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FALKLAND ISLANDS CRISIS

MINUTES of a Meeting held in Conference Room B, Cabinet Office on MONDAY 5 APRIL 1982 at 11.00 am

PRESENT

Sir Robert Armstrong
Secretary of the Cabinet
(In the Chair)

Sir Douglas Wass
Treasury

Sir Antony Acland
Foreign and Commonwealth Office

Mr P J Weston
Foreign and Commonwealth Office

Mr A E D Chamier
Department of Education and Science

Mr R M Hastie-Smith
Ministry of Defence

Mr J G Kelsey
Ministry of Agriculture, Fisheries and Food

Mr G Moseley
Department of the Environment

Mr A Peat
Welsh Office

Mr M D M Franklin
Department of Trade

Mr R Andrew
Home Office

Mr N Bayne
Foreign and Commonwealth Office

Sir Peter Preston
Overseas Development Administration

Colonel A Harley
Ministry of Defence

Captain M J G Howitt RN
Ministry of Defence

Mr P Parkhouse
Ministry of Agriculture, Fisheries and Food

Mr G Murray
Scottish Office

Sir Peter Carey
Department of Industry

Sir Peter Baldwin
Department of Transport

Revised 13.4.82

Sir Kenneth Stowe
Department of Health and
Social Security

Mr D B Smith
Department of Employment

Sir Antony Duff
Cabinet Office

Mr R J Priddle
Department of Energy

Mr D J Colvin
Cabinet Office

Brigadier A B D Gurdon
Cabinet Office

SECRETARIAT

Commander G R G Middleton
Mr C H O'D Alexander

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1. IMPLICATIONS FOR CIVIL DEPARTMENTS OF THE SITUATION IN THE SOUTH ATLANTIC

The Meeting considered the diplomatic and military situation in the South Atlantic arising from the Argentinian invasion of the Falkland Islands and South Georgia, and reviewed the action contemplated in the diplomatic and economic fields and in support of the deployment of United Kingdom forces to the South Atlantic.

SIR ANTONY ACLAND said that the United Nations Security Council had passed a mandatory resolution demanding Argentinian withdrawal from the Falkland Islands and South Georgia. This was a major achievement for the United Kingdom and would provide the basis for further action in the diplomatic and economic fields. We would now be asking our EC partners and our other friends and allies to take action collectively or singly in support of our position, with the objective of bringing pressure to bear on Argentina. We, for our part, had already broken off diplomatic relations with Argentina, frozen Argentinian banking assets in the United Kingdom, instituted what in effect was an arms embargo, and decided to issue no further new export credit. The aim would be to persuade friendly countries to follow suit. It had to be recognised, however, that as the precedent of the seizure of American hostages in Iran had shown, the freezing of assets would present difficulties for friendly countries. There was EC competence in the matter of restrictions on trade with Argentina. Beside these immediate measures, it would be necessary to carry out further contingency planning for the later stages of the crisis. It could be expected that various proposals would emerge in the international community for a peaceful settlement of the crisis.

THE MINISTRY OF DEFENCE gave the Meeting a resumé of the military situation. The Argentinians had invaded the Falkland Islands at first light on Friday, 2 April with a marine battalion followed by army units with armoured vehicles. The total Argentinian strength in the Falklands was expected to have reached 3,000 men. The Argentinians had also taken control of South Georgia, the previous afternoon. These two invading forces appeared to have suffered 5 fatal casualties; there was no information on the extent of any British casualties. The Governor of the Falkland Islands and the Royal Marines who

were there at the time of invasion had arrived in the United Kingdom earlier in the morning. It was thought that the Royal Marines and the British Antarctic Survey party on South Georgia had been taken aboard an Argentinian ship. Almost the whole of the Argentinian Navy was at sea, and were continuing to reinforce their troops on the Islands. They had also established control of shipping up to a line 50 miles north of the Falklands. The United Kingdom force being assembled to deploy to the South Atlantic comprised a fleet of 2 carriers, one assault ship, 6 destroyers, 4 frigates and 15 support ships, as well as some submarines. Elements of the fleet had sailed for the South Atlantic on 3 April and the whole of the fleet would be at sea in the course of the day. With the fleet would be 3 Commando Brigade plus Sea Harriers and helicopters. They would be followed on 8 April by the 3rd Parachute battalion. The Americans had given their permission for the use of Ascension Island as a forward base for supplies and fuel; Royal Air Force Hercules aircraft had been flying in stores and equipment since Saturday 3 April. The options for the operational tasks for the fleet when it arrived in the South Atlantic were being prepared for consideration by the Cabinet.

