

PRIME MINISTER

PRESS DIGEST

SDP/LIBS

- Owen rules out a merger with SDP - "impossible at this time". He says the Liberals' defence decision "a very serious blow"; but urges his supporters to stay steady and cool. Steel assures Owen he can still deliver defence deal. Another split over future of nuclear power which Liberals vote to shut down.
- Sun leader headed "Divided they have fallen" says Orpington and Hampstead Heath just could not mix. Now is the opportunity for the Tories to win back their disaffected flock. Owen's natural place is in the Tory party and most of his right thinking supporters should be there, too. "Come on, David. Bring your lot back to their natural home".
- Mirror has Owen and Steel trying to "paper over the chasm".
- Today says Alliance can draw comfort from one thing: if their defence policy is in a mess, Labour's is far worse. If Kinnock wants a cold example of what could happen if he sticks to his present unilateralist line he has only to look at New Zealand which has been excluded from the ANZUS pact.
- Express P1 - Its nuclear disaster for the Alliance; the two Davids had no answer to the growing crisis last night; leader says Steel and Owen last night tried to put on a brave face but it doubts if their performance will convince anyone. Are there any issues on which these two so-called partners actually agree?
- Mail says Steel is ready to veto virtually any Liberal decision that threatens the credibility of the Alliance.
- Cuardian says it is ridiculous for people to get so worked up about the news that Steel has been talking to politicians of other parties about coalition politics.
- Geoffrey Smith, in Times, says Liberals will not recover from this disastrous week unless Mr Steel recovers control of the party. He will not do so unless he is prepared to spell out the brutal realities of the choices before it.
- David Watt, in Times, says the Liberal defence debate was one of the most depressing discussions he has heard for many years. The outcome was an act of attempted suicide. He blames failure of leadership by both Liberal officers and SDP.
- Malcolm Rutherford, in FT, says that after Eastbourne there is a great deal of mitigating of disaster to be done.
  
- 6 out of 10 - including Tories - think Owen would make a good Prime Minister.
- Peter Walker ridicules the idea that he is having coalition talks with Steel. Says it is no longer a question as to which politicians will be prepared to join a coalition, but who on earth would wish to be in a coalition with the Labour Party. Owen is already aware of the dreadful mistake of linking with such a bunch.

POLITICS

- Joe Haines, in Mirror, accuses Ian MacGregor's book as treachery to you, Peter Walker and McGahey, but he says Kilroy-Silk's is the saddest one. Jim Prior will now be shunned by all Right minded Tories as opposed to the right-minded ones.
- Hattersley in Today interview says "any form of coalition with anybody is out. But I must emphasise that situation will not arise. We are going to win an overall majority."
- Times says you have decided to set up a youth committee under John Moore, 48.

ROVER

- Top heads roll in Rover shake-up, the ailing car firm (Star). Company lost £204m in first half of this year. Graham Day tells staff: "You work hard, keep your nose clean and hope like hell you have a job tomorrow".
- Paul Potts, Express, says the truth is that Britain's last remaining motor company is broke, totally dependent on Government cash.
- Peter Paterson, in Mail, asks if anyone can get Rover into gear, and says it is doomed if Day cannot get the sales magic back into the showrooms.
- Mail says if it can be done with coal and steel it can be done with motor vehicles. Day knows his brief; first to make it pay and then make it private. All eyes will be on him.

INDUSTRY

- 18,000 Devonport and Rosyth dockyard workers to stage a 24-hour strike today in protest over privatisation - 6,500 jobs to go in next 7 years.
- Vosper Thornycroft orders worth £500m at risk because of 3-week strike over Left wing shop steward who refuses to accept redundancy.
- Provision of new airborne early warning system is now a straight fight between the GEC's Nimrod and Boeings AWACS system.

