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PRIME MINISTER

MAIN EVENTS

Prime Minister meets Japanese Trade and Industry Minister, Mr Tamura; later addresses British-Australian Bicentennial dinner, Guildhall

The Princess of Wales opens the Maternity Unit, Ante-Natal and Special Care Baby Unit, St Helier Hospital, Carshalton Surrey

DTp: Press conference on new anti-skidding initiative (11.00)

STATISTICS

BSA: Building Societies monthly figures (Dec)

CSO: Index of output of the production industries (Nov)

CSO: Cyclical indicators for the UK economy (Dec)

HMT/CSO: Public sector borrowing requirement (Dec)

OPCS: Mid 1985-based population projections for local authority areas in England

OPCS: Hospital in-patient enquiry maternity 1985 (Prov)

PUBLICATIONS

NAO: Costs and Financial Control of British Forces, Germany

PARLIAMENT

Commons

Questions: Education and Science; Defence; Prime Minister

Business: 10 Minute Rule Bill: Underground Fires (Research and Control) and Land Protection.

> Opposition Day (7th allotted day) There will be a Debate on an Opposition Motion on the National Health Service.

> Motions relating to Scottish Rating and Valuation Regulations. Details will be given in the Official Report.

Adjournment Debate: The problems of young domestic workers (Mr P Hardy)

Select Committees: PARLIAMENTARY COMMISSIONER FOR ADMINISTRATION Subject: Reports of the Health Service Commissioner Witnesses: Cambridge Health Authority; North-West Hertfordshire Health Authority

Lords: Starred Questions Legal Aid Bill (HL): Committee (3rd Day) Motion to annul the Income Support (Transitional) Regulations 1987

PRESS DIGEST

MAIN NEWS

Liberals/SDP agree merger terms - now for conferences over successive weekends.

David Owen angrily rejects in 5 minutes overtures from Maclennan to join; he says new policy document ducks every issue.

Shirley Williams attacks Owen for turning down unity appeal.

Kinnock believed to be about to sack Prescott from Front Bench job if he challenges Hattersley for deputy leadership. <u>Sun</u> attacks Hattersley as Labour's great white dope.

<u>Telegraph</u> says Japan is to buy its way into British universities -Durham and Reading negotiating to sell land to private Japanese universities to set up branches in their campuses.

Association of Chambers of Commerce calls for 2p cut in income tax and more incentives in Budget; abolish upper limit on NIC and free those earning less than £41 of liability.

Royal Institute of Chartered Surveyors claims 1 in 6 who were planning to move this year are hanging on to cash in on profit boom.

Industry enjoyed one of its most strike free years for half a century last year (Express).

B/Rail blocks appointment of leading Trot who led London's passport strike last year; withdraws its offer of job after learning of his record.

Dale Campbell-Savours MP claims, using MoD minute, that contractors have overcharged MoD by millions; PAC told contractors paid back £30m.

Today newspaper claims to be selling 20% more copies than a year ago.

David English becomes deputy chairman, Mail Newspapers.

Sunday Sport plans new daily to compete with Eddie Shah's proposed new national newspaper.

Bromley Council privatises "Meals on Wheels" to raise standards and cut costs.

Volunteers at 3 Citizens' Advice Bureaux refuse to take part in campaign to recruit homosexuals and lesbians - in Dorset and Gillingham.

No trace of missing paper boy, 14, in Hagley, Worcs.

Pub landlords to face stiffer fines for serving under age drinkers.

Mersey Tunnel swindled of flm - fl1,000 a week - by staff - 18 to be sentenced today.

NUT changes tune and calls on Kenneth Baker to set up inquiry into classroom violence.

Prince Edward joins Andrew Lloyd Webber's Really Useful Theatre Co as a production assistant; Lloyd Webber, in <u>Express</u>, contemplating leaving Britain for good for tax reasons.

<u>Mail</u> diary says Anthony Cavendish has been known under at least two other names and jirst married under the name Castle.

Archbishop of Canterbury has turned down an offer from a "hostage rescue" group to try to free Terry Waite.

French Communist mob take over Maxim's Restaurant in Paris and turn it into soup kitchen for poor.

