

PRIME MINISTER

PRESS SUMMARY: SATURDAY-MONDAY 10-12 November 1979

Major news themes this weekend concentrate on Rhodesia, missile alert, MLR, "Panorama", Rolls Royce/NEB, Tehran and EEC Budget.

Economy

Telegraph leads on threat of MLR going up to record level (15½-16%), hitting hopes of further tax cuts. Financial Times (1) headlines fears of mortgage and overdraft rates' increases and leader (18) analyses problems of housing finance. All its proposals, it says, would make mortgages more expensive and, perhaps, depress house prices.

Wide speculation in all papers on Saturday and Observer (21) reports "urgent meetings" in next few days between PM, Chancellor, Bank of England and Treasury officials.

Rhodesia

Guardian leads on report that Lord Carrington is ready to set a two-day deadline for talks. Ian Smith (Financial Times 1) says PF return is "inevitable". Guardian leader (14) says if the men who emerge are any combination of Nkomo, Muzorewa and Sithole the whites will give the regime a chance. If Mugabe takes command, the whites will panic or stage a coup.

Saturday's and Sunday's papers reflect optimism over agreement and report Ian Smith's quote that agreement is "a fact of life" (Sunday Telegraph).

Sir John Hunt named as possible Governor (Saturday's Express 2).

Iran

Financial Times leads on Iran's hard line against moves to free hostages. Telegraph and others report Khomeini's rejection of appeal by Pope and increased tensions in US. Guardian leader (14) examines the limits of Presidential influence and says "impotence is too often the only real assessment".

Defence

NATO is working on East-West arms control proposals (Financial Times 36). Soviet attack on PM widely reported. Mail launches series with 4-page feature on the UK's "missing" army of the Rhine. Telegraph leader (20) on computer error missile alert - which was widely reported on Saturday and Sunday - argues for "credible chain of deterrence".

MP's catering

Mail leads on £5.37 per meal subsidy for MP's dining room and says Catering Committee is running up £3m overdraft.

EEC: Budget

Express (2) says UK will be offered £500m cut.

Observer (1) quotes Bonn and Paris officials that concessions are "well beyond what even the most sympathetic European governments are

prepared to contemplate". PM will be offered "much smaller" concession than she has demanded.

#### NEB/Rolls Royce

Sir Frank McFadzean has been offered a seat on NEB in compromise bid (Financial Times 36). Wide coverage and comment in weekend papers.

#### Education

Express (4), backed by leader (8), says Mr Carlisle is to tell schools to improve teaching standards.

#### BL

Substantial follow-up coverage of sleeping BL workers, with critical leaders in Mail and Sun.

#### BSC

Following widely reported BSC decision to close Shotton, Telegraph leader (20) today says Bill Sirs talks sense when he suggests Shotton should be sold to private enterprise. Telegraph leader develops the theme further.

#### IRA

Guardian (1) finds IRA roadblock. On "Panorama" film, Observer (2) and News of the World say Ministers and army knew of filming a few days after it happened. Some speculation about licence fee and Lord Boyle or Sir Richard Marsh as possible new chairman.

#### BNOC

Sunday Express (1) reports option being considered by D/Energy: everybody to get shares worth £5.

#### Immigration

Mr Whitelaw "dreads" that he will be "pleasing no one" and offending the maximum number with his White Paper on Immigration (Sunday Express 16).

#### RSG

Cabinet has agreed that RSG should be kept at this year's level of 61% (Observer 1).

#### Public expenditure

Feature by Chief Secretary (News of the World 12).

#### Protection of Information Bill

Alan Watkins (Observer 9) on "intolerable restrictions" of Bill.

#### CBI Conference

Features in Sunday Telegraph (21) and Observer (10) detect new mood of optimism among managers.