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July 5, 1990

PRIME MINISTER

MAIN EVENTS

No.

- NATO Summit, London
- Queen visits London hospital, Whitechapel 250th anniversary and in the evening hosts dinner for NATO leaders at Buckingham Palace
- Prince Edward visits Manitoba (to July 8)
- Control of immigration statistics
- ? Circular on school sessions
- McKee's appeal against extradition, Dublin High Court
- <u>Commons</u>: Questions: Treasury; Prime Minister
- Debate: NI Act direct rule renewal
- <u>Lords</u>: Bill: Environmental Protection Bill (D7)
 dog licensing
- Nicholas Ridley speaks in London
- John MacGregor hosts lunch for sponsors, Brit School
- Michael Howard launches East Lancs TEC
- Chris Patten at CCLGF; later at Tower Hamlets Women's Refuge, attends Jack Kemp dinner
- Richard Luce at Euro Inst. of Public Admin conf, Luxembourg (to Fri)

Main News

England go out of World Cup in penalty shoot out with West Germany. Fans go on rampage in UK from Hull to Torquay, smashing in shop windows. Fans also fight on streets of Turin.

Ministers agree on a financial package to ease community charge burden for hundreds of thousands of payers in the run up to the next election. £1 billion likely to be earmarked for transitional relief as wider capping powers are rejected <u>Independent</u>.

14 of the 21 charge-capped councils say they will take their challenge to the Lords Independent.

Chris Patten secures extra £2.5billion to hold down community charge bills next year and wins his battle in Cabinet against the introduction of extensive new legislation <u>Times</u>.

Guardian leads with community charge support set at £2.5billion.

Peter Jenkins, in <u>Independent</u>, says Chris Patten appears to have got most of his way on community charge, doing better than reported at winning money from the Treasury. A global sum of £3.5billion is being mentioned. If the Cabinet decides to postpone the introduction of the new community care system as seems probable, that will save councils some £800million. None of this converts the charge into a wise and popular tax, but it may be about the best that can be made of a bad job.

Attempts to organise a large-scale boycott of the community charge in England appear to have failed, with more than three-quarters paying the charge according to <u>Times</u> survey.

Mandela applauds your stand against apartheid after 3 hour meeting, and thanks you for your help in securing his release. He says you did not agree on everything but there is no hint of criticism of your stand in the past. You had concentrated yesterday on what you had in common. Feeling from No 10 seems to have been equally warm and both sides say they want to keep in touch <u>Independent</u>.

Soviet turbulence looms as NATO meets in London, with you expected to urge partners not to drop their guard in light of increasing signs of volability in the Soviet Union Independent.

West extends its multi-billion dollar aid programme for Poland and Hungary to four more Eastern European states but displays deep divisions over proposals for similar assistance to the Soviet Union. Soviet aid issue to be discussed on the fringes of today's NATO meeting and at Houston Independent.

United Germany to cut troop levels to below 400,000 - a reduction of some 250,000 in current total forces.

US to ask NATO to send a special envoy to Moscow to present what it hopes will be the reassuring results of the London summit Times.

<u>Times</u> leader says the challenge for NATO's military strategists is to evolve operational doctrines comaptible with a progressive scaling down of the organisation's activity. Politicians must explain to their electorates that NATO can be modernised militarily, while being reduced politically. The power it controls is greter than ever seen on earth. The mothballing of that power is surely the most welcome challenge the West has ever faced.

G24 has formally extended its assistance package from two East European countries to six, but came to no agreement on aid to the Soviet Union. Communique expresses interest in, rather than support for, European Commission's idea of an ECU 10 billion financial safety net for Eastern Europe and its recently launched study of possible help to Soviet Union FT.

Speculation that Gorbachev is losing his grip on power - defeated on introducting a market economy and Ligachev voted to take charge of Agriculture Commission.

Gorbachev threatens to quit if his reforms do not bring changes within two years.

Gorbachev warned of potential military coup in Soviet Union FT.

Concern that Alan Walters forthcoming book due to be published on July 26 could upset the fragile Cabinet accord on full British membership of EMS \underline{FT} .

Peter Brooke hopes to achieve a last-minute agreement with the Irish Govt which will enable him to tell the Commons that wide-ranging inter-party talks can begin in September or October.

British and Irish Govts at loggerheads, despite days of intense diplomatic activity, over the exact terms of today's planned Commons statement by Peter Brooke on the prospect of talks this autumn about Ulster's future Independent.

<u>Times</u> says there are ominous signs of conceptual differences between the parties on what those talks might discuss.

<u>Express</u> says security chiefs fear IRA will step up murder campaign as political parties in Northern Ireland prepare to work for breakthrough.

Two and a half tonnes of CFC escape from Culham Lab. - equivalent it is said to emptying one million hairsprays.

French water company told by Nicholas Ridley to cut investment in Mid-Kent water from 29.9% to 19.5%.

Iceland and Norway will meet in 10 days' time to consider setting up their own regional body to manage whaling outside the International Whaling Commission Times.

NUM may sue for Scargill strike funds Independent.

Report seen as the beginning of the end for Scargill and Heathfield; unnamed member of NUM executive says they are finished.

Scargill's claim that the NUM did not seek financial support from Libya "beggers belief" according to inquiry FT.

