT THAT THEY ARE SATISFIED THAT THE PRISONERS HAVE BEEN ACCORDED THE BEST POSSIBLE TREATMENT UNDER THE CIRCUMSTANCES PREVAILING IN THE FALKLAND ISLANDS, IN ACCORDANCE WITH THE GENEVA CONVENTIONS, AND UNDER ICRC SUPERVISION.
4. THE ICRC MAY BE RELUCTANT, IN LINE WITH THEIR NORMAL PRACTICE, TO MAKE SUCH A STATEMENT IN ADVANCE OF THEIR FINAL REPORT ON THEIR WORK IN THE FALKLANDS. BUT WE HOPE THEY WILL AGREE TO THE NEED TO SET RIGHT THE ARGENTINE VERSION AND THAT YOU CAN INDUCE THEM TO MAKE SOME PUBLIC COMMENT CONFIRMING THAT OUR TREATMENT OF THE PRISONERS WAS HUMANE AND IN ACCORDANCE WITH OUR OBLIGATIONS UNDER THE GENEVA CONVENTION.

PYM

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TO PRIORITY FCO TELNO 061 OF 12 JULY

DEPARTURE OF CIVILIANS

1. THE SUN NEWSPAPER OF 9 JULY CARRIES A STORY THAT 50 ISLANDERS ARE READY TO LEAVE BECAUSE THEY ARE FRIGHTENED OF A NEW ARGENTINE INVASION. AN INTERVIEW I GAVE ON LOCAL RADIO IS QUOTED AS SOURCE FOR THE STORY. THIS IS THE ONLY PAPER WE HAVE RECEIVED FOR THAT DAY. I DO NOT KNOW IF OTHERS CARRIED THE STORY).
2. THE STORY IS TOTALLY MISLEADING AND I SHOULD BE GRATEFUL IF YOU COULD TRY TO PUT THE RECORD STRAIGHT. OF THE PRIORITY LIST OF CIVILIANS TO BE RETURNED TO THE UK WHICH I HAVE GIVEN TO THE MILITARY 20 OUT OF TOTAL OF 75 ARE ISLANDERS, INCLUDING WOMEN AND CHILDREN. THE REST ARE EXPATRIATES. OF THIS NUMBER ONLY 2 ISLANDER FAMILIES ARE NOT INTENDING TO RETURN AFTER LEAVE AND THEY HAD BOTH MADE PLANS TO LEAVE FOR GOOD BEFORE THE INVASION.
3. AT THE MOMENT I KNOW OF NO ISLANDERS WHO HAVE DECIDED TO GO FOR GOOD AS A RESULT OF THE INVASION.

HUNT

THIS TELEGRAM  
WAS NOT  
ADVANCED

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FM PARIS 121810Z JUL 82

TO PRIORITY FCO

TELEGRAM NUMBER 720 OF 12 JULY 1982

INFO ROUTINE BONN, ROME, WASHINGTON.

INFO SAVING TO ATHENS, BRUSSELS, UKREP BRUSSELS, COPEHNAGEN,  
THE HAGUE, LUXEMBOURG, DUBLIN.

## FALKLANDS

1. DORIN, THE DIRECTOR FOR THE AMERICAS AT THE QUAI, SAID AT A LUNCH I GAVE ON 9 JULY (AT WHICH MR CLINTON DAVIS MP WAS PRESENT) THAT FRENCH SOLIDARITY WITH BRITAIN WAS GOING TO HAVE EXPENSIVE CONSEQUENCES FOR FRANCE. ALREADY TWO IMPORTANT CONTRACTS, FOR A DAM IN ARGENTINA AND THE CONSTRUCTION OF A PORT IN PERU, HAD BEEN LOST. IN THE FIRST CASE IT WAS ITALY WHICH WOULD BENEFIT. AS A RESULT, DORIN SAID, THE FRENCH GOVERNMENT WAS ABOUT TO EMBARK ON A CAMPAIGN TO EXPLAIN TO LATIN AMERICAN GOVERNMENTS WHY FRANCE HAD FELT IT NECESSARY TO SIDE WITH BRITAIN IN THE FALKLANDS DISPUTE, AND TO REASSURE THEM OF CONTINUED FRENCH GOODWILL. CHEYSSON WAS GOING TO HOLD A LUNCH ON 10 JULY TO WHICH HE HAD INVITED ALL LATIN AMERICAN AMBASSADORS IN PARIS. IN ADDITION, ONE OR MORE HIGH - LEVEL EMISSARIES (ORIGINATING "NOT FAR FROM THE ELYSEE") WOULD BE SENT TO LATIN AMERICAN COUNTRIES, INCLUDING ARGENTINA.
2. A MEMBER OF THE FRENCH SOCIALIST PARTY, MLE BORDILLAT, WHO WAS ALSO PRESENT AT THE LUNCH, SAID THAT FRENCH SUPPORT FOR BRITAIN IN THE FALKLANDS CRISIS HAD CAUSED THE SOCIALIST PARTY GREAT PROBLEMS WITH ITS OWN MEMBERS AND IN ITS RELATIONS WITH OPPOSITION PARTIES WITHIN LATIN AMERICA. IT HAD BEEN VERY HARD TO EXPLAIN THAT FRANCE HAD HAD TO SUPPORT A FELLOW COMMUNITY MEMBER. MANY HAD FELT THAT FRANCE WAS SUPPORTING A CONSERVATIVE GOVERNMENT, AND THAT THE POSTURE OF THE FRENCH GOVERNMENT WAS A STEP BACK FROM POSITIONS ADOPTED AT CANCUN AND ON NORTH/SOUTH RELATIONS IN GENERAL. MOREOVER MANY PEOPLE HAD THOUGHT THAT THE BRITISH GOVERNMENT HAD COME LATE IN THE DAY TO THE RECOGNITION THAT ARGENTINA WAS A FASCIST DICTATORSHIP. MLE BORDILLAT SAID THAT THESE DIFFICULTIES MADE IT ALL THE MORE NECESSARY FOR EARLY NEGOTIATIONS OVER THE FALKLANDS TO BE OPENED BETWEEN LONDON AND BUENOS AIRES.
3. MLE BORDILLAT HAD SOME DIFFICULTY IN EXPLAINING THE SOCIALIST PARTY'S POSITION ON ARMS SALES. SHE ADMITTED THAT THERE WAS A CERTAIN CONTRADICTION BETWEEN IDEALS AND ECONOMIC REALITIES. SHE WAS PERSONALLY OPPOSED TO THE SALE OF ARMS TO LATIN AMERICAN DICTATORSHIPS, BUT SHE NOTED THAT THE ARMS WHICH HAD BEEN SOLD TO ALLENDE HAD SUBSEQUENTLY FALLEN INTO THE HANDS OF PINOCHET.

CONFIDENTIAL

/WHAT



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WHAT WAS NEEDED, SHE SAID, WAS A MORE COURAGEOUS ATTITUDE TO BE TAKEN BY EUROPEAN GOVERNMENTS. MLE BORDILLAT'S VIEWS REPRESENT ONLY A PART OF THE FEELINGS HELD BY THE FRENCH SOCIALIST PARTY OR EVEN BY THE PARTY HEADQUARTERS. THEY NEVERTHELESS FIT IN WELL ENOUGH WITH THE INSTINCTS OF THE QUAI. I WAS STRUCK BY THE WAY IN WHICH DORIN SEEMED TO BE SEEKING MLE BORDILLAT'S APPROVAL.

FCO PLEASE PASS SAVING TO ATHENS, BRUSSELS, UKREP BRUSSELS, COPENHAGEN, THE HAGUE, LUXEMBOURG, DUBLIN.

FRETWELL.

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FM FCO 191545Z JUL 82

TO IMMEDIATE BERNE

TELEGRAM NUMBER 151 OF 12 JULY

INFO IMMEDIATE UKMIS GENEVA, WASHINGTON, UKMIS NEW YORK,  
BRASILIA, MONTEVIDEO

YOUR TELNOS 214 AND 212: RETURN OF ARGENTINE POWS

1. PLEASE NOW ASK THE SWISS TO PASS THE FOLLOWING MESSAGE  
URGENTLY TO THE ARGENTINE GOVERNMENT:

BEGINS:

FOLLOWING THE RECENT EXCHANGE OF MESSAGES, THE BRITISH  
GOVERNMENT ARE IN TOUCH WITH THE INTERNATIONAL COMMITTEE OF THE  
RED CROSS IN GENEVA ABOUT DETAILED ARRANGEMENTS FOR THE  
IMMEDIATE RETURN BY SEA TO THE ARGENTINE PORT OF MADRYN OF THE  
REMAINING ARGENTINE PRISONERS OF WAR.

THE BRITISH GOVERNMENT ARE RETURNING THESE PRISONERS OF WAR ON  
THE BASIS OF THE ASSURANCES GIVEN BY THE ARGENTINE GOVERNMENT,  
IN STATEMENTS MADE TO THE SWISS GOVERNMENT, IN THEIR CAPACITY  
AS PROTECTING POWER, TO THE EFFECT THAT ARGENTINA IS ALREADY  
RESPECTING A DE FACTO CESSATION OF ACTIVE HOSTILITIES AND WILL  
CONTINUE TO DO SO.

THE BRITISH GOVERNMENT HAVE BEEN PARTICULARLY CONCERNED AT  
ARGENTINE ALLEGATIONS THAT THESE PRISONERS OF WAR HAVE BEEN  
HELD IN HARSH CONDITIONS. SUCH ALLEGATIONS ARE UNFOUNDED.  
THE PRISONERS HAVE AT ALL TIMES BEEN TREATED STRICTLY IN  
ACCORDANCE WITH THE GENEVA CONVENTIONS, UNDER THE CONSTANT  
SUPERVISION OF THE ICRC. THEY HAVE FOR MOST OF THE TIME BEEN  
HELD ON BOARD THE MV ST EDMUND, WHERE THEY WERE WARM, DRY, AND  
WELL-FED. ENDS

2. IN DELIVERING THIS MESSAGE THE SWISS COULD ALSO SAY THAT THE  
ARGENTINE GOVERNMENT WILL ALREADY HAVE BEEN INFORMED BY  
THE ICRC THAT ONE ARGENTINE PRISONER, CORPORAL NESTOR RUBEN  
CATTAY, WAS INJURED WHILE VOLUNTARILY HELPING WITH MINE CLEARANCE.

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AND IS RECEIVING MEDICAL TREATMENT. IF HE IS FIT TO TRAVEL HE  
WILL LEAVE ON THE MV ST EDMUND WITH THE OTHERS, OTHERWISE HE  
WILL BE REPATRIATED AS SOON AS POSSIBLE THEREAFTER BY OTHER MEANS

PYM

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FM WASHINGTON 122207Z JUL 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 2482 OF 12 JULY 1982

INFO IMMEDIATE WELLINGTON PRIORITY UKMIS NEW YORK, PARIS, BONN

FALKLANDS: US SANCTIONS

1. THE WHITE HOUSE ISSUED THE FOLLOWING STATEMENT ON BEHALF OF THE PRESIDENT THIS MORNING:

QUOTE I HAVE ORDERED TERMINATION OF ECONOMIC SANCTIONS AGAINST ARGENTINA EFFECTIVE TODAY, JULY 12. THESE SANCTIONS WHICH WERE IMPOSED APRIL 30 INCLUDED WITHHOLDING OF NEW EXPORT/IMPORT BANK CREDITS, INSURANCE AND GUARANTEES AND NEW COMMODITY CORPORATION GUARANTEES.

I HAVE MADE THIS DECISION AFTER A THOROUGH REVIEW OF THE SITUATION IN THE SOUTH ATLANTIC FOLLOWING THE CESSATION OF HOSTILITIES. IT IS IMPORTANT NOW FOR ALL PARTIES INVOLVED IN THE RECENT CONFLICT TO PUT THE PAST BEHIND US AND TO WORK FOR FRIENDSHIP AND CO-OPERATION. THE UNITED STATES FOR ITS PART WILL DO OUR BEST TO STRENGTHEN ITS HISTORIC TIES AMONG NATIONS OF THIS HEMISPHERE. UNQUOTE

2. THE STATE DEPARTMENT SPOKESMAN REFUSED TO ELABORATE BEYOND EMPHASIZING THAT ECONOMIC SANCTIONS AGAINST ARGENTINA HAD BEEN LIFTED IN THE CONTEXT OF THE CESSATION OF HOSTILITIES. THE AMERICANS HAVE ASSURED US THAT THE ARGENTINES ARE BEING WARNED THAT ANY FURTHER ACTS OF AGGRESSION WOULD CAUSE THE REIMPOSITION OF SANCTIONS.

3. THE U.S. EMBARGO ON THE SUPPLY OF ARMS TO ARGENTINA WHICH HAS BEEN IN FORCE SINCE 1978 WILL REMAIN IN PLACE. THIS WAS ORIGINALLY IMPOSED AS A WEAPON AGAINST ARGENTINA'S INTERNAL POLICIES. TO REMOVE IT THE ADMINISTRATION WOULD BE REQUIRED TO PROVIDE CONGRESS WITH CERTIFICATION THAT THE ARGENTINE HUMAN RIGHTS SITUATION HAD IMPROVED SUFFICIENTLY TO JUSTIFY THE RESUMPTION OF ARMS SUPPLIES. THE STATE DEPARTMENT HAVE ALSO ASSURED US THAT FOR THE TIME BEING THE COMMERCE DEPARTMENT WILL MAINTAIN THE ADMINISTRATIVE MEASURES TAKEN SINCE THE BEGINNING OF THE FALKLANDS CRISIS TO BLOCK THE FLOW OF SPARE PARTS ETC WHICH CONTINUED INSPITE OF THE 1978 LEGISLATION, THOUGH PRESSURE IS LIKELY TO INCREASE FOR THE RELEASE OF EQUIPMENT ALREADY IN THE PIPELINE WHICH IS NOT SUBJECT TO LICENSING RESTRICTIONS.

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SIR I SINCLAIR  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR GILLMORE

PS/NO 10 DOWNING ST (2)  
PS/S OF S FOR DEFENCE  
MR J STEWART AUSD STAFF MOD  
PS/CHANCELLOR )  
MR ILETT ) TREASURY  
MR LITTLER )  
MISS DICKSON D/ENERGY  
SIR R ARMSTRONG )  
SIR M PALLISER )  
MR A D S GOODALL ) CABINET OFFICE  
DIO )

HD/PUSD (2)  
HD/S AM D  
HD/FALKLANDS UNIT (2)  
HD/DEFENCE DEPT  
HD/NEWS DEPT  
HD/ERD  
HD/ECD(E)  
HD/UND  
HD/PLANNING STAFF  
RESIDENT CLERK

ROOM 8 FOR MODUK C IN C FLEET

Mr. COLIN ROTH, LACPD, ODA  
Mr. BORDEN, LACPD, ODA

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*[Handwritten signature]*

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FM WASHINGTO N 101720Z JUL 82  
TO IMMEDIATE F C O  
TELEGRAM NUMBER 2392 OF 10 JULY  
INFO IMMEDIATE BONN, PRIORITY PARIS, UKMIS NEW YORK.

YOUR TELNO 1304: FALKLANDS: U S ATTITUDE  
1. SENIOR OFFICIALS IN THE STATE DEPARTMENT AND PENTAGON HAVE, I BELIEVE, COME TO RECOGNISE THAT (AS WE SOUGHT TO IMPRESS UPON THEM THROUGHOUT THE CRISIS), THEIR ESTIMATES OF THE REAL STRENGTH OF SUPPORT FOR ARGENTINA AND FEARS ABOUT THE DAMAGE U S SUPPORT FOR US COULD HAVE ON THEIR RELATIONSHIP WITH LATIN AMERICA GENERALLY WERE EXAGGERATED.  
2. THE AMERICANS FEAR THAT THE CRISIS HAS DONE SOME DAMAGE TO THE MECHANISM OF INTERNATIONAL COOPERATION WITHIN THE HEMISPHERE (PARTICULARLY THE RIO TREATY). THEY WERE CONCERNED AT CUBAN AND NICARAGUAN ATTEMPTS TO USE THE FALKLANDS AS A WAY OF SEEKING TO UNDERMINE THE REGIONAL SECURITY SYSTEM: BUT THEY HAVE BEEN REASSURED BY THE RELUCTANCE OF MOST OTHER LATIN AMERICAN COUNTRIES TO FOLLOW THIS KIND OF LEAD, PARTICULARLY NOW THAT THE PASSIONS PROVOKED BY THE CRISIS HAVE COOLED. THEY HAVE ALSO LOST OUT IN TERMS OF THE



THIS KIND OF LEAD, PARTICULARLY NOW THAT THE PASSIONS PROVOKED BY THE CRISIS HAVE COOLED. THEY HAVE ALSO LOST OUT IN TERMS OF THE ABILITY TO INVOLVE THE ARGENTINIANS IN SECURITY PROBLEMS IN CENTRAL AMERICA, THOUGH THERE ARE A GOOD MENY HERE WHO NEVER THOUGHT THAT THAT WAS A PARTICULARLY SENSIBLE PLAN ANYWAY.

3. THE AMERICANS NO LONGER BELIEVE - AS SOME U S OFFICIALS WERE INCLINED TO SUGGEST EARLIER - THAT THE ARGENTINIANS ARE LIKELY TO TRY TO RESUME FIGHTING FROM THE MAINLAND. THEY ACCEPT THAT THE ISLANDS PROBABLY CAN BE DEFENDED WITHOUT A MASSIVE DISTORTION OF OUR FORCE DEPLOYMENTS THOUGH, OBVIOUSLY THERE WILL BE ADDITIONAL STRAIN ON FINITE DEFENCE RESOURCES.

4. THE AMERICANS REMAIN CONCERED ABOUT THE FUTURE OF ARGENTINA AND THEIR RELATIONS WITH IT. AT THE MOMENT RELATIONS ARE STILL SOURED. THE U S AMBASSADOR IN BUENOS AIRES HAS BEEN ALMOST OSTRACISED AND THE FEW CONVERSATIONS HE HAS HAD WITH SENIOR ARGENTINIANS CONTINUE TO PRODUCE FIERCE ACCUSATIONS THAT IT WAS U S SUPPORT FOR BRITAN WHICH CAUSED ARGENTINA'S DEFEAT. THE MAIN U S FEAR OF COURSE IS THAT ARGENTINA MIGHT MOVE TOWARDS A MUCH CLOSER RELATIONSHIP WITH CUBA AND THE SOVIET UNION. THEY WERE RELIEVED AT THE FACT THAT GALTIERI AND THE JUNTA, DESPITE SAVAGE DENUNCIATIONS OF U S POLICY, DID NOT RESPOND TO CUBAN OFFERS OF ASSISTANCE AND CONTINUED TO KEEP THE SOVIET UNION AT ARMS LENGTH. THEY HAVE BEEN REASSURED BY STATEMENTS BY THE LEADING MEMBERS OF THE RE-CONSTITUTED GOVERNMENT, WHO HAVE EMPHASIZED TO SAY ARGENTINA WILL REMAIN A MEMBER OF THE WESTERN COMMUNITY.

5. THE AMERICANS REMAIN WORRIED, HOWEVER, ABOUT THE STABILITY OF THE REGIME AND ITS ABILITY TO COPE WITH THE ECONOMIC AND INTERNAL POLITICAL PROBLEMS IT NOW FACES. THERE ARE STILL FEARS OF AN EVENTUAL PERONIST TAKEOVER AND A CONSEQUENT REALIGNMENT OF ARGENTINE EXTERNAL POLICIES. THE AMERICANS THEREFORE ATTACH IMPORTANCE TO FURTHER EFFORTS ON THEIR PART TO GET BACK ON TERMS WITH THE ARGENTINES, IN THE FIRST INSTANCE BY THE LIFTING OF SANCTIONS. THE ARGENTINIANS CAN BE EXPECTED TO EXERT GREAT PRESSURE FOR THE RESUMPTION OF MILITARY SUPPLIES; BUT GIVEN THE CONTINUING CONGRESSIONAL CRITICISM OF THE ARGENTINE RECORD ON HUMAN RIGHTS, THE CRISIS IN THE FALKLANDS AND THE RELATIONSHIP WITH US, THERE IS NO EARLY PROSPECT OF A RESUMPTION OF ARMS SUPPLIES ON ANY SIGNIFICANT SCALE.

6. THE AMERICANS, HAVING MADE A CONSIDERABLE FUSS ABOUT THE NEED FOR US TO SHOW QUOTE MAGHANIMITY UNQUOTE BEFORE THE RECAPTURE OF PORT STANLEY AND, IN THE AFTERMATH OF THE RE-POSSESSION OF THE ISLANDS, TO SHOW THE ARGENTINIANS A QUOTE MUY OUT UNQUOTE HAVE BEEN BROUGHT



US TO SHOW QUOTE MAGNANIMITY UNQUOTE BEFORE THE RECAPTURE OF PORT STANLEY AND, IN THE AFTERMATH OF THE RE-POSSESSION OF THE ISLANDS, TO OFFER THE ARGENTINIANS A QUOTE WAY OUT UNQUOTE. HAVE BEEN BROUGHT TO REALISE THAT THIS IS NOT THE TIME TO PRESS US TO UNDERTAKE POLITICAL INITIATIVES OR RESUME DISCUSSIONS WITH ARGENTINA. THEY HAVE BEEN IMPRESSED BY THE WAY IN WHICH WE HAVE HANDLED THE PROBLEM OF THE RETURN OF THE PRISONERS, THE PROPOSAL WE HAVE NOW MADE THAT THE REMAINDER SHOULD BE RETURNED AND IN GENERAL OUR ATTEMPTS TO LIQUIDATE THE IMMEDIATE AFTERMATH OF THE CONFLICT. ALL THIS THEY REGARD AS HELPFUL TO THEIR OWN INTERESTS IN THE AREA.

7. AGAINST THIS BACKGROUND, THE AMERICANS CAN BE EXPECTED TO LIFT SANCTIONS (IN CONSULTATION WITH US) SOME TIME NEXT WEEK; AND TO MAINTAIN THE ARMS EMBARGO, WHICH WILL FOR THE TIME BEING CONTINUE TO BE ENFORCED STRICTLY. THE AMERICANS APPRECIATE THAT FOR US TO RESUME EARLY NEGOTIATIONS WOULD BE POLITICALLY IMPOSSIBLE AFTER ALL THAT HAS HAPPENED. THE POINT AT WHICH I WOULD EXPECT TO SEE A GAP BEGIN TO APPEAR AGAIN BETWEEN OUR POSITIONS WILL BE AT THE UNITED NATIONS IN THE AUTUMN. IF, AS SEEMS LIKELY, THERE IS AT THAT STAGE PRESSURE FOR AGREEMENT TO RESUME DISCUSSIONS ABOUT THE FUTURE OF THE ISLANDS, THE AMERICANS WOULD FIND IT DIFFICULT TO OPPOSE THIS; AND, OF COURSE, THEY HAVE MAINTAINED THROUGHOUT A NEUTRAL POSITION ON THE QUESTION OF SOVEREIGNTY.

HENDERSON

NNNN



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PS (6)  
PS/MR HURD  
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PS/MR RIFKIND  
PS/PUS  
SIR J BULLARD  
SIR I SINCLAIR  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR GILLMORE

PS/NO 10 DOWNING ST (2)  
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MR J STEWART AUSD STAFF MOD  
PS/CHANCELLOR )  
MR ILETT ) TREASURY  
MR LITTLER )  
MISS DICKSON D/ENERGY  
SIR R ARMSTRONG )  
SIR M PALLISER )  
MR A D S GOODALL ) CABINET OFFICE  
DIO )

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HD/DEFENCE DEPT  
HD/NEWS DEPT  
HD/ERD  
HD/ECD(E)  
HD/UND  
HD/PLANNING STAFF  
RESIDENT CLERK

ROOM 8 FOR MODUK C IN C FLEET

Mr. COLIN ROTH, LAEPD, ODA  
Mr. BORDEN, LAEPD, ODA.

Prime Minister

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*See overleaf (but we still  
await a reply to our latest  
message). MZ*

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FM DERNE 091510Z

TO IMMEDIATE FCO

TELNO 212 OF 09 JULY

INFO IMMEDIATE BRASILIA WASHINGTON UKMIS NEW YORK UKMIS GENEVA  
MONTEVIDEO WELLINGTON

YOUR TELNO 148: RETURN OF PRISONERS AND CESSATION OF HOSTILITIES

1. I DELIVERED THE MESSAGE IN YOUR TUR TO HUGENBLOER (FDFA)  
THIS AFTERNOON (09 JULY), MAKING ALL YOUR POINTS AS INSTRUCTED.  
HUGENBLOER UNDERTOOK TO TRANSMIT THE MESSAGE IMMEDIATELY TO THE  
SWISS AMBASSADOR IN BUENOS AIRES, MAKING IT CLEAR THAT WE NOW  
WANTED ARGENTINES TO NAME THE PORT THROUGH WHICH PRISONERS  
SHOULD BE RETURNED.

2. HUGENBLOER HANDED ME THE TEXT OF A MESSAGE WHICH HE HAD JUST  
RECEIVED FROM THE SWISS AMBASSADOR IN BUENOS AIRES. OUR TRANSLATION  
IS AS FOLLOWS SEMI COLON



RECEIVED FROM THE SWISS AMBASSADOR IN BUENOS AIRES . OUR TRANSLATION  
IS AS FOLLOWS SEMI COLON

BEGINS.

THE NEW MINISTER FOR FOREIGN AFFAIRS ACCOMPANIED BY HIS  
UNDER-SECRETARY OF STATE ROS HAS JUST GRANTED ME AN INTERVIEW  
LASTING 30 MINUTES.

WITH REGARD TO THE MESSAGE CONTAINED IN YOUR COMMUNICATION OF  
2 JULY AND CONVEYED TO THE MINISTER OF FOREIGN AFFAIRS ON 3 JULY,  
AGUIRRE LANARI DID NO MORE THAN REPEAT THE TERMS OF HIS RECENT  
PRESS CONFERENCE ; THAT IS , THAT ARGENTINA WAS ALREADY RESPECTING  
THE CEASEFIRE QUOTE DE FACTO UNQUOTE AND WOULD CONTINUE TO DO SO ,  
THIS IS AS FAR AS THE ARGENTINE GOVERNMENT CAN GO AT PRESENT,  
FACED WITH A PUBLIC OPINION DEEPLY AFFECTED BY THE DEFEAT.

HE WENT ON TO OUTLINE THE GOVERNMENT'S QUOTE APRES MALOUINES  
UNQUOTE FOREIGN POLICY, WHICH IS PRACTICALLY THE SAME AS THE CONTENT  
OF THE ARGENTINE NOTE OF 18 JUNE TO THE UNITED NATIONS ON THIS  
SUBJECT.

WITH REGARD TO THE EXCHANGE OF PRISONERS, AGUIRRE LANARI CONFINED  
HIMSELF TO POINTING OUT THAT QUOTE THE ARGENTINE AUTHORITIES  
HAD ONLY TO-DAY RELEASED THE LAST BRITISH PRISONER IN THEIR HANDS  
(FLIGHT LT. GLOVER), AND FROM NOW ON IT WAS UP TO THE BRITISH  
WITHOUT NEED TO COMMUNICATE BILATERALLY WITH BUENOS AIRES,  
TO LIBERATE THE HUNDREDS OF ARGENTINE OFFICERS, BADLY FED AND  
SUFFERING FROM COLD, WHOM THEY STILL KEPT PRISONER, UNLESS THEY  
WISHED TO PUT THEMSELVES COMPLETELY IN BREACH OF THE GENEVA  
CONVENTIONS OF 1949 UNQUOTE

ENDS.

3. I UNDERTOOK TO TRANSMIT THIS MESSAGE TO YOU IMMEDIATELY.  
HUGENTOBLER ADDED THAT AMBASSADOR BODMER HAD COMMENTED THAT NO  
FURTHER PROGRESS TOWARDS A DEFINITIVE CEASE FIRE COULD REALISTICALLY  
BE EXPECTED GIVEN THE INTERNAL SITUATION IN ARGENTINA. HE ALSO  
SAID THAT YOUR LATEST MESSAGE AND SWISS REPORT ABOVE SHOWED A  
VERY WELCOME CONVERGENCE.

4. I THEN ENQUIRED ABOUT PEREZ DE CUELLAR'S DISCUSSIONS WITH FEDERAL  
COUNCILLOR AUBERT ON 08 JULY. HUGENTOBLER SAID THAT SECRETARY  
GENERAL HAD COMMENTED THAT HE WAS HOPING THAT A DECISION COULD BE



COUNCILLOR AUBERT ON 28 JULY. HUGENTOBLER SAID THAT SECRETARY GENERAL HAD COMMENTED THAT HE WAS HOPING THAT A DECISION COULD BE REACHED ON THE LINES OUTLINED IN THE MESSAGE WHICH I HAD JUST HANDED OVER. HE ALSO HOPED THAT THE BRITISH GOVERNMENT WOULD BE PREPARED TO BEGIN NEGOTIATIONS WITH THE ARGENTINES SOON.

5. HUGENTOBLER THEN ADDED SOME COMMENTS OF HIS OWN OFF THE RECORD. THE WORLD COMMUNITY OWED A DEBT OF GRATITUDE TO THE UNITED KINGDOM FOR HAVING TAKEN THE ACTION IT DID AND RESTORED THE RULE OF LAW. THE UNITED KINGDOM HAD HAD A VICTORY AND HAD HUMILIATED ARGENTINA. THE QUESTION WAS WHAT WOULD HAPPEN NEXT. THE UK AFTER NEGOTIATING WITH THE ARGENTINES FOR 17 YEARS HAD THE POSSIBILITY TO SHOW SOME FLEXIBILITY IN DEALING WITH THEM NOW AND PERHAPS IT WAS UNNECESSARY FOR US NOW TO CLOSE EVERY DOOR. I COMMENTED THAT IT MIGHT BE EASIER FOR THE UNITED KINGDOM TO SHOW FLEXIBILITY IF THE THREAT OF RENEWED HOSTILITIES WERE REMOVED. HUGENTOBLER ACCEPTED THIS AND ADDED THAT WE ALL HAD AN INTEREST IN BRINGING ARGENTINA BACK INTO THE WESTERN COMMUNITY.

6. A COMPLEMENTARY ACCOUNT OF PEREZ DE CUELLAR'S VISIT TO BERNE WHICH WE HAVE RECEIVED AT DESK LEVEL IS IN MIFT.

POWELL - JONES

NNNN

SENT AT RECD AT 091614Z TWPM



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PS/MR RIFKIND  
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SIR I SINCLAIR  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR GILLMORE

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HD/PUSD (2)  
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HD/DEFENCE DEPT  
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HD/ECD(E)  
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RESIDENT CLERK

ROOM 8 FOR MODUK C IN C FLEET

Mr. COLIN ROTH, LAEPD, ODA  
Mr. BORDEN, LAEPD, ODA.

