

March 21, 1990

PRIME MINISTER

MAIN EVENTS

Prime Minister speaks at Association of Combined Youth Clubs lunch; later meets Czechoslovak President, Mr Havel

Douglas Hurd attends Namibian independence celebrations

The Queen and Duke of Edinburgh give a reception for the winners of the Queen's Awards for Export and Technology; Mr Ridley (DTI) appears

DTI: Launch of Insolvency Service as new style agency

DEM: Mr Howard announces issue of Code of Practice on Trade Union Ballots on Industrial Action Order 1990

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STATISTICS

DOE: Construction - new orders (Jan-prov)

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PARLIAMENT

Commons

Questions: Environment

Business: 10 Minute Rule Bill: National Health Service Hospitals (Opting Out)  
Budget Debate

Adjournment Debates: Britain's Coastal Defences (Mr J Sayeed)

Select Committees:

ENVIRONMENT

Subject: Pollution of Beaches

Witnesses: Department of the Environment and Ministry of Agriculture, Fisheries and Food officials

AGRICULTURE

Subject: Fish farming in the UK

Witnesses: Lord Sanderson of Bowden, Minister of State, Scottish Office; Lord James Douglas-Hamilton, MP, Parliamentary Under-Secretary of State, Scottish Office; Mr David Heathcoat-Amory, MP, Parliamentary Under-Secretary of State, Ministry of Agriculture, Fisheries and Food

Select Committees (cont'd)

## DEFENCE

Subject: The Trident Programme  
Witness: Ministry of Defence

## ENERGY

Subject: The Cost of Nuclear Power  
Witnesses: UBS Phillips and Drew (at 11 am);  
Mr Gordon MacKerron, Science Policy Research Unit (at 12 noon)

## EMPLOYMENT

Subject: Tourism  
Witness: British Hotels, Restaurants and Caterers' Association

## HOME AFFAIRS

Subject: Crown Prosecution Service  
Witness: Sir Patrick Mayhew, QC, MP, Attorney General

## SOCIAL SERVICES

Subject: Abortion Act 1967 "Conscience Clause"  
Witnesses: Mr John McGarry, Mr David Paintin and  
Mrs Wendy Savage; Dr Naomi Bankole, Mr Jonathan Brooks,  
Mr John Kelly and Dr Adrian Rogers

## COMMITTEE ON A PRIVATE BILL

King's Cross Railways Bill

Lords:

Starred Questions  
Debate to call attention to the political and economic developments  
in Eastern Europe and the Soviet Union  
Heathrow Express Railway Bill (HL): Third Reading

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PRESS DIGESTMain News

Chancellor on the whole pleases the battered Conservative Party and restores some morale. Delights them with his incentives and steadies nerves. Tells them "If we don't lose our heads we won't lose our majority".

A variety of front page treatments by newspapers ranging in pops from creches to "save it and see". Qualities concentrate on saving aspect.

City and businesses less than euphoric and wonder whether the Chancellor has done enough. CBI cautious.

Sterling immediately fell against D/Mark. Keenest disappointment according to FT over lack of explicit commitment to joining ERM. But shares rose.

Kinnock describes it as a "stop gap ... bits and pieces Budget".

But the Chancellor gets pretty good reviews in Star, Sun, Today, Express, Mail, Telegraph, Guardian. Times rather reserved.

Independent sour and Mirror just plain frustrated with a "brazen Budget". FT lukewarm to cool.

Row looming over retrospective help for Scottish elderly community charge payers.

Times says Labour MPs will push next week for relief to be backdated for those in Scotland.

NALGO threatens industrial action unless security is stepped up for community charge collectors (Independent).

Times says Gosport council is to challenge the legality of its £1.4million contribution to the community charge safety net. DTI get High Court injunction to stop three men behind Council's tin mine scheme to avoid community charge.

Some unlikely looking "over-spenders" including Milton Keynes and Kensington and Chelsea appear among the top 10 councils on the four different lists of councils expenditure being studied as the DOE decides which local authorities to cap (Times).

The real star of the Budget is many TV critics' eyes was Harold Walker, Deputy Speaker.

PRESS DIGEST

Tokyo's interest rate rise dismissed as too little, too late (FT).

Marks & Spencer give shop staff £30 pay rise to last for over 3 years; warehousemen get £500 for same period.

Sun says hundreds of Islington people rang its offices yesterday after it had disclosed the Council's big contributions to "daft and dotty causes".

Nine Tory councillors in Beverley resign in protest against community charge. You brush it aside in Commons. Independent says you looked flustered by Kinnock's attack.

Mail says NATO leaders were warned yesterday that Soviet Union is in danger of descending into a huge civil war. Overall impression of Gorbachev's prospects "pretty pessimistic". Perestroika has failed.

