

March 5, 1990

PRIME MINISTER

MAIN EVENTS

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

EC: Agriculture Council, Brussels (to 6 March)

Turkish Defence Minister visits United Kingdom

TUC: Membership drive, Manchester (to 25 March)

DEM/HSE informal press briefing about reorganisation of HSE Field Force,  
HSE: London

HSE: National Labour Market Information conference, Blackpool (to 6 March)

STATISTICS

CSO: Retail sales (Jan final)

CSO: Credit business (Jan)

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PUBLICATIONS

OAL: Report by Minister for the Arts on Library and Information Matters 1989

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PARLIAMENT

Commons

Questions: Social Security; Arts; Civil Service

Business: Aviation and Maritime Security Bill: Remaining Stages  
OPPOSED PRIVATE BUSINESS  
Midland Metro Bill  
Motion on the Pneumoconiosis etc (Workers' Compensation)  
(Payment of Claims) (Amendment) Regulations

Adjournment Debates: Frequencies allocated to the BBC (Mr J Wiggin)

Select Committees: PUBLIC ACCOUNTS  
Subject: Gibraltar Pensions  
Witnesses: Sir P Wright, Foreign Office and  
Mr T P Lankester, Overseas Development Administration

**PARLIAMENT** (Continued)

**Lords:** Starred Questions  
Coal Industry Bill: Report  
Property Services Agency and Crown Suppliers Bill: Second Reading  
Town and Country Planning (Fees for Applications and Deemed Applications) (Scotland) Regulations 1990: Motion for Approval  
Industrial Training Levy (Construction Board) Order 1990: Motion for Approval  
Industrial Training Levy (Engineering Board) Order 1990: Motion for Approval  
UQ to ask HMG whether they will make a further statement on the reasons for the decision of the Director of Public Prosecutions not to prosecute those who have threatened the life of Mr Salman Rushdie

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PRESS DIGESTMain News

Where did £1million from Russia and £160,000 from Libya, allegedly contributed to the NUM's coal strike fund, go to - that is the question today.

Mirror claims the money was used to pay off debts owed by Scargill, Heathfield and Windsor.

Scargill in for a week of investigation and speculation.

NUM executive demand meeting to trace money.

Scargill says he knows of no funds sent from Libya or Russia and allegations untrue. Moderate member of the executive, Roy Ottey, says Scargill should resign. Star says there is something rotten in the State of Scargill.

Guardian claims supporter of Heseltine leaked Peter Walker's departure.

Peter Walker's decision to resign brings speculation of a new challenge to your leadership in the autumn - Heseltine most prominent of candidates canvassed. Express says a challenge would defy all logic.

Rhodes Boyson, according to Mirror, warns you your post is leasehold not freehold.

Sun launches blistering attack on Walker timing. So does Today. Mail pl lead "What a time to bow out".

Speculation at who will take over from Peter Walker - Michael Howard, David Hunt, Tristan Garel-Jones, John Patten, Peter Lilley and William Waldegrave - as well as Heseltine - all mentioned.

Kenneth Baker will today try to revive battered Conservative morale as he launches his party's campaign in Mid-Staffs by-election (Times).

Times leader says evidence of the transformation of the inner cities is increasingly visible but it criticises the Govt for not letting local authorities figure more in Whitehall's mind as co-ordinating bodies.

Reports that Speaker threatened to resign last week after MP tabled a motion of no confidence and then withdrew.



PRESS DIGEST

On the community charge:

Qualities say local govt conference failed to allay growing doubts.

Today says there is no going back, the priority now is to refine it until it is fair and efficient.

Chairman of Association of County Councils' finance committee warns Ministers against capping poll tax (Independent).

Times says Left and Right of the Tory party combine to demand a fundamental rethink of the structure and financing of local govt in the wake of the public outcry over community charge levels (Times).

In a series of stories in the Times about the community charge a ruthless watch on spending pays off for the people of Grampian. An all party deputation from Bury will tell David Hunt that Govt underestimates of spending needs will add more than £100 a head to the charge; and that the Govt will be faced with capping local authorities with low levies.

Chris Patten will press for extra £3billion next year to ease community charge burden on local authorities (FT).

Norman Tebbit says he does not give a damn if his Hong Kong rebellion dashes his political career.

Sheffield Council to renovate a derelict tower block for £1.7million for World Student Games and then blow up. Irvine Patnick MP says it is "bizarre".

Reformists seem to be doing well in Soviet polls.

