

18 March 1988

PRIME MINISTER

MAIN EVENTS

The Queen and Duke of Edinburgh open the new North Terminal, Gatwick Airport, London

EC: Informal Meeting of Trade Ministers, Lake Constance (to 20 March)

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STATISTICS

Bank of England: Provisional estimates of monetary aggregates (Feb)

BSA: Building Societies monthly figures (Feb)

CLSB: London and Scottish banks monthly statement (Feb)

CSO: Gross domestic product (4th Qtr-prov)

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PARLIAMENT

Commons

Business:

PRIVATE MEMBERS' MOTIONS

Competition Policy (Mr Michael Fallon)

The Economy of the North West (Mr Stephen Day)

Charities (Mr Tim Yeo)

Adjournment Debate: The proposed closure of the Royal Orthopaedic Hospital, Stanmore (Mr H Dykes)

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MINISTERS - See Annex

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PRESS DIGESTMAIN NEWS

Speculation that a further cut in interest rates will be needed to contain £; most newspapers think the Chancellor won. Guardian pronounces it a draw.

Kinnock pledges to reverse top tax rate cuts.

John Biffen says he approves of top tax rate cuts but not 2p standard rate cut and will vote against it.

Unemployment at its lowest level for nearly 7 years; falling faster than in any other industrialist country.

Earnings up by 8.5% a year.

Ford scraps £10m electronics plant plans for Dundee because of inter-union row - wipes out 1000 jobs.

AEU, which had secured single union deal, furious with Ron Todd, TGWU.

Mail: a sad story which shows many British union bosses have still not come to terms with a world in which capital is mobile.

Meanwhile, ETU on standby to leave TUC if it is suspended over its role at Wapping.

Guardian says Government will write off £2.7bn debt to pave way for B/Aerospace take over. Coal Products debt also written off.

Nearly 1000 jobs should be created this year by Teesside offshore base.

Easter trouble feared with cross-Channel ferries as NU Seamen threaten national strike over P&O Dover dispute; trouble on French ferries, too.

British Airways tells ex-B/Cal staff to join a union or face the sack (Mail).

Sun leads with Swiss report that Prince Charles led fatal skiing team past two, and probably three, danger signs.

Tom King rejects Sinn Fein's "monstrous lie" that security forces deliberately allowed cemetery massacre.

Cemetery bomber now top of IRA target list. One of three he shot was member of IRA. Bomber said to have been crazed by drugs.

Star says an IRA team, planning an outrage in London at same time as in Gibraltar and picked up about the same time, had you as their target.

Reagan urges Americans not to give money to Irish terror groups.

Bishop Daly says IRA paramilitary displays at funerals will stop and RUC got its policing right at funeral.

Guardian says this is a perilous moment for Northern Ireland.

Ministers confirm proscription of UDA and other paramilitary groups being seriously considered.

CEGB investigates reports that power lines can cause cancer.

Britoil reports profits up three times at £404m.

Telegraph reports a drop in use of medicines two weeks after increase in prescription charges.

Professor Patrick Nuttgens, Leeds Poly, warns extremist academics who see political activity as a key part of their teaching.

Mail says survey shows that teenagers are rejecting permissiveness of their parents and want more discipline in the home; and tougher action against criminals; and capital punishment.

Ten of 35 awards in European environmental clean up competition go to British companies.

Big drop in immigration last year - lowest since 1962.

Levels of ozone have fallen by 3% over some of most densely populated parts of UK.

You welcome postponement of executions of "Sharpeville Six".

Plane loads of US troops arrive in Honduras.

British engineer released by Gaddafi says he was tortured in jail.

Telegraph says departure of Sinowatz as chairman of Austrian Socialist party, accused of leaking details of Waldheim's past, paves way for Waldheim to go, too.

MANAGEMENT OF ECONOMY ETC

Star: Mortgage rate cut nearer.

