Ref: B06484

cc Sir M Palliser Mr Facer .

Mr Wade- Sery aga copyd. R. Cambrell

Falklands: Medium Term

You should see the interesting minute by Mr Facer attached which addresses some of the issues discussed in the Armstrong Group this afternoon. After consultation with Sir Michael Palliser, who has seen the minute and agrees with it, it has been arranged that Mr Facer should himself try to produce a draft paper of the kind he envisages. Under arrangements made with Mr Hastie-Smith (who has cleared his lines with Sir Frank Cooper and Admiral Lewin) he will be assisted as necessary by Mr Jackling; and at Sir Michael Palliser's suggestion he will also use Mr Fuller as a source of FCO expertise.

29th April 1982

R L WADE-GERY

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I am glad hat his work

Rat 30. N.





## MINISTRY OF DEFENCE

Main Building, Whitehall, London SWIA 2HB

Telephone (Direct Dialling) 01-218 2135

(Switchboard) 01-218 9000

From: Deputy Under Secretary of State (Policy and Programmes)

R M HASTIE-SMITH

77 80 20 APR 1982 DUS(P) 282/82

29 April 1982

R L L Facer Esq Cabinet Office 70 Whitehall London SW1

Den Rosa.

In case we are not able to establish contact on the telephone today, I am writing to let you know that following our discussion about a particular Palliser study yesterday evening, I have agreed with Sir Frank Cooper that Roger Jackling will be available to take part in the proposed task. But because he is very heavily involved in a whole range of Falklands matters he would probably wish to attend any meetings accompanied by one of his Principals who would pick up any MOD remits for further work. CDS is aware of this study and Roger Jackling would refer back to him or to PUS on any difficult or doubtful issues.

Your, au

S. Wes

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FALKLANDS: MEDIUM TERM STRATEGY

It seems to me that Ministers should have some longer term advice before they take certain short term military decisions later this week. What follows is on the assumption that Mr Haig's diplomatic efforts fail and that no further diplomatic initiative is launched which looks to have a chance of success in the time available before critical military decisions have to be taken.

- 2. We lack any appreciation of likely Argentine responses to the progressive tightening of the British military screw. Our declared aim is to use military, as well as diplomatic and economic, pressure to bring the Argentines to the negotiating table, ideally having agreed to withdraw their forces. We have not so far succeeded. Nor does it appear that the recapture of South Georgia and the loss of the Santa Fe have yet had the desired effect on the Junta. It is, on the other hand, distinctly possible that our military action has hardened opinion in Buenos Aires and that further military steps, such as taking out Port Stanley airfield, will only harden it further. One of the lessons of Suez was that Eden mistakenly believed that our attack on the Canal Zone would lead to Nasser's fall and his replacement by a more moderate government. Ministers ought to be given the considered view of officials on the effects on Argentine attitudes of the successive military measures we have in prospect.
- 3. If this assessment leads to the conclusion that the Argentines are likely to respond not by making the concessions necessary to secure a peaceful solution but by attempting to bring pressure on us, we shall need to advise Ministers on what form that pressure is likely to take eg military moves against our own force, action against the Falkand Islanders or harrassment of the British community in Argentina. We shall also have to consider what our counter response should be.

- 4. Whether or not the Argentines escalate the conflict and we think it will of course have a bearing on the degree of international support we shall retain if we take further military measures if we cannot bring the Argentines to the negotiating table we shall have no alternative but to take a series of military steps over the next weeks. Inevitably there will be some loss of detailed political control: we have already seen that it is not easy for Ministers to take decisions on how to attack the airfield at Port Stanley, nor will it be easy for Ministers to control the public presentation of these events.
- 5. It seems to me, therefore, that we need to put before Ministers some questions about how far they might ultimately be prepared to go. The Defence Secretary has already told OD(SA) that he thinks the Sub-Committee should consider whether they are prepared to mount an invasion of the Falkland Islands before they take a decision to sail the amphibious task force from Ascension. Will not Ministers sooner or later be asked to approve an attack on the Argentine aircraft carrier, and possibly other Argentine surface ships, even if it stays out of range of our own task force? Later on Ministers may be asked to approve attacks on Argentine airfields.
- 6. Finally, what happens if our forces make a successful landing on the Islands but are unable to take Port Stanley and dispose of the Argentine forces? Could we be in for a long war of attrition, during which we might suffer some severe reverses and heavy casualties? How long would all this take: is it likely that fighting might go on for another six months or so, and if so are Ministers prepared for the political and economic consequences? Or should we work towards a situation in which we establish a beach head on the Islands and then agree a cease fire with a US or UN peace keeping force introduced to separate the combatants? How will that situation affect our ability to restore the whole colony to British administration?
- 7. I should like to see a paper dealing with at least some of these issues put urgently to OD(SA), perhaps by Sir Michael Palliser with the help of two or three officials including someone from the Assessments Staff, the Planning Staff and the Secretariat Staff of the MOD. It might be necessary for the report to be prepared in two stages, the first dealing with likely Argentine reactions to our military moves and the second with the consequences, diplomatic, military and

economic, of a landing on the Falkland Islands. I suspect that what any study on these lines would say would not be welcome to the Prime Minister, but that does not absolve us from our duty to produce it.

R L L FACER

27 April 1982