

July 17, 1990

PRIME MINISTER

MAIN EVENTS

- 2 + 4 Ministerial meeting, Paris
 - Prime Minister addresses Conservative peers
 - Kinnoch meets Bush - afternoon press conference
 - Middle Wallop International Air Show (to July 22)
 - EC Internal Market Council, Brussels
 - PSBR (May)
 - Small Firms annual report
 - Report of Chief Inspector of Fire Services, 1989
 - D/Health conference to HA & FPC chairmen and general managers
 - Cancer statistics, E & W
 - DES response to Education Select Cttee
 - HMI report on Hackney schools
 - Govt reply to Home Affairs Cttee report on C. Prosecution S.
 - ? Commons Statement on teacher numbers
 - Commons: Questions: MOD; Prime Minister
 - Debates: Rmng Stages, Finance Bill; housing renovation grants regs.
 - Lords: Debate: Defence
 - Chancellor addresses Backbench Finance Cttee; meets 1922 Cttee
 - Home Secy attends Regional Crime Squads national conference
 - John MacGregor presents best annual report by HE Institution
 - ~~Nicholas Ridley speaks at Adam Smith Institute dinner~~
 - Chris Patten at Engineers & Environment conf, Guildford
 - John Wakeham meets French Industry Minister, Paris
 - David Hunt visits Newport; launches Mid Glam. & West Wales TEC
 - Michael Howard addresses Career Research & Advisory Centre, Cambridge
 - Cecil Parkinson visits Tilbury
 - Richard Luce addresses Council of Regional Arts Authorities
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PRESS DIGESTMain News

Gorbachev agrees to a united Germany in NATO - in return for aid. You are absolutely delighted with the outcome. US hails Gorbachev's act of statesmanship.

Express says Gorbachev simply had no cards to play. Mail says Kohl pays a high price for the deal. Times - Gorbachev bows to the inevitable.

Guardian says Kohl has done himself a deal of good in last 48 hours. Britain has done itself a great deal of harm by showing a stupidity and insularity it has failed to comprehend the nature of the tides washing its shores.

Ukraine declares independence.

Mail leader on "Nine months that changed the world" says never surely in so short a space in peacetime has so much that was unthinkable become accepted as inevitable. To Kohl go the spoils of peace. To Gorbachev belongs the lion's share of the credit.

Times leader says that Kohl accomplished the political coup of his career. The Ridley affair will have strengthened the "Eastern" lobby within the Bonn Govt: with allies like Mrs Thatcher's Britain, Genscher might tell his colleagues the new Germany needs no enemies in Moscow. You should summon your learned scholars to Chequers for another seminar. Once you have put your chaotic Germany policy together again, you should make a gigantic effort to be nice to Kohl.

Poles remain anxious about borders. Two Germanies likely to promise at today's 2+4 meeting to give top priority to confirming the border by Treaty as soon as possible after unification FT.

Kinnock joins Kohl and Mitterrand in calling, before Council of Foreign Relations in New York, for a Marshall Aid programme for Soviet Union.

Two big oil and gas accidents in West Siberia at the weekend have added to the growing power crisis in Soviet Union.

Ford to invest \$80million in a components plant in Hungary FT.

Nurse Daphne Parrish surprisingly released from prison in Iraq is lead in most of the pops. Star accuses FCO of doing nothing to secure her release.

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Express says the release was nothing more than a publicity stunt by two dictators, Saddam Hussein and Kaunda.

President Hussein expected to announce a new Iraqi constitution today on the 22nd anniversary of the military coup that brought him to power Times.

Hopes of cuts interest rates rise as retail trade falls steepest for 11 years.

Firmest evidence for months that the Govt's high interest rate policy is working Independent. News cheers the City with sterling also helped by a firm denial of a report Sir Geoffrey Howe was considering resigning Independent.

Sun says Chancellor will tell Cabinet on Thursday there will be no tax cuts in Budget and no fall in interest rates before the end of the year.

Guardian says Treasury will demand a £10billion cut in Ministers' spending proposals.

Star finds none of the 15 people it asked in New York has any idea who Kinnock is.

Jack Cunningham, shadow leader of the House, leads attack on you saying you share Mr Ridley's xenophobic and bigoted views. These charters expected to resurface during Questions today as the episode's shock waves continue to reverberate throughout Govt and Opposition ranks Independent.