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FM BERNE 091555Z

TO IMMEDIATE FCO  
TELNO 213 OF 09JULY  
INFO IMMEDIATE BRASILIA WASHINGTON UKMIS NEW YORK UKMIS GENEVA

INFO SAVING WELLINGTON MONTEVIDEO

MY IPT: UN SECRETARY GENERAL'S VISIT TO BERNE: FALKLANDS

1. WE SHALL BE SENDING BY BAG A GENERAL REPORT ON PEREZ DE CUELLAR'S VISIT TO BERNE ON 7 AND 8 JULY. ACCORDING TO AN ACCOUNT WHICH WE HAVE RECEIVED FROM SWISS DEPARTMENT OF FOREIGN AFFAIRS AT DESK LEVEL HE MADE THE FOLLOWING POINTS ON THE FALKLANDS ISSUE:
  - A) THE RELEASE OF FLIGHT LIEUTENANT GLOVER HAD BEEN A SIGN OF GOOD-WILL ON THE PART OF ARGENTINA.
  - B) THE SECRETARY GENERAL WOULD EXPRESS TO THE BRITISH



- A) ~~THE RELEASE OF FLIGHT LIEUTENANT GLOVER HAD BEEN A SIGN OF GOOD-WILL ON THE PART OF ARGENTINA.~~
- B) THE SECRETARY GENERAL WOULD EXPRESS TO THE BRITISH GOVERNMENT IN LONDON NEXT WEEK HIS HOPE THAT THE UK WOULD BE WILLING TO BEGIN NEGOTIATIONS SOON. HE DID NOT THINK THE BRITISH GOVERNMENT WOULD BE READY TO BEGIN WITHIN THE NEXT SIX MONTHS. BUT THE CHANGE OF MR HUNT'S TITLE ON HIS REAPPOINTMENT TO THE ISLANDS WAS AN ENCOURAGING SIGN.
- C) HE FEARED THAT THE NON-ALIGNED COUNTRIES MIGHT TRY TO TAKE THE FALKLANDS ISSUE TO THE GENERAL ASSEMBLY, WHICH HE PERSONALLY WISHED TO AVOID.
- D) HE FEARED THE ARGENTINES MIGHT MAKE SPORADIC SYMBOLIC RAIDS. N.B.
- E) HE WAS ALSO CONCERNED ABOUT THE RISK OF OUTSIDE MILITARY INTERFERENCE IN THE AREA AND OF COMMUNIST COUNTRIES' INCREASING THEIR INFLUENCE THERE.
- F) HE THOUGHT FEARS ABOUT THE EFFECTS OF THE CONFLICT ON LATIN AMERICAN/EUROPEAN RELATIONS HAD BEEN EXAGGERATED AND THAT THE MORE IMPORTANT EFFECTS WOULD BE ON LATIN AMERICAN/US RELATIONS, WHICH COULD INDIRECTLY AFFECT EUROPE.
- G) IN THE CONTEXT OF (F) ABOVE HE HAD ALREADY SPOKEN TO PRESIDENT REAGAN SUGGESTING THE USE OF PRIVATE US CULTURAL AND ECONOMIC ACTIVITIES TO IMPROVE THE CLIMATE.

FCO PLEASE PASS SAVINGS.

POWELL-JONES

NNNN

SENT/RECD AT 091620Z TWPM/ PA



GRS 450

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FM SANTIAGO 082130Z JUL 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 346 OF 9 JULY

INFO ROUTINE CANBERRA, MONTEVIDEO, WELLINGTON, PORT STANLEY.

YOUR TELEGRAM NUMBER 253 TO CANBERRA : FALKLAND ISLANDS REHABILITATION

1. CHILEAN AUTHORITIES ADVISE US THAT, IF A FORMAL APPROACH WERE MADE TO SHIP SUPPLIES FROM THEIR PORTS, THEY WOULD HAVE TO REFUSE BECAUSE ARGENTINA WOULD REGARD IT AS A BREACH OF NEUTRALITY. THEY COULD NOT RISK THIS AT A VERY DELICATE TIME IN THE BEAGLE CHANNEL NEGOTIATIONS. WHEN THE POSITION WITH REGARD TO HOSTILITIES IN THE SOUTH ATLANTIC WAS SETTLED THE SITUATION WOULD BE DIFFERENT. HOWEVER, CHILE WOULD RAISE NO OBJECTION TO SUCH TRADE CARRIED ON BY SHIPS OF A 3RD COUNTRY FLAG.

2. CHILEAN PRIVATE SECTOR IS KEEN TO CO-OPERATE, CAN SUPPLY ALL ITEMS BUT THE LAST AND CAN ASSEMBLE GOODS ON DOCK AT VALPARAISO, TALCAHUANO OR PUNTA ARENAS IN 5 DAYS. VOYAGE TIME FROM THESE PORTS IS 10, 8 AND 3 DAYS RESPECTIVELY. SHIPS CAN BE FOUND AND MADE AVAILABLE FOR SINGLE CHARTERS. COST LIKELY TO BE US DOLLARS 250 - 300 PER TON, FOR CONSIGNMENT 1500 TONS.

3. TO FINALISE COSTS WE SHALL NEED MORE DETAILS. WOULD SHIPS CALL ONLY AT PORT STANLEY ? WOULD THEY GO ALONGSIDE ? WOULD THEY HAVE TO UNLOAD THEMSELVES ? WHAT IS THE MAXIMUM DRAUGHT ACCEPTABLE ? ONE POSSIBLE SOLUTION IS TO USE THE BRAZILIAN LINE LLOYD LIBRA WHICH PLIES BETWEEN VALPARAISO/PUNTA ARENAS/SANTOS AND RETURN. IT MAY WELL BE POSSIBLE TO NEGOTIATE STOPOFF IN FALKLANDS WITH AGENTS ULTRAMAR. OTHER SINGLE CHARTERS WOULD BE AVAILABLE PROBABLY THROUGH LOCAL REPRESENTATIVES OF WOLFORDS OF LONDON OR PSNC. OTHER PRIVATE SHIPOWNERS WOULD CERTAINLY MAKE OFFERS IF APPROACHED. COSTS ARE BELIEVED TO BE AS IN PARA 2. INSURANCE IS A COMPLICATING FACTOR DUE TO DEFENCE PROBLEMS AND WOULD HAVE TO BE TAKEN OUT IN THE UNITED KINGDOM.

4. TRIAL ORDER PRICING -

1. PREFABRICATED HOUSES. PRICES RANGE FROM POUNDS STG. 3900, 2 BEDROOM TYPE TO POUNDS STG. 5200 FOR 3 BEDROOMED. THESE PRICES ARE EX WORKS AND ARE SUBJECT TO A GOOD DEAL OF VARIATION DEPENDING ON THE THICKNESS OF THE WOOD USED, THE AMOUNT OF INSULATION REQUIRED, THE TILING IN BATHROOM AND KITCHEN AS WELL AS SANITARY FITTINGS ETC. LETTER ABOUT DETAILS FOLLOWS BY BAG.

11. CEMENT. FREE ALONGSIDE (FAS) TALCAHUANO 500 BAGS X 50 KILOGRAMMES POUNDS STG. 1300.

111. TIMBER. 1,040 CU MTS CIF PORT STANLEY POUNDS STG. 73100.

1V. HARDBOARD. 10,000 SQ METRES CIF PORT STANLEY POUND STG. 5400.

V. GLASS. 900 SHEETS (MEASURED IN SQ METRES) FAS TALCAHUANO POUNDS STG. 8300.

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/C&I SHEETS.



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CGI SHEETS. FAS TALCAHUANO 600 SHEETS OF .5 .CM THICKNESS AND FROM 2 TO 2.5 METRE LENGTHS COST POUNDS STG 2700 TO POUNDS STG 3150. 800 SHEETS 0.6 CM THICKNESS AND 3 TO 3.5 METRE LENGTHS POUNDS STG. 5200 TO 6020.

CGI RIDGE PIECES. FAS TALCAHUANO 250 PRICE POUNDS STG. 1000.

V1. THREE PLUMBERS KITS. WE CANNOT QUOTE PRICES WITHOUT A BREAKDOWN OF CONTENTS OF KIT. IT IS NOT CLEAR WHETHER THIS IS FOR COPPER PIPING, WHETHER IT INCLUDES ONLY TOOLS OR SPARES. MATERIAL IS AVAILABLE IN CHILE.

V11. CHIMNEY SWEEP BRUSHES ARE NOT AVAILABLE IN CHILE.

5. THE ABOVE COSTS ARE DEFINITE QUOTATIONS BUT IT MAY BE POSSIBLE TO NEGOTIATE SOME REDUCTION OR THEY MAY VARY SLIGHTLY WHEN WE HAVE EXACT REQUIREMENTS.

HICKMAN

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FAKLANDS REHABILITATION

LIMITED

S AM D  
FAKLANDS REHABILITATION SECT

FINANCE DEPT

APD *ESD*

DEFENCE DEPT

ODA

PS

PS/MR ONSLOW

PS/MR RIFKIND

PS/MR MARTEN

PS/PUS

MR GIFFARD

MR STREETON

MR URE

MR GILLMORE

ADDITIONAL DISTRIBUTION  
FAKLANDS REHABILITATION

Repetition to *PORT STANLEY*  
referred for departmental decision,  
repeated as requested to other posts.

2  
CONFIDENTIAL

B10.

②



Foreign and Commonwealth Office

London SW1A 2AH

9 July, 1982

Prime Minister

*MF*

A.S.C. 9/7

*MR 4/7  
Lm.*

Dear John,

Argentina: US Measures

You asked me to let you know what economic measures the Americans still had in force.

The measures announced by Mr Haig on 30 April were:

- (a) the existing ban on military exports was tightened and extended to non-combatant material;
- (b) export credits were suspended, both for industry and for some commodity sales which had received special financing.

These measures are still in force. The Americans would like to remove (b) next week. We have stressed to them the importance we attach to their continuing their arms embargo. The indications are that they are prepared to do so.

*Yours ever*

*J E Holmes*

(J E Holmes)  
Private Secretary

A J Coles Esq  
Private Secretary  
10 Downing Street



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Foreign and Commonwealth Office

London SW1A 2AH

9 July, 1982

Prime Minister

To see.

A.S.C. 9/7.

*[Handwritten scribble]*

*AM 12/7*  
*h.c.*

Dear John,

'Calling the Falklands'

/ You may like to see the enclosed letter from Miss Eckenstein at the BBC, who is the director of their special programme broadcast to the Falkland Islanders.

The programme consisted mainly of news and messages to the Islanders with some music. Mr Pym broadcast twice to the Islanders on the programme, Mr Nott three times and Mr Onslow eight times. It clearly did a lot to boost the Islanders' morale during the crisis; Argentine attempts to prevent it being heard were unsuccessful.

*Yours ever*

*J E Holmes*

(J E Holmes)  
Private Secretary

A J Coles Esq  
Private Secretary  
10 Downing Street





Enter 113 6/7

**BBC**

**BRITISH BROADCASTING CORPORATION**

PO BOX 76 BUSH HOUSE STRAND LONDON WC2B 4PH

TELEPHONE 01-240 3456 TELEX: 265781

TELEGRAMS AND CABLES: BROADBRIT LONDON TELEX

1st July 1982

Mr John Doble  
Information Department  
Room G5/3  
Foreign and Commonwealth Office  
London  
SW1A 2AH

Dear John,

I promised to let you have some of the feedback we have been receiving from the islands about our programmes during the crisis. Here is a sample.

Telegrams: From Patrick Watts, Broadcasting Officer of the Falkland Islands Broadcasting Station "Our sincere thanks for your wonderful work during our dark days from us all in the islands. God bless you." From Harry Milne (Manager on the islands of the Falkland Islands Company), "Regarding Calling The Falklands programme. Consider it would be excellent morale booster to people here if nightly transmission continued. Communications greatly improved but still require outside help especially in the Camp. Would suggest extension to cater for garrison." From Jean Dobbys at Bluff Cove "Thought I would write you a short note, to say how much we appreciated hearing you speak to us on "Calling The Falklands" and working so hard for us. Words cannot express just how much that programme meant to us during our 'dark days'....Once again, let me say a big 'thank you' to you and the BBC for the wonderful job you have done for us all." From listeners "Thank you all for programmes they were great morale booster during our dark days. We kept our heads down, you kept our hearts high."

Verbal messages have reached us by various means from islanders: "To all concerned with BBC Calling The Falklands programme, thanks a million for the programme - even jamming didn't stop us from hearing some of the programmes. Love and best wishes from Miriam in Stanley and all your listeners in the Falklands." "The messages were the lifeline." "All messages received and thanks for what you have done." "Everyone has been glued to their sets. It was a great help - tremendous when every night we were kept in touch with the outside world and kept in touch with what was going on in the rest of the islands. It was personal for us." "Your messages - really bucked us up."

A number of islanders in this country have now received letters and telegrams and have rung us to pass on comments.

p.t.o.



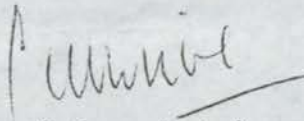
A fairly typical extract is: "Thanks for keeping in touch, it was the only way that I knew what was happening."

John Witherow who was the reporter in the Falklands for The Times, spoke to Jerry Timmins on his return and described how important "Calling The Falklands" had been to the islanders. He described how at Bluff Cove they had asked him to be quiet while the programme was on so that they could give it their full attention and he said that he had been impressed by the detailed coverage of what was happening in the islands.

Early on (8th April) before links were cut, we received a telegram from Port Stanley saying "Thank you. Keep it up. All are listening." And a specific message on 10th of May via one of the hams "The BBC is doing an excellent job, particularly with the new arrangement of relaying a special 40 minute programme of news and messages every night."

Comments are still coming in and it is nice to know that all our efforts were appreciated. Thank you again for all your help. I hope you will come over to Bush House again fairly soon, and I will give you a ring to fix a mutually convenient day.

Yours sincerely,



(Genevieve Eckenstein)  
Editor, Topical Tapes





1944  
1002

121  
1002

2

SUBJECT

MC MASTER  
OPS



PRIME MINISTER'S  
PERSONAL MESSAGE

ROYAL NEPALESE EMBASSY,  
12A, KENSINGTON PALACE GARDENS,  
LONDON, W. 8.

REF ID: A66507  
SERIAL No. T.142E/82

9th July 1982

Dear Prime Minister,

I have the honour to transmit the following message from  
The Right Honourable Mr. Surya Bahadur Thapa, Prime Minister  
of Nepal, addressed to you:

*attached*  
"I HAVE THE PLEASURE TO ACKNOWLEDGE WITH THANKS THE  
RECEIPT OF YOUR MESSAGE DELIVERED TO ME THROUGH THE  
BRITISH AMBASSADOR, H.E. MR. JOHN BOYD DENSON.

WHILE EXPRESSING SINCERE APPRECIATION OF YOUR FRIENDLY  
SENTIMENTS TOWARDS NEPAL, I WOULD LIKE TO REITERATE  
THAT HIS MAJESTY'S GOVERNMENT OF NEPAL VALUES ITS TIES  
OF LONG AND TRADITIONAL FRIENDSHIP WITH GREAT BRITAIN  
BASED ON MUTUAL GOODWILL AND UNDERSTANDING.

PLEASE ACCEPT, PRIME MINISTER, THE ASSURANCES OF MY  
HIGH ESTEEM".

Yours sincerely,

*Jharendra N. Singha*  
JHARENDRA N. SINGHA  
Ambassador

The Rt. Hon. Margaret Thatcher, MP  
Prime Minister  
10 Downing Street  
London, SW1



SUBJECT

PRIME MINISTER'S (3)  
PERSONAL MESSAGE  
SERIAL No. 1349/82

PRIME MINISTER

cc: Minister  
cjs

The President of Tunisia has sent you the attached letter which in translation reads roughly as follows:

"It is with great pleasure that I learnt of the end of the war between your country, a friend of Tunisia, and another friendly country, Argentina. I have received this news with great relief even though I never doubted that the United Kingdom would, as usual, emerge as victor.

While regretting the loss of life and the material losses caused by this conflict, I should like to congratulate you on the rapid conclusion of this confrontation. We hope that this conclusion will permit a solution to the problem of the Falklands in conformity with the interests of all the interested parties including, of course, the population of the Islands."

I attach a reply which you may care to sign.

AJC

9 July 1982

RÉPUBLIQUE TUNISIENNE

*Le Président*

PRIME MINISTER'S  
PERSONAL MESSAGE

TUNIS, LE 17 JUIN 1982

1349/82



Madame le Premier Ministre,

C'est avec joie que j'apprends la fin de la guerre qui a opposé votre pays, ami de la Tunisie, à un autre pays ami, l'Argentine. Cette nouvelle m'a beaucoup soulagé même si je n'ai jamais douté que le sort des armes sera, comme à l'accoutumée, du côté du Royaume Uni.

Tout en regrettant les vies humaines, et les pertes matérielles occasionnées par ce conflit, je voudrais vous féliciter de l'issue rapide de cette confrontation, issue qui permettra, nous l'espérons une solution du problème des Falkland, conforme aux intérêts de toutes les parties intéressées, y compris bien sûr, des populations des Iles.

En vous priant de transmettre mes félicitations à Sa Majesté La Reine, Veuillez agréer, Madame le Premier Ministre, l'expression de ma haute considération.

Habib BOURGUIBA


*Président de la République  
Tunisienne*

SON EXCELLENCE  
MADAME MARGARET THATCHER  
PREMIER MINISTRE DU ROYAUME UNI  
DE GRANDE BRETAGNE ET D'IRLANDE DU NORD

L O N D R E S



010



Foreign and Commonwealth Office

London SW1A 2AH

8. July 1982

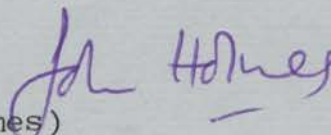
Dear John,

Tunisia and the Falklands

/ I enclose a letter to the Prime Minister from  
President Bourguiba (the Tunisian Ambassador has also written  
separately to the Prime Minister to convey the text) in which  
he offers his congratulations on the successful end to  
hostilities in the Falklands, the outcome of which he had  
never doubted, and hopes for a negotiated settlement which  
will satisfy the interests of all parties including the Falkland  
Islanders. The President has written in similar terms to The  
/ Queen (I enclose a copy.) In handing the letters to HM  
Ambassador, the Tunisian Foreign Minister commented that they  
would serve to confirm Tunisia's attitude towards the dispute:  
neutral in public, though sympathetic in private. The  
President's letter reflects the high regard he has for Britain  
and our armed forces, especially in adversity, and deserves a  
/ reply. I accordingly enclose a draft message from the Prime  
Minister to President Bourguiba.

This should be conveyed through our Ambassador in Tunis  
and a copy sent separately to the Tunisian Ambassador here.  
/ I enclose a draft.

Yours ever



(J E Holmes)  
Private Secretary

A J Coles Esq  
10 Downing Street

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM: The Prime Minister

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

TO: HE M Habib Bourguiba  
President of the Republic of  
Tunisia

Your Reference

Copies to:

PRIVACY MARKING

.....In Confidence

CAVEAT.....

SUBJECT:

Thank you for your heartwarming message of congratulations on the occasion of the success of Her Majesty's Armed Forces in the South Atlantic. Like you, I regret the loss of life in a conflict which was not of our choosing, but the principles at stake were, and remain, of the greatest importance to my Government and to the British people. We are <sup>devoting our efforts to</sup> ~~now working on~~ the reconstruction and rehabilitation of the Falkland Islands. <sup>so that</sup> ~~In this the interests and the wishes of the Islanders will~~ <sup>can again enjoy the way of life they have freely chosen.</sup> ~~of course be of great importance.~~

~~Thank you most warmly for your kind thoughts. I was greatly touched that you should write. I wish you and your people well, and hope I shall be able to take up Prime Minister Mzali's generous invitation to visit Tunisia at a later date.~~ <sup>the people of Tunisia the greatest My best wishes to you, Mr. Mzali, and to the people of Tunisia.</sup>

Enclosures—flag(s).....

*M. 2/7*



DSR 11 (Revised)

**DRAFT:** minute/letter/teleletter/despatch/note

**TYPE:** Draft/Final 1+

**FROM:**PS/Prime Minister

Reference

**DEPARTMENT:**

**TEL. NO:**

**SECURITY CLASSIFICATION**

Top Secret

Secret

Confidential

Restricted

Unclassified

**TO:**  
HE M Sadok Bouzayen  
The Tunisian Ambassador  
Tunisian Embassy  
29 Prince's Gate  
LONDON SW7 1QG

Your Reference

**Copies to:**

**PRIVACY MARKING**

.....In Confidence

**CAVEAT**.....

**SUBJECT:**

Thank you for your letter of 21 June to the Prime Minister in which you kindly conveyed a message from His Excellency President Bourguiba about the successful outcome in the South Atlantic.

The Prime Minister was greatly touched by President Bourguiba's decision to write and to express himself with such characteristic warmth and candour. The Prime Minister has sent a reply in the following terms:

['Message']

Enclosures—flag(s).....

18 JUN 1982

RECEIVED  
JUN 18 1982  
FBI  
MEMPHIS



CONFIDENTIAL



*LLR*

10 DOWNING STREET

*From the Private Secretary*

8 July 1982

FALKLANDS

The Prime Minister saw UKMIS New York telegram no. 1082. With regard to paragraph 8, she asked whether, as Sir Anthony Parsons recommended, we are now taking action with the Commonwealth to try to secure a counter text on language about the Falkland Islands for the NAM Summit and for the next session of the General Assembly. Could you let me have an answer to the Prime Minister's question in due course.

A. J. COLES

John Holmes Esq.,  
Foreign and Commonwealth Office.

CONFIDENTIAL

*LLR*

GRS 150

CONFIDENTIAL

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FM BERNE 081655Z

TO IMMEDIATE FCO

TELNO 209 OF 08 JULY

INFO IMMEDIATE BRASILIA WASHINGTON UKMIS NEW YORK UKMIS GENEVA

MY TENO 296

FALKLANDS: RETURN OF PRISONERS AND CESSATION OF HOSTILITIES.

THE FOREIGN INTERESTS SECTION OF THE FEDERAL DEPARTMENT OF FOREIGN AFFAIRS PASSED TO US THIS EVENING (8 JULY) THE FOLLOWING TEXT OF A MESSAGE WHICH THEY HAD JUST RECEIVED FROM THE SWISS AMBASSADOR IN BUENOS AIRES.

BEGINS.

AVONS FAIT, HIER, DEMARCHE AUPRES AMBASSADEUR KELLER SARMIENTO QUI NOUS A INDIQUE QUE L'HOMME-CLE DU COTE DES MILITAIRES EST EN L'OCCURRENCE LE GENERAL CERDA QUI N' EXCLURAIT PAS LA POSSIBILITE DE DONNER SUITE A DEMANDE BRITANNIQUE AYANT FAIT OBJET DE VOTRE MESSAGE DU 2.7.82. CELA TOUTEFOIS SANS PREJUDICE REGLEMENT DU CESSEZ-LE-FEU QUI, LUI, RESTE LIE A CELUI DE LA SOUVERAINETE QUE L'ARGENTINE NE PRETEND POUR LE MOMENT VOULOIR TRAITER QU'AU PLAN MULTILATERAL. CECI NOUS A ETE CONFIRME PAR LE SOUS-SECRETAIRE D'ETAT ROS DANS LA SOIREE DU 7.7. 1982.

ENDS

POWELL-JONES

FALKLAND ISLANDS GENERAL

FCO

FALKLANDS UNIT

CABINET OFFICE

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CONFIDENTIAL

13863 - 1

OO PRETORIA  
GRS 310  
CONFIDENTIAL  
FM FCO 090912Z JUL 82  
TO IMMEDIATE PRETORIA  
TELEGRAM NUMBER 1052 OF 8 JULY 1982

MY TELNO 1039: ARMS SUPPLIES FOR ARGENTINA

1. MINISTER OF SOUTH AFRICAN EMBASSY CALLED TODAY ON SIR J LEAHY TO DELIVER FURTHER RESPONSE TO ALLEGATIONS OF SOUTH AFRICAN INVOLVEMENT IN ARMS SUPPLIES TO ARGENTINA (INCLUDING REPORT IN TUR). IN VIEW OF THE IMPORTANCE OF THIS ISSUE, SAG WERE PREPARED TO MAKE A FURTHER EXCEPTION TO THEIR POLICY OF REFUSING TO COMMENT ON ARMS SALES: 'THE SOUTH AFRICAN GOVERNMENT HAS NOT DELIVERED ANY WEAPONS TO ARGENTINA' SINCE THE OUTBREAK OF HOSTILITIES IN THE FALKLANDS. VAN NIEKERK SAID THAT BECAUSE OF THE RISK OF UPSETTING THEIR REGULAR ARMS CUSTOMERS, THIS ASSURANCE MUST BE BOTH VERBAL AND CONFIDENTIAL.

2. LEAHY THANKED VAN NIEKERK FOR THIS FURTHER ASSURANCE, EXPLAINING THAT WE HAD NOT SOUGHT TO SINGLE OUT SOUTH AFRICA OR ACCUSE HER OF SUPPLYING ARMS, BUT HAD BEEN OBLIGED AT A TIME OF CRISIS TO FOLLOW UP ALL SUCH REPORTS WITH MANY GOVERNMENTS.

3. IT WAS AGREED THAT THE NEED FOR CONFIDENTIALITY PRECLUDED ANY PUBLIC REFERENCE TO THIS LATEST ASSURANCE AND THAT IF THERE WAS A NEED TO COMMENT ON ALLEGATIONS OF SOUTH AFRICAN GOVERNMENT INVOLVEMENT, DIRECT OR INDIRECT, IN ARMS SUPPLIES, WE WOULD NOT GO BEYOND SAYING 'WE HAVE RECEIVED ADDITIONAL (TO MALAW'S STATEMENT OF 24 MAY) CLARIFICATIONS.'

4. COUNSELLOR SUBSEQUENTLY CONFIRMED THAT GOVERNMENT AGENCIES WERE INCLUDED IN THIS CLARIFICATION.

5. ALLEGATIONS OF INDIRECT SOUTH AFRICAN INVOLVEMENT SUCH AS

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13863 - 1

TRANS-SHIPMENT OR DEALING ARE PRESUMABLY NOT COVERED BY IT,  
NOR THE SUPPLY OF ITEMS SUCH AS AMMUNITION, COMMUNICATIONS  
EQUIPMENT AND OTHER WAR MATERIALS. DESPITE THESE LIMITATIONS  
THIS ASSURANCE SUGGESTS THE SOUTH AFRICANS ARE WELL AWARE OF  
THE DAMAGE THAT THEIR PREVIOUS UNHELPFUL RESPONSE HAS DONE TO  
THEIR IMAGE HERE AND THAT THEY WISH TO DO WHAT THEY CAN TO MEND  
FENCES.

PYM

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FALKLAND ISLANDS



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13691 - 1

OO CIVIL COMMISSIONER PORT STANLEY

GRS 285

RESTRICTED

FM FCO 081030Z JUL 82

TO IMMEDIATE CIVIL COMMISSIONER PORT STANLEY

TELEGRAM NUMBER 38 OF 8 JULY

FALKLANDS REHABILITATION: BANKING SERVICES

1. THE EXECUTIVE COMMITTEE OF STANDARD CHARTERED BANK HAVE CONFIRMED THEIR WISH TO PURSUE THE IDEA OF A BRANCH IN PORT STANLEY. THEY REQUEST OUR RESPONSE ON THE FOLLOWING MAJOR CONDITIONS:

- QUOTE: A) STANDARD CHARTERED BANK WOULD BE APPOINTED GOVERNMENT BANKERS BY THE FALKLAND ISLANDS GOVERNMENT, SO THAT THE BRANCH WOULD HOLD CASH BALANCES AND HANDLE INWARD AND OUTWARD PAYMENTS. IT IS ENVISAGED THAT THE GOVERNMENT WOULD CONTINUE TO BE RESPONSIBLE FOR THE NOTE ISSUE AND WOULD SUPPLY CURRENCY TO THE BANK AT PAR WITH STERLING.
- B) FIG: THE BRANCH WOULD ABSORB THE BUSINESS OF THE GOVERNMENT SAVINGS BANK INTO ITS OWN DEPOSIT STRUCTURE AND THE PRESENT BALANCES OF THE SAVINGS BANK WOULD BE VESTED WITH THE BRANCH WHICH WOULD ACCORDINGLY TAKE THEM INTO ITS OWN RESOURCES POSITION.
- C) THE MILITARY AUTHORITIES WOULD AGREE TO OPEN ACCOUNTS WITH THE BRANCH TO HOLD THEIR MAIN FUNDS AND WOULD MAKE MAXIMUM USE OF THE BANK'S SERVICES.
- D) THE FALKLAND ISLANDS COMPANY WOULD AGREE TO END ITS BANKING SERVICES TO THE COMMUNITY AND WOULD AGREE TO BECOME A CUSTOMER OF THE BRANCH AND TO MAKE FULL USE OF THE BANK'S SERVICES. UNQUOTE.

GRATEFUL FOR FIG VIEWS ON A) AND B) AS SOON AS POSSIBLE. C) AND D) ARE FOR YOUR INFORMATION ONLY: WE ARE PURSUING AS NECESSARY.

2. STANDARD ENVISAGE A TEAM OF FOUR OR FIVE EXPATRIATE STAFF. THE OPENING OF OPERATIONS WOULD DEPEND ON THE PROVISION OF

1

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RESTRICTED

13691 - 1

PREMISES, ACCOMMODATION AND COMMUNICATIONS. GRATEFUL FOR YOUR  
COMMENTS.

PYM

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FALKLANDS REHABILITATION

LIMITED

S AM D  
FALKLANDS REHABILITATION SECT  
FINANCE DEPT  
APD  
DEFENCE DEPT  
ODA  
PS  
PS/MR ONSLOW  
PS/MR RIFKIND  
PS/MR MARTEN  
PS/PUS  
MR GIFFARD  
MR STREETON  
MR URE  
MR GILLMORE

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MR BAILEY ESID FCO  
MR MAYES B/ENGLAND

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PS  
PS/MR [REDACTED]  
PS/MR ONSLOW  
PS/MR RIFKIND  
PS/PUS  
SIR J BULLARD  
SIR I SINCLAIR  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR GILLMORE

**FLASH**

PS/NO 10 DOWNING ST (2)  
PS/S OF S FOR DEFENCE  
MR J STEWART AUSD STAFF MOD  
PS/CHANCELLOR )  
MR ILETT ) TREASURY  
MR LITTLER )  
MISS DICKSON D/ENERGY  
SIR R ARMSTRONG )  
SIR M PALLISER )  
MR A D S GOODALL ) CABINET OFFICE  
DIO )

HD/PUSD (2)  
HD/S AM-D  
HD/FALKLANDS UNIT (2)  
HD/DEFENCE DEPT  
HD/NEWS DEPT  
HD/ERD  
HD/ECD(E)  
HD/UND  
HD/PLANNING STAFF

ROOM 8 FOR MODUK C IN C FLEET

Mr. COLIN ROTH, LAEPD, ODA  
Mr. BORDEN, LAEPD, ODA.

