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TO IMMEDIATE BUDAPEST

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BUDAPEST - IMMEDIATE FOR PRIME MINISTER'S PARTY.

FOLLOWING IS LPS SUMMARY OF FIRST EDITIONS OF NEWSPAPERS OF SATURDAY
4 FEBRUARY 1934:

CRITICISM OF SIR GEOFFREY HOWE FOR HIS HANDLING OF THE CHELTENHAM COMMUNICATIONS HEADQUARTERS DISPUTE PROVIDES THE INGREDIENTS FOR THE MAJOR STORY IN THIS MORNING'S PAPERS. THE FINANCIAL TIMES HAS A PAGE ONE STORY SAYING THE POLITICAL FUTURE OF THE FOREIGN SECRETARY HAS BECOME THE SUBJECT OF WIDESPREAD REASSESSMENT AT THE END OF A WEEK IN WHICH HIS HANDLING OF THE GCHQ AFFAIR HAS COME UNDER MOUNTING ATTACK. IT ADDS THAT CRITICISM OF SIR GEOFFREY WITHIN THE CONSERVATIVE PARTY INTENSIFIED LAST NIGHT AS TORY AND LABOUR MPS ACCUSED HIM OF MORE BLUNDERING OVER THE DECISION TO BAN WORKERS AT THE HEADQUARTERS FROM MEMBERSHIP OF TRADE UNIONS. THE STORY SAYS EVEN SENIOR MINISTERS WERE ADMITTING IN PRIVATE THAT THE GOVERNMENT HAS BADLY MISHANDLED THE AFFAIR, ALLOWING IT TO GROW OUT OF ALL PROPORTION, WHILE THE UNIONS INVOLVED HAVE BEHAVED REASONABLY AND RESPONSIBLY. IT GOES ON TO SAY THAT FEW GO SO FAR AS DR OWEN, WHO YESTERDAY CALLED FOR SIR GEOFFREY'S RESIGNATION. "HOWE AT CENTRE OF UNION BAN DISARRAY" IS THE HEADLINE ON THE FRONT PAGE STORY IN THE DAILY TELEGRAPH. THIS SAYS THE PRIME MINISTER WILL RETURN FROM HER VISIT TO HUNGARY TONIGHT TO FIND HER GOVERNMENT IN "VISIBLE AND INCREASING DISARRAY" OVER THE GCHQ DISPUTE. IT ADDS: "AFTER WHAT SENIOR COLLEAGUES SEE AS NINE DAYS OF FAILURE TO EXPLAIN THE GOVERNMENT'S CASE EFFECTIVELY, AND WITH NO SIGN THAT THE SITUATION IS IMPROVING, SIR GEOFFREY . . . WAS LAST NIGHT FACING OPPOSITION CALLS FOR HIS RESIGNATION." "HOWE IN THE FIRING LINE" AND "NEW SPY CENTRE JOBS BLUNDER PUTS HIS FUTURE INTO QUESTION" ARE THE HEADLINES ON THE PAGE ONE LEAD STORY IN THE DAILY MAIL WHICH BEGINS AS FOLLOWS: "DOUBTS WERE GROWING AMONG SENIOR TORIES LAST NIGHT ABOUT HOW MUCH LONGER SIR GEOFFREY HOWE CAN LAST AS FOREIGN SECRETARY AFTER THE SPY BASE MUDDLE." IT ADDS: "BUT WHILE TORY MPS WERE NOT OPENLY DEMANDING THAT SIR GEOFFREY SHOULD GO, A GROWING NUMBER TOOK THE VIEW THAT HIS REPUTATION HAS BEEN SO DAMAGED THAT HE SHOULD BE MOVED OUT OF THE DAY-TO-DAY FRONT LINE. THEY HAVE BEEN DISMAYED BY HIS COMMONS PERFORMANCE ON GRENADA, ON COMMON MARKET DIFFICULTIES AND NOW ON THE CHELTENHAM AFFAIR." "HOWE AT BAY OVER SPY HQ CHAOS" IS THE HEADLINE OVER THE FRONT PAGE LEAD STORY IN THE DAILY EXPRESS WHICH IN THE FIRST PARAGRAPH REFERRED TO THE FOREIGN SECRETARY AS BEING "FLAT ON HIS POLITICAL BACK". IT ADDS IN THE THIRD PARAGRAPH THAT MRS THATCHER MAY FACE DEMANDS FROM SENIOR TORIES FOR HIS SACKING WHEN SHE RETURNS FROM HUNGARY. "FURY AS HOWE SLIPS AGAIN" IS THE HEADLINE ON A PAGE ONE PIECE IN THE SUN. THE PAGE ONE LEAD STORY IN THE TIMES SAYS OPPOSITION PRESSURE FOR SIR GEOFFREY'S RESIGNATION IS EXPECTED TO INCREASE AFTER THAMES TELEVISION INSISTED LAST NIGHT THAT HE HAD EARLIER MISLED THE HOUSE OF COMMONS OVER THE GCHQ AFFAIR. THE GUARDIAN HAS A PAGE ONE STORY. THE FRONT PAGE OF THE DAILY MIRROR HAS AN UPSIDE-DOWN PHOTO OF THE FOREIGN SECRETARY WITH THE WORDS "DEAR SIR GEOFFREY . . . HAVE YOU EVER HAD ONE OF THOSE WEEKS WHEN NOTHING GOES RIGHT?"

