27 July 1987

PRIME MINISTER

PRESS DIGEST

MAIN NEWS

Gulf

Americans, without a mine sweeper in Gulf, in embarrassing trouble over their escorting of tankers; <u>Mail</u> suggests we shall help them with minesweeper after their "deadly miscalculation".

French warships on 24 hour alert because of increased tension in Gulf.

Kuwaiti ship owner says he has agreement in principle for UK to reflag a tanker.

Independent says Royal Navy is considering reinforcing its Gulf
presence.

FT: Cap Weinberger says US will increase number of minesweepers operating in the Gulf following damage to Bridgeton last week.

Honours

<u>Telegraph</u> claims last minute friction between Palace and No 10 is responsible for the delay over Dissolution Honours.

Rates

Norman Tebbit, in broadcast, says the community charge will be a long term vote winner, but <u>Telegraph</u> leads with a Gallup poll showing that the Government is losing the argument - majority for of 45-39 transformed into 54-28 margin against.

Mirror says that as a result of the poll tax the rich will be richer and the poor poorer. If it is your flagship this Parliament you should sink it.

Guardian says Cabinet is to be told that administrative chaos will be price for phasing in community charge; a survey has found revaluation would be cheaper for average homes.

FT: Community charge proposals will be considered by a Cabinet committee tomorrow. The main issue will be the length of the transitional arrangements. There may be separate provisions to allow more rapid implementation in Wales.

Industry

Speculation that the Governor of the Bank of England is to leave after 5 year term - will he be succeeded by top Civil Servant?

Sun says you are to break B/Telecom monopoly unless it improves its services. American tourist guidebook says our telephones are worst in world.

<u>Mail</u> says electricity industry will report £1bn profit this week and give boost to privatisation.

Independent airlines get together to try to thwart BA/B.Cal merger with bid of their own.

Peugeot to go into full production at Coventry to create 500 jobs (Mail).

Eric Hammond, EETPU, negotiating no-strike deals in London Docklands much to distress of other unions.

Docklands light railway opens on Thursday.

Adam Smith Institute says universities should do more to exploit their R&D projects commercially.

Vice Chancellor of Leeds University says there is a need for risk money in research.

<u>Guardian</u> reports discussions between Government, B/Gas, BP, CEGB and big engineering firm to build first private power station to run on natural gas.

<u>Independent</u> says some stockbrokers could be bankrupted by first share dealings in BAA.

<u>Times:</u> Shipping industry seriously concerned about recommendations for ferry safety which would "bankrupt British fleet".

FT: Row between Britain and Japan likely to flare up again if Cable and Wireless fails in bid to gain share of alternative international telecommunications network in Japan.

FT: Retail trade to grow over 20% in five years, according to research analysis.

FT: Lord Young makes it clear to exporters that there will be no more Government resources mobilised to help them in the future.

Law and Order

Jewel thieves murder financier in his London home.

Express feature says stress is crippling Britain's police forces.

<u>Mail</u> says new Metropolitan Police Commissioner is to make stamping out of racial abuse his first priority.

MPs want inquiry into safety of funfair equipment after series of incidents in July in which 2 died and several injured.

<u>Times</u> survey shows that steps to ease prison crisis not enough; alarm over drugs and discipline in prisons.

<u>Times</u>: John Patten promises tougher penalties for City frauds, including seizure of assets.

Economy

Stock Exchange chairman asks Government to slow pace of privatisation.

<u>Sun</u> leader attacks Government for wasting years tinkering with the problems of public spending.

FT: Brittan warns against loosening spending limits.

Media

Channel 4 under fire for screening gay wedding.

Rupert Allason MP denies he was indirectly responsible for publication of 'Spycatcher'.

Times leader under heading "The Rabbit and the Ass" looks at the legal battles surrounding Peter Wright's memoirs. His allegations may or may not be true. His memoirs may or may not be worthy of the fuss which they have caused. But everyone must agree with the importance of the law not being an ass.

Health

<u>Times</u>: John Moore planning campaign to improve quality of service given to public by DHSS.

<u>Times</u>: Survey shows widespread public support for introducing instant charges for use of NHS but less support for higer taxes.

<u>Times</u>: More than 600 partially deaf people may have to wait for over a year to get hearing aids fitted on NHS because of shortage of audiology staff in Nottingham.

<u>Times</u>: Specialists say 200 people will die this year because of fall in number of kidneys available for transplants.

Education

<u>Mail</u> leader gives warm welcome for plans for school tests - the sooner both teachers and children are put to the test the better.

<u>Independent</u> leader says educational reforms are long overdue; feature on Kenneth Baker.

Northern Ireland

Policeman shot dead in his home in Co Antrim; Irish police discover an underground bunker containing a ton of explosives. Elsewhere two IRA beer keg landmines defused.

Politics

<u>Sun</u> leader supports Diane Abbott spending £400 to lose weight at a health farm for which she is being criticised by her constituents. She is a pain and the smaller the pain the better, it says.

Today says that whenever sick people pay their own medical bills they save the NHS money - and more and more people are doing so.

Hard Left withdraws support for Meacher and Dalyell in Labour's NEC elections.

Peter Kellner, analysing Government's popularity in <u>Independent</u>, says prosperity is the key. Twice the Conservatives have insured that the right economic signals were sent to the electorate at the right time. Who is to say they won't repeat it in four years' time, unless there is a global crisis?

<u>Times</u>: Top salaries review body to consider whether Minister should receive golden handshakes when dismissed from office.

Bernard Levin in <u>Times</u> asks when Kinnock will see the light.

Labour, he says, will go into next election offering much the same as it did last time, and the country will walk past, into an increasingly prosperous and liberated future, and leave Socialism and its exponents unpitied to their fate.

Personal

Plenty of coverage for your Russell Harty interview.

Lord Chancellor attends Jeffrey Archer's party.

Norman Tebbit rules out a return to Cabinet.

John Baldridge, US Secretary of Commerce, dies crushed by horse in rodeo of which he was a star.

Russia

Tartars demonstrating for new republic in Crimea claim victory - with meeting with Goromyko today.

Express returns to Afghanistan and in a leader warns those who are dazzled by Gorbachev not to forget Afghanistan.

Greece

700 die in Greek heatwave.

Sri Lanka

FT: Prospects for a peace settlement recede as Tamil Tigers appear to reject proposals for a separate Tamil homeland.

BERNARD INGHAM