~~RESIDENT CLERK~~

CONFIDENTIAL

FM MONTEVIDEO 081434Z JUL 82

TO F L A S H FCO

TELEGRAM NUMBER 550 OF 08 JULY

INFO IMMEDIATE RIO DE JANEIRO UKMIS GENEVA AND MODUK

YOUR TELNO 406: FLT/LT GLOVER

GLOVER HANDED OVER AT 11.15AM LOCAL TIME.

HUTCHINSON

NNNN

SENT AT 08/1437Z PG

**FLASH**

ADVANCE COPY

*ms*



IMMEDIATE

PS  
PS/MR HURD  
PS/MR ONSLOW  
PS/MR RIFKIND  
PS/PUS  
SIR J BULLARD  
SIR I SINCLAIR  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR GILLMORE

~~PS/NO 10 DOWNING ST (2)~~  
PS/S OF S FOR DEFENCE  
MR J STEWART AUSD STAFF MOD  
PS/CHANCELLOR )  
MR ILETT ) TREASURY  
MR LITTLER )  
MISS DICKSON D/ENERGY  
SIR R ARMSTRONG )  
SIR M PALLISER )  
MR A D S GOODALL ) CABINET OFFICE  
DIO )

HD/PUSD (2)  
HD/S AM D  
HD/FALKLANDS UNIT (2)  
HD/DEFENCE DEPT  
HD/NEWS DEPT  
HD/ERD  
HD/ECD(E)  
HD/UND  
HD/PLANNING STAFF  
RESIDENT CLERK

ROOM 8 FOR MODUK C IN C FLEET

Mr. COLIN ROTH, LAEPD, ODA  
MR. BORDEN, LAEPD, ODA.  
*Man - we can't  
keep them quite sure with*

0 82115Z JUL 82  
FM CIVIL COMMISSIONER PORT STANLEY  
TO FCO LONDON  
BT

C O N F I D E N T I A L  
S I C C S N  
TELEGRAM NO. 043

ARGENTINE PRISONERS

1. I SUPPORT THE MILITARY COMMISSIONER'S REQUEST THAT 34 ARGENTINE ENGINEERS BE KEPT HERE TO HELP US TO IDENTIFY AREAS OF MINE-FIELDS. RECENT HEAVY SNOW HAS DELAYED PROGRESS BUT IT IS HOPED THAT ANOTHER 10 DAYS OR SO WILL SEE THE JOB THROUGH.
  2. TO LET THEM GO WITH THE OTHER PRISONERS TOMORROW WILL LEAVE US OPEN TO JUSTIFIABLE CRITICISM IF AN ISLANDER IS SUBSEQUENTLY KILLED OR INJURED BY A MINE. WITHOUT THEIR HELP, IT WILL TAKE OUR ENGINEERS LONGER TO CLEAR THE MINE-FIELDS AND THUS PROLONG THE SERIOUS INCONVENIENCE CAUSED TO STANLEY INHABITANTS. HUNT.
- BT



ADVANCE COPIES: FALKLAND ISLANDS GENERAL 44

PS  
PS/MR HURD  
PS/MR ONSLOW  
PS/MR RIFKIND  
PS/PUS  
SIR J BULLARD  
SIR I SINCLAIR MR FREELAND  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR GILLMORE

HD/PUSD (2)  
HD/S AM D  
HD/FALKLANDS UNIT (2)  
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HD/UND  
HD/PLANNING STAFF  
RESIDENT CLERK

PS/NO 10 DOWNING ST (2)  
PS/S OF S FOR DEFENCE  
MR J STEWART AUSD STAFF MOD  
PS/CHANCELLOR )  
MR ILETT ) TREASURY  
MR LITTLER )  
MISS DICKSON D/ENERGY  
SIR R ARMSTRONG )  
SIR M PALLISER )  
MR A D S GOODALL ) CABINET OFFICE  
DIO )

ROOM 8 FOR MODUK C IN C FLEET

Mr. COLIN ROTH, LAEPD, ODA  
MR. BORDEN, LAEPD, ODA.

CONFIDENTIAL

FM WASHINGTON 082110Z JUL 82  
TO IMMEDIATE F C O  
TELEGRAM NUMBER 2375 OF 8 JULY  
INFO PRIORITY WELLINGTON, BERNE, BRASILIA, UKMIS NEW YORK.

YOUR TELNO 1302: US/ARGENTINA

1. WE HAVE SPOKEN TO THE STATE DEPARTMENT. THEY WELCOMED THE DECISION WE HAVE TAKEN TO PROPOSE THE RETURN OF THE PRISONERS AND WERE GRATEFUL TO US FOR KEEPING THEM CLOSELY INFORMED. THEY SAID THAT ONCE THESE ARRANGEMENTS HAD BEEN AGREED, THE ADMINISTRATION WOULD WANT TO LIFT U S ECONOMIC MEASURES AT SOME POINT IN THE COURSE OF NEXT WEEK. THEY WOULD KEEP IN TOUCH WITH US ABOUT THE TIMING.

HENDERSON

NNNN



CONFIDENTIAL

GRS..700.

*Prime Minute*

*I have asked the F/C.O. for  
an early report on the action  
they are taking.*

*A.J.C. 9/17.*

*mb*

CONFIDENTIAL

FM UK MISSION NEW YORK 082205Z JULY '82  
TO ROUTINE FOREIGN AND COMMONWEALTH OFFICE  
TELEGRAM NUMBER 1102 OF 8 JULY 1982  
INFO BAGHDAD, BELMOPAN, GEORGETOWN, PORT OF SPAIN, KINGSTON, CASTRIES  
AND BRIDGETOWN.  
INFO SAVING WASHINGTON.

SIR A PARSONS TELNO.1082 (NOT TO ALL) : FALKLANDS : NAM SUMMIT.

1. WE HAVE OBTAINED IN STRICT CONFIDENCE FROM A FRIENDLY NON-ALIGNED DELEGATION THE PRELIMINARY DRAFT OF THE POLITICAL DECLARATION TO BE ISSUED BY THE NAM SUMMIT (COPIES BY BAG TO UND, RESEARCH DEPT AND BAGHDAD). THE ONLY REFERENCE TO THE FALKLANDS IS PARAGRAPH 183 WHICH READS: "THE CONFERENCE REITERATED ITS SUPPORT FOR THE ARGENTINE REPUBLIC'S RIGHT TO THE RESTORATION OF TERRITORIAL SOVEREIGNTY OVER THE MALVINAS ISLANDS AND CALLED ON THE UK TO SPEED UP NEGOTIATIONS WITH ARGENTINA ON THE ISSUE".
2. THE IRAQIS HAVE DISTRIBUTED COPIES OF THEIR PRELIMINARY DRAFT TO NAM MEMBER STATES IN CAPITALS, INVITING COMMENTS AND SUGGESTIONS TO BE INCORPORATED IN A REVISED DRAFT WHICH WILL BE SUBMITTED TO THE MEETING OF SENIOR OFFICIALS IN BAGHDAD AT THE VERY END OF AUGUST. THE PRELIMINARY DRAFT IS LIKELY TO BE DISCUSSED INFORMALLY IN REGIONAL GROUPS OF THE NON-ALIGNED HERE IN NEW YORK. WHERE A REGIONAL GROUP CAN AGREE ON REVISED WORDING, THAT WORDING IS LIKELY TO BE INCORPORATED IN THE LATE AUGUST DRAFT. WHERE A REGIONAL GROUP CANNOT AGREE, REVISED WORDING WILL BE PUT IN SQUARE BRACKETS IN THE NEXT DRAFT, WITH A DECISION BEING REFERRED TO THE SENIOR OFFICIALS. IF THEY CANNOT AGREE, THE QUESTION WILL GO TO THE FOREIGN MINISTERS AND IF THEY CANNOT AGREE, TO THE SUMMIT ITSELF.
3. PARAGRAPH 183 AS DRAFTED IS DOUBLY UNHELPFUL IN THAT IT BOTH ASSERTS ARGENTINE SOVEREIGNTY AND CALLS FOR NEGOTIATIONS. BUT IT IS THE LEAST THE IRAQIS COULD HAVE DONE. IT REPEATS ALMOST VERBATIM THE FORMULAE IN THE TWO NAM COMMUNIQUE OF 1981 (DELHI, FEBRUARY; NEW YORK, SEPTEMBER), THOUGH IT IS marginally worse IN THAT IT SUBSTITUTES THE ACTIVE FOR THE PASSIVE MOOD PREVIOUSLY USED ("...REQUESTED THAT THE NEGOTIATIONS WITH THE UK...BE SPEEDED UP"). BUT IT IS ALMOST CERTAIN THAT THE ARGENTINES AND THEIR FRIENDS WILL TRY TO CHANGE THE IRAQI TEXT IN ORDER TO BRING IT INTO LINE WITH LAST MONTH'S HAVANA FINAL DECLARATION. THIS WOULD GIVE OUR FRIENDS, IF THEY WERE PREPARED TO MAKE THE EFFORT, AN OPPORTUNITY TO PRESS FOR CHANGES IN THE OPPOSITE DIRECTION, AS A FIRST STEP TOWARDS GETTING THE NAM TO RECONSIDER THE DECISION IT TOOK AT LIMA IN 1975 TO SET ASIDE THE PRINCIPLE OF SELF DETERMINATION "IN THE SPECIAL AND PARTICULAR CASE OF THE MALVINAS

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/ ISLANDS".



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ISLANDS''. IT WOULD OF COURSE GREATLY STRENGTHEN OUR FRIENDS HANDS IF, AS RECOMMENDED IN GOULDING'S LETTER F025/1 OF 16 JUNE TO WILLIAMS, UND, THE COMMONWEALTH COULD MEANWHILE BE GOT TO PRODUCE A HELPFUL STATEMENT ON SELF-DETERMINATION.

4. I ACCORDINGLY RECOMMEND THAT VERY EARLY CONSIDERATION SHOULD BE GIVEN TO THE COMMONWEALTH IDEA AND THAT WE SHOULD LOBBY (IN CAPITALS) OUR FRIENDS IN THE LATIN AMERICAN GROUP OF THE NAM (VIZ BELIZE, GUYANA, JAMAICA, ST. LUCIA, TRINIDAD). OUR LINE WITH THEM SHOULD BE THAT FOLLOWING ARGENTINA'S INVASION OF THE ISLANDS IN DEFIANCE OF THE SECURITY COUNCIL AND IT MANIFEST AND CALLOUS DISREGARD OF THE ''INTERESTS'' OF THE INHABITANTS, THE NAM MUST SURELY RECONSIDER ITS POSITION AND NOT PREJUDGE THE DISPUTE IN ARGENTINA'S FAVOUR. WOULD IT NOT BE BETETER FOR THE NAM TO RE-AFFIRM ITS TRADITIONAL ATTACHMENT TO THE PRINCIPLES OF SELF DETERMINATION, NON-USE OF FORCE ETC, PRINCIPLES WHICH ARE REHEARSED AT LENGTH IN THE EARLIER PARTS OF THE IRAQI DRAFT? I RECOMMEND THAT THESE REPRESENTATIONS SHOULD BE MADE AT A HIGH LEVEL, PERHAPS IN THE FORM OF A MESSAGE FROM YOURSELF: ON PAST FORM OUR FRIENDS WILL ALLOW THEMSELVES TO BE STEAM-ROLLED BY THE LATINOS UNLESS WE STRENGTHEN THEIR WILL TO RESIST. I DO NOT RECOMMEND THAT WE SHOULD LOBBY MORE WIDELY AT THIS STAGE: THE IMMEDIATE ACTION WILL BE IN THE LATIN AMERICAN GROUP HERE AND WE NEED TO CONSERVE SOME AMMUNTION FOR THE LIKELY CRUNCH AT THE SUMMIT ITSELF.

WHYTE

[REPETITION TO CASTRIES REFERRED FOR DEPARTMENTAL DECISION, REPEATED AS REQUESTED TO OTHER POSTS]

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ATTORNEY GENERAL'S CHAMBERS,  
LAW OFFICERS' DEPARTMENT,  
ROYAL COURTS OF JUSTICE,  
LONDON, W.C.2.

Our Ref: 14/12/4 G

8 July 1982

A D S Goodall Esq CMG  
Cabinet Office  
Whitehall  
LONDON S W 1

*See Sent,*

*Prime Minister*  
*You will wish to see the*  
*Attorney's view.*

*A.S.C. 2/7.*

#### FALKLANDS : CESSATION OF HOSTILITIES

The Attorney General has seen the minutes of the 64th meeting of OD(SA) on Monday 5 July and has noticed that they report the Prime Minister as having said, in her summing up of the discussion, that "she noted that there would be legal justification for maintaining the Total Exclusion Zone and the 12 mile restriction (at least on Argentine submarines) as long as there was no formal cessation of hostilities". He has asked me to point out that this formulation does not reflect, as closely as he would like, the advice which he himself gave at the meeting.

The point which troubles him is this. The criterion upon which our justification for maintaining our measures of self-defence must turn is not whether there has or has not been a "formal cessation of hostilities" but whether there does or does not still exist a threat, in the form of a continuing intention by the Argentines to attack us (coupled with an ability to do so), which entitles us, in the Attorney General's own phrase, "to keep up our guard". Whether such a threat exists is in the end a question of fact and of the evaluation of the facts. A "formal cessation of hostilities", ie an explicit renunciation by the Argentines of any such hostile intentions, would of course be a very strong indication of the fact that the threat no longer existed and might make the retention of our measures very difficult to justify. But we do not at present expect such an explicit renunciation. What we were contemplating when the Attorney General gave his advice was that our message to the Argentines might elicit some response which could be construed as an acceptance that "active hostilities", within the meaning of Article 118 of the Third Geneva Convention, had ceased. What we now have is a slightly different situation from what was then in contemplation in that, even though the Argentines have made no direct response to our message, Ministers have today decided, as I understand it, that we should now treat the

/Argentines



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LONDON, W.C.2.

Argentines as having accepted that "active hostilities" have ended. In these circumstances I do not need to spell out the details of what the Attorney General's advice was as regards the situation where, in our view, "active hostilities" had not yet ceased. But as regards the situation in which we in fact now find ourselves the Attorney General's advice was that, for reasons which he no doubt explained, we are still not obliged to treat the threat from the Argentines as having disappeared. We are therefore still entitled to maintain our measures of self-defence (against Argentine vessels and aircraft only). But our justification for doing so needs to be kept under constant review as the situation evolves: the longer it goes on without hostilities in fact taking place, the more tenuous our justification will become. And the constant review of that justification will need to be even more searching and critical than would have been necessary if we were still assuming (or ostensibly assuming) the continuance of "active hostilities"

The Attorney General also asked me to make clear that he attaches importance to the need, if we are going to maintain our measures against Argentine vessels and aircraft, to give the Argentines a general warning that we are doing so.

The Attorney General regards it as wholly understandable that the account which the minutes give of the Prime Minister's summing up of the legal position, as he had explained it, does not attempt to reproduce all the above complexities. But he thinks that it may be helpful, and avoid misunderstanding in the future, to have this rather fuller description of what the legal position is.

I am copying this letter to the Private Secretaries to the members of OD(SA). You may want to pass copies to Antony Acland and the CDS.

*Yours ever,  
Henry Steel*

H STEEL

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1952

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13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32



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13771 - 1

OO WASHINGTON  
OO UKMIS NEW YORK  
GRS 355  
CONFIDENTIAL  
FM FCO 081630Z JULY 82  
TO IMMEDIATE BERNE  
TELEGRAM NUMBER 148 OF 8 JULY  
INFO IMMEDIATE BRASILIA, WASHINGTON, UKMIS NEW YORK, UKMIS GENEVA  
MONTEVIDEO, WELLINGTON

YOUR TELNO 206 (NOT TO MONTEVIDEO OR WELLINGTON): RETURN OF PRISONERS AND CESSATION OF HOSTILITIES

1. IN THE ABSENCE OF ANY ARGENTINE RESPONSE TO THE MESSAGE PASSED BY THE SWISS ON 3 JULY, WE NOW WISH TO UNBLOCK THE PRISONERS ISSUE. PLEASE NOW PASS TO THE SWISS THE FOLLOWING FURTHER MESSAGE, WHICH IS SELF-EXPLANATORY, AND ASK THEM TO CONVEY IT URGENTLY TO THE ARGENTINE GOVERNMENT. BEGINS.

THE BRITISH GOVERNMENT NOTES THAT THERE HAVE BEEN NO FURTHER HOSTILITIES IN THE SOUTH ATLANTIC IN THE WEEKS THAT HAVE PASSED SINCE 14 JUNE 1982. IT HAS ALSO NOTED THE STATEMENT MADE BY THE ARGENTINE FOREIGN MINISTER ON 5 JULY THAT THERE IS A DE FACTO CEASEFIRE ON THE PART OF ARGENTINA: AND IS ENCOURAGED BY THE ARGENTINE GOVERNMENT'S DECISION TO RELEASE FLIGHT-LIEUTENANT GLOVER. IT CONCLUDES THAT IT IS NOW ACCEPTED BY ARGENTINA THAT ACTIVE HOSTILITIES HAVE ENDED AND ON THAT BASIS, IN ACCORDANCE WITH ARTICLE 118 OF THE THIRD GENEVA CONVENTION, PROPOSES TO RETURN TO ARGENTINA ALL ARGENTINE PRISONERS OF WAR STILL IN BRITISH HANDS, AND INVITES THE ARGENTINE GOVERNMENT TO AGREE APPROPRIATE ARRANGEMENTS FOR THEIR RETURN. ENDS.

2. GRATEFUL IF YOU COULD EMPHASISE TO THE SWISS THAT, IN DELIVERING THE MESSAGE TO THE ARGENTINE GOVERNMENT, THEY SHOULD MAKE CLEAR THAT WHAT WE NOW WANT IS FOR THE ARGENTINES TO NAME THE PORT THROUGH WHICH PRISONERS SHOULD BE RETURNED.

3. WE SHALL ALSO BE DELIVERING THE TEXT OF THE MESSAGE TO THE BRAZILIAN EMBASSY TODAY.

1

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13771 - 1

4. WE DO NOT INTEND AT THIS STAGE TO PUBLICISE THIS FURTHER MESSAGE. WE HOPE THAT THE SWISS WILL BEAR THIS IN MIND, EG IN THEIR DISCUSSIONS WITH THE UN SECRETARY GENERAL LATER TODAY.
5. FOR MONTEVIDEO. YOUR TELNO 549 REFERS. YOU SHOULD BE AWARE OF THIS SINCE THE ARGENTINES MAY PROPOSE MONTEVIDEO AS THE PORT FOR RETURN. YOU SHOULD NOT HOWEVER INFORM THE URUGUAYANS OF OUR PROPOSAL AT THIS STAGE.
6. FOR WASHINGTON AND WELLINGTON. SEPARATE TELEGRAM FOLLOWS ON IMPLICATIONS OF THIS FOR US AND NEW ZEALAND ECONOMIC MEASURES.

N.B.

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PS/MR RIFKIND  
PS/PUS  
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SIR I SINCLAIR  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR GILLMORE

PS/NO 10 DOWNING ST (2) ✓  
PS/S OF S FOR DEFENCE  
MR J STEWART AUUSD STAFF MOD  
PS/CHANCELLOR )  
MR ILETT ) TREASURY  
MR LITTLER )  
MISS DICKSON D/ENERGY  
SIR R ARMSTRONG )  
SIR M PALLISER )  
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FM PARIS 071650Z JUL 82

TO PRIORITY FCO

TELEGRAM NUMBER 705 OF 07 JULY 1982

INFO ROUTINE UKMIS NEW YORK, WASHINGTON

ADVANCE COPY

IMMEDIATE

FALKLANDS: FRENCH COMMENT

1. IN A DEBATE IN THE NATIONAL ASSEMBLY ON 6 JULY ON FRENCH FOREIGN POLICY, CHEYSSON MADE THE FOLLOWING STATEMENT ON THE FALKLANDS:

" IN THE FALKLANDS THE ARGENTINE AGGRESSION TRIGGERED OFF A SERIES OF EVENTS WHICH THE SECURITY COUNCIL STROVE TO CONTROL. BUT RESOLUTION 502 WAS IGNORED AND THE WAR FOLLOWED, CAUSING 800-1000 DEATHS AND SERIOUS DAMAGE AND WASTE. DEMONSTRATING SOLIDARITY WITH HER ALLY AND WISHING TO UPHOLD THE LAW, FRANCE WAS LED TO INVOKE THE SANCTIONS WHICH HAVE SINCE BEEN LIFTED. I HOPE THAT THE ELEMENTS WHICH PROVOKED THIS WAR-THE REJECTION OF THE RULE OF LAW AND THE FAILURE TO RESPECT THE UN SECRETARY GENERAL-BELONG TO THE PAST AND THAT FROM NOW ON ALL THESE PROBLEMS CAN BE SOLVED BY NEGOTIATION, ESPECIALLY THE PROBLEM OF SOVEREIGNTY A SUBJECT ON WHICH FRANCE HAS NEVER TAKEN A POSITION "



BE SOLVED BY NEGOTIATION, ESPECIALLY THE PROBLEM OF SOVEREIGNTY  
A SUBJECT ON WHICH FRANCE HAS NEVER TAKEN A POSITION."

2. MAURICE FAURE, PRESIDENT OF THE NATIONAL ASSEMBLY FOREIGN  
AFFAIRS COMMISSION, COMMENTED LATER IN THE DEBATE THAT THE EC HAD  
REACTED WELL IN MANIFESTING ITS SOLIDARITY WITH BRITAIN, AND THAT  
HE HOPED THE BRITISH WOULD NOT FORGET THAT TOO RAPIDLY. ON THE  
STATUS OF THE FALKLANDS FAURE SAID THAT " GREAT BRITAIN WOULD  
BE WRONG TO CONSIDER THE FALKLANDS A TERRITORY COMING UNDER HER  
SOVEREIGNTY PURELY AND SIMPLY. THIS PROBLEM DEMANDS PERHAPS A  
SUI GENERIS (UNDERLINED) SOLUTION WHICH IT IS NOT OUR JOB TO  
DETERMINE."

3. LE MONDE DATED 7 JULY CARRIES A FRONT-PAGE EDITORIAL ENTITLED  
" ARGENTINA DOES HER ACCOUNTS". MOST OF THE ARTICLE DESCRIBES  
THE MODIFICATIONS TO THE ARGENTINE INTERNAL POLITICAL- UND  
PARTICULARLY MILITARY- SCENE RESULTING FROM THE SURRENDER OF  
STANLEY, EMPHASISING THE EXTENT OF THE SHOCK TO AND DECEPTION OF  
THE ARGENTINE PEOPLE. REPORTING A STATEMENT BY GENERAL NICOLAIDES  
TO THE EFFECT THAT THE RECONQUEST OF ARGENTINE SOVEREIGNTY OVER  
THE FALKLANDS WOULD BE CONDUCTED EXCLUSIVELY ON DIPLOMATIC  
CHANNELS, THE ARTICLE CONTINUES " THAT IS AN AREA IN WHICH  
ARGENTINA IS NOW ALMOST GUARANTEED TO BE ABLE TO COUNT ON SUPPORT  
FROM NUMEROUS COUNTRIES, INCLUDING DOUBTLESS FRANCE. IN THEIR KEEN  
DESIRE TO RE-ESTABLISH NORMAL RELATIONS WITH THE ARGENTINE  
REGIME, THE UNITED STATES MAY ATTEMPT TO SEEK TO RE-ESTABLISH THE  
PRESTIGE THEY WERE DEVELOPING IN LATIN AMERICA BY NOT OPPOSING  
ARGENTINA'S HISTORICAL CLAIM."

FRETWELL

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FM FCO 070900Z JULY 82

TO PRIORITY CIVIL COMMISSIONER PORT STANLEY

TELEGRAM NUMBER 26 OF 7 JULY

INFO PRIORITY MOD (DS5)

BAS RETURN TO SOUTH GEORGIA

1. WITH BAS, NERC AND MOD WE HAVE BEEN CONSIDERING THE REACTIVATION OF THE BAS PRESENCE IN SOUTH GEORGIA.
2. BAS WANT TO REOCCUPY THEIR BIRD ISLAND STATION BEFORE MID-SEPTEMBER SO AS NOT TO LOSE SCIENTIFIC CONTINUITY. DECISION ON COMPOSITION OF FOUR-MAN TEAM AWAITS DICK LAWS'S RETURN FROM LENINGRAD ON 12 JULY. MATTER HAS BEEN COMPLICATED BY ACCIDENTAL DEATH OF ONE DESIGNATED FOR THE BIRD ISLAND TEAM.
3. AS FOR GRYTVIKEN, BAS WANT TO SEND SOON THREE-MAN TEAM WITH EXPERTISE IN BUILDINGS, STORES AND SCIENTIFIC EQUIPMENT TO REPORT ON NEEDS. MOD LOOKING INTO THE POSSIBILITIES OF TRANSPORTING THESE SEVEN MEN ON SHIP DUE TO REACH GRYTVIKEN MID-AUGUST.
4. BIRD ISLAND EXPENDITURE WILL BE CARRIED ON NERC FUNDS. COULD YOU PLEASE CONFIRM THAT GRYTVIKEN TEAM CAN BE SUPPORTED UNDER 1 APRIL AGREEMENT BETWEEN NERC AND FID GOVERNMENT? FUNDING OF REHABILITATION OF GRYTVIKEN WILL HAVE TO BE CONSIDERED IN LIGHT OF TEAM'S REPORT.
5. SUBJECT TO YOUR VIEW AND THAT OF MILITARY COMMISSIONER, WE, BAS AND NERC THINK THAT UNTIL THE BAS PRESENCE AT GRYTVIKEN HAS BEEN FIRMLY ESTABLISHED NEXT SEASON UNDER A SUITABLY QUALIFIED BASE COMMANDER, BAS PERSONNEL IN SOUTH GEORGIA SHOULD REMAIN ANSWERABLE TO YOU AND BAS THROUGH THE OFFICER COMMANDING IN SOUTH GEORGIA.

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FM F C O 071409Z JUL 82  
TO IMMEDIATE ROME  
TELEGRAM NUMBER 194 OF 7 JULY

FOR S OF S PARTY

FOLLOWING TELEGRAM NOW REPEATED TO YOU AT REQUEST OF PRIVATE OFFICE WAS RECEIVED FROM UKMIS GENEVA TELEGRAM NUMBER 387 OF 7 JULY INFO IMMEDIATE MODUK, MONTEVIDEO, UKMIS NEW YORK, WASHINGTON, BRASILIA, BERNE.

FALKLAND ISLANDS: RETURN OF PRISONERS OF WAR

1. THE UN SECRETARY-GENERAL TOLD ME THIS MORNING (JULY 7) THAT HE HAD BEEN TELEPHONED AT MIDNIGHT LAST NIGHT BY THE ARGENTINE FOREIGN MINISTER TO SAY THAT THE ARGENTINES HAVE DECIDED TO RELEASE FLT LT GLOVER THROUGH THE ICRC AND THAT HE WOULD BE IN MONTEVIDEO THIS AFTERNOON. THE ARGENTINES MADE IT CLEAR THAT THEY WERE NOT ATTACHING ANY CONDITIONS.
2. PEREZ DE CUELLAR SAID HE DID NOT KNOW THE ARGENTINE FOREIGN MINISTER PERSONALLY (THEY DID NOT OVERLAP IN CARACAS). HE WAS UNABLE TO SAY WHY HE HAD BEEN CONTACTED. HOWEVER HE THOUGHT THE ARGENTINE GESTURE SIGNIFICANT. WHILE IT MIGHT HAVE BEEN MADE AT THE SUGGESTION OF THE NEW FOREIGN MINISTER, IT WOULD HAVE HAD TO HAVE HAD THE APPROVAL OF THE GOVERNMENT AS A WHOLE. THE ARGENTINES ARE OF COURSE AWARE OF HIS FORTHCOMING VISIT TO LONDON.
3. PEREZ DE CUELLAR ALSO MENTIONED THAT MY ARGENTINE OPPOSITE NUMBER HAD COMPLAINED TO HIM YESTERDAY ABOUT THE LACK OF PRECISE DETAILS ABOUT THE ARGENTINE PRISONERS STILL IN OUR HANDS. PEREZ DE CUELLAR STRESSED THAT HE HAD NOT BEEN ASKED TO ACT AS AN INTERMEDIARY. I EXPLAINED THE POSITION TO HIM.

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FM BERNE 071430Z

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TO IMMEDIATE FCO

TELNO 206 OF 07 JULY

INFO IMMEDIATE WASHINGTON BRASILIA UKMIS NEW YORK UKMIS GENEVA

YOUR TELNO 145: FALKLANDS: RETURN OF PRISONERS AND CESSATION OF HOSTILITIES.

1. I CALLED ON AMBASSADOR HUGENTOBLER AT THE DEPARTMENT OF FOREIGN AFFAIRS AT 1300Z ON 07 JULY AND MADE REPRESENTATIONS IN ACCORDANCE WITH YOUR INSTRUCTIONS. RAMSEYER AND GHISLER WERE PRESENT ON THE SWISS SIDE. COUNSELLOR ACCOMPANIED ME.
2. HUGENTOBLER MADE NO DIFFICULTY ABOUT ACCEPTING REQUEST IN PARA 2 OF YOUR TUR AND SAID THAT HE WOULD TAKE ACTION ACCORDINGLY WITHOUT DELAY. HE BRUSHED ASIDE ANY QUESTION OF AWKWARDNESS FOR THE SWISS IN REPEATEDLY MAKING THESE DEMARCHES, SAYING THAT THEY WERE ACCUSTOMED TO DO SO AND THAT THE IMPORTANCE OF THIS MATTER TO THE UNITED KINGDOM WAS WELL UNDERSTOOD. HE NOTED YOUR POINT ABOUT DETAILS OF THE ARGENTINE REACTION.
3. THERE HAS BEEN NO FURTHER REPORT FROM THE SWISS AMBASSADOR IN BUENOS AIRES ON THIS MATTER SINCE THAT REPORTED IN MY TELNO 204. HUGENTOBLER DREW ATTENTION TO A REPORT IN TO-DAY'S HERALD TRIBUNE AS AN INTERESTING INDICATION OF ARGENTINE ATTITUDE ON CEASEFIRE.
4. I TOOK THE OPPORTUNITY TO INFORM HUGENTOBLER OF DEVELOPMENT CONCERNING FLIGHT LT GLOVER REPEATED IN UKMIS GENEVA TELNO 387. SWISS OFFICIALS SHOWED OBVIOUS PLEASURE AT THIS NEWS AND I TOOK THE OPPORTUNITY TO THANK THEM FOR THEIR EFFORTS TO BRING ABOUT GLOVER'S RELEASE.
5. UN SECRETARY-GENERAL IS DUE IN BERNE LATER TODAY FOR AN OFFICIAL VISIT, DURING WHICH FALKLANDS WILL NO DOUBT BE DISCUSSED BETWEEN HIM AND AUBERT.

