

SECRET

LINE TO TAKE

1. Welcome Foreign Secretary's proposal that emissary be sent to Buenos Aires. Important that we work for political solution.
2. Colleagues will have seen Chiefs of Staff views on Falklands security and latest military appreciation of South Georgia situation. Four main points:
 - a. Reinforcement of Falklands difficult: takes time and high financial and opportunity cost. Argentines can react quickly to overt reinforcement. And following its withdrawal nothing to prevent Argentinians repeating South Georgia episode.
 - b. Deployment of SSNs less unsatisfactory than surface vessels. In our gift when to declare overt (if at all); even if covert, Argentina would not know for certain that had been withdrawn. Task Group planning would be detected even before sailing; might trigger action against Falklands. Smaller group (eg Gibraltar destroyers/frigates) militarily ineffective.
 - c. But SSN deployments would have worrying implications, which would increase with time, for surveillance operations and security of deterrent. No military case for deployment of more than two at present.
 - d. No scope for aerial reinforcement if unable (as at present) to stage through Chile or Uruguay.
2. Important also to explore scope for non-military actions against Argentine nationals or property in UK.

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FUTURE OF ENDURANCE

3. ENDURANCE's military capability very limited (as South Georgia incident confirms). Not defence priority. But prepared to run on if someone else pays. (Annual running costs £2M. Maintenance £2.5M if given major refit (which badly needed); else can be given make and mend for under £1M.). If to be run on, better to plan on assumption that will remain to end of working life (1991).

4. Important to decide ENDURANCE's long-term future quickly if to be back in South Atlantic by October at start of Antarctic summer. Ships company already reappointed. Also need to plan refit,

5. ENDURANCE can be retained on station for further two months; great manpower problems thereafter. And retention in South Atlantic would create maintenance problems if run on.

BELIZE GUARDSHIP(Defensive)

6. Belize Guardship no nearer Falklands than ships at Gibraltar. Not good moment to remove it. Militarily totally ineffective against Argentine Navy.

1977/78 PRECAUTIONARY DEPLOYMENT (Defensive)

7. Because of suspicion of Argentina planning invasion of Falklands, two frigates and SSN despatched to Falklands in November 1977: frigates held 1,000 miles away SSN patrols off Port Stanley. Force withdrawn a month later when situation eased. Covert throughout, no evidence that detected by Argentina or that deployment led to second thoughts.

BACKGROUND

1. [] Argentines now assessed to be on South Georgia. BAHIA PARAISO (equivalent to ENDURANCE) standing by; Marines embarked. Two Corvettes in Falklands South Georgia area; Task Force (including Carrier) on exercises 8-900 miles north of Falklands.
2. Argentine Foreign Minister's message to FCS strong. Claims presence of Argentines legitimate and alleges HMG's response (especially despatch of ENDURANCE) provocative. US Secretary of State has declined FCS' request to restrain Argentines. FCO envisage despatching emissary (Mr Ure, AUSS, FCO) to Buenos Aires. ENDURANCE at Grytviken though conducting surveillance of Leith. FORT AUSTIN replenishes on 14 April. HMS SPARTAN arrives 13 April; SPLENDID 22 April. RN garrison at Port Stanley now 75 strong.
3. General military assessment of Falklands security circulated to OD on 26 April. Latest military appreciation of South Georgia situation by A/CDS circulated to OD 31 March. Latter:

- a. Recommends against deployment of third SSN (favoured by FCS) for present.
- b. Recommends against deployment of small surface force (eg. destroyers and frigates off Gibraltar) without air cover.
- c. Recommends, that if further overt r, reinforcements needed, should be full scale Task Force (Carrier plus Commando Group and Sea Harriers), plus surface escorts.

HMS ENDURANCE

4. Was due to leave Falklands on [] April and arrive UK 20 May for paying off. If to be retained, £2M annual running costs. Cost of refit depends on whether to be run on until

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end of working life (1991) or for just one more year. If latter, assisted maintenance would cost only £.4M. Former would cost £2.5M.

5. Decision needed urgently, in order to get planning for maintenance underway so that ship can return to the South Atlantic in October as usual. Ships company already reappointed and would be necessary to take early appointing action.

6. ENDURANCE can remain in South Atlantic for a further two months without running into severe manpower difficulties. But she would need to be back in the UK by June at latest if proper refit to be carried out.

7. There is no provision in the Naval programme for running on ENDURANCE.

1977/78 DEPLOYMENT

7. Mr Callaghan mentioned to the House on 30 March the deployment authorised by the previous Labour Administration from November 1977 to January 1978. First time mentioned publicly. Two frigates plus SSN DREADNOUGHT (plus afloat support detached from UK following intelligence of planned assault on Falklands. ENDURANCE then on station; also RFA tanker. Frigates held 1,000 miles north east of Falklands, SSN carried out patrols off Port Stanley. Withdrawn after two-three weeks in absence of Argentine military activity. Details kept covert and not known to have affected Argentine thinking.

SHIP DISPOSITIONS

... 8. A copy of the daily ship plot is attached.

A/Sec 1 on return

LB 3112

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742

FALKLAND ISLANDS BY
SAMUEL JOHNSON (1771)

What, but a bleak and gloomy solitude, an island thrown aside from human use, stormy in winter, and barren in summer; an island which not the southern savages have dignified with habitation; where a garrison must be kept in a state that contemplates with envy the exiles of Siberia; of which the expence will be perpetual, and the use only occasional; and which, if fortune smile upon our labours, may become a nest of smugglers in peace, and in war the refuge of future Buccaniers.

MA/CGS

Maj Warrand
Faulkland Isles
New,