

PRIME MINISTER

DIARY

Falkland Islands:

The Queen receives the Pope.

The Pope attends Mass at Westminster Cathedral and Southwark Cathedral.

US Friends of Northern Ireland visit Northern Ireland.

AUEW/TASS Conference, Bournemouth.

Prison Officers' Association Conference, Southport.

British Rail Board meet Railway Staff Joint Council.

Japan approves trade liberalisation package.

Statistics:

Car and Commercial vehicle production (April-final).

Sales and orders in the engineering industries. (Feb).

Publications:

'British Business' commercial representation guide and supplement.

Ministers - see Annex

PRESS DIGEST

FALKLAND ISLANDS

Treatment:

- Two things apart from the Pope, dominate - your signal that we are moving out of the bridgehead; and the Sheffield survivors' return.

D/star: . Attack - paras in battle for Goose Green as Marines march on Port Stanley.

Sun: Charge! Marines, Paras, Tanks Smash into the Argies - battle for Falklands on with a vengeance; and homecoming of Sheffield survivors.

Mirror: Safe and home - with picture of family reunion.

Express: Advance of the silent Spearhead; Radio blackout as Admiral Sandy orders big push; but by security blackout imposed.

Mail: As the survivors come home - Troops attack on all fronts.

Telegraph: Troops begin the attack; advance from beachhead disclosed by Mrs. T. Supplies for junta worry Cabinet.

Guardian: Blackout on news of push inland; Thatcher foresees no end but complete Argentine surrender.

Times: Task Force advances on two fronts from beachhead.

FT: Task Force troops break out of San Carlos bridgehead.

Comment:

Sun: welcoming Pope, says Pope is answering Argentina and Latin American fears that his visit is lending support to Britain by going to Argentina; those fears were quite unjustified. He comes as a man of God.

Mirror: Right for Pope not to cancel visit. Message of Church should transcend temporary troubles.

Express: Thrice in the Commons yesterday Foot asks Britain to produce proposals which would offer Argentina an alternative to unconditional surrender. The best way out for Argentina is by sea - and we will happily lay on the lines to get them out. What more can Foot ask for - or Galtieri for that matter.

Guardian: Entire context of the visit has been changed by mounting deaths in South Atlantic. But his visit might have been more divisive than it is likely to be now.

Times: David Watt says our own amour propre will demand a tougher line when the fighting is over; every day of battle probably adds at least a month to period when negotiations are out of the question. We shall be forced to distrust our defence effort to protect Falklands. Objectively, there is everything to be said for resuming negotiations as soon as possible.

Telegraph: Says one is driven now and again to suspect that White House staff are not very clever - eg. effect of Reagan's National Day telegram to Galtieri. But it shows the anguish of Americans over the crisis when they have dedicated their energies to total war against Communism in Latin America.

Military

- Buenos Aires reports bombing of San Carlos bridgehead; we are reported to have decided on pincer movement on Port Stanley.
- Efforts to salvage Atlantic Conveyor and to rescue equipment from it.
- Plenty of pictures of life aboard QE2 and on Hermes and a near (bombing) miss among Fleet Auxiliaries.

- Captain of Sheffield says torpedos may have been fired from a submarine at his crippled ship; some reports suggest a submarine got under the Fleet.
- Big rush from dockyard workers to volunteer to go to South Atlantic to repair damaged ships.
- Argentine pilot shot down over San Carlos says half his squadron failed to return from missions over Islands; told they had been redeployed.
- Telegraph says Argentine is widely thought to have more Exocets or to be poised to acquire them.
- US has begun supplying missiles and other weapons to UK.
- Reservists put on standby.
- Mail says Argentine is considering human rights prosecutions against any captured British soldiers who have served in Northern Ireland, with IRA being invited to give evidence, if Astiz or others are put on trial in Europe.
- Harrier pilot posted as missing after weekend raid on Port Stanley believed to be prisoner.
- Express says Argentine using in-flight refuelling to get at Task Force.
- Role of Merchant Navy in defence to be reviewed after crisis.
- Murder hunt for killer of two women walking dogs at Aldershot pursued on QE2.

Diplomatic:

- Our man in Moscow reprimands Russians and their press for one-sided pro-Argentine stand.
- Galtieri sends tart reply to Reagan's national day message - incomprehensible and incoherent, he says it was.
- Some papers contrast Mr Pym's remarks on TV Eye last night about Islanders living in peace and friendship with Argentines where hostilities are over with your harder tantamount to unconditional surrender line.
- South African Premier warns off his newspapers in printing speculative and reprehensible stories about alleged South African arms supplies to Argentine.

Media:

- BBC finds jamming increasing.
- Attack by Peter McKay in Express on Mirror's sour attitude to Falklands campaign - tower block of humbug; a great overstaffed granary of half truths.
- Irish call for release of three British journalists detained at Ushuaia.

Economic:

- Argentine trying to diversify export outlets for grain as Russia holds off new contracts.

Welfare:

- City of London (£100,000) and Boots (£50,000) swell coffers of South Atlantic Fund - now £300,000.

Political:

- Tories 26% lead over Labour at 51% - Alliance 22%; MORI poll shows that 84% of people think you are handling crisis well 89% back landing of troops compared with 67% on April 14; 62% think we should retake Falklands in spite of casualties; 70% want to keep Islands after Argentine beaten.
- Livingstone accuses Foot of appalling capitulation to Tories over Falklands - party can no longer tolerate his leadership.
- Healey attacks in Labour Weekly those in Labour Party who parade for political ends the private anxieties and griefs of servicemen and their families - he can think of nothing more wounding than to tell those who have lost a relative that cause is worthless.
- Bill Rodgers, SDP, says you are a disaster area and cannot be excused for allowing Argentine to seize Islands.