Kremlin step up security at nuclear power station and other key points in the breakaway republic of Lithuania, prompting the White House to express heightened concern as Moscow makes it clear that secession is unacceptable (Times).

Times leader on Lithuania says that your robust words in the Commons yesterday should now be echoed by other Western voices.

Estonia Communists set to break with Moscow party and begin talks about independence (Independent).

Gorbachev is proposing a new Union Treaty under which each republic would have the right to declare special rule in its territory, in a move to avert further demands for independence (FT).

Ethnic unrest in Transylvania between Romanians and ethnic Hungarians. Romanians send in tanks to keep them apart.

Soviet Union is demanding sharp cuts in its trade with Hungary which threaten Hungary's energy supplies and the loss of 200,000 jobs (FT).

Solidarity wilts in the Polish countryside as rural economy is hit hard by sharp rises in the cost of credit and agricultural equipment (FT).

Haggling over formation of East German govt continues, with pratagonists giving no ground (Independent).

PRESS DIGEST

Kohl to send one of his country's more colourful and successful businessmen-turned-politician, Herr Elmar Pieroth, to become Economics Minister in the new East German Govt and create a free market economy (Times).

West German Govt acts to stem the exodus from East Germany by deciding to close reception camps and end cash handouts on July 1 (Times).

CFE deadlock over aircraft could threaten plans for 35 nation CSCE summit on Germany (Independent).

EC Commission suggests that single Community currency could start within 6 years (Independent).

A single European currency would bring savings of £15billion a year it is claimed (FT).

Malta wants to join EC.

Chinese Premier vows eternal vigilance against forces of change sweeping rest of socialist world. No sign of softening since Tiananmen Square (Independent).

Kenneth Clarke hits back at Harriet Harman's criticisms of NHS reforms accusing her of making misleading and mischievous statements (Independent).

Guys to raise £1million a year for NHS patients by going into partnership with a private health care group.

Head of WHO's global programme on AIDS strongly criticises the attitude of his director general to key initiatives in the fight against the disease (Times).

Chairman of Head Masters' conference accuses public school heads of inflating school fees by up to 20% by charging parents extra for pens, pencils and textbooks (Times).

Govt attacked for failing to protect New Forest by giving it "National Park" status (Independent).

Staff at Govt's National Engineering Laboratory warn that environmental research is threatened by staff cuts and low morale (Independent).

PRESS DIGEST

North Wales chief constable alleges that Attorney General's offices tried to discredit him by warning MPs of his "hatred" for the Crown Prosecution Service (Independent).

Magistrates tell Home Secy that as a result of his failure to guarantee a police presence in courts, they will hold the Home Office, the Treasury and police responsible for any injuries magistrates suffer when on duty (Times).

IBA issues a new guide to make TV sponsorship easier and more rewarding for businesses that want to fund programmes (Times).

Peregrine Worsthorne, in Telegraph, slightly changing his tune about the BBC Today programme, says Redhead, with absolute predictability, sees his duty as being to sympathise with sectional appeal rather than defend the common interest. Most of the media do it, too, and the worst of it is, they think they are on the side of progress.

Princess Anne thinks "Land of Hope and Glory" would be more inspiring than the National Anthem at great English sporting occasions.

Peres asked to form new Israeli Govt; he is pledged to hold peace talks with Palestinians.

British officials say that Mandela has requested a meeting in Windhoek with Douglas Hurd.

More Hong Kong boat people fly home voluntarily as signs emerge that fewer will arrive than last year (Independent).

Switzerland has legislated to make money laundering an offence (FT).

THE BUDGET - TREATMENT

Star pl lead - Save of the Century. Chancellor's banking on your cash. Britain's economic recovery now rests with a piggybank called Tessa. Even won grudging admiration from Kinnock. Inside 2 pages of "A major triumph" by "ice-cool Chancellor". Good times are coming as long as we can end the menace of inflation.

Sun leads with Civil List. "All alone Anne gets £14,000 pay rise". Inside - A gift for mother's pay - Major axes perks tax on workplace creches. Get rich with Tessa. Elsewhere its verdict on the "telly budget" is - "Major talent. Chancellor stars on the Commons stage".

PRESS DIGEST

Mirror p1 lead - Major's minor flying circus. Sets out to win back Tory voters deserting in droves. Inside: "Bribe for old folk in poll tax climb down".

Today p1 lead - Creche landing. Inflation-defying Budget act thrills savers and working mums but flops with drivers, drinkers, smokers and home owners. Inside - £120million sweetener for community charge rebels. And tax free nursery perks will make mothers' day. Next trick will be 5% inflation and seven Tory years".

