

11/5

PRIME MINISTER

DIARY

Falkland Islands: Irish Prime Minister's statement; South Georgia prisoners arrive on Ascension Islands; UN talks; harrassment of Falkland Islands.

Vote on death penalty.

EC: Informal meeting of Agriculture Ministers, Belgium.

EC: Budget Council.

OECD Ministerial meeting, Paris.

European Parliament, Strasbourg.

CPSA conference, Brighton.

SCPS conference, Southport.

TSSA conference, Bournemouth.

CLEAR symposium on Lead in the Environment, London.

General strike in Portugal.

Young employment 'On your Bike' demonstration.

HMI Report on Education in Toxteth.

Publications:

Scottish Transport Group's Annual Report 1980.

Government Reply to Select Committee.

HMI Report on Toxteth.

Report on Priority Estates Project.

Defence Select Committee Report on Strategic Nuclear Weapons Policy.

Statistics:

Retail sales (Mar-final).

Wholesale price index numbers (April).

Hire purchase and other instalment credit business (March).

London clearing banks' monthly statement (mid-April).

Provisional estimates of monetary aggregates (mid-April).

Census 1981 County Monitor Essex, Cumbria, Dorset.

Divorces 1981.

Marriages 1981.

Labour force survey 1981.

Pay  
London Transport/Bus platform staff: further discussion on union's claim.  
London Transport/Road workshop grades: further discussion on union's claim.

Parliament:

Commons:

Questions: Prime Minister, Social Services.

Business: Remaining stages of the Criminal Justice Bill. Motions on the Town and Country Planning (Fees for applications and deemed applications) (Amendment) Regulations, for England and Wales and for Scotland.

Select Committees: ENVIRONMENT: Enquiry into methods of financing Local Government in the context of the Government's Green Paper (Cmnd 8449). (Witnesses: Officials from the Department of Environment; National and Local Government Officers Association).  
FOREIGN AFFAIRS: OVERSEAS DEVELOPMENT SUB-COMMITTEE: Overseas Development Administration Supply Estimates 1982-83. (Witnesses: Oxfam, British Volunteer Programme)  
Oil and Gas (Enterprise) Bill: Committee (2nd day).  
Social Security and Housing Benefits Bill: Committee (3rd day).

Lords:

Ministers - see Annex

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PRESS DIGEST

FALKLANDS

Main features today:

- More shelling of Port Stanley by Task Force to keep up harassment.
- Some suggestions that Argentine slightly softening its line over sovereignty, though it is still demanding eventual handover.
- Peter Jenkins, Guardian, says Cabinet will soon be faced with a painful and fateful choice - whether to accept a compromise which falls well short of what Parliament and public have been led to expect or whether to invade; gives details of present state of negotiations and says that and compromise you endorse will carry Cabinet.
- Row over BBC coverage intensifies with complaints about pro-Argentine bias of Panorama last night - Mary Whitehouse to lodge formal complaint
- In EC Mr Walker insists there is no trade off between Mandate and agricultural prices and support for us over Falklands.

Military:

- Net is tightening and getting tighter, though light planes may have been getting through net; Mirror says shelling boosts morale of Islanders.
- More stories of SAS and SBS working on the Islands.
- Express says Task Force is posed for an assault - all it needs is Cabinet go ahead.
- Mall says Task Force now has enemy in its sights and from now on there will be no rest or hiding place for occupation forces.

- Morships sail to join Task Force; Sheffield sinks after equipment salvaged; Narwal goes down.
- 751 out of 1042 Belgrano complement saved.
- Air control zone around Ascension introduced.
- Junta reported to be frantic to find missiles, according to US analysts.
- Argentines claim we are dropping cluster anti-personnel bombs.
- Guardian and FT reveal Cabinet has discussed a formal declaration of war and that advice is against it because of trade, financial and status of British citizens complications.
- Mirror feature on operations centre at Northwood.

#### Diplomatic:

- Last minute peace efforts.
- Parsons says we should know whether the Argentines want a peaceful solution within 24-48 hours.

#### Media:

- Mr Pym at Select Committee urges people who complain about BBC coverage to put their complaints to Corporation; (tells Select Cttee we have not taken line that it is sovereign British territory for ever and a day and there are many options for future).
- Motion tabled by Conservative MPs protesting about BBC coverage; Panorama programme's bias jams BBC switchboard. Geoffrey Rippon says it was one of the most despicable programmes it has ever been my misfortune to witness.
- BBC statement says it is not neutral as between UK and Argentine.
- BBC says it and ITN have repeatedly emphasised urgency of getting film back from the Task Force.
- Allegations that there is a row between BBC and BA correspondents who have been told not automatically to file every communique from junta.
- In Argentine 80-minute film of Task Force raid on May 1 shown on TV on Sunday.
- Telegraph writer highlights the different instruction to media as between on board ship and in London.
- 94% of Falkland Islanders, in Panorama poll, says Britain should invade if all else fails.

