

Prime Minister

ARGENTINA/FALKLANDS: NEXT STEPS

I have seen a copy of the Foreign Secretary's paper Argentina/Falklands: Next Steps which you will be discussing at tomorrow's OD meeting.


I am, of course, anxious to ensure that our shipping and aviation interests can take full advantage of any improvement in relations between Britain and Argentina.

I understand that British Caledonian wishes as soon as possible to resume its scheduled service to Argentina and Chile on the same basis as before the Falklands crisis. In order that this service should be profitable they need, however, to recover the full rights which they enjoyed under the 1965 bilateral Air Services Agreement (which enabled them to carry passengers not only between London and Buenos Aires but between intermediate points and Buenos Aires).

The Argentinians terminated the Air Services Agreement shortly after the invasion of the Falklands. Negotiation of a new Agreement would be a long and difficult process and we might well not obtain such favourable terms as we enjoyed under the 1965 Agreement. I believe therefore that our interests would be best served by restoring our air services relations in their pre-Falklands form. In order to achieve this I suggest that paragraph 9(d) of Geoffrey's paper might be revised to read:-

"The restoration of the Air Services Agreement of 12 January 1965 between the UK and Argentina".

I am sending copies of this minute to the Members of OD and to the Secretary of the Cabinet.

  
NICHOLAS RIDLEY  
24 January 1984



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