

February 2, 1990

PRIME MINISTER

MAIN EVENTS

Prime Minister at Training Seminar

EC: World Economic Forum, Switzerland (to February 4)

Defence Committee reports on EH101 and light attack helicopters

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STATISTICS

HMT: UK official reserves (Jan)

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PARLIAMENT

Commons

Business: Private Members Bills (no further details available at time of diary completions)

Adjournment Debates: Relations between the UK and El Salvador (Mr D Winnick)

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PRESS DIGESTMain News

Labour's lead over Conservatives at 15.5% biggest for 16 years. (48/32.5/SLD 8/Green 6/SDP 3).

Nigel Lawson lands what is said to be a £200,000 a year, two day week job with BZW on the day Govt announces public sector pay decisions. Nurses call 9.6% rise 'miserly'.

National Assn of Head Teachers and Civil Service union critical.

Ambulance men put out by rise for nurses.

Chief ambulance officers try to find a way out of 20 week old dispute through local bargaining.

Star says you are to have another reshuffle this summer and that you will get rid of Kenneth Baker, Kenneth Clarke and Cecil Parkinson. It says Mr Clarke will pay the penalty for obstinacy over ambulance dispute by losing his job.

Times says Govt will come under renewed pressure next week to abandon its stand on ambulance dispute when chief ambulance officers put forward a peace plan. Meanwhile Scottish TUC demand full apology from Michael Forsyth for saying union officials were no longer in charge of members (Times).

Speculation that de Klerk will announce Mandela's release today. And that he may be forced to order English cricketers to end their tour because of protest riots. Bush will invite Mandela to Washington when he is freed.

R W Johnson in the Times looks at the doors to reform that de Klerk could open in his speech today. He says that Pretoria has, at long last, begun to realise what a precious asset it has in Mandela. Not only is he unembittered, he appears to be far more moderate than men who have suffered less. He has shown a genuine desire for reconciliation, and he alone has the ability to sell a compromise deal to the militants of the mass democratic movement.

Kohl rejects idea of a united but neutral Germany advanced by Modrow.

Times says Kohl will not negotiate until after a democratic Govt has been elected in East Germany. Foreign Secy is expected to call for a united Germany to be a member of NATO when he speaks in Bonn on Tuesday.

PRESS DIGEST

American TV claim you were the lone dissenter among the Allies when Bush informed you of his further arms cuts.

Independent says that although Britain says it is happy with proposals, senior MOD officials comment that they think Bush is moving too quickly in his rush to cut conventional forces.

NATO welcomes Bush proposals despite long term doubts about US intentions, and the consequences for CFE talks.

Kohl says Bush proposals "the right signal at the right time".

Initial reaction from the Soviet Union positive, but it would leave more US than Soviet troops in Europe (Independent).

Express sees some high risk strategic thinking in Bush's latest move.

Independent editorial comments that Bush has moved the geographical goalposts by focussing his troop proposals on the 'central zone' in Europe. But there is an element of inequality in not taking account of 160,000 troops from Britain, Canada and France. It would be astonishing if the USSR does not renew pressure for them to be included in the Vienna talks. But given developments in Eastern Europe, it is likely Bush's proposals will be overtaken by events.

Mail says Bush's proposals are bold but not imprudent. But you are right to say there should be no further cut in American troops beyond latest proposals.

Times leader says that Bush's proposals for troop reductions in Europe might provide relief for Gorbachev who remains under some pressure. Whether concern for Gorbachev's difficulties or the conflicts within Congress over the budget are the right reasons for speeding up troop withdrawal is a moot point. It adds that this new set of figures could delay conclusion of CFE treaty.

Tanks and troops go into action to prevent civil war in Kosovo, Yugoslavia.

Bulgaria's Govt quits after failing to persuade Opposition parties to join a coalition.

Moscow News, reformist newspaper, launches stinging attack on Soviet leading Conservative, hijacker.

PRESS DIGEST

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George Gale, in Mail, says he begins to entertain fearful doubts whether you would win the next election because you seem incapable of seizing the opportunity created for arms cuts.

FT leader says Bush proposals should be welcomed: a new initiative at the right time. Nevertheless troop cuts alone, however desirable at the present stage, are not a strategy and the key question is what happens next. Britain and France unlikely to be able to maintain their present level of troops in Germany with US cutting back. Britain may have more future as a naval power.

You reject the idea of a further inquiry into the Wallace affair.

