

LOBBY BRIEFING

time: 11.00 date: 11.5.82

PRIME MINISTER'S DAY

The Prime Minister will be working at No 10 all day and will be in the House this afternoon.

At 9.30 she chaired a meeting of the Group of Ministers concerned with the Falklands (Foreign Sec., S/S Defence, Chancellor of the Duchy, the Attorney General and CDS).

CABINET

At 11.00am she chaired a meeting of the Cabinet. Falklands. All present, except Mr Walker and the Chancellor. The Attorney Gen. attended.

QUESTIONS

This afternoon at 3.15pm the Prime Minister will be in the House for Questions.

PRESS NOTICE at 11.00am

Appointment of Mr Archie Hamilton as an assistant Whip to succeed Nicholas Budgen.

PUBLICATIONS

Annual Report 1980/81 of the Historic Buildings Council for England (CFRs at 3.30pm).

Defence Select Committee Report on Strategic Nuclear Weapons Policy (11.00am).

IN THE HOUSE

There are no Statements.

ANSWERS OF INTEREST

No 55 Written 3.30pm: Mr Sydney Chapman to ask the S/S Education when he will publish a reply to the Second Report from the Education Science and Arts Committee 'The Secondary School Curriculum and Examinations'. (Answer will refer to publication today at 3.30pm - CFRs yesterday).

No 56 Written 3.30pm: Mr Stephen Dorrell to ask the S/S Education if he will make a statement on education in Toxteth. (Answer will refer to publication of HMI report today at 3.30pm).

No 57 Written 3.30pm: Mr Michael Shersby to ask the S/S Environment what progress is being made with his Department's Priority Estates Project. (Answer will refer to publication today of report).

No 45 Written 4.00pm: Mr Michael Colvin to ask the S/S Trade if he will extend the present reduction in the rate of the Aviation Security Levy. (Answer will announce the extension).

We gave operational guidance to the Lobby that DES were holding a press conference at 11.30am on the HMI Toxteth report. Following up our press notice on the new assistant whip we confirmed that his salary was £12,775 p/ys £8,130 Parliamentary salary.

Did not know of any further MoD statements or briefings but expected them to elaborate as soon as possible on the early morning statement concerning the exchange of fire between two surface vessels.

We firmly knocked down the FT story that the Government was ready to drop its demands for a long-term deal to cut our budget contributions in favour of 12 month arrangement and set to back down on farm prices. No proposal was put to us nor considered, let alone agreed to, we said.

We also briefed the lobby on diplomatic developments at the UN in line with the information in their telegram (circulated round press office).

ALKLANDSTiming

Confirmed that quite a lot of time is still needed to explore every diplomatic avenue to try to reach a peaceful solution. But there are problems - there must be no prejudgement of the sovereignty issue. We are setting no deadline but there is a limit to how long you can go on talking about the same things. Confirmed Sir A Parsons' line about 24 - 48 hours showing whether Argentina really wanted peace.

This was a critical phase of the third major negotiations.

Warned against assuming that if UN negotiations do collapse there would be an immediate military reaction. Referred to Cecil Parkinson's 'time window' and other considerations such as weather on any ultimate decision about invasion.

Panorama and media coverage

PM was not impressed with Panorama. It has stirred a lot of public reaction - phone calls to No 10 - told to call BBC and complain. General impression which PM got was that excess time given to opponents of Government line. We took the view that the media was free and would have to stand by its own product. There was a lot of understandable sensitivity in the country over the issue. We have not made and will not make any complaints to BBC.

Films and Pictures

We hope something will be coming back from Ascensions today. Possibly in time for evening TV and morning papers, but we cannot guarantee this. We urged them to press MoD on this matter.

Call up

No reason to expect call up papers to be issued.

Football

Government has a view on bilateral sports meetings - no view on World Cup and multi-national events. We wait on events.

MPs' PAY

Probably something this week - not necessarily a statement. Perhaps written PQ. 4% is a pay factor which goes into calculation of case limits.

HANGING

PM likely to vote. Probably be four votes. She has not changed her views and in in favour of hanging.

CABINET

This meeting was arranged yesterday. Will receive UK UN mission briefing. Combined military and diplomatic matters but accent on diplomatic because of the New York activities.

whereby first class, senior officials of British Airways are now being made redundant? Is he taking any steps to make sure that their expertise is not lost to an important sector of industry?

Mr. Sproat: That is mainly a matter for the board of British Airways. I am certain that the hon. Gentleman's point will be well taken by the board.

Mr. Anthony Grant: Is my hon. Friend aware that the accounts of British Airways would be greatly improved and the service to the travelling public greatly enhanced if such activities as retail shops, building maintenance, aircraft cleaning and, above all, catering, were hived off to private enterprise—none of these services is at the moment profitable—leaving British Airways to conduct its proper business of running aircraft.

Mr. Sproat: My hon. Friend makes an extremely interesting point that will be noted, I am sure, by the board of British Airways. Among the main objectives of Sir John King and his board are restoring British Airways to profit and giving a better service to the travelling public.

Mr. Ioan Evans: Will the Minister recognise that most airlines are going through difficult times? Will he ensure that no Government pressure is applied on British Airways to break up and sell off various parts of the airline? Does he realise that we have already lost Laker Airways and that other airlines may go bankrupt if British Airways is not maintained?

