PRIME MINISTER

MAIN EVENTS

- Prime Minister chairs ACOST meeting, and sits in on wind-up of Queen's Speech debate
- Church of England Synod
- Bishop of Durham lecture on value, wealth & worship
- Queen's Speech wind up
- Inst. of Civil Engineers seminar on water privatisation
- 1990 Ford British Conservation Awards
- Centre for business disputes launched, CBI
- Counsel and Care for Elderly news conf on Govt policy -
- Winter Supplementary Estimates
- Announcement by FCO of a Know How Fund for the Soviet Union

Environment

- Commons: Questions:
 - Debate on the Address:

Wind up Select Cttee: DTI - Rover - Prof Roland Smith Home - Football hooliganism - James Anderton, Chief Constable

- Debate on the Address economic affairs Lords:
- Lord Chancellor delivers lecture on professional standards
- Chancellor meets chairmen, US Council of Economic Advisors
- Foreign Secy addresses European Democratic Group
- Lord President presents Docklands business Club enterprise _ awards
- Chris Patten reception for Olympic bid team
- John Wakeham visits South West Electricity
- Kenneth Clarke speaks on enhancing education; visits UFC
- Chris Patten speaks in Aylesbury
- Michael Howard visits Corby; Northants TEC -
- Alan Clark speaks at European Democratic Group conference
- Malcolm Rifkind sees trade union leaders re Clydesdale closure

Main News

Confidence that Heseltine will announce his candidature today.

You are fighting for your political life as Howe urges MPs to mutiny.

Claims that secret moves are underway to mobilise Foreign Secy as a stop Heseltine candidate.

Kenneth Baker says Howe never expressed views in his speech in Cabinet.

Kinnock calls for an immediate General Election.

George Younger, Norman Tebbit, Michael Jopling and John Moore to rally your cause. George Younger says you will win on first ballot.

Teddy Taylor describes it as a "vicious" speech. David Evans MP: Put Howe in the Tower.

Chris Moncrieff says Howe appeared to have undergone a major personality transplant.

Tory MPs predict Howe will return to Cabinet when you leave office Times.

Support for you from <u>Star</u>, <u>Sun</u>, <u>Express</u> and from <u>Mail</u> and <u>Telegraph</u> conditionally.

You are still the most inspiring woman in world politics according to Gallup.

1.8% fall in production in third quarter suggests Autumn Statement forecasts could be over optimistic FT.

EC agrees draft statutes for Central Bank. Governor of Bank of England enters general reservation that we do not accept the case for a single currency or a single monetary policy FT.

Former military chiefs who "depended on strong political leadership" during the Falklands conflict warn that a change in Prime Minister with the prospect of war looming in the Gulf would send the wrong signals to Iraq, with Lord Lewin saying it would be "crazy" to have a switch in leadership at this stage **Times**.

Tom King expected to announce this week that a second armoured brigade of Challenger tanks is to be sent of Saudi Arabia, who yesterday announced a £2million-a-day contribution to running costs of British forces in the Gulf. Saudi Arabia prepared to agree an attack on Iraqi forces without a new UN resolution as an absolute precondition to offensive action <u>Times</u>.

In an article in the <u>Times</u>, Henry Kissenger warns that reliance on sanctions against Iraq could rule out the military option, leaving Saddam triumphant and Bush humiliated. He concludes that whatever our destination, we must arrive at it by design rather than as captives of circumstance.

China 'pledges' not to veto use of force resolution at the UN, following which Saddam Hussain says he is willing to make sacrifices for peace and signals he may be bowing to pressure. Signs in Iraq that sanctions beginning to bite as rations of essential foodstuffs cut Times.

<u>Times</u> editorial looks at the puzzling signals on Iraq coming from China, concluding that during the recent visit by the country's Foreign Minister, he probably was under contradictory instructions. It goes on to conclude that to work its passage back into the international community. Peking must also liberalise at home. But in the international field, solidarity in confronting aggression would be a down payment.

Calls for US Congress to be recalled to discuss US military action in the Gulf FT.

Pilot of RAF Jaguar killed in Gulf crash.

Iraqi deserters say Saddam's army lacks food and water and is unwilling to fight a war Independent.

RAF to leave two German bases - Wildenrath and Gutersloh.

You sanction pay rises for Ministers which are less than inflation - setting an example (Express).

Govt opens up telecommunications market; hopes for lower phone bills.

