

PRIME MINISTER

MAIN EVENTS

Conference of Nigeria's creditors, organised by the Law Debenture Trust Corporation, Wembley Conference Centre, London

DEM: HSE press conference on control of asbestos regulations at work

STATISTICS

CSO: Social trends 1988

DEM: Labour Market statistics: Unemployment and unfilled vacancies (Dec-prov); average earnings indices (Nov-prov); employment, hours, productivity and unit wage costs; industrial disputes

DOE: Housing and construction statistics (Sept Qtr 1987)

DTI: Provisional figures of vehicle production (Dec)

PARLIAMENT

Commons

Questions: Treasury; Home Office; Prime Minister

Business: There will be a Debate on a Motion to approve the Chancellor of the Exchequer's Autumn Statement

Adjournment Debate: Provision of Health Services in the South East Thames Regional Health Authority with special reference to Maidstone (Miss A Widdecombe)

Lords: Starred Questions
Legal Aid Bill (HL): Committee (1st Day)
Arms Control and Disarmament (Immunities and Privileges) Bill:
Second Reading

MINISTERS - See Annex

PRESS DIGESTMAIN NEWS

Liberals and SDP in turmoil and hammered by the press after yesterday's fiasco over merger "agreement" which is now dead.

Steel's political life seen to be drawing acrimoniously to a close with his party as well as SDP split.

David Owen says "God knows where these policies have come from. They are unbelievable."

Marplan shows Labour had made a big improvement in standing - up 3 points with Conservatives down 5 to Con 42; Labour 40; Alliance 17%.

Express says Left wing MPs are discussing the idea of Benn challenging Kinnock for leadership in October.

Home Secretary leads move to kill Shepherd Bill; Shepherd to meet you today to try to get Whip removed. Biffen attacks 3-liner.

John Moore admits NHS needs more cash in meeting with heads of Royal Medical Colleges; John Redwood and Oliver Letwin claim NHS "bureaucratic monster" and that system rather than lack of cash is cause of delayed operations.

90 blood transfusion workers in Essex vote to join others in Leeds, Glasgow and Edinburgh in dispute.

Florence Nightingale School, at St Thomas's, closed to new students because there are not enough wards to train them in.

Express says John Moore is under intense pressure to stage a storming comeback and launch a new health initiative. His colleagues think he has been ineffectual so far.

Brentwood, Essex, council may become first local authority to provide money to save health service in its area.

Customs and Excise say they are worried about wave of cocaine flooding into Britain.

Lord Young writes in Express on his master plan to rejuvenate industry.

National Consumer Council says Access and Visa credit cards are ripping off customers; inflated interest rates impossible to justify.

Government expected to extend furniture foam ban to beds.

British banks will be able to open in Euro high streets without approval from our partners, and vice-versa, under Community proposals.

Murdoch's stake in Pearson (FT) up to 20%.

Rapist jailed for life after it is revealed he had three times been given parole on previous sentences.

Church of England to discuss idea of ending marriages in Church because of divorce rate, and to permit church blessings after civil marriages for believers; Danes to make homosexual marriage legal with equal rights with heteros except on child adoption.

Lots of coverage of how Britons are now - taken from the CSO's snapshot in time, Social Trends, published today.

Today claims Government is considering confiscating soccer hooligan's passports and welcomes idea provided, however, it is subject to proper legal review.

German undercover police to mingle with English soccer crowds in preparation for Euro Cup in West Germany this year - Star supports this idea.

Alcohol Abuse wants children soccer strips that bears brewers' logos to be banned.

Sun, Mirror say Duchess of York is expecting a baby; angry silence from Palace.

Charities threaten to boycott EC free food distribution unless it is better organised than last year.

2 more Arabs shot dead in Gaza strip; 4 Palestinians deported to Lebanon.

Reagan to have another cancer check on Friday.

One in 61 babies born in New York last month infected with AIDS.

B/Airways and Texaco have adopted AIDS screening process for staff.

LIBERALS/SDP

Star: Quit call to Steel in merger bust up.

