

PRIME MINISTER

3 JUNE 1988

MAIN EVENTS

Prime Minister and President Reagan address Guildhall

EC: TREVI Ministerial meeting, Munich

Secretary of State for Energy visits Burma, Indonesia, Hong Kong and China

TUC Trades Councils conference, Manchester (to 5 June)

Duke and Duchess of Kent visit Australia

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STATISTICS

DTI: Engineering indices of production and orders (Mar)

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MINISTERS - See Annex

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PRESS DIGEST

Lots of coverage of your meeting and dinner with President Reagan, with pictures. Reagan portrayed as handing over negotiations to West's "continuity girl". You say he will be seen as one of great US presidents. He won't be rushed into START agreement.

Fall in interest rates fails to stem pound's fall.

Average price of house now £57,250 - rising up to 50% a year.

British mountaineer, Stephen Venables, reaches summit of Everest - 35 years almost to the day it was first conquered - by a new route.

Alan Beith launches his SLD candidature.

CBI expects manufacturing investment to rise 16% this year.

British cars poor record for reliability, according to Which? survey - no British cars in top 8; Japanese cars consistently more reliable.

Express says ending of holiday surcharges will mean higher prices.

Mirror claims that charter companies are forcing pilots to fly beyond their limits.

GMBTU to try to win new members by offering cheap mortgages, cut price insurance and investment advice.

British Rail picks Rosehaugh Stanhope as partner in £1.6billion King's Cross redevelopment.

Market Research Society says most (84%) NHS patients are satisfied with the care they receive.

Hopes of a cervical cancer vaccine within 3 years.

Mail takes up Women's Institute demand for tougher treatment of rapists. It says the simple, appalling truth is that in Britain in 1988 no woman is safe anywhere at any time. This is a terrible indictment of your period in power and a disgrace to our country, Government and you. You must lead moral crusade.

Government's stand against bogus refugees leads to fewer people seeking asylum here.

PRESS DIGEST

In advance of hanging debate, Rhodes Boyson says 57 murder victims could have been saved if capital punishment had not been scrapped.

Home Secretary to tell Trevi group today that terrorists and drug traffickers could flood into Britain if EC frontier relaxations go ahead (Mail).

Peter Wright becomes a millionaire. Express suggests he could eventually get £4million, but editorials give him a hammering for writing book.

Richard Shepherd MP urges Government to drop "monstrous" court proceedings against Spycatcher.

General Secretary of Head Teachers' union says thousands of teachers should be sacked for being scruffy and lazy - give a bad example to pupils. Heads also want school leaving age to be raised to 18 to improve education and training.

Michael Mates MP criticises Lord Young for trying to tilt a planning inquiry into plans for a new town in Hampshire in favour of scheme. FT reports friction between Department of Environment and DTI who, it claims, did not consult Environment on its submission to inquiry.

Harold Macmillan's Birch Grove estate for sale for £5million.

US Ambassador caught in gunfire in Beirut when his guards try to shoot their way out of a traffic jam.

Mail says Yugoslavia is preparing for a Thatcher-style revolution to solve its growing economic crises turning it into free enterprise economy.

ex-MP Harvey Proctor goes into shirts - opens shop in Richmond backed by more than 15 Conservative MPs.

SUMMIT

Star page 1 with picture - Over to you, Maggie. He tells you, you are his natural successor in reaching an arms deal.

Sun page 2 - Maggie's the key to world peace with photos; Reagan wants you to help the incoming president.

Not much coverage of your angle on the Summit in Mirror and Today.

PRESS DIGEST

Express leads with Gorbachev to visit next year; Reagan passes you the Torch of Peace and you tell him he's one of the great presidents; leader headed "A crucial role for Maggie" says it is more than diplomatic courtesy that Reagan breaks his journey home here. It is a proper recognition of your role in East-West relations. Next year you will bear a heavy responsibility.

Mail leads with "Maggie, its over to you" - Reagan has appointed you as bridge builder between Russia and next US president. Knows no-one better to take on job of continuity girl. Inside picture of parties around Cabinet table.

Telegraph page 1 - put bank rate fall in main story - "I will not rush into arms deal, says Reagan".

