

Ref: B06532

PRIME MINISTER

c Sir Robert Armstrong

Falklands: OD(SA) on 11th JuneMilitary Issues

1. Your meeting at 10.00 am tomorrow should begin with the usual briefing from the Chief of the Defence Staff.
2. There are two specific issues on which the Chief of the Defence Staff may wish to seek the Sub-Committee's views. One is a signal from the Defence Attache in Paris (to be circulated by the Ministry of Defence) about possible French plans to supply Superetendards to Peru.

*Passage deleted and retained under
Section 3(4) (Wayland, 17 May 2012)*

3. Announcements that the Argentine attack on the two LSLs at Fitzroy caused serious (but unspecified) British casualties have resulted in alarmist and possibly exaggerated reports in the media. These damaging reports are likely to have heightened the anxieties of the next of kin and encouraged the Argentines. You might ask the Defence Secretary to comment and to consider ways in which the handling of announcements about casualties - which may be numerous when the assault on Port Stanley begins - might be improved.
4. The Defence Secretary might also be asked whether the surrender call to the Argentine Commander has yet been made and, if so, in what terms and whether there has been any response.

Political Issues

5. The Foreign and Commonwealth Secretary has circulated a memorandum (OD(SA)(82) 62) on Future Administration of the Falkland Islands. This covers two notes by Foreign and Commonwealth Office officials dealing



respectively with a possible self-governing regime for the Falklands and the question of the Governor's return. The Foreign and Commonwealth Secretary should be asked to introduce these papers.

6. The Foreign and Commonwealth Office proposals have been designed to take account of four main considerations -

- (a) the need to demonstrate to international (and especially American) opinion that we are not seeking to re-establish a straight "colonial" regime on the Falklands;
- (b) the need for a constitutional framework which leaves room for other countries to be associated with the United Kingdom in the role of protecting power;
- (c) the fact that the population of the islands is too small to fit the normal pattern of constitutional development;
- (d) the need to satisfy opinion at home and on the islands of the strength of Britain's commitment to defend the Falklands and respect the wishes of the islanders.

7. Against this background, the proposals envisage a four stage process -

- Stage 1: the Financial Secretary is sworn in as officer administering the government;
- Stage 2: the Governor returns; at the same time an announcement is made that this is (a) only on a provisional basis; and (b) will be followed by the appointment of a Special Commissioner and moves towards greater self-government, the latter to be discussed with the islanders;
- Stage 3: the Governor is replaced by a Special Commissioner with wider responsibilities; consultation with the islanders on self-governing arrangements continues;
- Stage 4: self-government is introduced; the Special Commissioner's role is limited to exercising the British Government's responsibilities for foreign affairs and defence.



Other countries could be associated with the United Kingdom's protecting role at any point from Stage 4 onwards. The form of self-government suggested (a small, elected Council supported by a Chief Executive responsible to it) is essentially based on the pattern of a local authority, with the Special Commissioner exercising some of the functions of central government in relation to it.

8. If you agree that the general thrust of these proposals is acceptable, the following questions might be asked -

i. How important is it that the Governor should return?

Would an interim military administration not correspond more closely to the realities of the situation on the ground in the period immediately following repossession? It could be made clear publicly that this was a strictly temporary arrangement paving the way for the appointment of a Special Commissioner and the moves towards self-government described above. Would this be likely to attract more criticism than the temporary reintroduction of the Governor?

ii. Are the proposals likely to be saleable to the Falklanders? (It may be that the Governor has a useful role to play in convincing them that the proposals are the best way of protecting their interests, and this could be an argument in favour of his temporary return).

iii. Is it agreed in principle that the proposals, as amended in the light of discussion, should be shown to the Americans? If so, the timing and handling of any approach to the United States will need careful consideration: do we, for example, want to invite American comments, with the implication that we might be ready to make changes in return for United States participation in guaranteeing the islands' security?

A D S Goodall

10th June 1982

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