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OPTIONS IN THE FALKLANDS- MALVINAS DISPUTE

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Even though the United Kingdom “won” the brief war over the Falklands-Malvinas, in the sense that British armed forces were successful in expelling Argentine forces from the Islands they invaded in April, 1982, the search for a long-term, sustainable political settlement in the region appears no nearer. Indeed, it can be argued that victory in 1982 has complicated rather than simplified progress towards any solution which successfully satisfies the interests of Britain, the Islanders and Argentina. Diplomatic and commercial relations between Britain and Argentina remain at an *impasse* and negotiations (whether over sovereignty or not) are deadlocked. The costs to both countries mount, while the Islanders, in spite of Mrs. Thatcher’s own constant reassurances, confront a future made increasingly uncertain by changing political positions in London and precedents such as Hong Kong and Gibraltar.

One unfortunate side effect of the present deadlock is that it tends to inhibit creative thinking and discussion about the core problem. There is a general and unfortunate tendency for both thought and policy to become “locked in” to the idea that there are only two solutions in any sense politically “realistic”. Either the Islands are transferred to Argentina by some change of sovereignty; or the present situation (usually epitomised as “Fortress Falklands”) continues, irrespective of costs in Britain.

Clearly, however, it is not the case that only these two options (or some minor variants thereof) exist for discussion and (ultimately) negotiation. Even before the Argentine *junta*’s military invasion of the Islands there had been serious discussion of the option of *leaseback*, even though the idea was savaged and rejected in the

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House of Commons when presented by Nicholas Ridley in 1980. Other options certainly exist. Many were discussed in the truncated Report published just before the General Elections in the summer of 1983 by the original House of Commons Foreign Affairs Committee. Others have surfaced in journals and articles since then. The list of options for the political future of the Islands is not endless, but it is certainly longer than the either/or choice with which people in Britain, Argentina and the Islands are constantly presented.

In this present Paper, we seek to set out a list of conceivable options for a political solution to the problem of the Islands. The list is by no means exhaustive, but it is, we feel, comprehensive enough to start some discussion of alternatives in London, Buenos Aires and in Port Stanley.

We make no apology for including in our evaluation of options those which might seem impractical, outdated, uncompromising, or merely tentative. Firstly, we believe that some approaches may have more to commend them than is sometimes supposed and should not be dismissed simply because they failed to find favour at any first offering. Secondly, we consider that some of the more "extreme" approaches need to be examined to uncover any partisan purposes that underlie them and because they help make rational evaluation of future possibilities more difficult than it need be. Finally, we are clear that – barring a major change of attitude on the part of one or more of the disputants – the present disagreement in principle (i.e. over sovereignty) is unlikely to be resolved. The best hope in these circumstances seems to be in a pragmatic search for areas – however inconsequential they might seem – where some agreement might be reached.

We should add that we do not advocate all or any of the options outlined below (although each of us has his own personal views), but that we have commented on them in the light of our own estimates of, among other criteria, acceptability and political practicality. Hence, this Paper is certainly not intended to be a definitive list of possible answers, but the basis for the start of some less sterile debate about fruitful possibilities for a stable future.

1. THE PRESENT SITUATION AND ITS COSTS

There is an undoubtedly surreal quality to this dispute. The protagonists are far distant from one another, have traditionally enjoyed friendly relations and by common consent the source of their disagreement is not strategically or economically important to either of them. Just as many observers could not comprehend why men were dying for the Islands in 1982, so they find it hard to understand why the attempts subsequently to negotiate their future have failed. This sense of bewilderment stems from an implicit assumption that the *costs* of the present situation far outweigh any advantages that it might have and that, accordingly, the dispute should and can be settled.

We believe that this assumption needs to be explored. It is necessary to ask about the nature (objective or otherwise) of the costs involved, whether they are being borne equally by the parties concerned, and whether they are as onerous as is sometimes claimed. In particular, the question of whether they are outweighed by the potential opportunity costs of a change of policy must be faced.

Clearly, Britain has become prisoner of its Falklands/Malvinas military success and of the path selected to consolidate this victory, "Fortress Falklands". The costs of this policy are becoming common knowledge to the British taxpayer. £500

million was spent in 1983-84 merely in garrison construction, strategic airfield construction and civilian development work alone. The future costs for these three items are expected to run slightly less than £400 million for each of the years to come. The opportunity costs of Fortress Falklands, in terms of Britain's other military commitments, particularly to NATO, are considerable.

