Prime Minites CONFIDENTIAL ter you meeting Foreign and Commonwealth Office ant ack London SW1A 2AH 22 July 1983 Day The Falklands: Call by the Civil Commissioner Sir Rex Hunt is to call on the Prime Minister at 3.30 p.m. on Monday 25 July. He is also calling on Sir Geoffrey Howe; and on other Ministers and officials. The Prime Minister may wish to glance at the general

brief which has been provided.

The Foreign and Commonwealth Secretary, who will have seen Sir Rex immediately before the Prime Minister, will have concentrated on the importance of obtaining the concurrence of his Councillors as the first step in the plan to organise a once-and-for-all Argentine Next-of-Kin visit, on the lines agreed in OD(EM) on 6 July. I also attach a copy of a draft policy statement, based on the decisions in OD(EM), which Sir Geoffrey Howe proposes to give to the Civil Commissioner for this purpose (it remains subject to amendment, though Sir G Howe is generally content with the line). It would be helpful if the Prime Minister could emphasise to Sir R Hunt the important of getting this message across.

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(B J P Fall) Private Secretary

A J Coles Esq 10 Downing Street

CONFIDENTIAL SIR REX HUNT'S CALLS ON MINISTERS: JULY 1983 POINTS TO MAKE Argentine Next of Kin The Government wish the Civil Commissioner to speak firmly to the Islanders in order to persuade them to accept an Argentine visit. We hope Councillors can be summoned very soon after the Civil Commissioner's return, and told that discussion with them is the British Government's first step in seeking to set up a generally acceptable visit. The statement of HMG's policy [submitted separately] should be read to them, and their concurrence requested. 2. If necessary it should be stressed to the Islamders that, now that we have had our own visit, and shown that we are prepared to turn away an unacceptable Argentine group, humanitarian principles require us and the Islanders to make serious efforts to arrange a suitably-prepared visit. 3. It is most important that consultation of Councillors (and the early exchanges with the Swiss and the Argentines themselves) should remain strictly confidential. UK/Argentine Relations 4. The Prime Minister gave the latest statement of the Government's policy in the House of Commons on 14 July, when she said: 'I see no prospect in entering into negotiations with

- Argentina at present, and I have no intention of negotiating sovereignty!'
- The Argentines continue to insist that any talks must be 5. about sovereignty, and the modalities of its transfer. A new

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civilian Government might possibly adopt different priorities, but this is not very likely.

6. Meanwhile, we are asking our Allies and partners to stress to the Argentines that they must set aside the question of sovereignty. Argentina must indicate that she is prepared to renounce the use of force, and turn her mind to such subjects as trade, or air services, where there is some chance of making progress towards more normal bilateral relations.

## Falklands At The UN

- 7. We expect a difficult time in the United Nations this year. The first hurdle will be the Committee of 24. Glad that as the Civil Commissioner proposed, Councillors Cheek and Blake will attend: they did well last year.
- 8. The Argentines are circulating a draft resolution for the General Assembly which makes only the minimum of changes from the resolution adopted last year. It will be difficult to avoid erosion of support for our position.

# New Airport: Transit Through South Africa

9. We all need to reiterate at appropriate opportunities that the proposed use of Cape Town for transit of airfield construction workforce applies only to civilian personnel; is purely private commercial arrangement by civilian contractor; and does not affect HMG's hopes for establishment of links with South American mainland in longer-term.

# Hercules Staging Flights via Brazil

10. Following press leaks at the Paris Air Show, which led to intense Argentine pressure on the Brazilians, only genuine emergency diversions to Brazil are contemplated in the immediate future. Hope this will improve shortly.

# Links Between the Islands and the South American Mainland

ll. It is our declared policy that these should develop naturally. Unlikely that the airfield project will offer many opportunities in its early stages. Particularly important, therefore, to make full use of other possibilities. Grateful if Falkland Islands Government could keep this very much in mind.

## Ministerial Visits

12. The Secretary of State for Defence is planning to visit the Islands in the autumn. Lady Young would be glad to come in the first half of January.

## Constitution

13.

- (a) We should be interested to know how soon you think the Select Committee on the Constitution will produce its report. Will its recommendations be very far reaching?
- (b) How soon do you think it would be reasonable to consult the Islanders on their future relationship with the UK in more general terms?

# Civil/Military Relations

14. We understand that civil/military relations have generally been good, especially in the more remote locations, but that there have been certain difficulties in Stanley, notably over civilian use of north-bound airbridge flights. Important that relations between yourself and the Military Commissioner should be harmonious; please do not hesitate to report difficulties to us.

/Strategic Airfield

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## Strategic Airfield

15. The work force at its peak will number 1,400. Do you envisage serious problems with the Islander population?

#### Mines

16. We have been pleased to see that the latest map issued by the Royal Engineers indicates a further area cleared of mines. To what extent is the Islanders' way of life now affected by the continuing presence of the mines? Is there an absolute requirement for them all, in so far as this may be practicable, to be lifted?

