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DPPO61/9	
23 MAR 1982	

M. H. ...
S. G. ...

TC ...
23/3
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Mr Ure
PS/Mr Luce
PS

FALKLAND ISLANDS: HMS ENDURANCE

A

1. Following the Secretary of State's office meeting this morning, I submit an amended draft of the minute the Secretary of State proposes to send to the Defence Secretary on HMS Endurance (my submission of 19 March refers).

2. The amended draft take account of the incident on South Georgia and of the Secretary of State's wish to suggest to Mr Nott that, in advance of an OD meeting on the Falklands, he might circulate the military contingency paper already prepared by MOD officials.

P R Fearn
South America Dept

22 March 1982

cc PS/LPS
PS/PUS
Mr Giffard
Defence Dept

DSR 11 (Revised)

DRAFT: minute/~~letter~~/~~memo~~/~~dispatch~~/~~note~~

TYPE: Draft/Final 1+

FROM:

Reference

Secretary of State

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

Secret

Confidential

Restricted

Unclassified

The Rt Hon John Nott MP
Secretary of State for Defence

Copies to:

PRIVACY MARKING

SUBJECT: FALKLAND ISLANDS: HMS ENDURANCE

.....In Confidence

CAVEAT.....

1. As you know, we may be at a critical stage on the Falklands dispute. I am minuting separately to the Prime Minister and OD colleagues, setting out the present position and seeking political and financial authority to carry our civil contingency planning forward. In advance of an OD meeting on the Falklands, you may wish to consider whether it would also be helpful at this stage to circulate to colleagues the contingency paper which your officials have prepared on the defence aspects.

2. While we may still hope that a continuation of negotiations with Argentina will be possible, we must, I think, accept that this is unlikely. [REDACTED] that the Argentines may be prepared to take early action to withdraw Argentine services to the Islands. If they do, there will be two main problems: how to replace them; and how to demonstrate to public opinion here and to the Islanders our commitment to support them. Detailed arrangements for a replacement of Argentine services will inevitably take some time. We must recognise that we could face criticism if we appear unable to step into the breach quickly.

3. There is one action we could take which would be an immediate demonstration of our support for the Islands: that is to maintain HMS Endurance on station in Falklands

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the time being. This would serve as a visible sign of our commitment, would be an appropriate signal to the Argentines and could allow us to provide practical assistance if necessary. I appreciate that this would cause difficulties, not least for the captain and crew of the ship at the end of their long season, and that such a solution could only be temporary. But the recent incident on South Georgia, although it has now ended without trouble, indicates how vulnerable we are and how important a role HMS Endurance can play. I think therefore that it would be of the greatest assistance if contingency plans could now be made for HMS Endurance to remain on station in the area of the Islands after the rotation of the Marine Garrison is completed at the end of this month.

4. This of course leaves on one side the broader question of HMS Endurance's future, which, as you know, I shall wish to discuss with you and colleagues in OD.
5. I am copying this minute to the Prime Minister and to the Chancellor of the Exchequer.

Mr Ure

PS/Mr Luce

PS

DPP 061/9	
23 MAR 1982	

M J Giffard

R G Luce

P R Fearn 23/3

FALKLAND ISLANDS

- A 1. Following the incident on South Georgia over the weekend and the Secretary of State's office meeting this morning, I now submit an amended draft of the minute the Secretary of State proposes to send to the Prime Minister and to members of OD on the situation on the Falklands dispute and on civil contingency planning. My original submission of 19 March is attached.
- B 2. It was agreed at today's office meeting that the Secretary of State should not send his message to the Argentine Foreign Minister until his OD colleagues have had an opportunity to comment on his minute to the Prime Minister.

P R Fearn
South America Dept

22 March 1982

cc PS/LPS
PS/PUS
Mr Giffard
Head of Defence Dept
Finance Dept
SED

Revised)

DRAFT: minute/~~XXXXXX/XXXXXX/XXXXXX~~

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Secretary of State

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PRIVACY MARKING

SUBJECT: FALKLAND ISLANDS

.....In Confidence

CAVEAT.....