MR HASTIE-SMITH, MINISTRY OF DEFENCE (MOD), added that the MOD were also taking up ships from trade. An Order in Council had been signed to enable the Royal Prerogative to be used to requisition the P & O ships Canberra and Elk. They would be sailing on Thursday, 8 April, with troops in Canberra and their vehicles in Elk. The MOD had also chartered 3 tankers from British Petroleum for the carriage of fuel supplies. The need to resort to requisitioning had arisen not because of any unhelpfulness on the part of P & O, the owners of the two ships, but because it would be easier to deal with consequent questions of compensation.

In discussion it was suggested that, in view of uncertainty as to how the situation would develop and the wide range of options which lay ahead, Departments should use the Government War Book as a check list of measures to be

to be considered. For example, it might be necessary to make contingency plans in respect of the treatment of Argentinian nationals in the United Kingdom, or to consider whether threats might arise at key points in the United Kingdom. A problem of immediate relevance was the supply of arms to Argentina. The Foreign and Commonwealth Office (FCO) had sent a telegram to a large number of posts on this question, with the object of enlisting support for an arms embargo against Argentina. The MOD would identify what military equipment and spares the Argentinians might be seeking. There was a particular problem over a large order in the Federal Republic of Germany; the three ships concerned were building in Hamburg.

In further discussion the following points were made -

a. The basis in international law on which the Government's response to the invasion would rest was Article 51 of the United Nations Charter which entitled us to exercise rights to repel invaders and to recover territory. The difference between this and a state of war was broadly speaking that if war was declared, the Government would be obliged to take certain actions such as the internment of Argentinian nationals in the United Kingdom, and the termination of bilateral agreements. Article 51 might suffice as the basis for a wide range of action, even though it was conceivable that legislation would be required in some areas. Although there were already wide powers to take action of the kind contemplated in the economic field, and nothing was being proposed at the moment which would require new powers, the FCO and the Department of Trade should identify what measures could not be taken within existing powers. Questions in which there was EC competence were also likely to arise.

b.

c. Ministers would be invited within the next two days to consider the rules of engagement for United Kingdom forces in the South Atlantic. This could affect the status of the conflict.

d. The action already taken to freeze the bank deposits in the United Kingdom of Argentinian residents would not prevent British residents from paying Argentinians: this would require the restoration of the Exchange Control Act, together with a provision exempting all but Argentinian residents from its application. It was not proposed to do this since action on physical trade would be more effective. Our EC partners and other allies would find great difficulty in following our lead on the freezing of assets. But they might be prepared, if only for commercial reasons, to advise their banks to make no further commercial loans to Argentinians.

e. There were three United Kingdom merchant ships in Argentinian waters. They all had Argentinian crews and had decided to take no action in response to advice from the General Council of British Shipping. The one Argentinian ship in United Kingdom waters had left over the weekend; and two others heading for British ports had diverted. Air services between the United Kingdom and Argentina had in practice ceased; there was no need formally to suspend air services. Action to suspend the processing of applications for export licences to Argentina was in hand. The Department of Trade had issued advice to British businessmen. There was no proposal to introduce a general ban on exports to Argentina: it was thought likely to be preferable to institute a general ban on imports, leaving it to the Argentinians - if they so decided - to ban imports from the United Kingdom.

f. The British Ambassador in Buenos Aires would be contacting the wardens of the British communities in Argentina, advising them to encourage those who had no reason to remain to leave if they could. Similar advice would be passed to British firms and to the British Interests Section in the Swiss Embassy in Buenos Aires. The object of this discreet action was to avoid the risk of precipitating action against the British community in Argentina, while at the same time preparing for a later and tenser phase in the crisis by seeking to reduce their numbers. More immediately there was the problem of the British Antarctic Survey (BAS) party in South Georgia. The FCO were in touch with the Swiss about this. HMS Endurance

had left the area. It was important to try to get the people out, because the weather was closing in and they had limited supplies. It had been hoped that the BAS vessel Bramsfield would attempt to pick them up, but the Chairman of the Natural Environment Research Council, Professor Sir Herman Bondi, was opposed to the use of their vessel for this purpose. The basis of this opposition appeared to be the value of the equipment on the ship. Although this factor hardly weighed in the balance when lives were at stake, it would in practice be better if the Bramsfield left the area as soon as possible.

