

MONDAY, 16 MAY 1988

PRIME MINISTER

MAIN EVENTS

The Princess Royal inaugurates the fifty-sixth general session of the Office of International des Epizooties in Paris; later visits Intermat '88 Construction and Earth Moving Equipment exhibition, Villepinte, Paris Nord II

Statement on Broadcasting Standards Council

EC: European Parliament Plenary, Strasbourg (to 20 May)

EC: Agriculture Council, Brussels (to 17 May)

Hospital Consultants and Specialists Associates annual general meeting and council meeting, Torquay (to 17 May)

BOTB meeting

STATISTICS

CBI: CBI/FT Survey of distributive trades (Apr)

DTI: Retail sales (Apr-prov)

HO: Magistrates' courts time intervals (Oct 87)

HO:: Communities and crime reduction

PARLIAMENT

Commons

Questions: Transport; Wales; Energy

Business: PRIVATE MEMBERS' MOTIONS
Planning Controls (Mr Sidney Chapman)
Manchester Airport (Sir Fergus Montgomery)
Civil Evidence (Scotland) Bill: 2nd Reading
(Mr Stanley Orme)
Civil Evidence (Scotland) Bill: 2nd Reading

Adjournment Debate: The proposal closure of Carrickfergus and Smiley Hospitals (Mr R Beggs)

Select Committees: PUBLIC ACCOUNTS
Subject: Service to the public at local DHSS offices
Witnesses: Mr C W France, Permanent Secretary,
Department of Health and Social Security

SELECT COMMITTEES: (Cont'd)

TELEVISIONING OF PROCEEDINGS OF THE HOUSE

Witnesses: BBC/IBA; Sir Victor Le Fanu KVCQ, Serjeant
at Arms; Officials of the Property Services Agency

COMMITTEE ON A PRIVATE BILL

Hampshire (Lyndhurst Bypass) [Lords]

Lords:

Starred Questions

Education Reform Bill: Committee (5th Day)

Felixstowe Dock and Railway Bill (E Gowrie): Third
Reading

MINISTERS - See attached

PRESS DIGEST

Pound expected to soar again today as speculation continues about divisions in Government over financial management.

John Biffen sides with you - incipient inflation would be exacerbated if exchange rate were set artificially low.

Sun and Andrew Alexander in Mail, on your side. Others call for clarifying statement. Many fears for Foreign Secretary's future.

Unemployment level down to 2.5million for first time in over 6 years.

Mail says many construction firms are facing a desperate shortage of labour.

3 Catholics killed in sectarian outrage in central Belfast bar.

Telegraph suggests Haughey is ready to talk to Unionists.

Russians start pulling out of Afghanistan.

Britain and Denmark reject outright EC plan to extend VAT to food, children's clothes and other zero rated items; probably a fatal blow to idea (Telegraph).

George Younger tells TV programme this evening that our atom bombs are to be replaced with stand off missiles.

AEU to inform TUC on Wednesday it intends to ballot its members on continued membership like the EETPU.

The document containing new proposals on no-strike deals could cause irrevocable split among unions on Wednesday.

Seamen's unions expected to vote this week to merge with NUR. McCluskie faces calls for resignation at union conference for selling out over ferry dispute.

Mail notes that Sherwood, Sealink, heaped praise on McCluskie and this will convince other employers he has overstepped the mark.

Council leaders say cost of setting up community charge will be three times level estimated by Government and twice as much to run.

PRESS DIGEST

You are to take soundings from Backbenchers this week on scope for cutting child benefit.

You are said to be considering tax rebates to those who opt out of NHS.

Gallup finds strong support from parents in London for national curriculum's testing.

Row over Christian Birmingham headmistress who sends two Moslem children home for walking out of lessons to pray.

David Owen, in Sunday press, has some admiring words for you, too.

Steel claims he would have won leadership of SLDP had he not stood down.

French Socialists look forward to landslide victory in General Election.

Radical UK Socialists and Greens met at weekend to seek joint approach to challenge Thatcherism.

Cyril Smith to retire at next General Election.

Sainsbury's handing out £25million bonus to staff after beating Marks & Spencer to target turnover - exceeding £5billion.

Fears for lives of up to 13 people as police discover hoard of identity documents and passports at home of man in East London who has boasted of a string of murders.

Broadcasting Standards Council, under William Rees-Mogg, to prepare code of standards aimed at stopping a flood of violence and porn on satellite TV; Guardian forecasts conflict over appointment.

70 seamen still missing after Iraqi attack on tankers at Iranian oil terminal; 16 bodies recovered.

At least 7 killed in Khartoum when gunmen stormed an hotel where foreign relief workers stay and dine. Bodies not yet identified - some could be British.

Commandos lay seige to Sikhs' Golden Temple in Amritsar: 140 surrender.

PRESS DIGEST

Hopes rising, according to Express, for release of British hostages in Lebanon because they are on the move to the Iranian Embassy, it is suggested.

Sun wants Waldheim stripped of his honorary knighthood.

Big welcome home for Wimbledon, FA cup winners.

