

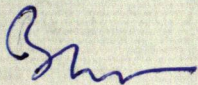
PRIME MINISTER

The Weekend - Highlights

- Falklands - Progress of diplomacy; prospects for military action - blockade v landing; EC Foreign Ministers meeting.
- Mandate - EC Foreign Ministers meeting.
- Other events - London Marathon (Sunday); Looking forward to capital punishment debate; Pay round (after public sector decisions).

We shall need to ensure the Government's end is kept up on the Falklands on weekend radio and TV.

Content that subject to events, Cranley Onslow and Peter Blaker take lead?



B. INGHAM
7 May 1982

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PRIME MINISTER

DIARY

Falkland Islands: Mr Pym's Statement; focus on UN; fate of Harriers.

NATO Defence Planning Council Ministerial meeting, Brussels.

Schmidt/Spadolini Summit meeting.

McCarthy report published.

Sport and People Exhibition and Conference, Wembley.

Publications:

British Business - MG Metro, supplement on energy management.

El Salvador election observers report White Paper.

Commonwealth Scholarship Commission - 22nd Annual Report.

Ministers - See Annex

PRESS DIGEST

FALKLANDS

MAIN DEVELOPMENTS

- Peru/USA initiative collapses; intransigent junta dashes ceasefire but Guardian says it modifies its position slightly on sovereignty by suggesting deferment.
- Telegraph says liberation assault on Falklands now seen as increasing possibility at Westminster.
- 20 Tories want Government to bomb Argentine mainland bases - John Browne says your survival depends on it; would mean formal declaration of war; Times says you have Cabinet authority for attack on mainland air bases if necessary.
- 2 Harriers lost.
- Your criticism of media fuels some internicine Fleet Street war; Peter Snow, Newsnight, seen as main target.

Comment:

D/Star: Pity, like the Americans, some TV announcers do not believe Britain's statements more than Argentine's; but there is a need for more information, including photoes to offset Argentine propaganda machine. People disturbed by Argentine propaganda shown every night on TV.

Sun: There are traitors in our midst; what is it but treason to talk on TV as Snow talked, questioning whether Government's version of sea battles was to be believed; what is it but treason for Guardian to print cartoon of British seaman clinging to raft with caption, "Price of sovereignty has been increased - official"? Calculated to weaken Britain's resolve. But Mirror - "This timorous, whining publication," pleads for appeasement.

Mirror: Argentina wrecked peace plan; your approach was reasonable and you had quietly abandoned earlier sticking points about British sovereignty and paramount wishes of Islanders. If Argentina is holding out for more it could be a fatal mistake; Terence Lancaster - you are under obvious strain; destruction of Sheffield has destroyed one illusion - that Gauchos should be taught a lesson - Exocet and lack of air power put that in perspective.

Express: A ceasefire without an Argentine withdrawal must lead to our defeat; we have not sent Task Force to confirm Argentine possession. There are those who clutch at every peace straw but fortunately the Government is made of sterner stuff; Peter McKay says when history comes to be written how plain wicked, treasonable gutless many of our politicians - especially on left - will be seen.

Mail: Seems likely that loss of Sheffield has hardened junta; shows British fleet more vulnerable than we had been led to believe. EC economic sanctions should continue and USA should put screws on. Conflict will no doubt intensify and we have little choice but to keep up pressures; Andrew Alexander conducts an imaginary interview of Churchill by current TV presenters.

Telegraph: If hostilities cease with Argentines still on Islands political pressures would prevent UK from starting fight again. Holding back militarily increases our vulnerability. Risks of delay would be worth it if diplomacy had a very good chance, but one has to be deeply pessimistic about chances. Ends of Task Force clear and Government has to be sure it is producing Servicemen with the means.

Guardian: Leader promotes UN Trusteeship as a way out; a form of trusteeship which puts sovereignty in abeyance, allows resumption of civil administration and offers room for negotiation would not heap shame on either side.

Times: Backs your negotiating approach and emphasises rights of Islanders not to be forced to join another state against their will; but canvasses UN trusteeship as a possibility. Self-determination should not be too much to ask of UN.

