

15 March 1989

PRIME MINISTER

MAIN EVENTS

Prime Minister calls on Dr Mahathir (photocall)

The Queen attends Royal Agricultural Society of England council meeting,
Belgrave Square, London

House of Commons Select Committee on Welsh Affairs visit Paris and Brittany
(to 16 March)

STATISTICS

CSO: United Kingdom in figures (prov)

PUBLICATIONS

OAL: Minister for the Arts' Library and Information Matters report

PARLIAMENT

Commons

Questions: Trade and Industry; Environment; Scotland

Business: 10 Minute Rule Bill: Safety in Children's Playgrounds
Budget Debate (2nd day)

Adjournment Debates: Tourism in Northumberland (Mr A Amos)

Select Committees:

FOREIGN AFFAIRS

Subject: Foreign and Commonwealth Office/Overseas
Development Administration Expenditure 1989-90

Witnesses: Mr John Caines, CB, Permanent Secretary,
and other officials, Overseas Development
Administration

DEFENCE

Subject: Staffing Levels in the Procurement Executive
Witness: Ministry of Defence

AGRICULTURE

Subject: Land-Use and Forestry

Witnesses: Ramblers' Association; British Field Sports
Society

ENERGY

Subject: Energy Policy Implications of the Greenhouse
Effect

Witness: B.P. International

TRADE AND INDUSTRY

Subject: Financial Services and the Single Market

Witnesses: Professors Bob Carter, Richard Dale and
Steven Schaefer

PARLIAMENT (Cont'd)**EMPLOYMENT**

Subject: The Role in the Labour Market and the
Impact on the Economy of Part-time Work

Witness: The Institution of Professional Civil Servants

SOCIAL SERVICES

Subject: Resourcing the NHS: The Government's White
Paper; Working for Patients

Witness: Mr Kenneth Clarke, MP, Secretary of State
for Health

HOME AFFAIRS

Subject: Higher Police Training and the Police Staff
College

Witness: Mr Tony Moore

Lords: Starred Questions

Debate on the incidence of crimes of violence, the case for a full
range of methods for dealing with them and for protecting the public
including support for an effective police force

Northern Ireland (Emergency Provisions)(Amendment) Regulations 1989

Northern Ireland (Emergency Provisions) Acts 1978 and 1987
(Continuance) Order 1989

MINISTERS - See attached

PRESS DIGESTMain News

Cautious, dull and even boring - but prudent in making counter inflation priority target - are the main adjectives applied to the Budget which gets an enthusiastic reception in the City.

Shares rose and sterling advanced.

Most people seem to think he has overall done the right thing; Tory MPs think he did the necessary.

Bad reception from health campaigners because duty on cigarettes and alcohol was not increased, tempered only by wider differential in price of unleaded petrol. Some say it is a "disaster" for public health.

Pensioners meanwhile celebrate end of earnings rule. Tory MPs jubilant over this. Age Concern "absolutely delighted".

Other measures seen as a revolution for share owners.

Sun and Mirror make a lot of the contrast between £4.35 a week benefit to ordinary people and £70,000 a year for Duke and Duchess of York. Labour MPs beside themselves with fury.

Kinnock describes Chancellor as the Eddie the Eagle of the economy. Ashdown says it was the "frightened Budget".

CBI - cautious, responsible Budget which will help smaller companies.

SNP's bid to gag Chancellor wrecked by Kinnock who tables P&Q to Chancellor. Jim Sillars barred for 5 days.

Other News

Paul Channon accused of lying over his handling of FAA security bulletin - leaked copy of document does not specifically prohibit his passing on warning to Heathrow as he claimed (Independent)

Private water companies raise bills by average of 22%, D/Environment announces. Michael Howard saves consumers £16million (Express).

Survey of 400 businesses shows that rising business confidence among office employers could lead to 40,000 new jobs in South East (Times).

PRESS DIGEST

Soaring sales of Range Rovers and new Rover 800 series produce best profits (£28million) for 10 years.

Britain's motor industry facing new threat as Malaysian built car goes on sale today and could be selling 10,000 a year within two years (Times).

Government has all but lost its battle to keep 40 tonne juggernauts off Britain's roads as EC Transport Ministers decide to press ahead for harmonisation of lorry weights and dimensions (Times).

Commission applauds the long-overdue agreement by EC economic and finance ministers to launch concerted campaign aimed at rooting out fraud and corruption in the Community's finances (Times).

Austria may seek EC membership this year (Independent).

British Rail orders inquiry after two passenger trains narrowly missed colliding in West Country.

Michael Howard rejects Prudential Assurance plans for large shopping centre at Hewitts Farm, near Orpington in Kent green belt (FT).

Gateshead's 1990 National Garden Festival plans to become Britain's Employment Training project, with up to 1,400 traineeships on offer (FT).

70,000 teenagers on YTS schemes are being stripped of their employment rights under new rules drawn up by officials at the Training Agency (Independent).

Mail says Britain is in the throes of a Japanese style industrial revolution which will make our firms even more successful, according to business leaders.

