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SOUTH ATLANTIC PRESENTATION UNIT (SAPU)

The attached paper issued at 1200 hours on 11 May 1982 contains information and suggested lines to take on the following -

1. Negotiations at the United Nations
2. Informal Meeting with EC Foreign Ministers
3. Paying for the Falklands Operations
4. HMS Britannia
5. Attack on the Narwal
6. Summary of Mr Pym's appearance before the House of Commons Foreign Affairs Committee on 10 May

Cabinet Office

11 May 1982

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LINE TO TAKE

1. Negotiations at the United Nations

Negotiations will continue today in New York. Details are confidential. The going is hard; there is much ground to be covered. We are neither on the verge of breakthrough, nor deadlocked. We are setting no deadlines but it is self evident that the situation is critical. We have accepted the Secretary General's approach and are co-operating actively, fully and urgently in the negotiations. We wish to achieve an early settlement if that is humanly possible.

Do Costa Mendez's remarks on CBS constitute a break-through?

- He is reported as saying "we are not putting sovereignty as a precondition for our talks". But this must be read in conjunction with other remarks by the Argentine Government and with his own subsequent comments, ie Argentine statements are conflicting. It remains our firm position that sovereignty cannot be prejudged in the negotiations on the long-term future of the Islands.

2. Informal Meeting of European Community Foreign Ministers 9 May

This meeting went a good deal better than some press reports would suggest. It was always envisaged that a decision on renewing sanctions against Argentina would not be taken until 16 May. Community solidarity remains, as Mr Tindemans said publicly after the meeting when he stressed that support for Britain had not lessened.

3. Paying for the Falklands Operations

Extra cost will not be sufficient to disrupt economic strategy but decisions on how to finance operations will have to wait until full cost is known. Do not yet know how long operations will last or what form they will have to take. Impossible to assess accurately even cost to date with Task Force over 8,000 miles away, a vast range of supporting activities in the United Kingdom, at Ascension, and elsewhere and new military requirements day by day. Meanwhile operations not being hampered by financial restrictions - although we have not abandoned all financial discipline.

Not all costs will be "extra costs" (eg cost of servicemens' pay, routine deployments and exercises would have been incurred anyway). Although "extra costs" are likely to be substantial in themselves, they will be comparatively small in relation to Government expenditure as a whole (£115 billion this year) or even defence expenditure (£14 billion this year).

4. HMS Britannia (Story in the Sun on 10 May: "Our Shame, by Britannia Men")

Britannia's NATO war role is to ferry casualties from continental ports to the United Kingdom for transfer to British hospitals. This is very different from the situation in the South Atlantic. There are no nearby open ports to which casualties could be regularly ferried - requirement is therefore for a considerably larger vessel able to act, quite literally, as a hospital ship and, perhaps, for prolonged periods. The Uganda's much more extensive accommodation and longer range between refuelling makes her ideally suitable for this particular task. (Additionally the deployment of Britannia in the South Atlantic would probably require a dedicated tanker as she uses a different fuel from the majority of the ships in the Task Force.) However none of these factors would apply in a European war and Britannia remains fully capable of fulfilling her planned NATO role.

5. Attack on Narwal

Argentines have attempted to present this as an attack on an innocent vessel and have even alleged that British aircraft strafed survivors. This is totally false. The Narwal had been shadowing the Task Force for several days and had previously been warned to leave the area. When it was sighted again on Sunday - well within the TEZ - we had every reason to believe that it was spying on the fleet. Irrefutable evidence of this was discovered after we had captured the vessel: an Argentine naval officer, surveillance equipment and detailed military orders for reconnaissance operations were found on board. Information supplied by the Narwal could have been used by the Argentines to guide submarines or aircraft to attack our ships. Our announcement of the TEZ warned the Argentines that all ships found in the zone without our authority would be regarded as hostile. Additionally, on 7 May, two days before the incident, we warned that merchant ships or fishing vessels apparently engaged in surveillance or intelligence activities against our forces in the South Atlantic would be regarded as hostile and were liable to be dealt with accordingly.

6 FALKLAND ISLANDS

Following is a summary record of the Secretary of State's appearance before the Foreign Affairs Committee of the House of Commons on 10 May.

Paragraphs marked with a star record that part of the discussion which was conducted in closed session (i.e. without the press present).

British Strategy

** The Diplomatic effort is being pursued with unabated intensity at the United Nations. The military deployment continued in exercise of our right of self defence with the minimum use of force. HMG would not shrink from any decisions which might be necessary. Economic pressures had increased the difficulties of the Argentine economy. Mr Pym was encouraged by the excellent discussion he had had with his Community Partners at the weekend. He had not sought decisions on extending sanctions, but the Community was very supportive. Events were entering a critical phase. He could not predict the outcome, but pledged to persist in the search for a negotiated settlement so long as there was the remotest chance of success.

