

PRIME MINISTER

DIARY

Falkland Islands: Mr Nott's Statement on losses.

The Queen opens Kielder Reservoir, Northumberland.

Sir Keith Joseph and Mr Heseltine meet Liverpool Education Authorities, London.

Conservative Women's Conference, London.

TUC General Council.

ASLEF Conference, London.

GMWU Conference, Eastbourne.

NUPE Conference, Scarborough.

AUEW/TASS Conference, Bournemouth.

Prison Officers' Association Conference, Southport.

British Airways announce 950 redundancies.

Socialist International, Helsinki.

Statistics:

Construction - new orders (March).

Publications:

Report of the Tribunal to Inquire into Crown Agents as Finances on own Account 1967-74.

Committee on Restrictions Against Disabled People and Government Response. Monopolies and Mergers Commission Report on Car Parts.

SED Statistical Bulletin on Provision for Pre-School children (1976,79,80). Employment Gazette.

Parliament

Commons

Questions: Scotland, Foreign and Commonwealth.

Business: A debate on the European Community.

Remaining Stages of the Harbours (Scotland) Bill (Lords).
Motion on the undertaking relating to Highlands and Islands Shipping Services.

Select Committees: EDUCATION, SCIENCE AND ARTS: Biotechnology. (Witnesses: Mr William Shelton MP, Under-Secretary of State at the Department of Education and Science; University Grants Committee).

SOCIAL SERVICES: Public Expenditure White Paper: Personal Social Services. (Witnesses: Association of Directors of Social Services; Professor Adrian Webb and Mr Gerald Wistow of the University of Loughborough).

TREASURY AND CIVIL SERVICE SUB-COMMITTEE: The Structure of Personal Income Taxation and Income Support. (Witnesses: Board of Inland Revenue Officials).

COMMITTEE ON PRIVATE BILLS: Unopposed Bills.

1. Hong Kong China Gas Company Limited (Lords).
2. Thomas Brown & Sons Limited (Lords).

Lords: Short debate on the Report "Transport without Handicap".
Short debate on the situation in the Middle East.
Iron & Steel Bill(HL) (Consol): Third Reading.
UQ on HMG's response (Cmnd 8531) to the Wilson Report on Public Records (Cmnd 8204).

Ministers - see Annex

PRESS DIGEST

FALKLANDS

Treatment:

D/Star: Task Force destroyer crippled - 3 Sky Hawks shot down; then "bad news".

Sun: Argy jets in mass attack; Warship blasted; rescue dash by Fleet as sailors die!

Mirror: Death of a hero - front page picture of Antelope blowing up (which most newspapers use).

Express: Warship hit; British destroyer ablaze; battle to rescue crew; Marines raid super jets - Commander bid to end deadly Exocet threat.

Mail: 2 more British warships hit - fight to save men trapped by fire in destroyer; Argentine mass air attack swamps Harriers.

Telegraph: Destroyer is "badly hit"; 'Kamikaze' attacks on Task Force; 3 Sky Hawks down in Independence Day raid.

Guardian: Destroyer seriously damaged in new jet attack; Argentines retaliate on their Independence Day but we bring down 3 Sky Hawks.

Times: British destroyer crippled in new air attack; you adopt harder line in negotiations; Haig predicts early British victory.

FT: Heavy air attack damages British ship; Britain is prepared to veto calls for ceasefire at UN.

Comment:

D/Star: British teams should go to World Cup. Britain has nothing to apologise for. If any country should stay away it is the Argentine; on Merchant and Royal Navy, it agrees with MoD official who says they deserve a sackful of medals.

Sun: You are pretty busy at the moment, but you've only got half a loaf out of EC; when guns are silent you must give Brussels a touch of the Iron Lady; it also calls on MoD to identify new flying ace who downed 2 Mirages in a few fleeting moments.

Express: If, as may well prove to be case, South Africa has been supplying Argentina with arms and spares, we have no-one to blame but ourselves. South Africa could have been our friend and supporter. We are the biter bit - a very sad business indeed.

Mail: Wisely Mr Nott has moved fast to set up a central fund for dependents and injured. Full war pensions are graded according to rank but donations from the Fund should not be.

Telegraph: Conditions troops on Falklands are experiencing smack of earlier wars of the pre-missile age. So there are powerful reasons for not hanging about; Haughey's withdrawal from sanctions and UN attempt to promote a ceasefire spring from a simple determination to embarrass Britain at critical juncture. His stance is particularly repugnant to us because one facet of his policy consists of affirming that we are not merely close friends but veritable bedfellows. Irish Republic must make up its mind - is it a partner or a foreign power relentlessly pursuing a territorial claim against Britain?

FT: Government no longer appears to be thinking in terms of offering Galtieri a way out. Indeed, Ministers are indicating Argentines have to all intents and purposes disqualified themselves in the foreseeable future from any role in Falklands. But a settlement remains preferable to a battle. Negotiating option should remain available. Not complete clarity about longer term aims. Danger that excess of British nationalism will lead people to believe there can be return to status quo ante. Idea of UN trusteeship still most attractive.

