

17 March 1988

PRIME MINISTER

MAIN EVENTS

The Queen and Duke of Edinburgh attend a Reception at Burlington House to mark the Bicentenary at the Linnean Society

Scottish Prison Officers Association delegate conference, Peterhead (to 18 March)

St Patrick's Day

Major Lindsay's funeral

STATISTICS

DEM: Labour market statistics: unemployment and vacancies (Feb-prov); average earnings indices (Jan-prov); employment, hours, productivity and unit wage costs; industrial disputes

DTI: Capital expenditure of the manufacturing and service industries (4th qtr rev)

PARLIAMENT

Commons

Questions: Home Office; Northern Ireland; Prime Minister

Business: Budget Debate (3rd day)

Adjournment Debate: The proposed open settlement (Mr J Ashley)

Select Committees: COMMITTEE ON A PRIVATE BILL
London Docklands Railway (Beckton)

Lords: Starred Questions

Matrimonial Proceedings Transfers Bill: Third Reading

Multilateral Investment Guarantee Agency Bill: Third Reading

Public Utility Transfers and Water Charges Bill: Committee

Dartford-Thurrock Crossing Bill: Second Reading

ROYAL ASSENT

PRESS DIGESTMAIN NEWS

Papers dominated today by 32-year-old Michael Stone who killed 3 men and left 68 wounded in throwing grenades and shooting pistol at IRA funeral. Police saved him before he could be torn to pieces by mob.

Loyalists say man was refused membership of UDA because he was too fanatical and unstable.

RUC questioning 2 men.

Priest at IRA funeral says terrorists were murdered.

Tom King appeals for calm; Gerry Adams alleges collusion between security forces and fanatic.

SDLP MP, Seamus Mallon, calls for ban on UDA; Kevin McNamara breaks ranks with Shadow Cabinet colleagues by condemning shooting of IRA in Gibraltar.

Mail says your Special Branch has been alerted for IRA reprisals.

Botha rejects appeal for reprieve for "Sharpeville Six"; families of condemned people pin last hopes on you (Times) and call for direct appeal to Botha. Telegraph describes it as a "murderous verdict".

Chancellor tells critics of Budget - if they don't want money from tax cuts they can give it back. He is expected to produce one more Budget, having said he has now completed most of his big tax reforms.

John Smith tells Chancellor he has gone too far.

Meanwhile, Derek Foster, Opposition Chief Whip, faces sack partly for his failure to stop rowdiness in House on Budget Day (Star).

Cranley Onslow calls for review of penalties for MPs who misbehave in House.

Expectations of more money for hospitals and full funding of nurses' pay review recommendations building up. Today says you are ready to pour more money into NHS to counter claims Budget gave too much to rich.

United Biscuits buys Ross for £335m from Hanson Group.

B/Rail sacks union militant who called a strike at King's Cross in support of NHS.

P&O give sacked 2,300 ferry workers at Dover 10 days to accept new contracts; ships officers to vote on whether to break this strike.

Guardian says Treasury and Kinnock have combined to force CPSA to abandon ballot for affiliation to Labour Party.

Daily and Sunday Telegraph journalists vote to strike unless management withdraws 13 compulsory redundancy notices.

Sun admits libel and retracts allegations of ballot rigging in TGWU; pays 9 members of union "substantial" damages.

Eddie Shah drops plans for new national daily, blaming new BES limit of £500,000 announced in Budget. He had hoped to borrow £1.5m (FT).

Mail says Roy Griffiths wants Government to pioneer a new brand of national service to help with community care. Independent: Government-commissioned report recommends that local authorities should be given greater responsibility for running community care for the elderly, mentally ill and handicapped.

Oliver Letwin calls on Government to concentrate on teaching just the 3Rs; should not lay down wide-ranging national curriculum (Mail).

Reagan sends back-up troops to Honduras which has been invaded by Nicaraguan forces.

Poindexter, North and two others indicted on charges involving perjury, conspiracy, theft of Government documents, false statements and obstruction of justice.

Sun claims that Edwina Currie has called on their help to shed a stone in weight.

Zola Budd withdraws from World Cross Country Championships to avoid wrecking chances of other British girls taking part.

IRA FUNERALS

Star's front page given over to poor picture of "Mad Dog" crazed killer; comment, referring to words of priests at IRA funerals, say they are incredible for men of God. Hardly the sort to lessen tension.

Sun front page shows "killer" confronted by pursuing youths; comment says there was a special horror, even for Northern Ireland, about yesterday's outrage. The latest murders will achieve only more hatred, fresh retaliation and more murders. As for blame, the Sun names the three IRA terrorists who were being buried and "the twisted and evil" Gerry Adams "who hasn't the guts to do the dirty work himself".

