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CC(82) 27th
Conclusions

COPY NO 79

CABINET

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

TUESDAY 18 MAY 1982

at 11.00 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 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 John Nott MP
Secretary of State for Defence

The Rt Hon George Younger MP
Secretary of State for Scotland

The Rt Hon Patrick Jenkin MP
Secretary of State for Industry

The Rt Hon David Howell MP
Secretary of State for Transport

The Rt Hon Leon Brittan QC MP
Chief Secretary, Treasury

The Rt Hon Nigel Lawson MP
Secretary of State for Energy

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

The Rt Hon Lord Hailsham
Lord Chancellor

The Rt Hon Francis Pym MP
Secretary of State for Foreign and
Commonwealth Affairs

The Rt Hon James Prior MP
Secretary of State for Northern Ireland

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

The Rt Hon Nicholas Edwards MP
Secretary of State for Wales

The Rt Hon John Biffen MP
Lord President of the Council

The Rt Hon Norman Fowler MP
Secretary of State for Social Services

The Rt Hon Baroness Young
Lord Privy Seal

The Rt Hon Norman Tebbit MP
Secretary of State for Employment

The Rt Hon Lord Cockfield
Secretary of State for Trade

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Sir Michael Havers QC MP
Attorney General

The Rt Hon Michael Jopling MP
Parliamentary Secretary, Treasury

Mr Neil Macfarlane MP
Parliamentary Under Secretary of State
Department of the Environment (Item 2)

SECRETARIAT

Mr R L Wade-Gery
Mr R L L Facer

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FALKLAND
ISLANDS

Previous
Reference:
CC(82) 26th
Conclusions,
Minute 2

1. The Cabinet had before them a note by the Secretary of the Cabinet (C(82) 24) on proposals for the settlement of the dispute with Argentina over the Falkland Islands. This was returned to the Secretariat at the end of the meeting.

The Cabinet's discussion and conclusions are recorded separately.

SPORTING
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2. The Cabinet considered a memorandum by the Secretary of State for the Environment (C(82) 23) about the attitude which the Government should adopt towards the participation of United Kingdom teams in the final stages of the World Cup beginning in Spain on 13 June; they also had before them a minute to the Prime Minister of 14 May on the same subject from the Minister of State, Scottish Office, Mr Fletcher.

THE SECRETARY OF STATE FOR THE ENVIRONMENT said that the countries competing in the final stages of the World Cup included England, Scotland and Northern Ireland, as well as Argentina who was the current holder. None of the United Kingdom teams was in the same first round group as Argentina, but Scotland could meet Argentina in the second round. While the Government had discouraged sporting links with Argentina at any level in the United Kingdom or in Argentina, they had taken no action to discourage British sportsmen competing with Argentines in third countries. Although the Government had no powers to ban sporting contacts, the football authorities had indicated that they would follow a Government call for withdrawal from the competition; but they were unlikely, unless the external situation changed considerably, to withdraw on their own initiative. His present view was that the Government should not yet suggest withdrawal to the football authorities, but that they should be ready to adopt that course if the situation worsened and in the light of public opinion.

In discussion the point was made that, while England and Northern Ireland could meet Argentina only in the final or in the play-off for third place, and it might be possible for the Federation International de Football Association (FIFA) if necessary to rearrange the second round of the competition to ensure that Scotland did not meet Argentina in it, there could be serious disturbances involving British spectators at other matches. Football supporters from the United Kingdom would travel to Spain in any case and disturbances were more likely if United Kingdom teams had been withdrawn from the competition. Although the Government's supporters in Parliament would be disturbed if arrangements could not be made to avoid United Kingdom and Argentine teams meeting, their general view was that the decision on participation should be left to the football authorities. It was possible that events might lead the football authorities to decide independently to withdraw.

THE PRIME MINISTER, summing up the discussion, said that many people in the United Kingdom would be deeply offended if United Kingdom teams were to play Argentina. There was no reason for the Government to intervene with the football authorities at the present time. If Scotland's team reached the second round, it would be helpful if FIFA could arrange that they did not then play Argentina's.

The Cabinet -

1. Agreed that no advice should be given at the present time to the football authorities in the United Kingdom on participation by United Kingdom teams in the World Cup.
2. Invited the Secretary of State for Scotland, in consultation with the Secretary of State for the Environment, to consider a possible approach to the Federation International de Football Association to rearrange the World Cup groupings to avoid any need for Scotland to play Argentina in the second round.

Cabinet Office

18 May 1982

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CABINET

LIMITED CIRCULATION ANNEX

CC(82) 27th Conclusions, Minute 1

Tuesday 18 May 1982 at 11.00 am

The Cabinet had before them a note by the Secretary of the Cabinet (C(82) 24) covering the draft of an Anglo/Argentine interim agreement which had on 17 May been given to the United Nations Secretary General, Senor Perez de Cuellar, by the United Kingdom Permanent Representative to the United Nations, Sir Anthony Parsons, for formal transmission to the Government of Argentina.

