### PRIME MINISTER

#### MAIN EVENTS

"Spycatcher" appeal hearing, London

EC: Agriculture Council, Brussels (to 19 January)

#### STATISTICS

CBI: CBI/FT Survey of distributive trades (Dec)

DTI: Retail sales (Dec-prov)

### PUBLICATIONS

DES: Coopers and Lybrand report on Financial Delegation to Schools

## PARLIAMENT

#### Commons

Questions: Wales; Energy; Transport

Business: Criminal Justice Bill (Lords): 2nd Reading and Money Resolution.

Motions on the Rate Support Grant (Scotland) (No 3) Order and the Revaluation Rate Repates (Scotland) Order.

Adjournment Debate: Government policy towards protecting the ozone layer (Mr H Summerson)

Select Committees: PUBLIC ACCOUNTS Subject: Demountable Rack Off-loading and Pick-up System; Procurement Irregularities Witness: Mr P K Levene, Chief of Defence Procurement, Ministry of Defence

Lords: Starred Questions Legal Aid Bill (HL): Committee (2nd Day) Farm Land and Rural Development Bill (HL): Third Reading Industrial Training Levy (Construction Board) (No 2) Order 1987. Motion for Approval

MINISTERS - See Annex

#### PRESS DIGEST

### MAIN NEWS

Liberals/SDP continue efforts today to agree merger terms; Liberal conference next weekend. Steel says party should get a new leader if it blocks merger. Defence policy seen as a potential problem.

Labour launches its "Labour Listens" campaign today.

NHS features substantially in context of Budget prospects - and gossip about John Moore.

BMA says NHS should continue - idea of funding through insurance schemes "uncivilised".

CBI and Institute of Directors point to slow down in business confidence - first signs of effect of Stock Market crash; but Chancelor seen to be sitting pretty before Budget with only NHS as spectre at feast.

Kenneth Baker to announce inquiry into school violence.

Government to announce crackdown on child abusers this week - <u>Express</u>; leader says this issue needs urgent handling; <u>Mail</u> says detectives will team up with social workers.

Dr Marietta Higgs, one of two doctors at centre of child abuse row on Teesside, being moved to another post.

Search resumes today for missing newspaper boy in Hagley, Worcs.

British woman, 50, jailed for 25 years in Egypt for trying to smuggle £3m worth of heroin into country; claims she was duped by lover.

Sun says FBI is to advise British security on how to stop the IRA running Mafia-style rackets.

Midland Bank closing stockbroking department with loss of 200 jobs.

Vauxhall planning to sack workers who turn up late more than twice in a month.

Britain risks losing space scientists to West Germany after refusing extra funding for research.

Daily Mail claims to have increased its circulation by more than any other daily paper last year - 117,000 up to 1,897,000.

£8m bid reported for Spectator magazine.

National Consumer Council says young shoppers are building up enormous debts using Department Store credit cards.

Bernard Donoughue dismisses claim by Cavendish that Harold Wilson was forced into resigning by MI5.

Express says you want schoolbooks made redundant by GCSE exam exported eg to Africa.

David Alton poised to compromise on abortion at 23 weeks for babies found to be suffering from deformities - Today.

<u>Telegraph</u> says you are making your support for Bill conditional on assurances it will be amended.

<u>Independent</u> says Bill is set for a narrow majority. Both sides are guaranteed nearly 200 votes. Waverers should support the Bill in the belief it willbe amended at Committee stage. Alton admits handicap exemption clause could be approved if Bill gets its second reading.

FA president, Bert Millichip, accuses Colin Moynihan fo sabotaging English clubs' chances of returning to Europe next season by saying that they are not ready to do so.

Independent: Gloom pervades EC over prospects for budget settlement at Brussels European Council as Kiechle accused of using his fact-finding tour of EC capitals to pursue nationalistic aims in agricultural reform.

Ronnie Barker leaves stage for good.

Sun says Cecil Parkinson would be held in higher respect if he visited Flora Keays in hospital.

<u>Mail</u> says 200,000 Palestinians were under seige in refugee camps in West Beirut and Gaza as Israeli army continued to try to damp down protests. Israeli Cabinet endorses "iron fist" policy to resolve order in occupied territories (FT).

Sheikh Fadlallah, reported by yesterday's Sunday Express as saying Terry Waite could not be freed until after the US presidential elections, denies he ever gave an interview - Independent. <u>Times</u>: Credibility of Haiti elections in doubt as turn-out is low and allegations of fraud.

## HEALTH/BUDGET

<u>Star</u> ignores issue. <u>Sun</u> says John Moore will be under pressure in tommorrow's debate specifically for another £250,000 this month for Addenbroke's Hospital to continue transplants; leader says Chancellor will have at least £6bn to hand back to taxpayers on Budget day but at the very moment of opportunity timid voices are being raised, including captains of industry, about strength of £. Britain is the next country due for a economic miracle and Chancellor should cut and cut again.