#### Welfare:

- Firms say they are ready to contribute to Sheffield fund for families; sensitive to allegations that they contributed money to Argentine fund raising Telethon.

#### In UK:

- HMS Liverpool handed over to Navy a year ahead of schedule; conversion work to QE2 completed in 6 days.
- HMS Brazen to be handed over next month instead of September.
- Patriotic BL worker suspended for fighting with a fellow who gloated over dead on HMS Sheffield.

- Jim Callaghan, at Kissinger lecture, warmly applauded for his support for you and Cabinet in difficult task; stresses importance to world of stand you are taking.
- John Browne MP has written to you wanting to serve with Task Force.

Pope:

- Visit still on.

Sport:

- Growing feeling that Scotland and Northern Ireland will pull out of World Cup; their opinion seems to be ahead of England.

EC:

- Belgian official says arms export ban will continue even if economic sanctions don't; we remain confident sanctions will be renewed.

Comment:

D/Star: British shipyard workers are proving (with early delivery of warships) that they can do a job second to none in the world.

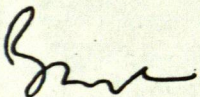
Sun: Some men in Tyne shipyard putting in 84 hours a week to finish carrier Illustrious next month instead of September ... these people and not paper warriors with all their trembling self-doubt, who typify Britain's response.

Mirror: Lies, damned lies and Argentine communiques ... but while they are laughed at elsewhere they are serious because a peace settlement becomes more difficult as long as they are believed in the Argentine and shows perils of unfree media.

Express: Longer we delay weaker our case and military posture; looks as if UN diplomatic effort is about to collapse; if diplomacy is exhausted and weather no bar, time has surely arrived to put task force to test; to delay any longer will smack of irresolution.

Mail: Falklands have been bad for SDP but good for David Owen; Mail no longer sure Roy Jenkins is man to lead them ... where Owen has been firm on the Falklands Jenkins has sounded flaccid.

Telegraph: Says cost of expedition so far no more than £300m, including replacement of Sheffield, Harriers. Difficult to envisage how Falklands will throw the economy off course. At worst interest rate fall may be delayed and opportunity of tax relief this autumn lost.



11.5.82

## Pay and Disputes

Health Unions announce one day strike next week followed by series of 2 hour strikes every Thursday. Patients needing emergency treatment would be admitted and cared for.

3 pickets arrested in clash with nurses outside Oldham Hospital.

Telegraph leader emphasises that hospital ancillaries are unqualified to pass judgement on patients' condition.

Guardian leader says the Government will find it extremely hard to justify its stand as one of principle. Its policy is a shambles: the famous 4% norm has been honoured more in the breach than in the observance. Many nurses and many more ancillaries earn wages below the poverty line. Hardly the way to run either an incomes policy or Health Service.

Mail leader says if another 2% can buy off long and festering dispute then we would advise the Cabinet to authorise Norman Fowler to pay it.

Leaders of 8,000 College and Polytechnic lecturers recommend acceptance of offer worth about 5.8%.

Sid Weighell welcomes McCarthy report as vindication of NCR decision to accept flexible rostering.

Times leader says there is much more at stake than an immediate saving of £15m a year. In the longer run the approach will cost far more jobs because the country will only be able to afford only a minimal rail system.

Salaries are on the agenda for Friday's meeting of the Nationalised Industries Chairmen's Group. Times says they are resigned to increases of no more than 6%.

FT says all claims will exceed 4%.

FT reports Ministers have decided to keep increases in MPs' pay to 4%. Groups covered by TSRB may get averages over 6% and in some cases well into double figures.

Magaw likely to recommend that comparability should no longer be overriding principle in determining Civil Service pay.

Civil Service Unions about to agree on £500,000 fighting fund.

Dockers palm one day strike on 10 June which has been designated "Union Day" by the TUC.

## Economy

Visible trade surplus of £174m and estimated current surplus of £654m in February. Department of Trade thinks that recent trends in export volume is flat.

Henley College study suggests record number of business deaths in 1981.

FT feature on NEDO.

## Nationalised Industries

NUR to prepare their own review of British Rail covering range of pay, conditions and productivity issues as well as Government investment and privatisation.

