Argentina.

Ref. A08091

PRIME MINISTER

OD(SA)(82) 3rd Meeting

The first business for this meeting will be to approve the instructions to be sent to the first SSN to enter the exclusion zone, and to other SSNs as they arrive there. A paper is being handed round. The instructions contained in it, which are based upon the rules of engagement already transmitted to the submarine, have been agreed with the Foreign Office and the Ministry of Defence.

- 2. In effect they give the Commander of the submarine discretion to attack any vessel positively identified as an Argentine warship, submarine or naval auxiliary. They do not restrict his discretion as to the size or type of naval vessel to be attacked; we are told that the Commander can be relied upon to use his discretion not to waste torpedoes on unimportant small naval craft.
- with Mr Haig this afternoon. He will presumably accept that our immediate objective is the removal of Argentine troops from the Falklands and the restoration of British administration. You may like to agree with your colleagues on what should be said if he goes on to try to explore our ideas for long-term solutions. I suggest that at this stage, and before Mr Haig goes to Buenos Aires, we should say no more than that, once Argentine troops and British administration has been restored we shall be prepared to resume discussions of long-term solutions and shall be prepared to consider any solution which respects the wished of the islanders themselves. If he asks whether that extends to a willingness to discuss sovereignty, the answer must presumably be that we do not wish to exclude in advance any solution which respected the wishes of the islanders.
- 4. Thirdly, the Sub-Committee may like to take note of the memorandum circulated yesterday evening on United States economic relations with the Argentine and the scope for economic pressure against Argentina.

SECRET

Paragaph 5 deleted and relained under Section 3(4). CADayland 1 May 2012

- 6. Fifthly, you will wish to decide who should be with you for the meeting wit Mr Haig; and when the Sub-Committee should hold its next meeting if it is possible to take a decision before the meeting with Mr Haig.
- 7. For the meeting with Mr Haig, you should be aware that the United States intelligence agencies are helping and supporting our own intelligence effort with unreserved openness and generosity. Mr Haig himself has assured Sir Nicholas Henderson that if there is anything we need in the area of covert support and assistance we have only to ask. Profiting from this, a telegram of requests has already gone over to Washington. You may like to express your appreciation to Mr Haig.
- 8. You should also know that the presentation unit for which you asked is now in operation. It is in the Cabinet Office, and in the formal sense linked to the Chancellor of the Duchy of Lancaster and Paymaster General so that he can "represent" it in meetings of the Sub-Committee. It will of course have close links with the Foreign Office and the Ministry of Defence.

RA

ROBERT ARMSTRONG

8 April 1982

I The Crief of the before Staff would much like to be true