Mr. Sproat: I can assure the hon. Gentleman and the House that there will be no improper pressure from the Government for British Airways to sell off subsidiaries. But, if that is the decision of the British Airways board, we shall not stand in its way. It is our wish to see British Airways profitable as soon as possible and privatised as soon as possible.

Mr. Wilkinson: Will my hon. Friend assure the House that the Government will do nothing by their policies to impede progress by British Airways towards the profitability that we all seek? In this regard, will my hon. Friend facilitate the concentration of British Airways scheduled services at Heathrow airport, enabling it, especially, to transfer from Gatwick to Heathrow its scheduled services to the Iberian peninsula?

Mr. Sproat: In regard to the latter part of my hon. Friend's question, I cannot give him any such assurance at this time. As he knows, complicated and intricate discussions are taking place. On the first part of his question, my hon. Friend can be certain that there is no Government in the history of this country that will do less to stand in the way of British Airways returning to profitability.

Mr. Woolmer: What did the Minister mean in saying that no "improper" pressure will be brought to bear on British Airways? Will he bring any pressure to bear on British Airways to sell off subsidiaries? Will the Minister say whether the Price Waterhouse report proposed a major reconstruction of British Airways, whether it considered the possible injection of £600 million into British Airways and whether it considered the possible sale of subsidiaries? Is it not disgraceful that a British nationalised industry should be treated in such a cavalier fashion by the Minister who will not even publish a major report of significance to a national institution?

Mr. Sproat: On the first part of the hon. Gentleman's question, I plead guilty to tautology in talking about improper pressure. No pressure that I brought to bear would ever be improper. I need to bring no pressure on British Airways to restore itself to profitability. Sir John King has the airline on the right lines towards exactly that end.

The Price Waterhouse report was commissioned by British Airways. It is for British Airways to decide whether it wants to publish the report. British Airways has decided that it does not want to publish it. I shall not quarrel with that decision.

Trade Statistics

7. **Mr. Lennox-Boyd** asked the Minister for Trade to what factors he attributes the state of the latest trade figures.

Mr. Peter Rees: Export and import levels at the turn of the year were far higher than those reached in early 1981. This reflects the recovery in economic activity and the achievements of our exporters.

Mr. Lennox-Boyd: Does my hon. and learned Friend agree that during the long, hard struggle of recent years, especially in regard to high levels of unemployment, many people have tended to overlook the great successes that we have enjoyed, particularly in trade? Does he agree that there are good prospects of improving still further on our current position from the firmer base that we now enjoy?

Mr. Rees: The whole House, I am sure, agrees with my hon. Friend that the performance of British exporters has been notably successful in the last three years and that businesses, as a result, have maintained a higher level of employment. The House will have noticed the relish with which the Opposition Front Bench suggested that our export performance over the years to come might not be so successful, presumably because they are deeply conscious of the export figures achieved under the previous Administration.

Mr. Hal Miller: Will my hon. and learned Friend accept that it would be difficult to improve upon our latest trade figures with Spain in motors cars and components because of the adverse differential tariffs raised by the Spanish Government which prevent our exporters achieving their full potential there? Will he look into a matter that has dragged on for far too long while it was hoped that Spain would one day accede to the Community? Action appears to be continually postponed.

Mr. Rees: We do not look forward to an indefinite postponement to Spain's accession to the European Community. One of the benefits to the United Kingdom of Spain's accession will be the full opening up of the Spanish internal market.

Falkland Islands

9. **Mr. Ginsburg** asked the Minister for Trade what his Department is doing to ensure the long-term future of Anglo-Argentine trade after a successful outcome of the present situation in the Falkland Islands has been achieved; and if he will make a statement.

Mr. Peter Rees: Action to promote the future development of Anglo-Argentine trade must await the settlement of the present conflict.

Mr. Ginsburg: The Minister will be aware that major British trade and investment interests are at stake. May we have an assurance that when the diplomatic and military aspects of the problem have been settled, steps will be taken to safeguard our legitimate and substantial commercial interests which may have been put at risk?

Mr. Rees: Neither I nor any Government spokesman have concealed the fact that the present conflict cannot be costless. However, I intend to take every opportunity to secure a resumption of trade when relations are put on a normal and satisfactory footing.

I must emphasise that the solution of this present unhappy conflict is prevented by the intransigence of the Argentine Government, not of her Majesty's Government.

Mr. Dobson: Will the Minister confirm that the last British Minister to visit the Argentine to promote British exports was the right hon. Member for Hertfordshire, South (Mr. Parkinson), who is now a member of the War Cabinet?

Mr. Rees: I am not entirely certain, but I think that the hon. Gentleman may be wrong. It may have been my right hon. Friend the Minister for Agriculture, Fisheries and Food. The conclusions to be drawn are matters for speculation.

Textile and Clothing Imports

10. **Mr. Ron Lewis** asked the Minister for Trade what progress has been made on the negotiations regarding textiles and clothing imports from the preferential countries.

Mr. Peter Rees: Voluntary restraint arrangements have now been concluded with Egypt and Spain, and negotiations are continuing with the other preferential suppliers.

Mr. Lewis: Does the Minister recognise that the quotas for trousers and jeans are consistently the most fully utilised and that, under MFA3, they will suffer from the higher growth rate of group 1 imports? Will the Minister ensure that pressure from some Mediterranean preferential countries for substantially increased quotas for trouser and jeans are decisively rejected?

