PRIME MINISTER

MAIN EVENTS

- Prime Minister sees Amir of Kuwait
- State visit by President Cossiga begins
- de Klerk visits The Netherlands (all week)
- Building society figures (Sept)
- Centre for Local Economic Strategies report on inner cities
- ? Modern foreign languages working group report
- Consultation paper on defamation
- MAFF: 1989 report on radioactive monitoring
- Civil gallantry awards announced (midnight)
- <u>Commons</u>: Questions: DES; Prime Minister
 Debate: Entry into ERM; Hong Kong Selection
 <u>Lords</u>: Debate: 3rd Rdg, Environmental Protection
 Bill
- Lord President addresses Foreign Press Association
- Home Secy opens Bramshill ACPO seminar on quality of service
- Chris Patten visits Devon
- John MacGregor meets Assn of District Councils
- John Wakeham meets Welsh Group of Labour MPs open cast coal
- Michael Howard at European labour conference, Paris
- Malcolm Rifkind interview with "Early Times"
- Peter Lilley opens DTI/Jetro seminar, Birmingham
- Kenneth Clarke chairs GPs' fundholding conference, Birmingham
- Cecil Parkinson opens Doncaster factory
- David Mellor at Choirboy of Year award; opens Anglia TV newsroom

GULF

Saddam Hussain has a dream - and in it the Prophet Mohammed advised him to leave Kuwait but to keep a couple of islands.

Is he softening up Iraqis for withdrawal?

Pentagon, <u>Telegraph</u> says, confirms Iraq's troops are moving north from Saudi-Kuwait border.

Meanwhile, Saudi Defence Minister hints it would not object to arrangements between Iraq and Kuwait over disputed territories.

<u>Times</u> says that France has again slammed the door on any possibility that its citizens held in Iraq could be released as a special gesture from Saddam Hussain.

Willy Brandt exploring possibility of going to Iraq to secure release of 400 Germans Guardian.

Ted Heath continues to haggle on who of hostages is to be allowed home. Today describes it as an obscene human lottery.

<u>Mirror</u> praises him to the skies: he is back in the hearts of the British people; the acceptable face of British Conservatism. What a negotiator!

<u>Today</u> however speaks of a humiliating haggle. Saddam Hussain is trying to divide the Allies. Danish Foreign Minister who has criticised Heath openly will not be the only allied leader who feels bitter resentment at Heath's "inane interference".

Express notes that while Heath haggles Saddam Hussain was actually taking (7) more hostages - no-one should be in any doubt about Hussain's ruthlessness, or need to bring him down.

Jet cuts petrol prices by 4p to 220p as oil prices take a further tumble.

<u>Mirror</u> says petrol prices are set to nosedive because markets believe Iraq/Kuwait crisis could end peacefully.

<u>Independent</u> editorial says Saddam Hussain's hostage tactic has failed, with this issue not becoming a factor which determines policy in the Gulf crisis. Dismissing unfavourable comparisons between Heath's mission and Govt's refusal to act, the paper points out the Govt has larger consdierations to weigh - not least that Saddam is flouting international law in not allowing <u>all</u> hostages to leave. In the last analysis, the fate of the hostages must be secondary to the primary goal of forcing Saddam to disgorge Kuwait.

Western warships report that an Iraqi ship, which had ignored warning shots and defied orders to turn back, has apparently dumped a prohibited cargo overboard Times.

<u>Express</u> says Foreign Secy yesterday dashed hopes for release of Beirut hostages by blocking moves to lift sanctions against Syria.

France asks the five big powers on the UN Security Council to meet on Lebanon Times.

POLITICS

Nigel Lawson announces he is to leave Commons at next election.

Mirror headline: Lawson quits a sinking Tory ship.

<u>Telegraph</u> says he timed his departure to perfection - just after issue which forced his resignation was resolved.

<u>Sun</u> says no tears will be shed. He left you to pick up the pieces of the economic mess he created and now he goes when Tory party faces a tough fight to win back the nation's confidence.

Gordon Greig, in <u>Mail</u>, reports colleagues questioning Kenneth Baker's judgment. The Govt seems to have lost its way.

Labour Party challenge Kenneth Baker's official car bill; he says party mileage is paid for by party.