Kent farmer will be seeking £10million compensation if BR goes ahead with high-speed Chunnel rail link (Times).

National Consumer Council survey says about a third of consumers feel they do not have enough information to be confident that the food they buy is safe, and nearly two-thirds believe it is up to Government to provide that information (Times).

18 policemen in "shoot to kill" disciplinary hearings in Northern Ireland have been reprimanded; another cautioned; charges against 20th dismissed.

PRESS DIGEST

Government writes to 800 NHS managers giving them 6 weeks to identify hospitals which could become self-governing (Times).

NHS waiting lists grew by 50,000 to 4 year high last year (Independent).

Lord Chancellor faces critics of his law reform plans at Times forum today. You give your public backing to the reforms saying legislation will be brought forward as soon as possible, most likely next year (Times).

Launch of second Astra TV satellite brought forward to early next year because of demand (Times).

An international seminar to discuss the threat to press and broadcasting freedom in Britain is being organised by the International Press Institute at the LSE on April 21 (Independent).

Pupils in your constituency have best record in country for A level passes.

Number of homeless in England reaches record levels.

Women are increasingly being forced to sign no-publicity clauses as a condition of out-of-court settlements where male colleagues are accused of sexual harrasment (Independent).

Sun says Judge Pickles has totally forfeited public trust and confidence and in continuing to sit in court diminishes respect for our very system of justice.

Gerald Kaufman to lead Labour Party delegation to the US next week in the latest stage of the party's attempt to change its unilateralist defence policy (Times).

4 Britons die when tanker goes up in flames off Japan.

US has imposed temporary embargo on import of semi-automatic rifles until officials decide whether they are suited to legitimate sporting purposes (Independent).

32 dead, 93 wounded - at least 20 victims children - caught in crossfire between factions fighting in Beirut.

South Africa's National Party closes ranks behind de Klerk after crisis talks (Times).

PRESS DIGEST

Greece's first deputy Prime Minister resigns in the wake of allegations that he was personally involved in the spate of scandals that are rocking the Government (Times).

Two quit Swedish Academy because of the Committee's refusal fully to support Salman Rushdie (Times).

Iran 'ready' to resume peace talks with Iraq (FT).

R K Khawan, an aide of Rajiv Gandhi, has been named in a report on the murder of Mrs Gandhi as having played a "sinister" role (Independent).

BUDGET TREATMENT

Star leads with Good Guy - Nigel does just what you didn't expect and we are all better off. Most workers now have around £4.35 a week more.

Sun leads with £69,000 for our Andy (Duke of York) - and Nigel gives the rest of us just £4.35 a week - fury erupts.

Similarly, the Mirror leads with "The Seventy Grand Old Duke of York" - a Budget which did next to nothing for anyone except the Duke and Duchess of York.

Today, pursuing its health campaign, says over its front page "It's a real killer". Storm of protest from health campaigners.

Express - Front page lead "Lawson's lead balloon" - boost for green petrol, OAPs and low paid, but caution is the key. Inflation battle has top priority leaving taxpayers little to celebrate.

Mail page 1 - "Nigel keeps the lid on. Cautious Budget with inflation the main target". Sets about killing the spectre of inflation which is beginning to haunt the Thatcher success story.

Telegraph page 1 - Lawson opts for safety first to tackle inflation - its defeat before further tax cuts; even more cautious Budget than MPs and City had been expecting.

Guardian page 1 - Lawson homes in on inflation. Freeze on duties supplants tax relief. Chancellor ready for recession if necessary; Business told to keep grip on pay; Kinnock attacks use of "people's surplus".

PRESS DIGEST

Independent page 1 - Lawson puts squeeze on rising inflation. Signals his determination. Accused by Opposition of running scared of inflation. But rare welcome in City for his prudence. Charities welcome pensions package.

Times page 1 lead - Cautious but clever Lawson. Battle against inflation finds hope of future tax cuts. National Insurance change adds £3 to pay. City welcomes "boring, workmanlike" Budget. Lead free petrol 10p cheaper after duty cut. Elderly cheer reform of personal allowances.

FT page 1 lead - Budget aims to curb inflation as economy begins to slow. Measures received with enthusiasm in City. Kinnock attacks management of the economy. Respectful rather than rapturous response from Tory MPs for Chancellor's prudence.

BUDGET COMMENT

Star - Two cheers for Chancellor. Sixth Budget cautious. Pensioners treated handsomely. Drinkers and smokers quids in. A lot of people will find themselves with £4.35 a week more. Most people are a bit better off.

Sun leader headed "The last stand for Lawson" says Budget speech was not quite as boring as watching plants grow, but it came pretty close. Lifting tax burden from shoulders of people could have been done without heightening inflation. You should make it Nigel's last stand.

Mirror leader headed "Thanks for nothing Lawson" says he daren't do much for anyone after getting his sums wrong last year. Boxed in because last year he tried to box clever and came unstuck. Not so much cautious as frozen.

Today says "Lawson fails the fitness test". He should have issued a warning with Budget - this Budget will damage the nation's health. By refusing to put up alcohol and tobacco duties he has sentenced thousands to death. Sound on economic management but flawed by a deep poverty of imagination. Rowing against the needs of our times. Not fit to be Prime Minister.

