PRIME MINISTER

MAIN EVENTS

The Queen gives a Garden Party at Buckingham Palace for the delegat of the Anglican Communion attending the Lambeth conference; later attends a Gala performance by the Australian Ballet at Covent Garde

EC: Budget Council, Brussels.

You meet PV Oberg, Member of the Ghana Provisional National Defence Council and head of the Cabinet (photocall) and Mr Howard, Australi Leader of the Opposition (photocall).

STATISTICS

CBI: Industrial trends survey (3rd qtr)

DOE: Slum clearance (Annual).

PUBLICATIONS

DES: Secondary Schools: An appraisal by HMI. A report based on

Inspections 1982-1986

DHSS: Spokes Report: Committee of Inquiry into the care and after-care

of Miss Sharon Campbell

DHSS: Report of Advisory Committee on Violence to Staff

HO: DNA testing in immigration cases (prov)

WO: Wales Tourist Board annual report (prov)

-PARLIAMENT

Commons

Questions: Defence; Transport; Prime Minister

Business: 10 Minute Rule Bill: Petitioners' Rights

Opposition Day (19th alloted day)

There will be a debate on the Government's Transitional

Scheme on Housing Benefit on an Opposition Motion

Afterwards

There will be a debate entitled The Safety of the Service

to the Travelling Public on an Opposition Motion Motions relating to Social Security Regulations Scottish Grand Committee Debate on Poverty.

PARLIAMENT (Cont'd)

Adjournment Debate: Application for open cast mines under Article

56.2(b) of the Treaty of Paris (Mr W Griffiths)

Select Committees: COMMITTEE ON A PRIVATE BILL

Hampshire (Lyndhurst Bypass) Bill

(Lords)

Lords: Starred Questions

Bredero (Bon Accord Centre, Aberdeen) Order Confirmation Bill:

Third Reading

Highland Region (Lochinver Harbour) Order Confirmation Bill:

Third Reading

Solicitors (Scotland) Bill: Committee (? to be discharged)

Local Government Finance Bill: Consideration of any Commons

Amendments and Reasons Housing Bill: Committee

MINISTERS - See Annex

The reshuffle is generally well received.

John Moore is seen to have been demoted.

Admiration for the way in which the reshuffle was carried out without warning or leaks.

Divided views on whether departure of John Moore from Health and arrival of Kenneth Clarke will result in a more or less radical NHS review.

Intervention by Bank of England holds sterling below 3.20DM.

Britons among 12 arrested in big international drive against one of the world's largest drug smuggling rings; IRA man said to be among those detained.

<u>Mirror</u> claims Colin Moynihan's half brother, Lord Moynihan, turned supergrass to expose ring.

High Court fines National Union of Seamen another £25,000 and puts them "on probation" for 3 weeks - they can have their assets back then if there are no further complaints.

Government to stop funding HOTOL plane.

<u>Mirror</u> claims Government is to scrap a team of scientists that advises on oil rig safety.

65,000 private shareholders in Rover offered £1 each for their 12.7million shares - 35p more than 65p quoted in March when BAe announced take-over.

Tam Dalyell suspended for a month from Commons for calling you - yet again - a liar; sets record for being thrown out two sitting days in succession.

Chairman of Professional Teachers' Association appeals to you to bring order to Commons if you want to curb violence and indiscipline in schools because of appalling example it is giving to schoolchildren.

Lord Whitelaw, in interview with House Magazine, says he is worried that Parliament appears to nation to be an "unruly mob".

Kinnock said to be in new trouble with Left for supporting Alan Tuffin, Postmen's leader, who says many people are put off Labour because they fear renationalisation (Mail).

<u>Independent</u> says Kinnock has been told by close colleagues party conference will make or break his leadership; if he fails to re-establish his authority he will face a serious challenge next year.

<u>Sun</u> claims voluntary national service is being planned by the Government to give troublemakers 3 months of military training, in the hope that they will opt for military service.

Privatisation of remand system canvassed by Government. <u>Express</u> says it is bold and imaginative and attitude of POA predictably Luddite. <u>Independent</u> gives cautious welcome.

