

May 26, 1989

PRIME MINISTER

MAIN EVENTS

Prime Minister receives Freedom of the City of London

The Queen makes a private visit to the United States of America in order to visit Stud Farms in Kentucky (to May 30)

George Younger meets Herr Stoltenbert

The Duchess of York takes the Salute at the Queen's Birthday Parade, Berlin

MMC Report on Credit Cards due

Commons rises

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STATISTICS

DTI: Finished steel consumption and stock charges (1st qtr - prov)

DTI: Engineering sales and orders and current and constant prices (Mar)

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PARLIAMENT

Commons

Business: Timed Spring Adjournment Debates until 3.00 pm

Adjournment Debates: The changes in the designated flight patterns and RAF Upper Hyford (Mr T Baldry)

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PRESS DIGESTMain News

Sterling holds after trade deficit of £1.65 billion, much as expected. Claims that Bank spent £200 million yesterday propping up pound.

You defend Chancellor and say his policies have given us our highest standard of living.

Chancellor widely seen to have gained some breathing space.

Kinnock loses his rag with BBC interviewer, James Naughtie, complaining about being asked the same question - what would he do about the economy? - over and over again. Recording suspended until he cooled down. Today - Radio cuts off swearing Neil.

Mail claims tape could be as damaging as Watergate tapes.

Paul Johnson, in Mail, on the "unacceptable face of the real Kinnock" says he is not, like you, a fully integrated personality. He is the Jekyll of the party political broadcasts and the snarling Hyde who erupts on broadcasts. The incident must raise doubts whether Kinnock is entirely suited by his uncertain capacity to react to stress. Many Labour supporters will wonder whether he is right choice to lead the party.

Barbara Cartland accuses Kinnock of knocking the Christian faith for using hymn Jerusalem to try to win votes.

Four Czechs expelled for spying.

Labour MPs up in arms over allegations that the Russian spies booted out were trying, among other things, to blackmail Labour MPs. Russians deny reports.

Times leader, discussing Soviet's retaliation, says the Government should make it clear that Britain is not to be intimidated, and is perfectly prepared to live with diminished bilateral contracts, if that is the price exacted by Moscow for protecting British national security.

KGB claims three British journalists expelled from Moscow were engaged in variety of cloak-and-dagger activities (Times).

Signs that Premier Li Peng is holding on to power in China.



PRESS DIGEST

Inquiry into media invasion of privacy will also cover libel. Mirror leader says English juries have taken upon themselves the right to punish by awarding excessive damages for which there is no good legal basis. Damages must be decided by judges. Similar call for judges to assess damages from Today.

Charles Moore, in Express, welcomes a privacy law. The respectable press should welcome this.

Mail comes out strongly for libel reform too and Telegraph would be happy to live with judges awarding damages.

Private Eye launches appeal to meet libel award (Independent); leader looks at the award and says £600,000 seems an adequate return for the damage to Mrs Sutcliffe. The assumption is that the jury wanted to punish the press. And similar awards will continue to be made so long as the Press does not put its house in order. Tabloids cannot afford to go on ignoring public opinion about acceptable standards so flagrantly.

BBC affected by another 24-hour strike today.

Official Tube strike looks more likely after breakdown of pay talks.

Vice-chancellors may be forced to abandon academics' pay agreement and raise offer of lump sum by £135 (Times).

NUM membership drops to a record low of 69,000 and expected to fall further, causing financial and organisational problems (Times).

MMC expected to recommend that retailers should make credit card users pay extra (Independent).

You have accepted that there is little to be gained and a great deal to be lost by reopening the question of Sunday trading (Times).

Royal Mail managers could earn extra £3,000 a year if they meet new target in 5 years of getting 90% of first class mail delivered next day (Times).

BSB, delaying launch to next spring, faces formal investigation into allegations that it misled potential viewers (Times).



