

16 March 1988

PRIME MINISTER

MAIN EVENTS

Prime Minister meets Nigerian Foreign Minister

The Duke of Edinburgh attends an Inner Cities Seminar "Action 88"  
Liverpool

Regional Health Authority Chairmen's Meeting, London

IRA funeral in Belfast

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STATISTICS

HMT/CSO: Public Sector Borrowing Requirement (Feb)

NIO: Unemployment figures (Feb)

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PUBLICATIONS

DHSS: Griffiths Report on community care

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PAY

Water service Manuals; 21,500

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PARLIAMENT

Commons

Questions: Environment; Scotland; Foreign and Commonwealth

Business: 10 Minute Rule Bill: Road Traffic (Blood Alcohol Concentration  
Limit) (Mr Roland Boyes)  
Budget Debate (2nd day)

Adjournment Debate: The designation of Sidbury as a less favoured area  
(Sir P Emery)

Select Committees: TRADE AND INDUSTRY  
Subject: Petrol Retailing  
Witnesses: Petrol Retailers Association;  
Mr Eric Dunkerley

DEFENCE

Subject: The Royal Navy's Surface Fleet;  
Royal Fleet Auxiliary Support  
Witness: Ministry of Defence

PARLIAMENT (Cont'd)

ENERGY

Subject: The Structure, Regulation and  
Economic Consequences of Electricity  
Supply in the Private Sector  
Witnesses: Representatives from the  
Electricity Consumers' Council

EMPLOYMENT

Subject: Urban Development Corporations  
Witnesses: Mr J Dickinson, Rosehaugh  
Stanhope Developments PLC

SOCIAL SERVICES

Subject: Perinatal and Infant Mortality  
Witness: Department of Health and  
Social Security

ENVIRONMENT

Subject: Air Pollution  
Witness: Natural Environment Research  
Council

COMMITTEE ON A PRIVATE BILL

London Docklands Railway (Beckton)

Lords: Starred Questions:

Short Debate to call attention to the recruitment process to the  
Security Service and British Intelligence and the case for a legally  
enforceable contract of silence to be entered into at the time of  
recruitment

Short Debate to call attention to the state of business education and  
the role of business schools

Betting, Gaming and Lotteries (Amendment) Bill

Appropriation (Northern Ireland) Order 1988: Motion for Approval

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PRESS DIGESTMAIN NEWS

Budget well received - and even Mirror, Guardian and FT can find good things to say about it, while critical of inequality of treatment.

Kinnock denounces Budget as hand-out to wealthy; Chancellor doesn't give tuppence for NHS.

Political focus now switches to NHS, nurses' pay and social security reforms.

Most disrupted Budget Day in living memory - and this doesn't please Kinnock either.

Some MPs urge a rethink on televising Commons.

Duke of York gets "princely" £36,000 rise to cover growing cost of Royal duties.

CBI happy - will provide greater incentives and help to maintain economic recovery. City more cautious. Society of Motor Manufacturers and Traders calls doubling of company car taxation "savage and unfair".

Union leaders furious - an insult (Bickerstaffe); morality of pig trough (NALGO leader).

Owen says Government's "politically blind" failure to help NHS will hurt it.

Conservative MPs enthusiastic and feel Chancellor has left enough room for more NHS spending.

Scramble to buy homes to qualify for double mortgage relief.

Reports that Bank of England intervened to sell £ after Budget.

Alan Greenspan says Britain "did the correct thing" in allowing sterling to rise when recent market pressure built up (FT).

South Eastern Electricity Board puts prices up 10%.

Times says Land Rover workers returning to work could be disciplined by TGWU.

5,000 Vauxhall workers end strike at Ellesmere Port over pensions.

MPs give go-ahead for rail traffic through London via Snow Hill Tunnell, closed since World War I.

P&O dismisses 2,300 as NUS votes to continue six week old strike.

Farrell family break ranks and refuse to join in IRA show funeral.

Michael Grade dispenses with children's programmes on Channel 4 and goes for youth.

You, Reagan and Kohl in plea to Botha for clemency for "Sharpeville Six". Guardian says anyone who now says that positive persuasion can induce moderation in Botha is not in full possession of his or her faculties.

Major Lindsay killed instantly by chunk of ice which struck him on head in Klosters avalanche.

Swindon footballer becomes first English soccer league player to appear in court on criminal charge following incident on field; accused of grievous bodily harm on opponent.

Government loses appeal for damages against New Zealand newspaper for publishing extracts of Peter Wright book.

Christian Democrats propose De Mita as new Premier to succeed Gorla.