At a diplomatic level also the status quo is something of an embarrassment to Britain. It has implications both for Britain's relations with the United States, whose support during the war damaged its relations in Latin America; and for Britain's allies in Europe, concerned at the diversion of military resources into the South Atlantic. Both will increasingly come to regard the conflict as an unnecessary and expensive irritant.

On the one hand, then, it can be argued that Britain is bearing significant material costs but these have not, as yet, been translated into equivalent political costs, either international or domestic. However, there is the question of the political risks that would be involved in any major change in policy. By common consent, the Government – more accurately Mrs. Thatcher – was returned to power because of military victory over Argentina and the express commitments to the Islanders that this implies can hardly be disowned without provoking a major rebellion. The government might not be defeated and might even be able to carry the country with it, but it would still be seriously damaged. Against this sort of opportunity cost, the current policy looks more sustainable.

The position of the Argentine government is rather different in that the objective costs of the present stalemate are not unduly high, whilst the political constraints on any alternative are even more evident than in the U.K. The costs of re-equipment have already been met by General Galtieri's military successors, while the actual financial burden (loss of U.K. markets and fishing grounds) seems trivial compared with that sustained by Britain. In this sense, the status quo is clearly more easily sustainable by Argentina. This is reflected in the widespread view that time is on the side of Argentina, not Britain.

Politically, too, the position is different. While the U.K. government is to a large extent a prisoner of its past military success, that of Argentina is clearly differentiated from its predecessor. No blame attaches to President Alfonsín or the Radical Party for the loss of the Islands. Accordingly, failure to recover them can hardly be laid at their door.

Moreover, if the political risks of any change in policy are high for the U.K. government, in Argentina they would be likely to prove fatal. Unlike that of Britain, Argentine public opinion is wholly and universally convinced of the rightness of their claim. Although a clear majority accept the Radical Party position that the claim should be pursued exclusively by peaceful means, they would be most unlikely to accept any major compromise in the basic principle of Argentine sovereignty. A peaceful settlement which enshrined this would enormously enhance the prestige of the government (and the hegemony of civilian over military politics in general), but any falling short might well lead to the fall of the government and possibly even a return to military rule. President Alfonsín has neither the massive parliamentary majority nor the personal dominance over the party enjoyed by Mrs. Thatcher. To this extent his freedom of action is even more constrained than hers.

Finally, because of British insistence on their right to self-determination the Islanders clearly have a part to play in this dispute. Though the issues of desires

and interests and paramountcy remain far from clear, any approach which is wholly unacceptable to them is unlikely to prosper, at least in the short to medium term.

So far as official opinion is concerned the position is clear. No settlement involving an Argentine presence in the future government or political status of the Islands is acceptable. Any such agreement would be a betrayal of the Islanders and those who gave their lives in their defence. For the former, the status quo has no short-term costs, only advantages, and any alteration in it is bound to be for the worse. The only concession which appears to be acceptable is the restoration of diplomatic links between Britain and Argentina. Though some Islanders do appear uneasy about the future – they suspect along with many others that Britain's willingness to maintain the Island's defence will diminish with the passage of time – most profess their contentment with the present position.

Clearly, the parties to this continuing dispute are incurring different sorts of costs and are subject to different pressures for and against its resolution. Paradoxically, Britain has the greatest incentive to initiate dialogue, the Islanders the least. For its part Argentina, because of the potentially high risks involved in any settlement, is constrained to play a waiting game.

These differing elements should be borne in mind when options for the future are considered. These may be categorised as status quo and related approaches; those involving third parties or an element of internationalisation; and bilateral approaches in which the issue of sovereignty would obviously arise.

2. VARIATIONS ON PRESENT CONDITIONS

1. The status quo

As is often suggested, the status quo is highly acceptable to the inhabitants, bearable if unpalatable for Argentine, and costly for the U.K. These costs can and are likely to be sustained in the short to medium term for the status quo does have certain immediate advantages for this British Government. It avoids antagonising the Islanders, avoids giving the appearance of "giving in" to Argentina and to international pressure, and continues to "prove" the Prime Minister to be right in her actions. It also pre-empts more complex and uncertain courses of action which could easily damage the careers of the ministers and officials concerned, and in this sense it has already acquired a constituency and momentum of its own.

