

9 January 1986

PRIME MINISTER

PRESS DIGEST

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WESTLANDS

- Sir John Cuckney rejects latest Europackage - Sikorsky link still most logical.
- TASS workers at Westland vote 1500-1 in favour of Sikorsky after their Communist general secretary had pledged support for Euro-offer.
- Sun apologises to Michael Heseltine on P2 for "You Liar" headline.
- D/Star features "the battle on for Maggie's crown". Power game rocks No 10. You will today warn warring Cabinet - "Belt up - or I'll shut you up."
- Mail says the Heseltine group gained ground yesterday when the Dutch Government threatened not to buy Westland if Sikorsky won.
- Express: In a centre page spread, Julian Amery explains why Europe is the best way to go and George Gale why we can trust the Americans. Amery says there is not much to choose in the short run. Gale says US is not a less reliable ally than France, Germany or Italy; you should dismiss Mr Heseltine forthwith; if you fail to do so you will have lost.
- Telegraph P1 says Mr Heseltine was backed by Bonn. Lord Gregson, Defence Manufacturers' Association, says many European industries would be under threat if the Americans won the battle. City staff say it is touch and go whether Westland gets shareholder backing for Sikorsky rescue; diary says Peter Walker's friends fear he is in danger of being upstaged by Michael Heseltine.
- Telegraph City page think there is slim chance of any change in rival offers. Those who prefer to be safe than sorry should vote Sikorsky.
- Guardian says Westland has employed an outside firm to telephone 10,500 private shareholders in their homes urging them to support the board. Institutional holders being seen.
- Guardian leader is summarised by the headline: It should be Europe.
- Geoffrey Smith, in Times, says there is a stand-off for the moment on the substance of the dispute but there may be a better prospect for getting Ministers to curb their public campaigning of which the most open and obvious violations have come from Mr Heseltine.
- Times profile of Sir John Cuckney.
- Ronnie Butt, in Times, writes of Mr Heseltine's interesting behaviour over Westland - a disaster for Government's reputation and it will not quickly be forgotten unless Cabinet order is decisively restored. You have got to bring the Government's style into a proper relationship with its actual behaviour. Cabinet should reach an agreed position and if Mr Heseltine can't be part of it you should tell him to go.
- Peter Riddell, in FT, says all the signs are that Mr Heseltine has decided to lower the temperature.

ECONOMY

- Speculation that 1% may not be enough to persuade dealers economic policy is on course.
- Express says the rise of 1% in base rates was on the Chancellor's express instructions - delay could have given wrong signal to market.
- Home loans unlikely to be hit soon. Hattersley speaks of "vacillating incompetence".
- D/Star covers rise in a few lines. Sun says tax cut hopes take a tumble.
- Mirror - New blow to jobs as bank rate leaps in "crisis" move.
- Express P2: Home loans pegged as bank borrowing rate rises to 12.5%; money men set to save ailing £. New blow to Lawson's tax cut Budget hopes.
- Andrew Alexander, in Mail, regrets rise on account of sterling when MO indicator offers prospect of a cut in interest rates.
- Telegraph leads with base rate increase.
- Guardian says industry recoiled at it, adding further to lack of competitiveness; leader sees signs of a re-run of last January's bungling.
- Times - Blow for Lawson on base rates climb to 12.5%.
- Tim Congdon, in Times, says every day more evidence becomes available that the rapid growth of M3 is not misleading. The Chancellor should bring back MTFs in all its glory with a target for broad money and re-emphasise support of fiscal policy.
- Sam Brittan, in FT, says the pressure on sterling has to be resisted as much as possible, for a reasonably firm exchange rate is the only effective brake on the tendency of businesses to concede suicidally high pay increases.
- House prices up an average of 9.7% last year - average price of detached house in London tops £100,000.
- Social Trends survey reveals that we have never had it so good. Express headline: "It's better and better to be British". Express leader says the truth is that, unemployment apart, Britain is performing very effectively. Mail leader says that amid all the evidence of natural advance is an indication of moral decline - one in three men guilty of serious crime by 28.
- TUC wants Government to raise taxes to finance more expenditure on job creating projects; calls for £7.9bn injection over 5 years.

CRIME SEMINAR

- D/Star leader says statistics confirm Government is in grip of a crime epidemic which shows no sign of abating. Only a series of lightweight ideas emerged from the seminar. Nothing short of scandalous detectives are being kept off cases because budgets won't afford overtime. You have presided over one of the biggest crime increases in history.
- Sun: Maggie gets tough with tube yobbos.
- Mirror: Maggie starts war on crime - a short piece on P11.
- Express P1: Maggie's DIY war on crime.
- Mail P2 - New war on crime begins in school.
- Telegraph P6 - Anti burglar bonus sought by Thatcher - story sets out what was decided at Seminar.
- Times P1 - Insurers take up Thatcher initiative against crime.

LAW AND ORDER

- Policeman who shot boy in West Midlands raid to be charged with manslaughter.
- Animal rights fanatics launch a series of bomb attacks on scientists in West Sussex, Dulwich, Newcastle-under-Lyne, Keele University and Harrogate; Express leader says these "twisted misfits" must be caught.
- Mail features London couple 87 and 84 who were robbed and beaten seven times in 5 days who now have everything anybody could want at a secret address, but it isn't home and they dare not go back to it.

TERRORISM

- Controversy over the arming, from today, of police on patrol at Heathrow with "SAS-style machine guns".
- Police Federation says it is a "major blow" to the friendly image of the British bobby.

POLITICS

- Kinnock to be asked to put his full weight behind NUM and denounce UDM, according to Mail, by moderate leader of Leicestershire NUM. And that has put Kinnock on the spot.
- 40 Federation of Conservative Students members to campaign for Ulster Unionists in by-elections.

LOCAL GOVERNMENT

- Mirror alleges a connection between Derek Hatton, Tony Beyga, former plasterer, now planning and development chief for a neighbouring council and PR officer for Merseyside's fastest growing property developer, and E T Spencer, former plank and ladder merchant now with mansion and Rolls who is involved in some of Liverpool's biggest development schemes
- Jon Akass, in Express, says Kinnock will be in a pickle if Labour win Liverpool by-election today.

- Lambeth NUPE official, friend of Red Ted Knight, on drugs charge - supplying cannabis.

SPORT

- Zimbabwe tour by England B cricket team called off and union militants in West Indies threatening series with first team because some players have been in South Africa.

PEOPLE

- Geldof says there was a serious Government cock-up over New Year Honours. Government had not got its PR act together.

LIBYA

- Claims USA's boycott is the same as a declaration of war. America says sanctions are only a start. Freezes all Libyan assets in US.
- Sun wants British and European action. "Only a fool tries to ignore a mad dog."
- Mirror says Gaddafi is mad and bad. Reagan is right to treat him as such. The cowardice of the rest of the world is deplorable.
- Mail agrees with every word of Reagan's condemnation of Gaddafi but British Government should resist the urge to follow his actions. You are wise to steer clear of sanctions against both Libya and South Africa.
- Mail report says Britain and US workers are treated as pampered guests in Libya.

LIBYA (Cont'd)

- Italy wants an EC Summit on the issue.
- Telegraph says West European opposition to sanctions is largely to do with self interest.

HONG KONG

- Lydia Dunn calls on Britain to give 10,000 non-Chinese citizens the right to live in Britain after 1997.

BERNARD INGHAM