

October 22, 1990

PRIME MINISTER

MAIN EVENTS

- Ted Heath in Baghdad
 - National Fire Safety Week (Home Secy launches)
 - Memorial Service for Ian Gow
 - Prime Minister's interview with TV Times
 - Irish Sea conference, Isle of Man (to Wed)
 - Trade figures (Sept)
 - Cyclical indicators (Sept)
 - Treasury Bulletin
 - Euro Parliament, Strasbourg (all week)
 - EC Consumer Council, Luxembourg
 - EC Foreign Affairs Council, Luxembourg (to tomorrow)
 - Road Transport Union conference, Torquay
 - Sports Council annual report
 - Islay geese scaring scheme (Year 3)
 - Location of Scottish Technology Academy
 - Scotland's "Forest Heritage" published
 - Consultation on Council Rent Guidelines
 - Customs & Excise redefine subsidiary company
 - Local Govt boundaries (NI) Order
 - Commons: Questions: Transport; Ch. Duchy; Church Comms;
 PAC; Lord President
 - Debates: Lords Amdnts, Employment and Landlord
 & Tenant Bills
 - Lords: Debate: 3rd Rdg, Broadcasting Bill
 - Lord Chancellor speaks at Criminal Justice conference,
 Bishops Stortford
 - David Hunt meets Welsh Farmers' Union
 - John MacGregor speaks on IT in further education; meets LA
 Assns
 - Peter Lilley opens Phase I, Manchester Business School
 - Lynda Chalker opens EBRD conference, London
 - BBC TV Panorama on South Africa
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PRESS DIGESTGulf/Middle East

Mail says vast majority of Americans (73%) are against war with Iraq until sanctions have had time to work.

Telegraph thinks there has been a shift of mood in the USA. But the alternative to war seems incomparably worse. Delay beyond a certain point can sever only the Iraqi dictator and not the cause of international justice.

Some suggestions Saddam Hussain will allow 200 British hostages home with Mr Heath after 3 hour meeting with him.

But press critical of Hussain holding everyone in suspense until those who are to be allowed to leave are identified.

Virgin Airlines to fly those released out of Jordan.

Today complains that Heath's handshake with Hussain gave Iraqi dictator a massive propaganda victory.

But Guardian says his success while numerically modest, was well worth the effort.

Three released Germans criticise their Govt for not doing enough to help hostages.

Times says that although the release is unconditional, Heath's presence at the Presidential palace in Baghdad is regarded as a big propaganda coup by the Iraqi leadership. Mr Heath said he believed that not enough efforts were being made on the diplomatic front to bring a peaceful solution, a view which will anger you.

A daily paper in the UAE carries a report Iraqi forces have started to withdraw to a line north of Kuwait city. The size and implications of the move not clear, however Independent.

UN economists warn that a protracted military stand-off in the Gulf, coupled with economic sanctions against Iraq, will devastate the world's poorest economies while dealing a savage blow to the already weak economies of Eastern Europe Independent.

Telegraph says FCO has told relatives food parcels cannot be sent to Baghdad because it would be breaking sanctions.

An internal UN study shows Britain, the Soviet Union and China are earning billions of dollars from higher oil prices brought on by the threat of war and sanctions against Iraq Independent.

PRESS DIGEST

Arab teenager stabs 3 Israelis to death in Jerusalem - revenge for shooting of 20 Arabs.

Arab gunmen murder Christian leader in Beirut as well as his wife and 2 sons - he was leading ally of Aoun.

COMMENT

Star welcomes any releases but says Saddam Hussain is holding an entire nation hostage. Kuwait must be freed and Hussain crushed.

Today says that while it welcomes the return of hostages it fears Heath has made life harder for Saddam's 1,400 other British captives.

Express says the apparent success of Mr Heath's visit is excellent news but there is a downside and we must not let our natural rejoicing blind us to this. Hussain is no less a criminal today than before Mr Heath left London.

Mail on "high hopes and deep unease" says that he was given a warm welcome because he said that diplomacy must be given more of a chance. That is why it remains uneasy about the comfort his visit may afford an aggressor.

POLITICS

John Major 5-4 on to succeed you.

Norman Tebbit wants Ministers to lay off being bricklayers and become architects so that people can see what they are trying to build.