Mr. Rees: I can ensure that they will be decisively rejected. I assure the hon. Gentleman that whatever bilateral arrangements are concluded with the Mediterranean suppliers should be reconciled with those concluded with MFA participants and should be firmly comprised within the overall limits that have been set by the Council of Ministers of the European Community.

Mr. Hal Miller: Will my hon. and learned Friend help the understanding of the House in this matter by commenting on the fact that, during the period of MFA2, whereas imports of clothing and textiles from developed countries have grown exceedingly, limits have been placed on the so-called developing countries and other less benefited suppliers? If so, would it not be more sensible either to impose overall control, if that is thought necessary, or to free a greater area of trade for competition than to seek continually to benefit the developed countries?

Mr. Rees: As my hon. Friend will appreciate, the underlying principle of the MFA is to provide a period of

readjustment for the textile industries of the developed world, particularly the United Kingdom, to adjust to competition from low-cost countries. That is the theme of the MFA, and it is a theme that has commanded the respect of the House over the years.

Mr. Woolmer: Bearing in mind the difficulty of ensuring restraint on imports, if no voluntary arrangements are reached with Portugal, Tunisia and Morocco, and those countries are informed by the EEC of the import levels that will be applied by the European Community, how will those levels be enforced?

Mr. Rees: They will be enforced by the individual Governments of the member countries and the United Kingdom, in conformity with the levels that will be agreed through the Council of Ministers and notified to member countries by the European Commission.

British Airways

11. **Mr. Jim Marshall** asked the Minister for Trade if he expects British Airways to make a profit in the current financial year.

Mr. Sproat: I expect British Airways to make a big improvement in their financial performance this year over the two previous years. I hope that they will make a profit.

Mr. Marshall: With the reconstruction of British Airways into three operating divisions, will the Minister give an absolute assurance that no division will be sold off until the three individual divisions are all profitable?

Mr. Sproat: I thought that I should be able to agree easily to that question by saying that it is not the present intention of Sir John King to sell off any of those three divisions piecemeal, but it is not dependent on when those individual profit centres become profitable. Privatisation of British Airways will go ahead as fast as possible in overall profit.

Mr. Bill Walker: Does my hon. Friend agree that British Airways are unlikely to make a profit if they are plagued by idiotic strikes, such as that by the baggage handlers, and by practices such as flying empty aircraft from Belfast to Glasgow every evening? Would it not be better to take the example of the Scottish division, which shows the way forward to making a profit?

Mr. Sproat: I am grateful to my hon. Friend for drawing to the attention of the House the satisfactory conclusion that has been reached in Scotland, where a predicted £6 million deficit has been turned into a predicted £1½ million profit. I hope that British Airways as a whole may benefit from that.

Mr. John Smith: The Minister will be aware that there have been repeated press reports that the Government may write off £600 million of British Airways indebtedness to facilitate the floating of shares on the private market. Will he give a clear undertaking to the House that the Government will contemplate no such thing, which would be a gross fraud on the British taxpayer.

Mr. Sproat: The right hon. Gentleman is always inviting me to comment on either press reports or hypotheses. That is a profitless hypothesis. I suggest that the right hon. Gentleman waits to see what happens. Privatisation cannot come soon enough for me, and I hope that the same is true for him.

money for the creditors and been of considerable use to the British aviation industry in ensuring that those routes did not fall into the hands of overseas airlines?

Dr. Vaughan: I am glad that my hon. Friend has raised that matter. Great credit goes to other airlines for the way in which they assisted stranded passengers. The Los Angeles route has been taken over temporarily by British Caledonian. We are sympathetic to the position of those who hold scheduled air tickets which are not covered by the bonding and air travel reserve fund. As my hon. Friend will know, on 1 March the Government set up a review to consider any future provisions that might be made. We hope to have its report in June.

Mr. William Hamilton: Does the Minister believe that Laker Airways was a good example of a private enterprise flying company? What assurance do we have that British Airways will not go the same way? Does the Prime Minister still believe that she is a Freddie Laker man?

Dr. Vaughan: As the hon. Gentleman knows, we have great confidence in our private enterprises. The hon. Gentleman has no right to cast reflections on other private enterprises simply because one airline runs into economic difficulties.

Mr. Bill Walker: Does my hon. Friend agree that very few major airlines make profits and that, if precipitate action were taken, few of those airlines, including British Airways, would be flying the North Atlantic?

Dr. Vaughan: My hon. Friend knows that the number of airlines not making profits is not as large as he suggests. Some companies make profits. That emphasises what my hon. Friend the Under-Secretary of State said about ensuring that our airlines make profits as soon as possible.

Mr. John Smith: Is the Minister aware that, bit by bit, more information is coming out about the way in which the affairs of Laker Airways were handled by the Government and the CAA in the months before the collapse? In view of the staggering figure of £260 million, which has been confirmed by the Minister today, is it not clear that there should be a full inquiry—judicial or otherwise—into the CAA's handling of the Laker affair and the handling of it by complacent Ministers at the Department of Trade.

Dr. Vaughan: The right hon. Gentleman is trying very hard to make political points with the wisdom of hindsight. I wonder whether he would have had the same attitude some months ago when none of those matters were known. We must await the receiver's full report.

Mr. Dobson: On a point of order, Mr. Speaker. In view of the unsatisfactory nature of the Minister's answer, I shall take the earliest opportunity to try to raise this matter on the Adjournment.

