

19 June 1987

PRIME MINISTERMAIN NEWS

Jobless fall by record number to below 3m - but ^EORCD suggests world boom is fizzling out.

£4.7bn worth of capital investment in first quarter of 1987.
FT: Manufacturing output up 4.5% more in three months to April than in same quarter last year, but slower than in 1979.

B/Telecom makes over £2bn profit - but is criticised from press for not cutting its prices like B/Gas; BT refuses to pay bonus to engineers who went on strike.

NatWest cuts its mortgage rates to new borrowers.

Lord King urges you to intensify your privatisation programme - Express says that all the evidence supports his "sell the lot" philosophy.

Britain expels all but one of Iranian Embassy staff and we reduce our strength in Tehran to one. Iranian official told the Independent that radicals in Iran are angry and will launch a campaign to boycott British goods.

You are to lead drive to revive inner cities.

Labour Party likely to sack 60 staff as economy measure - and also to kill its newspaper Labour Weekly; TUC staff go on strike in protest against job cuts.

BBC investigating its election result prediction which was wildly wrong; Michael Grade to succeed Bill Cotton as managing director, TV.

George Younger attacks USA's failure to give us more SDI research contracts. Mail leader, headed "A rotten deal for Britain", says we seem to be the latest victims of US protectionism. You should remind Reagan when you visit him of the strong support you have given his policies.

Church of England report claims some Freemason's ceremonies have disturbing psychic effects which some Christians find "positively evil".

Concern beginning to show over zeal of privatised wheel clampers, clamping even "meals on wheels" vehicles; Mail leader describes

clamping as a form of "licensed banditry".

Metropolitan Police planning to increase recruitment of black officers by giving applicants who fail the entrance test another chance (Independent).

Edwina Currie warns nurses being recruited by American hospitals that they will have to pay heavily to live in USA.

No news over American journalist, resident in London, kidnapped in Beirut.

Express 2-page feature on Norman Tebbit "leaving with no regrets".

Mail leader says Labour MPs' indignation about claims that Britain is supplying blowpipe to Afghan guerrillas speaks eloquently about the way they see the world.

Political crisis in Sharjah continues after Sheikh is deposed.

UNICEF boss in Brussels held in international child porn scandal.

Continuing riots in Seoul against South Korean Government puts 1988 Olympics at risk.

FT: Shevardnadze says, during visit to Hungary, that Western insistence on excluding Pershing 1A missiles could be a major barrier to agreement on nuclear disarmament in Europe.

Israel secretly sending military technicians to Peking to refit and modernise hundreds of Soviet-made tanks (Times).

ITT Corporation join ranks of US multinationals pulling out of South Africa.

UNEMPLOYMENT

Star: It's a record as jobless June dives below 3m. Maggie's good news.

Sun: Dole queue under 3m.

Mirror: Tory dole fiddle pays off at last - "cheat" row as figure drops below 3m.

Today: Jobless fall the best for 39 years; Britain's boom is "fizzling out" (OECD); leader says Norman Fowler is lucky, thanks to massaging of the figures by his predecessors, but the OECD is the opposite of reassuring; its report forms the hidden manifesto

behind the Tory appeal.

Daily News: Record fall in jobless to below 3m.

Express: New cheer as jobless total falls below 3m - a major boost for you; leader headed "Welcome to the sunshine economy" says hardly a day goes by without another sign that the years of postwar decline are over and we are roaring back as a nation. What a stark contrast to the grim, banana-state republic Kinnock tried to portray during the election.

Mail: Breakthrough on jobs; record on unemployment falls below 3m.

Telegraph leads with "Revival hopes boosted as jobless fall". It says building industry has launched an advertising campaign to recruit 3000 youngsters.

Independent: Unemployment figures drop to below 3m mark. Figures far greater than forecasts predicted. Improvement best in any month since the current unemployment series began in 1948.

Times: Jobless below 3m in record monthly fall amid growing signs of buoyancy for the economy; leader says figures will give country a psychological lift in the long war against unemployment. Long way still to go but trend is in the right direction.

FT: Unemployment shows record fall to less than 3m.

POLITICS

Joe Haines, in Mirror, says Labour did not win the election campaign - only the first three weeks. It blew the fourth on taxation, defence and private medicine and mucked up its broadcasts by repeating the Kinnock commercial and wasting the last on "trendy middle class cartoons whose appeal wouldn't have gone beyond Guardian and Observer readers".

Charles Moore, in Express, wants hereditary peerages for Enoch Powell, Roy Jenkins, Lord Hailsham and Sir Keith Joseph; as for the Cabinet, he says it looks competent but lacks sympathy and communications skills.

Transport and General Workers Union backs Kinnock's drive against Labour's hard left (Independent).

