

CONFIDENTIAL
FM FCO 011831Z JUL 79
TO FLASH SINGAPORE
TELEGRAM NUMBER 152 OF 1 JULY

Prime Minister
KAL

FOLLOWING PERSONAL FOR WHITMORE, PRIME MINISTER'S PARTY
FROM SANDERS, 10 DOWNING STREET.

PRESS INTEREST IN THE PRIME MINISTER'S TOUR HAS BEEN VERY GREAT FOR THE WHOLE FIVE DAYS AND HAS CONTINUED THROUGHOUT SUNDAY. THE NEWS STORY TODAY HAS BEEN THE PRIME MINISTER'S APPARENT COMMITMENT AT HER NEWS CONFERENCE IN CANBERRA TO THE LIFTING OF SANCTIONS AGAINST RHODESIA FROM NOVEMBER 1979, AND TO EVENTUAL RECOGNITION OF THE MUZOREWA GOVERNMENT. HER OTHER REMARKS ON RHODESIA ARE BEING PLAYED DOWN IN COMPARISON, AND A DIPLOMATIC ROW WITH THE UNITED STATES AND A POLITICAL ROW AT HOME ARE BEING FORECAST. MR PETER SHORE HAS ALREADY ATTACKED THE PRIME MINISTER FOR PREJUDGING THE ISSUE WHILE LORD HARLECH IS STILL CONSULTING OTHER GOVERNMENTS.

THERE IS ALSO CONTINUING INTEREST IN THE PRIME MINISTER'S REMARKS ABOUT THE QUEEN'S SAFETY IN LUSAKA. ITN REPORT THAT THEY UNDERSTAND THAT THE QUEEN WILL NOT BE ADVISED TO GO UNLESS BRITISH SECURITY MEN CAN TAKE THE MAIN RESPONSIBILITY FOR HER SAFETY BUT THAT THE PRIME MINISTER WILL GO TO LUSAKA HERSELF IN ANY CASE.

THE MAIN DOMESTIC NEWS TODAY IS THAT THE OIL COMPANIES ARE TO INCREASE THE PRICE OF PETROL IMMEDIATELY IN THE LIGHT OF THE OPEC DECISION. THE PRICE IS EXPECTED TO GO UP BY 6 PENCE PER GALLON WITH EFFECT FROM MONDAY 2 JULY IN THE CASE OF ESSO. THE OPPOSITION ARE ACCUSING THE OIL COMPANIES OF PROFITEERING. YOU MIGHT ALSO LIKE TO KNOW THAT ARTHUR SCARGILL HAS TODAY DESCRIBED AN INCREASE IN NUCLEAR POWER AS QUOTE MADNESS UNQUOTE AND HAS CALLED FOR DEMONSTRATIONS ON THE GERMAN PATTERN AGAINST NEW NUCLEAR POWER STATIONS.

THERE IS ANOTHER FUSS BLOWING UP ABOUT THE FOREIGN SECRETARY'S DECISION TO ALLOW BP TO SELL NORTH SEA OIL TO OTHER COMPANIES UNDER SWOP ARRANGEMENTS WHICH WOULD ENABLE THEM IN TURN TO SUPPLY SOUTH AFRICA. THE GOVERNMENT IS BEING ACCUSED OF REDUCING THE OIL SUPPLY TO EUROPEAN MARKETS, AIDING SOUTH AFRICA AND POSSIBLY AIDING RHODESIA. SIR IAN GILMORE HAS REPUDIATED THE SUGGESTION OF ANY IMPROPER CONDUCT, BUT THE STORY SEEMS SET RUN FURTHER.

SO THE PRIME MINISTER IS LIKELY AT HER RETURN TO FACE QUESTIONS ABOUT RHODESIAN SANCTIONS, THE QUEEN'S SAFETY IN LUSAKA, UK OIL SUPPLY AND DISTRIBUTION AND PETROL PRICES THE TIMING AND NATURE OF DECISIONS ABOUT NUCLEAR POWER AND NUCLEAR SAFETY, THE PRIORITY TO BE GIVEN TO OIL, AND FINALLY OUR POLICY TOWARDS ADMITTING MORE VIETNAMESE REFUGEES.

WE LOOK FORWARD TO SEEING YOU ALL TOMORROW.

CARRINGTON

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