FT leader on duopoly announcement says greater competition will be a stimulus to BT both to improve its services to domestic customers and to enhance its ability to compete internationally.

Supermarkets await clarification of the health warning on cling film as they seek to calm consumer fears <u>Times</u>.

Seven arrested in police investigation into vote rigging in TGWU.

Today and Sunday Correspondent could merge into a single daily newspaper.

Two being questioned over killings of 4 wildfowlers in Northern Ireland.

IRA gunman shot dead by security forces.

Birmingham Six could be free within weeks as DPP decides case cannot be sustained Independent.

DES could switch £100million from education authorities to schools to help with local management Independent.

MEDIA

An <u>Independent</u> editorial says you should have been prepared to raise objections when Rupert Murdoch told you of the BSB/Sky talks. In other spheres you say that accummulations of power are bad for democracy. Why not in this one?

RELIGION

<u>Times</u> editorial says the current structure of the Church of England Synod cultivates procedural plotting rather than encouragement of consensus. It believes the Synod should meet only annually so that only necessary business would be dealt with. The C of E at large might then at last begin to trust it.

FOREIGN

Yeltsin claims Gorbachev has agreed to form a coalition Govt of national unity.

Landsbergis told you Lithuania feared a new Soviet blockade as Moscow hardens its stance on independence for Baltic States FT.

Israelis arrest 3 prominent Palestinians, detaining 2 of them for alleged membership of the PLO **Times**.

Increasing hints that Terry Waite and other hostages may be released soon FT.

Mazowiecki's bid, in the forthcoming Polish elections, for the Labour vote undermined by strikes <u>Times</u>.

Senior German official says neo-Nazi groups are growing at alarming rate after unification Independent.

Wan Li's cancelled visit sparks rumours of political crisis in Peking Independent.

Gunman kills 10 neighbours in New Zealand shooting rampage.

LEADERSHIP

Star pl - Howe stabs Maggie in heart.

<u>Sun</u> pl leader - Maggie: Is this the end? Outraged Tories slam Howe for his attack on you. Many Ministers say they will not serve under Heseltine.

<u>Mirror</u> pl lead - Howe's that! Sir Geoffrey's bouncer for Thatcher. Mauler Howe opens the door for Tarzan. You are staring oblivion in the face. Heseltine's greatest fear now is that he will act as stalking horse for Douglas Hurd.

<u>Today</u> pl lead - Howezatt. Heseltine to challenge today after Thatcher's stumps sent crashing. Heseltine counting on 100 votes plus 20 prompted by Howe attack. With final 27 chilling words, Howe challenged Tory MPs to throw Thatcher out.

Express pl lead - Howe plunges in the dagger. Devastating resignation speech.

<u>Mail</u> pl lead - Sir Geoffrey the Assassin. His deadly challenge to Tory MPs: choose between loyalty to your country or to the Prime Minister. Lethal 19 minute performance.

Telegraph pl lead - Howe attack paves way for Heseltine.

<u>Times</u> pl - "Howe's attack leaves MPs gasping". A devastating speech by Howe left you battling for survival in the leadership contest and encouraged Heseltine to launch his challenge today. Howe gave a warning that you were risking Britain's future by your attitude to Europe and incited the rest of the Cabinet to follow him on to the backbenches.

<u>Independent</u> pl lead - Howe indictment could be mortal blow to Thatcher. Overwhelming view of Tory MPs is that Sir Geoffrey delivered you a potentially mortal blow. A number of your Cabinet colleagues privately share his verdict. An unnamed Cabinet member says the speech makes your position very difficult.

FT pl lead - Your grip on the Party loosens. Your supporters say you will fight to the last and win. Fear that whatever the result of a contest civil war will tear the party apart. Madrid conditions meeting with Howe and Lawson on June 25, 1989 may have marked beginning of the end for you - as it did for them FT.

COMMENT

<u>Star</u> - The Lioness of Downing Street is in grave danger of being brought down by a long haired lurcher dog and a politically dead sheep who have no regard for their duty to the country. Neither can spell patriotism let alone know what it means. A self seeking mediocre pair of never has beens. Is Heseltine the man we would want anywhere near the button of a nuclear bomb.

<u>Sun</u> says while it has some admiration for Sir Geoffrey's style it totally rejects his arguments. He is a little late in revealing himself as such a passionate, totally committed European. Your suspicions on a Federal Europe are shared by the vast mass of the British people. It believes you are far and away the best champion of our country and it hopes that if it comes to a vote Tory MPs will be just as loyal in trouble as they were in triumph.