Community Measures

In response to questions, Mr Pym stressed his appreciation of Community support and solidarity. Some had expressed reservations but in general there was very strong support and decisions would be taken by the end of the week. He agreed that the Council of Europe was also important and denied that any Community Partner was seeking to blackmail Britain by linking sanctions with farm prices. He was confident in the light of the weekend discussion that sanctions would be renewed.

** Taxed with the critical public statements of Ireland, France and the Federal Republic, Mr Pym repeated that the weekend meeting had been encouraging. Commonwealth support was also important. He did not believe that international support was falling away, although every criticism received exaggerated publicity. It was widely understood that if we succeeded, the world would be a more peaceful place. The Security Council was unlikely to give formal endorsement to our military action for obvious reasons, but the Argentine invasion was widely seen as a challenge to democratic institutions. There was perhaps more support for our position among governments than in public opinion, and our firmness of purpose was widely respected.

** The United States had not closed their minds to further measures. What they had already done was designed for maximum impact in the short term. We had not asked for military support and respected the United States' decision that they did not wish to become militarily involved.

The Use of Force

Asked whether his credibility as a peacemaker had not been eroded by the re-capture of South Georgia or the bombing of Port Stanley airport, Mr Pym replied: 'Emphatically not - quite the contrary'. Military pressure was an indispensable element in the search for a peaceful solution and we were well within our rights in using force in self defence to re-take British territory and protect the Task Force.

Asked whether the bombing of Argentine bases on the mainland or an opposed landing on the Falklands would not alienate Latin American opinion, Mr Pym replied that the question underlined the importance of implementing SCR 502. He did not want to escalate or spread hostilities, but could not exclude any possible military action. Although there was widespread support in Latin America for the Argentine claim to the Falklands, there was also much disapproval of Argentine use of force. The OAS meeting had withheld practical help from Argentina.

Diplomatic Options at the United Nations

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Asked how the United Nations could help an interim or long term solution, Mr Pym replied that this was a practical question. He had an open mind to a range of options. After Argentine withdrawal the gap could be filled by a group of nations or perhaps by the United Nations itself.

Asked about the long term objectives of HMG, Mr Pym replied that the Falkland Islands were British sovereign territory inhabited by British people. We had to bear in mind their wishes. But we had never taken the view that the Islands were under British sovereignty by definition 'for ever and a day'. Other forms of governance to secure their future were not excluded. There were many options, including independence, associate status, condominium, UN trusteeship, and others. The Islanders would take time after Argentine withdrawal to review their life and to contemplate the future. He contrasted the Argentine attitude that sovereignty was not negotiable. When they spoke of de-colonisation, they meant colonisation by force. He was determined that the range of possibilities should not be prejudged in negotiation.

Mr Pym confirmed that there was no question of a ceasefire without Argentine withdrawal, and machinery to supervise it. Withdrawal should take place over a fixed number of days - the shortest practicable period. We would judge proposals by that yardstick.

He acknowledged the relevance to the negotiation of long term considerations of garrison, supply, etc., if the Islands had to be taken by force. Hence the importance of an interim authority and of time for the Islanders to consider their own future

Asked why HMG did not seek a sanctions resolution in the Security Council, he replied that the first priority was to enforce Resolution 502. He did not exclude the other, although it might be vetoed. He thought the most effective way was to pursue economic measures through the Community, the Commonwealth and bilaterally.

Argentina

** Were the Argentines serious about a peaceful settlement? Mr Pym was sceptical. It remained to be seen. But the pressures were building up and the Americans were now on our side.

** Asked about the power of the Junta and the Argentine decision-making process, Mr Pym said it was not an exact science. Galtieri was the Chairman ad referendum to Admirals and Generals. The Foreign Minister and the UN Representative contradicted each other. The regime changes their minds over night. They had whipped up popular support for intervention, and confused public opinion with a mass of misinformation, which made it difficult for them to negotiate.

Asked to assess the situation inside Argentina, Mr Pym referred to mounting economic problems, the fanatical popular support for the regime, balanced against dislike of war. The military leadership had embarked on this adventure without thinking through the implications. They were surprised by the speed, scale and resolution of the reaction from Britain, the Community, the Commonwealth and the United States.

Propaganda

Mr Pym was aware of widespread criticism of the BBC, for appearing to be even-handed between HMG and the Junta. The Government were concerned. Constituents who complained to Ministers should complain direct to the BBC.

He was aware of the delays over getting television pictures back from the Fleet; but it was technically difficult to transmit them from an operational Fleet.

Dependencies

Mr Pym agreed that the Dependencies were distinct from the Falkland Islands themselves, although they had been administered from Port Stanley as a matter of convenience.

What happened to them in the end would have to take account of the outcome of the Falkland Islands. He could envisage different solutions.