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CC(82) 23rd
Conclusions

COPY NO 79

CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on
WEDNESDAY 5 MAY 1982
at 11.45 am

PRESENT

The Rt Hon Margaret Thatcher MP
Prime Minister

The Rt Hon William Whitelaw MP
Secretary of State for the Home Department

The Rt Hon Lord Hailsham
Lord Chancellor

The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer

The Rt Hon Francis Pym MP
Secretary of State for Foreign and
Commonwealth Affairs

The Rt Hon Sir Keith Joseph MP
Secretary of State for Education and Science

The Rt Hon James Prior MP
Secretary of State for Northern Ireland

The Rt Hon John Nott MP
Secretary of State for Defence

The Rt Hon Peter Walker MP
Minister of Agriculture, Fisheries and
Food

The Rt Hon Michael Heseltine MP
Secretary of State for the Environment

The Rt Hon George Younger MP
Secretary of State for Scotland

The Rt Hon Nicholas Edwards MP
Secretary of State for Wales

The Rt Hon Patrick Jenkin MP
Secretary of State for Industry

The Rt Hon John Biffen MP
Lord President of the Council

The Rt Hon David Howell MP
Secretary of State for Transport

The Rt Hon Norman Fowler MP
Secretary of State for Social Services

The Rt Hon Leon Brittan QC MP
Chief Secretary, Treasury

The Rt Hon Baroness Young
Lord Privy Seal

The Rt Hon Nigel Lawson MP
Secretary of State for Energy

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The Rt Hon Norman Tebbit MP
Secretary of State for Employment

The Rt Hon Cecil Parkinson MP
Chancellor of the Duchy of Lancaster and
Paymaster General

The Rt Hon Lord Cockfield
Secretary of State for Trade

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Sir Michael Havers QC MP
Attorney General

The Rt Hon Michael Jopling MP
Parliamentary Secretary, Treasury

SECRETARIAT

Sir Robert Armstrong
Mr R L Wade-Gery
Mr R L L Facer

SUBJECT

FALKLAND ISLANDS

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FALKLAND
ISLANDS

Previous
Reference:
CC(82) 22nd
Conclusions

The Cabinet had before them a note by the Secretary of the Cabinet (C(82) 21) on diplomatic proposals for a settlement of the dispute over the Falkland Islands.

The Cabinet's discussion and conclusions reached are recorded separately.

Cabinet Office

5 May 1982

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CABINET

LIMITED CIRCULATION ANNEX

CC(82) 23rd Conclusions

Wednesday 5 May 1982 at 11.45 am

The Cabinet had before them a note by the Secretary of the Cabinet (C(82) 21) to which was attached four telegrams from Her Majesty's Ambassador in Washington:

- a. Telegram No 1597 recording Sir Nicholas Henderson's talk on 4 May with the United States Secretary of State, Mr Haig.
- b. Telegram No 1598 setting out Mr Haig's latest draft for an Anglo-Argentine agreement.
- c. Telegram No 1599 giving Mr Haig's proposals on timetable.
- d. Telegram No 1600 giving the text of a letter from Mr Haig to the Foreign and Commonwealth Secretary.

The Cabinet also had before them, for comparison, a note of points put to Mr Haig by the Foreign and Commonwealth Secretary on 4 May; this note is annexed to these Conclusions.

THE FOREIGN AND COMMONWEALTH SECRETARY said that Mr Haig took the view that the draft agreement put forward by Britain on 4 May had no possibility of being accepted by the Peruvian Government, still less the Argentine Government. The United States Government believed that, if the fighting continued in the South Atlantic, the United Kingdom would increasingly lose international support; they attached the greatest importance to an early cease-fire but recognised that a cease-fire would not be acceptable to Britain unless it was linked with a procedure which ensured immediate Argentine withdrawal. Mr Haig's new proposals were more favourable to British interests than any previous American proposals. They provided for an immediate cease-fire, concurrent with mutual withdrawal and non-reintroduction of forces according to a schedule to be established by a Contact Group composed of Brazil, Peru, the Federal Republic of Germany and the United States.

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ISLANDSPrevious
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The Contact Group would assume responsibility for verifying the withdrawal and for ensuring that the United Kingdom and Argentina reached an agreement on the status of the Islands before 30 April 1983. The Contact Group would also be responsible for ensuring that no actions were taken in the Islands by the local administration which would contravene the proposed interim agreement. The proposals also provided for the two Governments to acknowledge that the aspirations and interests of the Islanders would be included in the definitive settlement of the status of the Islands. This had the advantage of leaving the issue of sovereignty unprejudiced. The main difficulty with the proposals lay in the ambiguity of the provisions for the interim administration. Mr Haig had asked for a British reply by 5.00 pm London time that day; if that reply was affirmative, the United States Government would seek the acceptance of the Peruvian Government, who would no doubt consult the Argentines informally. If the Peruvian response was positive Mr Haig hoped that the proposals could be formally transmitted on 6 May to the United Kingdom and Argentine Governments requiring approval within 48 hours. As the United States Government recognised, the proposals were not wholly satisfactory from the British point of view. In all the circumstances, however, he had no hesitation in recommending that Britain should accept them. It was by no means certain that Argentina would also do so. But British acceptance would improve the United Kingdom's international posture and ensure the continuance of whole-hearted American support.

