

October 19, 1990

PRIME MINISTER

MAIN EVENTS

- The Queen installs new Provost, Oriel College, Oxford
 - 2nd anniversary of Northern Ireland Broadcasting Restrictions
 - EC Informal mtg of Immigration Ministers, Italy (to Oct 21)
 - Publication, Scottish Child Care law reviewed
 - Commons: Debate: Motion on Adjournment
 - Lord Chancellor addresses Magistrates' Assn AGM
 - Malcolm Rifkind chairs meeting of Scottish Economic Council
 - Michael Howard speaks at TEC conference
 - Cecil Parkinson presents 1990 Ratcliff Mobility Awards,
 - David Hunt presents awards; tours valleys, makes health speech
 - Richard Ryder addresses conf on 1992 in Cardiff
 - BBC Radio 4 Any Questions? includes David Mellor
-

PRESS DIGESTMAIN NEWS

SLD win Eastbourne with 4,550 majority, Labour only just avoid losing deposit. Sensational Conservative defeat.

Times says outcome is a serious blow for the Govt indicating that the benefits from last week's entry into the ERM and the accompanying cut in interest rates have been short-lived.

BBC poll of polls shows 2% increase in Labour lead to 10% (47/37).

Chancellor tells bosses to curb pay, including their own, if they want to stay in business now we are in the ERM. Unemployment up for sixth month in a row and average wage earnings rise to 10.25%.

Mail - Upbeat Major boosts Tory hopes - an optimistic picture with inflation due to peak soon and fall dramatically from April makes general election in June a possibility.

Strikes in August were at a 56 year low.

Times says that Kenneth Clarke, Chris Patten and Tom King appear to be the winners in the annual Whitehall spending steeplechase. For once, the hard-faced men of the Treasury felt that they were labouring under an impossible handicap.

Telegraph says Chancellor is preparing markets for a substantial overshoot of public spending, exceeding £200 billion.

Deteriorating finances may force Govt to borrow again, John Major hints. Economic downturn could wreck his aim of reducing public spending's share of national income Independent.

Sun pointing out that three executives of Japanese Sumitomo Bank have resigned as it hits trouble, and 24 directors have taken huge pay cuts; when will our bosses follow this honourable example?

Express says jobless figures confirm the Chancellor's recent cut in the base rate. We are entering a period of recession. How much worse it all gets depends on employers and union leaders.

PRESS DIGEST

FT editorial reviews Mr Major's speech and concludes that ERM entry is a tough discipline and may prove an unpredictable one. It means the subordination of monetary policy to an exchange rate target that will become more exacting when sterling moves into a narrower band. At that stage, the Chancellor should take the whole process to its logical conclusion and hand the management of monetary policy to the Bank of England, where it properly belongs.

Telegraph says house prices in South East are set to rise 5-10% next year.

Brussels sees Britain risking isolation at next weekend's Euro Council after Kohl backs 1994 as starting date for Stage II of EMU.

British official says idea of fixing a date for Delors State II is "loopy" because no-one knows what it would entail Independent.

Times - Govt appears to be on collision course with Germany and other EC members after Chancellor denounces any attempt to set a fixed date for monetary union as an inherent absurdity. Leader says your past promises and present demeanour lead the public to expect you to bring down inflation without precipitating a severe recession or high unemployment. The Cabinet must use all the tools of monetary, fiscal, credit and exchange-rate policy which are at every Govt's disposal; a full and rounded armoury. Mr Major should have displayed it last night at the Mansion House.

Times says that Delors, seizing the chance to put his plan for EMU back on track, warmly welcomes Kohl's proposal to start the second phase on January 1, 1994.

Telegraph says the Govt will be walking a tightrope in the IGC on EMU.

POLITICS

George Gale, in Mail, says you are incomparably the greatest post-war Prime Minister and the greatest peace-time Prime Minister this century. But you won't dominate the next election on foreign or home issues and after a decent interval, following another victory, it will be time for a change of premier.

PRESS DIGEST

Peter Kellner in the Independent says "crypto-communist" may soon join the ranks of remarks that you wish you had never made. But it follows a pattern of recent personal attacks on Neil Kinnock by Conservatives. These insults could become counter-productive. Only the rattled chairman of a nervous party would take such an immense gamble with his propaganda in order to pull his party out of its trough; and only a worried Prime Minister would court the unsavoury charge of McCarthyism.

GULF

Times says according to a Gallup poll in Britain, France, Spain, Germany and Italy, Britain emerges as the European nation most in favour of using force to free Kuwait, free the hostages and protect the West's oil supplies.

Mail says President Bush, haunted by fears of appalling US casualties, may have lost heart for war in Gulf.

James Baker says that Washington is considering proposing a UN resolution to authorise the use of military force against Iraq if after a suitable period the trade embargo has not worked Times.

US Secy of State Baker says he believes Arab States would join a US military attack if decision were made to go to War FT.

Oil prices fall as Gulf war fears subside and growing evidence that markets are abundantly supplied FT.

Unleaded fuel price drops below £2 - Tesco cuts price by 10p.

