

July 16, 1990

PRIME MINISTER

MAIN EVENTS

- Woerner, NATO Secy-General, visits Moscow (to Wed)
 - Kohl visits Moscow
 - Delors visits Moscow
 - Kinnock in New York (UN; lunch speaks; press conf)
 - US Defence Secy visits UK (to Thur)
 - EC Foreign Affairs Council (to Tue)
 - EC Informal Industry council (to Tue)
 - Malta applies for EC membership
 - Trident training facility, Faslane, opened by First Sea Lord
 - Woolf Inquiry continues, Taunton
 - Production index (May)
 - Retail sales - prov (June)
 - CBI/FT survey of distributive trades (June)
 - CAA's advice on South East airport runways
 - HMI Report: Work Based Learning FE
 - Publication of "The NHS Reforms and You"
 - 2nd edition of Householders Guide to Radon
 - ? Guidelines for a Healthy Diet
 - Commons: Questions: Wales; Ch. Comms; HoC Comm; Lord Pres
 - Debates: Rmng Stages, Finance Bill; Care of Cathedrals measure
 - Lords: Debate: Report, Courts & Legal Services Bill
Hong Kong Bill, Cttee (1st day)
 - Question: Hospitals' self-governing status
 - John MacGregor addresses Centre for Study of Comprehensives
 - John Wakeham visits French reprocessing plant
 - Michael Howard meets Remploy
 - Chris Patten addresses Bow Group
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PRESS DIGESTMain News

Attention moves from Nicholas Ridley to the leaked memo of Chequers seminar on Germany with unattractive features of German character highlighted and the positive outcome of the discussion downplayed.

Norman Stone writing in the Times under the heading "What Mrs Thatcher really thinks" says the general tenor of the Chequers meeting was one of optimism for a nation seen as "democratic, co-operating, peaceful, inclined towards the West, deeply regretful about the past". He adds that you ask the right questions and get the best from your experts. You then frame a policy for summit meetings which show you in a good light, being constructive about Europe, and being positive about Germany's influence.

Telegraph leads with bid to heal the Tory rift hit by new embarrassment over the leaked document.

Major leak inquiry to be launched.

Mail leads with Foreign Secy's warning that Britain will split Europe rather than surrender economic and financial control to Brussels.

Kohl's office insist the affair is settled: "What Ridley said was so stupid we refused to believe his comments reflected the views of the British establishment" FT.

Roy Hattersley says the problem is not Mr Ridley but you whose views are not totally different.

Kaufman says you are now irreparably damaged.

Robin Oakley, in the Times, says Conservative business managers will be fussing over the temperature charts of the party this week like anxious consultants around a bed-ridden patient. The Ridley affair has sabotaged the "slow it down" strategy that had begun to succeed in reducing Labour's lead in the opinion polls.

Lord President was set to depart "within weeks" until the Ridley affair, according to Sun - fed up with being frozen out of major decisions.

Lord Denning says the Govt must free British courts from the grip of Euro law.

PRESS DIGEST

Gorbachev expected to agree today on conditions for uniting Germany; Kohl seems to have solved the problem of NATO membership.

Independent editorial says events at the 28th Congress of the Soviet Communist Party can be counted among the causes for optimism, with the once mighty Politburo downgraded. Despite the marginalisation of the Party, it may be a long time dying. Gorbachev is getting the pluralist society which he wanted, but not once which even he will be able to control.

Tens of thousands of Muscovites march on the Kremlin to denounce last week's CPSU congress Independent.

The Polish consensus, which supported the first Solidarity-led govt for 10 months, has been destroyed and instability threatens the country's economy Independent.

Kinnock, in USA, says an American Govt would find it easier to work with Labour; you are "nostalgic for Cold War".

Express says he will tell Bush he's the man for the future.

You are to meet President Bush for the third time in a month when you go to Aspen Times.

SDP rescinds decision to disband - they aim to fight 100 seats.

Chris Patten thought to have won extra £2.5billion for community charge but will tell the Commons on Thursday that there should be no backing away from the new system of no additional rebates or exemptions Times.

Michael Howard says Labour's minimum wage plan would put 750,000 on the dole.

Chancellor will tell Cabinet this week that the economy is still more buoyant than was hoped at the time of the Budget, warning that inflation in the final quarter of the year will be approaching 9% rather than 7.25% Times.

Commercial vehicle sales down 22% in June FT.

TUC set to order NUM finances inquiry Independent.

