MAIN EVENTS

Prime Minister meets Mr Viktor Karpov, Soviet Chief Arms Negotiator on Reykjavic Summit.

Prince and Princess of Wales attend dinner given by the Variety Club of Great Britain to launch Life Education Centre.

Concrete in construction exhibition and conference, Royal Showground, Stoneleigh (to October 16).

Launch of firework campaign.

Mr Baker launches City Technology Colleges (CBI).

STATISTICS

CSO: Index of output of the production industries (Aug) (11.30)

PUBLICATIONS

LCD: Law Commission Report on Illegitimacy (2nd Report) (15.30)

PARLIAMENT

Lords

Financial Services Bill: Report (1st Day)

PRESS DIGEST

REAGAN/GORBACHEV

- Reagan says no deal is better than a bad deal. You are seen to be behind him; Kinnock bitterly critical. Grobachev revives hopes of future talks. Reagan telephones you to brief you on outcome.

Treatment

- Star: Special on your role on arms talks headed "Maggie the Peacemaker". Report "Space brolley that scares the Russians still".
- <u>Sun:</u> Reagan was right over Star Wars, says Maggie. You are to give Karpov a dressing down interpretation put upon Tim Renton's remarks about the Russians moving the goal posts.

2. Today: America split over Summit collapse. You are hoping that the collapse of the latter will give you an election boon by putting you in the position of a go-between. A feature says Reagan lost the PR stakes. Mirror: says America's NATO allies are desperately trying to get arms talks back on an even keel. You are right behind Reagan. A feature on "How Reagan caught a cold in Iceland" -Russians won on points, on personalities and on propaganda. In diplomatic terms it was a Russian rout. Express: P1 lead - They'll meet again, don't know where, don't know when. That you'll act as go-between. Another story says "Reagan gets backing for his Star Wars stand". Lord Chalfont says it is now clear the Russians conceived Iceland primarily as a tactical gambit to influence world opinion. Mail: P1 - US firm on Star Wars but Reagan says the door (to further talks) is still open. Telegraph: P1 lead - Reagan sticks to Star Wars plan. US quest for pact goes on. Opposition leaders think failure of latter has reduced your election chances. Guardian: P1 lead - Reagan faces growing storm over deal. Kremlin ready to keep door open. Independent: P1 lead - Reagan goes into space defence row. FT: President Reagan seeks to rally public support behind his Star Wars stance; European members of NATO stifled their disappointment yesterday and called for an urgent resumption of the Geneva talks. You will make it clear to Mr Karpov today that you are totally behind the US. Comment Star: Breakdown a bitter disappointment but not an unmitigated disaster. You are now in a unique position to persuade the super powers that their talks must go on. A full Summit next year is essential. Sun: leader sets out to reason why we must stick with Star Wars our last hope to keep the peace - and says Reagan deserves the whole-hearted support of the British people. Today: leader headed "Star Wars: Reagan must bend" says that on the evidence it has Reagan looks to be in the wrong. Talks cannot be allowed to stop now. Mirror: says both Reagan and Gorbachev tried to do too much too soon without proper preparation. They should wait until they have done their homework and try again. Express: says Iceland was a disappointment but not a disaster. Gorbachev should distinguish between serious diplomacy and a PR game. Reagan was right. Independent: leader headed "Depressing failure of imagination". Says however that if the Summit had succeeded success would have been dearly bought. It would have marked a defeat for deterrence disguised as a victory for arms control. FT: leader says the failure of the Summit should not be allowed to scar East-West relations, although the way forward is hard to see.

