

5/5

PRIME MINISTER

DIARY

Falkland Islands: Mr Nott statement; Diplomatic efforts - USA; Peru; UN.
Anniversary of death of Bobby Sands.

NEDC.

CBI Employment Policy Committee.

The Queen visits Manchester.

Sport and People Exhibition and Confernece, Wembley.

Statistics:

- CBI Industrial Trends Survey (April).
- UK official reserves (April).
- Capital issues and redemptions (during the month of April).
- Advance energy statistics (March).
- Security Statistics under Prevention of Terrorism Act (June-Dec 81).

Publications:

Report on the Training of Nurses and Social Workers employed in the community.

Pay:

Mobil Tanker Drivers: Further talks on rejected 5% offer.

Parliament

Commons:

Questions: Foreign and Commonwealth, Foreign and Commonwealth (EC).

Business: Consideration in Committee on the Finance Bill.
Motion relating to the Supplementary Benefits (Claims and Payments) Amendment Regulations.

Select Committees: HOME AFFAIRS: Police Complaints procedure. (Witnesses: Scottish Council for Civil Liberties; Scottish Police Federation).

WELSH AFFAIRS: Scrutiny of Welsh Office Departments. (Witnesses: Welsh Office Industry Group).

PUBLIC ACCOUNTS: Royalties and Tax levied on the oil industry: North Sea Operations. (Witnesses: Sir Lawrence Airey, KCB, Chairman of the Board of Inland Revenue; Sir Donald Maitland GCMG, OBE, Permanent Under-Secretary of State, Department of Energy).

TREASURY AND CIVIL SERVICE SUB-COMMITTEE: The structure of Personal Income Taxation and Income Support. (Witnesses: Consultative Committee of Accountancy Bodies (at 4.15pm); Professor Townsend (at 5.15pm))

EMPLOYMENT: Youth unemployment and training. (Witness: Mr David Young, Chairman, Manpower Services Commission).

NORTHERN IRELAND: Guidelines for new Industrial Development Board in Northern Ireland. (Witness: Mr Adam Butler, Minister of State at 11.00am).

Lords:

COMMITTEE ON PRIVATE BILLS unopposed Bills:

1. East Lindsey District Council Bill.
2. John Francis Dare and Gillian Loder Dare (Marriage enabling) Bill.
3. Hugh Small and Norma Small (Marriage Enabling Bill)

Supply of Goods and Services Bill: Second Reading.

Debate on problems in inland transport.

Ministers - see Annex

PRESS DIGEST

FALKLANDS

Comment:

D/Star: Today's news was what we dreaded most but let us remember why we went. We have had a setback, but only a setback. We must unite and end cheap political stunts of the past few days which gave Argentines extra will.

Sun: Sinking of Sheffield a grievous blow; but always knew price of defending freedom might have to be paid in blood. This can in no way affect Britain's resolve. The fight goes on. Labour behaviour contemptible - if they want to promote peace address please to BA.

Mirror: Sickening news of death toll aboard Belgrano overtaken by Sheffield - one tragedy begets another. Calculating and miscalculating politicians started this - now up to them to end it quickly. But will make it harder to find reasonable settlement. Time to prove peace through diplomacy only policy that pays.

Express: Britain and Argentina now at war. This cannot be a time for faltering. Must press home our attack and repudiate Argentine aggression; George Gale says those who sailed with Task Force knew that their blood would be spilled - and public ought to have known it too. Why should USA, France, Germany etc be surprised at escalation? There will be more casualties and responsibility will be Argentina's. Attack is best means of defence.

Mail: Phoney war is over. Only Britain has moral, legal international right to deploy such a Task Force. We have started job and will see it through. Sacrifice of those who have died must strengthen our resolve to go in soon; Paul Johnson says sinking of Sheffield brings reality of conflict home to all of us; in your desire to keep diplomatic initiative and preserve Commons unity you have, if anything, given Commander too little latitude. We must make certain Woodward has everything he requires. Nation now being asked to pay a price for upholding principles - and it will not shrink from the cost.

Telegraph: Answer to those who doubted need to sink Belgrano has come with terrible swiftness. No-one with knowledge of war at sea could have supposed mission could have been accomplished without loss. Given removal of prejudgement over sovereignty and Argentine willingness to withdraw, everything else would be open to discussion. Morally Britain's position invulnerable. Thus fortified we must face critics with courage and candour, knowing that in last resort we must fight our own battles.

