PRIME MINISTER

MAIN EVENTS

STATISTICS

BOE: Capital issues and redemptions (Dec)

CSO: Personal income, expenditure and savings (3rd Qtr)

CSO: Industrial and commercial companies (3rd Qtr)

DOE: Housing starts and completions (Nov)

DSS: National Audit Office Invalidity Benefit report

PUBLICATIONS

HMT: Financial reporting to Parliament: White Paper

PARLIAMENT

Commons

Questions: Defence; Prime Minister

Business: Enterprise and New Towns (Scotland) Bill: 2nd Reading, Money

and Ways and Means Resolutions

Adjournment Debates: The form of agreements made under SI of the Mobile

Homes Act 1983 (Mr R Morgan)

Select Committees: STANDING COMMITTEE A

Further to consider the COAL INDUSTRY BILL

STANDING COMMITEE B

Further to consider the EDUCATION (STUDENT

LOANS) BILL

STANDING COMMITTEE D

To consider the PROPERTY SERVICES AGENCY AND

CROWN SUPPLIERS BILL

STANDING COMMITTEE E

Further to consider the NATIONAL HEALTH SERVICE AND COMMUNITY CARE BILL

STANDING COMMITTEE F

To consider the BROADCASTING BILL

Main News

Duncan Nichol rejects idea of further talks with ambulance unions unless the unions drop demands; nonetheless some papers foreshadow a settlement.

Unions to meet today to consider next moves.

Jerry Hayes MP claims to have set up a channel of communication between management and unions.

<u>Mail</u> presents Govt as digging in its heels. Chancellor interviewed on Newsnight to say he was not in the business of funding inflationary wage claims.

<u>Times</u> says the time has come for Kenneth Clarke to return to negotiating table.

Graham Mather, general director of the Institute of Economic Affairs, writing in the <u>Times</u>, looks at how six West Midland Councils are running their own ambulance service saying this could provide an escape route from the economic and political corner in which Kenneth Clarke has become wedged. The councils involved have unwittingly endorsed several eminently market-related principles.

BBC claims 80% of Britons including 66% of Tory supporters, back ambulance crews.

Ballet dancers vote 5-1 to take industrial action after rejecting 15%.

North London Polytechnic tells lecturers they must give undertaking to resume all their duties, or forfeit 20% of their pay (Independent).

BAe unions threaten to escalate strike action in campaign for shorter working week (FT).

Sir Robert Reid accuses Govt of starving railways of cash and moral support. Press tells Govt to listen and act on his strictures - and Sir Robert that it is a pity he did not say all this until just before he is to retire.

<u>Mail</u> says Reid caused outrage among Tory MPs. John Prescott describes Reid's change of heart as an astonishing "deathbed repentance".

Trouble in Azerbaijan's border with Turkey - Russian demonstrators tear up border barriers.

100,000 protest in Leipzig against Communist party and resurrection of secret police.

Ukraine calls for 300 mile human chain across country this month in campaign for greater autonomy.

<u>Independent</u> editorial says reformers in Eastern Europe have little to fear fromn forthcoming elections: the Polish experience suggests there will be an unequivocal rejection of Communist candidates. But it remains desirable that the Communists should contest elections so that the ghost of their rule can be properly exorcised.

East German Communists claim rapid rise in neo-Nazi activity. Point to links between West German Republicans and like-minded groups in East (FT).

<u>Express</u> leads with Japan's whaling fleet arriving in Antarctic to begin another slaughter in defiance of world ban. You will raise it with Kaifu this week. <u>Leader</u> says you must leave Kaifu in no doubt about Britain's attitude.

Nakasone named in new share purchase scandal. News threatens to damage Japan's Liberal Democrats in next month's election (FT).

1989 West German trade surplus likely to set record of £46billion (FT).

Oil prices fell yesterday, raising hopes that further petrol price rises might be avoided.

Express foreshadows increase in average earnings above 10% after recent settlements.

John Smith says Labour would insist on right to introduce credit controls if needed - interview in Telegraph.

Citibank and First National of Chicago cut interest rates 0.5% to 10%.

Express calls for abolition of stamp duty on sale of homes above £30,000.

Estate agents claim house prices in London and SE have fallen 20% in 18 months.

Pressure growing on Govt to offer tax incentives to "green" motorists in Budget in spite of fears that cars converted to unleaded fuel could suffer costly damage (Times).