Tom King has won the first round of his Cabinet battle for a cautious approach to the review of Britain's defences, following the end of the Cold War, as more radical options have been rejected Independent.

Douglas Hurd cools the Ridley affair - "a short lived wonder" - in Europe. Guardian - Hurd builds bridges but stays firm on EMU. You are to face a major test in the House today Express.

Sympathy for Nicholas Ridley still comes through. Brian Hitchen, Star, says he said in public what a lot of politicians mutter in private but don't have the guts to say it out loud. Today tips him for a peerage.

Kinnock says your handling of the affair has inflicted massive damage.

PRESS DIGEST

Sun leader, following up its story yesterday, says everyone will be happy if he leaves Govt.

Dominic Lawson outraged by rumours that his father helped him get Ridley interview.

Mail says you expect to be challenged by your pro-Europe critics for leadership.

Independent says some senior Tory MPs begin to think the unthinkable - that you might be gone by the end of the year.

Leak of highly classified No 10 minute may contravene Secrets Act, although there was no Whitehall suggestion there would be any prosecution of the Independent on Sunday - Independent.

Timothy Garton-Ash, one of the six experts at the Chequers seminar, reveals in the Independent his version of events. The minutes, he says, were more controversial than the meeting with Charles Powell, like all good Whitehall rapporteurs, managing to flavour the rich soup with a little of his own particular spice. He argues that the very fact you invited independent experts for a day's seminar, and listened, shows a genuine wish to secure a serious, informed judgement on the extraordinary developments in the centre of Europe, and hence find an appropriate response to them.

Peter Jenkins, writing in the Independent, reviews the Ridley affair saying it was better to have him drummed out by a broad majority of MPs rather than you dismissing him, and making a martyr of him with the Party's anti-European wing. The broad swathe of backbench opinion is behind the pragmatic approach of Messrs Hurd and Major with the hard core of the Bruges tendency only 16, or 17, if you are included. The leaked minute is not in substance shaming or particularly embarrassing, the embarrassment is that such elementary tuition (to educate you on the German question) was necessary. What matters is what the Govt says and in recent months European policy has come more under the sensible and steady control of Messrs Hurd and Major. In general Mr Ridley's departure ought to strengthen the Govt, and that Bruges-style nationalism has been brought into disrepute and your hand further weakened.

Times leader says that Nicholas Ridley offered you a golden opportunity at the weekend to reorganise Whitehall's industrial policy along more stringent free-market lines. Not for the first time, you fluffed it. You should have pushed ministries covering energy and transport into the DTI, renamed the whole lot the Dept

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of Trade and set up a pre-privatisation holding company for their remaining businesses.

Woodrow Wyatt in the Times discusses how to stop leaked documents being published saying action should be taken against the Independent on Sunday for breaking Govt copyright. The courts, as in past actions, might well decide to award heavy damages related to the revenue of the newspaper on the day the copyright was breached. Other newspapers would then be put on notice that publishing confidential govt documents would lead to similar action, less glamorous than a charge under the Official Secrets Act and more painful to the pocket.

Edward Mortimer reflects on good and bad reasons for British angst about Germany. IN the last 10 years Thatcherism has not halted, it alone reversed, Britain's relative decline as a political and economic power. German unity and the liberation of eastern Europe pushes Britain further to the periphery. Unable to compete with the Germans, Britain insists on treating their generous offer of collaboration as if it were a new attempt at conquest FT.

Moves to curb the power of the European Court of Justice grows as Roger Knapman MP calls on Govt Law Officers for a full statement on UK sovereignty Times.

Michael Howard says he is considering, in the light of Lightman report, whether more action is required to uphold the rights of union members.

Gavin Lightman QC expected to advise NUM executive members to appoint a firm of international solicitors to investigate the union's accounts Independent.

Certification Officer has already begun investigation into NUM's financial affairs.

Times - DTI to take legal action against Midland Bank and five firms of financial advisers as part of a campaign to recover almost £150million compensation paid to victims of the Barlow Clowes collapse.

ICI staff reject 10.8% offer which company says is final.

Within days of taking office Peter Lilley is to publish a White Paper strongly defending the handling of the House of Fraser affair by his two predecessors and the department's record on prosecuting inside dealers Times.

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Labour urges inquiry into Govt's Training Agency Independent.

Select Cttee to look into how big 5 brewers have implemented competition rules. Today says you should make an example of brewers.

