

June 12, 1990

PRIME MINISTER

MAIN EVENTS

- Woj X
- Prime Minister's Commons statement on Russia visit
  - Drinkwise Day
  - EC Consumer Council
  - HCDC Report on Rapier Field Standard C
  - Voluntary repatriation, Vietnamese boat people
  - English regions road accidents, 1988
  - Stats Bulletin on Staying on Rates in Scotland
  - HSE booklet on drug abuse at work
  - Draft regulations re independent schools admitting SEN pupils
  - Opening of new ECGD HQ, Docklands
  - Summer supplementary estimates
  - Commons: Questions: DES; Prime Minister  
Debates: 2nd Rdg, Scottish Law Reform Bill;  
EC Railway policy  
Scottish Grand Cttee on housing
  - Lords: Debate: Report, NHS Bill  
2nd Rdg, Law Reform (Scotland) Bill
  - Lord President's interview with The Guardian
  - Home Secy addresses London SW Magistrates' Assn
  - Foreign Secy addresses parl. group for Europe AGM
  - Chancellor addresses German Chamber of Commerce
  - Chris Patten at Joint Cttee of Councils for Conservation
  - Cecil Parkinson opens Harbour Exchange, Docklands
  - David Hunt visits firms in Cardiff
  - Norman Lamont addresses Smiths New Court investment conf.
  - Kenneth Clarke at NAHA chairmen's dinner
  - Michael Howard meets Commonwealth Ministers of Labour, Geneva
  - Peter Morrison at Combined Heat and Power press conference
  - John Patten visits Scotland (to Saturday)
  - LBC Brian Hayes programme - Richard Luce
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PRESS DIGESTMain News

FT says Govt is preparing to take sterling into ERM as early as September or October if the pound is then strong. Govt believes it would be better to join on a wide band but a final decision has not been made and there is some residual concern you may try to block entry.

Bundesbank's Pohl predicts that a 'hard core' of EC states will create an economic and monetary union on their own, leaving others - probably including Britain - to follow later (Independent).

*FWO* | Gorbachev tries to settle Lithuanian impasse as meeting with leaders of 15 Republics gets under way.

And Times says Soviet Union moves closer to accepting a united Germany within a changed NATO.

*FWO* | Schevardnadze has called for a formal political agreement between NATO and Warsaw Pact as a condition for German unity (FT).

*FWO* | Mirror praises idea of a £7billion injection of Western funds - *Sov econ concerns - how int has imple pres - if this what it about US* - into Soviet economy. Express says we should give aid only when Gorbachev starts building free democracy and real markets.

Independent says Gorbachev may be forced into a sweeping change of course at home, including alterations to economic reforms, the resignation of Ryshkov and a truce with the Baltic republics.

Peter Jenkins, in the Independent, says that - through the fog of diplomacy - the architectural outlines of the new Europe are taking shape. It will be non-nuclear, except for the strategic deterrants of France, Britain and Russia. Hopefully, we will see the lessons of Versailles being learnt, a settlement in which the victors accommodate the vanquished.

Bulgaria elects a Socialist Govt - former Communists under another name.

Havel likely to ask former top Communist, Marian Calfa, to head govt (Times).

*FWO* | Independent says outcome of Czech election is dulled by surprising strength of Communist vote.

BBC will never get another interview with Gorbachev after doublecrossing him last week - asking him questions about Yeltsin

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having agreed not to do so (Today).

Gorbachev sends angry letter to the congress of the Russian Federation, denying that he has delayed a controversial TV address by Yeltsin (Times).

Radical proposals that will lead to progressive changes in defence strategy over a period of years will be ready to present to the Cabinet before the end of next month, according to a senior MOD official (Times).

Labour to seek large-scale cuts in RAF in Germany - but denies it wants total abolition of force like Lord Carver (Independent).

British and Irish Govts finalise agreement over Dublin's role in negotiations aimed at the creation of a devolved administration in Northern Ireland (times).

Foreign Secy outlines proposals which could lead to the 12 EC members integrating their foreign policies more closely and pooling certain functions of their foreign embassies (Times).

Douglas Hurd has said Britain will press for stronger powers for Euro Parliament and the Court of Auditors to ensure stricter financial control and counter fraud in EC (FT).

Concern over interest rates as retail spending continues to rise. Shares hit.

Latest retail sale figures challenged by the Retail Consortium which they say do not bear out the experience of their members (times).

Nationwide Anglia, hit by bad debts of £65million, to close 150 branches with loss of 700 jobs.

Local govt workers get 9.35%-16.4%.

Bank of England urges leading banks not to desert companies in financial crisis because of high interest rates etc.

Barclays plans £100million write off to cover British & Commonwealth losses (FT).

Police apologise for doing nothing about a report of a suspicious object under car which blew up in Bristol, injuring 13 month old baby. Sun regrets police don't take their own advice - be alert.

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Today rejects Chief Constable, as the man ultimately responsible, did not apologise personally.

Mail leader says not even police's staunchest friends can turn a blind eye to their blunders. Quite apart from failing to check the Bristol car they failed to take action when cell keys in a Greater Manchester police state went missing and a convicted killer escaped. When every allowance is made they have over the past decade received a massive boost in resources and manpower without turning back the tide of crime. Reform of the police should be on the agenda for the next election.