Bush tightens his grip on presidential nomination in Illinois.

#### BUDGET TREATMENT

Star: That's rich (for some). Budget bust up for tax slasher Lawson contrasts a nurse who says she is £2.33 a week better off, with Sir Ralph Halpern £3,397 a week to the good.

Sun: Lotsa Lovely Lolly - historic tax slashing Budget. Average family £5 a week better off. Demo of shame. Tax lib for wives.

Mirror: All or Nothing - it's tax cuts galore but not if you are poor.

Today borrows a macho Punch cartoon of Chancellor for its front page treatment - "Nigel the Tax Terminator". And "It will pay to get married".

Express: We're all in the money. Nigel gives families extra £6 each week. 330,000 taken out of tax.

Mail: Lawson the ladies man. Takes his place among the great political entrepreneurs of all time. Demolishes tax structure and penalties which have shackled enterprise and hard work since the war. His most ardent admirers amazed by his audacity. Violence of Labour and hostility underlines extent of his triumph.

Telegraph: Tax is slashed in Lawson's radical Budget. New deal for women unveiled. Angry MPs disrupt bold tax reforms. Very sour City page comment - Budget failed to pass three of the four tests Chancellor set himself: tax breaks still proliferate; simplicity is as far away as ever; and injustices abound.

Guardian: Lawson brings cheer to the wealthy. Labour pushes poverty to front as political storms gather.

Independent: Uproar greets Lawson's great tax reform. The budget, itself one of the most dramatic packages for decades, marked the Chancellor's victory over you on the need for exchange rate stability. But the City gives it a mixed reaction amid some concern that the Chancellor is risking over-heating the economy with the larger-than-expected tax cutting package.

Times: "Lawson's Tax Triumph" is headline in the Times with uproar at Chancellor's "rich man's Budget, and Labour fury halts speech. Report says Chancellor scored personal triumph with one of the most radical tax reforming Budgets this century. At the same time he celebrated victory over you, making clear he will continue to run economic policy and that he will, if necessary, intervene in foreign exchange markets. Separate stories say the idea that marriage should not harm your wealth is central theme of Budget and growth of 3% forecast in buoyant economy. Eight inside pages devoted to Budget.

Times says Labour front bench did nothing to restrain angry Labour MPs, although Kinnock did later condemn disruption.

FT P1: Top income tax rate cut to 40% in "radical, reforming" Budget. Chants of "shame" disrupt Lawson's speech. Measures warmly welcomed by crowded meeting of Conservative backbench finance committee, but a minority regarded Budget as socially divisive. Inside, 2 pages devoted to Chancellor's speech. 8 pages to detail and 4 to analysis.

FT adds that in the Commons, the single most outstanding phenomenon was your smile - sometimes merely patient but mostly beatific. Everything the Chancellor said confirmed that Thatcherisation of Britain is still proceeding apace.

City backs Lawson but questions size of tax cuts, raising doubts that £4bn worth might exacerbate trade account problems. There was also disappointment with Mr Lawson's failure to clarify decision to allow £ to rise above unofficial ceiling of DM3.00 (FT).

#### BUDGET COMMENT

Star: It's the rich wot get the gravy. But for 95% its a bread and marg Budget. But he is at least the first Chancellor to lower taxes for everybody.

Sun: It was a Budget that lived up to the ballyhoo. Chancellor was bold and imaginative. One of the great reforming Budgets of modern times. And it salutes a Chancellor who will go down in history as the man who balanced the books and cut taxes at same time. But you are the true architect. Chancellor delivered the goods; you created the conditions which made it all possible. But you have now more vital task - to give nurses a massive rise.

Mirror: Everything a Budget should be - except fair. Great for the healthy and wealthy but nothing to cheer the sick and the poor. It is radical but its imagination has no comparison and its cleverness no heart.

Today: Tax slashing Budget was built on economic success and its unabashed purpose is to keep the economy thrusting forward on the enterprise of successful people. Staringly unequal treatment is a calculated gamble but it is taking a chance with public opinion. The whole country will be in far better shape to generate work, wealth and leisure.

Express: A sparkling glass of bubbly. Not even Labour Party hooliganism could take the shine off a sparkling Budget - exhilarating package marks Mr Lawson as radical and reforming Chancellor he always intended to be. No wonder Opposition is reduced to an undisciplined rabble. Its socialist economic thinking is in tatters. Your revolution is unstoppable.

