

22 June 1987

PRIME MINISTER

MAIN NEWS

More British manufacturers expect to increase their output this summer than at any time for 10 years - CBI.

SDP in turmoil over idea of merger with Liberals. Guardian says Owen is to propose quick ballot of SDP in the hope it will reject merger.

Soft and hard Left to meet on Thursday in nominations for Shadow Cabinet.

Telegraph says Hattersley has declined job of Shadow Foreign Secretary - prefers home affairs.

Caroline Cox, David Hart and Christopher Monckton revealed as your "former advisers" behind Committee for a Free Britain election adverts.

Lord Gould urges you to resist demands for Scottish devolution.

Big drugs haul in Harley Street - cocaine worth £9m seized; £50m British cannabis ring reported smashed in Spain - 11 Britons arrested.

Boy, 8, dies and sister seriously ill after drinking heroin substitute at flat in Bath.

John Edmonds is urging TUC to pull out of MSC in protest against dilution of trade union representation and introduction of Workfare-type schemes.

Civil Service unions split on idea of all-out national strike over pay.

UDM to set up a political fund which will enable them to back candidates of a party of their choice - they refused to back Labour on June 11; also considering at its conference this week whether to seek recruits in South Wales where 6-day pit at Margam is source of trouble.

Post Office consumer organisation attacks PO for not meeting its target of delivering 90% of first class mail on time - 87.7% "just not good enough".

Today says there is no reason why in a country of good communciations the PO should not do better than 90%.

Express to announce 2000 redundancies in switch to new technology and departure from Fleet Street.

Row over Surrey LEA's plan to vet leaders and other workers for convictions in effort to prevent child abuse; Mail, on teachers' unions objections, wants to know what in the world is wrong with the move.

Terror scare as paraquat and glass found in products at Edinburgh chain store; police now satisfied no risk to Safeway customers.

43 hippies arrested in trouble at Stonehenge on longest day.

Daily News names John Connolly as the prime suspect for bombing of Harrods in Christmas, 1983.

Canary Wharf project said to be still alive even though promoters have missed deadline (Daily News).

Philips & Drew say you remain implacably opposed to Britain joining EMS.

IEA takes Britain to task for failing to spell out its energy policy.

Bishop of Durham claims his 'phone is tapped by MI5 - Star says he should be glad someone is listening to him.

FT: Average British family pays £11.50 a week to finance EC farm subsidies.

Telegraph portrays Martens doing a round of Community capitals to try to save EuroCouncil from collapse on Community financing.

Row in Dublin over Haughey's objection to British Legion forming in commemoration service on July 12 for Irish war dead - seen as divisive and anti-British by Opposition.

Rainier of Monaco to marry Ira von Furstenberg.

Gorbachev challenges West to respond realistically to Soviet disarmament initiatives.

800 held in further riots in Korea. Independent editorial says that it is not enough for President Chun to offer his people

steadily rising living standards - they want full democratic rights, too.

Pro-Iranian Hezibollah accused by Lebanese Defence Minister of the kidnap of his son and US journalist (Independent).

Times: Iran believed to have drawn up contingency plans to move its arms procurement headquarters out of Britain, but is eager to stay in London.

Pindling election win in Bahamas shocks his rivals and worries US (Independent).

ETA apologises after explosion in Barcelona supermarket kills 17.

#### POLITICS

Sun feature on Left's plot to crush Kinnock. It says Livingstone has been marked by hard Left to succeed Kinnock, with Blunkett as deputy.

Mirror says GMBTU will follow TGWU in supporting Kinnock on one-man-one-vote in selecting constituency candidates.

Daily News says Kinnock is looking for ways of blocking hard Left from getting elected to Labour Party NEC; leader on SDP asks whether Owen is being out-manoeuvred by Steel. It says that politics has the habit of rewarding the movers and the shakers and it is high time Owen came forth to do battle.

Express says new boys are ganging up to shake Kinnock this week with attempt by Left to draw up agreed list of candidates; leader headed "Crunch week for Britain's splintered Opposition" says decisions look like ensuring a fourth and perhaps even a fifth term for Conservatives. Owen knows he has been outsmarted by Steel, while Kinnock is faced not with a two-way split, as with the Alliance, but a three-way split - hard and soft left and centre right.

Jon Akass, in Express, on all the good news since the election, says we have hardly any experience at being a success and he is not sure we can cope with it.

Mail says Kinnock faces "a new challenge from the Left" - a reference to hard and soft left getting together.

Mail leader, headed "Tragic Owen" says that if he were to become leader of a merged Alliance he would be at loggerheads with most

of his party. But what British politics needs is a sensible, non Socialist opposition at the head of which Owen would be ideal. "It is the tragedy of this gifted man that the party he ought to be leading can hardly be said to exist".

Telegraph feature says talk of extra-Parliamentary activity detracts from Labour Party image Kinnock is trying to create. But more alarming is the lesson that once inner city riots start, no one can control them.

Telegraph leader says a responsible opposition is a necessity. Labour has lapsed into incoherence. And the paradoxical result of the election has been to increase Owen's stature while diminishing his influence within the Alliance. He is in danger of becoming a Gang of One - a latter day Lloyd George who leads without a party.

Bill Deedes, in Telegraph, on "stupefying twaddle" talked about N/S divide. He hopes someone will tell us how much financial help was given to Scotland since the war and how many days lost through strikes occurred there.

