

PRIME MINISTER

PRESS DIGEST FOR SATURDAY 12 SEPTEMBER

Summit

Covered by all newspapers who concentrate on your joint support for Channel link studies.

Cordial atmosphere generally noted (and contrasted with that of previous French bilaterals).

Telegraph leader says you must be firm on the need for the private sector to assume the risks of a Channel.

The Times says the importance of the meeting is that it has laid the groundwork for a potentially fruitful relationship.

Reshuffle

Mr. Prior forecasts reshuffle next week; says he would like to stay where he is.

Times says Ministers who have been less than whole-hearted in their support of your Government are now apprehensive.

Reshuffle generally expected to take place early next week - some plump for Monday.

TUC

Congress instructs leaders to draw up plans to fight the Government this winter if it tries to keep pay settlements low.

The unions' decision - and willingness to strike - extends beyond pay with selling off British Rail assets and gas showrooms seen as tests.

Terry Duffy AUEW unhappy about Communist influence over TUC; says Communists have apparently been given absolute licence to wield power.

/Sun

Sun says TUC was cruelly overshadowed by Labour Party political soliciting.

John Nott says TUC nuclear policy is out of touch.

Politics

David Steel says Liberal alliance with SDP could turn into full merger.

Joe Grimond, in Guardian, says Liberals should welcome SDP like Wellington welcomed Blucher at Waterloo; he would like to see an amalgamation.

SDP have won council seats from Conservatives in Leeds, South Bedfordshire and Witney.

Mail says sanity and moderation are at work on the left of British politics.

Benn urges young liberals and young radicals to join Labour where they would be far more at home.

Electricians' union may break with Labour if Benn wins deputy leadership and affiliate to SDP.

Telegraph says Benn has strengthened his position at Blackpool.

Pay/Economy

Pound falls to \$1.778.

Loss-making Hoover calls for 10% wage cut with the possibility of a 4 year pay freeze; risk of closure of two out of three factories; unions say it is blackmail.

600 slaughter-house inspectors are going slow - could affect meat supplies.

Longer wait for mortgages as building society income falls.

/Japan

Japan steel industry to increase investment this year by 34% - to highest level of spending since mid 70s.

Industry

British Airways staff look likely to accept jobs cuts.

British Government backs deal worth £300 million for British companies to build new Nigerian capital.

Terence Beckett ill; Sir Arthur Knight brought in to prepare for CBI's Conference in November.

North Sea

Pipelines decision reported by quality newspapers in reasonably balanced way; Guardian leader, criticising decision, finds it the economics of the madhouse; FT feature on why you lost your patience.

Shell/Esso postpone £750 million development of Tern oilfield because of tax uncertainties.

Education

Brunel University report recommends the sacking of 112 non-academic staff and 53 dons over next six months.

Law and Order

Chief Constable Anderton says there are some irreconcilable difficulties over police accountability with some members of Manchester Police Committee.

Eldon Griffiths MP, in Express, says the extent to which the left has focussed attention on the performance of Chief Constables could have performed a useful service - Chief Constables must get used to being more visibly accountable.

Local Government

Times says Government will next week decide whether to require an election or referendum to be held before councils increase rates above a predetermined level of expenditure.

GLC leaders agree to Russian suggestion to hold a disarmament conference in a nuclear command base at Gypsy Hill; but Russian journalist who proposed idea called for a postponement last week.

GLC will not take part in next year's civil defence exercise because it has declared itself a nuclear-free zone.

Defence

Haig comes to Europe - main target West Germany - to win support for deployment of missiles.

Northern Ireland

The record increase in contributions from US sympathisers of IRA.

Huge cache of explosives found in Belfast.

Dublin recalls Irish Ambassador to USA to take charge of Anglo-Irish relations.

Bernadette McAliskey attends rally of left-wing revolutionaries in Spain and says the only terrorists in Northern Ireland are British troops; Spanish police ordered to arrest her on sight.

Members of Communist Revolutionary League in Paris invade our Paris Consulate in protest against hunger strikers (soon after Mrs. McAliskey's visit).

Iran

Another aid of Khomeini killed in explosion.