Tory MEP, Paul Howell, thrown out of pub in Norfolk after brawl with National Front supporter.

Peace restored in Argentina after army rebels surrender to Government.

Shamir appeals to Egypt to help break deadlock over Gaza and West Bank. Mail says Israeli troops trampled relief food into the mud.

All is well with the world: <u>Sun</u> leads with 140 men going on strike because bosses removed P3 pictures.

NHS

<u>Sun</u>: Sort out NHS, Moore is ordered. You told him yesterday to stand up and fight. Teresa Gorman accuses Government of "screwing up" NHS.

<u>Mirror</u>: Small piece "NHS puts Moore in hot spot". It says he will be fighting for his political life today.

<u>Today</u>: Moore must go into battle unarmed. You say he will not be able to appease critics with pledges of more money, nor an urgent investigation of its finances - only more efficiency. Leader says one thing that will save the Government a pasting in the House is chaos in the Opposition. It is in an unprecedented mess. But what you have failed to grasp is that people's attitudes change. We are no longer worried about trade union power; we are worried about health and expectations have risen.

Express: You're all on your own, Maggie tells golden boy Moore. Supporters say he has been given nothing new.

<u>Mail</u> P1: Last chance for John Moore - critical test today. You will send him in unarmed and alone. You won't be at his side.

<u>Mail</u> feature has interesting testimony from two leading Australian doctors who say that in 1975 Australia crossed the bridge from private to all-public medicine. Now the waiting lists have grown longer than the UK's and hospitals are overflowing because the system can't cope. Good money chasing bad is not the answer. A health service operates best when it is lean, fast, competitive and personal which was what it used to be in Australia.

<u>Times</u>: John Moore to launch a robust defence of Government's health service record today after holding a council of war with you yesterday - but he will rule out more cash for NHS; Policy Unit and DHSS known to be studying options and Labout calling for flbn extra next year.

Robin Oakley in the first of a series of articles in <u>Times</u> about the NHS, describes the crisis as the biggest challenge facing the Government and that you are uncharacteristically in two minds over funding.

<u>Independent</u> leads under the heading "Time to end NHS uncertainty" on today's health service debate. It says you have good reason to be displeased with John Moore's performance, notwithstanding your assertions that he still retains your confidence. It is now almost inevitable that there will be a formal review of the funding and administration of the health service. Only the form of this review is open to debate. \underline{FT} Government is in a political mess over NHS, forced on to defensive over past three months. Two points are clear in current debate: additional moeny will be made available and there will be changes in the structure of the NHS. But it is still unclear how much and when. There is widespread agreement among Tory MPs on the need for radical change, though there is no consensus yet on the form of such change. John Moore faces the double challenge of restoring the NHS and his own political reputation. The position is similar in many respects to that in education two years ago: the answer then was to secure an extra £2bn from the Treasury to buy a short-term breathing space before proposing a far-reaching shake-up.

<u>Telegraph</u>: Thatcher holds Summit on NHS crisis. Searching examination of performance and management of NHS hospitals to be launched.

<u>Guardian</u>: Moore faces rough ride from Tories over health. He appears to have little new to say.

Hugo Young, in <u>Guardian</u>, says parts of the Government's case make sense. Management of the NHS often seems to be staggeringly inefficient. The customer often gets a reaw deal. But radicalism is not a substitute for more money.

BIRMINGHAM DEPUTATION

Star: Heart tots march on Maggie with message "You can save our lives".

<u>Mirror</u> puts deputation on front page with heading "Feeling Guilty, Mrs Thatcher" - with pictures of "the kids you would not see".

Today: Small piece - heart op children march on No 10.

Express: Sick children urge Maggie for more aid.

<u>Times</u>: Parents hand in petition to No 10 in protest of lack of cash to for child heart cases - picture of Neil Kinnock holding one of the young patients.

<u>Telegraph</u>: Heart babies in Downing Street rumpus. Labour MPs demanded your appearance.

HEALTH

<u>Times</u>: Specialists say asthma deaths could be reduced if doctors prescribed drugs more.

