TOP SECRET Private Secretary SSN: RULES OF ENGAGEMENT I understand that the Secretary of State strongly endorsed Mr. Onslow's proposal that some way might be found for the SSN Captain not to use his discretion to attack Argentine ships which appeared to be leaving the Exclusion Zone. I thought it better not to raise this at the Chiefs of Staff meeting this afternoon, but I had a private word with the Chief of Defence Staff, and asked him whether he thought some way could be devised to avoid an attack on an Argentine vessel in these circumstances. I said that Mr. Onslow had been particularly concerned that any such attack might jeopardise any diplomatic moves which might be in train at the time. The Chief of Defence of Staff told me that, according to MOD intelligence, there is at present only one Argentine warship within the Exclusion Zone. Furthermore, the Argentines would have had three days notice, and Admiral Lewin was clearly very sceptical of the need to take account of any vessels which might still be in the Zone by Monday morning. He nevertheless accepted that the political or diplomatic scenario might have changed by then, and that we would not wish to put this at risk. He thought that the only way to avoid this would be for Ministers to decide that the situation had sufficiently changed to warrant instructions being sent to the Captain not to engage Argentine vessels at all. To ensure that such instructions were effective, the Navy would need 30 hours notice. The Chief of Defence Staff made it clear that any such proposal would have caused great difficulty with his colleagues. I can pursue it if the Secretary of State wishes, but I doubt whether we shall achieve a change in the Rules of Engagement already agreed, without referring this to the Prime Minister. P.R.H. Wright 8 April 1982 PS/Mr. Onslow Copies to: Mr. Giffard Mr. Ure Mr. Gillmore Mr. Mallaby, Planning Staff Mr. Fearn Mr. Weston, Defence Dept. TOP SECRET