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CABINET
DEFENCE AND OVERSEA POLICY COMMITTEE
Sub Committee on the South Atlantic and the
Falkland Islands

DIPLOMATIC ACTION FOLLOWING THE INVASION OF THE
FALKLAND ISLANDS

Memorandum by the Secretary of State for
Foreign and Commonwealth Affairs

Immediately following the invasion on Saturday 3 April, we sought and obtained the passage of UN Security Council Resolution 502 which determined that a breach of the peace existed, demanded an immediate cessation of hostilities and an immediate withdrawal of all Argentine forces from the Falkland Islands; and called on the Governments of Argentina and the United Kingdom to seek a diplomatic solution to their differences and to respect fully the purposes and principles of the Charter of the United Nations.

2. Our aim since then has been to put continuing and increasing pressure on the Argentine Government to force them to abide by the Security Council Resolution and in particular to withdraw from the Falkland Islands immediately.

3. To this end we have taken the following measures ourselves:

- i) political
 - a) broken diplomatic relations with Argentina.

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ii) economic

- a) frozen Argentine assets in the UK
- b) stopped export credit
- c) banned the export of arms to Argentina
- d) decided to impose an embargo on the import of all goods from Argentina from midnight on 6 April.

4. In addition, on 4 April, we urged a large number of friendly countries from both the developed and the developing world to take measures of their own including:

i) political

- a) recall of Ambassadors for consultation

ii) economic

- a) embargo on supply of arms and military equipment
- b) denial of export credit
- c) instructions to their commercial banks to exercise prudence and to refrain from making fresh loans to Argentina.

We have made it clear that in advance of action statements that such measures were under consideration would be helpful.

5. It is not yet possible to assess the results of this action. There have been a number of helpful responses. The New Zealand Government has broken off diplomatic relations with Argentina. Canada and Australia have recalled Ambassadors, and Canada has announced an arms embargo. We can probably count on major suppliers not to provide arms and equipment in present circumstances.

6. As a further major measure, we told our European Community partners on 6 April of our decision to impose an embargo on the import of Argentine goods and asked them to do the same, and despite the Easter holiday to put themselves in a position to take very early decisions. Some of our Partners may find it difficult to follow our lead but we shall continue to put very strong pressure on them to do so.

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7. We have in addition drafted messages for the Prime Minister to send to her colleagues in the European Community, to the President of the European Commission, and to the Heads of Government of the US, Japan and the old Commonwealth, urging them to take in the very near future economic measures parallel to those we have taken ourselves.

8. The pressure which these various measures will bring to bear on Argentina could be reinforced at the right moment by the declaration of a 200 mile zone of exclusion around the Falkland Islands, which might be required as part of the military options. This would be justifiable in international law in the context of the exercise of our inherent right of self-defence. Such a move would undoubtedly be interpreted as a precursor of naval action within that zone and the timing of any such declaration would need to be carefully considered since it would almost certainly trigger further recourse to the Security Council by Argentina or one of her friends.

9. Sir A Parsons has sounded a warning about any initiative on our own part to return to the UN at this stage. We would be lucky to get more than a very few votes in favour of sanctions and might undermine our position on sanctions against South Africa and Israel in the attempt. Moreover any further resolution proposed by us is likely to be amended by a call on us not to use force, which we might have to veto. This could jeopardise offers of staging and other facilities which we have already received from certain third world countries. Many countries strongly deplore Argentina's use of force but nonetheless support Argentina's claim for sovereignty on what some of them see as a colonialist issue. They would be likely to support any call on us to refrain from the use of force ourselves, even in exercise of our undoubted right of self-defence. Nevertheless, we are consulting further with Sir A Parsons about any possible further use we might be able to make of the UN.

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10. Our objective must of course continue to be the unconditional withdrawal of Argentine troops from the Falkland Islands and the restoration of a British administration. But we have to face the fact that given the nature of the Argentine Government, the combined effect of UN Security Council Resolution 502, the diplomatic and economic measures which we and our friends have taken or are considering, and the sending of the naval task force, may not be sufficient to induce the Argentine Government to bring about an unconditional withdrawal from the Falkland Islands.

11. As the naval task force approaches the South Atlantic therefore third parties will inevitably be tempted to put forward proposals relating to some or all of the less desirable scenarios listed at annex A. Many of these scenarios will be wholly unacceptable to Ministers. But they may wish to be aware, even at this early stage, of a range of options which others, including some of our friends and allies, might urge upon us at any moment in the hope of pre-empting an armed conflict.

12. Considerations relevant to an evaluation of any such proposals include the following:

- i) the wishes of the Falkland Islanders themselves;
- ii) public and parliamentary opinion in the UK;
- iii) the extent of international support for HMG, and condemnation of Argentina, over the dispute; and an assessment of how international opinion would be affected by the use of force by HMG to recapture the Islands;
- iv) an assessment of Argentine intentions;
- v) the likelihood of the present Argentine government falling, to be replaced by a more moderate one;
- vi) the ability of HMG to keep a naval force in the vicinity of the Falkland Islands after their recapture, sufficient to deter another Argentine invasion;
- vii) the likely casualties among British and Argentine forces of a naval engagement and an opposed landing on the Islands; and the likelihood of casualties among the Falklanders;

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- viii) the likelihood of reprisals against British passport holders in Argentina in the event of a military engagement;
- ix) the possibility of military or other action directed against the UK by other Latin American countries within the framework of the Rio Treaty;
- x) the possible effects of various options on wider British interests, including our other remaining dependent territories.

F.P.

Foreign and Commonwealth Office
6 April 1982

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Some of these scenarios will be wholly unacceptable to Ministers. The list represents a range of options which others, including some of our friends and allies, might urge upon us at any moment in the hope of pre-empting an armed conflict.

1. Unconditional withdrawal of Argentine forces, and the re-establishment of British administration.
2. Withdrawal of Argentine forces and re-establishment of British administration conditional upon negotiations through an intermediary, eg. UN Secretary-General or USA, which might take the form of:
 - i) mediation by the intermediary himself in relation to the substance of the dispute;
 - ii) mediation by the intermediary leading to:-
 - a) reference by the Security Council to the ICJ for an advisory opinion on the sovereignty issue;
 - b) reference of the dispute to the ICJ by Argentina and ourselves (which would result in a binding decision).
3. Withdrawal of Argentine forces on same conditions as (2) above but with temporary administration of the Islands by neutral authority, eg. temporary United Nations or US or other Administrator or Commissioner. (Temporary UN administration would follow logically from some of the scenarios in (2) above).
4. Withdrawal of Argentine forces following agreement on cession of sovereignty over South Georgia and Sandwich Islands, with Falkland Islands remaining British.
5. Withdrawal of Argentine forces following agreement on transfer of sovereignty to Argentina, with the Islands leased back to and administered by UK for indefinite or fixed period.

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6. Withdrawal of Argentine forces, but continuing Argentine administration, following evacuation to UK, other Commonwealth country or dependent territory, of those Islanders who wished it. (Evacuation might be an element in other solutions too.)

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