

18 June 1987

PRIME MINISTER

Cuts in mortgage rates, gas prices and jobless welcomed.

Mail leads with "Good News on the Home Front" and describes it as double helping of cheering news. Leader says drop in gas prices is enough to make you believe in good fairies and praises privatisation.

Express headline is "Down! Down! Down!" for gas prices, home loans and tax rates. A treble tonic that will give millions of families more cash to spend.

Today headline is "Down, Down Down" for gas prices, home loans and unemployment - under 3m at last. Britain has three reasons to cheer. Leader disagrees that drop in gas prices is due to privatisation. They are going down because world energy costs are falling.

Star says householders get a double dose of good news.

Mortgage rates take a nose-dive and gas bills go down by £1 a month - Mirror.

Sun describes it as "Good News, Folks!" and says the breakthrough in jobless falling below 3m is the crowning glory in your election victory.

Daily News headline is "Going Down" - home loans, gas prices and jobless.

Gas prices to fall for the first time in almost 20 years.

Times: Mortgage and gas price cuts benefit families.

Plots against Kinnock flying thick and fast as Left-wing mobilise to defeat his efforts to destroy their power.

Mail leader says Hard Left have never been stronger in Parliamentary Labour Party and is entrenched in constituencies, inner cities and unions. This lot don't feel they owe Kinnock anything.

Telegraph: Kinnock's appeal for unity accompanied by signs that Left-wing is preparing for early power struggle over direction Labour takes.

Left-wingers launch challenge for chairmanship of Parliamentary Labour Party by nominating Max Madden.

Express: Transport workers union agree to back Kinnock's campaign for secret one-man-one-vote to stop extremists becoming candidates at next election.

Loony Lefties give Kinnock two fingers, says Sun. They fight bid to unite party.

Mirror says Kinnock orders MPs to stick together and concentrate on winning next election.

Guardian: Rival left wing groups of Labour MPs agree to try to work for a joint slate of candidates for the Shadow Cabinet elections which will be completed by July 8.

Times: Kinnock heads for collision with far left.

Independent: Kinnock demands party unity as a prerequisite for winning the next election and possible split in leadership diminishes with Bryan Gould rejecting requests to challenge Roy Hattersley for the deputy leadership.

Express leader says an all-action Mrs Thatcher has hurried back into Downing Street determined to crack on with her radical vision of Britain in the 1990s. But nothing is more vital than tax reform if we are to become a country which encourages and rewards enterprise and incentive. There is no need for the Chancellor to wait until next March before unfolding the next phase of tax revolution. The Government has a duty to start lifting the nation's tax burden for everyone's benefit.

Peter Jenkins, in Independent, says already we talk about the Thatcher revolution but maybe we ain't seen nothing yet. In 1979 your status was little better than usurper. In 1983 you returned to power with a skimpy programme and no clear sense of purpose. This time it cannot be claimed you hold power by default or due to the Falklands factor; you are entitled to claim an endorsement of your revolution and a mandate for it to enter a third phase.

Ronald Butt, in Times, argues that the combination of classless flexibility apparent in Conservative posters in working class areas and your clear vision of how you want society to develop, gives you the initiative for the next five years.

Telegraph: Lord Hailsham says he was disappointed at being excluded from your Cabinet.

Stuart Weir, in Daily News, discusses the meteoric career of your born again crusader, Lord Young, and asks can he work magic in the inner cities?

Today says Cabinet expected to give go-ahead for pubs to be open all day. Leader welcomes this and says it is long overdue. The nation can then make up its own mind when it wants to tipple.

Telegraph says Peter Walker jostled by Welsh language protesters when he arrived at Welsh Office yesterday.

Sun leader says Nicholas Scott's departure from Ulster is best news the people of Northern Ireland have had for years. Now is a good time to scrap the entire wretched Anglo-Irish Agreement.

Owen and four SDP MPs deliver massive snub to Liberal's take-over claims while Liberal MPs unanimously endorse Steel's plan for merger.

Times: SDP threw the Alliance into confusion as they elect their own parliamentary spokesman. Leader on Alliance - not for the first time has Steel proved he is not as nice as he looks.

Guardian: SDP unilaterally appoints its own team of parliamentary spokesmen in a move which emphasises growing rift with Liberals.

Express: £12m wiped off Lowe-Howard Spink & Bell shares in bitter battle between them and Saatchi & Saatchi over Tory Party election campaign. Leader says there is something rather tacky and distasteful about the sight of great advertising agencies stabbing one another in the back to claim credit for your election victory. The reality is that you and your Government won the election on your record, policies and pure merit.