Other points:

- Military - 3 out of 20 Harriers now lost - another 22 on their way; if only we'd had Ark Royal it would have made all the difference.
- 20 dead and 24 injured on Sheffield; Sheffield sets up disaster fund; captain of ship will have to relive loss at official inquiry; Defence section of Council of Civil Service Unions blames service chiefs for loss of Sheffield for sending in Fleet without anti-missile missiles; Mail devotes front page to remembering (and naming) Sheffield dead.
- More Sea Kings go with Task Force.
- 350 may have been lost on Belgrano.

Diplomatic:

- Argentine says it can only lead to fighting if we insist on withdrawal; wants ceasefire as precondition for any UN mediation.
- NATO Eurogroup pledges full backing; Guardian says in spite of increasing concern about bloodshed, NATO and EC not yet ready to pull rug out from under us but not prepared to give us a blank cheque; most of NATO allies feel they have bigger fish to fry.
- UN Trusteeship gets new lease of life in Guardian and Times.
- Times says there is real concern in USA that America will come out of it worse diplomatically than Britain or Argentina because of damage to Latin American interests.

Sport:

- Scottish players' union wants to back out of World Cup if Argentina participates; English feel it is too early; but Keegan says it would be wrong morally to play against Argentina if war still on.

In Argentine:

- Case of the Hipolite Bouchard, a destroyer which limps into Ushuaia.
- Mail feature by V S Naipaul on the ugly face of the real Argentine - nation of strutting machos.
- Consumers hit by sharp tax rises in 8-point economic package, including devaluation.

Economic:

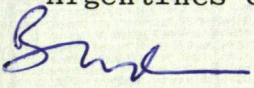
- City optimism before news that peace plan had collapsed and £ does well too at \$1.8205.
- Guardian says Eire is under intense British pressure to get back into line on sanctions.

Politics:

- Falklands handling boosts Tories in local elections.
- Economist MORI poll shows weakening of public support for Government and ORC says more than half public back ceasefire to allow UN to mediate.
- Malcolm Rutherford sees us now in Act III: Act I was Argentine invasion; Act II sending of Task Force; Act IV will be about resumption of diplomacy; he asks why we should assault Falklands frontally; why not landings while blockade goes on?

In Falklands:

- Letter received in this country says Argentine troops are being shot for begging to be sent home; troops are starving and suffering from dysentery and being left to die.
- Argentines claim that they have no problem in keeping troops supplied.


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Pay and Disputes

- Pay rises of about 6% for Civil Servants, doctors and dentists and Armed Forces.
- Health Service Unions said to be infuriated and COHSE to step up action.
- BMA are to ask for written explanation why award was cut back.
- Hayhoe says there will be pressure to speed up economies in Civil Service to accommodate 5.9%.
- Forces rise will be "cut" to just over 5% by dearer food and housing. Sun says thousands of young soldiers will get just 10p a week increase.
- Guardian leader says doctors would be foolish to make a fuss: at least they have the basic mechanism and 6% for a consultant is worth about 10 times the amount that 4% will mean to an ancillary worker. 6% seems to be emerging throughout the public services generally as the rough norm for pay settlements.
- NALGO (mainly clerks) to start disruptive action in hospitals next week in support of 12% pay claim.
- COHSE booklet claims nearly half of fulltime nurses earn below the "poverty line" of £82 a week.
- McCarthy Report expected today. Some form of compromise likely to avoid further disruption.
- Royal Opera House performance cancelled after chorus singers reject 6½% offer.
- FT leader on docks dispute says Union demand is not realistic in its present form. the TGWU should agree to further talks on modernising the scheme. Neither Union nor employers can turn the clock back. The challenge is to adopt the principle of joint reaction to today's changed economic conditions.

Economy

- Phillips and Drew forecast 1.7% increase in output this year.
- Housing starts increased sharply in March after smaller rise in February.
- Car production fell heavily in April.
- Telegraph story links annual reports of Dunlop, GKN and Turner and Newall which are said all to report stagnant trading and little prospect of improvement.

R and D

- Government grants to be increased from 25% to 33¹/₃% of project cost.

Concorde

- British and French Ministers have again delayed making a decision on its future.

Law and Order

- Tuesday's debate on Criminal Justice Bill will be given over to new clause on capital punishment. Article by Herb Greer in Telegraph says that those whose compassionate instincts quell at and wish to preserve all life at any price may find that the price includes the foundations of society itself.

- Court of Appeal rules in favour of polices applying for court order to squeeze bank accounts of suspected criminals.
- Commons Home Affairs Committee to recommend in longer term a Crown Prosecutor to pursue serious allegations against police.

