EXTRACT FROM THE NEWS AT ONE O'CLOCK, TUESDAY 1 JUNE 1982

Reporter: A short time ago, the Chairman of the Conservative Party, Cecil Parkinson, came out of a meeting of the Inner Cabinet at Downing Street, where they had been hearing the latest reports of the fighting on the Falklands. Our Political Correspondent, Neville Lewis, asked Mr Parkinson whether the Cabinet shared the reported view of Alexander Haig that the Argentines should not be humiliated by Britain pressing for an all-out victory.

Mr Parkinson: We have a very simple objective and we've had it all along and that is for the Argentinians to comply with Resolution 502 of the United Nations and to withdraw their troops from British territory. That's what we would like to see. We have said all along we would have preferred to negotiate them off the Islands. But if they wouldn't leave, we would have to use military force. And that is still our position. We would prefer them to leave, to withdraw, but if they won't we will have to go in and we'll have to repossess the British territory in the Falklands.

Reporter: Can you say whether the battle for Port Stanley is on or whether there is going to be any pause for a final offer of surrender to the Argentines?

Mr Parkinson: No, I can't comment on that. I think there has been, and in my view a perfectly justifiable concern, expressed over there that too much speculation is taking place here about what might or might not be done and that it actually could put them in a difficulty militarily so I am not prepared to say any more.

Reporter: Without being over optimistic, when the Argentines are off the Islands what has the Government decided should be the next stage? Will the Governor be returning immediately for instance?

Mr Parkinson: Those things are being discussed now. We still have as our first overriding objective repossessing our territory. But we want to get back to normal, or as near to

normal as quickly as we can and the decisions about how we should do that are being taken at the moment.

Reporter: Mr Pym has spoken that eventually there would have to be negotiations again. What are the differences of opinion about this? What are the options?

Mr Parkinson: I don't think there are any differences of opinion within the Cabinet or within the Inner Group at all about this. There's a great deal of speculation. We're discussing how we can guarantee the future security of the Islands and return the Islanders to their normal way of life and to give the economy of the Islands a boost and improve the way of life if possible.

Reporter: There have been requests that the bodies of servicemen killed in the Falklands should be returned to this country. What is the Government's view on that?

Mr Parkinson: There is a time honoured way of dealing with the dead soldiers and sailors and airmen. They are buried decently and promptly during the conflict and then subsequently reburied in war graves, cemeteries run by the War Graves Commission, and in my former job as Trade Minister, whenever I was in a country and there was a cemetery I used to make a point of visiting it. I went to Romania and Algeria - two that spring immediately to mind. They are beautifully kept. And this has been the traditional method of dealing with those who have fallen in the service of the country overseas. If the families feel very strongly that they want something different, then of course I am sure the Government would be happy to consider that.

Reporter: The Chairman of the Conservative Party just out from a meeting of the War Cabinet, Cecil Parkinson.