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MINISTRY OF DEFENCE MAIN BUILDING WHITEHALL LONDON SW1 Telephone 0439000000 218 2111/3

26th January 1983

Dear Tun,

#### FRANKS DEBATE

You asked this morning for a critique of the defence points made by Dr Owen in his speech yesterday. This is attached, in the form of speaking notes. I also enclose, as you requested, a chronology of decisions on HMS ENDURANCE and of the subsequent exchanges between the Defence and Foreign Secretaries. You may also like to see a note which the DGI has produced on the capability of Argentine forces in April 1982. This is also attached.

I am sending a copy of this letter to Richard Hatfield in the Cabinet Office.

Yours ever Mich grans

(N H R EVANS) APS/S of S

MR. RICKETT Could you please let me have extracts from Hansard showing: a remark by Mr. Nott in the various debates on the Falklands to the effect that he wished that a different decision had been taken about HMS Endurance; Mr. Healey's comments on the b) sinking of the Belgrano. By lunchtime on Monday, please. A.J. COLES 23 January, 1983

In his speech the Right Hon Member for Plymouth Devonport made extensive comparison of the events of 1977 with those leading up to the Argentine invasion of the Falkland Islands. As the House will know the convention in these matters is that I do not have access to the papers of past administrations. I am not, therefore in a position to comment in detail on what happened in 1977.

But I would like to make some general comments on what he said.

First he implied that if we had deployed a nuclear powered submarine to the South Atlantic at the beginning of March 1982 it might have deterred the Argentine invasion of the Falkland Islands. He has stated that the submarine deployed in 1977 was given rules of engagement which provided that if Argentine ships came within 50 miles of the Falkland Islands and were believed to have displayed hostile intent, the submarine was to open fire. If that was the case, I must say that I am amazed that the previous Government were prepared to allow one of our submarines to open fire on the high seas on the ships of a country with which we were not at war. It seems to me that action such as this, far from deterring an Argentine invasion, might have triggered it off. And in a climate of extremely unfavourable world opinion arising from our action.

As I said in the House yesterday, the sinking of an Argentine ship before an attack on the Islands had taken place would have condemned us in the eyes of the world. We know from our experience last year the importance of the support of our Allies and of the international community in an operation such as this.

Mr Speaker, as I understand it the other component of the 1977 Force was 2 frigates. But the Argentines had an overwhelming capability to attack two frigates. They had sufficient maritime air reconnaiss ance aircraft to find them and 116 tactical jet fighter bombers all capable of sinking them.

Or they could have used surface ships. They had one carrier, one cruiser, 8 destroyers and 3 frigates. This force would have overwhelmed two frigates.

Finally they could have attacked with their submarines.

But in any event the option of an airborne landing would have remained open to them. Argentina has one Parachute Brigade of 3,000 men - an elite force better trained than the average army unit. A total of some 700 troops could have been dropped in a single wave.

We are left with the reality that a limited display of force risks triggering a confrontation with which you are not equipped to deal. It is easy to gloss over those realities with the benefit of hindsight. The judgement on this incident of the Franks Committee - who had access to all the papers - is quite clear.

The Right Hon Gentleman also stated that "I believed in 1977, and I believe now, that withdrawal of HMS ENDURANCE would be substantially misread by the Argentines".

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Mr Speaker, I am fully aware of the arguments on Endurance but they have to be stretched a long way to say that the announcement had a decisive influence on the junta. There were signs the other way. The Royal Marine garrison was to remain and we made this entirely clear. Paragraph 146 of the Report quotes the unequivocal statement of my honourable Friend the Member for Shoreham, in this House on 3rd March: "We have no doubts about our duties to the Islands." And as for our capability for operations outside the NATO area and our will to exercise that capability if necessary I would remind the House of the announcement on 8th March that INTREPID and FEARLESS would after all remain in service. We all recognise that the junta was capable of irrational and emotional decisions but it is just not credible that the announcement of ENDURANCE's withdrawal from service determined their actions.

HMS ENDURANCE: CHRONOLOGY 1981 Secretary of State for Defence's OD paper on the Defence Programme Review. Among the measures recommended is the phasing out of ENDURANCE in 1982. June 3 Lord Carrington minutes Defence Secretary prior to OD June 5 meeting. He points to the importance of ENDURANCE in both political and defence terms. "Unless and until the dispute is settled it will be important to maintain our normal presence in the area at the current level. Any reduction will be interpreted by both the Islanders and the Argentines as a reduction in our commitment to the Islands". June 8 OD meeting discusses Mr Nott's minute. The proposals are generally agreed but, in the Prime Minister's summary, sh states that "particular problems for other ministers which arose from these proposals should be pursued with /the Secretary of State for Defence / bilaterally". June 10 Meeting between officials following which Foreign Office officials judge there is no prospect of decision being reversed and report accordingly to Mr Ridley. June 30 Decision to withdraw ENDURANCE is confirmed in Parliament by Lord Trefgarne, as follows: "I can confirm that HMS ENDURANCE will be paid off in 1982 on her return to the United Kingdom, following her deployment in the South Atlantic and the Antarctic region later this year. There are no plans to replace her. However, the Royal Marines garrison in the Falkland Islands will be maintained at it present strength, and from time to time Her Majesty's Shi will be deployed in the region". Strong public reaction followed. The Governor reported the strong reaction of the Islanders but expressed his personal and private view that it would be unrealistic to expect ENDURANCE to be treated as a special case. Passage deletel and retained under Section 3(4).

(AWayland, 15 January 2013 Mr Nott sees Lord Buxton and confirms that he does not December 15 intend to run the ship on. 1982 Foreign Secretary minutes Defence Secretary. Emphasises January 22 the political problems which the decision to withdraw ENDURANCE is causing. "The issue is having a disproportionate effect on the credibility of our policy in the area". Asks whether Mr Nott would be prepared to reinsta Mr Nott replies. He is considering her future following her paying off. The options are to sell her, place her i February 3 reserve or scrap her. Sale to the only country expressir interest - Brazil - is not acceptable. Keeping her in reserve might keep the controversy alive although "it might allow the controversy to cool down with time". In

the circumstances he cannot agree to run on ENDURANCE at the expense of other commitments. As FCO cannot fund the ship he sees little alternative to sticking to the decision unless Lord Carrington sees scope for an approach to OD for new money.

February 17 Lord Carrington replies. He does not rule out an approach to OD for new money but wishes to wait until after the next round of Anglo/Argentine talks at the end of February "when we shall have a clearer picture of Argentine intentions and of the defence implications". He will consult Mr Nott again in due course.

March 24 Lord Carrington writes to Mr Nott urging that, in view of the South Georgia incident ENDURANCE should "remain on station in the area of the Islands after the rotation of the Marine Garrison is completed at the end of the month".

RESTRICTED DGI 6/2 PS/S of S ARGENTINE CAPABILITIES APRIL 1982 You asked for a note on Argentine air and naval capabilities, particularly against two frigates and also para-dropping troops, in April 1982. And also whether the Argentines had access to satellite intelligence. The Frigates 2. The Argentines had an overwhelming capability to take out two frigates. They had three principal methods. In probable order of priority these were: Air Attack. The Argentines had about 116 tactical jet fighter bombers all capable of sinking a frigate. sufficient maritime air reconnaissance aircraft to find the frigates. However, the Super Etendard fitted with Exocet was probably not available until late April 1982. But it could have used bombs. Argentine air power of course demonstrated its effectiveness against the co-ordinated air defence capability of the Task Force. Two frigates would have been exceedingly vulnerable. b. Surface Attack. The Argentines had a surface fleet of one carrier, one cruiser, 8 destroyers and 3 frigates. The carrier could have deployed 8 Skyhawk attack aircraft. frigates would also have been very vulnerable to the long range guns on the cruiser. And 8 of the surface combatants were also fitted with Exocet (MM 38). This force would have overwhelmed two frigates. c. Submarine Attack. The two Argentine S209 submarines fitted with wire guided torpedoes would have posed a considerable threat. They are quiet and difficult to detect. But in the event we knew later they had problems with their fire control systems. Para-drop Capability The Argentine have one Parachute Brigade of 3,000 men. are an elite force better trained than the average army unit. A total of some 700 troops could have been dropped in a single wave. Satellite Intelligence As far as we are aware the Argentines had no access to satellite intelligence. But they would have had access to the Landsat data available to all nations. It has little if any military significance. 26th January 1983 RESTRICTED

#### FRANKS DEBATE: MAIN POINTS IN SPEECHES

#### 1. INTERVENTIONS IN PRIME MINISTER'S SPEECH

- (a) Mr. Callaghan:
  Should there not have been a collective discussion in 1981 in view of Ambassador's comment that there was only "a policy of Micawberism" and of Chiefs of Staff report of August 1981?
- (b) <u>Dr. Owen:</u>
  Asked for Prime Minister's comment on JIC assessment of 9 July 1981.
- (c) Mr. Rowlands:
  1977 Task Force was sent with Chiefs of Staff
  agreement.
- (d) Mr. Healey:
  Was Prime Minister's request for contingency planning in early March an idle and capricious request or did she share Franks view that timely action could have deterred invasion?
- (e) Mr. Jay:
  Why did Lord Carrington resign?
- (f) Mr. Dalyell:
  Since March Defence Committee paper was to contain annexes on contingency planning, how can Prime
  Minister say threat was not imminent?
- 2. MR. FOOT

Why did Prime Minister not repudiate campaign against Lord Carrington and FCO?

### 3. DR. OWEN

- 1. Surprised the Prime Minister did not concede any misjudgement. Equally surprised Foot thinks Report does not exist, and savs that Government solely responsible, even though Report was signed by his colleagues. Do not accept all aspects of the Report, but 1982 was clearly not an easy time for the Government: always felt "there but for the grace of God, go I".
- 2. Would have been better if Prime Minister had admitted she was wrong on HMS ENDURANCE. She should have insisted on collective discussion of Lord Carrington's concerns. Prime Minister wrong on this point. Gives credit to Callaghan for reprieving ENDURANCE. Withdrawal substantially misread. Even so, it clearly did not precipitate the invasion.
- 3. Period after the New York talks was the critical time. Agree that the force should not have been sent before. Critical moment when the negotiations were disowned, and the Ambassador sent his warning. This in fact triggered a response from the Prime Minister which absolves her of some blame. Amazed that the contingency plans she called for were not drawn up. What were the terms of her Private Secretary's letter? Why was it not answered? Why was it not chased? Why was there no meeting of OD? Some blame attaches to the Foreign Secretary who should have followed up the 1977 precedent much more strongly, instead of relying on a short oral briefing, especially when the Prime Minister raised the same question with the Defence Secretary.
- 4. Should have thought of deploying the submarine. In 1977 the surface ships were only a communication link with the submarine, and were kept standing off out of range of the mainland. No-one would have expected them to go within range. Credit to the Navy that this was kept secret. Use of a submarine should have been brought forcibly to Lord Carrington's attention, but Foreign Office officials probably opposed as they were in 1977. Submarine would have been ready to intervene.

- 4 -In answer to Michael Latham's intervention: did not reveal existence of 1977 force because it would have provoked Argentines. There only to intervene as necessary. Do not believe Sir Maurice Oldfield revealed its existence to the Argentines as Hastings and Jenkins make out. In answer to John Nott's intervention: a meeting chaired by Callaghan on 21 November wrote rules of engagement. If Argentine ships came within 50 miles and displayed hostile intent, then submarine would have torpedoed them. Armed Forces are there to be used if necessary. Never criticised sinking of Belgrano. Did not think threat was of airborne invasion: all advice said we faced naval invasion. If submarine had been sent, Reagan could have told Galtieri, 6. or Prime Minister could have announced an exclusion zone on the approach of the Argentine navy. Believe Callaghan would have deployed a submarine on 3 March. But not all leaders of Labour Party would have done this: no way Foot would have. although Healey might. Some Conservatives might have done better than Foot. But why does Prime Minister show no humility? Why did she not have a collective discussion? Does she think she governs alone? Now we must win the peace. And the Prime Minister has 7. shown no magnanimity or sensitivity. This is losing support from staunch allies such as French and Americans. 8. Fortress Falklands was rejected in 1979 and 1980 and by previous Governments. Now Prime Minister embraces it and refuses to negotiate. Massive cost and risk of further humiliation at hands of Latin American, not just Argentine forces. House must insist on negotiations. Final British position in Haig shuttle negotiations was reasonable. 9. The Prime Minister says that sacrifices make negotiation unacceptable. But international and domestic support for the campaign was based on the UN resolutions. Prime Minister forgot these the day Port Stanley was liberated. Her adamant refusal to countenance any negotiations caused recent US vote in UN. We must be prepared to discuss sovereignty. Here you intervened / to ask whether

- 6 --MR. PEYTON Carping about Franks due to disappointment at verdict. Must now avoid inquest upon inquest, and escape preoccupation with past. Tribute to Franks Members for resisting pressure for scapegoats. Tribute to those in constituency who served the Task Force. 5. MR. POWELL Crucial mistake was conditional offer to surrender

sovereignty in 1967: turned all the pressure on the Islanders.

Episode has moral for other policies, e.g. Northern Ireland.

#### 6. SIR F. BENNETT

Franks (paragraph 278) lists progressive UK withdrawal from South Atlantic.

British public not interested in post mortem.

Government and Prime Minister did service by showing at crucial moment that they were not willing to be pushed around.

Exhortations from Opposition on magnanimity to Argentines incomprehensible.

MR. BENN Two main questions: Could bloodshed have been avoided? And what lessons will avoid future bloodshed? Political failure masked by costly military success. News management has been used to make political capital out of conflict. Franks unsatisfactory because: should not have ended on 2 April; (a) (b) did not ask the right question, namely, did Government's policy lead to war? (c) conclusions do not follow from Report. Information in the Report is good argument for Freedom of Information Act. Report confirms that Prime Minister chose option of "letting things slide", which was most likely to lead to war. Prime Minister chose date of visit to Falklands before Report published. Now only two options for the future - negotiation or military option: Government should choose "peace option" involving: (a) UN mandate for Falklands; (b) Acceptance of Argentinian observer; Withdrawal of UK forces; (c) £400 million grant to development (d) of Falkland Islands; UN to make award on sovereignty. (e)

- in mind in personnel management.
- Points out that hostility in the House towards leaseback narrowed the options (here refutes David Ennals' suggestion that sufficient messages were sent to alert Argentine junta that they would face resistence).
- Foreign Secretary right to say that time is now needed: time to put our case in the UN, time for Argentine Government to be changed if necessary, time for Islanders to recover. Would be a mistake to force them into negotiations. Must for the moment maintain status quo.
- 6. House should welcome the Report and apply its lessons.

