

b/c

PRIME MINISTER

DIARY

Falkland Islands: Diplomacy - Pym/USA; UN.

Local Government elections.

Public pay announcements.

NATO Defence Planning Council Ministerial meeting, Brussels.

Anglo-French Ministerial meeting on Concorde, Paris.

Sport and People Conference and Exhibition, Wembley.

CAA inquiry on London - Los Angeles air route.

Statistics:

Provisional figures of vehicle production (April).

Housing starts and completions (March).

Publications:

Census 1981 County Report - Nottinghamshire, Part 1.

Registrar General for Scotland Annual Report.

Pay:

NHS Administrative and clerical staff: further discussions following rejection of 4% offer.

PARLIAMENT

Commons:

Questions: Prime Minister, MAFF.

Business: Supply (18th allotted day). There will be a Debate on Economic and Employment prospects in Wales, which will arise on a Motion for the Adjournment.

Lords: Epsom and Walton Downs Regulations Bill: Second Reading.
Administration of Justice Bill: Report.
Debate on the 7th Report of the ECC on State Aids to agriculture.

Ministers - see Annex

PRESS DIGEST

FALKLANDS

Comment:

D/Star: We must not let Sheffield crew die in vain; you should listen to people - 85%, according to street poll, say you should not back down. Meanwhile, we all hope renewed peace efforts will be successful; but Task Force cannot be tied down to half-hearted efforts; Healey not helpful over Belgrano sinking; Joe Ashton says someone has to have the guts to stay stop the match - you can't expect support for full all-out Naval war.

Sun: This is testing hour for Britain's resolve. We believe every decision you have made is the right one but this cannot diminish your private agony. At this time you ought to be able to count on support of country and friends but look at EC; Ireland. We shall if necessary stand alone. Labour Party doing dreadful harm to itself by trying to see Britain short.

Mirror: Too many brave men have died already; killing has got to stop. Europe is right, it does not demand more sacrifices; if peace means compromise then both sides must. We should welcome a settlement which puts Islands under UN Trusteeship.

Express: Under heading 'Our men must not die in vain' says we do not cut and run because we have been hit. We are defending ourselves and our own. If Government needed fainthearts Argentina's aggression would be confirmed by our default. Lives already lost would be wasted. We will negotiate, but it must be from strength.

Mail: Under heading 'Peace Dove and War Hawk', says we must push for honourable peace. But we should not forget we are dealing with thugs. We must not soft pedal military pressure in order to step up peace offensive. It was being said in Whitehall yesterday that we should forget about invading until we are challenged on sea and in the air. Can we ever rule skies without bombing the mainland? If we dither now we could find peace dove plucked.

Telegraph: Hopes mindless jingoos and moral cowards will now be silenced; safety of Task Force must now be overriding priority; impossible to engage a foe with modern weapons and escape unscathed. Only way lives can be protected is to take battle to Argentines. We must retain option to attack mainland bases.

Guardian: If Britain strikes against mainland bases more heavy casualties; sharp swing in world opinion and in Latin American opinion; and greater compulsion on Argentine to keep fighting. Careful fudges to Argentine withdrawal before ceasefire introduced by Ministers; Peter Jenkins reports a growing sense that invasion of Falklands will not be allowed to happen; carnage of modern war has shocked civilised world. USA's world may not permit the final folly.

Times: No sign that Argentine withdrawal will come from diplomacy; how then does Government proceed? We must continue to secure TEZ; if then no diplomatic breakthrough. We shall have to land. After invasion, inconceivable that Falklands would opt for or be pressured into Argentine control. Freedom of action for all people must remain our objective.

FT: Sam Brittan says that for a fraction of cost of present operation Islanders who did not wish to live under Argentine rule could be re-settled at far higher standard of living. Britain should wholeheartedly accept peace proposals.

Treatment:

- Main points to emerge from reportage are:
- } Big new diplomatic drive with UK apparently shifting its position over withdrawal as a precondition for ceasefire.
- Argentine accepts UN peace proposals; British reaction awaited.
- The idea to bomb the Argentine mainland takes flight, especially in leader columns.
- | Loss of Sheffield reveals chink in our Naval armour - why was it allowed?
- Mix up in notification of casualties causes distress to Sheffield's families.

