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Private Secretary

cc PS/Mr Onslow Mr Giffard Mr Gillmore Head of Defence Dept

## ARGENTINE SHIPPING NEAR THE FALKLAND ISLANDS

On the basis of information from the Defence Intelligence Staff early this morning, I briefed the Secretary of State during his meeting today that the Argentine frigate Granville was standing off the Falkland Islands about 100 miles to the North East. I also reported that there was an LST in Port Stanley in addition to two transport ships (excluded by the Rules of Engagement).

- I was therefore dismayed to see the televised Defence briefing this morning, which gave a very different picture. The briefing stated that the Granville was standing off outside the MEZ with orders to prevent shipping entering Port Stanley. The LST was reported to have left Port Stanley, and probably the MEZ, and there were said to be only two merchant ships remaining in the MEZ itself.
- I took up this conflict of evidence at this morning's meeting of the Chiefs of Staff. The Chief of Defence Staff accepted that it was unfortunate that two briefings should be contradictory in this way, but he particularly asked all concerned to be very careful abour drawing hard conclusions from intelligence which is necessarily fairly vague, and not always up to date. The information about Granville is, I now discover, at least 48 hours old, but I have asked the Ministry of Defence to ensure that we are <u>kept fully up to date on</u> such intelligence as they receive on this general subject.
- I have also asked the Ministry of Defence what information they have about the captured marines. Their latest information is that they are probably on the Bahia Paraiso, an Argentine transport ship (included under the Rules of Engagement) which was previously off South Georgia and is now thought to be sailing northwards.

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PRH Wright

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