Mail leader headed "Lawson's date with history" says Britain goes from strength to strength and so does its Chancellor. He made a date with history and kept it. His fifth Budget a humdinger which exceeds the hype. How do those who sneer at the Budget as one for the rich think the country recovered? But if the Treasury can afford to pay off debts, it can surely afford to pump more money into our hospitals.

Telegraph leader headed "A reforming Chancellor" hails one of the simplest taxation systems in the world. It is by no means a simple Budget for the rich in view of the curtailing of tax breaks.

In Guardian Hugo Young sees the Labour uproar as lamenting the final disappearance of the last vestiges of the post war consensus. Fairness and social justice, as registered through the tax system, have ceased even to be the pretended inspiration of the Conservative Party.

Guardian leader, under heading "A bouncy bundle of rich pickings" says that for a Budget virtually devoid of leaks there were curiously few surprises. Unashamedly a Budget for middle and upper Britain. In his own terms, the speech was a triumph. This is not a tax exhausted Government by any means. But above all it is a Budget for the rich as no other before it. The sins are overwhelmingly of omission.

Independent leader says that Mr Lawson has produced a typically adroit and adventurous budget which can only assist the economic miracle which has made it possible. It is full of clever detail and good sense. As for the "fairness" issue, the cost of removing high rate taxes is not excessive and the potential economic advantages should be more than adequate compensation. But it hopes that his next budget, and it hopes there will be one, must be as dedicated to improving incentives for the low-paid as this budget has been for the relatively well off. Peter Jenkins adds that for political purposes, the average earner must be counted as a "have" and the moral outrage expressed by Kinnock is unlikely to find much echo in the privatised housing estates of the West Midlands where you win your elections and where Labour loses.

Times leader describes it as a balanced Budget with Mr Lawson producing an intellectually coherent and worthwhile package which will please most people for most of the time.

David Owen in Times assesses the damage left by the Budget uproar, saying that a Labour Opposition that cannot control its MPs is hardly likely to be able to control its party in the country, let alone govern the nation responsibly.

FT leader, headed "A one-sided Budget" concludes that it was a good partisan performance by the Chancellor. On macro-economic policy he is in the strange position of erring on the risky side of caution while offering a strong financial prospect. This is an indication of the past success of the Government. The main worry is the prospective difficulty of holding down sterling while still meeting your objective of limited intervention. So far as tax reform goes, he deserves perhaps one and a half cheers for the reduction in marginal tax rates, but loses the rest of the applause for the failure to offset the effects of so one-sided and inegalitarian a reduction.

FT: Lex verdict is "less nourishing than it looks". Market reaction was that it was good, but not quite as advertised. Beyond that was a slight feeling of a hole in the middle - on interest and exchange rates.

### ECONOMY

Independent: Warwick University researchers forecast that the number of people employed in the service sector will grow by 1.6 million by 1995. Over the same period they predict a rise in part-time jobs of 1,270,000 and in self-employed by 500,000.

### INDUSTRY

Independent: Government has rushed through series of amendments to Employment Bill which toughen the legislation and make it more difficult for unions to call industrial action.

Independent: P&O European Ferries sends out letters of dismissal to 2,300 striking seamen at Dover offering them jobs under a new contract of employment. P&O indicate scope for negotiation but in absence of settlement foreign-flagged vessels might be commissioned.

Times: Almost 1,000 holiday flights planned for Gatwick have still not got take-off slots because airport is full.

Times: British Textile Confederation extremely concerned about strength of sterling.

FT: National Electricity Consumers Council wants to see itself abolished on electricity privatisation in favour of powerful regulatory body to protect consumers.

### MEDIA

Independent: BBC expected to set up register of outside interests to ensure that its staff, especially journalists and programme makers, do not bring the corporation into disrepute or compromise independent editorial standards.

Times: BBC schools TV to transmit play about teenage homosexuality next week.

NHS

Independent: Private Patients Plan (PPP) is to allow people up to 75 to join its mainstream health insurance programme from July, in answer to criticism that they provide poor cover for the elderly.

Times: Children needing emergency treatment for life-threatening conditions being turned away from Royal Manchester Children's Hospital because of shortage of paediatric intensive care beds.

LOCAL GOVERNMENT

Independent: Fourth largest union, NALGO, confident they have won their campaign to set up a political fund - a vote which will be seen as evidence of increasing disenchantment with Tory policies on local government.

Independent: Influential body of Tory councillors begin pressure to abolish shire counties by mid-1990s. They believe Government's programme for education, housing planning, social services and the poll tax will reshape local government so drastically that pressure to transfer services to a single tier of district council will prove irresistible.

Times: Confidential report shows Tower Hamlets may have been defrauded by firm over payments to hostels housing the homeless.