- When negotiations did not break down called force off.
- Here Michael Mates asked Mr. Rowlands whether he accepted the conclusion of the Franks Report in paragraph 328. Mr. Rowlands said that he did not, the House was passing its own judgement on the Government.

- 7. Exactly what the Labour Government feared in 1977 happened in 1982: the junta disowned the negotiations in New York. Shows crucial need for force in 1982, yet Carrington only had brief word with officials. Prime Minister did not even have a meeting when she called for contingency plans to be made, and response only came five days later. Franks right to say that it would have been better if Ministers had discussed this.
  - 8. Report portrays a rudderless ship of state drifting from the Davidoff farce to the tragedy of the invasion. Cabinet and OD did not even meet. Shows the personalised form of Government favoured by Prime Minister. She should take personal blame.

25.1.83

# NO COPIES TO BE MADE WITHOUT PRIVATE SECRETARY'S APPROVAL ILLEGAL LANDING ON SOUTH GEORGIA: CHRONOLOGY OF EVENTS

FRIDAY 19 MARCH:

A BRITISH ANTARCTIC SURVEY FIELD PARTY REPORT THAT AN ARGENTINE NAVY CARGO VESSEL IS ANCHORED IN LEITH HABOUR. A PART OF ABOUT 60 ARGENTINES HAVE SET UP CAMP AND AN ARGENTINE FLAG HAS BEEN HOISTED.

SATURDAY 20 MARCH:

THE BAS FIELD PARTY INFORMS THE ARGENTINES THAT THEY HAVE LANDED ILLEGALLY AND THAT THEY MUST LEAVE.

THE MINISTRY OF DEFENCE INSTRUCT HMS ENDURANCE TO PREPARE TO SAIL TO SOUTH GEORGIA WITH A DETACHMENT OF MARINES FROM PORT STANLEY.

HM Ambassador Buenos Aires informs the Argentine Ministry of Foreign Affairs that we are treating the infringement of our sovereignty very seriously. The Argentine Charge d'Affaires is called in to the Foreign Office and told the same. The Argentine Government profess ignorance but agree to look into the matter urgently.

SUNDAY 21 MARCH:

HMS ENDURANCE DEPARTS FOR SOUTH GEORGIA.

ARGENTINE MFA INFORM US THAT THE SHIP WILL

LEAVE SOUTH GEORGIA SHORTLY AND THAT NO SERVICE

PERSONNEL ARE INVOLVED.

MONDAY 22 MARCH:

WE RECEIVE CONFIRMATION THAT THE SHIP HAS LEFT BUT THERE ARE DOUBTS ABOUT WHETHER ALL THE MEN HAVE GONE.

IN THE EVENING, BRITISH ANTARCTIC SURVEY CONFIRM THAT ABOUT SIX MEN AND SOME EQUIPMENT REMAIN.

/ TUESDAY 23 MARCH

SESDAY 23 MARCH:

HMS Endurance is instructed to sail on for South Georgia and remove the men, if possible without using force.

MR. LUCE MAKES A STATEMENT TO THE HOUSE OF COMMONS.

ARGENTINE GOVERNMENT LATER WARNS THAT USE OF HMS ENDURANCE WOULD BE GRAVELY PROVOCATIVE. THEY ARE TOLD WE WISH TO AVOID THIS IF POSSIBLE: IF THEY CAN PROPOSE AN ACCEPTABLE ALTERNATIVE METHOD OF REMOVING THE MEN, WE ARE PREPARED TO LET THEM DO SO.

### WEDNESDAY 24 MARCH:

HMS ENDURANCE ORDERED TO ANCHOR IN GRYTVIKEN HABOUR, BUT NOT TO PROCEED TO LEITH.

ARGENTINE MFA SAY THEY WISH TO PREVENT THE SITUATION ESCALATING IF POSSIBLE, BUT NEED TIME TO CONSIDER.

#### THURSDAY 25 MARCH:

ARGENTINE NAVAL VESSEL IS SIGHTED AT LEITH DELIVERING FURTHER SUPPLIES.

WE ASK THE ARGENTINES FOR AN EARLY RESPONSE TO OUR REQUEST THAT THEY REMOVE THE MEN.

ARGENTINE MFA THEN SAY THAT BY DEPLOYING HMG ENDURANCE WE HAVE MADE IT IMPOSSIBLE FOR THEM TO CONTAIN THEIR POSITION.

WE REPLY THAT WE WISH TO DO EVERYTHING POSSIBLE TO AVOID CONFRONTATION AND PROPOSE THAT IF THE PARTY REQUEST THE PROPER AUTHORISATION FROM GRYTVIKEN, IT WILL BE GIVEN.

## FRIDAY 26 / SATURDAY 27 MARCH:

No formal reply from the Argentine MFA. But they issue a press statement announcing that the men will be given all necessary protection and the press reports that several Argentine Navy vessels have been ordered into the area.

SUNDAY 28 MARCH:

ARGENTINE FOREIGN MINISTER SENDS A MESSAGE TO THE SECRETARY OF STATE MAKING IT CLEAR THAT THE ARGENTINES HAVE NO INTENTION OF AGREEING TO OUR PROPOSAL.

THE FOREIGN SECRETARY SENDS A MESSAGE TO MR. HAIG, ASKING HIM TO INTERVENE AND URGE RESTRAINT ON THE ARGENTINES.

MONDAY 29 MARCH:

CONVERSATION AT NORTHOLT.

TUESDAY 30 MARCH:

THE FOREIGN SECRETARY MAKES STATEMENT IN HOUSE OF LORDS.

ARGENTINES REJECT US PROPOSAL FOR A SOLUTION BASED ON REGULARISING THE MEN'S PRESENCE.

WEDNESDAY 31 MARCH:

FOREIGN SECRETARY SENDS MESSAGE TO COSTA MENDEZ PROPOSING THE DESPATCH OF AN EMISSARY.

WE RECEIVE INFORMATION THAT ARGENTINE NAVAL FORCE WILL BE GROUPING FOR PORT STANLEY ON 2 APRIL. MEETING IN PRIME MINISTER'S ROOM IN HOUSE OF COMMONS. PRIME MINISTER SENDS MESSAGE TO MR. REAGAN ASKING HIM TO INTERVENE.

THURSDAY 1 APRIL:

COSTA MENDEZ REJECTS PROPOSAL TO SEND EMISSARY AND SAYS DIPLOMATIC CHANNEL IS NOW CLOSED.

ONLY REMAINING POINT OF DISCUSSION WOULD BE THE TRANSFER OF SOVEREIGNTY TO ARGENTINA.

PRESIDENT REAGAN REBUFFED BY GALTIERI: SENDS MESSAGE TO PRIME MINISTER STATING THAT GALTIERI LEFT "THE CLEAR IMPRESSION THAT HE HAS EMBARKED ON A COURSE OF ARMED CONFLICT".

UN SECRETARY GENERAL SUMMONS BRITISH AND ARGENTINE PERMANENT REPRESENTATIVES TO APPEAL TO BOTH TO REFRAIN FROM THE THREAT OR USE OF FORCE IN THE SOUTH ATLANTIC.

OD DECIDES THAT ENDURANCE SHOULD REMAIN ON STATION IN SOUTH ATLANTIC FOR TIME BEING.

~ Passage deletel and retained wider Section 3(4).

AWayland 15 January 2013

THURSDAY 1 APRIL (CONTD) BRIEF DISCUSSION IN CABINET.

AFTER RECEIVING FURTHER EVIDENCE THAT AN ARGENTINE ATTACK WAS IMMINENT, WE SEEK AN EMERGENCY MEETING OF THE SECURITY COUNCIL, WHICH RESULTS IN A PRESIDENTIAL STATEMENT CALLING ON BOTH SIDES TO REFRAIN FROM THE USE OF FORCE IN THE AREA. THE UK PERMANENT REPRESENTATIVE AGREES; THE ARGENTINE SAYS NOTHING.

WE UNDERTAKE INTENSIVE LOBBYING OF US AND EC COUNTRIES ASKING THEM TO INTERVENE ON OUR BEHALF.

LAST MESSAGE RECEIVED FROM FALKLANDS (2155 HRS. OUT TIME).

FOREIGN SECRETARY RETURNS FROM ISRAEL. MEETING AT 10 DOWNING STREET.

FRIDAY 2 APRIL:

0833 - TELEGRAM SENT TO FALKLANDS

0845 - COMMUNICATIONS CEASE.

0945 - Cabinet informed that Argentine invasion imminent and that Task Force had been placed on immediate alert. Decide that naval and military preparations should continue as planned.

1100 - THE LORD PRIVY SEAL MAKES STATMENT IN THE HOUSE EXPRESSING HMG'S GRAVE CONCERN AT THE SITUATION.

1230 - BRITISH ANTARCTIC SURVEY SHIP REPORTED THAT A LOCAL RADIO REPORT STATION HAD SAID THAT LANDING OPERATION HAS BEGUN.

CONFIRMATION BY MINISTRY OF DEFENCE NOT THEN AVAILABLE.

FOLLOWING FURTHER REPORTS FROM MEDIA AND OTHERS, SECOND MEETING OF CABINET DECIDES THAT NAVAL TASK FORCE SHOULD SAIL AS SOON AS POSSIBLE.

DIPLOMATIC RELATIONS BETWEEN THE UK AND ARGENTINE BROKEN OFF.

FRIDAY 2 APRIL (CONTD)

BRITISH OFFICIALS AND MARINES FLOWN FROM FALKLANDS TO MONTEVIDEO.

Message from Commonwealth Secretary General to all Commonwealth Heads of Government urging condemnation of Argentine action.

Messages also from Prime Minister and Foreign Secretary to wide range of Governments.

UK calls immediate meeting of Security Council.

SATURDAY 3 APRIL:

FIRST DEBATE IN PARLIAMENT. PRIME MINISTER ANNOUNCES THAT TASK FORCE WILL SAIL ON 5 APRIL, ARGENTINE BALANCES IN THE UK HAVE BEEN FROZEN, AND NEW ECGD COVER SUSPENDED.

PRESIDENT MITTERRAND TELEPHONES PRIME MINISTER.

PRIME MINISTER TELEPHONES KING HUSSEIN.

UN SECURITY COUNCIL CALLS BY 10 VOTES TO 1 WITH 4 ABSTENTIONS FOR ARGENTINE WITHDRAWAL.

SUNDAY 4 APRIL:

BRITISH OFFICIALS AND MARINES EXPELLED FROM FALKLAND ISLANDS LEAVE MONTEVIDEO FOR UK.

MR. NOTT INTERVIEWED ON "WEEKEND WORLD".

WE RECEIVE CONFIRMATION THAT SOUTH GEORGIA HAS ALSO BEEN ATTACKED AND IS NOW IN ARGENTINE HANDS.

REPORTS THAT THE MARINES DEFENDING GRYTVIKEN HAVE INFLICTED CONSIDERABLE DAMAGE ON THE ARGENTINES.

PERSUADE

WIDE RANGING DIPLOMATIC ACTION TO SECURE CONDEMNATION BY OTHER COUNTRIES OF ARGENTINE ACTION AND ALSO TO DISSUADE OTHER GOVERNMENTS TO TAKE ECONOMIC ACTION SIMILAR TO OUR OWN.

ORDER IN COUNCIL PROVIDING FOR REQUISITIONING OF SHIPPING.

MONDAY 5 APRIL:

LORD CARRINGTON, MR. ATKINS AND MR. LUCE RESIGN.
GOVERNOR, STAFF AND MARINES ARRIVE BACK IN THE

UK. GOVERNOR AND TWO ROYAL MARINE MAJORS CALL ON PRIME MINISTER.

TASK FORCE DEPARTS FROM THE UK.

WIDE RANGING TRADE SANCTIONS ANNOUNCED.

BRITISH CITIZENS ADVISED TO CONSIDER LEAVING ARGENTINA (BBC WORLD SERVICE BROADCAST).

PRIME MINISTER INTERVIEWED ON ITN.

IN AN IMPROMPTU PRESS CONFERENCE, PRESIDENT REAGAN SAID THAT THE CONFRONTATION PUT THE UNITED STATES IN A DIFFICULT POSITION AS IT WAS FRIENDLY WITH BOTH COUNTRIES.

REMAINING MARINES IN FALKLANDS CAPTURED.
REQUISITIONING OF CANBERRA ANNOUNCED.

TUESDAY 6 APRIL:

PRIME MINISTER'S MESSAGE TO PRESIDENT REAGAN.

MR. HAIG MEETS BRITISH AND ARGENTINE AMBASSADORS
IN WASHINGTON.

CABINET INFORMED THAT OD(SA) WOULD BE ESTABLISHED.

PRIME MINISTER'S MESSAGE TO EC COUNTRIES, US,

CANADA, NEW ZEALAND, AUSTRALIA AND JAPAN ABOUT
ECONOMIC SANCTIONS.

BAN ON ARGENTINE IMPORTS ANNOUNCED (CAME INTO EFFECT AT MIDNIGHT).

INFORMAL MEETING IN PRIME MINISTER'S ROOM IN HOUSE OF COMMONS ON MILITARY OPTIONS.

WEDNESDAY 7 APRIL:

EDGESDAY / APAH

SECOND DEBATE IN PARLIAMENT, CHANCELLOR SCHMIDT RINGS PRIME MINISTER. OD(SA) MEETS TWICE. MARITIME EXCLUSION ZONE ANNOUNCED.

THURSDAY 8 APRIL:

MR HAIG'S FIRST VISIT TO LONDON FOR TALKS ON FALKLANDS SITUATION WITH PRIME MINISTER.

/ Most of British

THURSDAY 8 APRIL (CONTD) Most of British Embassy staff from Buenos Aires return to UK; Argentine Embassy staff leave London.

OD(SA) APPROVES RULES OF ENGAGEMENT FOR SUBMARINES.

FRIDAY 9 APRIL:

Message from Falkland Islands public servants requesting evacuation reaches Montevideo.

