

19 March 1987

PRIME MINISTER

MAIN EVENTS

The Queen attends a Royal Society reception for those involved with the establishment of the Royal Fellowship Programme for China

EC: Industry Council, Brussels

Labour Party launches Education and Training Policy

TUC: Scottish Prison Officers' Association Annual Conference, Grangemouth

Transport Secretary announces bridge strengthening programme

EC: TUC/ETUC Conference: President Delors speaking, London (to 20 March)

European Space Agency meets

STATISTICS

BANK OF ENGLAND: Provisional estimates of Monetary aggregates (Feb)

DEM: Labour market statistics: Unemployment and unfilled vacancies (Feb prov) average earnings indices (Jan-prov), employment, hours, productivity and unit wage costs; industries disputes

DTI: Capital Expenditure by the Manufacturing and Service Industries (4th qtr rev)

PAY

United Kingdom Atomic Energy Authority: Manuals; 4,700; 1 April

Water Service: Manuals; 22,000; 1 April

PARLIAMENT

Questions

Questions: Agriculture, Fisheries and Food; Treasury; Prime Minister

Business: Budget Debate (3rd day)

Adjournment Debate: Responsibilities of trustees of occupational pension funds (Sir B Rhys Williams)

Select Committees: EUROPEAN LEGISLATION
Subject: Common Agricultural Policy Price proposals
Witnesses: Rt Hon Michael Jopling MP, and officials from the Ministry of Agriculture, Fisheries and Food

Lords: Consumer Protection Bill (HL): Third Reading

Patents (Amendment) Bill (HL): Committee (2nd day)

2.
PRESS DIGEST

MAIN NEWS

- Telegraph, Express, Today lead with good news about today's unemployment figures. Mail says joy over jobs brings new clamour for summer poll.
- Building Societies await another fall in interest rates - largely it appears for administrative reasons.
- John MacGregor holds out 56p in £ tax to pay for Labour's £54bn programme.
- Conservatives now 9-2 on to win General Election.
- Today says virtually every member of the Cabinet is now in favour of June election.
- BP to be wholly privatised - Government to sell its remaining 32% stake worth up to £5bn.
- Some confusion over whether Left are stomaching Kinnock's trimming on Cruise. Mirror says they are; others say they aren't with Flannery and Mrs Clwyd complaining. Express says he faces fury of Left Mail puts their fury on front page. Times inclined to Mirror view.
- Guardian reports allegations that US funds were diverted to Iranian groups which had helped to finance the kidnapping of the hostages the US was trying to rescue.
- Japanese put up the shutters against Cable and Wireless - concern about effect on protectionism.
- Two senior executives of Morgan Grenfell who left after Guinness scandal broke to share £562,000 compensation. Andrew Alexander, in Mail, says the sad truth about Britain seems to be that one of the biggest failures in Britain failure.
- Hereford and Worcester CC suing teachers for damages for teachers' strikes; more strikes planned.
- Civil Service Unions split on new pay offer.
- BREL to shed 1400 jobs at Crewe, York and Derby.
- Danish divers find £20m treasure in wreck of P&O liner Medina off Devon.
- Fireman killed by oxy-acetylene explosion in fire at Oxon quarry.
- Polls-Royce considering diversification into new businesses like banking and medical products after privatisation (Guardian); plans to announce closure of East Kilbride engine plant today.
- David Steel ends up in a compromising position with a lovely lady at a party - and on the front pages of the pops. He dismisses it as a media stunt. Mail: Not since Geoffrey Howe lost his trousers on the train has one of our political worthies landed in so delicious a scrape.
- French scientist said to have tried out AIDS vaccine on himself - encouraging result.
- First marriage ceremony to be conducted by woman in Church of England.

