PRIME MINISTER

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ARGENTINA/FALKLANDS

One last thought, which ought not to be dated 14 June!

I am not sure that what the Foreign Secretary had in mind for the talks came out very clearly in his presentation yesterday. He said afterwards that his idea was that:-

- (a) the Argentines would make a brief statement, which they would show us in advance, on sovereignty;
- (b) we would either make a statement of our position or say that we were not prepared to discuss the issue - and in any case add that if the matter was raised again the talks would cease.

I personally think that that would be just worth allowing to get talks on other matters going - which we could then
also break off, if we wished, should the Argentines default
on their debt.

A.J.C.