<u>Times</u> says that Labour is on the verge of announcing plans to strengthen its organisation in London with John Cunnigham put in charge of the party's election campaigning in the capital.

Conservative Party chooses its first black woman to contest a Parliamentary seat - Islington North Times.

Hugo Young, in a diatribe against you in the <u>Guardian</u>, says the signs gather apace that Ministers are steadily losing touch with popular instinct.

CHILD BENEFIT

You hold crisis talks on child benefit on which, it is alleged, Tory party is split. Govt said to be having a rethink about freezing it after Eastbourne. <u>Mirror</u> - Panicking Tories in a dither.

Angela Rumbold modifies her call for an increase - ie when the economy allows.

<u>Independent</u> - you order Ministers to review decision to freeze child benefit payments, sending Mr Newton and Mr Lamont away to come back with fresh proposals. You are believed to favour reintroduction of child tax allowances, which child benefit in part replaced. This is the second time you have intervened on the side of a spending Minister inside a week.

<u>Sun</u> says it is crazy that the Duke of Westminster is eligible for child benefit. This is a legacy of the wierd socialist creed that state aid must be scattered around whether it is needed or not but Govt have had 11 years to introduce a fair system.

<u>Today</u> describes yesterday's meeting as a major summit on family policy. For 90 minutes you banged heads together.

Express says if anyone can fathom official thinking on child benefit and help for working mothers will they please write to the Govt. Ministers appear to be thoroughly confused.

<u>Mail</u> suggests a compromise after you order a rethink over child benefit.

<u>Telegraph</u> pl lead - Child benefit freeze reviewed at No 10 talks. Speculation on more for under 5s. <u>Leader</u> says if the Govt increases child benefit it will do so not out of careful consideration of what is best for children but because it is in a state of political funk.

<u>Times</u> says you have intervened dramatically to try to end the Whitehall tussle between the Treasury and DSS over the level of child benefit.

EC

Foreign Secy tells EC its credibility is at stake after another failure to agree GATT subsidy cuts - issue goes back to Agriculture Ministers who have so far failed 3 times to agree.

John Biffen will lead a backbench revolt in the Commons tonight against your decision to join the ERM. While the revolt will be in single figures, the rebels have warned it should be seen as a marker against any compromise on the Delors plans for a single European currence <u>Independent</u>.

<u>Mail</u> leader says the proposed modest timetable for cutting subsidies is too much for Kohl to stomach. Here is a tailormade European issue for the British Govt. You should expose Kohl's machinations. You should lead a fight for a fairer deal for housewife. Why all the hurry, you might ask Kohl to embrace a single currency and federal bank when he can't find time to clean muck off his farm boots?

Saying the British Govt has very little time left to develop a strong negotiating position on EMU, the <u>Independent</u>'s editorial goes on to urge you not to prolong your futile battle against a single currency. Our national interest demands that we help create it.

Foreign Secy warns EC partners not to push Britain too hard towards early decisions on political and EM union at their weekend's summit in Rome. He stresses you would not support a date being fixed for stage two of the Delors plan for monetary union Independent.

Ahead of today's ERM debate Kinnock challenges forecast of underlying inflation.

Peter Jenkins, writing in the <u>Independent</u>, says if the Opposition decide to broaden their attack against the Govt in today's ERM debate, the theme should be downright incompetence. While it is a travesty to allege that the last decade has been a futile aberration, the indictment should read that the Govt has dissipated its authority and forfeited its claim to competence, and done so in a wanton and unnecessary fashion.

Prospects of EC providing substantial short term financial aid to Soviet Union receded yesterday. EC Foreign Ministers held a brief discusison on it but it now seems unlikely that radical decisions will be taken in Rome FT.

Michel Rocard has called for development of a European defence policy and nuclear defence co-operation between Britain and France FT.

Britain heading for clash over EC attempts to stabilise CO2 emissions 5 years earlier than planned by the Govt.

ECONOMY

Best trade figures for 3.5 years help sterling - a tonic for Tories Express.

Car exports oil the wheels of recovery Mail.

CSO figure indicate UK is in the middle of a recession in growth as all four indices have been in decline for some time FT.

Brintons carpet makers in Kidderminster put 1,000 on a four day week.

