

PRIME MINISTER

THIS WEEK - HIGHLIGHTS

This will be a heavy week - and it would have been without the Falklands - with the following:

- Government's third anniversary;
- local elections (Thurs);
- announcement of series of pay decisions (? Thurs);
- NHS, dock and rail disputes possibly coming to a head;
- anniversary of Bobby Sands' death (Wed).

The Queen will be on Merseyside tomorrow and in Manchester on Thursday.

Other events include the EC Agriculture and Industry Councils (tomorrow); NATO Defence Planning Council Ministerial meeting (Thurs and Friday); and the El Salvador election observers' report (Fri).

Details:

- FALKLANDS - the screw tightens; invasion fever; Mr Pym's diplomatic efforts; ?all party talks; ?debate Thursday.
- ECONOMY - NEDC (Wednesday);
- CBI Industrial trends, UK reserves; and capital issues and redemptions - all for April on Wed;
- Vehicle production (April) and housing starts (Mar) - Thurs.
- INDUSTRY - Anglo-French Ministerial meeting on Concorde (Thurs).
- MINISTERS - Chancellor at Periodical Publishers' Association (tomorrow);
- Mr Jenkin at Electronic Association dinner (Wed);
- Mr Tebbit at Welbeck Group inaugural lecture on industrial relations (Wed); in South West on Thurs;
- Mr Lawson at ABCC (Thurs);
- Mr Walker at British Poultry Federation (Thurs);
- Sir George Young on BBC TV Question Time (Thurs).

BN
B. INGHAM
4 May 1982

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PRIME MINISTER

DIARY

Falkland Islands: Mr Pym reports; Cabinet; Statement; Belgrano follow-up; ? all party talks; Shadow Cabinet considers military situation. The Queen visits Merseyside.

EC: Agriculture Council, Brussels.

EC: Industry Council, Brussels.

Sports Council 'Sport and People' Exhibition and Conference, Wembley.

AUEW election results.

National Chamber of Trade Conference, Guernsey.

Publications:

Electoral statistics - Local Government.

Pay:

Greater London Council/ILEA (APT Grades): Management to respond to claim.

Parliament:

Commons:

Questions:

Prime Minister, Employment.

Business:

Remaining stages of the Local Government and Planning (Scotland) Bill.

Select Committees:

ENVIRONMENT: Enquiry into methods of financing Local Government in the context of the Government's Green Paper (Cmnd 8449). (Witnesses: Department of the Environment officials (at 4pm), Inland Revenue officials (at 5pm).

PARLIAMENTARY COMMISSIONER FOR ADMINISTRATION: Reports of the Parliamentary Commissioner for Administration. (Witness: Sir Cecil Clothier KCB, QC, Parliamentary Commissioner for Administration).

FOREIGN AFFAIRS: OVERSEAS DEVELOPMENT SUB-COMMITTEE: Overseas Development Administration Supply Estimate 1982-83, Class II, Votes 9, 10 and 11. (Witnesses: Council for World Development Education).

Lords:

Administration of Justice Bill (HL): Report Lord Chancellor (1st Day).
Oil and Gas (Enterprise) Bill: Committee (1st Day).
Copyright Act 1956 (Amendment) Bill: Third Reading.

Ministers - see Annex

FALKLANDS

- Argentine admits sinking of Belgrano - claims it was up to 50 miles outside TEZ; worries about how many men lost - 700 or 1200 - only 123 picked up so far.
- Claimed to have been sunk by nuclear sub Conqueror.
- Patrol boat sunk and another damaged.
- Mr Nott says it is consistent with policy of minimum force; junta does not appear to have will to settle dispute without fighting.
- Several newspapers wonder what next? And some emphasise tactics now dictate a tightening of the blockade but no immediate invasion.
- Jack Warden, Express, says in space of weekend Argentine plight worsened to extent it is almost fatal; disaster of national proportions faces them - only way out is to surrender.
- Mail sees the noose tightening before final assault; troops may be ready for Thursday.
- US says Argentines may be able to make limited use of Port Stanley runway but that their only aircraft carrier may be hors de combat with mechanical trouble.
- Concern in Whitehall over lack of film of hostilities to counter Argentine propaganda.
- QE2 requisitioned and 3000 troops to sail in it seen as eventual garrison; suggestion that Bulwark is to be used as a barracks.
- Several military features on the weekend's activities in which Argentine seen as three times loser; Sun feature on killer subs - nuclear sharks which strike from 30 miles away; Telegraph says 8 Soviet satellites are spying on Islands.

