

6 February 1986

PRIME MINISTER

MAIN EVENTS

Prime Minister attends Portuguese Embassy reception

Teachers torch-light procession (possible)

Energy Select Committee members visit coalfields in North Yorkshire (to February 7)

Sir Raymond Lygo and Sir Austin Pearce give evidence to Defence Select Committee on Westland plc

UK/USSR Joint Commission meets, London (to February 7)

Shops Bill: Report Stage, House of Lords

President Reagan's 75th birthday

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PUBLICATIONS

HOC: 11th Report Public Accounts Committee, on the proposed Defence School of Music (Noon)

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PARLIAMENT

Commons

Questions: Agriculture, Fisheries and Food; Treasury; Prime Minister

Business: Debate on the Royal Navy, on a Motion for the Adjournment

Adjournment Debate

Commander J A Bird and his treatment at a naval hospital (Viscount Cranborne)

Select Committees: DEFENCE  
Subject: The defence implications of the future of Westland PLC  
Witnesses: Sir Austin Pearce, CBE, Chairman, Sir Raymond Lygo, KCB, Chief Executive, and others, British Aerospace PLC

JOINT COMMITTEE

Lothian Region (Edinburgh Western Relief Road) Order Confirmation Bill

COMMITTEE ON A PRIVATE BILL  
Felixstowe Dock and Railway

PARLIAMENT (cont'd)

Lords Agricultural Holdings Bill (HL) (Consolidation): Third Reading  
 Shops Bill: Report (1st Day)  
 Gaming (Amendment) Bill (HL) Committee  
 Importation of Live Fish of the Salmon Family Order 1986: Motion for approval

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MINISTERS - See Annex

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PRESS DIGESTWESTLAND

- Committee still to make up its mind on whether to seek further evidence from Civil Servants but Sir Robert Armstrong gave a Polls Royce performance & took the heat out
- D/Star P3 says Sir Robert cleared you of any part in leaking letter. He clearly put the blame on Leon Brittan.
- Sun P2: Westland leak was all down to Brittan; Sun does a fanciful profile of B. Ingham.
- Mirror P2: Mistakes and mismanagement admitted by Sir Robert.
- Express P4: Leak probe chief calms Westland storm after quiz - Sir Robert gives Polls Royce performance. You seem finally to be off the hook; leader says what a pity the Government did not try this approach earlier.
- Mail P9: Armstrong puts Brittan on the rack over Westland - he totally backs your version.
- Telegraph: Back page says some members of the Committee still think B. Ingham should be called, but signs that the Conservative majority is losing enthusiasm for pressing the matter further.
- Guardian says however that Sir Robert won over Tories on the Committee though they may ask for evidence from me in written form - decision required early next week; another story in Guardian says Sir Robert is being blamed by unnamed senior civil servants for allowing standards to fall and so permitting civil servants to get involved in politically controversial issues.
- Guardian leader says Sir Robert did a classy job defending you and Civil Service but his answers could not conceal that Downing Street has been forced to retreat the line that the leak was the result of a genuine difference of understanding. Sir Robert spent much of his time subtly nudging the Committee towards blaming Mr Brittan who is not going to be best pleased and may hit back. It concludes you and the 5 officials concerned should be called to give evidence.
- Hugo Young, Guardian, reports under headline: Whitehall Mandarin 3, Select Committee
- FT After nearly 6 hours of hearings, the Select Committee failed to get any appreciable new evidence. However, the signs are that the Tories on the Committee may be satisfied, although Labour members still want to see the 5 officials.
- Fiat is looking to its rescue bid of Westland with Sikorsky as a means to give its aerospace strategy a lift.

WESTLAND (CONT'D)

- Westland unions tell Trade and Industry Select Committee they have 40 years experience of Sikorsky. They are sceptical of Heseltine's role.
  
- Times P1 lead: Armstrong explains regret over Westland; leader says Sir Robert put up a better performance than his predecessors. But it is far from clear if he satisfied the Committee. But it thinks they may wish to interview B. Ingham because I did not approach Sir Robert over the idea of the leak. Without full investigation there is a risk that bad rumours will drive out the good for as long as you remain in office.