OPERATING RIGHTS OF ARGENTINE AIRLINES SUSPENDED.

SATURDAY 10 APRIL:

EC COUNTRIES ANNOUNCE AGREEMENT TO IMPOSE BAN ON ARGENTINE IMPORTS.

MR. HAIG IN BUENOS AIRES.

Message to Prime Minister from President Figueiredo of Brazil.

SUNDAY 11 APRIL:

PERUVIAN PROPOSAL FOR 72-HOUR TRUCE.

Message from Prime Minister to Mr. Haig ("Argentina is the aggressor").

FOREIGN SECRETARY INTERVIEWED ON WEEKEND WORLD.

MONDAY 12 APRIL:

MR. HAIG'S SECOND VISIT TO LONDON.

MARITIME EXCLUSION ZONE COMES INTO EFFECT.

TUESDAY 13 APRIL:

AFTER STAYING IN LONDON OVERNIGHT, MR HAIG HAS FURTHER TALKS AT No. 10.

ARRIVAL IN MONTEVIDEO OF CHIEF SECRETARY AND OTHERS FROM FALKLAND ISLANDS.

OAS RESOLUTION ADOPTED BY CONSENSUS FOLLOWING ACRIMONIOUS ARGUMENT BETWEEN CARIBBEANS AND LATIN AMERICANS.

ARGENTINA BANS IMPORTS FROM EC.

WEDNESDAY 14 APRIL:

THIRD DEBATE IN PARLIAMENT.

PRIME MINISTER SPEAKS TO HAIG ABOUT LATTER'S PROPOSED STATEMENT ON "COOPERATION".

THURSDAY 15 APRIL:

CHIEF SECRETARY AND PARTY ARRIVE IN LONDON.

PRIME MINISTER GOES TO MOD FOR BRIEFING.

Two messages sent to Haig, about (a) contents of possible agreement (b) Argentine submarine movements.

FRIDAY 16 APRIL:

PRIME MINISTER'S REPLY TO MESSAGE FROM REAGAN STRESSES THAT ARGENTINA BROKE THE PEACE AND MUST WITHDRAW.

HAIG IN BUENOS AIRES.

OD(SA) APPROVES RULES OF ENGAGEMENT FOR TASK FORCE.

(FCO EDITION)

SATURDAY 17 APRIL:

IT IS LEARNT THAT THREE BRITISH JOURNALISTS HAVE BEEN MISSING IN ARGENTINA SINCE 11 APRIL.

ARGENTINES NOTIFY ICAO THAT PERMISSION WILL HAVE TO BE SOUGHT FOR OVERFLIGHTS OF ARGENTINE TERRITORY SOUTH OF PARALLEL 36S (WHICH INCLUDES THE FALKLANDS).

SUNDAY 18 APRIL:

ANDEAN PACT COUNTRIES (PERU, VENEZUELA, BOLIVIA, ECUADOR AND COLOMBIA) ANNOUNCE THAT THEY WILL INCREASE THEIR TRADE WITH ARGENTINA TO COMPENSATE FOR EFFECT OF ECONOMIC MEASURES BY EUROPEAN AND OTHER COUNTRIES.

ARGENTINE MINISTRY OF FOREIGN AFFAIRS CONFIRM THAT THE THREE MISSING BRITISH JOURNALISTS HAVE BEEN ARRESTED.

ARRIVAL IN MONTEVIDEO OF 29 ROYAL MARINES AND 13 BAS PERSONNEL.

MONDAY 19 APRIL:

NORWAY BANS ARGENTINE IMPORTS.

MR. HAIG SENDS TEXT OF DRAFT AGREEMENT REACHED WITH ARGENTINES AND RETURNS TO WASHINGTON.
STATEMENT ISSUED FROM No. 10 DOWNING STREET DESCRIBES THE PROPOSALS AS 'COMPLEX AND DIFFICULT'.

SOVIETS LAUNCH SALYUT 7 SATELLITE WHICH COULD MONITOR NAVAL MOVEMENTS IN THE SOUTH ATLANTIC

(FCO EDITION)

TUESDAY 20 APRIL:

THE 29 ROYAL MARINES AND 13 BAS PERSONNEL ARRIVE IN UK.

FURTHER PARTY OF 30, MOSTLY ODA PERSONNEL, ARRIVE IN MONTEVIDEO FROM FALKLANDS.

OAS AGREE TO HOLD FOREIGN MINISTERS MEETING ON 26 APRIL.

MEETING IN BRUSSELS, THE EC MINISTERS EXPRESSED FULL SUPPORT FOR BRITAIN AND BACKED THE UN CALL FOR THE IMMEDIATE WITHDRAWAL OF ARGENTINE TROOPS FROM THE FALKLANDS.

WEDNESDAY 21 APRIL:

MR. HAIG REPORTS ON UTTER IRRATIONALITY AND CHAOTIC NATURE OF PRESENT ARGENTINE LEADERSHIP.

US ASSESS THAT ON PRESENT INDICATIONS ARGENTINA WILL OBTAIN TWO-THIRDS MAJORITY FOR ACTION UNDER RIO TREATY. US TO LOBBY BEFORE MEETING DUE ON 26 APRIL.

EUROPEAN PARLIAMENT PASSES RESOLUTION IN SUPPORT OF UK POSITION.

ARGENTINE PLANE INTERCEPTED IN AIRSPACE OVER TASK FORCE.

THURSDAY 22 APRIL

SECRETARY OF STATE HAS TALKS IN WASHINGTON WITH MR. HAIG AND WITH SENATE FOREIGN RELATIONS COMMITTEE.

/ PRESIDENT GALTIERI

(FCO EDITION)

THURSDAY 22 APRIL (CONTD) PRESIDENT GALTIERI VISITS FALKLANDS.

IN A NOTE TO THE EC COUNCIL LATIN AMERICAN AMBASSADORS ACCREDITED TO THE EC PROTEST AGAINST THE COMMUNITY'S BAN ON ARGENTINE IMPORTS AND ASK THAT THE MEASURE BE REVOKED.

FRIDAY 23 APRIL:

MR. DENIS HEALEY CALLS ON UN SECRETARY-GENERAL.

Message communicated through the Swiss Embassy to the Argentine Government warning that Argentine aircraft approaching Task Force vessels will be treated as hostile.

SATURDAY 24 APRIL:

S OF S RETURNS TO UK FROM WASHINGTON.

SUNDAY 25 APRIL:

ARGENTINE SUBMARINE ATTACKED OFF GRYTVIKEN, SOUTH GEORGIA, BY 2 BRITISH HELICOPTERS.

BRITISH FORCES LAND IN SOUTH GEORGIA AND SUCCESSFULLY TAKE CONTROL OF GRYTVIKEN.

ARGENTINE FOREIGN MINISTER COSTA MENDEZ SAYS IN NEW YORK THAT ARGENTINA AND THE UK ARE NOW "TECHNICALLY" AT WAR.

MONDAY 26 APRIL:

ARGENTINE CONTINGENT AT LEITH HARBOUR, SOUTH GEORGIA SURRENDER.

ARGENTINE PRISONER SHOT DEAD ON SOUTH GEORGIA BY ROYAL MARINE.

(FCO FDITION)

MONDAY 26 APRIL (CONTD) OAS MEETING CONVENED. ARGENTINE REPRESENTATIVE CALLS FOR WITHDRAWAL OF UK FORCES AND SUSPENSION OF ECONOMIC MEASURES AGAINST HER, BUT NO CALL FOR OAS SANCTIONS. HAIG MAKES FULL SPEECH.

TUESDAY 27 APRIL:

MR. HAIG PASSES TEXT OF PROPOSALS TO ARGENTINE GOVERNMENT, TELLING THEM THAT HE MUST HAVE AN ANSWER, ACCEPTING OR REJECTING THEM, BY MIDNIGHT BUENOS AIRES TIME ON 27/28 APRIL.

WEDNESDAY 28 APRIL:

OAS ADOPT RESOLUTION BY 17-0-4 WHICH RECOGNIZES ARGENTINE SOVEREIGNTY BUT INSISTS THAT SCR 502 MUST BE OBSERVED. NO CALL FOR SANCTIONS.

INFORMATION RELEASED ABOUT DEATH OF ARGENTINE OFFICER ON SOUTH GEORGIA.

TOTAL EXCLUSION ZONE ANNOUNCED (COMES INTO OPERATION ON 30 APRIL).

THURSDAY 29 APRIL:

FURTHER DEBATE ON FALKLANDS IN PARLIAMENT.

DETAILS OF 151 ARGENTINE MILITARY PERSONNEL AND 39 FOREIGN CIVILIANS CAPTURED ON S. GEORGIA RECEIVED AND PASSED TO APPROPRIATE AUTHORITIES.

LETTER FROM COSTA MENDEZ TO HAIG STATING THAT US PROPOSALS FALL SHORT OF ARGENTINE DEMANDS AND DO NOT SATISFY ARGENTINE ASPIRATIONS IN RELATION TO SOVEREIGNTY AND AN INTERIM ADMINISTRATION.

ARGENTINA DECLARES TOTAL EXCLUSION ZONE.

(FCO EDITION)

ERIDAY 30 APRIL:

THE BRITISH TOTAL EXCLUSION-ZONE COMES INTO FORCE AT 1100 GMT. US SECRETARY OF STATE HAIG PUBLICLY ANNOUNCES US GOVERNMENT SUPPORT FOR THE UK IN THE FORM OF A BAN ON ARMS SALES TO ARGENTINA AND FINANCIAL RESTRICTIONS ON THAT COUNTRY. IN ADDITION THE US WILL RESPOND POSITIVELY TO UK REQUESTS FOR MATERIAL SUPPORT.

SATURDAY 1 MAY:

AIRFIELDS ON THE ISLANDS BOMBED.

TASK FORCE LATER COMES UNDER AERIAL ATTACK:

ARGENTINES LOSE 3 AIRCRAFT.

SECRETARY OF STATE FLIES TO WASHINGTON.

SUNDAY 2 MAY:

SECRETARY OF STATE CALLS ON UN SECRETARY-GENERAL.

MONDAY 3 MAY:

BRITISH SUBMARINE TORPEDOES ARGENTINE CRUISER, WHICH LATER SINKS.

ARGENTINE PATROL VESSEL FIRES ON BRITISH HELICOPTER AND IS SUNK BY OTHERS.

SECRETARY OF STATE RETURNS FROM NEW YORK.

TUESDAY 4 MAY:

SECRETARY OF STATE AND MR. NOTT MAKE STATEMENTS IN THE HOUSE.

/ MOD STATEMENT

(FCO EDITION)

TUESDAY 4 MAY (CONTD)

MOD STATEMENT ON THE LOSS OF HMS SHEFFIELD AND ONE SEA HARRIER FOLLOWED BY FURTHER STATEMENT IN THE HOUSE BY MR. NOTT.

WEDNESDAY 5 MAY

REVISED VERSION OF US/PERUVIAN PROPOSALS FOR CEASEFIRE AND SETTLEMENT SENT TO SECRETARY OF STATE BY MR. HAIG. UK RESPONDS WITH SOME SUGGESTED AMENDMENTS. PROPOSALS SENT TO PERUVIAN GOVERNMENT FOR TRANSMISSION TO ARGENTINA.

- INFORMAL SECURITY COUNCIL CONSULTATIONS.
- UN SECRETARY-GENERAL ANNOUNCES THAT ARGENTINA HAS ACCEPTED HIS 'PROPOSALS', I.E., THE IDEAS DISCUSSED WITH MR. PYM ON 2 MAY.
- SECRETARY OF STATE AND MR. NOTT MAKE STATEMENTS IN THE HOUSE.

THURSDAY 6 MAY

MR. HAIG AND, LATER, THE PERUVIAN PRESIDENT, THROUGH HMA LIMA, INFORM HMG THAT THE US/PERUVIAN PROPOSALS HAVE BEEN OVERTAKEN BY ARGENTINA'S APPROACH TO UN SECRETARY-GENERAL.

- SIR ANTHONY PARSONS DELIVERS HMG'S RESPONSE TO THE UN SECRETARY-GENERAL'S INITIATIVE.
- MOD RELEASE STATEMENT CONCERNING THE LOSS OF TWO BRITISH SEA-HARRIERS.
- INFORMAL SECURITY COUNCIL CONSULTATIONS.
- Mr. Haig sends message to NATO Foreign Ministers about US/Peruvian proposals rejected by Argentina.

FRIDAY 7 MAY

STATEMENT IN THE HOUSE BY MR. PYM.

### RIDAY 7 MAY (CONTD)

### CONFIDENTIAL

BRITISH GOVERNMENT INTRODUCES 12-MILE BLOCKADE OF ARGENTINE COAST. SR ROS OFFERS AMPLIFICATION TO SECRETARY-GENERAL OF ARGENTINA'S REPLY TO HIS PROPOSALS.

ARGENTINE NOTE TO ICRC ACCUSING BRITAIN OF NEGLECTING INTERNATIONAL OBLIGATIONS.

SATURDAY 8 MAY

SECRETARY-GENERAL SEEKS CLARIFICATION FROM BOTH SIDES TO HIS PROPOSALS.

SATURDAY/SUNDAY 8/9 MAY INFORMAL MEETING OF EC FOREIGN MINISTERS AT VILLERS-LE-TEMPLE, BELGIUM. NO DECISION ON RENEWAL OF EC SANCTIONS.

SUNDAY 9 MAY

MOD STATEMENT ON ATTACK ON MILITARY TARGETS AT PORT STANLEY AND SURRENDER OF ARGENTINE FISHING VESSEL.

- SEPARATE DISCUSSIONS BETWEEN UN SECRETARY-GENERAL AND BOTH PARTIES TO FIND BASIS OF AGREEMENT CONTINUE.

MONDAY 10 MAY

HMG ISSUES NOTICE TO AIRMEN ESTABLISHING A TERMINAL CONTROL AREA FOR AIR TRAFFIC WITHIN A 100-MILE RADIUS OF ASCENSION ISLAND.

- Mr. Pym appears before Foreign Affairs Select Committee.
- FURTHER ROUND OF SEPARATE DISCUSSIONS BETWEEN UN SECRETARY-GENERAL AND THE PARTIES.

