

TUESDAY 16 AUGUST

Main Newspaper Stories

Cleveland social services committee report calls for sacking of child abuse social worker, Mrs Sue Richardson.

Share prices fall as retail sales figures for July show 2% jump in consumer spending. But manufacturing output also increased 4.5% over last year.

Row continues over 'Last Temptation of Christ' film, with censor James Ferman attacking bishops for pre-judging it.

Prime Minister signals new powers to cut cash flow to IRA and other terror groups; and reveals plans for a special unit to combat paramilitary racketeering (copy of letter to Reverend Martin Smyth MP, which he released to PA, attached).

HOTOL research programme to be kept going with £120million promised by group of companies led by Rolls Royce.

Spanish air traffic controllers threaten strike on August 27 and 30, and September 3.

Captains of industry, led by Sir Robert Scholey, plan to buy £250,000 synthetic sapphire for Prime Minister.

Enzo Ferrari dies at 90.

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We issued Press Notice on National Heritage Memorial Fund trustees (attached).

DHSS issued statement from Kenneth Clarke (still on holiday in Spain) saying that recent row was a publicity stunt by union leaders and he wants nurses to have their money by Christmas (copy attached). Edwina Currie appeared on tv ( from Westmimster studio) to make the same points.

Treasury announced PSBR net repayment of £1.7billion in July, compared with City expectations of about £0.5billion. Markets took little notice.





10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

11 August 1988

*Dear Mr. Smyth,*

Thank you for your letter of 20 July following up my written answer on 14 July on finance for international terrorism.

*M* You ask what work has been done so far in this area. In Northern Ireland we have made major efforts to develop an overall strategy to combat paramilitary financing operations. This has entailed forging closer links between all Government Departments and Agencies - whether based in Northern Ireland or Great Britain - as well as the security forces, primarily the RUC. Further significant extension of this process is expected shortly through the formation of a purpose-designed, administrative, anti-racketeering body.

On the ground, the RUC has reorganised and substantially strengthened its own anti-racketeering squad in the past year. A major review has now taken place within the Northern Ireland Department to examine the best ways in which the possibility of paramilitary abuse in government contract letting may be further reduced. Government grants to outside groups have also for some time been subject to close scrutiny by the Secretary of State for Northern Ireland to ensure that they are not applied to groups under paramilitary influence. I know the legislative proposals being worked up by the Home



Secretary are being drafted in close consultation with the NIO.

I understand that in all these initiatives the views of the RUC have been taken fully and directly into account. Indeed, information from the RUC has played a vital role in providing factual back-up for what we have undertaken. I am therefore puzzled that you should consider best use has not been made of RUC and security force information. Neither I nor Tom King have been aware of any complaints to this effect from the Chief Constable or other members of the force; on the contrary their views have been valued and, as I say, have been of material assistance.

You will understand that I cannot say a great deal about our plans to enable confiscation in anticipation of the Queen's Speech but our intention is to broaden and strengthen the existing offences in the Prevention of Terrorism (Temporary Provisions) Act 1984. They will apply to certain categories of international terrorism as well as to Northern Irish terrorism; the definition of the prohibited conduct will be expanded so that it will more clearly cover the sort of activities and transactions carried on by banks and other financial institutions and accountants and other financial advisers. Facilitation of the retention or control of terrorist funds will also be an offence. On conviction of one of these offences it is proposed that the court may order the confiscation of any money or other property which the convicted person had intended would be used in connection with terrorism.

Linked with the new offence will be new powers of investigation modelled broadly on those in the Drug Trafficking Offence Act 1986, to enable the police to carry out investigations into suspect funds.

I hope this will reassure you that we are taking the question of terrorist financing extremely seriously, and are taking positive steps to tackle the problem. In doing so



best use has been made of all the information available to us.

Yours sincerely

Ragland

The Reverend Martin Smyth, M.P.



10 DOWNING STREET

## Press Notice

### National Heritage Memorial Fund

The Prime Minister has appointed Sir Oliver Millar GCVO FBA and Sir Nicholas Goodison as Trustees of the National Heritage Memorial Fund in succession to The Baroness Airey of Abingdon FRSA and Mr Clive Jenkins on the expiry of their terms of office.

The Prime Minister has also re-appointed Sir Martin Jacomb as a Trustee of the Fund on the expiry of his current term of office.

16 August 1988

### Notes for Editors

Sir Oliver Millar, who is 65, has recently retired as Director of the Royal Collection and Surveyor of The Queen's Pictures. He has been a Trustee of the National Portrait Gallery since 1972.

Sir Nicholas Goodison, who is 54, has been Chairman of the Stock Exchange since 1976. He has been Chairman of the National Art Collections Fund since 1986.

Sir Martin Jacomb, who is 58, has been a Trustee of the National Heritage Memorial Fund since 1982.

Telephone 01-930 4433



**PRESS  
RELEASE**

Richmond House  
79 Whitehall  
London SW 1A 2NS

Telephone 01-210 5963

88/347

16th August 1988

NURSES' PAY: KENNETH CLARKE'S STATEMENT

Kenneth Clarke, Secretary of State for Health issued the following statement today:

"Throughout the so-called crisis over nurses' pay I have been involved in detailed discussions with Ministers and senior officials. Their judgment, as it is mine, is that the whole row has been an artificially contrived publicity stunt. It has served the interests of certain union leaders, not those of the nurses.

"I have to say that I hope that the unions do not use this morning's meeting as a pretext for walking out again. I am firmly resolved to carry out the undertakings which the Government gave to implement its Review Body recommendations and I am anxious to complete the complex re-grading process within the agreed timetable.

"I want the nurses to have their money by Christmas; the way to do that is for the management and staff to talk it through - not walk away."





**NHS MANAGEMENT BOARD**

**Department of Health & Social Security**

Richmond House, 79 Whitehall, London SW1A 2NS

Telephone 01-210 3000

*From the Chief Executive*

Len Peach

To: Regional General Managers  
District General Managers  
General Managers for the London Postgraduate SHAs

EL(88)MB

16 August 1988

Dear General Manager

There has been widespread and confusing media coverage of the application of that section of the new clinical grading structure which applies to nursing sisters. It is important that all those implementing and those affected by the application of the new standards should know the management position.

Management have been instructed to implement the new structure fairly and consistently within both the spirit and the letter of the joint agreement between the two sides of the Nursing and Midwifery Staffs Negotiating Council. This does not mean that there will be complete accord. But the attempt to regrade half a million jobs in a period of less than 6 months is a huge one which requires co-operation rather than confrontation between unions and management. At the end of the period we will have in place a grading structure which, if not perfect, will provide immediate reward for most, long term reward for others, and clinical career opportunities for all nurses.

On the immediate issue of nursing sisters there will be a clear majority of sisters - including hospital sisters - in the higher grade G. This was always intended and budgeted for in our provisional estimate last April. On the information available to us, out of 77,000 sisters the numbers in the higher grade will be around 45 - 50,000. These figures are estimates and a more precise number cannot be given until after 5 September when we will have the provisional assessments from Regions. The number of those expected to be graded in G is governed not only by the clause concerned with 'continuing responsibility' but also by the definitions referring to clinical specialists which qualify sisters to be classified in that grade.

Please use this information within your authority. The Management Side of the Nursing and Midwifery Staffs Negotiating Council will be supplying a question and answer briefing on the topic of the grading structure later.

Yours sincerely