

PRIME MINISTER

MAIN EVENTS

Princess of Wales attends Women of the Year luncheon, London

Stock Exchange commissions end ("Big Bang")

Foreign Affairs Council, Luxembourg (to October 28)

National Society for Clean Air annual conference, Blackpool (to October 30)

BBC TV begins new non-stop daytime schedule

PARLIAMENT

Commons

Questions: Energy; Transport

Business: Opposition Day (18th allotted day, 2nd part) - Debate on a Motion on Regional Polciy

Opposition Prayers on the statements of changes in the Immigration Rules

Adjournment Debate

Attendance allowance for haemodialysis patients (Mr M Colvin)

Select Committees: CHANNEL TUNNEL BILL

Subject: International Credit Capital markets

Witnesses: Mr Carlos Santistevan, Libra Bank;

Professor Charles Goodhart, London School of Economics

Lords European Communities (Amendment) Bill: Report
Financial Services Bill: Third Reading

MINISTERS - See Annex

PRESS DIGESTJEFFREY ARCHER

- Resigns saying he never met the prostitute in the case. Resigning solely on account of his lack of judgment in offering money to woman to help her get away from the press. Norman Tebbit says his energy and enthusiasm will be greatly missed. Outrage at press's methods. Mail says Scotland Yard will decide whether to investigate the affair.
Front page coverage:
- Star: "I fell into a sex trap". Inside: "First among fools"; leader headed "Foolish but honourable" says he has shown a lot of people the honourable way out. All the facts point to his being the victim of a particularly nasty set up job.
- Sun: "I quit", with quote about he he had fallen into a trap; leader says he had no course but to resign and to his eternal credit he was quick to recognise the inevitable. He has taken the path of honour. But don't write him off.
- Mirror: "I was a fool - Archer quits over payment to vice girl". Leader says the story was touted around Fleet Street and the Mirror decided the evidence was dubious and abandoned enquiries. Mr Archer can afford to sue the News of the World for libel and restore his reputation. But nothing could make the News of the World's reputation lower than it is.
- Today: The plot thickens. Archer admits sending money to a call girl he never met". Leader headed "A matter of honour" says he has done the right thing by resigning but he leaves many questions unanswered. The scale of his foolishness and lack of judgment leaves one breathless.
- Express: "Archer quits over vice girl trap. Maggie shock as Tory golden boy goes". Says he will fight back. Backbenchers greet resignation with sadness - Archer, they feel was naive but honourable.
- Mail: "A Matter of Honour" - vital questions as Archer quits over call girl"; leader says if he never met the prostitute why did he offer her wedges of money to leave the country. The trouble with his statement is that the more categorically he protests his sinless involvement the more deeply he undermines his own folly in bounding into the tacky trap set for him by her and the sleazy journalism of the News of the World. From now on he would be advised to confine his political enthusiasm to writing books. Gordon Greig, in Mail, says Mr Archer's formidable ability to bounce back makes nothing certain about his future.
- Telegraph: "Archer quits Tory party. Error of judgment over call girl cash. Ephemeral damage hope in party". Leader says the circumstances remain puzzling and his explanation is bizarre.
- Guardian: Pre-election embarrassment for Government as prostitute's claims lead to ruin of Archer's political career.
- Times: "Archer quits over pay-off to prostitute"; leader says you have now lost two leaders of your party organisation in circumstances that chime ill with your avowal of family values. But it should not cause you disproportionate alarm that this is one Tory rot you have not managed to stop; Robin Oakley does not think the episode will have a major effect on the Government. "He is probably regarded as a bit of a card from whom a slightly different kind of behaviour is expected and tolerated, whatever the importance of his party office."

JEFFERY ARCHER (CONT'D)

- Guardian leader says the resignation can hardly be helpful to a party enjoying a rapid recovery in the polls and claiming to represent the best of moral values. But politically the damage should not last long; only add to the rather tawdry atmosphere which surrounds aspects of the Tory Party.

