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Ref: B06559

PRIME MINISTER

c Sir Robert Armstrong

Falklands: OD(SA) 12th July

The two subjects for discussion will be

(a) the action to be taken on the Argentine response to the latest British message (despatched on 8th July: FCO telegram no. 148 to Berne) if a response has been received by the time OD(SA) meets; and

(b) the arrangements for the Falkland Islands Service, on which a note has been circulated by Ministry of Defence officials (OD(SA)(82) 70).

2. The Chief of the Defence Staff will be absent in Paris, and will not be represented; but the Defence Secretary will be accompanied by Sir Arthur Hockaday, who has been negotiating on his behalf with the Dean of St Paul's about the Falkland Islands Service.

Argentine Response

3. The Foreign and Commonwealth Office expects that the Argentine response, if one is forthcoming, is likely to be limited to nominating a port through which the prisoners should be returned. If so, the following questions will arise.

(i) Does the Sub-Committee agree that the response is sufficient to justify a conclusion that Argentina accepts that there is a cessation of active hostilities, and hence that the prisoners should be returned?

(ii) Assuming the answer to (i) is Yes, does the Defence Secretary judge it essential temporarily to retain the 35 Argentine prisoners who have volunteered to help with mine clearing? If so, have the conditions agreed in discussion at OD(SA) on 8th July been met? (ie that the volunteers have confirmed



individually, in writing and in the presence of witnesses, that they are willing to remain and willing to help with mine clearing operations; and that the International Committee of the Red Cross have been informed).

(iii) What are the implications for the maintenance of the Total Exclusion Zone (TEZ) and the 12 mile restriction?

4. The Defence Secretary is understandably anxious that no decision should be taken to lift the TEZ or the 12 mile restriction without consultation with the Chief of the Defence Staff. You may nevertheless wish to have a preliminary discussion of the question at this meeting, especially in view of the Attorney General's view that, once we are seen to accept that "active hostilities" have ended, our justification for maintaining the restrictions needs to be kept under constant and critical review; and that the justification will become more tenuous the longer the situation goes on without hostilities in fact taking place. (The Attorney General's views are set out in detail in the letter of 8th July from Mr Steel of the Attorney General's Chambers to me.) The question could be looked at again at the next meeting of OD(SA) on Thursday, 15th July, at which the Chief of the Defence Staff will be present.

The Falkland Islands Service

5. The main question here is whether the form of service, as annexed to the Ministry of Defence note, is acceptable; and, in particular, whether it is acceptable - or would be understood by the Armed Forces and the public - that no representative of the Services should take part in the Service, eg by reading one of the Lessons. You will wish to ask Sir Arthur Hockaday to introduce the note and explain the difficulties (which apparently stem largely from the attitude of the Free Church representatives).

A D S Goodall

9th July 1982

A D S GOODALL