Express p1 lead - Major super saver. New Chancellor puts the smile back on Tory faces. Inside - The Chancellor's poll tax sweetener". Inside - "Major way to save and prosper".

Mail p1 lead - Major's save it and see Budget. Sweeps away tag of unknown Chancellor with a formidable first Budget that put the nation on trust to save more rather than spend. Ingenious but an enormous gamble.

Andrew Alexander, in Mail, under heading "Skilful Major sends a message of hope" gives full hearted congratulations on three counts - a model of lucidity, made a little go a long way and disappointed all the small army of misguided economists, brokers, analysts and City page commentators who had been urging him to be tough.

Independent p1 lead - "Major Budget for savers rejects tough approach" above a spitting image picture of Chancellor and ex-Chancellor. Wins political cheers on both sides of the Commons - but there is danger of a no-confidence vote from the markets.

Times p1 lead - Tory smiles for Major's first Budget. Incentives for severe in culture of thrift". The Chancellor feels economic problems can be solved if the City believes the Govt can win the next election; and it is clear that the strategy agreed with you is based not on tax cuts but on putting money back into people's pockets by whittling down interest and mortgage rates next year. The paper goes on to devote eight pages to the Budget.

FT p1 lead - Budget for savers and givers which aims to curb inflation - received badly by the City but gained increasing support from the backbenchers. Will increase burden of taxation by £430million in 1990-91.

PRESS DIGEST

Telegraph p1 lead - Major tries to draw the sting from the poll tax and boost savings. Lifts gloom among Tory MPs with a skilfully packaged Budget. Those who think he has not done enough to reassure financial markets heavily outnumbered by Tory Backbenchers who felt the Chancellor had acted imaginatively. "We are back in business" said one Tory MP last night.

Guardian p1 lead - Major bets on savers' Budget - masses of detailed coverage inside.

THE BUDGET - COMMENT

Star under heading "Would you credit it!" says we all expected a cautious Budget but we didn't reckon on an imaginative Budget. Tax free savings scheme a master stroke.

Sun headed "John's box of tricks" says there was much to applaud on the Chancellor's Budget debut. "He gave a solid, quietly confident performance" it adds. "He made a good start. We like the guy's style. We liked some of his message. But he can do ever better".

Mirror describes it as "The Brazen Budget" - to stop the exodus from the Tory Party. But it helps those with money and does nothing - or worse - for those without it. A desperate gamble that won't work.

Today under heading "Next the revolution" says the Chancellor's first Budget was not the stuff of high drama and screaming excitement. But the more you examine the small print, the more good sense it seems to make. Wherever he had room to manoeuvre he moved in the right direction. A bold willingness to use the tax system for the right kind of creative, social purposes. His commanding presentation gives hope he will bring us on course for prosperity and growth. City page comment - "Not a trapeze artist's son for nothing".

Express under heading "Not bad at all, Chancellor" says in the circumstances Mr Major unveiled a better and more interesting package than many expected. He has performed creditably. Nothing in the Budget risks increasing inflationary pressures. A stop gap budget but it should lay the foundation for go ahead Budgets.



PRESS DIGEST

Mail leader under heading "Major's disarming show of strength" asks if the Budget is tough enough. It thinks so since it would not itself advocate a further twist of the tax screw. Even Kinnock, seeking to deliver a backhanded compliment, had to concede that here was a listening Chancellor. What Mr Major said yesterday and his manner of saying it had genuine cross party appeal. He came across as his own man.

Independent editorial says John Major has produced a politically rather timid Budget which, without good fortune, will do little to improve the Govt's chances of re-election. The risk is that the Budget will be inadequate to pave the way for a decline in interest rates and may even lead to pressure for a further rise. It does not inflict enough pain, and is a sad waste of opportunity.

Peter Jenkins, in Independent, says that the Budget is neutral to the point of being too drab. The Chancellor is going to need a lot of luck if the Govt is to be in an election-winning condition when the time comes.

Times leader below heading "Under a Tattered Flag" says as an economic manager Mr Major can be given a cheer but the true test of his sobriety will come precisely 12 months from now. His fiscal and monetary stance will then be facing even greater electoral turbulence than now. It concludes that the prospect facing the country over the coming year is to pay a further price for the incautious late-1980s, prior to another pre-election "go" in 1991. As an economist Mr Major has done the best of a most difficult job. But before the year is out, he may find politics a sterner test of will.

Tim Congdon, writing in the Times under the heading "Major's inflation fudge", says the sad message of the 1990 Budget is that the Thatcher Govt now has a Chancellor who does not understand what the monetary aspects of Thatcherism are all about.

