TOP SECRET Copy one of one Acts cos briefes at 1840 A. PERSONAL 6May 2038/1 CDS POSSIBLE CEASEFIRE 1. The Cabinet met this morning on the latest Peruvian/US ideas - see FLAG F in A1's brief. They think they can live with these subject to: Clarification over South Georgia. a . Local administration by the Contact Group for the interim period. The Mandarins met at 1415 in order to implement the action following Cabinet. At Sir Robert Armstrong's request

CNS attended with PUS and Sir Antony Acland.

- This morning it had been thought that the critical path in any timetable towards a ceasefire would be the withdrawal of Special Forces. However in the Mandarins Meeting the real point at issue was seemed to be the need to sign and exchange a paper agreeing to lines along which both sides would work. before any ceasefire.
- Twenty four hours after such a formal exchange, both sides would agree to implement a ceasefire.
- Special Forces would come under any withdrawal agreement and so are no longer a critical path.
- The Foreign Secretary is to ask that we should not sink the Argentine carrier for the next few days. This is to be cleared by Ministers, and CNS and PUS are content that Secretary of State should accept this "on a temporary basis" for the period of the present political early initiative." - See Fug X.

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