

PRIME MINISTER

THIS WEEK - HIGHLIGHTS

FALKLANDS - What next? Panorama interview; Statements; ? Debate;
OAS today; UN action.

Unemployment figures -(tomorrow);
McCarthy report on rail rostering;
Public sector pay in light of Civil Service arbitration;
EC Foreign Affairs Council (Mandate) - (tomorrow).

Details:

Pay: McCarthy report ²
NHS industrial action (unions meet at TUC - Thurs)
Govt reaction to Civil Service arbitration
London busmen; further education teachers (tomorrow)
Building trades manuals (Wed).

Economy: Unemployment figures (tomorrow).
Overtime and short time working (Feb) and strikes (March) -
Wed.
Car and commercial vehicle production (March).

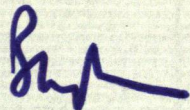
International: Sinai withdrawal follow up. ²
EC Foreign Affairs Council - Falklands and Mandate (today
and tomorrow).
Council of Europe Parliamentary Assembly - all week.

Politics: TUC General Council and Labour Party Executive (Wed).
Welsh TUC - weekend.

Parliament: Debate on Northern Ireland White Paper (Wed).
PAC Report on sale of BA shares etc (tomorrow).
Govt's reply to Select Committee report on Commission for
Racial Equality (tomorrow).

Select Cttees: PAC on the black economy.
Employment on MSC corporate plan, Mr Tebbit (Wed).

Ministers: Chancellor at Birmingham Chamber of Commerce (tomorrow).
Mr Tebbit at Inbucon dinner (tonight); Primrose League (Wed)
and FT conference on industrial relations (Friday).



B. INGHAM
26 April 1982

Lords: Inter-Governmental Maritime Consultative Organisation (Immunities & Privileges) (Amendment) Order 1982: Motion for Approval.
Shops Bill(HL): Third Reading.
Copyright Act 1956 (Amendment) Bill(HL): Third Reading.
Town and Country Planning (Amendment) Bill: 2nd Reading.
Debate on the 8th Report of the ECC on Competition Practice.
UQ on financing a British component in the A320 Airbus as part of the policy of encouraging European collaboration in growth areas of advanced technology.

Ministers - see Annex

PRESS DIGEST

FAKLANDS

- Treatment is almost entirely triumphant with the Mirror, Guardian and FT least euphoric, to varying degrees.
- Populars generally go for "Victory" and incorporate the "God Save the Queen" message from the Fleet as a panel.
- Many newspapers emphasise the White Flag surrender and our success without loss of a British life.
- Meanwhile Costa Mendez calls off talks with Haig; doubts about support for him in OAS today.
- Lots of features about South Georgia and the Navy's version of the SAS - the cockleshell heroes who paved the way for the retaking of the Island.
- Questions now arise over the extent to which all-party support will hole in Parliament.
- Retaking of South Georgia seen as providing us with a base of sorts and a springboard for Falklands action proper.
- We emphasise our willingness to seek a peaceful settlement and our beliefs that Haig is still in play.
- Sun pictures you and Mr Nott making announcement under heading "The Dynamic Duo" and most pick up your urging to rejoice at the news.
- Mirror leads with "It's war, says Argentina".
- Express says action has shattered the suspicion that Britain was bluffing; US under increasing pressure to come down on our side; options now for air no go zone; rigid blockade of Falklands, commando raids on Falklands to harry Argentinians and attack on mainland Argentina. Express writer Peter McKay says crisis has shown Reagan in a new light as a poor, stumbling boobie.
- Mail says key question now is whether Reagan will come off the fence; Andrew Alexander says Foot's reaction was illogical, pathetic and disgraceful; logical conclusion of his approach is that we wait for a torpedo to be fired at us before we retaliate; events show that we ought to have known all along - we are on our own in this affair.

- Telegraph reports State Dept says their peace efforts are still alive notwithstanding Costa Mendez failure to turn up yesterday.
- Guardian says UK emphasis on willingness to seek peaceful solution reflects our anxiety about retaining political unity; unlikely yesterday's action will lead to immediate political trouble.
- Times says it was the kind of operation many Tories believed would be necessary.
- FT thinks it will place all party support under strain.

In Argentina:

- D/Star says panic grips Argentine cities who fear they may be attacked but FT has an altogether more resolute account of the State of Argentinian morale and opinion; evidence of reaction against British; Government orders provincial governors to take steps to protect British and their property.

