

SECRETARY OF STATE

FALKLAND ISLANDS

His Principal Staff Officer has asked me to pass on to you that A/CDS felt that the note which was put round at the end of last week on military contingency planning was unnecessarily pessimistic about what could be done. While CAS recognises that we must be realistic about what we can do, he feels that we should emphasise that the South Atlantic is not the focus of our defence effort. It is not surprising that, given the great distances and our lack of presence in the area, we are not in a position to provide a quick and powerful counter to the Argentinians. Going on from this CAS wonders whether we should not be looking at action which we could take within our own sphere of influence, for example by taking action against Argentinian airlines in this country, or their ships.

2. I told the PSO that you had had substantially the same thought over the weekend on the contingency planning side and explained the actions that had been taken following your meeting this morning. I also pointed out that the present object is to defuse the crisis rather than heighten it by further actions against Argentina. Nevertheless, his point about the need for a look at what reprisals we could take ~~if~~, if the worst came to the worst, is a valid one. I can pass it to the FCO if you agree (although I am sure that the thought has already occurred to them).

29th March 1982

(N H R E)