

PRESS DIGESTPRIME MINISTERGULF

Foreign Secy says Israel must be prepared to offer a square deal to Palestinians if there is to be peace in Middle East.

Guardian says we have joined USA, France and USSR in promising that Iraq's withdrawal from Kuwait will pave way for a concerted drive to secure peace throughout Middle East.

Independent leads with Foreign Secy attacking "misguided" Israel.

Crown Prince Hassan outlines Jordan's role in Gulf crisis in Independent; he says Jordan is not an apologist for Iraq.

Plan for independent economists to monitor petrol price movement.

ECONOMY

Guardian says Govt is to exceed planned public spending limits in 1991-92 to avoid deep cuts in education and social programmes.

Express leader calls for a cut in interest rates. The moment for relaxation has come.

Andrew Alexander, in Mail, complains about 15% interest rates and that the ERM is taking its toll on British business, even without joining it.

Rising tide of bankruptcies reported.

LABOUR PARTY

Express says spending pledges in Blackpool have totalled £27billion.

Kinnock defeated on review of electoral system and examination of PR - his fourth reverse of conference.

Mirror complains of confusion at the top over attitudes to PR - a move which Hattersley rejects.

Today sees the vote to examine PR as the most significant on electoral reform since women were given the vote more than 60 years ago.

PRESS DIGEST

Labour to return to old rating system within a year of taking office.

Star says Labour knows a vote winner when it sees one. The community charge is a shambles.

Mail, however, says Labour's rates scheme looks more unfair than community charge.

Labour will also free thousands of prisoners and crack down on "prejudiced judges". Sun says Hattersley, who made this announcement, is mad. Ordinary people want criminals locked up.

Independent says yesterday's NHS debate showed the Labour Party at its worst, failing to recognise the NHS is a bottomless pit.

George Gale, in Mail, says the idea that Labour is the party to improve educational standards is impossible to swallow. It was Labour who embarked on perpetual experiment. And Paul Johnson, in Mail, says what produces bad State schools is unholy alliance between progressive teachers and Labour LEAs.

Times leader says the issue remains unresolved: public sector pay, which comprises a third of public spending. Labour shows no sign of grasping the nettle. Until the party can show a responsible, coherent and realistic policy for public sector pay Labour cannot stake a claim to economic soundness.

FT leader says that for all its conversion to market Labour turns as naturally to controls as the compass needle to the North Pole. Credit controls would be a mistake. We should enter the ERM and wage behaviour will then need to become German.

POLITICS

Kinnock believes you will go to polls in June next year.

Mirror says Sir Frank Pearson, ex Tory MP, has criticised your third term as a "disaster".

Douglas Mason, described as founder of community charge, threatens to leave Tory Party because of sacking of three young party officials in Scotland. Mail says it is time these factional struggles ceased in Scotland

Labour Research Dept claims 19 former Cabinet Ministers have collected 59 directorships since leaving Govt since 1979.

PRESS DIGEST

Chief Executive of Lambeth Council says its finances are "near catastrophic".

INDUSTRY

Big row over average rise in rail fares of just under 10% - as Govt increases funding by £600million for safety.

Star says it is a wonder anyone takes the train. Management is entirely to blame - they have to break the spiral of higher prices and fewer passengers.

Sun complains of "secrecy" over way in which the rises have come out.

Today asks what would you expect for a former petrol boss, Bob Reid, than pumping up fares; the rises will only drive more people on to roads.

FT says UK Govt letter warned of appointment of administrators of Polly Peck unless Turkish Govt produced £100million rescue money.

Peugeot cuts out 350 jobs as car sales fall 10%; car sales generally down 10% on year.

Mirror attacks electricity privatisation as "bribery".

Govt warns AMOCO to improve safety on a North Sea gas platform by end of next month or face criminal prosecution.

EDUCATION

Govt's chief adviser on curriculum says Britain's education system, has glaring weaknesses, and is felt to have embarrassed Govt.

LAW & ORDER

Accelerated promotion for mature recruits, such as army officers announced for police.

EC

Cuts of nearly a third in farm subsidies proposed by EC. Express supports the move.

Telegraph leads with consequential hope of cheaper food, but it says thousands of farmers are facing ruin.

PRESS DIGESTFOREIGN

10million face starvation in Ethiopa and Sudan, according to Save the Children Fund.

Another rebellion against Mrs Aquino in Phillipines quashed.

Mahathir calls a snap election in Malaysia to try to win a third term.