

• PO-CH/NL/0561

PART A

Part A.

**CONFIDENTIAL**  
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Begins : 6/12/88 .  
Ends : 28/4/89 .

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PO - CH | NC | 0561 .  
PT.A.

Chancellor's (Lawson) papers:  
Treasury Parliamentary Business 1989.

DD'S: 25 Years

*D Anderson*

1/5/96 .

PO - CH | NC | 0561 .  
PT.A.

FROM: MARK CALL  
DATE: 6 DECEMBER 1988

*Pj*

CHANCELLOR

cc Chief Secretary  
Financial Secretary  
Paymaster General  
Economic Secretary  
Mr Gieve  
Miss Simpson  
Mr Hudson  
Mrs Chaplin  
Mr Tyrie

*Mark  
Allison  
P. Quirk*

TREASURY QUESTIONS

Question 13, about your discussions with the CBI, could be an opportunity for some of our own members to whinge about interest rates. In addition to any helpful CBI quotes it may prove possible to find, the attached might be helpful. In particular 9 out of 10 companies said that interest rate rises 'had not brought about any change in planned investment in plant and machinery'. I have requested a copy of the full survey results.

*Mc*

MARK CALL

ENC

# IOD DIRECT LINE

Institute of Directors

DECEMBER 1988

No. 69

## PROFITS STILL INCREASING – SURVEY REPORTS

# Business lives with higher interest rates

Interest rate rises during the summer are having little or no effect on the cash flow or investment plans of the majority of British companies, according to the latest IOD Business Opinion Survey.

Nearly half of the directors surveyed 46 per cent in the first two weeks of October, said the interest rate rises had not affected the cash flow problems of their companies at all and 35 per cent said they had been affected "a little".

Almost nine out of ten directors, 87 per cent, said the

rises had not brought about any change in planned investment in plant and machinery.

A third of the directors surveyed said the rises were likely to cause their companies to cut spending in some areas – mainly advertising, promotion, marketing and employment.

### Pay rises

But many directors believe the impact of high interest rates would increase pressure to improve competitiveness; 20 per cent of directors said they would increase pressure to limit wage rises and 18 per cent said it would cause com-

panies to seek productivity agreements.

Sir John Hoskyns, Director General of the IOD, said: "This survey provides strong evidence that businesses are able to live with the present high level of interest rates. It confirms the IOD's view that, unwelcome though this burden is, a period of higher interest rates is preferable to rising inflation with all the damage that would do to business confidence."

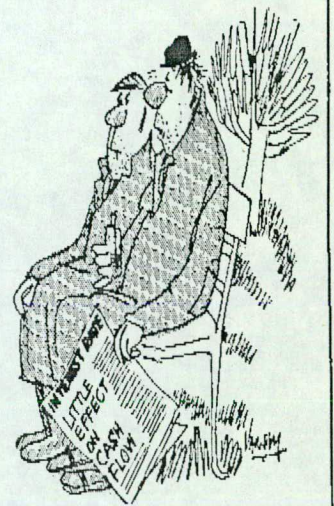
### Upward trend

On the business trend aspect of the survey, although 71 per cent of business leaders reported an upward trend in business volume and 63 per cent said profits were increasing, there has been a fall in optimism about the future prospects of their companies. Forty six per cent are "more optimistic" compared with 61 per cent six months ago.

Nevertheless, nine out of ten directors continue to consider their company to be doing well.

### Sharp decline

There has been a sharp decline in the level of optimism about the UK economy generally. Only 24 per cent of directors are "more optimistic" than they were six months ago while 29 per cent are "less optimistic" and 47 per cent feel "about the same."



"My cash flow was equally unaffected – the meths however remained sluggish"

Nearly half the directors surveyed – 49 per cent – still expect employment levels to rise in their companies over the next six months, but this represents a fall, from 54 per cent, in the IOD's August survey. Forty-one per cent of directors believe employment levels will remain static.

### IOD Brasserie

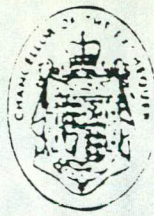
The IOD opens its stylish new Brasserie and Bar at its Pall Mall Business Centre on Wednesday 14 December.

Situated on the newly refurbished lower ground floor, the Brasserie will provide menus to suit all tastes at reasonable prices throughout the day from 7.30am to 10.30pm.

More news about the Brasserie is featured in this month's Director magazine.



Energy Minister Cecil Parkinson who was the guest speaker at the IOD Annual Dinner. Turn to Page 2.



*Handwritten signature*

Treasury Chambers, Parliament Street, SW1P 3AG

01-270 8000

cc CST  
FST  
Sir P Middleton  
Mr Monck  
Mr Burgner  
Mr Odling-Smee  
Mr Bottrill

15 February 1989

The Rt Hon John Wakeham MP  
Lord President of the Council  
Privy Council Office  
Whitehall  
LONDON  
SW1

Mr Burr  
Mr Ilett  
Mr Revolta  
Mr Halligan  
Mr Russell  
Mr Sharples  
Miss Simpson  
Ms Yule  
Ms Young

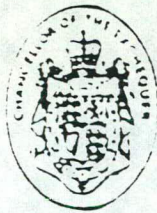
*Dear Lord President*

LEGISLATIVE PROGRAMME 1989-90: OPEN MARKETS BILL

I have seen David Young's letter of 15 February about his bids for next year's legislative programme.

I am writing to support strongly his bid on restrictive trade practices legislation. This will be a major supply-side reform, and a very high priority given the importance of an effective competition policy. As David points out, the Green Paper was issued nearly a year ago, and failure to legislate in the next session could be presented as a lack of commitment on our part to the removal of restrictive practices. It could also create serious difficulties for James Mackay's Courts and Legal Services Bill. The reforms that James proposes to the legal profession are very closely linked to the broader legislation on restrictive trade practices. If no RTP legislation were brought forward, it could be much easier for those who oppose his proposals to argue against the reform of the legal profession in isolation.

I hope therefore that you will be to accommodate the restrictive trade practices provisions of David's Open Markets Bill in the next session. I understand that the possibility has been floated of cutting down the Export Credit and Investment Guarantees Bill to a single clause on Fixed Rate Export Finance in order to make room for this. I would gladly support this, but on the clear understanding that the place of the single clause in the programme



remains secure. Otherwise we will forgo potential public expenditure savings building up to £40 million a year.

I am copying this letter to David Young, members of QL, and to Sir Robin Butler.

*V*  
*Miss Manton*

*[Handwritten signature]*

*ff* NIGEL LAWSON

*[Approval of the Chancellor -  
signed in his absence]*

EMW

FROM: MRS E M WISEMAN  
6 MARCH 1989

- 6/3
1. MR WHITE
  2. CHIEF SECRETARY

- cc Chancellor  
Sir P Middleton  
Mr Anson  
Miss Peirson  
Mrs Butler  
Mr Mowl  
Mr Dyer  
Mr Call

**PM QUESTIONS: SCOTLAND**

No 10 have asked for briefing for PM questions tomorrow on Scottish spending, following her reply to Mr Sillars on 2 March that "the amount spent per head in Scotland exceeds that spent in England and Wales" and Scottish revenue.

2. I attach a note covering spending, revenue and "Scottish" oil. Are you content for it to be forwarded to No 10?

EMWiseman

MRS E M WISEMAN

OK

\*

Ch/ Are you content for this to go over to No 10? They simply want a list of bull points to chuck at Mr Sillars; they don't want a defence of the Scottish over-provision.

CST is unable to comment as he is away.

DIS

## SPENDING IN SCOTLAND

Scotland has done very well under public expenditure arrangements for a great many years.

Last year (1987-88 - the latest figures which are available) Scotland received £2,676 of public spending per capita, nearly 25% more [actual 23.8%] than the UK average of £2,162.

### Specific Spending

Spending per head is higher across the whole range of programmes.

Results can readily be seen -

in HEALTH, spending is £527 per head in Scotland, compared with UK average of £429

the number of hospital beds, hospital doctors and dentists, nurses and midwives all substantially exceed level of provision in England, relative to population

in EDUCATION, spending is £478 per head in Scotland, compared with UK average of £367

the staff pupil ratios are lower

in HOUSING, spending is £131 per head compared with UK average of £64

where there is a larger amount of public sector housing than in England, and where rents are well below average English rents

in ROADS, spending is £123 per head compared with UK average of £105

the proportion of motorway and trunk roads in their system very significantly greater



## Scottish Revenue

Taxes and duties are collected on national basis, but such figures that are available show that, compared with total identifiable public expenditure in Scotland in 1987-88 of £13.7 billion, (that definition excludes spending on defence or overseas programmes) receipts for direct taxes and transfers abroad in 1987 were £6.4 billion. While this understates the Scottish contribution - because of indirect taxes - the gap remains very wide.

## "Scottish" Oil

No such thing - it is British Oil. And Britain has invested heavily in Scotland's future.

## Background

For all expenditure identifiable by territory in 1987-88  
(latest available data), each of territories had higher per capita level of expenditure than England.

	£ per capita	percentage of UK expenditure per head
England	2,062.6	95.4
Scotland	2,675.6	123.8
Wales	2,370.2	109.6
N. Ireland	3,097.2	143.3
UK average	2,161.6	100

Comparison with 1983-84 (earliest year for which we have consistent data)

England	1,642.5	95.7
Scotland	2,095.6	122.0
Wales	1,863.0	108.5
N Ireland	2,452.4	142.8
UK average	1,717.1	100



CH/EXCHEQUER 7/3	
REC.	7 MAR 1989
ADVISOR	CST, FST,
TO	PMG, EST

PRIVY COUNCIL OFFICE  
WHITEHALL, LONDON SW1A 2AT

6 March 1989

*pwp*

*Dear Geoffrey*

I thought I ought to let you know that the Speaker has raised some recent cases with me in which Ministerial speeches in the House have moved somewhat widely outside the scope of the debate. He has asked me, therefore, to alert colleagues to the need to observe the rules of Relevance and to ensure that these are borne in mind by officials when speech material is being prepared.

I am sure you would agree that we ought to steer clear of the risk of Ministers being called to order by the Chair. Such infringements give the Opposition the chance to score points against us and can distract attention from the main points we want to get across in debate or reduce their impact. And, of course, now that he has raised this with me, the Speaker and his Deputies will feel bound to intervene on future occasions if the problem recurs.

I am sure that you and your Departmental colleagues will bear this in mind when speaking in the House. And you may like to remind your officials that the Clerks in the House are always ready and willing to advise Private Secretaries and Parliamentary Clerks on this and other procedural matters.

I am writing a second letter to those colleagues whose speeches have been directly mentioned to me by the Speaker.

I am copying this letter to all colleagues in charge of Departments and to Tony Newton, with a copy for information to the Prime Minister, Patrick Mayhew, David Waddington and Sir Robin Butler.

*John Wakeham*  
*[Signature]*

JOHN WAKEHAM

The Rt Hon Sir Geoffrey Howe QC MP  
Secretary of State for Foreign and Commonwealth Affairs



FROM: Assistant Parliamentary Clerk  
DATE: 8 March 1989

01-270 5008

*mp*

PS/CHANCELLOR OF THE EXCHEQUER  
PS/CHIEF SECRETARY  
PS/FINANCIAL SECRETARY  
PS/PAYMASTER GENERAL  
PS/ECONOMIC SECRETARY

cc Mr Pickford - EB  
Miss Simpson - EB  
Mrs J Thorpe  
Nigel Forman MP

**FIRST ORDER QUESTIONS**

The Leader of the House of Commons announced in his Business Statement last Thursday that the House of Commons, subject to the progress of business, will rise for the Easter recess on 23 March and return on 4 April. Treasury's First Order Questions were due on 23 March at 9.30am, but today a sittings motion is being put to the House that no Question shall be taken on Thursday 23 March; on the assumption the Motion is passed, First Order will next be on Thursday 6 April. The Ministers participating should be the Chancellor, Chief Secretary, Financial Secretary and Economic Secretary.

2. The supporting Ministers' roster for future months is as follows:

6	April	FST	EST
4	May	PMG	EST
8	June	FST	PMG
6	July	FST	EST
3	August	PMG	EST

This may of course have to change to suit the convenience of Ministers or the Questions asked.

COLIN HUTSON



FROM: B O DYER  
DATE: 8 March 1989

01-270 4520

CHANCELLOR

cc Chief Secretary  
Financial Secretary  
Paymaster General  
Economic Secretary  
Mr J Gieve  
Mrs J Chaplin  
Mrs J Thorpe

**CABINET : THURSDAY 9 MARCH 1989**  
**PARLIAMENTARY AFFAIRS**

Following is the business, currently, proposed for the Commons next week:

Monday 13 March

2.30pm: Transport Questions  
3.30pm: Motion for the Easter Adjournment (Lord President)  
6.45pm: Remaining stages of the Consolidated Fund (No.2) Bill  
to (formal); followed by traditional all-night adjournment  
9.00am debates - subjects to be announced following ballot on 9  
March at 12 noon.

Tuesday 14 March

2.30pm: Employment Questions  
3.15pm: PMs Questions  
[3.30pm: Ten Minute Rule Bill : Mr Stern (Social Security Office)  
To be withdrawn]  
3.30pm: Budget Statement (followed by customary motion, under the  
PCT Act, to give provisional statutory effect to Budget  
proposals - to be put forthwith). The Leader of the  
Opposition will then reply and debates, founded on the  
Amendment of Law Resolution, will continue until 7pm.  
7.00pm: Opposed Private Business

Wednesday 15 March

2.30pm: Trade and Industry Questions  
3.30pm: Ten Minute Rule Bill : Mr R G Hughes (Safety in Children's  
Playgrounds)  
3.40pm to 10pm: Resumption of Budget Debates (Opposition will open  
- probably Mr John Smith - followed by the Chief  
Secretary. The Financial Secretary will wind up  
for the Government)



Thursday 16 March

2.30pm: MAFF Questions

3.15pm: PMs Questions

3.30pm: Business Statement

3.50pm to 10pm: Continuation of Budget Debates (Mr Tony Newton, Chancellor of the Duchy of Lancaster, will open for the Government with the Economic Secretary winding up)

Friday 17 March

9.30am: Private Members' Motions

1. Miss Joan Lestor ) subject to be announced
2. Mr Ian McCartney ) Security/Door Control Companies
3. Mr Henry McLeish ) subject to be announced

Monday 20 March

2.30pm: Welsh Questions

3.20pm: Civil Service Questions (Mr Luce)

3.30 to 10pm: Budget Debates, concluding day (Mr Norman Fowler, S of S for Emp, will open for the Government and the Chancellor of the Exchequer will wind up)

10pm: All the Budget Resolutions (incl. the Amendment of Law Resolution) will be taken and, in some cases, Voted upon. When all the Resolutions have been obtained the Financial Secretary will bring in the Finance Bill - ie 'Walk the Floor'.

B O DYER

PWP



FROM: Assistant Parliamentary Clerk

DATE: 10 March 1989

01-270 5007

**PS/CHANCELLOR**

cc PS/Chief Secretary  
PS/Financial Secretary  
PS/Paymaster General  
PS/Economic Secretary  
Mr Hibberd - EA1  
Mr Jones - PSP  
Ms O'Mara - MG  
Mr Pirie - FIM1  
Mr Seammen - Pay1  
Mr Gieve - IDT  
Mr Dyer

**FORTHCOMING TREASURY BUSINESS IN THE HOUSE OF LORDS**

You may wish to be aware that the current forthcoming Treasury business in the Lords is as follows:

**ORAL QUESTIONS**

**Monday 13 March** The Lord Grimond - To ask Her Majesty's Government whether it is still their policy to abolish inflation.

**Government Spokesman:** Lord Brabazon of Tara. EA1 in the lead

**Tuesday 14 March** The Lord Ezra - To ask Her Majesty's Government whether they consider that "the time is now very right indeed" for Britain to join the exchange rate mechanism of the European Monetary System as stated by Sir Leon Brittan in a public speech on 3rd March.

**Government Spokesman:** Lord Brabazon of Tara. MG in the lead.

**DEBATE**

**Monday 13 March** The Lord Oliver of Aylmerton - To move, That this House take note of the Report of the European Communities Committee on Compliance with Public Procurement Directives

(12th Report, 1987-88, HL Paper 72 )

**Government Spokesman:** Lord Brabazon of Tara. PSP in the lead.

TREASURY INTEREST QUESTIONS

Tuesday 14 March The Lord Dormand of Easington - To ask Her Majesty's Government what has been the cost to industry of the rise in base rates since March 1988.

Government Spokesman Lord Strathclyde. DTI in the lead.

Thursday 16 March The Lord Dormand of Easington - To ask Her Majesty's Government what was the deficit in trade in manufactured goods in 1988 with the European Community, and the rest of the world respectively.

Government Spokesman Lord Young. DTI in the lead.

Tuesday 21 March The Lord Airedale - To ask Her Majesty's Government whether, in view of the proximity of a late Easter to the May Day holiday, they will seek to implement the Easter Act 1928 whereby Easter would be confined within the first half of April.

Government Spokesman To be confirmed. Home Office in the lead.

*Mari Rogerson*  
MARI ROGERSON



Mr Speaker

14/5/59

1  
will speak  
from @ on a week  
balanced. App.

1 of the  
mem balanced  
14/5

**SUBSTITUTION OF A WRITTEN ANSWER**

THE HON. MEMBER FOR SEDGEFIELD RAISED A POINT OF ORDER LAST FRIDAY WHEN THE DEPUTY SPEAKER WAS IN THE CHAIR ABOUT THE SUBSTITUTION BY THE TREASURY AT ABOUT 7 p.m. LAST THURSDAY OF A NEW TEXT OF A WRITTEN REPLY, AFTER WHAT PURPORTED TO BE THE ORIGINAL REPLY HAD BEEN LODGED AT THE PROPER TIME - THAT IS 3.30 p.m. - EARLIER IN THE DAY. I UNDERSTAND THAT THE FACTS ARE NOT IN DISPUTE.

NEVERTHELESS I HAVE TO RULE THAT, IN THE WORDS OF MAY ON PAGE 345, "ANY ALTERATION [TO A WRITTEN ANSWER] MUST BE MADE ORALLY IN THE HOUSE BY THE MINISTER". THE TREASURY SHOULD NOT HAVE SOUGHT TO SUBSTITUTE A NEW ANSWER BY SENDING IT TO THE HON. MEMBER FOR SEDGEFIELD AT 7 p.m. I NOTE THAT THE FINANCIAL SECRETARY OFFERED HIS APOLOGIES WHEN THE MATTER WAS FIRST RAISED LAST FRIDAY.

FURTHERMORE THE REVISED ANSWERS SHOULD NOT HAVE BEEN ACCEPTED AND PRINTED BY THE OFFICIAL REPORT. I THEREFORE DIRECT THAT THE ORIGINAL ANSWERS SHOULD NOW BE PRINTED AND SHOULD APPEAR IN THE BOUND VOLUME."

I ALSO UNDERSTAND THAT THE HON. MEMBER FOR SEDGEFIELD WAS CONCERNED ABOUT THE INTERFERENCE WITH HIS MAIL ONCE IT HAD BEEN PLACED ON THE LETTER BOARD. NO DOUBT THE STAFF ON DUTY AT THE LETTER BOARD WERE SEEKING TO BE HELPFUL, BUT I HAVE TO SAY THAT THEY SHOULD NOT HAVE ALLOWED THE MAIL OF THE HON. MEMBER TO HAVE BEEN OPENED IN THE WAY IT APPARENTLY WAS.



FROM: B O DYER  
DATE: 14 March 1989

01-270 4520

**CHANCELLOR**

cc Chief Secretary  
Financial Secretary  
Paymaster General  
Economic Secretary  
Mr J Gieve  
Mrs J Chaplin  
Mrs J Thorpe

**CABINET : THURSDAY 16 MARCH 1989  
PARLIAMENTARY AFFAIRS**

Following is the business proposed for the Commons next week:

Monday 20 March

2.30pm: Welsh Questions

3.30pm: Civil Service Questions (Mr Luce)

3.30 to 10pm: Budget Debates, concluding day (Mr Norman Fowler, S of S for Emp, will open for the Government and the Chancellor of the Exchequer will wind up; the Opposition spokesmen are Bryan Gould and Gordon Brown)

10pm: All the Budget Resolutions (incl. the Amendment of Law Resolution) will be taken and, in some cases, Voted upon. When all the Resolutions have been obtained the Financial Secretary will bring in the Finance Bill - ie 'Walk the Floor'.

Tuesday 21 March

2.30pm: Health Questions

3.15pm: PMs Questions

3.30pm: Ten Minute Rule Bill - Ken Hargreaves: Empty Property and Community Aid

3.40pm: Water Bill: Report stage (1st day)

Wednesday 22 March

2.30pm: Environment Questions

3.30pm: Ten Minute Rule Bill - David Amess: British Nationality

3.40pm: Water Bill: Report stage (2nd day)

Thursday 23 March

9.30am: **Timed Adjournment Debates** - subjects to be announced.

3.30pm: **House rises for Easter Recess and returns on Tuesday, 4 April**

Tuesday 4 April

2.30pm: **Education and Science Questions**

3.15pm: **PMs Questions**

3.30pm: **Ten Minute Rule Bill - Harry Barnes: Re-enfranchisement of the People.**

3.40pm: **Water Bill: Conclusion of remaining stages.**



**B O DYER**



nmr2

CONFIDENTIAL

4327

*WZ*  
15.3

FROM: GINA HASKINS  
DATE: 15-Mar-89

1 MR M L WILLIAMS  
2 CHIEF SECRETARY

cc. Chancellor  
Financial Secretary  
Sir P Middleton  
Sir T Burns  
Mr Anson  
Mr Byatt  
Mr Wicks  
Mr Monck  
Mrs Lomax  
Mr Moore  
Mr Bent  
Mr Gieve  
Mr Holgate

*Protect  
(but check with Ch. X.  
please). f 15/3*

**PQ ON REQUIRED RATE OF RETURN**

Mr Blair has asked the Secretary of State for Energy two Parliamentary Questions, for written answer tomorrow, on the Required Rate of Return for the Central Electricity Generating Board (CEGB), and any possible increase in that rate. These are attached, along with the answer proposed by DEN. DEN Ministers have requested that the draft answer refer to the review of the Discount Rate/Required Rate of Return and the forthcoming announcement of the changed rate. Therefore it needs your approval.

2 An announcement of the change in the Discount Rate from 5 per cent to 8 per cent has been postponed until after Easter. Mr Byatt circulated a briefing document on 3 March. In addition, Mr Bush has agreed with Mr Byatt (minute to Mr Gieve of 8 March, copied to your Office) that if a leak of the proposed increase in the rate were to occur, the Government's line should be that proposed in DEN's draft answer.

3 DEN need a reply tomorrow morning. Having consulted Mr Byatt, Mr Monck and Mrs Lomax, I recommend that you agree to the draft.

*Gina Haskins*

GINA HASKINS

PQs FROM TONY BLAIR TO THE SECRETARY OF STATE FOR ENERGY FOR WRITTEN ANSWER ON 16 MARCH

1 To ask what is the current rate of return sought by the Central Electricity Generating Board on new capital investment

2 To ask by how much he has increased the rate of return of new capital investment by the CEGB and if he will make a statement.

DRAFT ANSWER

<sup>Current</sup>  
The required rate of return on new investment by nationalised industries is ~~currently~~ 5%. ~~This rate is at present under review, and an announcement will be made shortly.~~ } <sub>and</sub>



FROM: D I SPARKES  
DATE: 16 March 1989

PS/CHIEF SECRETARY

cc Financial Secretary  
Sir P Middleton  
Sir T Burns  
Mr Anson  
Mr Byatt  
Mr Wicks  
Mr Monck  
Mrs Lomax  
Mr Moore  
Mr Bent  
Mr Gieve  
Mr Holgate  
Mr Williams  
Miss Haskins

*jon p*

**PQ ON REQUIRED RATE OF RETURN**

The Chancellor has seen a copy of Miss Haskins' minute to the Chief Secretary of 15 March covering a draft reply to the Tony Blair PQs on the required rate of return for the Central Electricity Generating Board.

2. Following advice from Mr Gieve, the Chancellor would like the draft reply simply to state that "The current required rate of return on new investment by nationalised industries is 5 per cent".

*D.I.*

DUNCAN SPARKES

*pwp*



**FROM:** Assistant Parliamentary Clerk  
**DATE:** 17 March 1989

01-270 5007

**PS/CHANCELLOR**

cc PS/Chief Secretary  
PS/Financial Secretary  
PS/Paymaster General  
PS/Economic Secretary  
PS/IR  
Mr Mercer - EC2  
Mr Pirie - FIM1  
Mr Seammen - Pay1  
Mr Gieve - IDT  
Mr Dyer

*[Handwritten signature]*

**FORTHCOMING TREASURY BUSINESS IN THE HOUSE OF LORDS**

You may wish to be aware that the current forthcoming Treasury business in the Lords is as follows:

**DEBATE**

**Thursday 13 April** The Baroness Robson of Kiddington - To move, That this House takes note of the Report of the European Communities Committee on Fraud against the Community (5th Report, 1988-89, HL Paper 27)

**Government Spokesman:** Lord Belstead. EC2 in the lead.

**TREASURY INTEREST QUESTIONS**

**Tuesday 21 March** The Lord Airedale - To ask Her Majesty's Government whether, in view of the proximity of a late Easter to the May Day holiday, they will seek to implement the Easter Act 1928 whereby Easter would be confined within the first half of April.

**Government Spokesman** Lord Ferrers. Home Office in the lead.

**Thursday 23 March** The Earl of Shrewsbury - To ask Her Majesty's Government what is the effect on working pensioners of the abolition of the earnings rule.

**Government Spokesman** Lord Skelmersdale. DSS in the lead



Monday 3 April The Lord Jay - To ask Her Majesty's Government what was the balance of total visible trade between the United Kingdom and the rest of the European Community in 1987 and 1988.

Government Spokesman Lord Young. DTI in the lead

Monday 4 April The Lord Bruce-Gardyne - To ask Her Majesty's Government what has been the total cost to United Kingdom taxpayers of all forms of grant and subsidy paid to encourage inward investment by Japanese industry in the United Kingdom over the last 10 years.

Government Spokesman Lord Young. DTI in the lead.

*Mari Rogerson*  
MARI ROGERSON



*[Handwritten signature]*  
**FROM:** Assistant Parliamentary Clerk  
**DATE:** 17 March 1989

01-270 5008

**PRINCIPAL PRIVATE SECRETARY**  
**PS/CHIEF SECRETARY**  
**PS/FINANCIAL SECRETARY**  
**PS/ECONOMIC SECRETARY**

cc PS/Paymaster General  
Mr Pickford - EB  
Miss Simpson - EB  
PS/IR  
PS/Customs  
Parliamentary Section - IR  
Parliamentary Section - C&E  
See attached list of  
copy addresses  
  
Nigel Forman MP  
Tony Favell  
John Maples MP  
Michael Stern MP  
Gillian Shepherd MP  
Alan Howarth MP

**TREASURY FIRST ORDER QUESTIONS - THURSDAY 6 APRIL**

Attached is the Chancellor's allocation of Questions for Oral answer on Thursday 6 April between himself, the Chief Secretary, the Financial Secretary and the Economic Secretary. Questions in the area designated 'unlikely to be reached' that would have fallen naturally to the Paymaster General are allocated to him for reply.

2. Copies of this minute and attachment go to all Assistant Secretaries who have been sent Oral PQ folders so that answers may be (re)-drafted with the particular answering Minister in mind. Could the attached list of questions be sent to the relevant drafting officers.

3. Where possible could divisions please use the Officepower system.

*[Handwritten signature: C A Hutson]*  
**C A HUTSON**

TREASURY FIRST ORDER QUESTIONS : THURSDAY 6 APRIL 1989

1	La	Mr Stuart Randall (Kingston upon Hull West): To ask Mr Chancellor of the Exchequer, what percentage of the work force is currently participating in profit related pay schemes as defined by the Inland Revenue.	IR	+6 FST
2	C	Mr Conal Gregory (York): To ask Mr Chancellor of the Exchequer, what is the anticipated excise revenue on unleaded petrol for the current year; and if he will make a statement.	C+E	EST
3	C	Mr Colin Shepherd (Hereford): To ask Mr Chancellor of the Exchequer, what is his latest information on the investment intentions of British manufacturing industry.	MR HIBBERD EA1	+15 C/EX
4	La	Mr Tony Worthington (Clydebank and Milngavie): To ask Mr Chancellor of the Exchequer, what are interest rates in: (a) Britain and (b) the United States of America.	MR MELLISS IF2	+7 EST
5	La	Dr Norman A. Godman (Greenock and Port Glasgow): To ask Mr Chancellor of the Exchequer, what representations he has received on his Budget forecast for the balance of payments in 1989 and 1990.	MR O'DONNELL EA2	CST
6	La	Dr John Reid (Motherwell North): To ask Mr Chancellor of the Exchequer, what percentage of the work force is currently participating in profit related pay schemes as defined by the Inland Revenue.	IR	+1 FST
7	La	Mr Dennis Turner (Wolverhampton South-East): To ask Mr Chancellor of the Exchequer, what are interest rates in: (a) Britain and (b) Japan.	MR MELLISS IF2	+4 EST
8	La	Mr Norman Buchan (Paisley South): To ask Mr Chancellor of the Exchequer, how many members of the European Economic Community have inflation rates lower than that in the United Kingdom.	MR MELLISS IF2	+9 C/EX
9	La	Mr George Buckley (Hemsworth): To ask Mr Chancellor of the Exchequer, how many members of the European Economic Community have inflation rates lower than that in the United Kingdom.	MR MELLISS IF2	+8 C/EX
10	La	Mr Rhodri Morgan (Cardiff West): To ask Mr Chancellor of the Exchequer, if he will estimate the cost to the Exchequer of tax relief in relation to: (a) enterprise zones, (b) business expansion schemes and (c) personal equity plans.	IR	FST
11	C	Sir Trevor Skeet (North Bedfordshire): To ask Mr Chancellor of the Exchequer, what has been the change in the post-tax income of pensioners since 1979.	IR	CST
12	La	Mr John Garrett (Norwich South): To ask Mr Chancellor of the Exchequer, when he expects the balance of payments deficit will begin to fall as a percentage of gross domestic product.	MR O'DONNELL EA2	+17 C/EX
13	La	Mr John McFall (Dumbarton): To ask Mr Chancellor of the Exchequer, how much value-added tax was paid per annum by an average family in 1978-79; and what was the comparable figure in 1988-89.	MR MATTHEWS ETS	+14+18 EST
14	La	Mr Allen McKay (Barnsley West and Penistone): To ask Mr Chancellor of the Exchequer, how much value-added tax was paid per annum by an average family in 1978-79; and what was the comparable figure in 1988-89.	MR MATTHEWS ETS	+13+18 EST
15	C	Mr Michael Irvine (Ipswich): To ask Mr Chancellor of the Exchequer, what is his latest information on the investment intentions of British manufacturing industry.	MR HIBBERD EA1	+3 C/EX
16	C	Mr David Wilshire (Spelthorne): To ask Mr Chancellor of the Exchequer, when he next intends to forecast the rate of economic growth in 1989-90.	MR HIBBERD EA1	CST
17	La	Mr Sam Galbraith (Strathkelvin and Bearsden): To ask Mr Chancellor of the Exchequer, when he expects the balance of payments deficit will begin to fall as a percentage of gross domestic product.	MR O'DONNELL EA2	+12 C/EX
18	La	Mr William McKelvey (Kilmarnock and Loudoun): To ask Mr Chancellor of the Exchequer, how much value-added tax was paid per annum by an average family in 1978-79; and what was the comparable figure in 1988-89.	MR MATTHEWS ETS	+13+14 EST

19	La	Mr Ernie Ross (Dundee West): To ask Mr Chancellor of the Exchequer, if he will estimate the total amount of indirect taxes paid by a family on threequarters of average earnings.	MR MATTHEWS ETS	FST
20	La	Mr Nigel Griffiths (Edinburgh South): To ask Mr Chancellor of the Exchequer, how much his proposal for private medical insurance tax relief will cost in a full year.	IR	FST
21	DEM	Mr Matthew Taylor (Truro): To ask Mr Chancellor of the Exchequer, how much of the Budget surplus is attributable to asset sales.	MR MOWL PSF	CLEX
22	La	Mr Donald Coleman (Neath): To ask Mr Chancellor of the Exchequer, what are the current inflation rates in: (a) Britain and (b) other members of the Group of Seven.	MR MELLISS IF2	EST
23	C	Mr David Sumberg (Bury South): To ask Mr Chancellor of the Exchequer, what representations he has received from industrial organisations in connection with his recent Budget statement.	MR GILHOOLY FP	CST
24	DEM	Mr Archy Kirkwood (Roxburgh and Berwickshire): To ask Mr Chancellor of the Exchequer, what plans he has to further reduce the tax burden on the low paid.	MR GILHOOLY FP	FST
25	La	Mr George Howarth (Knowsley North): To ask Mr Chancellor of the Exchequer, which countries in the European Economic Community have a larger balance of payments deficit as a percentage of gross domestic product than the United Kingdom.	MR O'DONNELL EA2	CST
26	La	Mr Frank Field (Birkenhead): To ask Mr Chancellor of the Exchequer, if he will estimate when the balance of payments will return to surplus.	MR O'DONNELL EA2	CST
27	C	Mr John Watts (Slough): To ask Mr Chancellor of the Exchequer, what representations he has received on his Budget.	MR GILHOOLY FP	FST
28	La	Hilary Armstrong (North West Durham): To ask Mr Chancellor of the Exchequer, when he expects the inflation rate to fall below five per cent.	MR HIBBERD EA1	EST
29	C	Mr Michael Knowles (Nottingham East): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the extent of share ownership in Britain.	MR ILETT FIM2	FST
30	C	Mr Jeremy Hanley (Richmond and Barnes): To ask Mr Chancellor of the Exchequer, what representations he has received about the level of savings in the British economy.	MR DAVIES MPI	EST
31	C	Mr David Evennett (Erith and Crayford): To ask Mr Chancellor of the Exchequer, what has been the percentage increase in the real take home pay of a married man with two children on average male earnings from 1978-79 to 1988-89.	MR MATTHEWS ETS	FST
32	C	Mr Tony Baldry (Banbury): To ask Mr Chancellor of the Exchequer, what has been the fall in general Government expenditure, excluding privatisation proceeds, as a percentage of gross domestic product since 1982-83.	MRS BUTLER GEP3	CST
33	C	Mr John Butterfill (Bournemouth West): To ask Mr Chancellor of the Exchequer, what representations he has received about the introduction of independent taxation for husband and wife in April 1990.	IR	FST
34	C	Mr Timothy Wood (Stevenage): To ask Mr Chancellor of the Exchequer, what has been the percentage increase in British manufacturing productivity since 1979.	MR HIBBERD EA1	CST
35	La	Mr Paul Flynn (Newport West): To ask Mr Chancellor of the Exchequer, if he will estimate when the balance of payments will return to surplus.	MR O'DONNELL EA2	CST
36	La	Mr Alistair Darling (Edinburgh Central): To ask Mr Chancellor of the Exchequer, if he will estimate what the impact of his budget measures will be on the retail price index.	MR HIBBERD EA1	EST
37	La	Mr Martyn Jones (Clwyd South West): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the value of imports in the current financial year.	MR O'DONNELL EA2	CST
38	C	Mr Quentin Davies (Stamford and Spalding): To ask Mr Chancellor of the Exchequer, what representations he has received on his Budget.	MR GILHOOLY FP	FST