Argentina

15. **Mr. Canavan** asked the Minister for Trade whether he will make a statement about the efficacy of the operation of trade sanctions against Argentina.

Mr. Peter Rees: While the efficacy of sanctions can never be precisely measured, it is already clear that the measures adopted by the European Community and others have put considerable pressure on the Argentine economy and undermined international confidence in it.

Mr. Canavan: Will the Minister order an inquiry into how the merchant bankers Schroder Wagg secretly transferred their entire Argentine loan book from London to Zurich on the day before the Argentine invasion of the Falkland Islands? In view of the fact that a complete economic boycott would be far more effective than military action, why are the Government not bringing pressure to bear on unpatriotic, greedy, British bankers who are using their overseas subsidiaries to prop up the Argentine junta, or do the Tory Government prefer to send young men to their deaths than to offend their friends in the City?

Mr. Rees: The hon. Gentleman speaks from a position of invincible prejudice. Even assuming that the facts outlined by him relating to a well-known City merchant bank are true, they obviously occurred before any measures were introduced by the Government.

The Argentine Government have complained, within the terms of the GATT, about the effectiveness of the measures and the damage that they are likely to do to the Argentine economy in the long run. That suggests that the measures have been well designed and are achieving their objective.

Mr. Eggar: Has my hon. and learned Friend any assessment of the value of trade that has taken place between the Soviet Union and Argentina since the commencement of hostilities?

Mr. Rees: No. We would welcome any information that my hon. Friend can give on that matter.

OVERSEAS DEVELOPMENT

European Development Fund

37. **Mr. Spearing** asked the Secretary of State for Foreign and Commonwealth Affairs if he is satisfied with the developmental quality of schemes initiated by the European development fund.

The Minister for Overseas Development (**Mr. Neil Marten**): Not entirely. We have long been concerned about the design and implementation of the programmes of the European development fund. Partly owing to our efforts, their quality has improved in recent years. We shall continue to work to secure further improvements.

Mr. Spearing: I am grateful to the Minister for his frank reply. Will he now look at some of the criticisms of the fund that have been made in the House? In particular, will he investigate why development investment in overseas territories enjoys the same criteria as that of the European Investment Bank inside Western Europe? Is that not an anomaly that should be looked at?

Mr. Marten: I shall do as the hon. Gentleman suggests and look at it.

Mr. Alton: What percentage of the total European budget accounts for the European development fund? What efforts will he make to achieve a greater co-ordination of effort between the various member States of the European Community in their approach to overseas aid and development?

Mr. Marten: We constantly try to get better co-ordination at the Council of Ministers' meetings. I regret that I cannot give the hon. Gentleman the exact figures off-the-cuff.

Falkland Islands

Mr. Tam Dalyell (West Lothian): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 9, for the purpose of discussing a matter of definite and urgent public importance, namely "the need for Foreign Office Ministers to clarify the attitude of our European partners towards the Falkland Islands crisis."

It is exactly 20 years to the day since I was first elected to the House and this is the first occasion—

Mr. Speaker: Order. I remind the hon. Gentleman that the matter that he wishes to raise was known before 12 o'clock midday. Therefore, he should have given me notice that he would seek leave to move the Adjournment of the House.

Mr. Dalyell *rose*—

Mr. Speaker: Order. The hon. Gentleman must behave exactly like other hon. Members.

Mr. Dalyell: I was about to say that it was the first time in 20 years that I had not given you notice—

Mr. Speaker: Order. I fear that this is the first time in 20 years that the hon. Gentleman has been out of order. The House and the hon. Gentleman knew about this issue before 12 o'clock, and I cannot allow him to pursue his application.

Mr. Dalyell: Certain events have taken place since 12 o'clock. I refer to the broadcast by the Foreign Minister of France, M. Cheysson, on Radio 4, which throws into question the amount of support that we can expect from our European partners. The matter is important, not least because every ministerial statement, broadcast and television appearance mentions the importance of international support, yet that is in grave danger—

Mr. Speaker: Order. I have listened to the hon. Gentleman. If he has new information that has emerged since 12 o'clock midday that might have a serious effect, he is justified in seeking the leave of the House to move the Adjournment under Standing Order No. 9, but he must make out the case for urgency, and so on.

Mr. Dalyell: The case for urgency is that our European partners may question the legality of the whole Falkland Islands operation. They are mystified and obfuscated about whether we are at war. Only recently, after 12 o'clock—

Mr. Speaker: Order. I am sure that the hon. Gentleman will not seek to make the speech that he would make if I were to allow his application. I hope that he will tell us about the new information that was not available before 12 o'clock midday.

Mr. Dalyell: The new information is the mystification—

Mr. Speaker: Order. I am afraid that I disagree with the hon. Gentleman and believe that he could have given me notice of the matter that he wishes to raise. I am sorry, but I do not propose to allow him to continue.

Mr. David Ennals (Norwich, North): On a point of order, Mr. Speaker. Unlike my hon. Friend the Member for West Lothian (Mr. Dalyell), I do not intend to move the Adjournment of the House. Has the Foreign Secretary made any application to make a statement? Since the House met on Friday there have been many important developments of which hon. Members on both sides of the House should have been informed. I refer not only—

Mr. Speaker: Order. The answer is that I have not received any application to make a statement to the House. If I had received an application, there would have been a statement.

