

PRIME MINISTER

TODAY'S PRESS

The general verdict on the decision to enter the ERM is that you have seized the political initiative in a most surprising fashion - Fleet Street exhibits all the symptoms of shock this morning over the unexpected announcement.

Some concentrate on the fall in mortgage rates which will follow pretty quickly for some homeowners and others - generally the qualities - on the long term prospects for Britain inside the ERM.


There are many warnings that the ERM is not a soft option but on the other hand a warm welcome for what is seen as a very belated but necessary action.

Inevitably there is speculation as to the degree of politics which entered into the decision given it comes on the closing day of the Labour Party Conference and more or less on the eve of the Conservative Party Conference. The Mirror tries to make something of this and it is clear that the Labour Party feel that you have seriously damaged the quality of the assessments of their Conference.

The Times which under Simon Jenkins is no lover of ERM complains that politics has triumphed over economics. The Independent on some pages gives the impression that you are a most reluctant convert to ERM membership. The Financial Times is the principal apologist for Nigel Lawson who is claiming on radio today that we should have gone in in 1985.

In political and news terms yesterday was clearly a coup and on the whole it has gone down very well indeed.



 BERNARD INGHAM

6 October 1990