TREASURY FIRST ORDER QUESTIONS : THURSDAY 6 APRIL 1989

39	La	Mr Peter Hardy (Wentworth): To ask Mr Chancellor of the Exchequer, what is his estimate of the number of people who will pay income tax in 1989-90.	IR	FST
40	La	Mr George Galloway (Glasgow, Hillhead): To ask Mr Chancellor of the Exchequer, when he expects the balance of payments deficit will begin to fall as a percentage of gross domestic product.	MR O'DONNELL EA2	CST
41	La	Mr Norman Hogg (Cumbernauld and Kilsyth): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the balance of trade payments with respect to manufactured goods for the current financial year.	MR O'DONNELL EA2	CST
42	C	Mr Kenneth Hind (West Lancashire): To ask Mr Chancellor of the Exchequer, what has been the percentage increase in the real take-home pay of a married man with two children on half average male earnings from 1978-79 to 1988-89.	MR MATTHEWS <del>ETS</del>	ORDINARY WRITTEN 17.3.89
43	La	Mr Jack Thompson (Wansbeck): To ask Mr Chancellor of the Exchequer, what are interest rates in: (a) Britain and (b) United States of America.	MR MELLISS IF2	EST
44	La	Mr Robin Corbett (Birmingham, Erdington): To ask Mr Chancellor of the Exchequer, what are the current inflation rates in: (a) Britain and (b) other members of the Group of Seven.	MR MELLISS IF2	EST
45	La	Mr Kevin Barron (Rother Valley): To ask Mr Chancellor of the Exchequer, when he expects the inflation rate to fall below 5 per cent.	MR HIBBERD EA1	EST
46	C	Mr Michael Lord (Central Suffolk): To ask Mr Chancellor of the Exchequer, what are the latest figures for the weekly rate of net business start-ups in 1988.	MR BURR IAE3	CST
47	La	Mr Roland Boyes (Houghton and Washington): To ask Mr Chancellor of the Exchequer, how many members of the European Economic Community have inflation rates lower than that in the United Kingdom.	MR MELLISS IF2	EST
48	La	Mr Doug Henderson (Newcastle upon Tyne North): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the balance of trade payments with respect to manufactured goods for the current financial year.	MR O'DONNELL EA2	CST
49	La	Mr George Robertson (Hamilton): To ask Mr Chancellor of the Exchequer, if he will make a statement on interest rates.	MISS O'MARA MG1	EST
50	La	Mr Ron Leighton (Newham North East): To ask Mr Chancellor of the Exchequer, what proportion of their income people on three-quarters of average earnings were paying in total taxation: (a) in 1978-79 and (b) in 1988-89.	MR MATTHEWS ETS	FST
51	La	Mr Thomas McAvoy (Glasgow, Rutherglen): To ask Mr Chancellor of the Exchequer, what proportion of their income the average earner was paying in direct and indirect taxes in: (a) 1978-79 and (b) 1988-89.	MR MATTHEWS ETS	FST
52	C	Mr John Browne (Winchester): To ask Mr Chancellor of the Exchequer, what was the increase in the output measure of gross domestic product in the year to the fourth quarter of 1988.	MR HIBBERD EA1	CST
53	La	Mr David Winnick (Walsall North): To ask Mr Chancellor of the Exchequer, what representations he has received on the Budget.	MR GILHEOLY <del>FP</del>	WITHDRAWN
54	La	Mr Jeff Rooker (Birmingham, Perry Barr): To ask Mr Chancellor of the Exchequer, how much his proposal for private medical insurance tax relief will cost in a full year.	IR	FST
55	La	Mr Alun Michael (Cardiff South and Penarth): To ask Mr Chancellor of the Exchequer, if he will estimate the cost to the Exchequer of tax relief in relation to: (a) enterprise zones, (b) business expansion schemes and (c) personal equity plans.	IR	FST
56	DEM	Mr Simon Hughes (Southwark and Bermondsey): To ask Mr Chancellor of the Exchequer, by how much the average monthly mortgage repayment increased between March 1988 and March 1989.	IR	EST
57	La	Ms Harriet Harman (Peckham): To ask Mr Chancellor of the Exchequer, if he will make a statement on the current balance of payments deficit.	MR O'DONNELL EA2	CST

58	C	Mr Greg Knight (Derby North): To ask Mr Chancellor of the Exchequer, how many representations he has received from individual members of the public since his last Budget urging that taxation be increased.	MR GILHOOLY FP	FST
59	La	Mr Tom Cox (Tooting): To ask Mr Chancellor of the Exchequer, if he will estimate what the impact of his Budget measures on the retail price index will be.	MR HIBBERD EA1	EST
60	C	<del>Mr Peter Thurnham (Bolton North East): To ask Mr Chancellor of the Exchequer, what representations he has received about the introduction of independent taxation for husband and wife in April 1990.</del>	<del>IR</del>	PRIORITY WRITTEN 6.4.89
61	La	Mr Allan Roberts (Bootle): To ask Mr Chancellor of the Exchequer, what percentage of the work force is currently participating in profit related pay schemes as defined by the Inland Revenue.	IR	FST
62	La	Mr David Hinchliffe (Wakefield): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the balance of trade payments with respect to manufactured goods for the current financial year.	MR O'DONNELL EA2	CST
63	DEM	Mr James Wallace (Orkney and Shetland): To ask Mr Chancellor of the Exchequer, what representations he received before the Budget concerning reform of the system of national insurance contributions.	MR MCINTYRE ST1	CST
64	C	<del>Mr Nicholas Bennett (Pembroke): To ask Mr Chancellor of the Exchequer, if he will make a statement on the amount of inward investment to the United Kingdom in 1988.</del>	<del>MR HIBBERD EA1</del>	ORDINARY WRITTEN 17.3.89
65	La	Mr Eddie Loyden (Liverpool, Garston): To ask Mr Chancellor of the Exchequer, what proportion of their income people on three-quarter of average earnings were paying in total taxation: (a) in 1978-79 and (b) in 1988-89.	MR MATTHEWS ETS	FST
66	La	Mr John McAllion (Dundee East): To ask Mr Chancellor of the Exchequer, what proportion of their income the average earner was paying in direct and indirect taxes in: (a) 1978-79 and (b) 1988-89.	MR MATTHEWS ETS	FST
67	La	Mr Roger Stott (Wigan): To ask Mr Chancellor of the Exchequer, what are the interest rates in: (a) Britain and (b) Japan.	MR MELLISS IF2	EST
68	C	Mr Andrew Mitchell (Gedling): To ask Mr Chancellor of the Exchequer, what representations he has received about the level of the public sector debt repayment.	MR MOWL PSF	EST
69	C	<del>Mr Ian Taylor (Esher): To ask Mr Chancellor of the Exchequer, what are the latest figures he has for the growth in employee ownership among firms in the United Kingdom.</del>	<del>MR BEANT PE2</del>	ORDINARY WRITTEN 20.3.89
70	La	Mr Eric Illsley (Barnsley Central): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the value of imports in the current financial year.	MR O'DONNELL EA2	CST
71	C	Mr Christopher Gill (Ludlow): To ask Mr Chancellor of the Exchequer, what advice he has given to landowners regarding capital gains tax liability in respect of land made available at below market prices for the purpose of enabling the provision of low cost housing.	IR	FST
72	C	Mr Graham Riddick (Colne Valley): To ask Mr Chancellor of the Exchequer, what has been the change in charitable giving since 1979.	IR	FST
73	La	<del>Mr Tam Dalyell (Linlithgow): To ask Mr Chancellor of the Exchequer, if he will make a statement on recent progress by the International Monetary Fund and the World Bank on development loans to Brazil, relating to the power sector, and rain-forest.</del>	<del>TRANSFERRED TO FCO</del>	<del>X</del>
74	DEM	Mr A. J. Beith (Berwick upon Tweed): To ask Mr Chancellor of the Exchequer, if he will make a statement about the estimated effect of the Budget proposals on inflation.	MR DAVIES MPI	EST
75	La	Mr Ken Eastham (Manchester, Blackley): To ask Mr Chancellor of the Exchequer, if he will estimate the impact of the public sector price rises announced for April on the retail price index.	MR HIBBERD EA1	EST

TREASURY FIRST ORDER QUESTIONS : THURSDAY 6 APRIL 1989

76	La	Mr Ronnie Campbell (Blyth Valley): To ask Mr Chancellor of the Exchequer, if he will now revise the rate of inflation predicted in his Budget statement.	MR HIBBERD EA1	EST
77	La	Mr Ian McCartney (Makerfield): To ask Mr Chancellor of the Exchequer, what proportion of their income was the average earner paying in direct and indirect taxes in: (a) 1978-79 and (b) 1988-89.	MR MATTHEWS ETS	FST
78	La	Mr Brian Wilson (Cunninghame North): To ask Mr Chancellor of the Exchequer, what are the interest rates in: (a) Britain and (b) Germany.	MR MELLISS IF2	EST
79	C	Mr Charles Wardle (Bexhill and Battle): To ask Mr Chancellor the Exchequer, what are the latest figures for the weekly rate of net business start-ups in 1988.	MR BURR IAE3	CST
80	C	Mr James Paice (South East Cambridgeshire): To ask Mr Chancellor of the Exchequer, what is his latest information on the investment intentions of British manufacturing industry.	MR HIBBERD EA1	CST
81	C	Mr Richard Holt (Langbaugh): To ask Mr Chancellor of the Exchequer, what estimate he has of the number of amateur sports clubs which pay value-added tax on collections to provide refreshments; whether he has any proposals to abolish this requirement; and what information he has as to whether this requirement obtains in other EEC countries.	C+E	EST
82	La	Mr Barry Sheerman (Huddersfield): To ask Mr Chancellor of the Exchequer, what was his original forecast for the take-up of PEP schemes; and what is his latest estimate of the number of existing schemes.	IR	FST
83	C	Mr Malcolm Moss (North East Cambridgeshire): To ask Mr Chancellor of the Exchequer, what has been the change in the post-tax income of pensioners since 1979.	IR	FST
84	La	Mr Giles Radice (Durham North): To ask Mr Chancellor of the Exchequer, what percentage of the work force is currently participating in profit related pay schemes as defined by the Inland Revenue.	IR	FST
85	La	Dr Lewes Moonie (Kirkcaldy): To ask Mr Chancellor of the Exchequer, if he will estimate the cost to the Exchequer of tax relief in relation to: (a) enterprise zones, (b) business expansion schemes and (c) personal equity plans.	IR	FST
86	C	Mr Tim Smith (Beaconsfield): To ask Mr Chancellor of the Exchequer, when he last met his counterparts in the Group of Seven; and what was discussed.	MR MELLISS IF2	EST
87	La	Mr John Battle (Leeds West): To ask Mr Chancellor of the Exchequer, when he next intends to revise his budget forecast for inflation for 1989-90.	MR HIBBERD EA1	EST
88	La	Mr Mark Fisher (Stoke on Trent Central): To ask Mr Chancellor of the Exchequer, if he will estimate when the balance of payments will return to surplus.	MR O'DONNELL EA2	CST
89	C	Mr David Amess (Basildon): To ask Mr Chancellor of the Exchequer, what representations he has received since his Budget statement of zero rating hospital radio equipment.	C+E	EST
90	C	Mr Douglas French (Gloucester): To ask Mr Chancellor of the Exchequer, if he will give the average annual increase in the retail price index for the period 1974 to 1979 and for the most recent five year period for which figures are available.	MR HIBBERD EA1	EST
91	C	Mr Roger Knapman (Stroud): To ask Mr Chancellor of the Exchequer, when he next intends to forecast the rate of economic growth in 1989-90.	MR HIBBERD EA1	CST
92	C	Mr William Powell (Corby): To ask Mr Chancellor of the Exchequer, what has been the percentage increase in British manufacturing productivity since 1979.	MR HIBBERD EA1	CST
93	C	Mr Julian Brazier (Canterbury): To ask Mr Chancellor of the Exchequer, when he last met his counterparts in the Group of Seven; and what was discussed.	MR MELLISS IF2	EST
94	La	Mr Calum Macdonald (Western Isles): To ask Mr Chancellor of the Exchequer, what proportion of their income the average earner was paying in direct and indirect taxes in: (a) 1978-79 and (b) 1988-89.	MR MATTHEWS ETS	FST

TREASURY FIRST ORDER QUESTIONS : THURSDAY 6 APRIL 1989

95	C	Mr David Knox (Staffordshire Moorlands): To ask Mr Chancellor of the Exchequer, what effect current interest rates are having on the balance of trade.	MR DAVIES MPI	WITHDRAWN
96	La	Mr Win Griffiths (Bridgend): To ask Mr Chancellor of the Exchequer, if he will make a statement on the current balance of payments deficit.	MR O'DONNELL EA2	CST
97	La	Mr Greville Janner (Leicester West): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the value of imports in the current financial year.	MR O'DONNELL EA2	CST
98	C	Mr David Ashby (North West Leicestershire): To ask Mr Chancellor of the Exchequer, if he will list all the taxes which have been abolished since 1979.	MR GILHOOLY FP	FST
99	La	Mr John Cummings (Easington): To ask Mr Chancellor of the Exchequer, if he will now revise the rate of inflation predicted in his budget statement.	MR HIBBERD EA1	EST
100	La	Mr Jim Cousins (Newcastle upon Tyne Central): To ask Mr Chancellor of the Exchequer, if he will make a statement on sterling exchange rate movements since the budget.	MISS O'MARA MG1	EST
101	C	Mr Martin Brandon-Bravo (Nottingham South): To ask Mr Chancellor of the Exchequer, what representations he has received about the level of the public sector debt repayment.	MR MOWL PSF	EST
102	C	Mr Harry Greenway (Ealing North): To ask Mr Chancellor of the Exchequer, what was the public sector borrowing requirement 5, 10, 15 and 20 years ago; and if he will make a statement.	MR MOWL PSF	EST
103	La	Mr Robert Hughes (Aberdeen North): To ask Mr Chancellor of the Exchequer, which countries in the EEC have a larger balance of payments deficit as a percentage of gross domestic product than the United Kingdom.	MR O'DONNELL EA2	CST
104	C	Mr Michael Latham (Rutland and Melton): To ask Mr Chancellor of the Exchequer, if he will make a statement on the level of interest rates since the budget.	MISS O'MARA MG1	EST
105	C	Mr John L. Marshall (Hendon South): To ask Mr Chancellor of the Exchequer, if he will make a statement about the trends in productivity in British Industry.	MR HIBBERD EA1	ORDINARY WRITTEN 17.3.89
106	La	Mr George Foulkes (Carrick, Cumnock and Doon Valley): To ask Mr Chancellor of the Exchequer, when he expects the balance of payments deficit will begin to fall as a percentage of gross domestic product.	MR O'DONNELL EA2	CST
107	La	Joan Walley (Stoke on Trent North): To ask Mr Chancellor of the Exchequer, what are the interest rates in: (a) Britain and (b) Japan.	MR MELLISS IF2	EST
108	La	Mr John Home Robertson (East Lothian): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the balance of trade payments with respect to manufactured goods for the current financial year.	MR O'DONNELL EA2	CST
109	C	Dr Ian Twinn (Edmonton): To ask Mr Chancellor of the Exchequer, what has been the percentage increase in British manufacturing productivity since 1979.	MR HIBBERD EA1	CST
110	La	Mr Frank Doran (Aberdeen South): To ask Mr Chancellor of the Exchequer, if he will estimate what will be the impact of his Budget measures on the retail price index.	MR HIBBERD EA1	EST
111	La	Ms Joyce Quin (Gateshead East): To ask Mr Chancellor of the Exchequer, what would have been the cost of increasing child benefit in line with earnings in each of the last two years.	TRANSFERRED TO DSS	X
112	La	Mr Doug Hoyle (Warrington North): To ask Mr Chancellor of the Exchequer, which countries in the EEC have a larger balance of payments deficit as a percentage of gross domestic product than the United Kingdom.	MR O'DONNELL EA2	CST
113	C	Mr Barry Field (Isle of Wight): To ask Mr Chancellor of the Exchequer, if he will list those areas of public employment for which there is no funded pension scheme; if he will tabulate the liabilities of current funding by category, type, Ministry and any other appropriate description; and if he will list those industries that have been privatised whose employees now have a funded pension scheme.	MR DIXON S	PMG



114	C	Dr Michael Clark (Rochford): To ask Mr Chancellor of the Exchequer, what has been the average annual rate of growth over the last seven years for which figures are available.	MR HIBBERD EA1	CST
115	La	Gerry Steinberg (City of Durham): To ask Mr Chancellor of the Exchequer, how much his proposal for private medical insurance tax relief will cost in a full year.	IR	FST
116	La	Mr Robert N. Wareing (Liverpool, West Derby): To ask Mr Chancellor of the Exchequer, what are the interest rates in: (a) Britain and (b) Germany.	MR MELLISS IF2	EST
117	C	Mr Simon Coombs (Swindon): To ask Mr Chancellor of the Exchequer, when he last met his counterparts in the Group of Seven; and what was discussed.	MR MELLISS IF2	EST
118	La	Mr Stuart Bell (Middlesbrough): To ask Mr Chancellor of the Exchequer, what representations he has received in the light of his Budget statement of future forecasts for inflation.	MR HIBBERD EA1	EST
119	La	<del>Mr Dave Nellist (Coventry South East): To ask Mr Chancellor of the Exchequer, what would have been the cost of increasing child benefit in line with earnings in each of the last two years.</del>	<del>TRANSFERRED TO DSS</del>	<del>X</del>
120	La	<del>Mr Robert Parry (Liverpool, Riverside): To ask Mr Chancellor of the Exchequer, what would have been the cost of increasing child benefit in line with earnings in each of the last two years.</del>	<del>TRANSFERRED TO DSS</del>	<del>X</del>
121	La	Mr Allan Rogers (Rhondda): To ask Mr Chancellor of the Exchequer, if he will make a statement on interest rates.	MISS O'MARA MG1	EST
122	C	Mrs Maureen Hicks (Wolverhampton North East): To ask Mr Chancellor of the Exchequer, if he will list the major businesses which have been privatised since 1979.	MR BENT PE2	FST
123	La	Mr Gareth Wardell (Gower): To ask Mr Chancellor of the Exchequer, what are the interest rates in: (a) Britain and (b) Germany.	MR MELLISS IF2	EST
124	La	Mr Harry Cohen (Leyton): To ask Mr Chancellor of the Exchequer, when he now expects to achieve his target for inflation of zero per cent.	MR HIBBERD EA1	EST
125	C	<del>Mr Robert Adley (Christchurch): To ask Mr Chancellor of the Exchequer, if he will now revise the Ryrie Rules; and if he will make a statement.</del>	<del>MR MAXWELL GEPL</del>	<del>ORDINARY WRITTEN 17.3.89</del>
126	La	Clare Short (Birmingham, Ladywood): To ask Mr Chancellor of the Exchequer, what percentage of those investing with personal equity plan schemes are higher rate taxpayers.	IR	FST
127	C	Mr Jack Aspinwall (Wandsdyke): To ask Mr Chancellor of the Exchequer, what has been the average annual rate of growth over the last seven years for which figures are available.	MR HIBBERD EA1	CST
128	La	<del>Mr John Evans (St. Helens North): To ask Mr Chancellor of the Exchequer, what the personal allowance for a married man would be increased in line with earnings in each year since 1979.</del>	<del>TR</del>	<del>ORDINARY WRITTEN 17.3.89</del>
129	C	Mr Edward Leigh (Gainsborough and Horncastle): To ask Mr Chancellor of the Exchequer, if he will make a statement on the expected rate of growth this year of the United Kingdom economy.	MR HIBBERD EA1	CST
130	C	Mr Lewis Stevens (Nuneaton): To ask Mr Chancellor of the Exchequer, what has been the percentage increase in British manufacturing productivity since 1979.	MR HIBBERD EA1	CST
131	C	Mr David Nicholson (Taunton): To ask Mr Chancellor of the Exchequer, what has been the percentage increase in the real take home pay of a married man with two children on average male earnings from 1978-79 to 1988-89.	MR MATTHEWS ETS	FST
132	La	Mr Ken Livingstone (Brent East): To ask Mr Chancellor of the Exchequer, what proportion of their income people on three quarters of average earnings were paying in total taxation: (a) in 1978-79 and (b) in 1988-89.	MR MATTHEWS ETS	FST

TREASURY FIRST ORDER QUESTIONS : THURSDAY 6 APRIL 1989

133	C	Mr Irvine Patnick (Sheffield, Hallam): To ask Mr Chancellor of the Exchequer, when he expects the review into the viability of relocating Inland Revenue staff out of London to be completed; and if he will make a statement.	MR GILHOOLY FP	PMG
134	La	Mr Bruce Grocott (The Wrekin): To ask Mr Chancellor of the Exchequer, if he will make a statement on the current balance of payments deficit.	MR O'DONNELL EA2	CST
135	C	Mr Alistair Burt (Bury North): To ask Mr Chancellor of the Exchequer, what has been the average annual rate of growth over the last seven years for which figures are available.	MR HIBBERD EA1	CST
136	La	Mr Thomas Graham (Renfrew West and Inverclyde): To ask Mr Chancellor of the Exchequer, when he expects the inflation rate to fall below five per cent.	MR HIBBERD EA1	EST
137	La	Mildred Gordon (Bow and Poplar): To ask Mr Chancellor of the Exchequer, if he will make a statement on the current balance of payments deficit.	MR O'DONNELL EA2	CST
138	C	Mr Tim Janman (Thurrock): To ask Mr Chancellor of the Exchequer, what has been the percentage increase in the real take home pay of a married man with two children on half average male earnings from 1978-79 to 1988-89.	MR MATTHEWS ETS	FST
139	La	Mr Tom Clarke (Monklands West): To ask Mr Chancellor of the Exchequer, when he expects to achieve his target for inflation of zero per cent.	MR HIBBERD EA1	EST
140	La	Mr Richard Caborn (Sheffield Central): To ask Mr Chancellor of the Exchequer, how many members of the European Economic Community have inflation rates lower than that in the United Kingdom.	MR MELLISS IF2	EST
141	La	Mr Keith Vaz (Leicester East): To ask Mr Chancellor of the Exchequer, what are the interest rates in: (a) Britain and (b) Japan.	MR MELLISS IF2	EST
142	La	Mr Dick Douglas (Dunfermline West): To ask Mr Chancellor of the Exchequer, if he will estimate the impact of the public sector price rises announced for April on the retail price index.	MR HIBBERD EA1	EST
143	C	<del>Mr Michael Jack (Fylde): To ask Mr Chancellor of the Exchequer, what representations he has received about the level of savings in the British economy.</del>	<del>MR DAVIES MPI</del>	<del>ORDINARY WRITTEN 17.3.89</del>
144	C	Mr Alistair Goodlad (Eddisbury): To ask Mr Chancellor of the Exchequer, when he next intends to forecast the rate of economic growth in 1989-90.	MR HIBBERD EA1	CST
145	La	Mr Jeremy Corbyn (Islington North): To ask Mr Chancellor of the Exchequer, what action he is taking to prevent the International Monetary Fund imposing conditions on loans to indebted countries which may harm the poorest people in those countries.	MR WALSH IF1	EST
146	La	Mr A. E. P. Duffy (Sheffield, Attercliffe): To ask Mr Chancellor of the Exchequer, if he will estimate the impact of the public sector price rises announced for April on the retail price index.	MR HIBBERD EA1	EST
147	C	Mr Andy Stewart (Sherwood): To ask Mr Chancellor of the Exchequer, what representations he has received about the introduction of independent taxation for husband and wife in April 1990.	IR	FST
148	La	Mr Henry McLeish (Fife Central): To ask Mr Chancellor of the Exchequer, if he will make a statement on interest rates.	MISS O'MARA MG1	EST
149	C	Mrs Teresa Gorman (Billericay): To ask Mr Chancellor of the Exchequer, what representations he has received about the level of savings in the British economy.	MR DAVIES MPI	EST
150	La	Mr Roy Hughes (Newport East): To ask Mr Chancellor of the Exchequer, if he will make a statement on interest rates.	MISS O'MARA MG1	EST
151	C	Mr Nicholas Baker (North Dorset): To ask Mr Chancellor of the Exchequer, what will be the effect of his Budget proposals upon those on lower incomes.	MR GILHOOLY FP	FST
152	La	Mr Derek Fatchett (Leeds Central): To ask Mr Chancellor the Exchequer, if he will estimate the impact of the public sector price rises announced for April on the retail price index.	MR HIBBERD EA1	EST

TREASURY FIRST ORDER QUESTIONS : THURSDAY 6 APRIL 1989

153	C	Mr Michael Colvin (Romsey and Waterside): To ask Mr Chancellor of the Exchequer, when he last met representatives of the General Aviation and Manufacturers Association; and what was discussed.	C/E	EST
154	La	Mr Peter Snape (West Bromwich East): To ask Mr Chancellor of the Exchequer, how much his proposal for private medical insurance tax relief will cost in a full year.	IR	FST
155	La	Mr Ron Brown (Edinburgh, Leith): To ask Mr Chancellor of the Exchequer, if he has received recent representations from the Confederation of British Industry about inflation; and if he will make a statement.	MR HIBBERD EAI	CST
156	La	Mr Michael J. Martin (Glasgow, Springburn): To ask Mr Chancellor of the Exchequer, if he will estimate how much the top one per cent. of tax units paid in tax in 1988-89 and how much would this group have paid had the 1987-88 tax levels remained unchanged except for indexing.	IR	FST
157	La	Mr David Marshall (Glasgow, Shettleston): To ask Mr Chancellor of the Exchequer, if he will estimate how much the top one per cent. of tax units paid in tax in 1988-89 and how much would this group have paid had the 1987-88 tax levels remained unchanged except for indexing.	IR	FST
158	C	Mr Derek Conway (Shrewsbury and Atcham): To ask Mr Chancellor of the Exchequer, what has been the change in charitable giving since 1979.	IR	FST
159	La	Mr Paul Murphy (Torfaen): To ask Mr Chancellor of the Exchequer, what would have been the cost of increasing child benefit in line with earnings in each of the last two years.	TRANSFERRED TO DSS	X
160	C	Mr Cecil Franks (Barrow and Furness): To ask Mr Chancellor of the Exchequer, if he will list all the taxes which have been abolished since 1979.	MR GILHOOLY FP	FST
161	C	Mr Richard Shepherd (Aldridge-Brownhills): To ask Mr Chancellor of the Exchequer, if he will make a statement on the rates of inflation for the United Kingdom from 1986 to 1989 and on the Organisation for Economic Co-operation and Development average for 1986 to 1989.	MR MELLISS IFZ	EST
162	La	Mr Andrew Smith (Oxford East): To ask Mr Chancellor of the Exchequer, what percentage of those investing with personal equity plan schemes are higher rate taxpayers.	IR	FST
163	C	Sir David Price (Eastleigh): To ask Mr Chancellor of the Exchequer, if he will list all the taxes which have been abolished since 1979.	MR GILHOOLY FP	FST
164	C	Mr Hugh Dykes (Harrow East): To ask Mr Chancellor of the Exchequer, if he is now in a position to decide the right moment for the United Kingdom to effect full membership of the European Monetary System.	MISS O'MARA M61	EST
165	La	Alice Mahon (Halifax): To ask Mr Chancellor of the Exchequer, if he will estimate how much the top one per cent. of tax units paid in tax in 1988-89; and how much this group would have paid had the 1987-88 tax levels remained unchanged except for indexing.	IR	FST
166	C	Mr Jerry Hayes (Harlow): To ask Mr Chancellor of the Exchequer, what has been the fall in general Government expenditure, excluding privatisation proceeds, as a percentage of gross domestic product since 1982-83.	MRS BUTLER GEP3	CST
167	C	Mr Roger King (Birmingham, Northfield): To ask Mr Chancellor of the Exchequer, what has been the average annual rate of growth over the last seven years for which figures are available.	MR HIBBERD EAI	CST
168	La	Mr Gavin Strang (Edinburgh East): To ask Mr Chancellor of the Exchequer, what is his estimate of the level of industrial investment in the last year; and what change he expects in investment in the current year.	MR HIBBERD EAI	CST
169	La	Mrs Ann Clwyd (Cynon Valley): To ask Mr Chancellor of the Exchequer, when he now expects to achieve his target for inflation of zero per cent.	MR HIBBERD EAI	EST

TREASURY FIRST ORDER QUESTIONS : THURSDAY 6 APRIL 1989

170	C	Mr Teddy Taylor (Southend East): To ask Mr Chancellor of the Exchequer, if he will raise at the next meeting of the Council of Finance Ministers the issues set out in the Court of Auditors Report; and if he will make a statement.	MRS BROWN EC1	PMG
171	La	Mr Eric Martlew (Carlisle): To ask Mr Chancellor of the Exchequer, if he will estimate the cost to the Exchequer of tax relief in relation to: (a) enterprise zones, (b) business expansion schemes and (c) personal equity plans.	IR	FST
172	C	Mr Tony Marlow (Northampton North): To ask Mr Chancellor of the Exchequer, what representations he has received on his Budget.	MR GILHOOLY FP	FST
173	La	Mr Ted Leadbitter (Hartlepool): To ask Mr Chancellor of the Exchequer, what proportion of their income people on three quarters of average earnings were paying in total taxation in: (a) 1978-79 and (b) 1988-89.	MR MATTHEWS ETS	FST
174	C	Mr David Tredinnick (Bosworth): To ask Mr Chancellor of the Exchequer, what was the growth of real personal disposable income between the third quarter of 1987 and the third quarter of 1988.	MR HIBBERD EAI	FST
175	C	Mr Anthony Nelson (Chichester): To ask Mr Chancellor of the Exchequer, what has been the change in the post-tax income of pensioners since 1979.	IR	FST
176	C	Mr William Hague (Richmond): To ask Mr Chancellor of the Exchequer, what has been the fall in general Government expenditure, excluding privatisation proceeds, as a percentage of gross domestic product since 1982-83.	MRS BUTLER GEP3	CST
177	C	Mr Nicolas Soames (Crawley): To ask Mr Chancellor of the Exchequer, what is his latest information on the investment intentions of British manufacturing industry.	MR HIBBERD EAI	CST
178	La	<del>Mr Graham Allen (Nottingham North): To ask Mr Chancellor of the Exchequer, if he will visit the Nottingham North constituency to explain the consequences of his Budget.</del>	<del>MR GILHOOLY FP</del>	<del>ORDINARY WRITTEN 17.3.89</del>
179	La	<del>Mr Dennis Skinner (Bolsover): To ask Mr Chancellor of the Exchequer, what the personal allowance for a married man would be now if increased in line with earnings in each year since 1979.</del>	<del>IR</del>	<del>ORDINARY WRITTEN 17.3.89</del>
180	C	<del>Mr Phillip Oppenheim (Amber Valley): To ask Mr Chancellor of the Exchequer, what was the rate of economic growth for the latest year for which figures are available.</del>	<del>MR HIBBERD EAI</del>	<del>WITHDRAWN</del>
181	La	Joan Ruddock (Lewisham, Deptford): To ask Mr Chancellor of the Exchequer, what was his original forecast for the take-up of personal equity plan schemes; and what is his latest estimate of the number of existing schemes.	IR	FST
182	C	Mr Andrew Rowe (Mid Kent): To ask Mr Chancellor of the Exchequer, what representations he has received about the introduction of independent taxation for a husband and wife in April 1990.	IR	FST
183	La	Mr Ron Davies (Caerphilly): To ask Mr Chancellor of the Exchequer, if he will estimate what the impact of his Budget measures on the retail price index will be.	MR HIBBERD EAI	EST
184	C	<del>Mr David Evans (Welwyn, Hatfield): To ask Mr Chancellor of the Exchequer, what has been the increase over the last two years for which figures are available in: (a) the number of customs staff engaged in the prevention and detection of drug smuggling and (b) the quantity of class A drugs seized due to the work of the Customs and Excise Department.</del>	<del>CTE</del>	<del>WITHDRAWN</del>
185	La	Mr Lawrence Cunliffe (Leigh): To ask Mr Chancellor of the Exchequer, if he will now revise the rate of inflation predicted in his Budget statement.	MR HIBBERD EAI	EST
186	C	Mr Robert G. Hughes (Harrow West): To ask Mr Chancellor of the Exchequer, what has been the percentage increase in the real take home pay of a married man with two children on half average male earnings from 1978-79 to 1988-89.	MR MATTHEWS ETS	FST
187	C	Mr Tim Boswell (Daventry): To ask Mr Chancellor of the Exchequer, if he will list all the taxes which have been abolished since 1979.	MR GILHOOLY FP	FST

TREASURY FIRST ORDER QUESTIONS : THURSDAY 6 APRIL 1989

188	C	Mr Patrick McNair-Wilson (New Forest): To ask Mr Chancellor of the Exchequer, what was the growth of real personal disposable income between the third quarter of 1987 and the third quarter of 1988.	MR HIBBERD EA1	FST
189	La	Mr Max Madden (Bradford West): To ask Mr Chancellor of the Exchequer, if he will estimate how much the top one per cent. of tax units paid in tax in 1988-89, and how much would this group have paid had the 1987-88 tax levels remained unchanged except for indexing.	IR	FST
190	C	Mr Gerald Bowden (Dulwich): To ask Mr Chancellor of the Exchequer, what was the percentage increase in 1987 in the net real rate of return for non-North Sea industrial and commercial companies.	MR O'DONNELL EA2	CST
191	La	Mr Allen Adams (Paisley North): To ask Mr Chancellor of the Exchequer, if he will now revise the rate of inflation predicted in his Budget statement.	MR HIBBERD EA1	EST
192	C	Dame Peggy Fenner (Medway): To ask Mr Chancellor of the Exchequer, what are the latest figures for the weekly rate of net business start-ups in 1988.	MR BURE IAE3	CST
193	C	<del>Mr Tim Rathbone (Lewes): To ask Mr Chancellor of the Exchequer, what the value of vehicle excise duty in the current financial year will be.</del>	TRANSFERRED DTP	X
194	C	Mr Neil Hamilton (Tatton): To ask Mr Chancellor of the Exchequer, what was the growth of real personal disposable income between the third quarter of 1987 and the third quarter of 1988.	MR HIBBERD EA1	FST
195	C	Mr Patrick McLoughlin (West Derbyshire): To ask Mr Chancellor of the Exchequer, if he will list the major businesses which have been privatised since 1979.	MR BENT PE2	FST
196	C	Mr David Davies (Boothferry): To ask Mr Chancellor of the Exchequer, what representations he has received about the level of the public sector debt repayment.	MR MOWL PSF	EST
197	La	Mr David Lambie (Cunninghame South): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the value of imports in the current financial year.	MR O'DONNELL EA2	CST
198	C	Mr John Hannam (Exeter): To ask Mr Chancellor of the Exchequer, if he will list the major businesses which have been privatised since 1979.	MR BENT PE2	FST
199	La	Maria Fyfe (Glasgow, Maryhill): To ask Mr Chancellor of the Exchequer, what are interests rates in: (a) Britain and (b) the United States of America.	MR MELLISS IF2	EST
200	C	Mr Matthew Carrington (Fulham): To ask Mr Chancellor of the Exchequer, what representations he has received about the level of savings in the British economy.	MR DAVIES MPI	EST
201	C	Mr David Martin (Portsmouth South): To ask Mr Chancellor of the Exchequer, what representations he has received on his Budget.	MR GILHOLLY FP	FST
202	C	<del>Mr Anthony Coombs (Wyre Forest): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the extent of share ownership in Britain.</del>	MR ILETT FIM2	WITHDRAWN
203	C	Mr Dudley Fishburn (Kensington): To ask Mr Chancellor of the Exchequer, when he last met his counterparts in the Group of Seven; and what was discussed.	MR MELLISS IF2	EST
204	C	Mr James Cran (Beverley): To ask Mr Chancellor of the Exchequer, what representations he has received about the level of the public sector debt repayment.	MR MOWL PSF	EST
205	La	Mr Jimmy Dunnachie (Glasgow, Pollok): To ask Mr Chancellor of the Exchequer, when he expects the inflation rate to fall below five per cent.	MR HIBBERD EA1	EST
206	C	Mr David Shaw (Dover): To ask Mr Chancellor of the Exchequer, what has been the percentage increase in the real take home pay of a married man with two children on average male earnings from 1978-79 to 1988-89.	MR MATTHEWS ETS	FST
207	C	Mr Robin Squire (Hornchurch): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the extent of share ownership in Britain.	MR ILETT FIM2	FST

TREASURY FIRST ORDER QUESTIONS : THURSDAY 6 APRIL 1989

208	C	Mr Keith Mans (Wyre): To ask Mr Chancellor of the Exchequer, what has been the percentage increase in the real take home pay of a married man with two children average male earnings from 1978-79 to 1988-89.	MR MATTHEWS ETS	FST
209	C	Mr William Cash (Stafford): To ask Mr Chancellor of the Exchequer, what representations he has received on his Budget.	MR GILHOOLY FP	FST
210	La	Mr Martin Flannery (Sheffield, Hillsborough): To ask Mr Chancellor of the Exchequer, if he will estimate when the balance of payments will return to surplus.	MR O'DONNELL EA2	CST
211	La	Mr D. N. Campbell-Savours (Workington): To ask Mr Chancellor of the Exchequer, what is his policy on interest rates.	MRS O'MARA MG1	EST
212	C	Mr Patrick Thompson (Norwich North): To ask Mr Chancellor of the Exchequer, what was the percentage increase in 1987 in the net real rate of return for non-North Sea industrial and commercial companies.	MR O'DONNELL EA2	CST
213	C	Mr David Porter (Waveney): To ask Mr Chancellor of the Exchequer, what has been the change in charitable giving since 1979.	IR	FST
214	C	Sir Michael McNair Wilson (Newbury): To ask Mr Chancellor of the Exchequer, what was the increase in the output measure of gross domestic product in the year to the fourth quarter of 1988.	MR HIBBERD EA1	CST
215	La	Mr Jim Callaghan (Heywood and Middleton): To ask Mr Chancellor of the Exchequer, when he now expects to achieve his target for inflation of zero per cent.	MR HIBBERD EA1	EST
216	C	Mr Ian Gow (Eastbourne): To ask Mr Chancellor of the Exchequer, if he will list the major businesses which have been privatised since 1979.	MR BENT PE2	FST

## COPY ADDRESSES

### Under Secretaries

Mr R I G Allen	EC	95/1
Mr J S Beastall	TOA	25/3
Mr T U Burgner	IAE	118/G
Mr C D Butler	EOG	31/2
Mrs A Case	HE	10/1
Mr R P Culpin	FP	90/1
Mr A J C Edwards	LG	19A/1
Mr H P Evans	IF	107/3
Mr A Healey	CCTA	
Mr L J Harris	FMG	62A/1
Mr C W Kelly	Pay	120A/3
Mrs Lomax	GEP	94/3
Mr T Luce	RCS	54/1
Mr D Moore	PE	100/1
Mr P Mountfield	AEF	80/1
Mr J C Odling-Smee	FIM	82/2
Miss M Peirson	ST	18/2
Mr D Peretz	MG	84/G
Mr C J Riley	MP	45/2
Mr S A Robson	DM	37/1
Mr P N Sedgwick	EA	39/3
Mr M J Spackman	ES	83/3
Mr D S B Simpson	CISCO	

### Assistant Secretaries

Mr R M Bent	PE2	98/1
Mrs M E Brown	EC1	18/G
Mr T Burr	IAE3	100A/G
Mrs R Butler	GEP3	19A/3
Mr S Davies	MP1	91/3
Mr J Dixon	S	53B/G
Mr J Gilhooly	FP	89/1
Mr J Hibberd	EA1	36A/3
Mr N J Ilett	FIM2	43/G
Mr P McIntyre	ST1	20/2
Mr S Matthews	ETS	118/1
Mr C L Melliss	IF2	105/3
Mr C J Mowl	PSF	111/4
Miss M O'Mara	MG1	109/G
Mr A T O'Donnell	EA2	38/3



From: B.O. DYER  
Date: 21 March 1989

cc. Mr. Sargent  
Mr. Gieve  
Mrs. Chaplin

PS/Chancellor  
PS/Chief Secretary  
PS/Financial Secretary  
PS/Paymaster General  
PS/Economic Secretary

1. Tongatla  
2. pwp

**THURSDAY 23 MARCH : TIMED ADJOURNMENT DEBATES**

I am happy to confirm that **none** of the subjects selected in the Speaker's ballot for debate on Thursday 23 March fall to Treasury Ministers.