<u>Independent</u> editorial says the investigation into the affairs of the NUM leaves many mysteries but confirms that Arthur Scargill is unfit to lead the union.

<u>Express</u> leader calls on NUM to get rid of Scargill now. Report is devastating. Instant dismissal would be the least of the troubles for any company manager who had acted in this way.

<u>Times</u> leader says the evidence of incompetence, exacerbated by a refusal to seek professional advice, is more than sufficient for a vote of no confidence in Scargill. The fact that such a motion is unlikely to be tabled is a measure of his continued hold over the NUM.

Telegraph leads with growing demands among NUM officials for Scargill's resignation; issue will dominate union's conference next week. Leader says NUM members may wish to consider whether they can sensibly persevere with a leader who has lost all influence.

<u>Guardian</u> says NUM now set about seeking missing £1million loan from the International Miners' Organisation.

B/Rail loses £24.6million on train services because of strikes and fall in leisure travel; overall profit of £270million through selling property.

<u>Mail</u> leader says the news for commuters is more delay, more cancellations, more dirty carriages. What is stil lacking is any governmental awareness that a modern rail saystem is a national asset. You must demonstrate some overall vision.

Today leader wants Sir Leon Brittan to examine rail and other subsidies abroad which render the industrial playing field uneven.

NUR and NUSeamen to merge after 3-1 vote in favour of members.

Which? says B/Telecom is still taking too long to repair broken phones; 3 out of 10 have to wait more than 2 days.

Rael-Brook shirt firm goes into receivership.

Parents take charge of classroom in Southwark primary school when Labour education authority proposes children should start holiday 3 weeks early because of shortage of staff.

Graduates face increased competition as vacancies fall by 12% Times.

Survey shows there has been a "dramatic downturn" in the expected demand for graduates Independent.

Institute of Public Policy Research say GCSEs, A levels and all other training awards should be scrapped and replaced by a British baccalaureate Times.

Dave Nellist MP protests about computer studies in lavatory in Coventry.

Leaked Govt figures indicate Scottish Health Boards have been underfunded for pay awards by more than £150million over the past 6 years Independent.

Within a week of NHS Act becoming law 12 hospitals have applied to become self governing.

Tory revolt threat forces "climbdown" by Malcolm Rifkind as he announces a major retreat from plans to open up the home conveyancing market <u>Independent</u>.

Home Office ministers preparing to include reforms in the Criminal Justice Bill expected this autumn to allow videotaped interviews with child sex victims to be used as evidence in trials Independent.

Mr Waddington rules out national police force Independent.

Prison Officers Assn see prospect of privatising remand system as a threat.

Louis Blom-Cooper replies in the <u>Times</u> to Calcutt's call for the abolition of the Press Council. He says that the Press Council has performed tolerably well in monitoring press freedom and journalistic responsibility, but those who mourn its passing need not be too despondent. Almost all the Calcutt Cttee suggestions for the proposed Press Complaints Commission can be traced to the efforts of all members of the council to persuade its denigrators that reform from within was both desirable and feasible.

Albania facing its most serious political crisis since the Second World War Independent.

Mirror says 15,000 rebels may be allowed to leave Albania.

Khmer Rouge cuts roads to Phnom Penh with reports of their fighting Govt troops within 50 miles of the Cambodian capital.

Iran blames deaths of pilgrims on King Fahd.

Liberian President declines US offer of help to escape as rebels advance on the capital.

Cyprus has applied to join EC FT.

South Africa halts slaughter of 30,000 seals.

MANDELA

Star with picture - New chums Maggie and Nelson bury the hatchet.

<u>Sun</u> - Maggie and Mandela's matey meeting. All smiles after 3 hour talks.

Mirror, with picture, Nelson's famous victory at No 10. Wins over Thatcher.

Today with picture, Hand of friendship to end apartheid. <u>Leader</u> headed "Maggie holds key to Africa" says Mandela redeemed his IRA blunder. Mandela has many friends abroad. de Klerk has few and without you his militants could easily topple him. This gives you leverage to end the intolerable apartheid regime.

Express with picture, Mandela praises "ally" Thatcher.

Mail - I can do business with Maggie, says Mandela.

<u>Telegraph</u> with picture, Mandela warms to Thatcher in friendly talks.

Guardian - Thatcher and Mandela hit it off together. Guardian says the result of your meeting reflected both the ANC's shift of gear and an intelligent response to it by the British Govt.

Independent editorial looks at Mandela's call on you and what he should do with the ANC. Saying so much the better if you played the pedagogue yesterday - the content of your teaching is usually worth attending to, especially when the subject is political economy - yesterday's priority was to bring Mandela up to date in order to assist him in his principle task. That is the metamorphosis of the ANC into an effective transmission mechanism for the creation of a liberal democratic South Africa. It concludes the sanctions debate is already giving way to questions of long-term economic policy. If Mandela has much to learn, he also has an enormous teaching job to do. The grave question is whether the mass ANC movement is educable.

<u>Times</u> - Mandela acknowledges that you are sincere in opposing apartheid even if there is disagreement between them over the best way to end it. He tells industry leaders that the intervention of the govt in business will be necessary and inevitable in a post-apartheid democracy.

His tour collects £4million for ANC.