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## PRIME MINISTER

DIARY

Mr Pym meets EC Foreign Ministers, Brussels.

Joche G & & d & x

Falkland Islands.- Royal Marines and British Antarctic Survey Scientists return home (RAF Brize Norton 4.30pm). That of the fue feed; S MOD Press photocall at RAF Waddington on Vulcan Operations. EC: Agriculture Council, Luxembourg. OECD: Regional Policy Meeting, Stockholm.

European Parliament, Strasbourg.

Fatal Accident Inquiry opens into Kirkaldy Nurses Home Fire.

European TUC, The Hague.

Banking, Insurance and Finance Union Conference, Blackpool.

Scottish TUC Conference, Perth.

AUEW Conference, Eastbourne.

Communications 82 Exhibition.

Morning ambulance strike in Glasgow.

UN General Assembly Emergency Session on Palestine.

Organisation of American States meets today.

Pay:

Electricity supply/power engineers: National Joint Board meet to consider claim.

Ambulancemen/Whitley Council: Management response to claim "in line with inflation".

Parliament:

Commons:

Questions:

Prime Minister, Education and Science.

Business:

Consideration of a Timetable Motion on the Employment Bill. A debate on Satellite and Cable Broadcasting, on

a Motion for the Adjournment of the House.

Ministers - see Annex

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PRESS DIGEST

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# FALKLANDS

# Treatment:

- D/Star: Midnight war Cabinet to discuss Haig's latest proposals initial reaction suggests not much hope of settlement; no euphoria in Downing Street; no final decision until after Cabinet this afternoon.
- Sun: Stick it up your Junta Maggie no to deal; Argentina invokes war treaty (Rio Treaty); Cecil Parkinson warns you will almost certainly fall from power if you back down.
- Mirror: Back to Square One.
- Express: Maggie casts doubt on Argentinian offer as Haig flies back to Washington. 3 point plan to be presented to Cabinet for recovery of Islands with minimum force; evacuation; blockade; then landing of Marines virtually unopposed.
- Mail: Junta deal is unacceptable No 10 is sceptical of peace plan.

  You are facing the most agonising question of your political life is it to be peace or war? You have been handed a plan which gives the Argentinians virtually everything. Large section of Tory Party and many Labour MPs not prepared to see use of force rewarded and this plan leaves Argentinians on Islands.
- Telegraph: Haig told No by No 10 peace plan not acceptable at first sight but you keep open possibility of peaceful settlement. Odds on proposals being rejected unless Mr Haig can offer Govt assurance that package is better than it looks at first sight.
- Guradian: Thatcher says Argentinian peace plan is unacceptable; proposals do not appear to accept British sovereignty even transitionally.
- Times: Proposals appear to confirm worst fears in London.
- FT: You give a distinctly cool reception to proposals but don't reject them completely out of hand; signs that they will be attacked on both sides of the House.

# In the Argentine:

- Mr Haig says in BA he is more convinced than ever that war in South Atlantic would be the greatest of tragedies; but Argentinians have now realised Americans would not permit a military or political defeat for Britain.
- Argentine to invoke OAS help and Rio Treaty whose governing Council meets today in spite of 2 appeals by Haig.
- British citizens advised to leave by normal commercial transport by FCO on BBC World Service.
  - Member of Junta says we are closer to peace than war.

# In Falklands:

- Only 250 Islanders left in Port Stanley.
- 42 Marines and others arrive back in UK early today

# In USA:

- Mail says Reagan's telephone call to you at weekend produced vigorous championing of our cause.
- Ambassador Henderson says USA will realise that it must side with Britain; should Argentine aggression succeed would be dangerous development for West.

## Military:



- 1000 more paras joining task force; two ferries requisitioned to take
- them.
   Speculation that Task Force is slowing down.
   3 Naval Survey ships to be used to ferry wounded to hospital ships.
- Mirror suggests an air blockade will be on Cabinet agenda today; Argentinians say we lack air power to enforce it.
- Express feature on Hunter Killer submarines and Tigerfish torpedo.
- Mail says Armed Forces Review Body is believed to have recommended that after two years of bumper pay rises servicemen must fall into step with rest of public sector 4-6% rises; meanwhile row over tuts in Task Force allowances rumbles on on Tory Backbenches.
  - Mail cartoon shows Scrooge-like Mr Nott counting money with caption Greater Love Hath no Man than to lay down his life for £1 Thank God.
  - Mr Pym tells M. Thorn he regards Budget and Falklands as two separate issues.

# X Eco

#### Economic:

- Inquiry in City into allegations (which Lloyds deny) that we are reinsuring Argentine airlines.
- Geoffrey Goodman, Mirror, says it is claptrap to say, as Mr Brittan did, that economic strategy won't be affected by crisis.

# Pope:

- Cardinal Hume says if war breaks out it will be very difficult for Pope to come to UK.

# Politics:

- Terry Duffy, AUEW, demands immediate General Election over your handling of crisis and attacks naval cuts and defence policy.
- In Tel: Mr Powell, who says Falklands always were strategically important, reproduces speech he made in 1969 and says he wouldn't want to alter a word.
- 20-30 Tory MPs, according to <u>Guardian</u>, think next move should be to <u>UN\_Secretariat</u>.
- David Steel back from USA says there is no doubt about USA loyalty to Britain if peace efforts fail.

