



THE FALKLANDS DISPUTE BETWEEN PRESIDENT GALTIERI'S INAUGURATION  
AND THE ARGENTINE INVASION: SECTION I - DECEMBER 1981 to  
19 MARCH 1982

1. At the beginning of December 1981, following the elections to the Falkland Islands Legislative Council in October and the new Councillors' agreement to the continuation of talks with the Argentines, preparations were being made for a further round of negotiations with Argentina at Ministerial level. The dates of 18/19 December had been agreed for a meeting in Geneva: two Councillors would attend. Lord Carrington minuted the Prime Minister and his OD colleagues on 2 December to set the scene for these talks. His minute said that Islander opinion was more strongly opposed than ever to any sovereignty deal with the Argentines, that we were committed to respecting the paramountcy of Islander wishes and that we therefore had little room for manoeuvre. 'It is in our interests to keep the dialogue going in order to avoid the economic consequences of a breakdown'. The minute (and subsequently the steering brief for the talks) referred to indications of a greater Argentine readiness to avoid a narrow concentration on the sovereignty issue and to consider economic issues in parallel. It also warned that if the negotiations broke down and the Argentines withdrew vital services, the British Government would come under strong domestic pressure to replace them. The Prime Minister took note of the minute, without comment.

2. However, in early December it became apparent that President Viola was unlikely to survive in power for long and that the Commander-in-Chief of the Army, General Galtieri, was pushing himself forward as the most suitable successor. Our Ambassador in Buenos Aires doubted whether 'from our point of view any change is going to make a vast difference', Viola was removed from office on 11 December and Galtieri designated to succeed him on 22 December. The Falklands talks planned for 18/19 December were postponed at Argentine request. In an analysis for Ministers of the change of President, South America Department said that the implications for Anglo-Argentine relations were not clear-cut, but that 'we can

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probably expect a more forceful Argentine approach' on the Falklands. In his inaugural speech to the nation, however, Galtieri - unlike previous Presidents - did not refer to the Falklands claim; and the new Foreign Minister - contrary to earlier fears - was not from the Navy.

6 3. Although the December talks were called off, the Argentines pressed hard for early agreement to a new date in the second half of January. The Argentine Ambassador in London told Mr Luce that Argentine policy on the Falklands 'had been fully agreed by the Junta and would not be affected by the change of government'. Mr Luce was, however, unable to commit himself at that stage to any definite date (paragraph 8 below).

7 4. At this time, an issue under active discussion with the MOD and the FCO was the final disposal of HMS Endurance, in the light of the Defence Secretary's inability to meet the original FCO request, at the time of 1981 Defence Review, for her retention in service. Following an expression of Brazilian interest in its purchase, it was agreed that it should not be sold to Brazil since this would lead to domestic political criticism. In a minute to Mr Luce shortly before Christmas, the department set out the position.

8 5. On 17 December, the department notified the Governor that Sr Davidoff, an Argentine who had been given a contract to remove scrap from disused whaling stations in South Georgia, was sailing there to make an initial inventory. Our Embassy in  
9 Buenos Aires was informed and asked for further information. On  
10 31 December, the Governor reported that an Argentine vessel (later identified as a naval ice-breaker, the Irizar) had put into Leith harbour on South Georgia without permission and that someone had made an unauthorised landing. In view of this breach of the Dependencies' immigration rules, the Governor proposed to authorise the BAS Base Commander to institute legal proceedings against Davidoff, should he appear at Grytviken, and asked HMG to protest  
11 to the Argentine Government. The department replied, with the agreement of the Minister of State and the Legal Advisers, that 'any attempt to institute proceedings ... would risk provoking a

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most serious incident which could escalate and have an unforeseeable outcome and might in any case not be successful'. It advocated a more restrained approach, but instructed our Embassy in Buenos Aires on 4 January to protest to the Argentine authorities.

