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CC(82) 20th
Conclusions

COPY NO

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

WEDNESDAY 28 APRIL 1982

at 10.15 amPRESENTThe Rt Hon Margaret Thatcher MP
Prime MinisterThe Rt Hon William Whitelaw MP
Secretary of State for the Home DepartmentThe Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the ExchequerThe Rt Hon Sir Keith Joseph MP
Secretary of State for Education and ScienceThe Rt Hon John Nott MP
Secretary of State for DefenceThe Rt Hon Michael Heseltine MP
Secretary of State for the EnvironmentThe Rt Hon Nicholas Edwards MP
Secretary of State for WalesThe Rt Hon John Biffen MP
Lord President of the CouncilThe Rt Hon Norman Fowler MP
Secretary of State for Social ServicesThe Rt Hon Baroness Young
Lord Privy SealThe Rt Hon Norman Tebbit MP
Secretary of State for EmploymentThe Rt Hon Lord Hailsham
Lord Chancellor (Item 1)The Rt Hon Francis Pym MP
Secretary of State for Foreign and
Commonwealth AffairsThe Rt Hon James Prior MP
Secretary of State for Northern IrelandThe Rt Hon Peter Walker MP
Minister of Agriculture, Fisheries and
FoodThe Rt Hon George Younger MP
Secretary of State for ScotlandThe Rt Hon Patrick Jenkin MP
Secretary of State for IndustryThe Rt Hon David Howell MP
Secretary of State for TransportThe Rt Hon Leon Brittan QC MP
Chief Secretary, TreasuryThe Rt Hon Nigel Lawson MP
Secretary of State for EnergyThe Rt Hon Cecil Parkinson MP
Chancellor of the Duchy of Lancaster
and Paymaster GeneralThe Rt Hon Lord Cockfield
Secretary of State for Trade

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THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Sir Michael Havers QC MP
Attorney General

The Rt Hon Michael Jopling MP
Parliamentary Secretary, Treasury

SECRETARIAT

Sir Robert Armstrong
Mr R L Wade-Gery (Item 1)
Mr D J S Hancock (Item 2)
Mr D M Elliott (Item 2)
Mr R L L Facer (Item 1)

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FALKLAND
ISLANDS

Previous
Reference:
CC(82) 19th
Conclusions,
Minute 1

1. The Cabinet reviewed the state of the dispute over the Falkland Islands.

THE PRIME MINISTER said that the Government had now been formally notified of the American proposals for an Anglo-Argentine agreement, which the United States had communicated to the Argentine government on the previous day with the request that they should be accepted (without amendment) or rejected by midnight. No reply had yet been received from the Argentines. The United States Secretary of State, Mr. Haig, had put these proposals forward on his own responsibility. They represented what the Americans regarded as fair, just and reasonable for both sides; if Argentina rejected them, Mr. Haig's stated intention was to come down firmly on the United Kingdom's side. She had made it clear to Mr. Haig that the Cabinet would wish to know the reaction of Argentina before considering the proposals themselves. She had arranged for the circulation of the text of the proposals to members of the Cabinet on a strictly personal basis.

THE FOREIGN AND COMMONWEALTH SECRETARY said that the meeting of the Organisation of American States in Washington had just adopted a resolution which *inter alia* referred to Resolution no. 502 of the United Nations Security Council, called for a truce, urged the United Kingdom to cease hostilities in the Rio Treaty area and urged Argentina to refrain from action which might exacerbate the situation. During his own visit to the United States the previous week he had found strong support for the United Kingdom, not least in Congress.

THE SECRETARY OF STATE FOR DEFENCE gave an account of the military situation. The Ministry of Defence would be announcing at noon British Summer Time (BST) that day that with effect from noon BST on 30 April a Total Exclusion Zone (TEZ) would be established around the Falkland Islands covering the same area as the Maritime Exclusion Zone established on 12 April. The TEZ would apply to any ship, whether naval or merchant vessel, which was operating in support of the illegal occupation of the Falkland Islands by Argentine forces; and similarly to any aircraft, whether military or civil. Any ship or aircraft found within the Zone without authority would be regarded as hostile and liable to be attacked by British forces. Following the capture of the Argentine submarine Santa Fe in South Georgia, an Argentine naval prisoner, who was believed to have been acting suspiciously, had unfortunately been shot dead; under the terms of the Geneva Convention, an immediate enquiry was being held, and Brazil, as the protecting power, had been notified.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet would wish to congratulate the Armed Forces on their successful recovery of South Georgia.

The Cabinet -

Warmly endorsed the Prime Minister's tribute.

COMMUNITY
AFFAIRS

30 May 1980
MandatePrevious
Reference:
CC(82) 19th
Conclusions,
Minute 4

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that discussion of the budget problem on the second day of the 26-27 April meeting of the Council of Ministers (Foreign Affairs) had revealed a continuing gap between the United Kingdom's requirements and the kind of solution the other member states were prepared to contemplate. The meeting had therefore agreed that discussion should resume at the informal Foreign Ministers meeting on 8-9 May. Meanwhile the President of the Council and the President of the Commission would make contact with the United Kingdom and the Council of Ministers (Agriculture) would go ahead as scheduled on 28-29 April. In these circumstances he had come under strong pressure to abandon the link the United Kingdom had established between a settlement on the budget and approval of the Common Agricultural Policy (CAP) price package that was emerging in the Agriculture Council. He had firmly reiterated the clear basis for this link but had finally agreed to report the strong feelings of his Community colleagues to the Cabinet, making it clear that they should expect no change in the Government's position. He had taken this step to bring the discussion to an end without provoking a second crisis on top of that created by the Falkland Islands issue. The solidarity the Community had shown on the latter was certainly present in the background of the mandate discussions, though there had been no suggestion or hint from any member state around the table that the United Kingdom owed its partners a concession on the budget in exchange for their help on the Falkland Islands. He now recommended that he should be authorised to confirm immediately to the President of the Council that the Government could not give their assent to a CAP price package until the budget question had been resolved. He would consult the Prime Minister and the other Ministers concerned separately on the next stages in the budget negotiations.

In a brief discussion, it was agreed that a message along the lines proposed by the Foreign and Commonwealth Secretary should be conveyed immediately to the President of the Council. It was noted that such a message would probably lead the French to announce the introduction of national aids for their farmers over the forthcoming weekend, and that a move of this kind on their part would provoke farmers in other member states to put still greater pressure on their own Governments for an early CAP prices decision. Though this would create a very difficult atmosphere in the 28-29 April Agriculture Council, it should also serve to induce the other member states to approach the resumed discussions on the budget with a greater will to agree to a solution acceptable to the United Kingdom.

The Cabinet -

Invited the Foreign and Commonwealth Secretary to arrange for a message along the lines he proposed to be sent immediately to the President of the Council.

Cabinet Office

28 April 1982