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Mr Jean.
 Thank you. A useful discussion which we might discuss again next round of talks. I agree with action proposed in para. 7. *TRB* 9/2

Mr Jre

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FALKLAND ISLANDS

- A 1. You asked for a view on Mr Weston's minute of 2 February.
- B 2. It is odd that there should be confusion within the MOD about the role of the Royal Marines in the event of an attack on the Falkland Islands. The officer commanding the garrison has a clear directive about his responsibilities in such an event, according to priorities agreed by the FCO and the MOD. We see no reason to alter these. On the wider question of what the British armed services would be called on to do, there is no similarly agreed plan. We did however look at the various options with the MOD last summer and they prepared draft contingency plans. Although these reached a fairly advanced form, they were not fully cleared within the MOD, since the OD discussion, for which they were intended, did not take place. It would however be on the basis of a final version of these plans that we should proceed in the first instance if the need arose.
- C 3. I assume that the C-in-C Fleet's reference to threatening noises from Buenos Aires relates to an article published in the Observer on 31 January about Argentina's intentions with regard to the Islands. This article was in turn based on a long item which appeared in the Argentine 'La Prensa' on 24 January, which our Embassy has now sent to us. This is well worth reading. Much of it seems to reflect a thorough briefing by the MFA and/or the military and bodes ill for our hopes of emerging from the New York talks with our position intact. If the article is to be believed (and it is in many ways consistent with the toughly-worded bout de papier which we have now had from the Argentines), we shall be faced in New York not only with demands for a sharply accelerated rate of progress but also with the threat to break off negotiations if we are unable to accept that they are premised on an eventual transfer of sovereignty. It is interesting that the article depicts Argentina's policy on the Falklands and the Beagle Channel as the twin prongs of a single policy to strengthen her position in the South Atlantic.
- D 4. The references to military moves, however, are less likely to have been inspired by the Argentine MFA. 'La Prensa' has a history of supporting a military solution to the dispute, and it is to be expected that they would pursue the line in a
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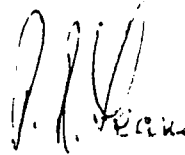
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major article like this. It is particularly unlikely that the MFA would fall prey to the sophistry that a military action would be to the Islanders' advantage or that they would fail to appreciate international opposition to such a move. This part of the article may rather reflect the views of certain sectors of the Argentine military establishment, in particular the navy.

5. However it is, as you know, my view that we are now approaching a critical stage in the Falklands dispute. We have very little to offer the Argentines at New York to convince them, in their present mood, of the advantages of spinning out the negotiating dialogue; and, even if we had had, we could not easily carry the Islanders with us. I remain of the view (set out in last year's JIC paper) 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. It cannot however be ruled out that they will eventually consider the military option which is so popular among the Argentine public and press: and the more aggressive and macho style of President Galtieri has to be taken into account.

6. It is hard to assess what the American role might be. We have now seen several reports, all emanating from Argentine official sources, that some sort of deal has been agreed with the Americans over the Falklands. I find it inherently unlikely that the Americans should wish to become involved in the dispute; but, even if they saw advantage in it, I can see no reason why they would not seek first to discuss matters with us, still less why they might be prepared to acquiesce in any Argentine military action. Nevertheless, however little truth there may be in these rumours, they clearly have credence in Argentina and Mr Enders, the Assistant Secretary in the State Department responsible for inter-American affairs, will be expected to discuss the dispute in Buenos Aires when he goes there in March. I think that it would be advisable to make our position clear to Mr Enders before he goes and I shall therefore be recommending that our Embassy in Washington brief him accordingly. We have asked the Embassy to find out his travel plans. Ideally, we should brief him after the New York talks, but if he is leaving at an early date for South America, we may have to go in beforehand.

7. If Mr Weston considers that he needs to follow up his discussion with Admiral Fieldhouse and Rear-Admiral Brown, he might do so on the basis of paragraph 2 above. I shall meanwhile suggest to DS11 that, given the uncertainties within the MOD, it would be useful to complete their internal action on the draft contingency paper.



P R Fearn
South America Dept

8 February 1982

cc PS/Mr Luce
Mr Day
Mr Weston (Defence Dept)
NAD