MAIN EVENTS

The Duke of Edinburgh inaugurates the Morecambe Gas Field and Terminal, Barrow in Furness; later visits the British Gas Platform, Morecambe Bay

The Prince and Princess of Wales attend a rock concert in aid of the Prince's Trust, Royal Albert Hall, London

House of Lords Resumes

Ted Heath visits Russia (to 16 June)

EC: ECOFIN Council, Luxembourg

EC: Heads of Mission conference, London (to 7 June)

EC: Agriculture Council, Luxembourg (to 7 June) (prov)

EC: Foreign Affairs Select Committee visit Paris (to 8 June)

BMA Conference of Medical Academic Representatives

STATISTICS

DTI: Retail sales and credit business (April, final)

PUBLICATIONS

HOC: Minutes of Proceedings, House of Commons Services

PARLIAMENT

Lords: Starred Questions

Local Government Finance Bill: Committee (3rd Day)

Motor Vehicles (Wearing of Rear Seat Belts by Children) Second

Reading

MINISTERS - See attached

Kinnock enrages Left by apparently dumping plain, straightforward unilateralism; wants something in return for giving up nuclear deterrent.

Heffer says Kinnock is backsliding.

Benn says Labour/Tory coalition is emerging in certain issues, including defence.

Some papers put worst construction on plans for mutual compensation between Iran and UK for damage to Embassies. Foreign Secretary says talks are not in any way related to hostages.

Riot at Haverigg prison, Cumbria, now under control.

Another increase in base rates expected this week. Chancellor, in pamphlet on taxation policy, says that while we still have a good way to go with reforms we are for the first time a low tax country.

Oliver Letwin, reviewing the book "Privatising the World" in Telegraph says Britain leads the world in the export of radical ideas.

Britain second in world productivity table last year to Japan.

Telegraph leads with "Growing political turmoil in Soviet Union"; meanwhile Russian Christians flock to churches for millenium services.

<u>Mail</u> says American motor firms are going on a £200million buying spree in UK for components creating up to 1,658 jobs. Ford seeking 500 more workers to cope with demand for Sierra.

Threat of disruption to Spanish holiday flights all Summer.

filmillion plot to blackmail 10 big oil companies being investigated by Scotland Yard.

National Park Officers' Association wants farmers to be paid to protect National Parks.

Foreign Secretary, on TV-AM confirms ambition to become Prime Minister; reports of his political death have been greatly exaggerated.

<u>Mail</u> leader says Foreign Secretary's difficulty is that he is congenitally incapable of blowing his own trumpet.

MPs attack new Channel 4 film on Falklands and ask that regiment involved is given right to reply. The producer of the film helped Peter Wright to write of "Spycatcher", and says dissenters are not necessarily traitors.

Tam Dalyell MP not happy with programmes criticising Forces.

Policeman hurled through shop window as 200 young drunks terrorise Crowborough, East Sussex.

Poll shows about two-thirds of Britain condemns homosexual acts and lifestyle - news which Sun finds reassuring.

Ulster Unionists play down expectations of early talks with Dublin.

Today claims that a visit by the Queen to Northern Ireland has been put in jeopardy by a Civil Servant gossiping in a pub.

All special category terrorist prisoners serving life in Ulster to have sentences reviewed.

French Socialists look set for solid majority in general election, wiping out Le Pen's representation in Parliament.

Today says Queen is to award Reagan Order of Garter in recognition of help in Falklands conflict.

Channel 4 Trial by TV of Kurt Waldheim "clears" him of war crimes, Paul Johnson, in Mail, on insidious evil that is trial by TV.

Soviet Union suffers one of its worst rail disasters when train carrying industrial explosives blows up - 69 killed; 230 injured.

Princess Diana's mother's second marriage said to be over.

New BBC Mastermind is David Beamish, House of Lords clerk.

Fourth TT races death in Isle of Man.

LABOUR DEFENCE POLICY

Today - Kinnock reveals U-turn to keep Trident.

Express - Kinnock nuclear retreat.

<u>Independent</u> - Kinnock U-turn on unilateral nuclear disarmament. His first public repudiation of unilateralism delights senior members of Labour's Shadow Cabinet.

<u>Times</u> leads with Kinnock provoking fury on Labour's far Left by explicitly abandoning unilateralism and burying old-style nationalisation in TV interview. Left are bound to attack his remarks as a further example of authoritarianism in the leadership.

Mail leads with Kinnock in bomb row.

Telegraph - Kinnock shifts on nuclear defence policy.

