

DIARY

Falkland Islands: UN talks; EC follow-up; Foot's letter; Archbishops in Rome.
Your courtesy call by Mr Mugabe.

EC: Fisheries Council, Brussels.

NATO Ministers' Meeting, Luxembourg.

IPCS Conference, Bournemouth.

ASLEF Conference, London.

National Union of Seamen Conference, Tenby.

APEX Conference, Blackpool.

Statistics:

Index of industrial production (March-prov).
Census 1981 County Monitor - Hertfordshire.
Legal abortions, September quarter 1981.
Census 1981 County Monitor - Bedfordshire.

Pay:

Electricity Supply/Power Engineers: expected to make offer in response to uncosted claim.

Parliament

Commons:

Questions: Education and Science, Defence.

Business: Progress on remaining stages of the Employment Bill.

Select Committees: ENVIRONMENT: Enquiry into methods of financing local Government in the context of the Government's Green Paper (Cmnd 8449). (Witnesses: Treasury, Home Office and Department of Environment officials (at 4.00pm); Inland Revenue officials (at 5.00pm).

COMMITTEE ON A PRIVATE BILL.
British Transport Docks Bill.

Lords:

Oil and Gas (Enterprise) Bill.

Town and Country Planning (Fees for Applications and Deemed Applications) (Amendments) (Scotland) Regulations: Motion for Approval.

Ministers - see Annex

PRESS DIGEST

FALKLANDS

Main News:

- Your IRN interview takes the headlines and widely seen as conveying two messages:
 - one last diplomatic push;
 - if that fails, we go in.
- Argentine representative conveying British proposals to Buenos Aires.
- Foot demands 2-day ceasefire if UK talks break down to permit Commons debate.
- EC renews sanctions for only 7 days amid confusion.
- MOIR poll gives Tories 48% of vote; 15% ahead of Labour with Alliance trailing at 17%.

Comment:

D/Star: This week junta has to face reality for first time - do they want peace or a fight? Britain appears to have gone a long way to help junta get off its wild nationalistic platform. What more can Argentines expect? Now in Galtieri's hands.

Mirror: Before it starts, let's be clear what the fighting is about - to restore British administration, re-assert British sovereignty and return to Islanders freedom to decide own future. That at least is why Task Force was sent. First essential step is to remove Argentine troops, but not original objectives are disappearing. Argentine leaders are mad if they do not see they can get much of what they want by talking.

Express: Under heading "Firm words for Galtieri", says diplomacy, is virtually exhausted. If he does not get out fast then, in your stark words, we make him go.

Mail: Discusses 3 issues in leader column - Pope's visit is a pastoral one and could, if need be, be shorn of much of its pageantry; we very much hope he comes; Labour Party may be wallowing in indecision, but union whose members most at risk - NUS - have no doubts what Britain should do; on World Cup if it comes to war then surely football authorities would debar both Argentina and British - or ask them to scratch.

Telegraph: Foot and Healey have genuine difficulties with deeply divided Labour Party but their balancing act is becoming more precarious and if and when fighting starts they will probably find it impossible to fudge differences.

Guardian: Thinks Pope's decision not to come not right or wrong but unavoidable; on World Cup it says that after Afghanistan and Olympics it seems inconceivable you should not now do your utmost to keep British teams away from Spain while Argentina is included. Decision will probably take itself and any rational football administrator ought not to be prepared to contemplate what British football fans might do at a game with Argentine bearing in mind what they have done to friendly countries in peace.

Times: On balance it would be wrong for Government to interfere with World Cup and certainly wrong to interfere with Pope's visit. He has to make decision. But overriding argument should surely be the need of human beings for spiritual leadership and counsel is greater not less in war. Crisis is not a world war and does not require suspension or modification of all other activities.

Diplomatic:

- D/Star asks junta a number of questions and finds they don't regard April 2 as an invasion since Falklands their territory; sovereignty is a condition for getting up from negotiating table not for joining it; and refuse to allow sovereignty question to be put to Islanders.
- Last ditch mood at UN.
- Mitterrand reaffirms support for Britain and UNSC Res 502.
- French and Swedes still hope to be allowed to interrogate Astiz.