Express leader headed "It may be sound, Nigel but it's dull" says Chancellor played safe. Prudence reigned supreme. Ditched at least from this coming year was essential tenet of Thatcherism - that all the money belongs to the taxpayer. Not exciting, but it cunningly sets you up for election winning Budgets in 1990 and 1991. City Editor - "Nigel nurtures the greys (elderly) and greens".

PRESS DIGEST

Mail leader under heading "Fat man in Hair Shirt" says this is an old fashioned, restrictionist Budget. First, last and all the way though it was about bringing down the rate of inflation. It is prudent beyond expectation. Far more concerned to play to the gallery of international financial opinion than to appease mortgage payers. This boldest of Chancellors has taken his most uncharacteristic risk; erring on the side of caution.

Andrew Alexander, in Mail, says it is a ridiculously cautious Budget. Is Chancellor pandering to base, puritanical instincts of Britain or has he lost his nerve? Dull, unenterprising and unworthy of Mr Lawson.

Times leader says that Mr Lawson has set a good course for the central goal of reducing inflation. Such a Budget does not have the glamour of last year's tax reforming Budget. But to have used a major part of the Government's unprecedented surplus to reduce taxes would have been to risk selling the Government's soul. While it is not clear whether he has done enough to reverse the upturn in inflation but true success in that battle does not depend on a single Budget.

Telegraph leader says Chancellor meets the Budget criteria. If it takes a brave man to be bold when boldness is called for, it also takes a brave man to be dull when dullness is called for. Chancellor duly rose to the challenge. He is right to throw everything in defence of low inflation achievement.

Independent leader says its a "jam-tomorrow" Budget. That Mr Lawson has opted so decisively for the path of prudence and fiscal tightening is an indication of just how asymmetrical is the current balance of risk between excessive stringency and laxity.

Hugo Young, in Guardian, says this is a strategy for winning the 1991/2 election.

Guardian leader says Chancellor promised us a prudent and cautious Budget and by golly that is what we got. Grey, green and pretty misty. Almost no Budget at all. And no sign that the Chancellor has changed his mind on the need to improve Britain's crumbling infrastructure. Not the Budget he will wish to be remembered for which probably means he'll be around to try again in 1990.

FT Lex says that, from a cynical point of view, this had to be a Budget for the markets. Put more positively, it could be that by being quite this tight - the PSDR could work out nearer £18billion - Mr Lawson has given himself room for manoeuvre.

PRESS DIGEST

FT leader says Chancellor was asked to deliver a prudent Budget that would bear down on inflation, provide incentives for savings and help the low-paid. He has succeeded on all these counts, above all the first: this Budget delivers a significant fiscal tightening. But this was a chastened Mr Lawson, not the ebullient figure of a year ago.

Sam Brittan's analysis, in FT, is that Budget was very "steady as she goes". But he regrets that 1p was not taken off income tax basic rate. He still sees little chance of inflation rate falling much below present 5% plus before the next election, unless the UK is firmly inside the EMS.

MINISTERS (UK VISITS, SPEECHES ETC)

- DH: Mr Clarke, Mr Mellor and Mr Freeman attend Regional Health Authority Chairmen's meeting, London
- HO: Mr Hurd addresses the Royal College of Defence Studies, Seaford House, London
- WO: Mr Walker attends Chartered Association of Certified Accountants annual dinner, London
- DEM: Mr Lee visits Margate, Kent
- DEM: Mr Nicholls lunches with Geoffrey Tucker of McDonalds Hamburgers, London
- DES: Mr Jackson addresses University Booksellers conference, Darlington
- DH: Mr Mellor meets the National Forum for Coronary Heart Disease Prevention; later meets all-party delegation led by Jack Ashley MP on cochlea implants for deaf people
- DOE: Mr Trippier visits Bradford
- DTp: Mr Bottomley launches "Door to Door" initiative for the disabled, London
- FCO: Mr Waldegrave addresses Diplomatic and Commonwealth Writers Association lunch, Royal Commonwealth Society, London
- FCO: Mr Eggar chairs Public Consultations, London Information Forum (to 17 March)
- HO: Mr Hogg visits HM Prison, Maidstone
- MAFF: Baroness Trumpington attends Potato Marketing Board open day, Sutton Bridge
- SO: Lord Sanderson visits Benbecula, Western Isles (to 16 March)
- WO: Mr Roberts addresses launch of "Caravanners Guide to Wales", House of Commons
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MINISTERS (PRESS INTERVIEWS)

- HMT: Mr Lawson gives Budget interviews to Radio 4 Today programme, BBC Breakfast Time and IRN
- HMT: Mr Major gives Budget interviews to Channel 4's Business Daily programme
- MAFF: Mr MacGregor interviewed by Martin Small, BBC
- HMT: Mr Lamont gives Budget interview to TVAM
- HMT: Mr Lilley gives Budget interview on BBC Kilroy programme
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TV AND RADIO

'Dispatches': Ch 4 (20.30)
