

PRIME MINISTER

MAIN EVENTS

Popplewell Inquiry official report published and statement by Home Secretary

Industry Year launched

US/USSR arms talks resume, Geneva

European Parliament debates Westland plc

Decision of Creditor bnaks on Brazilian debt over renewal of short term credit expected

STATISTICS

BOE: UK bank assets and liabilities and the money stock (mid-December)

BOE: London sterling certificates of deposit (December)

BSC/
BISPA Usable steel production (December)

CSO: Preliminary estimate of consumers' expenditure (4th qtr-prov)

HO: Probation statistics England & Wales 1984

PARLIAMENT

Commons

Questions: Treasury; Home Office; Prime Minister

Business:

Debate on a Motion to take Note of EC Documents relating to European Fisheries Policy

Debate on the Draft Hong Kong Nationality Order in Council (Cmd 9367) on a Motion for the Adjournment

Motions on the Northern Ireland (Emergency Provisions) Act 1978 (Continuance) (No 3) Order and the Northern Ireland (Emergency Provisions) Act 1978 (Amendment) Order

Business: (Cont'd)Adjournment Debate

Urban deprivation in inner Liverpool (Mr B Parry)

Select Committees: COMMITTEE ON A PRIVATE BILL
Felixstowe Dock and Railway

Lords Commonwealth Development Corporation Bill (HL): Report
Australia Bill (HL): Second Reading
Animals (Scientific Procedures) Bill (HL): Report
Statutory Sick Pay Up-rating Order 1986: Motion for
Approval

MINISTERS - See Annex

PRESS DIGESTWESTLAND

- Lygo reveals his written record just before midnight and claims meeting with Mr Brittan was conducted in an unpleasant atmosphere.
- Heseltine also gets a lot of coverage with his new allegations - you tried to block his appearance on a BBC radio programme; and FCO ordered Britain's Ambassador in Rome to stop supporting the Euro-bid.
- New description of Heseltine - Hurricane Heseltine.
- Mixed feelings whether Leon Brittan will survive; his speech described as tough (Sun); miserably lack-lustre (Mirror); battling but not glorious and dramatic (Express); one of the toughest of his career (Mail); lives to fight another day (Colin Welch, Mail); fighting (Telegraph). Cool, calm, (Times).
- D/Star speculates on whether you will resign to spend more time with DT.
- New opinion poll puts Conservatives third - SDP/Lib 35; Labour 34; Conservatives 29.5.
- D/Star P2: Maggie on the ropes - and Leon is on the skids. P2; Tory knives out - Marcus Fox, Jerry Wiggin, Patrick Cormack, Robert Adley. And also on P2 - That (Pearce) letter: Who's telling the truth?
- D/Star leader headed 'Time for the truth' says the credibility of this Government and the way the country is run is now at stake; too many fibs have been told on one side or another. Only publication of the full facts can resolve this most unsavoury episode. Backs idea of special Select Committee.
- Joe Ashton, in D/Star puts the row over Leon Brittan not immediately saying the Government had received a letter from Pearce down to "sheer bloody incompetence". You could have whispered to him.

ECONOMY

- Earnings 3% ahead of prices last year - big rises worry Maggie (Mirror).
- Public spending on housing, hospitals and other projects will be cut back still further under Government latest White Paper (Mirror).
- Telegraph, commenting on PEWP, says that the Government at last seems determined to prove it can and will do something to roll back the frontiers of the state.
- Shares up 15.3 points. Sterling up 20 points to \$1.4425.
- Guardian: Government's spending plans project a decline over three years in real terms to accommodate tax cuts.
- FT: West German Economics Minister predicts US will seek coordinated reduction in interest rates by G5 ministers at this weekend's meeting in London. Italy is said to be angry at its exclusion from the group.
- FT leader says public spending is likely to continue to grow in real terms despite protestations to the contrary, but perhaps at a slower rate than in the past 5 years. Centre page article says the Government's best hope is to hold the line.
- FT: Association of British Chambers of Commerce call for £1bn public works programme to curb unemployment and halt decay.

