

PRIME MINISTER

MAIN EVENTS

EC: Internal Market Council, Brussels

EC: Industry Council, Brussels

TUC: Finance and General Purpose Committee

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STATISTICS

Cyclical indicators for the UK economy

Manufacturers' and distributors' stocks (3rd Qtr.Rev)

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MINISTERS (UK VISITS, SPEECHES ETC)

MOD: Mr Freeman visits RAF, Headley Court

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MINISTERS (OVERSEAS VISITS)

DTI: Mr Pattie chairs EC Research Council, Brussels

DTI: Mr Shaw chairs EC Industry Council, Brussels

DTP: Mr Mitchell attends EC Ministers meeting on high speed trains, The Hague

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PRESS DIGESTKINNOCK

- Criticism of Kinnock's personal performance as well as policies by colleagues after Gallup gives Conservatives 8.5% lead.
- Crisis meeting called by Kinnock on January 7 to rally troops - US visit, telephone calls to Turnbull and defence policy main concerns.
- D/Star: Political editor writes him an open letter under the heading "Stop the rot now Neil, before Maggie gets a hat-trick". Labour in grave danger of re-run of the nightmare 1983 election. Can't play student style politics with our defences.
- Sun P2: Labour crisis bid to prop up Kinnock; Trevor Kavanagh on "Why the bumbling boyo has blown it", Labour having slumped 12% in a month. He says his problem now is how to stop his party dumping him and its tearing itself apart.
- Mirror P2 resorts to fairy tale to ridicule Kinnock defence policy and his aversion to first strike, notwithstanding his violent encounter with two youths who tapped him on the head with newspapers in a restaurant.
- Today P1: 'Neil reads nuclear riot act' - says he is ready to get tough on anti-nuclear policy over his colleagues' "dumb insolence".
- Express P2: Black Christmas as crisis hits Kinnock; he knows it could be his last as leader; in the pincer between Left and moderates. And now Kinnock feels it necessary to say he didn't start fight with the young chaps who tapped him on the head with newspapers; leader asks "Can Labour now live with Neil's image? He is now looking horribly flawed. His bid to peddle his defence ideas around America is accepted by everyone as a disaster; his naive attempt to embarrass the Government affair backfired ignominiously; and his authority is 'flaunted' by constituency and town hall militants. Thumping revellers outside Indian restaurants does not help.
- Mail P1: Kinnock demands defence hush up - to launch a desperate attempt to sweep Labour's ban-the-bomb defence policy under the carpet. He is facing the ever-more-likely prospect of defeat which could mean the end of his leadership; leader headed "Maggie's amazing recovery" says credit must be given to your secret weapon - "Glenys Kinnock - the CMD groupie." In a feature alongside it headed "Glenys the Menace" Geoffrey Levy says her influence on Kinnock is unrelenting and her kitchen cabinet generates more political heat than weight.
- Telegraph curiously puts "Labour's 2-day summit as popularity slumps" on P2. Turnround worries Labour who fear it represents a backlash against defence policies and Kinnock's less than successful tour of America; diary says some of the flak is aimed at Hattersley for not giving Kinnock private advice and public support.
- Telegraph leader says Labour's defence policy must take pride of place for the crack in their support and Kinnock's decision to push forward so fundamental a vote loser was appalling strategy. The signs of panic over the weekend are not an over-reaction. The party has blundered in strategy because of blindness to mass political feeling.
- Ian Aitken in Guardian, which otherwise ignores Kinnock's troubles, says there are already signs of weariness bordering on despair among some Labour MPs. But it would be suicide to attempt to dump the anti-nuclear policy now.

KINNOCK (CONT'D)

- Times P1: Kinnock urged to soft pedal over defence - under increasing pressure from senior colleagues to tone down further his public commitments to remove American nuclear bases from Britain. They are certain this is the main reason for your 85% lead in the polls.
- A senior member (not named) of the Shadow Cabinet is to urge Mr Kinnock to purge the loony left London councillors who are bringing the Labour Party into disrepute.
- Independent leader says Kinnock seems to want the advantages both of NATO and unilateralism. The signs are that it will not wash with the electorate. On January 7 his elders and betters have the opportunity to tell him so.

