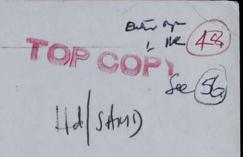
GRS 1,300 SECRET DESKBY 06/1500Z FM BUENOS AIRES 06/1326Z APR 82 TO IMMEDIATE FCO TELEGRAM NUMBER 174 OF \$6 ARPIL 1982



YOUR TELNO 104: FALKLANDS AND TIME SCALE OF ARGENTINE INTENTIONS

- SINCE I HAVE HAD TO DESTROY MY ARCHIVE, WHAT FOLLOWS REFLECTS OUR MEMORY OF REFERENCES TO REPORTS AND ASSESSMENTS WE SENT TO YOU WITH, I HOPE, SUFFICIENTLY ACCURATE DATES THAT YOU CAN FIND THEM AND REFRESH YOU MEMORIES MORE SPECIFICALLY.
- AS SEEN FROM HERE, WHILE THERE HAD ALWAYS BEEN A LATENT POSSIBILITY OF ARGENTINE RESORT TO FORCE THE ARGENTINE DECISION ACTUALLY TO INVADE DEVELOPED IN FOUR PHASES:-
  - ENTRY INTO THE FIRST PHASE WAS MARKED BY DR CAMILION'S NOTE AND COMMUNIQUE OF JUNE 1981, REGISTERING MOUNTING ARGENTINE IMPATIENCE WITH THE LEISURELY PACE OF NEGOTIATION, AS WE HAD BEEN PRACTISING IT. AT THIS TIME, THIS EMBASSY WARNED THAT, WHILE WE COULD BUY SOME MORE TIME, IT MUST BE TIME USED TO SOME GOOD PURPOSE IN DOING MORE TO PROMOTE AN ATMOSPHERE OUT OF WHICH A MUTUALLY SATISFACTORY SOLUTION COULD BE EXPECTED TO EMERGE. THIS WAS FOLLOWED BY MR RIDLEY'S CARLTON GARDENS MEETING WITH PUS, GOVERNOR HUNT AND MYSELF AT THE END OF JUNE 1981, AT WHICH PROPSALS FOR A CABINET PAPER WARNING MINISTERS OF A DETERIORATING SITUATION WERE ELABORATED. I UNDERSTAND THIS PAPER WAS NEVER FINALISED. I RECALL THEN URGING BOTH ORALLY AND IN LETTERS THAT THE POLITICAL EMBARASSMENTS OF A SHOWDOWN COULD BE GREATER THAN THE CURRENT ONES INVOLVED IN SEEMING TO LEAN ON THE ISLANDERS.
    - ENTRY INTO THE SECOND PHASE BECAME APPARENT WHEN AMBASSADOR ROS SUMMONED ME IN JANUARY 1982 TO GIVE ADVANCE NOTICE OF THE PROPOSALS THE ARGENTINES WANTED DISCUSSED IN THE THIRD ROUND OF NEW YORK TALKS, POSTPONED FROM DECEMBER. THESE INDICATED THAT, UNLESS A QUITE DIFFERENT RHYTHM OF NEGOTIATIONS COULD BE AGREED, THE ARGENTINES WOULD LOOK TO OTHER MEANS TO SATISFY THEIR PREOCCUPATIONS. IT WAS AT THIS TIME THAT, HAVING BEEN REFUSED MOD AUTHORITY TO GO THERE OFFICIALLY, MY DA WENT PRIVATELY TO TO THE FALKLANDS AND THEREAFTER WROTE A THREAT ASSESSMENT FOR THE GOVERNOR, WHICH WAS COPIED TO FCO AND MCD. IN LATE JANUARY, IN THE DESPATCH CONVEYING MY DA'S ANNUAL REPORT, I DREW ATTENTION TO THE SERIOUSNESS OF THE FORCES WHICH THE ARGENTINES COULD DEPLOY. EVEN EARLIER IN DECEMBER THIS EMBASSY'S REPORTING ON THE ESTABLISHMENT OF THE GALTIERI GOVERNMENT EMPHASISED THE INCREASED INFLUENCE OF THE HAWKISH NAVY AND THE PRESIDENT'S RENEWED COMMITMENT TO THE NATIONAL PROCESS, WITH ITS INSISTENCE THAT PROBLEMS SUCH AS THE FALKLANDS SHOULD BE RESOLVED WITHIN THE LIFE OF THE MILITARY GOVERNMENT. /(C) SECRET

