

FALKLANDS

The Prime Minister was planning to remain in London.

We had no confirmation of an invasion. We could not confirm that we had not been in touch with the Governor since 10.30 this morning. We would not confirm that that contact had been the most recent contact. We noted that at 12.30 the FCO had said that radio communication between the UK and the Falklands was frequently difficult but that they had no evidence of interruption. We were not imposing a news blackout. Ministers were in close touch. The PM was not on the front bench during the Leader's Statement because she was meeting in her room with Lord Carrington, S/S Defence and others.

The Argentine Charge was last in the Foreign Office on Friday. We had been dealing with the Argentine Government direct in Buenos Aires until they rejected our most recent approach yesterday. The PM had not been in personal contact with President Reagan although we were consulting at various levels with all of our friends and allies.

We were not prepared to reveal or go into any detail in respect of naval and troop deployment. It was incorrect to assume the Government was regarding the matter as a "war situation": We regarded it as a grave situation. We had not taken action on freezing Argentine assets in this country. All options were under consideration.

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