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## SOUTH ATLANTIC PRESENTATION UNIT (SAPU)

Attached for information are transcripts of the Prime Minister's radio interview with Jimmy Young this morning and Mr Nott's briefing of Defence correspondents on Tuesday. Please note that Mr Nott's answers are unattributable.

Cabinet Office 19 May 1982

## PRIME MINISTER ON THE JIMMY YOUNG SHOW: WEDNESDAY 19 MAY JY: Prime Minister, Good Morning. PM: Good Morning. JY: Now Argentina's reaction to Britain's latest round of peace proposals, as we have heard, have been handed to Britain's Ambassador to the United Nations, who will now report to you. Now have you had a chance yet to study the reply? Does it contain anything new do you think which could be developed by our negotiators? PM: Well the news wasn't quite right. We haven't actually had the reply. We have had just a preliminary indication from our Ambassador in New York and we will await the full reply. It has to be translated, it has to be transmitted and then obviously we have to study it. But from the indications that were given to him I am afraid it doesn't look very encouraging. But we must wait for the whole thing. JY: Now I was talking to Mr. Healey yesterday on this programme and he said, and I quote from the transcript of what he said, "we don't know for certain the state of negotiations or precisely what the Government is asking for and what are the issues on which they are prepared to negotiate". I just wondered if you could clarify what are the essential demands that you are making and what are the things on which you wouldn't want to give way, or wouldn't give way. I wonder if I can describe it like this. First the Argentine forces have to leave the Islands. Then we have to have someone to verify the withdrawal and then we have to have a period during which we enter into negotiations. Now, I think the important thing is that during that period the people on the Islands must be allowed to live the life to which they have been used. They have their own democratic institutions, of course they do, we're a democracy. They have their own law and during that interim period we must not have any attempt to change the life of the Islanders that it would lead inevitably to a great influx of Argentinians and lead inevitably to a transfer of sovereignty. So we have to arrange that interim period so that it doesn't prejudge the final outcome. Because that is still a matter for negotiation. And of course, you know, don't / think

think necessarily that its only British sovereignty which we still have or Argentine sovereignty. We, after all, are experts at de-colonisation, genuine de-colonisation and bringing people to independence. And in our view is it is the interests and wishes of the Islanders which really are the most important thing.

JY: Would it betale to say that three main points on this: sovereignty, the rights of the Islanders to self-determination and perhaps the need to show that what you have described as "naked armed aggression" just doesn't pay?

PM: I think first the Argentine troops have to leave the Islands. They were the invaders. If they are allowed to stay, there will be many other countries who will look and say "Ah, Ah, look you can take someone else's territory by force and it doesn't matter what United Nations Resolutions there are, no-one will actually put the invader off." I entirely agree. Invasion must not be seen to pay. Otherwise we shall have all sorts of boundaries changed by force and you'll get a kind of international anarchy. That matters, of course it does. Also those Falkland Islanders are British people. You know there are only 40 Argentinians in that Island and not all of them permanent residents. They are British people - some of them have been there far longer than some of their counterparts in Argentina. The families have been there far longer.

JY: Dealing with the matter of self-determination for a moment, I was talking on the programme on Monday to David Steel, and he said, (PM interrupted with "you have everyone here, don't you") Yes we have rather, and I have only been back since Monday. We were talking about a major long-term commitment to safeguard the security and democracy of the Islanders and he said, on Monday, "clearly that is not going to be possible, because you would have to have more troops on the Island than citizens, so military confidence doesn't actually provide a long-term solution". Would it be fair to say that at some stage you are going to have to make a decision on what is right in principle and what perhaps is achievable in practice?

PM: Yes you only need, really, to have a contingency to defend the Islands because you have got an invader close by. And really the

not prejudge the outcome and all the talks have yet to take place. But of course there an enormous gap opens up between ourselves and the Argentinians. We are a democratic country. We believe that power and strength comes from the people. They are a dictatorship. And of course this is a tremendous gap. I mean, look, who determines the interests of the people, the Government determines the interests of the people." We say "but don't you think the people ought to have some say in their future?"

JY: I certainly don't want to put words in your mouth, nor would you allow me to do so, but could I take it that you are coming down on the side of Mr. Nott who is saying that he could never visualise that the Falklands could become Argentine territory, but you are saying unless the Islanders would agree?

PM: Unless the Islanders wish to have it, or wish to have some sort of arrangement with the Argentinians. There was an agreement in 1971 which gave much greater communications to the Island between Argentina and the Falklands and there is a regular sea service and a regular air service. And the Argentines laid those on, which is why there are probably now 30 or 40 Argentinians in the Islands.

And I personally think that once you invade you put all of those things—which were working reasonably well and in a reasonably friendly way with the people, because you know from one people to another things are much more friendly sometimes than they are with the Junta—You put those arrangements at risk.

JY: You thought the Islanders wouldn't want to join up with the Argentines. Funnily enough Mr. Pym said the other day the Islanders will need to consider their position, this was after the traumatic events of the invasion and so on, and their wishes for the future might not be the same as before. Which I suppose some might read to mean they perhaps would like to come to some accommodation with the Argentines.