Thousands of Mongolian protestors march on parliament in Ulan Bator, clamouring for sweeping resignations in the Communist Party (Independent).

German coalition falling out over Kohl's linking of a guarantee of Polish border with Polish abandoning demand for reparations.

East Germany's rush to embrace West German Deutschmark has sent value of its own currency soaring, as East Germans catch speculation fever (Independent).



PRESS DIGEST

Mr Hurd warns unification will strain EC across a whole range of areas, including budget arrangements.

Britain to take the lead in providing, through the Know-How Fund, many of the 30,000 English language teachers needed by Poland to help it open up to the West (Independent).

Britain to announce ban on dumping waste in North Sea.

Mail congratulates Chris Patten and says this week he should voice his criticisms of our neighbours to ram home the collective responsibility for the North Sea.

Bryan Gould in the Times sets out Labour's programme for improving the environment under the heading "Greening the people's flag."

Express says Britain leads the way in Europe's offshore clean up.

Mail says water bills could rise sharply under North Sea clean up plan which will cost £7billion.

Cowboy builders ripping off homeowners, according to Today which has found them charging up to six times on fair price for storm repairs.

Sir Leon Brittan expected to demand BAe repays the £33million "sweetener" to the Govt over Rover deal, in light of a damning report on the issue, with EC ruling expected by the end of this month (Independent).

Fayeds to press for judicial review of the Govt's decision to publish the DTI report on their takeover of the House of Fraser (Times).

EC opts for all-or-nothing food labelling (FT).

Top management of 250 companies raised their salaries by more than a quarter last year in contrast, Today notes, to CBI's call for low wage rises to fight inflation.

But John Gunn, of British & Commonwealth, to take a £1,075 a day pay cut to help company through difficult time.

Michael Meacher alleges a £250 million national insurance fiddle by self-employed - DSS cuts lead to no effort to collect NI contributions.



PRESS DIGEST

Kenneth Baker calls on Kinnock to come clean on his tax plans - concealing some very nasty economic policies.

Women trade union leaders to lobby Commons today for end to tax on workplace nurseries.

Today calls for an increase to mortgage tax relief.

Mail says Chancellor may not raise personal allowances.

Independent says Chancellor preparing broadly neutral Budget, despite growing pressure from the City for a tougher stance to ensure expected rise in inflation to 9% this spring is quickly reversed, and deepening concern sterling could come under attack.

UK motor industry trade deficit at record levels (£6.55billion) last year despite record sales of new cars in UK for the 5th successive year (FT).

Sun, commenting on Oxford's education standards, says it has been found two-thirds of students don't know John Major is Chancellor, one-third couldn't name Home Secy and 30% didn't know capital of Romania. It bets you'd find more general knowledge in the local boozier.

Ivor Stanbrook MP says Church of England should stop running church schools after the breakdown of standards at Hackney comprehensive school (Times).

4 out of 5 family doctors would lie to a dying patient, survey in "New You" magazine concludes (Independent).

NHS managers say ward closures and job losses are imminent as they try to balance their books before the internal market comes into force in April 1991 (Times).

Home Office White Paper indicates Ministers considering shake up of the police, focussing on spending and demands for change - crime clear-up rates, corruption allegations and breakdown of the complaints system (Independent).

Met Commissioner to say on "Panorama" that police disciplinary code should be re-examined if it allows officers to escape punishment (Independent).



PRESS DIGEST

Prison population has fallen by 2,400 in last year. Third year running numbers have fallen, producing acknowledgement by penal reformers that there has been a shift in attitudes to custody (Independent).

Survey of Hansard shows 19 MPs literally speechless in Chamber during Parliamentary year (Independent).

Saudi sheik said to be about to take over Sheffield United soccer club.

Forth Bridge closed to allow people to celebrate its centenary.

UK to help political parties organise in South Africa.

Bloodless coup in Ciskei (FT).

Leading South African businessmen and ANC officials have agreed on an "urgent need to address economic inequality and poverty" accompanied by a "speedy process of dismantling apartheid" (FT).

Mandela's first wife emerges to say he destroyed her life.

Swiss people rioted in Berne over police keeping secret files on thousands of citizens (FT).

Bucharest to sell its Lenin statue - if only it can remove it.

30 demonstrators die in clashes in Uzbekistan.

Times leader says East-West glasnost took a dive, if only temporarily, last week when the "Open Skies" conference ended without a treaty being agreed. But success will require a shift in Soviet thinking - a state of affairs which was once again all too familiar.