In Falklands:

- Argentine news agency says 11 Falklanders were killed and 17 injured in raid on Darwin in South Georgia.
- 2 film girls and 13 scientists on way home.

In Argentine:

- BBC being jammed, but inefficiently; Voice of America unjammed over its 6 hours of broadcasts.
- Mail says propaganda is everywhere from cinema to restaurant bills.
- Reagan's 7 point plan submitted by Haig through Peru and rejected by junta.

International:

- Times says EC extremely unlikely automatically to renew economic and commercial sanctions mid-month with Ireland, Denmark and Germany very worried about turn of events; Guardian adds Italy to list and says sanctions of this kind only likely to be renewed if fighting stops and we submit to UN mediation.

- France fears a major increase in East/West tension.
- Ertl expects us to soften stance on Budget because of EC help.
- Brazil willing to sell anti sub and naval reconnaissance aircraft to Argentine.
- USA said to be shocked by heavy casualties this weekend and movement of opinion in American hemisphere against USA.
- US News and World Report say you are the most admired foreign leader among Americans.
- Chile official reticent to back us but people unabashed supporters - and quietly helping Britain behind scenes.

Economic:

- f and stock market expected to fall today after weekend events.
- Tim Congdon, Telegraph, finds parallels in Argentine intervention and protectionism with Labour's alternative strategy.

In UK:

- Guardian thinks there is a political row looming over Foot's refusal to take part in all party talks; Owen puts pressure on him to accept.
- D/Star legal expert suggests Benn is pretty close to treason or an offence under Incitement to Disaffection Act.
- Communist NUS leader in Felixstowe tries to dissuade NUS men from going to war with ferries because union can't protect them.
- John Page MP accuses BBC's presentation of conflicting BBC and Argentine reports as near treason.
- 6 MPs - 3 Labour and 3 Tory - to go to USA to do radio and TV to counter Argentine propaganda.
- Almost universal view that MoD spokesman Ian Macdonald is an inspired choice.

Comment:

Mirror: Britain is playing cat and mouse game with Argentine and cat is winning but only negotiation can bring lasting settlement but who will we negotiate with?

Express: Sinking has proved our power and determination; casualties to be regretted; but no other consequences to be expected; diplomatic solution looks distant.

Mail: With determined efficiency battle fleet now doing its job; we have proved our superiority; Argentine army under siege; game is up for junta; not likely now we shall be able to bargain away Falklands when lives have been put at risk.

Telegraph: Disturbing aspect is systematic way junta lying to people; people heading for almighty let down and this will bring worse reaction.

Times: Prospect of Soviet fishing in South Atlantic waters has to be set against principle that has been vindicated; law must be observed and credibility of policy of deterrence emphasised.

Guardian: Task Force accomplished everything that you could have hoped; but risks continue; Foot's refusal to take part in talks may be politically but he has been consistent.

FT: We no longer doubt an assault may be necessary but we hope steadily mounting pressure will change minds but not optimistic Government needs to make it clear no objection to going to ICJ or UN trusteeship; need to maintain international and domestic support.

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4 May 1982

OTHER NEWS

Pay and Disputes

- Dockers' leaders meet DE PUSS, Mr. Waddington today for discussions ahead of threatened strike on 10 May.
- TUC Health Service Committee meet today to discuss industrial action. NUPE expects majority for action.
- McCarthy to report this week, possibly on Friday.
- Dispute over plans to cut overtime work for Liverpool gravediggers holds up burials.

Economy

- Summing up on whether the economy is improving, Samuel Brittain says that current output and employment indicators are cause for relief rather than excitement. The rise in private investment is encouraging and exciting.

Unemployment

- Only 5.4% of people aged between 16 and 18 have full-time jobs in the Croxteth area of Liverpool according to the local community leaders who are pressing for Inner City partnership help.