Guardian page 1 - Thatcher invited to meet next president of USA, enhancing your standing in West.

Times - As you meet President Reagan for the 19th time, in a deliberate gesture to underline the continuing strength of the Anglo-American relationship, it emerges that the Moscow summit was "toe to toe" confrontation, with much more personal confrontation than the overall cordiality had hitherto suggested. Meanwhile the Government is satisfied with the Moscow results and you pay a lavish tribute to the President. Front page photograph of you and the President.

Times - Reagan hands Thatcher key alliance role. The unprecedented gesture in inviting you to visit the White House in November will allow you to meet, in the most authoritative way possible, the new President with a personal introduction from President Reagan. You will be in an exceptionally strong position as America's closest ally.

FT - Thatcher sets November date for Washington talks. In what was understood to be a warmly worded toast last night you said President Reagan would take his place as one of the greatest American presidents; and attributed the summit success to steadfast policies pursued over many years.

Times - South Africa says it regards as unrealistic the September deadline set by Gorbachev and Reagan for resolving the problems of Angola and Namibia.

Independent - Consensus yesterday was that the meetings had been useful, that neither leader had been stampeded by the pressure of the events into hasty decisions and that the two teams with the leaders had made some progress on substantial issues.

PRESS DIGEST

Independent - Gorbachev flatly denied an accusation by George Younger that after the INF Treaty Moscow was carrying out its own modernisation programme by fitting Backfire bombers with air launched cruise missiles.

Independent - Chances of completing a START agreement before Reagan leaves office seem more remote yesterday. You are concerned about possible American agreement to deep cuts in nuclear defences in Europe.

SPYCATCHER

Sun, on £1,864,000 cheque on way to Wright, says he can take no more pride in his fortune than a drug baron. No reason for Government to accept any blame for pursuing him. All the blame belongs to Wright - as much a traitor as Philby.

Mirror says Wright is a bitter, treacherous and obsessive old man. Government was right to try to stop publication but wouldn't accept defeat. You became obsessive with Mr Wright.

Guardian - Government plays down new Spycatcher defeat.

Today - If ever sudden wealth was undeserved it is Wright's. Far too much attention has been given to Government's attempts to stop Spycatcher and far too little to the enormity of Wright's own treachery in writing it.

Times - Government to press on with Lords appeal despite Australian Court decision. It is likely you will intensify your efforts to penalise former members of MI5 and MI6 who follow Peter Wright's example, possibly by a forfeit of pension rights. Possibility that Peter Wright may write a sequel, drawing on secret information which he has so far kept to himself. Leader says that Wright was wrong to publish what he did, but to pursue him through the Australian courts when there was little chance of success made little sense. The Government has not emerged with dignity from the affair.

Independent - Government is to go ahead with its appeal to the House of Lords.

POLITICS

Today says it can hardly believe its ears these days. GMBTU goes ahead with cheap mortgages and insurance business for members. Head teachers' leader suggests sacking scruffy teachers; NHS

PRESS DIGEST

managers want to make public hospitals more attractive. The message of the Thatcher revolution has reached into the most unlikely places.

JURIES

Express leader on jury vetting in Leeds soccer hooligan trial says 27 supposedly honest citizens were rejected without any reason being given. The 12 who remained were all more or less the age and social background of the accused. It must therefore be assumed those rejected were older, wiser and less liable to intimidation. This is a shocking distortion of the system and thank goodness Government is pledged to end the scandal this autumn.

Ludovic Kennedy writes about "the scandal of these unjust juries" in Mail.

Telegraph leader says jury system does not carry overwhelming public confidence. The right to challenge jurors is an established one. But in the Leeds case a jury hand picked from the same age and social group living in the same area as the accused might be vulnerable. One or two middle aged and stouter headed citizens might have averted this near rout.

MORAL DIMENSION

Charles Moore, in Express, says the Right Reverends and the wrong Reverends of the Church think they know what you think so don't bother to read your words. And he goes on to show how the Bishop of Gloucester didn't.

Telegraph says your address to Church of Scotland is described in Glasgow RC diocesan newspaper as "dangerously close to being a licence for greed, selfishness and apathy".