Sun: Sacking threat to Steel in big split; leader says that if the Steel Show could be done on ice it would run and run. But if he doesn't resign now he will be pushed. Their candidate is Ken Dodd who, with a supporting cast of the biggest comics in the business, wouldn't need his tickling stick.

Mirror: What a farce. Steel close to quitting as merger flops; leader says its the end of a dream or maybe a fantasy. Both Libs and SDP are split among themselves. What Steel and MacLennan have produced is a shambles.

Today P1 lead headed "Suicide" - "Loopy" Steel finished amid merger chaos and Owen set for comeback. Feature on "the fall and fall of Boy David". Leader headed "Bring back David Owen" says the political farce that was going to be different has turned out to be worse than all of them put together. The two leaders must take the blame. Only one man now with clout to fill vacuum: Owen.

Express P1 lead: Kamikaze Steel crisis - his leadership in its death throes; leader headed "Steel can't win this party trick" says the new policy seems to have sacrificed Liberals' basic philosophy. It suggests a new title for the Alliance: "The Kamikaze Party".

Mail P1 lead: Steel will have to go. He stands on brink of political oblivion after humiliating chaos of Lib/SDP merger proposals; leader headed "Steel fatigue" says nothing could be more suicidal than the path down which Steel has dragged the so-called Alliance. Perhaps the best thing he can do now is to vanish.

Telegraph P 1 lead: Alliance deal on the rocks. Steel isolated as Liberals revolt over merger plan. Senior member of SDP quoted as saying "Time to end Tuesday's political Goon Show"; leader says short of one of the most astonishing acts of political persuasion in modern times, we look to be heading for three centre factions: pro-merger Alliance; anti-merger SDP; and anti-merger Libs. The centre of British politics would then be in a state of chaos unseen since 1922.

Times P1 lead says merger chaos threatens to topple David Steel with him fighting for his political life as MPs reject blueprint; leader under heading "Misalliance at midnight" says it is hard to take it all seriously.

Independent: A mass revolt by Liberal MPs yesterday stalled merger proposals with the Social Democrats. The crisis broke when Steel and MacLennan issued an agreed policy statement which Liberal MPs unanimously rejected.

Independent leader says the death wish which seized the Alliance in the aftermath of the election continues to exercise its destructive grip on otherwise sensible people.

FT: Liberal MPs' revolt over policy threatens plans for SDP merger. Leader judges it premature to write off the merger as a complete failure; but believes that as things stand the Government can reasonably look forward to a fourth term, with the only serious opposition coming from within its own ranks.

Guardian P1 lead: Police furore opens chasm under Steel's leadership. Steel's future looks increasingly untenable. More voters, according to Marplan, say merged SDP/Lib party will make them less rather than more likely to vote for Alliance. Leader on "When fiasco is too mild a word" says it suggests that an effective third party challenge in national British politics could be slipping off the agenda for the foreseeable future.

Hugo Young, in Guardian, says the merger document perporting to outline an alternative to Thatcherism "has succeeded only to sustain the illusion that it doesn't exist". Blame the leaders of Libs and SDP.

POLITICS

Times: Labour frontbenchers want Neil Kinnock to strip John Prescott of shadow cabinet post if he forces deputy leadership contest.

Times: Kinnock excuses MP over prayers row.

Times: Three Conservative MPs to be carpeted by Government Whips for their part in revolt over freezing of child benefit.

HEALTH

Times: Royal medical colleges presidents say John Moore has "allayed their fears" about growing crisis in NHS by agreeing to consider both extra funding and alternative funding.

Times: Wage and medical equipment bills will not be paid at Manchester Royal Infirmary unless 145 doctors, managers and technical staff accept voluntary redundancy.

Madsen Pirie, writing in Times, says the answer to the NHS crisis is not more money as this has risen substantially under this Government. Part of the answer is to encourage people to take out private health insurance, he says.

FT: Moore accepts NHS cash need. Ministers now face the question of how to increase resources without simply pumping large amounts of additional Exchequer support.

ECONOMY

Times. Chancellor and Bank of England Chairman warn that interest rates would be raised if inflationary pressures were seen to be emerging.

Times: Bank of England's third gilts auction flops badly.