Times: leader says intransigence at Reykjavik was in Gorbachev's camp not President Reagan's. But the world's response - aggravated by the naivete of the media - is misguided in the extreme. Progress was made & we must build on it. Guardian: says the worst interpretation is black indeed. But if so Gorbachev would have himself partly to blame for bouncing Reagan into talks. However, diplomatically the failure is hard to explain because neither side benefits. Mail: It is too soon to read the riddle of Reykjavic and to write off the prospects for another Summit. Corbachev may have shown PR flair but Reagan has stronger hand. Telegraph: Picture is/no means as bleak as it appears at first sight. First priority for Europe is to limit the damage to the Alliance. Karpov's visit is a little exercise in mischief making. John Keegan feature says what Russians wanted was an agreement that work on SDI should cease for the excellent reason that if it didn't they would be forced to compete and might not stand the pace. Until SDI they showed no willingness to reduce their weaponry. WESTLAND Government's reply ignored by Star, Sun, Mirror. Today: short piece headed "Whitehall snub for inquiries". Express: also a short report headed "Westland keep quiet rule is right. Civil Service told". says you set yourself on a new collision course with MPs over Westland with the instruction to Civil Servants. Dr Gilbert says the novel doctrine will make it impossible to carry out proper investigations. Telegraph P2 - New Thatcher move to block MPs' inquiries. You are heading for confrontation. Guardian: MPs upset over Westland reply. Government appears to have provoked a new constitutional row. Independent: Thatcher defies MPs over Westland. FT: There is likely to be conflict over the decision to instruct Civil Servants to refuse to answer questions put to them by Select Committees about their own conduct or that of other Civil Servants. Select Committee chairmen reacted with alarm at what is a clear restriction of their powers. They will be considering the procedural implications. Independent: says you have rejected criticisms by backbench MPs and stood by the Government's decisions and its account of events. Your only positive action yesterday was to issue an instruction to all Civil Servants reminding them not to INDUSTRY answer questions on conduct at Select Committees. Jaguar has sold the whole of its production this year of the new car. Peugeot to build new family model at Ryton. CBI wants £5m communications programme on roads, railways, water and sewage systems over 5 years. 3.5m inquiries for shares in British Gas - Peter Walker says it is staggering. - Lansing, truck makers, announce £14m investment programme to lower costs and improve production efficiency.

- Two loss-making pits in South Wales to close with loss of 1,330 jobs.
- Hopes of a settlement to Sealink ferry strike.
- Levels of lead in air have dropped 50%.
- Farmers owe £6bn and up to 20,000 are in serious financial difficulties.
- Lords claim most towns and cities outside London will suffer chaos from Oct 26 when bus deregulation comes in.
- NIREX to begin drilling at 3 sites this week.
- IBM profits fall 27 per cent.
- Greece attacks Britain for trying to hamper cement exports to the UK.
- EconomistIntelligence Unit says new car market likely to exceed 2m a year within next five years; also says that a merger with Jaguar appears to be the only long-term option for Land Rover.
- Employment in the computer software industry grew by 11 per cent last year but there are still skill shortages.
- Majority of British public would pay more for electricity to reduce pollution, according to Central TV opinion poll (Independent).

UNIONS

- Executive of CPSA orders re-run of General Secretary election.
- <u>FT</u>: The Government puts pressure on local authorities to achieve pay settlements which are impossible to negotiate, secretary of employer's negotiating body says.

MEDIA

- Neil Hamilton MP accuses BBC of behaviour worthy of the Nazis to discredit Mr Tomes claiming he was libelled in a programme about "Maggie's Militant Tendency".
- <u>FT</u>: The American Society of Newspaper Editors has attacked disinformation campaigns and is urging the US Government to disavow the practice.
- BBC's coverage of the aftermath of the Libya raids forms the basis of complaint prepared by Conservative Central Office.

POLITICS

- Kinnock says the next election is going to be rough, tough and dirty.
- Express says you and your Ministers moved yesterday to calm growing election fever - but it is a smokescreen to keep your options open.
- Head of bus company says Labour Party's plans to turn his firm into British Investment Co will wreck it.

EDUCATION

- Times: Angry parents will today withdraw their children from Belmont Junior School, north London, in the second day of a boycott against Haringey's "gay lib" education policy.
- Local education authorities should be forced to make proper provision for competitive sports in schools, a group of Conservative backbenchers is insisting.
- One of Britain's most Thatcherite councils Croydon is bracing itself for a double rebuff from Kenneth Baker over its schemes for teacher appraisal and measuring performance of schools.
- MPs call on Kenneth Baker to draw up a blacklist of sex books which should be banned from schools.
- <u>Independent</u> says pupils in Birmingham likely to be sent home today as teacher unions step up action against the council's insistence that they cover for absent colleagues.

HEALTH/WELFARE

- <u>Guardian</u> says John Major is ready to remove several members from the <u>Social Security Advisory Committee</u> which has been a thorn in the <u>Government's side</u>.

