

PRIME MINISTER

MAIN EVENTS

Prime Minister meets Captain and crew of schooner "Young Endeavour", Britain's gift to Australia for the bicentennial (photocall at No 10)

Launch of Sport Aid '88 (a series of sponsored events running until September 1988)

Launch of HMS Norfolk, First Type 23 frigate, Yarrow

STATISTICS

BSC/BISPA: Usable steel production (June)

CSO: Tax and price index (June)

DEM: Retail prices index (June)

DOE: Local Authorities action under the homelessness provisions of the housing act, England

DTI: Import penetration and export sales for manufacturing industry (4th qtr final, 1st qtr-prov)

DTI: Finished steel consumption and stock changes (1st qtr final)

PUBLICATIONS

DTI: British Business

PARLIAMENT

Commons

Business: Debate on a motion for the adjournment of the house entitled "The importance of quality in manufacturing to international Competitiveness"

Adjournment Debate: The development of Hays Wharf in Southwark (Mr Simon Hughes)

MINISTERS - See Annex

PRESS DIGESTMAIN NEWS

Labour in turmoil as senior Tories seethe over Kinnock's failure to repudiate Livingstone - this, Express says, underlines his problem as he struggles to present a party of mederation.

Deposed Shore says Labour's defence policy makes it unelectable; Labour's Deputy Chief Whip and four other Whips quit in row among party managers.

Derek Hatton says Kinnock is the worst leader Labour has had and is on his way out.

David Owen warns SDP's "distinctive policies" will be lost for ever if it merges with Liberals - calls on SDP members to reject idea.

2 members of gang trying to ambush wages van in S London shot dead by police; a third injured and a fourth captured. Deputy Chief Constable of Essex to lead inquiry. Lots of sympathetic leaders in press.

Good welcome for inquiry into Cleveland child abuse case; Mail says a report which led up to the Government's decision to set it up disclosed new catastrophic breakdown in way doctors and social workers handled the case.

Shares at a new peak.

Up to 2,600 jobs could result from £558m development plan for Faslane Trident base.

£43m devoted to 14 inner city areas to clean them up or ease social problems.

NUM to ballot on one-day strikes in support of men sacked and not reinstated after coal strike; Express says UDM has made it clear their members will not be scared away from Margam by Scargill's talk of violence. NUM also to fight new British Coal code of conduct.

More teachers' strikes next week.

John Pearman ousted by Neil Fletcher (ILEA) as leader of AMA education committee.

National Consumer Council, after survey, says people are less happy with B/Telecom now than before it was privatised. Today calls for BT to be subjected to more competition.

Sun says Bishops have been warned that a purge on homosexual clergy could cost them 40% of vicars. Times says Synod is to have a report on issue in November.

Report to Home Office says pay-as-you-view TV would cost too much and would not produce enough cash to eliminate licence fee.

Asian actress who stars in Eastenders claims BBC is "inherently racist".

Richard Branson baulks at paying full cost of his rescue - £34,000 (Mail).

LIVINGSTONE

Senior Tories said to be still seething because Kinnock refused to repudiate Livingstone. Kinnock cancels weekly press conference, leading to suggestions he was dodging questions on the issue.

Star: Maggie fury over Red Ken - you give him a fierce verbal lashing and unleash your full anger; leader says you spoke for Britain when you condemned Livingstone's "outrageous" attack. Kinnock spoke for nobody when he shilly-shallied.

Star gossip column says MPs are deriving much malicious sport from the problems Livingstone is having in getting accommodation in the House. He is loathed.

Sun: Kinnock, engulfed in a Commons' row, loses temper and had to be brought into line by Speaker.

Joe Haines, in Mirror, writing on "Labour's losing card", says it is time Livingstone was taken down a peg or two before he takes the Labour Party down several. His speech this week was not to reveal - it was in any case not new - but to shock. He believes the way to the top is through publicity. He is not a rogue but a rascal, a cheekie chappie.

Mirror says Commons row ended with you and your MPs getting a telling off from the Speaker for breaking rules.

Today: "You make me sick" fury in Commons - MP blasts Maggie in "traitors" row - a reference to remark by Tony Banks about you.

Express: MPs lash out after Kinnock backs call for Nairac probe - he refuses to condemn Livingstone; Charles Moore column says press and public can't make up their minds about Livingstone; he is the first prominent politician to have emerged from the modern educational system so he knows nothing at all.

Mail; Kinnock in row over Red Ken's IRA smear.

George Gale, in Mail, says it is monstrous when politicians, protected by Parliamentary privilege, seek to advance their own reputations and make political capital by vilifying brave men like Nairac and Colonel North.

Colin Welch, in Mail: Ken Livingstone "yesterday again mounted the dunghill from which he addresses the world". He makes the point that your responsibilities seem mysteriously to swell and contract - when Labour wants to shut you up they shrink to vanishing point but when they want to trip you up, you become responsible for everything under the sun.

