

time: 5,00 date: 4.5.82

Morning Lobby was repeated.

FALKLANDS

PERU

Peru has been interesting themselves about the Falklands affair and have had meetings with Mr Haig and the Argentines but the latter have rejected their proposals. Arg. officials are reported to be in Lima. We are in contact with Mr Haig and the UN and we shall have to see where these moves lead. We will not close any door which might lead to a diplomatic solution. We do not have any great hopes of these moves but we are aware of the general ideas they contain.

MR PYM'S IDEAS

Mr Pym has ideas of his own. These are not necessarily a move towards Argentine views. Any proposals would have to protect our interest. Our ideas would have constructive approach, but the most constructive thing would be for the Argentines to get off the islands. We shall communicate our ideas to the US Govt., to UN and to the Peruvians. Could not confirm whether we were in direct contact with Lima but definitely indirect contact via UN and Washington. (This line later confirmed).

SECURITY COUNCIL

We shall have to see what happens with Irish call to Security Council. The fundamental point to remember is that we did not fire first. They took over land which is not theirs and must move. We shall make sure that point is not overlooked in any Security Council discussions. Mr Pym did not say he would use a veto and we would not be drawn on the question, other than to say there was little point in new Security Council resolutions when Res.502 has been totally ignored by Argentina. The hostilities are theirs; any cessation means they must withdraw.

NEGOTI ATI ONS

There has never been any change in our position. We were talking about their withdrawal and interim administration but we are not talking about long term future of the islands until they have withdrawn. We are intractable on only two points - Res.502 and any prejudged negotiations.

PRISONERS

Still on island and will be returned by sea to Argentina in due course. Being very properly looked after. Confirmed Board of Inquiry into death of prisoner.

INNER CABINET

This evening's meeting of ministers will not be reacting to events in the House today but will be considering latest ideas and initiatives. We must make contingency plans for the eventuality of the Argentines getting out of the Falklands and where we go from there.

BELGRANO

Very difficult to know if sinking of cruiser would change circumstances Naval hard man in junta could react either way. We have the difficulty of not knowing who or what we are dealing with. The operation was under political control. We spelled out the basic structure of Inner Cabinet with day to day control of operations, subject to full Cabinet endorsement, and Task Force Commander working under Rules of Engagement. Cruiser was a matter of a couple of hours steaming away from Task Force and was closing on elements of the Task Force. The submarine was part of that Force, although cruiser did not necessarily know of presence of the sub. Would not be drawn on position of Task Force but confirmed that Belgrano was 30 miles south of the TEZ at the time it was hit.