A definitive list of subjects is attached for information.

A handwritten signature in black ink, appearing to read 'Brian Dyer', with a stylized flourish at the end.

BRIAN DYER





Speaker's Office House of Commons London SW1A 0AA

SUBJECTS PROPOSED TO BE RAISED ON THE MOTION FOR THE ADJOURNMENT OF THE  
HOUSE ON THURSDAY 23rd MARCH 1989

9.30 a.m. - 10.15 a.m.	Mr J McAllion	Community care for the elderly in Dundee.
10.15 a.m. - 11.00 a.m.	Dame J Fookes	Animal experiments and cosmetics.
11.00 a.m. - 11.45 a.m.	Mr I W Jones	Gwynedd Health Authority rationalisation plans.
11.45 a.m. - 12.30 p.m.	Mr E Leigh	Green Paper on reform of Legal profession.
12.30 p.m. - 1.00 p.m.	Mr N Griffiths	Housing benefit for residents of private retirement housing.
1.00 p.m. - 1.30 p.m.	Miss E Nicholson	Hearing Aids.
1.30 p.m. - 2.00 p.m.	Mr R Leighton	Housing in Newham.
2.00 p.m. - 2.30 p.m.	Mr M Shersby	The shortage of Clerks in Magistrates courts.
2.30 p.m. - 3.00 p.m.	Mr D Campbell-Savours	The Ministry of Defence's relationship with British Aerospace.
3.00 p.m. - 3.30 p.m.	Mr C D Townsend	UN peace-keeping operations.



*PS*

FROM: S J FLANAGAN  
DATE: 22 March 1989

MR ANNYS - IR

cc PS/Chancellor  
Mr Burr  
Mr Hutson

*Z*

Mr Lewis - IR  
Mr Farmer - IR

FIRST ORDER PQs NO 1,6: MR STUART RANDALL, DR JOHN REID

The Chancellor held a meeting today to discuss First Order PQs. He suggested the answer to these questions should be redrafted on the lines attached.

I would be grateful if you could let me know, as soon as possible tomorrow, whether this answer is alright.

A handwritten signature in black ink, appearing to read "S J Flanagan", with a long horizontal flourish extending to the right.

S J FLANAGAN  
Private Secretary

ORAL  
THURSDAY 6 APRIL 1989  
ORAL  
THURSDAY 6 APRIL 1989


Lab - Kingston upon Hull West  
Lab - Motherwell North

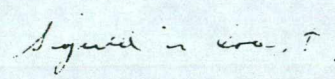
MR STUART RANDALL: To ask Mr Chancellor of the Exchequer, what percentage of the work force is currently participating in profit related pay schemes as defined by the Inland Revenue.

DR JOHN REID: To ask Mr Chancellor of the Exchequer, what percentage of the work force is currently participating in profit related pay schemes as defined by the Inland Revenue.

DRAFT REPLY/FST

Take-up of profit-related pay has been encouraging. ~~In these~~ So far ~~early days~~, about 121,000 employees, ~~just under 1 per cent of the~~ ~~eligible work force~~, are participating in PRP schemes. In his Budget statement, my right hon friend the Chancellor of the Exchequer announced several improvements and simplifications to the tax relief for PRP. We expect these to further encourage take-up.

  
J ANNYS  
Drafting Officer  
PT4  
Ext 6591

  
P LEWIS  
Clearing Officer  
PT  
Ext 6371



28 MAR 1989

CHIEF SECRETARY	
REC.	28 MAR 1989
ACTION	<del>SECRET</del>
COMES TO	

QUEEN ANNE'S GATE LONDON SW1H 9AT

23

March 1989

FINANCIAL SECRETARY	
REC.	28 MAR 1989
ACTION	Mr Mortimer
COMES TO	PPS CST PMG EST
	Party Clerk.

Dear John,

PRIVACY

When H Committee discussed John Browne's Right of Privacy Bill on 17 January (H(89)1st Meeting), I was invited, in consultation with the Lord Chancellor, to come forward with proposals for a review of this area of the law so that an announcement to this effect could be made at some point during the Parliamentary consideration of the Bill. Since then, it has become unlikely that John Browne's Bill will make progress this Session. My letter of 20 February set out the proposed tactics for handling it and Tony Worthington's related Bill on Right of Reply. But Parliamentary interest in these issues will remain strong, and there is a good chance that further Bills will be introduced next Session.

Tim Renton and I have therefore, as you know, been discussing with the Press Council whether there is any initiative they can take which might help to deflect some of the pressure which we would otherwise be under to take action ourselves. One proposal that Mr Louis Blom Cooper has put to us is that the Press Council should set up an independent committee to look at the subject of privacy in the context of a review of the Faulks Committee recommendations on defamation and of the state of the law on confidentiality. Mr Blom Cooper is anxious that any such review should have wide terms of reference and should not try to examine the case for a new law of privacy in isolation. I am sure this is right. He has in mind that the review would be undertaken by a committee of independent experts established by, but quite separate from, the Press Council, and operating perhaps under the auspices of an independent foundation. He would be open to suggestions as to the terms of reference and membership of the enquiry, which he would only undertake, I believe, if we were ourselves to indicate that we saw merit in it. Such a review could probably not begin before the summer, but could, of course, be announced before then. I have established that Mr Blom Cooper would not be looking for any Government financial support, although he might welcome the presence on the committee of an official observer.

I myself see considerable attraction in such a proposal. Unlike an official inter-Departmental committee, a review of this kind would not commit the Government to future legislative action, and its establishment need not be seen as marking any shift in the Government's position in relation to these issues. On the other hand, if the membership and terms of reference were right, such a review could be of great help in clarifying the issues and helping to prepare the way for legislation if at the end of the day we thought that was the correct course to follow.

I am clear that we must develop some new strategy to deal with these issues. It would be difficult to come back to Parliament in a year's time with the same arguments as we had to deploy on John Browne's Bill this year. Were we to do so, we could find ourselves saddled with new legislative proposals which, although defective or even unworkable, we had no plausible basis for resisting. The Press Council's proposal seems to me to offer a possible way ahead which does not require us, at this stage, to form a final view on the desirability of legislation. I am naturally conscious that it would have implications for the Lord Chancellor, and I should be particularly interested to have his reaction to the idea, along with those of other colleagues. It would be helpful to have colleagues' views by 10 April. I want to give consideration to the possibility of announcing that such a review was to take place before the John Browne Bill effectively comes to a halt, if, as we expect, the Bill fails to leave Committee Stage by 5 May.

I am copying this letter to the Prime Minister, the Lord Chancellor, other H Committee colleagues, the Attorney General, and Sir Robin Butler.

Yours,

Dougherty.

*Restriction orders*

## PART II

5 **15.**—(1) A court by or before which a person is convicted of a relevant offence or, if a person convicted of such an offence is committed to it to be dealt with, the Crown Court on dealing with him for the offence, may make a restriction order in relation to him. Restriction orders.

(2) No restriction order may be made unless the court is satisfied that making such an order in relation to the accused would help to prevent violence or disorder at or in connection with designated football matches.

(3) A restriction order may only be made—

- 10 (a) in addition to a sentence imposed in respect of the offence of which the accused is (or was) convicted; or  
 (b) in addition to a probation order.

15 (4) A restriction order may be made as mentioned in subsection (3)(b) above notwithstanding anything in sections 2 and 13 of the Powers of Criminal Courts Act 1973 (which relate to probation orders). 1973 c. 62.

(5) A restriction order shall specify the police station in England or Wales at which the person subject to the order is to report initially.

(6) The court shall, on making the order in relation to the accused, explain its effect to him.

20 (7) In section 10(3) of the Criminal Appeal Act 1968 (appeals against sentence by Crown Court), in paragraph (c), after sub-paragraph (iii) there shall be inserted “or 1968 c. 19.

(iv) a restriction order under section 15 of the Football Spectators Act 1989;”.

25 **16.**—(1) Subject to subsection (3) below and section 17 below, the period for which a restriction order has effect in relation to a person convicted of a relevant offence is— Effect of order.

- (a) in a case where he was sentenced in respect of that offence to a period of imprisonment taking immediate effect, five years, and  
 30 (b) in any other case, two years,  
 beginning with the date of the making of the order.

(2) The duty to report imposed by a restriction order on the person subject to the order is a duty—

- 35 (a) to report initially to the police station specified in the order within the period of five days beginning with the date of the making of the order, and  
 (b) subject to any exemption, to report on the occasion of designated football matches when required to do so under section 19(3)(b) below to any police station in England or Wales at the time or  
 40 between the times specified in the notice by which the requirement is imposed.

(3) The duty to report shall, in the case of a person sentenced to or serving a term of imprisonment, be suspended until his discharge from prison and the order shall have effect, if he is discharged more than five  
 45 days before the expiry of the period for which the order has effect and he

- PART II was precluded by his being in prison from reporting initially, as if it required him to report initially to any police station within the period of five days beginning with the date of his discharge.
- (4) A person who, without reasonable excuse, fails to comply with the duty to report imposed by a restriction order commits an offence. 5
- (5) A person guilty of an offence under subsection (4) above shall be liable on summary conviction to imprisonment for a term not exceeding one month or to a fine not exceeding level 3 on the standard scale or to both.
- Application to terminate restriction order. 17.—(1) A person in relation to whom a restriction order has had effect for at least one year may apply to the court by which it was made to terminate it. 10
- (2) On such an application the court may, having regard to the person's character, his conduct since the order was made, the nature of the offence which led to it and any other circumstances of the case, either by order terminate the restriction order (as from a date specified in the terminating order) or refuse the application. 15
- (3) Where an application under this section is refused, a further application in respect of the restriction order shall not be entertained if made within the period of six months beginning with the day of the refusal. 20
- (4) The court may order the applicant to pay all or any part of the costs of an application under this section.
- (5) In the case of a restriction order made by a magistrates' court, the reference in subsection (1) above to the court by which it was made includes a reference to any magistrates' court acting for the same petty sessions area as that court. 25
- 1980 c. 43. (6) Section 63(2) of the Magistrates' Courts Act 1980 (power to suspend or rescind orders) does not apply to a restriction order.
- Information. 18.—(1) Where a court makes a restriction order, the clerk of the court (in the case of a magistrates' court) or the appropriate officer (in the case of the Crown Court)— 30
- (a) shall give a copy of it to the person to whom it relates;
- (b) shall (as soon as reasonably practicable) send a copy of it to the enforcing authority; 35
- (c) shall (as soon as reasonably practicable) send a copy of it to the police station (addressed to the officer responsible for the police station) at which the person subject to the order is to report initially; and
- (d) in a case where the person subject to the order is sentenced by the court to or is serving a term of imprisonment, shall (as soon as reasonably practicable) send a copy of it to the governor of the prison or other person to whose custody he will be committed or in whose custody he is, as the case may be. 40
- (2) Where a court terminates a restriction order under section 17 above, the clerk of the court (in the case of a magistrates' court) or the appropriate officer (in the case of the Crown Court)— 45

5 (5) The licensing authority may, if satisfied that the urgency of the case so requires, suspend a licence under this section without observing the requirements of subsection (4) above but the authority shall, as soon as is practicable, notify the person to whom the licence was granted of the grounds for the suspension.

(6) A licence suspended under this section shall during the time of suspension be of no effect.

10 (7) Where a licence has been suspended under this section the person to whom the licence was granted may at any time apply to the licensing authority to terminate the suspension and the licensing authority may terminate the suspension if it appears to be appropriate to do so having regard to the relevant matters and after taking into account any representations made by the applicant.

15 13.—(1) The licensing authority shall have the function of keeping under review the discharge by local authorities of their functions under the Safety of Sports Grounds Act 1975 in relation to sports grounds at which designated football matches are played and shall have the powers conferred in relation to those functions by the following provisions of this section.

Licensing authority's powers in relation to safety at football grounds.  
1975 c. 52.

20 (2) The licensing authority may, by notice in writing to the local authority concerned, require the local authority to include in any safety certificate such terms and conditions as are specified in the notice; and it shall be the duty of the local authority to comply with the requirement.

25 (3) A notice under subsection (2) above may require the issue under that Act of a safety certificate incorporating the specified terms or conditions or the amendment under that Act of a safety certificate so that it incorporates the specified terms or conditions.

(4) Any inspector appointed by the licensing authority may, for the purposes of the discharge by the licensing authority of its function under subsection (1) above, on production, if so required, of his authority—

- 30 (a) enter at any reasonable time any sports ground at which designated football matches are played;
- (b) make such inspection of the ground and such inquiries relating to the ground as he considers necessary; or
- 35 (c) examine the safety certificate and any records kept under the Safety of Sports Grounds Act 1975 or this Part of this Act, and take copies of such records.

40 (5) The licensing authority may, by notice in writing to any local authority, require the local authority to furnish to the licensing authority such information relating to the discharge by the local authority of its functions under the Safety of Sports Grounds Act 1975 as is specified in the notice; and it shall be the duty of the local authority to comply with the requirement.

45 (6) Any expression used in this section and in the Safety of Sports Grounds Act 1975 has the same meaning in this section as in that Act.



## PART II

## FOOTBALL MATCHES OUTSIDE ENGLAND AND WALES

*Preliminary*

Scope and  
interpretation  
of this Part.

14.—(1) This Part of this Act applies in relation to football matches played in any country outside England and Wales which are designated football matches and the following provisions have effect for its interpretation. 5

(2) “Designated football match” means any such match of a description for the time being designated for the purposes of this Part by order made by the Secretary of State or a particular such match so designated. 10

(3) The power to make orders under subsection (2) above is exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(4) A “restriction order” means an order of a court under section 15 or 22 below requiring the person to whom the order applies to report to a police station on the occasion of designated football matches. 15

(5) The offences “relevant” for the making by a court of a restriction order are those specified in Schedule 1 to this Act as relevant offences (with or, as the case may be, without a declaration of relevance). 20

(6) In the application of Schedule I to this Act for the purposes of this Part of this Act the references in that Schedule to designated football matches are references to football matches designated for the purposes of Part I of this Act except that in paragraphs (f), (g), (h) and (i) they include references to football matches designated under subsection (2) above; and section 1(7) above applies for the interpretation of references to periods relevant to designated football matches. 25

(7) The “enforcing authority” means such organisation established by the Secretary of State under section 41 of the Police Act 1964 (common services organisations) as the Secretary of State designates for the purposes of this Part of this Act by order made by statutory instrument. 30

(8) An order under subsection (2) above may, in relation to any description of football match or any particular football match specified in the order, direct that reporting is obligatory for all persons subject to restriction orders or that reporting is obligatory only for such persons subject to restriction orders as are required to report under section 19(3)(b) below. 35

(9) In this Part of this Act—

“country” includes territory;

“declaration of relevance”, in relation to an offence, means a declaration that the offence related to football matches; and 40

“imprisonment” includes any form of detention (or, in the case of a person under twenty-one years of age sentenced to custody for life, custody), “prison” includes any place where a person is detained or in such custody and “discharge” from prison does not include temporary discharge. 45

(8) The licensing authority shall not vary the terms or conditions of a licence without—

- (a) notifying the licence holder of the proposed alterations or additions;
- 5 (b) giving him an opportunity to make representations about them within the period of twenty-one days beginning with the service of the notice; and
- (c) taking any representations so made into account in making his decision.

10 (9) In taking any decision under this section the licensing authority shall have regard, among the other relevant circumstances, to the following matters or to such of them as are applicable to the decision, that is to say—

- 15 (a) whether the premises and the equipment provided and procedures used at the premises are such as to secure that only authorised spectators are admitted to designated football matches;
- (b) whether and to what extent the requirements imposed for that purpose by the national football membership scheme on responsible persons have been complied with;
- 20 (c) whether the equipment provided, procedures used and other arrangements in force at the premises are such as are reasonably required to prevent the commission or minimise the effects of offences at designated football matches; and
- 25 (d) such other considerations as the Secretary of State determines from time to time and notifies to the licensing authority.

(10) Subject to subsection (11) below, if any term or condition of a licence is contravened any responsible person commits an offence.

30 (11) Where a person is charged with an offence under subsection (10) above it shall be a defence to prove—

- (a) that the contravention took place without his consent; and
- (b) that he took all reasonable precautions and exercised all due diligence to avoid the commission of such an offence.

35 (12) A person guilty of an offence under subsection (10) above shall be liable, on summary conviction, to a fine not exceeding level 5 on the standard scale.

(13) In this section—

40 “authorised person” means any person authorised by the Secretary of State, the licensing authority or the Football Membership Authority;

“specified” means specified in the licence; and

“vary”, in relation to a licence, includes the addition of further terms or conditions;

45 and the fees charged on the issue of a licence may be fixed so as to reimburse the Secretary of State and the licensing authority their expenses of administering and enforcing this Part of this Act.

PART I  
Power of  
Secretary of  
State to require  
conditions in  
licences relating  
to seating.

11.—(1) The Secretary of State may, by order, direct the licensing authority to include in any licence to admit spectators to any specified premises a condition imposing requirements as respects the seating of spectators at designated football matches at the premises; and it shall be the duty of the authority to comply with the direction. 5

(2) The requirements imposed by a condition in pursuance of this section may relate to the accommodation to be provided at, or the arrangements to be made as respects the spectators admitted to, the premises.

(3) A direction may require the licensing authority to include the condition in the licence when granting it or by way of varying the conditions of a licence. 10

(4) Before giving a direction under this section in relation to any premises the Secretary of State shall consult the licensing authority which may, if it thinks fit, make recommendations to him. 15

(5) The licensing authority shall not make any recommendations under subsection (4) above without consulting the local authority in whose area the premises are situated.

(6) The power to make an order containing a direction under this section is exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament. 20

1975 c. 52. (7) In this section "local authority" has the same meaning as in the Safety of Sports Grounds Act 1975.

Licences to  
admit spectators:  
revocation and  
suspension.

12.—(1) The licensing authority may, subject to subsections (2), (3) and (4) below, at any time, by notice in writing to the holder of a licence to admit spectators, revoke the licence or suspend the licence indefinitely or for such period as the authority considers appropriate. 25

(2) The licensing authority shall not suspend or revoke a licence under this section unless satisfied that it is necessary to do so having regard to the matters which are relevant for the purposes of this section. 30

(3) The matters which are relevant for the purposes of this section are—

- (a) the matters specified in paragraphs (a), (b) and (c) of section 10(9) above; and
- (b) such other considerations as the Secretary of State determines from time to time and notifies to the licensing authority. 35

(4) The licensing authority shall not revoke or suspend a licence to admit spectators without—

- (a) notifying the licence holder of the proposed revocation or suspension and of the grounds for it; 40
- (b) giving him an opportunity to make representations about the matter within the period of twenty-one days beginning with the date of the service of the notice; and
- (c) taking any representations so made into account in making the decision. 45

## PART I

(5) The offences relevant for the purposes of subsection (2) above are those specified in Schedule 1 to this Act as relevant offences (with or, as the case may be, without a declaration of relevance).

5 (6) In the application of Schedule 1 to this Act for the purposes of this Part of this Act the references in that Schedule to designated football matches include in paragraphs (f), (g), (h) and (i) references to football matches designated for the purposes of Part II of this Act.

(7) Where a court convicts a person of a relevant offence, then—

10 (a) the court shall, except in the case of an offence under section 2(1) or 5(7) above, certify that the offence is a relevant offence, and

(b) the clerk of the court (in the case of a magistrates' court) or the appropriate officer (in the case of the Crown Court)—

15 (i) shall (as soon as reasonably practicable) give to the Football Membership Authority and to the chief officer of police for the police area in which the offence was committed notice of the conviction and sentence and of the giving of any certificate that the offence is a relevant offence, and

(ii) shall send a copy of the notices to the person who was convicted of the offence.

20 (8) A person in relation to whom a probation order was made under Part III of the Powers of Criminal Courts Act 1973 shall, notwithstanding anything in section 13 of that Act (convictions to be disregarded for purposes of disqualification), be treated as having been convicted of the offence for the purposes of this section. 1973 c. 62.

25 (9) In this section and Schedule 1 to this Act—

(a) "declaration of relevance", in relation to an offence, means a declaration that the offence related to football matches;

30 (b) "imprisonment" includes any form of detention (or, in the case of a person under twenty-one years of age sentenced to custody for life, custody); and

(c) the reference to a clerk of a magistrates' court is to be construed in accordance with section 141 of the Magistrates' Courts Act 1980, reading references to that Act as references to this section. 1980 c. 43.

*Licences to admit spectators*

35 **8.—**(1) There shall be a body called the Football Licensing Authority (in this Part of this Act referred to as "the licensing authority") which shall perform the functions assigned to it by this Part of this Act. The Football Licensing Authority.

(2) The licensing authority shall consist of a chairman and not less than 4 nor more than 8 other members.

40 (3) The chairman and other members of the licensing authority shall be appointed by the Secretary of State.

(4) Schedule 2 to this Act shall have effect with respect to the licensing authority.

PART I  
Offence of  
admitting  
spectators to  
unlicensed  
premises.

9.—(1) Subject to subsection (2) below, if persons are admitted as spectators to, or permitted to remain as spectators on, any premises during a period relevant to a designated football match without a licence to admit spectators being in force, any responsible person commits an offence.

5

(2) Where a person is charged with an offence under this section it shall be a defence to prove—

- (a) that the spectators were admitted without his consent; and
- (b) that he took all reasonable precautions and exercised all due diligence to avoid the commission of such an offence.

10

(3) A person guilty of an offence under this section shall be liable—

- (a) on summary conviction, to a fine not exceeding the statutory maximum; or
- (b) on conviction on indictment, to a fine or to imprisonment for a term not exceeding two years, or to both.

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Licences to  
admit spectators:  
general.

10.—(1) The licensing authority may, on an application duly made by a responsible person, grant a licence to admit spectators to any premises for the purpose of watching any designated football match played at those premises.

(2) An application for a licence in respect of any premises shall be made in such manner, in such form and accompanied by such fee as may be determined by the Secretary of State.

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(3) A licence to admit spectators to any premises may authorise the admission of spectators to watch all designated football matches or specified descriptions of designated football matches or a particular such match.

25

(4) A licence to admit spectators shall be in writing and shall be granted on such terms and conditions as the licensing authority considers appropriate and, if the Secretary of State gives to the licensing authority a direction under section 11 below, the conditions may include conditions imposing requirements as respects the seating of spectators.

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(5) It shall be a condition of every licence that any authorised person shall be entitled, on production, if so required, of his authority—

- (a) to enter at any reasonable time any premises on which a designated football match is being or is to be played;
- (b) to make such inspection of the premises and such inquiries relating to them as he considers necessary for the purposes of this Part of this Act; or
- (c) to examine any records relating to the operation of the national football membership scheme on the premises, and take copies of such records.

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(6) A licence to admit spectators shall, unless revoked or suspended under section 12 below or surrendered, remain in force for a specified period.

(7) Subject to subsection (8) below, the licensing authority may at any time, by notice to the licence holder, vary the terms and conditions of the licence.

45

- (d) securing that persons who are disqualified under section 7 below are excluded from membership while so disqualified;
- 5 (e) providing for the exclusion from membership, for an appropriate period not exceeding two years determined under the scheme, of persons who are, by reference to circumstances specified in the scheme, determined under the scheme to be unfit for membership and for notifying persons who are excluded from membership of the grounds for the exclusion;
- 10 (f) imposing pecuniary penalties on any persons having functions under the scheme for failure to discharge those functions;
- (g) imposing requirements as respects the procedure to be followed in dealing with applications for membership of the scheme;
- 15 (h) imposing requirements on responsible persons as respects the procedure to be followed and equipment to be used in relation to any designated football match to secure that the only spectators admitted to and permitted to remain on the premises are authorised spectators;
- (i) to such effect, in relation to the admission of spectators to the premises, as the Secretary of State may specify in writing;
- 20 (j) establishing and maintaining a central register of members of the scheme;
- (k) regulating the form and contents of membership cards; and
- 25 (l) establishing procedures for the making and consideration of representations against decisions made under the scheme refusing or withdrawing membership of it and for the independent review of the decisions in the light of the representations;

and in this subsection "accompanied children" means persons under the age of 10 years in the charge of an authorised spectator.

- 30 (3) The scheme may make provision—
- (a) for the discharge of functions under the scheme by persons specified in the scheme on such terms as may be agreed with the Football Membership Authority and approved by the Secretary of State;
- 35 (b) imposing charges specified in the scheme (including different charges for different cases) in connection with the issue of membership cards to persons becoming members of the scheme; and
- 40 (c) providing for the admission as spectators at designated football matches, without their being members of the scheme, of descriptions of person specified in the scheme in such circumstances and subject to such conditions as are so specified.

(4) The scheme may make different provision for different circumstances.

- 45 (5) Information obtained from persons under the national football membership scheme shall be treated as not obtained under an enactment for the purposes of paragraph 1(2) of Part II of Schedule 1 to the Data Protection Act 1984 (which treats information obtained under enactments as fairly obtained).

PART I  
1984 c. 35.

(6) Nothing in section 28(1) and (2) of the Data Protection Act 1984 (which exempt personal data relating to crime from the subject access provisions in certain cases) shall apply to personal data held by the Football Membership Authority for the purposes of the national football membership scheme.

5

(7) Any person commits an offence who, for the purpose of being admitted to membership of the national football membership scheme—

(a) makes a statement which he knows to be false or misleading in a material particular or recklessly makes a statement which is false or misleading in a material particular, or

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(b) produces, furnishes, signs or otherwise makes use of a document which he knows to be false or misleading in a material particular or recklessly produces, furnishes, signs or otherwise makes use of a document which is false or misleading in a material particular.

15

(8) A person guilty of an offence under subsection (7) above shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.

Phased  
application of  
scheme.

6.—(1) The Secretary of State, in exercising his function of designating football matches under section 1(2) above as matches in relation to which the national football membership scheme applies, shall have regard to whether it is desirable to achieve a phased application of the scheme.

20

(2) For this purpose—

(a) the Football Membership Authority shall consider the possibility of a phased application of the scheme and may make recommendations to the Secretary of State; and

25

(b) the Secretary of State shall have regard to any recommendations so made.

Disqualification  
for membership  
of scheme.  
1986 c. 64.

7.—(1) Any person who is subject to an exclusion order under section 30 of the Public Order Act 1986 (exclusion from prescribed football matches) whenever made is disqualified from becoming or continuing to be a member of the national football membership scheme and while he is so subject he shall not be admitted as a member of the scheme or, if he is a member, his membership shall be withdrawn.

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(2) Any person convicted of a relevant offence is disqualified from becoming or continuing to be a member of the national football membership scheme, and the following provisions of this section have effect in relation to such a person.

35

(3) The period during which a person's disqualification under subsection (2) above continues shall be—

40

(a) in a case where he was sentenced to a period of imprisonment taking immediate effect, five years, and

(b) in any other case, two years,

beginning with such date as may be determined under the scheme.

(4) During the period for which a person is disqualified he shall not be admitted as a member of the scheme or, if he is a member, his membership shall be withdrawn.

45

3.—(1) There shall be a body responsible for the administration of the national football membership scheme which shall be designated for the purpose by the Secretary of State under the name (and herein referred to as) “the Football Membership Authority”.

5 (2) The Secretary of State may designate as the Football Membership Authority any body corporate formed for the purpose by the Football Association and the Football League or any body corporate formed by any other persons or, for the purpose, on his behalf.

10 (3) The Secretary of State may withdraw the designation of a body under this section, whether at the instance of the body or at his own instance.

15 (4) The functions of a body as the Football Membership Authority shall be assumed or, on withdrawal of its designation, divested on the date specified by the Secretary of State when making or withdrawing the designation but subject to subsection (5) below and without prejudice to its duty under subsection (6) below.

(5) No date other than 1st June in any year shall be specified under subsection (4) above as the date on which functions are to be assumed or withdrawn, but this does not apply—

20 (a) to the initial designation of a body as the Football Membership Authority, or

25 (b) where the Secretary of State withdraws the designation of a body on the ground that the body has failed to discharge its duties as the Football Membership Authority or is being wound up or that a receiver or manager of its property has been appointed.

30 (6) It shall be the duty of the Football Membership Authority to make to the Secretary of State a report on the discharge of its functions during each period of twelve months beginning with 1st June in any year and the Secretary of State shall lay a copy of the report before each House of Parliament.

(7) Where a body assumes or is divested of its functions as the Football Membership Authority on a date other than 1st June subsection (6) above shall have effect as if it required a report to be made for such period as the Secretary of State directs.

35 (8) On the withdrawal of the designation of a body as the Football Membership Authority, the scheme shall cease to have effect but the Secretary of State may, by order, provide for the transfer of the body’s property, rights and liabilities under the scheme to its successor as the Football Membership Authority on such terms and conditions as may be determined by the Secretary of State.

40

(9) The power to make an order under subsection (8) above is exercisable by statutory instrument.

45 4.—(1) The Football Membership Authority shall, as soon as reasonably practicable after its designation takes effect, prepare a draft scheme which fulfils the requirements of section 5 below.

(2) The Football Membership Authority shall, before exercising any of its functions under this section, consult the Football Association and the Football League.

National membership scheme: making, approval, modification etc.



## PART I

(3) When the draft scheme is complete the Football Membership Authority shall submit it to the Secretary of State for his approval and the Secretary of State, if satisfied that the draft scheme fulfils those requirements, may if he thinks fit by order approve it either as submitted or with any modifications that may be agreed; and if he does so, he shall lay a copy of the scheme as approved before each House of Parliament. 5

(4) Where the Secretary of State approves the scheme under subsection (3) above, then, subject to subsection (8) below, the scheme shall enter into force on such date as may be agreed between the Secretary of State and the Football Membership Authority. 10

(5) At any time during the currency of the scheme the Secretary of State and the Football Membership Authority may agree—

(a) to modify the scheme, or  
 (b) to replace the scheme with another scheme,  
 in accordance with the requirements of section 5 below. 15

(6) Where the Secretary of State and the Football Membership Authority agree to modify the scheme—

(a) the Secretary of State shall lay a copy of the modifications before each House of Parliament, and  
 (b) the modifications agreed on shall enter into force on such date as may be agreed and the scheme shall have effect accordingly. 20

(7) Where the Secretary of State and the Football Membership Authority agree to replace the scheme—

(a) the Secretary of State shall by order confirm his agreement to the new scheme and shall lay a copy of it before each House of Parliament, and  
 (b) subject to subsection (8) below, the new scheme shall enter into force and the existing scheme shall cease to be in force on such date as may be agreed. 25

(8) The powers of the Secretary of State to make orders under this section are exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament. 30

National membership scheme: contents and penalties.

5.—(1) The requirements for a national football membership scheme referred to in section 4(1) and (5) above are those specified in subsection (2) below. 35

(2) The scheme must include provision—

(a) securing that the only spectators permitted to attend at designated football matches are authorised spectators;  
 (b) providing for temporary membership of the scheme, including (in particular) the temporary membership of football club guests; 40  
 (c) providing for the admission as spectators at designated football matches, without their being members of the scheme, of—  
 (i) disabled persons, and  
 (ii) accompanied children,

in such circumstances and subject to such conditions as are specified in the scheme; 45

A

# B I L L

[AS AMENDED IN STANDING COMMITTEE A]

INTITULED

An Act to control the admission of spectators at designated football matches in England and Wales by means of a national membership scheme and licences to admit spectators; and to provide for the making by courts and the enforcement by designated agencies of orders imposing restrictions on persons convicted of certain offences for the purpose of preventing violence or disorder at or in connection with designated football matches played outside England and Wales. A.D. 1989.

**B**E IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

5

## PART I

### FOOTBALL MATCHES IN ENGLAND AND WALES

#### *Preliminary*

1. — (1) This Part of this Act applies in relation to association football matches played in England and Wales which are designated football matches and the following provisions have effect for its interpretation. Scope and interpretation of this Part.

(2) "Designated football match" means any such match of a description for the time being designated for the purposes of this Part by order made by the Secretary of State or a particular such match so designated.

(3) An order under subsection (2) above may designate descriptions of football matches wherever played or when played at descriptions of ground or in any area specified in the order.

(4) The "national football membership scheme" (or "the scheme") means the scheme made and approved and for the time being in force under section 4 below for the purpose of restricting the generality of spectators attending designated football matches to persons who are members of the scheme.

[Bill 203]

50/2

## PART I

(5) A person is, in relation to any designated football match, an “authorised spectator” if he is a member of the national football membership scheme or is otherwise authorised by the scheme to attend the match and a person is not to be treated as a “spectator” in relation to such a match if the principal purpose of his being on the premises is to provide services in connection with the match or to report on it. 5

(6) A “licence to admit spectators” is a licence granted in respect of any premises by the licensing authority under this Part of this Act authorising the admission to the premises of spectators for the purpose of watching any designated football match played at those premises. 10

(7) Each of the following periods is “relevant to” a designated football match, that is to say—

(a) the period beginning—

(i) two hours before the start of the match, or

(ii) two hours before the time at which it is advertised to start, or 15

(iii) with the time at which spectators are first admitted to the premises,

whichever is the earliest, and ending one hour after the end of the match; 20

(b) where a match advertised to start at a particular time on a particular day is postponed to a later day, or does not take place, the period in the advertised day beginning two hours before and ending one hour after that time.

(8) A person is a “responsible person” in relation to any designated football match at any premises if he is a person concerned in the management of the premises or in the organisation of the match. 25

(9) The power to make an order under subsection (2) above is exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament. 30

(10) The imposition under this Part of this Act of restrictions on the persons who may attend as spectators at any designated football match does not affect any other right of any person to exclude persons from admission to the premises at which the match is played.

*National Membership Scheme* 35

Offences relating to unauthorised attendance at designated football matches.

2.—(1) If a person who is not, in relation to the match, an authorised spectator enters or remains on premises as a spectator during a period relevant to a designated football match that person commits an offence and so does a person who attempts to commit an offence under this subsection of entering premises. 40

(2) A person guilty of an offence under subsection (1) above shall be liable on summary conviction to imprisonment for a term not exceeding one month or a fine not exceeding level 3 on the standard scale or to both.

(3) A constable who reasonably suspects that a person has committed an offence under subsection (1) above may arrest him without a warrant. 45

**Football Spectators Bill [H.L.]**  
[AS AMENDED IN STANDING COMMITTEE A]

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*mp*

**ARRANGEMENT OF CLAUSES**

**PART I**

**FOOTBALL MATCHES IN ENGLAND AND WALES**

*Preliminary*

Clause

1. Scope and interpretation of this Part.

*National Membership Scheme*

2. Offences relating to unauthorised attendance at designated football matches.
3. The Football Membership Authority.
4. National membership scheme: making, approval, modification etc.
5. National membership scheme: contents and penalties.
6. Phased application of scheme.
7. Disqualification for membership of scheme.