ECONOMY

- National Consumer Council says airlines and tour operators should cut their fares now with fall in price of oil.
- D/Star says price of oil has dropped nearly 60% in 4 months but petrol companies have cut price of petrol by only 3p. In their defence the companies are gurgling out the usual mishmash of economic garbage.
- FT: The International Energy Agency says OPEC will in the next few months be forced to cut production by 2m barrels a day unless other countries curb output.
- Lower oil prices will have little effect on output from the UK sector of the North Sea, according to James Capel.
- Ronald Butt, in Times, says the political implications of this Budget are too serious to be left to the Chancellor's decision alone. The Cabinet should discuss the political implications and a weekend at Chequers would help.

INDUSTRY

- 60 workers evacuated after radioactive leak at Sellafield - "very unusual incident" - BNFL.
- FT British vehicle component manufacturers will be trampled underfoot unless they improve product quality and efficiency, says the SMMT.
- Government could save up to £1.8bn a year if it took a firmer line on contracting out cleaning, catering and laundry services.
- 4,000 TGWU members strike for 24 hours at Vauxhall, Luton plant after a man was disciplined over his opening a window.
- Our boffins unveil idea of an aircraft which will outdo Reagan's Washington to Tokyo in 2 hours idea; London to Australia in one.
- Price of second class stamps reduced to 12p now pegged until July.
- Peter Walker says coal output is now the same as before the strike, but with 35,000 fewer miners.
- Telegraph reports growing criticism in the City of six figure salaries being offered to Stock Exchange dealers <sup>and analysts</sup> by new investment firms.
- FT: The ITC yesterday made its first cash offer in its negotiations with creditors, but the £60m proposal was far short of the £200m demanded.

BL

- Ted Heath leads Tory revolt against sell-offs to GM and Ford.
- FT: The Government was stressing the tentative and preliminary nature of the talks about a possible takeover of Austin Rover by Ford. There are doubts among senior ministers and strong criticism from a number of backbenchers. But there is general support for the GM/BL deal.

CHANNEL LINK

- Telegraph says the Government may stay aloof from the financing but they cannot dissociate themselves from the mess it makes. Overseas tourists in East Kent should cheer up, limber up and prepare to make tough terms.

MEDIA

- EETPU found guilty of helping Sun and Times, plus Sunday papers to move to Wapping. Electricians' executive meets today to discuss outcome; given six instructions by TUC which if disobeyed could lead to suspension.
  
- ILEA press office refuses to talk to Sun and Times in obedience to NUJ ban on cooperation.

WATER

- Unions threatening to take legal action to prevent privatisation - the £6bn sell-off.
- John Cunningham says industry needs massive investment rather than privatisation.
- Mail leader says that despite patriotic reservations over the fate of BL, and the ribald impression that this Government would be willing to sell its own grandmother for a spot of the ready, the argument in favour of privatising State enterprises remains inherently attractive. The result is likely to be more businesslike and efficient. In water the challenge is to ensure that the customers are not sacrificed to shareholders.
- Telegraph leader says we shall need to be assured that the regulatory authority will receive adequate powers to ensure that prices do not increase excessively.
- Guardian says some Conservative MPs have joined the opposition to privatisation. Leader says that of all privatisations, water needs the biggest dollop of justification because it is the national monopoly.
- FT: The scheme which could see the first regional water authority in private hands by 1987, is probably the most politically controversial of all privatisation proposals; leader says there are many obstacles and some dangers ahead but there could be great advantages in privatisation.

UNIONS

- Sun attacks Equity for preventing Harold Wilson from playing himself because he isn't a member; don't Equity know Harold has been an actor all his life?
- The CBI and TUC are to have joint talks on the need for greater flexibility in the labour market.
- Agreement has been reached on a salary structure for 18,000 ambulance staff after they voted by a majority of 81.7% to accept the proposed terms.

SPORT

- Birmingham has warned you that its bid for the 1992 Olympics may fail unless Government offers a financial guarantee.

LOCAL GOVERNMENT

- Peter Jay and others write to the Times calling on the Government to take urgent action to make good its repeated assurances that voluntary activity in our cities will not be damaged by the abolition of the Metropolitan authorities.