Independent: 'Contemptible smear' by Livingstone as you condemn his maiden speech.

Telegraph: Kinnock challenged over Livingstone. You reveal depth of your anger. Exchanges underline tensions between Kinnock and hard Left. Parliamentary Sketch headed "Livingstone bait traps Kinnock".

Guardian story headed "PM's Livingstone riposte backfires".

MPs' PAY

Star: MPs face row over £4,000 pay rise.

Sun: £80 a week rise is on way for MPs - four times national average rise.

Small Mirror report - "Thatcher U-turn on MPs' pay".

Today: Thatcher fails to stop MPs' £4,000 pay rise.

Express: Maggie agrees MPs' 22% rise - you accept opposition would be heavily defeated.

FT: Cabinet has given way to pressure from Conservative backbenchers and decided not to oppose a pay rise for MPs, raising their annual salaries by 21.9%.

Mail: Maggie lets MPs go for 21.5% rise.

Independent: Thatcher backs off on MPs' pay rise.

Telegraph: Go ahead for MPs 22% pay rise - will infuriate Civil Servants.

Guardian: MPs given pay rise. Cabinet decided not to pick a fight it would probably lose.

INNER CITIES

Ambitious plans for a Whitehall-led multi-million pound clean-up of rundown council estates have been scaled down in the face of Treasury pressure - Times. About two weeks before you called election, John MacGregor warned Nicholas Ridley about the price of the scheme. D/Environment dispute Treasury figures, saying no firm proposals had been drawn up before election.

FT: Plans for a £310m redevelopment of Liverpool's Princes and Waterloo Docks hinge on a planning decision by DOE.

POLITICS

Sun finds it amazing how politicians start denouncing their party as soon as they are sacked. But Peter Shore is quite right - British won't vote for a party that will scrap our nuclear shield.

Mirror says Hattersley is backing John Smith rather than Bryan Gould for Shadow Chancellor. Gould to go to Trade and Industry.

Joe Haines, in Mirror, will be surprised if Kaufman becomes Shadow Foreign Secretary since he is a fervent supporter of Israel.

Today columnist advocates Ian Gow as next chairman of Tory Party.

Express leader says anyone who still doubts that Labour has been moving steadily Left should study Shadow Cabinet election results. It is difficult to imagine how the much publicised call for

policies with more voter appeal can succeed.

Mail leader says one thing is clear about Shadow elections - centrists have been routed by Left. Shadow Cabinet is more Left wing than ever before. Paul Johnson, on Kinnock's takeover of the Labour Party, says the Party is now of the Left, shaped and branded in Kinnock's image. But he won't lead it to victory until he revolutionises its policies, yet while capturing the party's body he is in danger of stamping on its soul.

Times: Steel hints that he would consider an agreement between Labour and a new merged Alliance to take on Conservatives at next election.

Robin Oakley, in Times, under heading "Can Kinnock's new team win an old battle?" says that with the move to the Left it makes it even less likely that Labour will do the necessary rethinking about defence. He concludes that with its bias towards Left and union dominance, a deal with Alliance may be only hope of Labour digging the Conservatives out of power.

Biggest union (TGWU) supports Kinnock's constitutional reforms; "Palace coup" leaves Labour Whips in disarray (Independent).

Independent editorial says those who believe in the social market and a strong defence policy must vote for Dr Owen.

Ferdy Mount, in Telegraph, says Gould socialism is a serviceable smokescreen to cover a retreat from State socialism. But at some point Kinnock will have openly to drop Clause 4 as a guiding principle. Only that can transform Labour's prospects.

Guardian leader on SDP/Libs says Owen has contributed a lot to British politics but criticises his political judgement. He won't even back himself to change the Liberal Party.

Ian Aitken, in Guardian, says discarding of Peter Shore, a giant compared to some of the pygmies who have secured election, underlines Labour's profligacy with its talent.

LONDON SHOOTING

Sun says it is sad 2 men died but they were heavily armed robbers and refused to lay down their arms. The reason they died is that they were trying to commit a serious crime. Perhaps it will serve as a warning to others.

Mirror: Brave cop blasts gun thugs dead; leader headed "No choice" says any criticism of the police for opening fire first has to be

set against fact that robbers were carrying guns.

Times leads with police shooting at Plumstead and that you have pledged to consider an amnesty on guns. Police say they acted properly as inquiry starts; leader under "Fatal Risk" says if criminals carry arms they must be prepared to take the consequences. It calls for another firearms amnesty while recognising that it is doubtful whether the professional criminal would repent.

Independent: Police in abattoir shoot out defended. You and Douglas Hurd are to discuss curbs on spread of guns.

Guardian leader says it looks as if, in very particular circumstances but with the backing of the new regulations, the police are more prepared to carry the fight to criminals. There is no point in allowing police to carry guns and then complaining when they use them.