Mr. Dalyell: On a genuine point of order, Mr. Speaker. The Foreign Minister of France, one of our major partners, has made a broadcast since 12 o'clock, which we could not have anticipated—

Mr. Speaker: Order. I have already given a ruling on that point and I must stand by it. Like everyone else, I listened to the news at 1 o'clock, but heard nothing that I could not have been told before 12 o'clock midday.

Mr. Peter Rees: No date has yet been fixed. There will have to be a full consideration by the Council of Ministers of the Commission's report upon the bilateral negotiations, which the Commission is required to make by the end of September. But the possibility of a discussion by the Council before then cannot be excluded.

23. Mr. Jack Straw asked the Minister for Trade whether it is still intended that the deadline for a final report to the European Economic Community Council of Ministers on the multi-fibre arrangement bilateral negotiations will be the end of September 1982.

Mr. Peter Rees: That is the date that the Council has set for the Commission's report.

26. Mr. Campbell-Savours asked the Minister for Trade if he is satisfied with the progress to date in the bilateral negotiations on the multi-fibre arrangement.

Mr. Peter Rees: So far the Commission has held only informal exploratory consultations with the supplying countries. Formal negotiations are scheduled to commence this week in Brussels.

Exports

17. Mr. Knox asked the Minister for Trade what proportion of British exports went to European Economic Community countries in the most recent 12 months for which figures are available; and how this figure compares with that for 1972.

Mr. Peter Rees: In the 12 months to February 1981, 43 per cent. of United Kingdom exports went to the countries of the European Community compared with 31 per cent. to the same countries in 1972.

Argentine Assets (Insurance Cover)

18. Mr. John Fraser asked the Minister for Trade what guidance his Department has given to British insurers and re-insurers of Argentine assets.

Dr. Vaughan: Advice to British firms was given by my right hon. Friend the then Secretary of State for Trade in his reply to the private notice question from my hon. Friend the Member for Honiton (Sir Peter Emery) on 5 April. Insurers have no doubt taken this into account in reaching decisions on Argentine insurance business.

British Airways

20. Mr. Tinn asked the Minister for Trade what were the total profits of each of the following main subsidiaries of British Airways: British Airways Engine Overhaul Ltd, International Air Radio Ltd, British Airways Associated Companies Ltd, British Airtours and British Airways Helicopters Ltd in each of the last two years for which the information is available.

Mr. Sproat: The last two years for which information is available are the 1979-80 and 1980-81 financial years. Taking the years in that order, the total post-tax profits for each subsidiary are as follows:

British Airways Engine Overhaul Limited: zero in each year;
International Aeradio Limited: £3.8 million and £3.7 million
British Airways Associated Companies Limited: £6.2 million and £6.4 million
British Airtours Limited: £4.2 million and £2.3 million
British Airways Helicopters Limited: £2.2 million and £1.8 million.

29. Mr. Sheerman asked the Minister for Trade if he will list the circumstances in which his authority is required before British Airways can sell off any of its subsidiary companies.

Mr. Sproat: British Airways do not require the Secretary of State's authority before they may sell off their subsidiary companies. But the Government would expect to be consulted in any important cases.

30. Mr. Norman Atkinson asked the Minister for Trade what was the total profit or loss of British Airways in the last three financial years; and what was the overall contribution to each of those figures by the subsidiary companies of British Airways.

Mr. Sproat: The last three years for which information is available are the financial years 1978-79, 1979-80, and 1980-81. In 1978-79 the British Airways group as a whole made after-tax profits of £62 million and the subsidiaries contributed £18 million. In 1979-80 the group made profits of £3½ million and the subsidiaries contributed £18 million. In 1980-81 the group made a loss of £145 million and the subsidiaries contributed profits of £21 million.

Mr. Neubert asked the Minister for Trade whether he will refer British Airways for investigation under section 11 of the Competition Act 1980.

Dr. Vaughan: A programme for the current year of investigations into the efficiency of certain nationalised industries and public sector bodies has already been announced. British Airways have not been included but they will be considered for possible inclusion in a future programme.

Argentine

21. Mr. Hoyle asked the Minister for Trade if he will introduce compensation for firms which suffer loss flowing from trade sanctions against Argentina.

Mr. Peter Rees: While we naturally regret the consequences for British firms of the trade sanctions we have imposed, it has not been the policy of successive Governments to pay compensation.

35. Sir David Price asked the Minister for Trade how effective the EEC embargo on trade with Argentina has been to date.

Mr. Peter Rees: The ban, which affects about a quarter of Argentina's exports, has demonstrated the EEC's opposition to Argentina's aggression and had an immediate impact on international confidence in the Argentine economy.

Mr. Dobson asked the Minister for Trade (1) if he will list any trade delegations or visits to the United Kingdom sponsored or arranged by the British Government since 3 May 1979 for Argentinian Ministers, officials or business persons, together with the names of any British Ministers or officials who met them; and if he will place in the Library copies of any press statements issued or speeches made in the course of or about such visits;

(2) if he will list those Ministers, officials and business persons who have visited Argentina since 3 May 1979 on official trade delegations; and if he will place in the Library copies of any press statements or speeches made in connection with such delegations, including those associated with visits by Ministers or officials of the Foreign and Commonwealth Office.

Mr. Peter Rees: I shall reply to the hon. Member as soon as possible.

Mr. Dobson asked the Minister for Trade if he will list the trade delegations mounted to Argentina since 3 May 1979; including any associated with visits by Ministers or officials of the Foreign and Commonwealth Office.