Military:

- Hermes on read alert - are the Argentines keeping up the psychological and physical pressure on us?
- 2 helicopters crash landed in snowstorm before South Georgia recaptured - revealed because of letter home by young seaman.
- Defence specialists say it is highly possible that Russian satellite helped Argentine attack on Sheffield.
- Junta said to be satisfied that any all out assault by British on Falklands would be so costly in casualties that it could not be sustained - losses in proportion of 9-1 mentioned.
- Guardian says that if we invade it won't be like D-day but a much more complex operation, probably preceded by raids.

EC:

- 7 day renewal seen as a defeat for us, though we seek to make light of it; Teddy Taylor MP says it is an insult to our nation and an appalling snub to our forces who are defending freedom and democracy.
- Mail sees it as a body blow to Common Market as a partnership of democracies and could herald a long period of British apathy to EC.

Pope:

- Two Archbishops go to Rome to try to persuade Pope to go ahead with visit.
- St John Stevas, in Express, says that while we understand the Pope's dilemma the visit was planned long before the crisis; Pope regards it as the most important of his travels; and there is a clear danger that cancellation will be widely misunderstood: he could simply make a pilgrimage to Canterbury.

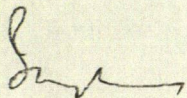
In Argentine:

- D/Star says armed Soviet ships are planning to beat the blockade to get grain out - a curious idea.
- Junta seen on TV at mass.

- Galtieri puts up his horse for £2,300 to raise money for war effort; the dictator with a mortgage - Mail.
- First stirrings detected in Telegraph of a return to civilian rule.
- Anya, the hardliner in junta, plays down idea of closer links with Russia - says they are Western country.

In UK:

- Roy Mason tells Labour Party and Scargill he doesn't agree we should give in to a damnable military junta and condemn Islanders to an oppressive regime.
- National Union of Seamen support for Falkland landing; national secretary says: "let's get it over with".
- 59% in favour of invasion if negotiations fail, according to Panorama poll.
- Peter Shore launches attack on peace party within Labour Party and asks Judith Hart, chairman, what right she has to claim to speak on behalf of the party when her statements are contrary to policy; their performance could clinch loss of next election.
- Government today puts on sale explanation of Falklands crisis through HMSO.


B. INGHAM
18 May 1982

Pay and Disputes

- TUC asked to give its support to Health Service industrial action.
- A campaign of industrial action to increase industrial costs rather than directly affect supplies to the consumer will be started by electrical power workers in two weeks time.
- 24 hour strike at Waterloo yesterday forced the cancellation of one-third of the trains.
- Mobil about to agree 8% pay increase for 500 tanker drivers.
- ICI leaders reject 7.14%.
- IPCS leaders warn that an "all out" strike by Civil Servants would quickly fail.
- Unemployment has held down private sector wages to about 17% below what they would otherwise have been, according to EIU survey.

Unions

- IPCS votes to campaign against Employment Bill.
- IPCS announces plan to run heavy goods vehicle testing stations if Government can be persuaded to lease them or give them away.

Employment Protection

- Mr Tebbit yesterday launched a new booklet for small firms on employment production. D/Telegraph leader gives it a cautious welcome.

Docks Scheme

- Liverpool Docks Board have received a "flood of applications" for redundancies under enhanced payment terms of up to £22,500.

Economy

- Mr Leon Brittan says that evidence of the start of economic recovery is all about us. Guardian leader expresses some scepticism and wants to know where the demand is coming from. The Chancellor could afford to run the economy at a substantially higher rate of activity without evoking inflationary pressures. D/Telegraph city column contrasts speech with IEU expectations of modest growth but will bring output in the Spring of 1984 just about back to the level prior to the last General Election.
- Retail sales dropped slightly in April but the level of trade remains generally high.
- Report by the IFO Economic Research Institute of Munich says the increase in British productivity is a symptom of crisis in the economy rather than a sign of increased health.

Industry

- NEI is awarded contract worth around £80m for Taiwan power station.
- IMI announces major property development plans for its unused factory sites in Birmingham.
- Inland Revenue expects to confirm soon orders for computers worth £50m from ICL.