POLITICS

- John Biffen warns Chancellor not to be slick or smart in his Budget.
- Today leads with "Maggie's mortgage tempter" - says you are fighting a lone battle in Cabinet to raise tax relief threshold from £30,000 to £35,000 in Budget.
- Today says Kinnock is preparing to recongise UDM to buy peace in Notts.
- Times: The Alliance is planning a radical facelift in the New Year to recapture its original "freshness".
- Times P1 lead: The privatisation programme is to receive a £2bn shot in the arm by the winding up of all the remaining new towns and the sale of their assets. John Patten will announce the plans in the next few days.
- FT: SDP/Lib Alliance will launch their new theme tune next month, together with new logo, new livery colour and an "Alliance team for Government".
- FT with "characteristic candour" Mr Biffen expresses Government concern that President Reagan may become a 'lame duck' in his remaining term of office. In his BBC Radio 4 interview, Mr Biffen also hinted at doubts he had about Mr Tebbit's attack on the BEC.

ECONOMY

- CBI reports drop in size of pay settlements to 4.6% - lowest for 20 years; Express: "Maggie gets a wage peg boost".
- OPEC deal on production and prices boosts hopes of tax cuts in Budget.
- Times: Prices are likely to be firmer today, despite Iraq's refusal to abide by the production cutbacks agreed by OPEC.
- Times: The Chancellor's attempt to play down expectations of tax cuts has failed to convince the forecasters. There is virtual unanimity that there will be a cut in basic rate of 2p or more. Even the OECD assumes tax cuts for Britain in its December 'Economic Outlook'.
- FT: Member countries of GATT fail to agree on programme for negotiations to liberalise world trade.
- Independent: Drop in pay settlement levels and OPEC deal to boost oil prices give Government's economic policies a double boost.
- Independent: Number of children living on or below the poverty line has roughly trebled since 1965, according to Child Poverty Action Group.
- Low Pay Unit claims poor worse off than 100 years ago in relation to others.

INDUSTRY

- Cost of drinking in industry put at £1.4bn a year.
- New Wages Act gives hotel and restaurant owners right to cut wages by £12 a week.
- Britain, backed by Italy, is calling for higher shipbuilding subsidies in E
- Wood Mackenzie say Britain's balance of trade will edge narrowly into deficit next year, but this will be eliminated by 1988.
- Shops and stores which defied Sunday trading laws by opening yesterday reported record takings for a pre-Christmas Sunday.
- FT: The British Invisible Exports Council tells Mr Lawson that the UK's income and capital gains tax rules are biased against profits from overseas.
- FT: Ford Motor Company sets 1986 sales record in Europe.
- Times: Graham Serjeant says that over Christmas you will be reading the Sizewell report, which is principally about the choice of British or American/French technology. The long-term promotion of British firms will not figure prominently in the report. Will it in the decision?

MEDIA

- Sun comments on the shambles at the BBC which refuses to take adverts but was about to screen a documentary on road haulage paid for by motor firms. Robert Adley MP wants a full report on cancellation of show. Firms demand return of £75,000 by BBC.

LAW AND ORDER

- Two women murdered in Salisbury.
- More jockeys expected to be arrested for tax offences after Lester Piggot is accused.
- Prison Officers' Association denies it plans to throw jails into chaos in New Year over pay.
- Stalker will tell all about his troubles in 3-months' time, according to his brother. Express leader says it is time Anderton cut down on homilies and got on with running an effective force.
- Mail prints list of police forces according to breath tests carried out varying from a 1 in 270 chance to 1 in 12,446.
- Guardian: Leader says there can hardly be a person who does not take Stalker's side, yet that has not restrained the Manchester force one jot. They don't care what anyone else thinks and under the present system they don't need to.
- Times: A review of the moors murders case may be undertaken by a senior officer from another force to determine whether the renewed search by Greater Manchester Police for more bodies should be abandoned.
- Independent: Full page devoted to crime and punishment of young offenders. Wide discrepancies in magistrates' sentencing blamed on greater discretion given in 1982 Criminal Justice Act.

