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10 DOWNING STREET

From the Press Secretary

cc Mr Pattison

PRIME MINISTER

PRESS DIGEST for Saturday, March 27, 1982

POLITICS

Jenkins expected to become leader of the Alliance and Steel calls on SDP to speed up selection process; one idea floating around is for Jenkins to be Alliance leader and the two parties each to have their own leader as well.

Jenkins says that together SDP and Liberals have best chance in 60 years of breaking Labour/Tory hold on power

Computer says if Hillhead were repeated at General Election distribution would be as follows: Labour 292/Con 166/Alliance 152/ Rest 25. BUT bookies make Tories 6-5 favourites to win general election

Mail says Jenkins is now the prime target for the Tories since, as Mr Parkinson says, SDP could prove Benn's passport to power

Malcolm Rutherford, FT, thinks there is now a real three horse race but Paul Johnson, Mail, thinks the time is past when Jenkins could recruit from Tories and that he has therefore arrived in the Promised Land too late

Mr Heath and Mr Prior praise Jenkins and cause some dismay among Tories

Mirror says Jenkins is back where he belongs - voters went for him because they don't trust either Tories or Labour

Guardian says implications look less disturbing for Tories than for Labour which is in deep trouble

Times writers now want to see some policies from the SDP and say it will not make breakthrough at General Election if it is only a protest party

ECONOMY

£ falls to a 6 month low and then rallies a bit, partly because of weakness of oil market and partly because dollar rises on fears of new higher interest rates

Schmidt paints a rosier picture of German economy and praises unions for pay restraint

OPEC warns oil companies of trouble if they continue to try to force down Nigeria's prices; Saudi Arabia takes protective lead

Treasury considering new profits taxes on banks

INDUSTRY

20% increase in tax on car perks

B/Airways will be £150m better off next year as a result of economies; target staff cuts of 15,000 by June will be exceeded

Metal Box announces 1200 redundancies at three sites

Telegram service to end on October 1

CEGB profits up from £190m to £320m but this won't save Glyn England, chairman.

P.O.

Row expected at Consumer Congress today over contents of meat in cans

BL to concentrate car battery purchases on Lucas to detriment of Chloride, Edwardes' old firm; Chloride planning to sue

Burman, supplier to automotive industry, asks staff to take average pay cut of £12 a week as part of survival plan

UNIONS/PAY

Agricultural workers' union urges members to return to Matthews, turkey, firm on Monday to vote for one of three alternative pay settlements

NUSeamen agrees to allow members to crew foreign ships because of decline of British fleet

Unions representing 77,000 local authority building workers vote to accept 6.25%; but construction workers' union lodge general pay claim for 36%

Local authorities furious over behaviour of Government representatives on Burnham - result teachers never got formal offer above 3.4%

MEDICAL

Britain's first test tube twins born

SPORT

Group of Blackpool businessmen bidding £8m for Aintree as all year round sports complex

IRELAND

IRA killers of 3 soldiers leave bomb booby trap in house used for mabush; family have to be moved out when police receive tip off call about bomb

RAIL

Mail says 3000 miles of track and dozens of stations in tentative closure plan

EC

Euro-Parliament votes for 14% farm price rise; Henry Plumb only British MEP to vote for it; Germany rejects French idea of a farm price settlement by a majority and won't go above 9%

FALKLANDS

We don't seem to be getting anywhere fast with our plans for peaceful removal of scrap metal men from South Georgia

POPE

Paisley to hold counter attraction protest services in Liverpool during Pope's visit; Home Secretary in security discussions about planned protests

CENTRAL AMERICA

Castro in talks with USA officials to try to avert trouble; Big turnout in El Salvador expected in spite of terrorist threats to voters

MIDDLE EAST

Israeli official says 7 West Bank Mayors are PLO agents

CHINA

Response very coolly to Russian overtures for talks

EAST GERMANY

Anti-war arm bands are new craze and police are ripping them off

UK DEFENCE

BACR special overseas allowances cut by total of £17m; Navy closes hovercraft test unit.

Shyhan 27/3/82