

Mr Ure

PS/Mr Luce

SOUTH GEORGIA

- A 1. We are now in a brief lull awaiting the promised message from the Argentine Foreign Minister to the Secretary of State and an Argentine reply to the proposal that the men at Leith should proceed to Grytviken to regularise their presence in South Georgia. It may be worth briefly reviewing the options open to us, if a positive response to the proposal is not forthcoming or a response is long-delayed.
- B 2. Present evidence meanwhile is that the Argentines are consolidating the landing at Leith. There is still no evidence of an Argentine military capability there. But clearly we must assume that they have no intention of departing.
3. If therefore the Argentine reply to the present proposal is negative, our options are effectively narrowed to:
  - (a) sending HMS Endurance in to clear the men and equipment at Leith. We know that there is a real risk in that event of Argentine military action against HMS Endurance, though this is perhaps less likely while the Argentine labour force is on board. If therefore HMS Endurance is challenged by the Argentine Navy, it would be able to offer to transfer the Argentine personnel, leaving to the Argentines a decision on further action. We may have to accept however that, instead of returning the men to Argentina, the Argentines would simply put them back at Leith, leaving the situation as before.
  - C Our Ambassador in Buenos Aires has in paras 2 and 3 of his telno 103 suggested a possible variance on HMS Endurance's involvement designed to avoid putting the Argentine personnel on board and to put the onus on the Argentines for their removal. These are helpful and I shall be consulting MOD. But I doubt whether they would provide any solution as such since, unless the Marines stayed permanently at Leith, the Argentines would simply put the men back once HMS Endurance had departed.
  - (b) to leave HMS Endurance inactive at Grytviken but to prepare a task force from the UK to support it. The purpose in doing this would be to demonstrate to the Argentines our determination to protect British sovereignty at the cost of a confrontation; and to use the breathing-space while the task force was en route to continue diplomatic action. The MOD would not like this at all.

- (c) to accept that the use of HMS Endurance to remove the men has to be ruled out because of the military risks and our assessment of our capability in a naval confrontation with Argentina. This would effectively mean allowing the Argentines to remain in South Georgia illegally for whatever period, eg a second Southern Thule. The difficulties of presenting any such climb-down to Parliament and public opinion are self-evident.
- (d) to seek US good offices to mediate on the problem, while accepting that any outcome would be bound to be less than our preferred position. It is far from certain that the Americans would wish to take on this role. The difficulties of public presentation might however be less if by seeking US intervention we made clear that this was not a trivial scrap-dealer issue but one carrying real risks of a war with Argentina.

However, if the present Argentine response is negative or unclear, I consider that we should not delay in sending the Secretary of State's proposed message to Mr Haig.

4. Other immediate issues for consideration are:

(a) Press line

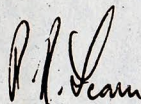
We have little choice but to maintain for the time being the press line taken over the last two days, ie that we are arranging for the removal of the men: that appropriate action is in hand: and that HMS Endurance is in the area and available to assist if necessary. This will not be easy for News Dept as the fact of HMS Endurance's presence at Grytviken has already been publicised in the press. But we are in no position to be more specific.

(b) Roulement of the Marine garrison

The incoming Marine garrison is now en route from Montevideo to Port Stanley on the RRS Biscoe of the British Antarctic Survey. The MOD will be looking to us for our views on whether the outgoing garrison should be taken back from Port Stanley to Montevideo (less those still on HMS Endurance) or should double-bank in the Islands pending the outcome in South Georgia. Our Ambassador in Montevideo has warned of increasing Uruguayan nervousness on the political implications. My own view is that we should not push Uruguayan goodwill too far at this stage. The best solution

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would seem to be to double-bank the garrison in Port Stanley and for the outgoing contingent to be taken straight back to the UK on HMS Endurance (or on the RFA preparing to revictual HMS Endurance) in due course.



P R Fearn  
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cc PS  
PS/LPS  
PS/PUS  
Mr Giffard  
Defence Dept ✓  
News Dept