*Licences to admit spectators*

8. The Football Licensing Authority.
9. Offence of admitting spectators to unlicensed premises.
10. Licences to admit spectators: general.
11. Power of Secretary of State to require conditions in licences relating to seating.
12. Licences to admit spectators: revocation and suspension.
13. Licensing authority's powers in relation to safety at football grounds.

**PART II**

**FOOTBALL MATCHES OUTSIDE ENGLAND AND WALES**

*Preliminary*

14. Scope and interpretation of this Part.

*Restriction orders*

15. Restriction orders.
16. Effect of order.
17. Application to terminate restriction order.
18. Information.

*Reporting*

19. Functions of enforcing authority and local police.
20. Exemptions from requirement to report as respects a match.

Clause

21. Functions of enforcing authority: supplementary provisions.

*Relevant offences outside England and Wales*

22. Restriction orders arising out of offences outside England and Wales.

PART III

GENERAL

23. Further provision about, and appeals against, declarations of relevance.
24. Offences by bodies corporate.
25. Service of documents.
26. Citation, commencement, consequential repeal and extent.

SCHEDULES:

Schedule 1—Relevant Offences.

Schedule 2—The Football Licensing Authority:  
Supplementary Provisions.

1911

THE  
LIBRARY OF THE  
MUSEUM OF COMPARATIVE ZOOLOGY  
AND ANATOMY  
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**Football Spectators [H.L.]**

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A

**B I L L**

[AS AMENDED IN STANDING COMMITTEE A]

INTITULED

An Act to control the admission of spectators at designated football matches in England and Wales by means of a national membership scheme and licences to admit spectators; and to provide for the making by courts and the enforcement by designated agencies of orders imposing restrictions on persons convicted of certain offences for the purpose of preventing violence or disorder at or in connection with designated football matches played outside England and Wales.

*Brought from the Lords, 19th June 1989*

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*Ordered by The House of Commons,  
to be Printed, 27th July 1989*

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LONDON

Printed and published by  
Her Majesty's Stationery Office  
Printed in the United Kingdom at  
The Parliamentary Press

£4.00 net

[Bill 203]

(320395)

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ISBN 0 10 320389 3

12. Where a person ceases to be a member otherwise than on the expiry of his term of office and it appears to the Secretary of State that there are special circumstances which make it right for him to receive compensation, the licensing authority may make to him a payment of such amount as the Secretary of State may determine. SCH.2.

13. The approval of the Treasury shall be required for any determination under paragraphs 10, 11 or 12 above.

*Disqualification of members of licensing authority for House of Commons and Northern Ireland Assembly*

14. In Part II of Schedule 1 to the House of Commons Disqualification Act 1975 (bodies of which all members are disqualified), the following entry shall be inserted at the appropriate place in alphabetical order— 1975c.24.

“The Football Licensing Authority”;

and the like insertion shall be made in Part II of Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975. 1975c.25.

*Proceedings*

15. The quorum of the licensing authority and the arrangements relating to its meetings shall be such as the licensing authority may determine.

16.—(1) A member of the licensing authority who is in any way directly or indirectly interested in any matter which falls to be considered by the authority shall disclose the nature of his interest at a meeting of the licensing authority and the disclosure shall be recorded in the minutes of the meeting. 20

(2) The member shall not take part after the disclosure in any deliberation or decision with respect to the matter.

17. The validity of any proceedings of the licensing authority shall not be affected by any vacancy among the members or by any defect in the appointment of a member or by any failure to comply with the requirements of paragraph 16 above. 25

*Inspectors, officers and employees*

18. The licensing authority may appoint such inspectors as it may determine to perform such functions as are assigned to them by or under this Part of this Act. 30

19. The licensing authority may appoint a secretary and such other officers, and take into their employment such other persons, as it may determine.

*Authentication of licensing authority's seal* 35

20. The application of the seal of the licensing authority shall be authenticated by the signature of the chairman of the authority or some other person authorised by the authority to act for that purpose and that of one other member.

*Presumption of authenticity of documents issued by licensing authority*

21. Any document purporting to be an instrument issued by the licensing authority and to be sealed in accordance with paragraph 20 above, or to be signed on behalf of the authority, shall be received in evidence and shall be deemed to be such an instrument without further proof unless the contrary is shown. 40



## SCHEDULES

SCHEDULE 1  
RELEVANT OFFENCESSections 7(5),  
14(5) and 22(1).

5 The offences relevant for the purposes of sections 7(2) and 15(1) of this Act are the following—

- (a) any offence under section 2(1) or 5(7) of this Act;
- 10 (b) any offence under section 2 of the Sporting Events (Control of Alcohol etc.) Act 1985 (alcohol containers at sports grounds) committed by the accused at any designated football match or while entering or trying to enter the ground; 1985 c. 57.
- (c) any offence under section 5 of the Public Order Act 1986 (harassment, alarm or distress) or any provision of Part III of that Act (racial hatred) committed during a period relevant to a designated football match at any premises while the accused was at, or was entering or leaving or trying to enter or leave, the premises; 1986 c. 64.
- 15 (d) any offence involving the use or threat of violence by the accused towards another person committed during a period relevant to a designated football match at any premises while the accused was at, or was entering or leaving or trying to enter or leave, the premises;
- 20 (e) any offence involving the use or threat of violence towards property committed during a period relevant to a designated football match at any premises while the accused was at, or was entering or leaving or trying to enter or leave, the premises;
- 25 (f) any offence under section 1 of the Sporting Events (Control of Alcohol etc.) Act 1985 (alcohol on coaches or trains to or from sporting events) committed while the accused was on a journey to or from a designated football match being an offence as respects which the court makes a declaration of relevance;
- 30 (g) any offence under section 5 of the Public Order Act 1986 (harassment, alarm or distress) or any provision of Part III of that Act (racial hatred) committed while the accused was on a journey to or from a designated football match being an offence as respects which the court makes a declaration of relevance;
- 35 (h) any offence involving the use or threat of violence by the accused towards another person committed while one or each of them was on a journey to or from a designated football match being an offence as respects which the court makes a declaration of relevance;
- 40 (i) any offence involving the use or threat of violence towards property committed while the accused was on a journey to or from a designated football match being an offence as respects which the court makes a declaration of relevance.

## SCHEDULE 2

## THE FOOTBALL LICENSING AUTHORITY: SUPPLEMENTARY PROVISIONS

Section 8.

*Status and capacity*

- 45 1.—(1) The licensing authority shall be a body corporate.
- (2) The licensing authority shall not be regarded as the servant or agent of the Crown, or as enjoying any status, privilege or immunity of the Crown; and its property shall not be regarded as property of, or property held on behalf of, the Crown.

SCH.2. (3) The licensing authority shall not be exempt from any tax, duty, rate, levy or other charge whatsoever, whether general or local.

(4) The licensing authority shall have power to do anything which is calculated to facilitate the discharge of its functions, or is incidental or conducive to their discharge.

5

*Appointment and tenure of members*

2. It shall be the duty of the Secretary of State—

(a) to satisfy himself, before he appoints a person to be a member of the licensing authority, that he will have no such financial or other interest as is likely to affect prejudicially the performance of his functions as a member; and

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(b) to satisfy himself from time to time with respect to each member that he has no such interest.

3. Any person who is, or whom the Secretary of State proposes to appoint to be, a member of the licensing authority shall, whenever requested by the Secretary of State to do so, furnish to him such information as the Secretary of State considers necessary for the performance by him of his duties under paragraph 2 above.

15

4. Subject to the following provisions of this Schedule, a person shall hold and vacate office as a member or the chairman of the licensing authority in accordance with the terms of his appointment.

20

5. A person shall not be appointed as a member of the licensing authority for more than three years at a time.

6. A person may at any time resign his office as a member or the chairman of the licensing authority by giving the Secretary of State a signed notice in writing stating that he resigns that office.

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7. Where a member becomes or ceases to be the chairman, the Secretary of State may vary the terms of his appointment as a member of the licensing authority so as to alter the date on which he is to vacate office as a member.

8. If the Secretary of State is satisfied that a member of the licensing authority—

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(a) has been absent from meetings of the licensing authority for a period longer than three consecutive months without the permission of the licensing authority, or

(b) has become bankrupt or made an arrangement with his creditors, or

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(c) is unable or unfit to discharge the functions of a member,

the Secretary of State may declare his office as a member of the licensing authority vacant, and notify the declaration in such manner as he thinks fit; and thereupon the office shall become vacant.

9. A person who ceases to be a member, or ceases to be chairman, of the licensing authority shall be eligible for re-appointment.

40

*Remuneration and pensions of members*

10. The licensing authority may pay to each member such remuneration and allowances as the Secretary of State may determine.

11. The licensing authority may pay, or make provision for paying, to or in respect of any member such sums by way of pensions, allowances or gratuities as the Secretary of State may determine.

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(11) In proceedings against a person under this section, the facts stated in such a certificate shall, on production of the certificate and proof that that person is the person whose conviction is certified, be taken to be proved unless the contrary is proved.

PART II

5 (12) Any statutory instrument containing an Order under subsection (1) above shall be subject to annulment in pursuance of a resolution of either House of Parliament.

## PART III

## GENERAL

10 23.—(1) Subject to subsection (2) below, a court may not make a declaration of relevance as respects any offence unless it is satisfied that the prosecutor gave notice to the defendant, at least five days before the first day of the trial, that it was proposed to show that the offence related to football matches.

Further provision about, and appeals against, declarations of relevance.

15 (2) A court may, in any particular case, make a declaration of relevance notwithstanding that notice to the defendant as required by subsection (1) above has not been given if he consents to waive the giving of full notice or the court is satisfied that the interests of justice do not require more notice to be given.

20 (3) A person convicted of an offence as respects which the court makes a declaration of relevance may appeal against the making of the declaration of relevance as if the declaration were included in any sentence passed on him for the offence, and accordingly—

25 (a) in section 10(3) of the Criminal Appeal Act 1968 (appeals against sentence by Crown Court), in paragraph (c), after the subparagraph (iv) inserted by section 15(7) above there shall be inserted “or

1968 c. 19.

(v) a declaration of relevance under the Football Spectators Act 1989;”;

30 (b) in section 50(1) of that Act (meaning of “sentence”), at the end there shall be inserted the words “and a declaration of relevance under the Football Spectators Act 1989”; and

35 (c) in section 108(3) of the Magistrates’ Courts Act 1980 (right of appeal to the Crown Court), at the end there shall be inserted the words “and also includes a declaration of relevance under the Football Spectators Act 1989.”

1980 c. 43.

(4) A restriction order made upon a person’s conviction of a relevant offence shall be quashed if the making of a declaration of relevance as respects that offence is reversed on appeal.

40 24.—(1) Where an offence under this Act which has been committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, a director, manager, secretary or similar officer of the body corporate, or any person purporting to act in that capacity, he, as well as the body corporate, shall be guilty of that offence and be liable to be proceeded against and punished accordingly.

Offences by bodies corporate.

PART III	(2) Where the affairs of a body corporate are managed by its members, subsection (1) above shall apply to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.	
Service of documents.	<b>25.</b> —(1) Any notice or other document required or authorised by or by virtue of this Act to be served on any person may be served on him either by delivering it to him or by leaving it at his proper address or by sending it by post.	5
	(2) Any notice or other document so required or authorised to be served on a body corporate or a firm shall be duly served if it is served on the secretary or clerk of that body or a partner of that firm.	10
1978 c. 30.	(3) For the purposes of this section, and of section 7 of the Interpretation Act 1978 in its application to this section, the proper address of a person, in the case of a secretary or clerk of a body corporate, shall be that of the registered office or principal office of that body, in the case of a partner of a firm shall be that of the principal office of the firm, and in any other case shall be the last known address of the person to be served.	15
	(4) This section, and the said section 7 in its application to this section, is subject to section 21(4) and (7) above.	20
Citation, commencement, consequential repeal and extent.	<b>26.</b> —(1) This Act may be cited as the Football Spectators Act 1989.	
	(2) The provisions of this Act (other than this section) shall not come into operation until such day as the Secretary of State may appoint by order made by statutory instrument.	
	(3) Different days may be appointed under subsection (2) above for different provisions of this Act.	25
	(4) A statutory instrument appointing a commencement date for section 3 or section 13 above shall be subject to annulment in pursuance of a resolution of either House of Parliament.	
1986 c. 64.	(5) Sections 30 to 37 of the Public Order Act 1986 (which provide for exclusion orders) shall cease to have effect on the date appointed under subsection (2) above for the commencement of section 2 of this Act except for the purposes of the making under section 33 of that Act of applications after that date to terminate exclusion orders and the communication of terminating orders under section 34(2) of that Act.	30
	(6) This Act, except paragraph 14 of Schedule 2, extends to England and Wales only.	35

(10) Any person commits an offence who, in connection with an application under this section to be exempted from a duty to report—

- 5 (a) makes a statement which he knows to be false or misleading in a material particular or recklessly makes a statement which is false or misleading in a material particular, or
- 10 (b) produces, furnishes, signs or otherwise makes use of a document which he knows to be false or misleading in a material particular or recklessly produces, furnishes, signs or otherwise makes use of a document which is false or misleading in a material particular.

(11) A person guilty of an offence under subsection (10) above shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.

15 21.—(1) The Secretary of State may issue to the enforcing authority such guidance as he considers appropriate for the purposes of the exercise of their functions under sections 19 and 20 above.

Functions of enforcing authority: supplementary provisions.

(2) The Secretary of State shall make such arrangements as he considers appropriate for publishing the guidance issued from time to time under subsection (1) above.

20 (3) The Secretary of State may make regulations regulating the giving by the enforcing authority to persons subject to restriction orders of notices under section 19 above imposing requirements to report to police stations; and it shall be the duty of the enforcing authority to comply with the regulations.

25 (4) Regulations under subsection (3) above may exclude the operation of section 25 below.

(5) The power to make regulations under subsection (3) above is exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

30 (6) Where any notice is given under section 19 above by the enforcing authority in accordance with regulations under subsection (3) above, the notice shall be taken to have been received by the person to whom it was addressed unless he proves that he did not receive the notice and did not know and had no reasonable cause to believe that he had been required to report to a police station.

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(7) Where any notice is given under section 19 above by the enforcing authority in accordance with section 25 below, subsection (6) above shall apply as it applies to such a notice given in accordance with regulations under subsection (3) above.

40 (8) The Secretary of State may, out of money provided by Parliament, pay to the enforcing authority any expenses incurred by them in exercising their functions under sections 19 and 20 above.

*Relevant offences outside England and Wales*

45 22.—(1) Her Majesty may, by Order in Council, specify offences (“corresponding offences”) under the law of any country outside England and Wales which appear to Her to correspond to any offence specified in Schedule 1 to this Act.

Restriction orders arising out of offences outside England and Wales.

## PART II

(2) Upon an information being laid before a justice of the peace for any area that a person who resides or is believed to reside in that area has been convicted of a corresponding offence in a country outside England and Wales, the justice may—

- (a) issue a summons directed to that person requiring him to appear before a magistrates' court for that area to answer to the information; or
- (b) subject to subsection (3) below, issue a warrant to arrest that person and bring him before a magistrates' court for that area.

(3) No warrant shall be issued under subsection (2) above unless the information is in writing and substantiated on oath.

(4) Where a person appears or is brought before a magistrates' court in pursuance of subsection (2) above, the court, if satisfied that—

- (a) he is ordinarily resident in England and Wales, and
- (b) has been convicted in the country outside England and Wales of the corresponding offence,

may, unless it appears that the conviction is the subject of proceedings in a court of law in that country questioning the conviction, make a restriction order in relation to him.

(5) No restriction order may be made under this section in relation to a person unless the court is satisfied that making such an order in relation to him would help to prevent violence or disorder at or in connection with designated football matches.

(6) In proceedings under subsection (4) above, the court shall have the like powers, including power to adjourn the proceedings and meanwhile to remand the defendant on bail (but not in custody), and the proceedings shall be conducted as nearly as may be in the like manner, as if the proceedings were the trial of an information for a summary offence.

(7) Any person aggrieved by the decision of a magistrates' court making a restriction order under this section may appeal to the Crown Court against the decision.

(8) Sections 15(3) to (6) and 16 to 21 above shall apply in relation to a person subject to a restriction order under this section as they apply in relation to a person subject to a restriction order made by a magistrates' court under section 15.

(9) An Order in Council under subsection (1) above relating to any country may include provision—

- (a) specifying the authority in that country which is to certify the conviction of a person in that country of a corresponding offence, the nature and circumstances of the offence and whether or not the conviction is the subject of proceedings in that country questioning it; and
- (b) prescribing the form of such certificates.

(10) A certificate in the form prescribed by an Order in Council under subsection (1) above shall be admissible in any proceedings under this Part of this Act as evidence of the facts stated in the certificate and a document in that form shall be taken to be such a certificate unless the contrary is proved.

- (a) shall give a copy of the terminating order to the person to whom the restriction order relates;
- (b) shall (as soon as reasonably practicable) send a copy of it to the enforcing authority; and
- 5 (c) in a case where the person subject to the restriction order is serving a term of imprisonment, shall (as soon as reasonably practicable) send a copy of the terminating order to the governor of the prison or other person in whose custody he is, as the case may be.
- 10 (3) Where a person subject to a restriction order is discharged from prison and, in the case of a person who has not reported initially to a police station, is discharged more than five days before the expiry of the restriction order, the governor of the prison or person in whose custody he is, as the case may be, shall (as soon as reasonably practicable) give
- 15 notice of his discharge to the enforcing authority.
- (4) References in this section to the clerk of a magistrates' court shall be construed in accordance with section 141 of the Magistrates' Courts Act 1980, reading references to that Act as references to this section.

1980 c. 43.

#### *Reporting*

- 20 19.—(1) The enforcing authority and the officer responsible for the police station at which he reports initially shall have the following functions as respects any person subject to a restriction order.
- Functions of enforcing authority and local police.
- (2) On a person reporting initially at the police station, the officer responsible for the station may make such requirements of that person as are determined by the enforcing authority to be necessary or expedient for giving effect to restriction orders.
- 25 (3) During the currency of a restriction order in force in relation to any person the enforcing authority shall perform the following functions on the occasion of any designated football match, that is to say—
- 30 (a) where the match is one for which reporting is obligatory for all persons subject to restriction orders, the authority shall, by notice in writing to that person, require him to report to a police station at the time or between the times specified in the notice;
- 35 (b) where the match is one for which reporting is obligatory for such persons only as are required to report under this paragraph, the authority shall, if that person is one as respects whom subsection (4) below is satisfied, by notice in writing to that person, require him to report to a police station at the time or between the times specified in the notice.
- 40 (4) No requirement to report under subsection (3)(b) above shall be imposed by the enforcing authority on any person unless imposing it is, in their opinion, necessary or expedient in order to reduce the likelihood of violence or disorder at, or in connection with, the designated football match; and the authority may establish criteria for determining whether
- 45 any person or class of persons ought to be required to report under that paragraph.
- (5) The enforcing authority, in exercising their functions under this section shall have regard to any guidance issued by the Secretary of State under section 21 below.

## PART II

(6) A person who, without reasonable excuse, fails to comply with any requirement imposed on him under subsection (2) above shall be guilty of an offence.

(7) A person guilty of an offence under subsection (6) above shall be liable on summary conviction to a fine not exceeding level 2 on the standard scale.

Exemptions  
from  
requirement to  
report as  
respects a match.

20.—(1) A person who is subject to a restriction order may—

(a) as respects a particular designated football match, or

(b) as respects designated football matches played during a period, apply to the authority empowered to grant exemptions under this section (“the exempting authority”) to be exempt from the duty to report as respects that match or matches played during that period.

(2) The enforcing authority may grant exemptions under this section in all cases; but where the application is for an exemption as respects matches to be played within the period of five days beginning with the date of the application, or a particular match to be played within that period, the officer responsible for a police station may, subject to subsection (3) below, grant the exemption.

(3) The officer responsible for a police station shall not grant an exemption without referring the question of exemption to the enforcing authority, unless he considers that it is not reasonably practicable to do so.

(4) The exempting authority shall exempt the applicant from the duty to report if he shows to the authority’s satisfaction—

(a) that there are special circumstances which justify his being so exempted; and

(b) that, because of those circumstances, he would not attend the match or matches if he were so exempted.

(5) The exempting authority shall, in taking any decision under subsection (4) above, have regard to any guidance issued by the Secretary of State under section 21 below.

(6) Where an exemption is granted by the exempting authority to a person under subsection (4) above the duties of the authority under section 19(3) above and of that person to report shall be suspended as respects the match or matches to which the exemption applies.

(7) A person who is aggrieved by the refusal of the exempting authority to grant him an exemption under subsection (4) above may, after giving the authority notice in writing of his intention to do so, appeal to a magistrates’ court acting for the petty sessions area in which he resides.

(8) On any appeal under subsection (7) above the court may make such order as it thinks fit.

(9) The court may order the appellant to pay all or any part of the costs of an appeal under subsection (7) above.

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for p

FROM: MARK CALL  
DATE: 23 MARCH 1989

S PICKFORD

✓

cc PS/Chancellor e  
Mrs Chaplin

1ST ORDER Q's: FINANCING IMPROVEMENTS TO WATER QUALITY

It might be worth including in the briefing an answer to the question: Why don't we follow general business practice and finance the improvements to water quality by long term borrowing rather than raising prices so much?

Mc

MARK CALL

rowp

INSPIRED PQ ON DEMATERIALISATION

Q: TO ASK THE CHANCELLOR OF THE DUCHY OF LANCASTER IF HE WILL MAKE A STATEMENT FOLLOWING THE RECENT REPORT OF THE CONSULTATIVE GROUP ON DEMATERIALISATION ESTABLISHED BY THE STOCK EXCHANGE.

A: I have noted with interest the recommendation in favour of the principle of a nominee based system of paperless shareholdings and transactions made recently by the International Stock Exchange's consultative body, SISCOT. I understand that the report will shortly be considered by the Council of the International Stock Exchange.

I am currently considering what legislative changes might be required in connection with the development of such dematerialised systems. Among the aims of any legislation would be the broad preservation of existing company and investor rights in any new system. The precise changes cannot be determined until clear and detailed decisions have been taken about the dematerialised system. The timing of any legislation therefore depends upon the speed with which decisions are taken by the City, and the pressures on the Parliamentary timetable.

*strongly influenced by*

This should have been attached to Francis Maude's letter to Norman Lamont of 21.3.89 on "Dematerialisation".

2 CC: PPS, CST, PMG, EST, Sir P. Middleton,  
Mr Monck, Mr Anson, Mr Wicks,  
Mr Hardcastle, Mr Scholar, Mr Moore,  
Mr Odling - Smee, Mr Bent, Mr Gieve,  
Mr Ilett, Mr M. Williams, Mr Neilson,  
Mr Call, Miss M. Hill-IR.



**FROM:** Assistant Parliamentary Clerk  
**DATE:** 23 March 1989

01-270 5007

*psf*

**PS/CHANCELLOR**

cc PS/Chief Secretary  
PS/Financial Secretary  
PS/Paymaster General  
PS/Economic Secretary  
PS/C&E  
Mr Hibberd - EA1  
Mr Mercer - EC2  
Mr Gieve - IDT  
Mr Dyer

**FORTHCOMING TREASURY BUSINESS IN THE HOUSE OF LORDS**

You may wish to be aware that the current forthcoming Treasury business in the Lords is as follows:

**ORAL QUESTIONS**

**Tuesday 18 April** The Lord Boyd-Carpenter - To ask Her Majesty's Government how they justify imposing Value Added Tax on the cost of a car inflated by the charge of car tax.

**Government Spokesman** To be confirmed. C&E in the lead.

**DEBATE**

**Thursday 13 April** The Baroness Robson of Kiddington - To move, That this House takes note of the Report of the European Communities Committee on Fraud against the Community (5th Report, 1988-89, HL Paper 27)

**Government Spokesman:** Lord Belstead. EC2 in the lead.

TREASURY INTEREST QUESTIONS

Monday 3 April The Lord Jay - To ask Her Majesty's Government what was the balance of total visible trade between the United Kingdom and the rest of the European Community in 1987 and 1988.

Government Spokesman Lord Young. DTI in the lead

Monday 4 April The Lord Bruce-Gardyne - To ask Her Majesty's Government what has been the total cost to United Kingdom taxpayers of all forms of grant and subsidy paid to encourage inward investment by Japanese industry in the United Kingdom over the last 10 years.

Government Spokesman Lord Young. DTI in the lead.

Monday 10 April The Lord Dean of Beswick - To ask Her Majesty's Government what is the balance of payments position in manufacturing industry.

Government Spokesman Lord Young. DTI in the lead.

*Mari Rogerson*  
MARI ROGERSON



*[Handwritten signature]*

FROM: S M A JAMES  
DATE: 4 April 1989

PS/CHANCELLOR 12/2

cc: PS/Chief Secretary  
PS/Financial Secretary  
PS/Paymaster General  
Sir P Middleton  
Sir T Burns  
Mr Gieve  
Mr Pickford  
Mr Dyer  
Miss Wallace  
Mr Deane  
Mr Hutson  
Mr Lind  
Mrs Chaplin  
Mr Tyrie  
Mr Call

**TREASURY FIRST ORDER QUESTIONS: THURSDAY 6 APRIL, EB DRAFT CENTRAL BRIEF**

The Economic Secretary has suggested a few additional points which might be covered in the general briefing on topical issues (Miss Simpson's minute of 21 March).

- (i) Para 6 - refer to Healey Budget Speech 1978 -  
quotation on why he did not revalorise;  
- tobacco duty fell under Labour;

- (ii) Para 7 - compare pay increases and nationalised  
industry prices;

3. The Economic Secretary has asked (para 10) for the actual text of John Banham's statements on 17 February.

*[Handwritten signature]*

S M A JAMES  
PRIVATE SECRETARY

ch/option B OK?

015

FROM: SUSAN OWEN (EA2)

DATE: 4 APRIL 1989  
x 5381

- 1. MR O'DONNELL
- 2. CHANCELLOR

*I favour option B as it commits the CSO to reconsider how to treat the balancing items. This may have beneficial spin-offs for the current account.*

- cc: Sir P Middleton
- Sir T Burns o.r
- Mr Sedgwick
- Mr Pickford

*G.O. Donnell  
4/iv*

*\* Note @ end of circulate urgent Mr G.O. Donnell*

**PQ ON OVERSEAS ASSETS**

1. Chris Smith (Labour) has put in a written question asking for an estimate of the end-1988 stock of net overseas assets. He also wants to know why no estimate was given in the FSBR.

2. As you will remember it was decided not to include any figure for net overseas assets in the FSBR because the last three years' balancing items now total £40 billion, making the usual CSO estimate unreliable. When calculating net overseas assets the CSO assumes that the balancing item reflects current account errors - a procedure which is only defensible if the net overseas assets figure is described clearly as the net identified position. The Bank believe that a large part of these inflows may be unidentified transactions with securities dealers. There is a strong chance that these inflows will be identified in the next few months. Hence there is a risk that if we publish the CSO's current figure we will be forced to announce a much lower figure in the Pink Book.

3. Our first reaction was to answer this question along the lines used in current briefing, ie that the figure will be published as usual in the September 1989 Pink Book. No estimate was given in the FSBR because the size of the balancing item in recent years makes the figures fairly meaningless. A draft (option A) is attached.

4. This answer may lead to the (incorrect) assumption that we are hiding something (eg that overseas assets have fallen). The CSO have pointed out that even though the figure is not published, they will provide the information to the public on request. We could of course ask the CSO not to provide the figure on the grounds that it is misleading but this might cause problems.



**OPTION A**

HMT Ref: 3-0489

FOR ANSWER ON 4 April 1989

**TREASURY**

La - Islington South and Finsbury

111 Mr Chris Smith

To ask Mr Chancellor of the Exchequer, what is his estimate of the value of the United Kingdom's stock of net overseas assets at the end of 1988, based on the same method of assessment as that used in the calculation for 1987 in paragraph 3.29 of the Financial Statement and Budget Report 1988-89; and what are the reasons for the exclusion of any such figure from the Financial Statement and Budget Report 1989-90.

**DRAFT REPLY BY THE CHANCELLOR OF THE EXCHEQUER:**

An estimate of the value of the UK stock of net overseas assets will be published as usual in the Pink Book in September this year. There was no preliminary forecast of the 1988 net asset position published in the 1989/90 FSBR because the latest estimate of the last three years' balancing items amount to over £40 billion, a large part of which may reflect unidentified capital inflows.

SUSAN OWEN  
EA2 DIVISION  
Ext 5381

A T O'DONNELL  
EA2 DIVISION  
Ext 4599



**OPTION B**

HMT Ref: 3-0489

FOR ANSWER ON 4 April 1989

TREASURY

La - Islington South and Finsbury

111 Mr Chris Smith

To ask Mr Chancellor of the Exchequer, what is his estimate of the value of the United Kingdom's stock of net overseas assets at the end of 1988, based on the same method of assessment as that used in the calculation for 1987 in paragraph 3.29 of the Financial Statement and Budget Report 1988-89; and what are the reasons for the exclusion of any such figure from the Financial Statement and Budget Report 1989-90.

DRAFT REPLY BY THE CHANCELLOR OF THE EXCHEQUER:

Preliminary estimates of identified UK net external assets at the end of 1988 are made available by the CSO on request. The latest estimate is of the order of £115 billion to £120 billion, ~~an improvement of £15 billion to £20 billion over the revised estimate of the end 1987 position and the highest level ever identified.~~

However, the method of assessment which is used by the CSO assumes that the balancing item does not reflect errors in the capital account. In practice, it is likely that a substantial part of the balancing item, which has totalled over £40 billion in the last three years, reflects unidentified capital inflows. The standard methodology is therefore being reconsidered by the CSO. For this reason it was judged to be inappropriate to

include an estimate of overseas assets in the Financial Statement and Budget Report. An estimate of the value of the UK stock of net overseas assets will however be published as usual in the Pink Book in September.

SUSAN OWEN  
EA2 DIVISION  
Ext 5381

A T O'DONNELL  
EA2 DIVISION  
Ext 4599

TREASURY

La - Islington South and Finsbury

111 Mr Chris Smith

To ask Mr Chancellor of the Exchequer, what is his estimate of the value of the United Kingdom's stock of net overseas assets at the end of 1988, based on the same method of assessment as that used in the calculation for 1987 in paragraph 3.29 of the Financial Statement and Budget Report 1988-89; and what are the reasons for the exclusion of any such figure from the Financial Statement and Budget Report 1989-90.

DRAFT REPLY BY THE CHANCELLOR OF THE EXCHEQUER:

Preliminary estimates of identified UK net <sup>overseas</sup> ~~external~~ assets at the end of 1988 are made available by the CSO on request. The latest estimate is of the order of £115 billion to £120 billion. (The estimated level of identified net external assets at the end of 1987 has been revised up to £101 billion.)

However, the method of assessment which is used by the CSO assumes that the balancing item does not reflect errors in the capital account. In practice, it is likely that a substantial part of the balancing item, which has totalled over £40 billion in the last three years, <sup>taken together,</sup> reflects unidentified capital inflows. The standard methodology is therefore being reconsidered by the CSO. For this reason it was judged to be inappropriate to include an estimate of overseas assets in the Financial

Statement and Budget Report. An estimate of the value of the UK stock of net overseas assets will however be published as usual in the Pink Book in September.

SUSAN OWEN  
EA2 DIVISION  
Ext 5381

A T O'DONNELL  
EA2 DIVISION  
Ext 4599

## BACKGROUND NOTE

### 1987 position

- End-1987 (Pink Book, September 1988) estimate of £89.5 billion, gross assets of £703.4 billion, liabilities of £613.9 billion.
- Fell by £23.7 billion between end 1986 and end 1987 - again, 1988 Pink Book estimate; fall in sterling value of UK assets in North America, following fall in US dollar.
- Revision of 1987 net capital transactions figure from -£1.0 billion in Pink Book to -£9.5 billion at latest estimate (10/3/89, Q4 Balance of Payments Press Notice) suggests possibility of higher net stock of overseas assets at end-1987. But if stocks measured independently of flows it would mean no change in net stock but a smaller impact of revaluation factors (changes in equity prices and exchange rates).
- End 1987 estimate has in fact been revised up to £101.1 billion, but unless someone asks for it, this will not be made public until the September Pink Book - by which time the figure may be further revised.
- On the basis of these unpublished revisions, the net stock of overseas assets only fell by £11 billion, about half as much as was thought at time of Pink Book. Still likely to reflect fall in dollar.
- However, balancing item for 1987 also revised upward from £3.5 billion at time of 1988 Pink Book to £12.4 billion at latest estimate, a large part some of which may represent unrecorded capital inflows and hence a relatively lower net overseas asset stock.

### 1988 position

- FSBR contains no forecast of net overseas assets for end 1988 as judged inappropriate when size of recent balancing

items in last three years makes accurate estimation impossible.

- CSO provide preliminary estimate of identified net external assets on request - latest estimate of the order of £115-120 million. Rise probably reflects rising value of dollar and recovery of equity markets in 1988.

#### International comparisons

- Recorded net overseas assets at end-1987 better only by Japan in absolute (\$) terms; highest in world as percentage of GDP and as percentage of exports and services.

IDT BRIEFING ON STOCK OF OVERSEAS ASSETS

Factual

(1) Net stock of overseas assets can rise for following reasons:

- (i) net capital outflow
- (ii) improvement in bilateral sterling exchange rate
- (iii) rise in overseas equity market values relative to UK

(2) Net stock of overseas assets estimates

£ billion (change)	<u>Pink Book</u> September 1988	<u>Latest estimate</u> Unpublished, available from CSO on request
end 1986	113.2	112.1
end 1987	89.5 (-23.7)	101.1 (-11.0)
end 1988	-	115-120 (+16.5 approx)

(3) Fall in stock end 1986 to end 1987 reflects fall in sterling value UK assets in North America following fall in US dollar.

(4) Balancing item estimates

£ billion	<u>Pink Book</u> September 1988	<u>Latest estimate</u> Q4 Balance of Payments Press Notice, 10/3/89
1986	14.4	13.7
1987	3.5	12.4
<u>1988</u>	-	<u>15.3</u>
1986-88		41.4 ("over £40 billion")

Balancing item reflects unrecorded exports or (more likely) unidentified capital inflows. Unrecorded exports would improve the current account to the extent that external assets and liabilities are measured by cumulating capital flows (rather than being measured directly), then unidentified capital inflows would lower the net stock of external assets. Would also worsen the current account to a smaller extent because of unrecorded interest payments abroad.

(5) FBSR contains no forecast of net overseas assets for end 1988 as judged inappropriate to do so when size of recent balancing items over last three years makes accurate estimation impossible.

Positive

UK position still healthy by world standards

- Even on an extreme assumption that whole of last three years' balancing items represents unidentified capital inflows, UK's stock of net external assets still likely to be second (to Japan) or third (to Germany) in terms of value and first of all major nations as a share of GDP.
- Problem not confined to UK. IMF study of world current account discrepancy (1987) showed current account figures in general understating net credits.
- No matter how the balancing item is treated, it is still the case that the UK's stock of net overseas assets increased between end 1987 and end 1988 despite the large current account deficit.

move  
to be  
main line  
to take?



Defensive

substantial amount?

Is overseas asset stock exaggerated by £40 billion?

Almost certainly not. Balancing item of £40 billion over last 3 years reflects mixture of unrecorded exports and unidentified capital inflows. Unlikely to be one hundred percent capital inflows although (majority) will be. But not all overseas assets and liabilities measured by cumulating capital flows, some directly measured so overstatement of net external position probably less than £40 billion.

Is this an example of Treasury fiddling the figures?

No. These estimates of net overseas assets have been prepared by CSO using the standard methodology. Treasury chose not to publish them in FSBR because they probably give a misleadingly favourable impression of our net overseas asset position. (This is because the large positive balancing items on the overseas account in the last three years probably include a large amount of unidentified capital inflows.)

Is likely overstatement of net asset position because of huge balance of payments deficit?

No. Entirely because of problems of keeping pace with new financial developments in a dynamic deregulated economy. New types of activity and new participants in markets continuously. Errors and omissions in accounts not a new problem. Identification of every international transaction would alter recorded value of external assets over last 15 years.

Is UK likely to face a sterling crisis if balance of payments deficits persist because net overseas assets could now be used up sooner than previously thought?

No. Current account deficits reflect imbalance between private sector saving and investment which will correct itself in part as savings recover in response to higher interest rates. Hence net assets position unlikely to be run down. Net overseas assets almost certainly increased between 1987 and 1988 (however the balancing item is treated) despite the large current account deficit.

What is being done to fill the black hole of balancing items and its possible implications for overseas assets?