## Development

17. How does the Civil Commissioner view the prospects for generating a more dynamic approach to economic development among the Islanders? Has Sir Rex Hunt suggestions as to how the Islanders can be persuaded to appreciate the long-term potential of projects for the diversification of their economy, eg, the fisheries joint venture?

#### Immigration

18. Recent press reports about the Wilton and Bowman (fish-and-chip) families and about the ODA teacher have created the impression that the Islanders are against immigrants, yet any development project in the Islands will depend on immigration. I am not seeking to apportion blame but I would welcome your comments on Islander attitude to immigration.

## Depopulation

19. Is there a risk that the presence of the Armed Forces and large capital projects may so distort the Islanders' traditional way of life that they will leave in substantial numbers?

#### ESSENTIAL FACTS

# Possible Argentine Next of Kin Visit

1 The points to make reflect the decisions in OD(EM) of 6 July, and have been the subject of a separate submission and letter to No 10 Downing Street.

## Falklands at the UN

- 2 Councillors Cheek and Blake travelled to New York last year to appear before the Committee of 24 and the Fourth Committee. They were subjected to hostile questioning which they handled well. The Civil Commissioner recommended that they should appear again; we agreed. It is likely that the Falklands will be discussed in the Committee of 24 towards the end of August.
- 3 The Civil Commissioner will probably not be aware that the Argentines are already circulating a draft text of a General Assembly Resolution. We obtained this from the Italians. It is clear that the Argentines aim to achieve more votes by tabling a draft which is only minimally changed from the text approved by the General Assembly last year. They probably judge that their international image has been dented in recent months by the publication of the Junta's final report on the 'disappeared', and that to seek more ambitious improvements on last year's text might rebound to their disadvantage.

# New Airport: Transit through South Africa

4 The Government's decision to construct a new airfield at Mount Pleasant was announced in the Commons by the Defence Secretary on 27 June. The fact that the contractor planned to use Cape Town as a transit point for the civilian workforce (UK to Cape Town by air, onwards to the Falklands by sea) emerged during a press conference immediately afterwards, and has attracted some criticism. This is unlikely to be echoed

in the Islands, where there may be some who would indeed welcome the establishment of links with South Africa for purely practical reasons. Such ideas do not reflect HMG's preference for links with South America and should be discouraged.

# Links Between the Islands and the South American Mainland

Trade and transport links between the Islands and the South American mainland - regarded as most desirable by Lord Shackleton and ourselves - are proving difficult to establish. It was decided that potential contractors for the construction of the new airfield should not use South American countries for the transit of their workforce, because of the risk of disruption for political reasons under pressure from Argentina. The Ministry of Defence will shortly issue a call for bids for the supply of food-stuffs for the garrison: we shall encourage South American companies to respond to this. But, especially following the decision to use Cape Town as the staging point for the airfield workforce, there will be competition from South African companies. The few South American companies who have already expressed interest in business with the Islands - they are for the most part Chilean - have been unable to make progress because of the absence of proposals from the Islands themselves.

#### Constitution

A Select Committee of the Island Councils have been considering a range of constitutional reforms. These are a re-arrangement of existing measures rather than a wholesale reconstruction of the system of government. The Chairman of the Select Committee told the Prime Minister during her visit to the Islands in January that their report would be ready in July. This timetable has now slipped. The first draft report was considered by an official Cabinet committee and Mr Cranley Onslow wrote a commentary to the Select Committee. They have expressed their thanks and appreciation for this and account will be taken of it in the revised draft of their final report. This is likely to opt for:

- (a) the continuation of the two council system with the Executive Council being elected from the Legislative Council, the membership of which would be increased to 8 (4 members each for Stanley and the Camp);
- (b) the abolition of nominated members;
- (c) the retention of ex officio members with the possible addition of the Attorney-General.

## Civil/Military Relations

7 For the most part, fears of discord between the Islanders and the military have proved groundless, especially in the outlying settlements. In Stanley, where life as a whole is more subject to tension and rumour, the competition for facilities (eg the hospital and the port) has generated more discord. Sir Rex Hunt and the previous Military Commissioner, General Sir David Thorne, worked very closely together and established a basis of mutual confidence that did much to alleviate the problems. Although Sir Rex and the present Military Commissioner, General Keith Spacie, have not been in the Islands together for long enough to develop a similar relationship, we hope that they will achieve this. The need for it has been borne out by a military ruling, in Sir R Hunt's absence, which for a time made it virtually impossible for civilians to obtain places on airbridge flights from Stanley.

## Economic Diversification

An exploratory fishing survey is required to enable the Falkland Islands Government to obtain any substantial and lasting benefit from the fish stocks in the vicinity of the Falkland Islands. The (Japanese) Taiyo Fishing Company have proposed that they should conduct a fishing survey as a member of a joint venture company which would include the Falkland Islands Government. The latter are suspicious and are slow to recognise the long-term advantages of their association with

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this commercial venture. Nor do they seem to appreciate that this could be an all-important major first step towards the diversification of the Islands economy.

