

PRIME MINISTER

The position is as follows:

London

All is quiet outside the Embassy. Fitouli, the Head of Mission, has come out of the Embassy to collect cigarettes and drink. He reported that he had been in touch with the Libyan Government who were worried at the extent of developments today. He appeared reasonably optimistic that there would be a peaceful outcome and that the staff (of whom the police believe there are about 30) would leave quietly. No-one, however, believes that Fitouli is an especially reliable witness.

COBRA is continuing to work overnight; the Home Secretary is on his way back from Windsor; and Richard Luce is easily contactable. There is another meeting at 0930 tomorrow morning.

Tripoli

During the afternoon revolutionary students ordered the police to bottle up the Ambassador and 24 others including 11 women and 2 children in the Chancery building. They have food and water for two weeks. Seven women and 11 children are cooped up in staff houses under "less stringent" guard according to the Embassy. The British community is reported to be well but there is a possibility that 3 Britains are being held, 2 by the security authorities and 1, a BCal manager, by an unknown group in his office. These incidents may not be related to the main events.

I understand that there are likely to be no further communications short of major developments from Tripoli. Earlier in the day however the Libyan Government communicated to the Ambassador to the effect that the siege of our Embassy

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was in response to events in London. If the British Government took action in London retaliation could be expected. They made a number of allegations about the treatment of their staff by the British police. Replies on these points have been communicated to our Ambassador who has communicated them to the Libyans. There were reports that the Ambassador had negotiated the departure of the women and children in the Embassy building but this seems to have come to nothing.

Mr. Luce has now received replies to his suggestions on diplomatic relations. The Foreign Secretary in Peking gave the same response as yourself. The Ambassador in Tripoli accepted the proposal subject to a number of reservations on handling.

Summary

The overall position at present seems to be that unless we break off diplomatic relations events in Tripoli very much depend upon the outcome of those in London. The essential question which will require decision tomorrow is whether to let the London "siege" run its course in the hope that the Libyan Government will give in or ~~whether~~ to force the pace by breaking diplomatic relations.



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