



PRIME MINISTER

DIARY

Falkland Islands: Political split?; Your speech in Perth; UN negotiations.
UN Security Council meets tonight, informally.
Your speech at the Scottish Conservative Conference, Perth.

Franco/British Council, Edinburgh.

European Parliament, Strasbourg.

EC/ACP Council, Gabon.

Prince of Wales opens Milton Keynes Railway Station.

IMF Interim Committee, Helsinki.

Scottish Conservative Party Conference, Perth.

CPSA Conference, Brighton.

SCPS Conference, Southport.

TSSA Conference, Bournemouth.

Mr Pym's bilateral talks with M. Cheysson, London.

Statistics:

Building Societies' monthly figures (April).
Usable Steel Production (April).

Publications:

British Business - Public Sector Tendering for Small Firms supplement;
Inkjet printing.
14th Annual Report of Countryside Commission for Scotland.

Pay:

New Towns Staff/Whitley Council: further discussion.

Parliament

Commons:

Business: Private Members' Bill.

Lords:

Fish Producers' Organisations (Formation Grants) Scheme
1982.
Town and Country Planning (Fees for Applications and deemed
Applications) (Amdt) Regulations 1982.
Food and Drugs (Amdt) Bill.

Ministers - see Annex

PRESS DIGEST

FALKLAND ISLANDS

News Summary

- The main story today is about the increasing strains in the Tory Party, with Frank Johnson in Times referring to factions as Los Humidos (Mr Pym) and Los Aridos (you).
- Mirror puts choice starkly - a sell out or a shoot out (and expectation building up of action in Falklands soon - indeed, Express says Admiral has authority to go in.
- General Walters returns from Buenos Aires after putting new peace proposals.
- 3 Skyhawks downed and missile goes clean through British warship.
- The media row continues with Robert Kee disowning Panorama programme; criticism of MoD press arrangements intensifies.
- Most people now regard Pope's visit as cancelled and perhaps we shan't see a Pope for 10 years.

Comment

D/Star: Reassuring to see Foot tell Benn and Hart they are living in a fantasy world; USA, where he is now, should know he does not speak for Britain.

Sun: MoD is doing everything possible to prevent Sun from talking to Sheffield widows - why when no security involved. It adds that if you thought the first B in BBC stood for British you are wrong, referring to Dick Francis' remarks from Madrid that it is not the BBC's role to boost morale of British troops.

Express: Welcomes your words about working for peaceful settlement not a peaceful sell out. But we can't continue to work for it indefinitely without jeopardising our ability to achieve a military settlement - it is now time for you to send the troops in.

Mail: Says the speed with which Task Force ships have been adapted for war proves that what the country needs is some of the spirit we showed when we were up against it. What a crying shame they can't do it in normal times. Andrew Alexander says there are many words used to describe our Falkland Islands policy but only one fits - shambles.

Telegraph: Mr Pym's speech will have done little or nothing to remove Conservative anxieties over Government's policies. It has been Argentina's aim all along to focus the dispute on the UN because that is where it is easiest to spin things out. Britain must insist on full British administration in the interim with one or two other countries' participation and possibly UN; on media it says attacks on Ian McDonald are unfair but MoD has not been exemplary in handling information - incredible that so little thought and effort has been expended in trying to get pictures back from Task Force.

Times: Stresses the importance of looking at the whole of any package that emerges. But would the junta honour its part of the package? Situation in Buenos Aires causes some concern. Increasing evidence junta is playing for time. But the more effort we expend to undo the aggression the less reputable it would be to compromise principles. As for Mr Heath's plea to leave junta a way out - yes, but while showing a burglar the door you don't have to give him the title deeds as well.

Guardian: Under heading "Negotiations means give and take" says not many in Tory benches seem able to understand that negotiation means trading. And that is what Mr Pym has been asked to do. Duty of Task Force is not inevitably to storm Port Stanley if that casts away the cup of peace.