Independent editorial agrees with Mr Tebbit's remarks. It concludes too much of what the Govt has done since 1987 has not been seen as addressing the nation's real needs. Saying the Govt now has at most 20 months in which to make good its failures, it says the message to you is clear. Freedom of choice is a fine thing, but most people do not in practice have a choice of hospital, etc. While they wait for the splendours of competition in the future, they would be grateful for efficiency in the here and now.

PRESS DIGEST

Ronald Butt writing in the Times under the heading "The Thatcher factor at work" says the Eastbourne defeat should not be easily dismissed. Over the past two years the Govt has had signals galore of the dangers over a whole range of policies. It has shrugged them off. Justly or not, the critical public now associates the refusal to listen with you personally. There is no prospect of your standing down. The Thatcher factor will determine the outcome of the election, and only you yourself can determine whether it is a winning or losing card.

Mirror leader headed "The Quaking Tories" says Eastbourne was the beginning of the end for the Thatcher era. You have nothing bold to offer. The fire has gone. You should hand over to a younger Prime Minister.

FT front page lead - Troubled Tories close ranks to reduce poll damage. Though dispirited, Backbenchers believe the best thing is to keep their heads down in the difficult time immediately ahead - including the expected announcement that child benefit will be frozen again - and hope for a fresh impetus in the new parliamentary session in November FT.

Ashdown hints strongly that the Liberal Democrats would be prepared to force repeated elections in the face of a hung parliament to achieve proportional representation Independent.

Express says there is a suspicion that the Govt has lost confidence and direction, a feeling strengthened by the party conference. It calls for the return to Govt of Messrs Tebbit and Heseltine.

Kilroy-Silk, in Express, says that because of SLD revival in Eastbourne you will laugh last.

Guardian will have none of the idea that Eastbourne was bad for Labour. If Labour's best hope is to emerge from the next election as the largest single party the SLD success in places like Eastbourne could help them on their way.

Ian Aitken, in Guardian, is however cautious about jumping to conclusions how voters will react to you in the next general election. Jettisoning you would be a bigger gamble than keeping you on.

Mail says Kenneth Baker should be big enough to carry the can for Eastbourne instead of letting it be known he was not necessarily consulted about the Tory message in the by-election about terrorism.

PRESS DIGEST

Conservative effort to recruit voters from those living overseas an "expensive flop".

Paddy Ashdown rejects any pre-electoral deals with Labour as a way of defeating the Conservatives at the next General Election Times.

COMMUNITY CHARGE

Home Secy calls for full report on Brixton community charge riot; future marches could be banned.

91 charged with 117 offences; 30 in court today.

Star leads with picture of rioters in London kicking a policeman on the ground - "Leftie loonies who love to beat up cops". It says it has a copy of a riot manual "How to take The Filth on" which was handed out to rioters. Leader says the rioters were the ugly shock troops of the Ultra Left sneaking out of the woodwork again despite the collapse of all they hold dear in Eastern Europe.

Mail leads with picture (fuzzy) of rioter setting alight an overturned motor cycle.

Sun leader says the community charge demonstrators have no respect for our way of life. The mob were showing their contempt for the legal process.

An investigation by the Times of capped councils has discovered sweeping cuts, many affecting the elderly and the disabled. Reductions in services mean fewer libraries and museums, increased charges for swimming pools and sports centres, higher bus fares and fewer grants for voluntary agencies.

LAW & ORDER

Codes to help eradicate rudeness and bad behaviour by police officers are to be considered at a meeting between chief constables and the Home Secy Independent.

Times says that an undercover unit of London firemen which exposed a multi-million pound fraud among their colleagues, involving bogus or inflated injury compensation claims, has been wound up despite protests from the Chief Fire Officer.

PRESS DIGEST

Times leader says that, in principle, all are equal before the law, but in Britain too many people are deterred from seeking any form of legal redress because of the legal fees. It calls on lawyers to help ensure that all those who have a good case in law can afford to pursue it. Private fees have to come down. Wasteful double-manning must be abolished.

ECONOMY/EC

Michael Howard says Govt expects public sector pay rises must be held to 7%; fears of a clash with unions.

Times leader says the Govt has a private sector pay policy. ERM is its name. It concludes that Ministers should keep negotiations at arm's length. Those who cannot keep their hands off invariably end up with burnt fingers.

Treasury, in Bulletin, says Ministers have been working in the dark on the economy because it got its forecasts wrong.

Hopes that a solution was close in the US budget stalemate fade as compromise talks on tax changes break up amid disagreement and rancour Independent.