FT: Reagan/Takeshita talks lead to agreement for increased cooperation to support the dollar on foreign exchange markets.

FT: Chancellor tells NEDC that interest rates would be increased if necessary to keep inflation down.

FT: Social Trends will provide further evidence for those seeking to argue that Britain is becoming a more unequal society: between 1976-85 the bottom 40%'s share of income fell from 10.2% to 6.3% whereas the top 20%'s rose from 44% to 49.2%.

FT: Sam Brittan, looking at opportunities for tax reform, argues against a compromise partially transferable allowance in favour of abolishing the married man's allowance and replacing it with individual non-transferable allowances.

FT: Inland Revenue is cracking down on investment activities of pension funds which it feels are abusing their special tax status. The Revenue's moves could involve imposing 45% tax on gains made in securities trading.

INDUSTRY

Times: US-Japan trade deal upsets Europeans.

Times: BP ready to bid for Britoil.

Times: DTI inquiry worries Burton investors.

Times: £45m worth of foreign-held shares to be re-possessioned by Rolls-Royce next month and placed with British investors.

EDUCATION

Times leader says something curious is surely happening when big teacher unions and the Labour Party join Kenneth Baker in welcoming report about testing pupils at 7, 11, 14 and 16.

LAW AND ORDER

Times: Douglas Hurd appears to have failed to head off substantial revolt over Shepherd's Bill. Backbench committee angrily attacks three line whip with John Biffen leading protests. Expected some MPs will defy Government and support Bill while others will stay away.

Independent: Peter Jenkins says Mr Shepherd's Bill is never going to reach the Statute Book. Nor is he sure that it should. But it would be good if MPs could use tomorrow's debate to make plain that Parliament requires a reasonable balance to be struck between press and freedom and national security, both of which are essential to democracy and freedom. During Spycatcher affair the Government has been a greater menace to freedom of the press than has the press to the security of the nation.

FT: Survey of 138 Conservative backbenchers for Channel 4's "Week in Politics" shows that 23% may defy three-line whip, with 26% undecided. In a statement this morning Mr Shepherd says he will explain to you that the sponsors of his Bill include some of the Government's most loyal supporters.

YOUR FPA SPEECH

FT: Thatcher endorses call for NATO summit. Your public backing reflects concern among western European governments that President Reagan should clearly understand their position before going to Moscow.

Guardian: Thatcher demands early NATO Summit.

MINISTERS (UK VISITS, SPEECHES ETC)

DTI: Lord Young visits Manchester .

DEN: Mr Morrison presents the inaugural CONACO lecture, Herriot-Watt University, Edinburgh; later addresses Edinburgh and Leith Petroleum Club

DEN: Mr Spicer attends meeting with the British Pensioners and Trade Unions Action Association

DES: Mr Jackson addresses the Commett Conference, QE II Conference Centre, London; later visits North London Polytechnic

DHSS: Lord Skelmersdale opens new Biomet Factory, Swindon

DOE: Mr Waldegrave addresses District Planning Officers' Society dinner, London School of Economics

FCO: Mr Mellor addresses All Party Parliamentary Committee for the release of Soviet Jewry

HO: Mr Patten visits Hereford and Worcester Probation Service

MINISTERS (PRESS INTERVIEWS)

DES: Mrs Rumbold on Question Time, BBC 1 (10.05 - 11.05 pm)

TV AND RADIO

"Today": BBC Radio 4 (6.30)

"John Bull bids for Uncle Sam": BBC Radio 4 (9.30) on British firms taking over American companies

"Kilroy": BBC 1 (9.20)

"Business Daily": Channel 4 (12.00)

"The Parliament Programme": Channel 4 (14.00)

"You and Yours": BBC Radio 4 (12.00)

"The New Enlightenment": Channel 4 (20.00) - series tonight looks at welfare schemes in the US

"This Week": ITV (20.30) examines implications of Local Government Bill for civil rights of homosexuals

"This Week": ITV (20.30)

"Newsnight": BBC 2 (20.40)

"The World Tonight": BBC Radio 4 (22.30) followed by "the Financial World Tonight" then "Today in Parliament"