

PRIME MINISTER

DIARY

Mr Pym in Washington.

Schools Council Statement.

Sir Kenneth Cork talks to De Lorean workforce on lay-offs and mothballing.

EC: Agriculture Council, Luxembourg.

General Election in Malaysia.

European Parliament, Strasbourg.

VIII Plenum of the Soviet Central Committee.

European TUC, The Hague.

Scottish TUC Annual Conference, Perth.

AUEW Conference, Bournemouth.

Communications 82 Exhibition.

Publications:

MPO: "Early Tasks" - Aims and objectives of MPO (3.45pm).

Statistics:

Construction - new orders (Feb).

Preliminary estimate of consumers' expenditure (1st qtr).

Public sector borrowing requirement and details of local authority borrowing (1st qtr).

Pay:

Water Service Staff: National Joint Council claim to be submitted.

Arbitration hearing on teachers' pay in Scotland.

Nurses discuss pay ballot.

Parliament:

Commons:

Questions:

Prime Minister, Home Office.

Business:

Progress in Committee on the Finance Bill.

Mental Health Amendment Bill - Special Standing Committee.

Ministers - see Annex

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PRESS DIGESTFALKLANDS

The heavies lead with political stories dealing mainly, in a low key way, with Mr Pym's Statement and his forthcoming talks. References are made in particular to his mistake - variously described as "unfortunate" and a "misfortune" - and the reference to "interim administration" said to have caused anxiety among some Tory MPs. The Times said Haig told the British Government that Argentina would only withdraw if Britain recognised their sovereignty.

Talks

- Times suggests that US may either try to arrange 3-way talks at end of week. The two main sticking points have been Britain's insistence on self-determination for the Falklands and Argentina's demands for recognition of sovereignty.
- Express says President Reagan has suggested "proximity talks".
- Sun speculates that Costa Mendez may fly to Washington tomorrow, possibly joining talks.
- D/Telegraph says US eager to hear plans but Guardian thinks US officials are not optimistic about outcome.

United States

Administration said to be irritated by demands for open support of Britain although Haig has privately told Argentina that US would support Britain in a showdown.

Argentina

Communique repeats demands for full Argentine sovereignty after limited transitional period. Times sees this as a hardening of their position.

- Costa Mendez due to fly to Washington on Saturday.
- C in C of Air Force says military forces in position to resist Falkland landing.
- Guardian talks of mood of anxiety.

Military

- Much space is devoted to the Argentinian plane spying on the Task Force and being seen off by a Harrier.
- Commander of Task Force speaks of his aim to impose air as well as sea blockage. If it comes to a fight it is essential that the enemy should make the first strike.
- British forces equipped with Stingray torpedo and Sidewinder missiles.
- American intelligence expect Task Force to be in position within a couple of days. Monday is the soonest a landing could be attempted.
- Argentine navy auxiliary trapped in Port Stanley.
- And Superb not in the Falklands at all.

Arms Exports to Argentina

- Three days before invasion Argentina asked Britain to speed up delivery of navy spares but request declined. "Routine relations" of naval spares were made on February 19 and March 22. Mr Hoyle calls it a public scandal.

- 270 workers in Grantham arms firm lose jobs. Mirror speculates this is because of revoked order to export to the Argentine.

#### Falklanders

- Refugees talk of water rationing.
- Islanders "defied death threats" according to Star to take day off for Queen's birthday.

#### Labour Party

- Understood to have re-endorsed qualified support for Government.
- Healey to visit New York and Washington at weekend for talks including UN Secretary General.

#### Strasbourg

- European Parliament condemns invasion and calls for withdrawal.

#### USSR

- Soviet Literary Gazette accuses you of "wanting war".

#### Publicity

- Alan Clark and Ted Short to accompany Mr Pym and take on TV engagements.

#### World Cup

- Government will not stop home teams competing but Express says Britain may campaign for ban on Argentine participation.

#### Soldiers' Insurance

- Telegraph says some soldiers life insurance excludes death or injury through military conflict.

#### Leaders

- Telegraph: The limits of Mr Pym's diplomacy are firmly set. He must secure withdrawal, ensure that in an interim period the Falklanders are ruled by an acceptable administration even if under some sort of reliable international supervision, any lasting settlement is negotiated without duress by the parties concerned and Britain enters discussion without having to compromise her claim to sovereignty.
- Express (front page): Mr Pym's duty is to restate the British position and his purpose must be to secure the support of the US in the event of war. If by word or deed he falters or looks like he is faltering then his journey will not just have been wasted it will have been disastrous. It is up to Argentina now to choose: peace and withdrawal or war and eviction.