12 6. At the beginning of 1982, our Ambassador in Buenos Aires sent in his review of 1981. On the Falklands, the Ambassador concluded that, 'We have come through [1981] without a bust-up but certainly with the Argentines and the Islanders more on each other's nerves than a year ago'. In submitting this to Ministers, 13 the department commented that: 'The lack of expected movement on the Falklands dispute has caused increasing friction at the edges; and in 1982 this looks like getting worse rather than better. Since the end of 1980, the leaseback initiative has (at least temporarily) foundered, Islander opinion has hardened against any movement in the dispute and our need to respond to Islander wishes, allied to the domestic political implications, has prevented us from adopting any positive policy other than trying somehow to keep the Argentines in dialogue to which we have little to contribute. While we managed [in 1981] to avoid matters developing into a confrontation, we shall be fortunate to do this for a further year unless Islanders' attitudes change'. In a 14 reply to the Ambassador, the department said that 'unless the Islanders modify their attitudes (which is unlikely) we are going to find it increasingly difficult to persuade the Argentines of the virtues of continuing to seek a solution by negotiation'.

15 7. The Governor's review of 1981 (received after the Argentines' proposal to establish a permanent negotiating commission - see paragraph 8 below) concluded that Islander relations with Britain had deteriorated, that a number of decisions taken in 1981 were interpreted as a diminution of HMG's commitment to the Islands and that no solution to the sovereignty dispute was readily 16 visible. The department submitted a detailed analysis of this review. This commented inter alia that 'leaseback is now effectively dead. But its demise means that we are left with no alternative way to prevent the dispute moving sooner or later to

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more open confrontation': and, on press and Parliamentary interest in the Falklands issue, that 'To the extent that this has increased the stock of knowledge in the UK about the Islands, it has been helpful. But overall the Islanders have been done a disservice: they have been encouraged to adopt a tougher stance in the knowledge that they have widespread support in the UK. But that support will be of no practical help in preventing the consequences if the Argentines choose to increase direct pressures on the Islands'. The Assistant Under-Secretary (AUSS) subsequently replied to the Governor in terms approved by the then Minister of State and the PUS: 'We are now perilously near the inevitable move from dialogue to confrontation ... for HMG it will not only be difficult to find the necessary finance but also, in the final analysis, to defend the Islands and the Dependencies in any adequate way ... (Islanders) should be in no doubt of the strength of HMG's commitment to act only in accordance with their wishes: but they should also be under no illusion on the difficulties ahead or on the limits to our ability to mitigate the consequences'.

8. Early in 1982, there was renewed Argentine pressure to agree to an early resumption of talks; but, in view of Mr Luce's parliamentary obligations relating to the Canada Bill, it was not possible to agree a date earlier than the end of February. We had deliberately not pressed for details of any Argentine proposals before the postponed December talks because we did not want to have to go to the meeting prepared to respond to a firm proposal. We hoped that the same would apply for the February talks. But on 27 January, our Ambassador in Buenos Aires was given by the Deputy Foreign Minister a bout de papier setting out the Argentine view of the dispute, the urgency of resolving it through a transfer of sovereignty to Argentina, and making a proposal for a 'permanent negotiating commission' to look into all aspects of the dispute and to complete its work within a year. The Argentines asked for a British response before or during the February talks. The department analysed this proposal in a submission dated 1 February. The document was 'a tough re-statement of the

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20 Argentine view that the sole purpose of the negotiations is to  
cede sovereignty over the Falklands and the Dependencies to them  
and that all other matters are secondary' and was 'couched in  
hectoring terms'. The submission set out the arguments in favour  
of the recommendation that HMA Buenos Aires should be instructed  
to re-state firmly to the Argentines the British view of the  
21 dispute. The text of the speaking note was agreed with Ministers:  
it was given to the Argentines on 8 February. To avoid the  
possibility of an unhelpfully strong reaction to the bout de papier  
22 from the Island Councillors, the Governor was instructed not to  
show them the text, but rather only to describe the contents in  
outline. This he did.