BUDGET/ECONOMY

- Star says a 0.5% cut in interest rates is a totally inadequate response by the Banks to the Budget. No need for such parsimony; another leader welcomes Chancellor's encouragement of profit sharing schemes.
- Mirror gives most prominence to Hattersley's claim that the Chancellor's "wasted billions" could have put Britain back to work; leader says Labour last night set out its alternative - and there is no alternative.
- Times: Further half point drop in base rates likely within week - leader concentrates on Chancellor's omission from Budget: no mention of Government's long-delayed proposals to reform taxation of married couples.
- Mail: Andrew Alexander, in Mail, says caution and yet more caution seems the keynote of Government policy but some in the City think the Chancellor has already gone too far.
- FT: Chancellor indicates he wants to hold value of sterling close to present levels; leader looks at "cautious" Budget and says approach to interest rates disappointed market a little, but seems to have worked quite well initially.
- FT: Five big insurance companies may have to pay Government extra £168m a year if planned tax reforms go ahead.
- Roy Hattersley is angry at 'vote-buying' Budget with no conscience - Independent.
- Guardian tries to undermine Chancellor's figures about Britain's economic performance in the 1980s by including the recession.

ELECTION

- Today says you are planning a weekend meeting at Chequers after the May local elections to consider a June election.
- Labour Party trying to extol successes of Labour councils to shake off Loony Left unease.
- Express says you are handed your June election clincher - a major cut in jobless; Ministers confident unemployment will be below 3m by late summer.
- Times: Norman Tebbit, backed by Cabinet ministers, to launch unprecedented attack on Alliance this weekend.
- Mail says Peter Walker is advocating an election in May to cut off Alliance advance.
- Independent: David Owen demands action to stop Civil Service political 'election abuse'.

ROYAL PAY

- Sun leader asks if the Civil List increases are justified. It believes no-one should be cosseted from the chill winds of life at the expense of the rest, but asks its readers to say what they think.

INDUSTRY

- Strike threatened at Vauxhall over management's attempts to scrap traditional lunch hour for a 20-minute micro-wave assisted snack break.
- Paul Foot, in Mirror, sets out warnings by experts over Ro-Ro ferries which were "ignored" in Zeebrugge tragedy.
- EC warns Olympic Airlines, Lufthansa and Alitalia that they risk huge fines unless they help to bring down fares.
- Director General of Fair Trading attacks motor trade for dishonesty - makes up 40% of all convictions under Trade Descriptions Act and 25% under Fair Trading Act.
- Times: European Research and Technology Committee condemn Britain, France and West Germany for refusing to spend more on research and development in EC.
- Times: Stock Exchange/Treasury survey says people owning shares increase by 2½ times in 7 years.
- Times: Labour waters down plan to impose training levy on employers.
- Times: Civil Service unions tell members only industrial action will get more pay from Government.
- Times: Welsh TUC rebuffs Arthur Scargill over working week in mines.
- Much of Government's spending on space projects being wasted because of inadequate funds, say NERC - Times.
- FT: Morgan Grenfell second finance director to Eurotunnel to take charge of vital £750m international share plan.
- FT: Government's plan to write off £750m of Leyland buses revised downwards by EC to £680m.
- FT: Ports increase profits by 179%.
- FT: Paul Channon rejects suggestions that DTI should be made into some kind of super department drawing up national objectives for industry to follow.
- A senior Treasury official is joining Euro-Tunnel (Independent).

MEDIA

- Paul Foot, in Mirror, reveals Nicholas Ridley is suing him for libel, which he repeats.
- Norman Tebbit sues BBC and Geoffrey Robinson MP for repeating Hugo Young jibe.
- FT: Government to oppose ITV independent quota in Broadcasting Bill.

POLITICS

- FT: Opposition want early meeting with you about alleged acts of sedition in security services in 1970s.
- Independent profiles the wets Monday Club factions in Billericay as they prepare to decide the future of Harvey Proctor.

