

CONFIDENTIAL

PRIME MINISTER

Falkland Isles

You may like to bring your colleagues up to date with the report which the Governor of the Falkland Isles made to you today; and with domestic political developments and prospects.

2. You could then ask the Secretary of State for Defence to report on the departure of the task force and the military preparations now in hand.

3. You could then ask the Foreign and Commonwealth Secretary to report on diplomatic developments, including the passing of a mandatory resolution in the United Nations and the actions that have been or are being taken to build on that, and to gather support for our position and to embarrass and isolate the Argentinians.

4. The Cabinet will have had copies of a note on economic measures, following Lord Carrington's minute of 5th April to you, and in particular on the actions being taken with the European Community and with the United States, Canada, Australia, New Zealand and Japan to seek to persuade them to take corresponding measures in the field of trade. The Foreign and Commonwealth Secretary, the Chancellor of the Exchequer and the Secretary of State for Trade might be asked to speak to these matters.

5. If you have decided to keep the management of the crisis under the control of a small group of Ministers, you may like to tell the Cabinet that you so propose, making it clear that major decisions will come to the Defence and Oversea Policy Committee (OD) and to Cabinet as necessary. We shall have to keep up the political and diplomatic pressure through the next three weeks, while the task force is sailing to the South Atlantic. During this period as well as after, decisions may be needed at short notice, and you will want to warn your colleagues that it may be necessary to call unscheduled meetings and meetings at very short notice.

RA

Robert Armstrong

5th April 1982

CONFIDENTIAL