

PRIME MINISTER

PRESS DIGEST

HESELTINE RESIGNATION

- Top Tories say he made a mistake in resigning - his extraordinary behaviour leads to questions about his judgement.
- Ladbrokes shorten odds on Mr Heseltine becoming Tory leader from 7-2 to 105-2.
- Bristow has bought 4m of Westland shares bringing his stake to over 10% Euro-supporter. This will make it very difficult for Sikorsky to secure 75% (Guardian).

Treatment

- D/Star P2 and 3: Tarzan goes to war. 'There is no place with honour in such a Cabinet'. Developments rock your Government to its foundations. He reserved most of his venom for you.
- Sun P1 - Tarzan: My feuds with Maggie. Heseltine stalked out of Cabinet refusing to be silenced.
- Mirror P1 - Thatcher's Dirty Tricks - Heseltine's sensational revelation deals a devastating blow to your Government.
- Express P1 - Heseltine's agony. He slams Maggie on Westland and says: 'There's no trust left, Government bruised but far from battered.'
- Mail P1 - Michael Heseltine's sensational attack. I accuse the Prime Minister. Delivers one of the most embittered personal attacks any Prime Minister has had to endure from a colleague. Gordon Greig says you were preparing to put Heseltine in his place, cut him down to size and show the country who rules. Resignation was his most impulsive gesture yet. But indications are it was a trap.
- Telegraph P1 - Heseltine resigns "Out of Honour. I'm afraid I shall have to leave, Cabinet told". Jim Wightman says Tory MPs were divided over whether this would hinder his chances of becoming leader. Defence staff say procrastination - his failing - over Westland has proved to be Heseltine's undoing.
- Guardian P1 - Heseltine scorns PM's 'gag' after sudden Cabinet walk-out. Keith Hampson writes profile on Heseltine for Guardian - describes his appeal as being to all wings of the party, a big man.
- Times P1: Defence Minister lost 20-1 in Cabinet, says Tebbit. Tories split by unprecedented public argument.
- FT P1 - Heseltine challenges Thatcher's methods. Peter Riddell says the affair has raised doubts about his judgement and many leading Tories feel it has emphasised his impetuosity and tendency to be obsessed with an issue.

HESELTINE RESIGNATION (Cont'd)Comment

- Under heading "Heseltine the fall guy!" D/Star says someone just had to go in the Westland row and it was always on the cards Heseltine would be the fall guy. But what an exit! No amount of cosmetic can conceal fact that Tory Party is divided. But he went down fighting for Britain. Odds on Kinnock being next incumbent at No 10 must have shortened dramatically.
- Sun: Passion in politics is a rare and welcome quality these days and Heseltine will win fresh respect by going voluntarily. Once again you were too tolerant. When he kept on talking after Cabinet had taken its decision you should have told him to pipe down or get out. But there is no sign of any vacancy at No 10 - you still reign.
- Mirror: You have finally got the political crisis you deserve and you may never recover from it. At the heart of Heseltine's resignation is contempt for your style of Government. Clear that resignation was not only inevitable but part of your purpose.
- Joe Haines, in Mirror, says Heseltine walked into No 10 yesterday into a trap.
- Express does not comment, but George Gale says in allowing Heseltine to quit when you should have fired him first, you have lost another battle. But the most obvious casualty is Heseltine. Finds himself on back-benches after an explosion of pique. You will probably survive the crisis. Heseltine may not. But not inconceivable both will be its victims.
- Mail leader, under heading "A miscalculated departure" says the reason he acted is far from clear. His sensational attack is highly damaging to you. It suggests you are high handed, devious, obdurate yet indecisive. For the party establishment Heseltine's melodramatic behaviour will mark him out as unreliable. Perhaps his bizarre and still rather puzzling resignation has been the result of succumbing to his own fantasy.
- Paul Johnson, in Mail, sees this as Heseltine's first move in a long term campaign to become party leader. He has taken an enormous risk, but will it come off?. He has chosen to go on a paltry issue and gamble makes sense only if he is playing for the long term. He will now have to work hard to convince the rank and file his resignation was sincere, high principled and unavoidable. After a few weeks, however, he will simply emerge as a rebel without a cause.
- Telegraph says Heseltine's departure and bitter words have immense import for the Government. His "I hate you" departure is not clever politics but it is hardly ice-cold opportunism either. But he is not the only Conservative for whom the Prime Minister has been too absolute intolerant and imperious. Government is less secure, less happy about itself than most people suppose.
- Godfrey Barker, in Telegraph, says simple fury overcomes Heseltine in Cabinet. He may find his role as St George rather harder to sustain than hitherto.

