

18 March 1987

Press Office

PRIME MINISTER

MAIN EVENTS

EC: UK launch of European Year of the Environment

Prince and Princess of Wales visit Cleveland, Hartlepool, Middlesbro and Stockton

PAY

NHS Ancillary Workers; 171,800. 1 April

PARLIAMENT

Commons

Questions: Foreign and Commonwealth; Trade and Industry; Environment

Business: 10 Minute Rule Bill; Opposition Budgets Bill

Budget Debate (2nd day)

Adjournment Debate: The financial situation in the City of Liverpool
(Mr D Alton)

Select Committees: FOREIGN AFFAIRS
Subject: Cyprus
Witness: Mr George Jacovon, Minister of Foreign
Affairs of the Republic of Cyprus

WELSH AFFAIRS
Subject: The condition and repair of privately-
owned housing
Witnesses: The Riverside Partnership; The
Confederation of Building Trade Employers;
Islwyn Borough Council

TRADE AND INDUSTRY
Subject: Motor Components Industry
Witness: Armstrong Equipment

DEFENCE
Subject: The Implications for the United Kingdom
of Strategic Defence
Witnesses: Professor Sir Ronald Mason, KCB, FRS,
Chairman of Hunting Engineering Ltd;
Dr Dennis Hall, Department of Laser Physics,
University of Hull (at approx 12 noon)

ENERGY
Subject: The Effect of Oil and Gas Prices on
Activity in the North Sea
Witnesses: UK Offshore Operators Association Ltd;
Conoco (UK) Ltd

SOCIAL SERVICES
Subject: Problems associated with AIDS
Witnesses: Association of Directors of Social
Services; Association of District Councils;
Association of British Insurers

Select Committees (Cont'd)

ENVIRONMENT

Subject: Pollution of Rivers and Estuaries
 Witness: National Farmers' Union

TRADE AND INDUSTRY

Subject: Motor Components Industry
 Witnesses: T I Group; Avon Tyres

Lords: Debate to call attention to the Croham Report on the University Grants Committee

Debate to call attention to the case for curbing the increasing exposure of the professions to civil liability

British Railways (London) Bill: Second Reading

MINISTERS - See Annex

PRESS DIGESTBUDGET

- Bookies make you 4-1 on to win next election after cautious and prudent Budget which retains all the options.
- 1% cut in interest and mortgage rates now eagerly awaited as sterling 4-year peak.
- Kinnock: "The Bribes Budget"; Owen: "A staggeringly mean but cunningly seductive Budget"; Steel: "A good attempt at an electioneering Budget which has failed"; Willis, TUC: "A throwaway Budget - of the chance to create jobs"; Nickson, CBI - sees it as a challenge to industry to win back home and export markets. "Just what we wanted," he adds.
- Well received except predictably by Mirror, Today, Guardian and to some extent by the effortlessly superior FT.

Treatment

- D/Star: 3 Quid each way. Nigel bets on boom Britain. Paves the way for a Tory election victory; in another story it says 2.1% for pensioners and 4.5% for Royals (in Civil List) does not add up.
- Sun: What a lot you got - £3 tax cut for everyone; mortgages set to tumble. Wine, cigarettes, petrol safe. Pay day pointer to June 11 election. Elsewhere - Nigel's in his Seventh Heaven - Maggie's policies have given Britain 7 good years.

BUDGET (Cont'd)Treatment (Cont'd)

- Mirror - with a rude, tasteless, front page headed "Up Yours" - Lawson's message to jobless, NHS, young people, pensioners, schools and half of Britain". Joe Haines said it had Tories jumping with joy. But millions weren't happy.
- Today: Just the job (if you've got one). Good news, too, for smokers, drinkers, drivers, home owners and gamblers. But for unemployed and most pensioners the Budget box was bare.
- Express: Nigel's £7 a week bonus. Prudent and cautious. Moneybags Chancellor settled for a two penny one last night and set up another Thatcher election victory. His fourth Budget pleased rather than delighted Tory MPs. Safe not sorry Lawson. Catches Kinnock on wrong foot. Inside page sets out "A package for prosperity".
- Mail: Honest Nigel's racing cert. Goes nap on a pre-election Budget but emerges as a rather cautious bookmaker nonetheless confident he was on to a good thing. A Commons performance that confounded his own party and the Opposition.
- Telegraph: Lawson paves way for poll. Cautious Budget cheers City and Tories. Financial markets taken completely by surprise by cut in PSBR. Chancellor skilfully cut the ground from underneath Labour claims of pre-election bribes. Report makes something of advancing of date for when people can choose their own type of pensions.
- Guardian: Lawson leaves PM free hand. June poll looms after cautious gifts in Budget. Kinnock and colleagues appeared astonished that much trailed giveaway Budget emerged as such a docile beast.
- Times: The All Options Budget - Lawson's £2bn handout delights the Tories. Britain looks set for growth. Mortgage rate cut of one point 'inevitable' 8-page Budget section.
- Independent: Lawson's Budget goes for caution. Political reaction: Chancellor had gone for responsibility not for votes.
- FT: Lawson opts for "prudence" in pre-election Budget.

