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MS

PRIME MINISTER

Before he left to travel north Bernard asked if I would pass to you on his behalf the following information.

During the week he had had a meeting with Michael Jones of the Sunday Times at which he had told Bernard that last Saturday's speech by Sir Geoffrey Howe had not been merely circulated and the media allowed to make its own judgement but that Sir Geoffrey's acolytes had telephoned the media. Michael Jones had received a telephone call from an acolyte who said it was an important speech.

David Hughes, Michael's number two at the Sunday Times, also received calls which lead him to believe that it was a significant contribution to the debate. He had not been discouraged from going down the route that Sir Geoffrey was throwing down the challenge.

The Sunday Newspaper Lobby correspondents today confirmed that there had indeed been guidance - "spin" - from Sir Geoffrey's colleagues about the speech.

Bernard told the Sunday Lobby that he did not want to stir things up. The Government could have done without the headlines last Sunday morning.

No 10 had not seen a copy of the speech before it was delivered, but the event had been noted here and that he (Bernard) did not wish to add anything to that.

T.J.P.

TERRY J PERKS
3 November 1989