However, it leaves unresolved the key problems that provoked the fighting in the first place. Festering in world fora as an instance either of blatant colonialism or as an unnecessary irritant (depending upon the states concerned), it will continue to cost Britain many millions in critical defence resources, injure Britain's diplomatic relations and, as memories fade of the war and why it was fought, become a significant factor in the minds of the British electorate. Increasingly, as the logic of post-war foreign and defence policy concentration on the Atlantic and Europe tightens, it will be seen as a costly anachronism.

Moreover, there is always the possibility, given increased tension, of another war with Argentina whose outcome might not be so favourable for the U.K. Although this is not likely in the short to medium term, it cannot be ruled out in the long run.

2. Integration with the U.K.

Full constitutional integration of the Islands is even more popular as an idea with the Islanders than the status quo, of whose long-term uncertainties they are

well aware. As citizens resident in British territory, Islanders would be secure in their knowledge that Britain would always have to defend them and that this would be understood in Argentina. The Islands would then acquire a status akin to that of the Channel Islands or Isle of Man, and the Islanders could be treated as normal British citizens without special privileges or consideration.

On the other hand, integration with Britain would need to involve disproportionate representation for Islanders, who would have at least one representative in Parliament. With a constituency of some 1,800 people, this member would sit next to representatives of 60,000 people. In addition, this smaller than rural district council unit would require the normal social and human services provided by government in Britain. The costs of providing these various services could be prohibitive.

Integration would also be permanent (Britain could not absorb and then reject the Islanders) and it would not resolve the Falklands/Malvinas problem. The conflict with Argentina would continue, fuelled to an even higher degree by British absorption of what is considered sacred Argentine land. Defence resources would still have to be deployed to the Falklands, and to the high costs of the military would be added the costs of a welfare bureaucracy on the Islands.

3. Associated statehood

Yet another option proposed by some is associated statehood, whereby the Falklands would enjoy a great degree of independence in internal affairs, while Britain would be responsible for defence and foreign affairs. Exemplified by the West Indies Act of 1967, associated statehood is intended to give self-government without the need for economic viability. Clearly the Falklands will not be economically independent in the near future. Moreover, associated statehood is usually employed in cases where the territory proceeds to full independence. Given the tense situation in the Islands, however, it is unlikely that the Islanders would either want or be able to preserve independence in the face of an Argentine threat. Furthermore, associated statehood would still be seen as "colonialist" by many at the United Nations and as a British trick to conceal its colonial aspirations. Finally, the considerable defence demands of the Islands would still have to be met, so associated statehood represents little advance over the status quo.

4. Free association

Free association would give Britain greater flexibility in administration, but would suffer from corresponding disadvantages. Though Britain might control certain aspects of the Island's internal administration, the Island government would still have some autonomy. Indeed, to avoid charges of continued colonialism, a large degree of Island autonomy would probably be required. The Island's budget would be paid by Parliament, but Parliament would not control all aspects of government. This conflict between autonomy and independence could be severe.

5. Independence

Independence for the Islands remains a theoretical possibility although numerous problems make it unlikely. The Islands, with no economic base and little military expertise, are too small to defend themselves against almost any country in the world. The territory is far from Britain and incapable of self-defence, yet the Islanders would undoubtedly remain linked to Britain through social, cultural and

economic ties. Argentina, and most of the international community, would refuse to recognise the Island's independence, hence the British would still have to retain large forces for the Island's defence. How to defend the Islands without an overt British presence is a problem complicated by the uncertain Falklands weather, which might prevent reinforcement. The difficulties of the independence option are fully understood in the Islands themselves.

6. Independence with an agency agreement

Under this plan, the Islands would be independent but would make Britain their agent in certain matters. The historical example widely cited is that of Western Samoa, whose 1962 Treaty of Friendship with New Zealand gave the latter charge of external affairs on an agency basis; New Zealand would act on instructions from the Samoans in external matters. Such a scheme, however, would require almost complete independence from Britain – with all the consequent difficulties – and put Whitehall in the uncomfortable position of taking orders from a very small island of 1,800 people. More importantly, Britain's defence commitment to the Falklands would have to remain.