US Ford chief warns of 20% over-capacity in world car market next year. Attacks 'over-expansion' by Japan in Europe and elsewhere (FT).

Eurotunnel reaches partial agreement on cost-cutting deal with contractors. First step to ending financial crisis (FT).

Contractors digging Tunnel suing Eurotunnel for non payment of £40million.

Companies face administrative nightmare under community charge. They must deduct complex arrears from pay of defaulting employees (FT).

<u>Times</u> reports your speech at Warwick University saying you spoke of industry and universities working more closely together than ever before.

Nicholas Ridley admits you are less popular at home than abroad but blames Labour for your image. He defends you from insults and slanging.

Hugo Young, in <u>Guardian</u>, says indiscipline is at the heart of Kinnock's most consistent and pervasive weakness.

<u>Independent</u>, reviewing Islamic Party of Britain's intetion to contest local and general elections, says one probable consequence would be the election of more Tories. Muslims should not adopt separatist policies as this will only alienate: far better that they are accommodated within the mainstream of British politics.

Labour will attempt to block Student Loans Bill today by calling for an adjournment when the Committee meets (<u>Times</u>).

Home Secy announces new inquiry into case of Birmingham IRA six.

<u>Sun</u> leader tells Irish Govt that instead of meddling in these matters it should clear up its own mess, like giving sanctuary to IRA terrorists.

Irishman released from explosives charge excluded from Britain for at least 3 years.

Danny Morrison, Sinn Fein publicity officer, held by RUC after police operation in Belfast, with other IRA men.

<u>Independent</u> claims Loyalist extremists were tipped off in advance of raids by the security forces, meaning that a number of those sought were not available when police arrived at their homes. All told 14 men taken into custody for questioning on allegations of collision between loyalists and the security forces.

5 killed, 11 injured in M25 crash involving 45 vehicles.

Ford Halewood assembly workers stole car parts worth hundreds of thousands of pounds because of a ban on body searches agreed between management and unions.

11 of 16 criminals tagged in Nottingham have absconded or committed new crimes; scheme to be abandoned early.

Labour to publish "shadow" White Paper next week on criminal justice which will include cutting the prison population by nearly 20,000 (Times).

<u>Today</u> leads with report that Chris Patten backs a ban on smoking in shops, restaurants and cinemas/theatres; it could be introduced by the autumn. <u>Today</u> leader says Govt will make a big mistake if it ignores call for smoking ban.

BBC apologise for Dave Allen's bad language on TV.

Soviets halve order for Morning Star - roughly 25% of paper's circulation.

British Heart Foundation research has identified a defective gene which causes high cholesterol levels, which in turn could lead to better screening of those more vulnerable to cardiovascular disease (Independent).

Widespread speculation Nelson Mandela will be released soon - after his wife visits him in prison. <u>Independent</u> says de Klerk has concluded Mandela is a black leader he can do business with.

Norman Tebbit, writing in the <u>Times</u> under the heading "No fudging on this Euro mould", urges a tough line against those Tories who would sacrifice our national sovereignty for Europe.

Ex-EC Ambassador to Washington attacks Whitehall's"insular disdain" towards Brussels officials (FT).

Lord Gardiner dies, aged 89.

Death of comedian, Terry Thomas, 78.

Lord Ennals and Tim Raison say returned Vietnamese boat people have not been put under any pressure since their return.

Vietnamese say China has made first gestures of peace in 10 years, including proposed attendance at UNESCO seminar in Ho Chi Minh City (Independent).

Peace bid by Security Council permanent members as Cambodia fighting intensifies. They meet in Paris next Tuesday (FT).

Cambodia to receive an extra £1million of aid. Mrs Chalker defends aid given to camps in Thailand saying she had received assurances of none reaching the Khmer Rouge (Independent).

Britain and Soviet Union will take their first step today towards patching up an acrimonious dispute which caused cancellation of important human rights talks in Moscow in September (Times).

Colombian parties unite to condemn US navy drugs blockade (FT).

First signs of dissent in the likely debate over US Defence policy emerged when retired chairman of Joint Chiefs of Staff advocated discussions with USSR on elimination of tactical nuclear weapons from surface ships (Independent).

AMBULANCE

<u>Star</u> - 999 men on brink of wage row deal - ready to accept improved wage offer.

Sun - 999 crews set to go back by end of week.