Social Security

- EOC calls for more help for women who care for elderly relatives and who may "end up in penury".
- Association of Metropolitan Authorities protest against decision to deduct adoption allowances from Supplementary Benefit payments.

Local Authority

- GLC plan to appoint £17,000 a year Equal Opportunities Adviser was attacked yesterday.

Access to Government Papers

- High Court judge orders Lord Cockfield to hand over Ministerial papers relating to British airport landing charges in High Court action by Pan Am and Air Canada. Judge "not unaware" that this decision could "open the floodgate".

Northern Ireland

- About 20 Tory MPs expected to rebel in Second Reading of Devolution Bill. Senior Ministers seem to accept that Bill may be filibustered into the ground: they might want to avoid imposing a guillotine.

Defence

- Comments by Chairman of NATO's Military Committee taken as sign of possible NATO review of tactics, following attack on HMS Sheffield.
- Sweden to build new multi-role fighter plane.

International

- Britian offers £7½m to Cyprus.
- More than 115 Poles detained for up to 3 months after demonstrations, 356 fined and another 1,000 still to be dealt with.
- Iran claims new victory over Iraq and 700 Irqqi prisoners.
- Begin insists that further talks with Egypt and US on Palestine autonomy must be in Jerusalem. West Bank mayors declare indefinite "strike" until Israel reinstates the four dismissed mayors.
- Italian Christian Democrats elect new Party Secretary said to be hostile to Socialist Party ambitions. Times leader said this probably brings closer the end of Spadolini's Government.
- Group of Thirty (US bankers and economists) calls on US authorities to intervene to protect wide fluctuations of dollar rate.
- US Budget: White House and Senate Republicans agree new proposal to reduce deficit but reaction from Democrats not encouraging. Times leader says further progress to cut deficit is needed if Americans are to be convinced.

Third Anniversary

- David Watt in the Times says that the state of the Government now hangs on the Falklands issue and judges that you will be prepared to compromise to maintain some semblance of national unity.

Politics

- Early reports of local government elections show Conservatives doing well and Social Democrats failing to make any significant gains.
- Trade Unions will be asked to provide Labour Party with £3m "war chest" for next General Election and some immediate help with overdraft at meeting next week of Trades Unions for Labour Victory.
- Former Conservative MP's daughter fined for soliciting.

Ministers:

- Mr Heseltine visits Newbury Office of the Nature Conservancy Council.
- Mr Howell visits Hampshire County Council, Winchester to look at rural transport.
- Mr Walker opens Fyffes new building, Manchester.
- Sir Keith Joseph visits Wiltshire schools.
- Mr Fowler visits Sorrell House Home for the Mentally Handicapped, Eastbourne (10.00am).
- Mr Fowler opens New Sterile Manufacturing Unit at Armour Pharmaceutical Co Ltd, Hampden Park, Eastbourne. (11.30am).
- Mr Macfarlane presents "Midlander of the Year" award, Birmingham.
- Mrs Fenner addresses AGM lunch of Seed Trade and Oil Crushers, Stratford-upon-Avon and later attends Annual Dinner of the Cocoa Association of London Ltd, Grosvenor House.
- Lord Elton visits Kent Fire Brigade and opens Sittingbourne Fire Station. (3.30pm).
- Mr Waldegrave addresses the Standing Conference of University Information Officers, London. (9.00am).
- Mr Waddington speaks to Coventry Chamber of Commerce on unemployment and employment in West Midlands. (7.30pm).
- Mr Stewart addresses Scottish Police Superintendants, Pitlochry.
- Mr Stewart visits Perth Prison.
- Mr Stewart addresses Approved Schools Association, Pitlochry.
- Mr MacKay meets National League for Blind and Disabled, Edinburgh.
- Mr Fletcher addresses Annual Conference of Scottish Secondary Teachers Association, Inverness.
- Lord Mansfield visits FMC Abattoir, Perth.
- Lord Mansfield meets Scottish Landowners Federation, Edinburgh.
- Mr Rossi attends National Deaf Children's Society Annual Festival of Mime, Commonwealth Institute Theatre, London. (2.30pm).
- Mr M Roberts visits road schemes at Caernarfon and Pontyfenni.
- Mr Baker attends launch of Europort Project, London Chamber of Commerce.