EBRD is to lease part of the Broadgate complex in the City of London until a decision is made on the site of a long term HQ FT.

Abbey National to pay £75 a month bonus for 2 yers if women employees return to work after having a baby.

A flexible retirement age proposed by the Institute for Public Policy Research Independent.

Eight banks sue London Borough of Hammersmith & Fulham over the council's failure to pay losses on money market dealings Independent.

Some housing associations may go bankrupt as a result of the funding crisis at the Housing Corporation Independent.

Two biggest teachers' unions launch today a series of strikes over job losses.

John MacGregor angers heads of comprehensives, according to Mirror, by saying he wants to see a big increase in self-managing schools.

But Express says a headmaster who almost quit over Govt's parent power revolution admitted yesterday he was wrong and is urging all heads to break free of LEA control.

General Secy of the National Assn of Head Teachers says advisory teachers should return to the classroom Independent.

FT leader accuses John MacGregor of ^{failing} ~~trying~~ to maintain the momentum of educational reforms, joining crucial issues such as 16-19 education.

Sun says it is intolerable extremist Muslim leader calls for a separate Muslim state within this country. Muslims who support this call can leave Britain and make their home elsewhere.

Telegraph says Home Secy should make a thoughtful speech about the limits of separateness in Britain.

Arab foreign ministers, meeting in Tunis, decide to boycott

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companies and other institutions that help Jews migrate to Israel
Independent.

The future of the cross-party talks on devolved powers for Northern Ireland thrown into doubt after Unionists and SDLP adopt a harder line on the timetable for involvement of the Irish Govt
Independent.

Row over restoration of an allegedly pornographic Chatline pending appeal.

Charles Kennedy elected president of SLD with 82% of vote.

Gerry Malone selected as candidate for Winchester.

Alan Ryan, Professor of Politics at Princeton University, writing in the Times under the heading "Wealth of ideas that lit the way for Thatcher", pays a bicentenary tribute to Adam Smith, polymath pioneer of the free-market economy.

Independent editorial comments that the process of selecting a new Archbishop of Canterbury is of interest to the nation as a whole, given the position wields influence out of proportion, as well as to the Church. It goes on to review the front runners, David Sheppard and John Habgood, concluding Habgood has much greater intellectual calibre, but, if chosen, must show himself sensitive to the opinions of others.

108 dead in Phillipines earthquake.

Helen Suzman in the Times says a process of irreversible change is underway in South Africa and that it must be assisted, not hindered. Maintenance of sanctions, disinvestment and deprivation of investment capital will delay and inhibit reform. almost 500,000 young blacks enter the labour market each year. If sufficient resources are not made available both from inside and outside the country to ensure the provision of proper education and training and jobs to enable them to be gainfully employed, neither de Klerk nor Mandela will be able to control the violence and crime that will inevitable result.

Chief Buthelezi calls off previously hastily arranged meeting with ANC called to resolve the conflict in Natal Independent.

Hong Kong will today close a loophole in its ivory trading laws
Times.

KINNOCK'S SPEECH

PRESS DIGEST

Sun - Kinnock clanger on aid. He seems to brand Bush as inhuman by calling on USA and Britain to speed up aid for Soviet Union. But then he says he agrees with delay until USSR has carried out more reforms. Leader on increase of 10 minutes to 30 that Bush is allowing Kinnock says his importance grows at rate of 3 minutes a year.

Mirror p4 - Kinnock in plea to help East - wants new Marshall aid programme for Soviet Union.

Today p4 - Inhuman bush, by Kinnock. He commits on Labour Govt to hand over billions of British taxpayers' money to help put food in Soviet shops.

Express p3 - "Red faces as Neil tries to woo the US". Thatcher and Bush attacked. Kinnock scores two own goals - breaking diplomatic niceties he attacks you while abroad and Bush on his own territory. Leader wonders if the undignified sight of Kinnock flouting long-standing conventions that Party leaders leave domestic politics behind when travelling abroad. When will he ever learn?

Mail p10 - Kinnock gaffe on Bush "inhumanity".

Independent - Kinnock lines up with Bush's view of Europe in what his audience regarded as a "remarkably moderate" speech to the Council on Foreign Relations in New York.

Telegraph p12 - Kinnock calls for East Europe Marshall Aid.

Guardian - Kinnock stakes Labour's claim to be Britain's main pro-Europe party.