

November 9, 1990

PRIME MINISTER

MAIN EVENTS

- Prime Minister lunches with BBC; later sees James Baker
  - First anniversary, opening Berlin Wall
  - ANC-Inkatha talks in South Africa
  - Census (Confidentiality) Bill published
  - CND annual conference, Coventry (to Sun)
  - Bangkok trial of 19 year old girl on drug smuggling charges
  - Lords EC Cttee report on EMU
  - Home Secy visits Limehouse police station
  - Cecil Parkinson at British helicopter advisory board dinner
  - Peter Lilley opens USM conference; speaks to ABCC
  - BBC Radio 4 Any Questions? with Malcolm Rifkind, Tom Sawyer,  
Paul Wilkinson, Marjorie Thomson
  - Peter Brooke to speak on the British presence in N. Ireland
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PRESS DIGESTMain News

Conservatives in third place in Bradford North; retain second place in Bootle.

You are first out of the starting gate in any leadership race.

Mirror says 4 MPs have refused to be stalking horses.

David Frost refuses to interview Heseltine after he tries to rule out leadership issue.

Sir Geoffrey Howe, who is to explain himself in House next week, says policy differences with you over EC caused him to go.

Heseltine urged to form a pact with Howe Independent.

Peter Kellner, writing in the Independent, looks at the possibility of a leadership challenge against you. He concludes that there is no way to face your departure: you rely on your critics enduring feebleness - or "weakness" - and until the wets develop a backbone you can continue to walk along the clifftop of politics, confident that your rivals lack the courage, skill and unity to force you over the edge.

President Bush sending 100,000 more troops to Gulf. Times says it marks a formal turning point in Bush's strategy.

Express says Kremlin have sanctioned a war against Iraq.

Hussain sacks his most senior army chief to quell rebellion among troops.

Benn comes in for criticism on all sides over his visit to Iraq to see Saddam Hussain and try to prevent war. Sun says that in view of his visit its money is on war within a week. Foreign Secy urges Benn to think again.

French diplomat claims Iraq troops have killed up to 7,000 Kuwaitis and another 20,000 are missing.

Brandt to fly home with 170 hostages.

UN Secy General says that countries seeking a UN resolution authorising military force against Iraq could limit their scope for unilateral action Times.

PRESS DIGEST

Iraq threatens to reduce the Gulf region to ashes if attacked, and rejects an offer by six non-Arab Muslim nations to help in resolving its claims once it has withdrawn from Kuwait Times.

Iraqi directors of TDG company given deadline to leave UK FT.

Autumn statement generally well received. Some forecast room for tax cuts next year. Admiration for presentation.

Press up in arms over big profits since Gulf crisis of Shell and BP. Star: full extent of rip off revealed. Sun calls for a windfall profits tax and so does Today. Mail: The profits of misery.

British Telecom's half year profits jump 16%. Today says weakening BT's market position should be your priority.

John Biffen, tabling Commons motion, and Nicholas Ridley join fight against a single EC currency.

Karl Otto Poehl says broad agreement has been reached on framework for European Central Bank. Central Bank Governors meet in Basle next Tuesday to decide on the Bank's statutes FT.

Britain's spending on the European Community's CAP is set to rise steeply above last year's forecast, despite years of effort and argument to bring its financing under control Independent.

OECD forecasts return of food mountain as cost of supporting farmers in industrialised world starts to rise again after 2 years of decline FT.

US and Cairns Group reject EC offer tabled at Uruguay Round as inadequate FT.

Dutch to lead criticism, at EC foreign ministers meeting today, of Italy's controversial handling of Rome summit, and will disassociate themselves from passage in Summit conclusions on a greater role under political union for the European Council Independent.

Paris calling for G7 meeting to try to stem dollar's decline in foreign exchange markets FT.

Fiat has offered Poland \$2billion deal to restructure its car industry FT.

PRESS DIGEST

Jaguar workers vote to accept 12.5%. Rover accept 11% and 7.5% the following year.

Clydesdale steelworks in Bellshill to close with loss of 1,200 jobs next year.

Northern Telecom, Canada's biggest company, announces agreed £1.9 billion bid for STC.

Europe's travel industry is launching a two-year crash programme to rid the Mediterranean of lager louts and repair the damage caused by years of growing tourist pollution Times.

Campaigners for tax relief on childcare are pressing for Chancellor to include a modest extension of this year's concession on workplace nurseries Independent.

You tell Alf Morris that further help for haemophiliacs who got AIDS should remain a matter for the courts.

Govt suing British Airways for £2.5 million in unpaid fines for bringing in foreigners without entry permits.

Taxpayers to foot £1 million defence bill in failed Zeebrugge manslaughter trial.

TV-am offers through-the-night competition - ie after midnight - to ITN to commercial TV companies.

Govt gives BBC World Service its biggest budget increase for years.

Ireland expected to acquire a woman president today.