A great deal. The statistical services are being reorganised along lines recommended by the Scrutiny Report. This will bring under one management more of the work of compiling macroeconomic statistics. Several surveys planned/underway could well reveal hitherto unrecorded transactions.



FROM: B O DYER  
 DATE: 5 April 1989  
 EXT: 4520

**CHANCELLOR**

cc Chief Secretary  
 Financial Secretary  
 Paymaster General  
 Economic Secretary  
 Mr J Gieve - IDT  
 Mrs J Chaplin  
 Mrs J Thorpe

**CABINET : THURSDAY 6 APRIL 1989**  
**PARLIAMENTARY AFFAIRS**

Following is the known business proposed for the Commons next week:

Monday 10 April

2.30pm: Energy Questions

3.30pm: Electricity Bill - Third Reading  
 after

10.00pm: Lord Chancellor's Salary Order 1989 - Lord President  
 supported by HMT officials

Tuesday 11 April

2.30pm: Defence Questions

3.15pm: PMs Questions

3.30pm: Ten Minute Rule Bill - Mildred Gordon: Women's  
 Unremunerated Work

3.40pm: To be decided [possibly remaining half of Opposition 2nd  
 allotted day followed by debate on private bill procedure]

10.00pm: Weights and Measures (EC Doc No 4102/89) - Take note  
 debate

Wednesday 12 April

2.30pm: FCO Questions

3.30pm: Ten Minute Rule Bill - Nicholas Bennett: Abolition of Welsh  
 County Councils

3.40pm: Opposition 6th Allotted Day - subject to be announced

*at*  
 I'm told the Opposition have not chosen  
 to economy. They  
 refer social security  
 & safety in the construction industry

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*AA*

Thursday 13 April

- 2.30pm: Home Office Questions  
3.15pm: PMs Questions  
3.30pm: Business Statement  
3.50pm: Road Traffic (Driver Licensing and Information Systems)  
Bill - Second Reading  
7.00pm: Atomic Energy Bill (Lords) - Second Reading

Friday 14 April

- 9.30am: Private Members' Bills - Remaining Stages
1. Control of Smoke Pollution: Third Reading
  2. Weights and Measures (Amdt): Committee
  3. Sunday Trading (Reform): Second Reading
  4. Abolition (Financial Benefits): Second Reading

*R. T. Savage*

*pp.* B O DYER

FROM : MISS J C SIMPSON (EB)  
DATE : 5 APRIL 1989  
Ext 5211

1. MR ~~PICKFORD~~ <sup>Sl. 2/4</sup> 5/4
2. CHANCELLOR OF THE EXCHEQUER

Copies attached for:

Chief Secretary  
Financial Secretary  
Economic Secretary  
Mr Pickford

cc Chief Secretary  
Financial Secretary  
Economic Secretary  
Sir P Middleton  
Sir T Burns  
Mr Gieve  
Miss Wallace  
Mr Dyer  
Mr Deane  
Mr Lind  
Mr Hutson (+ 5 copies)  
Mrs Chaplin  
Mr Tyrie  
Mr Call

Mr N Forman MP  
Mr T Favell MP  
Mr J Maples MP  
Mrs G Sheppard MP  
Mr A Howarth MP

**TREASURY FIRST ORDER QUESTIONS : THURSDAY, 6 APRIL  
EB CENTRAL BRIEF**

1. I attach EB's central brief.
2. The brief contains:
  - (i) Bull points
  - (ii) Checklist of main indicators published recently
  - (iii) General briefing on topical issues.

Changes from the draft version have been sidelined.

3. You agreed that supplementaries should be encouraged on the questions from Messrs Randall, Gregory, and Shepherd, Sir Trevor Skeet and, if necessary, Mr Wilshire. You also agreed that you would aim to stop with Sir Trevor's question on changes in the

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post-tax income of pensioners since 1979. Failing that, Mr Wilshire's question should be the backstop.

4. Extracts from the Budget brief have been attached to relevant questions.

*B*

MISS J C SIMPSON

UNCLASSIFIED

## 1. Investment

Business investment in 1988 is highest proportion of GDP since records began. Total investment now higher proportion of GDP than in any year under the last Labour Government.

Over past 7 years total investment grown more than twice as fast as total consumption a performance matched only by Japan of the other major countries. Under Labour, consumption grew by only 2 per cent a year, while investment hardly grew at all [ $\frac{1}{4}$  per cent a year on average].

In 1980s total investment grown faster than in any other EC country.

## 2. Output

GDP up  $4\frac{1}{2}$  per cent in 1988 following similar growth in 1987.

UK grown faster than all other major EC countries since 1980. Bottom of league in 1960s and 1970s.

Manufacturing output in 3 months to January at highest ever level; up 11 per cent on 1979H1 and well above 1974Q2 peak. Fell between 1974H1 and 1979H1.

Profitability in 1988 at level not seen since 1960s.

## 3. Productivity and Jobs

Manufacturing productivity grown faster than in any other major country in the 1980s. Bottom of league in the 1960s and 1970s.

Adult unemployment (seasonally adjusted) below 2 million. Lowest level since February 1981. Continuous fall for 31 months in a row, by 1.2 million in total. Fall in unemployment longest and largest since War.

Unemployment has fallen in all regions over the last year. Long term unemployment has fallen faster than unemployment as a whole in all regions.

Employment risen by over  $2\frac{3}{4}$  million since 1983; performance over last five years best since War. Now at highest ever level.

## 4. Public finances

PSDR in 1988-89 (i.e. budget surplus) for second successive year, something which has not happened for 40 years. PSDR in 1988-89 expected to be £14 billion, or 3 per cent of GDP.

Including the forecast PSDR of £14 billion in 1989-90, Government will have repaid roughly  $\frac{1}{6}$  of the public debt accumulated over two centuries; saving £3 billion a year in interest payments. As a share of GDP debt interest will be the lowest since 1915.

Since 1982-83, general government expenditure (GGE), excluding privatisation proceeds, fallen by 7 percentage points as a share of GDP. In 1988-89 less than 40 per cent of GDP for first time for over 20 years. Planned to fall further by 1990-91 to 39 per cent, lowest since 1966-67.

MAIN ECONOMIC INDICATORS PUBLISHED SINCE 6 MARCH

6 March

Retail sales (January - final)

9 March

CBI/FT Survey of distributive trades (February)

10 March

Construction output (Q4)

- In 1988Q4 up 3 per cent on 1988Q3 and up 4 per cent on 1987Q4. In 1988 as a whole up 7 per cent on 1987.

Balance of payments (Q4)

- Current account deficit for 1988 as a whole of £14,665 million.

13 March

Retail sales (February - provisional)

Producer prices (February - provisional)

- Annual rate of output prices 5.2 per cent.

- Annual rate of input prices 5.1 per cent.

16 March

Index of output of production industries (January)

- Industrial production in 3 months to January down  $\frac{1}{2}$  per cent on previous 3 months, but up 2.1 per cent on year earlier.

- Manufacturing output in 3 months to January up 1 per cent on previous 3 months and up 7 per cent on a year earlier.



Public Sector Borrowing Requirement (February)

- Provisionally estimated to have been minus £1.0 billion in February. Cumulative total of minus £16.6 billion in first eleven months of 1988-89.
- Cumulative, excl. privatisation proceeds, of minus £10.5 billion.

Capital expenditure by manufacturing and service industries (Q4 - revised)

- Manufacturing investment in 1988Q4 down 3.8 per cent on 1988Q3, but up 5.3 per cent on a year earlier. In 1988 as a whole up 9.4 per cent on 1987.

Labour market statistics

- Unemployment (s.a., claimants aged 18 and over only) (February) down 41,000 to 1,947,000. 'Headline' total down 56,000 to 2,018,000.
- Workforce in employment in 1988Q3 up 168,000 on 1988Q2 to level 731,000 higher than year earlier.
- Manufacturing employees (January) up 6,000 from December to 5,160,000.
- Vacancies (February) down 1,000 from January to 228,000.
- Average earnings (January) underlying increase of 9 per cent for whole economy.
- Manufacturing unit wage costs in 3 months to January up 2.9 per cent on year earlier.

- **Manufacturing productivity** in 3 months to January up 6 per cent on year earlier.

17 March

Gross Domestic Product (Q4 - provisional)

- **GDP(A)**, at factor cost, in 1988Q4 up 3 per cent on year earlier. In 1988 as a whole up 3.8 per cent on 1987.
- **Gross fixed investment** up 8½ per cent in year to 1988Q4. In 1988 as a whole up 11.8 per cent on 1987.

20 March

Provisional estimates of monetary aggregates (February)

- **M0** annual growth rate 6.6 per cent.
- **M3** annual growth rate 22.6 per cent.
- **M4** annual growth rate 18.6 per cent.
- **M5** annual growth rate 17.8 per cent.
- **Bank and building society lending** +£4.7 billion (s.a.).

22 March

Construction - new orders (January - provisional)

- **Total orders** in 3 months to January up 11 per cent on previous 3 months, and up 18 per cent on a year earlier.

3 March

Tax and price index (February)

- Annual rate 6.1 per cent.

Retail prices index (February)

- Annual rate 7.8 per cent, excl. mortgage interest payments (MIPs) annual rate 5.7 per cent.

28 March

CBI Monthly Trends Enquiry (March)

29 March

Personal income and expenditure (Q4)

- Real personal disposable income grew by nearly 3 per cent between 1988Q3 and 1988Q4 to reach a level 5½ per cent higher than a year earlier. In 1988 as a whole RPDI 5 per cent higher than 1987.

- Saving ratio 4.1 per cent in 1988Q4, up from 3.1 per cent in 1988Q3. In 1988 as a whole averaged 4.1 per cent.

Industrial and commercial companies (Q4)

- Gross trading profits (net of stock appreciation) of non-North Sea industrial and commercial companies estimated to have fallen by 6 per cent between 1988Q3 and 1988Q4. In Q4, 16 per cent higher than a year earlier. In 1988 as a whole up 20 per cent on 1987.

Balance of payments current account and overseas trade figures (February)

- February current account deficit of £1,696 million.

- In 3 months to February, **export volumes** (excl. oil and erratics) up  $3\frac{1}{2}$  per cent on previous 3 months and up  $9\frac{1}{2}$  per cent on a year earlier.

- In 3 months to February, **import volumes** (excl. oil and erratics) up  $3\frac{1}{2}$  per cent on previous 3 months and up 16 per cent on a year earlier.

3 April

Retail sales (February - final)

- In February up 3 per cent on previous month. In 3 months to February up 0.1 per cent on previous 3 months and up 4 per cent on a year earlier.

4 April

UK official reserves (March)

- Underlying fall of \$1,196 million.

## GENERAL BRIEFING : TOPICAL ISSUES

### 1. Budget contained nothing

- Nonsense
- Budget contained important reforms of employees' NICs and taxation of life assurance
- also number of other measures to improve pensions' regime and encourage wider share ownership
- builds on major reforms of corporate and personal taxes introduced in 1984 and 1988.

### 2. Budget shows accept last year's strategy mistaken

- No. Fiscal policy very tight last year with unprecedented PSDR; that further tax reductions were possible this year with similar PSDR shows last year's reforms are sustainable
- cuts in tax rates in last year's Budget were supply side measures aimed at improving incentives
- growth of consumption last year financed largely by borrowing, especially on mortgages - not from tax cuts. Have taken steps to curb excessive borrowing
- cautious approach correct. Looser fiscal stance would be inconsistent with gradualist strategy of MTFs. Further year of debt repayment will lower burden of debt interest in future years.

### 3. Budget does nothing for poor; should have reversed 1988 'Budget for rich'

- 1988 not Budget for rich. All taxpayers benefited from its measures
- 70 per cent of cost of reform of NICs this year will go to those on less than average (male full-time) earnings
- also number of measures to help elderly eg extending extra age allowance to over 75s, abolition of earnings' rule. Further 15,000 elderly taken out of tax compared to indexation and 400,000 gain some benefit
- real take home pay for those on half average earnings likely to go up over 24½ per cent 1978-79 to 1989-90. Went up 4.2 per cent 1973-74 to 1978-79.

4. Interest rate rises have wiped out effect of Budget tax cuts

- Need to look beyond these two figures to effect of overall economic strategy. This has led to overall growth in earnings which will go long way to reduce or even eliminate effect of increased interest rates on household budgets
- must also remember that property itself will almost certainly have increased significantly in value
- tax cuts are part of supply-side strategy that will bring longer-term benefits.

5. Tax relief for private medical insurance for over-60s unjustified

- Strange that RHG and HG should be so obsessed with comparatively minor measure that had already been announced two months ago
- no reason why people should not opt out of burdening the NHS with costs of their health care
- but particular reason for helping over-60s, many of whom will have been covered by employers or job-related schemes up to retirement, but find then that cost of health care rises just as ability to pay falls. Measure will give stimulus to market in provision of health care for elderly
- relief given at marginal rate and without 'targetting' because this is standard practice when giving tax relief as opposed to benefit payment
- Government also putting massive additional resources into NHS. 1989 PEWP shows largest increase in resources ever made available to NHS : £2.5 billion in both 1989-90 and 1990-91.

6. Government policies consistently favour rich at expense of poor

- No. Living standards have never been higher. Real take-home pay of average married man with two children rose less than 1 per cent under Labour. In 1988-89 it is likely to have risen over 29 per cent - or £45 a week at today's prices - under this Government. Likely to rise further in 1989-90
- real disposable incomes up throughout the income distribution. And what matters to those on low incomes is their real standard of living, not their relative position
- on DSS figures, post tax incomes of people at all levels rose in real terms between 1981-1985. Since 1985 real incomes have continued to rise, unemployment has fallen sharply and taxes have been further reduced. Real household disposable income per head rose on average 3 per cent a year 1981-87. Marked contrast to slow growth between 1974 and 1979

- real value of supplementary benefit has increased between 1979 and 1987. Between 1979 and 1986 average net income of pensioners rose by 23 per cent in real terms
- total expenditure on benefits up 33 per cent in real terms since 1979. Spending on sick and disabled has almost doubled in real terms
- in real terms, income tax paid by top 5 per cent up by 35 per cent in 1989-90 compared with 1978-79 while total for rest up by only 5 per cent.

7. Tax cutting strategy has not produced falling tax burden

- Tax burden grew until 1981-82, reflecting need to reduce PSBR and so inflation, but now reduced from peak levels
- other countries have had growing tax burdens. UK has average burden. Latest CSO figures for 1986 show that it is greater than US, Japan and Italy, but lower than France and most Scandinavian countries, and similar to West Germany
- Government will reduce tax burden as and when feasible and prudent to do so. Judged that this year a prudent and cautious approach meant sensible to have no reduction in tax burden.

8. Why fail to revalorise excise duties because of inflationary pressures while forcing up RPI through interest rate and NI price rises?

- Very different considerations apply. Interest rates essential weapon in defeat of inflation by curbing domestic demand, especially that financed by borrowing. Effect on RPI is perverse - as I/my RHF have always made clear. But will have intended effect on underlying rate of inflation
- RHG Leeds East recognised importance of not adding to inflationary pressures by unneeded increases in excise duties - said in 1978 Budget speech "I cannot believe it would make sense for the Government themselves deliberately to raise the inflation rate and increase the cost of living. I will therefore leave the indirect taxes generally unchanged on this occasion."
- tobacco duty fell in real terms under Labour; has risen over 40 per cent under this Government
- duty on cigarettes second highest in EC (after Denmark). Duty on alcoholic products higher than all except Denmark and Ireland
- nationalised industries need to increase prices to achieve satisfactory rate of return and finance new investment

- objective is to make industries profitable and competitive. Going back to bureaucratic interference in NIs' pricing policies would be retrograde step and undo good work already achieved
- over last five years NI component of RPI risen more slowly than total RPI.

9. Nationalised industry price increases damaging industry; unnecessary to fund investment; Government adding £2 billion to industry's costs (John Banham, 17 February)

- Fuel and power costs only tiny proportion of industry's total costs. April 1988 electricity price increases represented increase in costs of only one-sixth of one per cent. And industrial consumers' prices had fallen over past five years by 10 per cent in real terms. Price in mid-range of European prices
- not true that price rises not justified by need to fund investment. Present low rate of return from nationalised industries insufficient to justify investment on scale needed for future. Right therefore that required rate of return should be increased as my RHF SoS/Energy made clear when announced new targets in November 1987. And right that taxpayer should also get return on investment
- my H & LF Minister for Water made clear that price rises for Water Authorities represent appropriate balance between charges and borrowing next year, taking account of Authorities' long-term financial requirements
- once industries privatised, will be free to raise finance in markets like other industries
- over past five years (1983-88), nationalised industry prices as whole rose less than RPI (22 per cent compared to 26 per cent for RPI)
- major item of industry's costs in its own hands; needs to keep control of pay costs. But these going up faster than prices generally
- [on business rates] recognise burden business rates can impose in areas of high local authority spending. That is why introduced NNDR. My RHF SoS/Environment announced last week transitional arrangements for those badly affected by rating revaluation. New system will be much fairer.

10. Interest rate rises not working ; inflation rising and out of control

- No. Only about  $\frac{3}{4}$  per cent of 3 percentage point rise in RPI since July due to underlying inflation. Rest due to impact of mortgage interest payments



- as I/my RHF has made clear, always lag between effect of higher interest rates on consumer spending and effect on inflation
- although inflation at 7.8 per cent much too high, it will certainly fall later this year
- I/my RHF has made clear that prepared to maintain interest rates at whatever level necessary to maintain downward pressure on inflation
- recognise that increased interest rates unwelcome to borrowers, especially small businessmen and home owners, but battle against inflation must be paramount

11. Should use other instruments as well as interest rates

- Interest rates by no means only economic instrument - also fiscal policy and supply-side policies. But these two appropriate for medium/longer term
- fiscal policy not suitable for fine-tuning economy because lags in system mean tax changes take longer to have effect on activity than interest rates do. Was tried often enough in 1960s and 1970s and lesson to be drawn from failures of that period is clear. Also destroys supply-side benefits of tax cuts
- and fiscal policy remains tight. PSDR for 1988-89 likely to be £14 billion; same figure forecast for 1989-90
- credit controls would be unworkable, as well as creating inefficiencies and distortions in market. Would act as disincentive to savers as well as borrowers
- would also be unfair, because less well-placed borrowers would have to pay more and be driven to loan-sharks, while respectable lenders directed cheaper credit to 'safest' borrowers

12. Latest investment figures show real interest rates penalising industry (eg statements by John Banham, 17 February)

- Industry doing very well: output up, profitability up, investment intentions remain strong
- Latest CBI Survey shows that investment intentions remain strong. ABCC survey (14 February) shows business confidence still remains high
- renewed inflation would damage industry's confidence and willingness to invest
- 1 per cent increase in interest rates, even if sustained for full year, would cost industry much less than 1 per cent increase in wage settlements.

13. Investment languishing while consumption booms

- No. Total investment has grown faster than total consumption over past seven years - on average more than twice as fast. Experiencing longest lived investment-led expansion British economy has experienced for decades
- FSBR forecast showed business investment up by 14½ per cent in 1988 and likely to rise by further 8 per cent in 1989. CBI industrial trends enquiries continue to show confidence - January quarterly survey showed balance of firms expecting to increase capital expenditure over next 12 months remains high
- overall level of investment at record levels. Rose between 1979 and 1988 by over 30 per cent in real terms. Over period 1974-79 it grew by less than 4 per cent
- not just quantity but quality of investment that is important. Quality improved since 1979 as evidenced by improvement in productivity and profitability.

14. Manufacturing trade deficit

- Manufacturing export volumes up 5 per cent in 1988H2, compared to same period year earlier, and forecast to rise by 7½ per cent in 1989
- and on almost all other objective indicators, manufacturing performance has been transformed: productivity, profitability investment etc
- manufacturing output has risen under this Government (in three months to January, up 11 per cent on 1979H1) and at all-time high. It fell under Labour.

15. Recent monthly current account deficits mean balance of payments crisis imminent

- FSBR forecast current account deficit this year at £14½ billion or less than 3 per cent of GDP, but no balance of payments crisis
- deficit reflects rapid rise in investment and increased individual wealth combined with confidence to spend it. Combination of circumstances not seen for some time.
- present deficit financing high investment spending by private sector, contrary to period of 1960s and 1970s when current account deficit financed public sector deficit. Private investment adding to productive capacity which will boost exports and displace imports in future

- Government has taken appropriate action and deficit will correct itself in time. No cause for concern provided firm financial framework in place, as it is. Meanwhile, general strength of economy and high level of overseas assets mean no problems in financing temporary deficit.

Miss J C Simpson  
EB Division  
Ext 5211



FROM: D I SPARKES  
DATE: 5 April 1989

MS S OWEN (EA2)

cc Sir P Middleton  
Sir T Burns  
Mr Sedgwick  
Mr Gieve  
Mr Pickford  
Mr O'Donnell

BF 7/4

**PQ ON OVERSEAS ASSETS**

The Chancellor was grateful for your minute of 4 April seeking his views on the reply to be given to Chris Smith MP to his PQ on net overseas assets.

2. The Chancellor is content to adopt your Option B provided that the last three lines of the first paragraph ("an improvement" to "identified") are deleted to reflect our own doubts about the figures. But we will still have to equip IDT with defensive briefing against those who will, as a result of this reply, run headline stories about our net overseas assets having been wrongly calculated, grossly exaggerated, overstated by at least £40 billion, etc.

3. I would be grateful if you could draw up appropriate briefing, in consultation with Mr Gieve, and submit it with the revised draft reply.

A handwritten signature in dark ink, appearing to read 'D.I. Sparkes', positioned above the typed name.  
DUNCAN SPARKES

File: E19

FROM: SUSAN OWEN (EA2)

DATE: 6 APRIL 1989

Ext : 5381

- 1. MR O'DONNELL
- 2. CHANCELLOR

*ch/ content with revised PQ  
+ briefing? (over 15)  
015*

**PQ ON OVERSEAS ASSETS**

1. A revised answer to Chris Smith's PQ, amended as your suggested, is attached.

2. You wanted to delete the last three lines of the first paragraph. This creates a problem in that commentators will then think that the net overseas asset position has risen from £90 billion the last published figure for the end-1987 level to £115-120 billion. But CSO have revised the end-1987 level to £101 billion. Hence the estimated rise is around £14 to £19 billion, but unless we publish the end 1987 figure, it will be reported as an increase of £25 to £35 billion. I therefore suggest adding the sentence in square brackets. This gives the number but makes no reference to the increase between the years which, as you pointed out, must be subject to a great deal of uncertainty given the size of the balancing item.

3. You pointed out that IDT would need defensive briefing against those who will run headline stories about our net overseas assets having been wrongly calculated and grossly exaggerated. Suggested briefing for IDT is attached.

*Thanks.  
Revised PQ OK  
SUSAN OWEN  
for a quick look of  
make a quick look of  
briefing  
Susan Owen*

SUSAN OWEN

UNCLASSIFIED

⇒ Duncan



FROM: Assistant Parliamentary Clerk  
DATE: 7 April 1989  
EXTN: 5007

**PS/CHANCELLOR**

pop ✓

cc PS/Chief Secretary  
PS/Financial Secretary  
PS/Paymaster General  
PS/Economic Secretary  
PS/C&E  
Mr Hibberd - EA1  
Mr Mercer - EC2  
Ms Seammen - Pay 1  
Mr White - ST3  
Mr Gieve - IDT  
Mr Dyer

**FORTHCOMING TREASURY BUSINESS IN THE HOUSE OF LORDS**

You may wish to be aware that the current forthcoming Treasury business in the Lords is as follows:

**ORAL QUESTIONS**

Thursday 13 April The Lord Jay - To ask Her Majesty's Government what is the total they propose to spend on advertising and publicity in 1988-89, and what was the corresponding total in 1986-87 and 1987-88

**Government Spokesman:** To be confirmed. ST3 in the lead.

Tuesday 18 April The Lord Boyd-Carpenter - To ask Her Majesty's Government how they justify imposing Value Added Tax on the cost of a car inflated by the charge of car tax.

**Government Spokesman:** Lord Brabazon. C&E in the lead.

**DEBATE**

Thursday 13 April The Baroness Robson of Kiddington - To move, That this House takes note of the Report of the European Communities Committee on Fraud against the Community (5th Report, 1988-89, HL Paper 27)

**Government Spokesman:** Lord Belstead. EC2 in the lead.

MOTION

Monday 10 April Lord Chancellor's Salary Order 1989 - The Lord Strathclyde to move, That the draft Order laid before the House on 14th March be approved. [13th Report from the Joint Committee]

Pay 1 Division in the lead.

TREASURY INTEREST QUESTIONS

ORAL

Monday 10 April The Lord Dean of Beswick - To ask Her Majesty's Government what is the balance of payments position in manufacturing industry.

Government Spokesman: Lord Young. DTI in the lead.

DEBATE

Wednesday 26 April The Lord Ezra - To call attention to the size of Britain's manufacturing base in the light of the balance of payments situation; and to move for papers.

Government Spokesman: To be confirmed. DTI in the lead

*Mari Rogerson*  
MARI ROGERSON



FROM: D I SPARKES  
DATE: 7 April 1989

MS OWEN

BF 10/4

cc Mr O'Donnell  
Mr Gieve

**PQ ON OVERSEAS ASSETS**

The Chancellor was grateful for your minute of 6 April covering a further draft reply to the Chris Smith PQ on net overseas assets.

2. He had three small amendments to make to the draft reply:
- (i) in the first sentence, replace "external" by "overseas";
  - (ii) the square brackets around the final sentence of the first paragraph may be deleted;
  - (iii) in the second sentence of the second paragraph insert "taken together," after "last three years".
3. Please would you now submit the PQ and reply in their final form. The Chancellor wishes to await Mr Gieve's comments on the briefing you put up before replying to this PQ in the early part of next week.

A handwritten signature in dark ink, appearing to read 'D.I. Sparkes'.

DUNCAN SPARKES





11 APR 1989

The Rt Hon Douglas Hurd MP  
Home Office  
Queen Anne's Gate  
LONDON  
SW1

CHIEF SECRETARY	
REC.	11 APR 1989
ACTION	<del>_____</del>
COPIES TO	MP

2 MARSHAM STREET  
LONDON SW1P 3EB

FINANCIAL SECRETARY	
REC.	11 APR 1989 1
ACTION	Mr Mortimer HE1
COPIES TO	PPS, CST, G, G, EST April 1989 Mr. P. H. Brook HE1 Party Clerk.

Dear Home Secretary

Thank you for copying to me your letter of 23 March to John Wakeham, proposing that the Press Council should set up an independent committee to look at the subject of privacy.

John Brown's Bill seeks to address - however imperfectly - a very real problem posed by the behaviour of certain sections of the press. For reasons apart from Parliamentary tactics, the Government ought to deal urgently and effectively with these. The Press has plumbed depths which are quite unacceptable.

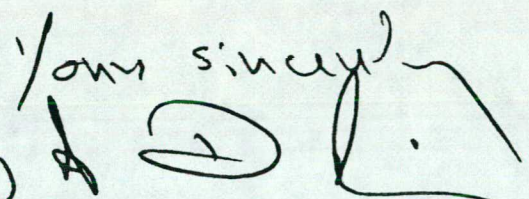
I am not attracted by the solution you propose of putting the matter in the hands of a committee appointed not by the Government, but by the Press Council. Although you say that Mr Blom Cooper would be open to suggestions as to the terms of reference and membership of the enquiry, this does not appear to give us a very high degree of assurance that the enquiry will necessarily address the right issues. Nor would we have any influence over the timing of the review to which I note Mr Blom Cooper wishes to give wide terms of reference and which will not even start until the Summer. The problem is urgent.

I am not clear why an examination of the issues by the Government, or by someone we appointed directly, would necessarily commit us to future legislation, if there were genuine solutions which did not involve this. The sort of committee proposed by Mr Blom Cooper might make sense if we were unsure about the nature of the problem, but this is only too clear. The difficulty, it seems to me, arises in formulating practical solutions, and I believe a Government review would be more likely to produce these.

It is unfortunate that news of your proposals should have leaked to the press, before we have had a chance to reach a collective decision. I hope that this will not be allowed to influence that decision.

I believe we should discuss this matter collectively.

I am copying my letter to the Prime Minister, the Lord Chancellor, the H Committee colleagues, the Attorney General and Sir Robin Butler.

Yours sincerely  
  
 PP  
 NICHOLAS RIDLEY  
 (Approved by the Secretary of State  
 and signed in his absence)

File: F5

FROM: SUSAN OWEN (EA2)  
DATE: 11 APRIL 1989  
Ext : 5381

- 1. MR SERGEWICK
- 2. CHANCELLOR

P.N.J  
u.v

cc: Sir P Middleton  
Sir T Burns  
Mr Peretz  
Mr Odling-Smee  
Mr Gieve  
Mr Pickford  
Mr O'Donnell o/r  
Miss Simpson

cn/ Content to answer PQ and reply  
to TCSC simultaneously?

GIVE it to TCSC 24 hrs  
before answer to Smith.

**EVIDENCE TO TCSC: FOLLOW UP OVERSEAS ASSETS PQ**

The Committee asked yesterday for a note on the present level of the UK's overseas assets. I attach a draft reply.

2. You are of course aware that precisely this information is due to be given this week in an answer to the written PQ tabled by Chris Smith, and for which we have been preparing the defensive briefing required by IDT.

3. In view of this it would seem sensible to reply to the PQ and to TCSC on the same day, or alternatively you could refer the Committee to the PQ answer, as the wording is identical. (I have suggested a formulation, see over).

4. I also enclose the draft reply to the PQ with a background note, and the briefing which has now been cleared by IDT, and CSO.

behind, for clearance please  
(Mr Gieve has worked on it).  
please approve

SUSAN OWEN

SUSAN OWEN

(it's as you wanted)

Out on 2  
Committee  
Memorandum

*I have made  
the minor change  
(also to the P3)  
for sake of consistency*

DRAFT NOTE BY THE CHANCELLOR OF THE EXCHEQUER TO THE TCSC

Present level of UK's overseas assets

Preliminary estimates of identified UK net overseas assets at the end of 1988 are made available by the CSO on request. The latest estimate is of the order of £115 billion to £120 billion. (The estimated level of identified net ~~external~~<sup>overseas</sup> assets at the end of 1987 has been revised up to just over £100 billion.)

However, the method of assessment which is used by the CSO assumes that the balancing item does not reflect errors in the capital account. In practice, it is likely that a substantial part of the balancing item, which has totalled over £40 billion in the last three years taken together, reflects unidentified capital inflows. The standard methodology is therefore being reconsidered by the CSO. In view of this an estimate of overseas assets was not included in the Financial Statement and Budget Report. An estimate of the value of the UK stock of net overseas assets will however be published as usual in the Pink Book in August.

*minor change  
for sake of consistency.*

(Final version)

## IDT BRIEFING ON STOCK OF OVERSEAS ASSETS

Factual

(1) Net stock of overseas assets can rise for one or more of following reasons:

- (i) net capital outflow
- (ii) deterioration of bilateral sterling exchange rate
- (iii) rise in overseas equity market values relative to UK

(2) Net stock of overseas assets estimates

£ billion	<u>Pink Book</u> September 1988	<u>Latest estimate</u> Unpublished, available from CSO on request
end 1986	113.2	112.1
end 1987	89.5 (-23.7)	101.1 (-11.0)
end 1988	-	115-120 (+14-20 approx)

Note: Change on previous year in brackets.

(3) Fall in stock end 1986 to end 1987 reflects fall in sterling value UK assets in North America following fall in US dollar.

*λ [need to explain w/ft from end 1987 to end 1988]*

(4) Balancing item estimates

£ billion	<u>Pink Book</u> September 1988	<u>Latest estimate</u> Q4 Balance of Payments Press Notice, 10/3/89
1986	14.4	13.7
1987	3.5	12.4
<u>1988</u>	-	<u>15.3</u>
1986-88		41.4 ("over £40 billion")

Balancing item reflects unrecorded exports or unidentified capital inflows. Unrecorded exports would improve the current account.

Unidentified capital inflows could worsen current account and lower net overseas assets for following reason. Stocks of external assets and liabilities can either be measured directly, or be inferred by cumulating capital flows. Most of the identified stocks are measured directly. In this case a change in the

measured stock will be composed partly of the identified capital flow and the remainder will be valuation changes. So any unidentified capital flows would merely alter the proportion due to valuation changes, not the level of the stock itself. But to the extent that unidentified capital inflows add to stocks which are not directly measured then the net stock of external assets will be reduced. The current account would worsen (though to a smaller extent) because of interest payments abroad on these hitherto unrecorded liabilities.

- (5) FBSR contains no forecast of net overseas assets for end 1988 as judged inappropriate to do so when size of recent balancing items over last three years makes accurate estimation impossible.

Positive

UK position still healthy by world standards

- Even on an extreme assumption that whole of last three years' balancing items represents unidentified capital inflows, UK's stock of net external assets <sup>was</sup> still <sup>be</sup> likely to be second (to Japan) or third (to Germany) <sup>assumption</sup> in terms of value and first of all major nations as a share of GDP.
- No matter what the balancing item represents, it is still the case that the UK's stock of net overseas assets almost certainly increased between end 1987 and end 1988 despite the large current account deficit.

Defensive

(1) Is overseas asset stock exaggerated by £40 billion?

Almost certainly not. Balancing item of £40 billion over last 3 years reflects mixture of unrecorded exports and unidentified capital inflows. Unlikely to be entirely capital inflows although majority will be. But not all overseas assets and liabilities measured by cumulating capital flows; some directly measured. So overstatement of net external position probably less than £40 billion.

(2) Is this an example of Treasury fiddling the figures?

No. These estimates of net overseas assets have been prepared by CSO using the standard methodology. Treasury chose not to publish them in FSBR because they probably give a misleadingly favourable impression of our net overseas asset position. (This is because the large positive balancing items on the overseas account in the last three years probably include a large amount of unidentified capital inflows.)

(3) Why more uncertainty about measurement errors now than in past?

Errors and omissions in accounts not a new problem. But only recently that very large balancing items have arisen due to problems of keeping pace with new financial developments in a dynamic deregulated economy. New types of activity and new participants in financial markets.

(4) Is UK likely to face a sterling crisis if balance of payments deficits persist because net overseas assets could now be used up sooner than previously thought?

No. Current account deficits reflect imbalance between private sector saving and investment which will correct itself in part as savings recover in response to higher interest rates. Hence net assets position will remain strong. Net overseas assets almost certainly increased between 1987 and 1988 (however the balancing item is treated) despite the large current account deficit.

(5) What is being done to fill the black hole of balancing items and its possible implications for overseas assets?

A great deal. The statistical services are being reorganised along lines recommended by the Scrutiny Report. This will bring under one management more of the work of compiling macroeconomic statistics. Several surveys planned/underway could well reveal hitherto unrecorded transactions, (eg securities dealers' inquiry and share register survey).

(6) If net overseas assets overstated, doesn't it follow invisibles surplus overstated too, making current account worse than recorded?

Doesn't necessarily follow. If net overseas assets overstated then there will be a corresponding IPD (interest/profit/dividend) flow but this may already be being measured - under 10% IPD flows calculated by applying a rate of return to a stock variable. Apart from this, to extent balancing item does not represent unidentified capital inflow, there is unrecorded net current account credit, ie improves recorded position offsetting IPD effect. Unlikely to worsen current account taking both effects together.

(7) Is likely overstatement of net asset position because of huge current account deficit?

True that a current account deficit must in principle be matched by a capital account surplus if all international transactions identified. Even if no errors in measurement of current account deficit and balancing item entirely represents an unidentified capital account surplus does not necessarily mean overstatement net asset position (see factual 4).

(8) Is net position simply result of currency movement and equity price changes abroad, concealing underlying deteriorating position?

Valuation changes a perfectly legitimate source of growth in overseas assets and liabilities - would reflect sound management of capital transactions by private sector. Note also though that valuation changes can result in fall in values, eg 1979, 1980, 1985 and 1987.



12 APR 1989



CHIEF SECRETARY	
REC.	
ACTION	<del>13/5</del>
COPIES TO	

*Case for Govt.  
SAC report required,  
with Blom-Cooper  
on Chmn.*

*Ch/Ch/ Do you want to  
write or would as  
PS letter do? DIS*

QUEEN ANNE'S GATE LONDON SW1H 9AT

12 April 1989

FINANCIAL SECRETARY	
REC.	12 APR 1989
ACTION	Mc. Mortimer
COPIES TO	PPS, CST, PNG, EST Sir P. Middleton. Mr. Angus Mr. Menck

*2*

Dear John,

PRIVACY

I have been looking at the correspondence following my letter to you of 23 March about the two press Bills. I also had a word with the Prime Minister yesterday.

The position seems as follows. There is widespread anxiety and resentment at the way in which parts of the press handle their responsibilities. The two Bills before the House of Commons at the present time do not offer suitable remedies. This is particularly true of the Bill which has the strongest tactical position, namely the Worthington Bill on the Right of Reply which is due for Report Stage on 21 April. This involves the Government setting up a press commission to administer the right of reply. I am sure that we must set our face against this.

