

PRIME MINISTER

DIARY

Falkland Islands: Argentine National Day;
 French Council of Ministers debate VAT increases.
 EC: Foreign Affairs Council, Brussels.
 President Mitterand visits Senegal.
 ASLEF Conference, London.
 GMWU Conference, Eastbourne.
 NUPE Conference, Scarborough.
 AUEW/TASS Conference, Bournemouth.
 Prison Officers' Association Conference, Southport.

Statistics:

Unemployment (May-prov).
 Unfilled vacancies (May-prov).
 New vehicle registrations (April).

Publications:

Committee on Restrictions Against Disabled People.
 Highland and Islands Development Board Annual Report.
 Scottish Examination Board Annual Report.
 Census 1981 County Monitor - Warwickshire.
 Census 1981 County Monitor - Cambridgeshire.

Parliament

Commons:

Questions: Prime Minister, Defence.
Business: Completion of remaining stages of the Transport Bill.
Select Committee: AGRICULTURE: Less Favoured Areas. (Witnesses: MAFF; Department of Agriculture and Fisheries for Scotland).
 ENVIRONMENT: Methods of financing Local Government in the context of the Government's Green Paper (Cmnd 8449). (Witness: Rt Hon King MP, Minister for Local Government and Environmental Services).
 PROCEDURE (Finance): Procedure (Finance). (Witness: Sir Leo Pliatzky).

Lords: Stock Transfer Bill: Second Reading.
Social Security and Housing Benefits Bill: Report.
UQ on HMG's policy in respect of Community Enterprise
Programmes and the proposal to reduce substantially
the grant being made to Elephant Jobs Ltd., London, SE1.

Ministers - see Annex

PRESS DIGEST

FALKLANDS

Treatment:

D/Star: Suicide pilots attack: 7 more enemy jets shot down; Argentine pilots being ordered to fly virtual suicide missions.

Sun: Suicide; 7 more Argie jets shot down in do or die attacks.

Mirror: 7 enemy jets shot down; British ships blitzed in new onslaught.

Express: "Your days are numbered" - 7 enemy jets downed; Navy prepare for fresh attacks on National Day.

Mail: Air battle day, 3 British ships damaged; 7 more planes shot down. Have SAS hit Exocet fighters.

Telegraph: Junta planes mauled again; 7 attackers shot down on strike at Fleet; frigate sinks after bomb expert dies.

Guardian: 7 enemy jets lost; fleet suffers again.

Times: Britain loses frigate and Argentina 7 more planes; junta shaken by huge losses.

FT: Heavy air attacks hit beachhead; victory will not be quick and easy, Ministers warn.

Comment:

D/Star: Italy and Ireland - the mice that roared - have again refused to join EC sanctions. Britain will survive this pettyness but shouldn't forget these fair weather friends.

Sun: You are right to scotch the idea of a snap election; after this you have a more important task - to finish job of building new prosperity

Mirror: Despite last week's bad tempers, our EC partners are staying at our side. Only Italy and Ireland have slipped away. Irish position is one they understand if no one else does. As long as EC stands by us many other nations will hesitate to turn against us.

Express: EC decision welcome and for once we are obliged to France: it makes a nice change. We can sympathise with Italy's position and Irish likewise understandable but not as sympathetically so. Haughey hostility towards Britain never more marked or distasteful. We may well wonder what we are doing allowing Irish to pick up social security payments here.

Mail: John Nott says that British administration should be restored to the Falklands in days rather than weeks; sooner the better. Woodward has been ordered to finish job as swiftly as military considerations allow; no other order now could make sense; on EC sanctions it says you find out who your friends are at a time like this. Old

Commonwealth and Norway staunch; USA unequivocal if muted support. And what of Europe? After appearing unreliable, if not vindictive, now reassuring. Italy predictably continues to opt out; Ireland a special case - and how! Its Government temperamentally and traditionally inclined to make trouble for Britain in any international dispute.

Telegraph: With military victory in prospect some say it won't achieve much. View held in Cabinet talking must follow hard on victory because of expense of defending Islands. Government must resist temptation to rush into talks. FCO must not be permitted to hand the Islands back for plausible reasons of global diplomacy.

Guardian: Mr Nott's statement was sombre indication that euphoria or exaggerated expectation should be foresworn. Sounded like a rebuke to secret briefings in No 10, who had been talking bravely about days rather than weeks.

