

May 31, 1989

PRIME MINISTER

MAIN EVENTS

US President Bush visits London (to 2 June)

EC: ECO/SOC Committee Plenary Session (to 1 June)

EC: OECD Ministerial Council, Paris (to 1 June)

General Yazov, Soviet Defence Minister, visits UK (prov)

---

STATISTICS

BOE: London sterling certificates of deposit (Apr)

BOE: Bill turnover statistics (Apr)

BOE: UK Banks assets and liabilities and the money stock (Apr)

BOE: Sterling commercial paper (Apr)

OPCS: Infectious diseases (June Qtr 1988)

OPCS: Surveys of disability in Great Britain: Report four. The use of health and social services by disabled adults

OPCS: Electoral statistics 1989

OPCS: Deaths by cause: registrations 1988

---

PUBLICATIONS

DES: HMI report on good work in english: A survey of good practice in years one to five of secondary school

DES: Final order and statutory document on primary english

NAO: Report by the Comptroller and Auditor General on Manpower Planning in the Civil Service

---

PRESS DIGESTMain News

Moscow says Bush's conventional arms initiative is "a serious step in right direction". FT sees it as Bush's first important foreign policy success.

Pops, apart from Mirror, hail NATO Summit as a victory for you; Telegraph upbeat; Guardian sour; and Independent grudging where not hostile.

Labour claims you were defeated on SNF.

Gorbachev reveals Russia will spend four times official figure given last year for defence budget - some 15% of State spending.

Scent of compromise in the air in Moscow over expulsions and ceilings following tit-for-tat spy row.

British businesses and joint ventures have been specifically excluded from the effect of a quota restriction on their Soviet employees. British Embassy remains the only target (FT).

Ted Heath causes furious row in Conservative Party alleging Peter Brooke is a liar. John Carlisle says he should be taken away by men in white coats.

Some Tories want Whip to be withdrawn.

Three Euro constituencies in Yorkshire reject Heath as guest speaker - apparently the basis of Heath's allegation of CCO dirty tricks against him.

Fears of a further rise in interest rates as pound falls against dollar and Deutschmark but opinion in City divided. Sterling down 3 cents.

FT - Dollar gave ground in New York last night after a sharp European rise. Concerted Central Bank intervention followed news that Japan had decided to raise its discount rate for the first time in 9 years.

Times - City economists say defending pound at present level is crucial to Government efforts to control inflation, but fears grow of mortgage rise. Woolwich says mortgage demand is low and Halifax says there would probably be no increase before July.

PRESS DIGEST

Times adds in comment that Chancellor has no escape from inflationary trap so long as sterling continues to weaken. The dollar is overvalued and the next action ought to be America's, but Mr Lawson is unlikely to be able to wait that long.

NatWest economist forecasts 12.5% mortgage rate by end of year.

And Mail leads with a story, based on Oxford Economic Forecasting report, headed "The best is yet to come" - a tremendous boom in manufacturing generating thousands of new jobs in the 1990s. Inflation will drop to under 5% next year. Leader says this differs markedly from Labour's theme of de-industrialisation. Thatcherite policies will be completely vindicated if the forecast proves true.

More than 26,000 Scots have 'disappeared' from the electoral register to avoid paying the community charge, prompting fears of a voteless underclass (Independent).

One in 10 Scots, more than half a million, fail to pay community charge so far, says SNP (Times).

BBC dispute may black out Wimbledon - or that is what unions are threatening; and possibly Mr Bush's visit. Journalists at The Guardian to strike for 24 hours tomorrow over pay.

Threat of fifth one-day Tube strike tomorrow.

Passport clerks go on strike over manning levels - threat to holidays.

Teachers will receive pay rises worth 6-15% over next few months.

Gallup Poll shows one third of teachers are so demoralised they want to leave the profession (Independent).

Kenneth Baker told by head teachers that his education reforms will fail unless he tackles the very serious situation of demoralised and underpaid teachers (Times). Meanwhile Labour pledges to oust bad teachers.

Labour renews calls for the PAC to hold a full inquiry into the Royal Ordnance sale, following BAe's announcement yesterday of plans to redevelop 2 of the sites in conjunction with Trafalgar House. Next month NAO is expected to produce a critical report into MOD's handling of the sale (INdependent).

PRESS DIGEST

TGWU claims Marks & Spencer are turning their backs on British goods; up to two-thirds of garments in some stores foreign made. Marks & Spencer says 87% of clothes sold are British made.

