

HMS SHEFFIELD

We met the Lobby on the subject of HMS Sheffield. On details of the incident, on the facts of the situation and over questions of casualties etc, we would not go beyond the MoD statement.

We reported that the Opposition had asked for a Statement the following day. Mr Nott would probably make a Statement at the usual time of 3.30 pm. At that stage we knew of no intention to make a Statement that night.

We reported that the Opposition had been given the news through the usual channels.

The Prime Minister had been chairing a meeting of Ministers at around 6 pm in the House when she was informed. This was a meeting dealing with subjects other than the Falklands crisis. There had subsequently been a meeting of the Group of Ministers dealing with the Falklands.

This latter meeting had considered US/Peruvian ideas for taking matters forward on the diplomatic front and had of course also discussed the sad news. As a result of the meeting's discussion of diplomatic moves, we could say that the Government was considering suggestions put forward by the Peruvians and Mr Haig and had, that evening, sent a constructive British reply to Mr Haig.

This constructive response should be seen against the background of points made in the House that afternoon and the importance of the implementation of Resolution 502 which no negotiations could prejudice. Also covered were the three principles of withdrawal, interim administration and long term negotiations. The next step was up to the USA and Peru.

In response to questions, we said the Prime Minister was not issuing any message on the subject of HMS Sheffield immediately. She was obviously deeply concerned, not least for the families. We reminded the Lobby of the Prime Minister's comment in Questions that this was something she had been living with for some time. We added that since the Falkland Islands' invasion, we had had a remarkable run of success and had had the feeling that it could not go on. We always knew we were liable to come to the Lobby with bad news.

We had no knowledge of any Argentine casualties and no knowledge of the alleged loss of a second Sea Harrier.

Asked whether the events of the evening altered the balance of tactics or the approach to either the military or diplomatic situation, we said the Government's resolve was unimpaired. The Task Force continued with its duties. The events did not change the circumstances following Argentine aggression. The Falkland Islands remained occupied.

To questions about any consequent political pressure, we said that all circumstances brought different reactions and pressures.