Mirror front page pictures of injured under heading "All in the name of God". Comment headed "The Guilty Men" says the cause was the IRA funeral. Because of the weakness of the London and Dublin Governments the IRA were allowed to turn callous would-be killers into yet more Irish martyrs. It was the failure of the Governments and the double standards of the Catholic Church which permitted the crowds to gather. The terrorists should have been buried at sea.

Today P1 full page picture of lone killer shooting amid gravestones. You lead outcry over murder. Comment under heading "Ulster save yourself" asks "Why not pull the troops out of Ulster?". And in reply it says that to do so would be to forget that the huge majority there yearn for nothing but peace. Pulling out the troops would throw the innocents on the mercies of the men of violence. We must now sharpen up the war against terrorists.

Express P1: Bloodbath. Come and get me, taunted laughing killer. Terror among the tombstones.

Mail P1: Slaughter at the funeral - picture of killer running away from mob in front of whom grenade explodes. It asks "Is nothing sacred any more?". Comment: Terror begets terror - part of homicidal strategy. This time it has worked with a bloody vengeance. The IRA must be in its element.

Paul Johnson, in Mail, on lessons of the affair, says there can be no real progress towards a political solution until Irish Republicans and Haughey make up their minds about IRA violence. Are they against it wholeheartedly and without qualification? If they won't give an unequivocal answer it would be prudent for you to put a political solution on the backburner and concentrate on what is much more urgent - a security solution.

Times P1: Gunman kills three in attack on IRA funeral as grenades and shots bring terror and death to mourners; RUC says second man has been arrested and UDA and UVF deny any part in attack; RUC in quandary as how to police funeral of McCracken today, the IRA gunman shot dead by Army in West Belfast on Monday; Irish Republic police uncover terrorist arms cache. Comment headed "Ulster's Vicious Circle" is critical of priest who compared Mairead Farrell to Jesus and described her death as the barbarous assassination of

someone out for Sunday afternoon walk. Such distortions of moral reality can never justify violence of any kind. Everyone in Northern Ireland now has a contribution to make to the reduction of tension and mistrust.

Independent P1 Funeral assassin kills three. British and Irish governments both appeal for calm after the unprecedented loyalist attack. Ironically the attack was made possible by the absence of security forces in the area - a policy called for by Sinn Fein and moderate Catholics. Comment: One lesson to be learned from the attack is the need for the security forces to protect Catholics, and this may now be indicated even to the repulsive Gerry Adams. But no grand new initiative is called for; only patient and unglamorous effort to see that violence is minimised.

Telegraph P1: appeal for calm after cemetery "kamikaze raid". St Patrick's Day alert for Ulster. Thatcher deeply shocked.

Guardian P1: Gunman kills 3 at IRA funeral. Appeal for calm as riots break out in Belfast.

Guardian comment: Since Anglo-Irish Agreement mainstream Protestantism has created its own vacuum - a recipe for individual frustration with no channelled outlet.

Times: Letter to you from Democrat Representative Joseph Kennedy urging you to take all possible steps to ease tension in Northern Ireland handed in at Washington Embassy.

BUDGET

Times: CBI and City disappointed Chancellor did not cut base rates in Budget; leader discusses reforms for married women taxation concluding that the proposals move the tax treatment of married women out of 19th century and also provide some modest encouragement for the institution of marriage.

Geoffrey Smith, in Times, says Chancellor's greatest asset is that his stewardship is associated with success, adding that the basic purpose of this Government is to seek prosperity through the encouragement of enterprise.

Times: Government publish details of parental contributions for students following Budget change in covenants.

Mail leader tags on to a comment about its being a wonderful Budget for go-getters the plight of the old, handicapped, confused and deranged. If Roy Griffiths' formula doesn't find

favour with John Moore, he has a duty to come up with a better one.

Andrew Alexander, in Mail, after 24 hours cogitation, concludes it was a more daring Budget than he originally thought and that it could seriously dent equity prices because of the freeing up of Capital Gains Tax.

Independent: Lawson increases speculation that he plans to leave Treasury this year by making clear he has completed his plans for personal tax reform. His refusal to be drawn on the pound yesterday also makes plain how far his freedom publicly to develop his strategy of managed floating has now been constrained by you. Peter Jenkins observes that, for all the moral indignation in his "passionate and angry attack" yesterday, John Smith did not pledge Labour to reimpose any of the taxes removed by Mr Lawson. He concludes that Labour will have to persuade the country that it is capable of pursuing alternative social priorities without impeding the process of wealth creation if it is ever to find itself back in business.

Ronald Butt in Times, says in many ways this was a gambling Budget; economically, socially and most of all politically.

Times: Chancellor says top rate tax reduction will pay for itself by next election; cuts will directly benefit only 3.7% of taxpayers.