Mr. Peter Rees: The following delegations have visited the Argentine since 3 May 1979:

Date and Sponsor

- 14-25 May 1979—Manchester Chamber of Commerce and Industry
 - 22 May-9 June 1979—Ship and Boat Builders National Federation
 - 30 June-14 July 1979—British Food Export Council
 - 20 October-2 November 1979—Birmingham Chamber of Industry and Commerce
 - 3-18 November 1979—Publishers Association
 - 16-28 March 1980—British Agricultural Export Council
 - 28 June-1 July 1980—Engineering and Building Centre
 - 19-30 July 1980—British Food Export Council
 - 22-26 September 1980—Scottish Council (Development and Industry)
 - 5-17 October 1980—London Chamber of Commerce and Industry
 - 25 October-8 November 1980—Birmingham Chamber of Industry and Commerce
 - 2-21 November 1980—Association of British Mining and Equipment Companies
 - 28 March-12 April 1981—British Menswear Guild
 - 20 June-4 July 1981—Engineering and Building Centre
 - 10-17 July 1981—North of England Development Council
 - 9-23 October 1981—Birmingham Chamber of Industry and Commerce
 - 2-7 November 1981—Manchester Chamber of Commerce and Industry
- Outward Seminar*
- 9-11 June 1980—British Electrical and Allied Manufacturers Association

Textile and Clothing Imports

22. Mr. Barry Jones asked the Minister for Trade what was the level of imports of textiles and clothing in the latest available two-month period and for the same period in the previous year.

Mr. Peter Rees: The value of imports of textiles and textile clothing in December 1981 and January 1982 was £537 million cif and £439 million cif in the same months of 1980-81.

United States (Copyright Laws)

24. Mr. John Smith asked the Minister for Trade what representations have been made by his Department to the United States Government about the effect on trade with the United Kingdom of the American copyright laws.

Dr. Vaughan: The British Printing Industries Federation, which is most directly affected by this, has been campaigning against the United States copyright laws including lobbying United States senators directly. We are fully in support of its case and both our embassy and the representative of the European Communities in Washington have made a number of formal and informal representations in the past year, protesting strongly against possible continuation of the so-called United States manufacturing clause.

Penlee Lifeboat Disaster

25. Mr. Stott asked the Minister for Trade when he now expects to establish a full inquiry into the Penlee lifeboat disaster.

Mr. Sproat: Until the Irish Government decide the action that they should take on the loss of the "Union Star", the scope of the inquiry into the Penlee lifeboat disaster, and therefore its timing, cannot be determined.

Motor Cars (Origin Marking)

27. Mr. Lamborn asked the Minister for Trade if he will seek to amend the law so that origin marking of motor cars is made more distinct.

Dr. Vaughan: I see no need to do so. Conspicuous indications of origin are already required, under the Trade Descriptions Act 1972, on imported cars which bear a United Kingdom name or mark.

Package Holiday Industry

28. Mr. Gwilym Roberts asked the Minister for Trade if he will ask the Director General of Fair Trading to inquire into the practices of the package holiday industry.

Dr. Vaughan: I have no plans to do so. The Director General of Fair Trading already monitors codes of conduct which members of the Association of British Travel Agents are required to observe as a condition of membership.

Substandard Footwear

31. Mr. Nicholas Baker asked the Minister for Trade if he will formulate a code of practice to protect consumers from purchasing sub-standard footwear for their children which may be injurious to their health.

Dr. Vaughan: I am very conscious of the damage which can be done to children's feet from ill-fitting shoes. I am pleased to see that the Footwear Distributors Federation has adopted a code which takes account of these dangers, and I have placed copies of the code in the Library.

House of Fraser and Lonrho (Merger)

32. Mr. Teddy Taylor asked the Minister for Trade what representations he has received from the parties involved in the proposed merger of House of Fraser and Lonrho Ltd, since the report of the Monopolies and Mergers Commission was published on that proposal.

Dr. Vaughan: My right hon. and noble Friend has received many communications from, and on behalf of, both parties. He has also received representations from Lonrho concerning a possible review of the undertakings the company gave following the Monopolies and Mergers Commission's report. Before reaching a decision on these representations, my right hon. and noble Friend will be taking account of the advice of the Director General of Fair Trading and the views of House of Fraser.

Engineers' Tools (Imports)

33. Mr. John H. Osborn asked the Minister for Trade if he will compare levels of tariffs on engineers' tools,

Velocity was at a low point in early 1974. Velocity fell in the early 1970s, partly as a result of the institutional changes associated with the introduction of competition and credit control, and the effects of "round-tripping" in adding to recorded monetary growth. The increase in the velocity of £M3 after early 1974 partly reflected the introduction of the SSD scheme in December 1973, which gave banks an incentive to reduce the size of their balance sheets and encouraged disintermediation.

Anglia Building Society

Mr. Weetch asked the Chancellor of the Exchequer whether any officials of the Registry of Friendly Societies were present in an official capacity at the annual general meeting of the Anglia Building Society held on 20 April.

Sir Geoffrey Howe: None.

Nationalised Industries

Mr. Foulkes asked the Chancellor of the Exchequer if he will publish in the *Official Report* a table updating for 1982-83 on the same price bases the answer of 18 January 1982 to the hon. Member for South Ayrshire, *Official Report*, c. 78, on the disposal of public industrial interests.

