

PRIME MINISTER

15

DIARY

Re-shuffle.

"Panorama" TV debate - Healey/Benn/Silkin.

Haig in Bonn for talks with Schmidt.

Norwegian General Election.

EC: Foreign Affairs Council, Brussels (Budget).

Euro Parliament.

Statistics:

Retail Sales (August - provisional).

Pay:

Civil Service industrials (148,000): Negotiating Committee discusses residual (non-pay) items (settlement date 1.7.81).

BL Cars (58,000): Unions to present claim, expected to be for £20 across the board (17.6%). Company to respond within 10 days (settlement date 1.11.81).

Ministers:

Mr. Prior opens National Association of Youth Clubs new office block, Leicester.

Mr. Heseltine launches Trafford/Salford Enterprise Zone.

Mr. Biffen visits King's Lynn.

Mr. Jenkin speaks at 19th Congress of International Confederation of Midwives, Conference Centre, Brighton.

Mr. Edwards opens the International Conference on Leisure, Recreation and Tourism at the Park Hotel, Cardiff.

Mr. Tebbit speaks at Cornwall Industrial Development Association.

Viscount Trenchard meets Tim Eggar, M.P. about Royal Small Arms Factory, Enfield.

Mr. Buchanan-Smith attends meeting with Electronics Industry at Bridgets Experimental Husbandry Farm, Winchester.

Lord Mansfield visits Oban/Kintyre area (until 16 September).

President Nam of South Korea meets Mr. Blaker.

Mr. Waddington visits Treeton Colliery, South Yorkshire.

Mr. Moore visits National Coal Board, Coal Products Ltd., in Nottinghamshire (and 15 September).

Mr. Pattie speaks at Brentwood School debate - "The Case Against Unilateral Disarmament",

Dr. Vaughan speaks at British Pharmaceutical conference, The Dome, Brighton.

PRESS DIGEST

Re-shuffle

- All newspapers cover what is expected to be today's event extensively, concentrating on Mr. Prior's remarks that he want to stay in his present job and Richard Needham's belief that he will resign if he is asked to go to Northern Ireland.

/- Sun

- Sun: Maggie faces crisis as wets revolt: Walter Terry says moderates and wets threaten to revolt if you indulge in revenge and recrimination.
- Mirror says purge of wets may boost Mr. Heath who plans a series of speeches critical of Govt. policy; speculation that if Prior goes to backbenches, he will form an alliance with Mr. Heath.
- Express - Prior's challenge to Maggie; says Prior could take at least one other Cabinet Minister with him; your authority over economic policy at stake; if you fail to call Prior's bluff, your economic policy could be paralysed forever.
- Mail - Prior sticks his neck out, takes political life into his own hands; has he gone too far to stay in Cabinet?
- Telegraph: Dilemma for you; risk dividing Tory Party and handing advantage to SDP.

Comment:

- Sun leader says there must be a major change; Government's policies are beginning to work but too slowly; either Prior must go or keep his counsel in Cabinet Room.
- Express industrial editor says trade unions could not care less whether Prior stays or not - whoever has job will have battle on his hands.
- Times says supporters of Prior do him a disservice in a public statement that Northern Ireland is unacceptable territory.

Politics

- Massive coverage at the opening of the political season.
- Times MORI opinion poll provides fresh evidence that Liberal/SDP alliance could win overall majority in general election; Labour 9% ahead of Conservatives against 6% previous month.
- Several newspapers report that David Steel will disown Liberal candidates who won't stand down in favour of SDP.
- Liberals appoint team to negotiate alliance with SDP and Guardian says a 6-month moratorium on the selection of new Liberal candidates has been approved by party executive.
- David Owen says SDP would demand ditching of yourself as pride for keeping Tories in power.
- Express says Liberal/SDP alliance will become a reality this week but SDP initial policy papers show it is in effect another Labour Party.
- Mail says Liberals won't have a better - or perhaps even another - chance of power; if it won't be a love match, time has come for marriage of convenience.
- Andrew Alexander, Mail, says Tories don't appear to have taken on board the temptation to Conservatives to vote SDP to kill off Labour and end union domination.