Times - Business page says the "Savers" Budget fails to ease City worries about the Govt's economic policies and fails to quell anxieties about sterling. Leading business groups and companies disappointed that he has done nothing to encourage industry investment.

FT - Chancellor judged to have extracted maximum political capital from a particularly unpromising Budget. Won plaudits from Tories and grudging admiration for skilful presentation from political opponents. His performance seen as enhancing his chances of succeeding you.

PRESS DIGEST

FT leader says Chancellor set himself the target of doing little well. He has succeeded. Some imaginative touches but overall his small 'c' conservatism is likely to prove risky. He has left himself the Govt and the country exposed to the ill economic winds that are now blowing. One such wind, that from Tokyo, blew strongly only yesterday morning. Sam Brittan says it's not really a tough Budget at all.

Telegraph leader says Budget contrived to seem generous while raising taxation. It was presented with conviction and admiration. It is only just on the tough side of neutral. That is the right place for it to be provided you and Chancellor are prepared to operate a tough monetary policy. Time will tell whether Chancellor has judged the flavour right.

Televising of Budget established the Chancellor as a man sufficiently strong minded to resist the medium's wiles. The Commons offered some stout resistance to television tyranny. Sarah Hogg sees it as "taking an elegant gamble on a neutral Budget".

Guardian leaders say the Budget was a calculated balance between short term economic realities and long term political survival. Chancellor has erred on the mild side of City expectation. The end result is that the British economy is cast adrift more than ever on the unpredictable waves of international events. A second leader speaks of a composed and controlled Budget debut which enhanced the already prevalent sense on both sides of the Commons that here is a top class performer fit for the very top.

MINISTERS (UK VISITS, SPEECHES ETC)

- DES: Mr MacGregor addresses prize giving at Guildford College of Technology
- DSS: Mr Newton meet Pete Barclay of SSAC to discuss the withdrawal of benefit from students
- HO: Mr Waddington attends Association of Chief Officers of Probation conference, London
- LPC: Sir Geoffrey Howe lunches with Country Landowners Association, London
- SO: Mr Rifkind hosts Locate in Scotland lunch for business leaders, London
- WO: Mr Walker launches new Veritair fixed wing aircraft, Rhoose Airport, Cardiff; later visits Wimpey Construction, St Mellons, Cardiff
- CO: Mr Luce addresses Overseas Womens Club, London
- DEM: Lord Strathclyde visits Sheffield; later attends Yorkshire and Humberside Tourist Board lunch; later meets Oliver Stirn, French Tourism Minister
- DES: Mr Jackson addresses dinner at St Andrews University; later gives Keynote address at Replan conference
- DH: Mrs Bottomley attends Surrey Mental Health conference, Guildford, Surrey
- DH: Mr Freeman visits Sutton and St Helier Hospitals, Surrey; later meets Hambros Bank
- DSS: Mrs Shephard visits the North Eastern Regional Office in Leeds and opens a new furniture factory for Wilkinsons
- DSS: Lord Henley visits Smethwick ILO, West Midlands
- DTI: Mr Forth addresses National Federation of Demolition Contractors on recycling
- DTI: Mr Hogg visits the North East
- DTI: Lord Trefgarne lunches with the East German Ambassador, London
- DTp: Mr Portillo visits British Rail Cambridge line
- FCO: Mr Sainsbury meets Mr Hanfield, Deputy Chief Minister, Turks and Caicos Islands, London
- FCO: Mr Waldegrave meets Brian Fall, Canadian High Commissioner, London
- HO: Lord Ferrers visits Cleveland Fire Service
- WO: Mr Roberts opens new offices for Alexander Gibb and Partners, Cardiff
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MINISTERS (OVERSEAS VISITS)

- FCO: Mr Hurd attends Namibian Independence day celebrations in Namibia  
FCO: Mr Maude visits the Hague

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MINISTERS (PRESS INTERVIEWS)

- DES: Mr MacGregor interviewed by BBC Radio 4's Woman's Hour  
HMT: Mr Major holds post Budget press conference for national press  
DES: Mrs Rumbold gives live interview on Radio 1's "Newsbeat" programme  
HMT: Mr Ryder briefs foreign journalists on The Budget

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TV AND RADIO

- "Westminister Live: The Budget Debate" BBC 2 (3.30pm)  
"Family Matters" BBC 1 (7.35pm) Looks at how pensioners are faring today  
"Timewatch" BBC 2 (8.00pm) Hungary: the End of Silence  
"Dispatches" Ch 4 (8.30pm) Legislation of drugs  
"Labour Budget Broadcast" BBC 1 (9.30pm); BBC 2 (10.25pm); BBC Radio 4 (10.35pm); ITV (10.35pm)
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