PRIME MINISTER

MAIN EVENTS

- Prime Minister attends Garden Party at Buckingham Palace
- Positive Vetting announcement
- Ministerial 2 + 4 on Poland and borders
- Prince of Wales speaks on inner city GPs
- RPI Advisory Cttee report on treatment of holidays
- Report on dumping of explosives in Clyde
- ? ODA's annual review
- MAFF, "Guidelines for a Healthy Diet" launched
- HMI of Constabulary's annual report
- Recommendations of "Marchioness" inquiry published
- Vehicle Inspectorate annual report
- CAA annual report
- Scientific procedures on living animals report, 1989
- Building Societies figures (June)
- Govt response to Home Office report on Criminal Injuries Compensation Board
- Refugee statistics, 1989
- McKee appeal in Dublin against extradition on explosives charges
- Libel law possible new defence for printers
- DSS reports on Social Fund
- Environment Select Cttee: Bathing waters report
- Ministerial Group on women's issues
- Ministerial Group on voluntary sector
- TCSC report on int. monetary arrangements, E. Europe
- <u>Commons</u>: Questions: Employment; Prime Minister
 - Debate: Opposition Day on economy
- Lords: Debate: Broadcasting Bill, Cttee (D5);
 - Student Loan Regs
- Chris Patten at Abbey National lunch
- David Hunt visits Royal Welsh Show
- Michael Howard meets Commission for Racial Equality
- Peter Lilley visits Lloyds of London
- Kenneth Clarke press conference on supply of defibrilators ambulances

Main News

Treasury remains dry, Education gets two young Turks, Transport strengthened, and FCO is more pro-Europe after reshuffle which makes Angela Rumbold Minister for Women. Sir George Young attracts comment.

<u>Times</u> claims the switch of Arts Ministers within two years of a General Eelction is seen as a signal from you that the arts will be an election issue.

You bring in a trusted member of the inner circle by appointing Peter Morrison as PPS.

Telegraph finds a pro-Europe look to the new cast.

Peter Jenkins, writing in the <u>Independent</u>, says with end of term upon us the state of the Govt is better than Ministers had reason to expect in April and May, worse than they were able to hope at the beginning of July. After reviewing events over the last few months he concludes that we are in unexplored political territory: no opposition has ever conquered the Everest Labour must climb to majority power; but no Govt has ever recovered from such a substantial and prolonged deficit in the opinion polls as the Conservatives now face.

Gorbachev summons leaders of the Russian Federation to try and bridge the gap between his govt's modest economic reforms and the radical plans of Yeltsin <u>Independent</u>.

Express says a crisis has hit East Germany with one million standing to lose their jobs.

Wrangling within East Germany's ruling coalition intensifies over the timing of the country's accesion to West Germany, as both factions engage in a steady trade of insults <u>Independent</u>.

Kohl seeks total power from united German poll which would enable him to abandon the liberal compromises to party policy forced by coalition politics Times.

Times leader is critical of Francis Maude's visit to China saying China's rulers will draw one conclusion from Britain's ill-timed decision to send outgoing FCO Minister to Peking, sidestepping the EC's ban on ministerial visits following the Tiananmen massacre. They will take it as confirmation that Britain is so anxious to oil the wheels of the machinery transferring Hong Kong to China that neither Peking's treatment of its own subjects, nor its efforts to intimidate Hong Kong, will encounter more than a diplomatically turned other cheek.

John Major persuades his European Community colleagues to give serious consideration to his currency variant to the Delors blueprint for economic and monetary union, during talks in Brussels Independent.

<u>Mail</u> leader says it is good news Chancellor has succeeded in getting hard ECU scheme taken seriously. The important point is that Britain is now influencing the argument about Europe's future from the inside.

Alan Walters, in the <u>Times</u>, under the heading "A new Euromoney that all would buy" believes our interests would be best served by creating an inflation proof EC currency - not diktat from the Brussels bureaucracy. Economically, a monetary union is feasible. the easiest and most plausible arrangement would be to fix all EC currencies irrevocably and precisely to the mark. The pound might be fixed at threemarks; but to make this fix credible, the Bank of England must be converted into a simple currency exchange, swapping on demand £1 for three marks.

Under the heading "Britain builds a bridge: now we must cross it", Michael Butler in the <u>Times</u> urges greater commitment to the John Major plan - which he helped draw up - as a step towards full union. He says if the British proposals are seen as a practical way of allowing the 12 to move forward at a reasonable speed towards full EMU, they will stand a good chance of being accepted. He hopes the Govt will soon make clear that it sees its propoals as a transition from Stage One to full EMU. If it does not make this clear, the Pohl approach may prevail.

Press hails booming exports, and pops say it improves prospects of a cut in interest rates; 9% increase in exports to West Germany.