Telegraph says NUM is resigned to calling in the police over Scargill's use of funds.

PRESS DIGEST

World Bank raises its forecast of the number of people who will be living in poverty in the year 2000 by 225million Independent.

Fabians say poor have become poorer since 1979. Income of top 10% has increased by 43% in real terms while bottom 40% have suffered a decrease of 8% FT.

All-female firm of investment advisers say women who fail to plan for possibility of marriage breakup risk ending up living on a pittance when they reach retirement Independent.

Radical package of measures designed to ease traffic congestion and encourage privately financed roads is being prepared by Ministers for inclusion in this autumn's legislative programme Independent.

Survey of 80 companies shows employers believe the Govt should set the retirement age at 63 for both men and women Times.

DTI commission preliminary study into a third Blackwall tunnel under the Thames Independent.

The battle between BA and British Midland over domestic shuttle air services has reached a new level of intensity after a formal application for BA to be forced to reduce daily flights between Heathrow and Glasgow from 14 to 12 Times.

Telephone rentals to rise by nearly 12%; inland calls by 5.3%.

Govt opposing plans by 12 regional electricity distribution companies to take substantial equity stakes in independent generators after privatisation FT.

Bailiff's Office in Northampton petrol bombed - believed to be linked with collection of community charge.

Britain leads the world at eating snacks FT.

John MacGregor is taking on right-wing critics who claim he has gone soft on Govt education reforms Times.

FT more green than any other national paper - uses 39% of recycled fibre in its newsprint FT.

Express calls Director of Moslem Institute, who has called for a separate Muslim Parliament in Britain, a silly and dangerous man.

PRESS DIGEST

More than 500 Moslem religious leaders vote unanimously to support the death sentence imposed by Khomeini on Salman Rushdie
Independent.

England fans to challenge World Cup deportations of 246 fans from Italy
Independent.

Guardian leader says Home Secy is right to rule out a police officer class but wrong to reject a British FBI.

Britain could face emergency water restrictions if the dry spell continues
FT.

11 killed over weekend in crashes and drownings.

Crown Appointments Commissioners, which meets today to draw up a short list of possible successors to Dr Runcie, will come under attack in a booklet published by a group of conservative evangelical members of the Church of England
Times.

Italian presidency proposing EC establish a special development bank for the Mediterranean region, like the one created for Eastern Europe
FT.

Our ambassador returns to Argentina after 8 year gap.

Sun leader skeptical of Mandela's freedom and democracy credentials after backing Arafat, Castro and suggesting we should talk to IRA and now supporting Moi of Kenya.

White bomber kills one black and injures 21 in bar in Johannesburg.

US to boost role of the military in the war against drugs in Latin America
Independent.

Political crisis in India averted as officials persuade PM VP Singh not to resign
Independent.

Khmer Rouge now close to Angkor Wat complex, the symbol of Cambodia's identity for all four warring factions
Independent.

Nigel Mansell, racing driver, announces retirement.

Margaret Lockwood dies, 73.

PRESS DIGESTRIDLEY - MEMO

Star p1 - "Kraut bullies" memo shock.

Sun, which puts the threatened departure of the Lord President on its front page, says it is sad that Nicholas Ridley's career should be ended because he had the courage to say what he believed. The overwhelming mass of the people support him. He should be sent to Brussels where Europeans would hear the real voice of Britain.

In another (p7) story Sun says Tories were reeling last night following the leak of a private Downing Street memo branding Germans "bullies".

Mirror p2 - "German bullies" leak hits Tories - new storm. Leader headed "Get rid of her, too" says those Tories who know Britain's future is inescapably in Europe also know they must get a new leader. The Ridley crisis is only part of the deeper Thatcher crisis. As long as you stay in Downing Street the Tory Euro split will get worse. But will Kinnoch support a federal Europe, accept a single currency and central bank and give real economic aid to Eastern Europe?

Today concentrates on the frustrations of Cabinet wives, but includes in its 2-page spread "Hurd in TV bid to heal rift". Leader on "way to unite Europe" says that to be suspicious of Germans' good intentions now is to saddle today's Germans with their fathers' guilt. Germany has come back in from the cold. But if Mr Ridley's political suicide gets the debate about our future in Europe going, his recklessness will not be an unmitigated disaster for the Govt.