- SDP propose a reduction in tax relief for mortgages and restrictions on the right of tenants to buy council homes.
- Telegraph and Guardian give potted versions of different parties' policies and Guardian says yours remain unchanged after 2½ years.
- George Gale, Express, says whatever happens during next 5 weeks of political season what matters is whether your policies appear to be succeeding or failing - if succeeding, you can win next General Election.
- Peter Shore says Labour has got to stop Benn because of immeasurable harm his election would cause.
- Telegraph say leaders of SDP owe us an explanation of why things went wrong when they were conducting affairs.
- FT says seldom if ever have British politics been in such a state of flux but with two years to election all need to ask why we have done so badly as a country in the past.
- Times says Benn's advisers are planning a fresh campaign next year if Healey wins.

Economy

- IMF says you should not relax your economic policies for rising prices in the world are being curbed. Battle to curb inflation can be won if political leaders keep their nerve.
- Guardian says RPI this week expected to show inflation has crept back up over 11%.
- West German industrial output expected by industrialists to show marked increase in 1982, but unemployment still to rise.

Pay

- B/Leyland industrial relations director calls for another year of pay restraint - and angers union leaders for conditioning opinion; expected to offer 3-5% on Friday.

Industry

- Japan takes over from USA as world's biggest car maker, according to Germany auto firm.
- Plessey to build £2.5 million high technology engineering centre in Liverpool.
- 16 executives of NRDC made redundant in re-organisation.
- Rate of increase in food prices slowing down - 5% again last year and well below rate of general inflation; average family spends £30 a week on food.
- 4 workers buy bookbinding firm which made them redundant and work 16 hours a day to put it on its feet.

- FT says oil companies have deliberately reduced winter stocks because of high storage costs.
- British Steel clamps down on workers who leave early - more than 30 have now been sacked or suspended.
- There are more than 500 sites in Britain which HSE regards as major hazards - and Stalybridge plant where explosion occurred last week not one of them.
- Mirror leader says Government's refusal to put money into gas pipeline is to abandon a certain winner; with Govt. refusal also to back 100 mpg car your stubborn streak is turning into a losing streak.

Local Government

- Labour controlled Nottingham Council is declared itself a nuclear free zone, but expects its twin town, Minsk, to do same.

Health

- Sun leader critical of medical control in case of Ethiopian doctor who worked in child clinics and had highly infectious form of TB.

Defence

- 17 Royal Navy ships being hawked around the world for sale at rock bottom prices.
- Guardian says that according to Aberdeen academic cost of Trident could be £8 billion instead of £5 billion.

Law and Order

- National Association of Schoolmasters calls for tougher sentences for hardcore juvenile delinquents.
- Five right wing Italian extremists face extradition hearings today in London.
- Member of Yorkshire Ripper squad says policemen must have prejudice if they are to do their jobs properly - prejudice is a state of mind brought about by experience.
- Police journal editor says chief constables may soon have security of soccer managers if Left wing critics topple Oxford, Merseyside.
- Two con-men have charged elderly people up to £550 for mowing lawn - threatened them if they quibble over cost.

Royal

- Angela Rippon rubbishes rocky Royal marriage stories.

People

- Geoff Lofthouse, M.P. for Pontefract, escapes when 100-ton earth mover being chased by police crashes into his car.

/Sheikh Rashid,

- Sheikh Rashid, of UAE, ill in London hospital - cancer?

International

Berlin:

Tear gas and water cannon used against demonstrators during Haig's visit; he says Soviet bloc is suspected of waging chemical warfare in S. E. Asia.

USA:

Weinburger wins defence cuts argument - \$13 billion to be cut over 3 years instead of \$30 billion originally sought.

Poland:

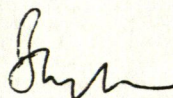
Solidarity will support its own TV network if Govt. insists on toning down reports of its activities - radio and TV belong to people.

Russia:

Petrol prices to be doubled and vodkas increased by 20%; Soviet miners given 27% pay increase to try to boost output.

New Zealand:

Springboks leave for USA where more demos expected; will this prejudice 1984 Olympics in Los Angeles?



B. INGHAM

14 September, 1981