

Disputed

203

JFH

(19)

Mr Luce

[PS/Mr Luce] I have taken a copy for Mr Luce, who will see it over the weekend.

PS

J. G. ...
19/3

FALKLAND ISLANDS: CONTINGENCY PLANNING

Problem

A 1. The Secretary of State is sending a message to the Argentine Foreign Minister seeking agreement to a basis for continuing negotiations on the dispute. If the Argentines reject this, they may move quickly to cut off communications and other services to the Islands. Contingency planning on a replacement of services therefore needs to be carried forward urgently.

Recommendation

2. I recommend that the Secretary of State should minute the Prime Minister and members of OD as in the attached draft; covering a paper by officials.

<i>AW040/325/9</i>		
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Background and Argument

B 3. The background is set out in my submission of 18 March. While we cannot be certain that the Argentine response to the Secretary of State's message will be negative or, if so, that a withdrawal of services will immediately follow, it is important, for both political and practical reasons, that we should be as well prepared as possible.

4. The paper by officials (attached as Annex B to the draft minute and cleared with relevant FCO and Whitehall departments) sets out the range of services at present provided to the Islands by Argentina, outlines ways of replacing them and makes an estimate of the relative costs. It is necessarily only an outline. It is not possible to go further without making direct approaches to the market and consulting other Governments (in particular the Chileans and the Uruguayans): or without bringing into the open our recognition that the negotiating process is effectively at an end. For this officials will need political and financial authority.

5. It had originally been intended that this paper would form an annex to a memorandum from the Secretary of State for discussion with his OD colleagues, together with an MOD paper on defence contingencies. However, no date for an OD meeting has yet been agreed and one may not be possible until after

Easter. The information which we have now received [REDACTED] [REDACTED] that the Argentines may be prepared to cut off the services they currently provide before the end of this month, means that earlier Ministerial consideration of civil contingencies is required. In accordance with the agreements between HMG and the Argentine Government, under which the Argentines provide the Islands' air service and fuel, either side is required to give six months' notice of termination. We cannot, however, assume that the Argentines will be ready to respect this. If they do not, we shall be faced with the immediate problem of how to provide the Islands with communications to the outside world and how to ensure they have enough fuel.

6. The Islanders and their lobby in the UK will certainly press for an air service, but for the reasons set out in the contingency paper this is unlikely to be practicable. Even if it were, it would certainly be very costly and we cannot expect to be given Treasury authority to institute such a service when the much cheaper, but less convenient, alternative of a sea service is available. A sea service would also be more versatile, as it could carry freight; but fuel would remain a problem. These are aspects which will need to be considered by officials in detail. But the priority is to obtain agreement from OD that we shall do everything necessary to support the Islands.



P R Fearn
South America Dept

19 March 1982

*This is on the lines discussed
with the Luce earlier today.
J Burg 19/3.*

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

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