CONFIDENTIAL

MEETING OF INFORMATION GROUP ON THE FALKLANDS 10 AM TUESDAY 22 JUNE 1982

Present:

B Ingham - No 10 N Kelly - CoI N Fenn - FCO M Peters - MoD

H Mills - Chancellor of the Duchy's Office

H Colver - No 10

DIPLOMATIC

Sanctions

FCO reported that the UK had hoped that at yesterday's meeting of EC Foreign Ministers, a decision would be taken to keep sanctions in place until a proper Argentine assurance on cessation of hostilities. However a majority of our partners preferred the view that sanctions should be lifted now in anticipation and expectation that the de facto ceasefire would become a cessation of hostilities. The proviso that the EC would react immediately by considering this again if there was any deterioration in the situation would be treated by us, presentationally, as a commitment by the EC.

It was felt that we had to accept what the Community had decided and therefore Mr Pym had presented it as a satisfactory outcome. The threat to reimpose sanctions was the right sort of signal to come out of the Community.

It was noted that the US were still with us, if only in military sanctions, restrictions on credit, and the like. The US had never banned import and export trade.

Argentina

Argentina was still in a state of political chaos. This had its uses for the UK in that it was a clear indication to the world of our caution in proclaiming a cessation of hostilities. Without coherent leadership in Argentina the lack of progress would be seen as understandable.

Nevertheless there was some ambiguity about the Argentine position. In communications to the UN Argentina was saying that hostilities were at an end and they regarded our action in South Thule as a resumption. The Argentine note of 18 June also said that the situation was bound to be precarious "until British withdrawal". Our attitude to this note was that it was one of more than 100 notes circulated around the UN by Argentina during the crisis. It did not represent a direct response to the British request for a firm assurance on hostilities.

GIBRALTAR

Spain had asked for postponement of the 25 June meeting in Sintra which would have signalled implementation of the Lisbon Agreement, the opening of the frontier and talks. This, it was thought, stemmed from the Spanish Government's unwillingness to accept criticism from the right without obtaining some sort of progress in talks with the UK. How much impact the Falklands situation had on all this was a matter of judgement but the Spaniards were certainly making the connection. Mr Pym in Luxembourg had acknowledged that the Falklands situation had sharpened Spanish sensitivity.

PRIME MINISTER'S VISIT TO THE UN

There was concern about the Prime Minister's Press Conference at the UN given the curious nature of the UN Press Corps. However it was necessary to face the UN Press and it was thought the Prime Minister would take a robust line.

On the question of SCR502, the FCO commented that apart from pointing out the Argentine failure to respond to paragraphs 1 and 2, the UK's commitment to a peaceful solution to disputes, the history of Argentine aggression, and the eventual need on the part of Britain to commit troops, it would be useful in briefing to emphasise that it was difficult to see how Britain could begin to negotiate under paragraph 3 without circumscribing the right of self-defence and rewarding aggression.

MILITARY

It was noted that Max Hastings and the Army were in dispute over some of his stories.

On the question of whether or not 5 Brigade would form the garrison, MoD reported that this was still under discussion. It was not correct to say that 5 Brigade definitely would not take this role. They had been told from the start that this was a possibility. The size of the garrison was not yet decided.

On the question of the £15 'phone calls allegedly made by troops,

and this applied to all except casualties and survivors from lost ships. A signal had gone asking if any other telephone calls had been permitted.

INQUIRY

The Chairman reported that in the context of a desire to make the inquiry go back 20 years, the Prime Minister had commented that we owed it to the FCO, Lord Carrington, and the other Ministers who had resigned, to have a thorough inquiry that looked at the whole story.

Following the Prime Minister's letter to Opposition leaders, it was thought that they would want to talk to her individually. No announcement was therefore likely before next week.

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NEXT MEETING

It was decided to suspend the daily meetings and to meet once a week for stocktaking purposes. Accordingly the next meeting would be at 10 am on Friday, 25 June, 1982.

HUGH COLVER

22 June 1982