FALKLAND ISLANDS: FCO SITREP (DETAILED VERSION), 0730 HOURS, 18 JUNE 1982

Change of Government in Buenos Aires

1. Galtieri has 'retired' as Commander-in-Chief of the Army and been replaced by Cristino Nicolaides who will assume the duties of Army Commander today. Galtieri will submit his resignation to the Junta as President of the Republic today. Press reports say that he will be replaced temporarily by the present Interior Minister, General Alfredo San Jean, until the Junta appoints a new President. According to Reuters, Nicolaides is a moderate, but the Swiss Ambassador in Buenos Aires describes him as a man of the Right considered as hard and unimaginative.

Repatriation of POWs

(FCO Telno 124 to Berne) (FCO Telno 153 to Brussels) (Berne Telno 177 to FCO)

(Montevideo Telno 494 to FCO) (Brasília Telno 286 to FCO)

(UKMIS Geneva Telno 338 to FCO)

(Washington Telno 2174 to FCO) (Washington Telno 2178 to FCO) (Santiago Telno 307 to FCO)

- 2. Efforts continued throughout the 24-hour period to ensure the return of the bulk of the Argentine POWs by the shortest possible route. A reply received from the Argentine Deputy Foreign Minister via the Swiss was categoric about the prospects for British ships docking in Argentine ports and described it as 'absolutely forbidden'. Ros added that Argentina would not accept any British proposal for a ceasefire as long as there was no mention of the possibility of discussion on sovereignty. The Uruguayans meanwhile confirmed that they were prepared to accept the Camberra if The Brazilians have received indications that necessary. the Argentines would have no objection to the use of a Brazilian port if necessary.
- 3. The ICRC have passed to us confirmation from a member of the Argentine General Staff that the Argentines have no objection to Canberra and Norland going to Montevideo, and passing on the request that the Bahia Paraiso and two Argentine merchantmen should sail to Port Stanley to pick up POWs. It looks, however, as though there is still a chance that British ships could discharge the POWs at an Argentine port. An earlier report passed on by Washington that the Secretary-General of the Argentine Foreign Ministry was recommending that Canberra be permitted to enter port at Puerto Madryn has just been confirmed by telegram from HM Embassy Washington: the US Military Attaché în Buenos Aires had spoken to the Deputy Chief of Staff (Army) who had confirmed with Nicolaides, the new Army Commander, that he would guarantee safe passage to the Canberra. The Chileans have confirmed that their position remains that they are willing to offer Punta Arenas if Argentina agrees.

Maintenance of

CONFIDENTIAL Maintenance of Economic Measures and Arms Embargo Efforts are continuing through representations by HM Embassies in EC and OECD countries to maintain economic measures for the moment and to ensure that the arms embargo is kept up for as long as possible. Communications with Port Stanley We have received our first telegram from Port Stanley (on the state of accommodation). Comment The position of the Argentine authorities on repatriation remains apparently contradictory. Reports from the ICRC and the Brazilians confirm continued Argentine preference for Montevideo, We now however appear to have the agreement of the new Army Commander-in-Chief to Canberra and Norland offloading at Petrto Madryn on the Argentine mainland, within short sailing-time from Port Stanley. 7. We need to decide whether to act now on the strength of General Nicolaides's reported agreement to the US Attache or to seek further assurances through the ICRC. Otherwise, the only alternative option remains Montevideo or a southern Brazilian port. Punta Arenas remains blocked to us so far. Meanwhile the Argentines are publicising their own offer to send Argentine merchantships to Port Stanley. P R Fearn Emergency Unit 18 June 1982 South Black Fine. CONFIDENTIAL