THE US ELECTION

WALL STREET JOURNAL: Industrial states key to victory

WASHINGTON - "Bill Clinton’s presidential-election victory was wide but not deep, with the US Electoral College exaggerating the size of his triumph. But now that the cheers have subsided and the shock has dulled, it is clear that Mr. Clinton’s strength was on the 2 coasts and in the industrial heartland - and that, in essence, the race was won by Mr. Clinton where it almost always is, in the US’s gritty manufacturing belt. ‘Those were the people the Democrats lost in the last 3 elections, and they are the ones who came home this time’, says Gregory Schneiders, a Democratic political consultant. ‘It was the economy that did it, because economics are what elections are usually about in this country’. Remove from the calculations 7 industrial states - New Jersey, Pennsylvania, Illinois, Ohio, Missouri, Michigan and Wisconsin - and Mr. Clinton has but 249 electoral votes, shy of the 270 needed to win the presidency, and his 6-million-vote advantage is almost cut in half... But though Mr. Clinton scored a solid win, he didn’t completely transform the political landscape, and much of his success was more a measure of public impatience with the president than enthusiasm for the Democratic challenger. Political professionals of both parties pointed out that 57% of those who voted in Tuesday’s election didn’t vote for Mr. Clinton. ‘But a lot of major trends start out as a repudiation of one party rather than an endorsement of the challenger’, says Kevin Phillips, the maverick Republican theorist."

FINANCIAL TIMES: New Congress prone to gridlock?

WASHINGTON - "Ask American voters what they think of Congress members in general and they will boo; ask them what they think about their own member in particular and they will cheer. Campaign strategists and political pundits agreed that this conventional wisdom would be turned on its head this year by a wave of anger against incumbents. In fact, incumbents fought back, often against damaging personal accusations and strong challengers, to win re-election. Voters still booted incumbents in general, by voting overwhelmingly to limit the number of terms that can be served by elected officials in each of 14 states that had such a proposition on the ballot, they cheered their own representatives, re-electing most of the incumbents who had seemed at risk... None of the senior House leaders who had been tipped as possible
upsets, such as speaker Tom Foley, Ways and Means committee chairman Dan Rostenkowski, or Armed Services committee chairman Les Aspin, was defeated... For all this change, and despite the election of a Democrat to the White House for the first time in 12 years, the new Congress may be prone to the gridlock that agitated voters during the campaign. The Democrats will retain solid control of the House. With a few seats still outstanding, their majority was expected to shrink to from 266 to 259, with Republican representation growing from 166 to 175... In the Senate, the Democrats have, so far, a net gain of one seat... In any event, the Democrats have failed to achieve the 60-member majority needed to override filibusters. This failure could put a brake on their ability to push through a sweeping legislative agenda.

INTERNATIONAL TRADE

REUTER: US sanctions ready to go

GENEVA - "The United States, moving a step closer to a transatlantic trade war, plans to announce punitive taxes on European imports as early as Thursday, the NEW YORK TIMES reported... The paper said US Trade Representative Carla Hills would announce taxes of 100% or more on up to $350 million worth of luxury European exports, mainly French white wines, following the breakdown on Tuesday night of farm subsidy talks."

FINANCIAL TIMES: GATT refuses to support sanctions

GENEVA - "The US yesterday failed to win multilateral support for plans to impose the first part of a $1bn package of punitive tariffs on food and drink imports from the European Community. The sanctions, intended as retaliation in the long-standing dispute between the US and the EC over trade in oilseeds, could still be imposed, despite fears that this could spark a trade war and scupper hopes of a world trade agreement. Arguing that the US had shown 'uncommon patience' in the 5-year-old dispute over subsidised oilseed production, Mr Rufus Yerxa, US ambassador to the GATT in Geneva, yesterday asked GATT’s governing council to authorise trade reprisals of up to $1bn on EC exports to the US... The GATT council expressed sympathy for the US position but refused to endorse sanctions. It chose instead to 'receive' the US statement. Meanwhile, Mr Tran van Thinh, EC ambassador to GATT, warned that it 'would have fatal repercussions on the Uruguay Round' if the GATT endorsed US action. He argued that the 2 sides were 'on the brink of an agreement'."

OECD ECONOMIES

United Kingdom

HERALD TRIBUNE: Major wins Maastricht vote

LONDON - "The House of Commons narrowly approved a measure Wednesday paving the way for continued debate on the Maastricht treaty. The approval, by 319 to 316, represented a vote of confidence for Prime Minister John Major, giving him the negotiating authority he had sought to chair the European Community summit meeting in Edinburgh next month... The prelude to the late-night vote had been a 2-week marathon of lobbying and arm-twisting in which Mr. Major struggled to win back the support of more than 30 rebels within the ranks of his Conservative Party."

THE TIMES: Jobs bill brought forward

LONDON - "The government will today publish its long-delayed employment bill after an unexpected cabinet decision to address the thorny issue of maternity pay in a social services bill at a later date. Government business managers surprised even employment department officials by finding space in the parliamentary timetable for a debate, probably as early as November 16. Only last week, senior Whitehall sources were indicating that the bill was likely to be delayed until January. It was understood that ministers were wary of being seen to attack the power of the unions at a time when many of the economy’s ills were being laid at the government’s own door."

Ireland

FINANCIAL TIMES: Government to fall

DUBLIN - "The Irish government is expected to fall today after the Progressive Democrats, until now junior partners in the coalition, resigned their ministerial posts and made clear they would support a ‘no
The crisis began last week when Mr Reynolds accused Mr O’Malley of being dishonest in the evidence Mr O’Malley had given to a parliamentary inquiry into the country’s beef industry earlier this year. Mr O’Malley had criticised Mr Reynolds’ actions as industry minister in 1987 and 1988 in supporting beef sales to Iraq which he claimed had exposed the Irish taxpayer to unnecessary risks. The PDs called on Mr Reynolds to withdraw the accusation. He refused, precipitating the coalition split.

United States

HERALD TRIBUNE: Tax for cities vetoed

WASHINGTON - "President George Bush made good his threat Wednesday to veto the $27bn urban aid and tax bill, killing the measure because of its tax increases on businesses and on upper-income Americans... The tax bill contained elements of Mr. Bush’s blueprint for revitalizing the economy and luring businesses to hard-pressed inner cities and rural areas with enterprise zones. But, Mr. Bush said, ‘The urban aid provisions that were once the centerpiece of the bill have been submerged by billions of dollars in giveaways to special interests’."