Diplomacy:

- Argentina accepts UN proposals - UK to reply later today.
- We send constructive response to Haig.
- Express says Mr Pym's words about Argentine signalling intention to withdraw mark an important shift in emphasis in British approach.
- In all-out peace offensive Peru/US seen as more hopeful; Mirror says that after Naval battles we see diplomatic action as only way of recapturing international support.
- Weinberger says NATO is right behind us - no signs of lessening of support; but Times says USA has warned Britain that it risks losing Western support and damage to NATO if it continues large scale military action; some newspapers detect that we shall for the moment adopt only a defensive posture enforcing TEZ.
- Times says opinion at UN is running away from Britain.
- West Germany reveals mounting concern at losses of life and calls for immediate ceasefire.
- France says separation of forces imperative.
- Cuba suggests that USSR may be contemplating active support for the Argentine.

In UK:

- | Guardian says there are signs of disagreement in Cabinet with Walker and Prior demanding a return to diplomacy.
- Mirror says families were still waiting for news last night of crew of Sheffield and because of mistakes one mother had been told her son was missing, safe and then missing, in three separate messages; 30 people believed to have died; 87 listed as killed, injured or missing.
- D/Star, in street poll of people, says vast majority consider you are right to stick to your guns - on no account bring the Task Force home and leave Falklands in hands of Argentine.

- James Callaghan says Britain must stick to its principles - that unprovoked aggression cannot be allowed to succeed.
- Tory and Labour MPs complain in insensitive issue of redundancy notices to 300 in Royal Ordnance Factories.
- Barbara Castle wants a tax on "rich" people - ie, those earning more than £20,000 - to pay for operation.
- Richard Alexander MP asks Attorney General to prosecute Benn for treason or sedition.
- ACTT maintain ban on processing Falklands film at COI.

Sheffield:

- Captain Salt's account of loss of Sheffield gets wide coverage: Telegraph suggests Sheffield might be salvaged.
- We report no knowledge of major Naval battle in South Atlantic widely reported by US sources.
- Was Invincible target for Argentine rather than Sheffield? And two subs reported to be stalking Invincible on which Prince Andrew sails (he flew over wrecked destroyer).
- Fleet in all-out search for 2 Argentine subs in TEZ.
- Why was Sheffield not armed with Sea Wolf - and many features on the Super Etendard and Exocet; Argentines may have 12 Super Etendards.
- Sun says Admirals baffled and numbed by loss of Sheffield - and the manner of its destruction; brings home chilling factor in modern warfare - the enormous increase in the destructive power of weapons available.
- Whitehall emphasises there are no plans to bomb Argentine mainland.
- Left wingers trying to get UN involved to avoid our putting a garrison on Falklands which they think will be a source of continuing friction in area.
- Queen's message of sympathy.
- £1m a week bill to QE2 line.
- 800 survivors from Belgrano.

In Argentine:

- Devaluation of nearly 17%.
- More militant tone to newspapers after disabling of Sheffield - papers even calling for all-out war.

Sport:

- Trevor Brooking, West Ham, says he is ready not to play in World Cup as protest against Argentine aggression; supported by Alan Gowling, chairman of Players' Union.

B INGHAM
6 May 1982

Economy

- Mixed picture from CBI quarterly report. Confidence growing but no evidence of recovery at present. Survey does not support optimistic statements of Treasury Ministers says Chairman of CBI Economic Situation Committee.
- Reserves fell by \$810m last month partly through supporting sterling.
- Patrick Jenkin criticises NEDO document on industrial policy as lacking any specific proposals.