1. My minute of 15 February (PM/82/11) outlined the position prior to the Anglo-Argentine talks held in New York on 26 and 27 February. Since then the situation on the dispute has developed to a point where we may now face the prospect of an early confrontation with Argentina.

2. At New York the Argentines put forward difficult and demanding proposals for accelerating negotiations on the sovereignty issue. We, and the Island Councillors on our delegation, were nonetheless hopeful that, with careful handling on all sides, an acceptable basis for continuing the dialogue could be worked out. The relatively positive atmosphere at the talks was however soured very soon afterwards by the issue of an official Argentine statement hinting at the use of other means if HMG failed to fall in with Argentine proposals. This was accompanied by bellicose press comment threatening diplomatic and economic reprisals and military action to secure the Argentine aim. This changed the position. We want to continue negotiations, if only to avoid the consequences of their breakdown. But it is politically impossible for us or the Islanders to do so against a background of threats and pressures. The recent incident involving the unauthorised landing of a party of Argentines on South Georgia demonstrates how delicate the

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present situation is and how careful we shall have to be, if negotiations are to continue, in presenting them to public opinion in the UK.

3. I therefore intend to send a message to the Argentine Foreign Minister setting out clearly the minimum terms on which we could continue negotiations and seeking Argentine confirmation (Annex A). Islander Councillors have agreed the text, though this may before issue require some slight amendment to take account of developments over the illegal landing on South Georgia. Once the Argentines reply, I intend to publish the text of my message in order to demonstrate to both British and international opinion the importance we attach to achieving a solution of the dispute through peaceful and genuine negotiations.

4. I think this is a reasonable line to take. ~~But~~ I do not see that we could publicly justify, either here or in the Islands, a continuation of negotiations on anything less than the basis of my message to the Argentine Foreign Minister. I cannot however be confident that it will be acceptable to the Argentines. They have built up a dangerous head of steam on this issue and Argentine public opinion has been led to expect rapid progress only on Argentine terms and with the sole objective of arranging an early transfer of sovereignty. We have therefore to recognise that negotiations may now be at an end and that the Argentines will turn to other forms of pressure.

5. The Argentine options remain as set out in the Annex to JIC(81)(N)34, which was circulated last year. They are wide-ranging and cover international action at the United Nations (where they have had strong support in the past), diplomatic and commercial reprisals against us, and in the final analysis military action against the Islands. We shall need an early OD meeting to consider the full implications and the action we might need to take in response.

6. There is one aspect however which ^{is} particularly urgent. There is evidence that, if negotiations break down, the Argentines may move quickly to cut off some or all of the essential services which they now provide to the Islands. If that happens, Islanders and public opinion in this country will look to us to replace these services as best we can and to fulfil our pledge to support the Islands in any eventuality. We have to be ready for this.

7. I attach a paper prepared by officials (Annex B) which describes these services and outlines ways of replacing them and the approximate costs. The main and most immediate problem would be to provide an alternative means of communications between the Islands and the outside world. An air service to Chile (or possibly to Uruguay) would be the most convenient for Islanders. But it would be costly and politically uncertain. Air links to elsewhere would require an extension of the Port Stanley runway and are not a practicable proposition. I believe therefore, that while we should examine all the options, it is likely that the most sensible and cost-effective solution would be a sea service. If political circumstances allow, it would be best if such a service linked the Islands with a suitable point on the South American mainland; but I think it is more likely to have to operate to the UK.

8. I propose therefore that officials should be authorised to carry forward contingency planning on an urgent basis with a view to making early recommendations. We shall need to accept that such planning will require approaches to commercial companies and to other Governments and cannot remain confidential. To permit this work to go ahead, I also seek colleagues' agreement in principle that the funds required to meet our commitment to the Islanders should be made available.

9. I am minuting separately to the Secretary of State for Defence seeking his agreement, on a contingency basis, to HMS Endurance remaining on station in the area of the Islands for the time being, so that it might provide any practical assistance and also a visible reassurance of our support for the Islands. I am also suggesting that he may wish to inform colleagues about contingency planning on the military side.

10. I am copying this minute to other members of OD, to the Secretary of State for Energy, to the Attorney-General and to Sir Robert Armstrong.