Today claims a combination of surcharges, fears about security, airport delays and mortgage payments is hitting package holiday trade and helping holidays at home business.

British Coal offering cut-price shares to miners in new £120million coal-fired power station (Times).

Construction of a nuclear processing plant in Bavaria will stop today as a prelude to a decision to abandon the project (FT).

Taylor Woodrow contributed £111,455 to Conservative Party funds last year.

Kenneth Clarke has been looking at the Leningrad Experiment which loosely parallels government plans for GP's to buy hospital care (INdependent).

Father Patrick Ryan, MEP candidate, boasts of 20 years of IRA fundraising.

Firemen's union "bitterly disappointed" over DPP's decision not to bring charges over King's Cross fire.

Three hard Left Camden councillors face eviction for non-payment of council rent - one hasn't paid any at all since she became a councillor.

Demands for Rottweiler dogs to be banned after boy, 5, savaged by them. Today says dogs which maim or kill should be put down and all dogs should be licensed and electronically tagged.

BMA's child protection chief official was jailed for gross indecency against 9 year old girl. Now appeals against unfair dismissal.

The Adam Smith Institute's latest report "Streets Ahead" recommends that crime would be reduced and decaying areas restored by residents "privatising" their streets, mounting security patrols and keeping traffic out of their roads (INdependent).

Sun says Labour Party has every right to be angry with BBC about its report that the expelled Russians had been trying to blackmail Labour MPs. BBC should produce its evidence or admit they were wrong.

PRESS DIGEST

Communist Party says you will be defeated only by an electoral pact - extremely unlikely Labour will win next election on its own.

Euro Court rules against UK, France and Germany, that Erasmus student exchange programme comes within EC competence.

The press desperately needs some prior and presumptive right of a basic and underlying freedom to know and to publish. The UK is virtually the only western industrial democracy where this does not exist (Independent).

Sun says Prince Charles wants to turn the Royal Family "green" and adapt their lifestyle to an environmentally conscious one.

Gorbachev postpones further round of elections after threatened revolt from ruling Communist party. Second session of Congress of Peoples Deputies will be held in the autumn. Also promise of national referendum on laws intended to be the foundation of a "socialist law based state" (FT).

Peking ringed by 150,000 troops as hardliners crack down on student revolt.

9 dead in Argentine food riots.

Reports that Iran and Saudi Arabia helped finance last Saturday's demonstration against Rushdie (Independent).

NATO

Star - Maggie nukes 'em at NATO arms summit. You won battle of the bomb, keeping land based nuclear missiles as a shield.

Sun - Stop wriggling, Mrs T tells Kohl - after you smash German resistance to SNF.

Mirror - Thatcher deal over NATO nuke storm - nuclear weapons will be staying in Europe for at least 3 years.

Today - Maggie eats the Germans for breakfast - you claim victory in keeping SNF in Europe. Bush acknowledges your victory: partial means partial.

Express subsumes its report of "intricate compromise" at NATO summit in Moscow's positive reaction to Bush's conventional arms initiative.

PRESS DIGEST

Mail page 1 - Maggie's nuclear victory in the battle of Brussels. SNF stays indefinitely. Inside "Maggie's victory in nuclear battle".

Telegraph page 1 lead - Bush hails NATO unity as missiles row is settled. 11th hour compromise between Germany, US and Britain. Most successful Summit for years - leaders claim NATO has been given new impetus. Report a remarkably positive account of Britain's success. You had the ultimate satisfaction of seeing many of your uncompromising views on the importance of the nuclear deterrent enshrined in Summit declaration. Leader headed "Bush's Summit" says Bush's arms control proposals have been worth the wait. the challenge has thrown down to the Russians is breathtaking in its boldness. You are right to resist denuclearisation and Bush should seek not to compel the most loyal of his European supporters to follow wherer they do not want to go.

Guardian page 1 - Summit ends with uneasy compromise on SNF and declaration of support for Bush's initiative - Bush hails "double hit" on defence. You failed to secure a formal and explicit guarantee against third zero. Leader says a NATO crisis was averted by Bush riding to the rescue at the last minute. but although the West Germans have lost an argument they have won the debate. Bush has come down decisively on the side of those who take a benign view of the Soviet Union.