23 9. The new Argentine proposal came at a time of increased interest  
in the Argentine press in the Falklands dispute. The first of a  
number of articles by a journalist called Iglesias Rouco appeared  
in La Prensa on 24 January. It appeared to be well-informed  
about the Argentine MFA's tactics for the February talks and said  
that if a solution was not forthcoming, 'Buenos Aires will recover  
the Islands by force this year'. Rouco claimed that the US  
24 Government would support any action the Argentines wished to take.  
Further articles in a similar vein, referring to military action  
if early progress in the negotiations was not forthcoming, appeared  
in the weeks before the talks. Rouco himself claimed in a  
25 conversation with members of the British Embassy that he had not  
been put up to write any of the articles. In a minute of  
8 February, commenting on the press campaign the department  
considered that 'if negotiations break down, the Argentines will  
look in the first instance to withdrawal of services, economic  
sanctions and action at the UN as the best means of applying  
pressure', but went on to say that 'it cannot be ruled out that  
they will eventually consider the military option'; the same  
minute - seen by the Minister of State and approved by the AUSS -  
recorded the decision to urge the MOD in these circumstances to  
complete their draft military contingency plans for the defence of  
the Islands. On Argentine press assertions of a deal between the

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US and Argentina on the Falklands, the department considered this 'inherently unlikely' but proposed that our position in the dispute should be made absolutely clear to Mr Enders, the US Assistant Secretary of State, before his visit to Buenos Aires in March.

- 26 10. In a letter dated 3 February setting the scene for the next negotiations, HMA Buenos Aires speculated that a test period would be allowed by the Argentines to see if negotiation gets anywhere; 'if it does not bring results then other options should be re-opened'. The Ambassador thought we would be given until January 1983 - the 150th anniversary of the 1833 settlement - to make progress. The department concluded that it was essential to get Islander agreement to discussion of sovereignty if a breakdown were to be avoided.
- 27 11. Meanwhile, our Embassy in Buenos Aires reported on 23 February that Lord Buxton (who had a special knowledge of and interest in the Falklands and had been recently visiting Argentina) had reported to them that 'no wild actions were likely to be taken by the Argentines while the present Government was in charge'. Lord Buxton had quoted the Foreign Minister as discounting invasion possibilities and expressing himself as optimistic about 'some civilised solution'. Lord Buxton later wrote to Mr Luce (26 March) stating that in his view 'armed invasion was unlikely'.
- 28 12. Prior to the New York talks, Lord Carrington again minuted the Prime Minister and other OD colleagues about the prospects for the negotiations and the changed situation since his last minute in December 1981. He saw a need for further discussion on the Falklands in OD in March after the talks. 'We are prepared for a difficult session in New York ... We have to recognise that the tougher attitude being shown by the new Argentine Government, together with the strong disinclination of the Islanders to envisage any change from the status quo, narrows the options for us'. The Prime Minister commented on this minute that we should make
- 29 clear to the Argentines that the Islanders' wishes were

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30 paramount. A detailed steering brief was prepared for the talks pointing out that if the Argentines could not force a swifter negotiating pace, 'they are prepared to turn to more direct means of applying pressure'; the overriding British objective was seen as 'to ensure that the way is kept open for a continuation of negotiations, while keeping the Islanders with us'.

31 13. Previously, on 22 January, Lord Carrington had again minuted the Defence Secretary proposing the retention in service of HMS Endurance, and pointing out that the decision to withdraw her 'is being interpreted as a stage in a deliberate British policy of reducing our support for the Falklands ... the issue is having a disproportionate impact on the credibility of our policy in the area'. In his reply, Mr Nott regretted that he could not run on HMS Endurance on the Defence budget and saw little prospect of securing agreement to new money. The Department  
32 then recommended that there should be an FCO/MOD approach to OD  
33 on HMS Endurance after the New York talks, when there would be a clearer picture of Argentine intentions. Lord Carrington minuted  
34 Mr Nott on 17 February expressing his continued concern 'at the consequences for our position on the Falklands' and proposing this line of action.