DRUGS

- Boy George's friend dies from overdose.

MI5

- Lord Glenamara (Ted Short) calls for inquiry into claims that MI5 forged Swiss bank accounts to smear him.
- You are resisting calls for an inquiry.
- Times: Peter Wright's family have denied earlier reports that they considered him to be untruthful.
- FT: Government likely to turn down calls for an immediate inquiry into allegations of plotting by some members of MI5 against members of the 1974-79 Labour Government.
- Independent: You intend to answer Labour protests about MI5 surveillance by arguing that the security services were doing their job, according to Chapman Pincher.

DEFENCE

- Labour MPs to question Defence Secretary over leaving of secret defence planning papers on a train by colonel.
- Times: Mr Younger is being urged to find at least another £100m to bring the RAF's Tornado radar up to standard.
- Trials at the RAF's main experimental establishment at Boscombe Down are being delayed because of cutbacks in civilian staff.
- CCHQ is suffering from staff shortages, according to Paddy Ashdown MP and unnamed employee.

LOCAL GOVERNMENT

- Camden bans the greeting "Hello Sunshine" as racist.
- FT leader strongly critical of the community charge proposal for rates reform which, it says, is merely an ill conceived sop to Scottish ratepayers and a superficially attractive electioneering expedient. The Government should look again at the alternatives on offer from the Duke of Edinburgh, the RICS and numerous other academics and experts.

HEALTH/WELFARE

- Two children, 3 and 2, killed by "overwhelming infection" with 'flu-type virus.
- Home Office ministers have lost their battle to impose tighter controls on the powers of mental health tribunals to release psychiatrics from hospitals. Mr Fowler has got his way.
- Times: South Glamorgan Health Authority is recruiting junior doctors from West Germany to combat staff shortages.

AIDS

- Patrick Cormack MP wants Government to halts its anti-AIDS advertising because the ads are "brutally worded" - Sun says he must have had a very sheltered upbringing.
- Durex takes 2-page adverts.
- Times: More than half of people questioned about health campaigns said AIDS should be the priority.
- Times: John Biffen and Tony Newton yesterday urged the churches to accept their responsibility for introducing a moral dimension in the national fight against AIDS; a survey for 'Weekend World' shows that the public education campaign has so far had little impact - 80% of those questioned thought they were in little or no danger and 86% said they had not changed their behaviour.
- Independent: Cabinet sub-committee is considering creating a new body to coordinate Government's AIDS campaign.
- Independent: World Health Organisation blames spread of disease on sexual tourism.

EDUCATION

- Conservative Student Affairs Research Group suggests graduates should pay a higher rate of tax when they leave university to cover the cost of their education.
- Mail leader on a Brent teacher who, tired of being harassed by left wing fanatics, has decided to get out.
- Telegraph Gallup Poll shows nearly half the public are dissatisfied with maintained schools and hanker after the return of academically selective grammar schools.
- Independent: Maths and physics graduates have a "bleakly negative" image of teaching as a career, according to research commissioned by Mr Baker.



NORTHERN IRELAND

- IRA bombers have so far caused £1m worth of damage in pre-Christmas outrages.
- BBC staff receive £300 Christmas bonus in recognition of "exceptional stress" - Loyalists attack it as pay-off for services rendered to Establishment.

PEOPLE

- Bill Simpson, TV's Dr Finlay, dies, 54.
- Today calls Edwina Currie Minister for Healthy Meals, Frugality and Tactlessness after apparently advising smoked salmon and cholesterol-stuffed goose for Christmas.

SPORT

- Chairman of Scarborough FC dies trying to restore order after outbreak of hooligan violence; six youths held.

RUSSIA

- Mail suggests Sakharov's return from exile is linked with Soviet's desire to catch up on SDI.

CHAD

- Libyan reported to have lost 400 troops in fierce fighting.

CHINA

- Students in demonstrations.

MIDDLE EAST

- Terry Waite said to be keen to return to Beirut for Christmas to try to arrange release of more hostages.

ISRAEL

- Times: Picture of Vanunu being led into court. He is expected to be charged with treason and other offences.

EEC

- Times: The Belgian presidency is to make foreign policy its top priority.