Political:

- Your remarks about working for a negotiated solution not a negotiated sell out do little to calm Tory nerves; Mr Heath says we should leave Galtieri a way out; Mr Powell calls on Mr Pym to resign.
- Terence Lancaster, Mirror, says Tory Party is split; inner war Cabinet is divided.
- Mail says you are fighting against a sell out - Tory Party appears on brink of split.
- Telegraph says while yesterday's debate was not a disaster, it was the Government's worst day since the Saturday emergency debate immediately after the invasion.
- Guardian says there is a striking identity of view between Pym, Heath and Healey.
- Malcolm Rutherford, FT, says there is one final diplomatic effort - a visit by Mr Pym to Buenos Aires, preferably with Mr Haig; but it won't take place; Cabinet is more hawkish than inner Cabinet.
- Enoch Powell, in Times, says that as a result of the crisis people have discovered they have a self - woe betide FCO if it doesn't realise it in time.
- Benn, speaking in New York, calls for unconditional ceasefire and handing over of Falklands to UN; rank and file miners attack Scargill's pro-Argentine stand.

Diplomatic:

- General Walters returns to USA from Buenos Aires; USA fears more heavy fighting before there is a negotiated settlement.
- UN Security Council meets informally tonight.
- Guardian says 3 points at issue - no prejudgement of long term negotiations; what would happen if sovereignty talks became deadlocked; and the need to take account of views by Islanders.
- Galtieri, says Express, holds out olive branch by saying recognition of Argentine sovereignty no longer to be condition of negotiations.
- Express diary says Lord Carrington told private meeting that we must accommodate Galtieri and allow him to survive - successor could be far worse and could snuggle up more closely to Russians.
- UN diplomats say abduction of three British journalists shows there is more than one power centre in BA.
- Former ^{head of} British Intelligence says only Russia stands to gain from all this.

Military:

- Third Skyhawk downed as missile goes right through British warship.
- UK Government considering position of Astiz detained at Ascension.
- Mirror says Argentines have ordered all out attack on Hermes.
- Pictures of Argentine prisoners in hold of Tidespring on way to repatriation.

- Patrick Cosgrave, writing in Express, says capacity of troops to mount assault has declined since last Sunday.
- Telegraph says invasion fever now grips Task Force.

In Argentine:

- Galtieri offers abducted British journalists armed bodyguards.
- Spurs footballer, Ardiles, loses cousin in air battle over Task Force.

Pope:

- Express leader says that if visit is called off - and only a miracle can now save it - it will retard the ecumencial movement.

In USA:

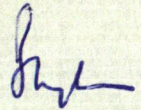
- Poll shows that 55% of Americans support, and 35% disapprove of Administration's switch to backing Britain.

Sport:

- FIFA allows more time for British teams to decide whether to take part in World Cup but threatens suspension from competition if they pull out.

Media:

- Robert Kee, in letter to Times, disowns Panorama programme; his objections were not met; Editor, George Carey says it is wrong to suppose that the programme's purpose was to represent majority view.
- NUJ members of BBC and ITN deplore grossly improper pressure on TV news services.
- IBA personally vetted Galtieri interview after hearing of Cabinet's deep concern.
- Mirror reporter with amphibious group complains of not knowing what is going on and being gagged; David Chipp, PA, speaks of dreadful muddle - not fault of media we are losing propaganda war.
- Malcolm Rutherford says that some Ministers now genuinely embarrassed by attacks on BBC.
- 5 slow scan transmission systems to be deployed on South Atlantic to help media but can only transmit black and white.



B. INGHAM
14 May 1982

Pay and Disputes

- TSRB awards. Guardian leader, while generally supportive concludes that the present differing methods of pay determination for top people and the medical profession make a nonsense of fairness and consistency and provide ample excuse for discontent. D/Mail leader attacks the award, claiming that there is no shortage of applicants for top Civil Service and military posts. Sun says it is unjust. Sacrifices must apply to everyone. D/Star says Government should apply same rules to nurses.
- Some RCN nurses joined a pay protest at Great Ormond Street Hospital yesterday.
- South Wales miners' leaders call for one day strike to support Health Service campaign.
- Unions black machinery worth £200,000 from BR waggon works at Shildon which is threatened with closure.
- Blake Baker writes in the D/telegraph on need for changes to arbitration procedure at BR.