# Immigration

- 9 The Wilton and Bowman families went out to Port Stanley in a blaze of publicity, as the first immigrants, to buy a local store and to run a mobile fish and chip bar. Neither of these projects got off the ground and the Island Councils referred a further project to open a bar/restaurant for more information. The Wiltons and Bowmans have now returned to the UK.
- 10 Miss Geraldine Bennett, an ODA teacher, returned to this country complaining that she had met with nothing but unfriend-liness and a lack of co-operation from the Islanders. We understand from the ODA that the real basis for her complaint was a fundamental disagreement about teaching policy with the Falkland Islands Director of Education.
- The Falkland Islands Company have offered 50 acre plots for sale at £1,000 each. This is very much a personal initiative by Mr Needham, the Chairman of the Coalite Group, and is designed to encourage the immigration of men with the manual skills which are badly lacking in the Islands and wives trained as teachers or nurses, who would use their small holdings to supplement their income. The scheme has not been well received in the Islands where it is interpreted as a means of artificially increasing the price of land.

DSR 11 (Revised)	CONFIDENTIAL	
	DRAFT: minute/letter/teleletter/despatch/note	TYPE: Draft/Final 1+
. 9	FROM:	Reference
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SECURITY CLASSIFICATION	то:	Your Reference
Top Secret Secret Confidential Restricted Unclassified		Copies to:
PRIVACY MARKING	SUBJECT:	
In Confidence	VISIT TO THE CEMETERY AT DARWIN BY ARGENTINE NEXT OF KIN	
CAVEAT	1. The British Government's ultimate objective is to return to Argentina all the bodies of Argentine serviceme buried in the Falkland Islands. We shall continue to make clear to the Argentine authorities our willingness to facilitate such an operation.	
	2. In the meantime, the British Government have decided that, on humanitarian grounds, it would be right to permit a visit to the cemetery at Darwin by close relatives of those Argentine soldiers and airmen who died in the Falklands, subject to conditions	
	designed to rule out an Argentine propaganda exercise	
	and to assure good order and safety.	
	Government have given the most careful	
Enclosures—flag(s)	position of the Falkland Islanders as	
	they will agree that a single, properly-prepared visit	
	is desirable on practical as well as	
	grounds. International opinion, and	domestic opinion in

Britain, looks to the Government to arrange an Argentine

visit, following the successful visit bŷ.British next-of-

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kin and the action taken to prevent Destefanis' unacceptable expedition from reaching the Islands.

- 3. The Argentine Government have indicated, in their communiqué of 29 April and in a Note to the Swiss Government, that they are studying possibilities for such a visit. They envisage that the group should be made up exclusively of close relatives of those buried in the Falklands. The British Government believe that the next step should be to arrange, through the Swiss, for the official involvement of the Argentine Government. This should help us to achieve our aims of arranging a single, once-and-for-all visit and of precluding further attempts by private organisations or individuals. (Destefanis is not a close relative of any fallen servicemen and we consider that his past actions disqualify him from any participation in a visit by Argentine next of kin. But he continues publicly to state his intention of arranging a visit.)
- 4. The British Government intend to ask the Swiss Government to inform the Argentine authorities that HMG remain prepared in principle to permit a single, genuine, humanitarian visit to the Islands, subject to the following conditions:
  - a) the visit should be supervised by the ICRC;
  - b) we should need the ICRC's assurance that they are entirely satisfied that the visit is of a humanitarian nature;
  - c) the ship should be inspected by the ICRC before it sails and an ICRC representative should be embarked;
  - d) we should need to know in advance the names of the next of kin, who should be close relatives of



Argentine servicemen killed on the Falkland Islands. By close relatives we mean solely parents, wives, fiancées, sons and daughters. We could not accept relatives of those lost at sea. The names should be verified by the Red Cross and we should wish to get the list in advance of the visit; on the basis that there are 233 servicemen buried on the Falklands, and a further small number whose bodies have not been found, the party should number a maximum of about 500. All relatives should wear civilian clothes;

- e) we should require to know the name of the vessel and the flag under which it is sailing; it should not be Argnetine nor should any members of the crew: the ship should also fly the Red Cross flag;
- f) the ship's intended route must be known and approved by us;
- g) the dates of any visit must be agreed with HMG in advance. We have in mimd some time during the next Falklands summer;
- h) facilities for the press and cameramen on the vessel to be strictly limited to a small 'Pool';
- i) the Argentine party should be accommodated on their own vessel, which should come to an agreed rendez-vous. They would be escorted to and from the cemetery at Darwin in the course of a single day.

HMG envisage the Swiss inviting the Argentines to make practical proposals conforming to these conditions, which would be for consideration both by the British authorities and the ICRC.



immigration document.

The British Government have decided that, on this exceptional humanitarian occasion, it is both necessary and appropriate that the vessel should fly the Red Cross in the Gramstances flag; but that we should not insist on the courtesy flag.

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It is essential until further notice that any
discussion of a possible Argentine visit should remain
strictly confidential. A leak of the terms of our approach
before they are put to the Argentines would damage the
prospects for an outcome acceptable to all concerned,
not least the Falkland Islanders.