BUDGETComment

- Star leader headed "Fair enough, Mr Lawson" says it wasn't the "Bribes of March" and your middle name is Prudence. A responsible if somewhat unspectacular Budget. Doors are open for a massive industrial investment drive.
- Sun leader, under heading "Safety First" says Mr Cautious took over from Mr Gladhead. He signals good housekeeping remains first priority. But at its heart is another cut in taxes. When working people collect their pay packets after May 17 they can ponder just what would happen to that extra lolly if Labour came to power. General election? Any time you like Maggie.
- Mirror leader, headed "Cynical, inhuman and corrupt" says it is the most shameless and expensive bribe for votes in our history. Its calculation is cynical. Its inhumanity brazen. Its purpose corrupt.
- Today says the Budget was not the sensation some had expected. A carefully calculated bid to woo the voters at a time of your choosing. Something in it for the great majority. But he could have used the money to have put the unemployed back to work. And the people wanted something fairer.
- Express says it is "A Budget for a third Thatcher term". Has blasted the Opposition's charge of bribing the electorate. Prudence and caution which have marked the last 8 years now paying off. Why risk the growing economic confidence of a thriving Britain with electioneering gimmick?
- Mail leader is headed "Strength of the Chancellor who conquered temptation". Never surely, it says, has the steward of the nation's finances shown so superhuman a rectitude in the face of such temptations in an election year. In so doing he has shown political shrewdness. The argument that this is not a Budget for jobs can only be sustained by those suffering from galloping amnesia. Colin Welch: As austere in its way as the Budgets of the late Sir Stafford Cripps.
- Telegraph leader headed "Doing his duty" says it is a long time since a British Chancellor could claim lead place in league tables of performance among major industrial nations. So he was right to opt for prudence. But a sweeter package than it sounded. But he can't be accused of pampering the rich. Opposition parties have every reason to be worried.
- Guardian says the surprise was that there was no surprise. This was not Lawson the gambler but Lawson the chess player, paying a backhanded tribute to the moral conscience of the British people. Method in his measures and left Kinnock thinking on his feet trying not to attack the Budget that hadn't been delivered. But not the Budget the country needed and a Budget almost devoid of compassion.
- Times - a cautious Budget and one which keeps your election options open. Chancellor has forced Labour and Alliance to fight on the somewhat unpromising slogan of higher taxes for all.
- Independent says Budget is 'display of prudence that holds no comfort for the unemployed'; Sarah Hogg says its a bread and butter budget with the jam to follow; the forecast is for stable growth.

Comment (Cont'd)

- Peter Jenkins, in Independent, says it was a cool and confident vote of confidence in the economy. And it did not sound like Mr Lawson's last Budget.
- FT leader sees Mr Lawson's package as an election budget which will delight the financial markets (whose judgement is "dull but smart") but do nothing for the poor and unemployed; critical of his abandonment of M3 which will remove all the 'tactical vigour' of the Medium Term Financial Strategy. Tone of the Chancellor's speech complacent but he must be forgiven since as we enter the seventh year of uninterrupted growth there does not seem to be any domestic reason to doubt that progress cannot be sustained. Next year's Chancellor will be in the same happy position whoever he is. The main test for Mr Lawson will be how he handles interest rate reductions and the credit demand they will stimulate without stoking up inflation.
- Malcolm Putherford in FT says Chancellor had the best of both worlds - he has given something to almost everyone yet can hardly be accused of recklessness. The Budget will be hard for Opposition to attack and for markets to dislike.

OTHER NEWSDEFENCE

- In advance of his visit to USA, Kinnock trims unilateralist policy: Cruise will be able to stay pending INF agreement. Guardian says some elements on the Left are likely to be nervous about this.

POLITICS

- About two-thirds of the public prefer State to private control of services such as Post Office, electricity, gas and water, according to NOP (Independent).

PRIVATISATION

- Express looks forward to Rolls-Royce's £1.7bn privatisation.

INDUSTRY

- Times: Austin Rover to make 100 toolmakers redundant - men agree.
- Times: Work survey shows jobless stable at 10%.
- Times: British Roads Federation calls for £100m more to improve M25.
- Times: BA being "besieged" with offers to buy into aviation-linked business throughout world.
- Independent: Westland shares inquiry rejected by Michael Howard.
- Manpower Services Commission are investigating a complaint from the National Union of Seamen that unqualified YTS trainees are being used to crew ships - Independent.
- Independent: Sir Frank Layfield calls for changes in the inquiries procedure.

PAY

- Civil Servants offered 6% three days before vote on strike action.

ECONOMY

- OECD decide to limit aid in subsidising export credits to the developing world.

LAW AND ORDER

- Police detain at least 8 in Midlands on firearms offences - hand grenades and ammunition seized after raid on arms shop.
- Commons to vote on hanging again.

LOCAL GOVERNMENT

- Times: Liverpool Liberals appoint Lord Mayor.

