

Discussed.

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Mr. Ure ✓

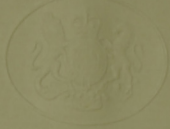
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*Mr
JH*

FALKLAND ISLANDS: VIEWS OF THE VCNS

1. I called this morning on the Vice Chief of Naval Staff in order to explore his views on the Falkland Islands problem and possible ways of solving it.
2. Vice Admiral Sir Anthony Morton said without hesitation that from a military standpoint the defence of the Falkland Islands would be an unattractive proposition. It would be possible to marshal a suitable force and despatch it there, though the distances involved (17 to 30 days sailing) would make it a laborious process that would not necessarily pass unnoticed. The crucial point would be the extent of Ministers' determination: they would have to resolve themselves from the outset to the inflicting and sustaining of casualties, with all that that would entail in terms of the arousal of public opinion at home, in Argentina and elsewhere in the world. Since it seemed improbable that Ministers would be able to steel themselves to this extent, he favoured continued efforts to find a solution with the Argentines. If it did come to a naval battle, he had no doubt that the Royal Navy could take care of the Argentine Navy without too much difficulty, though they would also presumably have to face air attack and might not be able by themselves to counter an Argentine paratroop drop on the Islands. I asked whether he placed any importance on the Falklands as a naval base in the foreseeable future. He said that it could conceivably acquire more importance if the Soviet Navy began to expand into the South Atlantic and more especially if the countries of South America (not only Argentina) began to go "red". But in that case one could hardly envisage the Falklands as being a viable base only 350 miles from a hostile Argentina, given the extremely long lines of communication from the UK. It might be worth asking the Americans for a view on this point, though admittedly they had not hitherto shown much interest in it.
3. As to the means of solving the problem, Admiral Morton is attracted by the idea of buying out the Islanders. He thinks that they could not resist an offer of, say, £50,000 per family to resettle themselves in the wilds of Scotland. We agreed that this solution might pose political difficulties at home and might prove an uncomfortable model for future solutions of analogous problems such as Gibraltar. Apart from that, he did not oppose the idea of a lease-back solution, though he believed that it would not be long before an Argentine Government reneged on the lease, thus confronting us with the alternative of using force or taking the Argentines to court, which they might very well not agree to. He also saw the force of the argument that we ought to hold on to any real estate we might be able to claim in the Falkland Islands area for oil exploration purposes, though obviously this could not be done without Argentine co-operation or at least acquiescence. He thought perhaps the final answer might be a package including buying out, lease-back and joint resource exploration.

Yes.



4. I asked Admiral Morton if he had any views on the relevance of the Spitzbergen and Aaland Islands as models for a dual regime. He viewed the former as a thoroughly bad example, since the Russians were doing their best - with some success - to force the demilitarisation not only of the Spitzbergen archipelago but also of the north coast of Norway. The Aaland Islands did not seem to him to have much relevance to our problem.

5. We might discuss these interesting views sometime.

G W Harding

30 October 1979