Telegraph leader says Budget marked the final break with puritanism of post war collectivist thinking. But the moral obligations of the well to do increase geometrically with their wealth. The Chancellor has created conditions for a major expansion of charitable giving. The Budget shifts the moral burden of our national finances back where it belongs - with the individual.

Guardian leader says the Budget confronts opposition, and especially Labour, with a moment of exceptional threat and exceptional opportunity. Tax cuts are reshaping the whole political agenda. For Labour to advocate higher taxes will be a perilous election exercise. But Chancellor has opened up opportunity for Opposition to come up with clear alternatives (and abandon indulgences, like the demo in the House).

FT: Chancellor tells journalists that Budget had completed his programme to reform tax system; and gives impression that his differences with you over exchange rate policy have not been fully resolved. Market opinion divided as analysts attempt to digest its consequences for domestic securities' markets.

John Major says cuts in higher tax rates are aimed at meritocracy rather than rich and privileged.

About 3m people will not benefit from tax cuts because they earn too little to pay income tax, estimates Low Pay Unit. Many families will also see gains from 2p cut wiped out under new social security system.

Sam Brittan says it is as fatal to underestimate you as a politician as it is to overestimate you as an economist. You are well aware that if Chancellor departed now in unfortunate circumstances, it would be a hammer blow; but it may be less so in a few months' time. He should not play into your hands but stick to his guns and make it plain that he will not go quietly now or in the future.

Brian Griffiths is profiled in Times by Robin Oakley under the heading "Companion of the Soul".

POLITICS

Express: Kinnock may have been angry and embarrassed about Budget antics of Loutish Tendency but his disagreement is only over tactics. Otherwise he shares their blinkered and benighted attitudes. The world changes. Only Labour's dead beat thinking stays the same.

Times leader is critical of Labour front bench for not criticising more openly those hard Left Labour MPs who forced the suspension of the House on Budget day. Kinnock somewhat feebly disowned their demonstration when he should have bluntly condemned it. If there is a lesson to be drawn from this unsavoury episode, it concludes, it is not that the Commons should not be televised, but that they must be.

COMMONS TV

Today says that rather than go back on decision to televise House after Budget Day "Yobboism", the cameras must go in. They will help to root out the lunatics.

NHS

Times: Bloomsbury Health Authority, which has £5.5m deficit, rejects plan to suspend all hospital admissions except emergencies.

Independent: Tory Backbench MPs threaten to rebel over charges for NHS eye tests and dental check-ups when the Health and Medicines Bill goes through its report stage after Easter. They are also threatening to cause trouble if the Chancellor fails to use part of the £3bn reserve to fund fully the nurses' pay award.

INDUSTRY

Times: Unions face further stringent controls after changes made by Government to Employment Bill in the House of Lords.

Times: Survey shows that half million extra people now have shares, bringing total to nine million - one adult in five.

Times: Jaguar profits slump from £120.8m to £97m because of currency movements, higher depreciation changes and increased spending on research and development.

FT: Government is to give English Estates no more money to ease shortage of factory space in North. English Estates support decision, hoping to attract more private sector investment.

FT: Rover and Honda decide to stop making jointly-developed Legend car for each other at respective plants.

MEDIA

Independent: ITV makes crucial effort today to reform itself as Thames TV holds strategy meeting of senior programme executives to devise radical ways of reducing production costs. Next Tuesday LWT will present plans for staff redundancies and overtime reforms among its 1,600 employees.

CIVIL SERVICE

Independent: Sir Frank Cooper looks at "The Next Steps" and concludes that the report is not radical enough. The agency concept will require major delegation of authority if it is to be effective rather than cosmetic. But the major overhaul is needed in financial procedures and budgeting. There is a long and tough road ahead for the reformers.

LAW AND ORDER

Times: New law will force magistrates to say why they grant bail.

Times: Supporters of David Alton's Abortion Bill to make two concessions to win more support but refuse to change 18 week deadline.

Independent: Scottish Office discussion document urges prison officers to be more courteous and show more respect for inmates. It also emphasises security and advocates better sentence planning for prisoners and choice for long-term to select where to serve their sentences.

SOUTH AFRICA

Times: UN Security Council to hold urgent meeting over "Sharpeville Six"; President Botha tells Archbishop Tutu that Supreme Court now controls fate of the six.

Bernard Levin, writing in Times, under the heading "May Mercy Overcome Injustice", says if Botha reprieves the six he will get no thanks for doing so. But if he has a soul, or even if he thinks he has, it is difficult to believe that he doesn't mind having on it such a stain as proceeding to the executions will leave.

