

21. **Telegram From the Embassy in Argentina to the Department of State**¹

Buenos Aires, March 27, 1982, 1515Z

1753. Subj: Confrontation in South Georgia Islands.

1. The crisis atmosphere heightened sharply overnight Mar 26–27 as the armed Argentine Navy transport “Bahia Paraiso” carrying a unit of marines, reportedly turned up at Leith Harbor. Its mission there, where it is said to be in sight of the British icebreaker “Endurance”, is to protect the Argentine work party landed on San Pedro Island Mar 18 that triggered the present UK-GOA face-off. Unconfirmed press accounts attributed to Argentine naval sources also reported the dispatch of two missile corvettes, “Drummond” and “Granville”, to the South Georgias in support of the ArgNav transport.

2. The arrival at Leith of “Bahia Paraiso” was announced last night by FonMin Costa Mendez, who called the situation in the disputed archipelago “serious” and “grave”. He spoke to the press after an emergency meeting of the three service commanders of the ruling Junta, making clear that the GOA is not presently disposed to back off. “The Republic is ready to provide the workers (at Leith) all diplomatic and security protection that may be necessary,” he said. The GOA, he added, has adopted a posture to insure that “measures are not taken against them (una medida que no corresponde) and that they are permitted to continue their work.” Costa Mendez added that a British proposal for overcoming the crisis is under study. He has met six times

¹ Source: Department of State, Central Foreign Policy File, D820163–0916. Limited Official Use; Niact Immediate. Sent for information Immediate to USUN and London and for information to Santiago and Montevideo.

in the last three days with British Ambassador Williams and reportedly is meeting Williams again this morning.

3. President Galtieri, returning to the National Palace after midnight following the Junta meeting, told waiting reporters that Costa Mendez has briefed the military high command on several international questions, not just the situation in the South Georgias. Among these he said was the current debate in UNSC on Nicaragua's intervention accusations against the US and Argentina and the status of the Papal mediation on the Beagle channel dispute with Chile. He was otherwise uncommunicative, calling the situation at Leith a diplomatic matter.

4. Press reports attributed to GOA military sources said "Bahia Paraiso" has a crew of 200 plus a contingent of marine infantry and two helicopters aboard. Military sources had taken note of reports from London that "Endurance" has orders to extract the workers at Leith by force if necessary. The crisis atmosphere was ratcheted up several notches by additional reports of intense activity at the nation's principal naval base at Puerto Belgrano and the marine station at Mar del Plata. "Clarín" quoted high navy sources as saying the temperature is rising to "extremely critical" levels.

5. Also overnight, the GOA's case for the presence of the Argentine work party at Leith—numbered anywhere from six to more than 40—appeared to get an important boost. "Georgias del Sur", the Argentine company which bought the abandoned whaling facilities at Leith Harbor from its Scottish owner in 1979, made public a letter it had sent to the UK Embassy here on March 9 setting out its work plans for San Pedro Island. The firm is headed by an Argentine-Levantine named Constantin Davidoff. The letter was addressed to Ambassador Williams. The company also asserted last night that its plans to send a work party to the Island were discussed previously in greater detail with the Embassy Political Counselor who it claimed was also provided a list of the workers being sent to Leith.

6. Comment: The point of the dispute in the UK view, as we understand it, is that the work crew was not properly processed under British immigration procedures. While everyone in Buenos Aires had assumed that the South Georgias were part of the administrative regime governing the Falkland Islands, it appears now that the other South Atlantic archipelagoes come under a separate set of rules for immigration purposes.

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