<u>Mirror</u>: Hands off my health boss, says Maggie. You try to kill whispering campaign. Leader says Mr Moore is presiding over an NHS collapsing for want of money but Chancellor is sitting on a mountain of it. The need and the money are there and should be matched. Feature attacks Norman Tebbit for criticising nurses for moonlighting when he has got six jobs himself.

<u>Today</u>: Chancellor may slash basic rule of income tax by 4p in £; Super Health Minister to oust Moore: to split DHSS and put John Moore in charge of Social Security. Another story canvasses Lord Young, Kenneth Clarke, Tony Newton or David Mellor to take over. Leader says it is time you woke up to crisis. You need a new man at helm in Health. It calls for Kenneth Clarke to be sent to Health - he stands out a mile.

Express: Edward Pearce feature on John Moore - the golden boy who lost his shine overnight. Leader says Chancellor should be a happy man but one priority must come before tax overhaul and lower borrowing - tax cuts to bring still greater incentive to performance.

<u>Mail</u>: Kill or cure for Moore in health row. Major shake up of NHS funding as senior Ministers start whispering; leader says Seldom can a Chancellor have been in so enviable a position. Yet there is a spectre at the feast - the more buoyant the Chancellor becomes the more miserly he will appear if he doesn't give one of the excess billions to the NHS. John Moore should be empowered by the Cabinet to make two pledges - an immediate inquiry into how the NHS is financed and run, and sick and those who treat them will share in full fruits of our growing prosperity. In another story <u>Mail</u> says Chancellor is sticking to 25p tax even though he has scope for larger cuts. <u>Telegraph</u> says Chancellor came under increassed pressure yesterday from the BMA and MPs on both sides of the House to allow more NHS spending as evidence grows of booming economy.

In another story, <u>Telegraph</u> reports that surgeons at Birmingham Children's Hospital are split over campaign launched by 111 consultants; some feel using "emotive issue" of babies waiting for heart transplants could damage hospital's future.

<u>Telegraph</u> leader on Budget says the Chancellor holds the key to restoring the momentum of the boom. Tax cuts will provide a fillip but if foreign manufacturers continue to be the main beneficiaries of the growth he will face a further deterioration in balance of payments and inflationary pressure.

<u>Telegraph</u> feature sees this as make or break time for John Moore. His difficulty is that he is trying to tackle near insoluble problems without a track record of achievement.

<u>Independent</u>: John Moore to hold formal Ministerial inquiry into NHS funding. It will not be confined to the existing structure. Ministers believe public opinion is now ready for a review of alternative sources of funding.

<u>Independent</u>: Decision by three health authorities to drop appeals against High Court ruling could challenge NHS pay structures. Women can now lodge claims for equal pay for equal value work.

<u>Times</u> leads with Conservative Party torn as to whether Chancellor should cut taxes or direct some to health service as criticism of John Moore mounts; radical reforms to cut the £6bn spent on looking after the elderly and mentally handicapped shortly to be presented to Government in report by Sir Roy Griffiths.

Times: Government considering extensive changes to blood transfusion service including setting up national coordinating body.

<u>Guardian</u> leader headed "Give 'em the money, Mr Moore" says Mr Moore will go before the House tomorrow with the initial flow on him entirely worn away. But only the very gullible could honestly believe that the Government's difficulties over the NHS have much to do with the performance of Mr Moore. The only way to retrieve the Government's reputation is to raid Mr Lawson's bulging coffers. You might not solve all the problems simply by money, but they can't be tackled without it.

#### LIBERALS/SDP

<u>Mirror</u> reports Steel as saying that his future is doomed and that whether or not merger goes through he will withdraw.

Today: My days as leader are numbered, says Steel.

Express: Steel: I may have to quit. But London Weekend poll shows he is still the favourite with Liberal voters - 48% want him as leader.

Mail: Merger or not, I will be out says Steel.

<u>Independent</u>: Defence may threaten revamped Alliance policy. Although Liberals are set to approve new document, Steel makes it clear that the new party would have to abandon its previous commitment to cancel Trident. Leader says nonsensical mess into which the merger negotiations descended last week have discredited both Steel and Maclennan. Hopes of a merger were never realistic. If Owen can still pull the Alliance out of self-destrictuve sectarianism and give it clarity of purpose, he will have performed a political miracle.

<u>Guardian</u> leads with Alliance agrees fresh policy for merged party which avoids support for Trident.

<u>Times</u>: Frantic efforts continue to rescue merger as team reaches agreement on policy.

#### POLITICS

<u>Independent</u>: Labour sets out today to woo voters with its Labour Listens campaign as Prescott prepares to give Hattersley close run for deputy leadership.