TUESDAY 11 MAY

MOD STATEMENT ON NAVAL ENGAGEMENT WITH A 'SURFACE VESSEL' WITHIN THE TEZ; 'LARGE EXPLOSION' REPORTED IN THE VICINITY OF THE TARGET.

SESDAY 11 MAY (CONTD)

ARGENTINE JUNTA ISSUES COMMUNIQUE NO.40 WARNING THAT BRITISH SHIPS SAILING THROUGH SOUTH ATLANTIC TOWARDS 'AREA OF OPERATIONS' WILL BE CONSIDERED HOSTILE AND TREATED ACCORDINGLY. FOLLOWED BY COMMUNIQUE NO.41 APPLYING SIMILAR PROVISIONS TO AIRCRAFT.

- FURTHER ROUND OF DISCUSSIONS BETWEEN
UN SECRETARY-GENERAL AND THE PARTIES.
SR PEREZ DE CUELLAR SAYS HE IS 'RATHER
ENCOURAGED' BY LATEST DEVELOPMENTS.
ARGENTINIANS TALK OF NEGOTIATIONS WITHOUT
PREJUDGEMENT OF THE OUTCOME.

### EDNESDAY 12 MAY

MINISTRY OF DEFENCE ISSUE TWO STATEMENTS
ABOUT ARGENTINE AIR ATTACKS ON TASK
FORCE: 2 ARGENTINE A4 AIRCRAFT SHOT DOWN NO BRITISH CASUALTIES.

- EUROPEAN PARLIAMENT ADOPTING RESOLUTION REAFFIRMING CONDEMNATION OF ARGENTINE FAILURE TO IMPLEMENT SC RESOLUTION 502 AND INVITING EC FOREIGN MINISTERS TO RENEW SANCTIONS.
- More discussions in New York between the Secretary-General and the parties.

THURSDAY 13 MAY

188 ARGENTINE PRISONERS CAPTURED ON SOUTH GEORGIA HANDED OVER TO ICRC AT ASCENSION ISLAND; FLOWN TO MONTEVIDEO FOR RETURN BY SEA TO ARGENTINA. LIEUTENANT-COMMANDER ASTIZ DETAINED AT ASCENSION ISLAND.

- MOD STATEMENT ABOUT CRASH OF THIRD ARGENTINE AIRCRAFT IN SEA DURING ATTACK ON TASK FORCE ON 12 May.
- DEBATE ON FALKLANDS CRISIS IN THE HOUSE OF COMMONS.

### FRIDAY 14 MAY

### CONFIDENTIAL

INFORMAL CONSULTATIONS AT UN. TALKS BETWEEN UN SECRETARY-GENERAL AND PARTIES CONTINUE.

- M. CHEYSSON SEES SECRETARY OF STATE IN LONDON.
- PORT STANLEY AIRFIELD AND ASSOCIATED MILITARY INSTALLATIONS ATTACKED BY SEA HARRIERS, AND PEBBLE ISLAND RAIDED.

#### SATURDAY 15 MAY

SIR A. PARSONS AND SIR N. HENDERSON RECALLED FOR DISCUSSIONS.

- POLITICAL COMMITTEE OF THE TEN, MEETING IN BRUSSELS, AGREE TO REFER DECISION ON RENEWING EC SANCTIONS TO FOREIGN MINISTERS MEETING IN LUXEMBOURG ON 16 May.

#### SUNDAY 16 MAY

SIR A. PARSONS AND SIR N. HENDERSON AT CHEQUERS. SECRETARY OF STATE MEETS MR. HAIG IN LUXEMBOURG BEFORE START OF NATO MEETING.

- EMERGENCY MEETING OF EC FOREIGN MINISTERS IN LUXEMBOURG. NO DECISION ON RENEWAL OF SANCTIONS. FURTHER MEETING PROPOSED FOR 17 May.
- MOD STATEMENT ON SEA HARRIER ATTACKS ON 2 ARGENTINE VESSELS IN FALKLAND SOUND.
  NO FIRM INDICATIONS OF DAMAGE CAUSED.

### MONDAY 17 MAY

SIR A. PARSONS HANDS OVER TEXT TO UN SECRETARY-GENERAL SETTING OUT HMG'S FINAL NEGOTIATING POSITION.

AT EC FOREIGN MINISTERS MEETING IN LUXEMBOURG, EIGHT MEMBER STATES AGREE TO EXTEND SANCTIONS REGULATION FOR SEVEN DAYS. ITALY AND IRELAND WILL NOT APPLY REGULATION, BUT UNDERTAKE NOT TO ALLOW IMPORTS FROM ARGENTINA DURING THAT PERIOD. DENMARK WILL CONTINUE TO APPLY

MONDAY 17 MAY (CONTD)

REGULATION PENDING INTRODUCTION OF EQUIVALENT NATIONAL MEASURES.

TUESDAY 18 MAY

LOSS OF UK SEA KING HELICOPTER REPORTED; DITCHED IN SEA: ACCIDENT RATHER THAN MILITARY ACTION: ALL FOUR CREW MEMBERS RESCUED.

- NATO SECRETARY-GENERAL REPORTS ROBUST SUPPORT OF NATO FOREIGN MINISTERS, MEETING IN LUXEMBOURG, FOR UK POSITION.
- UN SECRETARY-GENERAL RECEIVES INITIAL ARGENTINE RESPONSE TO HMG s FINAL POSITION PAPER.

WEDNESDAY 19 MAY

Text of Argentine Reply to our proposals handed over by UN Secretariat. Security Council meets informally to hear a report by the Secretary-General on the progress of negotiations. Secretary-General in a last minute bid to avert a breakdown of negotiations presents an <u>Aide-Memoire</u> to the UK and Argentine Governments setting out his proposals to resolve outstanding questions in negotiations.

- DEFENCE QUESTIONS AND ARMAMENTS COMMITTEE OF WESTERN EUROPEAN UNION ADOPTS RESOLUTION URGING MEMBER STATES TO SUPPORT IMPLEMENTATION OF SCR 502 AND SEEK PEACEFUL SETTLEMENT OF DISPUTE.

THURSDAY 20 MAY

SECRETARY-GENERAL DECLARES THAT HIS PEACE EFFORTS HAD COME TO AN END. ARGENTINA FAILS TO RESPOND TO HIS AIDE-MEMOIRE.

- HMG RELEASES DETAILS OF THEIR FINAL POSITION ON THE SECRETARY-GENERAL'S INITIATIVE.
- PRESIDENT OF PERU HANDS TO THE BRITISH

CONFIDENTIAL CONFIDENTIAL

# CONFIDENTIAL

FRIDAY 21 MAY

PERUVIAN PRESIDENT IS THANKED FOR HIS
EFFORTS BUT TOLD THAT CONSIDERABLE
MOVEMENT ON BEHALF OF ARGENTINE GOVERNMENT
WILL BE NECESSARY BEFORE A PEACEFUL
SETTLEMENT CAN BE REACHED.

- MINISTRY OF DEFENCE RELEASES NEWS OF BRITISH LANDING ON EAST FALKLAND AND THE ESTABLISHMENT OF A BRIDGEHEAD.
- UN SECURITY COUNCIL MEETS BUT NO RESOLUTION IS CONSIDERED.

# SATURDAY 22 MAY

UN SECURITY COUNCIL DEBATE CONTINUES BUT NO DRAFT RESOLUTION IS YET TABLED.

- THE TASK FORCE CONTINUES TO CONSOLIDATE
  THE BRIDGEHEAD AROUND SAN CARLOS WATER.
  NO ENEMY ACTION REPORTED.
- THE POPE SENDS A MESSAGE TO THE PRIME MINISTER CALLING FOR AN IMMEDIATE CEASEFIRE.
- THE NORTH ATLANTIC COUNCIL REAFFIRMS ITS SUPPORT FOR THE BRITISH POSITION.
- THE PRESIDENTS OF COLOMBIA AND DOMINICA
  BOTH SEND MESSAGES TO THE PRIME MINISTER.
  THE PERUVIAN PRESIDENT ANNOUNCES THAT THE
  ARGENTINES HAVE ACCEPTED HIS PEACE PROPOSALS.
  THE GOVERNMENT OF MEXICO PUBLICLY APPEALS
  FOR AN IMMEDIATE CEASEFIRE.

# SUNDAY 23 MAY

UN SECURITY COUNCIL DEBATE CONTINUES.

- ARGENTINE AIR ATTACKS ON SHIPS IN THE FALKLAND SOUND AND SAN CARLOS WATER SUCCEED IN SEVERELY DAMAGING HMS ANTELOPE. SIX ARGENTINE PLANES ARE SHOT DOWN.
- THE PRIME MINISTER REBUIES TO THE POPE'S MESSAGE.

# MONDAY 24 MAY

# CONFIDENTIAL

UN SECURITY COUNCIL DEBATE CONTINUES. A
RASH OF DRAFT RESOLUTIONS EMERGE. THOSE OF
IRELAND AND PANAMA ARE UNACCEPTABLE.
A NAM AMENDED VERSION OF THE IRISH DRAFT
AND A JAPANESE DRAFT OFFER POSSIBILITIES
OF AVOIDING A VETO. THE BRAZILIANS
CIRCULATE A LETTER TO THE PRESIDENT OF THE
SECURITY COUNCIL, BUILDING ON THEIR
PRESIDENT'S INITIATIVE.

- EC MINISTERS AGREE TO EXTEND THE BAN ON ARGENTINE IMPORTS INDEFINITELY.
- HMS ANTELOPE SINKS AND FURTHER ARGENTINE
  AIR ATTACKS CAUSE SOME DAMAGE TO OUR SHIPS.
  EIGHT ARGENTINE AIRCRAFT ARE SHOT DOWN.

# TUESDAY 25 MAY

UN SECURITY COUNCIL DEBATE CONTINUES.
IRISH DRAFT RESOLUTION (AS AMENDED BY NAM AND UK) IS LIKELY TO BE PUT TO THE VOTE ON 26 MAY AFTER FURTHER ARGENTINE CONSIDERATION OF THE TEXT.

- THE NORWEGIAN BAN ON ARGENTINE IMPORTS IS
  TO REMAIN IN FORCE INDEFINITELY.
- MOD PRESS STATEMENTS THAT THREE ARGENTINE
  PLANES WERE DOWNED AND THAT ONE OF OUR SHIPS
  IS IN DIFFICULTY.

# WEDNESDAY 26 MAY

UNSCR 505 (AN AMENDED VERSION OF THE IRISH DRAFT) IS ADOPTED UNANIMOUSLY.

 MOD PRESS STATEMENT ON THE LOSS OF HMS COVENTRY AND THE ATLANTIC CONVEYOR IN ATTACKS ON 25 May.

CONFIDENTIAL

# CONFIDENTIAL

WEDNESDAY 26 MAY (CONTD) MR. NOTT MAKES STATEMENT IN THE HOUSE OF COMMONS.

- COLOMBIAN AMBASSADOR DELIVERS ORAL MESSAGE TO FCO ON BEHALF OF THE PRESIDENTS OF COLOMBIA, BRAZIL AND PERU PROPOSING A 5-DAY TRUCE.

THURSDAY 27 MAY

MOD PRESS STATEMENT THAT THE ONLY MILITARY DEVELOPMENT ON 26 May was a Harrier RAID AGAINST PORT STANLEY AIRFIELD.

- RIO TREATY MEETING DUE TO BEGIN IN WASHINGTON LATER TODAY.

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Assessment of Argentine threat

19. In March 1965, the Joint Intelligence Committee(1) had re-assessed the external threat to the Falkland Islands and Dependencies. It considered that it was unlikely that the Argentine Government would launch an assault against the Islands, but that, if an unofficial party of raiders were able to obtain a footing on the Falklands, the attitude of the Argentine Government might change radically and rapidly under pressure of public opinion.

First diplomatic exchanges

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20. The Argentine claim to the Islands was raised with the Foreign Secretary, Mr. Michael Stewart (as he then was), when he visited Buenos Aires in January 1966; and in July a preliminary meeting was held in London, at which the Argentine Ambassador submitted a note formally claiming the "restitution" of the Falkland Islands to Argentina. The British delegation rejected the implication that Britain's occupation of the Islands was illegal, but there was agreement that there should be detailed examination at a later date of ways of decreasing friction and of limiting the scale of the dispute.

'Operation Condor'

21. In September 1966 a further unofficial incident, known as 'Operation Condor', took place. An armed group of 20 young Argentines hijacked an Argentine Airlines DC4 and forced it to go to the Falklands, where it landed on the race-course at Port Stanley. As in 1964, the Argentine Government publicly dissociated themselves from the incident, but there were demonstrations throughout Argentina in support of the Argentine claim to the Islands, and shots were fired at the British Embassy in Buenos Aires while the Duke of Edinburgh was on an official visit there. In the light of the 'Condor' incident, the Royal Marine detachment on the Islands, which had been established in 1965 but reduced to one officer and five men in 1966, was restored to platoon strength. Although consideration was subsequently given from time to time to its withdrawal, it was retained at that level thereafter.

The 'Memorandum of Understanding'

22. Further talks were held in November 1966, and in 1967. In a paper to the Defence and Oversea Policy Committee(2) in preparation for the talks in November 1966, the Foreign and Colonial Secretaries (Mr. George Brown and Mr. Fred Lee (as they then were)) pointed out that Argentina could easily occupy the Islands by force. At the talks the British side initially proposed a 'sovereignty freeze' for a minimum of 30 years, to allow for normalisation of relations between the Islands and Argentina while each side's position on sovereignty was protected. At the end of this period the Islanders would be free to choose between British and Argentine rule. The Argentine Government rejected this proposal, and in March 1967 the British Government for the first time stated formally to Argentina that they would be prepared to cede sovereignty over the Islands under certain conditions,

<sup>(1)</sup> For a description of the role and composition of the Joint Intelligence Committee see Annex B.

<sup>(2)</sup> For a description of the composition and functions of the Defence and Oversea Policy Committee see Annex B. For the sake of brevity we refer to it as the Defence Committee.