Mirror - Peace snub to mercy crews.

Today - Clarke snubs 999 peace bid.

<u>Express</u> - Union bid for 999 peace fails - hopes of an immediate end to dispute shattered.

<u>Mail</u> - No mercy from Chancellor as 999 crews seek face saver. Govt digs in its heels.

<u>Independent</u> - Exchange of letters on the ambulancemen's dispute has done little to dampen the political row over the Govt's handling of the issue.

Telegraph pl - Ministers take tough line on ambulancemen; hopes of strike breakthrough fade. <u>Leader</u> welcomes the Govt's reaffirmation of "no more money". It is to hoped Poole, NUPE, will recognise the need for a change of position. This is too critical a time for the Govt to buy itself out of national bargaining. This is a time for Govt to close ranks.

<u>Guardian</u> pl lead - Clarke sets tough terms for pay deal. Govt wants productivity to fund ambulance rise.

Peter Jenkins, writing in the <u>Independent</u>, says the Govt has got itself into a deplorable mess over the ambulance dispute, with the chief fault lying with you and Cabinet for not joining Mr Clarke in his fight with the unions. Identifying the reasons for the Govt's stand, he criticises Mr Clarke for taking the wrong line with the press. But, irrespective of Mr Clarke's difficulties, the real battle in this dispute is for the control of inflation to win this battle the Govt must make this abundantly clear.

Times - Plea for new ambulancemen talks rejected but pressure on Govt is maintained after several Conservative MPs support what they consider to be a conciliatory move by union leader Roger Poole. Leader says the Govt has been right all along to argue that the ambulancemen were much more akin to health service workers than to firemen or policemen but the time has now come for Kenneth Clarke to reshuffle the various elements in his previous proposals and return to the negotiating table. He should take with him proposals for some new structured system for reviewing their pay. And after a seemly moment of new negotiation, the ambulancemen should settle.

RAIL

Mirror says that yesterday after presiding over misfortunes of BR for six years, Sir Robert Reid, on his way out, saw the light. Why didn't he ram his warnings down Ministers' throats years ago?

Today asks why did Reid wait until the eve of his departure to say what he really thought about our railways. He carried out the policy of a Govt in which he did not believe - a shameful failure of responsibility. Let's hope his succesor has more guts.

Express says Sir Robert is off the rails. Customers will be tempted to believe he protests too much. If BR had employed greater business aggression and imagination it could have raised significantly more cash from its real estage. Mediocre management, lacking the will and skill to curb union restrictive practices, must also take the blame.

<u>Mail</u> leader headed "The last strangled cry for assistance" says Reid's outburst, like the 9.51 to Charing Cross, has been subject to considerable delay. Why did he wait until his swansong? Why didn't he have the guts to goad the Govt before? It is to be hoped his successor will show more independence. In the run up to the next election you must unsnarl transport priorities.

<u>Times</u> leader under the heading "Sir Robert's Swan-Song" says there have been suggestions that there are a number of issues on which he feels rather more strongly. If that is so, he should seek on occasion to say clearly what they are before he hands over in March. An admirer of Dr Beecham's has no need of winks and nods.

George Hill in the <u>Times</u> says Sir Robert's speech was much more than an exasperated outburst. It was an unapologetic apology for a career which spans the whole history of nationalised railways in Britain and an affirmation of his belief that a period of new vitality for the railways is ahead, if Britain is ready to seize the opportunity.

MINISTERS (UK VISITS, SPEECHES ETC)

DTp: Mr Parkinson addresses Institute of Economic Affairs

Mr Hurd addresses European Parliament/US Congress meeting, FCO:

London

DH: Mr Freeman meets Jacques Arnold and members of Dartford and

Gravesham Health Authority

DTI: Mr Redwood presents the Hanson Achievement Award 1989, Berkeley

Hotel

Lord Trefgarne launches PIMS Eurodirectory, EC offices, London DTI:

Mr Atkins attends Kent County Council car litter bag promotion DTp:

WO: Mr Roberts launches Satellites in Education video for schools,

Trinity College, Carmarthen

TV AND RADIO

"Advice Shop" BBC 2 (17.00) Rural Action Project in Northern Ireland

"Taking Liberties" BBC 2 (20.00) Compensation for military incompetence

"Drink - Under the Influence" Ch4 (21.00) The costs of alcohol misuse