3. INTERNATIONAL OPTIONS

None of the last five approaches seems to offer a significant advantage over the status quo. Although many would probably be preferred by the Islanders, they diminish British control over the situation while in no way reducing the defence burden. Moreover, not one would be acceptable to Argentina and would be likely to be seen in the eyes of much of the world as mere expedients to strengthen the Islanders' case for self-determination.

An equal variety of approaches has been advanced involving some form of "internationalisation" of the dispute, the idea being that since neither major party can agree on a bilateral solution, then the matter might best be resolved by "multilateralising" it. Some of these options appear impractical, while others are (in principle, at any rate) more promising, if not as a complete solution then at least as a possibility to be discussed further.

1. Multilateral security approaches

It has been suggested that, with the creation of a regional NATO base on the Islands, capable of defending the sea lanes of the South Atlantic, the Islanders would have little to fear from Argentina. Proponents of this scheme argue that world shipping – and especially naval shipping in time of war – is very vulnerable to the closure of the Panama Canal. As the "gateway" to the South Atlantic, the Falklands/Malvinas could serve as a staging base for convoys and an "unsinkable" aircraft carrier for fighter defence of shipping. Some Islanders are particularly enthusiastic about the idea of American participation in such a scheme, as they feel that few nations would dare oppose the combined forces of the United States and the United Kingdom.

While control of the sea lanes of the South Atlantic could certainly be advantageous to the West, the disadvantages of this scheme are myriad. First, though it eliminates any doubts about the Islands, it may cause – rather than eliminate – a greater threat to NATO's sea lanes. A hostile Argentina would be a far greater threat to NATO shipping, since ships would have to pass Argentine territory, within range of numerous airfields and attack aircraft. Furthermore, the majority of NATO reinforcements from the United States would be sent from *Atlantic*

ports and would never venture near Latin America. Those units that needed to move from the western United States to the east would be far easier to transport by rail across the continental U.S. There is thus little likelihood that the South Atlantic would play a large role in any NATO conflict.

Second, Latin America, if currently circumspect about the British stance, would be outraged and deeply critical of a regional base in the South Atlantic. Seen as great power domination of the area, the base would unite (as no other issue could) Latin American states and lead to even greater problems in the area.

Third, the costs of such a base would be enormous, especially given the lack of support from Latin American nations. An extensive infrastructure would be necessary, including a deep water port, dock facilities, large fuel and ammunition depots, extensive early warning systems, an enlarged airfield, and a massive military presence on the Islands. Whether the Islanders could even exist under such conditions is open to doubt. Clearly, the Falklands' "way of life" would be lost under the treads of tanks and the roar of aircraft engines.

Finally, power tends to breed opposing power, and the move of NATO into the area would likely lead to an increased Soviet interest in the South Atlantic. A NATO base risks further militarisation of the area and could lead to a net Soviet gain, given the likely hostility of the Latin American nations and the consequent potential for Soviet involvement. Unofficial conversations with Latin American diplomats confirm that the Soviet Union appears very interested in penetrating the region. A NATO base could provide just such an opportunity.

2. A regional security approach

The idea that the Falklands/Malvinas problem could be addressed as part of a wider regional security approach has also occasionally surfaced. The idea derives from the overlapping nature of British, Argentine, and Chilean claims to territory in the South Atlantic area. Argentina not only claims the Islands themselves, but also their Dependencies of South Georgia and the South Sandwich Islands. (It was also, until recently, in serious dispute with Chile over the Beagle Channel.) Lastly, Britain, Chile and Argentina have conflicting and overlapping claims to the Antarctic mainland. This combination of claims and counter-claims has suggested to some that a package deal involving the suspension of sovereignty claims, tripartite administration and joint economic development might be feasible.

However, it is difficult to see how such a package could come about. Argentina could not welcome a Chilean presence in the Atlantic. Britain would dispute the Argentine linking of the Islands with their Dependencies, whose history and constitutional status are, they argue, quite distinct. And while their respective claims to Antarctica are currently contained effectively within the terms of the Antarctic Treaty, any attempts to produce a separate agreement would be likely to be regarded unfavourably by the other Treaty signatories. Finally, the Islanders are likely to regard such a scheme as the first step towards British withdrawal.

3. United Nations trusteeship

Similar to the League of Nations Mandate, the trusteeship system of the United Nations has frequently been suggested as a hopeful prospect. Though there is no direct precedent for a dependent territory being placed under U.N.

trusteeship, Articles 87 and 88 of the U.N. Charter do provide for this. U.N. funds could be used for the Islands' development and the presence of observers, or some notional multi-national defence force, would prove a formidable, "trip wire" deterrent against future hostilities.