Times: says the crisis has for the moment transformed British politics. But this is no time for a khaki election. It would be unwise statesmanship and might also prove poor politics. Government is sensible to have ruled out a course of action that would have been unwise, unnecessary and unhealthy.

Main News:

- Mr Nott says Argentine's days on Islands are numbered; it is now a fight to a finish.
- Junta said to be poised to make a last ditch effort to mark Argentine National Day today.
- MoD investigating allegations that South Africa is supplying missiles and Mirage spares to Argentine.
- Speculation that SAS may have neutralised Super Entendard but Telegraph says it is being thrown into battle.
- Ireland calls for 72-hour ceasefire.
- Pope's visit will go ahead.

Military:

- D/Star says Sea King which crashed in Chile had been assembled there and was on way to join Fleet; Telegraph says it was unlikely to have crashed.
- Navy UXB man killed when bomb blows up on Antelope which eventually goes down.
- Special campaign medal likely to be struck for Falklands.
- Mirror says cost of campaign will run into billions.
- First wounded due in Uruguay this week.
- Express says Russian spy satellites are tracking QE2 for Argentines; QE2 said to have arrived with reinforcements.
- Mail reports blunders which have left our ships in peril - concentrations of aluminium in design can be lethal, as US discovered in Vietnam; Telegraph says there will be a reappraisal of design to lessen fire risk when campaign is over.
- Der Spiegel says Woodward has nuclear back up and has cover to use them in serious circumstances.
- FT suggests nearly twice number of vessels as official numbers committed to Falklands theatre,

- Several newspapers publish toll calls of honour of those who have died.

Diplomatic:

- EX extends sanctions indefinitely.
- Express writer says Panamanian representative at UN who has said some nasty things about you is obviously a deeply confused man deserving of psychiatric attention.
- Australia would consider requests for assistance.
- Times writer (Liberal candidate for Paddington) asks whether invasion would even have taken place had Argentines been allowed to buy land and settle in Falklands.

In Argentine:

- D/Star says regime is seen as falling when public learns of true losses airforce man in junta shaken and frightened man because of losses.
- Guardian says evidence mounts against Astiz.
- Argentine willing to accept arms aid from Russia if required.
- US banks says Argentine payments of interest are overdue.

Pope:

- Visit to UK on and expected to fly to Argentine afterwards; you will not see him, according to one report.

In Falklands:

- Marines find young Falklanders help them to dig in.

Media:

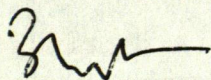
- Some reports that present glut of pictures have brought allegations of news management.

Politics:

- Foot sacks three Front Bench spokesmen for rebellion and fourth resigns
- People more strongly behind you now according to MORI poll which shows 80% think you were right to go into Falklands; party break down - Tory 4 Labour 31; Alliance 20.
- Gerry Fitt attacks Haughey for failure to back Britain.

Personal:

- Dr Miriam Stoppard, in Express, says you are a medical marvel since you seem to thrive on stress.



B. INGHAM
25 May 1982

Pay and Disputes

- NUPE threatens all out indefinite strike and Fisher again calls for help from other Unions. NUPE decision attacked by Charles Dunnet of the GNWU. FT leader foresees a summer of discontent in the public sector and questions how the Government's principle of fiscal stringency and the state of the labour market are to be translated into figures drawn on a comparability basis.
- 500 local authority manual workers join dustmen on strike in Wandsworth over privatisation of refuse collection.
- British Airways engineers threaten series of 24 hour lightening strikes over pay.

Union Conferences

- GMWU urges greater TUC powers to co-ordinate union action against Employment Bill.
- Ken Gill of TASS calls for end to Union participation of tripartism.

Voluntary Job Scheme

- National Council of Voluntary Organisations warns Mr Tebbit that many voluntary bodies would not be prepared to participate in scheme to provide voluntary bodies jobs for the long term unemployed.

Economy

- FT shares index rose 15.2 points yesterday.
- Steady upturn in house prices since January continuing says Royal Institute of Chartered Surveyors.
- Robert Marjolin, former Vice President of EC Commission, expects Western world to have 3-4% growth for up to 5 years.
- Times leader blames successive Governments for continuing inflation - "a form of taxation without representation" - and says the inflation rate must be reduced still further.

Industry

- BSC Scunthorpe works make a small profit of £10.1m last year.
- Government takes up Italian ban on Triumph Acclaim cars with EC Commission and Italian Government. →
- BNOC is considering raising its contract rates on 1 June.
- AEG of West Germany confirms that it is talking to GEC about co-operation in various fields.