<u>Mirror</u> simply uses all the quotes from Sir Geoffrey's speech which serve its purpose of undermining you and adds "In the circumstances, Sir Geoffrey, we have nothing to add today".

<u>Today</u> leader headed "Fine words, now Howe has to act" says it cannot disagree with much of what Howe said. It put you at the crossroads. but he left one thing unsaid. A contest for the Tory leadership will hardly be complete without his name on the candidates' list.

<u>Express</u> leader headed "Sir Geoffrey's harmful gift to Kinnock" says we are little the wiser on the substantive differences with you over Europe. The main difference is over style and that criticism is not entirely unjustified. But you are even more passionately concerned about the country's national interest than Howe and just as good a European. His avowed concern about the national interest is hollow. Only Labour will emerge as true winners.

Norman Tebbit says in <u>Express</u> it is high time Tories pulled themselves together, stopped bickering and fought the real enemy.

Derrick Hill, on <u>Express</u> City page, says if Tory MPs are mad and arrogant enough to elect Heseltine they will be repudiating Thatcherism. Heseltine believes fervently in State intervention.

<u>Mail</u> leader headed "this tragedy of loony loyalties" says that pent up bitterness and suppressed ambition gave explosive charge to his words but his case for a constructive approach to Europe's development is one for which the <u>Mail</u> has campaigned consistently. You have damaged your party over Europe and Europe has now damaged you. There has to be a contest. If you can bring yourself in potent trumvirate with Douglas Hurd and John Major to commit yourself in word and deed to Europe without giving up your commendable determination to get the best deal for Britain you deserve the resounding re-endorsement of your party.

Paul Johnson, in <u>Mail</u>, says every Tory must now ask themselves 5 questions: do they want to assist to the leadership a man so palpably on the make; do they seriously think such a man is likely to strike a balance over Europe calculated to serve our best interests; do they believe a leadership contest is likely to enhance their general election chances; do they believe a Kinnock Govt is likely to get us a better deal in Europe than one led by you; and are they happy that soldiers in Gulf should be subjected to additional risks simply because their political masters are bickering over place and jobs?

<u>Telegraph</u> leader under heading "The epitaph of Sir Geoffrey Howe" says it was the most damaging attack you have yet suffered on your leadership. It has often expressed dismay at your style of addressing issue of Europe but awarded strong support for you on issues of substance. On issues of substance Howe was deeply divisive. It is a profound sadness to behold a major political figure now advocating a course which can serve only the Labour Party. His speech must not be allowed to pass as an epitaph for this Conservative administration.

<u>Guardian</u> leader says no Prime Minister since Chamberlain has been treated to so comprehensive an assault from so senior and authoritative a colleague. Heseltine after this has no option but to run.

<u>Times</u> editorial reviews both Howe's speech in the House, and Heseltine's in Germany yesterday. Saying that rarely has an opportunity for revenge been so successfully seized as in Howe's speech, it concludes that, ERM timing apart, it was mostly about style. This was underlined in Heseltine's speech, with the gulf (between their view and yours) hardly unbridgeable. But, rightly or wrongly, the political world is not goverened by pure reason. The Tory Party will not be destroyed by this dispute but its prospects could be deeply damaged. What matters is to stop the rot. If you win a leadership contest, you will be entitled to continue in your own inimitable style. If not your successor will be able to claim a new mandate. The signs are of a growing recognition that a contest there must be, or the party will continue to tear itself apart, with grave costs to itself, and ultimately, to the nation.

<u>Independent</u> editorial says you are mortally wounded. Howe delivered a fundamental critique, linking for all time the offensive style and ill-considered and self-indulgent substance of your rule. Your approach to Europe is negative, destructive and casually contemptuous. Your party could not hope to win an election under your leadership.

Peter Jenkins, in <u>Independent</u>, says it was more than a resignation speech - a bill of impeachment against you. The speech must have struck most of the House as that of a true patriot and a loyal Conservative who had decided to put both country and party above Prime Minister. You and your govt are now fighting for your lives. If you fall you will, like all tragic heroes, have been the chief author of your own disaster, splitting your party and assembling an army of enemies. On your political gravestone will be the words "She Went Too Far".

Silence from Downing Street last night was deafening after Sir Geoffrey's onslaught. Yet you are still at your desk and it will take more than 19 minutes of powerful criticism to remove you <u>FT</u>.