There is a strong body of respectable opinion in the House which would not be happy that these Bills should simply be aborted either in the Commons or the Lords. They look for something constructive which would at least carry the discussion forward. Here there are two main possibilities. We could set up a Government inquiry, which the Secretary of State for the Environment favours. Or we could encourage an inquiry outside Government. Here there have been two developments. First the Chairman of the Press Council, Mr Louis Blom-Cooper, has told Tim Renton in the last few days that he is extremely keen to set up an inquiry into these matters. Second, Lord Marsh brought a delegation of the Newspaper Publishers' Association, including the editors of the Daily Telegraph and Financial Times to see me this week to express to me the importance which they now attach to the strengthening of the Press Council. They admitted that this was belated. They are obviously deeply worried by the resentment among the public and in Parliament.

*cc: Mrs. Case  
Mr. P. H. Brook  
Mr. R. Westwater*

/It is perfectly

The Rt Hon John Wakeham, MP  
Lord President of the Council

*percy clerk.*

It is perfectly true that the Press Council has for the most part been a feeble instrument. It is big, slow and tortuous in its procedures. But it now has a new Chairman who is anxious to put these faults right. He may not succeed, and I have no illusions about his prospects. However, it is clear to me that it would be a substantial advantage to us to have a worthwhile and effective Press Council. The alternative is that we will be brought to some form of Government regulation of the press, which is bound to be a treacherous enterprise. I therefore want to encourage Mr Blom-Cooper, unless or until it becomes clear that he too is doomed to be ineffective.

There are certainly some advantages in a Government inquiry. It would be to some extent under our control and we could define exactly its scope and membership. But it would lead to an expectation of Government legislation, and it would knock Mr Blom-Cooper's enthusiasm on the head.

My preference would be for the Press Council to set up an inquiry, led not by itself but by an authoritative outside individual (maybe an ex-editor) or small group. The scope of the inquiry would be discussed in advance with us but would in practice have to be wide. There would be a time limit on its work, and its report would be published. Tim Renton would announce our approval of this procedure on 21 April.

I should of course be happy to discuss this as suggested, at the next meeting of H Committee on 19 April.

I am copying this letter to the Prime Minister, the Lord Chancellor, other H Committee colleagues, the Attorney General and Sir Robin Butler.

Yours,  
Dwyer

CONFIDENTIAL



FROM: B O DYER (Parly Clerk)  
DATE: 12 April 1989  
EXTN: 4520

**CHANCELLOR**

cc Chief Secretary  
Financial Secretary  
Paymaster General  
Economic Secretary  
Mr J Gieve - IDT  
Mrs J Chaplin  
Mrs J Thorpe

**CABINET : THURSDAY 13 APRIL 1989**  
**PARLIAMENTARY AFFAIRS**

I am advised that the Order of Business for the Commons next week is currently in a state of flux and will not become clear until after Shadow Cabinet meets tonight. Currently, the front runners are:

Second Reading of the Dock Work Bill

2 Opposition Allotted days: Subjects to be announced (the first is 'Labour' and the Second for the 'minor parties')

Debate on EC Commission report on completing the single market

Remaining Stages of the Air Employment (NI) Bill

A debate on the Army.

There will certainly be nothing for the Treasury unless the Opposition choose to use one of their days for some form of 'economic' debate. Second Reading of the Finance Bill is secure for Tuesday 25 April.

*Richard Savage*

pp. B O DYER

CONFIDENTIAL



FROM: D I SPARKES  
 DATE: 12 April 1989

MS S OWEN - EA2

cc PS/Economic Secretary  
 Sir P Middleton  
 Sir T Burns  
 Mr Peretz  
 Mr Odling-Smee  
 Mr Sedgwick  
 Mr Gieve  
 Mr Pickford  
 Mr O'Donnell  
 Miss Simpson

*PWP*

*PQ answered 17/4*

**OVERSEAS ASSETS PQ AND NOTE TO TCSC**

The Chancellor was grateful for your minute of 11 April covering a revised draft reply to the Chris Smith PQ and draft note on the same subject to the TCSC.

2. The Chancellor was content with the revised text of both subject to one drafting amendment, for the sake of consistency: in the first paragraph, fourth line, replace "external" by "overseas".
3. The Chancellor would like the PQ answered (by the Economic Secretary) 24 hours after the note is sent to the TCSC; I would therefore be grateful for Miss Simpson's advice on timing.
4. The Chancellor had the following comments on the briefing provided by IDT:

Factual (3):

There needs to be added some explanation of the rise in the net stock of overseas assets between the end of 1987 and end of 1988.



First indent of positive line to take:

Last three lines to read "of net external assets would still be third (after Japan and Germany) in terms of absolute value and first of all major nations as a share of GDP."

A handwritten signature in dark ink, appearing to read "D.S." or similar initials.

DUNCAN SPARKES

UNCLASSIFIED



FROM: M A ROGERSON (Asst Parly  
Clerk)

DATE: 13 April 1989

EXTN: 5007

PS/INLAND REVENUE

cc

PS/Chancellor  
PS/Chief Secretary  
PS/Financial Secretary  
PS/Economic Secretary  
PS/Paymaster General  
Mr Gilhooly - FP  
Mr Gieve IDT

THURSDAY 20 APRIL 1989 : ADJOURNMENT DEBATE

I am advised that Mr Michael Marshall (C - Arundel) was successful in the Speaker's Ballot for the Adjournment on Thursday 20 April. His subject for debate will be 'The case for drawing up comprehensive rules of procedure for the general commissioners of Income Tax' and will last approximately half an hour following the completion of public business.

2. Mr Marshall will speak for about half the time available, and can, by arrangement, be supported by another Member speaking for 2 or 3 minutes. Other backbench Members can also participate if time permits and they catch the Speaker's eye. The Financial Secretary will then wind up in the time remaining (generally, between 5 and 10 minutes).

3. I suggest that the briefing officer approaches the Private Secretary to the Financial Secretary direct, to ascertain the Minister's briefing requirements (speaking notes and background material), and deadline for their submission. Briefing should be copied to Parliamentary Section.

*M. A. Rogerson*

M A ROGERSON

UNCLASSIFIED

UNCLASSIFIED

*I understand No 10  
have not asked for his but  
as the bill was and Part's not  
published today. Marney  
surprising. write to head  
across, in case  
concerns rules it of.*

FROM: MISS B M ANDERSON (MG1)

DATE: 13 April 1989

EXT: 4652

- 1. MISS O'MARA (MG1)
- 2. PARLIAMENTARY SECTION

*Mar 13/4*

*Ch. / OK?*

*13/4*

**PRIME MINISTER'S QUESTION TIME**

I attach a briefing line on the Clause in the Finance Bill, published today, relating to interest rates on National Savings Ordinary Account.

*I have amended.  
Put a salary to  
write in with to  
look study. m.*

*B. Anderson*

MISS B M ANDERSON

*JWP*

UNCLASSIFIED

## LINE TO TAKE

1. Do you intend to stop paying interest on the Ordinary Account entirely? The rates for the whole of 1989 have already been announced and we shall honour them. No decision has been taken on the interest rate structure thereafter. The Clause simply brings the setting of interest rates on Ordinary Account into line with practice for other National Savings products.

2. Does this Clause pave the way for the abolition or privatisation of National Savings? As the Economic Secretary to the Treasury said in a written reply on 27 May 1988, the Government has no such plans. National Savings continues to have an important role to play in attracting new money to replace part of existing debt as it matures. ~~There is no question of the Government dismantling the National Savings operation.~~

3. Is the future of the Ordinary Account assured? No prudent Government could reasonably be expected to give such an unconditional assurance. But ~~the Government~~ <sup>admin</sup> has no power in ~~present legislation to abolish it.~~ That would require ~~further~~ primary legislation. ~~(extensive amendment to the National Savings Bank Act 1971).~~



UNCLASSIFIED

BACKGROUND

The Finance Bill, published today, includes a Clause on the National Savings Ordinary Account stating that "The Director of Savings may, with the consent of the Treasury, from time to time determine the rate or rates at which interest is to be payable on amounts deposited in Ordinary Accounts, or that no interest is to be payable on such amounts". Following on the decisions to increase the minimum deposit into the Ordinary Account from £1 to £5 from 1 January 1989 and the announcement yesterday, 12 April, that the minimum purchase of Premium Bonds by adults will go up from £10 to £100 from 1 July 1989, this may prompt general queries about the future of National Savings or lead to concern that the Government is about to cease payment of interest on the Ordinary Account entirely.

*Which simplifies the  
method of changing the  
interest payable -> removes a  
anomalous statutory rate  
minimum interest rate  
requirement.*

UNCLASSIFIED



FCS/89/064

14 APR 1989

HOME SECRETARY

CHIEF SECRETARY	
REC.	14 APR 1989
OTHER	<i>Handwritten initials</i>
TO	

PARLIAMENTARY SECRETARY	
REC.	14 APR 1989
ACTION	Mr Mortimer
COPIES TO	PPS, CST, PMG EST, Sir P. Middleton, Mr Anson, Mr Monck, Mrs Case, Mr P. H. Brook,

2

Privacy

1. Thank you for copying to me your letter of 23 March to the Lord President.
2. I agree with you that parliamentary interest and public concern will remain strong and that action is desirable. I am attracted by the idea of a committee of independent experts. I also agree that there would be every advantage in an announcement, which would presumably come from the Press Council, before 5 May.
3. I am copying this minute to the Prime Minister, the Lord Chancellor, other H Committee colleagues, the Attorney General and Sir Robin Butler.

cc: Mr R. Westwater,  
Parly Clerk

(GEOFFREY HOWE)

Foreign and Commonwealth Office  
14 April 1989

cc PS/Chief Secretary  
PS/Financial Secretary  
PS/Paymaster General  
PS/Economic Secretary  
Sir P Middleton  
Mr Anson  
Mr Monck  
Mrs Case  
Mr Mortimer  
Mr P H Brook



Treasury Chambers, Parliament Street, SW1H 9AT  
01-270 3000

14 April 1989

Peter Storr Esq  
Private Secretary to the  
Home Secretary  
Home Office  
50 Queen Anne's Gate  
LONDON  
SW1H 9AT

*psw*

*Dear Peter,*

**PRIVACY**

The Chancellor has seen a copy of the Home Secretary's letter to the Lord President of 12 April concerning the handling of John Browne's Right of Privacy Bill and Tony Worthington's Right of Reply Bill.

The Chancellor feels that in the circumstances the best way forward, which would combine the advantages of the two approaches suggested by the Home Secretary, would be for the Government to set up an inquiry, but with Mr Louis Blom-Cooper as its chairman.

I am copying this letter to Andy Bearpark (No 10), the Private Secretaries of Members of H Committee, Michael Saunders (Attorney General's Office) and Trevor Woolley (Sir Robin Butler's Office).

*Yours sincerely,*

*Dunc - Sparkes*

**DUNCAN SPARKES**  
Assistant Private Secretary

Duncan Sparkes.

HMT Ref: 3-0489

FOR ANSWER ON 4 April 1989

ANSWERED ON 17 April 1989

TREASURY

La - Islington South and Finsbury

jon p

211 Mr Chris Smith

To ask Mr Chancellor of the Exchequer, what is his estimate of the value of the United Kingdom's stock of net overseas assets at the end of 1988, based on the same method of assessment as that used in the calculation for 1987 in paragraph 3.29 of the Financial Statement and Budget Report 1988-89; and what are the reasons for the exclusion of any such figure from the Financial Statement and Budget Report 1989-90.

MR PETER LILLEY

Preliminary estimates of identified UK net overseas assets at the end of 1988 are made available by the CSO on request. The latest estimate is of the order of £115 billion to £120 billion. (The estimated level of identified net overseas assets at the end of 1987 has been revised up to just over £100 billion).

However, the method of assessment which is used by the CSO assumes that the balancing item does not reflect errors in the capital account. In practice, it is likely that a substantial part of the balancing item, which has totalled over £40 billion in the last three years taken together, reflects unidentified capital inflows, some of which will lead to an underrecording of UK external liabilities. The standard methodology is being reconsidered by the CSO. In view of this, an estimate of overseas assets was not included in the Financial Statement and Budget Report. An estimate of the value of the UK stock of net overseas assets will however be included as usual in the Pink Book in August.

UNCLASSIFIED

FROM: J LAWRIE  
 DATE: 18 APRIL 1989  
 EXTN: 4736

1. MR MORTIMER *Am*  $\frac{18}{4}$   
 2. FINANCIAL SECRETARY

cc: Chancellor  
 Chief Secretary  
 Paymaster General  
 Economic Secretary  
 Parliamentary Clerk  
 Mrs Case  
 Mr Brook  
 Mr Russell

'H' COMMITTEE MEETING, WEDNESDAY 19 APRIL: PRIVACY

The Home Secretary's letter of 12 April to the Lord President of the Council, provides a round up of colleagues views following his letter of 23 March about the handling of the related Bills: Mr John Browne's Privacy Bill (to provide a right of action in the civil courts against unauthorised use or disclosure of private information that could cause distress, annoyance or embarrassment to individuals), and Mr Tony Worthington's Right of Reply Bill (to give individuals a right of reply to inaccurate press reporting, create a statutory Press Commission with enforcement powers and extend legal aid to defamation proceedings).

2. These two Bills, currently before the House of Commons (Mr Worthington's Bill is due for Report Stage on 21 April), do not offer adequate remedies to meet the widespread public, and Parliamentary, concern about the way in which the less reputable parts of the press are prepared to treat individuals. It is unlikely that these Bills will make progress this Session (and it is particularly desirable from a public expenditure point that Mr Worthington's Bill falls), but there is a good chance that similar Bills will be introduced next Session. When 'II' Committee (H(89) 1st meeting) discussed these Bills on 17 January 1989, it was agreed that the Home Secretary, in consultation with the Lord Chancellor, should develop some new strategy to try to curb the excesses of the press.

PROPOSALS

3. The Home Secretary has suggested two possible ways forward:

(i) to set up a Government enquiry;

(ii) to encourage an inquiry outside Government. Here there have been two developments:

(a) The Chairman of the Press Council (Mr Louis Blom-Cooper) is extremely keen to set up an inquiry;

(b) Lord Marsh brought a delegation of the Newspapers Publishers' Association (including editors of the Daily Telegraph and Financial Times) to see the Home Secretary to express the importance that they now (belatedly) attach to the strengthening of the Press Council.

4. Whilst the Home Secretary sees advantages in the Press Council putting its own house in order, rather than bringing some form of Government regulation, he has no illusions about its prospects of success. The Home Secretary also sees advantages in a Government inquiry as its scope and membership could be controlled - though this could lead to an expectation of Government legislation and also dampen Mr Louis Blom-Cooper's enthusiasm. However, the Home Secretary's preference would be for the Press Council to set up an inquiry led by an authoritative outside individual (maybe an ex-editor) or small group. The scope of the inquiry would be discussed in advance with the Government and there would be a time limit on its work.

5. The Chancellor (his Private Secretary's letter of 14 April) considers that the best way forward, which would combine the advantages of the two approaches suggested by the Home Secretary, would be for the Government to set up an inquiry, but with Mr Louis Blom-Cooper as its chairman.

#### LINE TO TAKE

6. You will obviously want to speak in support of the proposal contained in the Chancellor's letter. You might argue:

- there clearly is a need for the Government to come forward with an initiative in this area;
- can see the attractions in the Home Secretary's proposal for getting the Press Council to set up an independent committee to look at the issues;
- but do wonder whether a better way forward would not be - as the Chancellor suggests - for the Government to set up an enquiry and to invite Mr Blom-Cooper to act as Chairman;
- this would have the dual advantages of allowing the Government to have a degree of control over the terms of reference and thrust of the enquiry, without necessarily having to act in accordance with all its recommendations;
- would also allow Government to reap the benefit of Mr Blom-Cooper's enthusiasm and talent and independence.

7. None of the proposals appear to have any public expenditure implications.

*Jim Lawrie*

J LAWRIE

UNCLASSIFIED



FROM: M A Rogerson (Asst  
Parly Clerk  
DATE: 18 April 1989  
EXTN: 5007

PS/INLAND REVENUE

cc PS/Chancellor  
PS/Chief Secretary  
PS/Financial Secretary  
PS/Economic Secretary  
PS/Paymaster General  
Mr Gilhooly - FP  
Mr Gieve - IDT

THURSDAY 20 APRIL 1989 : ADJOURNMENT DEBATE

Further to my minute of 13 April 1989 concerning Mr Michael Marshall's adjournment debate on 'The case for drawing up comprehensive rules of procedure for the General Commissioners of Income Tax', it has been agreed that the Lord Chancellor's Department will take the lead in responding to Mr Marshall's debate.

2. The Attorney General or the Solicitor General will respond for the Government.

M A ROGERSON

UNCLASSIFIED





FROM: B O DYER (Parly Clerk)  
DATE: 18 April 1989  
EXT: 4520

**CHANCELLOR**

cc Chief Secretary  
Financial Secretary  
Paymaster General  
Economic Secretary  
Mr J Gieve - IDT  
Mrs J Chaplin  
Mrs J Thorpe

**CABINET : THURSDAY 20 APRIL 1989  
PARLIAMENTARY AFFAIRS**

Following is the business proposed for the Commons next week:

Monday 24 April

2.30pm: Transport Questions  
3.20pm: Civil Service Questions (Mr Luce)  
3.30pm: **Social Security Bill: Remaining stages (1st day)**

Tuesday 25 April

2.30pm: Health Questions  
3.15pm: PMS Questions  
3.30pm: Ten Minute Rule Bill - Jacques Arnold: Personal Identity  
Number  
3.40pm: **Finance Bill: Second Reading (CST & FST)**  
\* 10.00pm: **Committal Motion - FST** (splitting Committee stage of the  
Finance Bill between CWH and Standing Committee)

Wednesday 26 April

2.30pm: Environment Questions  
3.30pm: Ten Minute Rule Bill - Keith Mans: Waste Recycling  
3.40pm: **Social Security Bill - Remaining stages (concluding day)**  
[7.00pm: Opposed Private Business]

\* or circa 10.20pm, assuming a division on Second Reading.

CONFIDENTIAL

P.T.O.

Thursday 27 April

2.30pm: MAFF Questions

3.15pm: PMs Questions

3.30pm: Business Statement

3.50pm: **Children Bill: Second Reading and associated Resolutions**

Friday 28 April

9.30am: **Private Members' Bills - Remaining Stages**

1. Hearing Aid Council Bill: Report
2. Animal Protection: Second Reading
3. Abortion (Right of Conscience): Second Reading
4. Fire Safety Information: Second Reading



B O DYER

20 APR 1989

*John*  
**CONFIDENTIAL**

*Ch/ FST attended H ctee and spoke in support of your preferred course. As you will see, the idea of a Govt inspired inquiry was supported - the PM has also given her backing - and will be announced tomorrow. Chairman's identity will be announced later.*

FINANCIAL SECRETARY	
REC.	20 APR 1989
ACTION	Mr Mortimer,
COPIES TO	PPS CST PMG EST,
	Sir P. Middleton, Mr Anson,
	Mr Monck, Mrs Case,
	Mr P. H. Brook, Mr R Westwater



PRIME MINISTER

**PRIVACY**

The Home and Social Affairs Committee (H) considered at their meeting this morning whether an inquiry should be established into the law on privacy and, if so, whether this should be a Government initiative or whether the Government should instead encourage the Press Council to establish its own inquiry.

*19/4/89*

Both John Brown's Protection of Privacy Bill and Tony Worthington's Right of Reply Bill have attracted a good deal of support from all sides of the House. Neither Bill is likely to complete its Commons stages. However, H fully shared the Home Secretary's view that, while neither Bill was in an acceptable form, it would not be sufficient for the Government to rest on this and that some further initiative was required. There was a strong feeling in the Committee that in recent years there had been a marked deterioration in the behaviour of the press in terms both of inaccurate reporting and unacceptable invasion of privacy. The close-up photographs in the press of incidents during the Hillsborough disaster were but the latest example of this.

Newspaper proprietors and editors are at present showing great concern about the prospects of either of the two Private Members' Bills being enacted and they are now claiming that the press will, in future, take a far more serious view of the role of the Press Council. However, H shared the Home Secretary's scepticism about this, and agreed with him that nothing much would change once it became clear that neither the Browne Bill nor the Worthington Bill would reach the statute book.

The Home Secretary sought H's agreement that the Government should encourage a proposal put to him by the new Chairman of the Press Council, Mr Louis Bloom Cooper, that the Press Council should establish an independent Committee to look at privacy and related matters. However, the majority of the Committee felt that an inquiry under the auspices of the Press Council would carry little credibility with either Parliament or the public. The Committee noted that successive Governments had grappled with the problem of devising acceptable limits on press behaviour and they recognised that it would not be easy to find legislative solutions which provided members of the public with means of redress that were

accessible, quick and affordable. Nevertheless, the majority of the Committee believed that the Government should now take the initiative by establishing its own inquiry into privacy and related matters. Some members of the Committee felt that the Government might well need to introduce legislation on this topic before too long.

In summing up the discussion, I said that, in view of the sensitive nature of the proposal, I would report the Committee's views to you. If you are content, the Home Secretary would wish the Minister of State, Home Office, to make an announcement during the remaining stages of the Worthington Bill on Friday 21 April. The announcement would be in very general terms and, in particular, would not deal with the membership or terms of reference of the proposed inquiry. (Careful consideration would need to be given to these matters in rather slower time.)

To sum up, I should be grateful to know whether you would be content for the Minister of State, Home Office, to announce during Friday's debate that the Government propose to establish an inquiry into privacy and related issues.

I am copying this minute to members of H Committee, Geoffrey Howe, Patrick Mayhew and Peter Fraser, and to Sir Robin Butler.



JW

19 April 1989

*pwp*



FROM: Assistant Parliamentary Clerk  
DATE: 20 April 1989  
EXTN: 5008

*Ch / Any comments?*

CHANCELLOR

*Comments Passed to Mr Hutson*

*Thurs.  
A few checks  
any wa space 2 Q7.*

*015*

*21/4*

**TREASURY FIRST ORDER QUESTIONS - THURSDAY 4 MAY 1989**

I attach for your consideration a proposed allocation of the Questions tabled for Oral answer on Thursday 4 May between yourself, the Chief Secretary, the Paymaster General and the Economic Secretary.

2. Out of the first sixteen and the first twenty Questions the allocation of each Minister is:

	1st 16	1st 20
Chancellor	4	5
Chief Secretary	4	5
Paymaster General	4	5
Economic Secretary	4	5

The next First Order co-incides with both the local elections and Vale of Glamorgan by-election. In addition only 138 questions have been tabled for 4 May as opposed to 220 last month. These facts, particularly in combination, would seem to indicate that fewer Members will be present for oral questions.

*As Nigel Forman noted at Prayers, this means we may get further down the Order Paper than usual.*

*Colin Hutson*

COLIN HUTSON

1	D	Mr James Wallace (Orkney and Shetland): To ask Mr Chancellor of the Exchequer, what is his estimate of underlying inflation in the British economy; and if he will make a statement.	MR HIBBERD EA1	<del>CX</del> EST
2	C	Sir Michael Shaw (Scarborough): To ask Mr Chancellor of the Exchequer, what are the latest figures for the growth of business investment in the economy.	MR HIBBERD EA1	<del>CX</del> PMG
3	C	Mr Keith Mans (Wyre): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the total number of shareholders in the United Kingdom.	MR ILETT FIM2	PMG <del>CX</del>
4	C	Mr Julian Brazier (Canterbury): To ask Mr Chancellor of the Exchequer, what has been the rate of growth of: (a) total investment and (b) total consumption over the past seven years.	MR PICKFORD EB	+9+17 CST
5	L	Mr Ted Leadbitter (Hartlepool): To ask Mr Chancellor of the Exchequer, what is his target rate of inflation for 12 months' time; and if he will make a statement.	MR HIBBERD EA1	EST
6	C	Mr Alistair Burt (Bury North): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of the International Monetary Fund; and what was discussed.	MR WALSH IFI	CLEX
7	C	Mr Harry Greenway (Ealing North): To ask Mr Chancellor of the Exchequer, what has been the impact on the real personal disposable income of: (a) pensioners and (b) others of the latest rate increases; and if he will make a statement.	MR HIBBERD EA1	<del>18</del> PMG CST
8	L	Mr Allen McKay (Barnsley West and Penistone): To ask Mr Chancellor of the Exchequer, what recent representations he has received concerning his proposal to offer private medical tax relief.	IR	PMG
9	C	Mr William Hague (Richmond, Yorks): To ask Mr Chancellor of the Exchequer, what has been the rate of growth of: (a) total investment and (b) total consumption over the past seven years.	MR PICKFORD EB	+4+17 CST
10	C	Mr Charles Wardle (Bexhill and Battle): To ask Mr Chancellor of the Exchequer, what are the latest figures for the growth of manufacturing productivity in the economy.	MR HIBBERD EA1	CST <del>CLEX</del>
11	L	Mr Norman Hogg (Cumbernauld and Kilsyth): To ask Mr Chancellor of the Exchequer, if he will list the countries of the EEC whose inflation rates, including an estimate of housing costs, are below that of Great Britain.	MR MELLISS IF2	+16 EST
12	L	Mr Tam Dalyell (Linlithgow): To ask Mr Chancellor of the Exchequer, if he will seek to have rain forest issues and policy on the financing of nuclear power stations included on the agenda of the next meeting of the World Bank.	TRANSFERRED TO ODA	X
13	C	Mr James Cran (Beverley): To ask Mr Chancellor of the Exchequer, when he next intends to meet the Director-General of the Confederation of British Industry; and what will be discussed.	MR BURR IAE3	CST PMG
14	C	Mr James Arbuthnot (Wanstead and Woodford): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of the World Bank; and what was discussed.	MR WALSH IFI	EST <del>CLEX</del>
15	C	Mr Graham Bright (Luton South): To ask Mr Chancellor of the Exchequer, what representations he has received on the changes in employees' national insurance contributions announced in his Budget.	MR MCINTYRE ST1	<del>CX</del> CST
16	L	Mr Ronnie Campbell (Blyth Valley): To ask Mr Chancellor of the Exchequer, if he will list the countries of the Group of Seven whose inflation rates, including an estimate of housing costs, are below that of Great Britain.	MR MELLISS IF2	+11 EST
17	C	Mr Chris Butler (Warrington South): To ask Mr Chancellor of the Exchequer, what has been the rate of growth of: (a) total investment and (b) total consumption over the past seven years.	MR PICKFORD EB	+4+9 CST
18	C	Mr David Atkinson (Bournemouth East): To ask Mr Chancellor of the Exchequer, what has been the annual average rate of growth of real personal disposable income since 1983.	MR HIBBERD EA1	<del>18</del> PMG

19	C	Mr John Watts (Slough): To ask Mr Chancellor of the Exchequer, what has been the increase in the real take home pay of a man on average male earnings between 1978-79 and 1989-90.	MR MATTHEWS ETS	<del>EST</del> <b>PM9</b>
20	C	Mr Iain Mills (Meriden): To ask Mr Chancellor of the Exchequer, when he next intends to meet his counterparts in the Group of Seven; and what will be discussed.	MR MELLISS IF2	<del>C/EX</del>
21	La	Mr Ted Garrett (Wallsend): To ask Mr Chancellor of the Exchequer, what assessment he has made of the impact of interest rate rises since 1988 on small businesses.	MISS O'MARA MG1	<del>EST</del> <b>CST</b>
22	C	Mr Ian Gow (Eastbourne): To ask Mr Chancellor of the Exchequer, when he expects to achieve his target of zero inflation.	MR HIBBERD EA1	EST
23	La	Maria Fyfe (Glasgow, Maryhill): To ask Mr Chancellor of the Exchequer, when he last met representatives from the Equal Opportunities Commission concerning the 1989 Budget; and what matters were discussed.	MR GIHOOLY FP	PM6
24	C	Mr Andrew Mitchell (Gedling): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of the International Monetary Fund; and what was discussed.	MR WALSH IF1	CST
25	C	Mr Irvine Patnick (Sheffield, Hallam): To ask Mr Chancellor of the Exchequer, what was the net repayment of debt by the Government in 1988-89.	MR MOWL PSF	EST
26	C	Dr John G. Blackburn (Dudley West): To ask Mr Chancellor of the Exchequer, what has been the increase in the real take home pay of a man on average male earnings between 1978-79 and 1989-90.	MR MATTHEWS ETS	EST
27	C	Mr John Greenway (Ryedale): To ask Mr Chancellor of the Exchequer, what has been the fall in registered unemployment since June 1987.	MR PICKFORD EB	CST
28	C	Mr Robert G. Hughes (Harrow West): To ask Mr Chancellor of the Exchequer, what has been the growth in total employment since June 1987.	MR PICKFORD EB	CST
29	C	Mr Kenneth Hind (West Lancashire): To ask Mr Chancellor of the Exchequer, what has been the annual average increase in productivity for the whole economy since 1980.	MR HIBBERD EA1	EST
30	La	Mr Thomas Graham (Renfrew West and Inverclyde): To ask Mr Chancellor of the Exchequer, when he last met representatives from the Child Poverty Action Group; and what matters were discussed.	MR MCINTYRE ST1	PM6
31	C	Mr Martin Brandon Bravo (Nottingham South): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the level of public sector debt repayment in the last year for which figures are available; and what this represented as a percentage of gross domestic product.	MR MOWL PSF	EST
32	C	Mr Malcolm Moss (North East Cambridgeshire): To ask Mr Chancellor of the Exchequer, what was the rise in the profitability of non-North Sea industrial and commercial companies in the latest year for which figures are available.	MR HIBBERD EA1	CST
33	C	Mr William Cash (Stafford): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the total number of shareholders in the United Kingdom.	MR ILETT FIM2	FST
34	C	Mr Neil Hamilton (Tatton): To ask Mr Chancellor of the Exchequer, what has been the fall in general government expenditure, excluding privatisation proceeds, as a percentage of gross domestic product since 1982-83.	MRS BUTLER GEP3	CST
35	La	Mr Jim Cousins (Newcastle upon Tyne Central): To ask Mr Chancellor of the Exchequer, what is his latest estimate for the balance of trade in manufacturing for the current year.	MR O'DONNELL EA2	CST
36	La	Mr Elliot Morley (Glanford and Scunthorpe): To ask Mr Chancellor of the Exchequer, what is the current rate of inflation.	MR HIBBERD EA1	EST
37	La	Mr Frank Doran (Aberdeen South): To ask Mr Chancellor of the Exchequer, if he will make a statement on current exchange rate policy.	MISS O'MARA MG1	EST

38		Mr Alex Eadie (Midlothian): To ask Mr Chancellor of the Exchequer, what recent representations he has received regarding the level of interest rates.	MISS O'MARA MG1	EST
39	C	Mr Simon Burns (Chelmsford): To ask Mr Chancellor of the Exchequer, what has been the annual average increase in productivity for the whole economy since 1980.	MR HIBBERD EA1	CST
40	La	Mr Mark Fisher (Stoke on Trent Central): To ask Mr Chancellor of the Exchequer, what recent representations he has received on his balance of payments forecast included in the current year's Budget statement.	MRO'DONNELL EA2	CST
41	C	Mr Nicholas Budgen (Wolverhampton South West): To ask Mr Chancellor of the Exchequer, when he next intends to meet his counterparts in the Group of Seven; and what will be discussed.	MR MELLISS IF2	EST
42	C	Mr Nicholas Soames (Crawley): To ask Mr Chancellor of the Exchequer, how much of the national debt has been paid off since June 1987.	MR MOWL PSF	EST
43	C	Mr Roger Knapman (Stroud): To ask Mr Chancellor of the Exchequer, what representations he has received on the introduction of tax relief for employees share ownership.	IR	FST
44	C	Mr Graham Riddick (Colne Valley): To ask Mr Chancellor of the Exchequer, how many representations he has received concerning the proposed increase in company car taxation; and if he will make a statement.	IR	FST
45	C	Mr Humfrey Malins (Croydon North West): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of the International Monetary Fund; and what was discussed.	MR WALSH IF1	EST
46	C	Dr Ian Twinn (Edmonton): To ask Mr Chancellor of the Exchequer, what representations he has received on the introduction of tax relief for employee share ownership.	IR	FST
47	C	Mr Peter Thurnham (Bolton North East): To ask Mr Chancellor of the Exchequer, what representations he has received about moving government departments to the North West; and if he will make a statement.	MR HANSFORD RC1	PMG
48	La	Mr Andrew F. Bennett (Denton and Reddish): To ask Mr Chancellor of the Exchequer, if he will make a statement on levels of value added tax in the context of progress towards the single market by 1992.	C+E	EST
49	La	Mr Harry Cohen (Leyton): To ask Mr Chancellor of the Exchequer, if he will estimate the total value of North Sea oil revenue from 1979 to the current date.	MRO'DONNELL EA2	CST
50	C	Mr Tim Yeo (South Suffolk): To ask Mr Chancellor of the Exchequer, when he last met the finance ministers of the group of seven countries; and what subjects were discussed.	MR MELLISS IF2	EST
51	La	Mr Andrew Smith (Oxford East): To ask Mr Chancellor of the Exchequer, if he will list the countries of the EEC whose inflation rates, including an estimate of housing costs, are below that of Great Britain.	MR MELLISS IF2	EST
52	La	Mr John Evans (St. Helens North): To ask Mr Chancellor of the Exchequer, what are his criteria for deciding when it would be appropriate to revise his estimate of the balance of payments deficit for the current year.	MRO'DONNELL EA2	CST
53	La	Mr Roland Boyes (Houghton and Washington): To ask Mr Chancellor of the Exchequer, if he will estimate the proportion of total manufacturing imports represented by production and investment goods in: (a) 1984 and (b) 1988.	MRO'DONNELL EA2	CST
54	La	Mr Graham Allen (Nottingham North): To ask Mr Chancellor of the Exchequer, what assessment he has made of the principal beneficiaries to date of his 1989 Budget decision to repay £14 billion government debt.	MR MOWL PSF	EST
55	C	Mr Andrew Hunter (Basingstoke): To ask Mr Chancellor of the Exchequer, if he will make a further statement on the United Kingdom's current trade deficit.	MRO'DONNELL EA2	CST
56	La	Mr Tony Banks (Newham North West): To ask Mr Chancellor of the Exchequer, what is his latest estimate for the balance of trade deficit in the current year.	MRO'DONNELL EA2	CST



57	La	Mr Alistair Darling (Edinburgh Central): To ask Mr Chancellor of the Exchequer, if he will estimate the proportion of total manufacturing imports represented by production and investment goods in: (a) 1984 and (b) 1988.	MR O'DONNELL EA2	CST
58	DEH	Mr A. J. Beith (Berwick upon Tweed): To ask Mr Chancellor of the Exchequer, if he will make a statement about his response to the Delors Committee Report on economic and monetary union in the European Community.	MISS O'MARA MG1	EST
59	C	Mr David Knox (Staffordshire Moorlands): To ask Mr Chancellor of the Exchequer, what effect current interest rates are having on the balance of trade.	MR DAVIES MP1	EST
60	La	Mr David Young (Bolton South East): To ask Mr Chancellor of the Exchequer, if he will list the countries of the Group of Seven whose inflation rates, including an estimate of housing costs, are below that of Great Britain.	MR MELLISS IF2	EST
61	DEM	Mr Archy Kirkwood (Roxburgh and Berwickshire): To ask Mr Chancellor of the Exchequer, what steps he proposes to take to improve the quality of economic statistical data published by his Department.	MR PICKFORD EB	CST
62	C	Mr David Wilshire (Spelthorne): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of the International Monetary Fund; and what was discussed.	MR WALSH IF1	EST
63	La	Mr Terry Lewis (Worsley): To ask Mr Chancellor of the Exchequer, what is his latest estimate for the balance of trade deficit in the current year.	MR O'DONNELL EA2	CST
64	C	Mr Anthony Coombs (Wyre Forest): To ask Mr Chancellor of the Exchequer, what are the latest figures for the growth of manufacturing productivity in the economy.	MR HIBBERD EA1	CST
65	C	Mrs Maureen Hicks (Wolverhampton North East): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the total number of shareholders in the United Kingdom.	MR ILETT FIM2	FST
66	La	Mr John Marshall (Hendon South): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of European finance ministers; and if he will make a statement.	MRS BROWN EC1	PMG
67	C	Mr Lewis Stevens (Nuneaton): To ask Mr Chancellor of the Exchequer, what representations he has received on the abolition of the earnings rule for pensioners announced in his Budget.	MR MCINTYRE ST1	CST
68	La	Mr Stuart Bell (Middlesbrough): To ask Mr Chancellor of the Exchequer, if he will estimate the proportion of total manufacturing imports represented by production and investment goods in: (a) 1984 and (b) 1988.	MR O'DONNELL EA2	CST
69	La	Mr John McAllion (Dundee East): To ask Mr Chancellor of the Exchequer, what is his target rate of inflation for April 1990; and if he will make a statement.	MR HIBBERD EA1	EST
70	La	Mr Allan Roberts (Bootle): To ask Mr Chancellor of the Exchequer, what is his latest estimate for visible imports and exports in the current year.	MR O'DONNELL EA2	CST
71	C	Mr Jonathan Aitken (South Thanet): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of European finance ministers; and if he will make a statement.	MRS BROWN EC1	PMG
72	La	Mr Frank Haynes (Ashfield): To ask Mr Chancellor of the Exchequer, what is his estimate of the impact of interest rate rises since 1988 on small businesses.	MISS O'MARA MG1	EST
73	C	Mr David Tredinnick (Bosworth): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of the World Bank; and what was discussed.	MR WALSH IF1	EST
74	C	Mr David Shaw (Dover): To ask Mr Chancellor of the Exchequer, what is the estimated saving in interest payments as a result of the public sector debt repayment over the last two years.	MR MOWL PSF	EST
75	La	Mr George Foulkes (Carrick, Cumnock and Doon Valley): To ask Mr Chancellor of the Exchequer, when he next expects to meet representatives from retirement pensioners' groups; and what matters he expects to discuss.	MR MCINTYRE ST1	CST

