PRIME MINISTER

MAIN EVENTS

EC: Foreign Affairs Council, Brussels (to 6 February)

STATISTICS

CSO: Retail sales (Dec-final)

CSO: Credit business (Dec)

DOE: Housing starts and completions (Dec)

The operation of the Prevention of Terrorism legislation statistics, HO: England and Wales 1989

PUBLICATIONS

DES: HMI Annual Report

PARLIAMENT

Commons

Ouestions: Social Security; Church Commissioners; House of Commons Commission

There will be a debate on the Royal Navy on a motion for the Business:

Adjournment of the House - Announcement on role of

women in the Royal Navy

Adjournment Debates: Hospital provision for the Altrincham and Sale

Constituency (Sir F Mongomery)

Select Committees: **PUBLIC ACCOUNTS**

Subject: Aid to India

Witness: Mr T P Lankester, Overseas **Development Administration**

Lords: Starred Questions

Pakistan Bill (HL): Committee

Courts Legal Services Bill: Committee (6th day)
Debate to take note of the Report of the European Communities
Committee on Irradiation of Foodstuffs (4th Report, HL Paper 13)

Main News

Tens of thousands - some estimates put the figure as high as 300,000 - demonstrate outside the Kremlin for reform on eve of Central Cttee meeting at which Gorbachev will advocate end of Communist Party's monopoly.

Collapse of Communism in Eastern Europe reaches Russia is the general view.

Slovenia breaks with Yugoslav Communist Party; free elections in April.

<u>Mirror</u>: Second Revolution in Moscow. <u>Mail</u> headline: Last days of Communism?

<u>FT</u> - Gorbachev to press ahead with plans for a multi-party system and private property within a market economy, daring, in the wake of yesterday's huge pro-democracy demonstration, conservatives to reject his reforms.

<u>Mirror</u> calls on West to fill Soviet shops to save democracy; John Gummer to visit Eastern Europe soon.

East German Communist Party changes its name to Party of Democratic Socialism.

Modrow accepts that Germany can be unified without being neutral (<u>Times</u>).

Lech Walesa to stand down as Leader of Solidarity to pave way, it is suggested, for bid for presidency of Poland.

Kohl outlines framework for the security and economic structure of Europe ito which a reunified Germany could fit. His blueprint would entail the creation of a new security structure spanning both NATO and the Warsaw Pact (\underline{FT}) .

Romania Salvation Front leader resigns, condemning opportunism of colleagues. He claims current poll campaign is based on personal recrimination and character assassination (Independent).

de Klerk accepts an invitation to visit you. <u>Times</u> says de Klerk's speedy response to your invitation is certain to be interpreted by your supporters as an effective endorsement of Britain's pivotal role in encouraging progress towards reform in South Africa.

Mandela refusing freedom until state of emergency is lifted. <u>Times</u> however, says he will be released within two weeks. He is issuing a statement soon, in response to Govt's initiatives.

Right-wing extremists open fire on British Embassy in Pretoria; no-one injured.

Jesse Jackson says de Klerk has made giant strides, but still has "unfinished business". Sanctions cannot be lifted until apartheid is truly buried, he tells London rally (Independent).

Jesse Jackson to meet ambulance crews who will seek his support in dispute (Telegraph).

Reuters report in the <u>Times</u> from Harare says the split between rival South African nationalist movements in exile appears to be widening as they prepare to respond to de Klerk's call to join him at the negotiating table.

<u>Times</u> publishes Mandela's letters to his family over the last 20 years. It describes the letters as the "intimate and moving correspondence of the world's most famous prisoner".

Muslims turn down Rushdie appeal for reconciliation (Times).

Kinnock accused of snubbing Jesse Jackson because he won't be at a meeting with Labour MPs.

Express says Govt spending on health, roads, social security and law and order has hit record levels and economy has grown by more than 25% since 1979 without raising tax.

Labour Party claims 5% of homeowners are at least 2 months in arrears with mortgage.

Institute of Directors wants 1p off basic tax rate, 2p off higher rate, 5p off corporation tax and end to inheritance tax.

Tom Bower in the <u>Times</u> looks at what is happening to Britain's trade under the heading "Not with a roar but a whimper". Markets have slumped, whole industries have virtually disappeared. But is it economic mismanagement, or a refusal to adapt to change that has caused such a catastrophic downfall.

<u>Times</u> looks at the community charge in two London boroughs - Lambeth and Wandsworth. Lambeth is forecast to demand about £660 a head while Wandsworth will seek something like £200, possible less.

An <u>FT</u> survey of Conservative MPs shows them overwhelmingly opposed to tax increases in next month's Budget, despite concensus Chancellor should set lower inflation as his first priority.