ECONOMY

Times - Yesterday's rise in base rates fails to stop sterling falling and a further rise, possibly today, looks inevitable. Dealers blame the dispute between you and the Chancellor for undermining confidence in the Government's ability to control sterling.

Times - Alan Walters, in guest commentary, argues the case against membership of the EMS. By staying out, he says Britain has had a much higher rate of growth and steeper reduction in inflation.

PRESS DIGEST

FT page 1 lead - Base rate increase to 8% fails to prevent steep fall in sterling. Pound finished at DM3.1050 last night, 4.25 pfennigs lower than Wednesday's close. Lex says yesterday's move clarifies Government position which is to keep sterling within a band while letting interest rates take the strain.

Andrew Alexander, in Mail, says if Chancellor tries to claim credit for the fall in sterling as showing wisdom of his saying pound's rise was "unsustainable" he should not be allowed to get away with it. What events really underline is the wisdom of your comments about the unbuckability of the market.

Telegraph leads with Bank rate cut reversed as pound declines. Fears of higher inflation calmed; City Page says rise demonstrates new consistency - Government is trying to stabilise exchange rate and interest rates will take the strain.

Guardian says the Government took opportunistic advantage of the fall in the value of the pound to push up interest rates. But the trouble with using interest rates to manipulate exchange rate and control inflation is like using a baton to lead an orchestra and keep stagehands quiet at same time. It generally requires favourable extraneous circumstances to work.

Independent - Yesterday's rise was greeted with relief in the City and Whitehall where concern was growing of a consumer spending boom.

INDUSTRY

FT - Electricity industry will demand right to pass all increases in costs through to customers after privatisation. Area electricity boards also agree that prices in less affluent parts of the country should be allowed to increase faster than prices in more prosperous areas.

Independent - EC is to propose that commercial piracy and the sale of counterfeit goods should be a criminal offence in all EC states and offenders liable to imprisonment.

COMMUNITY CHARGE

FT - Lord Caithness rejects demands by small businesses that they should pay less than large businesses in proposed uniform business rate.

PRESS DIGESTNHS

Times - Institute of Health Service Management argues that NHS should compete aggressively with the private sector by expanding private wings and providing chargeable luxury services in its final report on alternative NHS funding.

Independent - Scientists are preparing for the first human gene transplant.

LAW & ORDER

Independent - United Kingdom Immigrants Advisory Service (UKIAS) is to close its Channel Press counselling service claiming a decline in real terms in the value of the grant-in-aid it receives from the Home Office. The Home Office says that the grant last year was £985,000 an 8% rise and 10.5% up from 1986/87.

Independent - Writer argues that capital punishment makes liars of us all "Most of us are either hangers or abolishoners by nature and subsequent argument is often ineffectually dubious".

NORTHERN IRELAND

Times - More than 50 paramilitary prisoners have been moved from an H Block of the Maze prison in a prelude to the closure of its compounds. Security officials watching apprehensively in case it inflames old grievances about the men's status.

SOUTH AFRICA

Independent - Fears are growing in South Africa that Dukakis' Presidency could usher in a new era of US hostility towards Pretoria.



MINISTERS (UK VISITS, SPEECHES ETC)

DES: Mr Baker addresses National Association of Head Teachers annual conference

HMT: Mr Lawson addresses the Leicestershire BMA

DEN: Mr Morrison principal guest at Thermal Insulation Contractors conference, London

DHSS: Mrs Currie addresses UK Transplant Surgeons conference, Bristol

DHSS: Lord Skelmersdale opens Homefield Psychiatric Unit, Worthing

HO: Mr Hogg visits the YCC Stoke Heath

WO: Mr Grist visits Royal College of Nursing, Cardiff; later attends Society of Architects dinner, Cardiff

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TV AND RADIO

"Today": BBC Radio 4 (6.30)

"Business Daily": C4 (12.30)

"Any Questions?": BBC Radio 4 (20.20) Barbara Castle, David Willets, Polly Toynbee and Sir George Young

"The World Tonight": BBC Radio 4 (22.30) followed by "The Financial World Tonight"

"Newsnight": BBC 2 (22.30)

"The London Programme": ITV (22.35)

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