Condominium

29. Further exchanges followed, in which the Argentine Government pressed strongly for renewed negotiations on sovereignty while the British Government sought to establish that the talks did not constitute negotiations on that issue. In the course of 1973, however, it became clear that an impasse had been reached. Argentina again took the issue to the United Nations, where the Special Committee adopted a resolution, which formed the basis of a further Resolution (3160(XXVIII)) passed by the General Assembly calling on both parties to accelerate negotiations towards a solution of the sovereignty issue. In January 1974 the Defence Committee agreed that, in view of the pressure in the United Nations to reach a settlement and the risks of economic and military action against the Islands, the likely attitude of the Islanders to the possibility of condominium as an alternative to a transfer of sovereignty should be discussed with the Governor of the Falkland Islands. The Governor and the British Ambassador in Buenos Aires advised that in their opinion the idea was worth pursuing. Before this could be done, the General Election of March 1974 led to a change of Government. A Labour Government took office, with Mr. Wilson (as he then was) as Prime Minister and Mr. Callaghan as Foreign and Commonwealth Secretary.

30. The new Government, having been presented with a range of options, decided in the Defence Committee to consult the Falkland Islands Executive Council on the possibility of initiating talks with Argentina on condominium. The Council indicated that it would raise no objection to talks on condominium going ahead, provided that there was no Islander participation initially. The subject of condominium was broached with the Argentine Government; but, in the face of the Islanders' continuing refusal to participate, it was decided that there would be no purpose in proceeding without them, and the Argentine Government were so informed in August 1974. Despite this setback, further commercial agreements were concluded in September 1974, the most important being one providing for Yaciementos Petroliferos, the Argentine State Oil Company, to supply certain petroleum products on the Islands at mainland prices.

Increased Argentine pressure

31. In December 1974 an Argentine newspaper, Cronica, mounted a press campaign advocating invasion of the Islands. The Argentine Government publicly dissociated themselves from it, their Minister for Foreign Affairs, Sr. Vignes, informing Congress that he preferred negotiation to invasion. Nevertheless, following remarks made by Sr. Vignes to the press in March 1975, a few days before the arrival of the new British Ambassador in Buenos Aires, the Ambassador was instructed to warn him that an attack on the Islands would meet with a military response. The British Ambassador delivered this warning to Sr. Vignes in April 1975, at his first meeting with him.

Intelligence assessments

32. Over the period from 1965 to 1975 assessments were made by the Joint Intelligence Committee, usually about once a year but more frequently at times of increased tension. In the earlier years the conclusions were, broadly speaking, that official military action against the Falkland Islands

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Increased to

33. The Committee ment of this proposibility for a period that Argen the South without could that any standard Government co-operation issue.

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34. A Islands' ecommissio leadership the Falkla survey we Council ar reaction in communiq Argentina Report wa response to

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patien face a and the Dependencies was unlikely, at least until diplomatic means of settling the dispute had been exhausted, but that there was a continuing risk of unofficial action. In the early 1970s, when the Communications Agreements had led to improved relations with Argentina, the assessments were that direct military action could be discounted and that even the risk of an 'adventurist' operation was very slight. Towards the end of 1973 it was thought that Argentine attitudes were hardening, and for the first time there were indications that the Argentine Government (of President Peron) might be preparing contingency plans for an occupation of the Islands. In 1974 the Joint Intelligence Committee assessed that 'adventurist' operations were still the main threat, but with less likelihood of the Argentine Government's discouraging them; official military action was thought unlikely, as long as Argentina believed that the British Government were prepared to negotiate on sovereignty, but it was not ruled out.

# Increased tension 1975-1977

Economic development

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33. The next British initiative was a proposal, approved by the Defence Committee in July 1975, for discussions of joint Anglo-Argentine development of the resources of the South-West Atlantic. In response to this proposal Sr. Vignes suggested linking such an initiative to the possibility of a transfer of sovereignty followed by simultaneous leaseback for a period of years, as a means of settling the dispute. He also proposed that Argentina should occupy the uninhabited islands of South Georgia and the South Sandwich Islands, and that the occupation should be accepted without condemnation by the British Government. Sr. Vignes was warned that any such unilateral action would be quite unacceptable. The Argentine Government rejected the Government's proposal for talks on economic co-operation, which they saw as excluding discussion of the sovereignty issue.

# The Shackleton survey

34. As a result of growing concern about the decline of the Falkland Islands' economy and the Islands' loss of population, the Government commissioned a comprehensive, long-term economic survey, under the leadership of Lord Shackleton, of the possibilities for the development of the Falkland Islands and the Dependencies. The terms of reference for the survey were drawn up in consultation with the Falkland Islands Executive Council and were announced in October 1975. This provoked a very hostile reaction in Argentina. The Argentine Ministry of Foreign Affairs issued a communiqué stating that the survey was an unwelcome initiative, to which Argentina had not agreed. The survey went ahead and the Shackleton Report was published in May 1976 (see paragraph 58 for the Government's response to it).

# Argentine action at the United Nations

35. On 8 December 1975 the Argentine Representative at the United Nations made a long speech on the dispute at a plenary session of the General Assembly, in which he said:

"We are prepared to continue our efforts, but the limits of our patience and tolerance should not be underestimated if we should have to face an obstinate and unjustified refusal to negotiate by the other party".

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Cronica the previous year. A further report a week later stated that the storm that had blown up at the beginning of the month had at last begun to abate; there were indications that the Argentine Government had not wished to allow the "anti-British bandwagon" to get out of control; there had been no threats or demonstrations against the Embassy.

39. Mr. Callaghan made a statement in the Commons on 14 January 1976(1) in conciliatory terms concluding that "given goodwill on both sides, Britain and Argentina should be able to transform the area of dispute concerning sovereignty over the Islands into a factor making for co-operation between the two countries which would be consonant with the wishes and interests of the Falkland Islanders".

Intelligence reports and assessments

40. In November 1975 the Joint Intelligence Committee had prepared a new assessment on the Falkland Islands. It concluded that a deliberately planned invasion of the Falkland Islands in the near future still seemed unlikely but could not be wholly excluded. It followed earlier assessments in judging that there was a greater possibility of some kind of 'adventurist' operation, particularly if the Shackleton survey went ahead in the face of continued public Argentine opposition: this opposition might be expressed by a propaganda campaign and possibly some practical harassment of the Falkland Islanders; the suspension of the air service would be an easy measure for Argentina to take.

41. In a further assessment on 8 January 1976 the Joint Intelligence Committee concluded that Argentina was unlikely to launch a sudden invasion in the near future, but that the likelihood had increased of the Argentine Government's intensifying political pressures and taking specific measures, such as the recall of Ambassadors and the suspension of the air service. It concluded that physical aggression remained a remoter prospect, but certainly could not be excluded. On 22 January 1976 a further assessment was prepared of the events leading up to the withdrawal of Ambassadors. It judged that the army and navy commanders were against any military action which might help Sra. Peron's régime to stay in power; and noted that an Argentine Ministry of Foreign Affairs announcement on January that the Argentine Government were going ahead immediately with the extension of the airstrip suggested that they did not wish, at least for the time being, to interfere with communications. It assessed, however, that, although there might be a short lull, further counter-measures against British interests, in the form of more hostile political and economic pressure, were possible in due course. The likelihood of an 'adventurist' operation had increased. The assessment concluded that military operations remained a more remote possibility but, as the sequence of counter-measures proceeded, must be regarded as that much nearer .. An intelligence report of 23 January 1976 referring to a meeting in December 1975 indicated that the armed forces commanders had at that stage ruled out invasion.

#### RRS Shackleton

42. In December 1975 the British Naval Attaché in Buenos Aires had been warned by the Chief of the Argentine Naval Staff that the

<sup>(1)</sup> Official Report, House of Commons, 14 January 1976, Cols. 391-397.

RRS Shackleton, an unarmed research ship engaged on a programme of international scientific research unconnected with Lord Shackleton's mission, would be arrested if she entered "Argentine waters" (i.e. within 200 miles of the Argentine coast or continental shelf, which in Argentina's view, included the waters surrounding the Falkland Islands). On February 1976 an Argentine destroyer fired shots at the RRS Shackleton when she was 78 miles south of Port Stanley, and attempted, unsuccessfully, to arrest her. Subsequent intelligence indicated that plans for the interception had been in existence for about six weeks; that the decision had been taken by the armed forces, not the Government; and that Admiral Massera, the Commander-in-Chief of the Argentine Navy, had authorised firing into the ship but without causing casualties or sinking it. The Joint Intelligence Committee assessed the purpose of the operation as being an assertion of Argentine sovereignty over the Falkland Islands and their surrounding waters, in order to bring pressure to bear on the British Government to negotiate. It also judged that the armed forces commanders were opposed to military invasion, and concluded that the Argentine Government intended to follow a policy of "continued pin-pricks", which carried the risk of bringing about a progressive deterioration in Anglo-Argentine relations.

Mr. Rowlands's talks in New York

43. On 11 February 1976 Mr. Rowlands, Minister of State at the Foreign and Commonwealth Office, went to New York for talks with the new Argentine Foreign Minister, at which he was instructed by Mr. Callaghan to ask what proposals the Argentines had about discussions on sovereignty and to make it plain that the British Government " would defend the Islands if the Argentines attempted to use force". Despite the RRS Shackleton incident the talks were satisfactory. Mr. Rowlands obtained an assurance that the final leg of the RRS Shackleton's programme would not be interfered with; and it was agreed in principle that the dialogue on the Falklands dispute should in due course be resumed.

Defence considerations

44. As explained in paragraph 21, a detachment of Royal Marines has been stationed at Port Stanley since 1965. In addition, over the period an ice-patrol vessel was stationed in the area during the Antarctic summer months, which, in addition to her guardship role, undertook hydrographic and other work in the area of the Falkland Islands and the Dependencies. HMS Endurance was brought into service in this capacity in 1967, when she replaced HMS Protector. She is armed with two 20 mm Oerlikon guns and carries two Wasp (in 1976 Whirlwind) helicopters equipped with air-tosea missiles. One consequence of the 1974 Defence Review, which resulted in a phased rundown of overseas commitments outside NATO, was a decision to take HMS Endurance out of service. Following the RRS Shackleton incident, however, the Secretary of State for Defence, Mr. Roy Mason, agreed to one further deployment of HMS Endurance. Following later representations from successive Foreign and Commonwealth Secretaries she was subsequently retained on an annual basis, until 1978, when the Secretary of State for Defence, then Mr. Fred Mulley, agreed to two further deployments, in 1979/80 and 1980/81.

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45. In February 1976, in view of the increasing risk of hostile action by Argentina, Mr. Mason agreed to a proposal from Mr. Callaghan for the deployment to the area of a frigate with Royal Fleet Auxiliary(1) support.

46. In the same month, with a view to discussion in the Defence Committee, Mr. Callaghan asked Mr. Mason for "a full and up-to-date military assessment on possible military options and limitations" considering the range of possible deployments in a number of eventualities, including a determined Argentine assault intended to eject the British garrison. A paper on military options to counter possible Argentine actions was approved by the Chiefs of Staff on 19 February 1976 and circulated as an annex to a paper for the Defence Committee.

47. The Chief of Staffs paper drew attention to the fact that air reinforcement was ruled out by the limitations of the airstrip at Port Stanley; the adverse weather conditions there; its distance from Ascension Island; and the likely unavailability of South American airfields in the event of a conflict. To dislodge Argentine occupation of part of the Falkland Islands or the Dependencies would require an amphibious force with embarked troops. It would not be practicable to provide, transport and support the force necessary in the Islands to ensure that a determined Argentine attempt to eject the British garrison was unsuccessful. To recover the Islands by military means, though far from impossible, would be a major operation at very long range. The least force for this purpose would be of Brigade Group strength, the transport of which would entail the use of all the Navy's amphibious resources, a sizeable Task Force, including HMS Ark Royal, and substantial logistic support.

Resumption of negotiations

48. In the light of the deterioration of relations with Argentina, and the agreement in principle reached between Mr. Rowlands and the Argentine Foreign Minister in New York, Mr. Callaghan decided to undertake a major review of policy. In March 1976 the Defence Committee and the Cabinet approved his proposals for a fresh dialogue on all aspects of the dispute, both the possibilities of Anglo-Argentine economic co-operation in the South West Atlantic and "the nature of a hypothetical future constitutional relationship".

49. Once Argentina had been informed that the Government were prepared to resume negotiations, including discussion of sovereignty, the threat of military action receded. Exploratory talks with Argentina were held in confidence at official level in July and August 1976. By then, following a coup on 23 March 1976, Argentina was under the rule of a military Junta, which, with changes in membership, remained in power.

Argentine political situation in the light of events since the military coup in March. On the Falklands it concluded that Argentina might have unduly high expectations of the current negotiations. If these were dashed, it could be expected to return to a more aggressive approach, initially in the United Nations. It assessed, however, that it was most unlikely that the Argentine Government would react by taking military action against

(1) A Royal Fleet Auxiliary is a civilian manned Royal Navy support vessel.

the Islands. This assessment derived from intelligence that it was the view of President Videla and others that, if it proved impossible to reach a solution through bilateral negotiations, Argentina would be obliged to seek a solution via the United Nations.

## Further Argentine activity at the United Nations

51. In December 1976 the United Nations General Assembly passed another Resolution (31/49 (XXXI)) approving a further report of the Special Committee; expressing "its gratitude for the continuous efforts made by the Government of Argentina . . . to facilitate the process of decolonization and to promote the well-being of the population of the Islands"; and requesting the Governments of Argentina and the United Kingdom to expedite the negotiations and to report to the Secretary-General and to the General Assembly as soon as possible on the results. The Resolution was passed by 102 votes to one (the United Kingdom) with 32 abstentions.