INNER CITIES

- Archbishop of Canterbury gives his full backing to Church's Inner Cities report - a great challenge to Church and nation.
- Express leader says CBI's idea of tempting free enterprise to revive our inner cities has more to commend it than the Church's proposals.
- You have appointed a junior Minister/<sup>team</sup>to spearhead new inner city policy
- Times profile of Kenneth Baker.

HEALTH/WELFARE

- D/Star says Geoffrey Dickens MP revealed last night that a Minister to combat child cruelty may be appointed, after a meeting with you.
- Express says it has gained a new ally in its campaign against dirty hospital kitchens - the Consumers' Association.

EDUCATION

- Express feature on how 20 years on the chickens are coming home to roost for our embittered strike-hit comprehensives - how the dream has turned into a nightmare.
- FT: The NAS/UWT has laid a formal complaint with the TUC about alleged attempts to interfere in the NAS/UWT membership ballot. The result of the ballot should be known on 28 February.

SPIES

- Sun says Russians want Prime and Bettaney in swaps.

LAW AND ORDER

- Express: A report will reveal major faults in a police strategy for controlling Brixton riots - that 500 men were held back from the fray for fear their presence made matters worse.
- Mirror says police are not trusted by a large number of ordinary citizens and they have only themselves to blame - reference to the award of £26,000 to a black woman for assault, false imprisonment and malicious prosecution by Met. Not an isolated case, the Mirror says. Sir Kenneth Newman must make sure that respect for police isn't lost because of a few hooligans in blue.
- 2 policemen bitten by man with AIDS have 3 months wait to see if they are infected.
- New jury sworn in after a woman, an Asian, admits she sat through 3 days of original trial without understanding a word.
- Magistrates to lose their power to order drink driving defendants and others to be detained in a police cell for up to 5 days - not appropriate use of public cells.

MAJORCA

- 3 British tourists in intensive care after being mugged by gang.

ISRAEL

- Sun says one thing was wrong with the interception of the Libyan jet - Abu Nidal was not on board. Who is Gaddafi to whine at the UN about illegal behaviour; Foreign Secretary meanwhile joins widespread condemnation of Israel's action.
- Express says of course it was wrong of the Israelis to force down the Libyan plane, especially when it was not carrying terrorists. But Libya is at war with Israel and Sir Geoffrey gave a typical craven FCO response.

USA

- FT: President Reagan yesterday sent Congress a budget calling for renewed rapid growth in defence spending and heavy cuts in government programmes to cut budget deficit from £148bn to £144bn next year.

BERNARD INGHAM

MINISTERS (UK VISITS, SPEECHES ETC)

DEM: Lord Young presents Northern Businessman of the Year Award, Gateshead

HO: Mr Hurd participates in Oxford Union Debate, "Conservative Party is on the right track"

MAFF: Mr Gummer attends Portuguese Ambassador's reception, London.

DEM: Mr Trippier visits Port Talbot Neath Job Start Scheme

DOE: Mr Patten opens conference on strategies for Building Societies in the 1990s, London

DTI: Mr Butcher presents prizes for Association of Young Computer Enthusiasts Competition

DTI: Lord Lucas attends Engineering Students annual dinner, Southampton University

DTP: Mr Mitchell attends Development Commission's launch of scheme to help transport rural development fund

HMT: Mr Brooke visits Drug Investigation Division, London

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MINISTERS (OVERSEAS VISITS)

OAL: Mr Luce begins visit to Berlin (to February 9)

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TV AND RADIO

"Medicine Now"; BBC Radio 4 (10.00): Repeat of Tuesday's programme

"From the Inside - The Unions"; Channel 4 (19.30): "Holding Out". Looks a group of Workers in Tyne and Wear who will lose their jobs when their council disappears

"Opinions: Misrule Britannia"; Channel 4 (20.00): "The British Need Rights". Nicola Lacey looks at the case for a Bill of Rights.

"Pillars of Society"; BBC Radio 4 (20.15): "The Inland Revenue". Nick Clarke looks at a vital but unloved institution.

"TV Eye"; ITV (21.30)

"40 Minutes"; BBC2 (21.30): "Emergency-Bloomsbury 3". Takes a look at the life of the country's busiest ambulance station

"Question Time"; BBC1 (22.00): Sir Robin Day with Edwina Currie, the Rt Hon William Rodgers and Tom Sawyer and Andrew Neil

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