

July 25, 1990

PRIME MINISTER

MAIN EVENTS

- Cabinet
  - Prime Minister at memorial service for David Wood; sees Nigerian Foreign Minister
  - New construction orders (May)
  - TUC General Council
  - Labour Party NEC
  - Tam Dalyell to see Lord Chancellor re Colin Wallace
  - ? MOD short term savings announcement
  - Defence Implications of Recent Events (HC 320) at 0830
  - Lords hear appeal on quota hopping by Spanish fishermen
  - IBA annual report, 1989-90
  - Annual review, Govt funded R&D, 1990
  - Scottish Economic Bulletin
  - Future organisation of ADAS announced
  - Govt's response to Select Cttee report on contaminated land
  - Report of firearms consultative cttee
  - Quinquennial report on National Insurance Fund
  - Chief Inspector of Prisons annual report
  - Judicial statistics 1989/Criminal Courts Legal Aid 1989
  - Govt responds to Home Office SC on drug trafficking
  - Home affairs SC report on police co-operation in EC
  - Career development - 10,000th loan
  - Cash Limits outturn White Paper
  - Employment SC report on tourism
  - TCSC report on Next Steps
  - ODA annual report 1990
  - ? Commons statement on defence options
  - Commons: Questions: Environment  
Debates: Rmng Stages, Courts & Legal Services Bill  
Select Cttees: TCSC - Chancellor on EMU  
DSS - Tony Newton
  - Lords: Debate: Broadcasting Bill, Cttee (D6)  
Select Cttee: EC - Foreign Secy on EMU and PU
  - Lord Chancellor at Ethnic Minorities' barristers dinner
  - Chancellor addresses Promote Discussions Group
  - Norman Lamont at British Aerospace companies
  - Kenneth Clarke piledrives Phase III, Guy's Hospital
  - Chris Patten briefs county councillors
  - Cecil Parkinson speaks at safety seminar
  - Michael Howard meets Assn of District Councils
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PRESS DIGESTMain News

Chancellor says inflation is falling more slowly than expected - but turn down it will. Some Tory MPs read this as a warning against a June 1991 election.

60,000 jobs to go in Defence cuts to be announced today; main target is BAOR.

FT says Tom King's plans are expected to involve a sharp reduction in the army, closure of a number of RAF bases and lower ceilings for the Navy's frigates and submarines. There is also to be separate package of emergency savings totalling over £500million to meet projected overshoot of this yer's defence budget.

East German Govt in turmoil as Liberals leave 7-party coalition.

FT leader on German unification says for a nation famed for its efficiency they are showing a remarkable new talent for "muddling through". Kohl should end confusion and get on with it. Any tidying up should come afterwards when there could be a constitutional review.

Soviet Union asking for £1.1billion loan to buy American grain.

Gorbachev sets out proposals for voluntary union, which he hopes will turn the Soviet Union into a common market of willing partners Independent.

Latest opinion polls in France reflect a clear sense of unease about the country's future role in a fast changing Europe and how to deal with a unified Germany Times.

Member states are infringing EC law with increasing regularity, while their citizens - now more knowledgeable about EC rules - are becoming increasingly ready to complain formally to the Commission FT.

Scargill reported to have cleared up misunderstanding in meeting with IMO in Paris; deal said to be in sight. Mirror continues to hound Scargill with allegations of lying.

IRA kills 3 RUC officers and 37 year old nun in 1,000 lb blast in Armagh; woman social worker in nun's car seriously injured.

Full details of Chief Whip's letter to Nicholas Ridley leaked to PA. Tim Renton tells him he's rude and shows contempt towards colleagues.



PRESS DIGEST

Vetting: Only "qualities" bother with it, and in relatively low key.

Civil List

Pops concentrate on 400% rise for Prince Edward, but no further rise for 10 years. Mixed reception for change.

Tony Benn says many believe sums paid to Royal Family far exceed services rendered.

Star, concentrating on Prince Edward, says it's nice work if only he knew the meaning of the word.

Mirror - These sums will not benefit Royal Family; they will only foster criticism and disregard. Time has come when Royal Family should take less not more.

Express leader headed "End this royal gravy train" says it is easy to see the attractions for the Govt but turning Royal Family into a first class gravy train does them a grievous disservice.

Mail says the new arrangement makes abundant sense.

Times leader says the soundness of this reform need not be lost on other sections of govt. If such long-term financing is thought to induce efficiency, good management and deflationary behaviour in the Royal Family, why should it not do so in other recipients of public money?

Labour expected today to end re-selection and replace the local trade union block vote in selection contests with a one member one vote system Times.

Labour's national executive will be told today that the Socialist Organiser is an avowedly Leninist sect. It will be alleged that, like Militant, it has a separate organisation, programme and finances. On those grounds it will suffer the same fate of proscription Times.

Labour unveils plan for £5billion high speed Channel rail link.

Independent says Labour has committed itself to giving Britain a rail network similar to France's TGV system.



PRESS DIGEST

PowerGen to shut 2 of its 21 power stations and reduce costs by cutting 1,000 of its 9,000 staff as it moves towards the private sector. Similarly National Power is expected to announce it wants to shed 5,000 - nearly a third - of its workforce FT.

Frank Dobson, in letter to John Wakeham, indicating that a Labour govt would "require any individual or company to divest themselves of any holding in excess of 15%" FT.

Electricity workers to get £140 worth of free shares and £2 worth for each year of service in privatisation. Mail forecasts Hanson will have competition.

Sun says John Wakeham is right to explore chances of selling off PowerGen to a big company.

Labour accuse you of selling PowerGen to a family friend at knock-down price.

