

PRESS DIGEST

POLITICS

- Kinnock, in conference at Bishops Stortford, says Labour will "beat the Tories out of sight at the next election". And Hattersley says economic situation will force you to cut and run in May or June.
- Star says Labour sets itself for a Spring election.
- Sun: Kinnock blasts at Lawson tax cut "lies" - unsustainable promises.
- Mirror P2: "We'll beat Tories out of sight."
- Today P2: "Kinnock: We'll beat Tories out of sight".
- Express P1: Hard Labour ahead warns Kinnock; leader says Labour is trying to drag the spotlight away from defence but they are unlikely to find much electoral mileage in economy in view of all the good news around. Good news for Britain is bad news for Labour.
- Mail P1: Maggie will cut and run, say Labour who are in danger of talking the pound down and the country into a new economic crisis; leader says that lumbered with a defence policy which wins patronising smiles from the Kremlin and tax and spending plans which don't add up, Labour press the desperation button to conjure up a divisionary panic: they predict a crisis for the £. But the real threat to overseas confidence would come if Labour ever looked to have a serious chance of winning.
- Telegraph P1: Labour issues "crisis election" alert.
- Guardian : Kinnock gambles on Spring election, accepting Hattersley's evidence that we are lurching towards a balance of payments and sterling crisis.
- Independent: Hattersley says an emergency Budget will be necessary after the next election, whichever party wins.
- Feature by political editor, Anthony Bevens, says it would be foolish to rule out a straight Labour victory. But the next election will probably be Kinnock's last chance of winning.
- Times: Roy Hattersley claimed the Government was engaged in a race against time to hold off a balance of payments crisis long enough to call an election.
- FT: A Labour Government would have to concentrate available resources on investment rather than consumption because of the impending trade balance and sterling crisis, says Hattersley.

POLITICS (Cont'd)

- Steel rejects any coalition with Conservatives while you remain leader.
- Sun feature says that it simply isn't true, as your critics say, that there is more poverty and hardship, with more and more women joining the labour force.
- Today leader attacks Michael Meacher for your alleged subservience to the Americans. Meacher's Left wing fantasies of American domination are about as convincing as Right wing fanatics which see Labour as a tool of the Kremlin.

PRINCE EDWARD

- Dominates the "pops" - Star says if he decides to buy himself out it will cost £10,000. Gets a lot of sympathy in considering his position. Sun, having started the story, now has a leader headed "Leave the boy alone". Today writer says it takes a real man to quit the Marines.

LOCAL GOVERNMENT

- Bernie Grant, Haringey, says Britain is almost as racist as South Africa and claims we have the equivalent of play laws.
- Camden, facing a £25m deficit, is offering free bird tables to council tenants.

ECONOMY

- Chancellor tells Neddy that industry has the chance to create hundreds of thousands of new jobs with low inflation and favourable exchange rates.
- Telegraph : Lawson predicts golden chance of export boom; another story says unemployment among young blacks is more than double that among young whites.
- Independent says Labour Force Survey shows jobless rate among Pakistanis and Bangladeshis is three times that of whites.
- Share index reaches record level.
- Express reports creation of more than 1m new jobs over last 3 years.
- Mail says an apparently impressive Labour argument in the jobs debate collapsed yesterday with the publication of new figures; incorrect figures published earlier about part and full-time jobs, but the N/S gap has widened.
- Telegraph brings a new slant to the N/S argument; it says that the more striking disparities are between the East and West of Britain.
- Guardian leads with figures which reveal "Starker N/S divide", firing two nations row.
- Guardian leader on "The other Thatcher nation" says that compared with 1979 the concept of two nations stalks the figures.
- Independent: You and your policies are blamed for North-South divide by Professor Andrew Gamble of Sheffield University, speaking at Institute of British Geographers annual conference.

ECONOMY (Cont'd)

- Times: Government figures published yesterday support the widely-held view that Britain is an economically divided nation, with a growing gap between the affluent South East and the job-deprived North; feature, P2, compares Telford New Town, which has the highest rate of unemployment in the West Midlands, with Ipswich, where the borough council receives 80 inquiries a month from companies interested in moving there.
- FT: The South has gained virtually one service industry job for every one lost in manufacturing since 1979, but the rest of the country has gained only one for every four or five manufacturing jobs lost.
- FT: European central banks yesterday launched one of the largest one-day interventions ever in an attempt to damp speculation on foreign exchange markets about an up-valuation of the D-Mark.

TRADE

- Foreign Secretary warns Shultz of damage a trade war could do to both USA and EC countries.
- Mail says both sides in Bermuda agreed on "a pause for reflection".

INDUSTRY

- Lords Select Committee wants a Cabinet Minister for Science and more funding of R&D.
- Sun leader welcomes first move today towards B/Airways privatisation, and grumbles it has taken so long.
- Today says you are under pressure to give £100m aid to Rover; Rover's share of car market last year fell to 15.8% - Ford increased its market share of record total sales.
- FT: Oil companies have replied angrily to a Government proposal aimed at stopping "tax spinning", a method of establishing crude oil prices intended to minimise liability for petroleum revenue tax.
- French and British bankers planning to raise £759m in a public share offer for the Channel Tunnel are considering establishing a series of underwriting syndicates to ensure the success of the issue in the summer.
- Manufacturers of capital goods will meet Alan Clark next week to complain that Britain's export effort is being undermined by lack of Government financial help compared with that given to competitors.