35 14. Before his departure for the talks, the leader of the Argentine delegation, Sr Ros, publicly counselled those pressing for direct action to exercise patience. In view of the general heightening of tension, the belligerency of the Argentine press on the issue, and, specifically, the Argentine press assertions that the US Government would not interfere with any plan to use force to take the Islands, Mr Luce agreed that Assistant Secretary Enders should receive a full briefing on the British view of the dispute before he went to Buenos Aires in early March. The objective was to persuade the Americans of the advantages of deterring any 'adventurist Argentine action' over the Falklands.  
36 Telegrams were prepared and in the event used as a speaking brief  
37 for Mr Luce with Mr Enders in Washington. Mr Luce also briefed the US Chargé in London before the New York talks.

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15. The talks were held on 26 and 27 February in New York. The discussion centred throughout on the Argentine proposal (paragraph 8 above). The delegation's reporting telegram commented that 'although the tone of the meeting was cordial and the Argentine position in no way reflected the minatory tone of recent Argentine press comment, it was apparent from the outset that their negotiating brief was rigidly circumscribed'. The British side told the Argentines they 'wished to make every effort to resolve the dispute and were therefore ready to look positively at the Argentine proposal, on the clear understanding that its [the negotiating commission's] work would be without prejudice to our position on sovereignty and that all aspects of the dispute should be included for consideration'. Mr Luce pointed out to Sr Ros that a number of Argentine actions - the press campaign, overflights, and the unauthorised visit to South Georgia - had all been unhelpful. The Argentines did not obtain the agreement they sought to frequent meetings of the proposed commission, nor to the time-frame of one year for it to complete its work, but they were nevertheless able to agree both a communiqué and a draft informal working paper describing both sides' understanding of the purpose of the commission. The British delegation's view was that 'the talks went better than expected and the way has been kept open for a continuation of a dialogue. But even if we are to accept the Argentine proposal we have to recognise that our room for manoeuvre will be very limited. The Argentines will be looking for substantive and rapid progress on their terms and we will have obvious difficulties in meeting them on this'. The full record of the talks is attached. It was agreed between the delegations that it was essential for the details of the Argentine proposal and the discussions to be kept confidential for the time being, if progress were to be possible.

16. Mr Luce went on from the talks to call on Mr Enders in Washington on 1 March. He told Mr Enders that if negotiations broke down, there could be an awkward confrontation. There was talk in the Argentine press of military action. The Argentines would also cut off communications to the Islands. He urged Mr Enders to use his visit to Buenos Aires to encourage the

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Argentines 'to keep things cool on the Falklands dispute'.  
Mr Enders undertook to do this.

41 17. Meanwhile various reports of Argentine attitudes  
continued to reach the department. HMA Montevideo reported that  
a Uruguayan diplomat had expressed 'grave worries' about the  
42 hardening Argentine attitude on the Falklands before the New  
York talks. But a MOD assessment sent to the department on  
10 March concluded that, while the Argentine Navy might be  
hawkish, all other elements of Government favoured diplomatic  
action and 'the military option is not under/consideration at  
this time'... We have no reason to believe that the Navy have  
any prospect either of persuading the President or other  
Government members to adopt their proposed course of action or of  
going it alone. We do not consider therefore that the Navy's  
present attitude poses any immediate or increased threat to the  
Falkland Islands beyond that outlined in the current JIC  
threat assessment paper of 9 July 1981'. (Secret and Top Secret  
reports received during this period - analysed and submitted  
separately - and seen by FCO Ministers and officials confirmed  
the impression that 'other action would not be taken unless or  
until negotiations broke down, and would then be in the nature of  
diplomatic and economic rather than military moves.)