INDUSTRY

- Select Committee backs similar pub opening hours in England and Wales and wants a Minister for Tourism.
- Ford Engineering union members vote 2-1 to strike over pay.
- Nephew of King Fahd, Saudi Arabia, alleged to be the leader of cocaine smuggling gang told police it was "just a business" - court case.
- NCB losses expected to be down to £145m in current year against £2.2bn during strike.
- FT The battle for sales between Boeing and Airbus is intensifying. 1986 is likely to be vintage year in war of words between them.
- Next month a senior SDI official will brief UK industrialists on "Star wars" technology.
- FT: Business failures lowest since 1979.

WESTLAND (Cont'd)

- Sun P1 - Who told that Chopper Whopper? Before Lygo's latest disclosures Trade Secretary saved his career by the skin of his teeth but key questions remain unanswered and his long term political future remains in doubt including leaking of letter. P2 - Foreign Office and No 10 tried to gag Tarzan.
- Sun leader headed "Maggie's in charge!" says Michael Heseltine and his Socialist allies got the detailed account of the Government's role in a cool confident and assured performance from you. It made a joke out of all those weird suggestions you are losing your dominance over party and Cabinet. Waters muddied by melodramatic antics of Heseltine and devious, inept bungling of Brittan.
- Mirror P2 - Brittan flops in Westland storm - fails to haul himself back from the brink.
- Mirror leader says throughout the affair the Government, though bound by a treaty to Europe, was intent on selling out to America. This anti-European way has added folly to shiftiness.
- Express leads on Heseltine's new charges which "stun MPs" - FCO message to Rome involves Sir Geoffrey; and No 10 tried to head off radio debate. In another front page piece: "Battling Brittan survives but how long can he keep his job?" Prints all the correspondence released by us yesterday in full.
- Express leader thinks your Backbenchers cheered you more out of loyalty than conviction. Your's was a lawyer's brief, not a spirited defence; long on facts but short on answers. Not of much help to anyone looking for solid ground in this murky swamp. High time this wretched business was brought to an end. Government and party might find it easier to close ranks without Mr Brittan.
- Mail P1: the battle for Brittan - beleaguered minister fights back. Won time but you failed to congratulate him immediately he sat down.
- Mail leader headed "A Government menaced by ridicule" says you were wisely determinedly untheatrical in the Commons. Arguments cool and competently deployed. Longer you spoke the more rhetorically inflated Heseltine's charge of constitutional impropriety began to sound. Heseltine may have won the argument over technological cooperation in Europe but he has lost the constitutional higher ground. No martyr to Prime Ministerial tyranny; a man whose pride was thwarted and bottled up ambitions could no longer contain themselves. Brittan less partisan than Heseltine but by no means even-handed.
- Paul Johnson, in Mail, on crisis without a cause, says in political terms it was and is a pseudo issue, an artificial crisis. From the moment Heseltine flounced out of Cabinet commonsense flew out of the window and party politics took over. All Ministers were doing all along was to find the best way of keeping Westland in existence. A period of silence on Heseltine's part would be welcome.

WESTLAND (Cont'd)