Telegraph leader says it seems Wallace, like Peter Wright, was allowed a singularly ill-advised degree of licence.

Independent of course goes on and on about it. It says you and Mr King face growing cross-party demands for a security investigation into allegations of a "dirty tricks" campaign to destabilise the Wilson govt. Wallace willing to talk to Govt inquiry or Parliamentary cttee. Leader commends the establishment of Calcutt inquiry but says this is not enough. Wallace's allegations have been corroborated by many - Lord Wilson, Peter Wright and others - and the House has been deceived, but how much and for how long and by whom? These questions go beyond the Calcutt inquiry and it is time they were answered.

US plan to underwrite IMF who would sell gold deposited with it by debtor countries to tackle growing repayment arrears is strongly opposed by other western govts (FT).

City economists say Labour's tax plans would slash nearly £4,000 a year from pay of middle income taxpayers (Mail).

John Prescott predicts more rail increases (Independent).

Guardian claims an EC report claims BAe should repay up to £283million to Govt in respect of Rover sale.

British Island Airways - described as your favourite airline - has called in the receivers.

Alan Bond, Australian businessman, given 21 days to raise £200million to avoid receivers.

PRESS DIGEST

Report from Japan that Nissan is planning to export cars from UK to Japan worth £500million a year.

Govt to underwrite a consortium led by Ferranti Defence Systems to tune of £70.7million to satisfy West German concern about financial risk in building EFA radar (FT).

DTI denies knowledge of reports that EC would demand BAe to repay £283 million over Rover deal (Times).

Commons Select Cttee says Nigel Lawson's "high-handed attitude" in cutting tax incentives for tree planting has severely damaged forestry industry (Times).

Times leader looks at ways as to how the whole of the Post Office might be privatised bearing in mind that in 1987 you gave an uncharacteristic hostage to fortune when you declared, with evident feeling, that the Royal Mail was special and you would not be privatising it.

Govt suffers first defeat in the present session in the Lords as Peers back moves to force banks and building societies to disclose commissions on endowment policies (Independent).

Claims that average community charge is likely to be £62 more than Govt's estimated average -£340 instead of £278.

Scientist confirm that mad cow disease can spread to other animals (Times).

Doctors call for big health education campaign as the national breast cancer screening programme is being compromised by women's fears and reluctance to take part (Times).

FT leader on eye tests says demand has fallen 22% since charges introduced. Charging is the antithesis of preventive medicine: it is a recipe for ensuring that many serious eye disorders are not detected in time for correction. Yet the revenue raised is negligible. Some deterioration in health standards looks inevitable.

Mary Warnock writing in the Times under the heading "Building a better teacher" argues for more respect as well as more pay in schools.

Express says parents are flocking to get their children into secondary schools which have opted out of local authority control.

PRESS DIGEST

Leader of ILEA claims that London boroughs are not ready to takeover schools warning that teachers, cleaners and dinner ladies may not be paid and children not fed (Times).

Member of Pigot Committee says loopholes in the law which exclude the evidence of young children are allowing child abusers to go unpunished (Times).

Ministers seek cut in courts' use of suspended sentences as part of radical plan to remove prison from the centre of sentencing policy (Times).

Trevor Kavanagh, in Sun, reports an unnamed Shadow Cabinet member as saying Labour are weak on the economy and leadership. Some Labour leaders believe their vote will collapse on polling day because Kinnock is lazy, dim and doesn't look like a leader.

Robert Kilroy-Silk in the Times looks at the "reality" behind Labour's deselection switch. He concludes "Neil says we now have a sensible and moderate party. Then why can't it be trusted?".

NASA claims hole in ozone layer is growing.

Report by Church of England bishops is believed to recommend that clergy are allowed to bless gay couples.

Lord Rees-Mogg says new satellite TV channels are in danger of purveying American news and views at the expense of Britain's natural links with Europe (Times).

9 Iranians ordered to leave Britain by the end of the week for reasons of national security. Press say they were plotting to kill Salman Rushdie.

Star claims Americans are to take over our nuclear subs patrol because our fleet is crippled with faults.

Haughey's threat to suspend the Dail restores "pairing" arrangements in the Irish Parliament (Independent).

Britain's only major importer of ivory has moved to South Africa in wake of international ban (Independent).

Britain re-establishes direct flights to Argentina this weekend after 8 years.

Spanish PM Gonzalez threatens to resign rather than sack deputy (Independent).