Independent: Archbishop Tutu says, after meeting with Botha, that latter has refused to intervene to reprieve Sharpeville Six. Botha makes clear that review of case would only proceed if new evidence arose from a last-ditch appeal presented to Pretoria Supreme Court. Botha's decision likely to be interpreted as direct snub to you, President Reagan and Chancellor Kohl. In the House, Lynda Chalker announces no response to your appeal for clemency and deflects Opposition pressure for you to make direct telephone appeal to Botha. But rare right-wing criticism of your intervention begins to emerge.

DEFENCE

Times: MDS managing director accuses US of last-ditch attempt to replace planned European Fighter Aircraft with its own project.

EC

FT diary tips Leon Brittan or Sir Michael Butler, Britain's former permanent representative to Community, to succeed Lord Cockfield as EC Commissioner.

EAST/WEST RELATIONS

Independent Gorbachev calls for nuclear-free zone in the Balkans, freeze on number of US and Soviet warships in the Mediterranean and attacks you - without naming you - and other European leaders for a "stubborn insistence on nuclear deterrents", despite the INF treaty.

MIDDLE EAST

Independent: Shamir's trip to Washington regarded by Israelis as a triumph as he avoids being cast as the villain who wrecked the US peace plan. Shultz says he will continue his peace efforts but hope of convening a conference next month is dead.

BERNARD INGHAM

MINISTERS (UK VISITS, SPEECHES ETC)

DES: Mr Baker meets Mr Rigby, Chairman of Policy and Resource Committee, Guildhall, about ILEA; later meets the Bishop of London about Education Reform Bill

HO: Mr Hurd addresses Justices' Clerk's Society dinner

WO: Mr Walker addresses and Mr Roberts attends Economic Forestry Group lunch, London

DEM: Mr Lee visits Carlisle

DEN: Mr Morrison addresses the reception for the launch of the Fisher Zaipten joint venture drilling initiative, Barbican, London

DES: Mr Dunn addresses Dulwich College Political Society about the Education Reform Bill

DES: Mrs Rumbold attends, with Mr Jackson and Lady Hooper, a reception at the Committee of Vice-Chancellors and Principals; later Mrs Rumbold attends the CIPFA Annual dinner

DES: Mr Jackson meets Dr John Roberts, Merton College Oxford about the European University Institute

DES: Lady Hooper lunches with Julia Smith of WH Smiths about literacy and VAT on books

DHSS: Mrs Currie attends Tesco Healthy Eating Competition, Thornton Heath

DOE: Mr Waldegrave addresses the National Home Improvement Council in London

DOE: Mr Trippier visits Maryport

DTI: Mr Maude addresses the College of Insurance, London

DTI: Mr Clark addresses seminar on the Japanese Approach to Strategic Manufacturing Management, Birmingham

DTP: Mr Bottomley addresses the British Parking Association

MAFF: Mr Gummer attends Economic Forestry Group luncheon, Grosvenor House Hotel, London

MAFF: Mr Thompson visits Norfolk Farm Education Link conference, Norwich

OAL: Mr Luce speaks on the arts at Buckingham University dinner

MINISTERS (PRESS INTERVIEWS)

HMT: Mr Major appears on Question Time

DHSS: Mrs Currie interviewed for Woman's Hour

TV AND RADIO

- "Today": BBC Radio 4 (6.30)
- "Daytime on Two": BBC 2 (10.38) 'Getting to grips with racism'
Anti-racism in schools (first shown on Tuesday)
- "Business Daily": Channel 4 (12.00)
- "You and Yours": BBC Radio 4 (12.00)
- "The World at One": BBC Radio 4 (13.00)
- "The Parliament Programme": Channel 4 (14.00)
- "P.M": BBC Radio 4 (17.00)
- "The Sharp End": Channel 4 (18.30) series about work
- "The Education Programme": BBC 2 (19.30) Anti-racist education in schools
- "Out of Court": BBC 2 (20.00) The parole system
- "Analysis": BBC Radio 4 (20.15) 'Poor little rich country.' Political
and economic crisis in Argentina
- "Nature": BBC 2 (20.30) investigates water filters
- "This Week": ITV (20.30) Interview with Neil Kinnock on Labour's future
- "Budget 88": BBC1 (21.30), BBC2 (22.50): Alan Beith comments on the
Budget. (also on BBC Radio 4 at 22.30)
- "Question Time": BBC 1 (22.00) with John Major, Malcolm Bruce, Bryan
Gould and Janet Cohen, assistant director of corporate finance at
Charterhouse Bank
- "The Budget": ITV (22.35) Alan Beith comments
- "The World Tonight": BBC Radio 4 (22.30) followed by "The Financial World
Tonight" then "Today in Parliament"
- "The City Programme": ITV (22.45)
- "Newsnight": BBC 2 (22.50)
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