However, the difficulty here would appear to be the provision in Article 79 of the Charter, which requires that trusteeship be subject to the agreement of the parties concerned. The idea that Britain could continue to administer exclusively the Islands on behalf of the U.N., although it would technically constitute their internationalisation, would certainly be rejected by Argentina. Argentina might be prepared to accept joint administration with Britain as a means of obtaining a legal footing on the Islands, but this, in turn, would undoubtedly be regarded by the Islanders as a sell-out.

A more constructive approach might be to arrange for a third state to act as administrator, or for the U.N. itself to become involved. The acceptability of such a scheme is uncertain. The Islanders, mindful of the precedent of West Irian and recent experiences of multi-national peace-keeping in Cyprus and the Lebanon, would have little confidence in the willingness of a third-world dominated U.N. administration to defend them. Conversely, if some sovereign state acceptable to them (such as the United States) were to take over the Islands' administration, this would be likely to meet with a hostile reception in Argentina. However, the idea that a credible but second-rank power or consortium might become responsible for administration under the trusteeship system is one that is worth exploration.

4. A Status as "United Nations territory"

While similar to the Trusteeship plan, this arrangement would make the Islands U.N. territory in perpetuity, with a commitment to the Islands' defence. It is likely, therefore, to be unacceptable to Argentina.

5. The Antarctic option

It has been suggested that the dispute could be internationalised if the principles governing the Antarctic could be extended to the Falklands/Malvinas. Since 1959 Antarctica has been demilitarised and its exploration governed by the principle of peaceful negotiations. Although the Treaty itself could not be extended to the Islands, three of its provisions (Article IV suspending sovereign claims, Article IX providing for shared management of resources, and Article 1 providing for its demilitarisation) might prove useful.

However, there are major problems with this idea. The Treaty does, for a time, resolve the sovereignty issue (by suspending it, by acknowledging that no acts committed during its existence can form the basis of a future claim, by banning claims during its lifetime and by ensuring countries' rights to claim in the future). But the willingness of signatories to the Treaty to accept these constraints reflects the unique and hostile character of the continent. Not only that, the continent and the Treaty remain open to new entrants. Moreover, the absence of a resident population means that the practical exercise of sovereignty (administration of peoples) does not arise. Lastly, if the principle of demilitarisation were to be applied, the Islanders would undoubtedly regard this as exposing them to future attack from Argentina.

6. Arbitration

Although Britain offered to submit the dispute over the Dependencies to the International Court of Justice in 1948 (and made a unilateral application to it in 1955), this was rejected by Argentina. At first sight, this reflected the relative strength of the British case, and weakness of Argentina's in respect of Dependencies, but the Islands themselves have never been submitted to international arbitration. We believe that this is an option which could be explored. It is, of course, possible that the Court might not find the matter justiciable (it being primarily a political rather than a legal conflict), but in this case nothing would be lost to either party and each would have improved the international climate by demonstrating a willingness to compromise. If the Court found for Argentina, then Britain (and possibly Argentina) would have to offer adequate compensation to the Islanders, but it would be seen by world opinion to have been serious in its professed commitment to the peaceful resolution of disputes and would be freed from the necessity of continuing to pay for the Island's defence. If the Court found for Britain, the dispute would be likely to continue (Argentina in the past has rejected arbitration), but the Argentine case would be gravely weakened with a possible reduction of present levels of tension. We do not think that either government would be prepared to consider this option in the near future, but it is one which might be deployed at a later date.

All the proposals advanced above involve some internationalisation of the dispute. Both some form of U.N. trusteeship under a third party and arbitration, while clearly involving immense difficulties, appear to be highly promising. We do not see them as immediate options, but rather ones which should be discussed and evaluated with a view to their possible adoption in the future, if and when prevailing levels of tensions subside.

4. BILATERAL APPROACHES

Although international approaches may be fruitful in the long run, we incline to the view that the dispute is more likely to be resolved if the parties themselves fully grasp the need to put forward initiatives in a bilateral context. These bilateral possibilities – all of which involve the sovereignty issue in some way – are discussed below.