In Falklands:

- Returning editor says Mirage fighters and Canberras have flown over Falklands for first time; apron at airport being extended.
- Refugee says Islanders are like cornered rats not knowing which way to turn; angry British Govt apparently going nothing for them.

In UK:

- Allegations that cost of Task Force now £275m - to come from contingency fund.
- Brian Griffiths, in Telegraph, worries about the damaging effect of an Argentinian default on the world banking system.
- ACTT at the COI blacks official film of the Task Force in redundancy dispute.

UK Politics:

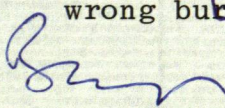
- D/Star says you have won over many critics with the success of the operation.
- Steel wants all party talks with you.
- Foot, caught short on radio, says he can't support Britain's attack if Navy fired first.
- Benn and Hart, in demo in London to protest against use of military force.
- ORC poll shows you are thriving on the crisis politically.
- Govt up 5 points to 42 with Labour static at 35 and Alliance ditto at 23.

In USA:

- US poised to come off the fence and Haig increasingly impatient with Argentina; allegations that State Dept officials regard junta as a bunch of thugs with no one clearly in charge trying to outdo each other in defiance.
- Ambassador Henderson confirmed Britain is ready to accept US military aid but we have not asked for it.

Comment:

- Generally favourable, but Guardian, FT and Mirror cautious and worried.
- D/Star: joins with you in praising magnificent RN operation; South Georgia invasion inevitable after 23 days of diplomacy; we had to show we mean business.
- Sun: Brave men have given Britain back her honour; time has almost run out for diplomatic solution; Britain must remain steady and resolute; few simple facts to remember; a theme of many leaders - that the Argentine fired first and we are entitled to self defence; we can rely on no one but ourselves.
- Mirror: This is a limited local military action; S Georgia not part of Falklands and gives no reason to abandon search for a peaceful settlement; attempt to negotiate must go on - if they finally collapse S Georgia only an indication of what is to come.
- Express: marks a major shift in crisis; we are ready to rejoice with you; negotiations should continue but from now on they can be even handed because we are striking back.
- Mail: Must be sense of relief at news; Argentinians know we mean business and they would be wise to return to the negotiating table.
- Telegraph: Explains justification for action at some length it might make Haig's position in OAS more awkward but it is not in interests of USA or West to have a protracted dispute and Reagan has a chance now to show us that he knows that.
- Guardian: clearly very worried where all this is going to lead, fears that once firing has started in earnest, as it has, it will develop a momentum of its own; we shall be fools if in the present state of euphoria we ignore the possibility of defeat; we have already in part agreed to reward the aggressor since sovereignty is virtually on the table.
- Times: also spends some time on reiterating the justification for the action and says crisis is moving on to a more dangerous ledge; but UN mediation is no answer; USA sanctions should take two forms - restrict imports from Argentine and advise US banks not to renew credits; USA has had to ask its allies from time to time to take disagreeable action - now it should return the compliment.
- Ted Rowlands, in Times, say paradoxically the landing could help the Islanders; future Argentine rulers, if they are forced to leave Falklands will not easily forget sight of banks closing and trade with Europe cut off; against this background we might have meaningful negotiations over shared sovereignty of resources of area with recognition of true sovereign rights of Islanders.
- FT: Recapture raises fundamental questions of where we go next; why have we so far refused to return to UN where we need to go to reaffirm our support there; we should also go to ICJ or accept UN trusteeship and formally call on USA to impose economic sanctions; Argentine is wrong but no need yet for military showdown.


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OTHER NEWSPay/Disputes/Unions

- McCarthy to publish report later this week. Times says it is likely to favour ASLEF.
- Merseyside dockers draw back from strike today but will support national strike on 10 May.
- Halewood strikers return today after week long stoppage by metal finishers.
- Hospitals ready to call in volunteers. COHSE leader says Government using them to do its dirty work.
- ICFTU to urge programme of reflation on national governments.
- USDAW move to agree to Sunday shop opening.

Economy

- Cambridge Economic Policy Group forecast 4 million plus unemployed on present policies during decade.
- Business optimism improving according to management survey.
- First signs of upturn in building industry says NBTE.
- Telegraph leader: current statistics show that Government's responsible financial management has laid foundations for recovery.