DEFENCE

- Labour softens its unilateralist line - by allowing Cruise to stay pending an INF agreement. Anti nuclear MPs furious.
- Has Kinnock seen the light on defence? asks the Star.
- Today leader says he has. It seems to be coming to his senses. But he has one more hurdle to jump - to agree to negotiate away our deterrent, not give it away.
- Express says "Neil's nuclear carrot is just poll humbug". What it reflects is his latest assessment of the General Election picture. But his commitment unilaterally to cancel Trident, decommission Polaris, remove nuclear armed F1-119, still stand. No amount of cosmetic can disguise the fact that under Kinnock Britain would be defenceless in nuclear world.
- Times leader welcomes Kinnock volte-face but says at best seems Labour is trying to climb on back of passing bandwagon before being completely overtaken. At worst it sounds like desperation.
- Mail leader on "How the Kremlin exposed Kinnock" says the naked unilateralist is now clutching a fig leaf. But the Socialists cannot hide the dangerous and destabilising nature of their commitment to unilateral disarmament. The real point is that if Kinnock had come to power Gorbachev would have had no incentive to negotiate. It is too late for fig leaves on "the innocent abroad".
- FT: Government looks set against bailing out Westlands. MoD want troop carrying helicopter which Westland is developing with Agusta, of Italy. This would help Westland's design team but not production workers.
- Firms start the battle for the Eurofighter radar deal - Independent.
- Conservative MPs voted down a move to give disabled ex-servicemen the right to sue for compensation (Independent)
- Independent looks at Kinnock's problem of presentation over Cruise missile policy.
- Independent: NATO is contemplating moving into chemical and biological weapons using genetic engineering.
- Independent: US arms talks could lead to summit.
- Chancellor Kohl moves to heal his rift with Gorbachev - Independent.

- Times: International search for missing defence specialist linked with work with Star Wars. All party MPs call for Government statement on security implications of deaths and disappearances.

MI5 ETC

- Today leader says the only thing consistent in your approach to MI5 is that the less the public gets to hear about the security services the better. That isn't good enough. An inquiry into whether there was an attempt to overthrow the Wilson Government is the only way to find out.
- Sir Anthony Duff fails to deliver proposals for an internal security service grievance procedure which you requested in May 1985 (Independent)
- Telegraph finds it difficult to sympathise with Rees and Jenkins; if only bugging of No 10 by MI5 were investigated in 1978-77 then it is their fault.
- Hugo Young, in Guardian, says Sir Robert Armstrong was the senior Home Office official in charge of liaison with the security services during the period when it is alleged MI5 was plotting to destabilise the Wilson Government. MPs likely to press you on how you can continue to block an inquiry when your personal security adviser is closely conversant with what was then alleged.

LOCAL GOVERNMENT

- Sun says Ealing has banned the children's book Robin Red Breast from schools because the Left says the 'Breast' in the title is sexist. Janet and John stories also go because children are white.
- Today says SDP/Lib leadership of Liverpool Council is now seeking the dismissal of those appointed under Hatton's 'jobs for the boys' policy.
- Telegraph says a group of London Labour Councils has claimed that Waterloo will be an unsuitable terminal for Chunnel trains because B/Rail has not made arrangements for "black and ethnic minority people, gay men and lesbians".

EDUCATION

- Express leader, heralding AMU's vote against teachers' strike, says parents will be grateful for evidence that at least some teachers regard the education of their children as their overriding concern.
- Times: 2.5m children in 10,000 schools targets for next round of NUT and NASUWT half-day strikes.
- Times: SERC funds new scientific research in universities for 6 months because it has to finance 24% pay award with no new money from Government.
- Times: EOC accuses Birmingham of sex discrimination over fewer grammar school places for girls than boys.
- Terry Casey, ex-General Secretary NAS, dies.
- Guardian leader says the teachers have come a long way since Keith Joseph, partly because of the understanding and support of parents. If they lose that support now they will lose much else.

HEALTH

- Times: Scottish Affairs Committee says hospital building in Scotland over past two decades has been complete shambles.
- Times: Welsh Office figures confirm coastal blackspot for cancer.
- Independent - DSS is spending £20,000 on a pilot study that could lead to quotas being set for how many patients should be referred to hospital.
- Independent: Health Ministers insisted on changing regional health authority press releases to "be more positive".