Unions

- First division association of Civil Servants vote to support TUC campaign against Employment Bill.
- Mr Tebbit confirms "step by step" approach in speech at Perth.
- Left win control of the CPSA.
- Society of Civil Servants follow CPSA in rejecting new technology agreement.

Economy

- Treasury yesterday denied suggestion that it had rigged model to justify its policies. A detailed refutation will be released within the next few days.

Invergordon

- Alumax withdraws from list of interested companies.

Technology

- A Cabinet Committee is directing a new/^{buy} British policy in high technology Government contracts.
- but Eleanor Goodman writes that the Government is expected to announce an open tender for the DVLC computers in the next few days. Government likely to defend decision on the grounds that, if it goes to foreign manufacturer, it is likely to contain a large content of British made components.

North Sea Oil

- Government plan to include a limited number of auctioned drilling concessions in the eighth round to be announced within the next few days.

Channel Tunnel

- FT feature anticipates that this will be included in your talks with President Mitterrand.

Banks

- Barclays banks to open branches on Saturday mornings in competitive move against building societies. Speculation that other banks will follow. Union leaders at Barclays "outraged" by decision.

Du Pont

- Government file writ to recover £3.6m grant from Du Pont.

Housing

- Government will not change rights of homeless people to be housed by local authorities.

NHS

- Norman Fowler says that 10,000 new jobs will be created in the NHS this year.

Law and Order

- Scottish Conservatives reject law and order motion.
- British Government has no intention of implementing the European Parliament decision to ban plastic bullets.

EEC

- Thorn and Tindemans have written to Mr Pym urging Britain to accept one year deal on Budget. There is a move by West Germany and Italy to persuade others that the Luxembourg Compromise is inapplicable in the present circumstances.
- FT report from Brussels says you are meeting senior Ministerial colleagues today to decide whether to accept one year solution.
- FT leader, supportive of British position says, on balance, Britain should accept a one year interim deal - but only if that deal is on a scale to justify reasonable confidence about the Community's intentions for the longer term.
- 10 Conservative MEPs vote for end of right of veto by single EC country. Sir Henry Plumb admitted that they wanted the Government to break the link between farm prices and Budget payments.

International

- Limited response to Solidarity call for general strike in Poland yesterday.
- Netherlands likely to have period of minority government.
- Gulf States have emergency meeting tomorrow to consider threat from Iran.
- US expel two Polish diplomats.
- Soviet Union pledges (unspecified) support to Syria in event of conflict with Israel.
- Times leader commenting on South African proposals for non-white political development says although proposed reforms are minimal, pouring scorn will help nobody. We should recognise that Afrikanerdom is questioning the very basis of its power and should seek to encourage the process.

Sir Michael Edwardes

- Rejects appeals from BL shareholders to stay on as Chairman.

Ministers:

Mr Tebbit visits Wolverhampton, Birmingham and Newark.

Mr Pym and Mr Hurd attend Franco-British Council, Edinburgh.

Mr Mellor attends Franco-British Council, Edinburgh.

Mr Heseltine visits Cumbria.

Sir Geoffrey Howe addresses Scottish Party Conference, Perth, and Dundee Chamber of Commerce.

Mr Walker opens Country Landowners Association Countryside Conference, Royal Society of Arts.

Mr Fowler opens Barnardo's Children's Centre for Young Offenders, Druids' Heath, Aldridge, Walsall. (11.00am).

Mr Moore speaks to Coal Industry Trade Unions at the BACAM Conference, Scarborough.

Mr Stanley visits London Brick Company, Stewarthy, Leics.

Sir George Young opens Sheltered Housing Scheme for Moat Housing Society Northwood.

Mr Rees participates in Franco-British Council, (Industry and Trade meeting), Edinburgh.