Energy

- The most optimistic forecasts suggest electricity demand expanding by average 2% a year which challenges the need for major new power stations and the case for a large nuclear power programme.

Budget

- Treasury Select Committee will recommend publication of draft budgets in December each year containing tax and expenditure proposals.

Nationalised Industries

- British Rail predict £165m loss in 1982. 1981 figures to be published on Wednesday expected to show loss of just under £50m.
- Further reorganisation of British Railways in preparation for privatisation to be announced this week including creation of "profit centres" for 3 main parts of airline.
- Post Office to announce "massive profit" at same time as cuts in central London collection service.

Water Authority

- Anglian Water Authority to buy fleet of 200 cars for senior staff.

Local Rates

- Consultative Committee of Accountancy Bodies and TUC both support change to capital valuation for local rates and introduction of local income tax.

Education

- Conference of National Council for Educational Standards attacks casual school attitudes and the television programme "Grangehill" for lower academic standards and vandalism in schools. Mail leader: "what are we to expect when many teachers offer their pupils not lofty moral precepts but a sleazy moral relativism."

- Rhodes Boyson attacks egalitarianism in education and suggests Government backing for councils' creating "centres of excellence" in existing comprehensive schools.

Law and Order

- Scotland Yard to enquire into police attack on couple who were awarded £52,000 last week.
- Scotland Yard Anti-Corruption Squad investigating story of senior officer who obstructed a criminal trying to expose police bribery.
- Borstals should be abolished say London Interim Treatment Association.
- D/Telegraph reporter experiences drug pushing in Nottinghill by children as young as 12.

Northern Ireland

- SDLP say that devolution plans are unacceptable.
- Multi-millionaire New York property dealer said to have taken £17m majority share in De Lorean.

International

- Israel completes withdrawal from Sinai. Times leader says that Israel and the West should now negotiate from strength to convince other Arabs of the benefits of the Sadat approach.
- Mr Magana professes puzzlement at his selection as provisional President for Salvador. Guardian leader says it is a messy outcome and the elections have only increased polarisation.
- Battle of the US budget expected to reach climax this week.

EEC

- Mr Pym still to attend Foreign Council on EC Budget.
- Britain may abandon Food Labelling Regulations law because of grocers' complaints that it is not being applied fairly elsewhere in the EC.

Politics

- Labour Party considering policy plan for nationalising all tenanted farm land. Compensation at agricultural rather than market value.
- Union leaders say they will not "bail out" Labour Party from expected £700,000 deficit this year.
- David Steel says Alliance will have constitutional Bill - including PR voting and devolution - ready before election.
- SDP to publish series of "Green Papers" on policy fortnightly from the middle of May.
- Motion at Apex Conference to affiliate with SDP.

Pope

- Not addressing Parliament because of Government opposition according to Mr St John Stevas.

Jimmy Young

- Express feature says you regard him as your favourite interviewer.

Ministers:

Mr Younger meets Borders Regional Council, Melrose, and attends Freight Transport Association dinner, London.

Mr Jenkin attends opening ceremony of 'Piper' System, Ilford.

Sir Geoffrey Howe attends EC Finance Council, Luxembourg.

Mr Whitelaw visits Omnibus (Anglo-West Indian Conservative Centre).(4.00)

Mr Tebbit speaks at Inbucon dinner, Royal Overseas League, London.
(10.30am).

Sir George Young pays Inner City visit to Wandsworth.

Lord Bellwin meets the British Institute of Cleaning Science.

Mr MacKay addresses seminar on Intermediate Treatment Resource Centre, Glasgow.

Mr Fletcher speaks at Sandwich Training Association conference, Edinburgh.

Mr Fletcher opens Shelter Housing, Edinburgh.

Mr Fletcher opens Lloyds and Scottish Finance Group extension, Edinburgh.

Mr Clarke addresses Annual Congress of Royal College of Nursing, Harrogate. (11.00am).

Mr Waldegrave visits Cranfield Institute of Technology. (10.30am).

Mrs Chalker visits DVLC, Swansea.

Mr Hurd attends EC Foreign Affairs Council, Luxembourg.

Mr Rees attends EC Foreign Affairs Council, Luxembourg.

Mr Marten visits the Caribbean (until 7 May).

Mr Fletcher hosts reception for Nigerian Senators, Edinburgh.