43 18. Hopes of being able to make progress within the negotiating  
framework agreed in New York were set back when on 1 March the  
Argentine MFA issued a statement, giving details of the  
'negotiating commission' proposal, claiming that it was an  
'effective step for the early solution of the dispute' and  
reserving the right if necessary 'to terminate the working of  
this mechanism and to choose freely the procedure which best  
accords with [Argentina's] interests'. This was accompanied in  
44 the press on 2 March by comments from an unnamed Government source  
that HMG shared the Argentine view that the present status of the  
Islands was 'unsustainable'. The same source said if the proposed  
negotiations did not produce sufficient progress, parallel plans  
had been formulated for recourse to the United Nations and the  
breaking off of economic and political relations. The use of  
force was however discounted 'for the time being'. In response

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45 to the Argentine statement of 1 March Mr Luce sent Sr Ros a  
message on 3 March, deploring the breach of confidentiality and  
the contravention of the spirit of the New York talks. The  
Argentine statement and press comment 'inevitably creates a more  
difficult and unhelpful climate for continuing the negotiating  
process. I am deeply disturbed by statements and comments which  
may be interpreted as threats: the implications are serious.  
It will be very difficult to make progress unless there is a  
clear understanding that this issue can only be resolved through  
peaceful negotiation'. This message was delivered on 3 March to  
46 the political Director-General in the MFA, who was 'frankly  
apologetic'. The statement had been issued under pressure of  
local feeling that the [New York] joint communiqué was inadequate.  
He offered to see whether there was a way to make clear in public  
that HMG was not being asked to react to threats.

47 19. However, on the same day there was further unhelpful press  
comment, suggesting the early withdrawal of services to the  
Islands and a possible rupture of relations with the UK. Rouco  
quoted his sources as saying that Britain would have only 3 or 4  
months to agree on an early date for the 'return' of the Islands  
to Argentina. If Britain did not agree to the Argentine proposal,  
'Argentina would resort to other means ... between the middle and end  
of this year'. He repeated his belief that the US Government would  
'understand' if Argentina seized the Islands. In view of this, our  
48 Ambassador in Washington was asked to brief Mr Enders again  
before he left for Buenos Aires and to ask him specifically to  
reinforce with the Argentines 'the clear risks of pushing the  
issue into a confrontation'. As Mr Enders had already left, our  
Ambassador in Buenos Aires was asked to make these points through  
the US Ambassador there.

20. One immediate result of the Argentine breach of agreement and  
the subsequent press comment was that the task of the two  
Councillors who had attended the talks and who were to seek their  
colleagues' agreement to the establishment of a 'negotiating  
49 commission' was made much more difficult. The Governor reported  
that the chances of Councillors accepting the proposal were not  
good, but that they required more time for consideration. Meanwhile

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50 HMA Buenos Aires had meetings with both Sr Ros and the Argentine Foreign Minister on 5 March, at which he stressed the need to take some of the heat out of the situation and allow time for the atmosphere to return to normal; there was little response, although both Sr Ros and Dr Costa Mendez denied any intention to threaten and dissociated the MFA from the tone of the press comment.

21. On 5 March, Lord Carrington held an office meeting, with Mr Luce present, to review the situation. The AUSS (after consulting the then PUS) recounted to Ministers the circumstances in which the Labour Government had sent a secret task force to the area in 1977, and the fact that, to the best of our knowledge, the Argentines had never known of this. For the present it was agreed that:

(i) Lord Carrington should send a message to Dr Costa Mendez (which should first be cleared with Island Councillors) accepting the proposal for a 'negotiating commission', provided that the Argentines agreed to acceptable ground rules for the negotiations; and

(ii) a message should go to the US Secretary of State, Mr Haig, to ask him to exert his influence on the Argentines.