PRESS DIGEST

B/Aerospace to cash in on Ordnance land; likely to raise £300million by redeveloping two Royal Ordnance weapons sites bought from the taxpayer for just £3.5million two years ago (Independent).

General Council of British Shipping says Merchant Navy will decline by 25% by 1992 because of Government policy.

Mail says Delors has claimed that Britain could end up as a second class citizen of a united Europe, with decisions taken by an inner circle.

Leon Brittan criticises your combative style towards the Commission and EC. He tells Cleveland Conservatives that you should stop concentrating on constitutional and sovereignty issues and switch to merits of respective policies (Times).

Kinnock claims that industry is not prepared for 1992 (Times).

European Commission is about to rule that £269million of illicit state aid was given to Alpha Romeo before its sale to Fiat in 1986 (FT).

President Bush has cited certain trading practices of Japan, Brazil and India as unfair. A lengthy process of negotiation and possible retaliation will follow (FT).

As President Bush leaves for his first European tour since taking office, he appears cautious - a man who prefers to mediate between you and Chancellor Kohl rather than lead from the front (FT).

Foreign Secretary and Genscher end up poles apart on SNF after talks in London.

You have made it clear to Washington and Bonn that you remain sceptical about negotiations on SNF in Europe, but are prepared to have an open mind at NATO summit (Times).

West Germans propose new SNF compromise under which NATO would negotiate soon but not reduce its own weapons until the huge Soviet conventional superiority had been cut. But officials in Bonn feel that chances of an agreement at the summit are slim (Independent).



PRESS DIGEST

Timothy Garton Ash, in the Independent, says that on the issues dividing NATO you may be wrong on some important details but you are right in general. But on the issues dividing the EC, you may be right on some important details but you are wrong in general. He suggests that the more obstructive and perverse Britain is seen to be in the EC, the less credible its position will be in NATO.

FT leader says the current dispute over nuclear defence in Europe should not be allowed to overshadow the 40th anniversary of NATO. The Alliance can take pride in having contributed to the longest record of peace in Europe since the Middle Ages. There are elements of a compromise, too, on the dispute - under which NATO would delay any negotiations with the Warsaw Pact on SNF pending an agreement on substantial cuts of conventional forces in Europe. West Germany still needs persuading but there is room for diplomacy between friends. It would be a bad omen if the spirit of compromise that has characterised the Alliance should fail it on its 40th anniversary.

Select Committee wants Government to slow down NHS reforms and experiment more.

Family doctors likely to support new contract in spite of misgivings, according to a poll published in General Practitioners magazine. Of 4,700 interviewed almost 40% said they would work under the deal, but 30% were opposed and rest undecided (Times).

Jill Sherman, in the Times, says the BMA is winning its propaganda war on NHS reforms and that the Government has got its public relations effort badly wrong. Kenneth Clarke's PR machinery has so far failed because the Government does not yet have the answers to questions posed by the medical profession and, increasingly, the public.

8 million Britons drink dangerous amounts of alcohol and about 1.5 million could be drinking themselves to death.

Heart campaigners want Government to put fat warning labels on food.

Irradiated food offers real health and economic benefits for consumers - John MacGregor said yesterday (FT).

D/Health survey shows more than three in every thousand children are at risk of abuse (Times).

Family and child welfare groups outraged at Law Commission's proposals to liberalise the law on incest (Independent).



PRESS DIGEST

Southern Water and South-West Water ban use of hose-pipes (Times).

Imry Merchant will shortly announce a scheme to preserve and display the remains of the Rose Theatre (FT).

Lord Chancellor loses his appeal against suspension for 6 months from Free Presbyterian Church for attending Roman Catholic requiem mass for colleague.

Today says the proceedings smell hideously of a medieval witch hunt.

Express suggests Lord Chancellor is likely to leave the Church he has served for 30 years.

Times leader says the Lord Chancellor's attendance at funeral of deceased judge was a courtesy to the family and an expression of sorrow at his death. He acted decently.

