

LOBBY BRIEFING

time: 11 AM date: 7.6.82

PRIME MINISTER'S DAY

The Prime Minister is working at No 10 all day and will be in the receiving line at Heathrow for the arrival of President Reagan this evening at 6.00 pm.

At 9.30 am the Prime Minister chaired a meeting of the Group of Ministers concerned with the Falklands (Foreign Secretary, Defence Secretary, Home Secretary, Chancellor of the Duchy, Attorney General and the CDS) ended at 10.35 am.

At 10.35 am the Prime Minister chaired a meeting of Ministers /OD - Gibraltar/ Home Secretary, Defence Secretary, Foreign Secretary, Lord President, Chancellor of the Duchy - the Chief Secretary was also present.

PRESS NOTICES

Announcement that the Prime Minister will attend the North Atlantic Council Meeting in Bonn on 10 June (See Press Office Bulletin 147).

Announcement that the Prime Minister will address the 2nd United Nations Special Session on Disarmament in New York on Wednesday, 16 June. We informed the Lobby that the Prime Minister had agreed to carry a press party on the aircraft. Those interested should contact the Lobby Chairman.

FALKLANDS

Ministers last met on Friday. Today was the first opportunity to meet since then. The Prime Minister left Versailles early last night (she did not attend the opera or the fireworks) in order to bring herself up-to-date on Falklands and prepare for Reagan's visit and her Statement to Parliament. The Statement would cover the international economic situation, Falklands and the Lebanon. Cabinet would meet on Wednesday.

The Falklands would be discussed with Reagan on Wednesday. Our position was that if the Argentines failed to withdraw, we would repossess the Islands by forcing them off; we would then seek a total ceasefire and re-establish British administration. There would then be a period of reconstruction and settling down before decisions would be taken about the future. On the latter point we were talking to the US about arrangements for the security of the Islands but were not yet seeking US participation in any force. We could not go that far until we had repossessed the Islands, re-established British administration and achieved a total ceasefire. We did not recognise the 5-point plan in the FT. We were not aware that the US was pressing for an indication from HMG that the Argentines might ultimately get sovereignty. We had not heard, nor seen the transcript of Mr Parkinson's interview. The present situation now that force had been used was quite different; all bets were off and the political situation in this country had changed.

We were not prepared to say what orders our Commander on the spot had received or when he would act. The Commander knew what was required and would do what was necessary when he chose the situation was right. There was no political pause nor had we been asked to impose one over the weekend or previously. The Americans had not pressed for one. The Prime Minister was manifestly stating the truth last week when she talked about

the Argentines having a few days to get off. They still had time; all they had to do was state their intention. But there was not the slightest sign that they intended to do so.

We knew of no substantial announcements from MoD; all seemed quiet but we noted the weather in the South Atlantic was very bad.

UK/US RELATIONSHIP

Following the voting on the UN Resolution, we had guided that Mr Pym was dismayed. Nevertheless last night the Prime Minister had stated that if all she had to worry about was a veto or an abstention then that really was not a problem. American diplomacy was perhaps curious but there was no doubt we had Reagan's support and we were most grateful for the materiel and other assistance they had provided. We knew whose side they were on.

REAGAN VISIT

We briefed the Lobby on the protocol at the airport this evening and some of the other programme arrangements. The working breakfast would last almost 1½ hours; it would probably begin tête-à-tête but might widen. Mr Haig and Mr Pym would be around and ready to join in. This was the only occasion during the visit for substantial talks but we pointed out that the Prime Minister had met the President in Paris and at Versailles and would also see him in Bonn. We had not seen the text of the President's address in the Royal Gallery but we expected it to be a broad sweep covering world events and problems. We greatly welcomed the President's visit. We were glad they were coming.

NURSES' PAY

There was always speculation that when workers turned down an offer they would then be offered more. That did not apply in this case. The nurses had been offered 6.4%. Only 30% had voted in the Royal College of Nurses' ballot and not surprisingly a majority had stated they wanted more money.

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