Pay and Disputes

- Dock strike action suspended by T & G, look at "case studies of ports they want included in dock labour scheme". Times leader says dock threat only diverted. But hobbling successful ports to allow the unsuccessful ones to catch up would be far too high a price to pay for peace.
- Scottish teachers awarded 6% by arbitration panel.
- Government expected to announce 5.9% increase for Civil Service today.
- Flexible rostering for guards on British Rail may save only 0.3% of pay bill or 5% per guard per day.
- Post Office Engineering Union to instruct members not to make connections for the time being between public telephone cable system and project Mercury.
- Sun journalists settle for deal variously said to be worth 8 or 9.8%.
- ACAS Chairman warns of resentment harboured by some Trade Union officials who intend to seek redress when recession eases.

Industry

- Senior Ministers understood to have agreed on Tuesday that Invergordon should receive subsidy of about £20m a year to ensure cheap power supply. Scottish Office has been asked to work out details of power package.
- BP pull out of NCB's project for coal liquefaction plan.
- Sainsburys pre-tax profit up by 35.5%.
- SMNT reduces its forecast of UK car sales this year to 1.46m.

Civil Service

- Number of Civil Servants fell by 9,000 in three months to 1 April: lowest since 1966.

Law and Order

- The vote on death penalty in House next Tuesday.
- New rules on tape recording police interviews and stop and search powers will be included in Police Bill which broadly endorses Royal Commission proposals.
- Merseyside Police Federation calls for new Home Office guidance for police riot squads following clearance of police on manslaughter charge.
- Youth jailed for 4 years for involvement in Brixton riots.
- Asian youths on trial alleged to have told police that they made petrol bombs to defend community.

- Private contractors cleaning rubbish from Wandsworth intimidated by official pickets. Director claims he was assaulted.
- US Government report links TV violence to aggressive teenage behaviour.

Northern Ireland

- Three thousand petrol bombs discovered in North Belfast.
- New York property dealer H J Kalikow involved in £20m deal for De Lorean.

Education

- Sir Keith Joseph tells Vice Chancellors there can be no improved compensation terms to encourage more voluntary redundancies in universities.
- Some Cheshire schools close for two days because of refresher course for teachers: complaints sent to Sir Keith Joseph.

Social Security

- Government to go ahead with proposals to end Supplementary Benefit for 16 year olds despite MSC view.
- Aid to enable poor families to adopt a child to be taken away from unemployed people claiming Supplementary Benefit under new ruling from DHSS.

Lead Poisoning

- BMA recommend measures to reduce lead in environment and, in particular, urgent action to reduce lead in sources which might affect child-bearing women, infants and children.

London Airport

- Government announce that final stage of inquiry will not start until next year.

International

- Rioting continues in Szczecin: Polish Church condemns and criticises police methods.
- Cyprus Foreign Minister will seek £20m accumulated development assistance when he sees Mr Pym today.
- Salvador picks Cabinet dominated by right wing.
- IMF yesterday approved Hungary's application for membership.
- African "front line" states reject western "sterile" proposals for negotiated settlement on Namibia.
- Unemployment in France rose a further 1.2% in April bringing total to 1.99m.

Ministers:

- Mr Fowler attends Royal College of Physicians lunch, St Andrews' Place, London. (1.30pm).
- Mr Walker addresses British Poultry Federation Annual lunch, Cafe Royal, London.
- Mr Lawson speaks to the Association of British Chambers of Commerce, Royal Garden Hotel, Kensington.
- Sir Keith Joseph visits Wiltshire.
- Mr Tebbit visits South West - Bristol, Exeter and Penzance (until 8 May).
- Mr Eyre visits TRRL, Crowthorne.
- Mr Mellor makes an Energy Conservation visit to Shell, Northumberland Avenue, London.
- Mr Waldegrave visits Hull College of Higher Education.
- Mr Channon opens Royal Society of the Arts Exhibition. (6.00pm).
- Mr Macfarlane hosts Government reception for "Sport and People" Conference at Lancaster House.
- Mr M Roberts attends the Institute of Civil Engineers Seminar on Transport Investment "The Users View", Abergavenny. (9.00am).
- Mr Baker visits Imperial Cancer Research Fund to view "Export System", Lincolns Inn Fields.
- Mr Lamont attends Anglo-French Ministerial meeting on Concorde, Paris.

TV

- Sir George Young, BBC 1, "Question Time".