#### PRIME MINISTER

# MAIN EVENTS

Prime Minister meets President of the European Commission and later M. Giscard d'Estaing; attends 10th anniversary reception of Small Business Bureau; later attends Diplomatic Corps reception, Buckingham Palace

EC Budget Council, Brussels (to November 27)

EC Energy Council, Brussels

Drink/drive campaign launch

Labour Party NEC

EIS ballot vote on teachers' pay

TUC General Council

UNESCO - Community languages and multiculturalism (London Institute of Education)

Mr Chope attends opening of Guildford Crown Court by HRH The Duke of Kent

#### STATISTICS

DOE: Construction - new orders (Sept)

## PUBLICATIONS

- FCO: Command paper 12, Treaty series No 59: International Convention on Maritime Search and Research .
- Governments of the United Kingdom, Great Britain and Northern Ireland and the Federal Executive Council of the Assembly of the Socialist Federal Republic of Yugoslavia on certain commercial debts (2.00)
- HOC: Paper 476/3. The Channel Tunnel Committee The Channel Tunnel Bill Volume 3 (11.00)
- HOC: Paper 19. European Communities Act 1972. Customs and Excise Duties (General Reliefs) Act 1979. Annual report for the year ended 31 March 1985 (11.00)
- HOC: Paper 20. European Communities Act 1972. Customs and Excise Duties (General Reliefs) Act 1979. Annual report for the year ended 31 March 1986 (11.00)
- HOC: Paper 13 Parliamentary contributory pension fund report by the Government actuary on valuation of the fund as at 1 April 1984 (3.00)
- HOC: 599/1 Education Science and Arts Students Volume Awards of Memoranda (11.00)

#### PAY

DEM: NHS ambulance officers; 3,700; claim for restoration of differentials following introduction of salary structure for ambulancemen. Talks have taken place on principles of restoring differentials reducing numbers of ranks and raising grading definitions and conditions of service. Offer expected to be made.

#### PARLIAMENT

<u>Commons</u> Debate on bus Deregulation on the opposition Motion

Debate on the Dispute of J E Hanger and Co., Ltd on an

Motion on suppresion of Terrorism Act 1978. Opposition Motion

Questions: Scotland; Foreign and Commonwealth (Application of

Provisions) (United State of America Order)

Business: Government participation in Industry year 1986 (Mr A Burt)

Debate on EC Document 4761/86 relating to commity action in

the field

Lords Debate to call attention to the need for HMG to make better

provision for the arts in the United Kingdom

Debate to call attention to the state of academic medicine

and its effect on the National Health Service

UQ on legislation to ban the manufacture of sale of new

tobacco products

MINISTERS - See Annex

#### PRESS DIGEST

#### MI5

- Mail: A call for the prosecution of Lord Rothschild for helping to leak MI5 secrets was facing the Government last night, after Peter Wright said he acted as an intermediary with Chapman Pincher.
- Sun: John Vincent says Peter Wright may be correct in claims that the KGB planted young men in MI5's ranks many years ago and that they are now reaching top positions. This is something too serious to be settled in Australia.
- Star: You were drawn closer to the centre of the spy scandal last night with the calls for Lord Rothschild to be prosecuted because he was one of your top advisers.
- Express P1 lead: "Traitor Blunt's key role in spy book scandal".

  Exclusive claimed for fact that Blunt was linked to Peter Wright and Lord Pothschild. "Revelations" by Nigel West.
- In the House yesterday you looked as though you had a "licence to kill" as you set about defusing the MI5 case.
- Peter Wright says the British Government is out to discredit him.

# MI5 (Cont'd)

- Today: "Fears for Maggie as spy row grows". Your credibility may be badly damaged.
- Leader says if you do not act fast to explain what has been going on, your Government may suffer fatal damage.
  - Times: MPs agog over MI5 claim. In the Commons yesterday you sought to turn the attack on Labour. But MPs want to know whether Lord Rothschild acted with No 10 connivance in persuading Wright to make his revelations. Leader says the view that he was acting for the Government rests not on evidence but on three vague inferences: the conspiracy theory of intelligence workers; Wright's reverential publication of his book.

In Australia, Whitehall is accused of inconsistency and Wright says the Government tried to discredit him.

Independent: MPs call for charges against Lord Rothschild.

FT: Mr Kinnock angrily denies breaking convention on security issues.

Telegraph: Dale Campbell-Savours has put down a Commons question calling for prosecution of Lord Rothschild over his part in the Hollis affair.