Guardian - Kinnock distances party from unilateralist stance.

IRAN

<u>Star</u> leader headed "Don't deal with madmen" says the payment of filmillion in compensation for damage to Iranian Embassy would be a staggering about face by Britain. Does the Ayatollah really expect us to pay for doing him a favour by releasing his own supporters held by a group opposed to him? The FCO are courting a pack of rabid wolves whose bite is poison.

<u>Sun</u> leader attacks FCO for twin policies of putting interests of foreigners ahead of Britain and appeasement and surrender wherever opportunity presents itself. In private you are known to be as dismayed as everyone else by the FCO's "shameful antics". Your first move must be to find a new Foreign Secretary.

<u>Mirror</u> - Hostage now over fimillion Iran deal. Provokes fears Government is changing its "no deals" policy on terrorism; leader says you were right to say you will never have any truck with terrorists or those who support them. But you now seem set to do a million pound deal. FCO denies there is "a squalid conspiracy" but it expects that after we pay out Iran will tell the kidnappers to free British hostages.

<u>Today</u> - Foreign Secretary rules out new initiative to free British hostages in Lebanon.

<u>Express</u> - £lmillion Iran Embassy deal "no hostage ransom" - furious Ministers deny Waite pay-off- is at hand.

<u>Times</u> - Foreign Secretary and David Mellor strongly deny £1.8million compensation for Iran Embassy damage is part of deal to free British hostages in Beirut.

<u>Independent</u> - The Government will negotiate with Iran over damages to its Embassy, but not on hostages. It appears increasingly likely that Iran wants to see an end to the hostage operation provided it can extract maximum political benefit. It got less than it wanted from France. The Americans are increasingly active in efforts to free their hostages while upholding a policy of "no deals with terrorists". The British Government must now do all it can to secure release of Terry Waite and his fellow captives.

Telegraph - "No hostage deal" during British talks with Iran; leader does not imagine any change in the no deals hostage policy is contemplated, but the talks must be carefully handled. Otherwise the wrong signals could be sent to the kidnappers.

<u>Guardian</u> - Government are currently dampening speculation about early release of hostages; insists talks on compensation will not change its policy of refusing to negotiate for their release.

POLITICS

<u>Express</u> - Foreign Secretary tells TV-AM - reports of my (political) death have been greatly exaggerated. Content to go on serving in partnership with you.

Times leader discusses the SLD leadership race saying the choice members have to make in voting for a leader to launch their more or less new party is between a safe pair of hands (Beith) and what is vulgarly called charisma, which in political terms means eye-catching star quality (Ashdown).

COMMUNITY CHARGE

<u>Times</u> - MORI poll shows significant fall in number of people who regard community charge (9%) and social services, including NHS (13%), as major issues.

ECONOMY

<u>Express</u> leader on Chancellor's publication today on Government's tax reforms says we are seeing tax revenues increase despite lower tax rates. The Government demolished the myth that a cut in tax

rates means a cut in revenue and exposed another post-war shibboleth that the Welfare State can be financed only by high tax rates. The new target is a 20p rate. "Eat your heart out Mr Kinnock", it adds.

<u>Independent</u> - CBI survey shows pay deals in the first quarter are highest for two years. Government officials believe tightening of credit costs is necessary and money markets bracing themselves for lending rate increase.

<u>Independent</u> - Labour says only top one per cent of taxpayers have seen their tax burden reduced since 1979.

SUNDAY TRADING

Today leader says your revolution will not be complete until shops are allowed to open for business on Sundays.

NHS

Express leader on BMA huffing and puffing at Edwina Currie's claims that doctors too often pass their patients on to over-strained hospitals and says it must not make the mistake of so many other trade unions of closing ranks, closing minds and dismissing all proposals as ridiculous. The Government's proposals make a lot of sense.

<u>Independent</u> - Ministers have backed away from requiring doctors to ask next of kin if patients' organs can be used for transplants.

<u>Times</u> - Sheffield consultant borrows £12,000 from his bank to keep bone marrow disease unit at Royal Hallamshire hospital open.

<u>Times</u> - Doctors in Glyn-Neath, Glamorgan, find links between high levels of serious illness and dust from open-cast coal mining.

David Loshak, writing in the <u>Times</u> business section under the heading "Paying the price of keeping well", analyses the Government's hopes that the private sector can help cure the growing ills of the NHS.

AIDS

<u>Mail</u> leader condemns errors, at cost of £8million, of Health Education Authority's campaign against AIDS so far. The agency has now been changed and we must hope that the new agency will recognise the previous folly and waste.

