

10.3.82.



10 DOWNING STREET

PRIMA DIVISION

You might care to glance
at the Budget press
digest before Patrick
Sergeant comes in

J. H. M. 10/3

PRIME MINISTER

DIARY

Norwegian Prime Minister, Mr Willoch, visits UK.

Shadow Cabinet considers Reagan visit.

London Transport strike.

Gaddafi visits Austria (until 17 March).

Benefits uprating announcement.

Prince Edward's 18th birthday.

European Parliament, Strasbourg.

CAA cheap fares plan public hearing.

Labour Party political broadcast.

TUC Economic Committee.

OECD, Paris.

National Market Traders Exhibition, Birmingham.

Scottish Food Exhibition, Edunburgh.

Statistics:

UK balance of payments (4th qtr).

Metropolitan Police: Crime Figrues for London 1981.

Publications:

Scottish Education Department Statistical Bulletin on Schools, Pupils and Teachers in Education Authority Schools.

Representation of the People Statutory Instrument: Variation of Expenses.

Pay:

NHS Administrative and Clerical Groups: Further discussions.

British Shipbuilders CSEU Members: Response to claim.

British Gas Manuals: GMWU/TGWU response to offer.

Parliament:

Commons:

Questions:

Transport, Environment.

Business:

Continuation of the Budget Debate.

Select Committees:

DEFENCE: Ministry of Defence organisation and procurement. (Witness: Mr Kenneth Warren, MP, Ministry of Defence).

INDUSTRY AND TRADE: The Post Office. (Witnesses: Mr Kenneth Baker, MP, Minister of State and Officials from the DoI).

SCOTTISH AFFAIRS: Rural Road Passenger Transport and Ferries. (Witnesses: Scottish Transport Users' Consultative Committee).

HOME AFFAIRS: Police complaints procedure. (Witness: The Lord Belstead, Parliamentary Under-Secretary of State, Home Office).

TRANSPORT: Transportation in London. (Witnesses: Secretary of State for Transport and officials from the Department of Transport).

EUROPEAN LEGISLATION: Common Agricultural Policy price fixing 1982-93. (Witnesses: Rt Hon Peter Walker, MP, Minister for Agriculture Fisheries and Food and official from the Ministry of Agriculture, Fisheries and Food).

WELSH AFFAIRS: Water in Wales. (Witness: Secretary of State for Wales).

COMMITTEE ON A PRIVATE BILL: Unopposed Bills: West Yorkshire (Parking and Transport Bill).

Lords:

Debate on the need for improved medical care in the National Health Service in the 1980's and the effect of the re-organisation of the administration of the Health Service on this objective.

Ministers - see Annex

BUDGET DIGEST

- On the whole it gets a good press reception. It is thought to set scene for an election budget next time. And certainly the Chancellor's best budget yet, leaving aside his first.
- Wins an enthusiastic reception from the Tory Backbench Finance Cttee Goldsmith, IoD, says the balance is right. Beckett, CBI, sees a number of important steps that will help business; and businessmen and City delighted - and expect interest rates to fall and share prices to rise today.
- ABCC and BIM somewhat sceptical; Heath and Gilmour rather unhappy; Help the Aged - unjust and lacking in compassion; Jack Jones - miserly treatment of pensioner; NUPE says community service idea a cosmetic con trick.
- Meanwhile the £ falls 2.25c to just over \$1.80.

- And Foot's flundering attack felt to have been a flop.
- A touch of the Tartan - aimed at Hillhead - detected in some of the measures.