Times - Bush savours his triumph in healing rift on NATO missiles, but even after summit ended you and Mr Kohl appear to be taking different positions on the meaning of the carefully drafted text relating to future negotiations on short-range nuclear missiles; meanwhile cautious reply from Soviets. Michael Evans describes Bush's proposals as a masterstroke.

FT - Arms talks hopes rise as NATO compromises on short-range forces. US initiative welcomed by USSR as "a serious and important step in the right direction". You consider the summit "entirely satisfactory".

Independent - The "comprehensive concept" permitted you to interpret your own defeat as a victory. You lost on SNF negotiations, but won on preventing a reduction of SNF to zero. The different interpretations emanating from you and the West German camp suggests this fundamental dispute is far from resolved and will continue to bedevil the alliance for years to come; leader says your tough line undeniably helped the alliance to achieve a satisfactory compromise. Also Mr Bush has shown he can rise to the big occasion.

PRESS DIGEST

FT leader says George Bush can regard the NATO summit as his first important foreign policy success. NATO still faces potentially divisive decisions in 1992 on the modernisation of Lance which are likely once again to pit Bonn against Washington and London. However, for the moment at least it is in much better shape than it has been for a long time to bring the conventional arms talks in Vienna and forthcoming SNF talks to a successful conclusion.

HEATH

Sun asks who needs an official Opposition with Ted Heath around. Labour could never match his virulence. His attacks come strange from a man who in the past has shown a spinster's sensitivity to even the mildest criticism of his own behaviour. He should resign and stand against an official Tory.

Mirror sees it all as the biggest, best and bloodiest party brawl for years.

Joe Haines, in Mirror, says Heath is part of the gathering storm over the new Europe. Your 'grudging' approach to Europe consumes him with anger which is getting increasingly out of control.

Helpful Express feature says Heath should remember that it is your Europe, not his idealistic dreams of political federalism, which finally rallied a considerable majority of British voters to complete acceptance of our EC membership.

Mail - Tory patience snaps at Heath's Euro vendetta. Leader on "Sad decline of a one time statesman" says Heath's latest attacks on you differ from earlier ones only in being more abusive and intemperate. One can only suppose that paranoia is now in command. His contribution on Europe is remarkable judgement has been permanently unhinged by his jealousy of you.

Telegraph leader says Heath's Brussels speech was disgraceful. He chose an overseas capital where you were attending a NATO Summit, to vent his feelings against you. It was an illbred performance. He seems to lack humility. His behaviour yearly diminishes the dignity of the place he can expect in the history of the Conservative Party and of post war politics. The best service he can offer the State is his silence.

Guardian leader says there is little certainty in trying to disentangle just how far affronted principles and how far wounded pride cause Heath to erupt.

PRESS DIGEST

Independent - Yesterday he accused the party chairman of lying about a dirty tricks campaign against him.

Times - Ted Heath's charge, later modified, that Peter Brooke was a liar, leads MPs to call for him to be expelled from the party while some of his oldest colleagues, including Lord Whitelaw, denounce his behaviour over European election campaign.

FT - Ted Heath calls Peter Brooke a liar and is becoming increasingly isolated in the Party.

MINISTERS (UK VISITS, SPEECHES ETC)

- DTI: Mr Newton opens CBI conference on "green consumerism", Centre Point, London
- SO: Mr Rifkind opens new Ferranti factory, Dalkeith, Midlothian
- DEM: Mr Cope opens Computer Training conference in Olympia, London
- DH: Mr Freeman visits Moss Side and Park Lane Special Hospitals, Liverpool
- MOD: Mr Sainsbury visits BAC Bunsfield for handover of Sea Harriers to India
- SO: Mr Lang attends CBI Marketing conference, Hospitality Inn, Glasgow

MINISTERS (OVERSEAS VISITS)

- FCO: Sir Geoffrey Howe attends annual OECD Ministerial meeting, Paris
- HMT: Mr Lawson attends annual OECD Ministerial meeting, Paris (to 1 June)
- DOE: Mr Moynihan attends conference of European Sports Ministers, Reykjavic, Iceland (to 2 June)

---

TV AND RADIO

- "Party Political Comment": Channel 4 (19.50)
- "Dispatches": Channel 4 (20.30)
- "Inside Story - Partners in Crime": BBC 1 (21.40). A look at the first domestic violence unit in a British police station
- Party Political Broadcast by the SDP. ITN (22.00)
- "Hypotheticals - Bad Neighbours": ITN (22.45). Examines how practitioners would respond to the problems of introducing an Asian family to live on an all white council estate
-