PRIME MINISTER

Main News

GULF

Jordan bans all Iraqi Airways flights to Amman. Prince Bandar attacks Jordan for supporting Iraq.

Iraq threatens to hang American diplomats if they are found giving refuge to non diplomats in Embassies.

Austria threatens to shoot down Allied planes which fly over it in event of war.

Foreign Secy warns UN that how it acts now will shape the next decade.

Dick Cheney, US Defence Secy, says there is rising danger Hussain will resort to military force.

<u>Telegraph</u> finds that the readiness of the world to accept war as a means of forcing Saddam Hussain out of Kuwait is growing. Independent and Times also find the storm clouds growing.

Tom King says pay levels of British forces moved to Gulf will be maintained.

Today applauds his swift action.

Demands grow for windfall tax on profits out of Gulf crisis.

US opens up its emergency oil reserves to try to calm markets.

<u>Today</u> claims British petrol prices have soared higher than anywhere else in the world because the Govt has done nothing to rein in oil companies. Its <u>leader</u> says we should not be ripped off by those who can afford to give a little.

Express calls for an investigation into oil companies who control production, distribution and marketing.

<u>Guardian</u> concludes Saddam Hussain, far from being adroit and wily, is a buffoon.

<u>Independent</u> says the storm clouds over the Gulf are getting darker. There is still a chance the threat of war will persuade Hussain to get out of Kuwait. That would probably be his cleverest move, since it would preserve his power intact.

<u>Times</u> sees the mood hardening. The coalition against Saddam has reinforced the coalition against him.

ECONOMY

Takes over from Gulf as main news story in reporting speeches by both yourself and Chancellor.

The pops go for your telling bosses to set an example over pay; others suggest interest rates may go even higher.

Today says you told bosses to stop whining.

<u>Mail</u> sees you and Chancellor combining to jolt the nation into tightening its belt.

<u>Telegraph</u> leads with your urging business to stop talking us into a crisis.

John Major says we are ready to join ERM when inflation starts to come down. <u>Express</u> says he envisaged even higher interest rates because of the Gulf crisis.

<u>Guardian</u> claims the Chancellor's belief that we might be able to enter the ERM by the end of the year is an important change of policy that may allow sterling into ERM earlier than previously assumed.

<u>Times</u> says CBI claims the Govt does not believe that reducing inflation is the principal economic priority.

POLITICS

Narrow odds on General Election: Labour 6-4 on; Tories 11-10 against.

Michael Heseltine most popular Backbencher in **<u>Times</u>** poll - just ahead of Ted Heath.

LOCAL GOVT

Tower Hamlets warns community charge defaulters it might withdraw services from non-payers.

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INDUSTRY

Cunard offering a deal with NUSeamen which would give union £80,000 a year in return for guarantee its three liners are not disrupted by industrial action.

FT says BTelecom plans 80,000 job cuts over 5 years in an efficiency drive.

Engineering employers sound alarm over a recession.

EDUCATION

<u>Mirror</u> says Govt has reduced Britain to the status of a second class nation by allowing students at polys to sleep in sports halls.

<u>Mail</u> says every unbiased survey confirms the same reverse trend in education. Politicians should never have allowed grammar schools to be destroyed. They should be brought back. Parents should be encouraged to take their schools out of LA control; Govt should push ahead with more CTCs; insist on regular testing from an early age; and purge education Depts of faddists. The cause is tailor made for Tories.

EC

You condemn French lamb war violence.

FOREIGN

Soviet Defence Minsitry issues statement to dispel rumours of a coup against Gorbachev - movement of troops to help with harvest or practise for Revolution Day Parade.

Soviet Parliament writes religious freedom into law.

LAW & ORDER

Record crime, rises to highest yet figure - up 17% in a year. But <u>Mail</u> says its worse in Europe. <u>Star</u> calls it the great plague of 1990. <u>Mirror</u> says you blamed the victims for not looking after their property.

<u>Today</u> says you do not lessen the dismay by blaming the public. We are entitled to expect you to demand results from the police, in view of all the resources lavished upon them, before blaming us.

<u>Independent</u> claims research shows crime wave is linked to recession. <u>Leader</u> says a sense of proportion must be kept; an exaggerated fear of crime is almost as damaging as the real thing.

Express calls for a reassessment of priorities. Public confidence in the police is badly strained and needs rebuilding. Friendly neighbourhood bobbies are the best antidote to crime.

<u>Telegraph</u> says the police would be better served by leaders who sounded less like aggrieved shop stewards.

<u>Guardian</u> says Home Secy must stick to his major reforms. Summarised, they are: prisons have become too expensive a way of making bad people worse.

<u>Times</u> dismisses the whole furore. The figures, it says, prove nothing. If local police forces wish to collate figures on crimes notified to police stations rather than leave statistics to the respectable British Crime Survey that is their business. But the exercise should no longer be graced by Home Office approval. The Home Secy should have nothing to do with this quarterly exercise in alarmism.

500 soldiers on Salisbury Plain face summonses for failing to pay community charge - they say they do not get any council services.