POWELL - JONES

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Foreign and Commonwealth Office

London SW1A 2AH

7 July, 1982

Type please.

Dear John,

A.J.C.-g/h.

Falklands

/ Thank you for your letter of 1 July. I enclose a draft reply for the Prime Minister to send to Mr Trudeau. We would suggest that the reply, if approved by the Prime Minister, should be conveyed through our High Commissioner in Ottawa, and that at the same time a copy should be sent to the Canadian High Commissioner here.

Yours ever

(J E Holmes)  
Private Secretary

A J Coles Esq  
Private Secretary  
10 Downing Street

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DSR 11 (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM: THE PRIME MINISTER

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO: The Right Honourable P E Trudeau

MP Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

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SUBJECT:

.....In Confidence

Thank you so much for your congratulations conveyed in your letter of 27 June and for your most generous remarks about the conduct of the Falkland Islands campaign.

CAVEAT.....

It is a matter of great relief to us all that we were able to complete it so swiftly, and that further loss of life was thereby avoided. You will know from my earlier messages to you how very much we value the support which Canada gave us.

*We are now concentrating on the reconstruction and rehabilitation of the Islands so that their people can again enjoy the way of life which they have long loved.*

~~I am very conscious of the need to be sensitive to the problems of the area and of our allies' relations with Latin America in the weeks ahead. Much will depend on the attitude adopted by the new Government in Argentina and by the other Latin American countries. But we shall do what we can to assist a return to the good relations of the past.~~

Again, my warmest thanks.

*We certainly seek peace and stability in the region as a whole and are sensitive to the need of our allies to restore and strengthen relations with the countries of Latin America. And will depend on the attitude of the new government of Argentina who are well aware of our desire to establish that hostilities have permanently ceased.*

Enclosures—flag(s).....

*MR 9/7*

Handwritten text at the top of the page, possibly a title or header.

7 JUL 1982  
Circular stamp with numbers 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 around the perimeter.





SUBJECT

T 142 BB/82



PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T 142<sup>BB</sup>/82

cc Master  
cps

*Le Président de la République*

N° 137 /PR.

Lomé, le 7 Juillet 1982.

Madame le Premier Ministre,

Au moment où votre Pays a rétabli sa souveraineté sur les Iles Falkland, vous avez bien voulu, par votre lettre en date du 17 Juin 1982, nous exprimer vos sentiments de profonde gratitude pour le soutien que notre gouvernement vous a apporté dans ce conflit par ses prises de position devant les instances internationales et auprès des pays amis.

La victoire que votre vaillante armée a remportée honore votre Pays, rehausse la fierté nationale, votre prestige personnel et justifie votre ferme attachement au respect de la souveraineté des peuples et de leur droit à l'autodétermination.

Dès le début de cette crise, nous n'avons pas manqué une seule occasion de rappeler aux pays qui nous ont approché, et surtout à nos partenaires de la Communauté Economique des Etats de l'Afrique de l'Ouest, la justice de la cause et des principes que vous défendez et qui sont également ceux qui gouvernent notre philosophie politique.

.../...




C'est ainsi que nous n'avions pas hésité à dire à l'envoyé spécial que le Président Argentin avait dépêché auprès de nous, dès le début du conflit, que l'Argentine devrait se retirer des Iles Fakland et laisser à la diplomatie américaine qui s'était offerte pour les négociations, les chances d'aboutir à une solution excluant tout recours à la force.

L'issue du conflit en votre faveur vous confère l'initiative de nouvelles négociations qu'il convient d'engager pour aider les habitants des Iles Fakland à se prononcer librement et à opter pour un statut qui leur permette de vivre en paix.

C'est au nom de la paix et des bonnes relations qui unissent nos deux pays, que nous avons appuyé la résolution 502 du Conseil de Sécurité et c'est également au nom de la paix, de ces liens privilégiés que nous formons le voeu que votre gouvernement fasse tout ce qui est en son pouvoir pour éviter le recours à la force dans le règlement définitif de cette affaire.

Veillez agréer, Madame le Premier Ministre, mes hommages distingués et les assurances de ma haute considération.



  
Général GNASSINGBE EYADEMA.

Son Excellence  
Madame Margaret THATCHER  
PREMIER MINISTRE  
10, Downing Street,

LONDRES  
-----



MR WRIGHT

cc Mr Whitmore

NW  
13m

FREDERICK FORSYTH

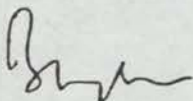
Much to my distress I now discover that Mr Forsyth has had second thoughts about his proposed book on the Falkland Islands campaign.

He told my secretary, who got in touch with him to let him know that we had not forgotten his approach, that his publishers had cast doubt on the entire project. They took the view that the issue will be very old hat in 12 months time and that by then too many books will probably have been produced on the subject. In addition they thought that sales abroad would be limited.

I must confess I am surprised to hear of this, bearing in mind Mr Forsyth's reputation as a story-teller.

However he does not seem to have given up the ghost entirely and says he is doing some more research and may come back to me later.

As a consequence you may feel it worth pursuing the general points which his original request raised as to whether the Government would be prepared to offer help to the extent that he sought and, if so, what we might say in justification of that assistance (and in justification of not giving similar assistance to others, if the demand arose).



B. INGHAM

6 July 1982



The National Archives

LETTERCODE/SERIES ..... <i>PREM 19</i> .....	Date and sign
PIECE/ITEM ..... <i>638</i> ..... (one piece/item number)	
Extract/Item details:  <i>Minute from Whitmore to Ingham dated 5 July 1982</i>	
CLOSED FOR ..... <i>40</i> ..... YEARS UNDER FOI EXEMPTION	<i>26 April 2012</i> <i>Wayland</i>
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	
MISSING ON TRANSFER	
MISSING	
NUMBER NOT USED	



Instructions for completion of Dummy Card

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Use the card for one piece/item number only

Enter the Lettercode, Series and Piece/Item references clearly  
e.g.

LETTERCODE/SERIES	.....GRA 168.....
PIECE/ITEM	.....49.....
(ONE PIECE/ITEM NUMBER ONLY)	

Please Sign and Date in the box adjacent to the description that applies to the document being replaced by the Dummy Card

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The National Archives

LETTERCODE/SERIES ..... <i>PREM 19</i> .....	Date and sign
PIECE/ITEM ..... <i>638</i> ..... (one piece/item number)	
Extract/Item details:  <i>Letter from Onand to Whitmore dated 5 July 1982</i>	
CLOSED FOR ..... <i>40</i> ..... YEARS UNDER FOI EXEMPTION	<i>26 April 2012 Wayland</i>
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
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ADVANCE COPIES: FALKLAND ISLANDS GENERAL 42

PS  
PS HURD  
PS/MR ONSLOW  
PS/MR RIFKIND  
PS/PUS  
SIR J BULLARD  
SIR I SINCLAIR  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR GILLMORE

PS/NO 10 DOWNING ST (2)  
PS/S OF S FOR DEFENCE  
MR J STEWART AUSD STAFF MOD  
PS/CHANCELLOR )  
MR ILETT ) TREASURY  
MR LITTLER )  
MISS DICKSON D/ENERGY  
SIR R ARMSTRONG )  
SIR M PALLISER )  
MR A D S GOODALL )  
MR FULLER SAPU/DIO ) CABINET OFFICE  
DIO )

HD/PUSD (2)  
HD/S AM D  
HD/FALKLANDS UNIT (2)  
HD/DEFENCE DEPT  
HD/NEWS DEPT  
HD/ERD  
HD/ECD(E)  
HD/UND  
HD/PLANNING STAFF  
RESIDENT CLERK

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**IMMEDIATE**  
ADVANCE COPY

C O N F I D E N T I A L  
S I C C S N

TELEGRAM NO29 FALKLAND ISLANDERS MORALE

1. I VISITED GOOSE GREEN, DARWIN, FITZROY AND BLUFF COVE LAST WEEK AND WAS MUCH REASSURED BY WHAT I SAW PD MORALE IS EXCELLENT PD THE GURKHAS WHO ARE STATIONED AT GOOSE GREEN HAVE DONE A GREAT JOB IN CLEANING UP THE MESS AND HAVE WON THE HEARTS OF THE LOCAL POPULATION PD THERE ARE PROBLEMS - EG THE ARGENTINES TOOK AWAY ALL RADIO TRANSCEIVERS AND RAN THE SETTLEMENTS LAND ROVER TO A STANDSTILL (THEY DID NOT BOTHER WITH ROUTINE MAINTENANCE LIKE OIL AND WATER) PD BUT THESE ARE SUPERABLE AND IT IS REMARKABLE HOW QUICKLY THE PEOPLE WHO SUFFERED BADLY DURING THE WAR (115 AT GOOSE GREEN LOCKED UP FOR 4 WEEKS IN THE CLUB WITH TOTALLY INADEQUATE SANITATION CMM LACK OF FOOD ETC) AND PICKING UP THE THREADS PD BWM STANLEY MORALE IS TWO WEEKS BEHIND GOOSE GREEN PD MANY TOWNSFOLK ARE DEPRESSED AND STILL IN SOME SHOCK PD THERE IS LETHARGY IN



~~BWM STANLEY MORALE IS TWO WEEKS BEHIND GOOSE GREEN PD MANY TOWNSFOLK ARE DEPRESSED AND STILL IN SOME SHOCK PD THERE IS LETHARGY IN~~

PAGE TWO RBDAPZ 084 C O N F I D E N T I A L

GOVERNMENT DEPARTMENTS AND E FEELING IN SOME QUARTERS THAT IT IS ALL TOO DIFFICULT PD THIS IS UNDERSTANDABLE GIVEN THE DAMAGE TO BUILDINGS AND THE GENERAL SQUALOR IN THE TOWN (ARGENTINE CONSCRIPTS LEFT EXCREPENT IN DRAWS CMM BATHS CMM SINKS AND ON BEDS CMM CHAIRS AND KITCHEN TABLES) PD THERE IS TOO MUCH BACKBITING - THOSE WHO LEFT STANLEY ARE ACCUSED OF RUNNING AWAY CMM THOSE WHO STAYED OF COLLABORATING - AND THE SILLY STORIES PERSIST ABOUT THE TWO COUNCILLORS WHO WENT TO THE NEW YORK TALKS KNOWING IN ADVANCE ABOUT THE INVASION PD BUT THINGS ARE IMPROVING PD SUPPLIES IN THE SHOPS ARE PLENTIFUL PD THERE IS NO SHORTAGE OF FOOD OR DRINK (ALTHOUGH CMM AS I HAVE REPORTED THERE ARE SOME PROBLEMS OVER FUEL) AND RELATIONS WITH THE MILITARY CMM WHO ARE SHOWING SENSITIVITY AS WELL AS GREAT ENERGY IN HELPING WITH REHABILITATION CMM REMAIN VERY GOOD

3. I SEE MY MOST IMPORTANT IMMEDIATE TASKS AS THE RESTORATION OF MORALE AND UNITY AND ENCOURAGING THE GOVERNMENT MACHINE INTO EFFECTIVE ACTION PD MUCH WILL DEPEND ON THE SPEED AND EFFICIENCY WITH WHICH YOU CAN MEET MY REQUESTS FOR MATERIAL AND STAFFING ASSISTANCE PD ONLY ONE OR TWO ISLANDERS HAVE SO FAR TALKED ABOUT LEAVING FOR GOOD BUT I WOULD NOT EXCLUDE THAT THIS NUMBER COULD GROW IF IMPROVEMENTS ARE NOT SEEN QUICKLY PD

PAGE THREE RBDAPZ 084 C O N F I D E N T I A L

4. IT WILL BE SOME TIME BEFORE I CAN OFFER ANY ASSESSMENT OF HOW THE ISLANDERS SEE THEIR POLITICAL FUTURE PD MOST HAVE NOT GOT ROUND TO THINKING ABOUT IT PD BUT OF ONE THING I AM SURE: THEY WILL NOT IN THE FORESEEABLE FUTURE SANCTION ANY SUGGESTION OF ANY SORT OF NEGOTIATION WITH THE ARGENTINES ON THEIR FUTURE

5. PLEASE REPEAT AS NECESSARY

HUNT

BT





Ref: B06552

PRIME MINISTER

c Sir Robert Armstrong

OD(FAF): Falkland Islands Rehabilitation

## BACKGROUND

The meeting has a double purpose: to review progress on the rehabilitation of the Islands and to decide how urgent civil rehabilitation work is to be funded. Longer term issues (eg the ultimate size of the garrison, constitutional arrangements and possibilities for development) will need to be considered at a future meeting.

2. The two papers by officials (OD(FAF)(82) 11 and 12) summarise the state of play on civil and military rehabilitation respectively and, on the civil side, provide some tentative costings. On funding, the Foreign and Commonwealth Secretary and the Chancellor of the Exchequer agree that decisions about future development schemes must await Lord Shackleton's report (which is due to be completed by the middle of this month). But the Foreign and Commonwealth Secretary is concerned to establish the principle that new money should be found to meet the costs of the immediate work needed to bring life on the Islands back to normal and provide a viable infrastructure for the civil population and the enlarged military garrison. (his minute to the Chancellor of the Exchequer of 29 June). The Chancellor of the Exchequer is reluctant to commit himself until more precise estimates are available (his letter to the Foreign and Commonwealth Secretary of 30 June).

3. In the Foreign and Commonwealth Secretary's absence in Yugoslavia he will be represented by the Minister of State, Foreign and Commonwealth Office, Mr Cranley Onslow. The Secretary of State for Trade will not be present and will not be represented.



## HANDLING

4. You might begin by inviting Mr Cranley Onslow to speak to the paper on the civil rehabilitation programme (OD(FAF)(82) 11). He might be asked to identify areas of particular urgency; to update the information in the light of telegrams received from the Civil Commissioner since the paper was prepared; and to say if there is additional help which the military could be giving, over and above that described in the Ministry of Defence paper.
5. You might then invite the Defence Secretary to introduce the paper on rehabilitation work by British forces (OD(FAF)(82) 12). He may be able to indicate to what extent, if any, the work described there will generate costs which the Ministry of Defence might wish to recover from the Foreign and Commonwealth Office/Overseas Development Administration. (This is a point raised in the Foreign and Commonwealth Secretary's minute of 29 June. On the face of it there appears to be very little work being done which does not benefit the garrison as well as the civil population: the possible exception is the use of military transport to transfer Falkland Islanders and Falkland Government staff and their families and essential equipment from the United Kingdom to the Islands.) The Defence Secretary might also be asked if he has yet reached any preliminary conclusions about the size and composition of the garrison.
6. As a result of the discussion of the two papers you will wish to establish that no urgent work is being held up, or is likely to be held up, as a result of interdepartmental disagreement about funding or for any other reason.
7. You might then turn to the question of principle affecting the funding of the civil rehabilitation programme, namely whether new money should be found for it or whether the costs can be met out of existing programmes. Points to be established are -
  - (a) is there agreement that the problem relates only to expenditure falling in the current financial year, and that for future years the Foreign and Commonwealth Secretary should bid in the Public Expenditure Survey for the funds required in the usual way?



(b) Is there agreement that there is no slack at all in this year's Aid Programme from which all or some of the urgent civil rehabilitation costs could be met?

(c) How soon are precise estimates of the expenditure required on civil rehabilitation during the remaining 9 months of the current year likely to be available? The summary of possible costs given in the report of the official working group on future expenditure (OD(FAF)(82) 2) estimated the possible order of costs for rehabilitating essential services in Port Stanley as lying between £10 million and £40 million, depending on the extent of the damage (which had not then been established). Can this estimate now be refined? How much of the cost seems likely to fall within the current year?

(d) The cost of permanently extending the runway at Port Stanley airfield was not included in the figures for rehabilitation of essential services. A decision on whether to authorise permanent extension is required soon, since the temporary matting which is being laid down for immediate military purposes is said to have a life of only 2 years - ie approximately the same as the length of time needed for permanent construction work. Is it to be assumed that permanent extension will be required in any case in order to meet military needs? How far would permanent extension for military purposes also meet foreseeable civil requirements?

8. You might ask the Minister of State, Foreign and Commonwealth Office to speak first on these questions and then invite the Chancellor of the Exchequer to comment.

#### CONCLUSIONS

9. Subject to the discussion the Sub-Committee might be guided to the following conclusions.

i. Except for civilian transportation, the costs of the rehabilitation work by British forces described in OD(FAF)(82) 12 should be borne by the Ministry of Defence.



CONFIDENTIAL

ii. New money should be allocated for expenditure on essential civil rehabilitation work incurred during the current financial year.

iii. For rehabilitation work the cost of which will fall in 1983/84 and succeeding years, the Foreign and Commonwealth Secretary should be invited to bid in the Public Expenditure Survey for the additional funds required.

iv. The Defence Secretary to be invited to prepare proposals urgently for the permanent extension of Port Stanley airfield; and to consider in consultation with the Foreign and Commonwealth Secretary and the Secretary of State for Trade how far such extension could meet civil requirements also.

v. The Sub-Committee to meet again after Lord Shackleton has reported and before the parliamentary recess, to consider the Shackleton report and other longer term issues, including the ultimate size of the garrison and the possible construction of an airstrip on South Georgia.

A D S Goodall

5th July 1982

A D S GOODALL



JP  
76

10 DOWNING STREET

*From the Private Secretary*

5 July 1982

FALKLANDS CRISIS:  
LETTER FROM THE PRIME MINISTER OF BELIZE

I enclose a copy of a letter<sup>dated 28/7/82</sup> which the Prime Minister has received from the Prime Minister of Belize. I should be grateful if you could let me have a draft reply for signature by the Prime Minister.

B/K

A. J. COLES

John Holmes, Esq.,  
Foreign and Commonwealth Office.



[PLEASE RETURN COPY TO TYPISTS]

ADVANCE COPIES: FALKLAND ISLANDS GENERAL

42 44

PS (6)  
 PS/MR HURD  
 PS/MR ONSLOW  
 PS/MR RIFKIND  
 PS/PUS  
 SIR J BULLARD  
 SIR I SINCLAIR *MR FREEMAN*  
 MR GIFFARD  
 MR WRIGHT  
 MR ADAMS  
 LORD N G LENNOX  
 LORD BRIDGES  
 MR URE  
 MR GILLMORE  
 HD/NAD  
 HD/PUSD (2)  
 HD/S AM D  
 HD/FALKLANDS UNIT (2)  
 HD/DEFENCE DEPT  
 HD/NEWS DEPT  
 HD/ERD  
 HD/ECD(E)  
 HD/UND  
 HD/PLANNING STAFF  
 RESIDENT CLERK

PS/NO 10 DOWNING ST (2)  
 PS/S OF S FOR DEFENCE  
 MR J STEWART AUSD STAFF MOD  
 PS/CHANCELLOR )  
 MR ILETT ) TREASURY  
 MR LITTLER )  
 MISS DICKSON D/ENERGY  
 SIR R ARMSTRONG )  
 SIR M PALLISER )  
 MR A D S GOODALL )  
 MR FULLER SAPU/DIO ) CABINET OFFICE  
 DIO )

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ADVANCE COPY

*F.I.C.O. will advise. A.7 C.7*

IMMEDIATE

*What would sanctions? I thought - sanctions would be lifted in 1978*  
*MS*

CONFIDENTIAL

FM WASHINGTON 030036Z JUL 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 2341 OF 2 JULY

INFO PRIORITY BERNE BRASILIA UKMIS NEW YORK

US/ARGENTINA.

1. EAGLEBURGER TOLD US TODAY THAT THE US WAS OF COURSE STILL MAINTAINING LIMITED SANCTIONS AGAINST ARGENTINA. THEY COULD NOT CONTINUE TO DO SO FOR EVER. THEY WOULD HAVE TO TAKE A DECISION SOON. HE WAS CONCERNED BEFORE A DECISION WAS TAKEN HERE TO GET YOUR THINKING ON THE MATTER. THE LONGER SANCTIONS WERE CONTINUED THE MORE DIFFICULT IT WAS FOR THE UNITED STATES TO REPAIR RELATIONS WITH ARGENTINA. THE PRESIDENT HAD SAID THAT PARTICULARLY IN VIEW OF THE OTHER PROBLEMS AT PRESENT BETWEEN US OVER SANCTIONS, HE WANTED FIRST TO KNOW BRITISH VIEWS.

2. WE UNDERTOOK TO CONVEY THESE TO HIM AS SOON AS POSSIBLE, MAKING IT CLEAR THAT YOU WOULD NOT WISH SANCTIONS TO BE LIFTED PREMATURELY IT IS PRETTY CLEAR, HOWEVER, THAT FOLLOWING THE EC DECISION THE AMERICANS WILL WANT TO MOVE TO LIFT SANCTIONS WITHOUT MUCH DELAY. IT WILL OBVIOUSLY BE IMPORTANT THAT, AS AND WHEN THEY DO, THEY MAKE



IT IS PRETTY CLEAR, HOWEVER, THAT FOLLOWING THE EC DECISION THE AMERICANS WILL WANT TO MOVE TO LIFT SANCTIONS WITHOUT MUCH DELAY. IT WILL OBVIOUSLY BE IMPORTANT THAT, AS AND WHEN THEY DO, THEY MAKE CLEAR THAT SANCTIONS WOULD BE REIMPOSED IF THERE WAS ANY RESUMPTION OF HOSTILITIES ON THE PART OF THE ARGENTINIANS. WE IMPRESSED ON EAGLEBURGER THE IMPORTANCE NOT ONLY OF MAINTAINING THE ARMS EMBARGO BUT ALSO OF THE MANNER IN WHICH IT IS ENFORCED, EAGLEBURGER WAS REASSURING ON THIS POINT.

3. IN VIEW OF EAGLEBURGER'S REQUEST TO BE KEPT INFORMED OF ANY DEVELOPMENTS IN RELATION TO THE PRISONERS, WE GAVE HIM THE GIST OF YOUR COMMUNICATION TO THE SWISS (YOUR TELNO 142 TO BERNE). EAGLEBURGER WELCOMED THIS MOVE AND SAID THAT THE US AMBASSADOR IN BUENOS AIRES WOULD BE INSTRUCTED TO COMMEND A SOLUTION ON THESE LINES TO THE ARGENTINIANS. WE UNDERTOOK TO KEEP THE AMERICANS CLOSELY INFORMED OF DEVELOPMENTS. WE HAVE PUT TO THE STATE DEPARTMENT THE IMPORTANCE TO US OF SECURING THE EARLY RETURN OF FLIGHT LIEUTENANT GLOVER (YOUR TELNO 1258).

HENDERSON

NNNN



[PLEASE RETURN COPY TO TYPISTS]

ADVANCE COPIES: FALKLAND ISLANDS GENERAL 42

IMMEDIATE

PS  
PS/MR HURD  
PS/MR ONSLOW  
PS/MR RIFKIND  
PS/PUS  
SIR J BULLARD  
SIR I SINCLAIR  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR GILLMORE

PS/NO 10 DOWNING ST (2)  
PS/S OF S FOR DEFENCE  
MR J STEWART AUSD STAFF MOD  
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MR LITTLER )  
MISS DICKSON D/ENERGY  
SIR R ARMSTRONG )  
SIR M PALLISER )  
MR A D S GOODALL )  
MR FULLER SAPU/DIO ) CABINET OFFICE  
DIO )

HD/PUSD (2)  
HD/S AM D  
HD/FALKLANDS UNIT (2)  
HD/DEFENCE DEPT  
HD/NEWS DEPT  
HD/ERD  
HD/ECD(E)  
HD/UND  
HD/PLANNING STAFF  
RESIDENT CLERK

~~ROOM 8 FOR MODUK C IN C FLEET~~

IMMEDIATE

RESTRICTED

Prime Minute

GRS 350

Par. 2 overleaf.

(FM BERNE 051000Z)

A.S.C. 5/7

FM BIS BUENOS AIRES

TO IMMEDIATE FCO

TELNO 198 OF 2 JULY

AND TO IMMEDIATE MONTEVIDEO WASHINGTON UKMIS NEW YORK

PRESS SUMMARY AND POLITICAL SITUATION

1. TODAY'S PAPERS DESCRIBE THE BRIEF PRESIDENTIAL INSTALLATION CEREMONY AND REPRODUCE BIGNONE'S EVENING TELEVISION ADDRESS TO THE NATION. QUOTE BIGNONE PROMISES DEMOCRATIC FUTURE UNQUOTE (B A HERALD). MAIN POINTS ARE IN MIFT BUT THE ESSENTIALS WERE THE LIFTING OF THE BAN ON POLITICS AND THE PROMISE OF A POLITICAL TIME-TABLE TO DEMOCRACY AND FINANCIAL REFORM. HE INSISTED ON UNSHAKEABLE DEFENCE OF ARGENTINE RIGHTS OVER THE MALVINAS, SOUTH GEORGIA AND SANDWICH ISLANDS WHICH SHOULD BE RETURNED



SOUTH GEORGIA AND SANDWICH ISLANDS WHICH SHOULD BE RETURNED  
"TO END THIS DEROGATION FROM ARGENTINE SOVEREIGNTY". HE  
PROMISED FRIENDSHIP FOR THOSE WHO SUPPORTED THIS CAUSE BUT  
QUOTE NORMAL INTERCHANGE TREATMENT WHERE POSSIBLE AND CONVENIENT  
FOR THOSE WHO SANCTIONED OR FOUGHT AGAINST US UNQUOTE.  
"CONVICCION" SUMS UP A GENERAL VIEW OF THE IMPRESSION BIGNONE  
CREATED AS FOLLOWS: QUOTE WHILST READING HIS PREPARED TEXT HE  
WAS NOT BRILLIANT BUT IMPROVED OVER THE LAST SECTION WHEN HE  
EVINced A CAPACITY FOR IMPROVISATION LACKING IN HIS THREE PRE-  
DECESSORS UNQUOTE. IN FACT HE CAME OVER RATHER WELL AND HAS  
UNDOUBTEDLY GAINED POINTS FOR MODESTY AND SINCERITY OF  
PRESENTATION. A COMMENT ON NEUSTADT'S MORNING PHONE-IN RADIO  
PROGRAMME TYPIFIES THE REACTION: QUOTE HE DID NOT TICK US OFF,  
HE ASKED FOR HELP UNQUOTE. "AMBITO FINANCIERO" BELIEVES QUOTE  
THE PRESIDENTIAL SPEECH CALMED A TENSE COUNTRY UNQUOTE.  
"CRONISTA COMMERCIAL" HEADLINES THE PROGRAMME OF ECONOMIC  
CHANGES QUOTE MONETARY AND FINANCIAL REFORM AND PRODUCTION  
INCENTIVES UNQUOTE. THE POPULARS WERE DIVIDED: QUOTE POLITICAL  
GAME RE-OPENED UNQUOTE (DIARIO POPULAR) AND QUOTE DRASTIC  
ECONOMIC CHANGES UNQUOTE (CRONICA).

2. MEANWHILE, THE MILITARY COMMITTEE IS MEETING TODAY COMPOSED  
OF THE THREE COMMANDER-IN-CHIEF PLUS THE NEW PRESIDENT AND  
THE CGS (SUAREZ DEL CERRO). THEIR AGENDA COVERS A PROGRESS  
REPORT ON THE BEAGLE DISPUTE FROM ORTIZ DE ROZAS AND PREPARATIONS  
FOR INDEPENDENCE DAY CELEBRATIONS ON 9 JULY. THEY ARE EXPECTED  
ALSO TO CONSIDER THE POST-MALVINAS WAR SITUATION AND WORD IS  
BEING PUT ABOUT THAT NO OFFICIAL DECLARATION OF CESSATION OF  
HOSTILITIES WITH BRITAIN CAN BE MADE SINCE THERE WAS NO OFFICIAL  
DECLARATION OF WAR. CONSEQUENTLY THE ARGENTINE POSITION IS THAT  
THE MEN HELD BY BRITAIN ARE NOT PRISONERS BUT HOSTAGES. FURTHER  
ACTION IN INTERNATIONAL FORA COULD BE CONSIDERED AT TODAY'S  
MEETING.

JOY 2.7.

POWELL-JONES

NNNNNN

SENT AT RECD AT 051016Z TWPM



UNCLASSIFIED

12894 - 1

GRS 554  
UNCLASSIFIED

FM FCO 021030Z JUL 82  
TO IMMEDIATE CERTAIN MISSIONS AND DEPENDENT TERRITORIES  
TEL NO GUIDANCE 144 OF 2 JULY 1982

GUIDANCE TEL 138: FALKLAND ISLANDS

1. TWO UNFOUNDED CRITICISMS OF US HAVE ARISEN RECENTLY IN PARTS OF THE WORLD PRESS: FIRSTLY, THAT WE ARE MISTREATING ARGENTINE PRISONERS AND HOLDING THEM AS HOSTAGES, AND SECONDLY THAT NUCLEAR WEAPONS ABOARD HMS SHEFFIELD WILL CAUSE RADIOLOGICAL POLLUTION IN THE SOUTH ATLANTIC.

LINE TO TAKE

PRISONERS

2. WE ARE KEEN THAT ALLEGATIONS OF ILL-TREATMENT OF PRISONERS SHOULD BE FIRMLY SCOTCHED. WE DO NOT HAVE ANYTHING TO HIDE. ON THE CONTRARY, WE HAVE MUCH TO BE PROUD OF IN OUR TREATMENT OF THE PRISONERS. AS WELL AS DRAWING ON GUIDANCE TEL 138, YOU SHOULD THEREFORE DEPLOY THE FOLLOWING ARGUMENTS TO REBUT ANY ACCUSATIONS.