Guardian: Miracle of war without casualties came to brutal end last night; an awful momentum of events; Not weak to ask how much longer a policy which has so far failed to bring the negotiating end we seek can be pursued. Now clear imperative on Government to reveal the bottom line. Not easy to urge the cause of peace in the wake of Sheffield, but spillage of blood cannot continue; Peter Jenkins says credibility of threat to retake Islands is wearing thin - perhaps we are near the end of internationally accepted violence - an invasion would be disproportionate.

Times: Morality requires no more lives or blood lost than essential to task. But it is not simply question of morality. We are there to undo aggressions maintained by Argentina in defiance of international law. Unless and until some sign from junta it is prepared to negotiate we have little option but to persist and eventually seek a better peace.

FT: As Haig says, in the end it will have to come back to diplomacy - and that means compromise. We should confine use of force to within TEZ unless we are attacked outside and call for similar Argentine restraint. Britain's insistence on Argentine withdrawal is correct and there may still have to be a British landing to bring it about. But most urgent task is to resume mediation.

Treatment:

- Sinking of Belgrano overtaken by news of Sheffield, with possibly 30 dead, and chills Westminster and Whitehall.
- Several newspapers underline your earlier words about the need to sink the Belgrano because it posed a threat to our fleet and that what you have had to live with comes true.
- You are said to have been devastated (not our word).
- RN chiefs reported as being stunned and 'couldn't believe it'.
- First news reaches families on 9 o'clock news; House adjourns as a mark of respect.
- Tragedy stuns Portsmouth, where families live, and Sheffield.
- Raid on Port Stanley increases speculation that there will be an early assault on Falklands (but Americans quoted as not expecting one for a week).

- Admiral McGeogh says Fleet morale will be stiffened by losses in his experience.
- D/Star says we had no choice but to sink the Belgrano.
- Hundreds saved from Belgrano; 680 picked up; another 300 in lifeboats; losses may be only 100.
- Junta making as much propaganda as possible out of loss (three sons of admirals on board).
- Weinburger says we were justified.

Politics:

- 70 Labour MPs sign motion calling for ceasefire.
- All political deals said to be off - Ministers having to consider effect on public opinion.
- Fury over Benn and Lord Jenkins (who accuses Govt of mass murder on high seas); and John Wells.
- Mail says you face greatest test of nerve following sinking of Sheffield; will Argentine mainland bases be bombed.

Diplomatic:

- Mail says we have been given until 9.00pm to reply to new UNSG initiative.
- Meanwhile Haig active with Argentine and UK through Lima.
- 2 Argentine military men in Lima.
- We leave door for diplomacy wide open.

In Argentine:

- Claims another destroyer was hit and two (not one) Harriers downed.
- Asking Russia to replace weapons lost in fighting to be paid for in grain.
- Opinion moves from gloom to jubilation.
- Not much sign of any change in junta opinion who face tremendous military difficulties too.
- Cash crisis worsens; FT says their liquid reserves may be down to \$500m - one sixth or one seventh of total.

International:

- EC support seen to be crumbling with consternation in Ireland, France, Germany, Holland etc; Irish trying to secure end to EC sanctions.
- Schmidt reported to have said we can't give Britain a blank cheque.
- Moscow blames Britain.
- Israel gives assurance that it is offering no new arms deals.
- Congress joins Senate in backing Britain - no speaker mentions Belgrano.
- Reagan Administration expects opinion in Latin America to harden against UK and USA but that Argentine will not be able to invoke military provisions of Rio Treaty.

- Petrol bomb thrown at our Embassy in Panama demos against Embassy in Venezuela.

Military:

- Features abound on Sheffield, Exocet, Super Etendrad etc.
- Telegraph naval correspondent says the gloves are now off.

In the Falklands:

- Mirror says behind their smiles Islanders are doing everything possible to make the Argentines miserable.

B. INGHAM
5 May 1982

OTHER NEWSPay and Disputes

- Plan for complete dock strike next Monday remains after T & G talks with Mr Waddington. Dockers leaders meet today.
- Health Service unions claim "victory" after settlement for NHS electricians said to be worth 8.5%.
- Private company engaged by Wandsworth to clean streets reports "intimidation" from pickets.
- Government will today announce acceptance of CS pay award (Guardian).
- AEUW narrowly elect Gavin Laird as President. Assistant General Secretary considering legal action over conduct of ballot.