STERLING etc

Star - You will call a crisis meeting today: furious with Foreign Secretary who could lose his job.

Sun - Maggie's fury at "meddling" Howe - he faces the push. Says you are saying privately "Nine years ago Foreign Secretary was like a comfy old slipper - today he is more like a hard old boot". Leader attacks Sir William Clark for naivete, for all of his being one of the Conservatives' sharpest financial experts, for calling for a statement on economic management. What would it be worth when it is clear there is disagreement as wide as the Mersey? You are right and Chancellor is wrong. There is also the strange case of the Foreign Secretary. It is an act of interference and defiance for him to speak out on such a sensitive issue and if he vanished from the FCO it would attract little notice.

Mirror - Tories warn you of damage you are doing to your Government through row over pound. Inside a guide to the controversy over level of sterling.

Today - Clear the way plea to Thatcher. Rebellion grows over soaring pound policy; leader says the stark truth is that there is no need for a crisis at all. Tying the value of the pound to the Deutschmark would get rid of most of the uncertainty but would not lock us into EMS. Agreeing with Chancellor and FCS would not lose you face; it would be an act of leadership which is now needed.

Express - Maggie rides storm over Cabinet split. Foreign Secretary increasingly isolated. Fears of a reshuffle.

Mail - leads with senior Tories warning Foreign Secretary to "Keep quiet Geoffrey"; faces sack or demotion if he openly defies you again; leader headed "Not in front of the speculators" says you and Chancellor must get their act together. If you cannot back your Chancellor in public you should find a new Chancellor immediately. You should not sulk in front of the speculators.

PRESS DIGEST

Andrew Alexander, in Mail, says "Maggie is right to call their bluff. Lawson's demob happy? Howe is in a sheep-like rage. But too much is at stake to back down now. Events have proved your policy right.

Telegraph - Thatcher firm on Cabinet pound clash. Preparing to ride out Cabinet crisis. Inside guide to the "row".

Guardian - Prime Minister to break sterling rebellion; leader says Foreign Secretary has widened the rift which, for the first time since Westland, has begun to call into question Government's coherence and competence.

Independent - Thatcher tries to deny rift on exchange rate. Tory MPs critical of the disarray in Cabinet which is likely to deepen when sterling continues to rise this morning. Leader says you have allowed differences over the exchange rate to run on for too long. A clear line is urgently needed which will not humiliate Mr Lawson. This is a little local difficulty which you must sort out. But you need have no reason for sleepless nights.

Times - Cabinet divisions over exchange rate policy will be exposed to further intense economic and political pressures this week as a battery of key economic indicators are published. Government sources trying to play down suggestions that you are at loggerheads with Chancellor. Foreign Secretary's unscripted intervention on Friday seen as unhelpful; leader looks at last week's criticisms of you saying that Ted Heath, in the light of his own record, is the last Conservative politician entitled to do so. You must bear some responsibility for the internal dispute over financial policy for refusing to back the Chancellor in the House. He has moved some way towards your position, why then would you not reciprocate.?

Times - Chancellor, seeking to smooth over Cabinet dispute, tells EC Finance Minister that the controversial remarks made by Foreign Secretary about sterling and EMS contained nothing new.

Times - Stockbroker writing in UK Economic Assessment says that under present circumstances Britain would sacrifice economic growth by joining EMS.

PRESS DIGEST

FT - Government will come under pressure today to clarify its exchange rate policy after calls from its Backbenchers and Opposition MPs for a statement denying any rift between you and Nigel Lawson. Government officials were yesterday playing down the row and resulting speculation of a Cabinet reshuffle in the autumn.

FT - Cabinet divisions over exchange rate policy were further highlighted by pressure from Sir Geoffrey Howe for early decision on full membership of the EMS, which is strongly opposed by you but backed by Lawson.

FT - Britain should not become a full member of the EMS until there are signs that the system has become more oriented towards growth says James Capel.

FT - leader says there are at present two exchange rate policies, with the Chancellor's predominant, except when you get too upset.

ECONOMY

Independent - Hopes raised of early agreement to eliminate remaining controls on capital flows between EC countries at EC Finance Ministers meetings. Cockfield clashes with Lawson over alignment of tax rates.

Independent - Leaked MSC report shows job training scheme has failed to provide worthwhile opportunities for long-term unemployed.

EDUCATION

Times - Speaker at Joint Association of Classical Teachers meeting says the "national" curriculum proposed in Education Reform Bill is an astonishing act of institutionalised barbarism.

Times - Kenneth Baker today will outline plans to improve training for workers as Britain prepares for the single European Market.

DEFENCE

Independent - trailing tonight's Panorama programme, says George Younger has confirmed that the free-fall bomb earmarked for Tornados will be replaced by a nuclear-tipped missile. The ten-year budget is likely to cost £3billion. Leader says it is

PRESS DIGEST

right to retain, and modernise, a second-tier nuclear deterrent. It hopes Britain will collaborate with France. The possibility of Anglo-French co-operation should not be seen as a snub to the US but as a complement to American defence objectives.

LAW & ORDER

Times - Police Federation wants identities of police marksmen to be confidential to protect them from harassment.