PM: What we say is that we have to consult the Islanders. And the experience they have gone through is a factor which undoubtedly will influence their views. I doubt very much whether it would influence them towards Argentinian sovereignty. I mean just look at what they have experienced, just look at some of the allegations that have been made about one of the people we are holding as a prisoner of war. The Swedish and the French want to question him.

And that is the kind of regime that we are dealing with. There is one thing. You see we were trying to talk with the Argentinians and we did have negotiations before all this broke out, and they didn't want negotiations they wanted invasion. But it only makes sense to say "Look, couldn't we both join in in developing the oil that may be there or the chemicals." That would be to their advantage and it would be to the advantage of our people on the Falkland Islands. Now what we are trying to do is to get more of those joint enterprises going. But you could do that actually without affecting sovereignty.

JY: I know, but the further we go we still seem to come back to this sticky issue.

PM: Yes, but only because, only because, if I may say so, the Argentinians invaded to get sovereignty. And what they are trying to do is to say "we will only leave provided we keep sovereignty". That is like a burglar saying "I'll only leave your house if I can take everything I have stolen with me".

JY: Well, the only thing I would say Prime Minister, it is a very grey area; because I have just come back from America and even President Reagan in a newspaper statement today, which I have got on the other side of the studio, said "The Argentinians do have some kind of a claim to the Islands." Its true to say that he went on to say that they shouldn't have exercised force to get it, but he did say that they have some kind of a claim.

PM: Well now look. What is not a grey area is this. Sovereignty at the moment is ours. It has not been changed by invasion. And sovereignty must never be changed by invasion. That's point number one. Number two - we believe in the right of people to democracy and therefore they must have an enormous say in their own future. Point number three - if this invasion succeeds there will be very many people the world over who are at risk. Now its Britain who stands up for democracy. Its Britain who stands upfor the international rule of law and its Britain that say's "enough is enough, this must be made to stop". None of that is a grey area. It is Britain who three or four times took the argument about the sovereignty of the dependancies to the International Court of Justice. The Argentinians refused to go. The Court therefore cannot pronounce unless both sides agree. The Argentinians have had a dispute with

it in the South Atlantic." So we're not going to be trapped by that one. So his suggestion that you can't do anything while there are negotiations is patently wrong. We've been carrying on doing what we believe is best and you've seen many of the results. Now what was the second one - shall we throw the whole of Latin America into the arms of the Soviets? What, merely by standing up for the rights of British people? Do you know Jimmy, I believe that we eventually shall succeed and the Argentines will leave. Do you know, the whole of the democratic world will rejoice. Thank goodness someone has stood up for people who are loyal to them and have stood up for democratic principles.

JY: Well I have to tell you, and I am sure I don't need to tell you, because you know anyway, but there is certainly great concern in America about South America. Indeed, I interviewed United States Senator Larry Presdor on the programme quite recently. He said the Americans are obsessed with the threat of Communism in South America.

PM: Well, if you look at Argentina, Argentines have already done quite a bit of tucking up with the Soviets as far as trade is concerned. You know full well that after Afghanistan the Americans put a grain embargo on sales to Soviet Union. What happened? The wheat was sold to the Soviet Union by the Argentines. Wheat and beef and 80 per cent of their food exports now go to the Soviet Union. So they have already got a very considerable relationship with the Soviet Union in food and that gives them a terrific balance of payments as far as the Russians are concerned. And what can the Russians supply then with ? . Not very much save arms so they have already got that. There already is, and the United States is very much aware of, the Peronistas, whose whole thesis is very similar to that of the Soviet Union and who use similar tactics. That is there already, but I do not believe that if you talk about the whole of Latin America, what Britain is doing by standing up for British people in the Falklands, and by standing up international law, will throw South America into the hands of the Soviets. Rather they will see Britain, and the Western world too, stands up for her own democracies; and they will see it as a strengthening of democracy-

I guess there are many many people in the Argentine who would love to have the rights that we have in Britain./Because forget Galtieri invaded to try to distract the tension from the great dissatisfaction

of the people with his own Government.

JY: Can I now ask you about something which concerns the Falklands but is a bit nearer to home. Now it is a very difficult time for you, for the whole Government; it must be very disappointing for you to have another crisis on your hands. This time the Agriculture Ministers rejection of the British position on the farm prices agreement. Were you very taken aback or very shocked by that?

PM: It is very serious. I didn't think they would do that because there has been an understanding every since 1966, since long before we went into the Community, that anything of major concern in the Common Market, the decisions, were only taken by unanimous agreement among all the countries. Indeed that was put into the White Paper which we debated in the House before we went in. There is a phrase which says that all the countries concerned recognise that an attempt to impose a majority view in a case where one or more Members considered their vital interests to be at stake would imperil the very fabric of the Community; and I did not think they would do this. and I think it undermines one confidence to some extent in our partners in Europe. No Head of Government warned me that they were going to do this in any way. It was part of the arrangement when we went in that things that were of vital interest to any particular country would only be decided unanimously. It is serious - because it is so serious we have to consider it very carefully and not dash in to a reaction-because it matters to the world that we have a stable area in Europe and, after all, let me put it this way, Europe owes a great deal to Britain and I hope she will not forget it.