SOCIAL SERVICES

<u>Independent</u> - Tougher powers planned to curb child abuse. Ministers planning to introduce legislation in the autumn giving social workers new powers to protect children at risk. You have told Ministers to give priority to the Bill as part of the Government's policy on the family.

LAW & ORDER

<u>Independent</u> - Fixed penalty system for motoring offences is under review because of widespread evasion of fines.

<u>Times</u> - Home Secretary to adopt new hard-line approach with murderers spending many more years in prison; leader says there is good political logic behind measures set out by Home Secretary for stiffening the punitive impact of community service orders. It is appropriate that the punishment should more closely fit the crime.

Guardian commenting on EC plans for open frontiers in 1992, says freedom of movement is like freedom of speech: you don't ban it because a minority abuses it.

DEFENCE

<u>Independent</u> - Britain presses for non-nuclear arms cuts. It will put forward proposals for speeding up progress on curbs of chemical weapons and conventional forces to maintain momentum in East-West nuclear arms reduction.

<u>Independent</u> - David Owen says he supports your caution in wanting to slow down process towards a START treaty to avoid West slipping into an atmosphere of 1930s-style appeasement following the Moscow summit.

INDUSTRY

<u>Independent</u> - GMB union leaders claim Government is trying to "strangle" remaining 2,200 jobs depending on merchant shipping in the North-East by refusing to give go-ahead for £100million order from Cuba.

UNIONS

<u>Times</u> - General Secretary of GMBTU says TUC has become obsessed by electricions' union.

<u>Times</u> - Ron Todd of T&GWU to urge executive to support Hattersley for deputy leadership of Labour Party.

SOVIET UNION

<u>Times</u> - Kremlin allows police escort for protest march of Armenians, Crimean Tatars and members of a newly-formed opposition group as they approach Moscow.

MINISTERS (UK VISITS, SPEECHES ETC)

MAFF: Mr MacGregor attends FIS (seeds) Congress, Brighton; later attends British Food Farming 1989 launch, Royal Festival Hall, London

DEM: Mr Cope visits launch of Action for Jobs South West

DEM: Mr Lee attends opening of BNFL Visitors Centre, Sellafield

DOE: Mr Howard visits Trafford Park

DTI: Mr Clark meets Mr Antalpeter, Company Chairman of UK/Hungary Joint Commission

HO: Mr Hogg visits Wandsworth Prison

MAFF: Baroness Trumpington visits Mr Paul Fry "London's Best Greengrocers", London

WO: Mr Roberts opens Shell Travellers Check Service Station, Ewloe

MINISTERS (OVERSEAS VISITS)

DTp: Mr Channon visits Athens to meet Greek Ministers of Transport and Shipping (to 7 June)

FCO: Sir Geoffrey Howe departs for UN special session on disarmament, New York (to 7 June)

MOD: Mr Younger attends the inauguration of the Caen Memorial, Caen, France

DOE: Mrs Roe visits Sweden and Finland to tour housing and planning projects (to 11 June)

FCO: Mr Mellor departs for WEU Assembly meeting, Paris (to 7 June)

OAL: Mr Luce visits USSR (to 12 June)

ODA: Mr Patten visits Washington for Caribbean Development Bank Group meeting, and New York for discussions with UN Agencies (to 10 June)

MINISTERS (PRESS INTERVIEWS)

DES: Mrs Rumbold interviewed by Valerie Sanderson for Radio 4's Pillars of Society on the Womans Institute

DTI: Mr Maude interviewed by John Waite of Face the Facts on the Company Registration Office

TV AND RADIO

- 'Today': BBC Radio 4 (6.30)
- 'The Marketing Mix': C4 (18.30) NHS using marketing techniques
- 'Open to Question Goes Live': BBC 2 (19.10) Senator Gary Hart questioned by young people
- 'Open Space': BBC 2 (19.40) Influence of agrocultural industry. Includes Chairman of H of C Agricultural Committee Sir Richard Body
- 'Horizon': BBC 2 (22.10) A Good Test? Use of Psychometric tests (including Admiralty Interview Board)*
- 'Panorama': BBC 1 (21.30) Selling the Nuclear Dream privatisation of electricity industry
- 'The World Tonight': BBC Radio 4, followed by 'The Financial World Tonight' and 'Today in Parliament
- 'Business Matters": BBC 1 (23.30) Pat Lowry's views of the future of industrial relations in UK