BRITISH EMBASSY. BUENOS AIRES.

15 November 1979

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LONDON SW 1

ARGENTINA AND THE FALKLANDS

The message from Mr Ridley to Comodoro Cavandoli contained in FCO telegram no.264, while something of a disappointment, came as no great surprise to me. While I would stick to my earlier judgement (my telegram no.355) that turning down Comodoro Cavandoli's invitation is unlikely to provoke the Argentines into unwelcome action over the next few months, we should bear in mind some of the forces that will be at play.

- Cavandoli and Pastor, and by extension the Air Force, are probably most concerned about criticism they are likely to receive from the Navy for their failure to continue negotiations. The Navy and others would not hesitate at the appropriate moment to point out that nearly 2½ years of talks have produced no concrete results and that the one small step forward, which was almost finalised in Geneva in December 1978, has subsequently failed completely with the Falkland Islanders' refusal to accept the agreement on Scientific Cooperation in the Dependencies.
- Within the Navy there are, as there have always been, voices which scorn the value of negotiations with Britain and which favour direct action, if not aimed at the Falklands themselves, at least on the lines of the Southern Thule occupation at the end of 1976. We have seen no signs of the Navy planning any similar intrusion but then nor would I expect us to see them in advance. At the beginning of the southern summer and with the Argentines' annual campaign in the Antarctic getting under way, the danger of naval impatience being expressed in stronger terms than mere criticism of the Foreign Ministry should never be forgotten.

/4. Doubtless



4. Doubtless the BAS ships and HMS Endurance have instructions to watch as carefully as ever for any signs of Argentine activity in the Dependencies, particularly around South Georgia, and due consideration has been given to the use of satellite surveillance to supplement their work.

Yours Augh

cc:

II R W Parker Esq CMG OBE Governor & Commander-in-Chief PORT STANLEY