

SECRET

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CC(82) 15th  
Conclusions

COPY NO 79

CABINET

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CONCLUSIONS of a Meeting of the Cabinet  
held at 10 Downing Street on

FRIDAY 2 APRIL 1982

at 7.30 pm

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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 Lord Carrington  
Secretary of State for Foreign and  
Commonwealth Affairs

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

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

The Rt Hon Francis Pym MP  
Lord President of the Council

The Rt Hon John Nott MP  
Secretary of State for Defence

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

The Rt Hon Humphrey Atkins MP  
Lord Privy Seal

The Rt Hon Patrick Jenkin MP  
Secretary of State for Industry

The Rt Hon John Biffen MP  
Secretary of State for Trade

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 Baroness Young  
Chancellor of the Duchy of Lancaster

The Rt Hon Norman Tebbit MP  
Secretary of State for Employment

The Rt Hon Cecil Parkinson MP  
Paymaster General

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ALSO PRESENT

The Rt Hon Michael Jopling MP  
Parliamentary Secretary, Treasury

SECRETARIAT

Sir Robert Armstrong  
Mr R L L Facer  
Mr C H O'D Alexander

SUBJECT

FALKLAND ISLANDS

**SECRET**

FALKLAND  
ISLANDS

Previous  
Reference:  
CC(82) 14th  
Conclusions

THE PRIME MINISTER said that, although no direct information had been received from the Falkland Islands, it appeared that Argentina had invaded them. It was not known what resistance there had been, nor the extent of any damage or casualties.

THE FOREIGN AND COMMONWEALTH SECRETARY said that the President of Argentina had said that Argentine forces would act only to the extent necessary to secure the islands and would protect the lives of the inhabitants. The United Nations Security Council was at present in session considering a British resolution demanding the immediate cessation of hostilities and the withdrawal of Argentine forces. It was clear that Argentina had flagrantly breached Article 51 of the United Nations Charter.

THE CHIEF OF THE AIR STAFF and the CHIEF OF NAVAL STAFF gave an initial appreciation of the military situation and the relative capability of Argentine forces and the forces which the United Kingdom would deploy. A naval task force had been called to immediate notice in the United Kingdom and would be ready to sail on 5 April. Other dispositions had been made.

The Cabinet were informed of the size of assets held by Argentine residents in the United Kingdom and the extent of British assets and investments in Argentina; and of action already taken, through the General Council of British Shipping, to warn British merchant shipping not to enter Argentine territorial waters and to keep clear of the Falkland Islands. British ships in Argentine ports had similarly been advised to leave. British Caledonian, the only British airline operating a scheduled service to Argentina, had suspended services, as had the Argentine carrier to the United Kingdom. Applications for credit cover were not being processed by the Export Credits Guarantee Department, and similar action had been taken regarding applications for export licenses for military equipment and spares. Only one Argentine merchant ship was known to be in a British port and was being kept under observation.

In discussion it was suggested that care should be taken to avoid any action which would encourage a belief that a military solution could be easily accomplished. On the other hand there was widespread criticism among Government supporters and in the country on the lines that Government action had been too slow. There was a feeling that the Government had been surprised at the turn of events. Criticism on the lines that conventional forces had been neglected in favour of Trident was also likely. Efforts were being made to counter criticism by pointing out that, even if a fleet had been despatched to the Falklands on the day on which the Argentine scrap metal merchants had landed in South Georgia, it would still not have arrived. In any case to have sent a force prematurely could have provided a pretext for an Argentine invasion. It had been open to Argentina to take military action against the Falklands at any time over the past 15 years, and it would have been

quite disproportionate for the United Kingdom to have maintained continuously on station in the area a large military force capable of defeating a full scale invasion. Economic action against Argentina needed to be considered against the background of the trade balance in the United Kingdom's favour and the size of British investment in Argentina. Argentine balances in the United Kingdom could be quickly withdrawn: their retention would provide an insurance against action by the Argentine Government against British assets.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet agreed that the naval task force now being assembled in the United Kingdom should be ordered to sail as soon as it was ready. She would announce this decision in the debate in the House of Commons on the following day. Options on how the force might be employed should be kept open. A further decision would be required before any military forces were committed to action against Argentina. The Chancellor of the Exchequer should consult the Governor of the Bank of England urgently about the possibility of taking immediate action to freeze Argentine balances in the United Kingdom.

The Cabinet -

1. Invited the Secretary of State for Defence to arrange for the naval task force to sail from the United Kingdom as soon as it was ready to do so.
2. Invited the Chancellor of the Exchequer to consult the Governor of the Bank of England about action to freeze Argentine balances held in the United Kingdom.
3. Took note of the action already taken with regard to British shipping and aviation, credit cover and export licensing.

Cabinet Office

5 April 1982