Government abandons idea of putting BBC2 and Channel 4 on BSB.

Home Office concludes there is sufficient advertising to support fifth channel.

Rodney Tyler, in <u>Mail</u>, on the strange lack of mourners over the demise of the ILEA.

IRA hold investigation into why so many recent operations have missed their intended targets; Judge who escaped weekend bombing denies he ignored warnings about his travel plans.

Gunmen kill IRA terrorist at home in Belfast.

EC officials say Leon Brittan must distance himself from you to get Lord Cockfield's single internal market portfolio.

Bishop of Durham, at Lambeth Conference, calls on Christians to fight the good fight on every political front.

"Free Nelson Mandela" industry will be forced to pay for using his name in products as a result of a deal with a black US businessman to market his name.

25 year old South African sentenced to 6 years in jail for refusing to undergo compulsory national service in Army - largest sentence ever on white conscientious objector.

Foreign Affairs Select Committee decides to visit South Africa.

Captain Mark Phillips' mother dies, 62.

RESHUFFLE

Star page 2 - Less for Moore! He gets demoted in Maggie's carve
up.

<u>Sun</u> page 1 - Moore gets less in Maggie shake up. No more Cabinet changes this year. Massive pat on back for Ken Clarke. Inside - Maggie's Mr and Mrs Ministers - Bottomleys; they'll rake in £69,000. Leader headed "Don't cry for John Moore" says he failed in the vital task of putting right the NHS. He was good at talking but was a dead loss. Kenneth Clarke must ensure the NHS is run efficiently.

<u>Sun</u> - Feature on Kenneth Clarke: the workaholic in scruffy shirts.

Mirror page 1 - Thatcher puts the boot in golden boy Moore. You show your lack of confidence in him. Mirror claims that it exposed John Moore's "lies" and suggests leaving Edwina Currie as No 3 in Health as a "side swipe" at her. Leader says it wasn't so much that DHSS was too big but that its Secretary of State was too small. You must have gritted your teeth to appoint Kenneth Clarke because he is not your natural supporter.

Today page 1 lead - Shock Cabinet reshuffle. Drastic surgery. Maggie cuts out Moore to give Health a new supremo. Moore publicly humiliated. Changes stunned Tory MPs and Cabinet who had not been expecting shake up until September. Leader headed "Moore's fall from grace" says the NHS has always been one of the largey weak spots of this Government. There should be some sympathy for Mr Moore because he was presiding over a dinosaur of a Ministry. If Kenneth Clarke is not sure of the price of failure he should look at his colleague next door.

Express page 1 lead - Maggie's health shuffle. Moore switched in DHSS carve up. You caught Westminster watchers on the hop with unexpectedly early announcement. Features on Bottomleys and meteoric rise of Michael Portillo. Edward Pearce says that unlike John Moore it is Kenneth Clarke's luck never to have been glamorous. But he is calm under fire - Moore was tested to destruction.

Express leader headed "A shrewd reshuffle" says the decisions to split DHSS is long overdue. It warns however that the Health job has gone to the "capable but distinctly dampish" Kenneth Clarke

and this could suggest there is more NHS window dressing than radical reform on the way. You have reminded people that with you at No 10 there is rarely a dull moment.

Mail page 1 lead - concentration on Maggie's Young Lions as "John Moore's empire is sliced in half". You hand task of sorting out NHS to two of your most dynamic Ministers - Clarke and Mellor. Bottomleys earn place in history. Leader headed "Two heads are better than one" says there was less to John Moore than met your eye. You have moved him as soon as you decently could, but it might have been kinder to move him right away from DHSS. Kenneth Clarke is a good appointment. Not the least reassuring aspect of the reshuffle is how completely you caught the commentators napping. You have not lost your sense of timing or touch.

Telegraph page 1 lead - Reshuffle splits health from social security. Lawson expected to stay at No 11. Kenneth Clarke, tipped as future Tory leader, promoted. Timing significant - nails speculation about Chancellor. You show considerable loyalty by retaining John Moore in Cabinet. Leader says the reshuffle was timely and shrewd of you to pre-empt speculation. Especially wise to divide DHSS and Clarke's appointment to be applauded. Changes in lower ranks sensible. All in all Government richer for changes.

