



PRIME MINISTER

10 DOWNING STREET

*From the Press Secretary*

PRESS DIGEST FOR SUNDAY MAY 16. 1982

## FALKLANDS

- Main News:** Hit and run raid by Royal Marines on Pebble Island intensifies harrassment and breeds speculation that invasion is not far away; 11
- Argentinian aircraft destroyed - no serious UK casualties
  - Mr Pym gives Argentine a choice - get out or we invade - seen by some to be coming back into line politically
  - Government increasingly resigned to view that nothing less than force will remove Argentinians; Washington believes UN talks close to collapse
  - EC officials fail to renew sanctions so Ministers meet today

- Military:** People says Argentine claims it has 22,500 troops in Islands
- Argentines admit more than 300 died in Belgrano
  - Supply ship hit in Falklands Sound presumed sunk with 20 crew
  - Argentine spokesman says long term military blockade is not on because of weather
  - News of the World says Galtieri is willing to sacrifice up to 40,000 men
  - Nicaragua promises to send troops if other Latin American countries do
  - We are expected to decide tomorrow whether to let Swedes and French see Astiz; Swedes claim we have given a preliminary promise that he can be interrogated
  - Observer says optimum time for an invasion is 10-11 days away, pending arrival of QE 2

- Diplomatic:** UN talks suspended until Monday because Henderson and Parsons summoned home
- Mitterrand and Schmidt renew support

- Economy:** Woodrow Wyatt, Mirror, says chairman of Pirelli in this country is Lord Thorneycroft; perhaps he might suggest to Italian company that they should contribute to Task Force having given money to Argentine war effort
- Argentine Government to compile a register of British assets
  - Observer says Argentine economic situation is desperate but it will not make for a rapid end to crisis
  - Argentine owes British bank £6m for warships

- Politics:** Steel accuses you of abandoning your reasoned approach and returning to jingoism
- Nicholas Winterton threatens to resign party whip if there is a sell-out
  - NoWorld says Tory MPs believe that Ambassadors have been brought home by FCO to reinforce pressure on you to keep talks going
  - John Junor, Express, asks who is in charge of Government's clattering train? - if it is you and not wafflers Pym and Whitelaw what are we waiting for?
  - NOP suggests Tories will easily win Beaconsfield with record 63% of vote

PTO

- DOWNING STREET
- Media: Most viewers and listeners back BBC's coverage of crisis - 8 out of 10 think it should reflect full range of views
- Woodrow Wyatt thinks Robert Kee has exposed Howard and Milne as being wrong to defend Panorama - disgraceful to drop him for telling the truth
  - Angus Maude, in NoW, says there have been faults on both sides in public relations battle but it is hard to find an excuse for BBC; despite its high minded claim to balance and impartiality it is actually distorting the facts in a very dangerous way; to put it mildly, the Silent Service is not very good at a major public relations exercise; you and Ministers should listen to public relations experts; it is enough to have BBC against us without the MoD muffing its chances as well
  - Mail bemoans our almost total defeat in the propaganda war using a picture of the Argentine surrender on South Georgia almost 20 days late to illustrate point
  - International pressure building up for release of 3 British journalists

#### COMMENT

- People: Most fateful week-end in your life as you face agonising choice of peace or war; but issue is too grave to be left to you and War Cabinet; representatives of the nation must be allowed to have their say before an invasion
- Mirror: Hound dogs of war on Tory benches are fearful of a sell-out which can only mean you and Government are behaving with restraint and wisdom; but signs are Government has gone about as far as it can to reach a settlement that does not betray the Falklanders; final decision now rests with Galtieri
- NoW: Only words that matter today are "Why don't we get on with it?" It can't go on much longer; peace has had plenty of chance in recent weeks and Argentines are not going to surrender Falkland Islands
- Express: Can there be one Argentine on the Falklands who is not wondering how his country can win? Alan Clark MP says ordinary people are behind you but you are beleaguered by advisers; country very near that national renaissance that at first seemed might take a decade to achieve
- Mail: Amid the Panorama furore one man stands out like a beacon - Robert Kee who shows that there still exist men of quality and integrity amid all the sniping and self-interest of public life; on the Pope it says it will be a grave mistake if the visit does not go ahead; Tony Shrimmsley says long term the most fundamental lesson of this crisis is that we cannot rely on the support of even our closest allies, with all the implications that has for defence and nuclear policy
- Telegraph: There is no doubt from your performance at Perth who has seized the helm; on Pope it says that if there is a suspicion he is not coming because of sympathy with the Argentines the fat will be in the fire
- Observer: says gap between the two sides has narrowed to a point where it would be unthinkable to abandon further negotiation and try to force the issue by a major escalation of fighting
- Times: Britain's critical interest lies in sustaining the UN peace process; and disregarding the wild men in the Tory Party; you are in a strong position to sell compromise

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### OTHER NEWS

Unions/Pay: Express fears that there will be an all-out rail strike from early next month; Telegraph account of a punch up at rail talks called by TUC to discuss federation of rail unions

Government approves of use of volunteers in NHS hospital dispute  
Times says you should close down the TSRB and should have cut top salaried down to 4%

APEX finances in desperate state

Woodrow Wyatt, Mirror, says CPSA went left because there was no ballot vote- you had to attend branch meetings and only 29% cast votes

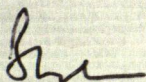
Industry: Telegraph forecasts that oil prices will go up from \$31 to \$34 in July as spot prices rise

We have a bad week-end in India losing Orissa steel contract and System X telecommunications to France

Economy: Sir Ian Gilmour, in Observer, reiterates call for £6bn relief

Law and Order: Ian Brady tells Lord Longford to leave him alone; he deserves to stay in gaol for ever

Observer says Scotland Yadr is hudding up an escape from a police station in unexplained circumstances of a man facing serious charges in connection with an armed robbery in North London.



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