3. A) OUR TROOPS ON THE FALKLANDS HAVE BEEN HORRIFIED AT CHAOTIC ARGENTINE ARRANGEMENTS FOR LOOKING AFTER THEIR OWN MEN. MOST ARGENTINE OFFICERS AND NCO'S HAVE BEEN SINGULARLY INDIFFERENT TO THEIR WELFARE: MANY OFFICERS ABANDONED THEIR UNITS ON SURRENDER AND LEFT THEIR MEN TO SHIFT FOR THEMSELVES. OFFICERS AND NCOS WERE WELL-FED AND CLOTHED, IN SORRY CONTRAST TO THEIR MEN. THE COMMANDERS HAD NO PROPER IDEA OF HOW MANY TROOPS THEY HAD ON THE ISLANDS. ARGENTINE CONSCRIPTS BEFORE BEING HANDED BACK MADE IT CLEAR THAT WE HAD LOOKED AFTER THEM FAR BETTER IN THE SHORT TIME WE HELD THEM AS PRISONERS THAN HAD

1

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12894 - 1

THEIR OWN LEADERS.

B) ARGENTINE FAMILIES HAVE IN MANY CASES RECEIVED THEIR FIRST NEWS OF THEIR SONS FROM OUR LISTS, AND NOT FROM THEIR OWN AUTHORITIES.

C) WE ARE NATURALLY CONCERNED THAT ARGENTINE COMMANDERS HAVE NOT BEEN ABLE TO GIVE US PROPER FIGURES OF TROOPS UNDER THEIR COMMAND, AND ARE TRYING TO SORT OUT THE REAL SITUATION AS QUICKLY AS WE CAN. WE CAN ACCOUNT FOR ALL THOSE WHO CAME INTO OUR HANDS. ARGENTINE CLAIMS THAT SEVERAL THOUSAND ARE MISSING ARE WILD EXAGGERATIONS, AND CAN ONLY EXACERBATE THE FEAR AND ANGUISH OF NEXT-OF-KIN.

D) THE ICRC RECOGNISE THE DIFFICULTIES WE FACE IN IDENTIFYING ALL THE ARGENTINES KILLED IN ACTION. MANY WERE HASTILY BURIED BEFORE THE CEASEFIRE, WITH NO RECORDS BEING KEPT. SOME BODIES ARE INACCESSIBLE IN MINEFIELDS. OTHERS LACK IDENTIFICATION DISCS. WE SHALL DO OUR BEST TO OBTAIN FULLEST DETAILS POSSIBLE. WE BELIEVE THAT OUR FORCES ACTED WITH EXCEPTIONAL SKILL IN TRYING TO KEEP CASUALTIES TO A MINIMUM. ANY COMPLAINTS ABOUT THEIR BEHAVIOUR TOWARDS PRISONERS WILL BE FULLY INVESTIGATED.

E) THOSE PRISONERS WE HAVE RETAINED SO FAR ARE NOT BEING HELD AS HOSTAGES, THEY ARE BEING RETAINED UNTIL ARGENTINE INTENTIONS ARE CLEARER, UNDER ICRC SUPERVISION AND IN ACCORDANCE WITH THE GENEVA CONVENTIONS. WE CANNOT BE EXPECTED TO RETURN POWS WHO MIGHT THEN PLAY A KEY ROLE IN ANY RENEWED HOSTILITIES AGAINST US.

NUCLEAR POLLUTION

4. WE DO NOT WISH TO BREACH STANDARD BRITISH GOVERNMENT POLICY WHICH IS NEITHER TO CONFIRM NOR DENY THE SPECIFIC LOCATION OF OF NUCLEAR WEAPONS. HOWEVER, YOU MAY SAY THAT THERE HAS NEVER BEEN ANY ACCIDENT INVOLVING DAMAGE TO OR LOSS OF NUCLEAR WEAPONS HELD BY BRITISH FORCES, IN THE SOUTH ATLANTIC OR ANYWHERE ELSE.

AS LORD TRENCHARD SAID IN THE HOUSE OF LORDS ON 27 APRIL:

'I CAN CATEGORICALLY STATE THAT THERE IS NO QUESTION AT ALL OF OUR USING NUCLEAR WEAPONS IN THIS DISPUTE'. THE UNITED KINGDOM IS WELL AWARE OF ITS OBLIGATIONS UNDER THE TREATY



UNCLASSIFIED

12894 - 1

OF TLATELOLCO.

PYM

BY TELEGRAPH:

ANKARA  
ATHENS  
BONN  
BRUSSELS  
BRUSSELS (UKREP,EEC)  
BRUSSELS (UKDEL,NATO)  
COPENHAGEN  
THE HAGUE  
LISBON  
LUXEMBOURG  
OSLO  
PARIS  
STRASBOURG (UKDEL)  
ROME  
BERNE  
GENEVA (UKMIS)  
DUBLIN  
HELSINKI  
MADRID

STOCKHOLM  
VIENNA  
MOSCOW  
WARSAW  
NEW YORK (UKMIS)  
NEW YORK (BIS)  
WASHINGTON  
UKDIS GENEVA IN N.Y.  
CARACAS  
MEXICO CITY  
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SAO PAULO  
RIO DE JANEIRO(10)  
BOGOTA  
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LIMA  
MONTEVIDEO  
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LA PAZ  
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QUITO  
SAN JOSE  
SANTO DOMINGO  
TEGUCIGALPA  
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REYKJAVIK  
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PRETORIA

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ISLAMABAD  
KUALA LUMPUR

SINGAPORE  
LAGOS

[ALL PRIORITY]

ISTANBUL  
VIENNA (UKDEL)  
TEL AVIV  
LUANDA  
JAKARTA  
MANILA

HANOI  
DACCA  
NAIROBI  
LUSAKA  
PORT LOUIS  
KINGSTON

PORT OF SPAIN  
BRIDGETOWN  
BELMOPAN  
HONG KONG  
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[ALL ROUTINE]

AND SAVING TO CERTAIN OTHER POSTS

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GUIDANCE

COPIES TO:

MR S FULLER, CABINET OFFICE  
MR N TAYLOR, MOD PRESS OFFICE

3

UNCLASSIFIED



FALKLANDS SELECTIVE ADVANCES (42)

PS — 6  
 PS/MR HURD  
 PS/MR RIFKIND  
 PS/MR ONSLOW  
 PS/LORD BELSTEAD  
 PS/PUS  
 SIR J BULLARD  
~~SIR I SINCLAIR~~ *R. ALLEN*  
 MR GIFFARD  
 MR WRIGHT  
 MR GILLMORE  
 MR URE  
 MR BARRETT  
 HD/S AM D  
 HD/FALKLANDS UNIT (2)  
 HD/DEF DEPT  
 HD/PLANNING STAFF  
 HD/UND  
 HD/NEWS DEPT  
 HD/ERD  
 HD/PUSD (2)  
 MR REED, PUSD  
 EMERGENCY ROOM  
 RESIDENT CLERK

PS/NO 10 DOWNING STREET (2 copies)  
 PS/S OF S DEFENCE  
 PS/HOME SECRETARY  
 PS/HOME SECRETARY (c/ No 10 Dst)  
 PS/ATTORNEY GENERAL  
 PS/CHANCELLOR DUCHY OF LANCASTER  
 PS/SIR R ARMSTRONG )  
 PS/SIR M PALLISER )  
 PS/SIR A DUFF )  
 MR A D S GOODALL ) CABINET  
~~MR FULLER~~ ) OFFICE  
 MR COLVIN )  
 MR O'NEILL HD ASSESS- )  
 MENTS STAFF )  
 DIO  
 MR J M STEWART AUSD STAFF MOD  
 ADMIRAL SIR ROY HALLIDAY DGI MOD  
 DIRECTOR G.C.H.Q. (via Room 8)

CONFIDENTIAL

FM UKMIS NEW YORK 021808Z JULY 82  
 TO PRIORITY FCO  
 TELEGRAM NUMBER 1082 OF 2 JULY,  
 INFO PRIORITY WASHINGTON.

FALKLANDS:

1. THIS TELEGRAM CONTAINS MY LAST THOUGHTS FROM HERE ON THIS SUBJECT.
2. I SEE TWO PROBLEMS AHEAD. FIRST, WE MAY BE FACED WITH A RETURN TO THE SECURITY COUNCIL WITH THE PROPOSITION THAT WE SHOULD OPEN DIPLOMATIC NEGOTIATIONS WITH ARGENTINA (OPERATIVE PARAGRAPHS 3 OF SCR 502) AND BRING ABOUT A FORMAL CESSATION OF HOSTILITIES (OPERATIVE PARAGRAPH 1), ALL THIS TO BE NEGOTIATED BY THE SECRETARY-GENERAL UNDER THE MANDATE GIVEN TO HIM IN SCR 505.
3. THERE IS NO SIGN AT PRESENT OF THE ARGENTINES (OR PANAMANIAN/SPANISH) WISHING TO PRECIPITATE SUCH A MOVE. I HAVE MADE IT WIDELY KNOWN TO MEMBERS OF THE COUNCIL AND TO NON-MEMBERS THAT THERE IS ABSOLUTELY NO QUESTION OF OUR RESUMING DIPLOMATIC NEGOTIATIONS WITH ARGENTINA AT LEAST UNTIL AFTER THERE HAS BEEN A COOLING OFF PERIOD OF MANY MONTHS. I HAVE EXPLAINED THAT WE HAVE A GREAT DEAL OF RECONSTRUCTION AND REHABILITATION TO DO ON THE ISLANDS BEFORE WE CAN EVEN



OF MANY MONTHS. I HAVE EXPLAINED THAT WE HAVE A GREAT DEAL OF RECONSTRUCTION AND REHABILITATION TO DO ON THE ISLANDS BEFORE WE CAN EVEN PROPERLY CONSULT THE ISLANDERS. EQUALLY, BRITISH PUBLIC OPINION WOULD FIND ANY NEGOTIATION BETWEEN US AND ARGENTINA AT THIS STAGE TOTALLY UNACCEPTABLE. FURTHERMORE, ARGENTINA ITSELF NEEDS TO SETTLE DOWN AFTER THE PRESENT INTERNAL CONVULSIONS HAVE TAKEN THEIR COURSE. NO ONE HAS CONTESTED THIS VIEW. INDEED, OTUNNU (UGANDA), WHO IS AT PRESENT THE CO-ORDINATOR OF THE NON ALIGNED MEMBERS OF THE COUNCIL, SAYS HE TOLD LISTRE (ARGENTINA) A FEW DAYS AGO THAT HE DID NOT ENVISAGE ANY POSSIBILITY OF THE COUNCIL BECOMING INVOLVED IN THE PROBLEM FOR AT LEAST NINE MONTHS. EVEN THEN IT WOULD BE BEST IF THE PARTIES GOT TOGETHER BILATERALLY AND ONLY BROUGHT THE QUESTION TO THE COUNCIL IF BOTH AGREED TO DO SO. LISTRE DID NOT APPARENTLY DEMUR.

4. I BELIEVE THAT THE PRESENT DANGER LIES WITH THE SECRETARY-GENERAL HIMSELF. HE IS CONSCIOUS OF THE FACT THAT HIS MANDATE IS STILL IN BEING, AND HE MAY AT SOME STAGE FEEL OBLIGED TO SUBMIT A REPORT TO THE COUNCIL. THIS WOULD AT THE LEAST LEAD TO INFORMAL CONSULTATIONS OF THE WHOLE. I DOUBT HOWEVER WHETHER HE WILL MAKE ANY MOVE UNTIL AFTER HIS VISIT TO LONDON ON 13/14 JULY. I RECOMMEND THEREFORE THAT, ON THAT OCCASION, THE SITUATION SHOULD BE THRASHED OUT COMPREHENSIVELY WITH HIM, AND THAT HE SHOULD BE LEFT IN ABSOLUTELY NO DOUBT AS TO OUR POSITION. HE SHOULD BE TOLD THAT THERE IS NO NEED FOR HIM TO MAKE A REPORT TO THE COUNCIL. FOR EXAMPLE, HE HAS MADE NO SUCH REPORT REGARDING OLOF PALME'S MISSION TO IRAN/IRAQ AND HAS NOT BEEN CHALLENGED BY ANYONE IN THE COUNCIL ON THIS ACCOUNT. HE SHOULD BE LEFT IN NO DOUBT THAT ANY ACTION BY HIM DURING THE COOLING OFF PERIOD WOULD BE BOTH EMBARRASSING AND UNACCEPTABLE TO US, AND THAT WE WOULD HAVE NO HESITATION IN OPPOSING ANY MOVE IN THE COUNCIL HOWEVER WELL MEANT AND APPARENTLY INNOCUOUS.

5. I BELIEVE THAT PEREZ DE CUELLAR WILL RESPOND TO SUCH AN APPROACH. HE IS BASICALLY SYMPATHETIC TO US OVER THE FALKLANDS. HE WILL CERTAINLY NOT WISH TO FALL FOUL OF THE UK SO EARLY IN THIS SECRETARY-GENERALSHIP. BUT, DE SOTO, ALTHOUGH NOT ANTI-BRITISH, REMAINS KEEN TO GET THE UN BACK INTO THE ACT. OUR MESSAGE SHOULD BE SPELT OUT VERY FIRMLY TO HIM TOO IN LONDON.

6. THE SECOND PROBLEM IS THE GENERAL ASSEMBLY, PRECEDED PERHAPS BY ACTION EITHER IN THE COMMITTEE OF 24 (IN AUGUST) AND/OR AT THE NAM SUMMIT (IF IT TAKES PLACE). WE ALREADY KNOW THAT THE MEXICANS ARE ACTIVE AND, WHATEVER EXACT ROUTE THEY CHOOSE, WE WILL ALMOST CERTAINLY BE FACED AT SOME STAGE IN THE NEXT GENERAL ASSEMBLY WITH A RESOLUTION RE-AFFIRMING PAST GA RESOLUTIONS MENTIONING NAM LANGUAGE ON THE QUESTION, AND CALLING FOR NEGOTIATIONS WITH THE IMPLICATION THAT THEY SHOULD LEAD TO A TRANSFER OF SOVEREIGNTY, PROBABLY TAKING INTO ACCOUNT THE 'INTERESTS' OF THE ISLANDERS. THE RESOLUTION WOULD



THAT THEY SHOULD LEAD TO A TRANSFER OF SOVEREIGNTY, PROBABLY TAKING INTO ACCOUNT THE 'INTERESTS' OF THE ISLANDERS. THE RESOLUTION WOULD EMBRACE THE FALKLANDS AND THE DEPENDENCIES.

WE SHOULD NOT RESIGN OURSELVES TO THIS PROSPECT. I BELIEVE THAT WE HAVE BEEN REMISS IN THE PAST ON TWO COUNTS. FIRST, WE SHOULD NOT HAVE SAT BACK AND DONE NOTHING ABOUT THE REGULAR REPETITION OF LANGUAGE ABOUT ARGENTINE SOVEREIGNTY AT SUCCESSIVE NAM SUMMITS STARTING WITH LIMA 1976. ONLY A HANDFUL OF LATIN AMERICAN STATES, INCLUDING ARGENTINA, ARE FULL MEMBERS OF THE NAM AND THIS LANGUAGE HAS BEEN REGULARLY FOISTED ON THE MOVEMENT BY THIS TINY MINORITY. WE SHOULD HAVE MOBILISED THE COMMONWEALTH TO RESIST THIS. WE HAVE HAD CHOGM LANGUAGE IN THE PAST ON QUESTIONS RELATING TO SMALL TERRITORIES - BELIZE, CYPRUS, GUYANA - AND WE SHOULD HAVE PRESSED FOR APPROPRIATE LANGUAGE ON THE FALKLANDS IN ORDER TO DERAIL THE LATIN AMERICAN TRAIN IN THE NAM.

8. IT HAS NOW BECOME DIFFICULT TO RECTIFY THIS SITUATION, SINCE SUCCESSIVE NAM PRONOUNCEMENTS ON THE SUBJECT HAVE ACQUIRED SOMETHING OF THE NATURE OF HOLY WRIT. BUT WE SHOULD MAKE THE EFFORT AND THE COMMONWEALTH (WHICH COMPRISES A SUBSTANTIAL PROPORTION OF THE NAM MEMBERSHIP) IS THE BEST FORUM IN WHICH TO ACT. I HOPE THAT VERY EARLY ACTION CAN BE TAKEN (AS RECOMMENDED IN GOULDING'S LETTER F025/1 OF 16 JUNE TO WILLIAMS) TO TRY TO GET A COUNTER-TEXT OUT OF THE COMMONWEALTH. IF THE NAM SUMMIT TAKES PLACE, WE SHOULD MOUNT A MAJOR OPERATION A FEW WEEKS BEFOREHAND BOTH THROUGH THE COMMONWEALTH SECRETARIAT IN LONDON AND IN COMMONWEALTH CAPITALS TO TRY TO PERSUADE THE CARIBBEANS, AFRICANS, ASIANS AND PACIFICS NOT TO BE RAIL-ROADED BY THE LATIN AMERICANS INTO BLINDLY ACCEPTING ARGENTINA'S CLAIM, AND TO CONCENTRATE INSTEAD ON THE RIGHT TO SELF-GOVERNMENT AND SELF-DETERMINATION FOR THE ISLANDERS. IN THE HAPPY EVENT OF THE NAM SUMMIT NOT TAKING PLACE IN SEPTEMBER, WE SHOULD MOUNT A SIMILAR OPERATION IN ADVANCE OF THE GENERAL ASSEMBLY SESSION WHICH OPENS HERE ON 21 SEPTEMBER. IT WOULD BE BEST TO START THE LOBBYING IN LONDON AND CAPITALS AS I HAVE SUGGESTED ABOVE. WE WOULD THEN FOLLOW UP HERE WITH DELEGATIONS AS AND WHEN THE RESOLUTION STARTED TO TAKE SHAPE.

9. IF WE WORKED HARD ENOUGH, WE MIGHT BE ABLE TO FRIGHTEN THE LATIN AMERICANS INTO THINKING THAT THEY WOULD GET A VERY POOR POSITIVE VOTE FOR THEIR PROPOSITIONS WITH A LARGE NUMBER OF ABSTENTIONS. THIS WOULD GIVE THEM PAUSE.

10. OUR SECOND MISTAKE FROM THE UN STAND POINT HAS BEEN TO LINK THE FALKLANDS WITH SOUTH GEORGIA AND THE SOUTH SANDWICH ISLANDS IN SOME OF OUR PERIODIC LETTERS TO THE SECRETARY-GENERAL REPORTING ON ANGLO-ARGENTINE NEGOTIATIONS, THE LATEST EXAMPLE HAVING BEEN SENT IN JUNE 1979 (A/34/343). THIS IS A HOOK FROM WHICH IT WILL BE DIFFICULT TO DETACH OURSELVES. FROM NOW ON, I THINK THAT WE WOULD DO BEST TO TAKE THE LINE THAT THE ARGENTINE INVASION OF THE FALKLANDS AND SOUTH

*Are we taking action if not we should do so No.*



~~TO DETACH OURSELVES. FROM NOW ON, I THINK THAT WE WOULD DO BEST TO TAKE THE LINE THAT THE ARGENTINE INVASION OF THE FALKLANDS AND SOUTH GEORGIA CHANGED EVERYTHING, THAT WE HAD ONLY LINKED THE VARIOUS ISLANDS PREVIOUSLY BECAUSE OF THE ADMINISTRATIVE CONNEXION BETWEEN THE FALKLANDS AND THE DEPENDENCIES AND THAT WE REGARD THE THREE QUESTIONS IN SUBSTANCE AS BEING UTTERLY SEPARATE. THIS PROBLEM WILL RETURN TO HAUNT US HERE AND WE HAVE NO CHOICE BUT TO BRAZEN IT OUT. WE CAN ALSO ARGUE THAT SOUTH GEORGIA AND THE SOUTH SANDWICH ISLANDS DO NOT IN UN TERMS INVOLVE COLONIAL ISSUES BECAUSE THEY ARE UNINHABITED: IT IS HARD TO SEE HOW ART. 73 OR RES. 1514 APPLY, OR HOW THE COMMITTEE OF 24 HAS A MANDATE TO CONSIDER THE DEPENDENCIES.~~

11. TO SUM UP, I AM NOT TOO WORRIED ABOUT THE COMMITTEE OF 24. ALTHOUGH IT PULLULATES WITH NASTIES, IT IS BASICALLY ALL ABOUT ARTICLE 73 AND SELF-DETERMINATION AND IS NOT THEREFORE THE BEST OF ARENAS FOR THE ARGENTINES TO CHOOSE. IT IS EQUALLY A COMPARATIVELY UNIMPORTANT BODY. THE NAM SUMMIT AND THE ASSEMBLY ITSELF ARE WHERE WE SHOULD CONCENTRATE OUR FIRE.

12. SINCE THE ABOVE WAS DRAFTED, I HAVE DISCUSSED THE PROBLEM AGAIN WITH PEREZ DE CUELLAR AT MY FAREWELL CALL ON HIM. HE TOLD ME THAT LISTRE (ARGENTINA) HAD BEEN RECALLED TO BUENOS AIRES FOR CONSULTATIONS. THIS MIGHT LEAD TO SOME COMMUNICATION TO HIM, PEREZ DE CUELLAR, BEFORE HIS VISIT TO LONDON. HE ALSO MENTIONED A RUMOUR WHICH I HAD NOT HEARD THAT THE ARGENTINES MIGHT BE THINKING OF AN EMERGENCY SPECIAL SESSION OF THE GENERAL ASSEMBLY. HE HAD ALREADY SPOKEN TO TWO LEADING LATIN AMERICAN AMBASSADORS TO KILL THIS IF THERE WAS ANY TRUTH IN IT. I SAID THAT IT SEEMED EXTREMELY UNLIKELY TO ME, AND THAT THE RUMOUR WAS PROBABLY BASED ON THE UNHELPFUL MEXICAN ACTIVITY IN RELATION TO THE REGULAR SESSION OF THE ASSEMBLY.

13. PEREZ DE CUELLAR ASKED TENTATIVELY ABOUT OUR POSITION. I SAID FIRMLY THAT WE MUST BE LEFT ALONE FOR A LONG TIME. NO FRESH INITIATIVE WOULD BE ACCEPTABLE TO US. APART FROM ANYTHING ELSE, THE BRITISH PEOPLE WOULD NOT TOLERATE ANY NEGOTIATION BETWEEN US AND ARGENTINA. PEREZ DE CUELLAR WONDERED WHETHER THINGS WOULD BE DIFFERENT IN THREE MONTHS, I.E. BEFORE THE GENERAL ASSEMBLY. I SAID FIRMLY THAT THEY WOULD NOT, AND TOLD HIM THAT OUR WHOLE POSITION WOULD BE SET OUT TO HIM DURING HIS VISIT TO LONDON.

PARSONS

NNNN



ADVANCE COPIES: FALKLAND ISLANDS GENERAL

42

PS  
 PS/MR HURD  
 PS/MR ONSLOW  
 PS/MR RIFKIND  
 PS/PUS  
 SIR J BULLARD  
 SIR I SINCLAIR  
 MR GIFFARD  
 MR WRIGHT  
 MR ADAMS  
 LORD N G LENNOX  
 LORD BRIDGES  
 MR URE  
 MR GILLMORE

HD/PUSD (2)  
 HD/S AM D  
 HD/FALKLANDS UNIT (2)  
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 HD/NEWS DEPT  
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 HD/PLANNING STAFF

~~RESIDENT CLERK~~

~~PS/NO 10 DOWNING ST (2)~~  
 PS/S OF S FOR DEFENCE  
 MR J STEWART AUUSD STAFF MOD  
 PS/CHANCELLOR )  
 MR ILETT ) TREASURY  
 MR LITTLER )  
 MISS DICKSON D/ENERGY  
 SIR R ARMSTRONG )  
 SIR M PALLISER )  
 MR A D S GOODALL )  
 MR FULLER SAPU/DIO ) CABINET OFFICE  
 DIO )

~~ROOM 8 FOR MODUK C IN C FLEET~~

P 010300Z JUL 82

FM CIVIL COMMISSIONER PORT STANLEY  
TO FCO LONDON

BT

R E S T R I C T E D

SIC CSN

TELEGRAM NO 14: FALKLANDS DOMESTIC POLITICS

1. THE INFORMAL MEETING OF THE EXECUTIVE AND LEGISLATIVE COUNCILS YESTERDAY PRODUCED LITTLE WORTH REPORTING. MUCH OF THE TIME WAS SPENT DISCUSSING ROUTINE MATTERS.
2. IT DID GIVE ME HOWEVER AN OPPORTUNITY TO SPEAK ON LOCAL RADIO LAST NIGHT TO SCOTCH RUMOURS FERMENTED BY ONE DISAFFECTED COUNCILLOR THAT THIS COLLEAGUES HAD BEEN IN LEAGUE WITH ME AND FCO IN CONCEALING KNOWLEDGE OF AN IMPENDING ARGENTINE INVASION FOLLOWING THE TALKS IN NEW YORK IN FEBRUARY. THIS NONSENSE HAD GAINED SOME CURRENCY AND HAD LED TO CALLS FOR THE RESIGNATION OF COUNCILLORS. I HOPE I NOW DISCOURAGED THIS - AN ELECTION AT THIS STAGE WOULD BE UNPRACTICAL - AND AM URGING THE ISLANDERS TO LOOK TO THIS OPPORTUNITY OF A NEW AND SECURE FUTURE, RATHER THAN RECRIMINATE ABOUT THE PAST.



OPPORTUNITY OF A NEW AND SECURE FUTURE, RATHER THAN RECRIMINATE ABOUT THE PAST.

PAGE 2 RBDAPZ 025 R E S T R I C T E D

3. IN MY BROADCAST I ALSO SOUGHT TO EXPLAIN THE REASONS FOR THE CHANGE IN MY OWN TITLE. INEVITABLY, GIVEN THE ISLANDERS SUSPICION ABOUT ANY PERCEIVED ATTEMPT TO ALTER THEIR CONSTITUTIONAL STATUS, THIS HAS LED TO WIDESPREAD CRITICISM HERE  
HUNT  
BT

NNNN





The National Archives

LETTERCODE/SERIES ..... <i>PREM 19</i> .....	Date and sign
PIECE/ITEM ..... <i>638</i> ..... (one piece/item number)	
Extract/Item details:  <i>Letter from Whitmore to Omand dated 2 July 1982</i>	
CLOSED FOR ..... <i>40</i> ..... YEARS UNDER FOI EXEMPTION	<i>26 April 2012</i> <i>Wayland</i>
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10 DOWNING STREET

*From the Private Secretary*

2 July, 1982.

Falkland Islands: Mexican Attitude

BK I enclose a copy of a letter which the Prime Minister received today from the President of Mexico replying to Mrs. Thatcher's message of 26 May. I am doubtful whether the correspondence is worth pursuing, but if you think otherwise, perhaps you would kindly let me have a draft which the Prime Minister could consider.

A. J. COLES

John Holmes, Esq.,  
Foreign and Commonwealth Office.

RS





10 DOWNING STREET

*From the Private Secretary*

2 July, 1982.

I write to thank you for your letter of 1 July, enclosing a letter from His Excellency the President of Mexico to the Prime Minister. I have placed the President's letter before the Prime Minister.

A. J. COLES

His Excellency Dr. José Juan de Olloqui

W.C.



Prime Minister.

Ref. A08891

MR WHITMORE

We shall have to have another party. I've got to get some of the people who were included in the party.

I am afraid that this was an oversight here. He should have recommended to you the inclusion of a small number of Cabinet Office staff in the press list. I apologise for my failure to do so. If you agree, I will give Sir Robert Armstrong the assurance he wants on X1 below. May I also say that we will give some other reasons to explain to his wife some of his people?

I understand that the Prime Minister gave a reception on the evening of Wednesday 30th June to which she invited members of the Armed Forces, Ministry of Defence officials and Foreign and Commonwealth Office officials who had been involved in the day-to-day management of the Falklands crisis.

2 vii

MR 30/9

2. I do not wish to make too much of this, but I should warn you that news of this reception has caused unhappiness among members of the Cabinet Office staff who were also involved in the Falklands crisis. I am thinking in particular of those members of the Joint Intelligence Organisation (JIO) who maintained a day-to-day service throughout the three months of the crisis in providing a regular assessment of intelligence. The OD(SA) Secretariat was also supported at junior levels in order to assure the speedy and regular circulation of both papers and minutes for daily meetings of that committee. In both cases, the JIO and the OD Secretariat were manned round the clock by Cabinet Official officials.

L-a-

3. My concern is not with senior officials such as the OD(SA) Secretariat and the members of the Joint Intelligence Committee, who of course see the Prime Minister quite frequently, but rather with members of the staff at more junior levels. They may feel that they were deliberately excluded, and there may also be some anxiety that, just as the press has criticised the work of the Joint Intelligence machinery before the outbreak of the crisis, the fact that the JIO was not represented at the Prime Minister's reception implies a lack of confidence at the highest level.

4. To the best of my knowledge this office was not consulted about who might attend the Prime Minister's reception. If this was simply a matter of default, I should like to know that, so that I can assure those concerned that the absence of an invitation was not in some way an indication of a lack of Prime Ministerial confidence in the work that they do.

X

REA

ROBERT ARMSTRONG

2nd July 1982



CONFIDENTIAL



10 DOWNING STREET

*From the Private Secretary*

2 July, 1982

cc: CBL  
Ho  
LCO  
FCO  
HM  
LPO  
Argentinia  
MCD  
LPS  
B/England  
CO

Sanctions against Argentina

The Prime Minister has seen Lord Cockfield's letter of 30 June to the Foreign and Commonwealth Secretary.

With regard to the suggestion that we should aim to unfreeze Argentine assets at the same time as we remove other economic sanctions, the Prime Minister has commented that the price for this concession must be the permanent cessation of hostilities. Mrs. Thatcher would not regard it as desirable to unfreeze Argentine assets unless we were satisfied that the cessation of hostilities was permanent.

I am copying this letter to the Private Secretaries to members of OD, to the Governor of the Bank of England and to Sir Robert Armstrong.

A. J. COLES

John Rhodes, Esq.,  
Department of Trade

CONFIDENTIAL

JRC



RS/ NO. 10. DOWNING STREET.

GRS 80

UNCLASSIFIED

(FM BERNE 021322Z)

FM BIS BUENOS AIRES

TO IMMEDIATE FCO  
TELNO 194 OF 01 JULY

VISIT TO FALKLANDS

WE HAVE TODAY RECEIVED OUR FIRST REQUEST FROM THE  
ARGENTINE MEDIA FOR AUTHORITY TO VISIT THE FALKLANDS.  
THE BUENOS AIRES MAGAZINE "LA SEMANA" WISHES TO SEND  
A JOURNALIST AND A PHOTOGRAPHER AS SOON AS POSSIBLE  
AS MEMBERS OF THE NEXT GROUP OF JOURNALISTS VISITING  
THE ISLANDS.

