

disclosure likely to renew controversy over the bank's role in the country's economic management following its public show of resistance to interest rate cuts and the news that Robin Leigh-Pemberton, its governor, received a 17% pay rise in the last financial year.

Bank of England officials agreed there was firm evidence that banks had increased their margins from the low levels of the boom years and said it was the bank's policy not to discourage such moves because its first responsibility was to the financial health of the banking system.

The Sunday Times investigation found that Barclays is

business of delivering public lectures". Fixing commercial charges was "a matter for the banks and there is no question of the banks doing anything improper".

"We would be much happier to see their rates coming down and we believe that will happen as competitive pressures in the money market are brought to bear," said one senior Treasury official.

The banks would probably defend their lending policies on the grounds that small business lending involved high risks at the best of times and that they had made big losses on small business loans in the past few years, said a Treasury official.

The depth of the recession will be underlined this week by the latest official figures on business failures and individual bankruptcies. They will show that company failures rose to 5,338 in the first quarter of this year, up from 4,470 in the final quarter of last year, a rise of 19.4%. This means that failures in the first quarter were 63.5% up on the first three months of 1990.

Individual bankruptcies totalled 5,159 in the first three months of this year, virtually double the figure a year earlier.

The latest Confederation of British Industry survey, published this weekend, shows

In for a rough ride over his pay rise: Rob

industrial orders at their weakest for 10 years, with manufacturers expecting output to fall further during the summer months.

Industry's fears about the recovery will be reinforced by a new forecast this week from the National Institute of Economic and Social Research (NIESR). This will predict that while the economy could hit bottom over the next few weeks, it will be flat for the rest of the year.

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Jewish lawyer tipped to chair Brooke talks

by Liam Clarke

A CANADIAN lawyer and former judge has emerged as a front-runner among candidates to chair the all-party talks on the future of Northern Ireland. Rosalie Abella, 45, is Jewish and therefore considered to stand outside the conflict.

Leaders of the parties to the Northern Ireland talks have indicated that they would welcome her appointment. Abella, a Toronto-based expert in equality law, is chairman of the Ontario Law Reform Commission and made her reputation as head of the Canadian Royal Com-

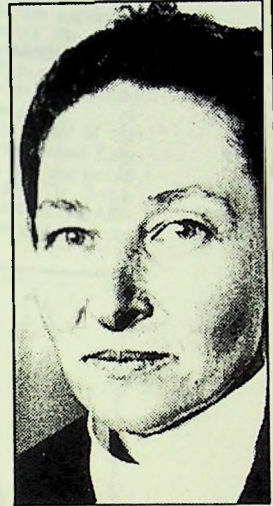
mission on Equality in Employment.

She is respected for her skills as a negotiator in inter-ethnic and labour disputes, and lectured on the issue to senior civil servants and lawyers in Northern Ireland in 1989.

She refused yesterday to comment on the post, but said that her last visit to the province had been "remarkable and deeply personally moving". She added: "Of course I would go back there if I were asked."

The chairman will manage the second strand of talks, which will involve the Dublin government and is expected to last a month. Success will depend on winning the trust of all parties.

The precise powers to be invested in the post are being decided by civil servants this weekend, but the duties are expected to include selecting who speaks and when, convening private meetings with separate parties and choosing when to move the talks from Belfast to Dublin. David Fell, head of the Northern Ireland



Abella: moved by visit to province

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26 MAY 91

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reject plans

he Belgian prime minister, says there can be "no compromise" unless Major accepts the goal of EMU. "It is one of the essential elements of a compromise," Martens said. "So I think that John Major is aware of that fact . . . I think [he] is ready to go that way."

Gianni de Michelis, the Italian foreign minister, praised Britain's "much more co-operative" approach to Europe since Major succeeded Margaret Thatcher. "We have reached a consensus, but I can see no difficulty for him," said Michelis.

of all abilities achieved better results in a selective system, said too many grammar schools were closed without any evidence that comprehensives could do a better job.

25% at the county's 19 comprehensives. Only four Kent grammars achieved a place in the top 10 of a league table of exam results in the county.

Martin Frey, who con-

teacher of St Gregory's Roman Catholic school in Tunbridge Wells, said results showed clever children were not held back in comprehensives and warned a return to selection would be divisive.

Lawyer could chair talks

CONTINUED FROM P. 1

civil service, has forwarded details of Abella's career to officials drawing up the shortlist of candidates.

The final choice must be approved by nationalist and Unionist parties before the talks, which had stalled because of wrangling over the venue, can begin.

Other names being considered are understood to include Jimmy Carter, the former American president; Delta O' Cathain, Irish-born director

of the Barbican Centre in London, and Donald Macdonald, Canadian High Commissioner in London.

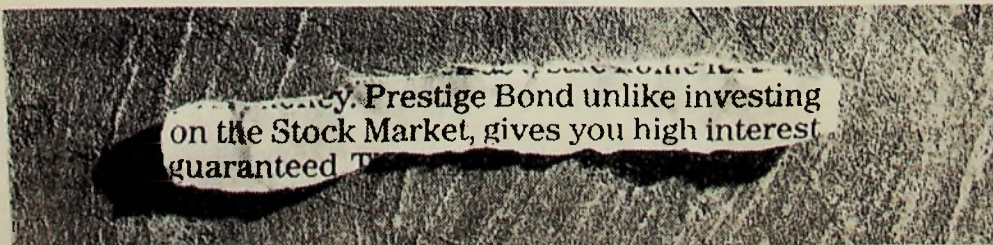
Carter is felt by Unionists to have Irish nationalist sympathies, while O' Cathain is a Catholic from the republic and therefore suspect in the eyes of some Protestants. Macdonald is believed to be unacceptable to some participants because he is married to the divorced wife of a former colleague in the Canadian cabinet.

Yesterday the rival parties

agreed Abella was a possible chair. Peter Robinson, deputy leader of Ian Paisley's Democratic Unionist party, said he would "certainly be looking for people of the calibre of Judge Abella on the shortlist". Dr Chris McGimpsey, of the Ulster Unionist party, described her as "eminently suitable for the post".

John Hume, leader of the Social Democratic and Labour party, also said she would be acceptable. Dr John Alderdice, leader of the Alliance party, described her as "outstanding".

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