New York Stock Markets went into a spin yesterday, with the leading indicator falling by more than 107 points at one stage and closing 56.44 points down Independent.

Small investors will be robbed of a stake in PowerGen as it looks as if it will be sold to a single big company.

Such a sale would mark a radical departure from plans to float the company on the stock market next year Independent.

Mirror headline: Fury at Thatcher pal's "power" bid.

<u>Express</u> says City reckons Govt could raise at least 20% more by selling off electricity industry to highest bidder. That is an excellent deal for taxpayer.

<u>Times</u> says electricity generating industry may be the subject of an international ownership battle after yesterday's announcement.

<u>Mail</u> leader says John Wakeham's decision to offer PowerGen for sale is shrewd. There is now every prospect of a competitive electricity industry before the election.

<u>FT</u> says City acted with bemusement on news of Hanson's interest in PowerGen. John Wakeham denied their interest was some kind of ruse. Frank Dobson described the announcement as the end to popular capitalism.

NUM leaders fly to Paris today - in wake of Scargill - to claim more than £lmillion intended for NUM members during strike from Int. Miners' Org.

Scargill wins Yorkshire miners' support for his insistence that the row over the NUM's finances should be settled out of court Independent.

EETPU signs single union deal with Bosch in Cardiff where 1,200 jobs are to be created.

TUC to increase affiliation fees by 25% over 18 months to clear £2.8million deficit.

<u>Star</u> says water privatisation was a terrible mistake; no-one is planning supplies for the future.

Sir Geoffrey Howe urges bigger work role for the elderly saying more efforts should be made to recruit them Times.

<u>Telegraph</u> says Sir Geoffrey hinted that retiring age for women may have to rise to 65.

Govt figures show ozone pollution worse in rural areas than in Central London during the weekend heatwave Independent.

Independent experts claim some Camelford residents drinking contaminated water have suffered brain damage and loss of memory.

BNFL fined £1,000 for breaching safety rules at Sellafield - early warning system in rail wagons failed.

Tesco marketing an organic bread named Highgrove after home of Prince Charles from whose farm flour will come.

Labour to publish new rates plan within days.

Express says basic rate of tax could double under Kinnock's plan to bring back rates because new level of local Govt finance won't raise enough money.

All Britain Anti-Poll Tax Fedn promises a summer campaign in which human barricades will prevent bailiffs moving against non-payers.

Richard Holt MP clashes with Dave Nellist MP over behaviour of "scum" members of Federation on Commons' terrace.

<u>Independent</u> editorial comments that anything the Labour Party does to replace the poll tax will be unpopular, with the then worse prospect of revaluation. Kinnock should ask how necessary getting of rid of the poll tax is to the accomplishment of Labour's aims: he should not dismiss the possibility of reforming rather than abolishing it.

Mirror says poorest will pay nothing under Labour's rates plan.

Dick Douglas MP suspended for five days for attacking Speaker over treatment of Scottish MPs.

Nicholas Winterton lays open his feud with Tory Whips Independent.

Jeremy Corbyn, Leftwing MP's son, being prepared for school at £600 a term North London private establishment.

Govt funds research project into school bullying.

Govt announces restoration of teachers' negotiating rights on pay, but with limits on the time and money involved in reaching a settlement Independent.

DSS figures show the least well-off have done markedly less well than the average over a large part of the Conservative Govt Independent.

Plans for a London traffic director included in legislation being sought by Cecil Parkinson as part of a package of proposals designed to overhaul traffic and parking controls in London.

Increased authority to be vested in traffic wardens to stop illegal parking.

Recent senior police appointments part of a drive to introduce some badly needed credibility to the Inspectorate of Constabulary, as Home Office seeks to boost its powers and image as part of the drive to increase police efficiency and effectiveness Independent.

<u>Independent</u> editorial comments on the Acid House raid last weekend saying that all in all release of the 836 arrested was a pathetic end to a dramatic and costly operation. As well as being an affront to basic liberties, the police policies adopted might have been designed to ensure that acid house parties are held under the most dangerous and anti-social conditions..

Two girls, both estate agents, found dead in car in North London street; double murder inquiry underway.

One of two girls detained in Thailand on drug smuggling charges wanted in Britain in connection with cheques fraud.

FCO confirm the two girls accused of heroin smuggling could serve sentences in Britain if they are tried and convicted Independent.

MPs attack Granada TV for refusing to identify terrorist who claims on World in Action that he was responsible for Birmingham pub bombings.

 $\underline{\underline{Sun}}$ says everyone connected with this mischievous, shameful programme belongs in the dock.

DPP will today consider whether to investigate Granada TV's screening last night of an interview with an unidentified man who confessed to planting the Birmingham pub bombs in 1974 Times.

Chief film censor says banning film which shows Salman Rushdie being killed was most difficult decision he has ever made.