Military:

- Mr Nott announces bad news on TV but says no country can sustain Argentinian air losses for long - now lost some 70 planes.
- Argentine confesses it has lost its first major battle and this plunges country into gloom on National Day; admits we have 2000 troops ashore in 60 sq mile bridgehead.
- First clashes with Argentine troops ashore.
- Additional Blowpipe battery being rushed from BAOR to Falklands.
- Haig says British troops appear to be moving towards an early victory and urges you to be magnanimous in it; Pentagon says Argentine have lost so many planes they can mount only one more mass attack; Telegraph says Argentine losses will force them to seek MIGs from Peru.
- PA picture of HMS Antelope exploding used in many newspapers.
- Sun claims that a sabotage mission of 7 SAS men went to Argentine to destroy stocks of Exocet; Missing helicopter crew found in Chile - give themselves up when they find they are not in Argentine.
- Guardian diary reveals Plymouth military source of SAS and SBS briefing of press.
- Guardian says we have armed Uruguay, Brazil and world's maritime powers that Plate Estuary is in Falklands Exclusion Zone, so effectively blockading Buenos Aires.

- FT says Moscow is unlikely to offer any arms aid to Argentine; and suggestion that Argentine would accept military assistance from Russia has caused worries in BA.
- QE2 reported to be on station.
- Astiz to be brought to Britain; Mail says he will be held in military custody.
- National fund to be set up for contributions to Military casualties and dependents.
- Entertainers, including Goons, offer ENSA services in Ascension or Falklands.

Diplomatic:

- You will ignore a UN call for ceasefire without withdrawal of Argentines.
- Costa Mendez calls on UNSC to order ceasefire and for mediation by UNSG.

International

- US customs impound Israeli jetliner believed to be carrying arms to Argentina.
- South Africa denies supplying arms to Argentine.
- King of Spain calls on Reagan to make one more effort to bring peace.

In Falklands:

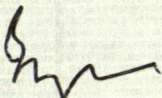
- Express says you outline your plans to MPs for revuilding Falklands life.
- British BAF applies to CAA rights to fly service from Port Stanley to Chile.
- Islanders in London step up campaign to reduce reliance on Argentine: their leaders say Port Stanley may be running short of food and water.

Pope's visit:

- On and he may go to Argentina in June; angry reaction from Argentina.

Ireland:

- Some papers says you have cancelled your plans to visit Ireland in July.


B. INGHAM
26 May 1982

Pay and Disputes

- GMWU voted to oppose NUC proposals for all out strike. Inter-Union talks planned at TUC for 9 June. NUPE water workers yesterday voted to support health service campaign.
- Operations at a Liverpool hospital held up because of negotiations with shop steward over which operations were "essential".
- Some NHS regional chairmen are in favour of more "flexible" approach from Government to NHS pay.
- Guardian leader says Unions should avoid endorsing NUPE's demands for unconditional surrender. To encourage law-breaking in order to disrupt hospital services would do the General Council no good at all. Better to press both Government and NUPE towards a compromise peace with honour.
- Times leader while expressing some sympathy for workers says the economic stakes are too high for the Government to capitulate easily. There is a case for a regular system of independent review like that enjoyed for doctors and in prospect for nurses.
- Express leader says the public will be disgusted with the national union of public exploiters. The Sun calls them the nasty NUPE. The Mirror refers to "this wicked plan".
- About 2,000 manual workers at Wandsworth now on indefinite strike over Council plan to privatise refuse collection.
- GMWU will take industrial action against any local authority using private contractors.

Economy

- NIESR quarterly review forecasts "very weak" recovery: growth about one and a quarter per cent this year with no tendency to speeding up in 1983. Recovery from the recent recession has been much slower than in any economic cycle for the last 25 years: there must be some doubts whether the period since last Spring should be considered a genuine cyclical recovery at all.
- New York Citibank yesterday cut prime rate by half per cent.

Unemployment

- Total figure drops below 3 million but will rise again over next few months particularly because of school leavers. Seasonally adjusted total rose by 21,500: underlying increase is still slackening.
- British Aerospace to cut 950 jobs because of falling orders.
- British Steel rebuilding of Redcar plant will lead to 500 less jobs.
- 4,000 jobs to go by end of decade with closure of 6 Leicestershire coal pits.

Industry

- Grand Metropolitan to raise £125m in rights issue.
- Development of Alwyn North oil field likely to go ahead producing £1,300m orders for construction yards.
- Government aid scheme for small engineering companies is heavily over-subscribed: Department of Industry to reject further applications from Friday evening.
- British Airways to sell International Aeradio for an expected £55m.

Deputation from North Sea oil industry to meet Sir Geoffrey Howe today to press for changes in taxation system.