B. INGHAM
28 May 1982

OTHER NEWSPay and Disputes

- Mr Fowler makes clear that Government will not increase its offers of 6.4% for nurses and 4% for others. Times assumes that greater use will be made of volunteers and troops and reports sending of a confidential letter to RHA chairmen advising them against public criticism of the Government's case.
- 90,000 power manual workers begin industrial action from Monday.
- British Airways engineers at Heathrow are planning more 24 hour strikes over pay.
- British Rail meets union leaders today over current issues.

Industry

- Japanese car manufacturers agree to limit sales to under 11% of total UK market this year.
- CBI to seek meeting with Lord Cockfield over Japanese trade imbalance.
- Courtaulds profits for year ending March rise to £51.1million.
- Electrical division of Stone Platt bought back by group led by former chief executive for sum thought to be about £20million.
- Government refer GUS bid for Empire Stores to the Monopolies Mergers Commission.

Economy

- Investment intention survey suggest some fall in manufacturing investment this year but a rise of 5% in distributive and service industries.
- IMF forecasts a weak recovery for UK and US.
- The Chancellor spoke last night of a transformation of Britain's standing in the world. People no longer referred to the British disease but spoke approvingly of the British medicine.
- SSRC press NIESR and London Business School to merge part of their forecasting operations as condition of increased public funding.

Oil

- Petrol prices are starting to fall again. Big oil companies support new burst of price cutting.
- BNOG likely to press today for increase in North Sea Oil prices.
- World oil consumption fell by 3% last year following a 4% fall in 1980.

Car prices

- Times leader urges Government action over artificially high prices of new cars.

Asbestos

- Senior officials at the Health and Safety Executive will urge the Health and Safety Commission to introduce tighter controls on use of asbestos following "rapidly rising deaths" among asbestos workers.

Law and Order

- Two of the three youths in the Glasgow rape case are cleared of assault charges.
- Old Bailey trial of alleged corruption in the police has been abandoned because of reported attempts to bribe a juror.
- A Supreme Court Procedures Committee to be set up with the object of shortening High Court cases, reducing delays and cutting costs.
- Commissioner of City of London Police calls for more effective control of companies handling investors' money. His fraud department is currently handling 90 major cases of fraud involving £54million.

Race

- The Select Committee on Employment endorses need for code of practice on racial discrimination in jobs but calls for changes in CRE's proposed code including its not applying to firms of less than 200 employees.

Pope

- The Pope arrives today. Most papers carry features and welcoming editorials. He is to be protected by the largest personal security operation ever mounted in this country. Wide traffic jams are expected in London. A Times story says the visit was saved by "back door" diplomacy of the Roman Catholic Archbishop of Glasgow.

EEC

- David Watt, writing on the "price" of a Falkland victory says, inter alia, that Government policy fell temporarily into the hands of Sir Michael Butler who seems completely to have lost his balance over the Community Budget issue; he not only advised wrongly about the overruling of the veto but had the nerve to admonish Mr Tugendhat for not resigning on the spot.
- FT leader looks for permanent solutions to Budget problem and revival of the old Community spirit. Without it, it will be almost impossible to tackle the many issues far more important in the long run than the British budgetary contribution.

International

- Mr Haig introduces a new Middle East initiative in Chicago speech, saying "Now is America's moment in the Middle East". He announced a re-doubling of effort on the Palestinian autonomy talks and warned Iran not to spread war to neighbouring countries.
- Guardian says that to adopt a longer-term policy does not always mean that it can be made to work. The limits are clear; this is why crisis management will continue to be needed. The one crucial foundation on which Mr Haig can start to construct the policy is the re-entry of Egypt into the Arab world.
- Times leader discusses the problem at length and says undoubtedly US will be judged primarily on its handling of the Palestinian problem. In this they must face the uncomfortable fact that it will not be possible to proceed except within a framework which the PLO will accept.
- FT leader says Mr Haig will be judged in the Arab world by his ability to soften Mr Begin's stance.

- Egypt also warns Iran not to cross Iraq border.
- Israel admits having supplied military aid to Iran during war.
- US said to be "poised" for wide-spread deployment of Cruise Missiles following successful test flight of ground launched Tomahawk.
- Soviet Union has overtaken US as world's leading exporter of sophisticated weapons according to Stockholm International Peace Research Institute.
- Both House of Congress have rejected US administration proposals for more military aid to El Salvador.
- Japan will abolish tariffs on 96 items and reduce them on a further 119 from next April.
- Mr Mauroy hints at change in French economic policy. "We cannot allow the gap between our inflation rate and that of our partners to grow".
- Fianna Fail by-election defeat casts doubt on Government's majority and on Mr Haughey's leadership.

Politics

- Conservatives hold Beaconsfield with almost same percentage share of vote as before.
- Latest MORI poll gives Conservatives 51%, Labour 25% and Alliance 22%.

People

- Dr. Walter Marshall, chairman of Atomic Energy Authority, to succeed Mr England as chairman of CEGB.

B. MOWER
28 May 1982

Ministers:

Mr Raison judges Joint Committee Against Racism children's poster competition.

Mr Gray opens site camps and offshore training services centre, Edinburgh.

Mr Younger lunches with New Town Chairmen, Edinburgh.

Mr Baker visits Wales.

Mr M Roberts visits Cwmtawe Comprehensive School, Pontardaw.

Mr Macfarlane is guest speaker at Bath University.

Mr Waddington speaks to Pendle Industrialists' Group.