Guardian page 1 lead - New Cabinet sets Thatcher twin targets.

Reshuffle may freshen up your Ministerial team but won't change its character. Reshuffle came with bewildering speed, but result was decisive and sure footed image for No 10. Leader suspects the DHSS has been split to let John Moore down lightly. David Mellor looks to have paid the price for speaking his mind.

Times page 1 - Surprise shuffle splits DHSS. A career setback for John Moore who, when appointed last June, was widely spoken of as a potential leader of the party; leader looks at Kenneth Clarke's appointment saying he is instinctively a less radical thinker than Mr Moore. The move may suggest that you are going to take a greater role in the NHS review. You may prefer to deal with the willing and more malleable Mr Clarke than with the somewhat aloof figure of the man who would have preferred the job.

In separate stories, <u>Times</u> says splitting of DHSS is both logical administratively and in line with current Government moves to improve both efficiency and cost effectiveness. Medical profession welcomes split but cautious about appointment of Mr Clarke renowned for his zeal to take them on.

Robin Oakley in the $\underline{\text{Times}}$ says there will be widespread applause in the Tory Party for Mr Clarke's appointment. He is one of the best despatch box performers in Government.

<u>Independent</u> page 1 lead - Cabinet shuffle gives Clarke new health job. John Moore is by-passed for the plum political job of the day. The clean sweep at Health could well have implications for more far-reaching NHS change.

FT - Thatcher splits DHSS in surprise reshuffle of ministerial duties. The moves were broadly expected, leaving the political balance of the Government little changed. However, the timing was a surprise to almost everyone at Westminster, including those affected. BMA welcomes creation of a separate department to deal with health. John Biffen says Ken Clarke is "absolutely ideal" for the job. Leader's verdict is that you were right to announce a pre-emptive reshuffle and cut short what would have been a long summer of speculation. You were also right to break up the unwieldy DHSS. For John Moore, though, the reshuffle is a heavy blow.

HOTOL

<u>Times</u> - Government's refusal to back HOTOL opens way for competitors in the US, Europe and Japan to reap benefit of a British breakthrough. Lord Rippon and Sir Geoffrey Paltie critical of decision and Bryan Gould says it is yet another chapter in the story of British invention going abroad; leader is critical saying Britain is once more in danger of falling asleep while others overtake it in the space race. If it happens in this case, the Government can blame nobody but itself.

CITY

<u>Times</u>, continuing its stories about Barlow-Clowes, reports that the Bank of England rejected informal approaches from Peter Clowes on two separate occasions for a licence to take deposits from the public.

LAW & ORDER

<u>Times</u> - Kent police superintendent severely reprimanded by judge for suggesting on TV that the police were against the court's ruling on illegal pickets at Dover.

<u>Times</u> - Magistrates call on Government for curbs on off-licence drink sales to under-age drinkers.

EDUCATION

<u>Times</u> - Professional Association of Teachers criticise parents for lack of discipline saying teachers are sick and tired of dealing with children who are allowed to get away with murder at home.

Anne Sofer, in <u>Guardian</u>, claims steady rise in standards over last four decades has ground to a halt.

<u>Independent</u> - The College of the Air runs into financial crisis and is asking the Government to bail it out. It seeks additional grant funding of up to £18million, barely two years after its launch.

<u>Independent</u> - National Council for Voluntary Organisation warns Norman Fowler that the new training programme faces a chaotic launch unless extra funding is given to organisation providing high-cost training.

HOUSING

<u>Independent</u> - Budget unleases unseemly boom in living together, as unmarried couples rush for multiple tax relief before 1 August deadline. The 70% increase has also pushed up house prices, particularly for first time buyers.

NHS

<u>Independent</u> - Government expected to press ahead with plans for <u>effering</u> limited tax incentives to patients opting for private health insurance.

Independent - British backlash feared against Japanese "transplant tourism". As more and more terminally-ill Japanese head for hospitals in Britain and the US for organ transplant operations difficult to obtain at home, British doctors face a dilemma as to whether these high fee-paying patients should be given priority in transplant operations.