European Community

- Mr Pym accepts one year deal on rebate said to be worth £480m with provision for risk sharing.
- Guardian leader criticises the deal despite our having lost the veto and agreed to implement one of the highest farm price increases for years. The final impression is of a Community which, far from rallying to the support of a member state in need, has taken psychological advantage of our preoccupation with more pressing events. A bad settlement was just another item on the bill for the Falklands. The onus is now on Mr Pym to win a lasting and generous Budget settlement - by his willingness to provoke a crisis if there is no other way. Times leader says Britain had no option but the final decision and the way in which it was reached are grievous blows to Europe's future. In the short term all of the obvious ripostes were impracticable because of the overriding need to maintain Community support on the Falklands. In the longer run the questions raised will not go away. An essential part of assuaging British doubts about the worth of the Community is our ability to veto any proposal harmful to our interests. We must make it clear that this must be an essential component of any arrangement under which Britain remains a Member.
- The Sun asks if we are to go on forever paying the price of their friendship. When the guns are silent Mrs Thatcher must give Brussels a touch of the Iron Lady.
- Teddy Taylor writing in the Times says we must obtain a substantial reform including the scrapping of CAP.
- Labour amendment today will call for withdrawal of EC payments while Britain makes "fundamental reappraisal" for relationship with Community.
- West Germany believes that France may withdraw from EMS by the end of the year.
- Hong Kong and the EEC are still far apart on an understanding about textiles says Hong Kong's Trade Commissioner.

Local Authorities

- New Tory Council in Lothian to hand back more than £30m to ratepayers.

Education

- D/Telegraph leader, commenting on recent pamphlet, says education system is sealed against criticism and even the politely expressed wishes of the people who use it. It is not a service but an estate of the realm with its own interests and jargon.

Law and Order

- Peter Sutcliffe fails in attempt to have murder conviction reduced to manslaughter.
- High Court judges rule that police have no legal right to enter suspect's home in search of weapons without warrant - unless they are in "hot pursuit".
- West Yorkshire County Council ask the Attorney General for a full inquiry into death of Helen Smith.

Government announce grant of £1.5m to assist voluntary organisations to develop community help schemes to keep young offenders out of custody.

- Chairman of Prison Officers Association suggests greater incentives to good behaviour through 50% remission, in attempt to reduce prison overcrowding.
- Lord Denning's book withdrawn after threat of libel proceedings from two black jurors referred to.

Northern Ireland

- Opinion poll suggests that 3 out of 5 people in Northern Ireland support devolution plans.

Anglo-Irish Relations

- Telegraph leader says that Irish actions over Falklands spring from a simple determination to embarrass the British Government at a critical juncture. They must make up their minds whether they are British partners or a foreign power relentlessly pursuing a territorial claim.

Immigration

- A High Court judge warns immigrants who gain entry to Britain through marriages of convenience that they face punishment if they are found out.

International

- Israel shoots down two Syrian jets over the Lebanon.
- The United States have introduced a new defence strategy aimed at dissuading the Kremlin from military adventurism by making it too expensive and by seeing that America has "balanced forces to ensure that military power will be applied in the most effective way on a priority basis".
- Mr Haig expected to make major statement today on Middle East heralding a new US initiative on Palestinian autonomy.
- Soviet Union considers new proposals and incentives to improve agricultural efficiency.
- A Chinese economic delegation will visit Britain and other European countries at the end of June. It is seeking co-operation in developing coal mines, rail links, power plants and port facilities in four Provinces.
- Opposition Party in Venezuela says territorial dispute with Guyana can be resolved with peaceful compromise.

Breakfast TV

- ITV to start service in February.

Ministers:

- Prime Minister speaks at Conservative Women's Conference (3.15pm).
- Mr Whitelaw speaks at Conservative Women's Conference, Royal Festival Hall. (9.30am).
- Sir Geoffrey Howe hosts reception for Chairmen of EDC/SWPs.
- Mr Walker attends opening of new extension to the Fisheries Laboratory, Lowestoft.
- Mr Baker speaks at MTIRA 21st Anniversary lunch, Macclesfield, and visits Macclesfield.
- Mr Butcher opens NIAE test centre, Silsoe.
- Mr Butcher opens microsystems centre at De Havilland College, Borehamwood.
- Mr Rossi opens centre for the visually handicapped, Tottenham Sports Centre, London. (11.00am).
- Mr Buchanan-Smith visits Smithfield.
- Lord Ferrers attends opening of Kielder Reservoir, Northumberland.
- Mrs Fenner lunches with Retail Consortium, London.
- Mr King and Mr Shaw attend opening of Kielder Reservoir, Northumberland.
- Dr Vaughan hosts reception for the Consumer Association's 25th Anniversary.
- Mr Waldegrave addresses Association of Polytechnic Teachers Annual Meeting, London. (12.00 noon).
- Mr Marten speaks at Government Legal Officers Courses Institute of Advance Legal Studies, London. (6.00pm).