g. There were thought to be about 6,000 Argentinian Nationals in the United Kingdom on a permanent or semi-permanent basis, plus about 10,000 temporary visitors. The Home Office were considering the question of internment. If war was declared, Argentinian nationals in the United Kingdom would automatically be liable to be interned. They could be interned without a declaration of war. But there were very real practical problems in finding the accommodation for internment and staff to administer internees. The scale of this potential problem would be much reduced if as many Argentinian citizens as possible could be deported. Many of the temporary visitors could be expected to leave of their own accord. If it were decided to deport Argentinian citizens, and there were powers available to do this, there would remain the question of how to treat those who might wish to be treated as refugees. No action had yet been taken to prevent Argentinian nationals entering the United Kingdom, but this could be done at short notice if necessary. The Security Service were preparing an assessment of the risk to key points in the United Kingdom it seemed unlikely that any of these installations would be found to be particularly at risk.

h. The introduction of a ban on imports from Argentina was not expected to result in a severe interruption of supplies of initial foodstuffs. Less than 5 per cent of the United Kingdom's meat supplies came from Argentina. It might in any case be necessary to suspend imports of Argentinian meat because the Ministry of Agriculture, Fisheries and Food's Veterninary Inspectors were having to be withdrawn, as part of the British Diplomatic community in Argentina, and it would therefore no longer be possible to certify that the Argentinian exporter was meeting British standards.

i. The Overseas Development Administration had 43 officers, with a total of 32 dependents, in the Falkland Islands.

j. It was likely that cultural visits or exchanges would not continue. But the FCO should consider the issuing of general guidance on the subject.

SIR ROBERT ARMSTRONG, summing up the discussion, said that a number of points requiring action had been identified. The question of co-ordination in Whitehall would be dealt with under the next agenda item.

The Meeting -

1. Invited the Foreign and Commonwealth Office, in consultation with the Ministry of Defence, to carry forward the effort to dissuade other countries from supplying arms to Argentina.

2.

3. Noted that the Ministry of Defence would shortly be seeking decisions from Ministers on the rules of engagement for British forces in the South Atlantic.

4. Noted the action in hand with respect to the British community in Argentina.

5. Invited the Foreign and Commonwealth Office to pursue the question of recovering the British Antarctic Survey party from South Georgia.

6. Invited the Home Office to carry forward contingency planning in respect of Argentinian citizens in the United Kingdom.

7. Noted that the withdrawal of the Ministry of Agriculture, Fisheries and Food's Veterinary Inspectors was likely to lead to the halting of food imports from Argentina, irrespective of a decision to ban imports.

8. Invited -

i. the Foreign and Commonwealth Office to consider issuing general guidance on cultural visits and exchanges;

ii. the Cabinet Office to establish with the Office of Arts and Libraries how cultural visits and exchanges should best be discouraged.

[SECRETARIES' NOTE: after the meeting, the Home Office reported that the total number of Argentinian nationals in the United Kingdom was now estimated at 5,000, including temporary visitors. It was no longer clear that Argentinians could be interned if there had been no declaration of war. The Home Office will be preparing a note for the Defence and Oversea Policy (Official) Committee, Sub-Committee on the South Atlantic (ODO(SA)).]

SECRET

2. FUTURE CO-ORDINATING MACHINERY IN WHITEHALL

SIR ROBERT ARMSTRONG said that officials would need to meet regularly in support of the Ministerial Group which would be dealing with the day-to-day issues arising from the crisis. The Transition to War Committee would not be an appropriate official body. Instead, a smaller body would be established* under Mr Wade-Gery's chairmanship with regular representation at Deputy - or Under-Secretary level from the Treasury, the Home Office, the Foreign and Commonwealth Office, the Ministry of Defence, the Departments of Trade, Industry, and Transport; other Departments could be represented as necessary. The first meeting would take place later in the day, to consider a minute from the Foreign and Commonwealth Secretary to the Prime Minister. The Ministry of Defence and the Foreign and Commonwealth Office were already working on a 24-hour basis. While there was no need to activate the Cabinet Office Briefing Room facilities, all Departments should ensure that staff were available at all times to enable questions which arose to be dealt with speedily. He would make a brief report to the Prime Minister and those of her colleagues who were concerned on the conclusions of the Meeting.

The Meeting -

Took note.

* Defence and Oversea Policy (Official) Committee, Sub-Committee on the South Atlantic (ODO(SA))

Cabinet Office

5 April 1982

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