EDUCATION

FT: Malcolm Rifkind criticises Scottish teachers' 6% pay agreement as too high.

IRELAND

Independent: Heavy army presence on estates in Northern Ireland viewed by residents as deliberately provocative. Security services' refusal to allow mass expression of regret over IRA funerals regarded by Republicans as aggravating an already smouldering mood in Belfast.

Times: Irish Roman Catholic Bishop, alarmed at revival of support for IRA, set to condemn shoot-to-kill incidents; British soldiers disciplined after allegations that they harassed local people; Brian Lenihan calls for calm at today's IRA funerals.

Conor Cruise O'Brien, in the Times, discusses Dublin Government's condemnation of shooting of IRA terrorists in Gibraltar, saying

he's not sure how many ordinary Irish people share these feelings, or how many would condemn "shoot to kill" by the security forces of the Republic should terrorism again come close to home.

#### SOUTH AFRICA

Independent: Your personal intervention to ask for mercy for the Sharpeville Six comes unexpectedly as world unites for clemency. It is thought your change of heart followed pressure from Sir Geoffrey Howe. Botha agrees to discuss the case with liberal white opposition MPs though two of his senior ministers simultaneously dampen hopes of a late change of government heart.

Times leader says what Botha neglected to realise, perhaps, was the strength of your commitment to justice before the law and to the welfare of South Africa's black population.

#### MIDDLE EAST

Independent: Shamir digs in heels against US land-for-peace proposal, seeming to have his eye on elections as much as on peace.

BERNARD INGHAM

MINISTERS (UK VISITS, SPEECHES ETC)

DEM: Mr Fowler attends Regional Directors conference, Caxton House

DHSS: Mr Moore addresses the Independent Hospitals Association annual dinner

DEM: Mr Nicholls addresses Women in Enterprise conference, Wakefield

DEM: Mr Cope launches South London Training Resource Centre, Clapham

DEM: Mr Lee attends Hotel and Catering Training Board, Training for Tourism Development Strategy launch

DES: Mr Jackson visits the Northern Development Corporation about COMMETT, Newcastle; later visits Newcastle University

DES: Mr Dunn attends Ministerial group on drug misuse

DES: Mrs Rumbold visits Tolworth Girls School, Surbiton, Surrey and speaks to staff about the National Curriculum

DTI: Mr Maude addresses Association of British Insurers, London

FCO: Lord Glenarthur addresses Royal College of Defence Studies

HO: Mr Renton addresses Independent National Radio Seminar

MAFF: Baroness Trumpington attends reception at Tunisian Embassy

OAL: Mr Luce holds Business Sponsorship Incentive Scheme reception

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MINISTERS (OVERSEAS VISITS)

DTP: Mr Channon visits India (to 24 March)

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MINISTERS (PRESS INTERVIEWS)

HMT: Mr Lawson interviewed on Today radio programme and LBC

HMT: Mr Major appears on BBC TV Breakfast Time

HMT: Mr Lamont appears on TV AM

HMT: Mr Lilley appears on BBC TV Kilroy

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TV AND RADIO

"Today": BBC Radio 4 (6.30)

"Money Box Budget Call": BBC Radio 4 (9.05). Phone-in on Budget

"Getting On": ITV (11.30). New series. Look at planned changes to Social Security benefits, and also interview with Barbara Castle

"Schools: Teaching CDT": Channel 4 (11.41) - series made at invitation of DES

"Business Daily": Channel 4 (12.00)

"You and Yours": BBC Radio 4 (12.00)

"The World at One": BBC Radio 4 (13.00)

"P.M.": BBC Radio 4 (17.00)

"An Outside Chance": Channel 4 (18.30) looks at Leeds Probation Service non-custodial alternatives to prison

"In Business": BBC Radio 4 (19.20) How is West Germany preparing for the arrival of the Single European Market in 1992?

Comment: Channel 4 (19.50): A Plaid Cymru MP speaks in this political slot

"A Week in Politics": Channel 4 (20.30). Details unavailable at time of going to press

"The Judges": BBC Radio 4 (20.45). A new series of interviews with judges on aspects of their job. Today Mr Justice Macpherson of the High Court

"Budget 88": BBC 1 (21.30), BBC 2 (22.50). John Smith makes a statement. (also on BBC Radio 4 at 22.30)

"The Budget": ITV (22.35). John Smith comments

"The World Tonight": BBC Radio 4 (22.40) followed by "The Financial World Tonight" then "Today in Parliament"

"Newsnight": BBC 2 (23.00)

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