Robin Oakley, in the Times, looks at tomorrow's ERM debate saying that on Europe Labour's fox has been shot. Until the Chancellor's dramatic move on ERM what differentiated Labour and Tory approaches to the EC was the Labour Party's open enthusiasm for joining the ERM.

You tell Andreotti that you are not prepared to set a date at the EC's Rome summit next weekend for starting the second stage of EMU Times.

Smaller EC states, whose currencies are little traded internationally and who have relatively unsophisticated financial markets, are likely to benefit most from EMU, according to the report FT.

Norway to tie Krone to ECU from today FT.

FT leader headed "Kohl's big blunder" says EC partners had been waiting to see what kind of a partner a unified Germany would be. They did not have long to wait. Last week Kohl intervened in the farm policy debate - linking her stance on reform to other developments such as monetary union in a way likely to prove inward looking and insensitive.

PRESS DIGEST

Telegraph says Britain is isolated over EMU and in the end the Community would rather move forward as 11 than not at all.

Calls for closure of a tax loophole allowing use of offshore trusts by rich.

INDUSTRY

Mail says bosses throughout Europe are lining up behind you in their opposition to EC Social Charter.

Today inquiry finds credit reference agencies present "a devastating picture of incompetence and sloppiness with sensitive, personal information".

Noise regulations to protect industrial workers are being largely ignored, although 1.7million people may be at risk of permanent deafness.

GKN, the automotive, defence and industrial services group, is poised to become the first UK company to set up a manufacturing plant in Eastern Germany since unification Independent.

The CBI is to draw up national targets for vocational training, following the Govt's decision to abandon its own attempt to set them Independent.

Independent editorial reviews the collapse of the Zeebrugge case, concluding more practical people will focus on 2 questions: is it right that the chance of criminal proceedings succeeding are so small that exemplary damages might teach management the importance of safety more effectively? And what can be done to ensure that measures are intrinsically safe and are carried out with proper regard to safety?

BT considering moving into US long distance telecommunications market in association with McCaw Cellular Communications FT.

VSEL has given itself only a few months to find a buyer for Cammell Laird. FT article examines the prospects.

SOCIAL SECURITY

Express reports a revolt over alleged freezing of child benefit.

PRESS DIGEST

Angela Rumbold urges, in an interview with the Independent, a U-turn on two central issues of govt policy for the family, saying the freeze on child benefit should end and tough limits on the earning potential of lone parents should be eased. She also reveals she is pressing colleagues to agree to a govt contribution to child care costs.

Law Society warns plans for a new child support agency could cause low income families more hardship than the present system Independent.

HEALTH

Express says you have ordered a U-turn over haemophiliacs who have caught AIDS with contaminated blood, with £80million being offered over a number of years.

Independent says there are growing signs that the Govt will agree to an out-of-court settlement before Xmas for haemophiliacs who caught AIDS from NHS blood.

Senior Appeal judge Lord Griffiths gives strong support for reform that would give victims of medical errors compensation without having to prove negligence Independent.

Researchers claim that a new anti-AIDS treatment developed in Britain could give protection from the disease to people infected with HIV for as long as 20 years Times.

EDUCATION

Wandsworth Council to offer education vouchers for nursery schools.

Labour education authorities to consider concerted legal moves to put the Govt "in the dock" over spending on schools Independent.

The Headmasters' Conference to strongly criticise A-level reform plans proposed by Govt advisers, saying the changes must not be a "vehicle for imposing lower standards by stealth" Independent.

Proposals to boost Govt spending on education by up to £700million next year could be jeopardised unless changes are made to local authority cash limits Times.

PRESS DIGESTFOREIGN

Malaysia's ruling coalition, headed by PM Mahathir, wins third term Independent.

Russian parliament moving towards fresh confrontation, this time on the draft of a radical new constitution for the Republic Independent.

Germany to shut down last remaining Soviet nuclear reactor in what was East Germany because it is unsafe FT.

India's National Front coalition govt may be facing collapse Independent.

William Rees-Mogg, writing in the Independent, reflects on his recent visit to the Far East which highlighted how absurd is Mr Tebbit's fear of being over-run by Hong Kong passport-holders. Britain's weaknesses are all too apparent from the Far East, with Britain seen as a population of idlers governed by an activist.

BMW has turned down ANC request to provide them with 16 free cars FT.