Mr. Ridley: I shall let the hon. Member have a reply as soon as possible.

Value Added Tax

Mr. Montgomery asked the Chancellor of the Exchequer what was the value added tax yield in each of the last five years from (a) football and (b) the theatre.

Mr. Bruce-Gardyne [*pursuant to his reply*, 5 May 1982, c. 64]: I assume my hon. Friend is referring to the VAT yield from tickets for admission. Because traders registered for VAT are not required to make returns of the VAT charged on particular goods and services the information is not available but, from other sources, it is estimated that the yields from admissions to (a) association and rugby football matches and (b) theatres, concerts and circuses were of the order of:

	(a) Football etc.	(b) Theatres etc.
1977-78	5	5
1978-79	5	10
1979-80	10	15
1980-81	10	25
1981-82	10	25

	Population	£000 1979		£000 1980	
		Financial Aid	Technical Co-operation	Financial Aid	Technical Co-operation
Anguilla	7,000	863	197	750	241
Bermuda	55,000	—	15	—	28
British Antarctic Territory	No indigenous population	—	—	—	—
British Indian Ocean Territory	No indigenous population	—	—	—	—
British Virgin Islands	11,000	522	259	955	276
Cayman Islands	17,000	149	134	265	178
		(loan)		(loan)	

FOREIGN AND COMMONWEALTH AFFAIRS

Argentine Government (Pensions)

Mr. Silvester asked the Secretary of State for Foreign and Commonwealth Affairs how many people living in the United Kingdom are entitled to receive pensions from the Argentine Government; and what proposals he has for safeguarding these payments during the period of conflict.

Mr. Onslow: We have no information on the total number of United Kingdom residents entitled to receive Argentine pensions.

The payment of Argentine pensions has been suspended by the Argentine authorities. There is no statutory authority that would enable Her Majesty's Government to assume the lawful obligations of bodies resident in Argentina, or to provide financial compensation for the failure of the Argentine authorities' to meet those obligations. For our part we have placed no restrictions on the normal payment of pensions from Britain payable to residents of Argentina. In view of the hardship caused to pensioners by this Argentine action, we have asked the Swiss Government to make representations on our behalf to the Argentine authorities.

Supplementary benefit would be available to pensioners in these circumstances, subject to the normal qualifying conditions.

United Kingdom Dependencies

Mr. Iain Mills asked the Secretary of State for Foreign and Commonwealth Affairs if he will publish a list of the United Kingdom's dependencies.

Mr. Onslow: The remaining dependent territories are:

Anguilla
Bermuda
British Antarctic Territory
British Indian Ocean Territory
British Virgin Islands
Cayman Islands
Falkland Islands and Dependencies
Gibraltar
Hong Kong
Montserrat
Picaim Group of Islands
St. Helena and Dependencies
Turks and Caicos Islands.

Mr. Iain Mills asked the Secretary of State for Foreign and Commonwealth Affairs what is the population of each of the United Kingdom's dependencies; and how much aid was given in 1979, 1980 and 1981 to each dependency both directly as grant aid and indirectly as technical aid.

Mr. Onslow: The details are as follows:

	Population	£000 1979 Financial Aid	Technical Co-operation	£000 1980 Financial Aid	Technical Co-operation
Falkland Islands	1,800	*442	473	†587	427
Gibraltar	29,800	2,788	425	4,472	476
Hong Kong	5,150,000	—	185	—	376
Montserrat	12,100	376	152	1,011	211
Pitcairn	54	—	—	47	—
St. Helena and dependencies	6,500	3,553	382	3,279	516
Turks and Caicos Islands	7,500	848	167	849	412

*includes £5,000 loan.
†includes £30,000 loan.

The aid figures for 1981 are not yet available.

Mr. Iain Mills asked the Secretary of State for Foreign and Commonwealth Affairs if he will publish a list of the most recent visits by (a) Ministers and (b) officials normally based in the United Kingdom to each dependency; and when is the expected next visit by Ministers or United Kingdom based officials to each dependency.

Mr. Onslow: Most recent visits since the end of 1980 are as follows:

	(a) By Ministers	(b) By Officials
	Minister for Overseas Development May 1982	FCO Official March 1982
Anguilla		
Bermuda	Prime Minister October 1981	FCO Official February 1982
British Antarctic Territory	—	Director, British Antarctic Survey February 1982
British Indian Ocean Territory	—	—
British Virgin Islands	—	FCO Official April 1982
Cayman Islands	—	ODA Official March 1982
Falkland Islands	Minister of State, FCO December 1980	FCO Official June 1981
Gibraltar	—	MOD Officials April 1982
Hong Kong	Minister of State, (Armed Forces) March 1982	FCO Official April 1982
Montserrat	Minister for Overseas Development May 1982	FCO Official March 1982
Pitcairn	—	—
St. Helena and Dependencies	—	FCO Official February 1982 (Ascension)
Turks and Caicos Islands	Minister for Overseas Development April 1982	FCO Officials February 1982

The next estimated visits by Ministers and officials are as follows:

	(a) By Ministers	(b) By Officials
Anguilla	Not yet decided	Not yet decided
Bermuda	Not yet decided	Note yet decided
British Antarctic Territory	—	Not yet decided
British Indian Ocean Territory	—	Not yet decided
British Virgin Islands	Not yet decided	FCO Official June 1982
Cayman Islands	Not yet decided	Not yet decided
Falkland Islands	—	—
Gibraltar	Not yet decided	Not yet decided
Hong Kong	Prime Minister September 1982	BOTB Official June 1982
Montserrat	Not yet decided	ODA Official July 1982
Pitcairn	—	—
St. Helena and Dependencies	—	FCO/ODA Officials June 1982
Turks and Caicos Islands	Not yet decided	ODA Officials June 1982

Mr. Iain Mills asked the Secretary of State for Foreign and Commonwealth Affairs how many of his Department's staff responsible for each of the United Kingdom's dependencies are normally resident (a) in the United Kingdom, (b) in the dependency and (c) elsewhere.

