

PRIME MINISTER

PRESS DIGEST

Economy

- For God's sake, calm down, is your message: £ slightly up.

D/Star: Furious Mrs T flies back from Falklands and gives City a rocket over £.

Sun: Unflappable PM raps out stern warning to jittery money men.

Mirror: You act swiftly to stop election jitters in the City; many dealers think it has fallen too far.

Express: You soothe City jitters with terse message to panickers.

Mail: Calm down! No early election so end this panic over £; thunder of your wrath echoes round City leaving trail of ashen faces and broken hopes of honours and awards - Patrick Sergeant breaks news to Barclays they are in your bad books; leader says we should follow your advice and calm down; impression of firmness from No 10 should put £ back on even keel.

Telegraph: Bank chief summoned to No 10; Calm down call to City. You tell Lord Richardson - no need for low £ or high interest rates.

Guardian: Angry Mrs Thatcher shrugs off fears over £.

Times: Visit to Falklands misconstrued by nervous markets; snap election contradicts your character.

FT: Government tries to subdue speculation about early election; leader says Government's attitude to exchange rate not as clear as it should be; should indicate broad limits of what it wants and if it needs a good reason for going to the country it is that it needs a new mandate to carry out its promised reforms.

Other points:

- TUC's new £10bn expansion plan for Chancellor.
- 2,000 jobs go in 3 Midlands cutbacks or closures; new wave of steel closures feared.
- Mr Tebbit reveals his 3 months of difficulties in finding a worker to repair his gate - and attacks 19th Century trade union barons; Express says Norman's gate may be landmark in change needed to create prosperity
- Institute of Directors wants top allowances to be raised double inflation rate and basic tax rate cut 1p.
- Steel production last year lowest since 1947, except strike year 1980.

Your visit to Falklands etc.

- Scargill brands it as obscene and says you should have stayed there.
- Mirror expects bill will be £250,000; Terence Lancaster says whole visit was vulgarised and made to look like PR exercise.
- Mail covers Maggie's day - from Island peak to sterling crisis.
- David Watt, in Times, says opposition in despair over what to do about you - regard visit a coup.
- Sir Rex Hunt tells Argentine magazine Argentines should grow up and stop claiming something that never belonged to them.
- Team of British undertakers flies to Falklands to bury Argentine war dead; some Islanders worried about rights this will give Argentines.

Defence

- Shultz takes over arms policy; Germany believes Russia ready to make concessions.
- Mirror speaks of Reagan's folly in sacking his arms reduction negotiator - Russians can now accuse US of just saying "nuts" to their ideas.
- Max Hastings, Express, says by sacking Rostow Reagan has shown he is far from recognising Europe's eroded trust in America.
- Mail says sacking of Rostow has caused astonishment and anxiety in Europe - what is America's arms control policy?
- Telegraph forecasts new resignations in Reagan arms disarray; leader says sacking comes at most inopportune moment - hopes a clear and coherent approach will emerge from Bush's tour; latest upheaval has left Reagan administration in disarray.
- Guardian asks deep down does Reagan want to succeed; White House in mid-term mess.
- Times says Reagan has begun what is expected to be intense year of international negotiation in strange fashion.
- Suggestions of £500m arms deal with Australia could include building replacement for Sir Galahad there.
- Britain sixth biggest importer of US arms last year.
- Australia unlikely to go ahead with lease of Hermes.

Law and Order

- Family of Ambrosiana banker found hanging under Blackfriars Bridge get High Court clearance for new inquest.
- Police Federation attack Home Secretary for failing to keep his word over disciplinary procedures.

- £2m jewellery which disappeared at same time as Midlands jeweller went missing, turns up in London; man located in Spain.
- Express referring to new terrorism against women in Yorkshire says after Ripper they are entitled to expect more police urgency.
- Mail leader says Livingstone and Boateng are out for complete police subservience to their political purposes.

Industry

- National Freight Co workers who bought shares to get extra share issue.
- B/Telecom freezes 'phone charges until July 1 after £268m half year profit, and introduces rental rebate scheme for 2m small users.
- Plans to reduce bacon prices up to 20p a lb next week to try to stop sales falling; eggs down 6p a dozen.
- But independent petrol suppliers warn of higher prices and loss of rural supplies because of cost of new stocking regulations.
- Dungeness B nuclear power station produces 12 years late.
- Process plant industry says cut in North Sea taxes could create thousands of jobs.

Unions/Pay

- Scargill sells London HQ to American property company for £2m to pave way for move to Yorkshire; Sun leader asks whether there has ever been a trade union leader to quickly and completely devalued - only stoppage he has caused so far is among own staff.
- Threat to spread Equity dispute from Channel 4 to affect all commercials.
- Fleet Street print unions recommend acceptance of 4%.

Race

- Blacks complain white hearing aids are discriminatory; D/Star ridicules idea.

Media

- Lots of features about the impending battle for the breakfast TV audience.

Rail

- New leak on Serpell - BR being asked to reduce safety standards to save money; D/Star says it is a horrifying option.

Local Authority

- Government on verge of decision abolishing GLC and Metropolitan Councils.
- Sun says pipsqueak Livingstone's latest outrageous antic is to try to blackmail London's 92 MPs into supporting higher spending; contrasts this with Tory controlled Birmingham: 12% rates cut - other councils please copy.
- 16 councils including GLC, still flouting direct labour regulations.

Health

- More than one-third of adults and 5% of children overweight - Royal College of Physicians.
- Investigation into Windscale cancer deaths shows no proof radiation to blame.

Politics

- Tatchell says it again - calls of extra-Parliamentary action; Foot embarrassed.
- Sun says Red Pete has made a fool of Foot again but Tatchell says journal changed wording and meaning; Express says poor, wretched Foot - Foot & Tatchell: the Ancient Mariner and his Albatross.
- David Steel returns from US amazed at low reputation of Labour Party overseas.
- Silkin's efforts to hijack Tribune look to be doomed.

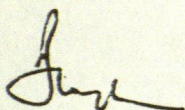
International

Poland: Walesa goes back to his job in Gdansk shipyard today; but will he be turned away?

Middle East: Israel and Lebanon agree on agenda for negotiations.

South Africa: 3 West Indians pull out of cricket tour; others banned for life by home association.

EC: Euro MPs support us implicitly in fish row.



B. INGHAM
14 January 1983