- THE OPENING OF THE THIRD PHASE WAS MARKED BY THE UNILATERAL COMMUNIQUE ISSUED IN BUENOS AIRES ON 1 MARCH SHOWING AN APPARENT ARGENTINE DEDUCTION THAT WE WERE NOT PREPARED TO NEGOTIATE ACCORDING TO THEIR MINIMUM CRITERIA. ALTHOUGH THE ARGENTINE FOREIGM MINISTER SOUGHT TO REASSURE US THAT THE OTHER MEANS MENTIONED AS LIKELY TO BE RESORTED TO WOULD ONLY BE THOSE SANCTIONED BY THE UN CHARTER, THERE WAS GROWING EVIDENCE REPORTED FROM SECRET SOURCES TO INDICATE THAT IMPORTANT ELEMENTS IN THE ARGENTINE ARMED SERVICES AND PARTICULARLY THE NAVY FAVOURED THE USE OF FORCE TO ACHIEVE ARGENTINE SOVEREIGNTY. THEN, IF NOT BEFORE, CONTINGENCY PLANS FOR ARMED ACTION WERE PREPARED, IF ONLY FOR RETENTION UNTIL SUCH TIME AS AUTHORISED. AS WE REPORTED AT THE TIME, THE WELL-BRIEFED LA PRENSA COMMENTATOR, IGLESIAS ROUCO CONFIDENTLY PREDICTED IN HIS COLUMN THAT THERE WOULD BE RESORT TO A SOLUTION BY ARMS. AT THIS STAGE WE REPORTED OUR ASSESSMENT, BASED ON ALL SOURCES AVAILABLE, THAT AN INVASION WAS DEFINITELY ON THE CARDS. WE KNEW THAT THE HAWKS WERE PRESSING FOR ARMED ACTION AGAINST US AS EARLY AS THE COMING JUNE IF BRITAIN'S RESPONSE TO THE DEMAND FOR CONTINUOUS TALKS WAS NOT SUFFICIENTLY PROMPT AND ACCOMMODATING, WHILE THE MODERATES FAVOURED USING OTHER SANCTIONS FIRST, SUCH AS A WITHDRAWAL OF FACILITIES PROVIDED UNDER THE COMMUNICATIONS AGREEMENT AND RESORT TO THE UN OR THE DAS. OUR ESTIMATE WAS THE LATTER MEASURES COULD LAST INTO MID 1983 BEFORE THEY WERE EXHAUSTED. IT WAS AT THIS POINT THAT THE SOUTH GEORGIA INCIDENT PLAYED INTO THE HANDS OF THE HAWKS.
- THE FINAL PHASE WAS ONLY INITIATED, IN MY VIEW, SHORTLY AFTER THE ILLEGAL LANDING AT LEITH HARBOUR WHEN THE HIGH TONE WE ADOPTED IN OUR NOTIFICATION AND PUBLIC ANNOUNCEMENT (ON WHICH THIS EMBASSY WAS NOT CONSULTED) OF 22 MARCH ABOUT MEASURES BEING ADOPTED TO REMOVE THE ARGENTINE WORKMEN ON S. GEORGIA WAS TAKEN AS SUFFICENT PRETEXT TO CONVINCE EVEN THE LESS HAWKISH MEMBERS OF THE JUNTA THAT THEY SHOULD NOW DUST OFF THE CONTINGENCY PLANS ALREADY READY AND WAITING. ON THAT DAY I REPORTED THAT THE FOREIGN MINISTER SEEMED TO BE ON A VERY SHORT REIN AND, THOUGHT HE WAS APPARENTLY GENUINELY LOOKING FOR WAYS OUT AS LATE AS THE MORNING OF 25 MARCH, IT WAS APPARENT BY THAT AFTERNOON THAT HE WAS NO LONGER ABLE TO HOLOUR CONCILIATORY OFFER HE HAD HIMSELF INITIATED. MY RECOLLECTION IS THAT MY OWN REPORTING ON THE DATE WARNED THAT CONTROL OF EVENTS SEEMED TO HAVE MOVED FROM MFA TO ARMED SERVICE HALLOS, WHILE MY DA'S UPDATE OF HIS EARLIER THREAT ASSESSMENT TOOK UP PUBLISHED REPORTS OF THE SAILING OF THE DRUMMOND AND GRANVILLE TO WARN OF THE PROBABILITY THAT THIS MEANT A DECISION ON FORCEFUL INTERVENTION.
- 3. WHAT WAS NOT APPARENT UNTIL, IF I RECALL CORRECTLY, 1 APRIL WAS THAT THE FORCE BEING DEPLOYED BY THE ARGENTINES WAS CLEARLY GROSSLY EXCESSIVE TO COUNTERACT THE ALLEGED THREAT FROM HMS ENDURANCE TO THE ARGENTINES AT LEITH HARBOUR, SO THAT A FULL SCALE INVASION OF THE FALKLANDS SEEMED INDICATED. —2-