2. CAN YOU ADVISE HOW WE SHOULD RESPOND TO THIS  
REQUEST ?

JOY

POWELL-JONES

FALKLAND ISLANDS GENERAL

FCO

FALKLANDS UNIT

CABINET OFFICE

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FALKLAND ISLANDS

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EMBAJADA DE MEXICO

London, 1 July, 1982

*Dear Mr. Coles:*

Enclosed please find a letter sent to Her Excellency the Prime Minister, by Mr. José López Portillo, President of Mexico, through this Embassy, to be handed over to Mrs. Thatcher in response to her letter of 26 May, 1982.

*Yours sincerely*  
*J. A. Coles*

Mr. J.A. Coles,  
Private Secretary,  
10 Downing Street,  
London, SW1



7/7/82

cc OHS  
Morles

T 140 A/82

NON-OFFICIAL TRANSLATION

SUBJECT  
PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T 140 A/82

JOSE LOPEZ PORTILLO

CONSTITUTIONAL PRESIDENT OF THE UNITED STATES OF MEXICO

Dear Prime Minister,

Through Her Majesty's Ambassador I received the message which you kindly sent me, dated 26 May 1982, in order to express your Government's points of view regarding the Malvinas Islands' crisis.

In fact, I have followed with profound preoccupation the development of events in that part of the American continent.

I regret that the endeavours carried out by the United Nations Secretary General to seek a solution to this crisis, within the framework of Resolution 502 of the Security Council, have not been successful.

In the present circumstances it all seems to suggest that the Malvinas Islands will remain on the list of the already numerous areas of tension that exist in the world.

I regret the loss of life and also the inevitable repercussion, in international relations, that the armed confrontation between the United Kingdom and Argentina, has had.

With my best personal wishes,

José López Portillo,  
(signed)





JOSE LOPEZ PORTILLO

PRESIDENTE CONSTITUCIONAL DE LOS ESTADOS UNIDOS MEXICANOS

Palacio Nacional, a 9 de junio de 1982.

Señora Primera Ministra:

Por conducto del Embajador de Su Majestad Británica recibí el mensaje que usted tuvo la amabilidad de enviarme el 26 de mayo pasado para exponer los puntos de vista de su Gobierno con relación a la crisis de las Islas Malvinas.

En efecto, he seguido con profunda preocupación el desarrollo de los acontecimientos en esa parte del continente americano.

Lamento que los esfuerzos realizados por el Secretario General de las Naciones Unidas para encontrar una solución a la crisis, dentro del marco de la Resolución 502 del Consejo de Seguridad, no hayan tenido buen éxito.

En las circunstancias actuales, todo parece indicar que las Islas Malvinas permanecerán en la lista de los ya demasiado numerosos focos de tensión que existen en el mundo.

Deploro la pérdida de

Excelentísima Señora  
Margaret Thatcher,  
Primera Ministra del Reino Unido  
de Gran Bretaña e Irlanda del Norte,  
Londres.





JOSE LOPEZ PORTILLO

PRESIDENTE CONSTITUCIONAL DE LOS ESTADOS UNIDOS MEXICANOS

- 2 -

Deploro la pérdida de vidas y también las inevitables repercusiones que el enfrentamiento armado entre el Reino Unido y la Argentina tiene en las relaciones internacionales.

Con mis mejores deseos personales,

*Jose Lopez Portillo*



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10 DOWNING STREET

*From the Private Secretary*

BF

1 July 1982

FALKLANDS

I enclose a copy of a letter which the Prime Minister has just received from Mr. Trudeau. I should be grateful if, taking account of the various exchanges that we have had with Mr. Trudeau about the Falklands, you could provide a draft reply, for signature by the Prime Minister, by the end of next week.

A. J. COLES

John Holmes, Esq.,  
Foreign and Commonwealth Office.



58

10 DOWNING STREET

*From the Private Secretary*

1 July 1982

The Prime Minister has asked me to thank you for your letter of 30 June, conveying the text of a letter to her from Prime Minister Trudeau. Mrs. Thatcher was most grateful for your own remarks about the outcome of the fighting in the Falklands.

A. J. COLES

Her Excellency Mrs. Jean Casselman Wadds

R



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12795 - 1

CON  
ROU  
301600Z JUN 82  
FROM COMMCEN FCO LONDON  
TO CIVIL COMMISSIONER FALKLANDS

CONFIDENTIAL  
SIC  
FM FCO 301600Z JUNE 82  
TO ROUTINE CIVIL COMMISSIONER FALKLANDS  
TELEGRAM NUMBER 14 OF 1 JULY

CLAIMS AGAINST ARGENTINA

1 WE ARE GIVING CONSIDERATION TO THE POSSIBILITY  
OF CLAIMING AGAINST THE ARGENTINE GOVT AT SOME APPROPRIATE  
STAGE FOR DAMAGE TO PROPERTY, BOTH PRIVATE AND PUBLIC, IN THE  
FALKLANDS RESULTING FROM ARGENTINA'S AGGRESSION AGAINST THE  
ISLANDS. FOR THIS PURPOSE, WE SHOULD BE GRATEFUL IF YOU WOULD  
MAKE ARRANGEMENTS TO COMPILE A RECORD OF SUCH DAMAGE AND LET  
US HAVE IT IN DUE COURSE. IT WILL BE IMPORTANT TO DISTINGUISH  
BETWEEN (A) DAMAGE AND LOSSES, EG FROM LOOTING, CAUSED BY THE  
OCCUPYING ARGENTINE FORCES, AND (B) DAMAGE ARISING FROM ACTIONS  
OF THE BRITISH FORCES, EG DAMAGE TO PROPERTY CAUSED BY AIR-RAIDS  
OR SEA BOMBARDMENT OR WHICH OCCURRED DURING THE LAND ASSAULTS  
ON STANLEY AND THE OTHER CENTRES. THE RECORD SHOULD GIVE THE  
PERSONAL PARTICULARS OF THE PERSONS AFFECTED AND FULL DETAILS  
OF THE DAMAGE/LOSSES SUFFERED TO THE VARIOUS TYPES OF PROPERTY,  
AS WELL AS THE CIRCUMSTANCES IN WHICH LOSS OR DAMAGE OCCURRED,  
SO FAR AS THESE ARE KNOWN, AND WHERE POSSIBLE AN ESTIMATE OF THE  
MONETARY VALUE OF THE LOSS/DAMAGE. WE SUGGEST THE FOLLOWING  
HEADINGS MIGHT BE APPROPRIATE:-

- (A) RESIDENTIAL PROPERTY
- (B) COMMERCIAL, INDUSTRIAL OR PROFESSIONAL PREMISES, MACHINERY,  
STOCK IN TRADE, ETC

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12795 - 1

- (C) FARM PREMISES, LIVESTOCK, AGRICULTURAL IMPLEMENTS ETC
- (D) MOVEABLE PROPERTY, SUCH AS FURNITURE, HOUSEHOLD AND PERSONAL EFFECTS, MOTOR VEHICLES.

ANY DAMAGE TO OFFICIAL BUILDINGS AND THEIR CONTENTS SHOULD ALSO BE NOTED, AS SHOULD ANY PURPORTED REQUISITIONING OF PRIVATE PROPERTY BY THE ARGENTINIANS (IN WHICH CASE DETAILS OF ANY PAYMENTS MADE BY THE ARGENTINIANS WILL BE REQUIRED). IN ADDITION, THERE SHOULD BE RECORDED ANY INSTANCES OF ILL-TREATMENT OF FALKLAND ISLANDERS BY THE ARGENTINIANS (INCLUDING DETENTION AND FORCED LABOUR).

2 WE MUST STRESS THAT OUR OBJECT AT THIS STAGE IS MERELY TO COLLECT DETAILS OF THE DAMAGE SUFFERED SO THAT WE HAVE THE NECESSARY INFORMATION ON WHICH TO BASE A CLAIM AGAINST ARGENTINA IF WE DECIDE TO SUBMIT ONE. THE PROVISION OF THE INFORMATION REQUESTED WILL NOT CONSTITUTE THE SUBMISSION OF A CLAIM IN RESPECT OF THE PROPERTY IN QUESTION AND OUR ACCEPTANCE OF IT MUST NOT BE TAKEN AS IMPLYING THAT SUCH A CLAIM CAN OR WILL BE CONSIDERED.

3 THISTER IS, OF COURSE, QUITE DISTINCT FROM THE QUESTION OF THE POSSIBLE PAYMENT OF WAR DAMAGE COMPENSATION BY THE BRITISH GOVT TO FALKLAND ISLANDERS WHOSE PROPERTY HAS SUFFERED DAMAGE. SEPARATE CONSIDERATION IS BEING GIVEN TO THIS.

PYM

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PP WASHINGTON  
RR UKMIS NEW YORK  
GRS 223  
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FM FCO 011015Z JULY 82  
TO PRIORITY WASHINGTON  
TELEGRAM NUMBER 1258 OF 1 JULY,  
INFO MODUK (SCPL(1), AMP, DS11, P4 RAF, ACAS (OPS)):  
BERNE: UKMIS NEW YORK: BRASILIA  
BERNE TELNO 200: FLIGHT LIEUTENANT GLOVER

1. WE ARE NATURALLY CONCERNED THAT APPROACHES TO THE ARGENTINES VIA THE SWISS, ICRC AND BRAZILIANS HAVE AS YET DRAWN NO RESPONSE FROM THE ARGENTINES.
2. WE ARE RELUCTANT TO ACCEPT THAT THE INTERNAL SORTING-OUT PROCESS IN ARGENTINA SHOULD BE USED TO JUSTIFY FURTHER DELAY (PARA 2 OF BERNE TELNO 200). THE RELEASE ON BAIL OF THE THREE UK JOURNALISTS SHOWS THAT DECISIONS OF THIS SORT ARE BEING TAKEN AT PRESENT.
3. COULD YOU DISCUSS THIS WITH THE STATE DEPARTMENT AND EXPLORE THE POSSIBILITY OF THE AMERICANS RAISING GLOVER'S CASE SOON WITH THE ARGENTINES QUERY. BIGNONE'S APPROACH TO THE US ON THE QUESTION OF RETURN OF ARGENTINE PSOW (YOUR TELNO 2285) SUGGESTS THE ARGENTINES ARE PREPARED TO USE THE AMERICANS AS A CHANNEL: THIS MAY MAKE IT POSSIBLE FOR THEM TO RAISE GLOVER AS A HUMAN-ITARIAN CASE. WE WOULD NOT (NOT) WANT THERE TO BE ANY SUGGESTION THAT GLOVER COULD BE USED AS A BARGAINING COUNTER BY THE ARGENTINES IN RELATION TO THE PSOW WE CONTINUE TO HOLD. IF THERE IS ANY SUGGESTION OF ANY TRADE-OFF IT SHOULD BE ON THE BASIS THAT WE HAVE RETURNED ALL ARGENTINE MEDICAL CASES: THEY SHOULD RETURN GLOVER, WHO IS INJURED.

PYM

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~~SIR I SINCLAIR~~ Mr. Freeland  
 MR GIFFARD  
 MR WRIGHT  
~~MR GILLMORE~~  
 MR URE  
 MR BARRETT  
 HD/S AM D  
 HD/FALKLANDS UNIT (2)  
 HD/DEF DEPT  
 HD/PLANNING STAFF  
 HD/UND  
 HD/NEWS DEPT  
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 MR REED, PUSD  
~~EMERGENCY ROOM~~ *Help Falklands*  
 RESIDENT CLERK

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 MR J M STEWART AUSD STAFF MOD  
 ADMIRAL SIR ROY HALLIDAY DGI MOD  
 DIRECTOR ~~J.G.H.Q.~~ (via Room 8)

NYFO 008/01

OO FCO

OO MOSCOW

GR 160

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FM UKMIS NEW YORK 011530Z JUL 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 1075 OF 1 JULY

INFO IMMEDIATE MOSCOW PRIORITY WASHINGTON.

**FALKLANDS: NUCLEAR WEAPONS AND HMS SHEFFIELD**

- TODAY'S NEW YORK TIMES CARRIES A REUTERS REPORT FROM MOSCOW ABOUT ALLEGATIONS IN "LITERATURNAYA GAZETA" THAT THERE WERE NUCLEAR WEAPONS ON BOARD HMS SHEFFIELD, THAT IT HAD NOT BEEN POSSIBLE TO REMOVE THEM BEFORE SHE SANK, AND THAT THERE WAS A DANGER OF WIDESPREAD RADIOACTIVE CONTAMINATION ONCE SEA WATER ERODED THEIR PROTECTIVE COATING.
- THIS PIECE OF SOVIET PROPAGANDA IS LIKELY TO BE PICKED UP HERE.

Handwritten signature 'MF' and initials '1616' with a large scribble.



PROTECTIVE GATING.

2. ~~THIS PIECE OF SOVIET PROPAGANDA IS LIKELY TO BE PICKED UP HERE.~~  
FROM THE BEGINNING THE ARGENTINES AND THEIR FRIENDS HAVE ALLEGED  
THAT SOME ASPECTS OF OUR NAVAL OPERATIONS HAVE BEEN CONTRARY TO  
OUR OBLIGATIONS UNDER THE TREATY OF TLATELOCO AND SPECIFICALLY  
THAT HM SHIPS HAD NUCLEAR WEAPONS ON BOARD. IS THERE ANY CHANCE  
OF THE MOD GOING BEYOND THE STANDARD LINE (WHICH HAS NOT CARRIED  
MUCH CONVICTION HERE) AND ISSUING A FIRM DENIAL OF THE SOVIET  
ALLEGATION ABOUT HMS SHEFFIELD? IF SO, IT WOULD BE USEFUL TO  
CIRCULATE IT HERE QUICKLY BEFORE THE ARGENTINES GET THEIR BLOW IN.

PARSONS

NNNN



GRS 280  
RESTRICTED

RESTRICTED

FM UKREP BRUSSELS 011716Z JUL 82  
TO PRIORITY FCO  
TELEGRAM NUMBER 2680 OF 1 JULY  
INFO PRIORITY ODM (FOR STANTON)

EC EMERGENCY AID FOR THE FALKLANDS

1. PISANI'S CHEF DE CABINET TELEPHONED THIS EVENING TO SAY THAT PISANI AGREED IN PRINCIPLE TO OUR REQUEST FOR EMERGENCY AID FOR THE FALKLANDS UNDER THE OCT PROVISIONS. HE HAD IT IN MIND TO PROPOSE A FIRST INSTALMENT OF 200,000 ECU BUT WOULD BE PREPARED TO CONSIDER A FURTHER CONTRIBUTION LATER IN THE YEAR, WHEN MORE PRECISE DETAILS OF THE FALKLANDS NEEDS WERE AVAILABLE. THE 200,000 ECU WAS BASED ON A STANDARD CALCULATION RELATED TO THE SMALL NUMBER OF INHABITANTS.

2. WE SAID THAT WE THOUGHT THAT THE SUM PROPOSED WOULD BE REGARDED AS DISAPPOINTINGLY SMALL. PRESENTATION AND PUBLIC IMPACT WERE IMPORTANT. FROM THIS POINT OF VIEW IT WOULD MAKE SENSE TO GIVE MORE NOW AND LESS LATER. EVEN APPLYING NORMAL FINANCIAL PRUDENCE IT OUGHT TO BE POSSIBLE TO GO TO 400,000 NOW, WHICH WOULD STILL LEAVE HALF THE ANNUAL OCT EMERGENCY AID ALLOCATION FOR OTHER POSSIBLE CALLS (INCLUDING MORE FOR THE FALKLANDS) IN THE SECOND HALF OF THE YEAR. BLANC TOOK NOTE BUT SAID THAT HE COULD NOT GO BEYOND HIS INSTRUCTIONS. WE SHOULD BE IN NO DOUBT THAT PISANI WAS READY TO GO BEYOND 200,000 LATER IN THE YEAR.

3. WE HAVE SUGGESTED TO THE BRITISH CABINETS THAT THEIR COMMISSIONERS SHOULD URGE PISANI TO BE MORE GENEROUS. YOU MIGHT LIKE TO INSTRUCT ME TO SPEAK TO HIM ON THE SAME LINES.

FCO COPY TO:-

FCO - HANNAY, URE, CROWE, FEARN, MS YOUNG

CAB - MS LAMBERT

THIS TELEGRAM  
WAS NOT  
ADVANCED

BUTLER

LIMITED  
ECD(E)  
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HD/PLANNING STAFF

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**IMMEDIATE**

~~RESIDENT CLERK~~

CONFIDENTIAL  
FROM UKMIS GENEVA 010950Z JUL 82  
TO IMMEDIATE FCO  
TELNO 377 OF 1 JULY  
AND TO IMMEDIATE MODUK  
INFO BERNE, BRASILIA, UKMIS NEW YORK

**FALKLANDS: ARGENTINE POWS**

1. PALEXANDRE HAY, PRESIDENT OF THE ICRC, ASKED ME TO CALL LATE ON 30 JUNE. HIS MAIN POINT WAS THAT THE ICRC WERE UNDER GREAT PRESSURE FOR FULL DETAILS OF THE POWS WE ARE RETAINING FOR THE PRESENT (YOUR TELNO 260). THE ICRC OFFICE IN BUENOS AIRES WAS BESIEGED BY ANXIOUS FAMILIES. THIS COULD HAVE POLITICAL CONSEQUENCES. HE ALSO TOUCHED ON THE PROBLEM OF IDENTIFYING THOSE KILLED; AND ON THE ARTUSO AND GOOSE GREEN INCIDENTS.

**ARGENTINE POWS IN UK HANDS**

2. WHILE FAMILIES WERE CLAMOURING FOR FULL DETAILS OF INDIVIDUALS, THERE WAS STILL CONFUSION EVEN OVER THE PRECISE NUMBER OF THE PRISONERS RETAINED. MOD HAD MENTIONED TO ICRC A TOTAL NUMBER OF 568(569). BUT THE ICRC REPRESENTATIVE IN THE FALKLANDS, NOW [NAME] HAD COMPILED HIS OWN "UNOFFICIAL" LIST



568(568). BUT THE ICRC REPRESENTATIVE IN THE FALKLANDS, NOW ON THE MV SIR EDMUND, HAD COMPILED HIS OWN "UNOFFICIAL" LIST OF 610 TO WHICH SHOULD BE ADDED THE TEN FROM SOUTH THULE. THE "OFFICIAL" BRITISH LIST OF THOSE RETAINED HAD ALREADY BEEN FORWARDED BY AIR TO ASCENSION ISLAND, BUT IT WAS NOT KNOWN WHEN IT WOULD REACH LONDON AND GENEVA. MEANWHILE, THERE WERE DIFFICULTIES ABOUT TELEXING THE UNOFFICIAL ICRC LIST VIA NAVAL COMMUNICATIONS.

3. HAY ASKED AS A MATTER OF HUMANITARIAN CONCERN IF WE COULD URGENTLY SOLVE THE COMMUNICATIONS PROBLEM. BY SO DOING WE WOULD ALSO DEFUSE POSSIBLE POLITICAL CRITICISM OF OUR ATTITUDE.

4. WE SPOKE TO FEARN, SAND ON THE TELEPHONE AND WITHIN AN HOUR RECEIVED A MESSAGE THAT THE LIST WOULD BE TELEXED AS SOON AS POSSIBLE DIRECT TO ICRC AND THIS MISSION. I AM MOST GRATEFUL.

#### MISSING ARGENTINE SERVICEMEN

5. HAY WENT ON TO MENTION THE PROBLEM OF "DISAPPEARED" ARGENTINE TROOPS, MISSING IN ACTION. MANY HAD BEEN HASTILY BURIED BEFORE THE CEASEFIRE WITHOUT PROPER RECORD BEING KEPT. THE BODIES OF OTHERS WERE INACCESSIBLE IN MINEFIELDS. OTHER CORPSES LACKED IDENTIFICATION DISCS. THIS WAS A PROBLEM ON WHICH ICRC WOULD BE LOOKING TO US FOR MAXIMUM HELP IN DUE COURSE, THOUGH THEY RECOGNISED THE DIFFICULTIES. THIS IS A FURTHER PROBLEM AREA IN WHICH THE ARGENTINES COULD, HOWEVER UNJUSTIFIABLY, MAKE POLITICAL CAPITAL OUT OF OUR DIFFICULTIES. I HOPE THIS POINT WILL BE CAREFULLY BORNE IN MIND.

6

#### ARTUSO AND GOOSE GREEN INCIDENTS

6. FINALLY, HAY MENTIONED THAT THE ARGENTINE AUTHORITIES WERE PRESSING FOR THE REPORTS ON THE ARTUSO AND GOOSE GREEN INCIDENTS. THE ICRC INTEREST HERE WAS NOT SO MUCH A HUMANITARIAN ONE AS OF SEEING THAT THE GENEVA CONVENTIONS WERE OBSERVED. I SAID THAT WE WERE DOING WHAT WE COULD, BUT THAT JUDICIAL PROCESS TOOK TIME. I SHOULD BE GRATEFUL TO KNOW SOON THE LATEST POSITION, IF NECESSARY FOR MY OWN INFORMATION ONLY, ON THESE TWO CASES.

MARSHALL



Alan  
Thanks  
Key  
5/4  
Key  
Please return  
to me for retention  
AD 2/2

file RA  
cc fro



10 DOWNING STREET

THE PRIME MINISTER

30 June 1982

Dear Mr. Luns,

Thank you very much indeed for your heartwarming message about the success of our forces in the South Atlantic. I believe that the operations there provided experience which will be of value to all members of the Alliance. I share your view that NATO's credibility has been enhanced by our forces' victory and I am deeply grateful to you for your staunch personal support for our operations throughout the crisis.

Yours sincerely  
Margaret Thatcher

His Excellency Dr J M A H Luns GCMG CH

✓B

T 140/82

Canadian High Commission



Haut Commissariat du Canada

Macdonald House  
1 Grosvenor Square  
London W1

CONFIDENTIAL

June 30, 1982

My dear Prime Minister,

I have the honour to convey to you herewith the text of a letter of 27 June to you from Prime Minister Trudeau. I expect soon to receive the letter itself and shall, of course, forward it at once.

May I take this opportunity to add my own congratulations to you and to the British people for concluding so favourably the fighting in the Falklands.

With kindest personal regards,

Yours sincerely,

Jean Casselman Wadds  
High Commissioner

The Right Honourable Margaret Thatcher, M.P.  
Prime Minister  
10 Downing Street  
London SW1





file 107  
copy

10 DOWNING STREET

THE PRIME MINISTER

30 June 1982

My dear Mr. Otaiba,

I am most grateful for the kind sentiments expressed in your letter of 16 June. We are all relieved that the armed conflict is now over. It was a matter of great sadness that lives had to be lost because the opportunity for a peaceful settlement had been spurned by Argentina.

But the sacrifices enabled us to uphold the important principles that states should not be allowed to commit aggression with impunity, and that peoples must be allowed the right of self-determination.

With very good wish,

Yours sincerely

Raymond Staiter

His Excellency Dr Mana Saeed Al Otaiba

R/S



From the Secretary of State

Prime Minister

To notes.

A.F.C. 39/6.

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The Rt Hon Francis Pym MC MP  
Secretary of State for  
Foreign and Commonwealth Affairs  
Foreign and Commonwealth Office  
Downing Street  
London  
SW1A 2AL

30 June 1982

Dear Francis,

ECONOMIC RELATIONS WITH LATIN AMERICA  
SANCTIONS AGAINST ARGENTINA

You minuted the Prime Minister on 18 June on the issue of lifting sanctions against Argentina.

Now that our EC partners have lifted their own economic sanctions, it will be important that we should lift our own ban on Argentine imports, which now has largely symbolic value, as soon as the Argentine government is in a position to confirm a total cessation of hostilities and a willingness to lift their economic measures against us. I recognise of course that the Argentine government's own disarray may mean that we have to wait a little while before such action is possible. ECGD are assessing the position on new export credit cover and it should not be assumed that it will be ready to recommend provision of the range of support available prior to the crisis when the Argentine economy was subject to more prudent direction. On air services, once it is established that the Argentine authorities will place no obstacles in the way of a resumption of scheduled air services to Buenos Aires by British Caledonian Airways, we will offer Argentine Airlines a permit enabling them to restart services to London if they wish.

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From the Secretary of State

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Argentina has given notice of termination of the Air Services Agreement, but even if that notice is not withdrawn the Agreement will remain in force until June 1983.

I think treatment of the freeze on Argentine assets does merit separate consideration. Similar action was not taken by our allies and the new Argentine economic team will quickly realise that its international credit worthiness is undermined for as long as it does not have access to the London market. On the other hand, I agree with you that there is a danger in keeping this sanction on longer than is necessary and we also need to bear in mind that the British stake in the Argentine economy is much more substantial than their extremely modest stake in the United Kingdom economy. My conclusion is that our aim should be to unfreeze Argentine assets at the same time as we remove other economic sanctions unless new events suggest the need for a re-appraisal.

*The price for their removal permanent cessation of hostilities*

*I have conveyed the P.N.'s view that we should not unfreeze yet. 20. A.J.C. 6*

Trade Relations with Latin America

Although restoration of normal trade relations with Argentina may take some little time, I think that it is important that we keep up with our competitors' post-Falkland efforts to intensify their economic links with the remainder of Latin America. In the course of the last nine months, our efforts to improve export performance in this area have begun to pay off with major contract successes in Mexico and Brazil. Nevertheless, the task ahead is not going to be an easy one given the poor economic prospects in most Latin American markets this year. We will need, in due course, to take a strategic look at our efforts to improve our economic stake in Latin America. But the immediate need appears to me to increase the momentum of both outward and inward Ministerial visits to underscore the determination of HMG to

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*From the Secretary of State*

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become a more significant economic partner in Latin America. Aside from the potential commercial benefits, this may be helpful in convincing our American and EC partners that our rightful pre-occupation with the Falklands problem does not mean that we do not share with them a determination to make renewed efforts to develop closer relationships with Latin America.

I am copying this letter to OD colleagues, to the Governor of the Bank of England, and to Sir Robert Armstrong.

Yours,  
Arthur

LORD COCKFIELD

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120 JUN 1982



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FM WASHINGTON 302040Z JUN 82  
TO PRIORITY FCO  
TELEGRAM NUMBER 2296 OF 30 JUNE

MYTELNO 2285: US/ARGENTINA.

1. EAGLEBURGER, AT A LUNCH FOR PATRICK WRIGHT, SAID YESTERDAY THAT THE AMERICANS WERE STILL TRYING TO GET CONFIRMATION FROM THE ARGENTINIANS OF A COMPLETE CESSATION OF HOSTILITIES, BUT THE SITUATION IN BURNOS AIRES REMAINED CONFUSED AND THEY SAW LITTLE PROSPECT OF GETTING ANY FORMAL DECLARATION FROM THE ARGENTINIANS. THEY WERE MAINTAINING THEIR ECONOMIC MEASURES FOR THE TIME BEING BUT WOULD HAVE TO CONSIDER LIFTING THEM IN DUE COURSE, AS THESE HAD LITTLE ECONOMIC BUT A CONSIDERABLE POLITICAL EFFECT ON RELATIONS WITH ARGENTINA AND THE AMERICANS WOULD NEED TO GET ON SOME SORT OF TERMS WITH THE NEW GOVERNMENT. EAGLEBURGER ASKED THAT WE SHOULD KEEP THE AMERICANS CLOSELY INFORMED OF OUR INTENTIONS ABOUT THE ARGENTINE PRISONERS. WE EMPHASIZED THE IMPORTANCE OF GETTING A MUCH FORMER INDICATION FROM THE ARGENTINIANS OF A COMPLETE CESSATION OF HOSTILITIES; THE NEED TO FOREWARN US IF THERE WAS ANY QUESTION OF RESCINDING THE US ECONOMIC MEASURES; AND THE IMPORTANCE WE ATTACHED TO CONTINUING STRICT ENFORCEMENT OF THE ARMS EMBARGO.

HENDERSON



FALKLANDS SELECTIVE ADVANCES (42)

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 PS/SIR A DUFF )  
 MR A D S GOODALL ) CABINET  
~~MR FULLER~~ )  
 MR COLVIN ) OFFICE  
 MR O'NEILL HD ASSESS- )  
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~~MR J M STEWART AUSD STAFF MOD~~  
~~ADMIRAL SIR ROY HALLIDAY DGI MOD~~  
~~DIRECTOR G.C.H.Q. (via Room 8)~~

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FM ASUNCION 301455Z JUN 82  
 TO IMMEDIATE FCO  
 TELEGRAM NUMBER 100 OF 30 JUNE  
 AND TO IMMEDIATE COI

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**IMMEDIATE**  
**ADVANCE COPY**

FALKLANDS

1. WIDE PUBLICITY IS BEING GIVEN IN PRESS HERE TO ARGENTINE NOTE DELIVERED TO OAS AMBASSADORS IN WASHINGTON ALLEGING THAT ARGENTINE PRISONERS OF WAR ARE BEING HELD AS HOSTAGES AND BADLY TREATED. GRATEFUL FOR MATERIAL TO ANSWER THESE ALLEGATIONS. FCO PASS

MELLOR

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FM MEXICO CITY 010100 JULY 81

TO PRIORITY FCO

TEL NO 512 OF 30 JUNE 1982

INFO ROUTINE WASHINGTON UKMIS NEW YORK BRASILIA CARACAS  
BOGOTA QUITO LIMA SANTIAGO LA PAZ MONTEVIDEO ASUNCION  
PANAMA CITY SAN JOSE TEGUCIGALPA

YOUR TELNO 540 (NOT TO ALL): CALL ON DEPUTY MEXICAN FOREIGN  
MINISTER

1. AT THE LAST MINUTE THE MEXICAN FOREIGN MINISTER POSTPONED HIS MEETING WITH ME UNTIL NEXT WEEK. I THEREFORE CALLED ON ROSENZWEIG DIAZ (THE SENIOR MEXICAN DEPUTY FOREIGN MINISTER) TODAY.

FALKLANDS

2. I REPEATED THE COMMENTS I HAD MADE TO MANUEL TELLO (MY TELNO 506 NOT TO ALL) ABOUT THE MEXICAN DIPLOMATIC INITIATIVE ON THE FALKLANDS MENTIONED BY THE FOREIGN MINISTER ON 23 JUNE. I EMPHASISED HOW TIRESOME WE FOUND REFERENCES TO BRITISH COLONIALISM IN THE SOUTH ATLANTIC. ATTEMPTS ON THE PART OF THE LATIN AMERICANS TO PUT PRESSURE ON US TO ENTER INTO NEGOTIATIONS WITH ARGENTINA OVER SOVEREIGNTY WOULD DO NO GOOD TO ANYONE. THEY WOULD RISK CREATING A DISAGREEABLE ATMOSPHERE AT NEW YORK AND ELSEWHERE, AND WOULD CERTAINLY NOT ADVANCE A SETTLEMENT OF THE FALKLANDS ISSUE. THE BRITISH POSITION WAS CLEAR TO ALL. OUR PRIORITIES WERE TO CLEAR UP THE MESS IN THE ISLANDS LEFT BY THE ARGENTINES AND RESTORE DEMOCRATIC INSTITUTIONS. ONLY AFTER WE HAD HAD THE OPPORTUNITY TO CONSULT THE ISLANDERS IN AN ATMOSPHERE OF STABILITY AND CONFIDENCE COULD WE CONSIDER THE LONG TERM FUTURE OF THE ISLANDS. THEN, AS YOU HAD EXPLAINED SEVERAL TIMES (NOTABLY TO THE BBC EXTERNAL SERVICES ON 18 JUNE), WE COULD BEGIN TO WORK FOR A MORE NORMAL RELATIONSHIP WITH ARGENTINA. IN THE MEANTIME IT WOULD BE BEST TO LEAVE WELL ALONE.