Times p1 lead - Animal rights activists accused of stealing more than 2,000 crucial medical record cards from the Institute of Cancer Research at Sutton, Surrey. Leader, under heading "Green Fascism" condemns the recent bombings saying that there is now an ominously growing clamour of young militants, of activists with tunnel vision and little respect for law, who see no reason for democracy to stand in the way of their fundamentalism. It adds that an anti-democratic movement is just beneath the surface ready to appeal to those who find the gun and the bomb easier weapons of persuasion than the ballot box.

An Independent editorial says animal rights activists are the enemies of liberty, the law and even animal rights. they illustrate in extreme form the loss of any sense of proportion that can afflict single-issue campaigners. They have passed into a kind of evil madness, and the only way to stop them attempting more murders is to catch them.

Telegraph calls on all involved in campaigning for welfare of animals to associate themselves from violence.

Star claims animal rights and IRA terrorists have made a pact to bring death and destruction to Britain's streets. Mirror says animal rights fighters are deliberately copying IRA.

Two West German soccer fans jailed for a year for attacking a policeman; 43 others deported for other offences.

Two estimates by Labour Party programme put increase in spending at £20billion and £50billion.

You are to offer millions of council houses a new deal, converting their rent into mortgage payments. Mirror describes it as a bribe.

Mirror gives currency to rumour that if David Owen delivers SDP into hands of Labour Party, Kinnock will back proportional

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representation.

Kinnock said to be furious with Hattersley for pledging a Labour Govt will introduce legislation to incorporate human rights laws into British law. Guardian however welcomes move.

Raymond Plant in the Times says in the light of the Lord's defeat of the War Crimes Bill, the Labour Party's linked ideas for a charger of rights and a reformed second chamber are coming under increased scrutiny.

Lord Beloff, in Independent, attacks the Lords decision on War Crimes. The vote will be seen as evidence that Britain is indifferent to the current manifestations of reviving anti-Semitism. Now Israeli's hawks can say that even in Britain one branch of the legislature is indifferent to Jewish suffering. They will insist that only the ruthless exercise of Israel's military strength can save the country from annihilation. Britain's diplomacy in the Middle East, particularly the effort to prevent further settlements in the occupied territories, has been much weakened.

More outrage at hopeless state of Sunday trading laws after a new spate of fines against a DIY chain. Sun sais the law is a shambles. Today says the muddle must not be allowed to continue.

United Arab Emirates ban import of British cows and beef because of BSE fears.

Robert Adley and Hugh Dykes appeal to Govt to save Channel Link with public money.

Guardian says privatisation of Crown Suppliers is liekly to lose taxpayer millions instead of raising £100million - level of bids embarrassing.

British Steel reports £733million profit in its first full year as private company.

Andrew Alexander, in Mail, says it is hard to think of a comparable turn round in any British inudstry for generations.

OFGAS to investigate whether customers of British Gas get a fair deal.

Times leader welcomes OFGAS decision to review gas pricing saying it has had to fight a running battle to subject British Gas to a semblance of competitive discipline. It has done better than

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anyone had a right to expect, but gas competition is still more symbolic than real. LWith electricity the govt has avoided some of the mistakes made in previous privatisations by splitting the industry into competing parts.

Sun comes to defence of Lord Young who, it says, has done nothing wrong in joining Cable & Wireless but it thinks the delay between leaving office and taking a job should be 5 years.

An Independent editorial says that political life is debased when thos erecently in the Cabinet accept directships incompapnies which have benefited from their decisions. The damage is the more severe when the minister was resposible for privatising the company concerned.

Labour Party intends to bring Ministers into line with Civil Servants over taking jobs on leaving Govt.

Hugo Young in Guardian says Ministers are giving staggeringly bad impression though there is nothing illegal in their taking jobs.

Soviet miners said to be seeking links with UDM rather than NUM because Scargill too extreme.

UDM says it will use its new industrial strengtrh to oppose any large scale closures in the mines (Times).

British Airways engineers end 17 day strike claiming victory - 12 hour shifts won't be imposed but open to volunteers.

Relations between BA and D/Transport have sunk to a new low amid accusations from the airline that Cecil Parkinson is planning to sell out BVritish aviation to the Americans (Times).

Music Corporation of America says its plans for a theme park at Rainham Marshes would be diffiucly to go ahead with unless there was a substantial govt subsidy (Times).

Commons Select Cttee ways drop out rate on the £1.2billion Employment training scheme is unacceptably high (Times).

Euro headhunting planning an early swoop on British universities, according to Mail.

Case of Plymouth tory who, according to Mirror, is selling his war medals to pay community charge.

Report of Warwick University into Brent's anti race policies says

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they have largely failed to prevent discrimination and have left minorities feeling patronised and caused fear and tension among council staff.

Times says the Govt is to risk a rebellion of Tory backbenchers as it tries to reverse its defeat in the Lords over community care funding.

Police are to computer log details of families at risk from violent husbands.

John Poindexter jailed for 6 months over Iran/Contra affair; he appeals.

Shamir wins confidence vote in Israel allowing Rightwing coalition to continue.

PLO makes last minute bid to salvage US peace talks (Times).

Times writer in <sup>Norway</sup> Morocco after 5 years, reports in the Times on the disenchantment with reforms that failed to deliver.

Mexico and USA to open talks to form an historic free trade agreement (Times).

Thailand faces political turmoil as the powerful deputy Prime Minister and defence minister abruptly resigns amid accusations of corruption and a dispute between military leaders and civilian politicians (Times).

Britain to oppose Venice site for Expo 2000 World Fair amid fears that the city could not support the strain (Independent).

Fears of huge liability claims in the event of an oil spill have prompted Shell to suspend crude oil shipments to US (FT).