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OD(SA)(82)46th Meeting

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CABINET

DEFENCE AND OVERSEA POLICY COMMITTEE

SUB-COMMITTEE ON THE SOUTH ATLANTIC AND
THE FALKLAND ISLANDS

—
MINUTES of a Meeting held at
10 Downing Street on
FRIDAY 28 MAY 1982 at 9.30 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 Francis Pym MP
Secretary of State for Foreign
and Commonwealth Affairs

The Rt Hon John Nott MP
Secretary of State for Defence

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

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Sir Michael Havers QC MP
Attorney General

Admiral of the Fleet
Sir Terence Lewin
Chief of the Defence Staff

Sir Antony Acland
Foreign and Commonwealth Office

Sir Michael Palliser
Cabinet Office

SECRETARIAT

Mr R L Wade-Gery
Mr A D S Goodall
Mr R L L Facer
Brigadier J A C G Eyre

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1. MILITARY ISSUES

The Sub-Committee had before them a note by the Secretaries (OD(SA)(82) 58) covering a note by Ministry of Defence officials on operations within 12 miles of the Argentine coast.

THE CHIEF OF THE DEFENCE STAFF briefed the Sub-Committee on the latest military situation.

In discussion of the Ministry of Defence note it was pointed out that Britain had lost 4 ships in the past week, two of them in British territorial waters. The Exocet missiles with which a number of Argentine navy ships were armed constituted a serious threat to current operations, and the possibility of a sudden sally by such ships could not be ruled out. In these circumstances it was unreasonable and dangerous that the Argentine navy should be allowed sanctuary if within 12 miles of the coast of Argentina. There were two possible areas where operations within the 12 mile zone might be practicable. Public opinion would not understand if opportunities there were missed and later a major British ship such as the ss Canberra were in consequence sunk. Against this it was argued that there would be no legal justification for operations within what Britain herself regarded as Argentine territorial waters unless war had first been declared. The threat posed by the Argentine navy, while within these waters, was not direct enough to justify action under the right of self-defence. Force could not be used if it was disproportionate. There were also wider arguments against what would be seen as the equivalent of an attack on the Argentine mainland when no directly threatening target was involved. This might increase the danger of other Latin American countries joining the conflict on Argentina's side.

THE PRIME MINISTER, summing up the discussion, said that the decision involved was a difficult one which would need further consideration.

The Sub-Committee -

Agreed to resume their discussion of the 12 mile problem early the following week.

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2. POLITICAL ISSUES

The Sub-Committee had before them telegram no. 874 from the British Representative at the United Nations, Sir Antony Parsons, reporting on the latest position in New York; and other telegrams reporting international attitudes.

THE FOREIGN AND COMMONWEALTH SECRETARY said that the United Nations Secretary General, Senor Perez de Cuellar, was continuing his consultations in accordance with the Security Council's Resolution no. 505.

The Sub-Committee -

Took note.

3. LONGER TERM ISSUES

The Sub-Committee had before them a minute of 25 May to the Prime Minister from the Foreign and Commonwealth Secretary (PM/82/38) on future policy in the Falkland Islands; a memorandum by the Foreign and Commonwealth Secretary (OD(SA)(82) 57) on the scope for the development of the Islands' economy; a memorandum by the Foreign and Commonwealth Secretary (OD(SA)(82) 56) on the independence option; and a note by the Secretaries (OD(SA)(82) 38) covering a study by Sir Michael Palliser of British objectives in relation to a longer term settlement.

THE FOREIGN AND COMMONWEALTH SECRETARY said that there was an immediate need to respond to American thinking on the future of the Falklands, as described in Washington telegram no. 1921 of 27 May. After British repossession, Security Council Resolution no. 502 would remain valid. Negotiations would therefore be expected. Britain would need to ensure that Argentine air attacks did not continue; to discourage the growth of Soviet influence in Argentina; and to restore her own relations with Latin America generally. The wishes of the Islanders would of course be a key factor. So would security arrangements; communications; and economic development. There was a need for further analysis of the possibilities in these three areas.

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In discussion it was pointed out that both security and communications would be essential factors in attracting capital for economic development. Initially security would have to be a British responsibility. But the cost would be high not only in money but also in terms of Britain's major defence interests. Some form of internationalisation would therefore be necessary as a second stage. It was encouraging that the United States had suggested contributing a battalion to a peace-keeping force, possibly alongside Brazil. That suggestion had been made in a different context, and presupposed British negotiations with Argentina over sovereignty, which were now out of the question. But it provided a possible starting point for seeking to develop American thinking along acceptable lines. Communications to the Islands would be difficult and expensive without Argentine co-operation. But some co-operation might be expected from Chile, and it should be possible to extend the shipping runs which already took in St Helena. Port Stanley runway would need to be extended to take long-distance aircraft, eg from Ascension; but this would have to be done anyway, for security reasons, and its commercial advantages would therefore be a bonus. The 1971 Anglo-Argentine agreement on communications would presumably now be a dead letter. The scope for economic development would of course be affected by the context in which the present crisis ended. Many valuable ideas were already available in Lord Shackleton's 1976 Report. The Islands' future would be uncertain if Argentina remained hostile. For the present, such hostility was a fact of life. Only the Americans, perhaps with Brazilian help, could persuade the Argentines to take a more moderate view in the future. It might be worth considering ways of giving special publicity to the unsoundness of Argentina's claim to sovereignty.

THE PRIME MINISTER, summing up the discussion, said that further work should be undertaken by officials on the cost of various possibilities which would need to be considered in the context of short term provision for the Islands' security; communications; and the infrastructure for economic development. Longer term security arrangements would need to be discussed with the United States Government, as the Foreign and Commonwealth Secretary had suggested. There would be opportunities for such discussion during President Reagan's forthcoming visit to Europe.

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Meanwhile British thinking should be explained in strict confidence to the United States Secretary of State, Mr Haig. Argentina had to be persuaded that she had lost the military campaign and with it her chance of gaining the sovereignty of the Islands. She must therefore change her aims. Britain too was willing to consider change and did not necessarily expect a return to the pre-invasion status quo. The future probably lay in a settlement which did not involve either British or Argentine sovereignty but provided for some form of independence or quasi-independence for the Islands. Condominium would not be conceivable. Nor would it be wise to contemplate extending the Antarctic Treaty to cover the Falklands. But regional sharing arrangements for local resources need not be ruled out.

The Sub-Committee -

1. Instructed the Secretary of the Cabinet to arrange for officials to report on the possibilities and costs relating to security arrangements in the short term, communications and economic infrastructure, as indicated by the Prime Minister in her summing up.
2. Invited the Foreign and Commonwealth Secretary to arrange for British thinking on a longer term settlement, including internationalised security arrangements, to be discussed with the United States Secretary of State in accordance with the Prime Minister's summing up.

Cabinet Office

1 June 1982

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