PRESS DIGEST

Aoun forced to agree to ceasefire in Beirut (Independent).

PAY

Star p2 - Angels' fury at 'miserly' pay rise.

Sun - 7% - that's your lot Maggie tells VIPs. Inside - Maggie gives the nurses pay tonic. Leader says the Govt have identified over-large pay rises as the chief cause of inflation and they are not setting a perfect example themselves - with an 8% award across the public service.

Mirror p2 - Anger at Thatcher's pay lid on a million - a list of penny pinching awards. Leader says the nurses' pay deal gives the Govt a way out of the ambulance dispute with a two year deal - something on top of 6.5% for first year and nurses pay award for second year.

Today p2 - bumper pay rises of up to 23% dished up for public sector employees. Rip a gaping hole in Govt's economic policies. Leader says in leaving the Treasury, Mr Lawson behaved like a rat who jumps when his ship is floundering. And the British people are left to suffer for his mistakes.

Times p1 - Phased pay awards attacked; bring angry reaction from Whitehall and unions who accuse the Govt of betrayal. Leader says that the continuing tendency to even out pay awards in different sectors makes no sense. The problems of recruiting and retaining staff differ widely: it is far more difficult to keep tax inspectors, teachers and nurses than it is, say, to lure barristers to the bench.

Express p1 - Maggie sets 7% pay line ... not everyone can bank on a rise like Lawson. Leader headed "pay policy by the back door" sees this as the effect of a 7% settlement for April 1. Thousands will be wishing this morning that Lawson had taken his £200,000 a few years earlier.

Mail p1 lead - Nice money if you can get it - Lawson's new position unlikely to please you. Leader says Govt must be relieved that the pay rises recommended by review boards are lower than those billed. And on page 9 - 'Wait for your pay' order from Maggie.

Telegraph p1 - 7% pay rise in public sector to be example.

PRESS DIGEST

FT - Public pay will rise in stages. Govt yesterday tried to damp down inflationary pay rises and bring an end to the ambulance dispute by insisting that recommended increases for 1.3million public workers average nearly 10% should be paid in stages. Staging will save the Treasury £463million in 1990-91.

FT - Roger Poole said awards would "fuel the frustration" of ambulance workers who were having to fight for their pay while nurses already knew their award.

Independent p1 - Public sector pay norm of 8% imposed. Decision brings furious reaction from BMA and criticism from Institution representing senior Civil Servants that you are reverting to a 1970s-style incomes policy - "a principle you had publicly reviled".

Guardian p1 - Cabinet staggers rises after £2.3billion pay review. Saves Govt nearly £500million.

Guardian - In general yesterday's package is a hesitant step in the right direction. But what is needed is a permanent independent body to build up expertise. If the ambulance men want to go in so much the better.



ANNEX

MINISTERS (UK VISITS, SPEECHES ETC)

- DEN: Mr Wakeham visits Powergen Kingsnorth Power Station
- MAFF: Mr Gummer visits Heinz Baby Food Factory, near Preston
- DEM: Lord Strathclyde visits York
- DEN: Mr Morrison visits BNFL, Capenhurst
- DES: Mr Howarth visits British Deaf Association lunch; Princess of Wales attends
- DH: Mr Freeman visits St Thomas' Hospital Fitness Centre for Nurses
- DH: Mrs Bottomley visits Bromley re community care
- FCO: Lord Brabazon attends New Zealand Society dinner, Grosvenor House Hotel, London
- MAFF: Baroness Trumpington attends Warwickshire Horse conference
- WO: Mr Grist open Mid Glamorgan Health Authority, Community Drug Team's centre, Cardiff
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MINISTERS (OVERSEAS VISITS)

- DH: Mr Clarke attends World Economic Forum, Switzerland
- MOD: Mr King attends Wehrkunde Conference
- DTI: Mr Hogg meets Leon Britton re North East Shipbuilders Ltd, Brussels; later attends World Economic Forum, Switzerland
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TV AND RADIO

"Visions" BBC2 (7.30 pm)

Sir Peter Imbert, Metropolitan Police Commissioner describes his personal vision of the next decade

"Public Eye" BBC2 (8.00 pm)

"Any Questions" BBC Radio 4 (8.05 pm): Repeated on 3 February 1.10 pm with David Mellor (Home Office Minister), Barbara Amiel (journalist), John Edmonds (General Secretary of the GMB) and Jane Grant (Director of the National Alliance of Women's Organisations)

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