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MOST CONFIDENTIAL RECORD  
TO  
CC(82) 17th CONCLUSIONS

Wednesday 14 April 1982

FALKLAND  
ISLANDS

Previous  
Reference:  
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Conclusions,  
Minute 3

THE PRIME MINISTER said that any leaks of the latest ideas for settling the Falklands crisis could prove fatal to the mission being undertaken by the United States Secretary of State, Mr Haig, who had himself been insistent on this point. On his first visit to London on 8 April, the strength of British feeling about the Argentine invasion had been brought home to him. He had been left in no doubt about British objectives: withdrawal of Argentine forces; restoration of British administration; and the wishes of the Falkland Islanders to be paramount in any subsequent negotiation. Mr Haig had then left for Buenos Aires and returned with a set of proposals, the status of which was unclear. He appeared to have discussed some but not all of these proposals with President Galtieri. They were now embodied in a draft Agreed Memorandum, to be signed by Britain and Argentina. This draft had been extensively discussed on 12 April between Mr Haig and the British Ministers most closely concerned. Agreement on a revised version of it had been reached. This envisaged the withdrawal of all military and security forces from the Falkland Islands and the Dependencies within a period of two weeks and banned their reintroduction. Forces involved in the crisis would return to their normal duties. An interim Commission would be set up, consisting of representatives from the United States, the United Kingdom and Argentina, each supported by a small staff. It would occupy a headquarters on the Islands (not Government House) and each representative would fly his national flag. The traditional local administration would continue, including the Islands' Executive and Legislative Councils, to each of which one representative of the Argentine population would be added. Their decisions would be submitted to, and expeditiously ratified by, the Commission. The Commission would also be empowered to make recommendations to the British and Argentine Governments in the fields of travel, communications and trade between Argentina and the Islands; but either Government would be free to reject such recommendations. Meanwhile the various restrictions and sanctions imposed on Argentina as a result of the invasion would be lifted. The interim period would end on 31 December 1982, by which time negotiations were to be completed for a final settlement. It had been made clear to the Americans that Britain would regard self-determination for the Islanders as an essential element in such negotiations. Mr Haig had intended to fly to Buenos Aires during the night of 12-13 April. But he had altered his plans on learning by

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telephone that the Argentines were once more adopting an extreme position, under which they would appoint the Governor of the Islands and would be assured of sovereignty at the end of the interim period. He now appeared to have shifted them back to a more moderate stance, but was rightly not willing to visit Buenos Aires again until the prospects were clearer. He had therefore returned to Washington, after further meetings with British Ministers, on 13 April. His latest suggestion, in the face of Argentine pressure, had been to amend the provision for negotiations on a long-term settlement to include a reference to United Nations General Assembly Resolution No 1514 (XV), which called for the decolonisation of dependent territories and upheld both the principle of territorial integrity (which underlay Argentina's claim to the Falklands) and the principle of self-determination. This possibility was now being studied. It was not yet clear whether overall agreement could be reached. Any document embodying such agreement would clearly be interpreted differently by Britain and Argentina. But the present proposals had the major virtues of securing both Argentine withdrawal and the maintenance of the infrastructure of British administration.

THE FOREIGN AND COMMONWEALTH SECRETARY said that the United States was anxious to avert a conflict in the South Atlantic in which the Soviet Union was already dabbling. All the evidence was that the Argentines had miscalculated. United Nations Security Council Resolution No 502 and the European Community import embargo had been heavy and unexpected blows. Commonwealth support for Britain had been strong. These pressures, together with the British Task Force, had led them to contemplate a negotiated settlement under which Argentine troops would be withdrawn. It would be a remarkable achievement if this could be brought about, at a time when Britain's military position was still weak. Negotiations were now at a very delicate stage. Mr Haig's next visit to Buenos Aires would be crucial.

THE SECRETARY OF STATE FOR DEFENCE said that there were no Argentine naval vessels in the Maritime Exclusion Zone (MEZ) although the build-up of forces on the Islands was continuing. The Argentine propaganda machine was active, for example putting it out that the airfield at Port Stanley had been extended to take Mirage aircraft. British nuclear-propelled submarines were enforcing the MEZ. If Argentine warships entered the MEZ, it would be the clearest sign that they had abandoned the peace process. The British Task Force continued on its way south; Mr Haig had agreed that it was right to add to pressure on the Argentinians in this way. He himself would announce later that day the doubling of the number of Harriers in the Task Force and the adding of HMS Intrepid to the amphibious capability. Military planning was proceeding on a worst case basis. Argentine military difficulties should not be underestimated, notably in supplying and sustaining the morale of the forces on the Island during the winter.



In discussion there was general support for the manner in which the discussions had been conducted, acceptance of the need for secrecy and recognition that the best way forward lay in diplomatic and economic pressures on Argentina, backed by the Task Force continuing on its way. In Parliament it should be made clear that British policy aimed at the supervised withdrawal of all forces from the Islands and an interim period of local administration leading to a final settlement in which the sticking point for us would be that the wishes of the Islanders were paramount.

In further discussion the following points were made -

- a. Although at the time of his first visit Mr Haig had tried to adopt a position of strict neutrality, by the time he left he had recognised the important principle which was at stake, namely whether or not naked aggression should be allowed to succeed. Nevertheless, although he understood our arguments, Mr Haig had to maintain his position as a go-between. He had to avoid any appearance of collusion with Britain if he was to carry the Argentinians.
- b. Whatever solution might emerge from negotiation, the Argentines would present it as some kind of victory and as the attainment of at least part of their objectives by military means. Their calculation might be that they would need two bites of the cherry instead of one. It was vital to prevent a second bite. Continued United States involvement would be very important in that context.
- c. Britain had been the victim of unprovoked aggression. It would not be right to accept that that had placed the Argentines in a better negotiating position. The aggressor must not be permitted to benefit from his aggression. The wider principle was even more important than the fate of the Islanders. If aggression was shown to pay, it would be a disastrous precedent for the world as a whole. Against this, it was argued that the situation had to be dealt with as it existed. Britain would need the help of world opinion to get the Argentines to withdraw. There was also a risk of losing the broad support of British public opinion if a purely military solution were pursued and the prospect of all compromise ruled out.
- d. In any settlement it would be important to safeguard British title to South Georgia, the South Sandwich Islands and the British Antarctic territory. A lease-back arrangement for the Falkland Islands might strengthen Argentina's territorial claims in the Antarctic, which were sectorally based.



e. It seemed possible that financial sanctions against Argentina were not being pressed to the full for fear of precipitating her default. This was understandable from the point of view of the banking community. But care should be taken that Argentina was not for this reason enabled to sustain her present policy of aggression more easily.

f. When the Task Force was within striking distance of the Falkland Islands, an air exclusion zone would be necessary as part of a blockade and as a precondition to any assault.

THE PRIME MINISTER, summing up the discussion, said that a diplomatic solution on the lines outlined would be a considerable prize. The withdrawal of Argentine forces would have been secured without military action. Argentina would gain representation on the interim Commission and on the local Councils; and a commitment to negotiations to decide the definitive status of the Islands by the end of the year, although without any commitment to a transfer of sovereignty. Repugnant as it was that the aggressor should gain anything from his aggression, this seemed an acceptable price to pay. But it would be crucial to ensure against a second invasion and the best way of achieving this appeared to be to involve the United States Government in the enforcement of the interim agreement and in the security of the Islands thereafter.

The Cabinet -

Took note.

Cabinet Office

7 June 1982