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RECORD OF A TELEPHONE CONVERSATION BETWEEN THE PRIME MINISTER
IN LISBON AND THE HOME SECRETARY IN LONDON, 1900, 18 APRIL

Relations with Libya

The Home Secretary gave an account of the situation. There had been no dramatic developments during the day, but it had become clear that the Libyans in the Peoples Bureau seen by Mr. Luce and police had no authority at all to negotiate. Our Ambassador in Tripoli was still trying, so far unsuccessfully, to see Traiki - effectively the Minister of Foreign Affairs. Our Ambassador was maintaining the line developed yesterday, i.e. that there would be no assault on the Peoples Bureau; that staff at the Peoples Bureau should come out; that the position of those with diplomatic immunity would be respected; and that the police wished to make a search of the building.

The Home Secretary said the Libyans appeared to be playing for time, and seemed to be seeking to return relations to the status quo ante. Our Embassy staff had been told they could leave and return to their homes where they would be "guarded". Staff were now dispersing. The Libyans had also raised the question of using an intermediary.

The Home Secretary set out the arguments that had been advanced for and against an early announcement of the ending of diplomatic relations. The Prime Minister argued that where there was a position which was quiet and still stable, one had to justify action and be certain that it would lead to a better position. She was loathe to stir up matters without first having established a balance sheet of advantages and disadvantages.

The Prime Minister asked who had diplomatic immunity and who not. The Home Secretary said the Libyans claimed that all those in the building had diplomatic immunity, though they had

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not given names. It was doubtful whether this claim was justified. Although there were thought to be 40 people inside, compared with 56 names on the diplomatic list, it was improbable that all 40 were recognised by the Foreign Office. There was a possibility that false documents could be created.

The Home Secretary outlined the way in which the Foreign Office thought the ending of diplomatic relations could be presented. The aim was to show this not as a confrontational act, but as a way of de-escalating tension and resolving the issue.

The Home Secretary said many people would find it outrageous if Libyans not having diplomatic immunity were allowed to go free. The Prime Minister wondered whether it would not have been better to put all the Libyan staff on an aircraft to Libya. She asked what evidence we would have against particular individuals. They agreed that it was unlikely that adequate evidence could be secured, and that the culprit could be identified. The Prime Minister said that if the Libyans were sent home, it would be important to ensure that no British staff were left behind who could be used as a lever against us. She wondered whether a solution could be devised, short of breaking off diplomatic relations, which embodied effectively exchanging the two Embassy staffs. Could this be described as a recall of our Ambassador and his staff, or a move to a reduced level of diplomatic representation? A small token staff could be left behind, or a special interest section created in another Embassy.

The Home Secretary asked whether repatriating the Libyan staff including the perpetrator of the murder could be defended. The Prime Minister thought it could, provided British staff were successfully repatriated too.

The Prime Minister asked the Home Secretary, in consultation with Mr. Luce, to send a telegram later tonight analysing the possibilities for mutual repatriation of staff in a context

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other than the severing of diplomatic relations. (It was recognised that this would have to follow eventually). The telegram should discuss the legal background, the logistics of achieving this, including the case for calling in an intermediary.

In subsequent discussion with the Prime Minister's party, I established that this telegram should, if possible, arrive around 11.00 p.m. The Prime Minister would consider it overnight, and give her reactions in the morning.

The Prime Minister said she was appearing on The Today Programme at 7.30 in the morning. She asked the Home Secretary to phone her at 7.00 a.m. The purpose of this call would be to brief her on the line to take, rather than to discuss the substantive issues. The Prime Minister might need time after 7.30 a.m. to consider this.

18 April 1984