PRIME MINISTER

DIARY

HM The Queen in Canada.

CBI Exhibition 'Can You Make It' - A Challenge to British Industry.

National Association of Schoolmasters' Conference, Blackpool.

National Council for Special Education, York.

Society of Local Council Clerks' Conference, Bournmouth.

International Motor Cycle Show, Birmingham.

Pay:

Nurses.

Statistics:

BSC/BISPA: Usable steel production (Mar).

Publications:

DOI: British Business - Cameroon features.

Ministers:

Mr Younger speaks at Fish Producers and Pelagic Fishermen function, Banff.

Mr Stewart visits GEAR (Glasgow Eastern Area Renewal).

Mr Waddington addresses Institute of Personnel Management, Oxford.

Mr W Roberts opens Sheltered Home Complex at Cysgandfa, Denby.

Mr Ridley addresses Building Societies conference.

PRESS DIGEST

FALKLANDS

Main lead today is report that part of Argentinian fleet - about eight ships, including only aircraft carrier - has set sail.

You postpone your departure for Chequers after briefing at MoD; $\frac{D/Star}{D}$ puts No 10 on war footing; $\frac{Sun}{D}$ detects a security blackout in Whitehall.

Mirror thinks Fleet will avoid battle and steer close to Argentinian mainland; Guardian sees it as propaganda voyage as doubts multiply in Argentina over Galtieri's handling of crisis. Some reports Argentine has sent armoured units to South Georgia to try to guard against British recapture.

Guardian claims we are bracing ourselves for a long naval blockade as we no longer expect Haig mission to succeed.

Haig arrives in Buenos Aires and Argentinians expect to come under strong pressure.

Pinochet, Chile, fears new threat to Beagle Channel.

In Falklands:

30 people expelled arrive home with tales of hungry Argentinian soldiers killing sheep to eat and low morale; 9,000 Argentinian troops reported to be on Islands. Mirror says Falklanders are refusing to knuckle under and mounting massive civil disobedience campaign.

13 BAS scientists and 2 girl film-makers safe on South Georgia.

Nearly 200 Falklanders have now left; Mr Pym broadcasts to them.

Argentinians reported to be extending Port Stanley runway.

Telegraph says Argentinians are progressively dismantling way of life with history being re-written, maps redrawn and pound replaced.

Economic:

Increasing editorial pressure on USA to come off fence - see comment.

USA reported to be threatening Argentina with economic sanctions if talks fail.

Leon Brittan says needs of task force must come first but cost can be accommodated within financial strategy.

In the USA:

President Reagan coming under mounting pressure in USA to come off fence and back Britain.

Mirror says Reagan is convinced we want war to save face; Argentines more flexible.

Sniping at Haig from White House; said badly to need a success to silence critics.

In Argentina:

<u>Times</u> says Galtieri's hold seems to be increasingly unsure; extreme right wing fears move towards Russia; <u>Sun</u> believes Galtieri is fighting for political life after he cancels <u>TV</u> appearances.

British and Anglo-Argentine businessmen urge restraint because of threat of irrepairable damage to British investment.

Telegraph says junta seeks to make atomic bomb and is most advanced in South America.

Guardian says Buenos Aires is resigned to combat - only remote chance of peace.

Politics:

We tell Russian Ambassador we expect them to support UN resolution. Foreign Secretary calls for report on sporting contacts.

MORI poll says that 60% are happy with your handling of crisis; 67% want troops to land; 52% want us to sink Argentinian ships and 51% want us to hold on to islands.

Terence Lancaster, <u>Mirror</u>, says either Galtieri or you, or both, could fall but you are in stronger position; prospect of negotiated settlement fading; his speculation as to who might succeed you falls on Mr Pym.

Livingston, GLC, attacks Labour leaders for giving support to your "warmongering".

Editorial Comment:

- Sun: Hopes you will pick up hot line to Reagan and let him know you are counting on his wholehearted support.
- <u>Mail</u>: Climax approaching relentlessly; unless Argentinians back down there is going to be a battle; if Argentinians allowed to succeed no small country will be safe.
- Telegraph: Outside the British Government the USA probably not been so unpopular in this country for a long time; conventional wisdom is that Americans have let us down; 75% of its readers believe that Argentine aggression must be answered, British sovereignty must be reaffirmed and force used if a diplomatic solution not attainable.
- Guardian: Middle way for USA cannot hold if mediation fails.
- <u>Times</u>: David Watt thinks Argentinian patience could be even shorter than British if it comes to long blockade.

Unions/Pay:

Moderates rout militants in AUEW elections; Laird new general secretary.

Terry Parry, former Fire Brigades leader, dies.

Education:

NUT votes to campaign for abolition of corporal punishment but NAS backs its use; Express leader says this politicisation could spread to schools because teachers now have a party line to follow.

NAS conference told teachers in fear of pupils - horrific stories of life in Manchester schools.

Economy:

Reagan says US economy dead in the water; revival now put back to autumn as output falls for seventh time out of eight months; suggestions that Reagan might accept an income tax surcharge as part of budget compromise.

Our manufacturing production picks up sharply in February after winter distortions but no sign of rising above plateau.

French inflation picks up steam.

Our living standards ranked 10th in top 15.

Industry:

Talbot seeking flbn barter deal with Iran.

Bacon and egg prices fall next week but petrol and cigarettes going up.

Dockers to be given tax free severance pay of up to £22,500 to slim labour force.

British Rail seeking up to 5,000 redundancies, to speed up hiving off and to delay handling pay claim until rostering sorted out as prospect for losses trebles to £165m.

Steel workers being offered new Metros for cost cutting ideas.

Institute of Directors advocates job sharing by youngsters to hold costs.

Robert Maxwell rescues Financial Weekly which was to have closed; staff back new regime with £50,000.

Local Authorities:

Essex school bus service to be scrapped to save £65,000 and footpath costing £200,000 to be built instead, costing £37,000 annual maintenance.

London Transport wins fl.5m contract to advise New York on train overhaul.

Law and Order:

10 young blacks sentenced for up to 8 years in May trial. BBC TV programme which claims to have unearthed new witness in murder case - police say they did interview her.

DPP and Attorney reject barrister Narayan's charges of racism; <u>Sun</u> feature on Narayan's activities in court and say he is poison to race relations; <u>Express</u> hopes that if white fascist skinheads had killed a black pleas of mitigation because of black provocation would not be heeded; <u>Telegraph</u> dismisses Narayan with contempt and regrets deterioration in conduct of minority of counsel.

Art treasures stolen from Mayfair believed to be worth one-third of original press valuation of £6.5m.

Thieving from hospitals costing £5m a year.

Chief Constable Alderson wants a Royal Commission on police.

People:

Robert Mellish backs independents in Bermondsey council elections; Labour moves to ditch him as a consequence.

Arthur Lowe, Captain Mainwearing, dies.

B INGHAM

16 April 1982