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- Conservative leadership nominations close
- Prime Minister meets Chief Buthelezi
- Unemployment figures (Oct); average earnings (Sept)
- Manufacturing investment (Q3)
- Capital spending (Q3)
- Winter supplementary estimates
- Housing and construction (Q2)
- NAO report on monitoring of charities
- PAC report on lone parent support
- Iraqi gun case hearing, Sheffield
- Special EC Foreign Affairs Council Uruguay Round
- EC Budget Council

- Commons: Questions: Home Office; Prime Minister

Debate: EC - tax and fisheries

Select Cttee: MAFF - officials on microwaves

- Lords: Debate: EC report on future of rural society

- Chancellor speaks in Chertsey
- Norman Lamont addresses Bruges Group
- Kenneth Clarke at Inst. of Mathematics
- John Wakeham addresses European Democratic Group
- Chris Patten speaks at British Retail Assn lunch
- Michael Howard visits Scotland (to Fri)
- BBC1 TV Newsnight investigates UDR 4.
- BBC Radio 4 Analysis on Britain's competitiveness
- BBC TV Question Time with Kenneth Baker, Gordon Brown, Rupert Murdoch and David Jenkins

#### Main News

You are bookies favourites 2-1 on.

Heseltine claims 100 Tory MPs have pledged their support for him.

But Express, citing PA poll, reports 53.5% for you, 19% for Heseltine and 27% undecided - covering 215 of 372 MPs.

Heseltine's constituency split by his candidature. Express says he could face a reselection battle if he fails.

NOP poll in <u>Independent</u> suggests Heseltine would cut Labour's lead from 14% to 5%. ICM poll in <u>Guardian</u> gives Heseltine the lead over you except among Tory supporters 60% of whom support you to Heseltine's 18%.

<u>Sun</u> readership poll - conducted by people ringing in - gives you more than twice as many calls as Heseltine - 21,000 to 10,000.

Heseltine denies collaboration with Howe; says he did not know Howe was going to resign.

Lord Whitelaw, Douglas Hurd, John Major, Kenneth Baker, John Wakeham and Kenneth Clarke speak up in your support. Nicholas Ridley rallies to cause, too.

Heseltine camp let it be known Heath won't get a job if Heseltine wins.

Common Market politicians and offices react with thinly disguised glee to contest Express.

Iraq gloats over contest, according to <u>Sun</u>.

CBI says all regions are now hit by growing recession.

Britain to send 5,000 more troops and 60 more Challenger tanks Express.

Pressure grows on Israel to strike against Iraq Times.

James Baker rallies UN on force against Iraq Times

<u>Telegraph</u> says Allied leaders are furious over French refusal to take part in command structure and make serious preparations for war.

<u>Star</u> complains troops in <u>Gulf</u> have been banned from celebrating Christmas out of respect for Arabs.

Ron Brown MP offers to be a hostage if they will free 5 Scottish engineers.

Audience Selection poll, printed by <u>Mirror</u>, says only 25% of Britons believe there should be a war in the Gulf.

Hussain sacks his cousin as Governor of Kuwait - <u>Times</u> sees it as a sign of nerves.

<u>Independent</u> editorial says bush should remember the Vietnam lesson: wars cannot be successfully pursued without strong public support. With a UN resolution sanctioning the use of force a powerful address on TV and a Congress debate behind him, he would be more strongly placed to weather the political strains of war and its aftermath.



More than 7million apply for first of electricity privatisation shares. The shares apply for first of electricity privatisation which the shares are shared as the share of th

Four more arrested - on top of original 7 who have been released without charge - in TGWU ballot rigging inquiry.

Three detectives to face charges over IRA Guildford pub bombing arrests.

First IRA terrorist to be extradited from Eire to Britain - a major breakthrough (Today). Explorer officers

16 arrested by police who believe they have smashed a social security fiddle centred in Blackpool.

Gorbachev told by one of his military officers that he has lost the support of the army <u>Times</u>

Soviet Parliament forces Gorbachev to call emergency debate on calamitous state of nation Independent.

"The Lock" by Constable set to leave Britian for first time since painted in 1824 after sale for £10.78million yesterday.

## LEADERSHIP

<u>Star</u> - Don't you dare kick out Maggie - MPs get no nonsense warning in party poll. Two thirds of local Tory association members give you solid support.

<u>Sun</u> leads with Tarzan to slash poll tax by half possibly by removing edcuation from local spending and raising income tax by 4p. It says Foreign Secy emerged last night as the man to beat Heseltine - growing belief Tarzan has been bounced into acting as a stalking horse for Douglas Hurd.

<u>Mirror</u> pl lead - Oh what a dirty war - Heseltine goes into battle and Thatcher goes shopping thereby showing your contempt for his challenge.

Today leads with interview into Mrs Heseltine on her "role as first lady". Inside: "Squeeze-the-rich poll tax is Tarzan's ace".

Express pl lead - Maggie to win says MPs' poll, citing PA poll of
MPs.

Mail pl lead - Battle is joined - battle for soul of Tory Party.
Mail polls show 2-1 in your favour. Heseltine faces an
intimidating array of heavyweights.

<u>Telegraph</u> pl lead - Tories in turmoil over leadership. Support of 100 MPs is claimed by Heseltine.

<u>Times</u> pl - "Heseltine flings down gauntlet for leadership".

Community charge reform is key to his strategy to win back

Conservative voters. Story adds that there is a growing feeling

at Westminster that you will find it hard to win on the first

ballot. MPs on all wings feel a failure to secure victory in the

first vote might irretrievably damage your authority and lead to

your standing down.

In an interview in the <u>Times</u>, Heseltine sets out his qualifications to unite Conservative MPs on Europe and to win back disaffected voters. He complains that you have allowed the party to become divided and says that your views on Europe do not reflect those of your Cabinet.

