

PRIME MINISTER

MONDAY 4 AUGUST 1986

MAIN EVENTS

Prime Minister attends Commonwealth Review Meeting, London
Royal National Eisteddfod, Fishguard (to August 9)
Announcement on monopoly reference by Office of Fair Trading

STATISTICS

BOE: Capital issues and redemptions (July) (1430)
HMT: UK official reserves (July) (1430)

MINISTERS (UK VISITS, SPEECHES ETC)

HO: Mr Hurd visits Fire Service College, Moreton in the Marsh
DTp: Mr Mitchell visits Yorkshire
DTI: Mr Morrison visits north west

MINISTERS (OVERSEAS VISITS)

MOD: Lord Trefgarne visits USA (to August 8)

TV AND RADIO

"British Achievement - The Islanders - A Way of Life"; ITV;
(10.35): Discussion on the life and future of the Falklands
"Vanishing Earth"; BBC 2; (2200): First of a two-part
natural world special

PRESS DIGESTCOMMONWEALTH SUMMIT

- Sun: 'Maggie lands sanctions win'. You scored an astonishing triumph when the Summit began, convincing all but Kaunda that a trade war must be avoided.
- Article headed "The truth about Sonny boy - spotlight on a human rights hypocrite" says in his own country weekly hangings are the main social event.
- Star: "Sanctions: a breather for Maggie - she wins more time." Last night you seemed set to pull off another sanctions face-saver. Kaunda suggests a trade boycott involving just Australia, Canada and India.
- Mail: "Kaunda cools it for Maggie". The Commonwealth may survive after all.
- Leader says threats to pull out of the Commonwealth should be treated with a sceptical yawn. Nor need we lose much sleep over sanctions lectures from those who have little to lose. "But, having said that, these wet and windy gatherings of this most exasperating club do retain some value".
- Express: "Sanctions: Maggie on the rack". One senior Commonwealth official says you are not to be allowed to get away with just a gesture this time. But most leaders expect an agreement tomorrow.
- Leader says you are the only realist around the conference table. You are right not to be pushed around, even if it does cause the Queen some embarrassment. The rest of the Commonwealth need us more than we need them.
- Mirror: "Thatcher's face-saver over sanctions". Yesterday you showed the first signs of a last-minute compromise. You said there must be an agreed international programme if sanctions are to be approved.
- Kaunda's idea for action by India, Australia and Canada, excluding Britain, would be a savage indictment of your standing on the world stage if approved.
- Today: "Thatcher winning". The other leaders seem to be falling into line with your demands for a delay in taking action against Pretoria.
- Times: There are signs that the other leaders are moving nearer Britain's position. You were in a more conciliatory mood than some of your recent tough statements have suggested.
- Five people killed and 24 injured at the weekend in two bomb attacks near Cape Town and in Namibia.
- Japan has a crucial role to play in resolving the South African problem because of its volume of trade with the country, says Bishop Tutu.
- Ian Smith says sanctions will only serve to unite whites.
- Leader says you must establish that whatever package is tentatively agreed must be regarded as an experiment. If it fails to move Pretoria it should be abandoned. Future summits must not revolve around the assumption that, if sanctions have failed, it only demonstrates the need to make them more severe.

COMMONWEALTH SUMMIT (Cont'd)

- Telegraph: "Thatcher isolated at Summit" but the talks progress without vitriol.
- South Africa's state-owned airline is making plans for under cover flight Switzerland could become its European base. Portugal is another possibility.
- Full page advertisement for sanctions paid for by the TUC.
- Guardian: "Summit to override Thatcher". Commonwealth leaders prepare to press ahead with sanctions regardless of British intransigence. But you give nothing away.
- Whites in South Africa are nervous, despite President Botha's sanctions-busting plans. House prices are falling and emigration rising.
- FT: "Summit leaders may seek worldwide action on South Africa"; "Thatcher shows 'flexible' attitude".
- Report from Johannesburg on white poverty, which is becoming a potent political issue.

POLITICS

- Sun: "Outcast Tebbit is on the brink of quitting". You have lost faith in him. Like other ministers you feel he has lost his famous political touch. Your dissatisfaction is so widely known that last night he was said to be considering his position.
- Michael Meacher says he was planning to spend only an extra £3.6bn on pensions, child benefit and supplementary benefit for the long-term unemployed.
- Leader lists eight leading auditors who would be able to help Labour do its sums.
- Mail: Militants are secretly backing left-wing Euro-MP Leslie Huckfield as their candidate to replace Robert Kilroy-Silk.
- Mirror: Mr Tebbit predicts an extra 100,000-200,000 votes for the Conservatives from ex-patriates.
- Guardian: The latest Marplan poll, published in 'Sunday Today' gives Labour 41, Conservatives 29.5 and the Alliance 27.5. Your personal popularity appears to have been damaged by the reported rift with the Queen.
- Guardian: Leader commenting on £35bn figure, says the Shadow Cabinet is reconciled to the shelving of many cherished projects - but will the party at large, after 7 years of rhetoric, see it the same way?
- FT: The Ministerial reshuffle in early September is likely to be confined mainly to middle and lower ranks. John Biffen looks safe. DTI and DHSS may be due for changes.
- Telegraph: Leader says if a Labour government was elected it would only be a matter of months before tumbling sterling and an inability to borrow sent the Chancellor cap in hand to the IMF.
- Times: Robert Kilroy-Silk writes an open letter to Neil Kinnock: "I will not be a party prisoner".
- Telegraph: Labour has decided to treat claims that its spending plans would cost £35bn as a potential Conservative "own goal". The Government is felt to have given Labour the ammunition and the time to get answers before the General Election.