1. Condominium

One of the bilateral options possible is based on the idea that it is possible for states to share sovereignty over territory in some form of condominium. Britain and Argentina would share sovereignty and responsibility for the Islands, as in the Anglo-Egyptian Sudan and in the New Hebrides between France and Britain. The British government first considered condominium in 1974. However, the Falkland Islands Executive Council (without actually rejecting condominium) refused to participate in negotiations and, without the participation of the Islanders, British negotiators broke off talks on this issue.

If anything, the intervening conflict has probably made condominium a much less fruitful idea. The imagination falters at the idea of two potentially hostile powers co-operating on Island government. Key issues of immigration, development and defence would certainly divide along lines of national interest, and a more or less eternal deadlock could ensue. The Islanders would have little interest in such a scheme, nor would the British government find much support for it among Members of Parliament. Each side would still have to maintain consider-

able defence forces in the area to prevent the other from renegeing on the agreement. Thus, condominium, by creating greater confusion and tension, might exacerbate the problem rather than solve it.

2. Shared sovereignty

However, if the functional division of sovereignty does not appear to be promising, there are precedents for the division of sovereignty either on a temporal basis or through the use of proxies. The idea of the temporal division of sovereignty, whereby competing governments alternate in the exercise of control, is clearly unworkable in the Falklands/Malvinas context unless it were to be accompanied by a high degree of *de facto* autonomy. Otherwise, each sovereign power in turn would install its own system only to have it overturned. While such a scheme might be feasible where the territory concerned is uninhabited, it does not seem practicable for the Islands.

The principle of the division of sovereignty through the use of proxies (on Andorran lines) appears easier to institute and any number of proxies could be devised. Such a scheme would also require a high level of effective local autonomy, but might founder on the currently common – if false – view of all of the disputants that sovereignty is indivisible.

3. Abandonment

The idea that Britain might simply abandon its claims to the Islands finds favour among some groups within the U.K. who regard their continued possession as a manifestation of imperialism. However, such opinion is politically marginal and, for present purposes, may be discounted.

However, the possibility of repatriation and compensation that is implicit in the idea of abandonment is one which has been raised in the context of other options which Islanders might also find unpalatable.

4. Transfer of sovereignty with treaty of guarantee

It has been proposed that, in return for Argentine guarantees of the right of the Islanders to live their lives in the traditional way, sovereignty could simply be transferred. This approach – which amounts to an internal division of sovereignty from the Argentine perspective – would also involve a high level of autonomy for the Islanders. Although Argentina would presumably be responsible for defence, foreign affairs and other central functions, it has been suggested that the Islanders might enjoy dual (or even sole British) nationality, and that current legal, fiscal, educational and local political institutions could continue. Argentina would thus acquire a conditional, or limited degree of sovereignty but the Islanders would also retain their separate identity.

In some ways this scheme – essentially involving a distinction between sovereignty over people and sovereignty over territory – is attractive. It rests on the assumption that Argentina is interested more in the principle of sovereignty and in world recognition of the rightness of its claims than in the Islands as a piece of territory or the Islanders as potential citizens. It is not clear to what extent this is, in fact, the generally agreed Argentine position, but there is evidence of some support for it, at least in civilian circles. Furthermore, it would be unlikely to prove an embarrassing precedent, since there are few, if any, clearly distinct minority groups in Argentina.

The critical difficulty with such a transfer lies in making the guarantee of effective Island autonomy credible. There have been suggestions in Argentina that it would be sufficient guarantee for Britain and Argentina to enter into solemn treaty. Others have raised the possibility of an amendment to the Argentine constitution whereby the Islands were given a special status. Islanders, however, remain highly suspicious and point to the deep-seated political instability of Argentina and to the fact that, in the past, constitutional guarantees have frequently failed to protect the Argentines themselves from their own governments. Such an arrangement, they argue, relies entirely upon Argentine goodwill and, while this may be apparent in the present government, there is no certainty that it will be so in the future.

This is a serious objection, although one which will decline in salience should Argentine democracy prove durable. However, it is also possible that guaranteeing of Islanders' rights might be strengthened if other states were to become involved. It has been suggested that the United States might have a part to play in this respect though, in view of its support for Britain, it is not clear how acceptable this would be to Argentina. The possibility of involving other states (perhaps OAS members) ought not to be ignored, particularly since a multi-national treaty of guarantee would increase the likelihood of its being observed, whatever political changes might occur in Argentina. Although the transfer option is not one for the present, it may have utility for the future.