In discussion the point was made that, while some ambiguity in the proposals for a definitive settlement of the dispute was acceptable as the price of Argentine agreement, ambiguity was not an advantage in those parts of the proposals dealing with the withdrawal of forces and the interim administration. British interests would be seriously affected if both sides accepted the proposals but the agreement then broke down before the Argentine withdrawal was complete. In those circumstances it would not be practicable to restore military pressure. It was important to establish that the proposals provided for the withdrawal of all Argentine forces; that they covered only the Falkland Islands and not the Dependencies including South Georgia; and that the reference to the local administration did not mean the administration introduced by the Argentines following their invasion. On the other hand, it would not be advisable to draw Argentine attention to the omission of the Dependencies. Since in Mr Haig's view there was no possibility of the Argentines accepting a restoration of British administration as it had been, it would be better to provide for the Contact Group to assume the functions of the Governor and if possible to ensure that its responsibility for the local administration was exercised in consultation with the Islanders' own elected representatives. It was also important to obtain an undertaking from Mr Haig that he would on this occasion hold firmly to the timetable for a reply from the Argentine Government and would not allow them to propose amendments to the text. Argentina must be deemed to have rejected the proposals if she had not unambiguously accepted them by the deadline given. Further consideration

would, however, have to be given to the arrangements for a cease-fire, since it would not be possible to ensure that all British forces received the ceasefire order immediately it was given. In any case, it would not be advisable for a cease-fire to come into effect until the Argentine Government had clearly accepted the proposals. While Mr Haig's latest proposals were far from ideal, they were much better than his earlier proposals. If Britain were seen to reject them, she would be severely criticised by international opinion, which was already moving against her following the sinking of the Argentine cruiser General Belgrano. Much of the Government's present domestic support would also be lost. The alternative would be to continue hostilities without international, and particularly United States, sympathy; while the loss of HMS Sheffield had not affected the prospects of military success, time was not on the United Kingdom's side and the outcome was full of uncertainties. It was essential to maintain the credibility of the Government's search for a negotiated settlement; and any settlement which led to the withdrawal of Argentine forces from the Islands would be seen as a considerable achievement. Continued American support was vital. It was helpful that the Government had been known to be taking a new diplomatic initiative before the loss of HMS Sheffield, since they could not now be accused of reacting to that event. While hostilities continued, the possibility of substantial further losses on either side had to be faced.

THE PRIME MINISTER, summing up the discussion, said that the elements of Mr Haig's latest proposals dealing with the interim administration represented some departure from the principles to which the Government had firmly adhered. The Foreign and Commonwealth Secretary should therefore seek the agreement of the United States Government to language which provided for the Contact Group to assume the functions of the Governor, and if possible to act in consultation with the elected representatives of the Islanders. He should further seek to establish, perhaps by a suitable heading for the proposed agreement, that it covered the Falkland Islands only and not the Dependencies. It was also important to secure a United States guarantee of the security of the Islands. Mr Haig was clearly unwilling to accept substantial amendments: on balance his text, amended to clarify the position on the Dependencies and on the interim administration, should be accepted. He should be asked to give an assurance that the deadline imposed for Argentine acceptance would not be allowed to slip. Whether or not Argentina then accepted the proposals, the United Kingdom would be seen to have pursued in the most responsible way every chance of ending the fighting and securing a settlement. Although it was known that the Government were considering new proposals, it was essential to keep details of them secret for the time being.

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The Cabinet -

Invited the Foreign and Commonwealth Secretary to reply to the United States Secretary of State on the lines indicated by the Prime Minister in her summing up.

Cabinet Office

7 May 1982

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POINTS PUT TO MR HAIG ON 4 MAY BY
THE FOREIGN AND COMMONWEALTH SECRETARY

1. An immediate cease-fire, concurrent with:
2. Mutual withdrawal of forces:
 - a. Argentine and British forces to begin immediately to withdraw from an area of 200 nautical miles radius from the Falkland Islands and to refrain from introducing any forces into that area.
 - b. The United Kingdom will ensure safe passage for the Argentine garrison to the mainland.
 - c. All British and Argentine forces to be withdrawn within 7 days from the area of 200 nautical miles radius from the Falklands and to remain outside that area.
3. The immediate introduction of a Contact Group composed of Brazil, Peru, the Federal Republic of Germany and the United States into the Falkland Islands on a temporary basis pending agreement on a definitive settlement, the Group's tasks being:
 - a. to verify the withdrawal;
 - b. to ensure that no actions are taken in the Islands, by the restored administration or otherwise, which would contravene this interim agreement.
4. Britain and Argentina acknowledge the existence of differing and conflicting views regarding the status of the Falkland Islands.
5. The two Governments agree that the views of the Islanders must be determined, and that their interests and wishes must be respected in the definitive settlement of the status of the Islands.
6. The two Governments will make every possible effort in good faith to reach a definitive agreement prior to 30 April 1983. The countries represented in the Contact Group will give every assistance in this.