Times says you are to visit Hungary, Czechoslovakia and Switzerland in the early autumn but not Romania as it does not yet have a stable govt.

Anthony Daniels describes in the Times the growing Castro-induced hardship, with the Cubans still subject to rationing after 30 years with the economic situation worsening.

14 killed when troupes of rebels clash in Phillipines.

Shamir said to be on verge of accepting US formula for talks with Palestinians.



PRESS DIGEST

American business commentators react sceptically to Bush administration claims that talks with Japanese PM have elicited clear acceptance by Japan of its need to effect structural economic reform (Independent).

Independent reviews current US/Japan talks on trade and concludes structural changes are needed - more urgently in Japan than in the US. While the lesson of communism's collapse is that change must come from internal pressure, external hostility has a crucial role. A tougher approach, from both the US and the EC, is essential.

Iranian political source says Iran and US have completed round of "hopeful" talks on Western hostages in Beirut (Independent).

Crew of HMS Endurance has for several years maintained discreet contacts with Argentine military personnel using bases in Antarctica despite diplomatic relations having been broken off in 1982 (Times).

PETER WALKER

Star p2 - New leader fever as last Tory West quits. Heseltine favoured to lead assault.

Sun p4 - You rat! Tory rage at quitter Walker. Tim Janman says it will give Labour the chance to claim that rats are leaving the sinking ship. Leader headed "Last act of treachery by Walker" says seldom has there been such an act. At every step of the last 10 years he has been obstructive and negative and has quietly plotted to cause you maximum damage at the most difficult time.

Mirror p2 - "I quit" Walker shock. Rocks crisis-ridden Govt.

Today p1 report says he is leaving to collect a salary of up to £1million. Leader says nothing more disfigures Peter Walker's political life than the timing of his exit from it. Ignore his smooth words. The brutal fact is that he is jumping the Govt ship when it is lowest as the water.

Express - Walker's walk out hits Mrs T. New leadership challenge feared. Feature - Exit stage left for the last of the full blown wets. Leader - verily the Govt's cup of woe runneth over. But a challenge to you in the autumn would defy all sense of logic. It urges Govt to go on the attack.



PRESS DIGEST

Mail p1 lead - What a time to bow out. Inside: Paul Johnson says "The damp exit that spells bad luck for Mrs Thatcher".

Independent p1 lead - Walker adds to Thatcher woes, with his departure aggravating your acute political difficulties and fuelling speculation on your future. Sir Geoffrey Howe on BBC's "On the Record" does not attempt to deny Govt's current disarray and your speech on Saturday received with noted coolness.

Independent editorial says the timing of Mr Walker's departure is unfortunate for you, coming on top of the Govt's anxieties over interest rates, hostility to the community charge, poor opinion poll results and criticism of your handling of foreign policy. Walker would make valuable ally for his old friend, Heseltine; in any case there is little danger of the next Conservative leader being in your ideological mould. The next leader must be equipped to usher in a period of consolidation, but not bring back the nanny State.

William Rees-Mogg, in the Independent, looks at the current mid-term crisis, saying he can remember 10 such crises, but that there has been one in every full Parliament this century (save the Liberal govt of 1906). Saying there is a slightly less than even chance that any Govt can recover (four of the 10 he can remember have done so), the decisive factor for this Govt will be the economy.

Peter Jenkins, writing in the Independent, says had things been going less disastrously for the Govt, Mr Walker's departure would have caused no more than a ripple. Going on to look at the Govt's prospects, Mr Jenkins says the poll tax will not lose the Govt the election. But it has produced a do-or-die view among some Ministers that it now makes little difference if Chancellor inflicts further economic pain in his Budget. This makes at least political sense, as there is still time for things to get worse before getting better, and also ample time if need be to install and play in a new leader.

FT - Peter Walker's decision to leave Govt adds to your difficulties - coupled with polls and predicted outcome of mid-Staffs by-election. Speculation that he will become focus of backbench discontent (FT).



PRESS DIGEST

Times "New blow for Thatcher as Walker quits. Three Cabinet resignations in less than six months. The announcement stuns Ministerial colleagues and Tory MPs, already bruised from the fearful battering they are taking over community charge levels and an inflation rate heading for 9% next month. Leader says the imminent departure is unfortunate and not an experience which you can relish. But there is no obvious sign of acrimony or anything untoward. It concludes that misfortune may be in the eye of the beholder. In this case the damage to the Govt should be seen less in terms of political embarrassment than in the loss of an able senior minister who will not all that easily be replaced.