COMMUNITY CHARGE

<u>Independent</u> - Nicholas Ridley pitches into political row by announcing he intends to push a completely new Bill, designed to re-write the terms on which central government grant is paid out to local councils, through both Houses of Parliament before the Queen's speech.

ENVIRONMENT

Independent - Agriculture Select Committee attacks Government's
handling of Chernobyl and put forward sweeping proposals for
change.

EC

<u>Times</u> - EC Foreign Ministers back move by Commission to explore closer economic ties with Soviet Union and its East Bloc allies.

<u>Independent</u> - EC agrees to early talks with the Soviet Union on a possible co-operation agreement and proposes direct consultation with Shevardnadze. Despite British reticence, the deal could go beyond trade relations and even include research and technology.

<u>Independent</u> - Consumers in the European Community Group say consumers could be worse off when tariff barriers within the EC are removed by 1992.

<u>Independent</u> - William Rees-Mogg welcomes Leon Brittan's nomination, saying that a politician is preferable to a bureaucrat at a time when the issue of the EC's future is balanced between the bureaucrats and the liberals.

MINISTERS (UK VISITS, SPEECHES ETC)

DEM: Mr Fowler visits Newstart in Newham; later visits Peckham for CAT task force; later addresses Oxford Business Summer School

DHSS: Mr Moore addresses Age Concern annual conference

DTI: Lord Young addresses Westminster Luncheon Club; later meets Nigerian Minister Alcinrinade and M. Fauroux, new French Trade

MAFF: Mr MacGregor visits Midlands and Western Regions

WO: Mr Walker addresses Urban Regeneration and the Valleys seminar, Cwmbran; later inaugurates STC Telecommunications optical fibre plant, Newport; also presents Aims of Industry free enterprise awards, with Mr Grist, and visits Brains Brewery, Cardiff; speaks at Cardiff Business Technology Centre, with Mr Grist; receives Defence of the Alamo Welsh Connections commemoration document, Cardiff, and visits Land Authority for Wales, Cardiff

DEM: Mr Cope attends She/Lloyds Bank Small Business Competition Awards, Durham; later signs ET contracts, Teeside

DEM: Mr Lee visits National Horseracing Museum, Newmarket and has dinner with BBC's Holiday programme

DEM: Mr Nicholls visits Yorks and Humberside (employment training)

DHSS: Mr Newton launches Child Sexual Abuse Video at the Royal Society of Medicine

DHSS: Mrs Currie meets National Council of Voluntary Child Care Organisation

DOE: Mr Waldegrave addresses the Hanover Housing Association in London

DOE: Mr Trippier visits Tower Hamlets and Greenwich

DOE: Mr Chope addresses PULSE conference, London

DOE Mrs Roe visits Cumbria (housing)

DTI: Mr Clark makes speech on Doing Business with the Soviet Union

DTp: Mr Bottomley visits National Breakdown Service, Leeds

DTp: Mr Mitchell opens the newly refurbished Battersea Arch, London

OAL: Mr Luce addresses Business Sponsorship Incentive Scheme reception, London

ODA: Mr Patten visits Mr P B Obeng, Chairman of Ghan's Committee of Secretaries, London

SO: Lord James Douglas-Hamilton attends opening of Ferranti's Display Systems department building by HRH The Princess Royal, South Gyle, Edinburgh

MINISTERS (PRESS INTERVIEWS)

DHSS: Mrs Currie lunches with John Carvel of The Guardian and Sheree Dodd of The Mirror

TV AND RADIO

- 'Today': BBC Radio 4 (06.30)
- 'Business Daily': Channel 4 (12.30)
- 'The Parliament Programme': Channel 4 (14.00)
- 'In Business': BBC Radio 4 (16.05) British money is forcing the pace of change in the Bordeaux wine business
- 'File on 4': BBC Radio 4 (19.20)
- 'Bandung File': Channel 4 (21.00)
- 'The Duty Men': BBC2 (21.25) The Night Shift at Dover
- 'The World Tonight': BBC Radio 4 (22.30) Followed by 'Financial World Tonight' and 'Today in Parliament'
- 'Newsnight': BBC2 (22.40)