SOCIAL SERVICES

<u>Independent</u>: Unsuccessful court move last weekend to make foetus a ward of court - the first such attempt in British legal history is thought to be attempt by Social Services departments to avoid criticism they had not anticipated danger to children.

EDUCATION

<u>Independent</u>: Government modifies its ideas for parent power in Scottish schools after hostile reaction to its consultation document last August.

FT: Plans to give Scottish parents a big say in the running of schools abandoned following overwhelming rejection of ideas in consultation operation. Instead, Government will legislate to create school boards on which parents will have less power than originally proposed.

LIBERALS/SDP

<u>Sun</u>: Get lost - Angry Owen snubs Mac's new deal; leader says Libs/SDP don't have a leader among them yet with Labour falling into a Marxist black hole there is a need for a credible alternative to Tories. Owen is their only chance.

<u>Mirror</u>: Double snub to SDP boss over merger - first is accepting watered down statement and then by being shown the door by Owen.

Today: Owen's 5 minute snub to Alliance unity plea.

Express: Owen snubs "back from the dead" Alliance.

<u>Mail</u> leads with "About turn for SDP" - at one stage it looked as if Maclennan would not agree to package; leader says it's like watching an old flickering comedy film. As a race against time to unite the centre of British politics it trivialises the hopes of millions and makes any merger a sick joke.

<u>Times</u> leads with merger back on rails but without David Owen who snubs Robert Maclennan. Owen said to be furious over disgraceful approach describing it as a complete set-up; leader describes merger document as an honourable failure and that the troubles in the way of the merger have only just begun.

<u>Independent</u> P1 leads with Liberal MPs back Alliance merger policy. Steel says "It's back on the rails" but Maclennan could now find the statement more difficult to sell to the SDP.

<u>Independent</u>: Peter Jenkins believes that if the special Liberal Assembly blows it at Blackpool on Saturday, we can probably forget about serious third-party politics for the next decade. That would apply to Dr Owen, too. Even if the merger goes ahead, it would suffer from a lack of any real base in interest or class and of coherent or enthusing project.

<u>Telegraph</u> P1 lead: Owen rejects overtures by Maclennan. Clash in Limehouse after SDP yields over merger.

<u>Guardian</u>: Alliance Chiefs nail down new merger policy. Maclennan approach rejected by furious Owen.

LABOUR PARTY

<u>Mirror</u> on "Labour Listens" campaign says if the party had listened more to voters and dealt quicker with infiltrators it would have had a better chance of winning last two elections. The new campaign isn't a gimmick or a sell out, because Labour won't abandon its democratic and caring base.

Express leader says Labour's attempt to project itself as the "Listening Party" should fool no one. The public is being offered communication. If Kinnock were determined to jettison Labour's outmoded and election losing thinking, he would be fighting to do so now, rather than launching this pathetic public relations stunt.

<u>Independent</u>: Tribute opposes Prescott challenge for deputy leadership. Kinnock's public hostility makes it an issue of confidence.

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<u>Telegraph</u>: Party strife looms for Kinnock; leader says Kinnock is making a virtue of necessity over "Labour Listens". But if it is interested in what uncommitted voters think much of what it hears will hurt and will not be remedied by repackaging present policy. The reality must be that Mr Kinnock will take note only of the answers that suit him.

<u>Guardian</u> says Kinnock denied yesterday that Labour would necessarily abandon fundamental values.

OTHER POLITICS

Young Conservatives in London have persuaded the Scottish party leadership to allow Scottish YCs to take part in election of national officers - seen as success for far right.

Telegraph says John Wakeham is to become chairmand of Home &

BUDGET

Sun says Chancellor's tax cuts in Budget could put extra £5 a week in people's pockets.

<u>Express</u> leader on Andrew Lloyd Webber seriously considering settling permanently in USA says too many are still fleeing across the Atlantic to escape our high taxes. We are now living in a world economy and the Chancellor must ignore those political colleagues and Treasury officials who are urging restraint with tax cuts.

Rodney Lord in a <u>Times</u> feature says as Chancellor prepares for Budget, optimism about the economy is now higher than at any time in previous nine years.

<u>Guardian</u> leader says now is the time to switch to public spending as the new motor of growth. Rarely can economic and political self interest come together so smoothly.