Newspaper Treatment

- Morning Star: a bosses' budget robbing rich to help poor.
- D/Star: Howe's smash and grab budget; portrays people being mugged in a classic head I win tails you lose effort from the Chancellor.
- Sun: Just the job; a dollop of sugar offset by sour medicine for motorists, drinkers and smokers; but a helping hand from Howe.
- Mirror: Howe's faith, hope and charity.
- Express: Howe stands and delivers but he gives more than he takes; most will be marginally better off; general verdict better than expected; Tories believe you have got your timing right, preparing for a better budget next time.
- Mail: First stage to lift off - a glimpse of the future you have been promising if people would only hang on.
- Telegraph: Chancellor spreads tax cut cheer and motorists, drinker and smokers foot the bill; Tonic for wets and dries; most of City satisfied rather than elated; Sir William Clark: a budget we can all sell.
- Guardian: Howe dries out Tory wets at knockdown rock bottom price of £1.3bn - in fact amounts to a standstill budget in a standstill economy but carefully balanced; another writer says it is modestly expansionary.
- Times: Howe heartens Tories - a little bit for everyone; raises hopes of Govt supporters for real recovery over next 12 months.
- FT: Almost all Tory MPs received budget warmly; successful both in terms of overall balance and detail; SDP in dilemma; move to more pragmatic financial strategy, with rise in money supply growth targets.

Newspaper Comment

- D/Star: No short term help for unemployed and nothing to suggest it is going to drop below 3m shortly; leaks anaesthetised us before we were mugged; Joe Ashton - for 3m on dole there was nothing, not even a wink or a nod for next year.
- Sun: Best budget since his first tax cutting one in '79; but not a bonanza thank goodness; help has gone where most needed; placed his chief emphasis on industry; not bad at all.
- Mirror: Lancaster says it succeeded in giving the party a tonic but not a full blooded electioneering budget - that will come next year; Goodman says a clever gambler's budget offering industry a taste of watered down honey; all the signs of a highly political election priming budget next year; leader how many jobs, how many people; how much recovery will it help?
- Express: His 4th budget looks about right; not prepared to allow inflation to imperil recovery; politically successful, socially adroit and economically sound.

- Mail: Last summer you and Chancellor looked isolated .. political prisoners - and would be forced to change course; but see now. On the whole sensible; recovery late in coming but when it does it will be soundly based; Patrick Sergeant expects cut of 1% in base rates, probably today and says while Chancellor didn't do very much he did it very well; might not win Hillhead but could stop you losing it.
- Telegraph: Chancellor appears to be winning the argument with his critics; recovery is now in sight and must be nurtured; Budget with which he can feel well pleased; Andreas Whittam-Smith - best so far with the right dash of boldness; proceeding very satisfactorily.
- Guardian: Peter Jenkins: it might turn out to be just right. But your conviction about importance of money supply by no means intact. Leader says most significant chance is explicit abandonment of sharp monetary targets; unemployed at the end of a long and detail packed budget deserved more than this.
- Times: David Blake: practice doesn't make perfect but it does make Chancellor better; done nothing that will harm recovery and contain a few things that will help; Govt disengaging from monetary policy more than change implies. Leader - constancy in his role as Chancellor becoming more clearly reinforced; budget raises more than a glimmer of hope that he will occupy a worthy place in Tory history; gives impression of being successfully on course; mild disappointment at low level of expansion; earned your healthy respect this week whether or not he is the man to take the Government successfully into final phase.
- FT: Generally welcome; sat down deservedly more popular than been up to now; Malcolm Rutherford - a very political budget to unite party and improve fortunes in country - objectives already partly achieved. Govt accepting it will go into General Election with high level of unemployment but able to say that fundamental changes in structure of economy going on and need to be maintained - an argument similar to that of Alliance, which is inconvenient for the

Civil List

- Largely defused at over 8% and described by Sun, quoting Palace spokesman, as modest rise; but Willie Hamilton predictably objects and says one nurse is worth 100 Princess Margarets.
- Prince Edward's £16,000 18th birthday present.

Economy

- Best monthly money supply figures for past 2 years.
- Interest rates fall sharply in West Germany in recent days.
- French employers appeal to Govt to halt the crippling increase in company costs.

Trade Unions/Pay

- Two of three teachers' unions - NAS excepted - call off industrial action in big cities as AMA offers arbitration; but disruption goes ahead elsewhere; Assn of County Councils furious with AMA.