"HUNGARIAN PEACE CALL TO EAST" AND "LET THE FIRE TO TALK, HUNGARIANS TOLD" ARE THE HEADLINES ON THE PAGE ONE LEAD STORY IN THE DAILY TELEGRAPH. THIS SAYS MRS THATCHER TRIED TO ENCOURAGE THE SOVIET UNION TO RESUME NUCLEAR ARMS NEGOTIATIONS WITH THE U.S. BY EMPHASISING THE GENUINE DESIRE OF HERSELF AND OTHER WESTERN LEADERS FOR BETTER RELATIONS WITH THE EAST. IT ADDS THAT IN HER SPEECH AND IN HER PRIVATE TALKS WITH HUNGARIAN LEADERS, THE PRIME MINISTER'S TACTICS WERE TO SUBDUCE HER "IRON LADY" REPUTATION AND STRESS THAT SHE DID NOT WANT PEACE. "HUNGARY WARMS TO THATCHER THE PEACE MONGER" IS THE HEADLINE ON A PAGE ONE PIECE IN THE GUARDIAN WHICH OPENS THUS: "MRS MARGARET THATCHER, ON HER FIRST VISIT TO A WARSAW PACT COUNTRY, HAS SUCCEEDED IN CONVINCING THE HUNGARIAN LEADERSHIP THAT SHE IS DETERMINED TO PROVE THAT EAST-WEST ACCOMMODATION IS NECESSARY AND POSSIBLE." THE STORY NOTES THAT SHE HAS MADE NO MENTION EITHER IN PRIVATE OR IN PUBLIC OF HUMAN RIGHTS. A PAGE TWO STORY IN THE DAILY MAIL SAYS MRS THATCHER USED HER FIRST VISIT TO AN IRON CURTAIN COUNTRY SINCE SHE BECAME PRIME MINISTER TO DELIVER A NEW REBUKE - AND A CHALLENGE - TO MOSCOW. "A PRAYER FOR PEACE" AND "MAGGIE HONOURS HEROES AND GIVES MESSAGE OF HOPE" ARE THE HEADLINES ON A PAGE SIX PIECE IN THE DAILY EXPRESS. "MAGGIE RAPS FOR RUSSIA" IS THE HEADLINE ON A PAGE TWO ITEM IN THE DAILY MIRROR, WHILE THE SUN IN A PAGE TWO STORY SAYS MRS THATCHER "DITCHED HER IRON LADY IMAGE AND ISSUED AN EMOTIONAL DOOMSDAY ARMS PLEA TO RUSSIA. MEANWHILE, THE TIMES AND FINANCIAL TIMES CARRIED STRAIGHT REPORTS ON HER SPEECH AND PRIVATE TALKS.

ANOTHER MAJOR STORY IS ABOUT THE ROW IN DUBLIN OVER THE DUKE OF EDINBURGH'S VISIT TO AN ARMAGH BARRACKS. "DUBLIN PROTEST AT ROYAL 'INSULT'" IS THE HEADLINE ON THE PAGE ONE LEAD STORY IN THE GUARDIAN. THIS SAYS THE IRISH GOVERNMENT REACTED WITH EXTREME ANGER YESTERDAY AFTER PRINCE PHILIP HAD MADE A SURPRISE VISIT TO THE BARRACKS WHERE EIGHT UDR MEN ARE ACCUSED OF MURDERING CATHOLICS. IT ADDS THAT THE BRITISH AMBASSADOR IN DUBLIN WAS CALLED TO THE FOREIGN MINISTRY TO RECEIVE A FORMAL PROTEST ABOUT THE INCIDENT, WHICH IS SEEN IN DUBLIN AS A CALCULATED INSULT TO THE CATHOLIC COMMUNITY IN NORTHERN IRELAND. A SIMILAR PROMINENT STORY IS CARRIED ON THE FRONT PAGE OF THE DAILY TELEGRAPH. THE REPORT RECEIVED GOOD COVERAGE IN THE REST OF THE PAPERS.

A PAGE TWO PIECE IN THE FINANCIAL TIMES SAYS THE RESUMPTION OF FULL DIPLOMATIC RELATIONS BETWEEN BRITAIN AND ARGENTINA GREW CLOSER YESTERDAY WHEN THE GOVERNMENT SAID IT IS WILLING TO UPGRADE BUENOS AIRES' DIPLOMATIC PRESENCE IN LONDON AND ESTABLISH CONTACT AT CONSULAR LEVEL. BUT THE DAILY TELEGRAPH HAS A PAGE SIX STORY SAYING BRITAIN'S ATTEMPT TO OPEN A PHASE OF "QUIET DIPLOMACY" WITH ARGENTINA APPEARED YESTERDAY TO HAVE FOUNDERED IN A STATE OF STATEMENTS AND COUNTER-STATEMENTS EMANATING FROM LONDON, CARACAS AND BUENOS AIRES.

ANOTHER PAGE SIX PIECE IN THE DAILY TELEGRAPH SAYS LE MONNE MOVED A STEP CLOSER TO OPEN CIVIL WAR YESTERDAY AS FAILURE TO PROGRESS IN PEACE TALKS RESULTED IN A BATTLE BETWEEN FACTIONS IN BEIRUT'S SOUTHERN SUBURBS.

A STORY WINNING GENERAL COVERAGE - PAGE ONE IN THE FINANCIAL TIMES, TIMES, DAILY TELEGRAPH AND GUARDIAN - IS THE REPORTED ANNOUNCEMENT BY BRITISH AMERICAN TOBACCO THAT IT IS WITHDRAWING FROM DIRECT SALES AND DISTRIBUTION IN BRITAIN, WITH THE LOSS OF 1,300 JOBS MAINLY IN LIVERPOOL, SOUTHAMPTON AND WOKING.

ANOTHER STORY FRONT-PAGED IN SEVERAL PAPERS SAYS ROLLS-ROYCE IS TO LINK UP WITH U.S. ENGINE GIANT GENERAL ELECTRIC IN A BID TO STAY IN THE WORLD MARKET FOR BIG AERO ENGINES.

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