- Frank Chapple, in Mail, thinks you are the reincarnation of an Apache warrior collecting scalps - and he adds Heseltine's to Scargill and Galtieri's and to some Cabinet members.
- Mail also publishes your correspondence released by us in full.
- Telegraph leads with Lygo's midnight challenge to Leon Brittan's defence, and prints his account in full as well as yesterday's other correspondence. Fighting Brittan speech improves his chances of surviving; Ministerial colleagues and many Tory MPs felt he had acquitted himself admirably.
- Telegraph leader, headed "honours uneven" speaks of damaging attempt to silence Heseltine after he chose a lone course on December 20 and Mr Brittan has still to get himself off the charge he wasn't. Track record of Heseltine, as European champion, and you as Anti-Europe not supported.
- Guardian - Brittan struggles on as Heseltine advances censorship claims. Edges himself back from brink; general view Mr Brittan has for the moment salvaged his future.
- In another story, Guardian says in crucial meetings today an attempt will be made to salvage Sikorsky's rescue which could lead to a takeover bid.
- Guardian leader says you declined to set course for battle. Documents published yesterday, not wholly irreconcilable but operate at the uttermost extremities of possible confusion. Not good enough to be asked Lygo made it up. Mr Brittan could not manage to quell his critics last night.
- Hugo Young, in Guardian, says Heseltine seeks profit in wilderness and draws a parallel between him and Heath. What has been joined is the battle for the soul and mind of the Tory Party. But seeking the throne of Heath, Heseltine risks the fate of Powell.
- FT Most Tory MPs say Brittan has ensured a short term reprieve but much now depends on the extent of further expected revelations, particularly the leak of the Solicitor General's letter.
- British Conservative members of the European Parliament are under heavy pressure from the Government not to support a cross-party resolution demanding a European solution for Westland.
- The European consortium claims it now has 28% of Westland's shares - enough to defeat Sikorski/Fiat. The consortium has retained a Washington law firm to investigate the possibility that the Sikorsky deal could run into trouble with Reagan's economic sanctions against Libya.
- Times: P1 - Tories vote for Brittan but doubts remain. Backbenchers rally behind you and Mr Brittan.
- Times leader disagrees with your claim there is not a great deal to answer. But says nastiest thing is the exploitation of Heseltine of growing anti-American feeling. His contemptuous references undermine the transatlantic relationship which is the paramount national interest.
- Ronnie Butt, in Times, says your fault has been one of too much rather than too little tolerance.
- FT George Younger has reassured Europeans of his belief in continued collaboration despite Westland.

UNIONS

- Sun leader on why in the name of everything reasonable is TGWU giving £15,000 to Militants on Liverpool council.
- 39 unions have voted to retain political funds, according to Mirror.

CHANNEL LINK

- FT: Euroroute has proposed compromise with CTG. French say Expressway is a non-runner.
- Sir Colin Buchanan says British firms may move to Northern France, commuting from Kent if the Link goes ahead.

EDUCATION

- NUT pulls out of ACAS talks on dispute.
- Universities disrupted yesterday by one day strike by dons and non-academic staff over pay and conditions.

LAW AND ORDER

- Liverpool knife gang slice off 16 year old boy's ear; operation to sew it back on fails.

POLITICS

- Carol Mather to stand down at next election.

IRELAND

- Telegraph says Dublin fears Protestant extremists may mount a campaign of terror to fight Anglo-Irish agreement after by-election.

EAST/WEST

- Gorbachev pledges to rid world of nuclear weapons within 15 years; USA says they will study them closely.

LIBYA

- Gaddafi, in 2-hour speech, offers to train Arab soldiers in terrorism and suicide missions.

LESOTHO

- Coup bid denied.
- Troops have surrounded the Prime Minister's office in Maseru, but reports of a coup have been denied by the Foreign Minister.

USA

- Reagan to enter hospital for check up.

MINISTERS (UK VISITS, SPEECHES ETC)

MAFF: Mr Jopling lunches with the Country Landowners' Association

HO: Mr Hurd and Mr Shaw lunch with IBA

DTI: Mr Brittan launches Industry Year; addresses International Chamber of Commerce annual dinner, London

DEN: Mr Hunt holds press conference to announce Wind Farm Contract, London

DOE: Mr Patten attends National Contractors' Group luncheon

DOE: Sir George Young presents 'What House?' magazine awards

DOE: Mrs Rumbold gives interview to South London Guardian on 'Women in Parliament'

DHSS: Mr Whitney visits community nursing services, Paddington

DHSS: Lady Trumpington visits Institute of Biological Standards, London

DTI: Mr Pattie begins two-day visit to South-west

DTI: Mr Howard addresses Life Insurance Association 9th Industry leaders meeting, London

WO: Mr Roberts addresses media launch of Industry Year 1986, Cardiff

TV AND RADIO

"Any Answers?"; BBC Radio 4; (19.20):

"GCSE: One Exam for All?"; Margaret Percy chairs a wide-ranging discussion on the implications of the biggest change in the exam system for 20 years. Sir Keith Joseph outlines the aims behind the change

"The Star Wars History"; BBC Radio 3; (21.15): Last of series - "Europe and America: Reconciled Among the Stars?"

"TV Eye"; ITV; (21.30)

"Question Time"; BBC 1; (21.55): With Harriet Harman MP, Norman Lamont MP, Donald Trelford and Des Wilson