Soviets dip into hard currency earnings to avert strikes in their oil industry FT.

The US is to ask the IMF to increase lending to Eastern Europe by up to £5billion to ease impact of higher oil prices caused by the Gulf crisis (FT).

Andrew McEwen, Times Diplomatic Editor, says that Douglas Hurd fiasco in the Middle East would not have occurred if Britain's stand on the Palestinian issue had been clearer.

Sun feature describes Douglas Hurd as Mr Blunderful.

PRESS DIGEST

Mail, on the "perils of too much diplomacy" says Mr Hurd has negligible power on his own account. HIS main asset is such influence as he can exert on USA and EC. And he should have told Heath his visit to Iraq could only weaken our stand against Saddam Hussain.

Arab League issue unanimous condemnation of Israel for killings at Temple Mount Times.

British officials accept that carelessness when speaking to the Israelis may have cost Douglas Hurd the chance of dialogue with the Palestinians. But they believe more damage was done to Foreign Secy's career than to British diplomacy Independent.

Sun claims credit for yesterday's announcement by Tom King that none of our forces in Gulf will be worse off financially.

Israeli troops wound 55 Palestinians in clashes at refugee camp.

Today calls on Govt, with our troops ranged alongside Syrian forces, to restore relations with Syria and so help release of Beirut-hostages. Syrians say hostages won't be freed until we restore diplomatic relations.

Times says you gave tacit support yesterday to Edward Heath on the eve of his visit to Baghdad.

Independent editorial says the dissatisfaction with Foreign Office services to Britons caught in the Gulf suggests failure somewhere down the line. The Govt should look at the problem with some urgency. But the ultimate responsibility for the crisis lies with Iraq, and that is where all the bills should end up.

INDUSTRY

British Gas puts up prices 3.5% - second time this year.

FDA says Whitehall is squandering talent by the way it recruits graduates for fast stream promotion. They still favour white, male, Oxbridge students with arts degrees Times.

Survey says Manchester is cheaper as a base for European executives than any other Western Europe city Times.

TRANSPORT

Pilots get blame for Kegworth crash. Today is concerned that reliance on hi-tech excellence is ignoring common-sense.

PRESS DIGESTEDUCATION

Star gives John MacGregor full marks for getting extra £500million out of Treasury and puts him at the top of the class for introducing simple tests for 7 year olds. He must now invest in a new status for teachers.

Express sees the testing format as sensible and it is difficult to see the opposition to testing, especially among teachers. With this and the spending decision, Government could have turned the educational tide - and not before time.

Mail is not encouraged Mr MacGregor proposes to use extra "£700million" on buildings. The money should be used to remedy the teacher shortage.

Times says the growing political argument over education erupted in the Commons yesterday when you and Kinnock clashed. The passion of your comments was attributed by some to your anger at Labour's attempt to take the initiative on education.

Parents of persistent truants could be fined £1,000 under legal powers being considered by the Govt Times.

Telegraph broadly welcomes testing scheme. It is encouraging to see Mr MacGregor getting down to the pressing, practical questions raised by his predecessor's reforms. If the right sort of co-operation is not forthcoming from teachers the Minister should not hesitate to appoint external examiners and get rid of SEAC.

Guardian also welcomes testing scheme. It says that erudite groans should be ignored. Too many experts and practitioners did not want national tests. Good schools are already making extensive use of tests. There is nothing in this package to daunt the good teacher.

ENVIRONMENT

Times leader discusses the problems of noise pollution saying that governmental solutions are not the only responses. Individuals bear responsibility too.

LAW & ORDER

Racehorse trainer accused of nobbling racehorses during St Leger meeting at Doncaster.

PRESS DIGEST

Child sex abuse rings have claimed nearly 2,000 known victims in last 3 years, according to survey for BBC programme.

Gerald Ronson has an away-day from jail to see doctor and has a business lunch and meets family.

MEDIA

Express says children as young as 12 can now see films in which four letter words are used.

Lord Goodman says the Govt's revised and watered-down impartiality amendment to the Broadcasting Bill will lead to a "lawyers' picnic" if passed by the Lords Times.

Sinn Fein admits broadcasting ban has been a success in reducing interest in the IRA. Govt easily containing civil liberatarian campaign against the curbs Independent.

FOREIGN

Police retreat after trying to unblock border road crammed with trucks during Spanish drivers' protest agianst Govt's failure to subsidise fuel; British drivers trapped. Sun, ironically, sees this as further evidence of the EC as one "big happy family".

30 French anarchists protesting about community charge thrown out of our Consulate in Lyons.

Thai Prime Minister promises to examine case of two British girls accused of drugs offences.

Moscow, Leningrad and a number of other Soviet cities face the prospect of all-out rationing in the new year Times.

Italian Govt to make available to Moscow £3.24billion in various credits by 1994. The Italians believe such Western aid is vital for shoring up the Soviet Govt's shaky authority over its rebellious regions FT.

Hungarian govt says it is open to offers for all the enterprises it receives from today FT.

De Klerk ends State of Emergency in Natal Times.