Nationalised Industries

- Guardian story says you have taken over responsibility for British Airways with the transfer of control from the Department of Trade to the Cabinet Office.
- British Rail is encouraging private companies to buy their own fleets of freight waggons.
- The Government could raise no more than £121,000 for the forced sale of assets of the Fort William Divers Training Centre, according to report prepared by Department of Employment.
- Mr Lawson indicated yesterday that the new Chairman of CEGB is likely to come from outside industry.

Oil

- OPEC Ministers met today to review world oil markets ahead of the formal Ministerial Conference in Quito on Thursday.
- Eighth round of North Sea oil exploration licences announced yesterday. Some oil companies said to have protested that the decision to auction territory to the highest bidder is a policy mistake and it will mean less money for exploration.

Education

- Sit Keith Joseph to appear before the House of Commons Science and Arts Committss tomorrow to discuss proposals for major changes in educational funding.

Civil Service

Times leader discusses, without conclusion, the increased militancy in Civil Service Unions and frictions between Government and Civil Service.

Times feature looks at the lessened careers prospects for top Civil Servants.

Law and Order

Police to investigate fire damage to 5 vehicles of private contractor employed by Wandsworth to shift rubbish. James Jardine says police want to see tougher sentences from courts, following votes on hanging. Life should mean life.

British police starting regular training in use of water cannon as anti-riot device. Four West German policemen are running two week course.

Police criticises Home Office letter asking Chief Constables to discriminate positively in recruiting from ethnic minorities.

Legal Aid

The Lord Chancellor is being pressed by several groups to allow defendents to appeal against refusal of legal aid in majestrates courts.

EC

The British man-make fibre industry has complained to the Commission that the Italian Government is indirectly subsidising its industry.

International

- Mr Mugabe arrives in London. Britain's £112m aid programme and the situation in Namibia is on the agenda for talks. FT carries a feature.
- Mr Haig to meet Mr Gromyko during UN disarmament talks following Brezhnev's rejection of a meeting with President Reagan. The latest US proposals include cruise missiles and manned bombers.
- A confidential US State Department Report on President Mitterrand has been leaked and published in a Paris newspaper. He is described as "essentially a romantic, literary thinker".
- US Congress is expected to investigate charges that hundreds of Russian born Nazi supporters were smuggled into the US after the war against White House orders.
- South Africa: D/Telegraph leader on proposed reforms and Guardian feature on South African intelligence agencies.
- Social Democrat candidate claims victory in Dominican Republic election.
- FT leader on the instability in Poland suggests gradual movement to reschedule Poland's debts.
- An unpublished UN report suggests that the world is in danger of being sucked into a downward spiral of economic stagnation resulting in excessive anti-inflation policies and high armaments expenditure.

Prince Charles

- Announces that the Duchy of Cornwall is financing the conversion of a number of old farm buildings on its estate for small workshop units to create extra employment.

Ministers:

Mr Jenkin visits Anglian Regional Management Centre, Stratford.

Sir Geoffrey Howe addresses Building Societies Association.

Mr Whitelaw addresses AGM of the Central Council of Probation and Aftercare Committees, Imperial Hotel, Russell Square, (11.30am).

Sir Keith Joseph addresses British Association of Commerce and Industrial Education, London. (10.15am).

Mr Heseltine and Mr Shaw visit London Docklands.

Mr Howell chairs the National Annual Consultative Meeting on trunk roads. (11.00am).

Mr MacGregor visits Bristol.

Mr Baker speaks at launch of America Express Skyguide.

Mr Lamont visits Vauxhall Motors, Luton.

Mr Butcher speaks to Institute of Management Services Conference.

Mr Raison attends Commonwealth Parliamentary Association Lunch, House of Commons. (1.15pm).

Mr Buchanan-Smith addresses Annual Dinner of Shellfish Association of Great Britain, London.

Mr Macfarlane visits Building Conservation Trust Exhibition at Hampton Court.

Sir George Young addresses Foreign Press Association lunch.

Dr Vaughan visits Weights and Measures Laboratory, Chapter Street, SW.

Mr Rossi and Lord Trefgarne attend Reception for Members of Voluntary Ex-Service Organisations, Hannibal House, SE1. (5.30pm).

Mr Younger attends EC Fisheries Council, Brussels.