NHS

Times leads with John Moore recommending massive shake-up of NHS in a confidential policy paper. He plans an overhaul of the structure with the 191 district general managers becoming free-standing budget holders buying services from competing public and private hospitals. Also contracting out of the NHS is recommended. Treasury have dropped earlier opposition to this plan.

Times - Two reports from the Institute of Economic Affairs and John Redwood MP of the Centre for Policy Studies say people should be able to opt out of NHS and buy private insurance with a state-funded voucher.

FT - Ministers are considering giving individuals incentives to opt out of the NHS as a way of introducing more money and greater choice into health care in Britain.

WELFARE

Times - Highly critical report to be published by PAC this week will say Government is failing to ensure the proper care of up to 8million elderly, mentally ill or mentally handicapped people.

Times - Commission for Racial Equality asked to investigate bitter race dispute among staff at a social services office in Birmingham.

INDUSTRY

FT - Conservative MPs intend to step up their campaign to end the National Dock Labour Scheme, in spite of the defeat in the Commons last week of a Backbench bill winding down its operation.

PRESS DIGEST

FT - leader says British Government's commitment to nuclear power has complicated the plan for privatising electricity. Without it a greater degree of competition on the generating side of the industry could have been envisaged. At the very least Government needs to reconsider the economic cases for nuclear power and all the options for producing it.

UNIONS

Times - TUC will begin to tear itself apart this week when electricians' leader makes it clear he cannot accept new rules to curb unions agreeing single union and no-strike deals.

WHITEHALL

Times - You are insisting on being shown names of candidates for jobs of chief executive of hived-off agencies to be created as part of Whitehall's latest reorganised reforms.

MEDIA

FT - Sir William Rees-Mogg is expected today to be named chairman of the planned Broadcasting Standards Council to monitor sex and violence on TV. As the price for accepting the job, he has won the right to preview programmes brought in by Britain's broadcasters, particularly American films.

EC

Times - Peter Lilley attacks EC banking legislation which could unfairly restrict entry of non-European banks into London.

NORTHERN IRELAND

Independent - Former IRA informer and killer released from jail after less than six years after being sentenced to life imprisonment. His release will lead to fresh charges that some form of understanding was reached by which he was exchanged for testifying against IRA suspects.

AFGHANISTAN

Independent - Soviet Union marks start of troop withdrawals from Afghanistan with lavish press coverage of the homecoming of its "internationalist heroes". Mujahedin commanders plan to form their own government after the Soviet withdrawal and expected collapse of the Najibullah regime.

MINISTERS (UK VISITS, SPEECHES ETC)

- DES: Mr Baker addresses Updating Britain at Work Pickup conference, with CBI, Centre Point, London
- SO: Mr Rifkind and Mr Lang meet Scotland Development Agency Board, SDA headquarters, Glasgow
- WO: Mr Walker attends Welsh Promotion of Employee Share Ownership Plans conference, Cardiff; later holds press conference on Draft Mental Illness Strategy, Cardiff and visits J. R. Freeman and Son, cigar manufacturers, Cardiff
- DES: Mrs Rumbold launches two inset videos about primary schools; later visits Kings College, University of London
- DES: Mr Jackson addresses the Association of Parent Teachers annual council meeting, University of London
- DHSS: Miss Currie opens Look After Your Heart exhibition, Birmingham
- DOE: Mr Trippier attends Lighting Federation's video launch in London
- DOE: Mr Moynihan attends Sports conference, Wembley
- DOE: Mr Chope visits Merseyside Residuary Body, Liverpool
- DOE: Mr Howard visits the East Midlands
- HO: Mr Hogg visits Rampton Special Hospital; later visits St Mary's Drugs Dependency Unit, Paddington
- MAFF: Baroness Trumpington opens Horticultural Trades Association Ornamental Horticulture exhibition, House of Commons
- MAFF: Mr Thompson attends Yorkshire Area Agricultural Advisory Committee lunch, House of Commons
- OAL: Mr Luce addresses the launch of Museum on the Move, Museum of London; later holds Business Sponsorship Incentive Scheme reception, London
- SO: Lord Sanderson attends UK Agricultural Supply Trade conference, Gleneagles
- WO: Mr Roberts visits Castell Alyn School, Clwyd
- WO: Mr Grist attends British Medical Association reception, Cardiff

MINISTERS (OVERSEAS VISITS)

- MAFF: Mr MacGregor attends Agricultural Council, Brussels (to 17 May)
- DOE: Mr Waldegrave addresses International Federation for Housing and Planning, The Hague
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TV AND RADIO

'Today': BBC Radio 4 (6.30)

'Business Daily': C4 (12.30)

'Listening Eye': C4 (18.30) Parliament Signs of Change - televising the House of Commons

'Horizon': BBC 2 (20.10) The Hope of Progress - career of Sir Peter Medawar

'World in Action': ITV (20.30)

'Panorama': BBC 1 (21.30) Replacing the Hidden Bomb

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

'Newsnight': BBC 2 (22.40)

'Business Matters': BBC 1 (23.25) Sex and Style - industrial relations