76	C	Mr Allen Stewart (Eastwood): To ask Mr Chancellor of the Exchequer, what has been the annual average increase in productivity for the whole economy since 1980.	MR HIBBERD EA1	CST
77	DE N	Mr Matthew Taylor (Truro): To ask Mr Chancellor of the Exchequer, what representation he has received on the taxation of the use of child care facilities.	IR	FST
78	C	Mr Gerald Howarth (Cannock and Burntwood): To ask Mr Chancellor of the Exchequer, what are the latest figures for the growth of business investment in the economy.	MR HIBBERD EA1	CST
79	La	Mr James Lamond (Oldham Central and Royton): To ask Mr Chancellor of the Exchequer, what allocations from the contingency reserve he is currently considering.	MR RICHARDSON GEP2	CST
80	La	Mr Thomas McAvoy (Glasgow, Rutherglen): To ask Mr Chancellor of the Exchequer, if he will make a statement on current exchange rate policy.	MISSO'MARA MG1	EST
81	C	Mr John Townend (Bridlington): To ask Mr Chancellor of the Exchequer, what is the latest figure for the increase of MO.	MISSO'MARA MG1	EST
82	La	Mr Dennis Skinner (Bolsover): To ask Mr Chancellor of the Exchequer, when he expects the level of inflation to come down; and if he will make a statement.	MR HIBBERD EA1	EST
83	C	Mr David Amess (Basildon): To ask Mr Chancellor of the Exchequer, what is the estimated annual yield on value-added tax levied on hospital radio broadcasting equipment.	CTE	EST
84	C	Mr Greg Knight (Derby North): To ask Mr Chancellor of the Exchequer, what representations he has received on the abolition of the earnings rule for retirement pensioners which he announced in his Budget.	MR MCINTYRE ST1	CST
85	La	Mr John McFall (Dumbarton): To ask Mr Chancellor of the Exchequer, what recent representations he has received concerning his proposal to offer private medical tax relief.	IR	FST
86	La	Mr Kevin Barron (Rother Valley): To ask Mr Chancellor of the Exchequer, what is his latest estimate for visible imports and exports in the current year.	MR O'DONNELL EA2	CST
87	La	Mr Ernie Ross (Dundee West): To ask Mr Chancellor of the Exchequer, when he next expects to meet representatives from pensioners' groups; and what matters he expects to discuss.	MR MCINTYRE ST1	CST
88	C	Mr Henry Bellingham (North West Norfolk): To ask Mr Chancellor of the Exchequer, what has been the fall in registered unemployment since June 1987.	MR PICKFORD EB	CST
89	C	Mr Tim Boswell (Daventry): To ask Mr Chancellor of the Exchequer, when he next intends to meet his counterparts in the Group of Seven; and what will be discussed.	MR MELLISS IF2	EST
90	La	Mr Chris Mullin (Sunderland, South): To ask Mr Chancellor of the Exchequer, what is his latest estimate for the balance of trade in manufacturing for the current year.	MR O'DONNELL EA2	CST
91	C	Mr Michael Jack (Fylde): To ask Mr Chancellor of the Exchequer, how much of the national debt has been paid off since June 1987.	MR MOWL PSF	EST
92	C	Mr Patrick Thompson (Norwich, North): To ask Mr Chancellor of the Exchequer, what has been the annual average increase in productivity for the whole economy since 1980.	MR HIBBERD EA1	CST
93	La	Mr Gerald Bowden (Dulwich): To ask Mr Chancellor of the Exchequer, what has been the fall in general government expenditure, excluding privatisation proceeds, as a percentage of gross domestic product since 1982-83.	MRS BUTLER GEP3	CST
94	La	Mr Ken Eastham (Manchester, Blackley): To ask Mr Chancellor of the Exchequer, when Treasury officials last met representatives from the Institute for International Economics; and what matters were discussed.	MR HIBBERD EA1	CST
95	C	Sir Fergus Montgomery (Altrincham and Sale): To ask Mr Chancellor of the Exchequer, what has been the growth in total employment since June 1987.	MR PICKFORD EB	CST

96	La	Mr Derek Fatchett (Leeds Central): To ask Mr Chancellor of the Exchequer, if he will list the countries of the EEC whose inflation rates, including an estimate of housing costs, are below that of Great Britain.	MR MELLISS IF2	EST
97	C	Mr Teddy Taylor (Southend East): To ask Mr Chancellor of the Exchequer, what estimate he has made of the reduction in taxation revenue in the event of the proposals for harmonised duties on drink and tobacco, as proposed by the Commission, being implemented; and if he will make a statement.	CTE	EST
98	La	Mr David Winnick (Walsall North): To ask Mr Chancellor of the Exchequer, what progress he is making in reducing the rate of inflation.	MR HIBBERD EA1	EST
99	C	Mr Andy Stewart (Sherwood): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the level of public sector debt repayment in the last year for which figures are available; and what this represented as a percentage of gross domestic product.	MR MOWL PSF	EST
100	C	Mr Hugo Summerson (Walthamstow): To ask Mr Chancellor of the Exchequer, what representations he has received on the changes in employees' national insurance contributions announced in his Budget.	MR MCINTYRE ST1	CST
101	C	Ann Widdecombe (Maidstone): To ask Mr Chancellor of the Exchequer, what has been the annual average rate of growth of real personal disposable income since 1983.	MR HIBBERD EA1	CST
102	C	Mr Roger King (Birmingham, Northfield): To ask Mr Chancellor of the Exchequer, how much of the National Debt has been paid off since June 1987.	MR MOWL PSF	EST
103	C	Mr David Martin (Portsmouth South): To ask Mr Chancellor of the Exchequer, what is the estimated saving in interest payments as a result of the public sector debt repayment over the last two years.	MR MOWL PSF	EST
104	La	Mr Paul Flynn (Newport West): To ask Mr Chancellor of the Exchequer, what recent representations he has received regarding interest rates.	MISS O'MARA MG1	EST
105	C	Mr Douglas French (Gloucester): To ask Mr Chancellor of the Exchequer, when he last considered raising the figure at which employers have to declare to the Inland Revenue the salaries, benefits and business expenses of employees and directors.	IR	FST
106	La	Mr Tony Worthington (Clydebank and Milngavie): To ask Mr Chancellor of the Exchequer, what recent representations he has received regarding interest rates.	MISS O'MARA MG1	EST
107	C	Mr Nicholas Bennett (Pembroke): To ask Mr Chancellor of the Exchequer, when he next intends to meet his counterparts in the Group of Seven; and what will be discussed.	MR MELLISS IF2	EST
108	La	Mr Robert N. Wareing (Liverpool, West Derby): To ask Mr Chancellor of the Exchequer, what was the balance of manufactured trade in: (a) 1978 and (b) 1988.	MRO'DONNELL EA2	CST
109	La	Mr Allen Adams (Paisley North): To ask Mr Chancellor of the Exchequer, if he will give the balance of manufactured trade in: (a) 1978 and (b) 1988.	MRO'DONNELL EA2	CST
110	La	Mr Eric Illsley (Barnsley Central): To ask Mr Chancellor of the Exchequer, if he will make a statement on the Spring meetings of the International Monetary Fund and the World Bank.	MR WALSH IF1	EST
111	La	Mr George J. Buckley (Hemsworth): To ask Mr Chancellor of the Exchequer, if he will make a statement on current exchange rate policy.	MISS O'MARA MG1	EST
112	La	Dr Jeremy Bray (Motherwell South): To ask Mr Chancellor of the Exchequer, to what he attributes the error in his forecast of the current balance for 1988, made in his 1988 Financial Statement and Budget Report.	MRO'DONNELL EA2	CST
113	La	Mr Sean Hughes (Knowsley South): To ask Mr Chancellor of the Exchequer, what is his latest estimate for visible imports and exports in the current year.	MRO'DONNELL EA2	CST
114	C	Mr Matthew Carrington (Fulham): To ask Mr Chancellor of the Exchequer, when he last met his counterparts in the Group of Seven; and what was discussed.	MR MELLISS IF2	EST

115		Mr Nigel Griffiths (Edinburgh South): To ask Mr Chancellor of the Exchequer, when Treasury officials last met representatives from the Institute of International Economics; and what matters were discussed.	MR HIBBERD EA1	CST
116	C	Sir Michael McNair-Wilson (Newbury): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of the World Bank; and what was discussed.	MR WALSH IFI	EST
117	La	Mr Gavin Strang (Edinburgh East): To ask Mr Chancellor of the Exchequer, what was the balance of manufactured trade in: (a) 1978 and (b) 1988.	MRO'DONNELL EA2	CST
118	La	Mr George Galloway (Glasgow, Hillhead): To ask Mr Chancellor of the Exchequer, what is his latest estimate for the balance of trade deficit in the current year.	MR O'DONNELL EA2	CST
119	C	Mr Quentin Davies (Stamford and Spalding): To ask Mr Chancellor of the Exchequer, what was the rise in the profitability of non-North Sea industrial and commercial companies in the latest year for which figures are available.	MR HIBBERD EA1	CST
120	La	Mr David Clelland (Tyne Bridge): To ask Mr Chancellor of the Exchequer, what recent representations he has received concerning his proposal to offer private medical tax relief.	IR	FST
121	La	Mr Peter L. Pike (Burnley): To ask Mr Chancellor of the Exchequer, what was the balance of manufactured trade in: (a) 1978 and (b) 1988.	MRO'DONNELL EA2	CST
122	La	Mr Dennis Turner (Wolverhampton South East): To ask Mr Chancellor of the Exchequer, when he last met representatives from the Child Poverty Action Group; and what matters were discussed.	MR MCINTYRE ST1	CST
123	C	Mr David Davis (Boothferry): To ask Mr Chancellor of the Exchequer, what has been the annual average increase in productivity for the whole economy since 1980.	MR HIBBERD EA1	CST
124	C	Mr David Evans (Welwyn, Hatfield): To ask Mr Chancellor of the Exchequer, what resources are now devoted by Her Majesty's customs to the prevention and detection of drug smuggling; what were the totals of class A and class B drugs seized in 1988; and what were the comparable figures for previous years.	CTE	EST
125	La	Mr John McWilliam (Blaydon): To ask Mr Chancellor of the Exchequer, what is his latest estimate for the balance of trade deficit in 1989.	MR O'DONNELL EA2	CST
126	C	Mr Jeremy Hanley (Richmond and Barnes): To ask Mr Chancellor of the Exchequer, what representations he has received on the abolition of the earnings rule for pensioners which he announced in his Budget.	MR MCINTYRE ST1	CST
127	C	Mr John Bowis (Battersea): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of the World Bank; and what was discussed.	MR WALSH IFI	EST
128	La	Mr Jim Marshall (Leicester South): To ask Mr Chancellor of the Exchequer, what assessment he has made of the impact of interest rate rises since 1988 on small businesses.	MISS O'MARA MGI	EST
129	La	Ms Diane Abbott (Hackney North and Stoke Newington): To ask Mr Chancellor of the Exchequer, if he will make a statement on the latest Group of Seven initiative on Third World debt.	MR WALSH IFI	EST
130	C	Mr David Nicholson (Taunton): To ask Mr Chancellor of the Exchequer, what is the estimated saving in interest payments as a result of the public sector debt repayment over the last two years.	MR MOWL PSF	EST
131	La	Mr Eric Marlew (Carlisle): To ask Mr Chancellor of the Exchequer, what is his estimate of the impact of interest rate rises since last year on small businesses.	MISS O'MARA MGI	EST
132	La	Mr Henry McLeish (Fife Central): To ask Mr Chancellor of the Exchequer, if he will estimate the net flows of foreign investment into the United Kingdom in the form of: (a) long term direct investment and (b) short term banking flows.	MR O'DONNELL EA2	CST

TREASURY FIRST ORDER QUESTIONS : THURSDAY 4 MAY 1989

133		Mr Ian Taylor (Esher): To ask Mr Chancellor of the Exchequer, when he next intends to meet with his counterparts in the Group of Seven; and what matters are due to be discussed.	MR MELLISS IF2	EST
134	La	Mr Tom Cox (Tooting): To ask Mr Chancellor of the Exchequer, if he will estimate the net flows of foreign investment into the United Kingdom in the form of: (a) long term direct investment and (b) short term banking flows.	MR O'DONNELL EA2	CST
135	La	Mr Jeremy Corbyn (Islington North): To ask Mr Chancellor of the Exchequer, when Treasury officials last met with representatives from the Institute for International Economics; and what matters were discussed.	MR HIBBERD EA1	CST
136	La	Dr Lewis Moonie (Kirkcaldy): To ask Mr Chancellor of the Exchequer, what recent representations he has received on his balance of payments forecast included in the 1989 Budget statement.	MR O'DONNELL EA2	CST
137	La	Mr Robert Hughes (Aberdeen North): To ask Mr Chancellor of the Exchequer, when he next expects to meet representatives from pensioners' groups.	MR MINTYRE ST1	CST
138	La	Mr Geoffrey Robinson (Coventry North West): To ask Mr Chancellor of the Exchequer, what is the current rate of inflation.	MR HIBBERD EA1	EST

UNCLASSIFIED



FROM: C A HUTSON (Asst Parly Clerk)  
DATE: 21 April 1989  
EXTN: 5008

*pm*

**PRINCIPAL PRIVATE SECRETARY**  
PS/CHIEF SECRETARY  
PS/PAYMASTER GENERAL  
PS/ECONOMIC SECRETARY

cc PS/Financial Secretary  
Mr Pickford - EB  
Miss Simpson - EB  
PS/IR  
PS/Customs  
Parliamentary Section - IR  
Parliamentary Section - C&E  
See attached list of  
copy addresses

Nigel Forman MP  
Tony Favell  
John Maples MP  
Michael Stern MP  
Gillian Shepherd MP  
Alan Howarth MP

**TREASURY FIRST ORDER QUESTIONS - THURSDAY 4 MAY**

Attached is the Chancellor's allocation of Questions for Oral answer on Thursday 4 May between himself, the Chief Secretary, the Paymaster General and the Economic Secretary. Questions in the area designated 'unlikely to be reached' that would have fallen naturally to the Financial Secretary are allocated to him for reply.

2. Copies of this minute and attachment go to all Assistant Secretaries who have been sent Oral PQ folders so that answers may be (re)-drafted with the particular answering Minister in mind. Could the attached list of questions be sent to the relevant drafting officers.

3. At present, subject briefs on inflation, investment, living standards and international issues are being prepared.

*C A Hutson*

C A HUTSON

UNCLASSIFIED

1	D	Mr James Wallace (Orkney and Shetland): To ask Mr Chancellor of the Exchequer, what is his estimate of underlying inflation in the British economy; and if he will make a statement.	MR HIBBERD EA1	C/EX
2	C	Sir Michael Shaw (Scarborough): To ask Mr Chancellor of the Exchequer, what are the latest figures for the growth of business investment in the economy.	MR HIBBERD EA1	C/EX
3	C	Mr Keith Mans (Wyre): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the total number of shareholders in the United Kingdom.	MR ILETT FIM2	PMG
4	C	Mr Julian Brazier (Canterbury): To ask Mr Chancellor of the Exchequer, what has been the rate of growth of: (a) total investment and (b) total consumption over the past seven years.	MR PICKFORD EB	+9+17 CST
5	La	Mr Ted Leadbitter (Hartlepool): To ask Mr Chancellor of the Exchequer, what is his target rate of inflation for 12 months' time; and if he will make a statement.	MR HIBBERD EA1	EST
6	C	Mr Alistair Burt (Bury North): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of the International Monetary Fund; and what was discussed.	MR WALSH IFI	C/EX
7	C	Mr Harry Greenway (Ealing North): To ask Mr Chancellor of the Exchequer, what has been the impact on the real personal disposable income of: (a) pensioners and (b) others of the latest <sup>interest</sup> rates increases; and if he will make a statement.	MR HIBBERD EA1	CST
8	La	Mr Allen McKay (Barnsley West and Penistone): To ask Mr Chancellor of the Exchequer, what recent representations he has received concerning his proposal to offer private medical tax relief.	IR	PMG
9	C	Mr William Hague (Richmond, Yorks): To ask Mr Chancellor of the Exchequer, what has been the rate of growth of: (a) total investment and (b) total consumption over the past seven years.	MR PICKFORD EB	+4+17 CST
10	C	Mr Charles Wardle (Bexhill and Battle): To ask Mr Chancellor of the Exchequer, what are the latest figures for the growth of manufacturing productivity in the economy.	MR HIBBERD EA1	CST
11	La	Mr Norman Hogg (Cumbernauld and Kilsyth): To ask Mr Chancellor of the Exchequer, if he will list the countries of the EEC whose inflation rates, including an estimate of housing costs, are below that of Great Britain.	MR MELLISS IF2	+16 EST
12	La	<del>Mr Tam Dalyell (Linlithgow): To ask Mr Chancellor of the Exchequer, if he will seek to have rain forest issues and policy on the financing of nuclear power stations included on the agenda of the next meeting of the World Bank.</del>	TRANSFERRED TO ODA	X
13	C	Mr James Cran (Beverley): To ask Mr Chancellor of the Exchequer, when he next intends to meet the Director-General of the Confederation of British Industry; and what will be discussed.	MR BURR IAE3	CST
14	C	Mr James Arbuthnot (Wanstead and Woodford): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of the World Bank; and what was discussed.	MR WALSH IFI	EST
15	C	Mr Graham Bright (Luton South): To ask Mr Chancellor of the Exchequer, what representations he has received on the changes in employees' national insurance contributions announced in his Budget.	MR MCINTYRE ST1	C/EX
16	La	Mr Ronnie Campbell (Blyth Valley): To ask Mr Chancellor of the Exchequer, if he will list the countries of the Group of Seven whose inflation rates, including an estimate of housing costs, are below that of Great Britain.	MR MELLISS IF2	+11 EST
17	C	Mr Chris Butler (Warrington South): To ask Mr Chancellor of the Exchequer, what has been the rate of growth of: (a) total investment and (b) total consumption over the past seven years.	MR PICKFORD EB	+4+9 CST
18	C	Mr David Atkinson (Bournemouth East): To ask Mr Chancellor of the Exchequer, what has been the annual average rate of growth of real personal disposable income since 1983.	MR HIBBERD EA1	PMG

19	C	Mr John Watts (Slough): To ask Mr Chancellor of the Exchequer, what has been the increase in the real take home pay of a man on average male earnings between 1978-79 and 1989-90.	MR MATTHEWS ETS	PMG
20	C	Mr Iain Mills (Meriden): To ask Mr Chancellor of the Exchequer, when he next intends to meet his counterparts in the Group of Seven; and what will be discussed.	MR MELLISS IF2	C/EX
21	La	Mr Ted Garrett (Wallsend): To ask Mr Chancellor of the Exchequer, what assessment he has made of the impact of interest rate rises since 1988 on small businesses.	MISS O'MARA MG1	EST
22	C	Mr Ian Gow (Eastbourne): To ask Mr Chancellor of the Exchequer, when he expects to achieve his target of zero inflation.	MR HIBBERD EAI	EST
23	La	Maria Fyfe (Glasgow, Maryhill): To ask Mr Chancellor of the Exchequer, when he last met representatives from the Equal Opportunities Commission concerning the 1989 Budget; and what matters were discussed.	MR GIHOOLY FP	PMG
24	C	Mr Andrew Mitchell (Gedling): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of the International Monetary Fund; and what was discussed.	MR WALSH IFI	CST
25	C	Mr Irvine Patnick (Sheffield, Hallam): To ask Mr Chancellor of the Exchequer, what was the net repayment of debt by the Government in 1988-89.	MR MOWL PSF	EST
26	C	Dr John G. Blackburn (Dudley West): To ask Mr Chancellor of the Exchequer, what has been the increase in the real take home pay of a man on average male earnings between 1978-79 and 1989-90.	MR MATTHEWS ETS	EST
27	C	Mr John Greenway (Ryedale): To ask Mr Chancellor of the Exchequer, what has been the fall in registered unemployment since June 1987.	MR PICKFORD EB	CST
28	C	Mr Robert G. Hughes (Harrow West): To ask Mr Chancellor of the Exchequer, what has been the growth in total employment since June 1987.	MR PICKFORD EB	CST
29	C	Mr Kenneth Hind (West Lancashire): To ask Mr Chancellor of the Exchequer, what has been the annual average increase in productivity for the whole economy since 1980.	MR HIBBERD EAI	EST
30	La	Mr Thomas Graham (Renfrew West and Inverclyde): To ask Mr Chancellor of the Exchequer, when he last met representatives from the Child Poverty Action Group; and what matters were discussed.	MR MCINTYRE ST1	PMG
31	C	Mr Martin Brandon Bravo (Nottingham South): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the level of public sector debt repayment in the last year for which figures are available; and what this represented as a percentage of gross domestic product.	MR MOWL PSF	EST
32	C	Mr Malcolm Moss (North East Cambridgeshire): To ask Mr Chancellor of the Exchequer, what was the rise in the profitability of non-North Sea industrial and commercial companies in the latest year for which figures are available.	MR HIBBERD EAI	CST
33	C	Mr William Cash (Stafford): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the total number of shareholders in the United Kingdom.	MR ILETT FIM2	FST
34	C	Mr Neil Hamilton (Tatton): To ask Mr Chancellor of the Exchequer, what has been the fall in general government expenditure, excluding privatisation proceeds, as a percentage of gross domestic product since 1982-83.	MRS BUTLER GEP3	CST
35	La	Mr Jim Cousins (Newcastle upon Tyne Central): To ask Mr Chancellor of the Exchequer, what is his latest estimate for the balance of trade in manufacturing for the current year.	MR O'DONNELL EA2	CST
36	La	Mr Elliot Morley (Glanford and Scunthorpe): To ask Mr Chancellor of the Exchequer, what is the current rate of inflation.	MR HIBBERD EAI	EST
37	La	Mr Frank Doran (Aberdeen South): To ask Mr Chancellor of the Exchequer, if he will make a statement on current exchange rate policy.	MISS O'MARA MG1	EST



38	La	Mr Alex Eadie (Midlothian): To ask Mr Chancellor of the Exchequer, what recent representations he has received regarding the level of interest rates.	MISS O'MARA MG1	EST
39	C	Mr Simon Burns (Chelmsford): To ask Mr Chancellor of the Exchequer, what has been the annual average increase in productivity for the whole economy since 1980.	MR HIBBERD EA1	CST
40	La	Mr Mark Fisher (Stoke on Trent Central): To ask Mr Chancellor of the Exchequer, what recent representations he has received on his balance of payments forecast included in the current year's Budget statement.	MRO'DONNELL EA2	CST
41	C	Mr Nicholas Budgen (Wolverhampton South West): To ask Mr Chancellor of the Exchequer, when he next intends to meet his counterparts in the Group of Seven; and what will be discussed.	MR MELLISS IF2	EST
42	C	Mr Nicholas Soames (Crawley): To ask Mr Chancellor of the Exchequer, how much of the national debt has been paid off since June 1987.	MR MOWL PSF	EST
43	C	Mr Roger Knapman (Stroud): To ask Mr Chancellor of the Exchequer, what representations he has received on the introduction of tax relief for employees share ownership.	IR	FST
44	C	Mr Graham Riddick (Colne Valley): To ask Mr Chancellor of the Exchequer, how many representations he has received concerning the proposed increase in company car taxation; and if he will make a statement.	IR	FST
45	C	Mr Humfrey Malins (Croydon North West): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of the International Monetary Fund; and what was discussed.	MR WALSH IF1	EST
46	C	Dr Ian Twinn (Edmonton): To ask Mr Chancellor of the Exchequer, what representations he has received on the introduction of tax relief for employee share ownership.	IR	FST
47	C	Mr Peter Thurnham (Bolton North East): To ask Mr Chancellor of the Exchequer, what representations he has received about moving government departments to the North West; and if he will make a statement.	MR HANSFORD RC1	PMG
48	La	Mr Andrew F. Bennett (Denton and Reddish): To ask Mr Chancellor of the Exchequer, if he will make a statement on levels of value added tax in the context of progress towards the single market by 1992.	C+E	EST
49	La	Mr Harry Cohen (Leyton): To ask Mr Chancellor of the Exchequer, if he will estimate the total value of North Sea oil revenue from 1979 to the current date.	MR O'DONNELL EA2	CST
50	C	Mr Tim Yeo (South Suffolk): To ask Mr Chancellor of the Exchequer, when he last met the finance ministers of the group of seven countries; and what subjects were discussed.	MR MELLISS IF2	EST
51	La	Mr Andrew Smith (Oxford East): To ask Mr Chancellor of the Exchequer, if he will list the countries of the EEC whose inflation rates, including an estimate of housing costs, are below that of Great Britain.	MR MELLISS IF2	EST
52	La	Mr John Evans (St. Helens North): To ask Mr Chancellor of the Exchequer, what are his criteria for deciding when it would be appropriate to revise his estimate of the balance of payments deficit for the current year.	MRO'DONNELL EA2	CST
53	La	Mr Roland Boyes (Houghton and Washington): To ask Mr Chancellor of the Exchequer, if he will estimate the proportion of total manufacturing imports represented by production and investment goods in: (a) 1984 and (b) 1988.	MRO'DONNELL EA2	CST
54	La	Mr Graham Allen (Nottingham North): To ask Mr Chancellor of the Exchequer, what assessment he has made of the principal beneficences to date of his 1989 Budget decision to repay £14 billion government debt.	MR MOWL PSF	ORDINARY WRITTEN 24.4.89
55	C	Mr Andrew Hunter (Basingstoke): To ask Mr Chancellor of the Exchequer, if he will make a further statement on the United Kingdom's current trade deficit.	MRO'DONNELL EA2	CST
56	La	Mr Tony Banks (Newham North West): To ask Mr Chancellor of the Exchequer, what is his latest estimate for the balance of trade deficit in the current year.	MRO'DONNELL EA2	ORDINARY WRITTEN 24.4.89

TREASURY FIRST ORDER QUESTIONS : THURSDAY 4 MAY 1989

57		Mr Alistair Darling (Edinburgh Central): To ask Mr Chancellor of the Exchequer, if he will estimate the proportion of total manufacturing imports represented by production and investment goods in: (a) 1984 and (b) 1988.	MR O'DONNELL EA2	CST
58	DEM	Mr A. J. Beith (Berwick upon Tweed): To ask Mr Chancellor of the Exchequer, if he will make a statement about his response to the Delors Committee Report on economic and monetary union in the European Community.	MISS O'MARA MG1	EST
59	C	Mr David Knox (Staffordshire Moorlands): To ask Mr Chancellor of the Exchequer, what effect current interest rates are having on the balance of trade.	MR DAVIES MPI	EST
60	La	Mr David Young (Bolton South East): To ask Mr Chancellor of the Exchequer, if he will list the countries of the Group of Seven whose inflation rates, including an estimate of housing costs, are below that of Great Britain.	MR MELLISS IF2	EST
61	DEM	Mr Archy Kirkwood (Roxburgh and Berwickshire): To ask Mr Chancellor of the Exchequer, what steps he proposes to take to improve the quality of economic statistical data published by his Department.	MR PICKFORD <del>EB</del>	ORDINARY WRITTEN 24.4.89
62	C	Mr David Wilshire (Spelthorne): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of the International Monetary Fund; and what was discussed.	MR WALSH IFI	EST
63	La	Mr Terry Lewis (Worsley): To ask Mr Chancellor of the Exchequer, what is his latest estimate for the balance of trade deficit in the current year.	MR O'DONNELL EA2	CST
64	C	Mr Anthony Coombs (Wyre Forest): To ask Mr Chancellor of the Exchequer, what are the latest figures for the growth of manufacturing productivity in the economy.	MR HIBBERD EA1	CST
65	C	Mrs Maureen Hicks (Wolverhampton North East): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the total number of shareholders in the United Kingdom.	MR ILETT FIM2	FST
66	La	Mr John Marshall (Hendon South): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of European finance ministers; and if he will make a statement.	MRS BROWN EC1	PMG
67	C	Mr Lewis Stevens (Nuneaton): To ask Mr Chancellor of the Exchequer, what representations he has received on the abolition of the earnings rule for pensioners announced in his Budget.	MR MCINTYRE ST1	CST
68	La	Mr Stuart Bell (Middlesbrough): To ask Mr Chancellor of the Exchequer, if he will estimate the proportion of total manufacturing imports represented by production and investment goods in: (a) 1984 and (b) 1988.	MR O'DONNELL EA2	CST
69	La	Mr John McAllion (Dundee East): To ask Mr Chancellor of the Exchequer, what is his target rate of inflation for April 1990; and if he will make a statement.	MR HIBBERD EA1	EST
70	La	Mr Allan Roberts (Bootle): To ask Mr Chancellor of the Exchequer, what is his latest estimate for visible imports and exports in the current year.	MR O'DONNELL EA2	CST
71	E	Mr Jonathan Aitken (South Thanet): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of European finance ministers; and if he will make a statement.	MRS BROWN EC1	PMG
72	La	Mr Frank Haynes (Ashfield): To ask Mr Chancellor of the Exchequer, what is his estimate of the impact of interest rate rises since 1988 on small businesses.	MISS O'MARA MG1	EST
73	C	Mr David Tredinnick (Bosworth): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of the World Bank; and what was discussed.	MR WALSH IFI	EST
74	C	Mr David Shaw (Dover): To ask Mr Chancellor of the Exchequer, what is the estimated saving in interest payments as a result of the public sector debt repayment over the last two years.	MR MOWL PSF	EST
75	La	Mr George Foulkes (Carrick, Cumnock and Doon Valley): To ask Mr Chancellor of the Exchequer, when he next expects to meet representatives from retirement pensioners' groups; and what matters he expects to discuss.	MR MCINTYRE ST1	CST

76	C	Mr Allen Stewart (Eastwood): To ask Mr Chancellor of the Exchequer, what has been the annual average increase in productivity for the whole economy since 1980.	MR HIBBERD EA1	CST
77	DE N	Mr Matthew Taylor (Truro): To ask Mr Chancellor of the Exchequer, what representation he has received on the taxation of the use of child care facilities.	IR	FST
78	C	Mr Gerald Howarth (Cannock and Burntwood): To ask Mr Chancellor of the Exchequer, what are the latest figures for the growth of business investment in the economy.	MR HIBBERD EA1	CST
79	La	Mr James Lamond (Oldham Central and Royton): To ask Mr Chancellor of the Exchequer, what allocations from the contingency reserve he is currently considering.	MR RICHARDSON GEP2	CST
80	La	Mr Thomas McAvoy (Glasgow, Rutherglen): To ask Mr Chancellor of the Exchequer, if he will make a statement on current exchange rate policy.	MISSO'MARA MG1	EST
81	C	Mr John Townend (Bridlington): To ask Mr Chancellor of the Exchequer, what is the latest figure for the increase of MO.	MISSO'MARA MG1	EST
82	La	Mr Dennis Skinner (Bolsover): To ask Mr Chancellor of the Exchequer, when he expects the level of inflation to come down; and if he will make a statement.	MR HIBBERD EA1	EST
83	C	Mr David Amess (Basildon): To ask Mr Chancellor of the Exchequer, what is the estimated annual yield on value-added tax levied on hospital radio broadcasting equipment.	CTE	EST
84	C	Mr Greg Knight (Derby North): To ask Mr Chancellor of the Exchequer, what representations he has received on the abolition of the earnings rule for retirement pensioners which he announced in his Budget.	MR MCINTYRE ST1	CST
85	La	Mr John McFall (Dumbarton): To ask Mr Chancellor of the Exchequer, what recent representations he has received concerning his proposal to offer private medical tax relief.	IR	FST
86	La	Mr Kevin Barron (Rother Valley): To ask Mr Chancellor of the Exchequer, what is his latest estimate for visible imports and exports in the current year.	MRO'DONNELL EA2	CST
87	La	Mr Ernie Ross (Dundee West): To ask Mr Chancellor of the Exchequer, when he next expects to meet representatives from pensioners' groups; and what matters he expects to discuss.	MR MCINTYRE ST1	CST
88	C	Mr Henry Bellingham (North West Norfolk): To ask Mr Chancellor of the Exchequer, what has been the fall in registered unemployment since June 1987.	MR PICKFORD EB	CST
89	C	Mr Tim Boswell (Daventry): To ask Mr Chancellor of the Exchequer, when he next intends to meet his counterparts in the Group of Seven; and what will be discussed.	MR MELLISS IF2	EST
90	La	Mr Chris Mullin (Sunderland, South): To ask Mr Chancellor of the Exchequer, what is his latest estimate for the balance of trade in manufacturing for the current year.	MRO'DONNELL EA2	CST
91	C	Mr Michael Jack (Fylde): To ask Mr Chancellor of the Exchequer, how much of the national debt has been paid off since June 1987.	MR MOWL PSF	EST
92	C	Mr Patrick Thompson (Norwich, North): To ask Mr Chancellor of the Exchequer, what has been the annual average increase in productivity for the whole economy since 1980.	MR HIBBERD EA1	CST
93	La	Mr Gerald Bowden (Dulwich): To ask Mr Chancellor of the Exchequer, what has been the fall in general government expenditure, excluding privatisation proceeds, as a percentage of gross domestic product since 1982-83.	MRS BUTLER GEP3	CST
94	La	Mr Ken Eastham (Manchester, Blackley): To ask Mr Chancellor of the Exchequer, when Treasury officials last met representatives from the Institute for International Economics; and what matters were discussed.	MR HIBBERD EA1	CST
95	C	Sir Fergus Montgomery (Altrincham and Sale): To ask Mr Chancellor of the Exchequer, what has been the growth in total employment since June 1987.	MR PICKFORD EB	CST