Sun: High flying Chancellor won battle with you over interest rates - proving he is in supreme command of economic policy.

Mirror: Chancellor reduced Bank Rate half-percent in spite of your opposition. Julia Langdon says there is a growing suspicion that you favour Chancellor as your successor.

Today: Triumphant Lawson cuts interest rate - forces you to accept it; political writer says Chancellor wants to go out with a bang - hence the activities of his acolytes over management of the economy now. But when after your small defeat will you wreak vengeance?

Express: Lawson faces call for new loan cut, as Chancellor's gamble appears to have failed; leader says half percent cut clearly signals his "victory" in winning you round to his way of thinking. The difference of opinion is technical, not philosophical, and the debate is simply about the striking the right balance of policy to produce low inflation and stable pound.

Mail: Full ahead for the Lawson enterprise bandwagon; George Gale says Chancellor has become far and away the best man to succeed you; Andrew Alexander suggests that yesterday's base rate cut does not show the Chancellor's victory is total by any means. Your success has been to discourage heavy intervention. It means that Chancellor's only weapon now is interest rates.

Telegraph: Half-percent interest cut victory for Lawson is means of your making it clear you want Chancellor to stay on. Seen as a reassertion of Chancellor's authority over exchange rate strategy.

Guardian: Government forced into surprise cut in interest rates allowing No 10 and Treasury to present a united front.

Independent P1: Cut in bank base rates takes the City by surprise and once again exposes economic policy differences between you and the Chancellor. But the events which preceded the cut also indicated that you had succeeded in your bid to prevent massive intervention to stop the pound rising. John Biffen, in guest article, is impressed with the Chancellor's budget boldness, but points to the danger of inflation, overheating of the economy and its political consequences, and expresses his doubts about the cut in basic rate tax.

Times: Squabble over the £ between you and Chancellor ends with base-rate being cut; leader says reduction confirms that the

Government's exchange rate policy is alive and well but remaining question is whether the Chancellor has tightened policy enough. It forecasts that interest rates may have to rise again later in the year.

FT P1: Banks cut base rates to 8.5% as Lawson acts to halt rise of £. Chancellor sought to stem post-Budget surge. The move has re-established his control over exchange rate policy following his differences with you last week. Leader finds uncertainties in exchange rate policies; and says that what yesterday's change portends for future policy is unavoidably uncertain. Lex suggests recent events have all the makings of a good old-fashioned Punch and Judy show, which would be good knock-about fun if it did not underline the Government's embarrassing policy muddle.

### BUDGET

Kinnock, writing in Sun, says the Budget was wrong, immoral and unproductive.

Mirror says Chancellor agreed with it that his Budget was unjust - ie he said that for too long taxation had been seen as a means of social engineering.

Today draws attention to fact that Kinnock was criticising Government for failure to cut interest rates (in TV recording) while Government was actually doing so. It also features your telling him he doesn't understand because he doesn't listen.

Express says thousands of owners of company cars will lose almost all the benefit of 2p cut in tax because of change in tax perk.

Ferdy Mount, in Telegraph, does not think cuts in top rates will be a political liability if they produce the goods. No Government has been punished for undisputed economic success.

Independent: Budget removal of tax relief on student covenants may be linked to Government's desire to replace grants with a mixed loans and grants system.

### POLITICS

Independent: Kinnock, interviewed on Thames TV, dismisses Benn's challenge for the leadership.

NHS

Independent: Griffiths report, including proposals for new minister for community care and for local authorities to take bigger responsibility for running the service, receives mixed reaction. Labour-controlled Association of Metropolitan Authorities calls the proposals imaginative but clear signs of opposition within Government, and NUPE, RCN and mental health charity MIND, all very critical. Leader says the report provides a framework which the Government should embrace, and not let political prejudice inhibit progress.

Ken Judge, director of King's Fund Institute and adviser to Sir Roy Griffiths, in Times, says Griffiths' report on community care has met with concerted opposition in Whitehall. His agenda for action is the most significant statement about community care since 1968.