- COHSE nurses' leader contrasts 8.1% Civil List rise with nurses 6.4% - nurses to be balloted on offer.
- Ian MacGregor arranges talks with unions today on Ravenscraig.
- Strikers stop collection of sterile supplies and rubbish at Barts.
- Len Murray gets £50 a week rise to over £25,000 - just ending 3 weeks in West Indies.
- Communists concentrate their fire - and cliches - on Joe Gormley golden handshake - 30,000 pieces of Judas silver; insult to miners; living off backs of pitmen etc etc.

London Transport

- Some speculation that there will be a revolt by bus crews today and 600 underground men sign a petition against strike; allegations that black TGWU leader at Camberwell has threatened any strike busters with violence.

Industry

- John Biffen overrules CAA and awards B/Cal temporary LA licences; Laker Skytrain customers may have to wait years for their money.
- BL gets £10m order for 200 buses from Mozambique.
- French wine imports have risen 50% over last few years.
- Space invaders now felt by many publicans to be a dead loss.
- Nigel Lawson orders safety expert to investigate housing estate gas heating where family died.
- British technology will be basis for American continental teletext service, but we may get no more than £0.5m a year out of it (Guardian).
- Vosper Thorneycroft to make 260 redundant, and 2-300 later.

Media

- BBC plans to give us breakfast TV early in New Year - before ITV
- Axel Springer threatens to sell his empire to Lonrho if Germans won't let him merge with his main competitor.

Law and Order

- Paul Boateng accuses Metropolitan Police of being racist from top to bottom.

Ireland

- Left puts Haughey into premiership, and he appears to have bought office with £120m promise on spending in Dublin.
- BR closes down its Holyhead/Dun Laoghaire Sealing ferries because of blockage.

Politics

- Liberal to fight Beaconsfield.
- Prospective militant candidate in Liverpool backs Wall.

Sport

- Some county cricket clubs could go bankrupt if English tour of South Africa causes tours cancellations.

Poland

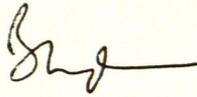
- Walesa's wife accuses regime of backtracking on pledge to allow husband to christening.

Bermuda

- Mostly black opposition attacks plan to buy Governor new £30,000 Daimler to replace £3,500 1969 car.

Rab

- Many and extensive tributes to the nearly Prime Minister who lacked the killer instinct.



B. INGHAM
10 March 1982

ANNEX

Ministers:

- Mr Edwards addresses the Development Corporation for Wales dinner, House of Commons.
- Mr Tebbit addresses Computer Services Industrial Training Services' Council conference, Hilton Hotel, London.
- Mr Lawson addresses the All Party Group for Energy Studies, House of Commons. (6.00 pm).
- Mr Whitelaw attends British Veterinary Association dinner. (7.30pm).
- Sir Keith Joseph addresses Council for Independent Education, London. (12.30 pm).
- Mr Morrison visits Stonehill Furniture Company, Edmonton. (930 pm).
- Lord Ferrers addresses British Veterinary Association Centenary Banquet, London.
- Mr Sproat visits South Wales (Coastguard, RNLI).
- Mr Shelton visits University of Bath.
- Dr Boyson addresses the Standing Committee for the Education and Training of Teachers, Stoke Rochford. (2.00 pm).
- Sir George Young pays PSA visit to Croydon.
- Dr Vaughan visits Wisbech, Cambridge.
- Mr Rossi visits "Equipment to Charity Hospitals Overseas", The Joint Mission Hospital Equipment Board Ltd, Ewell, Surrey. (10,30 am).
- Mr Finsberg visits Leeds.
- Mr Wakeham visits National Physical Laboratory, Teddington.
- Mr MacGregor opens Timber and Board Industry Federation conference.
- Lord Trenchard meets British Shipbuilders representatives.
- Mr Wiggin sees Kemble councillors about RAF Kemble closure.