Express leads with Find the No 10 German Mole. Major leak inquiry launched. Robert Kilroy-Silk in his column says Nicholas Ridley was absolutely right - the Germans are, consciously or otherwise, in the process of taking over Europe, East and West. Leader says Mr Ridley's words were excessive in tone and content but they were concerned with an issue central to the future independence and prosperity of this country. It is encouraging to learn this was raised 3 months ago in the privacy of Chequers. Some of Kohl's actions are open to misinterpretation.

PRESS DIGEST

Mail leads with Foreign Secy warning Britain would split with Europe rather than surrender economic and financial control. Leader says there is no alternative to Europe. It would be tragic if the great national revival could be lost as you haver before the next momentous challenge of history, your faith in the future paralysed by your fears of the past. It hopes the Ridley shambles will provide the moment of truth.

Independent - Douglas Hurd adds to Govt disarray over a united Germany's ambitions by repudiating a No 10 minute of a Chequers think-tank session. One of those present, George Urban, described a 2 page No 10 questionnaire circulated before the meeting as a 'self-fulfilling prophecy" with the questions 'loaded'. Mr Ridley's departure widely believed to have weakened your position in Cabinet.

Independent - Few captains of industry or City financiers likely to mourn Mr Ridley's departure.

Independent leader says even allowing for the likelihood you and your prejudices set the tone for the seminar, and Charles Powell's summary may have been tendentious and unfair, it reveals a staggering degree of smugness and condescension towards Germany. It is pretty rich to accuse an entire nation of insensitivity, let alone of being obsessed with itself. In the short term, the Ridley episode (of which the Chequers document forms a part) must be acutely embarrassing, but on balance it may eventually do more good than harm. It has shown you the acute dangers of a split in the party over the EC. The Germans will be distressed that prejudice against them still flourishes, but they realise that the British people as a whole have confidence in the new Germany.

William Rees-Mogg, writing in the Independent, looks at the 'Spectator' interview and goes on to ask if Mr Ridley's departure means that colleagues have now successfully coralled you, and if so is the shift permanent or temporary? Or does Thatcherism, that absolutely necessary aberration - from genuine Conservative Govt - have another kick in it?

Times leader says you could have kept Mr Ridley, but the great pragmatist let him go. Peter Lilley, Mr Ridley's unexciting successor, is one of those pale mushrooms which seem to flourish in the dark shadow of late-Thatcherism. He is your rude sign to the enemies of your departed friend. He concludes that Mr Ridley may have gone. There is no harm in his ghost giving us an occasional shock.

PRESS DIGEST

Ronald Butt in the Times explains why Nicholas Ridley had to resign, adding that domestically the affair has weakened you. It has forced you to defer to backbench Tory opinion. The balance in the Cabinet has shifted further against you, and on the Tory backbenches it is now clear that, though the party is still divided on the Community, it is essentially the Hurd view of the way to approach the future which commands assent and which you have to accept.

FT - Your grip on policy seen to be loosened by Ridley affair. Kenneth Baker said to be concerned divisions over Europe might split Party unity unless you signal your support of the more positive stance towards Brussels adopted by Hurd and Major. The inference is that you could otherwise face another leadership challenge.

FT - You are under pressure to limit the political damage left by Nicholas Ridley's resignation by underlining your support for a positive approach to closer European co-operation. Ministers hope you will use speeches to Tory peers and backbench MPs this week to reunite the party.

Telegraph leads with bid to heal Tory rift hit by new embarrassment over leaked memo. George Walden says Britain has no alternative to a positive approach to Europe. Leader headed "A gaffe which could not be forgotten" says Mr Ridley's resignation was inevitable. But it does nothing to close the wider split within the Tory Party. The Chancellor and the Foreign Secy are playing a game of the utmost delicacy - an appletart that Mr Ridley tipped over. Mr Ridley has placed our relationship with Europe in jeopardy and it was right he should leave office.

Guardian leads with Cabinet shaken by new crisis. Anger over leaked discussion of German character. Foreign Secy puts his personal reputation in Europe on the block by embarking on a crusade to restore Britain's credibility as a loyal partner.

FT leader reflects on the situation vis a vis Europe post Ridley and says everyone knows where you stand: the consequence is that you could be the ultimate political victim of what is without question the most serious split among Tories since 1945.

Guardian leader says Mr ridley has accepted the inevitable. Fence mending by Ministers will not have been helped by the leaking of the minutes of the seminar. It sees the choice of Peter Lilley as evidence of the poverty of your support and thinks you should have given it to Heseltine.