



Falkland Islands

Falklands (14) (1)
box.

be able to

the ~~possible~~ agreement that we might ^{be able to} achieve with the Argentine could possibly lie along the following lines:-

1. Cession of sovereignty on the Islands & the Dependencies, together their 200 mile fishing zones & their mineral rights, to Argentina.

2. Lease of back to the UK of these assets, hopefully on an indefinite lease - but ^{period} ~~there~~ could be an area of dispute. It would have to ~~be~~

allow for British Administration of the Islands & the Islanders, which I think Argentina ~~which~~ would accept. It might be necessary to share the fishing rights & the mineral rights with the Argentines on some percentage basis - I don't think they want to squeeze us out of the exploitation of these resources, but they want some form of partnership with us.

3. It might involve some token humiliations, like an Argentine flag on the Islands, or an Argentine Deputy Governor.



Disadvantages

1. The adverse political reaction - possibly from some of our Falkland Islanders, more probably from some of our Embassies.
2. The ^{unpleasant} feeling of capitulating to unreasonable demands by an undesirable regime.

Advantages

1. An end to the dispute which is potentially damaging & expensive - possibly involving defending the Islands in a semi-war situation.
2. An improvement in our relations with Argentina, leading to increased commercial and arms business.
3. The opportunity to start exploitation of the natural resources of the area, including oil. The control of the fishing would bring in immediate income to the benefit of the Islands.
4. It would be ^{much} easier, & far less expensive, to ensure the Islands against economic collapse, and indeed to develop them.
5. We would be doing the right thing in the eyes of the majority of the world.