96	L	Mr Derek Fatchett (Leeds Central): To ask Mr Chancellor of the Exchequer, if he will list the countries of the EEC whose inflation rates, including an estimate of housing costs, are below that of Great Britain.	MR MELLISS IF2	EST
97	C	Mr Teddy Taylor (Southend East): To ask Mr Chancellor of the Exchequer, what estimate he has made of the reduction in taxation revenue in the event of the proposals for harmonised duties on drink and tobacco, as proposed by the Commission, being implemented; and if he will make a statement.	CTE	EST
98	La	<del>Mr David Winnick (Walsall North): To ask Mr Chancellor of the Exchequer, what progress he is making in reducing the rate of inflation.</del>	<del>MR HIBBERD EA1</del>	WITHDRAWN
99	C	Mr Andy Stewart (Sherwood): To ask Mr Chancellor of the Exchequer, what is his latest estimate of the level of public sector debt repayment in the last year for which figures are available; and what this represented as a percentage of gross domestic product.	MR MOWL PSF	EST
100	C	Mr Hugo Summerson (Walthamstow): To ask Mr Chancellor of the Exchequer, what representations he has received on the changes in employees' national insurance contributions announced in his Budget.	MR MCINTYRE STI	CST
101	C	Ann Widdecombe (Maidstone): To ask Mr Chancellor of the Exchequer, what has been the annual average rate of growth of real personal disposable income since 1983.	MR HIBBERD EA1	CST
102	C	Mr Roger King (Birmingham, Northfield): To ask Mr Chancellor of the Exchequer, how much of the National Debt has been paid off since June 1987.	MR MOWL PSF	EST
103	C	Mr David Martin (Portsmouth South): To ask Mr Chancellor of the Exchequer, what is the estimated saving in interest payments as a result of the public sector debt repayment over the last two years.	MR MOWL PSF	EST
104	La	Mr Paul Flynn (Newport West): To ask Mr Chancellor of the Exchequer, what recent representations he has received regarding interest rates.	MISS O'MARA MG1	EST
105	C	Mr Douglas French (Gloucester): To ask Mr Chancellor of the Exchequer, when he last considered raising the figure at which employers have to declare to the Inland Revenue the salaries, benefits and business expenses of employees and directors.	IR	FST
106	La	Mr Tony Worthington (Clydebank and Milngavie): To ask Mr Chancellor of the Exchequer, what recent representations he has received regarding interest rates.	MISS O'MARA MG1	EST
107	C	Mr Nicholas Bennett (Pembroke): To ask Mr Chancellor of the Exchequer, when he next intends to meet his counterparts in the Group of Seven; and what will be discussed.	MR MELLISS IF2	EST
108	La	Mr Robert N. Wareing (Liverpool, West Derby): To ask Mr Chancellor of the Exchequer, what was the balance of manufactured trade in: (a) 1978 and (b) 1988.	MRO'DONNELL EA2	CST
109	La	Mr Allen Adams (Paisley North): To ask Mr Chancellor of the Exchequer, if he will give the balance of manufactured trade in: (a) 1978 and (b) 1988.	MRO'DONNELL EA2	CST
110	La	Mr Eric Illsley (Barnsley Central): To ask Mr Chancellor of the Exchequer, if he will make a statement on the Spring meetings of the International Monetary Fund and the World Bank.	MR WALSH IF1	EST
111	La	Mr George J. Buckley (Hemsworth): To ask Mr Chancellor of the Exchequer, if he will make a statement on current exchange rate policy.	MISS O'MARA MG1	EST
112	La	Dr Jeremy Bray (Motherwell South): To ask Mr Chancellor of the Exchequer, to what he attributes the error in his forecast of the current balance for 1988, made in his 1988 Financial Statement and Budget Report.	MRO'DONNELL EA2	CST
113	La	Mr Sean Hughes (Knowsley South): To ask Mr Chancellor of the Exchequer, what is his latest estimate for visible imports and exports in the current year.	MRO'DONNELL EA2	CST
114	C	Mr Matthew Carrington (Fulham): To ask Mr Chancellor of the Exchequer, when he last met his counterparts in the Group of Seven; and what was discussed.	MR MELLISS IF2	EST

115		Mr Nigel Griffiths (Edinburgh South): To ask Mr Chancellor of the Exchequer, when Treasury officials last met representatives from the Institute of International Economics; and what matters were discussed.	MR HIBBERD EA1	CST
116	C	Sir Michael McNair-Wilson (Newbury): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of the World Bank; and what was discussed.	MR WALSH IFI	EST
117	La	Mr Gavin Strang (Edinburgh East): To ask Mr Chancellor of the Exchequer, what was the balance of manufactured trade in: (a) 1978 and (b) 1988.	MR O'DONNELL EA2	CST
118	La	Mr George Galloway (Glasgow, Hillhead): To ask Mr Chancellor of the Exchequer, what is his latest estimate for the balance of trade deficit in the current year.	MR O'DONNELL EA2	CST
119	C	Mr Quentin Davies (Stamford and Spalding): To ask Mr Chancellor of the Exchequer, what was the rise in the profitability of non-North Sea industrial and commercial companies in the latest year for which figures are available.	MR HIBBERD EA1	CST
120	La	Mr David Clelland (Tyne Bridge): To ask Mr Chancellor of the Exchequer, what recent representations he has received concerning his proposal to offer private medical tax relief.	IR	FST
121	La	Mr Peter L. Pike (Burnley): To ask Mr Chancellor of the Exchequer, what was the balance of manufactured trade in: (a) 1978 and (b) 1988.	MR O'DONNELL EA2	CST
122	La	Mr Dennis Turner (Wolverhampton South East): To ask Mr Chancellor of the Exchequer, when he last met representatives from the Child Poverty Action Group; and what matters were discussed.	MR MCINTYRE ST1	CST
123	C	Mr David Davis (Boothferry): To ask Mr Chancellor of the Exchequer, what has been the annual average increase in productivity for the whole economy since 1980.	MR HIBBERD EA1	CST
124	C	Mr David Evans (Welwyn, Hatfield): To ask Mr Chancellor of the Exchequer, what resources are now devoted by Her Majesty's customs to the prevention and detection of drug smuggling; what were the totals of class A and class B drugs seized in 1988; and what were the comparable figures for previous years.	CTE	EST
125	La	Mr John McWilliam (Blaydon): To ask Mr Chancellor of the Exchequer, what is his latest estimate for the balance of trade deficit in 1989.	MR O'DONNELL EA2	CST
126	C	Mr Jeremy Hanley (Richmond and Barnes): To ask Mr Chancellor of the Exchequer, what representations he has received on the abolition of the earnings rule for pensioners which he announced in his Budget.	MR MCINTYRE ST1	CST
127	C	<del>Mr John Bowis (Battersea): To ask Mr Chancellor of the Exchequer, when he last attended a meeting of the World Bank; and what was discussed.</del>	<del>MR WALSH IFI</del>	<del>WITHDRAWN</del>
128	La	Mr Jim Marshall (Leicester South): To ask Mr Chancellor of the Exchequer, what assessment he has made of the impact of interest rate rises since 1988 on small businesses.	MISS O'MARA MG1	EST
129	La	Ms Diane Abbott (Hackney North and Stoke Newington): To ask Mr Chancellor of the Exchequer, if he will make a statement on the latest Group of Seven initiative on Third World debt.	MR WALSH IFI	EST
130	C	Mr David Nicholson (Taunton): To ask Mr Chancellor of the Exchequer, what is the estimated saving in interest payments as a result of the public sector debt repayment over the last two years.	MR MOWL PSF	EST
131	La	Mr Eric Marlew (Carlisle): To ask Mr Chancellor of the Exchequer, what is his estimate of the impact of interest rate rises since last year on small businesses.	MISS O'MARA MG1	EST
132	La	Mr Henry McLeish (Fife Central): To ask Mr Chancellor of the Exchequer, if he will estimate the net flows of foreign investment into the United Kingdom in the form of: (a) long term direct investment and (b) short term banking flows.	MR O'DONNELL EA2	CST

TREASURY FIRST ORDER QUESTIONS : THURSDAY 4 MAY 1989

133		Mr Ian Taylor (Esher): To ask Mr Chancellor of the Exchequer, when he next intends to meet with his counterparts in the Group of Seven; and what matters are due to be discussed.	MR MELLISS IF2	EST
134	La	Mr Tom Cox (Tooting): To ask Mr Chancellor of the Exchequer, if he will estimate the net flows of foreign investment into the United Kingdom in the form of: (a) long term direct investment and (b) short term banking flows.	MR O'DONNELL EA2	CST
135	La	Mr Jeremy Corbyn (Islington North): To ask Mr Chancellor of the Exchequer, when Treasury officials last met with representatives from the Institute for International Economics; and what matters were discussed.	MR HIBBERD EA1	CST
136	La	Dr Lewis Moonie (Kirkcaldy): To ask Mr Chancellor of the Exchequer, what recent representations he has received on his balance of payments forecast included in the 1989 Budget statement.	MR O'DONNELL EA2	CST
137	La	Mr Robert Hughes (Aberdeen North): To ask Mr Chancellor of the Exchequer, when he next expects to meet representatives from pensioners' groups.	MR MINTYRE ST1	CST
138	La	Mr Geoffrey Robinson (Coventry North West): To ask Mr Chancellor of the Exchequer, what is the current rate of inflation.	MR HIBBERD EA1	EST
139	C	Mr John Townend (Bridlington): To ask Mr Chancellor of the Exchequer, if he can give an estimate of the inflow of capital into the United Kingdom due to high income taxpayers making the United Kingdom their base because of the tax regime introduced by Her Majesty's Government.	MR O'DONNELL EA2	CST

## COPY ADDRESSES

## Under Secretaries

Mr R I G Allen	EC	95/1
Mr J S Beastall	TOA	25/3
Mr T U Burgner	IAE	118/G
Mr C D Butler	EOG	31/2
Mrs A Case	HE	10/1
Mr R P Culpin	FP	90/1
Mr A J C Edwards	LG	19A/1
Mr H P Evans	IF	107/3
Mr A Healey	CCTA	
Mr L J Harris	FMG	62A/1
Mr C W Kelly	Pay	120A/3
Mrs Lomax	GEP	94/3
Mr T Luce	RCS	54/1
Mr D Moore	PE	100/1
Mr P Mountfield	AEF	80/1
Mr J C Odling-Smee	FIM	82/2
Miss M Peirson	ST	18/2
Mr D Peretz	MG	84/G
Mr C J Riley	MP	45/2
Mr S A Robson	DM	37/1
Mr P N Sedgwick	EA	39/3
Mr M J Spackman	ES	83/3
Mr D S B Simpson	CISCO	

## Assistant Secretaries

Mrs M E Brown	EC1	18/G
Mr T Burr	IAE3	100A/G
Mrs R Butler	GEP3	19A/3
Mr S Davies	MP1	91/3
Mr J Gilhooly	FP	89/1
Mr N M Hansford	RC1	123/1
Mr J Hibberd	EA1	36A/3
Mr N J Ilett	FIM2	43/G
Mr P McIntyre	ST1	20/2
Mr S Matthews	ETS	118/1
Mr C L Melliss	IF2	105/3
Mr C J Mowl	PSF	111/4
Miss M O'Mara	MG1	109/G
Mr A T O'Donnell	EA2	38/3
Mr M G Richardson	GEP2	96/3
Mr H G Walsh	IF1	108/3

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**FROM:** Assistant Parliamentary Clerk  
**DATE:** 21 April 1989  
**EXTN:** 5007

**PS/CHANCELLOR**

**cc** PS/Chief Secretary  
PS/Financial Secretary  
PS/Paymaster General  
PS/Economic Secretary  
Mr Hibberd - EA1  
Mr Mowl - PSF  
Mr Saunders - ST2  
Mr Gieve - IDT  
Mr Dyer

**FORTHCOMING TREASURY BUSINESS IN THE HOUSE OF LORDS**

You may wish to be aware that the current forthcoming Treasury business in the Lords is as follows:

**ORAL QUESTIONS**

**Tuesday 2 May** The Lord Ezra - To ask Her Majesty's Government whether they are satisfied that the recently announced changes in the responsibilities for the issue of official statistics will increase their reliability.

**Government Spokesman:** To be confirmed. EA1 in the lead.

**Thursday 4 May** The Lord Orr-Ewing - To ask Her Majesty's Government what savings to taxpayers have accrued from the reduction in the national debt over the last two years.

**Government Spokesman:** To be confirmed PSF in the lead.

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TREASURY INTEREST QUESTIONS

ORAL

Thursday 27 April The Countess of Mar - To ask Her Majesty's Government what proportion of current National Health Service expenditure is funded from general taxation.

Government Spokesman: Lord Henley. Department of Health in the lead.

DEBATE

Wednesday 26 April The Lord Ezra - To call attention to the size of Britain's manufacturing base in the light of the balance of payments situation; and to move for papers.

Government Spokesman: Lord Strathclyde. DTI in the lead

*Mari Rogerson*  
MARI ROGERSON

UNCLASSIFIED



FROM: B O DYER (Parly Clerk)  
 DATE: 26 April 1989  
 EXTN: 4520

CHANCELLOR

cc Chief Secretary  
 Financial Secretary  
 Paymaster General  
 Economic Secretary  
 Mr J Gieve - IDT  
 Mrs J Chaplin  
 Mrs J Thorpe

**CABINET : THURSDAY 27 APRIL 1989**  
**PARLIAMENTARY AFFAIRS**

Following is the business, currently, proposed for the Commons next week:

Tuesday 2 May

- 2.30pm: Education and Science Questions
- 3.15pm: PMs Questions
- 3.30pm: Ten Minute Rule Bill: David Martin - Aircraft (Freedom from Smoking)
- 3.40pm: Opposition 9th Allotted Day - subject to be announced
- 10.00pm: Official Secrets Bill: consideration of Lords Amendments

Wednesday 3 May

- 2.30pm: Scottish Office Questions
- 3.30pm: Ten Minute Rule Bill: David Porter - Public Service Contract
- 3.40pm: [possibly a Guillotine Motion for the Dock Work Bill]
- 7.00pm: Police Officers (Central Service) Bill: Second Reading
- EC docs debate on Controls of Persons at Intra-Community Frontiers (HO).
- EC docs debate on Public Procurement - PMG

Thursday 4 May (local elections and by-election)

- 2.30pm: Treasury Questions (C/Ex, CST, .PMG, EST)
- 3.15pm: PMs Questions
- 3.30pm: Business Statement
- 3.50pm: Companies Bill: Second Reading

P.T.O.



Friday 5 May

9.30am: **Private Members' Bills: Remaining Stages**

1. Protection of Privacy - Report
2. Right of Silence - Second Reading
3. Abortion (Amdt of Grounds) - Second Reading
4. Road Traffic (Breath Tests) - conclusion of Second Reading

Monday 8 May

2.30pm: Welsh Questions

3.30pm **Finance Bill Committee (Day 1: Clauses 51, 33 and 32: CST and FST)**

10.00pm: [**Possibly:** Opposition prayer to annul the PEP Regs - **FST**]

**B O DYER**

*pw*

FROM : MISS J C SIMPSON (EB)  
DATE : 27 APRIL 1989  
Ext 5211

- 1. MR PICKEFORD <sup>*Sp. 27/4*</sup>
- 2. CHANCELLOR OF THE EXCHEQUER

- cc Chief Secretary
- Paymaster General
- Economic Secretary
- Sir P Middleton
- Sir T Burns
- Mr Gieve
- Miss Wallace
- Mr Dyer
- Mr Deane
- Mr Lind
- Mr Hutson (+ 5 copies)
- Mrs Chaplin
- Mr Tyrie
- Mr Call
  
- Mr N Forman MP
- Mr T Favell MP
- Mr M Stern MP
- Mrs G Sheppard MP
- Mr A Howarth MP

*[say nice things about TESC?] NO!*

*[have true test of "lowest years" + line to take?]*

*yes (Michons) ↓*

*Runs: 2, 3, 4, 6, 10*

TREASURY FIRST ORDER QUESTIONS : THURSDAY, 4 MAY  
EB DRAFT CENTRAL BRIEF

- 1. I attach EB's draft central brief.
- 2. The brief contains:
  - (i) Bull points
  - (ii) Checklist of main indicators published recently and to be published by 4 May
  - (iii) General briefing on topical issues.

*(one month's figures!)*

3. The range of questions is much more satisfactory than in recent months. There are fourteen questions from Government backbenchers in the first twenty. Four (three identical) relate to investment; three to international meetings; two to changes in real incomes under this Government; and one each to personal shareownership, the impact of recent interest rate changes on

personal incomes, manufacturing productivity, meetings with the CBI and the employees' NIC changes. The six opposition questions relate to inflation (four - all slightly different); tax relief for private medical insurance and the effect of interest rate increases on small businesses.

4. The questions should give you ample opportunity to put across the usual points about the underlying strength of the economy and improvements in living standards.

5. The questions from Sir Michael Shaw (investment growth), Mr Mans (shareownership), Messrs Brazier, Hague and Butler (consumption versus investment) and Mr Wardle (manufacturing productivity) all look good candidates for long runs. It would be nice to finish with Mr Wardle's question (number 10). However, this may prove difficult. Once Mr Hogg's and Mr Campbell's grouped questions on international inflation comparisons have been passed, there is no particular logical stopping place within the run of six Government questions which follows. Any of them would do. It is possible, given that 4 May is local elections day, that questions could go quite a long way down the list.

6. Subject briefs have been prepared on

- international issues (IF1 and 2)
- investment and consumption (EB)
- inflation (EA1)
- living standards (ETS).

The last of these will be updated next week to take account of the material Mr Gordon Brown is apparently publishing today.

7. The only statistics to be published before next Thursday are the full money figures for March (2 May) and the official reserves for April (3 May).

JS

MISS J C SIMPSON

## BULL POINTS

### 1. Investment

Business investment in 1988 is highest proportion of GDP since records began. Total investment now higher proportion of GDP than in any year under the last Labour Government.

Over past 7 years total investment grown more than twice as fast as total consumption a performance matched only by Japan of the other major countries. Under Labour, consumption grew by only 2 per cent a year, while investment hardly grew at all [ $\frac{1}{4}$  per cent a year on average].

In 1980s total investment grown faster than in any other EC country.

### 2. Prices

Retail price inflation has averaged 5 per cent since June 1983.

### 3. Output

GDP up  $4\frac{1}{2}$  per cent in 1988 following similar growth in 1987.

UK grown faster than all other major EC countries since 1980. Bottom of league in 1960s and 1970s.

Manufacturing output in 3 months to February at highest ever level; up over 11 per cent on 1979H1 and well above 1974Q2 peak. Fell between 1974H1 and 1979H1.

Profitability in 1988 at level not seen since 1960s.

### 4. Productivity and Jobs

Output per hour worked in UK 50 per cent higher than in Japan; only 5 per cent lower than in Germany (figures for 1986).

Manufacturing productivity grown faster than in any other major country in the 1980s. Bottom of league in the 1960s and 1970s.

Adult unemployment (seasonally adjusted) below 2 million. Lowest level since January 1981. Continuous fall for 32 months in a row, by 1.2 million in total. Fall in unemployment longest and largest since War.

Unemployment has fallen in all regions over the last year. Long term unemployment has fallen faster than unemployment as a whole and fallen also in all regions.

Employment risen by nearly 3 million since 1983; performance over last five years best since War. Now at highest ever level.

### 5. Public finances

PSDR in 1988-89 (i.e. budget surplus) for second successive year, something which has not happened for 40 years. PSDR in 1988-89 £14.3 billion; 3 per cent of GDP.

Including the forecast PSDR of £14 billion in 1989-90, Government will have repaid roughly  $\frac{1}{6}$  of the public debt accumulated over two centuries; saving £3 billion a year in interest payments. As a share of GDP debt interest will be the lowest since 1915.

MAIN ECONOMIC INDICATORS PUBLISHED SINCE 3 APRIL AND BEFORE 4 MAY

- 3 April                    Retail sales (February - final)
- 4 April                    UK official reserves (March)
- Underlying fall of \$1,196 million.
- 10 April                   Producer prices (March - provisional)
- Annual rate of output prices 5.2 per cent.
  - Annual rate of input prices 6.5 per cent.
- 13 April                   Labour market statistics
- **Unemployment** (s.a., claimants aged 18 and over only) (March) down 31,000 to 1,918,000. 'Headline' total down 58,000 to 1,960,000.
  - **Workforce in employment** in 1988Q4 up 169,000 on 1988Q3 to level 649,000 higher than year earlier.
  - **Manufacturing employees** (February) down 10,000 from January to 5,150,000.
  - **Vacancies** (March) down 5,000 from February to 223,000.
  - **Average earnings** (February) underlying increase of 9¼ per cent for whole economy.
  - **Whole economy productivity** in 1988Q4 up 0.5 per cent on a year earlier.
  - **Whole economy unit wage costs** in 1988Q4 up 8.4 per cent on a year earlier.

14 April

Tax and price index (March)

- Annual rate 6.1 per cent.

Retail prices index (March)

- Annual rate 7.9 per cent, excl. mortgage interest payments (MIPs) annual rate 5.7 per cent.

17 April

Index of output of production industries and manufacturing productivity and unit wage costs (February)

- Industrial production in 3 months to February down 1.1 per cent on previous 3 months, but up 1.8 per cent on year earlier.
- Manufacturing output in 3 months to February up 1.1 per cent on previous 3 months and up 7.3 per cent on a year earlier.
- Manufacturing unit wage costs in 3 months to February up 2.9 per cent on year earlier.
- Manufacturing productivity in 3 months to February up 6½ per cent on year earlier.

CBI/FT Survey of distributive trades (March)

Retail sales (March - provisional)

- In 1989Q1 down 0.3 per cent on previous quarter; up 3.7 per cent on a year earlier.



18 April Public Sector Borrowing Requirement (March)

- Provisionally estimated to have been £2.3 billion in March. Cumulative total of minus £14.3 billion in whole of 1988-89.
- Cumulative, excl. privatisation proceeds, of minus £7.3 billion.

20 April Provisional estimates of monetary aggregates (March)

- M0 annual growth rate 6.2 per cent (s.a.).
- M3 annual growth rate 21.2 per cent.
- M4 annual growth rate 18.1 per cent.
- M5 annual growth rate 17.1 per cent.
- Bank and building society lending +£8.0 billion (s.a.).

21 April Preliminary estimate of consumers' expenditure (1989Q1)

- In 1989Q1 up  $\frac{1}{2}$  per cent on previous quarter and up  $4\frac{1}{2}$  per cent on a year earlier.

25 April CBI Quarterly Industrial Trends Survey (April)

26 April Construction - new orders (February)

- In 3 months to February, down 1 per cent on previous 3 months, but 5 per cent higher than a year earlier.

Balance of payments current account and overseas trade figures (March)

- March current account deficit of £1,190 million.

- In 1989Q1, export volumes (excl. oil and erratics) up 6½ per cent on previous 3 months and up 11 per cent on a year earlier.

- In 1989Q1, import volumes (excl. oil and erratics) up 3 per cent on previous 3 months and up 17 per cent on a year earlier.

3 May

UK official reserves (April)

- Underlying rise/fall of \$[ ] million.

## GENERAL BRIEFING : TOPICAL ISSUES

### 1. Budget contained nothing

- Nonsense
- Budget contained important reforms of employees' NICs and taxation of life assurance
- also number of other measures to improve pensions' regime and encourage wider share ownership
- builds on major reforms of corporate and personal taxes introduced in 1984 and 1988.

### 2. Budget shows accept last year's strategy mistaken

- No. Fiscal policy very tight last year with unprecedented PSDR; that further tax reductions were possible this year with similar PSDR shows last year's reforms are sustainable
- cuts in tax rates in last year's Budget were supply side measures aimed at improving incentives
- growth of consumption last year financed largely by borrowing, especially on mortgages - not from tax cuts. Have taken steps to curb excessive borrowing
- cautious approach correct. Looser fiscal stance would be inconsistent with gradualist strategy of MTFs. Further year of debt repayment will lower burden of debt interest in future years.

### 3. Budget does nothing for poor; should have reversed 1988 'Budget for rich'

- 1988 not Budget for rich. All taxpayers benefited from its measures
- 70 per cent of cost of reform of NICs this year will go to those on less than average (male full-time) earnings
- also number of measures to help elderly eg extending extra age allowance to over 75s, abolition of earnings' rule. Further 15,000 elderly taken out of tax compared to indexation and 400,000 gain some benefit
- real take home pay for those on half average earnings likely to go up over 24 per cent 1978-79 to 1989-90. Went up 4 per cent 1973-74 to 1978-79.

4. Interest rate rises have wiped out effect of 1988 Budget tax cuts

- Need to look beyond these two figures to effect of overall economic strategy. This has led to overall growth in earnings which will go long way to reduce or even eliminate effect of increased interest rates on household budgets
- tax cuts are part of supply-side strategy that will bring longer-term benefits.

5. Tax relief for private medical insurance for over-60s unjustified

- Strange that RHG and HG should be so obsessed with comparatively minor measure that had already been announced two months before Budget
- no reason why people should not opt out of burdening the NHS with costs of their health care. Very real benefits to NHS; average cost of tax relief £100 pa, while average cost of NHS care to over-65s is about £1,000 pa
- but particular reason for helping over-60s, many of whom will have been covered by employers or job-related schemes up to retirement, but find then that cost of health care rises just as ability to pay falls. Measure will give stimulus to market in provision of health care for elderly
- relief given at marginal rate and without 'targetting' because this is standard practice when giving tax relief as opposed to benefit payment. Relief at source also ensures that non-taxpayers will get benefit
- Government also putting massive additional resources into NHS. 1989 PEWP shows largest increase in resources ever made available to NHS : £2.5 billion in both 1989-90 and 1990-91.

6. Government policies consistently favour rich at expense of poor

- No. Living standards have never been higher. Real take-home pay of average married man with two children rose less than 1 per cent under Labour. In 1988-89 it is likely to have risen over 29 per cent - or £45 a week at today's prices - under this Government. Likely to rise further in 1989-90
- real disposable incomes up throughout the income distribution. And what matters to those on low incomes is their real standard of living, not their relative position
- on DSS figures, post tax incomes of people at all levels rose in real terms between 1981-1985. Since 1985 real incomes have continued to rise, unemployment has fallen sharply and taxes have been further reduced. Real personal disposable income rose on average 3 per cent a year 1983-88. Marked contrast to slow growth between 1974 and 1979.

- real value of supplementary benefit has increased between 1979 and 1987. Between 1979 and 1986 average net income of pensioners rose by 23 per cent in real terms
- total expenditure on benefits up 33 per cent in real terms since 1979. Spending on sick and disabled has almost doubled in real terms
- in real terms, income tax paid by top 5 per cent up by 35 per cent in 1989-90 compared with 1978-79 while total for rest up by only 5 per cent.

7. Tax cutting strategy has not produced falling tax burden

- Tax burden grew until 1981-82, reflecting need to reduce PSBR and so inflation, but now reduced from peak levels
- other countries have had growing tax burdens. UK has average burden. Latest CSO figures for 1986 show that it is greater than US, Japan and Italy, but lower than France and most Scandinavian countries, and similar to West Germany
- Government will reduce tax burden as and when feasible and prudent to do so. Judged that this year a prudent and cautious approach meant sensible to have no reduction in tax burden.

8. Why fail to revalorise excise duties because of inflationary pressures while forcing up RPI through interest rate and NI price rises?

- Very different considerations apply. Interest rates essential weapon in defeat of inflation by curbing domestic demand, especially that financed by borrowing. Effect on RPI is perverse - as I/my RHF have always made clear. But will have intended effect on underlying rate of inflation
- RHG Leeds East recognised importance of not adding to inflationary pressures by unneeded increases in excise duties - said in 1978 Budget speech "I cannot believe it would make sense for the Government themselves deliberately to raise the inflation rate and increase the cost of living. I will therefore leave the indirect taxes generally unchanged on this occasion."
- tobacco duty fell in real terms under Labour; has risen over 40 per cent under this Government
- duty on cigarettes second highest in EC (after Denmark). Duty on alcoholic products higher than all except Denmark and Ireland
- nationalised industries need to increase prices to achieve satisfactory rate of return and finance new investment

- objective is to make industries profitable and competitive. Going back to bureaucratic interference in NIs' pricing policies would be retrograde step and undo good work already achieved
- over last five years NI component of RPI risen more slowly than total RPI.

9. Nationalised industry price increases damaging industry; unnecessary to fund investment; Government adding £2 billion/£1,000 per employee to industry's costs (John Banham)

- Fuel and power costs only tiny proportion of industry's total costs. April 1988 electricity price increases represented increase in costs of only one-sixth of one per cent. April 1989 increases even less. And industrial consumers' prices had fallen over past five years by 10 per cent in real terms. Price in mid-range of European prices
- not true that price rises not justified by need to fund investment. Present low rate of return from nationalised industries insufficient to justify investment on scale needed for future. Right therefore that required rate of return should be increased as my RHF SoS/Energy made clear when announced new targets in November 1987. And right that taxpayer should also get return on investment
- my H & LF Minister for Water made clear that price rises for Water Authorities represent appropriate balance between charges and borrowing next year, taking account of Authorities' long-term financial requirements
- once industries privatised, will be free to raise finance in markets like other industries
- over past five years (1983-88), nationalised industry prices as whole rose less than RPI (22 per cent compared to 26 per cent for RPI)
- major item of industry's costs in its own hands; needs to keep control of pay costs. But these going up faster than prices generally
- [on business rates] recognise burden business rates can impose in areas of high local authority spending. That is why introduced NNDR. My RHF SoS/Environment announced in March transitional arrangements for those badly affected by rating revaluation. New system will be much fairer.

10. Interest rate rises not working ; economy on 'tightrope'

- No. Only about  $\frac{3}{4}$  per cent of 3 percentage point rise in RPI since July due to underlying inflation. Rest due to impact of mortgage interest payments

- as I/my RHF has made clear, always lag between effect of higher interest rates on consumer spending and effect on inflation
- some effects of interest rate rises clearly showing through: sharp slowdown in M0 growth since Autumn 1988; no underlying growth in retail sales in recent months; definite signs of reduced activity in housing market
- although inflation at 7.9 per cent much too high, it will certainly fall later this year
- I/my RHF has made clear that prepared to maintain interest rates at whatever level necessary to maintain downward pressure on inflation
- recognise that increased interest rates unwelcome to borrowers, especially small businessmen and home owners, but battle against inflation must be paramount

11. Should use other instruments as well as interest rates

- Interest rates by no means only economic instrument - also fiscal policy and supply-side policies. But these two appropriate for medium/longer term
- fiscal policy not suitable for fine-tuning economy because lags in system mean tax changes take longer to have effect on activity than interest rates do. Was tried often enough in 1960s and 1970s and lesson to be drawn from failures of that period is clear. Also destroys supply-side benefits of tax cuts
- and fiscal policy remains tight. PSDR for 1988-89 likely to be £14 billion; same figure forecast for 1989-90
- credit controls would be unworkable, as well as creating inefficiencies and distortions in market. Would act as disincentive to savers as well as borrowers
- would also be unfair, because less well-placed borrowers would have to pay more and be driven to loan-sharks, while respectable lenders directed cheaper credit to 'safest' borrowers

12. Latest investment figures show real interest rates penalising industry (eg statements by John Banham, 17 February)

- Industry doing very well: output up, profitability up, investment intentions remain strong
- Latest CBI Survey shows that investment intentions remain strong by historical standards
- renewed inflation would damage industry's confidence and willingness to invest

- 1 per cent increase in interest rates, even if sustained for full year, would cost industry much less than 1 per cent increase in wage settlements.

### 13. Investment languishing while consumption booms

- No. Total investment has grown faster than total consumption over past seven years - on average more than twice as fast. Experiencing longest lived investment-led expansion British economy has experienced for decades
- FSBR forecast showed business investment up by 14½ per cent in 1988 and likely to rise by further 8 per cent in 1989. CBI industrial trends enquiries continue to show confidence - April quarterly survey showed balance of firms expecting to increase capital expenditure over next 12 months remains high by historical standards
- overall level of investment at record levels. Rose between 1979 and 1988 by over 30 per cent in real terms. Over period 1974-79 it grew by less than 4 per cent
- not just quantity but quality of investment that is important. Quality improved since 1979 as evidenced by improvement in productivity and profitability.

### 14. Manufacturing trade deficit

- Manufacturing export volumes up 13 per cent in 1989Q1, compared to same period year earlier, and forecast to rise by 7½ per cent in 1989
- and on almost all other objective indicators, manufacturing performance has been transformed: productivity, profitability investment etc
- manufacturing output has risen under this Government (in three months to February, up 11 per cent on 1979H1) and at all-time high. It fell under Labour.

### 15. Recent monthly current account deficits mean balance of payments crisis imminent

- FSBR forecast current account deficit this year at £14½ billion or less than 3 per cent of GDP, but no balance of payments crisis
- deficit reflects rapid rise in investment unmatched by comparable increase in savings, so UK has been importing capital from abroad. Since balance of payments as whole must balance, inevitable counterpart has been current account deficit
- with world economy becoming increasingly integrated, inevitable that will be differences in pattern of savings and of investment opportunities in different countries, and hence balance of payments surpluses and deficits



- also, demand in UK economy, from both companies and consumers, has been growing faster than industry's capacity to meet it, and excess has to be met from imports. Strong growth in investment will in time produce additional capacity and enable British industry to meet more of demands on it
  - Government has taken appropriate action and deficit will correct itself in time. No cause for concern provided firm financial framework in place, as it is. Meanwhile, general strength of economy and high level of overseas assets mean no problems in financing temporary deficit.
16. FSBR forecast for 1989 current account deficit unrealistic (TCSC Report on 1989 Budget)
- Forecast represents Government's best assessment of position. No new forecast until Autumn Statement
  - Government envisaging quite marked slowdown in growth of domestic demand at time when world trade still rising very rapidly
  - first quarter's figures not accurate indication of likely total for year; expect slowdown in growth of demand to be accompanied by lower import growth and effect to be concentrated in second half of year
  - outside forecasters also predicting deficit in very much same range (City average £15.4 billion; independent average £14.4 billion).
17. Current account deficit unsustainable/ cannot be turned round without either depreciation or rising unemployment (TCSC Report on 1989 Budget)
- Many examples around world of sizeable deficits or surpluses persisting for considerable period. Reflects worldwide move to deregulation of capital markets, development of wide range of financial instruments, and massive growth of mobile capital
  - UK deficit being financed comfortably because of strength of economy and high level of overseas assets
  - also number of examples where countries have improved their current account without depreciation of the exchange rate, including UK. Japan had swing of 2.8 per cent of GDP between 1979 and 1983 with appreciating exchange rate
  - made no secret of fact that UK domestic demand expected to grow more slowly than world average. Forecast for current account and unemployment expectations consistent with that.

Miss J C Simpson  
 EB Division  
 Ext 5211



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PRIVY COUNCIL OFFICE  
WHITEHALL, LONDON SW1A 2AT

27 April 1989

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*See Guston*

You will have seen, I am sure, the report of the various points of order raised in the House on 25 April about the circumstances in which the recent consultation document on university and college tuition fees was issued; in particular the timing of announcements to the press and to the House respectively, (Hansard reference Cols 803-805). In response, the Speaker formally deprecated the way in which the document was issued to the press several hours before the Parliamentary Question was answered. He has now written in strong terms to me reminding me of his firm view that when an announcement is being made to the House in this way any Press Conference should be delayed until after the Written Answer has been placed in the Library, that is until 3.45 or 4 pm. He has indicated in his letter that if this convention is not observed he would feel constrained to take a rather more relaxed view of the need for urgency to be established as a basic criterion in his decision about whether to allow Private Notice Questions.

I am copying this letter to the Prime Minister, to colleagues in charge of Departments and to Tony Newton.

*John Wakeham*  
*[Signature]*

JOHN WAKEHAM

The Rt Hon Sir Geoffrey Howe QC MP  
Secretary of State for Foreign and  
Commonwealth Affairs  
Foreign and Commonwealth Office  
Downing Street  
LONDON  
SW1A 2AL

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20/2.



FROM: C A HUTSON (Asst Parly Clerk)  
DATE: 28 April 1989  
EXTN: 5008

*py*

MR J P *✓*MCINTYRE - ST1

cc PS/Chancellor  
PS/Chief Secretary  
PS/Financial Secretary  
PS/Paymaster General  
Mr Pickford - EB  
Miss Simpson - EB  
Mr M A Bolton - ST1

*Mr Hutson cc as before*

*Content, thank you.*

*Jim  
28/4.*

ORAL QUESTIONS FOR ANSWER ON THURSDAY 4 MAY : MR GRAHAM BRIGHT

The following comments arose from today's briefing meeting:

The Chancellor amended the reply to the above mentioned question as follows:

' The reforms of National Insurance Contributions that I announced in my Budget have been widely welcomed'

Are you content?

COLIN HUTSON

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*amp*

**FROM:** Assistant Parliamentary Clerk  
**DATE:** 28 April 1989  
**EXTN:** 5007

**PS/CHANCELLOR**

*Th...*

**cc** PS/Chief Secretary  
PS/Financial Secretary  
PS/Paymaster General  
PS/Economic Secretary  
PS/IR  
Mr Gilhooly - FP  
Mr Hansford - RC  
Mr Hibberd - EA1  
Mr Mowl - PSF  
Mr Saunders - ST2  
Mr Gieve - IDT  
Mr Dyer

**FORTHCOMING TREASURY BUSINESS IN THE HOUSE OF LORDS**

You may wish to be aware that the current forthcoming Treasury business in the Lords is as follows:

**ORAL QUESTIONS**

**Tuesday 2 May** The Lord Ezra - To ask Her Majesty's Government whether they are satisfied that the recently announced changes in the responsibilities for the issue of official statistics will increase their reliability.

**Government Spokesman:** Lord Brabazon. EA1 in the lead.

**Thursday 4 May** The Lord Orr-Ewing - To ask Her Majesty's Government what savings to taxpayers have accrued from the reduction in the national debt over the last two years.

**Government Spokesman:** Lord Young. PSF in the lead.

**Tuesday 9 May** The Baroness Sharples - To ask Her Majesty's Government what is the approximate value to charities of the economic measures outlined in the 1989 budget.

**Government Spokesman:** Lord Young. FP in the lead

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Wednesday 10 May The Lord Boyd-Carpenter - To ask Her Majesty's Government what would be the loss of revenue if a deceased person's principal home were exempted from inheritance tax.

Government Spokesman: Lord Young. IR in the lead

TREASURY INTEREST QUESTIONS

ORAL

Monday 8 May The Baroness Strange - To ask Her Majesty's Government what recent progress has been made by the Ministry of Defence in moving jobs from the South of England to other parts of Britain.

Government Spokesman: To be confirmed. MOD in the lead.

*Mari Rogerson*

MARI ROGERSON

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