Britain faces severe recession unless employers control pay rises, monitoring group warns. "Our competitive edge is wasting away" it says, as unit labour costs leap by 8% in 1989 (Independent).

Ford management to try to keep the plants going today when EETPU strike over differentials.

Britain to lose its place as the most important nation for world investment in car production as manufacturers switch billions of pounds to Eastern Europe (times).

British made Nissan cars could face serious challenge today in EC meeting which will look at "Britishness" of the cars (Telegraph).

UK by far the most popular European target country for foreign acquisition last year (FT).

Moderates believed to have recaptured control of TGWU, according to Mail.

Cecil Parkinson hints at further big increase in rail fares; season ticket holders travelling at peak time pay just 40% of standard fare, he says,

Today says Chancellor is to cut tax on cars fitted with catalytic converter by £400 and recoup cost by raising tax on leaded petrol.

FT editorial looks at what action can be taken in light of the International Energy Agency's gloomy projections about energy use and increased carbon dioxide emissions. It concludes green rhetoric may win votes, but politicians are likely to find green policies (involving increases in petrol tax, abolition of tax benefits for company cars) contentious.

Hugh Rossi calls for an urgent national survey of waste sites which could be polluting ground water supplies (<u>Times</u>).

Green taxes and compensation for victims of pollution to form basis of Labour govt's environmental programme, seminar in Edinburgh is told. Labour plans thought similar to proposals currently being considered by Ministers drafting a White Paper on the environment due in the summer (Telegraph).

PowerGen drawing up revolutionary plans for paying cutsomers toinsulate homes, instead of building more power stations (Telegraph).

Govt has bungled waste paper collection, says <u>Today</u>; it stimulated collection, causing a glut which is robbing charities of £4million a year.

<u>Guardian</u> leader says we need a public health policy to take effective measures to control toxic wastes and invest in science research. Above all we need a govt that will impose a lateral policy across Whilehall which will break the corrupt relationship between policy's market and vested interests.

Kinnock accepts idea of lowering of age of consent for homosexuals to 16.

Kenneth Baker, according to <u>Mirror</u>, has told Tories to stop attacking Glenys Kinnock - unfair.

<u>Sun</u> says Loony Lefties are offering a prize to anyone who wrecks Derek Hatton's Jaguar because, they say, he has betrayed the working class.

<u>Times</u> leader congratulates Lord Chilver for his teachers' pay report saying it has offered the first real chance of injecting a new vitality into teaching by giving local authorities and schools the freedom to build up the quality of their staff.

<u>Star</u> claims EC is to sweep away our animal cruelty laws, opening up the way for a cruel trade in horses for meat.

Law experts say Govt's plans to sell the Student Loans Company and the computerised profiles of some of the country's highest earner to financial institutions will run into legal difficulties (Times).

Mr MacGregor says student loans scheme could be changed if they discourage poor from entering higher education (Telegraph).

Inland Revenue plans to deny banks £1billion in extra tax relief on doubtful debts. Move likely to be seen as your revenge for their withdrawal from student loans scheme (Independent).

Sex fiend being hunted in Brighton after abduction of 7 year old girl at the weekend; police say she is lucky to be alive.

Criminal Justice White Paper will propose a radical increase in community based punishement balanced by sweeping measures designed to tougher prison sentences, says the Times.

Senior QCs are pushing for the creation of a sentencing council or commission to formalise sentencing policy and propose a series of meetings with judges as a first step (<u>Times</u>).

Cocaine worth £8million found hidden in brass ornaments on British Airways flight from Colombia; 6 arrested.

Peter Brooke holds an unexpected session of informal talks with the Irish Foreign Minister near Limerick.

Peter Brooke agains says talks could eventually be held with Sinn Fein if violence ends (Independent).

<u>Independent</u> says Republicans pushed towards greater violence as Sinn Fein conference considers lessons of poll defeats north and south of the border.

Govt signals a fundamental change to Broadcasting Bill which would allow ITV franchises to go to suppliers of outstanding programmes rather than the highest financial bidder (Times).

You put pressure on David Waddington to create police "officer class", despite opposition from Chief Constables. Home Office source claims "Mrs Thatcher has a bee in her bonnet about it" (Independent).

Prison population could fall by 15,000 if fine-defaulters were given alternative sentences say reform group. Welcome White Paper plan for means-related fines (<u>Independent</u>).

Sir Robin Day to join BSB.

<u>Mail</u> says No 10 is infested with rates and staff are afraid to go in cellars.

Palestinians opposed to latest peace efforts believed repsonsible for attack on Israeli bus in Egypt which left 8 Israelis dead (Telegraph).

200 dead in further clashes between Lebanese Christian factions.

Confidential Washington Report says there were severe violations of human rights in Peking, Tibet and other parts of China last year (Times).

