

PRIME MINISTER

DIARY

European Parliament, Strasbourg.

Association of University Teachers Biennial Council, Reading. _

NUM Delegate Conference on pay.

Amersham International Flotation announcement.

Statistics:

Retail price index (Nov).

Tax and price index (Nov).

Usable steel production (Nov).

Sales and orders in the engineering industries (Sept) (British Business).

Publications:

Government's response to Select Committee on Industry's Energy prices (Memorandum).

Ministers - see Annex

PRESS DIGEST

Poland

- 7 miners dead and 400 Poles injured in clashes across country. Allegations of slaughter of 30 workers in Wroclaw.
- Most pop newspapers lead with such headlines as "Bloody war in streets" (Sun); "The Blood Flows" (Mirror) and "The Killing Begins" (Mail).
- Express claims that Walesa's wife stopped bloodbath in Gdansk shipyard.
- Returning Britons say that some of soldiers did not speak Polish - Poles convinced they are Russian.
- Two concentration camps set up to hold detainees.
- Lord Carrington expresses concern about ominous silence over Walesa who is reported to be under pressure to go on TV to back regime.

- Reagan says the crackdown could not have happened without knowledge and support of USSR.
- Labour Party may break off links with trade unions in Soviet bloc as protest.
- Report from Czechoslovakia of Russian troop movements near Soviet border.
- Bishops taking a tough stand against new regime, according to Telegraph.
- Guardian says 23 Western banks approached for emergency \$350m loan expected to refuse.

Comment:

- Sun: all hideously familiar; new tyrants of Poland seeking to destroy men's minds.
- Express: West can do little but sympathise; in 25 years since Hungary nothing substantial has changed behind Iron Curtain; freedom still has to be rejected as a foreign body; another fearful cold is setting in.
- Mail feature says Premier has one thing going for him - if Solidarity and Catholics rise in rebellion most of them think the General will have little hesitation in calling in Russians and that is what virtually every Pole doesn't want.
- Guardian: It is for military authorities to draw up and publish an agenda for discussion on the new Poland - not for an isolated and intimidated Walesa.

GLC Judgement

- Big increase in fares (even trebling) foreshadowed if GLC forced to reverse its policy as result of Lords judgement and pay back £61m collected in supplementary rates.
- Livingstone says it could mean as many as 15,000 redundancies and reduced services; unions threaten to strike over ruling.
- Mirror says if GLC can't cut its fares then law is an ass and should be changed; when 9393,451 votes for Labour count for less than 5 votes in Lords where does it leave local democracy?
- Express: sensible and welcome decision.
- Mail: humbling of Livingstone marks the beginning, not the end, of the argument over how much and in what way public transport should be subsidised; if Tories don't tumble to that SDP will for it is their kind of issue.
- Telegraph: politicians on both sides of House believe Govt will have to bring in new legislation; leader wants GLC disbanded.
- Guardian: judgement may pose problems for other public transport undertakings; leader says London Transport's policy is in ruins; stopped in its tracks most imaginative policy in London for years; we need a law which enables local authorities, responding to voters, to devise a transport policy in the best interests of the community.
- Times: If the law does not accommodate subsidies (which are paid abroad) then it must be changed.

- FT: if law relating to LT not changed and other transport authorities are allowed to continue as at present the only general principle flowing from judgement is that you can operate what level of subsidy you like provided you don't shout too much about it.

Local Authorities

- Leeds Council, in cooperation with shops, offering 10% discount cards to unemployed.
- David Alton takes up case of mother with child in care who has been banned from seeing the child again.

Unions/Pay

- ASLEF still making warlike noises about New Year rail strike if it doesn't get its 3% productivity pay but Parker refuses to implement East Anglian electrification scheme unless rail unions deliver flexible working.
- NCB does not regard coal strike as inevitable; Gormley reported as believing another 2-3% could secure peace.
- Ford dispute expected to go to ACAS next week.
- ISTC calls for a total ban on overtime after failing to win concessions from BSC on plans for local pay deals linked with further redundancies; but BSC planning to stay operating over Christmas for first time for many years because of demand and to cut costs.