## SPORT

<u>Star</u> attacks Millwall club managers for heaping praise on their "magnificent" supporters after "bloody scenes" at Arsenal a week ago. Millwall officials, by their failure to condemn, are as guilty as the mindless morons who put the boot in.

<u>Independent</u> surveys policing of Saturday's football matches and, as European football executives meet on Wednesday to discuss possible return of English clubs to continental competition, finds 4,488 police officers were called out at estimated cost of £450,000.

### LAW AND ORDER

**Independent:** London University research shows crime rise linked to bad design of housing estates.

<u>Times</u>: Law Society calls for change in legal aid rules to help those fighting for damages.

<u>Times</u>: Anonymous booklet costing £10 which advises people how to cheat when applying for credit is causing concern among banks and shops.

<u>Times</u>: Metropolitan Police could replace up to 1,300 jobs with outside staff, putting officers back into police work.

FT: NACRO shows that proportion of adult offenders imprisoned by courts rose from 16 to 21 per cent between 1976 and 1986.

## EDUCATION

Independent: Northern Examining Association plans to pay teachers for GCSE work in defiance of Kenneth Baker who regards such work as part of a teacher's normal duties.

#### INDUSTRY

<u>Times</u>: Peter Levene to face PAC over irregularities in multi-million pound defence contracts.

<u>Times</u>: Lords' science select committee expected to attack Government over the small budget for space.

<u>Times</u>: Dispute between George Younger and Treasury over £2bn NATO warship project to be resolved by Cabinet Committee.

<u>Times</u>: Lord Young says regional aid set to rise to £900m during next three years compared with £700m originally planned.

<u>Times</u>: Lord Young to warn US against protectionism when he visits the States late this week.

<u>Times</u>. John Walsh tells miners that Arthur Scargill will step up pits overtime ban as last week of NUM presidential election campaign opens.

<u>Times</u>: British motor industry's balance of trade with rest of world went further into red in 1987 with deficit that could top £4bn.

<u>Times</u>: Fewer companies willing to agree to shorter working week deals.

FT: Mr Parkinson hints strongly that CEGB will lose control of national transmission grid when the industry is privatised.

### ECONOMY

<u>Times</u>: G7 expected to let dollar rise; leader says world's financial markets start week in better mood than for some time with a good chance that the dollar will not fall any further in short term.

<u>Guardian</u> suggests Chancellor will have filbn to give away and says that London's rich are getting richer while poor get poorer still.

### ARGENTINA

Times: Troops move against rebel Argentine colonel.

BERNARD INGHAM

## MINISTERS (UK VISITS, SPEECHES ETC)

- DEM: Mr Fowler addresses TSB City Luncheon Group; later attends the United Kingdom Federation of Business and Proessional Women Conference, London
- DES: Mr Baker receives deputation led by Robert Hughes MP about tertiary colleges in Harrow West
- DTI: Lord Young and Mr Clarke meet Mr Tamura, Japanese Minister for International Industry and Trade, London; later, both meet Dr Beid, GDR Trade Minister
- DES: Lady Hooper attends the Engineering Councils press conference to launch Continuing Education and Training - A National System for Engineering (PICKUP), London
- DES: Mr Jackson visits Birkbeck College
- DOE: Mr Waldegrave visits Special Needs Group housing projects in East London
- DOE: Mr Trippier visits Leeds (Urban Development Corporation)
- DOE: Mrs Roe visits Glasgow (Housing)
- DOE: Mr Moynihan meets National Federation of Football Supporters Clubs in London
- HO: Mr Renton addresses Binder Hamlyn Audit dinner on broadcasting
- MAFF: Mr Thompson visits Produce Packaging and Marketing Association, Lincolnshire

#### MINISTERS (OVERSEAS VISITS)

MAFF: Mr Macgregor attends Agriculture Council, Brissels (to 1) Janaury)

#### MINISTERS (PRESS INTERVIEWS)

DEM: Mr Lee interviewed for Tourism in Action, ETB monthly magazine

# TV AND RADIO

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"Today": BBC Radio 4 (6.30)

"Kilroy": BBC 1 (9.20) daily discussion programme

"You and Yours": BBC Radio 4 (12.00)

"Business Daily": Channel 4 (12.00)

"Panorama": BBC 1 (21.30) - 'Rajiv Gandhi - India's Pilot Prime Minister'

"Information Technology": Channel 4 (18.00) on automated manufacturing systems

"World in Action": ITV (20.30)

"The World Tonight": BBC Radio 4 (22.30) followed by "The Financial World Tonight" then "Today in Parliament"

"Newsnight": BBC 2 (22.45)

"The Eleventh Hour: Soft Cell": Channel 4 (23.00) on Operation Crossroads (US nuclear accident in 1950's) and its aftermath