PRIME MINISTER

MAIN EVENTS

US President Bush visits Colombia

Prince of Wales, on behalf of the Queen, holds an Investiture

Princess of Wales visits the Parkinson's Disease Society research project at King's College, Chelsea campus, London

STATISTICS

CSO: Capital expenditure by the manufacturing and service industries (4th

Qtr - prov)

CSO: Social trends (1990 edition)

Labour Market Statistics: Unemployment and vacancies (Jan-Prov); average earnings indices (Dec prov); employment, hours, productivity DEM:

and unit wage costs; industrial disputes

OPCS: Compiling the Electoral Register

OPCS: Survey methodology bulletin

PUBLICATIONS

PCA report on policing of Wapping

HO: Probation Services: Green Paper

NAO/DTI: Sale of government shareholding in British Steel plc

PARLIAMENT

Commons

Ouestions: Treasury; Prime Minister

Education (Student Loans) Bill: Remaining Stages **Business:**

Provision of a new Acute Hospital for Adjournment Debates:

Ballymoney, Moyle, Coleraine area (Rev Ian Paisley)

COMMITTEES ON PRIVATE BILLS Select Committees:

Cardiff Bay Barrage Bill [Lords]

King's Cross Railways Bill

Starred Ouestions Lords:

Criminal Justice (International Co-operation) Bill (HL): Third Reading

Contracts (Applicable Law) Bill (HL): Committee

Pensions (Miscellaneous Provisions) Bill: Second Reading

Gaming (Amendment) Bill (HL): Second Reading

UQ to ask HMG what steps they propose to take to resolve the current dispute in the Ambulance Service

Main News

Labour leads 15% according to <u>Guardian</u> ICM poll 51/36/SLD 5/Green 3/SDP 3.

For a change a domestic issue dominates the front pages - the increase of mortgage rates by Abbey National by nearly 1% to record 15.4%.

Other societies and banks expected to follow.

Some of the headlines: Star: Home loans misery. Sun: Help home buyers or lose election, say Tories: they want mortgage tax relief ceiling raised. Mail: Through the roof. Today: St Valentine's Day Mortgage Massacre - poll-axed Maggie is facing eviction. Independent: Whitehall sources raise prospect of less restrictive Budget saying Treasury will take account of latest squeeze on the economy. It adds that your supporters fear electorate will take revenge as Abbey National announcement adds to underlying disquiet within Tory ranks, prompting reconsideration of your position as leader.

Estate agents forecast a new slow down in housing market just as it was picking up.

Guardian finds the Abbey National move a reason to enter once and for all the ERM.

Mandela and German unification go down page.

Mandela shocks South African Govt by saying Govt installations are legitimate targets for ANC.

Mandela says ANC willing to make "honourable compromises" and hints these could extend to ANC commitment to one-person one-vote. He hopes settlement can be reached by 1994 (Independent).

South African Govt says ANC nationalisation plan a recipe for disaster (Independent).

Claims that you and Foreign Secy are at odds over scrapping of sanctions because Foreign Secy says we shall consult EC partners.

Conor Cruise O'Brien in the <u>Times</u> says you may have been unparliamentary when you accused Labour of taking instructions from the ANC, but you were right. Messrs Kinnock and Kaufman had no reasoned answer to the well-reasoned case presented by William Waldegrave other than "The ANC says so, so it must be done".

Tory MPs call on Kinnock to sack Kaufman for his jail remark.

Kaufman accuses you of being the world's best friend of apartheid in a bitter speech in the Commons when he tried to exploit tensions between the FCO and No 10 (Times).

Gorbachev suffers serious political defeat over creating an executive presidency (times).

Eight shot dead as Gorbachev sends troops into Tadjikistan. Death toll now 45.

<u>Express</u> says you have set your price for a united Germany: a peace treaty which fixes German borders once and for all.

Russia helps German unification forward by accepting NATO and Warsaw pact roles in new single country.

Polish Prime Minister says Poland wants a place at talks on German unification, but Bonn says it would not be meaningful for them to join 4 + 2 talks (Independent).

US plays down its triumph at Ottawa meeting, where Soviet Union accepted unequal conventional troop numbers, but outcome seen as triumph for President Bush (Independent).

Romania faces crisis as army officers demand purge of Ceausescu loyalists (Independent).

