

Ref: B06556

PRIME MINISTER

c Sir Robert Armstrong

Falklands: OD(SA) 8th July

This will be a short meeting. There are two subjects to be addressed: the Defence Secretary's memorandum on the burial of South Atlantic casualties (OD(SA)(82) 69) and the question what to do about the Argentine prisoners.

Burial of South Atlantic Casualties

2. You will wish to ask the Defence Secretary to introduce his memorandum. The main issues for decision are whether the Sub-Committee agrees that the next of kin of British servicemen killed should be offered the option of repatriation or of permanent burial in a military cemetery at Port Stanley; and how flexible the arrangements should be for allowing next of kin of those buried on the Falklands to visit the island at public expense. On the second point it would seem reasonable to limit visits by next of kin to [~]widow plus two, who could be either parents or children of the deceased.

What to do about the Argentine prisoners

3. There has still been no direct Argentine response to the message conveyed to them through the Swiss on 3rd July. The Swiss believe that a direct response is unlikely to be forthcoming for some considerable time, if ever. Meanwhile however the new Argentine Foreign Minister, in a speech on 5th July, spoke of a de facto cessation of hostilities, and telephoned the United Nations Secretary General on the night of 6th July to say that his Government had decided to release Flight Lieutenant Glover through the International Committee of the Red Cross and would attach no conditions to the release.

4. You will wish to ask the Foreign and Commonwealth Secretary for his assessment of these developments and to invite views on whether they justify a decision to return the Argentine prisoners still in British hands. This could be on the basis of a unilateral statement by the United Kingdom that

in view of

- (a) the fact that there have been no active hostilities since the Argentine surrender;
- (b) the Argentine Foreign Minister's statement of 5th July; and
- (c) the Argentine decision to release Flight Lieutenant Glover

we conclude that the Argentine Government regards hostilities as being at an end and we accordingly propose to return the prisoners. If it is decided to proceed in this way there would be advantage in doing so before the United Nations Secretary General arrives in London on 13th July.

5. A British statement in these terms would also have implications for the continued maintenance of the Total Exclusion Zone and the 12 mile restriction and also, in the longer term, for the maintenance of economic sanctions. But it would seem sensible to await Argentine reactions to the new British statement before deciding what to do about the TEZ and the 12 mile limit. These questions could be left for decision next week - perhaps at the next meeting of OD(SA) on Monday 12th July, depending on when the new statement is made.

ADS Goodall

7th July 1982

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