Mr. Onslow: There are 43 Diplomatic Service staff in London dealing with dependent territory matters. There are 14 Diplomatic Service officers serving in dependent territories administrations, as follows:

Anguilla (1), Bermuda (2), Gibraltar (2), Hong Kong (4), St. Helena and dependencies (4), Turks and Caicos (1). There were also three officers in the Falkland Islands. In addition, the British High Commissioner in New Zealand, resident in Wellington, is concurrently non-resident governor of the Pitcairn Group of Islands.

Shanghai

Mr. Arnold asked the Secretary of State for Foreign and Commonwealth Affairs whether he has plans to re-open a consulate in Shanghai.

Mr. Rifkind: We shall be discussing this matter with the Chinese in the coming months.

Argentina

Mr. Dobson asked the Secretary of State for Foreign and Commonwealth Affairs if he will place in the Library copies of all public speeches made since 3 May 1979 by British Ministers or officials in Argentina, including those made by the British ambassador and embassy staff.

Mr. Onslow: No. Present circumstances, including the closure of the British embassy in Buenos Aires, make it impracticable to undertake the research which this would require.

Mr. Marlow asked the Secretary of State for Foreign and Commonwealth Affairs whether the Israelis have given an undertaking not to supply further weapons to the Argentinians and from what effective date.

Mr. Onslow: The Israelis have not given an undertaking in these terms, but having had careful inquiries made I am satisfied that we should have no serious cause for concern on this matter. We are of course continuing to follow up all reports of arms supplies to Argentina from any source.

Brazilian Ambassador

Mr. Rowlands asked the Secretary of State for Foreign and Commonwealth Affairs when he last met the Brazilian ambassador to the United Kingdom; and when he intends to meet him next.

Mr. Pym: I have not as yet met the Brazilian ambassador. My predecessor last met him on 30 November.

EDUCATION AND SCIENCE

School Curriculum Development Council

Mr. Greenway asked the Secretary of State for Education and Science if he will ensure that there is representation for the Churches on the new schools' curriculum body; and if he will make a statement.

Dr. Boyson: The Government's proposals for the establishment of a school curriculum development council are the subject of discussion with the local authority associations. The discussions will certainly bear in mind the role of the churches in the voluntary sector of education.

Corporal Punishment (Cost of Alternatives)

Mr. Greenway asked the Secretary of State for Education and Science what alternatives to corporal punishment have been established by those local education authorities which have abolished corporal punishment; and what is the estimated cost of each of these.

Dr. Boyson: Schools apply a wide variety of sanctions in areas where corporal punishment has been abolished, including an increased use of fines, detentions and exclusion from school. There is no generally accepted set of estimates covering the cost, where applicable, of these other sanctions.

Education Grant

Mrs. Renée Short asked the Secretary of State for Education and Science if he is considering proposals to separate the education grant from the general block grant to local authorities; and if he will make a statement.

Sir Keith Joseph: The Green Paper, "Alternatives to Domestic Rates", published in December 1981, refers in annex B to various alternative ways of financing the education service including the possibility of paying an education grant in support of education expenditure by local authorities, separate from the block grant. The Government are currently considering the comments which have been made on the various possibilities discussed in the Green Paper including the comments on annex B.

Fees and Maintenance Grants

Mr. Douglas asked the Secretary of State for Education and Science what are the maximum fees and maintenance grants paid to United Kingdom students, undergraduate and postgraduate, attending universities in the United Kingdom living (a) at home, (b) away from home, (c) in London and (d) in residence at colleges in Oxford and Cambridge; and if, where possible, he will give the breakdown of grants to distinguish between university and college charges and other maintenance payments.

Mr. Waldegrave: The rates of maintenance grant payable under the Education (Mandatory Awards) Regulations to undergraduates for the academic years 1981-82 and 1982-83 are as follows:

	1981-82 £	1982-83 £
For students living at home	1,180	1,225
For students living away from home other than in London (including those in residence at colleges at Oxford and Cambridge)	1,535	1,595
For students living away from home in London	1,825	1,900

Undergraduate awards are subject to parental contribution.

The rates of maintenance grant payable to postgraduates holding postgraduate studentships are as follows:

	1981-82 £	1982-83 £
For students living at home	1,640	1,705
For students living away from home other than in London (including those in residence at colleges at Oxford and Cambridge)	2,245	2,335
For students living away from home in London	2,770	2,880

In addition, undergraduate and postgraduate students may receive supplementary maintenance in respect of such expenses as extra weeks attendance, excess travelling expenses and dependants allowances.

The maximum fees payable for undergraduates are £900 in 1981-82 and £480 in 1982-83. In addition there may be paid college fees or dues at the universities of Cambridge, Durham, Kent, Lancaster, Oxford and York, and any fees charged by an external body in respect of