#### Southern Thule

- 52. On 20 December 1976 a helicopter from HMS Endurance discovered the existence of an Argentine military presence on Southern Thule in the South Sandwich Islands. An intelligence report indicated that the presence was probably established the previous month with the approval of the Naval Commander-in-Chief. On 5 January 1977 the Argentine Chargé d'Affaires in London was summoned to the Foreign and Commonwealth Office and asked by the head of the Latin America Department to explain the Argentine presence. At the same time the British Chargé d'Affaires in Buenos Aires was instructed to seek an explanation from the Argentine Ministry of Foreign Affairs.
- 53. On 14 January 1977 the Argentine Ministry of Foreign Affairs delivered a communication to the British Chargé d'Affaires in the form of a bout de papier claiming that the purpose of the operation was to establish a station with a view to scientific investigation within the jurisdiction of Argentine sovereignty and expressing the hope that nothing would cloud the "auspicious perspectives" for negotiations. The bout de papier also stated that the station's permanency would depend on the practicability of the tasks undertaken, although the official delivering it hinted that it would not be permanent. A formal protest was delivered on 19 January 1977 stating that the British Government considered the establishment of the scientific station, without prior reference to the British authorities, a violation of British sovereignty; pointing out that the British Government were entitled to expect that the Argentine Government would have approached them before taking action; and expressing the hope that they would learn that the scientific programme was being terminated. British Government took no steps to make public the Argentine presence on Southern Thule, which did not become known in the United Kingdom until May 1978.
- 54. It became clear later in the month that the Argentine presence was larger than the bout de papier had indicated. On 27 January 1977 intelligence indicated that the original intention had been to announce the existence of the base in mid or late March, when it was too late for

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gentine presence 27 January 1977 en to announce was too late for British ships to enter South Atlantic waters. The Argentine expectation had been that the British reaction would have been stronger. If the Argentine personnel had been captured, the British Antarche Survey party on South Georgia would have been taken off as a reprisal. According to further intelligence, there was an Argentine Navy contingency plan for a joint air force and navy invasion of the Falkland Islands combined with a diplomatic initiative at the United Nations.

31 January 1977. It thought it unlikely that the establishment of an Argentine presence on Southern Thule could have been mounted without intentions were:

- (i) to make a physical demonstration of Argentine sovereignty over the Dependencies;
- (ii) to probe the British Government's reaction to such a demonstration;
- (iii) to obtain a bargaining counter in the forthcoming discussions.

The assessment concluded that the Argentine Government were unlikely to order withdrawal until it suited them to do so and, depending on the British Government's actions in the situation, could be encouraged to attempt further military action against British interests in the area.

56. On 7 February 1977 intelligence indicated that the Argentine Navy's contingency plans had been shelved for the time being on the ground that, although an occupation would have had much to commend it for internal political reasons, Argentina could not count on the support of the Third World or the Communist Bloc.

57. On 14 February 1977 Ultima Clave, a Buenos Aires weekly political news-sheet, published an article about the occupation of an "island" (Southern Thule) in the South Sandwich Islands. Argentina maintained a presence there and it was still in occupation at the time of the invasion of the Falkland Islands.

Announcement of resumption of negotiations

58. On 2 February 1977 in a statement to Parliament(1) the Foreign and Commonwealth Secretary, Mr. Crosland, announced the Government's decision that "the time has come to consider both with the Islanders and the Argentine Government whether a climate exists for discussing the broad issues which bear on the future of the Falkland Islands, and the possibilities of co-operation between Britain and Argentina in the region of the South West Atlantic". He made it clear that in any discussions the Government would reserve their position on sovereignty; that any changes which might be proposed must be acceptable to the Islanders; and that there must be full consultation with the Islanders at every stage. In the same statement, Mr. Crosland announced the Government's conclusions on the recommendations in the Shackleton Report. He said that a number of further studies would be set up, but the Government were not prepared to accept the more costly recommendations, notably the enlargement of the airport and lengthening of the runway. Mr. Crosland reported

(1) Official Report, House of Commons, 2 February 1977, Cols. 550-561.

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(1) Official Report, House of Commons, 2 February 1977, Cols. 550-561.

63. On 11 October 1977 a Joint Intelligence Committee assessment referred to information that another Argentine naval party was due to land on Southern Thule in the middle of the month. It judged that military action was still unlikely pending the negotiations, although Admiral Massera might act unilaterally against a Royal Fleet Auxiliary vessel going to Southern Thule. A fuller assessment on 1 November 1977 referred to the increasing resentment in the Ministry of Foreign Affairs of what were seen as the British Government's delaying tactics; and to the militancy of the Navy. The assessment concluded that the military Junta as a whole would prefer to achieve its sovereignty objectives by peaceful means and that, as long as it calculated that the British Government were prepared to negotiate seriously on the issue of sovereignty, it was unlikely to resort to force. If negotiations broke down, or if Argentina concluded from them that there was no prospect of real progress towards a negotiated transfer of sovereignty, there would be a high risk of its then resorting to more forceful measures, including direct military action. The assessment judged that in those circumstances action against British shipping would be the most serious risk; another possibility was the establishment of an Argentine presence on one or more of the Dependencies, which might involve a risk to the British Antarctic Survey base on South Georgia. A private 'adventurist' operation against the Falklands, which the Junta might feel obliged to support, was always possible. In the Committee's view invasion of the Falkland Islands was unlikely, but could not be discounted,

Consideration of counter-measures

64. In the light of the deteriorating situation, the Foreign and Commonwealth Office asked the Ministry of Defence at the end of October 1977 for a paper on the defence implications of the Argentine threat. The Ministry of Defence circulated a paper on 4 November, which had been approved by the Chiefs of Staff. on the military options to counter possible Argentine actions as identified in the Joint Intelligence Committee's assessment. It followed closely the lines of the paper prepared the previous year (see paragraphs 46-47) and, in relation to the main threats, reached broadly similar conclusions.

65. In the light of the intelligence assessment Ministers decided at a meeting on 21 November 1977 that a military presence in the area of the Falkland Islands should be established by the time the negotiations began in December. The objective would be to buttress the Government's negotiating position by deploying a force of sufficient strength, available if necessary, to convince the Argentines that military action by them would meet resistance. Such a force would not be able to deal with a determined Argentine attack, but it would be able to respond flexibly to limited acts of aggression. The Committee agreed that secrecy should be maintained about the purpose of the force. One nuclear-powered submarine and two frigates were deployed to the area, the submarine to the immediate vicinity of the Islands with the frigates standing off about a thousand miles away. Rules of engagement were drawn up.

Cabinet Committee papers show clearly that it was agreed that the force should remain covert. We have found no evidence that the Argentine Government ever came to know of its existence. In the event the negotiations went reasonably well. The Argentine threat receded, and it was agreed after the talks that the naval force could be withdrawn. Consideration was subseque next round o not to do so.

## Continuation

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Assessment of Argentine threat

77. In November 1979 the Joint Intelligence Committee reassessed the Argentine threat to the Falklands. It reviewed developments since the last assessment (in November 1977), since when, as it judged, the Argentine military threat had been diminished by the British Government's decision to negotiate and by Argentina's preoccupation with higher priorities in foreign affairs, notably its dispute with Chile over the Beagle Channel, and with changes in the Argentine Government. It considered, however, that there was no diminution in Argentina's determination to extend its sovereignty to the area of the Falklands, and that the overriding consideration for the Argentine Government remained their perception of the British Government's willingness to negotiate about, and eventually to transfer, sovereignty. It concluded that, while the Argentine Government would prefer to achieve their sovereignty objectives by peaceful means, if negotiations broke down or if for some other reason the Argentine Government calculated that the British Government were not prepared to negotiate seriously on sovereignty, there would be a high risk of their resorting quickly to more forceful measures against British interests; and that in such circumstances direct military action against British shipping or against the Falkland Islands could not be discounted, although "the risk of such action would not be as high as hitherto".

Exploratory talks

78. On 24 January 1980 Lord Carrington sent a minute to the Prime Minister and other members of the Defence Committee in preparation for a meeting the following week. He advised that exploratory talks with the Argentine Government should be started soon since to continue to stall could be risky. The Defence Committee considered Lord Carrington's memorandum of 12 October 1979 on 29 January 1980. The Committee agreed that it was undesirable that talks should be resumed on the basis of the terms of reference announced by the previous Government in April 1977 (see paragraph 60). It invited Lord Carrington to seek written confirmation from the Falkland Islands Council that it was its wish that talks with the Argentine Government should be resumed; and to propose new terms of reference for them. The agreement of the Falkland Island Councillors was obtained, and it was announced in the House of Commons on 15 April 1980(1) that talks would take place later that month in New York.

79. The first round of talks was held in New York in April 1980. The British delegation, which was led by Mr. Ridley, included an Island Councillor. The talks were exploratory and, although the Argentine delegation restated the Argentine position on sovereignty, it was agreed that the fundamental difference of opinion on this matter should not inhibit further discussion of the possibility of co-operation in the development and conservation of the resources of the South-West Atlantic.

### Leaseback

80. In July 1980 the Defence Committee reviewed the position in the light of these discussions, on the basis of a further memorandum by Lord Carrington. It agreed to attempt to reach a solution of the dispute on the basis of a leaseback arrangement. At a further meeting on

(1) Official Report, House of Commons, 15 April 1980, Written Answers, Col. 589.

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come of itself in the Islands, in Parliament or even in the whole of Government. The Ambassador recommended that the forthcoming meeting should concentrate on the possibility of a "sales campaign", perhaps mainly by bringing home to British opinion the potential cost of any alternative. He warned that the risk of Argentina's using Britain as a scapegoat for its domestic troubles could well be much more threatening by the end of the year. If the Government sponsored more visibly the idea that a negotiated settlement must be envisaged and achieved, it would help to reduce the risk of Argentina's concluding that the Government were simply bamboozling them without any basic intention of reaching a mutually acceptable settlement.

- 92. At the meeting on 30 June the situation in Argentina and in the Islands was also discussed in detail. The Governor gave the view from the Islands. He said that the Islanders wished to have nothing whatsoever to do with the Argentines; they did not believe that any terms which could be agreed for a leaseback settlement could ever provide them with the guarantees that they wanted.
- 93. The conclusions reached by the meeting were that the immediate aim should be to play for time with Argentina; that the new Falkland Islands Legislative Council, when elected, should be persuaded to allow talks to continue; that a paper for the Defence Committee should be prepared recommending a major public education campaign; and that up-to-date contingency papers, both civil and military, should be prepared as annexes to it.

I . [ ] - Intelligence assessment

- 94. On 9 July 1981 the Joint Intelligence Committee circulated a new assessment of the likelihood of Argentina's resorting over the next few months to forcible action in the Falkland Islands dispute. It reviewed developments since the last assessment in 1979, including the progress of talks held with Argentina in that period, political and economic developments in Argentina, the progress of its sovereignty dispute with Chile about islands in the Beagle Channel and its improving relations with the United States and Brazil. The assessment reviewed the options open to the Argentine Government if they decided to resort to direct measures in the dispute. It took the view that it was likely that in the first instance Argentina would adopt diplomatic and economic measures. The latter could include the disruption of air and sea communications, of food and oil supplies and of the provision of medical treatment. There was also a distinct possibility that Argentina might occupy one of the uninhabited Dependencies, following up its action in 1976 in establishing a presence on Southern Thule; and a risk that it might establish a military presence in the Falkland Islands themselves, remote from Port Stanley. In the Committee's view harassment or arrest of British shipping would not be a likely option unless the Argentine Government felt themselves severely provoked.
- 95. As in 1979, the assessment noted that there was no sign of diminution in Argentina's determination eventually to extend its sovereignty over the Falkland Islands area, but that it would prefer to achieve this objective by peaceful means and would turn to forcible action only as a last resort. As before, it judged that the overriding consideration would be Argentina's perception of the Government's willingness to negotiate genuinely about,

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and eventually to transfer, sovereignty. It recorded evidence of impatience in Argentina at the absence of progress in negotiations and at the attitude of the Islanders. Earlier in the year Argentina had reduced the scheduled flights to the Islands and delayed a supply ship. These actions were seen as evidence that in any escalation of the dispute such measures would be likely to come first. It was thought, however, that relatively small-scale military action could not be ruled out. The final paragraph of the assessment stated that, if Argentina concluded that there was no hope of a peaceful transfer of sovereignty, there would be a high risk of its resorting to more forcible measures against British interests, and that it might act swiftly and without warning. In such circumstances military action against British shipping or a full-scale invasion of the Falkland Islands could not be discounted.

Mr. Ridley's report to Lord Carrington

96. On 20 July Mr. Ridley sent a minute to Lord Carrington. He recorded the agreement of his meeting on 30 June that there was no alternative to the leaseback idea which stood any chance of solving the dispute, while noting that the prospects for negotiating a sovereignty solution with Islander agreement had receded in recent months. The forthcoming general elections in the Islands seemed certain to lead to a new Legislative Council opposed to substantive sovereignty talks with Argentina. While it might be possible to manage one more round of talks without specific sovereignty proposals on the table, it must be expected that Argentine patience would then run out. Mr. Ridley warned that, if Argentina concluded, possibly by early 1982, that the Government were unable or unwilling to negotiate seriously, retaliatory action must be expected: in the first instance through the withdrawal of communications, fuel and other facilities which it provided; in the longer run through some form of military action. Mr. Ridley then examined the options available. He dismissed that of simply playing for time, except in the very short term, and suggested that there were three possible courses of action: to open negotiations on leaseback with or without Islander concurrence or participation, but with the outcome remaining conditional on the agreement of the Islanders and of Parliament; to embark on a public education campaign to educate Islander and British public opinion about the facts of the situation, the consequences of a failure to negotiate and the corresponding advantages of a sovereignty solution; or to let Argentina conclude that the Government would not discuss sovereignty, and to set in hand contingency action to deal with the consequences. Mr. Ridley advised against the first of these on the ground that it would breach the long held policy of acting only in accordance with the Islanders' wishes; and the third on the ground that it would be difficult and very costly to sustain the Islands and could lead to a military confrontation with Argentina. He recommended adopting the second option, despite the public criticism that it was likely to attract, and suggested that the matter should be discussed in the Defence Committee in September.

Formal expression of Argentine views

97. On 27 July 1981 a note was delivered to the British Ambassador in Buenos Aires from the Argentine Foreign Minister, Dr. Camilion, expressing the Argentine Government's serious concern at the lack of progress at the last round of talks in February 1981. It referred to the fact that ten years had passed since the Communications Agreements and stated

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orted to the nmonwealth that he had been struck by the much tougher way in which everyone in Buenos Aires was talking about the Falkland Islands. He thought that, if Argentina did not get what it wanted, it might well take some military action.

The Foreign and Commonwealth Office's assessment of the situation

146. On his return to London Mr. Luce answered a Parliamentary Question on 3 March(1) on the discussions he had held in New York. In answer to supplementary questions he stated that there would be no contemplation of any transfer of sovereignty without consulting the wishes of the Islanders, or without the consent of the House. He referred to the communiqué issued by the Argentine Ministry of Foreign Affairs as "not helpful to the process that we all wish to see, that will resolve this dispute"; and, when asked for an assurance that all necessary steps were in hand to ensure the protection of the Islands against unexpected attack, said, "we have no doubts about our sovereignty over the Falkland Islands and no doubt about our duties to the Islanders".