EDUCATION

- Two biggest teachers' unions to stage more strikes even though AMMA have voted against industrial action.
- George Gale, in Mirror, finds it depressing but not surprising teachers are organising more strikes. Kenneth Baker's reorganisation has left the union leaders with nothing else to do. But teachers have no more business to strike than doctors, nurses, ambulance drivers, firemen, policemen and armed forces, among others.
- Times: Kenneth Baker praises teachers who are working hard to keep schools open. Hereford/Worcester take NAS/UWT to court over strike.
- Times: Ealing parents bid £2.4m to buy convent school.
- New scientific research in universities will be cancelled for the time being - ie to end of the year - for lack of money (Independent).

AIDS

- Board of Visitors at Wandsworth Prison criticise Government for failing to prevent spread of AIDS in prison (Independent).

STERILISATION

- The row continues over the order by 3 High Court judges that a 17 year old mentally handicapped girl should be sterilised. Sir Brian Rix, Mencap, says she is being treated like an animal "... one step further and you are back to Nazi Germany".
- BMA defends decision. MIND - National Association for Mental Health - considering taking case to Eurocourt. Independent says ruling may be challenged in Lords.
- Times leader discusses High Court judgement saying on balance, and on limited evidence available, their decision was correct.

MI5

- You reject calls by Rees and Jenkins for inquiry into alleged dirty tricks against Wilson Government.

SPORT

- 4 England RFU players suspended for one international.

PEOPLE

- Day 3 of Julian Critchley's portrait of Michael Heseltine.

BEIRUT

- 'Execution' of French hostage in Beirut has been delayed for a week (Independent).

IRELAND

- Guardian reports that INLA feud will go on until the organisation is disbanded.

SOUTH AFRICA

- Feud between black movements kills 7 High School pupils - ? mass execution.
- Times: Government to bring 80 black South African teenagers to Britain to begin 4½ year programme of further and higher education. 320 more to follow.

USSR

- Soviet Union releases 8 more dissidents (Independent).

BERNARD INGHAM

MINISTERS (UK VISITS, SPEECHES ETC)

- DEM: Mr Clarke attends Inner Cities Ministerial Group, London
- DES: Mr Baker opens IBM unit at Manchester Business School
- DHSS: Mr Fowler, Mr Newton, Mrs Currie, Baroness Trumpington attend Regional Health Authority Chairmens meeting, Oxford; later Mr Fowler speaks at Office of Health Economics dinner, London
- DOE: Mr Ridley addresses the launch of European Year of the Environment, in the presence of Prince Charles.
- DTI: Mr Channon speaks to Royal Society of Arts, London
- DTP: Mr Moore opens the M5/M42 Southern Extension, Birmingham
- HO: Mr Hurd addresses Royal College of Defence Studies, London
- MOD: Mr Younger meets 'Youth for Multilateral Disarmament' at the House of Commons
- WO: Mr Edwards visits British Wool Marketing Board, Bradford
- DEM: Mr Lee lunches with the Spastics Society; later attends federation of Chinese Associations dinner
- DEM: Mr Trippier visits North East (to 19 March)
- DEN: Mr Buchanan-Smith opens McDermot new automated fabrication facilities, Ardersier
- DEN: Mr Hunt visits Ollerton Colliers, Nottinghamshire
- DES: Mrs Rumbold visits The British Council, London
- DES: Mr Dunn addresses education/industry seminar on teacher supply, Southampton
- DOE: Mr Tracey opens National Rehabilitation and Sports Injury Centre, Lilleshall, Staffs
- DOE: Mr Patten visits Bracknell to open a shared ownership Housing Association project
- DTI: Mr Butcher addresses Marketing Technology Conference, Heathrow
- DTI: Mr Pattie speaks at Aslib Conference, Brighton
- DTP: Mr Mitchell opens morning session of one day seminar organised by the National Association of Local Councils, Barbican, London
- DTP: Mr Bottomley attends AMA Road Safety Seminar, London
- MAFF: Mr Thompson visits Land Rover, Solihull
- MOD: Mr Stanley attends Royal Engineers' Thanksgiving Service, St Paul's Cathedral
- MOD: Mr Freeman visits Northern Ireland (to 19 March)
- MOD: Mr Hamilton visits the British Nuclear Forum
- ODA/FCO: Mr Patten speaks at Chatham House on Idealism and Self Interest: The British Aid Programme
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MINISTERS (OVERSEAS VISITS)

DOE: Mr Waldegrave visits Brussels - Environment Council of Ministers meeting (to 20 March)

DTp: Mr Spicer addresses a gathering of tour operators and speaks to News International conference, New York (to 20 March)

MAFF: Mr Jopling meets US Agriculture Secretary, Richard Lyng, Washington

TV AND RADIO

"The Budget;" BBC1; (2130); Roy Hattersley replies for the opposition

"The Budget;" BBC2; (2225); As per BBC 1

"The Budget;" ITV; (2230); With Shadow Chancellor

"Diverse Reports;" Channel 4; (2030); Takes a look at the play Perdition the play which accuses the Zionists of collaborating with the Nazis in Hungary

"Their Lordships House;" Channel 4; (1225am)