BR criticised at TSSA Conference for disposing assets at "bargain basement prices".

"B"

BAA in talks with Department of Trade about ways to attract more private finance for investment.

British Gas announce two new finds off Lancashire coast.

South Wales NUR discloses EC proposals to run down "unprofitable coal output".

DI said to have drawn up short list for Michael Edwardes successor at BL.

### Public Services

Leon Brittan questions how much State can provide free in health, social security and education services in a speech to the Institute of Fiscal Studies and hints at development of two-tier services with more private sector involvement.

DHSS change rules for students. They are now eligible for Supplementary Benefit if spending more than 21 hours a week in actual classroom instruction.

Government inquiry sought into case of Yorkshire miner's widow refused pension following husband's death from pneumoconiosis.

Labour NEC proposed to nationalise private hospitals and clinics to serve local needs.

### Law and Order

James Jardine claims that MPs ignore the views of the majority of people in favour of hanging.

51 London police are at present suspended during enquiries by Complaints Investigation Branch.

Parents of young blacks who died in Deptford fire given leave to apply for new inquest.

Coventry skinheads jailed for part in murdering Asian.

### Northern Ireland

Two PPs resign and 23 Conservatives vote against Devolution Bill on Second Reading. Mr Prior hints that Government is prepared to concede Assembly's right to debate security and law and order issues. Guardian says there is growing speculation that Bill cannot be bludgeoned through Commons. The Government have not committed themselves to a guillotine.

Mr Haughey to appoint members from each of the Northern Ireland communities to serve in the Dublin Senate.

Northern Ireland Labour Party may be disbanded. Secret conference to consider its future later this month.

### Defence

A US congressional study into the medium range cruise missile recommends solving down its production and says "if deployed as currently scheduled, the missile will not be fully capable".

Guardian leader says Britain has to make its own contribution to arms reduction if the new balance suggested by President Reagan is to carry conviction. It can do that, first but not finally, by placing limits on its own capability well short of the huge increments which Trident would provide.

EEC

- Britain continues to block EC farm prices deal and rejects suggestion that it should be linked with Argentine sanctions.
- FT reports that Britain has indicated its readiness to settle for a one year Budget arrangement.
- MEPs back "watering down" proposals for greater employment involvement.
- Commission allocates £18.4m for redevelopment schemes in towns affected by steel closures. UK Government to contribute further £11m.
- European Commission contributes £4.3m to Manchester Job Creation Scheme.

International

- President Reagan repeats two stage disarmament plan. Reports of domestic US criticism for proposals. Russia dismisses proposals as "hopeless attempt" to ensure American superiority over Soviet Union.
- Times leader describes proposals as only a start but a good start.

Pope

- Cardinal Hume flies to Rome yesterday, leads to speculation about Pope cancelling visit.

Trident

- Licensing Justices refuse Trident Television gaming license for the former Playboy Club.

Taxi Fares

- London fares to rise on average by 10%.

Politics

- David Owen hints he will run for leadership of SDP. Apparent Alliance split on statutory incomes policy following statement by Beaconsfield candidate.
- About one-third of original contributors to SDP have failed to renew subscriptions.

B INGHAM  
11 May 1982

Mr Tebbit addresses Federation of Civil Engineering Contractors' dinner, Hilton Hotel. (7.45 pm).

Mr Fowler addresses Age Concern Conference, Royal Commonwealth Society (10.45 am).

Mr Fowler attends Florence Nightingale Commemoration Service, Westminster Abbey (6.30 pm).

Mr Fowler attends Regional Nursing Officers Dinner, Main Dining Room, Kings Fund College, London (8.15 pm).

Mr Jenkin speaks to British Textile Federation Annual Luncheon.

Mr Walker and Mr Buchanan-Smith attend EC Agriculture Ministers meeting, Belgium.

Mr Eyre opens Freight Export Exhibition, Manchester, and visits Liverpool Docks.

Mr Baker visits Bristol.

Mr Clarke addresses General Dental Council Ladies Night Dinner, London (7.30 pm).

Dr Vaughan speaks at Women's Advertising Club of London Annual Dinner.

Mrs Fenner visits Scottish Distilleries in Inverness and Glasgow (until 13 May).

Mr Fletcher speaks at opening of Macfarlane Group, Middlesex.

Mr Mayhew speaks at Principal Officers seminar, Civil Defence College, Easingwold.

Mr King visits Nairobi (until 14 May).

Mr Ridley attends EC Budget Council.

#### TV/RADIO

Mr Moore, BBC Radio 4.

Mr Gray, BBC Radio Scotland 3.30 pm.