Youth Training

- MSC propose new scheme offering a year's training for all 16 and 17 year old school leavers and £28 a week allowance. Youngsters not taking part should remain eligible for supplementary benefit.

Economy

- IMF forecasts only 0.8% growth for UK in 1982.
- FT business opinion survey suggests slowly improving outlook for business. More companies expect increase in overall orders and exports.

Nationalised Industries

- Sir David Serpell to head inquiry into BR.
- BR to continue APT tests.
- Edward Du Cann asks for reestablishment of select committee on nationalised industries.
- Cheltenham firm, Conversation Pieces, blames British Telecom approval delays for laying off staff.

North Sea Oil and Gas

- Almost 1,000 workers to lose jobs in Tyneside oil rig yard because of slump in oil and gas exploration. Six other North-East yards warn of redundancies.
- Hamish Gray defends North Sea oil tax system at Houston conference.
- British natural gas production will increase over next 20 years according to International Energy Agency.

Steel

- EC Ministers to defer decision on prices and quotas until May 26. Britain had asked for special steels to be included in new quotas.

High Technology Industry

- DI to introduce new scheme to induce high technology factories into development areas.

Channel Tunnel

- Patrick Sergeant forecasts that you and M Mauroy will announce "resurrection" of channel tunnel project during his visit on May 17.

Transport

- Greenwich Council suggest third tunnel under Thames at "half the cost of a bridge".
- British Caledonian expect to win Gatwick- Los Angeles route originally flown by Laker Airways.

Law and Order

- Some metropolitan police data will come within new data protection arrangements.
- Victim of "Yorkshire ripper" awarded £10,500 compensation.
- Judge selects jury for trial of Asians on explosives charges after careful vetting.
- Courts should make more use of Borstals says Governor of Portland Borstal.

Northern Ireland

- IRA gunmen kill policeman and seriously injure police woman in Londonderry.

Security

- You have decided, after consultation with Michael Foot, which extracts should be published from the Security Commission Report on vetting procedures in the Civil Service.

Disablement Benefit

- A new scheme for war disabled is being considered by Mr Rossi, described as a military equivalent of the mobility allowance and worth over £1,000 a year. Scheme criticised by British Legion as a "hotch potch".

Education

- Guardian leader puts balance of advantage and dangers in proposed Government scheme to fund education with new block grant.

Shopping Hours

- National Chamber of Trade Annual Conference asks for end to existing restrictions on shop hours.

EEC

- FT leader says House of Lords Select Committee Report criticising work of Commission's Competition Department should be given early and intensive attention. It goes to the very roots of the Community.

International

- Marshal law restrictions and overnight curfews imposed in Warsaw and several other Polish cities. 1372 people arrested after demonstrations.
- Soviet Union turns down US suggestion for Summit in June.
- South Africa refuses to confirm allegations of complicity in attempted Seychelles coup.
- Iran claims that Iraq was responsible for air accident.
- New Salvador President offers amnesty to guerillas but rules out negotiation.
- Bank of England involved with other Western European Central Banks in short-term loan for Hungary.

- R. R.
- Times leader on the world-wide effects of American mid-term election-eering over the Budget issue.

Defence

- New NATO study suggests Soviet superiority of about four to one in Europe in missiles and nuclear capable aircraft.

Politics

- Sir Russel Sanderson, Chairman of Conservative Party's National Union Executive yesterday announced a formal inquiry into allegation of voting malpractices in the Federation of Conservation Students.

ANNEX

Ministers:

Mr Jenkin speaks at Electronic Association Annual dinner.

Mr Tebbit gives Welbeck Group Inaugural Lecture on industrial relations.

Mr Baker addresses ICL Computer Users Association, Eastbourne.

Mr Butcher opens Videotex Systems 82 Conference.

Mrs Fenner is principal guest at the Federation of Bakers Annual lunch, Europa Hotel, London.

Lord Mansfield addresses annual meeting of Scottish Agricultural Arbiters' Association, Edinburgh.

Mr Raison visits UKIAS.