

PRIME MINISTER

PRESS DIGEST FOR SATURDAY 4 JULY

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LAW AND ORDER

40 police among 200 injured in Southall riot between Asians and skinheads; Asians turn on police and petrol bombs thrown.

Scotland Yard hunt fire-bomb killer of Asian mother and three children in East End.

IRELAND

W Paisley escapes INLA assassination attempt; speculation that he is to face criminal charges over remarks at Protestant rally where he said "We have a choice - to be killed and murdered by the PIRA or to go in and kill the killers"; Hume calls for his arrest for inciting violence; Express says Paisley cannot be ignored but he must not be allowed to stand in the way of peace and a constitutional settlement, nor to incite violence.

Relatives of hunger strikers see Fitzgerald and Mr. Alison sees Irish Catholic Commission - all apparently without result.

Mail says Labour proposals dishonest and are characteristic of modern Labour Party; Telegraph says Mr. Callaghan is proposing a squalid surrender.

Please pursue vigorously
Widows of soldiers killed at Warren Point still fighting for compensation after two years; Julian Critchley MP takes up their case; big Sun feature on them.

ECONOMY

All wrapped up with Mr. Heath's remarks yesterday on Jimmy Young programme that he won't be gagged by anyone, including No. 10, adding: "It is stupid to say there must be no U-turn. It is a childish and ridiculous approach to politics."

/ Guardian

Guardian says it is hard to ignore Mr. Heath and the only hope for the Tory Party is to stamp a different image on itself before the next Election.

Telegraph says Treasury's latest confidential forecasts show no sign of recovery next year; nil growth or even further contraction in prospect but inflation expected to reach single figures later in 1982.

FT and Guardian feature latest Government actuary estimates; FT says total unemployment could average on three million on the basis of his assumption; Guardian says unemployment is expected to be 140,000 higher this year than was forecast four months ago.

Sterling gains 95 points to \$1.8935.

Bank of England announces its second £1 billion index-linked issue of Government stock.

AFGHANISTAN

Genscher and Cheysson fly to London tomorrow for consultations before Lord Carrington goes to Moscow; this angers Italy who say their responsibilities are not inferior to those of France, Germany and UK.

UNIONS

Gormley accuses Mr. Heseltine of hypocrisy over his letter on the Vale of Belvoir assuring him that no decision has been taken; Gormley contrasts this with a Department of the Environment letter in his possession which says Heseltine's preliminary conclusion is that the application should be refused.

TUC break off informal bilateral contacts with CBI because CBI are too close to Government.

London ambulancemen staged another 24-hour strike yesterday.

Civil Service dispute has cost unions £6.5 million so far.

NUR wants free spectacles for long-sighted drivers - tools of the trade.

INDUSTRY

FT feature on the rise and rise of Saatchi and Saatchi.

Llanwern producing almost as much steel with half the labour force - Nicholas Edwards.

Midland Bank to reduce headquarters staff in London and Sheffield by 2,000; Flixborough Nypro works to make two-thirds of workers redundant because of fall in orders.

Gulf to pull out of petro-chemicals in Europe.

Burmah loses its claim against the Bank of England in £1 billion share case.

British Gas to be ordered to sell off showrooms - announcement next week.

UNIVERSITIES

Leaders say cuts will do maximum harm - average is 17 per cent and could reduce number of students by 20,000.

POLITICS

James Wellbeloved MP, who says Benn is unstoppable, becomes 14th MP to join SDP.

Telegraph says only small (4 per cent) defection from Labour to SDP in Warrington.

/ INTERNATIONAL

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Middle East: USA tells Russia to stay out of Syria.

Poland: Eight Ministers sacked in reshuffle before Gromyko arrives.

Uganda: Threatened by wave of epidemics as health services break down.

Saudi Arabia: reported prepared for £300 million Nimrod deal if USA refuses to sell rival Boeing spy planes.

Atlanta: Young black used as decoy in hunt for killer of 28 goes missing.

(SIGNED) BERNARD INGHAM

4 July 1981