<u>Today</u> lists some of pay claims: NALGO 11-20%; railmen substantially above 11%; dockers more than 11%; telephone enquiries 13%; nurses 13-20%; teachers up to 17.5%; doctors 20%.

In public sector, <u>Today</u> wants pay bargaining devolved down to unit - eg hospital, school, town hall.

Teachers may have to be sacked unless the Govt finds next year's pay increase in full, local authorities warn John MacGregor Independent.

MOD spending on accommodation overspent by £67million in 1989/90 Independent.

Labour Party survey says more than 300,000 people face losing their jobs because of the economic slowdown and restructuring of industries **Times**.

President Bush close to a "humiliating" budget deal with Congress Independent.

INDUSTRY

All weekend mail is going by road or air, not by unreliable rail, Mail says.

<u>Times</u> says the Royal Mail claims to be providing a service that is better than ever, but its critics say that behind the statistics lies a hidebound institution that is failing its customers. <u>Leader</u> says the Post Office is now probably alone among the nationalised industries in allowing its unions to hold sway over its customers.

BA applies to raise domestic air fares again times.

Woodrow Wyatt in the <u>Times</u> says many thought that privatisation of so gargantuan an affair as electricity could not provide genuine price competition or choice and care for the consumer. Emphatically, the critics will be proved wrong, and the public purse, shareholders and customers will all benefit from removal of the dead hand of nationalisation.

EDUCATION

Sidcup headmaster on a £5,000 bonus if exam results improve.

National Consumer Council say black and Asian people are under-represented on school governing bodies and are being left out from the trend towards "Parent Power" Independent.

COMMUNITY CHARGE

Opponents of community charge asked 500 Euro political groups to join last weekend's demo. Several foreigners held by police.

<u>Mail</u> thinks that for next 12 months at least there is a good case for banning all community charge rallies.

Servicemen and women cannot be forced to pay the community charge, even after Magistrates' orders compelling them to do so, because MOD refuses to dock their wages Independent.

Council rents will increase by two percentage points over the inflation rate next year if the Govt sticks to housing subsidy guidelines issued for consultation yesterday Times.

HEALTH

Hospital waiting lists top one million.

LAW & ORDER

<u>Express</u> welcomes Govt plans to make it an offence to associate with a crciminal organisation - enabling police to charge Gerry Adams and Martin McGuinness.

IRA say you are still their No 1 target to avenge hunger strikes.

Secret papers found in a restaurant give precise route Queen will follow with Italian president during today's State visit.

Leading lawyers, involved in piecemeal and complex civil and criminal law surrounding disasters, call for a Royal Commission to devise a system for coping with the aftermath of disasters **Times**

NORTHERN IRELAND

The differences which have stalled and possibly put an end to the Govt's initiative on devolution for Northern Ireland were disclosed in documents published in the Irish Times yesterday says the Times.

MEDIA

The Govt won a confortable majority in the Lords for its revised plans to lay down a legally backed code on impartiality for independent TV broadcasters **Independent**.

Charities and voluntary organisations write to you pleading for inclusion of documentaries, educational and social action programmes in the licence requirements for future ITV companies Independent.

PEOPLE

Much coverage of Ian Gow's memorial service with pictures.

Princess Anne banned from driving for a month for speeding.

Eric Hammond, EETPU, fails so far to get a visa to visit the Soviet Union.

FOREIGN

Peter Hain says anti-apartheid groups may allow - allow! expostulates the Sun - South African teams to visit this country.

Mandela set to meet Buthelezi soon for talks Independent.

Toxic waste from Western Europe, barred from many Third World countries after a succession of scandals, is heading for Poland Independent.

Indian Govt imperilled by dispute over Hindu plans to build a temple on site of Muslim mosque <u>Independent</u>

Pakistan braced for poll violence in tomorrow's elections Independent.

The tens of thousands of Palestinians who flood into Jerusalem to work were barred from the city yesterday after Sunday's stabbing of 3 Israelis. Another ban planned for today <u>Independnet</u>.

Extracts from your interview with La Repubblica carried in the <u>Independent</u>, as part of a Special report on Italy to coincide with President Cossiga's State visit.

EC Foreign Minsters agree to end sanctions against China. But ban on arms sales will continue FT

Kenya has broken diplomatic relations with Norway accusing Oslo of backing attempts to topple Daniel Arap Moi's Govt FT.