

We said that in the nature of events anything could happen at any time.

We had had no reply from Mr. Foot. (Since declined). Following the Argentinian turn-down of US proposals the diplomatic initiative had moved into a new phase eg Mr. Pym to Washington. The Prime Minister had offered Messrs. Steel, Owen and Foot a talk on Privy Counsellor terms after Mr. Pym returns on Monday evening. Messrs. Steel and Owen had accepted. We did not think they would be brought into military decision making. We agreed it would be difficult to say what they could learn from a meeting that they would not learn in the House. The Prime Minister had not yet considered whether to continue with Steel and Owen if Foot said no. They would be seen together but Foot's absence did not preclude a meeting with the others. We expected Mr. Pym to be present.

Cabinet would take place on Tuesday morning. Talks with other Party leaders must be after that.

We stressed that the UK continued to seek a diplomatic solution. We did not agree that Cabinet would now meet every Tuesday and Thursday. There would be a statement in the House on Tuesday - whether the Prime Minister or Mr. Pym was not decided.

The Prime Minister had had lunch at Chequers with the usual small group of Ministers plus Defence Chiefs, followed by a meeting to review the situation. We knew of no plans to call up reservists.

If the Prime Minister met other Party leaders they could raise what they liked; equally she would say what she wanted.

We refused to answer on whether today's meeting had taken military decisions or discussed short or long term strategy. The Prime Minister had not sent a message to the Head of the Task Force or been in touch with President Reagan. He had been aware that bombing the airfield was an option but not that we were about to do it.

Our position had always been that the Argentinians must withdraw before negotiations began. A phased withdrawal plus a Royal Navy stand-off was now not on. The decision not to publish Haig's proposals was Haig's alone.

Mr. Pym was seeing Mr. Haig for consultation in the light of new circumstances. It was not a negotiating session as before; it was consultation between friends and allies. He would discuss the US trade embargo and US help; there was no question of US direct military involvement. Mr. Pym was in Washington today; he would dine with the UN Secretary-General in New York this evening and see Ambassador Ling Qing, the Chairman of the Security Council tomorrow. We had no specific requests or proposals to put to the UN; we could not rule out a further UN role but it was hard to see how it could operate to secure Argentinian withdrawal.

We said the Government had not yet decided on the form of its inquiry into events before the invasion. We denied suggestions that we are in no hurry to get diplomacy working - we were anxious to achieve a speedy solution. There was no meeting of the inner group of Ministers planned for tomorrow.