Private Secretary

c.c. PS/LPS
PS/Mr Luce
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Sir A Acland
Mr Giffard
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RETAKING THE FALKLAND ISLANDS : THE POLITICAL COSTS

- 1. I understand that Number 10 have asked the MOD for proposals on how to recover the Falklands by military action; and the FCO for observations on the likely political costs involved.
- 2. We have not seen the MOD proposals, but the assumption must be that they would involve the fleet task group now assembling, No 3 Commando Brigade (about 2,000 men) and the SSN force; that the attempt could not begin in less than three weeks from now at the earliest; and that we would be effectively on our own, except for (conceivably) some use of Chilean airport facilities.
- 3. Likely political costs in international terms (the domestic dimension is not covered here) would include:-
- (a) It would be very difficult to reopen hostilities on the major scale required, three weeks after the occupation of the Falklands without a shot fired, without generating a massive backlash in Argentina against the 17,000 British subjects there and associated British property and investments.
- (b) The likely scale of operation might well tempt the Argentine Government to declare a state of war and to act formally against British subjects, property and investment in Argentina. At present the Argentine Government have declared their intention to guarantee the security of and respect for British subjects and property. Unless the 1,800 islanders were manifestly being subjected to inhumane treatment by Argentine occupying forces, it would be hard to persuade people that the game was worth the candle.
- (c) We have told the Security Council that we are ready to accept the injunction to refrain from the use or threat of force. If after several weeks we make a massive show of force in the South Atlantic, which to be successful will presumbaly have to include destruction of at least the greater part of the Argentine Navy, it is unlikely that we shall find much support in the Security Council for the view that we are exercising a legitimate right of self-defence as distinct from exacting retribution.

- (d) We should not in the circumstances be able to rely upon the close support of our European Allies, who have their own subjects and interests to protect in the Argentine. This could prove disruptive both in NATO and European Community terms.
- (e) Nor should we assume that the attitude of the United States, who have so far supported us strongly, would remain unambivalent. They did not support Anglo-French military action in 1956, despite what then appeared to be a much more obvious strategic interest than the Falklands represent.
- (f) We should not exclude the So<u>viet Union fishing</u> in troubled waters and offering support to the Argentines (an important trading partner) against what they will seek to portray as neo-colonialist out-of-area adventurism by NATO.
- (g) Whatever reservations other countries may have about the means used by Argentina to assert her claim there are few points to be won in the international forum for the colonial power attempting to reassert her own rights by force.
- (h) Even if a military repossession of the Falklands proves successful, the political difficulties of sustaining a viable British position there indefinitely in the face of much compounded Argentine antagonism and without severe prejudice to our interests in that country, are likely to prove formidable. To many of our friends they will also seem disproportionate to the stake involved.

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