5. Leaseback

Possibly the best known option for dealing with the problem is the delayed transfer of sovereignty to Argentina under a lease arrangement. It has been argued by the British government (and by the representatives of the Islanders) that leaseback is not possible. Not only has it been rejected in the past, but the fact of war and its aftermath have completely changed the situation. However, it is worth remembering the background. First mooted in 1977, the leaseback proposal attracted the attention and support of Ministers and Foreign Office officials. After tenaciously battling for this proposal, the Minister concerned – Nicholas Ridley – finally received approval to take this option, among others, to the Falkland Islanders. Included in his package were condominium, leaseback, and a freeze of the status quo for several years. Many Islanders were suspicious of his unduly hastily arranged “consultative” trip and believed that the FCO sought to transfer their sovereignty. Given the freeze option, the Islanders were quick to reject condominium and leaseback, and Mr. Ridley returned to an angry House of Commons.

In retrospect, however, it is clear that a minority of Islanders were prepared to consider the proposal, in particular the younger Islanders whose generation would later make its own decisions. Moreover, the stalemate ensuing after the Falklands War appears to have convinced some that leaseback may be an idea whose time has returned. No adequate polling of the Islanders' wishes has been conducted, nor has the Government yet attempted seriously to alert the Islanders to the various solutions that might be considered. Rather, HMG has committed itself absolutely to the defence and continued British sovereignty of the Islands.

Nevertheless, it can be argued that, of all the proposed solutions, leaseback probably has the best chance of succeeding. Political leaders on both sides of the Atlantic have expressed support, while Argentina seems disposed towards a short-

term leaseback. Although agreement is possible, significant differences exist between the two sides' theories of how leaseback might be achieved. The British, following the Hong Kong model, see the possibility of a 99-year leaseback with a marginal Argentine presence on the Island. The Argentines seem prepared to accept the idea of leaseback, although at the United Nations President Alfonsín spoke about a maximum of five years. Some compromise might be struck between these disparate positions. Britain would insist on guarantees on the Islanders' future, which unofficial Argentine sources confirm are acceptable. Of course, in the end, once British forces have withdrawn and Argentina has established a firm hold on the islands after the leaseback, written guarantees could always be overridden. Nevertheless, having achieved their life-long goal of attaining sovereignty, Argentina would have little to gain economically or politically, from violating their agreement with the Islanders and much to lose in terms of prestige. Although the Islanders may have nightmares of an Argentine immigrant "invasion", there seems little attraction for the Argentine masses to move to the Falklands.

The greatest difficulty in exploring the possibility of leaseback appears to lie in the refusal of Mrs. Thatcher's Government to discuss sovereignty in any negotiations with the Argentines. Argentina has expressed a willingness to discuss a whole range of issues, so long as sovereignty is included on the agenda. Mrs. Thatcher obviously does not wish to sacrifice any core interests of the Islanders, but her Government might make greater efforts to educate the Islanders about alternatives for a settlement. Just as British public opinion is changing, so too might that of the Islanders.

5. CONCLUSION

Our personal belief is that many of the options discussed above will prove to be unworkable, either because they do not allow for some compromise over the sovereignty issue; or because they involve a politically unacceptable abandonment of the principle that the Islanders have some right to participate in the determination of their own future; or because they are simply too complicated and utopian.

However, most of the ideas we outline possess some merit, and even recognition that such options exist for consideration should help in moving discussion away from the current sterile dead-end it seems to have reached. Of the schemes that offer some prospect of forward movement in the medium term, it might be fruitful to give particular attention to ideas of some form of interim trusteeship, or of an arbitration process – not as definitive solution but as possible steps towards one. So far as long-term, definitive solutions are concerned, it might be that the best way forward involves consideration of some form of leaseback, perhaps in combination with some conditional (i.e. with guarantees) transfer of sovereignty. On the other hand, future conditions might provide an atmosphere more conducive to ideas of shared sovereignty.

In the short-term there seems little hope of reaching any such definitive solution, but this only underlines the need to lay the ground-work – through discussion – for an eventual settlement. Negotiations between Britain and Argentina since the ending of hostilities have not been fruitful. They are unlikely to prove so unless some consensus as to the areas of future agreement emerges. This requires, in our view, detailed consideration by all concerned of the sort of options outlined above.