- Independent: "Archer quits over sex scandal - press and prostitute trap forces out the Conservative deputy chairman"; leader asks why we are so besotted with behaviour that in other countries would not raise an eyebrow. British hypocrisy has had a field day.

POLITICS

- Knowsley N to go to court again today to try to get rid of candidate imposed on them by Labour NEC and Kinnock.
- Scargill may become Labour candidate for Barnsley in succession to Roy Mason who is to retire.
- Neil Hamilton MP drops libel action against former Young Tory chairman. NUJ to press BBC for assurances over editorial control after libel case.
- Bill Rodgers says election will be held on October 22, 1987.
- Leading Welsh and Scottish Nationalist Parties attack Kinnock and hint strongly that a Conservative victory would help their nationalist cause.
- Independent: Peter Kellner assesses the prospects for a hung Parliament and coalitions and decides that the most likely result would be a minority government, followed by a second election a few months later.

ECONOMY

- FT: Some of the Treasury's leading economic advisers are urging the Chancellor to forgo sizeable tax cuts in favour of tighter controls on public borrowing. However, some acknowledge that the Government's pre-election commitments mean a spending overrun in 1987-88 is almost inevitable anyway.
- FT: Profit-related pay plans received with general enthusiasm but both sides of industry have deep-seated criticisms; Government has already shown itself to be a "good listener" and scaled down original proposals in response to representations.
- FT: Bryan Gould, Opposition trade spokesman says the next Labour Government must cut the City down to size in terms of its influence over economic policy and its role in providing investment capital.
- FT: In the wake of the 'Big Bang' leader warns that financial sophistication does not necessarily mean a successful economy and that financial efficiency should not become an end in itself.
- CBI says pay settlements, at average of 5.5%, are running a little below last year's level.
- Mirror says the Government intends to cook the books over unemployment figures for the 18th time this week by toughening the requirements for signing on.
- Sir Nigel Brookes, chairman of Trafalgar House, has been asked to join the board of Euro tunnel at the initiative of the Bank of England. You are not lobbying for mere funds but are furious that the City has not come up with Britain's share of money for the project. (Independent).

INDUSTRY

- Post Office Users' National Council says one in eight first class letters do not arrive on time.
- Clothes firm can't fill 25 jobs at clothing factory in Wellingborough paying up to £130 a week; so it may recruit in Spain.
- Today says British Coal are to offer UDM a 20% 2-year pay and productivity deal boosting face workers' pay by up to £40 a week by 1988; this will infuriate Scargill.
- Mail says Tory MPs are pressing for more State cash to be pumped into Rover; so does Telegraph.
- Telegraph reports launching of a campaign to win 7-day opening for DIY stores, garden centres and stately homes.
- Independent: Water rates in Scotland are to be reformed to ensure that the more people use, the more they pay. The idea of meters has been abandoned in favour of a community charge.
- FT: Eurotunnel's share placing short fall is about £10m but the Consortium remains confident that the issue will be concluded successfully.
- FT: Government seems likely to back new state aid for Rover Group depending on how constructive Graham Day's proposals are considered to be. DTI thought to have been urging an early corporate plan submission so a bid can be made in November PESC round.
- FT: Demand for big buses devastated by deregulation as most operators opt for mini-buses.
- FT: DTI to close loophole which has prevented some telephone users becoming customers of Mercury.

CITY

- Big Bang heralded quietly in pops. Express speaks of a new era of cut-throat competition. Since the new regulatory system will not be in place immediately, a large responsibility is put on the new players.

UNIONS

- National Telecommunications Union £1.2m in the red.

TRANSPORT

- Calls for statement on alleged near miss by two British Airways jets over West London.
- Today on bus deregulation, says if Glasgow's experience is anything to go by, it will be an unmitigated disaster - for consumer, entrepreneur and city. If it means the abandonment of rural services it will be a disaster for a whole way of life.
- Trade union official in South Wales' claims he was beaten up by three men because of his outspoken views against Government's deregulation.
- Times: Russia is demanding up to 5% of all income earned by British airlines from their planned non-stop service to Tokyo - in return for allowing planes to fly 4,350 miles through Soviet air space.
- Around £15m is still needed to complete the British end of the financial arrangements for the Channel Tunnel before the deadline of this Wednesday
- Used car buyers lose about £100m a year as a result of "clocking" - fraudulent reduction of the mileage recorded, according to research.
- Rail fares will rise next year by no more than an average 5%, BR has decided (Independent).