3. ROSENZWEIG DIAZ LISTENED SYMPATHETICALLY THROUGHOUT, AND SAID HE WOULD REPORT IMMEDIATELY TO CASTANEDA. HE DID NOT DISPUTE ANY OF MY POINTS.

4. I WENT ON THAT RECRIMINATIONS OVER THE FALKLANDS COULD SET BACK THE DEVELOPMENT OF A NEW AND MORE POSITIVE RELATIONSHIP BETWEEN BRITAIN AND LATIN AMERICA. THE SAME WENT FOR THE EUROPEAN COMMUNITY WHICH, AS COULD BE SEEN FROM THE EUROPEAN COUNCIL DECLARATION YESTERDAY, ALSO WANTED TO STRENGTHEN ITS CO-OPERATION WITH LATIN AMERICA, AND PURSUE ITS STUDIES OF HOW BEST TO HELP CENTRAL AMERICA. ROSENZWEIG DIAZ SAID THAT MEXICO

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1 WOULD GRATLY WELCOME GREATER BRITISH INTEREST IN MEXICO AND LATIN AMERICA. HE AGREED THAT IT WOULD BE A SERENDIPITOUS RESULT OF THE FALKLANDS CRISIS. FOR HIS OWN INFORMATION, I MENTIONED AS NO MORE THAN A POSSIBILITY THAT A HEADS OF MISSION CONFERENCE MIGHT TAKE PLACE IN MEXICO IN SEPTEMBER WHICH COULD BE PRESIDED OVER BY A FOREIGN OFFICE MINISTER. ROSENZWEIG DIAZ SAID THAT IN THAT EVENT HE HOPED THAT THE MINISTER WOULD CALL ON SENIOR MEMBERS OF THE MEXICAN GOVERNMENT. HE WOULD DO ALL HE COULD TO HELP.

### GUATEMALA

5. WE BRIEFLY DISCUSSED GUATEMALA. ROSENZWEIG DIAZ SAID THAT RIOS MONTT WAS NOT FULLY IN CONTROL, AND WAS IN NO WAY TO BE RELIED UPON. THE MEXICANS HAD DONE THEIR BEST TO IMPROVE RELATIONS BUT HAD GOT NOWHERE. WE AGREED THAT BRITAIN AND MEXICO HAD SUBSTANTIAL COMMON INTERESTS IN PROMOTING A SETTLEMENT OVER BELIZE, AND THAT WE WOULD KEEP CLOSELY IN TOUCH.

### US/NICARAGUA RELATIONS

6. ROSENZWEIG DIAZ SAID THAT THIS WAS A CHAPTER OF MISFORTUNES. THE AMERICANS HAD TRIED TO SET TOO MANY PRE-CONDITIONS FOR TALKS WITH THE NICARAGUANS, AND THE NICARAGUANS HAD BEHAVED FOOLISHLY BY RAISING THE PROBLEM IN THE SECURITY COUNCIL. THE AMERICANS HAD WANTED TALKS TO BE STRICTLY BILATERAL, WHILE THE NICARAGUANS HAD WANTED THE MEXICANS PRESENT TO SEE FAIR PLAY. THE RESULT HAD CEEBBAT US/NICARAGUAN DISCUSSIONS WERE NOW TAKING PLACE AT A VERY LOW LEVEL, AND SEEMED TO BE GETTING NOWHERE. THE MEXICANS WERE NOT PRESSING TO BE PRESENT: THEY ONLY WANTED TO BE HELPFUL. IN ANY EVENT NO-ONE KNEW THE VIEWS OF THE NEW US SECRETARY OF STATE.

7. ROSENZWEIG DIAZ WENT OUT OF HIS WAY TO BE FRIENDLY. HIS ATTITUDE REINFORCES MY VIEW THAT CASTANEDA'S INITIATIVE DOES NOT ENJOY THE SUPPORT OF HIS SUBORDINATES. I DID NOT SEE YOUR TELNO 550 UNTIL AFTER MY MEETING, BUT WE MAY BE SURE THAT THE MEXICAN AMBASSADOR IN LONDON, WHO IS NO FRIEND OF CASTANEDA'S, WILL REPORT MR ONSLOW'S REMARKS WITH VIGOUR.

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YOUR TELNO 506: FALKLANDS: CALL ON MR ONSLOW BY MEXICAN AMBASSADOR

1. THE MEXICAN AMBASSADOR CALLED ON MR ONSLOW AT HIS OWN REQUEST ON 29 JUNE.

2. OLLOQUI SAID HIS FOREIGN MINISTER HAD ASKED HIM TO DISCUS WITH HMG THE INITIATIVE ALREADY LAUNCHED BY CASTANEDA SEEKING LATIN AMERICAN SUPPORT FOR THE INSCRIPTION OF THE FALKLANDS ISSUE AS A SPECIAL ITEM IN THE NEXT UN GENERAL ASSEMBLY UNDER ARTICLE 14 OF THE CHARTER. THE AIM WOULD BE TO SEEK UN ENDORSEMENT FOR THE COMMENCEMENT OF NEGOTIATIONS ON THE FALKLANDS UNDER UN AUSPICES.

3. MR ONSLOW THANKED OLLOQUI: THE MEXICANS CLEARLY WISHED TO PLAY A CONSTRUCTIVE ROLE. BUT HE DID NOT SEE HOW THIS NEW PROPOSAL WOULD HELP. FOLLOWING THE RECAPTURE OF THE ISLANDS THERE WERE IMMEDIATE PRACTICAL PROBLEMS WHICH REQUIRED RESOLUTION. THIS WOULD TAKE TIME: BUT IT WAS CLEAR THAT AT PRESENT THE BRITISH AND ARGENTINE POSITIONS ON SOVEREIGNTY WERE ALMOST IRRECONCILABLE. THERE COULD BE NO NEGOTIATIONS ON SOVEREIGNTY UNLESS THE ISLANDERS WISHED IT AND IN VIEW OF WHAT HAD HAPPENED THEY WERE UNLIKELY TO DO THAT IN THE NEAR FUTURE. ALSO THE MOOD OF THE BRITISH NATION AND PARLIAMENT WAS FIRMLY AGAINST NEGOTIATIONS. PUBLIC INTEREST WOULD NOT JUST DIE AWAY WITH THE ENDING OF THE CONFLICT: IT WOULD CONTINUE FOR THE FORESEEABLE FUTURE. OF COURSE HMG WANTED TO REPAIR ANY DAMAGE DONE TO RELATIONS WITH LATIN AMERICAN AND TO HELP BRING ABOUT PEACE AND STABILITY IN THE REGION. BUT THERE WAS NO PROSPECT OF THE BRITISH GOVERNMENT AGREEING TO PUT SOVEREIGNTY ON THE NEGOTIATING TABLE.

4. OLLOQUI, WHO LOOKED AWKWARD THROUGHOUT THE MEETING, WAS CLEARLY BOTH UNHAPPY ABOUT HIS INSTRUCTIONS AND UNCLEAR ABOUT THE DETAILED BACKGROUND TO THE INITIATIVE. HE SAID HE FULLY UNDERSTOOD THE FEELINGS IN BRITAIN AND HAD BEEN REPORTING THEM FAITHFULLY TO HIS GOVERNMENT. BUT, SPEAKING AS A LATIN AMERICAN WHO WISHED ONLY GOOD RELATIONS WITH BRITAIN, IF HMG REFUSED TO NEGOTIATE IT COULD ONLY BE HARMFUL TO OUR REALTIONS WITH THE COUNTRIES OF THE REGION AND VERY EXPENSIVE FOR US TO MAINTAIN THE NECESSARY MILITARY PRESENCE AND PROVIDE ECONOMIC AID. BRITAIN

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WAS EXPERT IN DECOLONISATION: THAT EXPERTISE SHOULD BE USED TO SOLVE THIS PROBLEM. MR ONSLOW REPLIED THAT WE HAD BROUGHT MANY COLONIES TO INDEPENDENCE BECAUSE THAT WAS THE WISH OF THE PEOPLE INVOLVED: OTHERS HAD OPETED OF THEIR OWN FREE WILL FOR A DIFFERENT CONSTITUTIONAL SYSTEM. WE WERE GUIDED BY THE WISHES OF THE FALKLAND ISLANDERS AND HE PERSONALLY FOUND IT WHOLLY UNDERSTANDABLE THAT THEY DID NOT WISH TO BE RULED BY THE SORT OF GOVERNMENT IN POWER IN ARGENTINA. THE REGIMES HUMAN RIGHTS RECORD WAS HARDLY ENCOURAGING AND IT WAS BECOMING AN INCREASINGLY IMPORTANT FACTOR IN DOMESTIC OPPOSITION TO FUTURE NEGOTIATIONS WITH ARGENTINA.

5. IN RESPONSE TO QUESTIONS, OLLOQUI UNDERTOOK TO ESTABLISH WHETHER THE ARGENTINES HAD BEEN CONSULTED ABOUT THE NEW INITIATIVE AND, IF SO, WHAT THEIR REACTION HAD BEEN, AND WHETHER THE MEXICANS WERE CONSULTING ALL THE COUNTRIES OF THE REGION (THE AMBASSADOR ORIGINALLY SAID THAT THE ENGLISH-SPEAKING COUNTRIES HAD NOT BEEN APPROACHED).

6. WE AND YOUR (YOUR TUR) HAVE NOW LEFT THE MEXICANS IN NO DOUBT OF OUR POSITION. YOU SHOULD CONTINUE TO SEEK TO DISSUADE THEM FROM PURSUING THIS ILL-JUDGED INITIATIVE, ALTHOUGH THEY APPEAR ALREADY TO HAVE PUT A GOOD DEAL OF STEAM BEHIND IT WITH OTHER LATIN AMERICAN COUNTRIES. IT IS ALSO INTERESTING TO SPECULATE (AND UKMIS NEW YORK MAY WISH TO COMMENT) ON HOW WELCOME THE PROPOSAL MIGHT BE FOR THE ARGENTINES, GIVEN THEIR TRADITIONAL PREFERENCE FOR WORKING THROUGH THE COMMITTEE OF 24 AND THE FOURTH COMMITTEE.

7. GRATEFUL IF OTHER LATIN AMERICAN ADDRESSEES COULD MAKE DISCREET SOUNDINGS OF THEIR GOVERNMENTS ON WHETHER THE MEXICANS HAVE BEEN LOBBYING FOR THEIR PROPOSAL. IF SO, WE NEED TO MAKE CLEAR THAT THE INSCRIPTION OF THE FLAKLANDS AS A SPECIAL ITEM AT THE GENERAL ASSEMBLY WOULD BE UNPRODUCTIVE AND MIGHT ONLY ADD UNNECESSARY FURTHER COMPLICATIONS FOR OUR RELATIONS WITH THE REGION (WHICH WE WISH TO RESTORE). WE ARE NOT CLOSING DOORS ON HOW THE DISPUTE MIGHT EVENTUALLY BE RESOLVED. BUT IT IS QUITE UNREALISTIC TO EXPECT THAT NEGOTIATIONS COULD SIMPLY BE RESUMED AS IF NOTHING HAD HAPPENED. WHAT IS NOW REQUIRED IS A BREATHING SPACE TO ALLOW TENSIONS TO DIE DOWN, TO GET LIFE ON THE ISLANDS BACK TO NORMAL AND FOR THE ISLANDERS THEMSELVES TO TAKE STOCK ON THEIR FUTURE.

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FM FCO 301130Z JUNE 82

TO PRIORITY UKDIS GENEVA IN NEW YORK

TELEGRAM NUMBER 67 OF 30 JUNE

FOR INFO MODUK (DS17)

YOUR TELNO 82: PLASTIC MINES IN FALKLANDS

1. PROTOCOL I TO THE WEAPONRY CONVENTION WILL, WHEN IT COMES INTO FORCE PROHIBIT THE USE OF ANY WEAPON THE PRIMARY EFFECT OF WHICH IS TO INJURE BY FRAGMENTS WHICH IN THE HUMAN BODY ESCAPE DETECTION BY X-RAYS. THIS IS NOT A GENERAL PROHIBITION ON THE USE OF PLASTIC MINES. SOME PLASTICS MAY BE DETECTABLE BY X-RAY, AND IN MANY CASES MINES ARE DESIGNED FOR BLAST RATHER THAN FOR FRAGMENTATION EFFECT. IT IS NOT CLEAR WHETHER THE PLASTIC IN THE MINES USED IN THE FALKLANDS IS X-RAY DETECTABLE, BUT WE THINK THE ARGENTINES COULD MAKE A CASE FOR SAYING THAT THEY WERE NOT IN BREACH OF THE CONVENTION IRRESPECTIVE OF WHETHER IT IS MERELY THE CASING THAT IS PLASTIC.

2. FOR YOUR INFORMATION WE UNDERSTAND THAT THE MAJORITY OF PLASTIC MINES SO FAR DISCOVERED IN THE FALKLANDS ARE OF SPANISH OR ITALIAN MANUFACTURE. ARGENTINE-MADE MINES ARE A SMALL MINORITY. SUCH MINES ARE ON THE NATO INVENTORY, AND THE UK USES FOR EXAMPLE CANADIAN MADE ELSIE MINES WHICH INCLUDE SUBSTANTIAL PLASTIC COMPONENTS.

3. WE THUS SUPPORT THE CONCLUSION YOU DRAW AND THINK THAT WE WOULD HAVE DIFFICULTY IN SUSTAINING A STATEMENT THAT THERE HAD BEEN A BREACH OF THE CONVENTION AND ITS PROTOCOLS. IT IS NOT IN FORCE EVEN FOR THOSE STATES WHICH HAVE RATIFIED IT (LESS THAN HALF OF THE TWENTY REQUIRED). IF THE CONVENTION WERE IN FORCE, WE THINK THE ARGENTINES COULD HAVE BREACHED IT BY SOWING MINES INDISCRIMINATELY BY HELICOPTER AND BY FAILING TO KEEP PROPER RECORDS. BUT AT PRESENT WE HAVE INSUFFICIENT INFORMATION ON THE FACTS.

4. YOU WILL WISH TO SEE THE PM'S COMMENTS IN THE HOUSE OF COMMONS (HANSARD OF 24 JUNE VOL 26 COL 437).

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*pm sen.*

Treasury Chambers, Parliament Street, SW1P 3AG

01-233 3000

30 June 1982

The Rt Hon Francis Pym MP  
Secretary of State for Foreign & Commonwealth Affairs

*Dear Secretary of State,*

FALKLAND ISLANDS: REHABILITATION

Thank you for your minute of 29 June.

I am glad that we see eye-to-eye about the major development schemes.

As to rehabilitation work, I do of course, agree that this must not be held up. As soon as we have available Estimates for likely expenditure within the remaining nine months of the current financial year we will be in a position to assess how this must be met.

I am copying this minute to the Prime Minister and other colleagues of OD(FAF) and to Sir Robert Armstrong.

*Yours sincerely,*

*Jim Rutter*

pp GEOFFREY HOWE





FCS/82/95

CHANCELLOR OF THE EXCHEQUER

Prime Minister

The Chancellor is writing tonight to say:-  
 (a) he agrees that urgent rehabilitation schemes should not be held up  
 (b) but when costs are available it will be necessary to discuss how far they are to be met from the existing FCO/ODA expenditure programmes and how far new money will be necessary.

A.S.C. 30/6

Falkland Islands: Rehabilitation

1. Thank you for your letter of 25 June commenting on my minute of the same date on the expenditure that will be necessary for the rehabilitation of the Falkland Islands.
2. You say that it would be premature to attempt to adjudicate at this stage the merits of major development schemes for the Falklands, which will need to await the submission of Lord Shackleton's report. I agree with this view, although I hope that once we have Lord Shackleton's report decisions on such projects can be taken as rapidly as possible.
3. But the point now at issue is the financing of urgent rehabilitation of housing, transport and other essential services. Some of this early rehabilitation work is already being undertaken by the armed forces. They are likely to seek repayment of some of the costs that they incur in this way. Indeed, they have already claimed that FCO/ODA should be charged for transport. In any event, the work they undertake will go only some way to meeting the immediate need for civilian rehabilitation. We have already received the Civil Commissioner's initial recommendations for urgent further action in these fields. He gives highest priority to the provision of temporary accommodation: recruitment of further officers for the Falkland Islands Government: restoration of the education system: ordering of replacement aircraft and hangars for the Falkland Islands Air Service: and building materials for civil repairs. These are only his first and most urgent recommendations but already clearly imply significant expenditure. We need to take an unequivocal decision to provide the funds so that inescapable tasks can be

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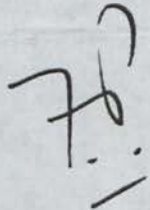




got under way. I consider that it would be unacceptable to delay any of them because of doubts about finance. The sums involved are not great when viewed in the context of the whole Falklands emergency, or against the sums the Ministry of Defence will be - quite rightly - allowed in excess of their normal votes to enable them to cope with campaign costs and garrisoning. But, as I have said, my existing expenditure programmes simply cannot begin to cope with the additional expenditure that will be needed.

4. The exact amounts required for immediate rehabilitation needs will of course have to be established on the basis of the Civil Commissioner's assessments and recommendations and agreed interdepartmentally. But what is needed urgently is a firm decision in principle that new money will be allocated to cover the costs.

5. I am copying this minute to the Prime Minister and other colleagues of OD(FAF) and to Sir Robert Armstrong.

  
(FRANCIS PYM)

Foreign and Commonwealth Office  
29 June 1982





The National Archives

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FM WASHINGTON 292200Z JUN 82

TO PRIORITY FCO

TELEGRAM NUMBER 2285 OF 29 JUNE

ARGENTINE PRISONERS.

1. HAIG, WHO IS STILL CARRYING OUT THE FUNCTIONS OF SECRETARY OF STATE, HAS TELEPHONED ME TO ASK, OFF THE RECORD, WHAT IN THE LONGER TERM WE ARE THINKING OF DOING WITH THE ARGENTINIAN PRISONERS. HE SAID THAT THE NEW ARGENTINIAN PRESIDENT HAS MADE AN APPROACH TO THE US GOVERNMENT ASKING FOR HELP IN GETTING THE PRISONERS RELEASED.

2. I SAID THAT OUR ATTITUDE WAS QUITE CLEAR. WE WERE NOT HANDING BACK PRISONERS WHO MIGHT CONCEIVABLY BE OF MILITARY USE AGAINST US IN THE ABSENCE OF AN OVERALL CEASEFIRE. SO FAR AS I KNEW NO COUNTRY HANDED PRISONERS OF WAR BACK BEFORE A CEASEFIRE. WE WOULD LOOK PRETTY ABSURD IF, IN THE ABSENCE OF A CEASEFIRE, WE HANDED THESE PEOPLE BACK AND THEY THEN LAUNCHED SOME AIR ATTACK UPON US.

3. HAIG SAID THAT HE WAS QUITE SURE THAT THEY WERE NOT GOING TO GO IN FOR FURTHER HOSTILITIES AGAINST US FOR A VERY, VERY LONG TIME. NEVERTHELESS HE SAW OUR ARGUMENT. HE WAS NOT WANTING TO GIVE US ADVICE OR EXERT PRESSURE. HE JUST THOUGHT THAT THERE WAS A DANGER OF US BEING SADDLED WITH A LONG-TERM PROBLEM, NOT TO SAY A CAUSE CELEBRE IN THE HEMISPHERE.

4. HE REPEATED THAT HE WAS NOT WANTING TO MAKE ANY RECOMMENDATION. BUT HE WAS WORRIED ABOUT THE NEED TO GET BACK TO NORMAL RELATIONS WITH ARGENTINA. HE KNEW THAT I REALISED THAT HE, HAIG, HAD NO BRIEF FOR THE PRESENT ARGENTINIAN LEADERS AND HE WAS NOT TRYING TO MAKE EXCUSES ON THEIR BEHALF. IT WAS JUST THAT SOMETHING WORSE COULD TURN UP THERE AND WE COULD BE STUCK WITH AN AWKWARD PROBLEM.

HENDERSON

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TO ROUTINE FCO  
TELEGRAM NUMBER 096 OF 29 JUNE

YOUR TELNO GUIDANCE 138: FALKLANDS: ARGENTINE POW'S

1. EL TIEMPO OF 28 JUNE CARRIED PARTICULARLY NASTY EFE REPORT THAT A GROUP OF ARGENTINE POW'S WERE SHOT IN THE BACK BY BRITISH SOLDIERS. REPORT QUOTES SERGEANT MIGUEL ANGEL SARAZA OF INFANTRY REGIMENT AND NEWSPAPER LA RAZON. SERGEANT ALSO REPORTED AS SAYING THAT SOLDIERS OF PARACHUTE REGIMENT HELD 400 ARGENTINIAN SOLDIERS CAPTIVE FOR 3 DAYS IN A LEAN TO WITHOUT FOOD OR WATER.
2. WEEKEND PAPERS ALSO CARRIED REPORTS OF MISSING 3000 (MY TELNO 95 REFERS) AND A REPORT BY AN ARGENTINE PRIEST, VICENTE MARTINEZ, THAT THE GURKHAS WERE RESPONSIBLE FOR MOST OF THE ARGENTINIAN CASULTIES. HE ACCUSED GURKHAS OF COMMITTING ATROCIOUS CRIMES AND OF SLITTING THROATS TO APPLY PSYCHOLOGICAL PRESSURE ON THE ARGENTINIAN SOLDIERS.
3. GRATEFUL MATERIAL TO COUNTER THESE ACCUSATIONS.

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 PS/MR RIFKIND  
 PS/MR ONSLOW  
 PS/LORD BELSTEAD  
 PS/PUS  
 SIR J BULLARD  
 SIR I SINCLAIR  
 MR GIFFARD  
 MR WRIGHT  
 MR GILLMORE  
 MR URE  
 MR BARRETT  
 HD/S AM D  
 HD/FALKLANDS UNIT (2)  
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PS/SIR A DUFF )

MR A D S GOODALL )

~~MR FULLER~~ )

MR COLVIN )

MR O'NEILL HD ASSESS- )

MENTS STAFF )

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FM BERNE 291605Z

TO IMMEDIATE FCO

TELNO 200 OF 29 JUNE

INFO PRIORITY WASHINGTON, UKMIS NEW YORK AND BRASILIA

INFO ROUTINE UKMIS GENEVA

MY TELNO 193: FLIGHT LIEUTENANT GLOVER.

1. RAMSEIER, ACTING DIRECTOR AT FDFA, HAS NOW INFORMED ME ON BEHALF OF FEDERAL COUNCILLOR AUBERT THAT LATTER RECEIVED ARGENTINE AMBASSADOR IN BERNE THIS AFTERNOON AND INFORMED HIM OF THE SWISS GOVERNMENT'S PREOCCUPATION ON HUMANITARIAN GROUNDS ABOUT FLIGHT LIEUTENANT GLOVER'S CONTINUED DETENTION. AUBERT MADE IT CLEAR TO THE AMBASSADOR THAT SWISS GOVERNMENT WOULD LIKE FLIGHT LIEUTENANT GLOVER RELEASED WITHOUT FURTHER DELAY.

2. AMBASSADOR UNDERTOOK TO TRANSMIT AT ONCE TO HIS GOVERNMENT A REPORT OF M AUBERT'S REQUEST. THOUGH HE ALSO SAID THAT THERE



2. AMBASSADOR UNDERTOOK TO TRANSMIT AT ONCE TO HIS GOVERNMENT  
A REPORT OF M AUBERT'S REQUEST, THOUGH HE ALSO SAID THAT THERE  
WAS NO EFFECTIVE MINISTER IN OFFICE IN THE FOREIGN MINISTRY IN  
BUENOS AIRES FOR THE TIME BEING.

3. RAMSEIER CONFIRMED IN RESPONSE TO MY ENQUIRY THAT FEDERAL  
COUNCILLOR AUBERT DID NOT RAISE THE QUESTION OF CESSATION OF  
HOSTILITIES.

POWELL-JONES

NNNN

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(34)  
(12)

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PS  
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PS/MR RIFKIND  
PS/MR ONSLOW  
PS/LORD BELSTEAD  
PS/PUS  
SIR J BULLARD  
SIR I SINCLAIR  
MR GIFFARD  
~~MR WRIGHT~~  
MR GILLMORE  
MR URE  
MR BARRETT  
HD/S AM D  
HD/FALKLANDS UNIT (2)  
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HD/PLANNING STAFF  
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mf

YOUR TEL 164 TO BRUSSELS: ARMS FOR ARGENTINA/PERU.

1. AUSWAERTIGES AMT HAVE TOLD US THAT HERR GENSCHER HAS DECIDED TO ALLOW DELIVERY TO PERU OF THE NINE TORPEDOES TO PROCEED, THE FEDERAL GOVERNMENT HAD FIRST SOUGHT AND OBTAINED A FURTHER ASSURANCE FROM THE PERUVIANS AT A VERY HIGH LEVEL THAT THEY WOULD NOT TRANSFER THE WEAPONS TO ARGENTINA. THEY DO NOT IN ANY CASE BELIEVE THAT THE PERUVIANS CAN AFFORD TO GIVE AWAY ANY OF THE VERY SMALL QUANTITY OF TORPEDOES THEY HAVE BOUGHT, WHICH IS BARELY ADEQUATE TO ARM THEIR OWN SUBMARINES.
2. THE GERMANS ALSO TOLD US THAT THEIR CHECK ON THE INDEPENDENCIA'S CARGO CONFIRMED THAT IT DID NOT INCLUDE ANY SUBMARINE SPARES.

TAYLOR



[PLEASE RETURN COPY TO TYPISTS]

ADVANCE COPIES: FALKLAND ISLANDS GENERAL

42

36

IMMEDIATE

PS  
PS/MR HURD  
PS/MR ONSLOW  
PS/MR RIFKIND  
PS/PUS  
SIR J BULLARD  
~~SIR I SINCLAIR~~ MR FREELAND  
MR GIFFARD  
~~MR WRIGHT~~  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR ~~GILMORE~~ GOODISON

PS/NO 10 DOWNING ST (2)  
PS/S OF S FOR DEFENCE  
MR J STEWART AUSD STAFF MOD  
PS/CHANCELLOR )  
MR ILETT ) TREASURY  
MR LITTLER )  
MISS DICKSON D/ENERGY  
SIR R ARMSTRONG )  
SIR M PALLISER )  
MR A D S GOODALL ) CABINET OFFICE  
MR FULLER SAPU/DIO )  
DIO )

HD/PUSD (2)  
HD/S AM D  
HD/FALKLANDS UNIT (2)  
HD/DEFENCE DEPT  
HD/NEWS DEPT  
HD/ERD  
HD/ECD(E)  
HD/UND  
HD/PLANNING STAFF

~~ROOM 8 FOR MODUK C IN C FLEET~~

~~RESIDENT CLERK~~

ADVANCE COPY

RESTRICTED

FM BRASILIA 29:1315Z JUN 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 299 OF 29 JUNE

AND TO IMMEDIATE UKMIS GENEVA

REPEATED INFO PRIORITY BERNE, UKMIS NEW YORK, MODUK (DS11)

UKMIS GENEVA TELNO 364 TO FCO: RETENTION OF ARGENTINE POWS

1. BRAZILIAN MFA INSIST THAT ALL COMMUNICATIONS FOR ONWARD TRANSMISSION TO THE ARGENTINE GOVERNMENT ARE PRESENTED IN WRITING.
2. A NOTE VERBALE WAS THEREFORE DELIVERED ON 22 JUNE FOLLOWING THE RECEIPT OF YOUR TELNO 253, ASKING THAT THE FOLLOWING MESSAGE BE PASSED TO THE ARGENTINE GOVERNMENT:

QUOTE

HER MAJESTY'S GOVERNMENT PROPOSE TO RETAIN BETWEEN 500-600 PRISONERS OF WAR FOR THE TIME BEING PENDING CLARIFICATION OF ARGENTINA'S POSITION ON THE QUESTION OF CESSATION OF HOSTILITIES. THESE PRISONERS ARE IN CATEGORIES WHICH COULD CONTRIBUTE CONSIDERABLY TO ARGENTINA'S ABILITY TO CONDUCT FURTHER OPERATIONS AGAINST HER MAJESTY'S GOVERNMENT. THEY ARE BEING TREATED FULLY



~~CONSIDERABLY TO ARGENTINA'S ABILITY TO CONDUCT FURTHER OPERATIONS  
AGAINST HER MAJESTY'S GOVERNMENT. THEY ARE BEING TREATED FULLY  
IN ACCORDANCE WITH THE GENEVA CONVENTION.~~  
UNQUOTE.

HARDING

NNNN

SENT/RECD AT 29:1350Z AD//JB



ADVANCE COPIES: FALKLAND ISLANDS GENERAL 42

**IMMEDIATE**

PS  
PS/MR HURD  
PS/MR ONSLOW  
PS/MR RIFKIND  
PS/PUS  
SIR J BULLARD  
SIR I SINCLAIR  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR GILLMORE

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HD/FALKLANDS UNIT (2)  
HD/DEFENCE DEPT  
HD/NEWS DEPT  
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HD/ECD(E)  
HD/UND  
HD/PLANNING STAFF  
RESIDENT CLERK

PS/NO 10 DOWNING ST (2)  
PS/S OF S FOR DEFENCE  
MR J STEWART AUSD STAFF MOD  
PS/CHANCELLOR )  
MR ILETT ) TREASURY  
MR LITTLER )  
MISS DICKSON D/ENERGY  
SIR R ARMSTRONG )  
SIR M PALLISER )  
MR A D S GOODALL )  
MR FULLER SAPU/DIO ) CABINET OFFICE  
DIO )

~~ROOM 8 FOR MODUK C IN C FLEET~~

GRS 100  
UNCLASSIFIED  
FM CANBERRA 290517Z JUNE 82  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 305 OF 29 JUNE  
AND IMMEDIATE WELLINGTON, WASHINGTON

YOUR TELNO 242 (NOT TO ALL) AUSTRALIAN ECONOMIC SANCTIONS  
AGAINST ARGENTINA.

