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R 26

YOUR TELNO 273 : JIC ASSESSMENT ON THE ARGENTINE THREAT TO THE FALKLAND ISLANDS AND DEPENDENCIES.

1. I AGREE WITH THE LINES OF ARGUMENT AND IN GENERAL WITH THE CONCLUSIONS OF THE ASSESSMENT.
2. SEVERAL ADDITIONAL CHANGES HAVE BECOME APPARENT SINCE THE LAST ASSESSMENT, WHICH MAY DESERVE MENTION :
 - A) INCREASING ARGENTINE CONCERN AT THIRD PARTY FISHING AROUND THE FALKLAND ISLANDS AND DEPENDENCIES, TO WHICH THEY HAVE SO FAR TURNED A BLIND EYE :
 - B) GREATER DEVELOPMENT OF OIL ON THE PATAGONIAN CONTINENTAL SHELF, PARTICULARLY OFF THE STRAITS OF MAGELLAN AND TIERRA DEL FUEGO, WHICH HAS INCREASED INTEREST IN EXPLORATION FOR OIL UNDER WHAT WE WOULD CONSIDER THE FAKLANDS SHELF. WE MUST PRESUME THAT THE ARGENTINES HAVE DRAWN THE SAME CONCLUSIONS FROM THE GSI AND WESTERN GEOPHYSICAL SEISMIC SURVEYS AS DID BNOC :
 - C) THE RECENT SOLUTION OF ARGENTINA'S IMMEDIATE PROBLEMS WITH BRAZIL AND PARAGUAY OVER THE HYDROELECTRIC SCHEMES ON THE PARANA RIVER :
 - D) OUR LOSS OF A POTENTIAL LEVER, PARTICULARLY WITH THE NAVY, ONCE THE FRIGATES CONTRACT WENT TO GERMANY.

3. MY COMMENTS ON THE CONCLUSIONS OF THE ASSESSMENT ARE AS FOLLOWS :

PARA A - I WOULD AMEND TO READ QUOTE DURING THE PERIOD FEBRUARY 1977 TO DATE THE ARGENTINE MILITARY THREAT WAS DIMINISHED BY THE BRITISH GOVERNMENT'S DECISION TO NEGOTIATE AND BY ARGENTINA'S PREOCCUPATION WITH HIGHER PRIORITIES IN FOREIGN AFFAIRS, NOTABLY THE BRACLE CHANNEL DISPUTE. CHANGES IN THE ARGENTINE GOVERNMENT HAVE

BEEN A CONTRIBUTORY FACTOR UNQUOTE.

PARA B - SUBSTITUTE QUOTE THE CURRENT MILITARY JUNTA AND PRESIDENT UNQUOTE FOR QUOTE THE ARGENTINE GOVERNMENT UNQUOTE.

PARA C - AFTER THE FIRST SENTENCE I WOULD ADD QUOTE DURING 1979 THE ARGENTINES HAVE BECOME MORE SCEPTICAL ABOUT HMG'S INTENTIONS FOLLOWING THEIR FAILURE TO SIGN THE SCIENTIFIC CO-OPERATION AGREEMENT FOR THE DEPENDENCIES AND UNWILLINGNESS TO RENEW MINISTERIAL TALKS THIS AUTUMN. IF DOUBTS ABOUT BRITISH INTENTIONS DEEPEN, THE ARGENTINES HAVE CERTAIN OPTIONS OPEN TO THEM, BOTH TO SATISFY DOMESTIC PRESSURES AND TO REMIND US OF THEIR CLAIM, SUCH AS THE ESTABLISHMENT OF AN ARGENTINE PRESENCE ON ANOTHER OF THE DEPENDENCIES, NOTABLY SOUTH GEORGIA, OR MILITARY ACTION TO CONTROL THIRD PARTY FISHING VESSELS IN PUTATIVE FALKLANDS AND DEPENDENCIES WATERS UNQUOTE.

PARA D - MIGHT THEN READ QUOTE IN SUCH CIRCUMSTANCES THE ARGENTINES COULD TAKE A RANGE OF MEASURES TO HARASS BRITISH INTERESTS, AND DIRECT MILITARY ACTION AGAINST BRITISH SHIPPING OR AGAINST THE FALKLAND ISLANDS CANNOT BE DISCOUNTED UNQUOTE.

4. ON THE MAIN PART OF THE ASSESSMENT I WOULD COMMENT THAT, ALTHOUGH PUT TO MEDIATION, THE BEAGLE CHANNEL DISPUTE IS STILL A DISTRACTION AND FOR THE MOMENT A HIGHER PRIORITY THAN THE FALKLAND ISLANDS, (RE PARAS 5 AND 10). SECONDLY, MASSERA'S REMOVAL FROM THE NAVY WAS MORE IMPORTANT THAN THE SWITCH OF THE FOREIGN MINISTRY TO THE AIR FORCE IN LESSENING THE LIKELIHOOD OF FORCEFUL POLICIES ON THE FALKLANDS (PARA6). THE AIR FORCE ARE NO LESS HAWKISH THAN THE NAVY. THEY MERELY LACK A FIGURE OF MASSERA'S STANDING AND AMBITION FOR THE PURSUIT OF FOREIGN POLICY OBJECTIVES.

5. WITHIN THE NEXT FORTNIGHT WE SHOULD KNOW THE END OF YEAR PROMOTIONS (PARA 7).

CARLESS

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SENT AT 23/1542Z HR
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26 NOV 1979

DESK CANCEL	
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26 November 1979

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H M Carless Esq CMG
Charge d'Affaires
BUENOS AIRES

Dear Sir,

ARGENTINA AND THE FALKLANDS

1. Thank you for your letter of 15 November. My own clear impression, both from my all-too-brief visit to Buenos Aires in August and from talking to Admiral Massera last month, is that the Argentines are not in a tearing hurry but that they do want to see, and to be able to show their people, some forward movement in solving the Malvinas problem to their own satisfaction.
2. In briefing Ministers on this question we have very much in mind the rivalry between branches of the Armed Forces which you mention in your paragraph 2. We realise that the Air Force Ministers will need to show before too long that they too are capable of keeping up the momentum and showing some results. It ought not, however, to be too difficult for Pastor and Cavandoli to defend their corner for a little while yet: the Navy did not have a great deal to show for those negotiations which took place during their period at the Foreign Ministry before Pastor took over in November 1978 and before Cavandoli joined him in January 1979. But inter-service rivalry is indeed a significant factor in the Argentine threat and is covered in the draft JIC assessment we have sent you for comments.
3. We are conscious also of the possibility of the Argentines doing something unpredictable. We realise your difficulties in being able to give us any advance warning of this. We have indeed ensured that HMS Endurance has written into its instructions a requirement to look out for activity by any foreign warships and specifically for incursions into British Territory by the Argentines. Masters of BAS ships have no similar written instructions but they are experienced men and know the situation and can be expected to report anything untoward.

Yours ever,

GWH

G W Harding

cc J R W Parker Esq CMG OBE
Port Stanley