#### IRAN

- Mail: "Reagan's Watergate". John Poindexter resigns and aide, Lt Oliver North is sacked after revelations that money from weapons shipments to Iran was siphoned off to support the Contras.
- <u>Sun</u>: "Reagan's top man sacked in Iran scandal". And George Shultz could still lose his job.
- Mirror: "Two key men lose their jobs as storm over Iran fiasco grows".
- Express: The arms fiasco has become the President's worst humiliation.
- Today: "Reagan on the rocks".
- Guardian: "Reagan sacrifices aides in Iranian arms affair."
- <u>Times</u>: Reagan men go in arms scandal. Poindexter and adviser in furore over slush fund for Contras. Leader says yesterday's revelations cast doubt on President's overall grasp of the situation, but he retains his reputation for openness which needs to be continued if necessary at the cost of further departures.
- <u>Independent</u>: Reagan on the Iranian rack. 30m dollars laundered to help the Nicaraguan Contras.
- Guardian: This is less a case of a cover-up; more one of benign neglect by the President.
- Leader says Americans may, just possibly, come to terms with a stumbling, uncomprehending President. But they cannot, surely, allow the same old gang to guide his path. The pressure for a sweeping new start will be massive.
- <u>FT</u>: Disclosure of the Iran-Nicaragua link adds a sensational twist to the controversy and appears to leave the President's previous defence of his actions threadbare.
- Telegraph leads with resignation of John Poindexter and dismissal of Oliver North who was linked with transfer of funds from Iran weapons sales to Contra rebels. Sees resignation as new crisis for Reagan Administration.
- Telegraph leader says the Iran/Nicaragua scandal has struck deep into the heart of the White House and it is difficult to perceive how the President can extricate himself from the affair without permanent damage to his credibility and authority.

#### AIDS

- <u>Sun</u>: John Vincent says the AIDS campaign won't work. Those who heed medical advice will pay attention, just as they did over smoking. The rest will go on as before.

Mirror: All brothels should be legalised to help stop AIDS, says a (unnamed) Government minister. The plan is being urgently considered by the Government. You are expected to oppose it.

Drug addicts now look certain to be offered free needles.

- Everyone carrying the virus may die from the disease, according to new research. It could wipe out human life on earth.
- <u>Times</u>: Almost half the people with the common form of haemophilia in Britain have been infected with AIDS virus by blood products that were not heat treated, according to DHSS figures.
- <u>Independent</u>: Artificial insemination for childless couples hit by AIDS screening.

#### LAW AND ORDER

- $\underline{\text{Mail}}$ : Crossbows, knives and spiked gloves are said to be "seasonal gifts" on sale in the West End.
  - David Owen has launched a campaign to create an "anti-violence" culture in Britain.
  - A new two-tier breath test for drivers is being considered by the Government. It will be particularly tough on the young.
- An Irishman was arrested in Brisbane after allegedly plotting to kill the Pope with petrol bombs.
- Mirror: Patrick McLaughlin, an INLA bomber is jailed for life.
- Times: Statutory limits on time defendants can be held before trial will be introduced next Spring.

### **ECONOMY**

- Mail: "Britain's trade goes in the black".
- Express: "Britain back in the black".
- FT: The immediate favourable reaction to the trade figures was shortlived on UK financial markets.
- <u>FT</u> leader looks at "good" and "bad" privatisation and concludes competitive tendering of local refuse services represents the privatisatic programme at its best because its hallmarks are deregulation and competition rather than the raising of cash and the promotion of wider share ownership as in the case of British Gas.
- Times: 'Britain back in the black."
- <u>Times</u>: CBI reports drop in pay settlements to  $5\frac{1}{2}$ % in third quarter the lowest for three years.

# PEOPLE

- Star: Derek Hatton has resigned as deputy leader of Liverpool City Council.
- Pops have fun with the fact that 'Mrs Thatcher', the steward of the Conservative Club in Shepton Mallett, has been sacked.

#### HEALTH/WELFARE

- Express: Princess Anne is to make a dramatic TV appeal for Britain's deprived children. She is launching a personal crusade to dispel the myth that there are no deprived children.
  - FT: Commons to debate the McColl report on the artificial limb service as MPs on both sides of the House express anxiety over the Government's intentions towards the problems.
- Independent: Warnock legislation postponed.
- Divorce figures show sharp rise (Independent).

#### LOCAL GOVERNMENT

- Today: Town hall leaders pleaded with you last night not to replace rates with a poll tax. But you are determined to go ahead.
- Guardian: You were warned by the local authority delegation that they will mount an all-party campaign against the bill to abolish domestic rates in Scotland.
- <u>FT</u>: Derek Hatton and two of his expelled Militant colleagues agree to resign their posts on Liverpool City Council to protect Tony Byrne the new leader.
- FT: Government remains firm on abolition of rates.
- <u>Times</u>: Council leaders fail to stop rate reform. Mr Ridley says there is no alternative to present proposals for a community charge and unified business rate.
- <u>Independent</u>: Environment ministers delay RSG announcement while they consider making concessions to Shire counties.

### HOUSING

- Times: Government figures confirm upward trend in mortgage arrears.
- Independent: Opposition attacks plan to change mortgage aid.

### EDUCATION

- <u>Times</u>: University and polytechnic teachers tell education select committee that student grants are so inadequate that 16-year-olds are opting for YTS rather than higher education.
- <u>Independent</u>: Polytechnics will not require A-level for degree course entry from 1989.

# CIVIL SERVICE

- <u>Times</u>: It is understood that you have agreed that top grade civil servants should have their pay linked to performance.

### UNIONS

- Sun: A British clerk employed by the Moscow Narodny Bank in London has been fired by his Russian bosses because he is too left wing.