147. At a short meeting on 5 March 1982 Lord Carrington reviewed the situation with Mr. Luce, Mr. Ure and Mr. Fearn. In accordance with normal Foreign and Commonwealth Office practice, no minutes of the meeting were taken, but Mr. Ure recorded the points for action that had emerged. These were that:

- (i) draft messages should be prepared urgently for Mr. Luce to send to Sr. Ros, and for Lord Carrington to send to Dr. Costa Mendez urging him to put the talks back on the rails on the lines agreed in New York;
- (ii) a draft personal message should be prepared for Lord Carrington to send to Mr. Haig;
- (iii) a note should be prepared on United Nations Resolutions on the Falklands; and the Department should consider what initiative might be taken there if the present negotiations broke down; and
- (iv) a draft paper should be prepared for a Defence Committee meeting to be held "fairly soon", probably as soon as the Argentine response to the ministerial messages was received.

Mr. Ure recorded that the Cabinet Office had said that the Prime Minister would like the next Defence Committee paper on the Falklands to include annexes on both civil and military contingency plans.

148. Although the fact is not recorded in Mr. Ure's note, he also took the opportunity, after consulting the Permanent Under-Secretary of State (who was not present at the meeting) to tell Lord Carrington that, in November 1977, at an earlier period of heightened tension in the dispute, the previous Government had covertly sent a small naval task force to the area. Lord Carrington asked whether the Argentines had known about it and, when told that they had not, he did not pursue the matter. Officials did not recommend to Ministers at the meeting that they should consider a similar naval deployment.

Intelligence reports

149. In early March 1982 a number of intelligence reports were available indicating the views of Argentine Ministers and officials in the preceding

(1) Official Report, House of Commons, 3 March 1982, Cols. 263-264.

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weeks. The general tenor of these reports was that, while it was important for the Argentine Government to make progress in the negotiations, military action was not being contemplated in the immediate future. Reports available immediately prior to the New York talks reflected the views of Argentine officials that there would be no invasion unless the talks broke down; that it would be unrealistic to think of invasion before the next southern summer; and that invasion was not considered a realistic option. A further report at the beginning of March, reflecting an Argentine diplomatic view, was to the effect that Argentina was determined to achieve progress on sovereignty by the end of the year; and, if this was not forthcoming, would take the issue to the General Assembly with a view to obtaining a declaration recognising Argentine sovereignty over the Falklands. There was information that Dr. Costa Mendez had decided that, if the talks did not produce results, a campaign would be mounted against Britain in international organisations; if this failed and the talks on the Beagle Channel made no progress, there was likely to be little alternative to the use of force.

150. On 2 March 1982 the British Defence Attaché in Buenos Aires wrote to the Governor of the Falkland Islands, copying his letter to the Ministry of Defence and the Foreign and Commonwealth Office (where it was received on about 9 March) on the Argentine military threat to the Falklands. This followed a private visit that he had made to the Islands on his own initiative in January 1982 to enable him to judge at first hand the military situation there in the event of Argentine action. On his return to Buenos Aires he had briefed the British Ambassador there about his visit, but had not made a formal report in view of its unofficial nature. In the light of later developments, in particular Argentine press comment about the possibility of military measures, the Defence Attaché decided to circulate his views more widely. In his letter he commented that, on the worst possible interpretation of developments, an Army President, who had already demonstrated his lack of patience when frustrated over such issues, could give orders to the military to solve the Malvinas problem once and for all in the latter half of the year. He judged that, unless and until the talks broke down, the most likely threat was posed by the Argentine Navy, which could take a number of measures to demonstrate how the Argentine claim to sovereignty could be backed by strength, such as establishing a naval presence on an outlying island or landing marines on one of the islands for a twenty-four hour exercise. If the Argentines came to believe that a negotiated settlement was no longer possible, a straight seizure of the Islands was an obvious alternative. The Defence Attaché pointed out that in Argentina a military coup was a fairly well practised art; the Argentine Army studied and admired coup de main operations of all sorts. He examined several ways in which Argentina might mount an operation of this kind, and pointed out that the chance of providing early warning from Argentina could be increased if some special arrangements could be made, but that as things were they could not realistically expect to be able to detect any Argentine military moves.

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151. On 10 March an officer in the Defence Intelligence Staff of the Ministry of Defence circulated a minute widely within the Ministry of Defence; it was also copied to the Foreign and Commonwealth Office. It drew attention to recent intelligence indicating that the belligerent press comment had been inspired by the Argentine Navy in an attempt to achieve

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Buenos Aires wrote ter to the Ministry ce (where it was ary threat to the ade to the Islands udge at first hand action. On his ssador there about s unofficial nature. ne press comment Attaché decided mmented that, on my President, who istrated over such inas problem once , unless and until by the Argentine nonstrate how the strength, such as nding marines on Argentines came ossible, a straight Defence Attaché rly well practised main operations tina might mount ance of providing special arranged not realistically

the Ministry of monwealth Office, belligerent press attempt to achieve an early settlement of the dispute. The intelligence also indicated that, if there was no tangible progress towards a settlement by the end of June, the Argentine Navy would push for a diplomatic offensive in international organisations, a break in relations with Britain and military action against the Islands, but that neither President Galtieri nor the Army was thinking along those lines. Summarising the position, the minute said that all other diplomatic and intelligence reporting in recent weeks confirmed that all elements of the Argentine Government apart from the Navy favoured diplomatic action to solve the dispute and that the military option was not under active consideration at that time. It saw no reason to believe that the Argentine Navy had any prospect of persuading the President or other Government members to adopt its proposed course of action or of going it alone; and did not therefore consider that the Navy's attitude posed any immediate or increased threat to the Falkland Islands beyond that outlined in the most recent Joint Intelligence Committee assessment, prepared in July 1981.

The Prime Minister's reaction to the deteriorating diplomatic situation

152. On 3 March the British Ambassador in Buenos Aires had reported further comment in the Argentine press on the unilateral communiqué (see paragraph 139). When the Prime Minister saw this telegram, she wrote on it, "we must make contingency plans". Her Private Secretary wrote to the Foreign and Commonwealth Office on 8 March, copying his letter to the Ministry of Defence and the Cabinet Office, recording the Prime Minister's comment and saying that he understood that it might be the intention of Lord Carrington to bring a further paper on the Falkland Islands to the Defence Committee in the fairly near future; and that the Foreign and Commonwealth Office might think that this could helpfully contain an account of contingency planning. No immediate response was made to the letter because, we believe, of the general expectation in Whitehall that it would be included on the agenda of an early meeting of the Defence Committee.

153. On 8 March the Prime Minister also spoke to Mr. Nott and asked him how quickly Royal Naval ships could be deployed to the Falkland Islands, if required. The Ministry of Defence replied on 12 March indicating which ships were then deployed in the West Indies, and on exercise in the Gulf of Mexico and off the eastern seaboard of the United States. The reply pointed out that passage time for a frigate deployed to the Falklands, which would require Royal Fleet Auxiliary support, would be in the order of 20 days.

### Diplomatic initiatives

154. On further consideration of the action agreed at Lord Carrington's meeting on 5 March 1982 (see paragraph 147), it was decided to send only one message to the Argentine Government, from Lord Carrington to Dr. Costa Mendez. A draft was sent to the Governor on 8 March for consideration by the Island Councillors. It expressed Lord Carrington's pleasure at the progress that had been made in New York towards setting up new procedures for carrying forward and giving fresh impetus to negotiations about the future of the Islands, which reflected the Government's determination to achieve a peaceful solution to a difficult issue which would be acceptable to both Governments and to the people of the Falkland Islands,

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Haig's help in ensuring that the issue was settled peacefully and in accordance with the democratically expressed wishes of the inhabitants of the Islands. Mr. Haig's reply was delivered on 15 March. In it he referred to Mr. Enders's visit to Buenos Aires, where he had urged the Argentines to continue negotiations. He said that they had been non-committal but not negative. Mr. Haig added that, as opportunities presented themselves, the Americans would continue to urge a constructive approach with due regard for all interests at stake.

Intelligence: mid-March 1982

a number of intelligence reports. One reported that Mr. Enders had been told during his visit that Argentina planned to mount an international diplomatic offensive if there were no immediate signs of British willingness to bring negotiations to a successful conclusion within the next year; the report claimed that Mr. Enders had indicated that the United States Government would see no problem in this course of action. Another, reflecting Argentine military views, referred to a plan to achieve gradual British withdrawal from the Falklands over a period of 30 years, at the end of which full sovereignty would pass to Argentina; the talk of invasion since the New York negotiations was said to have been part of a design to put psychological pressure on Britain. A further report indicated that senior Argentine naval officers doubted that Argentina would invade the Falklands, although it would be relatively simple to do so and they thought that Britain would not prevent it.

159. Other intelligence reports indicated that the Junta had been displeased with the agreement reached in New York and that the unilateral Ministry of Foreign Affairs communiqué had been issued on the orders of the President. The view of the Ministry of Foreign Affairs was said to be that the negotiating team in New York had properly carried out its instructions except in failing to obtain British agreement to a date in March 1982 for a meeting to begin the monthly series of talks. This had caused the trouble with the Government. It had been decided that, if no reply were forthcoming from the British side on a date in March 1982, Argentina would retaliate by withdrawing the air or sea services to the Islands. There had been no final decision on the action to be taken if the British agreed to a date after March but there was a disposition in the Ministry of Foreign Affairs to take action to show all concerned that they were serious. Dr. Costa Mendez was also concerned to make up for the Argentine failure in the Beagle Channel dispute. An invasion was said not to have been seriously considered but in the last resort it could not be discounted in view of the unpredictability of the President and some senior members of the armed forces.

160. At this stage in the diplomatic exchanges with Argentina, the initiatives directed towards the resumption of negotiations on the basis agreed at the New York talks at the end of February were, in effect, overtaken by the South Georgia incident, with which we deal in Chapter 3.

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that for these reasons there was everything to be said for a very early discussion by the Defence Committee, hopefully before Easter. Mr. Wiggin separately notified Mr. Luce of his agreement to the double-banking of the Port Stanley garrison.

The Ministry of Defence also sent to the Prime Minister's office a revised version of the note approved by the Chiefs of Staff in September 1981 on the defence implications of Argentine action against the Falkland Islands (see paragraphs 110-112). The only significant changes from the earlier version were the removal of the cost estimates and of a concluding summary paragraph, and the addition of a passage discussing the possibility, at the outset of a period of rising tension with the prospect of Argentine military action against the Falklands, of deploying a nuclearpowered submarine to the region, either covertly or overtly as a deterrent pending the arrival of further naval reinforcements. On the response to an Argentine invasion of the Falkland Islands, the conclusion was unchanged: if faced with Argentine occupation of the Islands on arrival, there could be no certainty that the large balanced force required to deter a full-scale invasion could retake them. for full coul (aua

206. Intelligence reports were circulated—and seen by Mr. Luce—indicating that on 23 March there was still no serious intention of invasion by the Argentine Government as a whole, although there was a more hawkish attitude in Navy quarters, and that the Ministry of Foreign Affairs believed that a negotiated solution would be preferable. The reports also indicated that the Argentine Government would try to raise the temperature but would stop short of bloodshed. The British Embassy in Buenos Aires reported, on the basis of information from another Embassy, that all the submarines at the naval base of Mar del Plata had recently put to sea but that this might not be sinister since a joint naval exercise was taking place, probably in the River Plate area, with the Uruguayan navy.

Saturday 27 March

207. On Saturday 27 March the British Ambassador in Buenos Aires reported his fears that Dr. Costa Mendez had been less than honest with him and that the Argentines had been "playing us along". He took this view because after the Commanders-in-Chief's meeting the previous evening Dr. Costa Mendez did not summon him, as they had agreed, but instead made a public statement that a firm decision had been taken to give the men on South Georgia all necessary protection, which, in view of the presence of the Bahia Paraiso, would not be only diplomatic. The British Ambassador reported that he was seeking an urgent interview with Dr. Costa Mendez to discuss this statement and to clarify the status of the Bahia Paraiso. He later saw Sr. Ros and pressed for information about the position of the Bahia Paraiso and about suggestions in the press that there were armed marines on board. Sr. Ros was unable to answer these questions and said that, following the Commanders-in-Chief's meeting the previous evening, revised instructions had been given to the Ministry of Foreign Affairs, which would be put into a message to the British Government and delivered that day. The British Ambassador in Buenos Aires commented later in the day that he suspected that Argentine intentions were still a subject for debate within the Junta, the navy being the most, and the army and the President intelligence reports received since his departure reflecting Argentine service views. One indicated that a peaceful settlement of the South Georgia incident was possible but that, if any Argentines were killed, Argentina would initiate military action against the Falkland Islands themselves. The Argentine Government had not provoked the South Georgia incident but, now that it had happened, would take advantage of it to press forward Argentina's claim to sovereignty over all the islands. The Argentine assessment was that, while Britain might send naval reinforcements to the area, this was unlikely. The other report indicated that the Argentine Government could take military action against the Falklands in April, not through a complete invasion, but by occupying one of the outlying islands. A further report indicated that the Argentine Navy was keeping under review British naval dispositions worldwide.

### Wednesday 31 March

229. On the morning of Wednesday 31 March Lord Carrington sent a telegram from Tel Aviv accepting the advice of the British Ambassador in Buenos Aires to delay the message to Dr. Costa Mendez. Later in the day, however, Lord Carrington decided that the message should be delivered, in view both of the intelligence reports and of a British press report that day about the sailing of a nuclear-powered submarine, which might give the Argentines the impression that the British were seeking a naval rather than a diplomatic solution. The British Ambassador in Buenos Aires was instructed accordingly, and he delivered the message that evening.