<u>Times</u> says that most rightwing MPs and Ministers appear willing to rally around Heseltine if he succeeds in toppling you.

<u>Independent</u> pl lead - Heseltine draws battle lines - promises review of poll tax as leadership battle opens up Cabinet rifts. Kenneth Clarke breaks agreed policy, calling community charge "a major problem on our plate" and saying the Govt is still reviewing it. Douglas Hurd says he agrees with much of Sir Geoffrey Howe's attack on your EC policy. "I don't believe we're dealing with

ogres and conspiracies" he says.

FT pl lead - Heseltine opens bid with poll tax pledge. Chorus of Cabinet Ministers condemn contest as unnecessary and divisive - and say you will win with a good majority.

FT - Leadership battle shakes pound-sterling fell sharply toclose at DM 2.8875. Rumours of BOE intervention but monetary authorities indicated that the lower limit of the ERM had provided a solid floor for the pound.

#### COMMENT

<u>Star</u> says election has nothing to do with Britain's sovereignty, community charge or interest rates. It has everything to do with the burning ambition of a mediocre man, and to hell with the well-being of his country. It is the wrong time for a leadership battle and Heseltine is the wrong man.

Today leader headed "Tarzan can't swing alone" says either MPs vote for the devil they know (you) or the devil they are not too sure about (Heseltine). But an election which offers only this choice will not necessarily produce the best possible rival to Kinnock.

Express says Heseltine's justification for challenging you looks unconvincing. He could find it more difficult to unite the Cabinet. and in relying on growth rather than raising taxation he is beginning to sound like Kinnock already. This Parliament has 19 months still to run. In six months with inflationa nd itnerest rates down the opinion polls will reveal a dramatically different public view of the Govt and you.

Telegraph says the contest should not be occurring. For a political party to deserve power it must be seen to represent principels and to adhere to standards of political behaviour. The Tory now seems to be minded to embark on Labour's path of disunity and expediency. Heseltine has made a deliberate decision to shatter the fragile unity of his party. The task of the party must be to rally to enable you to rebuild your personal position and win the fourth term you deserve.

Charles Moore says the most cautious, quickest and simplest thing is to vote for you. And simplicity, as Conservatives are now realising, is a political virtue.

<u>Guardian</u> - Heseltine's bid threatens to divide his opponents between loyalists determined to defend you to the end and other

MPs prepared to ditch you for a unity candidate if you falter in Tuesday's first ballot. You respond with characteristic determination: you will fight to win and would see a majroity ofone as a suffucient mandate.

Joe Rogaly says win or lose your legacy will last <u>FT</u>. <u>Leader</u> says the determination to confront choices remains as it has always been the virtue that is the mirror of your vices. For example you recognise the real issue about transfer of power to EC but you have failed todefine it correctly. Your opponents ignore the issue or <u>worse</u>, confuse it with your manners of their election prospects. Neither approach will now serve.

Times leader puts you with Disraeli, Baldwin and Churchill as leaders capable of evincing a strong personal response from the public. But even the party's strongest leader must eventually give way to a successor. You have shown scant mercy to both your colleagues and your parliamentary supporters of late. Now it is on their mercy that you must throw yourself.

Robin Oakley in the <u>Times</u> says Heseltine's claim that he can win the next General Election and you cannot is particularly bold when you have fought three and won them all. He adds that Heseltine is being both honest and sensible, however in pitching his case in those terms. He concludes that you have to decide now whether to play things soft on Europe in the hope of anchoring the measures or to continue your post-Rome rhetoric to maximise support in your national constituency within the party.

<u>Times</u> - British Social Attitudes report shows Britons have resisted attempts by successive Conservative Govts to change fundamentally the nation's character and impose Thatcherite values on society. <u>Leader</u> says Thatcherism as a philosophy has not won the sentimental allegience of the masses. It has, however, undeniably shifted elite opinion.

<u>Mail</u> leader says of Heseltine there has never been a more assiduous contender for power. He is not a broken winded stalking horse. He is groomed to perfection, spirited and fancied. After rehearsing his qualities it wonders how he would perform in an economic crisis. Has he the will to fight to contain inflation? Has he got what it takes to lead Britain? That is the crunch question.

<u>Independent</u> editorial denies that it is wrong to hold a leadership contest while our troops are in the Gulf. The authority of the British Prime Minister has been damaged by the Europe issue, and only an election can repair it.

Peter Jenkins, in <u>Independent</u>, says you split the party. The contest is happening because the party is divided, not the other way round. Who can reunite the party? Almost anybody but you. Whoever wins will be received with acclamation and a great thumping of tables in Cttee Room 14. That is provided it is not you who wins, since almost half the party has indicated, by abstention on votes against, that you no long enjoy their confidence. That would be the recipe for disunity and defeat.

A <u>Guardian</u> editorial says your position looksintractably hopeless. You look a loser, at last. tory MPs will have to ponder that as they come to vote.

Heseltine offers stark choice to Tory party as he is, arguably, even ore radically interventionist than Labour <u>Guardian</u>.

#### **EDUCATION**

Every school to be given control over its budget under Govt plans revealed yesterday.

#### TERRORISM

IRA suspect, Desmond Ellis, extradited from Dublin - the first to London.

#### SPORT

British and Irish soccer fans in street battles in Dublin; police in riot gear move in and appeal to shoppers to stay away from centre; 40 held.

#### FOREIGN

46 dead when Alitalia plane crashes near Zurich airport.

Australia to seek UK help in new clean-up of Maralinga nuclear test site <u>Times</u>.

Indian accuses West of preventing him becoming UN Refugees Commissioner Independent.

# PEOPLE

Malcolm Muggeridge dies, 87.