HESELTINE RESIGNATION (Cont'd)Comment (Cont'd)

- Guardian leader says this could be the watershed event of your second Government. Heseltine is an altogether different proposition from the others who have left Cabinet. The affair may make or break Mr Heseltine's reputation, but it could also break yours.
- Hugo Young, in Guardian, on the most stylish exit in modern times which will do more damage than any other of recent memory. You must take blame for failure of political management and says you back Sikorsky. He says that unless Heseltine's allegations are rebutted in detail, your reputation for utter cleanness is in ruins. For the moment he can accord himself a stunning verdict - the man who destroyed the reputation of a Prime Minister who thought she was untouchable.
- Headed "A very good resignation" the Times says there are many Tories who must feel jealous at the manner of Heseltine's resignation. More certain that it has harmed Government than his leadership prospects. Cast you in light of censor rather than information coordinator. Clever to link his future with your mode of Government at a time when it is less tolerable as its momentum slows down.
- David Watt, in Times, says Heseltine probably overplayed his hand in taking you on the way he did. Strong probability he has damaged himself permanently in the process.
- Malcolm Rutherford in the FT on "the man who went too far". European helicopter programme became an obsession. He has now committed practically every sin in the Tory book. Turned the liberty of expression into licence. Tories are unlikely easily to forgive him. But Government does not come out of it well either.
- FT leader says Heseltine exalted the Westland affair into an importance it did not deserve and in the end resignation was perhaps inevitable. But this departure is a blow to the Government and may reinforce the impression of an administration dominated by a rather narrow group of Ministers close in temperament and outlook to the Prime Minister.

ECONOMY

- Unemployment rises unexpectedly - December is set for all-time record this month (Mirror).
- Express says anyone tempted to think that the Westland row is your biggest problem should look at the latest unemployment figures. Disappointing to say the least.
- Sterling closes at \$1.4490, but \$1.46 in USA. Share prices fall heavily in London, Frankfurt and New York.

INDUSTRY

- Church leaders, MPs and several major stores start campaign to Keep Sunday Special and against ending of all Sunday trading restrictions.
- Argyll gets go ahead to proceed with offer for Distillers.

UNIONS

- NUM reports EETPU to TUC for entering into an unofficial pact with UDM - could lead to electricians' expulsion. Willis says meeting with UDM is 'offensive.'
- Communist wins car workers' top job in TGWU.

LAW AND ORDER

- Police arrest man in Cheshire on suspicion of a series of explosions at butchers, furriers and pharmacists.
- Case of woman who drowned her 5 year old son in bath - previously jailed for killing his two baby brothers. Just how much danger do social workers have to see to keep a child on the 'at risk' register? (Express)
- Questions arise over whether we have armed our police at Heathrow with wrong gun.

POLITICS

- SDP win Old Swan ward by-election in Liverpool - hammer blow for Militants (Mirror).
- Tory MP for Fulham, Martin Stevens, seriously ill in France after Christmas holiday in Central Africa.

MEDIA

- Viewers' and Listeners' Association protest about BBC's plan to screen sex and violence series from next Wednesday.
- George Gale, in Express, says our peep show BBC is becoming our chief pornographer. BBC defends itself.
- BBC suggests licence fees for videos and car radios as alternative to advertising; Express against it.

SOUTH AFRICA

- American Congressmen find Botha 'rude and in some senses course' during fact finding mission.

LIBYA

- Express says British companies operating in Libya face ruin as a result of Reagan's trade boycott.
- EC foreign ministers to hold emergency meeting on US call for economic sanctions.