

LOBBY BRIEFING

time: 4.00 date: 9.6.82

The morning lobby was repeated with the additional information that the PM had left No 10 on her way to Bonn for the NATO Summit. We also drew attention to the Minister of Defence's response to the Commons Defence Committee's report on Allied Forces in Germany, which was published at 2.30pm today.

PM'S AMERICAN INTERVIEWS

We did not think there were any major new points coming out of the interviews. She went into the question of the future of the Islands: her wish to bring the Islands to self government under some kind of international guarantees. When and how this should be achieved is something for future discussion.

REAGAN TALKS

We thought that Falklands did not loom large in these talks, since much time had been spent on Falklands at Versailles. Mid East and forthcoming NATO Summit were major matters under discussion. We did not ask for specific US help with a MNF since we believe it is premature to go into details over this. They did discuss the large numbers of PoWs who would have to be handled and how US might be involved in their movement. We do not think the PM was specific about possible use of US ships but referred generally to the logistics.

We thought Mr Nott's involvement in the plenary session was to be expected since wider discussions on the Falklands and NATO were on the agenda.

The US veto on Friday night is now water under the bridge as far as we are concerned. We were taken by surprise at the time and less than delighted but that is forgotten now. On Mr Haig's subsequent comments at his press conference in London we said that Mr Haig had been a staunch ally up to now and there was no reason to think that had changed. We were not aware of any discussion at this morning's talks of Mr Haig's comments on sovereignty or the composition of a MNF. It was natural that there should be some divergence of opinion on details but that it was impossible to look into the long term future with any clarity at the moment. We stressed that we would be maintaining close contact with the Americans on any future developments, but we had not made arrangements for further meetings concerning the longer term future.

ARGENTINE ATTITUDE

We agreed that the Argentine attitude after their expected final defeat on Falklands may have been discussed at the breakfast talks. In the face of continued Argentine aggression we would expect continued US support. They and other nations in the Americas had a strong interest in stability in the South Atlantic.

We dismissed strongly the idea that what Mrs Thatcher and Mr Parkinson had said about the Argentine's having no future role in the Falklands should be interpreted as meaning they would never be able to re-establish trading links etc. We thought that the Falklanders would naturally be happier to have their nearest and largest neighbours as friends rather than enemies in the future. But they will have no role in deciding the shape of that future. Self-determination was the key word and we assumed that the Falklanders would not wish the Argentines to be involved. All Ministers were saying is that the political situation has been radically changed by Argentine refusal to withdraw from the Islands.

If Argentina took the view that they wanted no friendly contact with the Islands in the way of trade etc. that was up to them. In no way were we going to offer them a face saver or a quid pro quo by way of some say in the Islands' future.

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NATO BASE IN SOUTH ATLANTIC?

We had no indication of any intent for a NATO base in the South Atlantic but NATO recognised the need for an out-of-area capability.

JL