

PRESS DIGESTPRIME MINISTERGulf/Economy/Politics

Guardian says Mitterrand threw a lifeline to Saddam Hussain by declaring "everything would be possible" if Iraq announced it would withdraw from Kuwait and free hostages.

Shevardnadze says unilateral military action against Iraq would not contravene decisions of Security Council.

Oil prices rise to \$40 a barrel; threat of £3 a gallon of petrol.

Chancellor rules out subsidies against oil price rises - and for his pains is seen as allowing prices to rip and even "blessing" the £3 gallon. Today says he should cut VAT on petrol.

Pound rises on improvement in trade figures.

But share market falls by £6 billion because of rise in oil prices and plunge in US shares.

Forecasts of 100,000 redundancies in building industry as interest rates cripple investment.

800 National Power jobs to go with closure of five power stations over next 5 years.

British Coal makes 200 redundant with closure of Tyneside cokeworks.

36 British military advisers captured by Iraq have disappeared from Baghdad Star.

Row over alleged cut in pay for Armoured Brigade going from West Germany to Gulf.

Israelis vow to crush Saddam Hussain if he attacks them.

Janes Defence organisation claims Gorbachev has kept military advisers in Iraq to safeguard Russia's long term interests.

Kenneth Baker hints at a delay in General Election until 1992 to get economy right.

Mail thinks if Tories hold their nerve they can see off the strongest challenge yet mounted against you.

PRESS DIGEST

Today says Tory Party is split down the middle, judging from conference motions, on whether mothers should be helped to have careers or be encouraged to stay at home; leader says any party which fails to understand career needs of women will lose votes.

Guardian says Nigel Lawson has admitted to three mistakes in handling economy - effect of financial deregulation on spending habits, letting pound fall further than it should have done after collapse of oil prices in 1986 and overreaction to stockmarket crash of '87.

Comment

Sun asks when the CBI ever admitted that times were good. When the Thatcher Govt were creating the best conditions for business for 30 years they moaned. Things are never as bad as CBI imagines.

Telegraph says there is no longer any debate on whether the economy has slowed down. There now remains only the technical but difficult decision on when to join the ERM.

Guardian says if the Govt persists with present policies wage inflation will come down but not anywhere near the Euro level. And the price will be a collapse of profits and investment. What a way to prepare for 1992. It should only be tried when lower interest rates and control on bank lending and wages has failed.

Independent says the time has come to head off an over-severe recession and secure sterling's future within the ERM without further delay.

Peter Jenkins, in Independent, says that through mismanagement Govt has allowed economic and electoral cycles to get out of phase. It will be hard put to go to the country with a story of success.

Environment

Environment White Paper roundly condemned in advance of publication - Green Party says it falls at first hurdle; and Greenpeace says it is waffle - only 300 pages of words; not action.

Chris Patten attacks Greenpeace for publications which are the worst sort of political pollution, complete with distortions, exaggerations and worse.

PRESS DIGEST

Independent says Mr Patten's relations with environmental pressure groups have hit rock bottom.

Mail says Govt is "hotting up" the war on global warming.

Transport tops the agenda at Tory Party conference Telegraph.

Express leader says no sooner do we seem to be moving towards a better roads programme than Labour pops up with a plan to abandon major road construction on environmental grounds.

Independent says there is no sign the Green Party conference is ready to accept firm leadership or that anyone is prepared to talk in realistic terms to the delegates. As presently constituted, the party is proving a poor mechanism for the transmission of the values it espouses.

Food

A pig infected with BSE after intensive experimental doses of disease.

MAFF announces immediate ban on use of offal in all animal food.

Today says every step of the way the Govt has done too little.

French apologise for the behaviour of their farmers in lamb war and promise compensation.

EC agrees to cut farm subsidies by 30% over next few years as part of GATT round.

Local Govt

Lambeth wins its appeal against Govt's attempt to reduce their community charge further to guideline figure.

Express says Govt will close loophole.

Welfare

Two of 15 children taken into care in Rochdale after Satan cult abuse scare to be reunited with their parents today under supervision after court hearing.

Row over BNFL's objection to legal aid to family seeking to sue them over death of daughter of a company employee for leukaemia.

PRESS DIGEST

Michael Meacher claims 9 million are caught in poverty trap and have little hope of getting out of it.

Soviet Union

Gorbachev gets free hand to get economic reform going - "most powerful leader since Stalin" Telegraph

Express calls on us to give him "total support".

Guardian says the crisis is now essentially a political one and almost any economic programme might improve the life of the Soviet people. Gorbachev's adoption of special powers is a last throw. The Guardian wishes him luck. He needs five aces to succeed.

EC

West German president backs a federal Europe.

FT tells Community to think again about Social Charter. It may turn out that labour markets that perform best are those with the regulations the Community desires. But that lesson can be learned; it should not be imposed from above.

Law & Order

Two racehorses nobbled in St Leger meeting at Doncaster.

Gerald Ronson to appeal against his Guinness conviction.

Winnie Mandela sent for trial on assault and kidnapping charges.

Prison Officers' Assn say Wakefield Gaol is on brink of riot.

Police believe 10 of 18 IRA attacks in England this year carried out by one of two terrorist cells on mainland.