OTHER NEWSEconomy

- Britain, with Japan and France, will lead world out of recession.
- CBI says basic pay settlements slightly up at 7.2% but underlying rate of pay rises as revealed by Govt statistics lowest for four years; overall figure of 11.2% higher than inflation and reflects more overtime working.
- Cyclical indicators confirm rise in activity over next 12 months.
- Meanwhile, US economic slump deepened in first quarter and Govt figures give little indication slump is easing: Guardian says it has further to go.
- Number of jobless in EC fell 2.2% last month to 10.6m but seasonally adjusted trend up.
- Henley forecast suggests sterling will fall against Euro currencies over year.
- OPEC predicts UK and Norway will have to raise oil prices as its measures to resist fall in prices shows signs of succeeding - production declines sharply.
- Schmidt urged by party to raise taxes to fund investment and job measures.
- CBI lines up with TUC in rejecting £15 a week training scheme as inadequate; wants £25.
- Guardian leader says its conclusion from Treasury computer runs is that Labour has no hope of reducing unemployment to below 1m in 5 years without a workable incomes policy- Foot and Shore need to give some leadership; meanwhile SDP will come out with plans for continuous incomes policy.

Unions/Pay

- Threat of all-out docks strike from next Monday unless NDLB calls off internal re-organisation (FT).
- RDL workers plan one-day strike next Monday in protest against sale to Trafalgar House.
- Norway hit by transport strike.
- Alan Fisher calls on unions with muscle like NUM to support hospital workers; but NUPE won't call nurses out on strike - unlike COHSE
- TUC formulates plans to resist Government's campaign against wages councils.
- But TUC not prepared to repeat Day of Action - instead designates June 10 as Union Day in protest against Govt policies.
- AUEW rejects Left wing call for 24-hour strike in support of unemployed.
- Chemical industry workers accept 7.3%.

Labour Law

- Mr Tebbit to extend anti-strike measures by giving employers right to sack strikers without notice (Express).
- Mail's story about Mr Tebbit's plans to introduce compulsory ballots on strikes, elections of union officers and appointments for life and on political levy.

Industry

- BACO becoming increasingly restive over delay in Govt coming forward with plans for Invergordon.
- CBI says withdrawal from EC would be disastrous for West Midlands.
- Scottish whisky industry production slumps 35%.
- BL shop stewards drop opposition to new deal on industrial relations reforms.
- Airlines serving UK cautiously optimistic that worst of slump is over.

Local Authorities

- 560 Bison flats built only 13 years ago to be demolished at Spennymoor because of faults.
- FT says that according to figures compiled by Jack Straw rates, which many people believe to be one of their biggest taxes, are indeed one of the smallest.
- GLC plans to instal most modern electronic office automation system.

Education

- Mirror, commenting on Rhodes Boyson's agitation over sex education books, says sex education is a problem but won't be solved by ignoring facts of life, however repellent.

Defence

- Conservative MPs persuade Mr Nott to postpone Defence Review because of revelations about RN cuts; will put proposal to Cabinet today.
- Select Committee strongly critical of MoD over Chevaline and of failure of successive Govts to inform Parliament about project; FT says there needs to be franker discussion, if necessary in private, over rationale of defence options chosen by Ministry - and not least on Trident.

Law and Order

- Police reject black criticism for using 100 men to curb Notting Hill riot in which 24 arrested; call in community leaders for talks.
- Sun says there are two urgent lessons from incident - law must be upheld no matter who or what colour involved; and police must act firmly and quickly on any outbreak; Times says this week's disturbance does not justify any quick conclusion on whether we face a long hot summer or whether we are suffering from anniversaryitis.
- Yard orders officers to keep full record of all incidents, criminal or otherwise, with racial content.
- Ripper victim gets £8,500 compensation.
- MPs to be given a second chance to vote on capital punishment in this Parliament; Mail says it is no bad thing or that they will be given an opportunity more precisely to register their views; you turn down referendum idea.
- Telephone tapping and letter interception to be allowed in investigation of certain crimes.
- Express writer asks if Thames Valley Chief Constable will ever learn - he plans to make his own TV film about rape investigation to correct BBC impression.
- Black youth worker waiting trial on violence charge appointed by ILEA to £11,000 a year job luring young people.