INDUSTRY

Times: Government expected to give £5m a year boost over next 3 years for development of HOTOL.

<u>Times</u>: Christmas fails to live up to expectation in high street as December sales fall by 1.1%.

<u>Times</u>: 33-year-old who is still receiving £40 a week enterprise allowance, builds up contract cleaning company to £560,000 turn-over in 9 months.

Times: Fears expressed over nuclear power station in Wales which could result in new Chernobyl.

FT: BT cuts prices by up to 40% for key international services used by many big companies.

FT: Nigeria's plan to reschedule \$3.2bn unpaid trade debts approved by required two-thirds of creditors, Law Debenture Trust says.

FT: Charles Hughey adds his voice to mounting chorus of protest against CEGB plans to test cooling equipment at Transfynedd nuclear power station in North Wales.

LAW AND ORDER

<u>Times</u>: Lords embarrass Government by throwing out central plank of planned overhaul of legal aid system by curbing Lord Chancellor's power over deciding future shape of scheme.

<u>Times</u>: Law Society and General Bar Council says poor pay will reduce legal aid work.

FT: Former Nazid and other alleged war criminals will be brought to trial, pledges Douglas Hurd; but he rules out amendments to Criminal Justice Bill.

NORTHERN IRELAND

<u>Independent</u>: Anti-terror television advertisement under fire for alleged bias against Republican paramilitaries but John Stanley insists it is aimed at both parts of the community.

DEFENCE

Times: MoD contractors pay back £30m PAC told. Dale Campbell-Savours reveals series of figures before being stopped.

CHURCH

FT: Crockford's to review tradition of inviting clergymen to write anonymous preface to clerical directory, Michael Alison tells Commons.

Times: Shevardnadze, speaking in Bonn, says Moscow will offer further cuts in arms.

Independent: Shevardnadze renews Moscow's offer to scrap all short-range nuclear weapons that are worrying the Germans - when the British and French are ready to join in.

<u>Independent</u>: Josif Begun finally leaves Soviet Union for Israel -17 years after he first sought emigration - and calls for better treatment for Soviet Jews.

EC

<u>Independent</u>: Britain and West Germany seem set on collision course at Agriculture Council as Kiechle insists on set-aside cash incentives as alternative to stabilisers.

AFRICA

Independent: Mitterrand to visit Nigeria later this year in determined and systematic French attempt to replace Britain as Nigeria's main European partner.

MINISTERS (UK VISITS, SPEECHES ETC)

- DOE: Mr Ridley and Lord Caithness dine with Water Authority Chairmen, London
- HMT: Mr Lawson addresses Centre for Policy Studies, Carlton Club, London
- WO: Mr Walker visits South Wales Valleys with the Heads of the Valleys Standing Conference
- DEM: Mr Lee visits Manchester
- DES: Lady Hooper visits Oxford College of Futher Education
- DOE: Mr Trippier visits Rochdale Task Force
- DTp: Mr Bottomley attends the County Surveyors Association annual dinner, RAC Club
- FCO: Lord Glenarthur addresses Pakistan Society, London
- ODA: Mr Patten addresses Backbench members of the Foreign Affairs Committee; later speaks at launch of briefing pack on population, House of Commons

MINISTERS (PRESS INTERVIEWS)

ODA: Mr Patten interviewed by the Financial Times for their Monday profile page

TV AND RADIO

"Today": BBC Radio 4 (6.20)

"Kilroy": BBC 1 (9.20)

"Daytime on Two": BBC 2 (9.20) 'Inset Science' - series discusses demands of secondary science curriculum, including GCSE

"Business Daily": Channel 4 (12.00)

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

"I Could Do That": Channel 4 (13.00) - second of five programmes about business opportunities for young people

"The Parliament Programme": Channel 4 (14.00) daily programme covering both Houses of Parliament

"The Local Network": BBC Radio 4 (16.05) - BBC local radio link up looks at twinning with UK to overcome North/South divide

"Lessons for Profit": Channel 4 (18.00) examines the relevance of education to world of work

"Reporting London": ITV (19.30)

"Newsnight": BBC 2 (22.35)

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