Telegraph pl lead - Tory problems grow as Walker decides to quit. Inside: The Englishman who revived pride in Wales. Leader on "Accident of Timing" says the wretched timing was attributable to an accident rather than malice.

Guardian pl lead - "Walker heightens Tory agony. PM fails to carry rank and file on poll tax". Leader does not believe the leak was accidental. His departure is an extremely disruptive event. Signalling to Conservative dissidents that an era may be nearing its close.

Ian Aitken epitaph in the Guardian: Here lies the man who abolished Rutland.

FT leader on Peter Walker's departure says it will deprive Cabinet of a powerfully experienced voice at a time when it is most needed. Present trough may prove intractable - one you are confronted by a united Labour Party whose policies are directed to the centre ground and the Govt's refusal to admit mistakes. What is needed now is a ground-up review of local govt conducted in public and open to the input of a wide variety of opinion so that a durable efficient and fair system of local accountability can be put in place.

Guardian speculates about new pressure in sterling as a result of growing perception in financial markets you are politically wounded.

NUM

Star pl lead - Lost red cash. Where did it go to Scargill?

Sun pl lead - I never paid home loan with Libyan cash - Scargill hits out at strike funds claim.



PRESS DIGEST

Mirror p1 lead - Scargill and the Libyan money. The facts. It claims he used a large chunk of £163,000 from Libya to pay personal debts. £17,000 used to repay Heathfield's home improvements and £29,500 to repay bridging loan of official now living in France. Leader says the hypocrisy of the NUM's disastrous strike leadership is now revealed.

Today - p2 - Scargill fighting for job in TV cash probe.

Express p1 - Scargill - My Gorbachev mole. He says your "secret row" with Gorbachev over strike money to NUM was leaked to him.

Mail p1 - Scargill in row over strike funds.

Independent - Scargill denies Moscow and Libya sent NUM money.



MINISTERS (UK VISITS, SPEECHES ETC)

- DES: Mr MacGregor visits Aston University, Birmingham
- DH: Mr Clarke presents the British Telecom Awards for Hospital Broadcasting, London
- MOD: Mr King meets Turkish Defence Minister, London
- WO: Mr Walker tours South Wales with Guinness Mahon plc
- DEM: Lord Strathclyde opens a Tourist Information Centre, Bournemouth
- DES: Mrs Rumbold visits Hackney Inner London Education Authority
- DH: Mr Freeman visits Canterbury
- DOE: Mr Hunt addresses AMA Inner Area Programmes
- DOE: Mr Trippier addresses British Waste Paper Association, Hilton Hotel, London
- DOE: Mr Chope visits British Gypsum; Trent Concrete and housing in Nottingham
- DTI: Lord Trefgarne meets visiting American ministers, London
- DTI: Mr Hogg visits DTI South West
- DTI: Mr Redwood meets Sir Basil Feldman, Chairman of "Better Made in Britain", London
- DTI: Lord Trefgarne meets visiting Armenian Ministers
- DTp: Mr Portillo visits Reliant Metrocab, Staffordshire
- FCO: Lord Brabazon attends Moroccan Ambassador's reception in honour of the 29th Anniversary of the accession to the throne by King Hassan II
- FCO: Mr Waldegrave meets Senor Raphael Vera, Secretary of State of Spain; later attends a farewell lunch for the Bahraini Ambassador and afterwards meets Herr Danizunger, Director General of Austrian Public Security, London
- HO: Mr Lloyd visits Immigration Detainees' Centre, HM Prison Haslar
- MAFF: Mr Maclean addresses Food and Drinks Federation, London
- SO: Lord James Douglas-Hamilton receives two drug sniffer dogs for prisons use from the Provost Marshall RAF Support Command; later visits children's creche at Glasgow Sheriff Court
- WO: Mr Roberts attends British Office Systems and Stationary Federation reception, House of Commons
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MINISTERS (OVERSEAS VISITS)

- DTI: Mr Ridley attends Foreign Affairs Council, Brussels
- MAFF: Mr Gummer and Mr Curry attend Agricultural Council, Brussels  
(to 6 March)
- DTI: Mr Forth visits Australia (to 13 March)
- MOD: Mr Clark visits Abu Dhabi, Saudi Arabia
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TV AND RADIO

- "Panorama" BBC 1 (9.30pm) Report on the police
- "World in Action" ITV (8.30pm)
- "The Cook Report" ITV (7.00pm) examines allegations about funds  
received during the miners' strike
-