Richard Cottrell, MEP, charged with behaviour likely to endanger an aircraft and its passengers, says he wasn't drunk, just suffering from seat belt phobia.

Charles Haughey calls Irish General Election on June 15 - Euro elections day.

Guardian leader rather positive about Anglo-Irish Agreement.

Ruud Lubbers, Dutch Prime Minister, launching a plan to cut traffic in Holland, escapes inquiry when his driver drives him down some stairs; car badly damaged.

Gorbachev re-elected President with 95% of vote in new Russian Parliament.

Boris Yeltsin politely stays on the sidelines as Gorbachev is elected President with wide executive powers but after some heckling (Independent).

Mengistu sacks all Ethiopia's top military brass after failed coup and calls in retired officers.



PRESS DIGESTECONOMY

Sun leader headed "Has Lawson gotta go?" says until this year he was an ingenious, reforming Chancellor. But his last dull Budget suggested he had run out of ideas. Our troubles began only when the Treasury moved away from a tough monetary policy. You are a monetarist and you need a monetarist next door. The Chancellor should go.

Express leader says the Chancellor has gained some breathing space. But 14% base rate looks like overkill. The sad truth is that just as the Government's monetarist policies were achieving their greatest success, Mr Lawson started abandoning them. The high interest rate will bring down inflation and a return to monetarist principles will keep it down. If the Chancellor is reluctant to implement that return you should use the next reshuffle to find someone who will.

David Owen, in Express, suggests you should replace Chancellor with Norman Tebbit - an unmistakable message to the financial community that inflation was going to be defeated.

POLITICS

Nick Budgen's question brings Tory unrest over Government's handling of economy into the open. Suggestions of a power struggle at the heart of Government (Independent).

Robin Oakley, in the Times, says you have a worried party on your hands as you enter the Euro elections. Although there are a number of things worrying Tory MPs, what worries them more is that you and the Chancellor seem less like close partners than a couple locked into a loveless marriage staying together for the sake of the children.

Some Labour MEPs are so confident that they have shortened their campaign from three to two weeks. But divisions within their leadership seem likely to erupt (Independent).



PRESS DIGESTHONG KONG

Independent leader looks at Hong Kong, and says its transfer to the fortunes of a changing China could yet lead to one of Britain's most tawdry withdrawals from Empire. It calls on Britain to provide full British passports for the Colony, and for a locally-rooted system of democratic government. Britain can now have no honourable excuse left to ignore Hong Kong's claim to the self-determination which it defends so zealously in other quarters of the globe.



MINISTERS (UK VISITS, SPEECHES ETC)

- DOE: Mr Ridley opens Siddingham Low Cost Housing Scheme, Gloucestershire
- FCO: Mr Major opens Advance Assembly Services plant in St Ives and the topline facility in Huntingdon Bray
- MOD: Mr Younger meets Herr Stoltenberg, West German Defence Minister, London
- DEN: Baroness Hooper presents EMILAS Energy Efficiency awards, Cafe Royal, London
- DEN: Mr Morrison attends MANWEB young enterprise presentation
- DH: Mr Freeman meets Emma Nicholson MP and GP's, London; later visits Devon West and Torridge District Health Authorities
- DOE: Lord Caithness opens Enfield Housing Scheme, London
- DOE: Mrs Bottomley visits Bridgewater Paper Company and Cleanaway, Ellesmere Port
- WO: Mr Grist presents key for first house purchased in new Hill Street/Cumbrian Street housing estate, Rhymney

MINISTERS (OVERSEAS VISITS)

- DH: Mr Clarke visits Soviet Union
- DH: Mr Mellor visits Iraq, Oman (prov) and Bahrain (prov) (to 2 June)
- FCO: Mr Eggar visits Canada (to 3 June)
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TV AND RADIO

'Any Questions': BBC Radio 4 (20.05). With Enoch Powell, Tony Banks, Jerry Hayes and Rosalind Miles

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