### MEDIA

- Independent: 'Today' programme may be next in Tebbit's sights.

### SPORT

- Today: The Government will be right to make football club membership cards compulsory if the football authorities fail to act.

### DEFENCE

- <u>FT</u>: MoD launches initiative to encourage those from small companies to be represented on management boards of government defence research establishments. The idea is given a cautious welcome by the defence industry which still wants some wrinkles ironed out.

### INDUSTRY

- <u>FT</u>: In talks with Mr Aranson, Japan's Foreign Minister pledges maximum assistance to ensure equal access to Japanese firms for British companies and vice versa.
- FT: France plans to cut steel workforce by one third.
- FT: Rover Group's share of new car sales slips to just over 12%.
- FT: Lord Young praises EC initiative to train workers in new technology.
- <u>FT</u>: Chartered accountants allege "incalculable damage" to the Inland Revenue's reputation because of a breakdown in liaison between two of the biggest tax offices.
- Telegraph: Britain had a current account surplus of £65m last month after a deficit of £85m in September surplus was thanks to a big jump in City's income from invisible exports such as banking and insurance.
- Independent: Harland & Wolff announce 800 job losses.
- <u>Independent</u>: Number of City scandals is bound to increase as a result of Big Bang, says chairman of Barclays de Zoete Wedd.
- Telegraph: As Harland & Wolff announces it is to cut its workforce by 800 Northern Ireland minister Peter Viggers says Harland & Wolff will be given £31m to help cover cost of redundancies on top of £37m agreed for current year.

#### TRANSPORT

- <u>Independent</u>: Today's Christmas message will be simple: "Don't drink and drive".

#### POLITICS

- <u>FT</u>: Labour Government would use energy conservation programmes as a way of cutting unemployment.
- FT: Labour poised to launch wide-ranging drive to win acceptance on both sides of the Atlantic for its non-nuclear defence policy.

# IRELAND

- FT: Harland and Wolff to axe 800 jobs.
- FT: Irish Government plans bill to bring its extradition laws in line with Europe, fulfilling an undertaking given in the Anglo-Irish Agreement just over a year ago.

## ARGENTINA

- Guardian: The UN General Assembly yesterday overwhelmingly adopted an Argentine resolution calling on Britain to negotiate all aspects of the Falklands dispute (116 in favour, 4 against and 34 abstentions).
- <u>FT</u> leader says the diplomatic impasse over the Falkland Islands will remain as long as you are Prime Minister and it is unlikely that any successor to the office (of any political persuasion) would be as unyielding.
- <u>Times</u>: UN votes 116 to 4 to support Argentina's demand for negotiations over sovereignty.

#### MINISTERS (UK VISITS, SPEECHES ETC)

- DEM: Mr Clarke in Paris
- DES: Mr Baker addresses People and Technology conference, Westminister
- FCO: Sir Geoffrey Howe addresses CBI Council
- MAFF: Mr Jopling visits Rosemaund Experimental Husbandry Farm; later visits Sun Valley Poultry, Hereford; then later addresses Agricultural Forum, Hyde Park Hotel
- DEM: Mr Lee addresses Women's Organisation Interests Group meeting
- DEM: Mr Trippier at Action for Jobs Breakfast, Bristol
- DEM: Mr Trippier opens Newport Exhibition Agency Business and Industry Exhibition
- DEM: Mr Trippier meets with Small Business Club, Newport centre, Gwent
- DEM: Mr Trippier interviewed by BBC Radio Bristol and a local radio station
- DES: Mr Dunn visits Shropshire LEA
- DHSS: Mr Major to attend Pensions Conference Intercontinental Hotel
- DOE: Mr Tracey opens School Sports seminar
- DOE: Mr Tracey and Mr Young attend Daily Express 5-a-side football at Wembley Arena
- DTI: Mr Howard addresses and lunches with Institute of Chartered
  Accountants Conference on "Takeovers Now" in London and later
  appears on BBC TV "Watchdog"
- DTI: Mr Butcher addresses RSA design innovation designer management
- DTI: Mr Lucas delivers speech at the RSA Design Conference
- DTI: Mr Shaw visits Vauxhall. Luton, to open new paint plant and later addresses Institute of Production Engineering (Channel fixed link)
- HO: Mr Hogg speaks at the Society of Industrial Emergency Officers AGM (Civil Defence)
- MAFF: Mr Gummer addresses the Annual Meeting of Sea Fisheries Committee, Whitehall Place
- WO: Mr Roberts attends small Business Reception, Banqueting Hall, London

### MINISTERS (OVERSEAS VISITS)

DEN: Mr Walker and Mr Hunt attend Energy Council, Brussels

#### TV AND RADIO

- \*The Reith Lectures 1986\*; BBC Radio 4 (19.45): Trusting the Judges
- "Analysis"; BBC Radio 4 (20.15): "The Shadows' Dummy Run" Opposition parties are badly prepared. Presented by Peter Hennessy
- "Party Political Broadcast" (SDP); 3BC 1 (21.00); ITV (22.00)