UNIONS

- Big TUC row over whether, as Left say, TUC should lift a 40-year ban on visits to Russian trade unionists. Today leader says a few years ago such a decision would have been seen almost as treachery; now it raises only a horse laugh. But by agreeing to go it shows itself more out of touch with ordinary members than Today had thought possible.
- Mail says Scargill is to lose his Rover in a package to strip NUM leaders of perks to ease the cash crisis.
- Hopes rising that Tube dispute, threatened for next week, will be called off.
- Yorkshire NACODS' dispute ends.
- Times says Wednesday's strike on the London Underground, if it takes place, will have been achieved by the unremitting efforts of Militants in the NUR.
- FT: The CPSA is asking members at a number of unemployment benefit offices to strike over Government plans for ethnic monitoring of claimants.
- The Seamen's Union plans to establish its own employment agency.

CITY

- David Steel says cowboys and spivs must be driven out of the City.
- Volume on the Stock Exchange's traded options market last year was 140 per cent higher than in 1985.
- Independent: Guinness announces emergency meeting of 15-strong board of directors next Wednesday to discuss deepening crisis caused by Government investigation. City fail to see this as evidence that serious matters had come to light.
- DTI announces that investigators of Geoffrey Collier have been asked to extend their inquiries, fuelling speculation of more insider dealing cases.
- Times: The crisis intensified as the four independent directors forced Guinness to issue a statement clearly implying that an internal inquiry had revealed significant new facts. Guinness have summoned a full board meeting for next Wednesday.
- FT: New information has emerged about potentially insider dealing in the City, prompting the DTI to extend its inquiries.
- Times leader says self-regulation will be strengthened if the examination of the Guinness affair can clarify a large number of pertinent issues relating to the conduct of takeover.

HOUSING

- Times leads with interview with John Patten on plans to break up council estates and eventually to end role of councils as landlords altogether.

EDUCATION

- Two of 6 unions, with majority, ratify pay deal with LEAs but Kenneth Baker says he will reject it.
- ILEA claims its best exam results for 6 years.

HEALTH/WELFARE

- WHO says Britain has worst death rate for lung cancer and heart disease, but casualty levels for alcoholism and road accidents are among the lowest.
- Times: Four out of five nurses in a sample survey have been victims of violent attacks over the past 12 months.

COLD

- Mirror leader says if the severe weather goes on thousands of old people will be dead by Spring; many thousands more will have to choose whether spend pensions on food or heat. This is a scandal which is avoidable. There should at the very least be an automatic winter supplement.

AIDS

- EMA climbs down over its advice after DKSS intervention.
- Telegraph leader strongly supports Government's publicity approach and its lack of moralising.
- 40 officers and men of Queen's Own Highlanders being advised to have tests after break in Kenya where AIDS is rife.
- Times: Two Bradford schoolboys have been infected with the disease as a result of treatment for haemophilia.

LAW AND ORDER

- Taxi driver who threw hoax bombs at Tory Party Conference jailed for 3½ years.
- Sun leader critical of Tom Arnold after his drink/driving conviction; it says he has a choice and can get out of public life.
- Jimmy Boyle, ex-convict, writing in Today, says that the prolem in Scottish prisons is that any suggestion that the running of a jail depends, as is accepted elsewhere in the UK, on the goodwill of the inmates, is an intolerable threat.

MEDIA

- Sir Ian Trethowan becomes new Chairman of Thames TV.
- David Plowright will replace Sir Denis Forman as Chairman of Granada Television in March.

DEFENCE

- Independent: Spending restrictions leave British soldiers less well defended against shrapnel and fire than those in most Western armies, according to defence industry.

PEOPLE

- Independent: Sean Donlon, Ireland's most senior diplomat, has resigned for a post in industry. He will be replaced as secretary of the Irish Department of Foreign Affairs by Noel Dorr, the Irish Ambassador to London.

NORTHERN IRELAND

- Independent: All substantial building and repair work on police stations in Northern Ireland has been halted by IRA intimidation, according to security forces.

AFGHANISTAN

- Shevardnadze says Russian pull-out is "not far off".

USA

- Scientology cult being sued for £680m in Los Angeles for fraud.
- Times: White House officials claim that a secret report by the Senate Intelligence Committee shows that Lt Col North falsified information on arms sales to Iran to give the impression of prior approval by President Reagan.

BRUNEI

- Telegraph says US State Department has completely lost track of \$10m it solicited from the Sultan of Brunei for "humanitarian" aid to Contras.

CHINA

- Times: Border fighting is continuing between China and Vietnam.

LIBYA

- Times: Libyan jets struck back after the attack by French warplanes on a Libyan base in Northern Chad.

FRANCE

- Times: M. Chirac is facing rumours of an early general election.

SOUTH AFRICA

- FT: The first day of the South African school year was marked by a mass return of black students.