Nationalised Industries

- BR denies that it is abandoning APT: it is also drawing up plans for a new high speed train.
- British Airways launch £2m advertising campaign.

/ - Geoffrey Goodman

- Geoffrey Goodman writing on bad relations between Government and nationalised industry Chairman reports dinner at which Chairman expressed strong feelings to Permanent Secretaries.

Channel Tunnel

- Ministers will discuss proposals this week.

Air Fares

- Higher trans-atlantic fares likely following new agreement between US and 10 European countries.

Steel

- FT leader on the urgent need to reduce over capacity for steel-making in Europe.

Pension Funds

- Treasury looking at tax changes to encourage pension funds to channel money into industry through bond market.

North Sea Oil

- Government considering changes for rules in granting exploration licences including possibly the technical contribution made by foreign companies.

Local Authorities

- Mr. Heseltine has been advised that local government elections may lead to increased local authority overspending.
- Treasury has started to put pressure on him to act against authorities budgeting to overspend.
- Kensington and Chelsea rates demands referred to District Auditor by candidates who claim that money is used for Conservative Party objectives.
- Humberside councillors have claimed £126,000 in allowances and attendance money.

Housing

- Thousands of council tenants who bought their homes are running risk of defaulting - Shelter.

Education

- Rhodes Boyson yesterday attacked introduction of "peace studies" in schools.

Law and Order

- Progressive teaching methods including positive discrimination for black children contributed to street violence and racial tension says former education officer for Ealing.
- Magistrates ask for experimental scheme to release prisoners for days to ease overcrowding.

Drugs

- Senior lecturer at London hospital criticises Government ban on long term use of Depo-Provera.
- Guardian says Government was absolutely right and should

/think

think again about licensing even single doses.

Moonies

- More than 100 MPs support appeal to remove Unification Church from register of charities. Sir Timothy Kitson hopes to raise matter with you.

Pope

- Militant Protestant groups plan demonstrations in Liverpool and Glasgow during his visit.

International

- Police use tear gas and water cannon to clear Solidarity demonstrators in Warsaw. Telegraph leader says it is hard to believe that West's conditions for liberalisation could be achieved and that rescheduling of debts can go ahead.
- President Reagan is interested in meeting Mr. Brezhnev for "well prepared" discussions in October but still hopes for meeting in June.
- FT feature on US budget says it will be far less easy for President Reagan to get his way with Congress this time.
- Mike Hoare said that South African intelligence service knew of attempt in Seychelles coup and South African army provided arms.
- Begin yesterday expressed his long term intention of sovereignty over West Bank.
- Economic research institutes expect West German growth of only 0.5% and increased unemployment this year.
- Times leader says Britain should use its influence with Turkey to help Greek Cypriots.

/Politics

Politics

- Labour Party plans to reduce power of Treasury and enhance Department of Industry.

- Peter Stothard says many on right of Party regard John Hoskyns' departure as final defeat for radical approach to Government which you promised.

Ministers:

Mr Heseltine opens "Wildlife in a New Town Environment" exhibition, Centre Point, London.

Mr Whitelaw presents Cup at Metropolitan Police Football Finals, Crystal Palace. (6.00pm).

Sir Geoffrey Howe addresses Periodical Publishers Association, London.

Mr Walker and Mr Buchanan-Smith attend EC Agriculture Council, Brussels.

Mr Jenkin attends EC Industry Ministers meeting, Brussels.

Mr King opens International Symposium on Property Tax, London.

Sir George Young pays PSA visit to the South West.

Mr Raison speaks to the Parliamentary Information Technology Committee on data protection. (6.00pm).

Mr Baker at International Conference on Solar Arrays, Bath.

Mr Butcher addresses Oxford University Industrial Society on IT.

Mr Mellor visits Babcock Ltd, Renfrew, Scotland.

Mr Rees speaks at Trade Policy Research Centre.

Dr Vaughan speaks to Incorporated Society of Valuers and Auctioneers.

Mr Clarke attends opening by the Queen of Arrowe Park Hospital, Birkenhead (10.30am).

Mrs Fenner visits Ministry's Animal Health Divisions, Tolworth.

Lord Limerick speaks at London World Trade Centre Association's Council dinner.