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MINISTRY OF DEFENCE WHITEHALL LONDON SW1 2HB

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TELEPHONE 01-218 9000

4th July 1989

DIRECT DIALING 01-218 2111/3

Dear Geoffrey,

ARGENTINA: POSSIBLE THREAT TO UK INTERESTS

In your minute of ~~16th~~ ^{14th} June, covering a paper on possible responses to Argentine action against the Falklands or UK interests, you asked me to consider the adequacy of our defence arrangements in the new situation created by the election of Carlos Menem as President of Argentina.

The basis of our defence posture in the Falklands is to deter Argentine aggression by maintaining the capability to counter small scale incidents and to reinforce the garrison rapidly in the event of a more substantial threat. The opening of Mount Pleasant Airport in 1985, which gave us the capability to reinforce the garrison rapidly by air, also enabled us to reduce the size of the garrison to its present level. This essentially comprises four Phantom aircraft, a Rapier air defence squadron, a reinforced infantry company, a destroyer or frigate, submarine deployments and a variety of supporting arms and services.

The Rt Hon Sir Geoffrey Howe QC MP



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Although the election of Menem does not appear to call into question our underlying approach, I am sure it is right to review our dispositions and plans against the possibility that it could give rise to some form of military adventurism. As you say, it is very difficult to form a clear view of Menem's own intentions - indeed he himself may have little real idea of how to handle the Falklands issue. Nevertheless, his rhetoric and likely increased support for the Armed Forces will themselves produce a more volatile situation than under Alfonsin. I have therefore reviewed the possible military threats that could be mounted against the Falklands and our ability to respond to them.

The most serious threat would, of course, be a full scale attempt to reinvade the islands. The recent JIC assessment to which you refer concluded that the Argentine forces are insufficient for this task at present, and that it would take a great deal of money and considerable time for them to acquire such a capability. Although Menem will want to be sympathetic to military demands for re-equipment, the state of the Argentine economy and the competing demands for funds will severely limit his ability to deliver. It will nonetheless be very important to monitor closely attempts to re-equip the Argentine forces and to maintain our so far very successful efforts to prevent significant overseas purchases.

The JIC assessment did, however, also draw attention to the more immediate risk of lower level military action, whether authorised or unauthorised, especially if the Seineldin faction were to come to dominate within the Armed Forces. Although the election of Menem increases the possibility of such action, it is a threat which we have always recognised. The prime purpose of any such action would probably be political rather than military. It might be nothing more than a nationalist "flag waving" gesture on an



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outlying island using a yacht or fishing boat; or it might be something as serious as a fast, low flying strafing attack by jet aircraft using cannon or rockets against a military installation. There are small gaps in our low level radar cover to the south of East Falkland, and if an attacking aircraft were to exploit this it could possibly get through to the garrison's bulk fuel installation before the defences could react. Damage to those fuel tanks would reduce our capability and might also impair air operations and reinforcement. These radar gaps also admit the possibility of aircraft getting through to the Mount Pleasant runway itself. However, it is judged highly unlikely that any significant damage would be caused to the runway, since we assess that the Argentines are not at present able to mount an operation on a scale sufficient to achieve such a result. Measures have been in hand for some months to reduce our vulnerability in these and other areas, although it will remain extremely difficult to anticipate a maverick attack on the fuel tanks by special forces.

Apart from direct military action, there is also the possibility of lesser provocative action such as harassment of the INDIANA or simply through incursions into the Falkland Islands Protection Zone (FIPZ) designed to test our defences and resolve. I believe that, at present, our force level is adequate to respond to such actions, although incidents like that of the yacht PATAGON in January this year underline that we cannot be one hundred per cent certain of detecting incursions by small boats under cover of poor weather conditions. The increase in effort and assets which would be needed to be certain of preventing such incident would be out of proportion to the threat.

There are a number of additional short term measures that Commander British Forces Falkland Islands (CBFFI) could take with



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the forces currently at his disposal in the face of significant probing by the Argentines of the FIPZ, or if there were indications that some of attack could be expected. These include deployment of the in-theatre reserve radar, an increase in the frequency of maritime reconnaissance flights, intensified coastal surveillance by helicopter and infantry patrols, concentration of ship patrols towards the western FIPZ and deployment of two additional Rapier Fire Units. These measures could be maintained for a maximum of two weeks before either CBFFI had to call for increases in manpower and flying hours, or the situation was judged to merit the activation of some reinforcement.

The most important single measure as we enter this period of uncertainty is to ensure that we have taken all appropriate measures to make proper provision for intelligence collection and analysis. The current emphasis is on Argentine political developments, arms supplies and the build up of military capability. In a deteriorating situation the Agencies would be able to raise the level of military reporting with particular emphasis on movements and preparations for an attack. In addition, CBFFI could seek deployment of Nimrod aircraft from the UK equipped for aerial intelligence collection (which will in any case be deployed periodically). There is also a nuclear powered submarine on call in UK waters at 14 days notice to be off the Falklands. Deployment of this submarine would enhance CBFFI's intelligence collection capability. It has to be recognised, however, that it is highly unlikely that we would detect preparation for a maverick attack whether by air or sea. I am addressing sensitive aspects of intelligence collection in a separate note on limited distribution.

I should also say that I believe that the review of the South Atlantic Rules of Engagement (ROE) which is now nearing completion



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assumes greater significance in this new situation. The review was prompted by the assessment that the present ROE might, at least in force, be insufficiently flexible to meet the range of events that might now occur, for example Argentine incursions of the FIPZ which do not appear to represent a direct attack. They could thereby lay us open to the possibility of being provoked into firing unnecessarily upon an Argentine unit in the FIPZ, which would have obvious political disadvantages. If the election of Menem means that there is a greater threat of limited military action designed to hurt or embarrass, it is even more important that the ROE are designed to ensure that our military reactions are proportionate to the nature and threat of any incursion and to provide clear and practical guidance to commanders on the spot.

We have almost completed our work on the review which has proposed new ROE based on the criterion of hostile intent rather than simply physical location. This would be far better suited to deal with the wide range of situations, falling short of reinvasion, with which we might be faced. We must, of course, ensure that these continue to meet our military needs and an important element of the proposals in this respect is an extension of the territorial limit to 12 nautical miles (in line with general practice) from the present 3 miles. I have recently written to you and to the Attorney General about this and another particular issue raised by the reviews. Once I have your views on these points, I will submit my proposals to OD.

Finally, I have in hand a review of possible retaliatory actions open to us in response to Argentine harassment.

In summary, I believe that the present garrison remains appropriate although we might need to review this if we faced serious or continuing harassment (which seems unlikely at present).



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There is a need to resolve some known deficiencies, in particular small gaps in radar cover. We must also ensure that our intelligence collection and analysis is providing the correct level of information. I believe that the new Rules of engagement that I hope to put to OD very soon would be positively helpful in the sort of situation which might arise. Rapid reinforcement remains an option, and the content of the package could be tailored to the needs of the situation; but I see no need to undertake any reinforcement before we have evidence of what, if anything, Menem will do.

I am copying this letter to the Prime Minister and to other members of OD, and to Sir Robin Butler.

Yours wv,

George Younger

ARGENTINA: Relabias PT43