Times: Sharp rise in cot deaths - first for almost 20 years - is baffling health experts.

ABORTION

Independent: David Alton, whose Bill goes to committee on Wednesday, accused by opponents of dirty campaign and propaganda.

COMMUNITY CHARGE

Independent: Police of all ranks set to lose several hundred pounds a year because for the first time they will have to pay towards local services.

EDUCATION

Times: Fewer Cambridge graduates opting for City jobs; industry still failing to attract them.

Times: Government orders study on the effect of changes in the funding of universities.

Times: Court of Appeal reserves judgement on Birmingham City Council's appeal against ruling that its school policies were sexist.

INDUSTRY

Independent: Shell attacked for continuing to make aldrin, a pesticide which damages river wildlife, and is banned from use in many countries.

Independent: CEGB expected to announce plans next week for Britain's first wind farms - group of giant, electricity-generating windmills.

Independent: DTI to undertake fresh review of Britain's role in space, with completion by the end of the summer. New director of British National Space Centre expected to be named by end of this month.

Times: 300 of Land-Rover's 6,000 strikers may face redundancy as Freight Rover look for new gear base supplier.

Times: Heriot-Watt University scientists achieve world first in development of next generation of computers, which will use laser light instead of electricity to make decisions.

FT: Proposals for electricity privatisation give appearance of competitive structure which could prove illusory, according to Institute of Economic Affairs.

MEDIA

Independent: Editor of The Sun seeks to "black" member of Press Council - the editor of the Coventry Evening Telegraph - who has criticised his newspaper in editorials.

FT: Yorkshire Television chooses Clive Leach, the company's sales and marketing director, to succeed Mr Paul Fox as managing director.

SOUTH AFRICA

Mirror says Botha's desire to hang the Six is part of the increasing Nazification of an evil regime. If peaceful change is impossible, violent change is inevitable.

Today says Supreme Court's stay of execution is deep embarrassment to Botha. If they do eventually go to gallows, Botha will have sickened that small part of the world that is not already utterly sickened by his leadership.

Mail says South Africa may yet grope its way towards harmony and justice between its races but it is most likely to do so if left alone.

Telegraph says it remains to be seen whether justice will be done.

Guardian says celebration is premature.

Independent: So surprising is the outcome that there is speculation that politics may have taken a hand, and that President Botha may have engineered a reprieve without actually having to issue one himself.

#### LAW AND ORDER

Sun leader doubts what new laws to compel Judges and Magistrates to give their reasons for releasing on bail those accused of violent crimes will achieve. The only way of preventing these alleged offenders from being unleashed on the public is to ban bail for such crimes.

Times: Lord Chancellor planning a two-stage reform of the courts and the law on families and children.

#### IRELAND

Times: Merlyn Rees, writing in Times, urges Irish on all sides to try to find a solution by talking to each other as the difficulties will not be solved by military or political actions.

#### DEFENCE

Times says new missile for RAF which should have been in service this year at a price of £250m will now cost £400m and be at least two years late.

#### EC

FT: Labour attacks internal market campaign for "lacking in seriousness".

FT: Lord Cockfield promises to table all outstanding proposals for the internal market by the end of December.



**MIDDLE EAST**

**Independent:** Shamir leaves Washington expressing "serious reservations" about the Shultz peace plan. Formal Israeli decision on the plan will be taken at Cabinet on Sunday. This is expected to formalise Israeli disagreement and lead to early elections.

**AFGHANISTAN**

**Independent:** Russians confirm their troops withdrawal from Afghanistan, regardless of whether a peace agreement is found in Geneva. Shultz and Shevardnadze will attempt next week to reach some understanding about synchronising the Soviet withdrawal with a phased reduction in American aid to the guerrillas.