TERRORISM

- Sun: Arab terrorists attacked RAF Akrotiri yesterday with rockets and mortars, injuring two RAF wives.
- Security forces were poised yesterday to halt American IRA fund raisers slipping across the Ulster border from Eire.
- Telegraph: A US congressman claims that Col Gaddafi "bought" two British hostages and one American from their captors in Lebanon and had them killed in his fury over the raids on Libya.

ECONOMY

- FT: Dublin devalues punt by 8% to aid exporters.

PRIVATISATION

- Times: The Government has unwittingly given away £800m in its plans to privatise the TSB. This became clear after the publication in The Times on Saturday of the House of Lords' judgment on disputes over ownership of the banks.

LOCAL GOVERNMENT

- Times: A committee of Labour MPs and council leaders is to investigate how many local councils have used legal means to avoid government spending controls and run up huge debts.
- The CBI wants faster decisions about the demolition of historic buildings to make way for industry.

HEALTH/WELFARE

- Times: You are believed to be considering a limited restructuring of Whitehall departments based on the splitting of the DHSS into two ministries.
- The number of public health laboratories which specialise in combatting infectious diseases is likely to be cut, in spite of a Government pledge 10 months ago that the service should stay intact.

DEFENCE

- Times: President Reagan has offered Mr Gorbachev a delay of seven-and-a-half years before any US deployment of an SDI system and has proposed a sharing of benefits.

OIL

- FT: In Geneva, OPEC claims new pledges by members to cut output.

INDUSTRY

- Austin Rover is cutting production of the Montego by a third after a sales slump.
- Star: Britain is facing a crippling brain drain according to a confidential report from Sir David Phillips, who heads a team set up by the Government to monitor Britain's scientific progress.
- FT: A survey of executive salaries in 15 European countries shows that the Swiss are highest paid and Britons rank 10th. But when allowance is made for tax and social security, the UK moves up to 5th position.

SUNDAY TRADING

- FT: Local authorities are taking a tough line with retailers who break the Sunday trading law.

MEDIA

- Guardian: BBC executives see no reason why Stuart Young should not remain as Chairman. And BA, whose Chairman, Lord King, is reported to be interested in the BBC job, says he hopes to remain with the airline for a long time.

PEOPLE

- Sun: Queen Mother is 86 today.
- Today: Tam Dalyell says B. Ingham is "gunning" for Sir Geoffrey Howe. In a letter to the Foreign Secretary he urges a "showdown".
- Guardian: Ian Aitken says Sir Geoffrey Howe's long hours of toil add up to ambition. He now believes he has suddenly acquired a real chance of becoming Prime Minister.

RUSSIA

- Star: The family of Anatoly Shcharansky have won permission to join him in Israel.
- Times: Moscow is to reintroduce direct telephone dialling after a gap of almost 4 years.

HOUSING

- Express: The Lord Chancellor's Department is to hold an inquiry into gazumping.
- Today: A report by Shelter calls for spending on housing the homeless to be doubled.

JOBS

- Mirror: MSC chief Bryan Nicholson, denied last night that Britain's long-term jobless were work-shy and failed to turn up for interviews, shooting down claims by Kenneth Clarke.

LAW AND ORDER

- Sun: Doctors lost count of the number of stitches given to an off-duty policeman attacked by muggers.
- Times: Fatherless families foster crime and violence, says the independent Social Affairs Unit. The Church and the Government have failed to support the traditional family.

EDUCATION

- Today: A Lloyds Bank report says student grants should be increased by 13.5% and there should be tax relief for parents taking out special education loans.

UNIONS

- Times: The NGA has agreed to end mass picketing at Wapping.

TRANSPORT

- Telegraph: The Transport Users Consultative Committee wants an inquiry to find if British Rail cost-cutting has endangered safety levels and quality of service.
- Guardian: A road which will ruin the view of the White Cliffs of Dover from the Pilgrim's Way and which conservationists argue is unnecessary, is being pushed through as part of the Channel Tunnel scheme.

NORTHERN IRELAND

- Times: Two teenage brothers were shot accidentally by a soldier in County Tyrone yesterday.

MALAYSIA

- FT: Dr Mahatir Mohamed re-elected Premier.

JIM COE