Conservatives have miscalculated the effects on voters of a poll tax which could prove an electoral disaster, according to a new study (Independent).

Mathew Symonds, in Independent, says your Government sees itself as radical, tax-reforming, tax-cutting, and subsidy-slashing, but it is not really true. Your caution and conservatism will defeat your uncertain free-market instincts. The opportunity is there. You have nothing to lose but our chains.

Independent: Scottish Labour MPs hope to stampede the Tories into conceding a Scottish assembly, dropping the poll tax legislation and boosting investment in education and health.

Times: One-member-one-vote for selection and re-selection of Labour candidates is Kinnock's key weapon in struggle against Left.

INDUSTRY

Sun leader on the deafening silence from Everest double glazing whose salesmen have been accused of dirty tricks.

Express's money editor says tax cuts are the only to plug the brain drain.

Frank Chapple, in Mail, wants to know why D/Transport is not pressing charges against Townsend Thorensen and staff for Zeebrugge disaster.

British scientists who made key discoveries in medical scanning technology stand to make millions under licensing agreement.

FT: Thorn EMI to sell Ferguson subsidiary, Britain's largest television maker, to Thomson, the French nationalised electronics and defence group, for £90m.

Times: Rover Cars halves losses on cars.

Times: Ten commandments given managers to fight Japanese include longer day, Saturday working and shorter lunches.

GOVERNMENT'S PROGRAMME

Daily News leads with Government forced to shelve its water privatisation plan.

Mail: Big city problems head Maggie's action hit list.

Telegraph says you are to take overall charge of Government's efforts to revive inner cities.

Independent says next week's Queen's Speech will contain one of the largest legislative programmes. DOE's package will be targetted on reclaiming the inner cities, controlling local councils and preparing to privatise the water supply.

Times P1 lead "Thatcher will head drive on inner cities".

Left-wing councils to be stripped of powers. It says Nicholas Ridley has been given biggest legislative programme of any Department in living memory in blitz on inner cities. You are to take charge of the Cabinet Committee which is to tackle the inner city problems.

Times leader says Government is giving high priority to the inner cities following growing list of cities without any Conservative representation in Commons. Money is not the problem. Successive Governments have poured immense sums into problem areas with staggeringly little effect. The hope is that inner cities be treated as needing restored self-sufficiency, rather than external propping up.

FT: Rates reform to dominate first Parliamentary session, with other DOE Bills expected on housing, local government and measures to regenerate inner cities.

LOCAL GOVERNMENT

Lambeth Council allows its staff 10 days' paid leave to help a friend when she has a baby.

Camden threatens to expel elderly from their old people's homes if they are rude to black staff (Sun).

ILEA spending £1m to attract teachers to primary schools.

Islington Council allows a housing officer, jailed for accepting a bribe, to keep her job.

Police investigating attack on a 72 year old man in care of Brent Council.

Detectives investigating huge theft of food donated by Marks & Spencer to children's homes; three council employees under arrest.

Ratepayers protest at Waltham Forest's 62% rate rise - Labour blocks Tory and Alliance proposals to cut it.

Homosexual Liberal leader of Tower Hamlets council attacks Labour's "pro gay policies" as "hypocritical rubbish".

CIVIL SERVICE

Sun leader on Civil Service strikes says they are determined to cause as much misery as possible. Over differential pay according to where they live they are displaying a Luddite syndrome.

Leader of CPSA concedes Government will not move on its basic offer.

Ports, courts and benefit offices were disrupted in Scotland, Northern Ireland and the North East yesterday as civil servants took industrial action (Independent).

CRIME

Five year old girl enticed away from school playground during her lunch hour and raped by thin man in Portsmouth.

Times: Police chiefs told that tasks facing police are now so enormous they may have to abandon some of the time honoured traditions.

Times: Police seek review of antiquated magistrates' courts.

Times: Lord Chief Justice vetoes idea of judicial complaint board to advise Lord Chancellor on sacking of judges.

EC

Star supports our stand against an oil and fats tax.

Farm price talks collapse in face of our opposition to the tax.

Telegraph leader says it may be no bad thing that the EC budget issue will go to the EuroCouncil or that Delors and some of his colleagues are ready to resign unless Council finds a solution by the end of the year. Nothing less than a small earthquake is going to push Ministers into resisting the matter.

FT leader argues that EC is now reaping bitter harvest of those waving fields of rape, soyabean and sunflower so generously subsidised more than a decade ago. Agriculture ministers emerged yesterday to report a depressingly familiar deadlock on prices. The choice is between creating a hole in an already overspent farm budget, or imposing a levy on vegetable and fish oils that will re-open the agricultural trade war with the US.