THE PRIME MINISTER said that the Defence and Oversea Policy Committee Sub-Committee on the South Atlantic and the Falkland Islands had considered the text of a draft agreement at their meeting on 16 May; Sir Anthony Parsons had been present to advise them, as had Her Majesty's Ambassador in Washington, Sir Nicholas Henderson. The draft now before the Cabinet represented the limit of the Government's negotiating position in their search for a peaceful solution of the dispute. Sir Anthony Parsons had given this text to Senor Perez de Cuellar on 17 May for onward transmission to the Argentines. Senor Perez de Cuellar expected a reply by 19 May. If the Argentines did not accept the offer, it would of course be withdrawn. In any event the text would be published. Sir Anthony Parsons had also given a subsidiary letter to the Secretary General to make clear that South Georgia was entirely outside the scope of the draft agreement. Under the terms of the agreement the proposed United Nations Administrator would have to consult the Executive and Legislative Councils in the Islands. He would also be responsible for verifying the withdrawal of all armed forces from the Islands and for devising an effective method of ensuring their non-reintroduction; the United States had been asked to assist with these arrangements.

In discussion there was general agreement that the draft agreement was fair and reasonable in all the circumstances. It could be defended to public opinion and to Government supporters as a preferable alternative to further military conflict with all the risks which that entailed. The agreement would, however, be criticised both by those who felt that

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further military action would put the United Kingdom in a stronger position to secure a more favourable outcome and by others who believed that it should have gone further to meet the Argentine position, for example on the lines of earlier proposals by the United States Secretary of State, Mr Haig, and by the Peruvian Government. The latter group would argue, if the agreement was rejected and military action to repossess the Islands was taken, that the Government had put forward proposals which they knew the Argentines could not accept. To prevent this, support for the proposals should be sought from the widest possible spectrum of Parliamentary opinion. It was also important to gain the support of the United States and the United Kingdom's European partners, who were concerned to see an early end to the crisis. If the Argentines rejected the agreement, its prompt withdrawal would be essential. Public opinion would not accept that British lives should be lost in repossessing the Islands if the Islands were then handed over to United Nations administration. But in the unlikely event that Argentina accepted the agreement, public opinion would see the outcome as a triumph for British policy.

In further discussion concern was expressed that the provisions in the draft agreement which reactivated the 1971 Communications Agreement between the United Kingdom and Argentina might allow the Argentines, by increasing their economic influence in the Falkland Islands, to achieve their political objective of gaining control; this danger would be greater if the Islands were under United Nations administration than it had been while British administration continued. Against that, however, it was argued that the 1971 agreement did not allow Argentine citizens to settle or acquire property in the Islands; and that the risks of Argentine economic penetration were covered by the requirement in the draft agreement that the United Nations Administrator should exercise his powers in conformity with the laws and practices traditionally obtaining in the Islands. Concern was also expressed at the possibility that the United Kingdom and Argentina would fail to agree on the appointment of the United Nations Administrator; but it was envisaged that the agreement would not be signed until arrangements had been made for the appointment of an Administrator acceptable to both parties. The United Nations Secretariat was experienced in moving quickly in such matters.

In discussion of the timing of the publication of the draft agreement, the point was made that no military options should be lost by allowing the Argentines to continue to procrastinate. Parliament should be given an opportunity to debate the crisis again on 20 May. By then it was expected that the Argentine reaction would be known and the Secretary General would have announced the success or (more probably) the failure of his initiative. The Government should not agree to the request from the Leader of the Opposition to put military action in suspense until the House of Commons had debated the issue. It should nevertheless be the aim to secure all-party support for the draft agreement, which could be presented as a serious and genuine attempt to reach a settlement after more than six weeks of negotiation.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet regarded the draft agreement attached to C(82) 24 as a fair and reasonable proposal which could be fully supported in Parliament and in public. It was the United Kingdom's final offer. If Argentina accepted it she would have gained virtually nothing from the invasion; the United Kingdom would have made no commitment on the outcome of the future negotiations for the peaceful settlement of the dispute, and would have made it unnecessary to keep a substantial military force in the area to defend the Islands against a second Argentine attack. But if Argentina rejected the offer, it would be withdrawn. Criticism that the Government had been willing to accept an agreement on the lines suggested by Mr Haig or by the Peruvians, which went further to meet the Argentine position than the proposals now put forward, could be countered by saying that the situation had now changed. The Government would arrange for a debate in Parliament to take place on 20 May, when it was hoped that the draft agreement could be published. Meanwhile, it was of the highest importance that no public indication should be given either of the existence of the draft agreement or of the fact that a reply was expected by 19 May.

The Cabinet -

Agreed that the draft agreement attached to C(82) 24 should be presented and defended by the Government on the basis indicated by the Prime Minister in her summing up.

Cabinet Office

20 May 1982