<u>Independent</u> editorial looks at German unification concluding that, given the right guarantees, Eastern Europe will agree to a reunified Germany belonging to NATO. It goes on to criticise your attitude saying once again your version of nationalism is proving an unhappy substitute for far-sighted and constructive diplomacy.

<u>Independent</u> editorial looks at the new Soviet charter saying it is a symbolic document, its purpose not to establish a new regime but to state an aspiration. As such, Gorbachev has held up a banner to which good men, Communists or not, may repair.

Modrow flies home with his dispirited team of 17 ministers after two days of futile efforts to gain some say in the reunification of the two Germanies (Times).

Telegraph leader on German unity, says non-Germans must avoid giving the impression of being reluctant guests at the unification feast, not least because this encourages a mood of German reassertiveness. Equally Germans must recognise fellow Europeans cannot be expected to discard overnight memories 75 years of German nationalism. A united Germany within the stablising structure of NATO and EC is a prize worth paying for.

Arens brief visit to West Germany signals significant softening of Israeli concerns about German unification (FT).

Stocks of Perrier in Britain withdrawn because of traces of benzene.

Britain in Hong Kong 'surrender' to China as UK accepts Chinese dictated limits on pace of democratic reform, effectively torpedoing hopes of rapid political change before 1997, according to Chinese sources (Independent).

Half of all income going to top 25% of taxpayers as inequality grows (Guardian).

Anger over MMC report on petrol retailing which clears oil companies of price fixing.

<u>Times</u> says Nicholas Ridley is unlikely to be moved. He is that unusual thing, a Minister who feels absolutely no need to earn Brownie points. "If it isn't broken, don't mend it" remains a sound political maxim, and Mr Ridley remains the Govt's most consistent exponent of it.

FT leader on petrol prices - say MMC have done a good job in presenting the evidence and putting earlier fears to rest. Perhaps enquiry will encourage petrol companies to be more open about their marketing activities. Lesson for the seven (now 6) sisters is that innocence should be unveiled.

After rejecting a 2-year deal, ambulance unions vote to take over service from managers - refusing to take instructions from officers.

NUPE accuses Govt of orchestrating dirty tricks to discredit strikers.

Union leaders predict Merseyside ambulancemen will vote for indefinite strike (Independent).

Engineering union leaders announce more selective strikes in their campaign for a shorter working week (Independent).

B/Rail planning to ban smoking on London commuter trains.

Row over its plans to cut out off peak trains to save money.

B/Rail gets go-ahead to borrow extra £220 million for the Tunnel link (Times).

Banks have frozen all payments to the Channel Tunnell project until a further row between Eurotunnel and Contractors is agreed. The row is threatening a temporary financing arrangement agreed only last month (FT).

<u>Mail</u> feature on craftsmen's strikes at Ford says the company could be forced to pull out of Britain because of this outdated class war on the shop floor.

Westland have signed a provisional agreement with a rival Franco-German venture as doubts grow about the Govt's commitment to a 4-nation anti-tank helicopter project (FT).

Scotch whisky makers call on Chancellor to cut duty in Budget as sales slip by 5% (<u>Times</u>).

Eric Forth tells Commons talks on private mail service broke down over problem of single nationwide postage rate (Independent).

NFU votes to demand legislation to make manufacturers list animal feed ingredients (Independent).

High Court test case ruling blocks parents from taking action against ILEA over failure to provide schooling in Tower Hamlets (Independent).

Norway, Sweden, Denmark, The Netherlands, and Germany formally protest against Britain's continued dumping of industrial wastes in the North Sea (<u>Times</u>).

Draft guidance on archaeology and development planning which David Trippier is expected to announce within next two weeks has been condemned as "woolly and ambiguous", by Rescue, the British Archaeological Trust (Times).

<u>Times</u> devotes a whole page to Social Trends with David Walker reporting on an era of social change where life expectancy is continuing to rise, and marriage and divorce are becoming more popular.

A £1million aid package to help replace trees lost in recent storms, announced by David Trippier (FT).

Guinness fraud trial has to be restarted after 3 days because juror got migraine.

<u>Today</u> wants specialist jurors for difficult fraud cases. <u>Express</u> wants a judge and two assessors.

Renewed demands for Rottweiler ban after 3 dogs attack five schoolboys in school playground. <u>Express</u> wants ownership to be registered.

Two black leaders of "steamer" gangs jailed for total of 10 years.

NACRO calls for minor criminal offenders to be cautioned rather than prosecuted (Independent).

Home Secy wants a British FBI to tackle mobile armed gangs, drug trafficking and fraud.