ECONOMY

- Fears of higher interest rates with £ down to 68.7 on weighted index.
- Andrew Alexander, Mail, says it may need a minor miracle to stop interest rates rising.
- Lord Young reveals that new businesses have been established at an average rate of 500 a week in the past 5½ years.
- Times says the Government faces disagreeable news on the economy, but once the benefit of the stimulus to demand from lower oil prices begins to be felt, they should be the the best news manufacturing industry has had for some time.
- Bank of England optimistic on prospects for world growth over next year or so, but warns unreasonably high pay settlements could threaten our share of expanding world markets.

UNIONS

- Alastair Graham, ex-CPSA, says Norman Tebbit should get the union movements highest honour for taming wildcat strikes and making workers face up to their responsibilities.
- Scargill reveals NUM is virtually broke and is now offering staff redundancies to cut overheads, strike cost £8m.

LOCAL GOVERNMENT

- Left wing Manchester City Council plans to make it a disciplinary offence for any employee to inform on a colleague who has AIDS.
- Sun leader praises Gloucester CC for refusing not to discriminate against homosexuals.

HOUSING

- Today says Government plans to sell 500,000 more council houses to capture votes at the next election - letters to be sent to 4m eligible tenants next year; leader criticises using council house sales (one of your "finest bold strokes") in a crude bid to buy votes.
- Express leader says local Labour politicians say it is scandalous a Chilterns woman has made £60,000 profit on her council house; it isn't - it is marvellous.

LAW AND ORDER

- Police arrest 15 toll collectors on Tamar Bridge for fiddling; motorists get through for nothing. 15 charged in court today.
- Prison population up 3000 last year to 46,300.
- Drug addicts increased 25% last year - after 30% increase previous year.
- Complaints of animal abuse investigated by RSPCA reach record for a 6 month period; dogs commonest victims.

TERRORISM

- Britain to hold talks with Soviet Union on combatting terrorism.
- France denies it is ready to do a deal with terrorists responsible for Paris bombings.
- Express reports claims by German officers that Abu Nidal has 60-80 agents in Europe planning new terrorist attacks.
- International 'hot line' to be set up in Europe; intelligence to be pooled.

SOCCER

- Talks today between Luton and Football League over club's elimination from Littlewoods Cup because it bans away supporters; reports that Luton, by way of compromise, are prepared to play behind closed doors. Players union leader supports Football League and says Luton themselves are behaving like hooligans.
- Man killed on soccer fans bus in Scotland when hit by stone on head; passenger hit by rock thrown through window of train carrying Brighton soccer fans.
- Dick Tracey has been having talks with ferry operators on controlling soccer fans.
- Star leader on the sorry state of British sport summed up by judge who sends policeman to prison for biting off an opponent's ear in rugby match: "What you did was a quite dreadful example of football hooliganism". And it castigates Pontypridd (for playing a player convicted of assault on the field); FA and FL; and "pathetic fines" of First Division soccer player sent off for 9th time.

COMMONWEALTH SPEECH

- No coverage in Star, Sun
- Mirror: "Our big hate by Thatcher": we all detest apartheid.
- Express: Angry Maggie warns the Commonwealth: Don't push us again. You surprise gathering with hard hitting speech; leader says many of your listeners must have squirmed in their seats. You spoke for many who are disgusted by the double standards of some Commonwealth heads.
- Mail: Family that can disagree without breaking up - Queen's tribute. You make it clear you will not soften your stand or muzzle your views.
- Telegraph: Thatcher defends lone stance on South Africa.
- Big piece on back of Times headed Royal balm for Commonwealth, with the picture of the event - Lord Hailsham in wig; you in a hat and the Indian speaker in a turban.
- FT: Thatcher attacks apartheid.

SOUTH AFRICA

- Reagan to veto Congress Bill imposing sanctions.

LOBEY

- Guardian trying to get its campaign (ignored by other papers) off the ground says the chairman of the Lobby, Julia Langdon, Mirror believes pressure for reform is now irresistible. Peter Preston, Editor of Guardian, writes to Opposition leaders seeking support for reforming system and their intentions if they were to form a Government.
- FT factually reports Guardian's move, the timing of which, it says, has been affected by the launch of the "Independent".

BERNARD INGHAM