Nuclear Power

- FT leader argues for a reasonably stable ordering pattern of action to remove bureaucratic obstacles to the licensing of new stations.

Cable System

- The Post Office Engineering Union says that British Telecom should get the job of rewiring Britain's towns and that it will take 10 not 5 years.

Loans Guarantee Scheme

- Express city page says Government did not appreciate level of risk involved and may lose public money through failures. Mr MacGregor says it is too early to tell.

Liverpool

- Mr Heseltine yesterday announced £7.5m aid for Liverpool, much of it for Toxteth.

Education

- Labour Party considering new statutory framework for higher education system to give everyone right to higher education regardless of qualifications.
- Government auditor criticises principal of UMIST for breach of rules in spending £300,000 to provide a "principal's residence".

Parking

- Howe promises concessions on illegal parking provisions of Transport Bill to avoid Conservative revolt.

Law and Order

- A General Commissioner of Income Tax has admitted four tax offences himself.
- Lawyers trying to bring new evidence about the state of mind of Peter Sutcliffe says he claims to have been visited by ghosts of his victims.
- Labour spokesmen on the Scottish Grand Committee claim that the Government is cutting its contribution to policing and is considering providing little extra money for police pay this year.

Northern Ireland

- De Lorean production line to be shut and almost all 1,500 workers made redundant. Cork says there may still be hope: he has been talking to a group of English investors. John de Lorean says he has more backers lined up. D/Mail speculates on a link with Lotus. D/Telegraph leader says the only real villain is the Government itself. Anxieties about the level of unemployment turns the Northern Ireland Office into a soft touch with any businessman with a half plausible yarn.
- Special guard for IRA man in Dublin jail who named the IRS "godfather" who had recruited him.

EEC

- Stories about yesterday's discussions suggest offers for rebate to Britain baring between £430m and £480m. Mr Pym said to be ready to accept £475m or £504m according to different reports. You are said to have spoken directly to Chancellor Schmidt.

International

- Mr Uri Andropor, Head of KGB, was yesterday promoted to Party Secretary in succession to Mr Suslov in the Communist Party Secretariat.

- Nat West pull out of talks to raise credit for Venezuela.
- British wildlife expert released by Mozambique guerillas.
- U Iran claim to have captured Khorramsharh and taken 5,000 prisoners. Times says danger of Iran invasion bringing further instability to Middle East.
- White House denies stories that President Reagan is considering cancelling his visit.
- Eleven people killed by car bomb explosion outside French Embassy compound in Beirut.
- Socialists win absolute majority in Andalucia.

Politics

- Gallup Poll in telegraph predicts Conservatives 43½%, Labour 33½%, Alliance 21½% in Mitcham and Morden.
- Liberal candidate in Beaconsfield supported by John Alderson, former Chief Constable of Devon and Cornwall.
- Labour likely to lose the overall control of Lambeth after Johnston says he will vote for Conservative mayor.
- Times and some leaders support Government decision to rule out possibility of early election.

ANNEX

Ministers:

Mr Pym attends EC Foreign Affairs Council, Brussels.

Mr Howell opens the Chartered Institute of Transport International Conference, Grosvenor House Hotel.

Mr Walker visits Covent Garden Market and attends Festival Dinner to celebrate the centenary of the first arrivals of New Zealand lamb to the UK, Guildhall.

Mr Fowler addresses National Association for the Care and Rehabilitation of Offenders, 169 Clapham Road, SW9 (1.30pm).

Mr Younger opens new Norit UK Limited factory, Cambuslang.

Lord Elton opens Fire Protection Association Annual Conference at Heathrow Penta Hotel. (10.00am).

Mr Raison speaks at UK/US Conference on race relations, Oxford.

Lord Ferrers speaks at AGM of the Spanish Chamber of Commerce, Inn on the Park, London.

Mrs Fenner lunches with Council members of British Multiple Retailers Association, London.

Mr Clarke re-opens Putney Hospital. (2.00pm).

Mr Rossi addresses National League of the Blind and Disabled Conference, Regent Centre Hotel, London, W1. (9.00am).

Mr Marten speaks at Commonwealth Writers Association lunch, Waldorf Hotel, London.

Sir George Young attends Brick Development Association lunch.

Mrs Chalker attends ECMT meeting, Dublin (and 26 May).

Mr Rees attends EC Foreign Affairs Council, Brussels.

TV/Radio:

Mr Morrison "London Tonight", Capital Radio. (7.00-7.30pm).