230. An immediate assessment headed "Falkland Islands—the incident on South Georgia" was prepared and circulated by the Latin America Current Intelligence Group. It assessed that the landing on South Georgia had not been contrived by the Argentine Government, but that the Junta was taking full advantage of the incident to speed up negotiations on the transfer of sovereignty. Despite Sr. Davidoff's close contacts with some senior Argentine naval officers, the unauthorised landing was not considered to be part of the Navy's plans. There was no central coordination of Argentine policy and the Junta's intentions were not known, but it had a wide range of options open to it. Argentina had overwhelming superiority in the area. There was a possibility that, both because of the strength of Argentine public feeling on the issue and because of imperfect co-ordination and the confused counsel given by various Argentine officials and service advisers, the Junta might take some unexpected action. The assessment concluded that the Argentine Junta's main aim in its handling of the Falkland Islands dispute was to persuade the British Government to negotiate the transfer of sovereignty, and it was likely to try to use the incident on South Georgia to obtain the early opening of talks on the basis discussed in New York in February. This would tend to constrain it from adopting extreme options, but the possibility could not be ruled out that it might in future choose to escalate the situation by landing a military force on another Dependency or on one of the Falkland Islands. But it was believed that at that time the Argentine Government did not wish to be the first to adopt forcible measures. There was, however, a high risk of the Argentine Government's resorting to the use of force to rescue their nationals if the Argentine civilians on South Georgia were arrested or removed from the island. The Argentine Government would

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see such action by the British authorities as highly provocative and might use it as a pretext for an invasion of the Falkland Islands.

- 231. The British Naval Attaché in Buenos Aires reported to the Ministry of Defence that, according to the United States Naval Attaché, virtually all the Argentine fleet was at sea, but without the fleet commanders, and that this was well in advance of the next exercises planned for after Easter.
- 232. The British Ambassador in Buenos Aires reported Argentine press comment on the dispute, which had been overshadowed by violent demonstrations in Buenos Aires against the Government's economic policies. Lord Carrington's statement had been reported, but the popular press had given greater prominence to the despatch of a nuclear-powered submarine. There were also reports of the despatch of a British destroyer and a Royal Fleet Auxiliary vessel. Dr. Costa Mendez was widely quoted as telling reporters that Argentina would not give way to threats of force and that the group on South Georgia was on Argentine soil.
- 233. In the early evening of 31 March Mr. Nott was briefed by Ministry of Defence officials on intelligence which had been received that day that a time in the early morning of 2 April had been set by the Argentines as the time and day for action. It was considered that, taken with earlier intelligence reports, this provided a positive indication of an Argentine intention to invade the Falkland Islands. These reports were also seen by the Foreign and Commonwealth Office and the Joint Intelligence Organisation.
- 234. Mr. Nott sought, and obtained, an urgent meeting with the Prime Minister, which took place in her room at the House of Commons. It was also attended by Mr. Atkins, Mr. Luce, and Foreign and Commonwealth Office and Ministry of Defence officials. The Chief of Naval Staff was also present, having gone to the House of Commons to brief Mr. Nott.
- 235. At the meeting a message from the Prime Minister to President Reagan was drafted and sent just before 9.00 p.m. In it the Prime Minister referred to intelligence indicating that an Argentine invasion of the Falklands might be imminent and said that the British Government could not acquiesce in any Argentine occupation. She asked President Reagan to talk urgently to President Galtieri and ask for an immediate assurance that he would not authorise any landing, let alone hostilities; she said that he could tell President Galtieri that the British Government would not escalate the dispute or start fighting. The British Ambassador in Washington was asked to speak to Mr. Haig to ensure a rapid reaction from the White House. The Chief of Naval Staff advised on the size and composition of a task force likely to be capable of re-taking the Islands and was instructed to prepare such a force without commitment to a final decision as to whether or not it should sail.
- 236. The Foreign and Commonwealth Office immediately informed the British Ambassador in Buenos Aires and the Governor of the Falklands of the reports indicating a possible invasion. The Governor was instructed to pass on this information only to the garrison commander, *HMS Endurance* was ordered back to Port Stanley.
- 237. At 10.30 p.m. the British Ambassador in Buenos Aires delivered the message (see paragraph 229) to Dr. Costa Mendez, who said that he would communicate the message to his President and report back. Dr. Costa Mendez added, however, that the message was not what he had hoped for.

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- 45. In February 1976, in view of the increasing risk of hostile action by Argentina, Mr. Mason agreed to a proposal from Mr. Callaghan for the deployment to the area of a frigate with Royal Fleet Auxiliary(1) support.
- 46. In the same month, with a view to discussion in the Defence Committee, Mr. Callaghan asked Mr. Mason for "a full and up-to-date military assessment on possible military options and limitations" considering the range of possible deployments in a number of eventualities, including a determined Argentine assault intended to eject the British garrison. A paper on military options to counter possible Argentine actions was approved by the Chiefs of Staff on 19 February 1976 and circulated as an annex to a paper for the Defence Committee.

47. The Chief of Staffs paper drew attention to the fact that air reinforcement was ruled out by the limitations of the airstrip at Port Stanley; the adverse weather conditions there; its distance from Ascension Island; and the likely unavailability of South American airfields in the event of a conflict. To dislodge Argentine occupation of part of the Falkland Islands or the Dependencies would require an amphibious force with embarked troops. It would not be practicable to provide, transport and support the force necessary in the Islands to ensure that a determined Argentine attempt to eject the British garrison was unsuccessful. To recover the Islands by military means, though far from impossible, would be a major operation at very long range. The least force for this purpose would be of Brigade Group strength, the transport of which would entail the use of all the Navy's amphibious resources, a sizeable Task Force, including HMS Ark Royal, and substantial logistic support.

## Resumption of negotiations

- 48. In the light of the deterioration of relations with Argentina, and the agreement in principle reached between Mr. Rowlands and the Argentine Foreign Minister in New York, Mr. Callaghan decided to undertake a major review of policy. In March 1976 the Defence Committee and the Cabinet approved his proposals for a fresh dialogue on all aspects of the dispute, both the possibilities of Anglo-Argentine economic co-operation in the South West Atlantic and "the nature of a hypothetical future constitutional relationship".
- 49. Once Argentina had been informed that the Government were prepared to resume negotiations, including discussion of sovereignty, the threat of military action receded. Exploratory talks with Argentina were held in confidence at official level in July and August 1976. By then, following a coup on 23 March 1976, Argentina was under the rule of a military Junta, which, with changes in membership, remained in power.
- 50. In July 1976 the Joint Intelligence Committee assessed the Argentine political situation in the light of events since the military coup in March. On the Falklands it concluded that Argentina might have unduly high expectations of the current negotiations. If these were dashed, it could be expected to return to a more aggressive approach, initially in the United Nations. It assessed, however, that it was most unlikely that the Argentine Government would react by taking military action against

<sup>(1)</sup> A Royal Fleet Auxiliary is a civilian manned Royal Navy support vessel.

63. On 11 October 1977 a Joint Intelligence Committee assessment referred to information that another Argentine naval party was due to land on Southern Thule in the middle of the month. It judged that military action was still unlikely pending the negotiations, although Admiral Massera might act unilaterally against a Royal Fleet Auxiliary vessel going to Southern Thule. A fuller assessment on 1 November 1977 referred to the increasing resentment in the Ministry of Foreign Affairs of what were seen as the British Government's delaying tactics; and to the militancy of the Navy. The assessment concluded that the military Junta as a whole would prefer to achieve its sovereignty objectives by peaceful means and that, as long as it calculated that the British Government were prepared to negotiate seriously on the issue of sovereignty, it was unlikely to resort to force. If negotiations broke down, or if Argentina concluded from them that there was no prospect of real progress towards a negotiated transfer of sovereignty, there would be a high risk of its then resorting to more forceful measures, including direct military action. The assessment judged that in those circumstances action against British shipping would be the most serious risk; another possibility was the establishment of an Argentine presence on one or more of the Dependencies, which might involve a risk to the British Antarctic Survey base on South Georgia. A private 'adventurist' operation against the Falklands, which the Junta might feel obliged to support, was always possible. In the Committee's view invasion of the Falkland Islands was unlikely, but could not be discounted.

### Consideration of counter-measures

64. In the light of the deteriorating situation, the Foreign and Commonwealth Office asked the Ministry of Defence at the end of October 1977 for a paper on the defence implications of the Argentine threat. The Ministry of Defence circulated a paper on 4 November, which had been approved by the Chiefs of Staff, on the military options to counter possible Argentine actions as identified in the Joint Intelligence Committee's assessment. It followed closely the lines of the paper prepared the previous year (see paragraphs 46-47) and, in relation to the main threats, reached broadly similar conclusions.

65. In the light of the intelligence assessment Ministers decided at a meeting on 21 November 1977 that a military presence in the area of the Falkland Islands should be established by the time the negotiations began in December. The objective would be to buttress the Government's negotiating position by deploying a force of sufficient strength, available if necessary, to convince the Argentines that military action by them would meet resistance. Such a force would not be able to deal with a determined Argentine attack, but it would be able to respond flexibly to limited acts of aggression. The Committee agreed that secrecy should be maintained about the purpose of the force. One nuclear-powered submarine and two frigates were deployed to the area, the submarine to the immediate vicinity of the Islands with the frigates standing off about a thousand miles away. Rules of engagement were drawn up.

66. Cabinet Committee papers show clearly that it was agreed that the force should remain covert. We have found no evidence that the Argentine Government ever came to know of its existence. In the event the negotiations went reasonably well. The Argentine threat receded, and it was agreed after the talks that the naval force could be withdrawn. Consideration

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Foreign and Commonwealth Office were not contingency plans in this sense, but a much broader appreciation of the action that would be necessary to counter various forms of military action by Argentina. They did, however, incorporate a 'concept of operations', on which military action could be based.

110. At a meeting between Ministry of Defence and Foreign and Commonwealth Office officials on 1 May 1981 it was agreed that what was required was a "short politico-military assessment of the United Kingdom's ability to respond militarily to a range of possible Argentine actions, the implications of responding in a particular way and the chances of success, with some indication of the possible cost". (It was also agreed that plans for the evacuation of the Island population in the event of an emergency should not be prepared.) It was envisaged that the paper would form an annex to a paper for the Defence Committee. On completion the paper was

formally approved by the Chiefs of Staff on 14 September 1981.

( if it is paper, which was similar in scope to that prepared in 1977, examined the military options identified by the July 1981 Joint Intelligence Committee assessment as open to Argentina and possible responses to them. It noted that Argentina had some of the most efficient armed forces in South America, and gave a brief account of its naval and air capability. It also drew attention to Britain's very limited military capability in the area, consisting of only the garrison of 42 lightly armed Royal Marines on the Islands, the part-time Falkland Islands' defence force, and HMS Endurance, which was due to be withdrawn in March 1982. The paper explained that the length of the runway at Port Stanley, the lack of diversion airfields, the limited airfield facilities and the adverse and unpredictable weather conditions precluded air reinforcement on any significant scale. A British military response would therefore have to be primarily a naval one. Passage time was of the order of 20 days for surface ships, and additional time would be required to assemble and prepare sea reinforcements, which could involve significant penalties to other military commitments.

112. The paper then examined possible responses to various forms of Argentine action: harassment or arrest of British shipping; military occupation of one or more of the uninhabited islands; arrest of the British Antarctic Survey team on South Georgia; a small-scale military operation against the Islands; and full-scale military invasion of the Islands. On the last option the paper judged that, to deter a full-scale invasion, a large balanced force would be required, comprising an Invincible class carrier with four destroyers or frigates, plus possibly a nuclear-powered submarine, supply ships in attendance and additional manpower up to brigade strength, to reinforce the garrison. Such a deployment would be very expensive and would engage a significant portion of the country's naval resources. There was a danger that its despatch could precipitate the very action it was intended to deter. If then faced with Argentine occupation of the Falkland Islands on arrival, there could be no certainty that such a force could retake them. The paper concluded that to deal with a full-scale invasion would require naval and land forces with organic air support on a very substantial scale, and that the logistic problems of such an operation would be formidable.

113. In the period that the Chiefs of Staff paper was being prepared there was some anxiety in the Ministry of Defence (Navy Department)

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that for these reasons there was everything to be said for a very early discussion by the Defence Committee, hopefully before Easter. Mr. Wiggin separately notified Mr. Luce of his agreement to the double-banking of the Port Stanley garrison.

205. The Ministry of Defence also sent to the Prime Minister's office a revised version of the note approved by the Chiefs of Staff in September 1981 on the defence implications of Argentine action against the Falkland Islands (see paragraphs 110–112). The only significant changes from the earlier version were the removal of the cost estimates and of a concluding summary paragraph, and the addition of a passage discussing the possibility, at the outset of a period of rising tension with the prospect of Argentine military action against the Falklands, of deploying a nuclear-powered submarine to the region, either covertly or overtly as a deterrent pending the arrival of further naval reinforcements. On the response to an Argentine invasion of the Falkland Islands, the conclusion was unchanged: if faced with Argentine occupation of the Islands on arrival, there could be no certainty that the large balanced force required to deter a full-scale invasion could retake them.

206. Intelligence reports were circulated—and seen by Mr. Luce—indicating that on 23 March there was still no serious intention of invasion by the Argentine Government as a whole, although there was a more hawkish attitude in Navy quarters, and that the Ministry of Foreign Affairs believed that a negotiated solution would be preferable. The reports also indicated that the Argentine Government would try to raise the temperature but would stop short of bloodshed. The British Embassy in Buenos Aires reported, on the basis of information from another Embassy, that all the submarines at the naval base of Mar del Plata had recently put to sea but that this might not be sinister since a joint naval exercise was taking place, probably in the River Plate area, with the Uruguayan navy.

Saturday 27 March

207. On Saturday 27 March the British Ambassador in Buenos Aires reported his fears that Dr. Costa Mendez had been less than honest with him and that the Argentines had been "playing us along". He took this view because after the Commanders-in-Chief's meeting the previous evening Dr. Costa Mendez did not summon him, as they had agreed, but instead made a public statement that a firm decision had been taken to give the men on South Georgia all necessary protection, which, in view of the presence of the Bahia Paraiso, would not be only diplomatic. The British Ambassador reported that he was seeking an urgent interview with Dr. Costa Mendez to discuss this statement and to clarify the status of the Bahia Paraiso. He later saw Sr. Ros and pressed for information about the position of the Bahia Paraiso and about suggestions in the press that there were armed marines on board. Sr. Ros was unable to answer these questions and said that, following the Commanders-in-Chief's meeting the previous evening, revised instructions had been given to the Ministry of Foreign Affairs, which would be put into a message to the British Government and delivered that day. The British Ambassador in Buenos Aires commented later in the day that he suspected that Argentine intentions were still a subject for debate within the Junta, the navy being the most, and the army and the President