LOCAL GOVERNMENT

- Birmingham's controlling Labour group orders all primary school heads to do nothing to help children reach grammar schools, on pain of discipline; Sun leader says Orwell's nightmare world the Marxists would create for us if they ever got a chance is here in real life. Mail says today in Birmingham tin pot totalitarians are trying to turn the grammars into non-school. Telegraph says union is to advise heads to ignore instructions.
- Express reports that mothers protesting about their children being taught "positive images" about homosexuals have received death threats in Haringey.
- NUT to walk out if black activist and chairman of Willesden school of governors drops in on lessons unannounced in Brent.

EDUCATION

- Independent: Plans to strip all local education authorities of their "purse-string powers" are being considered by Kenneth Baker.
- A confidential report commissioned by Permanent Secretaries at the Treasury and DES reveals that financial prospects for universities are far worse than realised.

HEALTH/WELFARE

- Allegations that the AIDS virus was manufactured in American laboratory.
- Times: A million people in Africa will die from AIDS in the next few years and several million are already carriers.
- The Government is to spend millions of pounds on its campaign against AIDS. Senior ministers are pressing for a leaflet drop to every household rather than a TV advertising campaign which is favoured by AIDS specialists.
- Times: Government plans to make it possible for private funds to be used to expand privately rented housing are to be announced this week by DOE.
- Michael Heseltine will tomorrow set out his personal manifesto by arguing for drastic curbs on tax relief for mortgages to release cash to tackle inner city unemployment.
- TUC says Government should do more to help child abuse victims.
- Independent: Proposals to make it easier to choose a family doctor by having information on services freely available in libraries and elsewhere are being opposed by the BMA.

WESTLAND

- Times: A document giving scathing, point by point dismissal of the Government's reply to the defence select committee report on Westland suggests the Government faces a rough ride in the debate on Wednesday. Dr John Gilbert has now written to you asking if you would be prepared to appear before a select committee.
- Backbenchers on both sides of the House will vent their anger on that part of the reply dealing with civil servants giving evidence. Several believe the Government will find its position untenable.
- After the Government's response, one option for select committees is to order a full inquiry into how Civil Servants can be brought to book.

DEFENCE

- Telegraph reports claim that more than half physicists at 25 British universities have boycotted work on SDI.
- Times: The Russians say President Reagan agreed at Reykjavik to a total ban on nuclear arms. They have issued what is claimed to be a verbatim quote. The US denies the President said it.

RED CROSS

- 16 Red Cross officials told to leave South Africa immediately after World Red Cross conference bars South Africans until apartheid is abolished.
- Express leader says the Red Cross's impartiality is now shattered engineered by hate blinded Third World nations, backed by Soviet Union, to whom the struggle against racism surpasses all other priorities.
- Guardian says on balance it looks like an own goal for the Red Cross by those who won't suffer from it, but a lot of helpless people in South Africa are going to have to pay dearly now the referee has been sent off.

RELIGION

- Archbishop of Canterbury flies to see the Pope in Italy for Day of Prayer for Peace.
- Ireland's Roman Catholic leader calls on IRA to respect the day of peace/

SPORT

- Nigel Mansell fails to win World Championship thanks to tyre burst.
- Botham signs to play for Queensland in winter - ends his days as England tourist.
- Independent: A new football stadium safety system which uses high-powered water jets will be unveiled today.

PEOPLE

- Piers Merchant MP abandons plans to live in a council house with his family for a week on dole money after threats from neighbours on estate.
- Times: Judge Pickles says he is prepared to take legal proceedings against Lord Hailsham over the dismissal of a recorder.