Telegraph says there is a hollow note to Labour's protests over PowerGen. It still finds it hard to come to terms with the market.

Guardian says it's a superficially nifty way getting out of a dilemma the Govt should never have got into over the success of electricity privatisation.

Today says there is nothing wrong with the proposed sale but it must set back the campaign for wider share ownership.

Express says Hong Kong is furious Francis Maude has been moved to Treasury in middle of his mission.

Independent editorial says Britain is still showing a disgraceful inclination to cringe before the geriatric murderers who now rule China, with one example the trial in Hong Kong of political leaders, and another the call by Francis Maude, in Peking, for the ending of economic sanctions. It dismisses the arguments advanced in favour of British policy, concluding that, as for the wishes of the people of Hong Kong, the best way to test them is to allow as much freedom of expression and democracy as possible.

Reshuffle

Norman Tebbit questions elevation of West, including George Young.



PRESS DIGEST

You backed away from giving Edwina Currie a Govt job because of opposition by male MPs (Sun); and Douglas Hogg refused Treasury job because it clashed with his wife's career.

Sun describes it all as musical chairs and doubts whether the political balance has changed at all.

Today criticises failure to advance more women. You have been surprisingly harsh on your own sex.

Sun, marking front bench performers on eve of Recess, awards highest marks (9 out of 10) to Douglas Hurd and John Smith. You get 8.

Peter Jenkins, writing in the Independent, takes an end of the term look at the Labour Party. He concludes that having jettisoned socialism after so long, what it should offer is sound money and social reform. Its chief weakness is the nexus of interests and outmoded structure that make it an unconvincing and inflationary instrument of progressive govt for the post socialist age.

Air traffic expands 6% FT.

CAA says thousands of airline passengers have been overcharged on their tickets and should be entitled to a refund as British airlines raise prices before obtaining official approval Times.

Prince of Wales criticises the medical profession for refusing to recognise the value of alternative medicine and calls on GPs to work much more closely with complementary practitioners Times.

Independent leads with poorest Britons have seen no real rise in their income under the first 8 years of the present Govt, and large numbers are actually worse off, an independent analysis of the Govt's low income statistics shows.

Figures show a record 32,000 homeless households are being housed by London boroughs, an increase of almost a quarter in six months Independent.

A population study, released today, says those born in the 1960s are facing dearer housing, bleaker career prospects and, probably, smaller pensions Independent.



PRESS DIGEST

Independent editorial looks at what should be an appropriate response to population trends. It advocates more child care facilities, arguing that otherwise market pressures will further depress the birth rate. While such a decline might seem attractive, history shows nations with declining populations and disproportionate levels of elderly, are less dynamic, less open to change and more inclined to collective pessimism.

Select Cttee report on beaches treated in a somewhat alarmist way - children most at risk to stomach bugs, throat infections and skin irritation; Cttee wants dirty beach signs.

Half MPs admit they are too fat.

Mail welcomes a new body, Ethnic Harmony Campaign, which is saying that legislation intended to improve race relations has fostered racial strife.

Times says the Govt disappointed chief constables and civil rights groups by saying yesterday it was not convinced of the need for a non-police statutory agency to maintain criminal records.

Chief Inspector of Constabulary says, in his annual report, that the police should be more open minded and willing to listen  
Independent.

UK and Spain launch a joint assault on drug trafficking and money laundering in and around Gibraltar with the establishment of 2 working groups to analyse the escalating problem Independent.

Chairman of the BBC says corporation's future lies with making quality and diverse TV programmes, rather than engaging in paranoid battles with its commercial competitors for ratings  
Independent.

Shares in Reuters fall 15% after it announced that cancellations of its screen based services to the world's financial markets have increased FT.

Times leader says it is odd that 100 Tory MPs have signed a Commons motion demanding a statutory balance of opinion in TV, and calling on the Lords to amend the Broadcasting Bill. They had every chance to amend the Bill themselves but were too scared of the Whips to try. Some of the nation's elected legislation now perform their constitutional function by signing motions pleading with the hereditary chamber to do their job for them.



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Britain urges peaceful settlement of dispute between Iraq and Kuwait, with Iraq troops massing on border.

US warships on alert in Gulf.

Times says while officials express deep concern, privately they admit that they see the move as sabre-rattling to pressure Kuwait into reducing its oil production to drive up prices. Leader says nobody in the region underestimates Iraq's political and territorial ambitions, or its unpredictability. Their muscle-flexing is a reminder of the danger of leaving the Middle East on the diplomatic back burner. Yet at this stage, the West will only make matters worse by over-active intervention.

Arab Ambassadors complain in an official statement about your co-patronage of the London Israeli Arts Festival, saying your position represents "a reward for the state of aggression and terror" in Palestine Independent.

Italy's Foreign Minister pushes the idea of an early EC initiative in the Middle East, but rules out economic sanctions against Israel Independent.

3 Tory MPs tread softly to avoid conflict on hostage issue during their visit to the Lebanon Independent.

President de Klerk says Govt will go ahead with talks with ANC on August 6 despite disclosures by police and govt sources that hardline ANC guerrillas had infiltrated the country and set up arms caches Times.

Under the heading "In terminal decline - or will Bush pull out of his dive?" Peter Stothard, US editor of Times, says, however grim the omens, he thinks shifting voting trends could ensure Bush's re-election in 1992 on his own terms.

ASEAN countries launch attack against the US for changing its policy on Cambodia, and for continuing to block forcible repatriation of Vietnamese boat people Independent.

Sun calls for two British girls arrested on drug smuggling charges in Bangkok to be sent home to serve any sentence.

Joe Haines, Mirror, retires.