(A) REPORTING FROM THIS EMBASSY, DATING BACK AT LEAST TO THE MIDDLE OF LAST YEAR. HAD MADE IT CLEAR THAT THE ALTERNATIVE TO A POLITICALLY UNACCEPTABLE DEGREE OF ACCOMMODATION TO THE ARGENTINES OVER THE FALKLANDS SOVEREIGNTY ISSUE WAS A GROWING RISK OF ARMED INTERVENTION.

BY THE BEGINNING OF 1982

THAT CERTAIN SECTIONS OF THE ARGENTINE ARMED FORCES WERE NOT ONLY QUOTE THINKING THE UNTHINKABLE UNQUOTE IN REGARD TO THE USE OF FORCE, BUT ACTUALLY PREPARING CONTINGENCY PLANS, THOUGGH WITHOUT A FIXED DATE OR A DEFINITE JUNTA MANDATE.

- (C) BY THE BEGINNING OF MARCH IT WAS APPARENT THAT ARGENTINE PATIENCE WAS RUNNING OUT BUT THE PROBABILITES STILL SEEMED TO LIE WITH A PROPAGANDA OFFENSIVE AGAINST THE UK IN THE CAS AND THE AUTUMN'S UN GENERAL ASSEMBLY, RATHER THAN AN INTERVENTION IN ARMS.
- THE BALANCE OF EVIDENCE IS AGAINST THE LANDING OF THE WORKMEN AT LEITH HARBOUR HAVING BEEN DELIBERATELY STAGED BY THE ARGENTINE GOVERNMENT TO PROVIDE JUSTIFICATION FOR SUBSEQUENT INVASION. IT WAS THE BRITISH HANDLING OF THE AFFAIR WHICH DEVELOPED THE PRETEXT AND THEREFORE PUT A DEFINITE DATE ON THE IMPLEMENTATION OF WHAT HAD, UNTIL THEN, BEEN A CONTINGENCY PLAN WITHOUT FIXED DATE BUILT INTO IT.
- IT WAS NOT FAILURE TO KEEP A DISPROPORTIONATE FORCE DEPLOYED AGAINST THE INDEFINITE POSSIBILITY OF AN ENEMY CONTINGENCY PLAN BEING IMPLEMENTED WHICH, WITH RESPECT, SEEMS TO ME OPEN TO CRITICISM. HMG ARE HOVEVER VULNERABLE TO THE ACCUSATION THAT, KNOWING FULL WELL THAT CURRENT BRITISH POLICY IN REGARD TO THE ISLANDS COULD NOT LEAD TO ANY SATISFACTION OF ARGENTINE ASPIRATIONS AND THAT THE ARGENTINES WERE BECOMING INCREASINGLY RESTIVE, WE REFUSED TO FACE THE FACT THAT OUR ENCOURAGEMENT OF TOTAL INTRANSIGENCE FROM THE ISLANDERS INVOLVED A PHYSICAL RISK TO THEM, TO COUNTER WHICH NO ADEQUATE PROVISION HAD BEEN OR COULD HAVE BEEN MADE. NOR DID WE MAKE ADEQUATELY CLEAR TO THE ISLANDERS THE STARK CHOICE THEY FACED. THEY WERE NEVER REALLY BROUGHT FACE TO FACE WITH THE FULL REALITIES OF THEIR POSITION.

WILLIAMS

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-3-SECRET