Labour Law

- Telegraph says Mr Tebbit is privately in favour of introducing law to enable employers to lay off workers without pay in major national disputes; EEF strongly pressing for this.
- Bill Keys, in Times, says that while unions try to ensure agreements are observed they cannot be industry's policemen and Govt cannot force them to take on that role.

Laker

- Most newspapers record their belief that an 11th hour rescue of the company has been effected and Times says Laker has got a six-month respite.

Industry

- US electronics firm, Burr Brown Corp, sets up base in Livingston giving 700 jobs in late 802.
- UK Aerospace exports heading for record £2.75bn.
- BL dealers in Italy sell record £100m worth of cars this year.
- OFT to investigate Bell's refusal to sell whisky to anyone who resells it at cut price; Debenhams exposed by Mirror for raising prices up to 20% to cut price Christmas shoppers- seeking to pay back excess.

Economy

- Britain by common consent, is now pulling out of the slump - Bank of England bulletin officials felt to have confirmed this. Guardian says this is a pre-Christmas fillip for Govt.
- US interest rates, however, starting to edge up again.
- CBI opens up campaign for an industry Budget after seeing Chancellor.
- Irish inflation up to over 23%.
- Jobless for more than six weeks will be able to study free on Open University.

Housing

- From 1983 building societies and banks will deduct tax relief on mortgages at source; Guardian says this could raise repayments of those relatively new borrowers but cheapen them to longer term mortgagees.

Medical

- DHSS tells public to burn certain types of first aid dressings imported from India because they are contaminated.
- Guardian says health spending has risen under Conservatives faster than at any other time since creation of welfare state but most of it has gone in higher salaries to doctors and administrators only nurses are now relatively cheaper to employ because of wage restraint.

Media

- Guardian feature on how British Govt intervened through FCO IRD Department in running of independent news organisation.

Northern Ireland

- Noraid says it raised record £130,000 in first six months of this year.

Politics

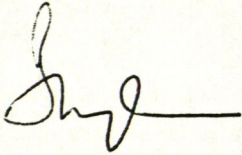
- Labour MPs heckle Benn; Bermondsey re-select Tatchell but Mellish is not now standing down - at least not for some time.
- SDP/Libs get support of just over half electorate in latest Gallup poll (Telegraph): 50.5% to Labour's 23½% and Conservatives' 23%.
- Liberals to launch corporate fund raising campaign among companies

Comment:

- D/Star, commenting on Benn's proclamation of himself as deputy leader, says he made a far bigger impression as a serious politician than as a Christmas comedian.
- Terence Lancaster, Mirror, says Flanagan and Allen used to stage a Crazy Week at the London Palladium; now every week is crazy week for Labour.

International

- Italy: Red Brigade kidnaps US general.
- UN: Security Council demands Israel rescind law annexing Golan Heights.
- EC: Euro Parliament votes to increase budget by £132m more than Ministers approved; FT in review of British presidency, says it is a very important gain that because of respect for British handling of presidency other member States want to avoid embarrassing Lord Carrington by proclaiming UK is again standing in way of Community's development.



B. INGHAM
18 December 1981

Ministers

Mr Younger attends COSLA rate support grant meeting, Edinburgh.

Mr Howell presents prizes for the Co-op Road Safety Campaign, Pebble Mill Studio, Birmingham. (12.00 noon).

Mr Morrison addresses Merseyside Training Council on training, Chester.

Mr Finsberg addresses conference organised by London Social Services Research Group: "Working Together in Hand", Kensington Town Hall, London. (10.00 am).

Mr Macfarlane attends Bulgarian reception for World Hunting Expedition.

Mrs Fenner speaks at the Welsh NFU, Brecon and Radnor branch meeting, Llandrindod Wells.

Mr Clarke addresses a group of Coach operators led by Stephen Dorrell MP, Belmont Hotel, Leicester. (6.00 pm).