HOUSING

- <u>Times</u>: Nationwide says house prices increased by 4 per cent in the third quarter of this year - an annual increase of 12 per cent to the end of September.

ECONOMY

- Saudis reject OPEC proposals on production sharing and oil prices slide (<u>Independent</u>).

LOCAL GOVERNMENT

- <u>FT</u>: Sheffield Council may have to axe 4,200 jobs unless the government agrees to look again at its budgeted spending for next year.

VISIT TO OLYMPIA

- <u>Times</u>: Picture of you cutting a birthday cake.
- Telegraph: also has picture of you with models.

LAW AND ORDER

- Four women and two men charged with smuggling £3m worth of cocaine in champagne bottles.
- Influx of Africans and Asians at Heathrow to try to beat new visa control - brings chaos to airport (Mail).
- £10,000 reward offered for evidence leading to killer of 2 girls at Brighton.
- Cardinal Hume says Guildford bomb case should be referred to Court of Appeal.
- Lawyers are investigating complaints surrounding deaths of five babies in Holloway (<u>Independent</u>).
- First test of search and seizure powers in Police and Criminal Evidence Act comes in Bristol today with a case involving local newspapers and television refusing to hand over to the police unpublished pictures of rioting in the St Paul's area last month (Independent).
- Scientists are testing a new stab resistant uniform for police (Independent).

NORTHERN IRELAND

- <u>Times</u>: An IRA attempt to murder the Army's commanding officer for the western half of N Ireland was foiled yesterday when a booby trap bomb was discovered in SPORT a package delivered to his home.
- Commonwealth Games still has debt of £3.5m; Maxwell seeks Government help.

EC

- FT: EC farm spending may overrun by up to £1.8bn.
- Japan's exports to the EC soared by 73% last month.

FRANCE

- Farmers hijack an English truck and destroy its £20,000 cargo of lamb.
- Mitterrand says he is not likely to stand for President again.

HOLLAND

- Dr Lubbers chases two men he sees breaking into his wife's car until police arrest them.

EL SALVADOR

- Earthquake death toll reaches 900.

PEOPLE

- Rumours that Bob Geldof is not to get the Nobel Peace Prize.
- Labour councillors in Newcastle Upon Tyne refuse Piers Merchant's a council house for his week's subsistence on dole money.
- Today says generosity to Jarrow march crusade is causing some taking part to keel over with tummy trouble.

MINISTERS (UK VISITS, SPEECHES ETC)

DOE: Mr Ridley due to meet MPs from constituencies in which NIREX tests are planned (also October 16)

HMT: Mr MacGregor addresses Institute of Bankers, Norwich

MOD: Mr Freeman visits the National Army Museum

DEM: Mr Trippier visits Newquay jobcentre; later addresses tourism symposium, Truro

DEN: Mr Hunt opens Sheffield insulation factory, Barking, Essex

DOE: Mr Waldegrave addresses CBI Conference on future of shopping (planning issues), London

DOE: Mr Tracey attends council house sales presentation, Wandsworth

DOE: Mr Patten gives opening address to Institute of Maintenance in Building Management Conference, Eastbourne

FCO: Mrs Chalker addresses Central London Europe Group

DHSS: Mrs Currie addresses competitive tendering conference, London

HO: Mr Hogg attends Police Recruiting Officers Conference, Derby

HO: Lord Caithness opens Firex South '86 (Fire Industry regional exhibitions)

OAL: Mr Luce launches campaign to publicise budget tax benefits for the Arts

ODA: Mr Patten addresses EEC/NGO Network on Britain's role in the EEC Aid Programme

SO: Mr Lang visits Peterhead prison

DTT: Mr Pattie visits North West

DTI: Mr Butcher addresses Yorkshire and Humberside Regional Management Centre

DTI: Mr Howard launches firework safety campaign

DTp: Mr Bottomley launches the "Give Us Back Our Pavements" campaign

MINISTERS (OVERSEAS VISITS)

DEN: Mr Goodlad visits Jordan (to October 18)

DTI: Mr Shaw visits Oslo (to October 16)

TV AND RADIO

File on 4, BBC Radio 4 (19.20) - looks at the decline of Britain's merchant fleet.

Labour Party Political Broadcast, BBC 1 (21.00)