52 The Governor was instructed to seek Councillors' agreement to our proposed reply to the Argentines. In his instructions the British position was described thus: 'We want to avoid the consequences of a breakdown. But it will clearly not be possible to agree to negotiations against the present background of threatening noises from Argentina. If negotiations are to continue and if we are to have any prospect of carrying with us public opinion both here and in the Islands, we shall need to establish acceptable ground rules and to make these public'. The draft message welcomed the progress made at New York which 'reflected our determination to achieve a peaceful solution to this difficult issue', but went on to express disappointment at subsequent developments. It sought the Argentine Government's agreement that 'the work of the proposed negotiating commission will encompass all aspects of and possible

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54 approaches to a solution of the dispute ... these talks must be genuine negotiations and cannot be based on any pre-determined assumptions on what the outcome might be. Secondly, these negotiations cannot be pursued against a background of threats from either side of retaliatory action if they break down. We would welcome your assurance that the Argentine Government intends to further the negotiations on this basis'. The message to Mr Haig (8 March) explained the situation and expressed concern at the Argentine Government's attitude and at the threats of force in the Argentine press. 'It is in everyone's interests that this issue should not be allowed to develop into a dangerous source of tension in the region'.

55 22. At this time our posts in selected Commonwealth capitals were also asked to begin the process of educating their host governments about the Falklands so that we might have a better chance of support from them at the UN debate which we considered to be inevitable later in the year. Mr Luce also took the opportunity to brief the Falkland Islands Committee in London on 56 the situation following the New York talks.

57 23. Following Mr Enders' visit to Buenos Aires, there were confused accounts of what he had actually said to the Argentines on the Falklands issue. The first report, from our Embassy, suggested that Mr Enders had not advised the Argentines 'to 58 keep the temperature down, as we had suggested'. However, our Embassy in Washington were subsequently told that Mr Enders had raised the matter with Dr Costa Mendez 'stressing the strategic and human aspects of the problem'. The Argentines had been 'somewhat non-committal [but] they did not give Enders the impression that they were about to do anything drastic'. Mr Haig 59 replied to Lord Carrington on 15 March to report that the Argentines had been 'non-committal but not negative' when urged to continue the negotiations. The US would continue to urge a 'constructive approach with due regard for all interests at stake'.

24. FCO Ministers had agreed that when Lord Carrington consulted his OD colleagues after the New York talks, his minute should have

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annexes covering both civil and military contingency plans. Contingency plans had been originally prepared by September 1981, but were not in the event circulated, since the OD meeting for which they were intended did not take place. In February 1982, the department minuted to Mr Luce on the possibility of Uruguay providing alternative communications facilities for the Islands, and in March replied to a letter from our Ambassador in Santiago about possible Chilean facilities. On the military side, the Defence Attaché in Buenos Aires visited the Islands in early 1982 and wrote to the Governor on 2 March, 'Putting the worst possible interpretation on things [the situation] could mean an Army President ... giving orders to the military to solve the Malvinas problem once and for all in the latter half of this year'. The letter outlined the most likely Argentine strategy. In his reply, the Governor acknowledged that there would be little his defence forces could do. On 12 March, the Defence Secretary's Private Secretary minuted to PS/No 10 about the time required to deploy naval reinforcements to the Falklands. The conclusion was that at least three weeks would be necessary for a first frigate to reach the Islands.

25. On 16 March, Island Councillors met and agreed that Lord Carrington should respond to the Argentine proposal on the lines of the draft they had been consulted on. The department accordingly submitted on this on 18 March, recommending that the message should be sent as soon as possible, in full recognition that 'it is unlikely that negotiations within the framework of a permanent negotiating commission would make progress or would last long ... We need therefore to work on the assumption that the Argentine reply (to this message) will be negative and that they may resort at an early stage to measures of retaliation ... It seems clear that the Argentines have developed a dangerous head of steam on this issue'. On 19 March, the department put forward further submissions recommending that as no date for an OD meeting had yet been agreed, Lord Carrington should circulate to OD colleagues civil contingency plans and should minute Mr Nott on the need to maintain HMS Endurance on station. Action on these recommendations was however overtaken by reports (received on 20 March) of the Argentine landing on South Georgia.