LAW AND CRIME

- Government rules out use of water cannon.
- Mirror says police have secretly moved 4 armoured personnel carriers into Broadwater Farm area pending verdict on PC Blakelock murder trial.
- John Stalker says on TV that he believes his career was wrecked by a conspiracy.
- Times: Home Secretary wants to give Court of Appeal wide powers to order retrials.
- Times: Social aid limits up by 3%.
- Mail feature reveals the background to Tamils, a people abandoned, and suggests their flights are being financed by people already in Europe.

USA - Michael Deaver, Reagan's former deputy Chief of Staff, accused of perjury.

PEOPLE

- Part IV of Julian Critchley's biography of Michael Heseltine in Express records his popularity with everyone apart from you.
- Home Young feature on Sir Robert Armstrong (in Guardian) who, he says is looking to the Presidency of Trinity College, Oxford, as early release from his Cabinet duties.

EC

- Express reports Europoll which shows 51% of Britons, least enthusiastic Europeans, are in favour of united states of Europe.

PARISIAN wants to rejoin Commonwealth.

BEIRUT claims Terry Waite is held in Iranian Embassy.

- Beirut: Former US hostage in Beirut believes Terry Waite being prevented from leaving Lebanon because kidnappers afraid of being identified and caught.

EL SALVADOR

- Times: US Senate narrowly approves release of \$25m instalment in aid package to CONTRAS.

IRAN

- Times: Roger Cooper, held in Iran since December 1985 on spying charges, to be tried soon.

BERNARD INGHAM

MINISTERS (UK VISITS, SPEECHES ETC)

- DHSS: Mr Fowler speaks at Financial Times Pensions Conference, Intercontinental Hotel, London
- HO: Mr Hurd addresses South Yorkshire police dinner
- MOD: Mr Younger and Mr Stanley meet with Danish Members of Parliament, London
- WO: Mr Edwards attends Economic Forestry Group lunch, London
- DEM: Mr Lee attends Advisory Council on Women's Employment, London; later meets Director General of Labour Organisation, London and speaks at local collaborative projects programme dinner, National Tourism Conference, Alton Towers, West Midlands
- DEM: Mr Trippier speaks at ENTRAIN launch as part of north-east visit
- DEN: Mr Hunt attends conference at Nottingham University on the impact of building design
- DEN: Mr Buchanan-Smith opens McDermot new automated fabrication facilities, Ardersier
- DES: Miss Rumbold visits Dr Challoners Grammar School, Amersham
- DES: Mr Walden visits Liverpool University
- DHSS: Mrs Currie visits Drug Rehabilitation Centre, Phoenix House, London
- DOE: Lord Skelmersdale speaks at British Board of Agreement dinner, London
- DTI: Mr Pattie opens Wellcome biotechnology laboratory, Beckenham
- DTP: Mr Mitchell addresses the York Transport Users Consultative Committee
- DTP: Mr Bottomley attends local radio road safety awards, Holiday Inn, London
- FCO: Mrs Chalker addresses European League for Economic Co-operation, London; later addresses parliamentary wives for release of Soviet Jewry
- HO: Mr Mellor attends annual dinner of the Court of Justices, London
- HO: Mr Waddington visits Dover
- MAPP: Lord Belstead attends Economic Forestry Group lunch, London
- OAL: Mr Luce visits Dorset

MINISTERS (OVERSEAS VISITS)

- DTI: Mr Shaw attends EC Industry Council, Brussels
- MOD: Mr Hamilton visits Norway for Royal Marines' amphibious deployment exercise (to 20 March)
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TV AND RADIO

"The Budget;" ITV; (11.30). The Liberal/SDP Alliance

"Their Lordships House;" Channel 4; (11.50)

"The Budget;" BBC1; (11.30); With Roy Jenkins for SDP/Liberal Alliance

"The Budget;" BBC2; (12.40); As BBC 1