SYRIA

- Britain to urge Europe today to crack down on Syria (Sun).
- Express says Foreign Secretary is likely to meet a lukewarm response, with France the main stumbling block. Chirac is involved in negotiations to supply Syria with £200m worth of weaponry; leader fears good intentions at EC will be smothered by national priorities. If France fails to respond it will be an appalling commentary on a Paris that just a month ago claimed France was at war with terror.
- Telegraph says a group of Senators is pressing Reagan to impose sanctions against Syria; it adds that Syria is preparing itself for further isolation.

SYRIA (CONT'D)

- Times: Syria's angry threats against Britain have failed to set off the intended chain reaction of support in the rest of the Arab world. Only Libya has demanded that other Arab states should break off diplomatic relations; it adds that although officials in Damascus have been at pains to promise protection for British citizens in the city, Britons are now almost as much at risk in the region as Americans.
- Russia has opened a barrage of criticism against Britain's move which it says was American-inspired.

SOUTHERN AFRICA

- The Independent says the anti-apartheid groups will soon establish other means of monitoring prison conditions but says the precedent set in Geneva is fearful and calls for South Africa's reinstatement forthwith.

INDIA

- Independent says that all internal and international flights from Palam (New Delhi) airport were cancelled for two hours on Saturday while Prime Minister Gandhi practised his flying.

MINISTERS (UK VISITS, SPEECHES ETC)

- MOD: Mr Younger meets Commander-in-Chief Royal Jordanian Armed Forces; later dines with Omani Ambassador
- DEM: Lord Young attends Cambridge Union Debate
- SO: Mr Rifkind addresses Glasgow Chamber of Commerce; later opens new Games Hall, Glasgow High School
- DTI: Mr Channon addresses seminar on the Internal Market, London Chamber of Commerce and Industry
- MOD: Mr Hamilton visits Vickers, Barrow-in-Furness
- MOD: Lord Trefgarne visits West Byfleet
- DES: Mr Walden visits Natural Environment Research Council exhibition "Science Means Business", House of Commons
- DEM: Mr Lee visits North of England County Council Association; later addresses European Business Institute, HoC
- DEM: Mr Trippier launches recycling video, Manchester; later speaks at National Westminster business campaign; visits Jorvik Museum, York
- DEN: Mr Buchanan-Smith opens 3rd Conference on Petroleum Geology of NW Europe, London
- DEN: Mr Goodlad opens Promotion of Demonstrated Energy Technologies seminar, London
- DOE: Mr Tracey addresses Retail Fruit Trade Federation annual convention, Harrogate
- FCO: Lady Young attends New Zealand Chamber of Commerce & Industry, London
- DHSS: Mrs Currie speaks at Self-Help Family Centre launch, London
- HO: Mr Hogg visits Lincolnshire Police HQ (all day)
- OAL: Mr Luce speaks at "Book Trust" reception
- SO: Mr Mackay opens New Executive Residential Training Suite of the RTITB occupational training centre, Livingston; later addresses Glasgow Chamber of Commerce, Glasgow
- SO: Mr Lang visits High Court and Sheriff Court, Glasgow; later opens new office for Scottish Council Development and Industry, Glasgow
- SO: Mr Ancram opens extension to M74
- DTP: Mr Bottomley addresses British Horse Society Symposium on equestrian safety, London
- DTI: Mr Butcher presents Young Designer Awards, London
- HMT: Mr Brooke lunches with International Distillers and Vintners; opens West London Mission Centenary Exhibition
- WO: Mr Robinson opens Hafod Housing Association Sheltered Scheme, Cardiff
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MINISTERS (OVERSEAS VISITS)

DTI: Mr Clark attends EC Foreign Affairs Council, Luxembourg

TV AND RADIO

"All Change for the City"; BBC Radio 4 (10.00): Direct from the Stock Exchange on "Big Bang" day

"Open to Question"; BBC 2 (19.35): With Vice-President Mondale. Is the Prime Minister President Reagan's puppet? Is Britain merely an American aircraft carrier?

"Panorama"; BBC 1 (21.30): Production of nerve gas in Iraq for use against Iran