Times says president Gorbachev sets off for Germany today on a visit which has been transformed from a high-profile celebration of Soviet friendship with a united Germany into an almost furtive day of treaty-signing.

Gunman who fired shots in Red Square charged with attempting a terrorist act FT.

Germany and Poland agree on border issue with treaty of "co-operation and neighbourliness", with accord on Oder-Neisse line to be signed formally at the end of the month Independent.

Jamie Dettmer in the Times says CND shows a confident face as it prepares to develop into a more general anti-war movement.

PRESS DIGEST

Hindu militants' leader wants early election following Indian Govt's fall Independent.

Rajiv Gandhi has turned down an offer from India's president to form a new govt.

Senior diplomats to meet today in Jakarta to thrash out final details of a UN peace plan for Cambodia Independent.

Report says national treasures found in universities are in jeopardy because of underfunding and a failure to appreciate the care that archives require Times.

AUTUMN STATEMENT

Star p2 - Big spender! Major on a £200billion spree. Pensions and poll tax cheer.

Sun p15 - NHS and schools in £8billion cash handout. Major paves way for an election.

Mirror p2 - Major disaster. Fury at new spending cuts. Industry will lose out. Leader says the programme is designed to give a huge surplus for the Budget and claims he gave nothing to industry, workers to avoid unemployment, training, education and health or transport.

Today p2 forecasts 3p tax cut sweetener by conjuring trick Major. Falling inflation and interest rates next year will also smooth your path to an election. Leader says the skill with which Chancellor shuffled the meagre financial cards puts Labour on the spot. Where would Labour find the money for more spending and who would have to pay? Labour has no answer.

Express p7 - Major puts economy back on track. Performance calms City and boosts hopes of another cut in interest rates. Leader headed "A major boost for Thatcher's election hopes" says the underlying economic and financial health of the country is robust. Chancellor has done nothing to put re-election chances at risk. Package should put heart into Govt supporters.

Mail p1 - Major in an £8billion election gamble to recapture middle ground. Leader headed "A Major display of financial skill" says the prospect he holds out is a plausible and heartening one. The chief doubt is the reliability of Treasury forecasting.

PRESS DIGEST

Telegraph p1 - Major confident that economy is back on track. Halving inflation rate is forecast, Statement did much to bolster morale of Tory MPs. Sarah Hogg: a liquorice allsorts of social programmes and economic philosophy.

Guardian p1 - Resourceful Major tries to square the economic circle. Leader headed "Not as generous as it looks" says the forecast for inflation may prove too optimistic. But much more needs to be spent than the Govt contemplates with a backlog of neglect to be made up in education, health and transport.

Times p1 - "John Major declares tough curbs as public spending passes £200billion". Autumn statement reduces expectations at Westminster of an early election. Separate story says recession will last until the Spring. Under the heading "Chancellor Buys Votes", leader says the autumn statement confirms that what was once a radical Conservative Govt has now become a conventional conservative Govt. A radical Govt would have held its head in shame at spending more public money on roads and rail, schools and hospitals, rather than throwing the burden on to private investment, pricing and insurance. It goes on to say that John Smith and the Labour team are like frightened rabbits, mesmerised by fear of being labelled profligates. What have you done to both Govt and Opposition?

Independent p1 - "Major admits UK probably in recession" after announcing a tight Govt spending programme which fell well short of the rate of inflation. Spending on education raised by considerably less than the DES had hoped for. Nonetheless, the statement portrayed an economic outlook which could leave the way open for an October 1991 election. Leader says Chancellor was able to demonstrate yesterday that Britain's finances have been maintained in basically good shape, with planned spending for this year less than 1% higher than envisaged a year ago. While the British economy is in better shape than in 1979, and there are encouraging factors, there is much outside the Govt's control, and should yet more go wrong there is little time left before the election. Mr Major's projections are as fragile as they are sanguine.

Robin Oakley in the Times says the Autumn statement was more a matter of trying to cope with the ravages of inflation than of handing out plums to the electorate. It was a defensive exercise making the best of a threadbare situation.

PRESS DIGEST

FT p1 - Major predicts bleak winter of falling output. £200.3 billion public expenditure was at the lower end of City expectations. Reaction in financial markets subdued. Some positive news in the statement including falling RPI and Chancellor confounded predictions that govt would have to raise public spending as proportion of GDP.

FT - Detailed analysis of Autumn statement suggests 1992 spring election is most likely. Chancellor won admiration of private sector economists for his skill in putting the best political gloss on a gloomy set of forecasts for next year. Leader says UK slides into recession. For the party's managers the overall picture remains what it has been for 2 years: the tunnel was entered too late and is likely to endure too long.

GULF

Times leader says the UN should recognise that economic sanctions are proving to be inadequate to restore peace. Saddam has to be convinced that, however repugnant such a decision must be, the world is seriously preparing to use force as a last resort. Peace can only be assured by Saddam's unequivocal defeat, if necessary by force.