Govt planning to announce privatised scheme of informer rewards, businessmen will provide about fimillion a year to pay people who supply police with information on drugs.

Paul Foot, in <u>Mirror</u>, claims No 10 has lost a file about the Wallace affair sent to you in 1984 by Fred Holroyd.

Pressure on Select Cttee for Wallace to testify continues from Labour members (<u>Independent</u>).

Police in Gloucestershire have been instructed to use unleaded petrol in bombs thrown in riot training (FT).

<u>Today</u> says John Browne MP is facing suspension from Commons for failing to disclose all his commercial interests.

ITN seeking replacements for Alastair Burnet and Sandy Gall because research shows viewers prefer younger news readers.

Norman Parkinson, photographer, dies, 76.

Socialists expect big gains in Japanese election.

Britain and Spain work together to contest legal action by Gibraltar against EC legislation which prevents it from expanding air links with the rest of Europe (Times).

UK and Argentina expected to resume ties (Independent).

Israel and Syria have held talks with a view t starting a bilateral peace process (Independent).

Bush in Cartangena, Colombia, to cement alliance with Bolivia, Columbia and Peru (\underline{FT}) .

Afghan peace plan proposed by Sheverdnadze includes demilitarisation of Afghanistan and a 4-power peace conference (FT).

MORTGAGES

<u>Star</u> urges Govt to find a way of divorcing mortgages from general interest rates or to provide some protection for the homeowner. It will pay a terrible price at the next election.

<u>Mirror</u> - The dream of a property owning democracy has become a nightmare.

Express says the same: high interest rates are in danger of turning your dream of a property owning democracy into a nightmare. Many who become home buyers because of the Govt will feel betrayed. By allowing inflation to take off the Govt must take much of the responsibility for the resulting financial hardship.

<u>Today</u> - This will be the final straw that robs some families of their summer holiday and even their homes. It demonstrates that loyalty of organisations that began as friendly societies does not lie with their established customers. They want to compete with banks. Govt must bring down base rate.

<u>Mail</u> - Who is to blame? Not the societies. The Govt cannot escape some responsibility. But its cure will work. And if it is scant consolation at the moment, mortgage payers may reflect that if it is bad under the Tories it could get much worse under Labour.

Andrew Alexander, in <u>Mail</u>: Lawson's legacy haunts the Abbey. Homebuyers may care to reflect that their problems arise basically from the fact that the last Chancellor got obsessed with linking the pound and the mark at a particular level.

Times leader says news of the increase in mortgage rates will be a somewhat acid Valentine's Day message for Britain's homeowners. But although another rise in rates is scarcely needed in the housing market, it does not look entirely out of place in the present economic situation taken as a whole. It concludes that Ministers best electoral hopes are to make sure that by late next year the inflation dragon is slain and the economy is moving forward again. In that context yesterday's move will help rather than hinder.

MINISTERS (UK VISITS, SPEECHES ETC)

DEN: Mr Wakeham addresses Association of Consulting Engineers annual

dinner, Hilton Hotel, London

FCO: Mr Hurd meets M Dumas, French Foreign Minister, London

DEM: Mr Eggar attends dinner with M Laignel, French Training Minister,

London

DES: Mr Howarth visits Lancashire Local Education Authority

DH: Mrs Bottomley meets Catherine Burns and Rosalind Burns of HVA,

London

DH: Mr Freeman meets Jack Ashley MP and delegation on Vaccine

Damaged Children

DTI: Mr Hogg visits National Engineering Laboratory, East Kilbride

DTp: Mr Atkins visits BBC Travel News

ODA: Mrs Chalker addresses the Anglo-Japanese Institute, London

SO: Lord Sanderson inspects flood damage at Spey Valley

MINISTERS (OVERSEAS VISITS)

DEM: Mr Howard visits Germany

DEM: Lord Strathclyde visits BTA offices in Amsterdam

MINISTERS (PRESS INTERVIEWS)

DOE: Mr Patten interviewed by the Estates Gazette; and Charles Clover of the Daily Telegraph

TV AND RADIO

"This Week" ITV (8.30pm)

"Question Time" BBCl (10.45pm) With Margaret Beckett MP (Shadow Chief Secretary to the Treasury), Kenneth Clarke MP (Health Secretary), Dr Madsen Pirie (President of the Adam Smith Institute) and Nina Temple (Secretary of the Communist Party of Great Britain)