JY: Just before you came in Prime Minister I interviewed Geoffrey Rippon on exactly the same thing and he described it as "the greatest crisis since we joined the EEC". Would you agree with that? the freedoms that are their heritage and we also stand for international law and those things we must uphold. We will try to uphold it, still by peaceful settlement. We cannot do that unless the Argentines are prepared to agree and if they are not then responsibility for anything else will be theirs.

JY: Prime Minister, thank you for talking to me on the programme

PM: Thank you very much. Good-bye.

Unattributable briefing by Mr Nott to Defence Correspondents on Tuesday 18 May 1982 at 1800 hours Do you now regret your policy which led to a go slow which has meant that some items of equipment have not been ready which they could have been, say, 7 months ago? Tankers for example. Air flight re-fuelling has been absolutely critical in this and one of the things we should look at. Q Should have not slowed up? We did slow up a little because we did not have enough money to do everything we wanted and I couldn't have seen there was going to be an emergency in the only part of the world where we would have needed a massive amount of additional tanker capacity. In retrospect what we should have done is to put massive resources into extra tanker capacity. Would you say that the task ahead of the forces now seems greater or lesser than it did in the first phase when the ships were sent out? How has your estimate of what they are up against changed? I think on the whole I would have expected things to have gone wrong and the Navy has had a triumph on the logistic side and done well operationally. Obviously some things have gone wrong but the logistics side has gone better than I had expected - ie no ships have broken down and to have got the ships this distance. So it has gone better than I might have expected. Will there now be a rethink on your policies eg INVINCIBLE? We will publish the White Paper without any changes but there are parts of the policy we will want to study. If we don't succeed in the UN in the next few days there are going to be military operations of one kind and another and we will learn a lot as a result of those operations and we should await the post mortem until it is all over. I have been impressed by the enormous scope of the improvisation of civil assets eg the ATLANTIC CONVEYOR. However much money we spend on defence it is always going to be the key area for our ability to suddenly expand our effort by the use of trade and civilian asset. Air flight re-fuelling, pilot fatigue rather than equipment fatigue is the limiting factor.

Do you think a military landing in the Falklands and armed re-possession is more or less likely today than it was 2 days ago? I am not commenting on that. When you talked 10 days ago about the options you were pretty neutral, either a long blockade or something quicker and sooner. Can we take it now that the likeliest is of landing than of long extended blockade? We had a very successful raid at Pebble Ridge and we have never denied that you can't go tossing around in the Atlantic forever with the winter coming on and expect all your kit to be in peak condition if you subsequently decide to do a landing. If we want to do a landing, we want to do it with a minimum loss of life and minimum casualties to both sides and if you rush prematurely there is likely to be more casualties than if you go in when the other side is thoroughly demoralised. So there is a balance. Q How do you see things happening if there has to be a landing? If there is a landing and following that a surrender or a forced withdrawal it poses very difficult issues. I think the Junta will fall, either replaced by other military officers or, more likely, a civilian Government but this is pure guess work. To invade those Islands again once we are in possession would pose much greater difficulties. It is a very important question and their surrender on the Island and us back in possession does not mean that negotiations have come to an end and diplomacy takes over at that stage because we do need a long term settlement. There can only be a diplomatic solution to the thing. Could you guide us in thinking about these options, how you see the Pebble Island operation, is it something that reassures you? And do you regard this as a pattern or series of such operations should a major assault be delayed for various reasons or do you feel this is a demonstration that you should be thinking in larger terms of a full scale alert? How do you suggest that we read the Pebble Island operation?

You should ask the question that did it indicate that the people there fought well or did they cave in rather fast when they were surprised in the middle of the night? What did that operation indicate in so far as morale and readiness of troops at that particular spot on the Island? Frankly, they did not put up a very good show - an encouraging incident. If we were to do more of those type operations we would get better view of their will to resist and how much ammunitiion and supplies they have got. What do you now read into the latest diplomatic situation? Are you pretty well convinced that it has virtually come to a stop? We are going to know within a very short space of time, this week. It is not dead yet though. I thought they might have accepted the Peruvian proposals and I do not think they can actually come to decisions. How important is it that we have 7 days left for a decision in Brussels about the sanctions and the pressure that this puts on the Government? A I am glad we have got the extra week but do not think it will stop us from going forward. On the World at One programme you were asked about sovereignty and you said: No, never would it be given. I do not want you to put too much on my answer. The position is that the question of Sovereignty should not be prejudged. If there is no settlement now and the Government goes in and invades is it looking for a restoration of the status quo ante which would involve us garrisoning the Islands for some considerable time. Is this the sort of contingency you are planning for at the moment? I do not think that if we were to go in that things would be the same as before. If they do surrender and leave the Island and we are put back in charge things are going to be very different.

Q Do you think the Argentines actually understand that?

A My own judgement is that they feel we are stiffening our position. I think that by the nature of their regime that they are incapable of coming to a rational decision.