1. THE MINISTER OF FOREIGN AFFAIRS WILL ANNOUNCE LATER TODAY  
THE ENDING OF AUSTRALIAN ECONOMIC SANCTIONS AGAINST  
ARGENTINA WITH IMMEDIATE EFFECT, IN RECOGNITION OF THE  
DE FACTO CESSATION OF HOSTILITIES BETWEEN ARGENTINA AND THE  
UK WHICH THEY HOPE WILL SHORTLY BE CONFIRMED FORMALLY BY  
ARGENTINA. MR STREET'S STATEMENT, (FULL TEXT TO FCO ONLY  
IN MY IFT), INCLUDES THE SENTENCE QUOTE SHOULD THERE BE ANY  
RESUMPTION OF HOSTILITIES BY ARGENTINA, THE AUSTRALIAN  
GOVERNMENT WOULD REIMPOSE THE RESTRICTIONS UNQUOTE.

SMART





10 DOWNING STREET

*From the Private Secretary*

29 June, 1982

LETTER FROM M. MAURICE SCHUMANN

Thank you for your letter of 23 June enclosing a copy of a letter from M. Maurice Schumann to Sir John Fretwell together with an article about the Falklands conflict.

I note that the Ambassador has already replied to M. Schumann. The Prime Minister would nevertheless like to thank him for the powerful support he has given. I should be grateful, therefore, if Sir John Fretwell would write to him again conveying Mrs Thatcher's personal thanks.

A. J. COLES

F Richards, Esq  
Foreign and Commonwealth Office

285



CONFIDENTIAL

RM



FILE

10 DOWNING STREET

*From the Private Secretary*

SIR ROBERT ARMSTRONG

THE FALKLANDS REPOSSESSED

With his minute of 21 June Sir Michael Palliser submitted to the Prime Minister a paper on the above subject. The Prime Minister would be grateful if you would arrange for circulation of the paper to ODFAAF for information.

29 June, 1982

CONFIDENTIAL





The National Archives

LETTERCODE/SERIES ..... <i>PREM 19</i> .....	Date and sign
PIECE/ITEM ..... <i>638</i> ..... (one piece/item number)	
Extract/Item details:  <i>Minute from Coles to Armstrong dated 29 June 1982</i>	
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file BK  
29 June 1982

Thank you for your letter of 29 June.

I shall place before the Prime Minister  
the letter from the President of Sri Lanka  
which you enclosed.

JOHN COLES

His Excellency Mr. A.T. Moorthy



file BR

29 June 1982

FALKLANDS: ATTITUDE OF SRI LANKA

I enclose a copy of a letter which the Prime Minister has received from the President of Sri Lanka about the Falklands conflict and in particular the proceedings of the Non-aligned Co-ordinating Bureau in Havana.

B/H

I should be grateful if you could provide a draft reply for signature by the Prime Minister.

JOHN COLES

John Holmes, Esq.,  
Foreign and Commonwealth Office



*From the High Commissioner*



POL/IA/1/A

*High Commission of the Democratic  
Socialist Republic of Sri Lanka*

*13, Hyde Park Gardens,*

*London W2 2LU*

29 June 1982

*My dear John*

*25/6*

I have pleasure in enclosing a letter from His Excellency the President of Sri Lanka addressed to the Rt Hon the Prime Minister.

I would be most thankful if you would be good enough to submit it to the Prime Minister.

*All good wishes*

*Yours sincerely*

A handwritten signature in dark ink, appearing to read 'A.T. Moorthy', with a horizontal line underneath.

A.T. Moorthy

John Coles Esqr.,  
Private Secretary to the Prime Minister,  
10, Downing Street,  
London SW1



SUBJECT

C O N F I D E N T I A L

12582 - 1

OO KATHMANDU

PRIME MINISTER'S

RR DELHI

PERSONAL MESSAGE

GRS 250

SERIAL No. T 139 Ac/82

CONFIDENTIAL

FM FCO 281615Z JUN 82  
TO IMMEDIATE KATHMANDU  
TELEGRAM NUMBER 72 OF 28 JUNE  
INFO DELHI, MODUK (DS6).

1. PLEASE PASS FOLLOWING MESSAGE FROM THE PRIME MINISTER  
TO THE PRIME MINISTER OF NEPAL:

BEGINS. THE RESTORATION OF BRITISH ADMINISTRATION IN THE  
FALKLAND ISLANDS, AND THE DISTINGUISHED ROLE PLAYED BY OUR  
GURKHA TROOPS IN BRINGING THIS ABOUT, PROMPT ME TO SEND  
YOU THIS MESSAGE.

FROM THE BEGINNING OF THE FALKLANDS CONFLICT I HAVE  
BEEN DEEPLY CONSCIOUS OF THE STAUNCH SUPPORT WE HAVE RECEIVED  
FROM YOUR GOVERNMENT, WHICH REVIVES FOR US MEMORIES OF THOSE  
OTHER GREAT STRUGGLES IN THE CAUSE OF FREEDOM DURING THIS  
CENTURY IN WHICH GURKHA TROOPS HAVE FOUGHT WITH SUCH  
LEGENDARY GALLANTRY ALONGSIDE THEIR BRITISH COMRADES IN ARMS.  
MY GOVERNMENT, AND THE BRITISH PEOPLE AS A WHOLE, ARE  
ENORMOUSLY GRATEFUL FOR THAT SUPPORT.

WE WILL NOT FORGET THE EXEMPLARY COURAGE AND  
DETERMINATION DISPLAYED BY THE FIRST BATTALION THE 7TH DUKE  
OF EDINBURGH'S OWN GURKHA RIFLES AND THE CRUCIAL PART THEY  
PLAYED. SHORTLY AFTER LANDING THEY ASSUMED  
RESPONSIBILITY FOR BOTH THE DEFENCE OF THE DARWIN/GOOSE  
GREEN AREA AND THE SURVEILLANCE OF THE SOUTHERN HALF OF  
EAST FALKLAND ISLANDS. SUBSEQUENTLY THEY TOOK PART IN THE  
RECAPTURE OF PORT STANLEY. I AM DELIGHTED THAT THEY  
SUFFERED ONLY LIGHT CASUALTIES. THIS, NO DOUBT, WAS A



C O N F I D E N T I A L

12582 - 1

REFLECTION OF THE GURKHAS' REPUTATION AS BRAVE, FEARLESS  
AND ACCOMPLISHED SOLDIERS.

I SEND YOU, PRIME MINISTER, MY RENEWED THANKS AND  
WARMEST GOOD WISHES. MARGARET THATCHER. ENDS.

PYM

DIST:

LIMITED

S A D

S A M D

P S

P S/MR HURD

P S/MR ONSLOW

MR WRIGHT

29/6. MR GIFFARD

2

C O N F I D E N T I A L



cc Made  
for



RS - *[Handwritten]* ②

**SUBJECT**

Please Quote

T 139A<sup>9</sup>/82

Office Of The Prime Minister

Belmopan  
Cayo District, Belize  
Central America

28 June 1982

Rt. Hon. Mrs. Margaret Thatcher  
Prime Minister of London  
10 Downing Street  
London SW1A 2AH  
ENGLAND

*Prime Minister*

*MS*

*A reply is being prepared*

*A.J.C. 5/7*

Dear Prime Minister,

You, the Government and people of Great Britain have done well in the Falklands crisis and have vindicated the sacred principles of non-aggression and self-determination.

All praise and thanks are due you, especially from the little people of the world.

Please accept them.

Kindest regards and best wishes.

Sincerely,

(GEORGE PRICE)  
Prime Minister





To ASZ.

Foreign and Commonwealth Office  
London SW1A 2AH

28 June 1982

Dear John,

Letter from the NATO Secretary-General to the  
Prime Minister

/ I enclose a letter from Dr Luns to the  
Prime Minister congratulating her on the  
success of our forces in the South Atlantic.  
/ I also attach a draft of a reply which we  
could, if the Prime Minister wished, convey  
to Dr Luns.

Yours ever

(J E Holmes)  
Private Secretary

*John Holmes*

A J Coles Esq  
10 Downing Street



REPLY TO DR LUNS' MESSAGE

*Thank you very much indeed*

~~Many thanks~~<sup>^</sup> for your heartwarming message about the success of our forces in the South Atlantic. I believe that the operations there provided        experience which will be of value to all members of the Alliance. I share your view that NATO's credibility has been enhanced by our forces' victory<sup>and</sup> I am deeply grateful to you for your staunch personal support for our operations throughout the crisis.

*ML  $\frac{22}{6}$*



CONFIDENTIAL

FM BERNE 281650Z

TO IMMEDIATE FCO  
TELNO 195 OF 28 JUNEOUR TELNOS 189 AND 193; FALKLANDS CESSATION OF HOSTILITIES  
AND FLIGHT LIEUTENANT GLOVER

1. WE HAVE NOT YET RECEIVED THE INFORMATION FROM RAMSEIER MENTIONED IN PARAGRAPH 3 OF OUR TELNO 193 BUT WE UNDERSTAND THAT THE MATTER IS CURRENTLY UNDER CONSIDERATION WITH AUBERT.

2. MEANWHILE THE FOREIGN INTERESTS SECTION OF THE FDFA INFORMED US THIS AFTERNOON (28 JUNE) AT 1615Z THAT THEY HAD RECEIVED A MESSAGE FROM THE SWISS EMBASSY IN BUENOS AIRES CONFIRMING THAT THE EMBASSY HAD GONE BACK TO THE ARGENTINES ON THE LINES SUGGESTED IN YOUR TELNO 135. THE EMBASSY HAD REPORTED THAT THE ARGENTINE ATTITUDE REMAINED THAT NO DECISION WOULD BE TAKEN ON FLIGHT LIEUTENANT GLOVER OR THE CESSATION OF HOSTILITIES BEFORE THE NEW GOVERNMENT TOOK UP OFFICE.

3. WE HAVE HAD NO CONFIRMATION THROUGH SWISS CHANNELS OF ANY REPORT ABOUT A CESSATION OF HOSTILITIES ON THE LINES MENTIONED IN THE TELECON FALKLANDS UNIT/BROOK OF 1620Z TODAY.

4. FCO PLEASE REPEAT AS APPROPRIATE.

LEE

[COPIES SENT TO NO 10 DOWNING STREET]

## FALKLANDS SELECTIVE

## LIMITED

HD/FALKLANDS UNIT  
HD/S AM D  
HD/DEFENCE D  
HD/PLANNING STAFF  
HD/UND  
HD/WED  
HD/NEWS D  
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HD/PUSD  
DEP HD/PUSD  
HD/RES D  
PS  
PS/MR HURD  
PS/MR ONSLOW  
PS/MR RIFKIND  
PS/LORD BELSTEAD  
PS/PUS  
SIR J BULLARD  
SIR I SINCLAIR  
MR GIFFARD  
MR WRIGHT  
MR GILLMORE  
MR URE  
MR BARRETT

## COPIES TO:

PS/HOME SECRETARY  
PS/S OF S DEFENCE  
PS/ATTORNEY GENERAL  
PS/CHANCELLOR DUCHY OF LANCASTER  
PS/SIR R ARMSTRONG  
PS/SIR M PALLISER  
PS/SIR A DUFF  
MR A D S GOODALL  
MR O'NEILL  
HD/ASSESSMENTS STAFF  
MR COLVIN  
DIO  
MR J M STEWART AUSD STAFF MOD  
ADMIRAL SIR ROY HALLIDAY DGI MOD  
SIR P MOORE BUCKINGHAM PALACE  
DIRECTOR G C H Q

CABINET  
OFFICE

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CONFIDENTIAL  
DESKBY 290800Z  
FM FCO 281423Z JUN 82  
TO IMMEDIATE TEL AVIV  
TELEGRAM NUMBER 208 OF 28 JUNE

YOUR TELNO 274: ARMS SUPPLIES FOR ARGENTINA

1. MOBERLY ASKED THE ISRAELI MINISTER BIRAN TO CALL AT THE FCO ON 25 JUNE.
2. MOBERLY SAID THAT THE GOVERNMENT HAD RECEIVED A NUMBER OF DISTURBING REPORTS RECENTLY ABOUT ISRAEL INVOLVEMENT IN ARMS SUPPLIES TO ARGENTINA. IN PARTICULAR HE WISHED TO BRING TO THE ISRAELI GOVERNMENTS ATTENTION THE FOLLOWING SPECIFIC CASES:
  - (A) IT HAD BECOME CLEAR THAT COMPLICATED TRANSPORT AND FINANCIAL ARRANGEMENTS WERE BEING SET IN HAND FOR THE DELIVERY OF OVER 20 MIRAGE III TYPE AIRCRAFT TO ARGENTINA. WE UNDERSTOOD THAT THEY WERE FROM THE ISRAELI AIR FORCES EXISTING STOCKS AND LIKELY TO BE DELIVERED IN THE NEXT FEW WEEKS. THERE WAS NO DOUBT THAT THE CONTRACT FOR THIS DEAL HAD BEEN SIGNED AFTER THE INVASION OF THE FALKLANDS, AFTER THE AIRCRAFT HAD BEEN INSPECTED BY ARGENTINE OFFICERS VISITING ISRAEL. BOTH PRIVATE DEALERS AND THE ISRAELI GOVERNMENT WERE CLEARLY INVOLVED. WE HAD ALREADY EXPRESSED OUR CONCERN ABOUT AN ASPECT OF THIS ON OTHER CHANNELS.
  - (B) IMI IN TEL AVIV HAD OFFERED SUBSTANTIAL QUANTITIES OF AMMUNITION TO ARGENTINA, FOR DELIVERY IN THE NEAR FUTURE.
  - (C) ACCORDING TO A STORY GOING THE ROUNDS IN BRAZIL, ARGENTINA WAS CONFIDENTLY EXPECTING TO OBTAIN AROUND 20 'SKYHAWK' AIRCRAFT FROM ISRAEL USING BRAZIL AS AN INTERMEDIARY. GOSSIP IN THE INTERNATIONAL ARMS MARKET INDICATED THAT NOBODY WAS FOOLED BY THE USE OF A BRIZILIAN MIDDLEMAN. ANOTHER VERSION OF THE STORY WAS THAT ARGENTINA HOPED TO USE A VENEZUELAN MIDDLE MAN.
  - (D) THE BRITISH GOVERNMENT HAD NATURALLY PICKED UP THE REPORT IN THE FINANCIAL TIMES OF 10 JUNE ABOUT A PROPOSED LETTER OF CREDIT TO ENABLE ARGENTINA TO BUY SOME US DOLLARS 50 MILLION WORTH OF MILITARY EQUIPMENT: IT WAS CLEAR THAT THIS STORY WAS BASED ON MORE THAN MERE RUMOUR. INDEED THE BANK HAD APPARENTLY CONFIRMED TO THE FINANCIAL TIMES THAT AN APPROACH HAD BEEN MADE TO THEM WITH THE PURPOSE OF BYING ARMS FOR ISRAEL.
  - (E) A SOURCE IN COMMERCIAL CIRCLES HAD TOLD US THAT THE FIRM PACIFIC COMMERCIAL AND TRADING INC (PCATI), REGISTERED IN SWITZERLAND, BUT CONTROLLED BY ISRAELIS, WAS ENGAGED IN FINANCIAL TRANSACTIONS WITH THE ARGENTINE AIR FORCE INVOLVING VERY LARGE SUMS INDEED. A SECOND SOURCE HAD TOLD US THAT THE ISRAELI GOVERNMENT WAS ACTING AS A FINANCIAL GUARANTOR IN THAT DEAL.



3. MOBERLY SAID THAT THE GOVERNMENT COULD NOT RECONCILE THESE REPORTS WITH THE ASSURANCES HE HAD RECEIVED FROM THE ISRAELI GOVERNMENT (WE HAD NOT THEN RECEIVED YOUR TELNO 274 RENEWING THESE ASSURANCES). MOBERLY EMPHASISED THAT IT WAS AS IMPORTANT AS EVER THAT ARGENTINA SHOULD CONTINUE TO BE DENIED ACCESS TO ARMS AND MILITARY EQUIPMENT. NOT ONLY HAD SHE REFUSED TO COMMIT HERSELF TO A DEFINITIVE AND TO HOSTILITIES BUT STATEMENTS COMING OUT OF ARGENTINA REMAIN BELLICOSE AND THREATENING (EG THAT THERE WOULD BE NO PEACE UNTIL ALL BRITISH TROOPS LEFT THE FALKLANDS). BRITISH FORCES WERE STILL AT RISK AND ON FULL ALERT. WITH-HOLDING OF ARMS REMAINED AN IMPORTANT WAY OF INDUCING THE ARGENTINES TO ADOPT A MORE SENSIBLE APPROACH. ANY IMMEDIATE RESUMPTION OF ARMS SUPPLIES AT THIS STAGE COULD ONLY MAKE THEM MORE INTRANSIGENT. MOBERLY ASKED WHETHER THE ASSURANCES RECEIVED FROM THE ISRAELI GOVERNMENT WERE STILL IN FORCE. HE HANDED BIRAN A COPY OF SPEAKING NOTE AS ABOVE.

4. BIRAN SAID THAT HE WOULD REFER THE POINTS MADE TO HIS GOVERNMENT. HE COULD NOT SPEAK DEFINITELY ABOUT THESE REPORTS UNTIL HE HAD RECEIVED COMMENTS FROM ISRAEL. HE COMMENTED PERSONALLY THAT HE THOUGHT THE STROY OF ISRAEL SUPPLYING 20 'SKYHAWK' AIRCRAFT TO ARGENTINA DID NOT RING TRUE SINCE THE ISRAELI GOVERNMENT WOULD HAVE HAD TO OBTAIN A WAIVER FROM THE US GOVERNMENT OF END-USER REQUIRMENTS WHICH IN PRESENT CIRCUMSTANCES COULD HARDLY HAVE BEEN GIVEN. BIRAN ALSO MENTIONED YOUR APPROACH TO ISRAELI MFA (YOUR TELNO 265).

5. IN SUBSEQUENT MORE GENERAL DISCUSSION BIRAN COMPLAINED ABOUT OUR HAVING BRIEFED THE PRESS ABOUT OUR CONCERNS BEFORE THE ISRAELI GOVERNMENT HAD HAD TIME TO RESPOND. MOBERLY SAID THAT IN VIEW OF THE SPECIFIC INFORMATION ABOUT THE POSSIBLE DELIVERY OF MIRAGE AIRCRAFT TO ARGENTINA A RENEWAL OF THE ISRAELI ASSURANCE WOULD BE MOST WELCOME. CONVERSELY IF NEWS BROKE THAT AIRCRAFT OF THIS TYPE WERE BEING DELIVERED TO ARGENTINA THIS WOULD BE BOUND TO HAVE AN ADVERSE AFFECT ON UK/ISRAEL RELATIONS.

6. ON ANGLO/ISRAELI RELATIONS GENERALLY BIRAN REFERRED TO A PRESS REPORT OF QUOTE VENOM UNQUOTE IN GOVERNMENT CIRCLES AGAINST ISRAEL COMMENTING THAT THERE SEEMED TO HAVE BEEN A SAD DECLINE FROM THE POSITION REACHED DURING LORD CARRINGTONS VISIT TO ISRAEL. MOBERLY SAID THAT ANY DETERIORATION IN BILATERAL RELATIONS GAVE NO PLEASURE TO ANYONE HERE.

PYM

FALKLAND ISLANDS GENERAL  
FCO  
S AM D  
CABINET OFFICE

ADDITIONAL DISTN.  
FALKLAND ISLANDS

2  
CONFIDENTIAL





SW

10 DOWNING STREET

cfro

THE PRIME MINISTER

28 June 1982

*Dear Monsieur Barre,*

Thank you so much for your kind letter of 17 June about the Falklands. We have been through a difficult period but are much encouraged by the success we have achieved. We were most grateful to France for its support.

It was good of you to write. I hope we shall meet again soon.

*You left France with a very strong economy - you must feel sad to see the recent devaluations.*

M. Raymond Barre

*Warm regards*

*Yours sincerely  
Margaret Thatcher*

*de*





TRIP

10 DOWNING STREET

THE PRIME MINISTER

28 June 1982

Dear Mr. Hunt.

Thank you for your kind letter of 19 June. Needless to say, I am delighted that all the efforts which so many people have made in the weeks since the Argentine invasion of the Falkland Islands have been crowned with such splendid success. There is now an important task of reconstruction ahead, and I wish you well with your part in it.

Thank you for your kind invitation to visit Stanley. I shall have this very much in mind, but can make no plans at present.

I had hoped to see you before you left for the Falklands. But I was in the United States when I heard about your departure plans.

We have great admiration for the courage of the Falkland Islanders and hope that things will soon return to normal. Everyone will be delighted to see you back.

Rex Hunt, Esq., C.M.G.

Yours sincerely  
Margaret Thatcher

da





file

diag

10 DOWNING STREET

From the Private Secretary

28 June 1982

Dear Sir,

FALKLANDS: NEPAL

Thank you for your letter of 25 June. The Prime Minister agrees that the proposed message from herself to the Prime Minister of Nepal should be sent. I take it that you will arrange for it to be despatched telegraphically. Incidentally, the Prime Minister commented that the draft was excellent.

I am sending a copy of this letter to David Omand (Ministry of Defence).

Yours ever  
John Cole.

John Holmes, Esq.,  
Foreign and Commonwealth Office.

812



IMMEDIATE

F050 002/29

CONFIDENTIAL

INWARD TELEGRAM

OO BRUSSELS DESKBY 290630Z

GRS 701

CONFIDENTIAL  
DESKBY 290630Z  
FM FCO 281902Z JUN 82  
TO IMMEDIATE BRUSSELS  
TELEGRAM NUMBER 171 OF 23 JUNE.

FOLLOWING FOR PRIVATE SECRETARY

FALKLAND ISLANDS REHABILITATION

1. THE CHANCELLOR OF THE EXCHEQUER WROTE TO THE SECRETARY OF STATE ON 25 JUNE COMMENTING ON THE SECRETARY OF STATE'S MINUTE OF THE SAME DATE TO THE PRIME MINISTER ON REHABILITATION OF THE FALKLAND ISLANDS. TEXT, WHICH THE SECRETARY OF STATE SAW OVER THE WEEKEND, WAS AS FOLLOWS:  
BEGINS.

I HAVE SEEN A COPY OF YOUR MINUTE TODAY TO THE PRIME MINISTER. AS YOU SAY, INITIAL REHABILITATION WORK BY THE ARMED FORCES IS ALREADY IN HAND. IT MAY WELL BE THAT FURTHER EXPENDITURE ON REHABILITATION OF BASIC SERVICES IN THE FALKLAND ISLANDS WILL IMPOSE TOO HEAVY A BURDEN TO BE SHOULDERED BY THE AID PROGRAMME, WITHOUT THE PROVISION OF NEW MONEY. BUT WE CAN ONLY MAKE A JUDGEMENT ON THAT WHEN WE HAVE A RELIABLE ASSESSMENT OF WHAT NEEDS TO BE DONE.

AS TO EXPENDITURE ON 'URGENTLY NEEDED PROJECTS', IF BY THIS YOU MEAN INVESTMENT IN KELP, MUTTON, INSHORE FISHERIES, KRILL, ETC, I REALLY DON'T THINK WE ARE YET IN A POSITION TO TAKE DECISIONS ON THE ECONOMIC AND POLITICAL MERITS OF SUCH MAJOR SCHEMES. WE MUST SURELY AWAIT THE SHACKLETON REPORT, AND APPRAISE IT CAREFULLY, IF WE ARE TO AVOID WASTE OF RESOURCES, AND CONSEQUENT CRITICISM. IN SHORT, I THINK IT WOULD BE PREMATURE TO ATTEMPT TO REACH CONCLUSIONS ON THESE IMPORTANT ISSUES JUST YET.  
ENDS.

2. THE SECRETARY OF STATE AGREED THAT HE SHOULD RESPOND TO THIS LETTER AS SOON AS POSSIBLE. THE CIVIL COMMISSIONER HAS ALREADY SENT HIS INITIAL PROPOSALS ON REHABILITATION, TO WHICH WE NEED TO RESPOND URGENTLY. A SUGGESTED DRAFT TO THE CHANCELLOR IS AS FOLLOWS:  
BEGINS.



THANK YOU FOR YOUR LETTER OF 25 JUNE COMMENTING ON MY MINUTES OF THE SAME DATE ON THE EXPENDITURE THAT WILL BE NECESSARY FOR THE REHABILITATION OF THE FALKLAND ISLANDS.

YOU SAY THAT IT WOULD BE PREMATURE TO ATTEMPT TO ADJUDICATE AT THIS STAGE THE MERITS OF MAJOR DEVELOPMENT SCHEMES FOR THE FALKLANDS, WHICH WILL NEED TO AWAIT THE SUBMISSION OF LORD SHACKLETON'S REPORT. I AGREE WITH THIS VIEW, ALTHOUGH I HOPE THAT ONCE WE HAVE LORD SHACKLETON'S REPORT DECISIONS ON SUCH PROJECTS CAN BE TAKEN AS RAPIDLY AS POSSIBLE.

BUT THE POINT NOW AT ISSUE IS THE FINANCING OF URGENT REHABILITATION OF HOUSING, TRANSPORT AND OTHER ESSENTIAL SERVICES. SOME OF THIS EARLY REHABILITATION WORK IS ALREADY BEING UNDERTAKEN BY THE ARMED FORCES. THEY ARE LIKELY TO SEEK REPAYMENT OF SOME OF THE COSTS THAT THEY INCUR IN THIS WAY. INDEED, THEY HAVE ALREADY CLAIMED SAID THAT FCO/ODA SHOULD BE CHARGED FOR TRANSPORT. IN ANY EVENT, THE WORK THEY UNDERTAKE WILL GO ONLY SOME WAY TO MEETING THE IMMEDIATE NEED FOR CIVILIAN REHABILITATION. WE HAVE ALREADY RECEIVED THE CIVIL COMMISSIONER'S INITIAL RECOMMENDATIONS FOR URGENT FURTHER ACTION IN THESE FIELDS. HE GIVES HIGHEST PRIORITY TO THE PROVISION OF TEMPORARY ACCOMMODATION: RECRUITMENT OF FURTHER OFFICERS FOR THE FALKLAND ISLANDS GOVERNMENT: RESTORATION OF THE EDUCATION SYSTEM: ORDERING OF REPLACEMENT AIRCRAFT AND HANGARS FOR THE FALKLAND ISLANDS AIR SERVICE: AND BUILDING MATERIALS FOR CIVIL REPAIRS. THESE ARE ONLY HIS FIRST AND MOST URGENT RECOMMENDATIONS BUT ALREADY CLEARLY IMPLY SIGNIFICANT EXPENDITURE. WE NEED TO TAKE AN UNEQUIVOCAL DECISION TO PROVIDE THE FUNDS SO THAT INESCAPABLE TASKS CAN BE GOT UNDER WAY. I CONSIDER THAT IT WOULD BE UNACCEPTABLE TO DELAY ANY OF THEM BECAUSE OF DOUBTS ABOUT FINANCE. THE SUMS INVOLVED ARE NOT GREAT WHEN VIEWED IN THE CONTEXT OF THE WHOLE FALKLANDS EMERGENCY, OR AGAINST THE SUMS THE MINISTRY OF DEFENCE WILL BE - QUITE RIGHTLY - ALLOWED IN EXCESS OF THEIR NORMAL VOTES TO ENABLE THEM TO COPE WITH CAMPAIGN COSTS AND GARRISONING. BUT, AS I HAVE SAID, MY EXISTING EXPENDITURE PROGRAMMES SIMPLY CANNOT BEGIN TO COPE WITH THE ADDITIONAL EXPENDITURE THAT WILL BE NEEDED.

THE EXACT AMOUNTS REQUIRED FOR IMMEDIATE REHABILITATION NEEDS WILL OF COURSE HAVE TO BE ESTABLISHED ON THE BASIS OF THE CIVIL COMMISSIONER'S ASSESSMENTS AND RECOMMENDATIONS AND AGREED INTERDEPARTMENTALLY. BUT WHAT IS NEEDED URGENTLY IS A FIRM DECISION IN PRINCIPLE THAT NEW MONEY WILL BE ALLOCATED TO COVER THE COSTS. I AM COPYING THIS LETTER TO THE PRIME MINISTER AND OTHER COLLEAGUES OF OD(FAF) AND TO SIR ROBERT ARMSTRONG.

ENDS.

PYM

NNNN



ce MARGIS  
ONS.

30/b T140/82

SUBJECT

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T140/82

CONFIDENTIAL

Prime Minister

(2)

From Mr. Trudeau. I  
shall let you have a  
draft reply. A-J.C. 1/8

f.a.  
M2 5/7. MB

"Dear Margaret,

May I extend my warmest congratulations on your remarkable success in retaking the Falkland Islands. Throughout this crisis you have demonstrated both your strength and your integrity; in so doing, you have inspired and led your country in the best sense. While you were determined that the first use of force should not be rewarded, you tried to reach an honourable negotiated settlement that would not compromise this principle. I know how deeply you regretted the need to resort to a military solution and can only state my admiration for the measured and brilliant manner by which your forces pursued their military objectives. Even so, you, like the Argentines, have paid a high price in the loss of men and materiel. May I offer my deep sympathy to you and my condolences to the men's families.

Canada was pleased to be able to demonstrate in a concrete way our abhorrence of the use of force in settling international disputes through our statements, arms sales embargo, restrictions on export credits, and prohibition of Argentine imports. As you may know, we implemented the latter measure on the basis of an inter-governmental arrangement with the European Community. These measures have been terminated, again in consultation with our European partners.

I know that you are very conscious of the longer-term problems you confront regarding the status and security of the Falklands. While these questions are the direct responsibility of the United Kingdom, the manner of their resolution will, as you know, have implications for the relations of your allies with Argentina and other Latin American countries and, more generally, for the peace and stability of the region. I would hope that in approaching these problems, your Government will give due weight to the larger problem. It is difficult to argue for generosity towards the Argentine Government after its actions which have been so costly to you. At the same time, I believe the principle that the first use of force should not be rewarded has been satisfied by the clarity of Argentina's defeat and its consequences in that country.



Clearly, these problems will not be resolved easily or quickly. You have every reason to pause after your victory and to take time to restore some semblance of normalcy in the Falklands. I shall follow your actions with interest and sympathy.

Once again, my congratulations on your success. Your actions have served the cause we share of strengthening international order.

Yours sincerely, with personal regards,

Pierre"



PART 26 ends:-

~~PM~~

~~Berne tel: 189 25/6/82~~

PM Canada to PM <sup>T140/82</sup> 27/6/82

PART 27 begins:-

FCO to Brussels tel: 171 28/6