CHILD ABUSE

Star says Government has done the right thing in setting up the inquiry. And a welcome, too, for Lord Havers pressing the case for family court.

Times: Social services, health authority and county councils in Cleveland welcome Government's decision to set up judicial inquiry into child sex abuse cases; leader welcomes decision and discusses what the terms of reference might be. If the inquiry can establish a working definition of sexual abuse, and go some way towards suggesting the probable incidence nationwide, it will more than justify the time and expense involved.

RATES

Telegraph gives extensive coverage to a briefing on community charge; leader says there remains a deep unease on Conservative benches. It will draw on the depths of the well of the Government's political capital. If the price is that the Government's energy and dedication are deflected from education and tax reform, it will prove high and that is good cause to pause now.

LAW AND ORDER

Express leader says Appeal Court must be given power to increase sentences. Government must act.

Times: Lord Rothschild and Chapman Pincher not to face prosecution under Official Secrets Act.

MEDIA

Independent: Dail Telegraph makes its exit from Fleet Street.

Independent feature on increased opportunities to found newspapers. Rather than mourn for Today, celebrate a wide-open market.

INDUSTRY

Independent: Bank unions reject as inadequate London weighting of 37.5%.

UK car output at 8-year high.

Swiss banking giant Union Bank likely to acquire Hill Samuel in first banking takeover since deregulation (Independent).

FT: Civil servants at MSC in Bolton strike in protest at employment of two YTS teenagers.

DEFENCE

Independent: New Type 23 frigate may not have defences against the Exocet. Commons Defence Committee expected to criticise Navy for slowness in improving ships' defences; feature says Navy sending sitting ducks to sea.

HEALTH

Times: Health experts warn that BMA's decision to make AIDS tests without consent could drive cases underground.

FT: Health authorities should be free to top up national pay rates by as much as 20% to counter local staffing problems, according to report from National Association of Health Authorities.

EDUCATION

Times: Kenneth Baker publishes proposals that could lead to closure of bad schools and expansion of good ones.

Four page feature in Times looks at Warwick University saying that over 21 years it has built up a reputation as a well-managed academic institution with strong links with industry.

EC

Times: European Parliament reacts angrily to renewed blocking of multi-million pound EC research programme after governments remove rate on programme from its July agenda.

FALKLANDS

All-party defence select committee warn that financial stringency could lead to an under-strength Falklands garrison - Times.

SOUTHERN AFRICA

Soviet crew blamed for Machel plane crash (Independent).

South African Liberals in Dakar accept ANC role.

MIDDLE EAST

Mubarak and Peres meeting in Geneva leaves both with a sense of progress.

BERNARD INGHAM

- DES: Mr Baker presents first records of achievement to fifth year pupils at Sanders Place school, Dorking
- DOE: Mr Ridley visits Tyne and Wear Urban Development Corporation
- HO: Mr Hurd visits Gatwick Airport
- DEM: Mr Cope visits the Sutton Enterprise Agency
- DEN: Mr Morrison visits BNFL, Cabenhurst
- DHSS: Mrs Currie addresses Birmingham division of BMA, Queen Elizabeth Hospital, Birmingham
- DHSS: Mr Newton visits Braintree branch meeting of County Landowners Association
- DTI: Mr Butcher addresses Manufacturing Communication Awareness, Sutton Coldfield
- DTP: Mr Bottomley visits Yorkshire and Humberside regional office
- DTP: Lord Brabazon opens a seminar on Technology and Manning in the 1990's, Institute of Mechanical Engineers, London
- FCO: Mr Mellor addresses Centre for Policy Studies, London
- HO: Mr Hogg chairs seminar of Lincolnshire Crime Prevention Panel
- ODA: Mr Patten hosts Tidewater Conferences, Leeds Castle and later hosts dinner there, attended by Princess Royal
- SO: Lord James Douglas-Hamilton opens Forfar Bypass, Angus
- WO: Mr Grist attends Welsh Branch of Geriatrics Association, Cardiff
- WO: Mr Roberts visits Cadnant Junior School, Conwy; later attends International Eisteddfod, Llangollen

TV AND RADIO

MAFF Minister Mr Thompson interviewed by East on Two

"You and Yours"; BBC Radio 4 (12.00): No details available at time of diary preparation.

"Nuclear Weapons: Inquiry, Analysis and Debate"; BBC 2 (12.30): Can lessons be drawn from the bombing of Hiroshima and Nagasaki to help people understand today's nuclear confrontations?

"The Education Programme"; BBC 2 (20.00): Sarah Kennedy looks at the world of education.

"What the Papers Say"; Channel 4 (20.15): Interviews with the Rt Hon Kenneth Baker, MP and the Rt Hon Dr David Owen, MP.

"Any Questions?"; BBC Radio 4 (20.20): The panel includes the Rt Hon David Owen MP, John Patten MP, Minister of State at the Home Office, the Rt Hon John Smith QC MP, and Esther Rantzen.