Guardian leader says the reconstruction of the Labour Party is no less urgent than that of the Alliance. Its chances of gaining an outright majority Government in the foreseeable future look extremely slim. There is now the feeling in the air that Kinnock may be heading for more trouble than he supposes. One member one vote at the current level of Labour membership won't necessarily lead to changes of candidates. And its real victims are the unions. But the option to leave things as they are does not exist.

Gerald Kaufman, in Guardian, says that without massive gains in London, Labour cannot hope to become a Government.

Ian Aitken, in Guardian, says if the Labour Party conference were to reverse its "fatal commitment to unilateralism" Kinnock would have to decide whether to resign or accept. He doesn't believe he would resign.

Teddy Taylor, in Guardian, says Scottish Tories need to change their policies and attitudes so that they can be seen as a group rather separate from UK Tories and fighting for Scotland. Much also needs to be done to capture the hearts of the Scottish media - almost every newspaper in Scotland is now critical or hostile.

Times leads with "Tilt to the Left for Labour's front bench". Kinnock shake-up of front bench includes promotion for Smith and Gould. Hattersley expected to change portfolio. Healey to make announcement about his future at end of week.

Times leader discusses going into the next century with Thatcherism. This will remain the basis of the Conservative Party and of any other party with a hope of winning an election between now and the next century. Historians might say that 1987 was the year Britain started to be what many other comparable countries have been for years - prosperous.

Times: Rodgers appeals to Owen to drop opposition to Alliance merger.

Times: GMBTU is to press for change in way Labour chooses prospective MPs. Want some form of electoral college rather than one-man-one-vote.

Times: Malcolm Rifkind has left open the door to changes in Government's anti-devolution policy after its election disaster in Scotland.

T E Utley in Times looks at your enthusiasm and vitality, saying your third election triumph has not made you complacent. You are already directing minds to the need to do even better electorally next time.

Independent: Trade unions studying proposals to give Labour £6m to fight the next election.

Independent editorial says your appointment of John Wakeham as leader and David Waddington as Chief Whip highlights your view that Speaker gives the House a too loose a rein.

Independent: Peter Kellner says Alliance are victims of their own good advice as he tries to read the SDP's future in its past.

#### GOVERNMENT'S PROGRAMME

Star welcomes reform of licensing laws - and calls for reform of Sunday trading, too. So does Sun which says the Tories won the election on freedom for the people - let's have it.

Mail says tough new curbs on immigrants will be unveiled in the Queen's Speech.

Telegraph says radical first steps towards implementing your third term programme will be announced in the Queen's Speech - major and controversial measures.

Feature in Times on inner city initiatives says small business holds the key to halting decline. Discusses direct control by Government and says the 8 inner city task forces operating in some of the most deprived areas are an example of "hands-on" control favoured by Kenneth Clarke.

Times: MoD to order second Trident as Vickers cut cost of building submarine.

Independent feature on the prospects of your key third term initiative. Labour's response to the inner city initiatives and the attack on Labour councils will govern how Kinnock reshuffles his Shadow Cabinet.

Independent: 15% of shares in BAA flotation will be by tender to enable fine tuning of price.

FT: Consultation document on water privatisation will be published in late summer or early autumn but there will be no substantive legislation before 1988-89.

FT: CPRE director, Robin Grove-White claims DOE ministerial reshuffle has downgraded the Government's environmental and pollution protection policies.

FR: Tony Newton tells National Association of Health Authorities AGM that ways of strengthening health services in the inner cities are being examined. Plans for action have not yet been worked out; leader says a broadly based programme for promoting inner city revitalisation will feature strongly in the Queen's Speech. You are to chair a special Cabinet Committee whose purpose is to manage a campaign which is beginning to look almost as much a priority for your third term as reduction of inflation was for your first. The present Government is better placed than any of its predecessors to improve inner cities, but it cannot be done on the cheap.

#### LOCAL GOVERNMENT

Sun says Haringey is offering some council jobs only to Greek and Turkish immigrants.

Daily News says four London councils - Camden, Islington, Brent and Haringey - face spending cuts after failing to raise money by selling off their properties.

Times: South Thames College lecturer accused by ILEA of racist remarks faces disciplinary inquiry today which could lead to his dismissal.

LAW AND ORDER

Star says John Patten is your "first law and order Minister".

Times: George Foulkes to write to Foreign Secretary asking whether MI6 supplied Irish passport used by White House aides who went incognito to Iran last year on the under-cover arms mission.

CITY

Independent: Secret inquiry into more insider deals as Government takes action under new legal powers.

Independent: MPs seek legislation to protect council pension funds as "New on Sunday" crumbles.

INDUSTRY

Times: Industrial confidence continues to soar. More companies plan to raise their output over summer months than at any time for 10 years.

Times: North Sea oil may top \$20 if OPEC agreement holds.

Times: Three leading British banks to join Channel Tunnel backers.

FT: ITN sells its World News cable television programme to NHK of Japan.

HEALTH SERVICE/WELFARE

Mirror unearths case of Oldham man who has waited 8 years for "your" Dupuytren's contracture operation.

Ruth Lister resigning as Director of Child Poverty Action Group on appointment as Professor of Applied Social Studies at Bradford.

Times: New social fund claims to be unfair on claimants.

Independent: NHS funds at risk from costly claims.

BERNARD INGHAM