Times: Alan Massie argues that Malcolm Rifkind by not rejecting devolution for Scotland out of hand, can succeed by splitting the opposition.

Guardian leader argues that nobody should dispute that Scotland has a legitimate and sore grievance about the election result. The Tories took an absolute pasting north of the border. But it goes on to point out that Labour is still a minority party there - its 42.4% share of the vote is its best since 1974, but it was lower than in any of the general elections from 1945 to 1970. The Alliance and the SNP continue to command a third of all Scottish votes between them.

Independent leader says that had Parliament been sitting, Sir Geoffrey Howe would have come under considerable pressure to explain exactly what British naval vessels are doing in the Gulf and to what end. Also Ministers would have been pressed to explain a missile deal which could easily have ended with large numbers of weapons filtering on to the black market.

Times: Norman Tebbit complains to BBC about Panorama programme on the row between the Party and Saatchis.

Papers report your planned visit to Washington for talks with President Reagan about arms control and world economic problems.

Times: Norman Podheretz argues that President Reagan can learn from your principled leadership.

City Technology Colleges are being planned for Wandsworth, Thamesmead, Brent, Haringey, Newham and Docklands but sites cannot be found because of Labour-controlled LEAs' opposition - Daily News.

Independent: Commons Select Committee Report warns Government plans would cut money for schools. Report says that although current expenditure increased in recent years this was a result of local authorities choosing to exceed Government's public expenditure plans.

Guardian: Water authorities, unions and environmental pressure groups will join forces to oppose the plan to set up a National River Authority.

FT: Unexpected reshuffle at DoE partly reflects the need to have two Ministers of State in the Commons dealing with housing and rates.

FT: Your talks with President Reagan have been arranged partly to take stock after the Election and partly because of the development in the US/Soviet arms talks. Leader suggests that there is a vacuum in the White House which presents British diplomacy with an irresistible challenge, but is certainly not an occasion for the visible leadership from the front at which you excel.

Times: Profile of John Moore - Thatcherism's clean-cut face.

Star leader says the new Conservative Government is believed to be considering privatising BR - the sooner the better.

Express: More guns in private hands than ever before and police fear it could lead to a vigilante cult.

Police chief says the bobby on the beat is virtually helpless in the fight against crime.

Times: McGahey quits NUM job.

Brady rejects Hindley's plea to help find two children's graves.

Health experts say spending on health will double by year 2010.

Independent: The Labour Party plans to get the "Government to come clean" about the supply of Blowpipe anti-aircraft missiles to Afghan guerrillas. It claims that a fresh batch of 300 Blowpipe anti-aircraft missiles has been ordered under the same project number and should be completed this month.

Three businessmen were jailed for their part in Britain's biggest VAT fraud involving £20m VAT swindle on £160m worth of gold stolen.

Report by social services director says 355 elderly people in 10 homes run by Brent Council cannot be guaranteed "from emotional or physical abuse" by staff - Mail.

Mail: China likely to overtake Japan as supplier of small, cheap cars to Britain. And they may even be sold by mail order.

Telegraph: BMA says doctors should keep AIDS secret unless patient agrees. DHSS says 24 died from virus last month.

About 5,000 apply for 340 new jobs at Nissan's Sunderland car plant.

CAA increasing spending on new air-traffic control equipment from £25m to £40m a year.

Telegraph: Britain, Germany, Denmark and Holland stand firm against EEC plan to put tax on food.

Britain cuts mission in Iran to two; Foreign Secretary expected to make statement today.

Russians blame Americans for changing Geneva draft agreement over medium range missiles in Europe.

Brigitte Bardot's sale of personal possessions raises £385,000 for wildlife protection foundation.

Civil Service unions threaten all-out strike.

Telegraph: Infantry soldiers in Falklands to be reduced from 600 to 200.

Telegraph: Ruler of Sharjah deposed by brother while on visit to Britain.

FT: Rolls-Royce wins £70m aero-engine orders from Air Europe. Orders worth \$1.5bn for Airbus A-340 are placed at Paris Air Show.

Guardian: M. Delors and some of his senior colleagues are ready to consider resigning collectively if the Community governments do not find solutions to the growing EC financial crisis by the end of the year.

Guardian: Mr David Hatch is appointed managing director of BBC Radio; while Mr Geraint Stanley-Jones is new managing director of regional broadcasting.

TERRY PERKS