Express says if Britain's film censors believed the film would contravene criminal libel laws, they were right to ban it. The fact that its distribution would flout the law does not seem to bother Rushdie or Muslim leaders. They still seem unable to udnerstand that the laws of this country are to be obeyed by all of us.

<u>Today</u> suggests film makers should withdraw film for a year if Rushdie withdrew his book.

<u>Independent</u> says ban on "International Guerrillas" may soon be rendered futile as international distribution of video copies begins.

Paul Johnson, in <u>Mail</u>, says the Rushdie affair has shown how wrong the progressives are. The law in this inflammable world must be adjusted to make life hard for anyone who goes into the hate business.

Home Office to bring forward an amendment to the Broadcasting Bill in October to impose a stricter legal duty of impartiality on television Independent.

 $\underline{\text{Mail}}$ says David Gillmore will be PUS at the FCO and Robin Renwick Ambasador to Washington.

Ray Mawby, ex MP dies, 68.

Bush tries to avoid a collision with the US Senate and right-wing Republicans with his nomination of a new Supreme Court judge with no clear track record on abortion or other emotive issues Independent.

An alleged member of the ANC's military wing seeks political asylum in the US Consulate in Durban Independent.

Egypt seeks to cool Gulf tensions by offering to mediate between Iraq and Kuwait Independent.

Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand will decide in the next two days whether to carry out a threat to stop Vietnamese boat people from landing at their ports Times.

MEPs report calls for a European residents' charter binding throughout the EC to protect them from the growing number of extremist groups across Europe which are creating a "second class" population of immigrants <u>Times</u>.

RESHUFFLE

Star - Yob basher Colin gets his reward.

<u>Sun</u> - Hubby and wife team divorced by Maggie. Post for rebel Young.

<u>Today</u> - A first lady for women - Angela Rumbold. <u>Leader</u> says your appointment of David Mellor suggests you are going to take the arts seriously. It hopes you will give him the means. Feature says you missed a chance to do something special with the reshuffle; it defines this as failing to bring back Edwina Currie as consumers' champion, advance Gillian Sheppard and elevate Virginia Bottomley instead of shuffling the grey pack.

Mirror - Thatcher shuffles her nobodies and breaks up Mr and Mrs Minister. Bomb boob man (Robert Jackson) escapes the axe. MPs stunned by appointment of George Young. Leader headed "No hope nobodies" says the reshuffle shows that the drought affecting the country has spread through the Govt. Dried up, burnt out failures have been recycled or replaced with future failures.

Independent - Reshuffle in confusion as Douglas Hogg refuses
Treasury job, forcing you into a number of unwanted changes, and
explains the surprise move of Francis Maude from the FCO.

<u>Express</u> pl lead - Maggie's Minisiter of Women, but disappointment among those wanting a bigger role for women in Govt. <u>Leader</u> concentrates on education and John MacGregor's "less than inspiring" performance. It hopes Messrs Eggar and Fallon live up to their reputation and stiffen the Secy of State's resolve.

<u>Mail</u> pl - A school test for Maggie's new boys. You take a personal grip on schools crisis and effectively put John MacGregor on notice to get on with it or else. Leader headed "Mrs Thatcher tidies up" says the moves are mainly to restore dynamism and effect small repairs. The biggest surprise was no great increase in posts for women.

<u>Telegraph</u> pl lead - Pro Europe look as Thatcher shuffles pack. You signal your determination to regain initiative in education debate and give FCO a more pro European look <u>Leader</u> says it was a sensible reshuffle - low key and strengthens Govt team for the long run up to the election.

Times - Complicated reshuffle strengthens the Education and Transport departments and increases the pro-European tendency at the FCO. It also signals that Employment and Energy may well be merged eventually with bigger Ministries. Leader says the reshuffle was a small earthquake and left few dead. Your aptitude as a personnel manager is widely misunderstood. You are a poor butcher and unlike most PMs long in office, you have not built up a cabal of favourites. The nearest to a kitchen Cabinet is the trinity of fiercely loyal officials in Downing Street, C Powell, B Ingham and Sir R Butler. It adds that you have done nothing to change the nature of junior ministerial office; the nature of junior ministerial office; the subservience to officials and the sycophancy to Downing Street.

<u>Guardian</u> pl lead - PM avoids bloodshed in reshuffle - elaborate reorganisation which produces only one new face and two genuine changes. Tory rightwingers appeared satisfied.

<u>Guardian</u> leader says it was more or less expected. Wit and generosity in appointment of George Young to Whips' Office. You have brightened up the product but by hiding rather than dropping some of the less successful Ministers.

<u>FT</u> - Your 6th reshuffle in a year leaves political balance of govt unchanged while moving towards fostering greater unity among rank and file MPs.