

MOST CONFIDENTIAL RECORD
TO
CC(82) 20th CONCLUSIONS

Wednesday 28 April 1982

FALKLAND
ISLANDS

Previous
Reference:
CC(82) 17th
Conclusions,
Minute 2

The Cabinet had before them a Note by the Secretary of the Cabinet (C(82) 15) to which were attached draft proposals for a settlement transmitted by the United States Secretary of State, Mr Haig, after his most recent visit to Argentina; and for comparison the earlier draft agreed between him and British Ministers the previous week.

THE FOREIGN AND COMMONWEALTH SECRETARY said that the latest proposals were in a number of important respects less satisfactory than the earlier draft. The military withdrawal provisions were unbalanced; the interim regime envisaged would involve excessive Argentine representation on the local Councils and might allow massive Argentine immigration; above all, the arrangements for the longer term were unacceptable since there was insufficient prospect of self-determination. Nevertheless it was important to try to maintain the momentum of Mr Haig's attempt to secure a negotiated settlement, even though this would have the unwelcome side-effect of preventing the United States openly endorsing Britain's cause. Any alternative negotiating process would be worse from Britain's point of view. He therefore intended to put forward counter-proposals. He was also preparing a commentary on the existing draft which would expose its weakness if it were ever published, which at present Mr Haig did not wish it to be. Meanwhile, the steady movement of the British Task Force towards the Falklands should serve to strengthen Britain's position.

In discussion, there was widespread agreement that the latest proposals would be seen as a sell-out of the Islanders. Whatever their wishes, they would not be allowed to retain their present status. Moreover the Argentines clearly wanted to flood the Islands with immigrants, so that even if there was a test of local opinion they would still be able to take over. It was a matter of particular concern that they wished to control the police force during the interim period. Nor was there any safeguard against a second Argentine invasion some time in the future when the British Task Force had gone away. For that reason the United States Government would need to be involved in guaranteeing the independence of the Islands and the security of Stanley airfield. This underlined the importance of retaining American goodwill at the present stage.

In discussion of what would happen if Mr Haig's mission failed, it was pointed out that the most obvious next move would be at the United Nations. But action there would carry with it certain dangers. It would not be possible to repeat the massive support for Britain which had produced the Security Council's Resolution No. 502. If hostilities started, world opinion would very likely change and there would be a series of hostile United Nations resolutions; it might be possible to parry these for a short period, but in the end use of the British veto would be inevitable. Pressure would grow for Britain to refrain from further hostilities and she would be thrown on the defensive. Referring the dispute to the International Court of Justice would be too risky because the political composition of the Court made success uncertain, however watertight the objective legal case. If a call for immediate referral to the International Court were to be made, it could probably not be ignored; but agreement to it would have to be made dependent on the prior withdrawal of Argentine forces from the Islands. The really decisive factor, if the Haig mission collapsed and no alternative could be found, would be the attitude of the United States. If war was to be avoided, British policy would need to command continued American support. British policy prior to the invasion had been willing to contemplate a lease-back arrangement of some kind. This might be held to weaken Britain's present stand on sovereignty. But it had always been made clear that the acceptability of any such plan would remain subject to the wishes of the Islanders. In practical terms, administration mattered more than sovereignty; but the invasion had made the prospects of a lease-back arrangement much more difficult.

In further discussion, the following points were made -

- a. Although the Argentines sought sovereignty over the Falkland Islands, South Georgia and the South Sandwich Islands, the roots of British title differed in each case. It would be important to maintain the distinction in any future negotiation; and to preserve the position of Britain's Antarctic Territory.
- b. It was vital to mobilise world opinion as widely as possible against the illegal seizure of the Falkland Islands. Support from Germany, Japan and Australia would be particularly valuable since they had close links with Argentina.
- c. The other members of the European Community (EC) had so far shown admirable solidarity with Britain. But they did not want war. They were worried by the spectre of Soviet involvement and by division and disunity in the non-Communist world.

There was also concern at the possible damage to United States prestige if the Haig mission failed. The continuance of sanctions could not be taken for granted; and some EC members were considering how to extract tactical advantage from the present situation.

d. There were many stages still to be gone through before the British Task Force would be on the scene. Public opinion would expect more from negotiations as it approached. The Opposition in Parliament were no less pledged to the principle of self-determination than the Government. Maximum moral advantage should be sought from Argentina's status as an aggressor.

e. The present Argentine regime was very elusive to deal with. Power resided at many levels. It might therefore take a very long time to achieve a negotiated settlement which would stick. But the time actually available for negotiation was limited. Once the British Task Force reached the Falklands area it could not be kept waiting. Military action would become unavoidable.

THE PRIME MINISTER, summing up the discussion, said that maximum diplomatic, economic and military pressure would need to be exerted if the Argentine Government were to be brought to agree to a reasonable settlement. The Foreign and Commonwealth Secretary would be visiting Washington on 22 April to discuss those aspects of the present draft which were unacceptable to Britain. Meanwhile it was important to preserve the confidentiality of the draft proposals, and comment should be kept to a minimum. She would arrange for the Press to be told that the Cabinet had taken stock of the present position, particularly in the light of the latest proposals communicated by Mr Haig.

The Cabinet -

Took note.

Cabinet Office

7 June 1982