Greece/Turkey relations hit low point as diplomats are expelled over ethnic clashes in Western Thrace (Independent).

UNHCR say action needed to prevent mass suicides amongst Vietnamese boat people protesting against forced repatriation (Telegraph).

FT editorial says the last thing India and Pakistan need is a war over Kashmir. After reviewing the troubled history of Kashmir, it concludes Mr Singh and ms Bhutto should get together quickly and agree on how to achieve the peace both so obviously want.

US backs 50% increase in IMF resources (FT).

EAST/WEST/RUSSIA etc

<u>Mirror</u> leader by Robert Maxwell, says Gorbachev's decision to break with monopoly power of the party is even more historic than the assumption of it 70 years ago. This is the first step towards democracy. But democracy does not flower on empty stomachs. We must be big enough to fill the shelves on Soviet shops.

Express leader above a feature on the two days (at the Communist Central Cttee this week) which will shake the world, says that only by moving relentlessly forward can Gorbachev survive. But there can meanwhile be no weakening of NATO; no lack of withdrawal from the Alliance of either America or West Germany; and no abandonment of the nuclear deterrent.

<u>Mail</u> leader says all we have witnessed in recent months could be no more than the warm up routine for what is to come. Gorbachev is running out of time. Something has got to give.

<u>Times</u> leader says the one constant throughout this political upheaval is likely to be Mr Gorbachev. During his 5 years of supremacy he as accumulated a plentitude of powers unequalled by any Soviet leader since Stalin. Now it is his hand which is thought to be behind the radical proposals before the plenum.

<u>Independent</u> editorial warns that there is nothing smooth or inevitable about the path to democracy in the USSR. Gorbachev will need all his energy and political skill to succeed.

<u>Independent</u> - Western defence ministers reaffirm need for NATO in unstable world. Tom King says we need make "few concessions" to Moscow.

<u>Independent</u> - Soviet liberal says more democracy is Gorbahcev's only chance of survival. "Whatever Gorbachev does now the conservatives will never forgive him, so he might as well move firmly into the democratic camp" says Piontkowsky.

<u>Guardian</u> suggests EC may help to supervise Eastern Europe elections to ensure polls are above suspicion.

France, West Germany, the US and NATO call for closer West European defence co-opertion within NATO at annual Wehrkunde conf. in Munich, with virtual concensus that Western Europe needs to be more closely integrated (FT).

<u>Telegraph</u> editoral looks at how German reunification is to be managed, commenting that it is incumbent upon Western leaders to proceed with hope but also with the utmost caution. It concludes a major, if reduced, NATO presence in West Germany must be the core of the Western position at the European Security conference later this year.

SOUTH AFRICA

<u>Sun</u> leader calls on you to make a dramatic gesture and go to Cape Town to offer Britain's goodwill and support, beginning with the scrapping of all sanctions.

Today says apartheid will now crumble at the same dizzying speed as Communism in Eastern Europe. Change cannot be stopped. Economic and technical aid will be vital in both cases. Contacts are important, too. That is why you are right to suspend minor sanctions. Now you can do business with de Klerk and ignore your carping critics.

MINISTERS (UK VISITS, SPEECHES ETC)

DES: Mr MacGregor launches Training and the Training Consultant; later addresses Partnership Awards reception, London

DH: Mr Clarke meets Turkish Health Sector, London

LPC: Sir Geoffrey Howe meets Vice President of French National Assembly, London

DEM: Mr Eggar visits Leeds and Bradford City Action Teams

DES: Mr Jackson attends the formal handover of the responsibility for the time-pips from the Greenwich Observatory to the BBC at Herstmonceux

DH: Mrs Bottomley meets the Children First in Trans-Racial Fostering Organisation; later meets Chairman and Directors of Social Services

DH: Mr Freeman visits East Anglian RHA; later addresses and opens NHS forum, London

DH: Lady Hooper visits the Princess Alice Hospice, Esher

FCO: Mr Waldegrave meets West German Deputy Foreign Trade Minister,

MAFF: Mr Curry addresses 24th anniversary conference of the Agricultural Club, Reading University

MINISTERS (OVERSEAS VISITS)

WO: Mr Walker visits Saudi Arabia on a trade mission (to 8 February)

DTI: Mr Hogg attends informal gathering of World economic leaders in Davos, Switzerland

FCO: Mrs Chalker visits Bangladesh and Thailand (to 13 February)

FCO: Mr Maude visits Brussels

TV AND RADIO

"World in Action" ITV (8.30pm) Looks at treatment of "major trauma" injuries in UK hospitals

"Panorama" BBCl (9.30pm) The Winter of Perestroika. As crises mount for President Gorbachev, programme looks at what life is like for the Russian people