#### Comment:

- Mirror: Argentine dictator only talking because Fleet getting closer but our priority has got to be to remove troops from Islands not to punish them for being there; though you say Islanders wishes are paramount that does not mean they can tell the Cabinet what to do; negotiating even with a repulsive dictator an agreement under which Islanders can live is only answer.

Express: Although plausible in parts, entirely unacceptable Govt should waste no time rejecting them and suggesting to Haig that he should call off his shuttling - he would be better employed ensuring USA lines up with its oldest ally; Argentine aggression cannot be seen to have succeeded; deal is not on and no British Govt could accept it and expect to survive.

- <u>Mail</u>: Andrew Alexander attacks Mr Pym for saying in House invasion occurred without notice; can a man who talks like this be seriously in the business of mounting a military threat.
- Telegraph: It looks as if it is moving to the end-game. It would be wrong to be optimistic. If proposals are hard and fast there has been no real advance; initial reaction inevitably sombre; pressures on BA are mounting steadily as much as on US.
- <u>Times</u>: Wide gap between simplicity of our objectives and complexities of achieving them.

B INCHAM

B. INGHAM 20 April 1982

#### OTHER NEWS

### ECONOMY

- retail sales rose in March: first quarter level was 1.2% above fourth quarter
- company borrowing increased sharply in last quarter of 1981

## PAY

- Civil Service Arbitration Tribunal expected to announce judgement this week Two Aa
- Treasury rejects Civil Service claim and says that pay should not be determined by needs of individual
- low paid are harder hit by inflation says Low Pay Unit

# PUBLIC EXPENDITURE



- Select Committee says public expenditure will be cut sharply this year on many programmes
- Times Leader says Parliament should endorse Select Committee's demand for more information on volume of public expenditure



Nicholas Ridley hints that Government is ready to make concessions on audit of public sector industries.

#### DEFENCE COSTS

- Joel Barnett says Ministry of Defence is consistently underestimating costs of defence projects

#### EDUCATION

- Sir Keith Joseph rules out system of maintenance loans to students / LAKER

#### LAKER

the Government-administered Air Travel Reserve Fund will provide over £500,000 to compensate holiday-makers losing money through the collapse of Laker

# CLOSED SHOP COMPENSATION

- Government offer £145,000 to three ex-British Rail workers after Strasbourg case. Roger Webster says his offer is unacceptable.

## INDUSTRY

- Michael Edwardes was paid £95,500 last year compared to £65,400 in 1980
- British Steel lost £338 million last year: the cold spell and British Rail strike are said to have cost £41 million
- GEC win £250 million contract for new South African power station

## POLLUTION

- Fleet of aircraft to combat oil pollution was put on display yesterday

# SECRETS

- National Consumer Council report alleges misuse of Official Secrets Act to avoid embarrassment to politicians and Civil Servants

/ RACE

# RACE

- Guardian Leader supports idea of ethnic monitoring in firms

# LAW AND ORDER

- West Midlands Council warns of further riots this year.

  Terry Duffy agrees at AUEW Conference
- three policemen have been required to resign from City of London Police following Operation Countryman
- police beseige home for five hours after murder of Ugandan Asian

# POLITICS

- Labour promise year long rent freeze for private and public tenants if they win General Election. Telegraph and Mail Leaders call it bribery.
- Government is worried that doubling of LT fares could bring heavy Conservative losses in borough elections
- Mr. Benn away from Commons on doctor's orders

## INTERNATIONAL

- two Australian Cabinet Ministers resign over customs offences
- General Pinochet yesterday sacked his entire 16 man Cabinet
- Israel Minister of Welfare guilty of fraud: Begin's majority threatened
- Israel evacuation of Yamit delayed
- Italian Government on brink of collapse
- M. Mitterrand hopes to push his "grand scheme" for Western economies at the Versailles Summit. Guardian says confrontation is likely
- the Soviet Union will unilaterally authorise exploitation of mineral resources on ocean floors outside territorial waters

#### EUROPEAN COMMUNITY

- Britain received net benefit of £18 million from EC last year
- Mr. Pym yesterday told M. Thorn that Britain would not soften its budget demands

#### NORTHERN IRELAND

- Bill to be published this week
- Belfast boy dies after being struck by plastic bullet
- US car rental firm holds up decision to buy De Lorean

E SAONY

## Ministers:

Mr Younger visits new Salveson housing development, Govan, and attends opening of new Holiday Inn, by HRH Princess Margaret, Glasgow.

Mr Lawson meets Mr Arthur Scargill. (5.30pm).

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

Mr Baker speaks at Communications 82 Exhibition, Birmingham, and at European Conference on Life Sciences, Sheffield.

Mrs Fenner hosts the Codex reception on Oils and Fats, Lancaster House.

Mr Gray visits onshore well at Humbly Crove, Basingstoke.

Mr Channon addresses English Tourist Board Conference, London. (10.15 am).

Mr Eyre visits Crane Fruehauf, Coventry, for demonstration of heavy lorry safety.