**INDIA**

**FT:** Paul Channon's week-long visit to India was stopped by Indian Government ostensibly because of urgent parliamentary business; but believed to have been made by Rajiv Gandhi because of anger over BBC Panorama programme on India two months ago.

**BERNARD INGHAM**

MINISTERS (UK VISITS, SPEECHES ETC)

DTI: Lord Young launches 1992 Single Market Campaign, London

HO: Mr Hurd visits Bruche District Police Training Centre, Cheshire

SO: Mr Rifkin opens new British Steel Corporation workshops; later announces extension of Coatbridge Project (simplified planning zone), Coatbridge

WO: Mr Walker attends Export Breakfast Holiday Inn, Cardiff; later addresses Hoover plc lunch, Angel Hotel, Cardiff

DEM: Mr Cope visits West Midlands

DEM: Mr Lee visits Cumbria and Cumberland Pencil Co Ltd

DES: Lady Hooper presents prizes at the National Examinations Board, awarding national certificates and diplomas in supervisory skills

DES: Mr Jackson addresses the Careers Research and Advisory Council's annual conference on policies and funding of higher education, Churchill College, Cambridge; followed by lunch at the Cambridge College of Arts and Technology

DHSS: Mrs Currie visits Boot Plc, Nottingham; later addresses first annual dinner of the Derbyshire Homes Association

DHSS: Lord Skelmersdale visits Croxteth Park intensive support unit, Liverpool

DHSS: Mr Portillo visits Toxteth local office

DOE: Lord Caithness visits Water Research Council, Swindon

DOE: Mr Chope addresses Building Employers' Confederation in London

DOE: Mrs Roe launches Bolsover Urban Development Trust Co Ltd

DOE: Mr Mcynihan visits West Midlands to promote lead free petrol week

DTI: Mr Maude addresses Lloyds 2000 conference, London

DTP: Mr Bottomley and Lord Brabazon attend opening of Gatwick North Terminal

HO: Mr Patten addresses Children's Society Working Party on Juvenile Offenders, Royal Society of Medicine

HO: Mr Hogg visits Frankland Prison; later addresses Lincolnshire and South Humberside branch of the Magistrates Association

MAFF: Baroness Trumpington visits Cadbury's at Bourneville, Birmingham

SO: Lord James Douglas-Hamilton delivers opening address at Crime Prevention Panel's seminar, Tulliallan Castle; later launches new Road Safety Campaign, Edinburgh Castle, Edinburgh

SO: Lord Sanderson addresses Rural Youth Work conference dinner, Perth

WO: Mr Roberts attends Agricultural Advisory Panel lunch, Cardiff

WO: Mr Grist opens Canolfan Llyn Brenig Reservoir, Denbigh

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MINISTERS (OVERSEAS VISITS)

DTI: Mr Clarke and Mr Clark attend EC/US Travel AIRBUS Ministerial meeting, Lake Konstanz, Switzerland

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MINISTERS (PRESS INTERVIEWS)

HMT: Mr Major appears on Anglia TV, Cross Question

HMT: Mr Lilley appears on Any Questions

HMT: Mr Roberts gives interview on introduction of GCSE exams, HMI Report, for Radio Wales

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TV AND RADIO

"Today": BBC Radio 4 (6.30)

"Analysis": BBC Radio 4 (11.00): 'Poor little rich country'. Crisis in Argentina

"Business Daily": Channel 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)

"What the Papers Say": Channel 4 (20.00) with Mark Lawson of The Independent

"Dispatches": Channel 4 (20.15). Investigative documentary

"Any Questions?": BBC Radio 4 (20.20) with Peter Lilley, Shirley Williams, Gordon Brown, and Trevor Clay of the Royal College of Nursing

"Newsnight": BBC 2 (22.25)

"The London Programme": ITV (22.35) Can new technology counter violence on the London Underground?

"The World Tonight": BBC Radio 4 (22.30) followed by "Today in Parliament" and "The Financial World Tonight"

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