

November 5, 1990

PRIME MINISTER

MAIN EVENTS

- CBI annual conference, Glasgow (Ministers speak - Foreign Secy, Michael Howard, Malcolm Rifkind)
 - EC GATT negotiating mandate - John Gummer/Tim Sainsbury
 - EC Ministerial conference on human rights, Rome (to Tue)
 - EC Development Council, Brussels
 - EC Internal Market Council, Brussels
 - EC Informal Justice Ministers meeting, Rome
 - Anglo-Albanian talks, Rome
 - Western European Union Ministerial meeting
 - Assn of British Travel Agents conf, Budapest (to Thur)
 - Double taxation agreement with Czechoslovakia (Chief Secy)
 - Homestart national conference (Mrs Shephard)
 - Oil & Gas seminar, Edinburgh (Colin Moynihan)
 - Retail sales (Sept - final) and credit business (Oct)
 - Patrick Nicholls drink/drive charge, Bournemouth
 - Teaching unions press conference on teacher vacancies
 - Chris Patten at World Climate conference, Geneva (to Tue)
 - John Gummer speaks at Food from Britain conf
 - Malcolm Rifkind meets Clydesdale Steelworks unions
 - Kenneth Clarke addresses GPs' fundholding conf., Newcastle
 - John Wakeham visits Spain (to Tue)
 - David Hunt opens water treatment works, Wrexham
 - John MacGregor opens The Bishop's School, Chester
 - Michael Howard at FRES conference
 - Chris Patten at World Climate conference
 - David Mellor addresses Independent Broadcasting Authority conf
 - Archie Hamilton visits Falklands (all week)
 - BBC TV Newsnight - Lord Chancellor on judges
 - BBC TV1 Panorama - German debate from Potsdam
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PRESS DIGESTEC-TORY PARTY

After a bad weekend for polls Tory big guns open fire on Heseltine for his attack on you; Cabinet closes ranks behind you - one by one Ministers issue statements.

Foreign Secy says there is no split in Cabinet over Europe.

John Major, John Wakeham, John MacGregor and Kenneth Baker weigh in.

Norman Tebbit describes Heseltine's attack as "peurile and unwise".

Sun, Express and Mail and Times tell Heseltine to put up or shut up.

Mail leads with key question over Heseltine - does he have the courage? It says Heseltine may have misjudged the impact of his letter.

Mail thinks your survival depends on your Queen's Speech performance.

Meanwhile CBI calls eventually for a single currency.

Anthony Bevin, in Independent, says Heseltine will not stand to lose (against you), because he stands to lose too much. Thus a war of attrition and the hope that you will be worn down and retreat or retire.

Independent says that as Ministers embarked on a concerted attempt to play down internal party divisions, Tory backbenchers engaged in open discussion of your future and Labour claimed the Govt was now "visibly disintegrating".

Opinion polls show twice as many Tory MPs think you right over your handling of Europe as believe you wrong, while the public think you wrong by 45% to 41% Times.

Telegraph says you face your most critical month. Its leader is worded: "Mr Heseltine's crisis"; it is not persuaded he is an appropriate Tory leader.

FT says Downing Street insists you are unrepentant about your forthright defence of UK sovereignty.

Guardian confesses your retirement looks as remote as ever.

PRESS DIGEST

Sir Leon Brittan calls for end to isolation in EMU discussions. He proposed yesterday that a British decision on the next stage of EMU should be postponed until after the next general election - allowing time for your anxieties to be reconciled with the desire of other EC leaders to move swiftly towards a single currency FT.

European Reform Group wants Britain to change EC policy and loosen its ties with EC.

US considers walking out of Uruguay Round talks as Bush grows increasingly irritated by EC failure to table a new offer FT.

EMS: sterling finished last week as the weakest member of the system, 2 pfennigs below its central rate against the DM FT

FT leader on Bundesbank and Friday's increase in the Lombard rate makes the point that the coming test of EC exchange rate stability will be harsh, but it will also be valuable. The idea of EMU has been greeted with enthusiasm. But as a reality it means abiding by a monetary policy that will satisfy the Germans. The next year or two will tell whether the rest of the EC is really prepared to do so.

Hungary first of ex-Communist countries to join Council of Europe.

COMMENT

Star calls for a referendum. The future of Britain is in peril, just as much as it was in two World Wars. Hardly anyone had a clue what was happening when we signed Single European Act which is creating a federal Europe - some would say market socialism.

Sun leader headed "Goldilocks and the Wee Bears" say socialists, supported by the braying donkeys of the leftwing press, Ted Heath and Heseltine want you to go. But suppose Heseltine had the guts to challenge you - what support would he have? It lists his Cabinet - Foreign Secy Meyer; Home Secy Hicks; Chancellor Temple-Morris; Health Marlow; Greenhouse Effect Hugh Dykes; Appeasement & Surrender Heath.

Sun columnist says having lit the blue touchpaper Heseltine has run away, but you should have retired with dignity 18 months ago.

Mirror - Childish! Tebbit puts the boot into Heseltine; Tory anger at Tarzan. Leader says Douglas Hurd doesn't like you but he is still fagging for his prefect with a "waffling" performance.

PRESS DIGEST

Today accuses Heseltine of resorting to code language and wanting Sir Geoffrey to stand so that he can do so, too. He will only come out of the closet when he thinks he can win. It would respect him more if he stopped sending smoke signals and told us straight.

Express leader headed "Heseltine - make a move now or shut up" says his attacks on you certainly damage you but they are surely doing more harm to Heseltine. He should ask himself if he can honourably go on criticising you while at the same time insisting he has no intention of challenging for the leadership. If there is a leadership contest Tory MPs would be mad to vote for anyone other than you. The country needs your vision and sense of purpose.

Kilroy-Silk, in Express, says Sir Geoffrey's soft shuffle off stage will strengthen your position. You will not have his whingeing cautionary voice wittering over your shoulder every time you start to speak of Britain.

Mail leader says you are a great leader - the most formidable Britain has seen since the war. Your constancy of purpose continues to shame the rank opportunism of a copycat Opposition. You are the one to lead the Tories to a fourth victory but you do have an acute problem over Europe. Here there is something of a generation gap. But Heseltine has gone too far. He now has a duty to put up or shut up.

Independent editorial says Heseltine's challenge at the weekend was the wrong one. A man presenting himself as a Prime-Minister-in-waiting does not strengthen his claims by concentrating so obviously on tripping you up. Far from increasing the chances you will go, he has stimulated your supporters to rally round you. Instead of engaging in a campaign of subversion he should present himself as an increasingly attractive alternative and wait in the hope that when you are gone the party will ask him to save them from electoral annihilation.

William Rees-Mogg, in the Independent, reviews your course for contemplation, concluding that if this is another mid-term crisis your fighting instincts will prompt you to see it through. But maybe this is the beginning of a hard political winter for the Conservatives.

PRESS DIGEST

Times - You and your most senior Cabinet colleagues will this week lead a concerted effort to end mounting speculation about a challenge to your leadership. You will make one of the most important speeches in your political career on Wednesday. Heseltine supporters say that, barring a Gulf war, you will be challenged. Matthew Parris in Times says it is clear that a hidden hand has been working, ruthlessly, towards your downfall. Now we know who it is. It is the chairman of Michael Heseltine's local association.

Ronald Butt in the Times says your courage has achieved great things for Britain. You have changed the whole political climate, forcing even Labour to reform itself. But he is critical of the way you have ruled the Cabinet and your abrasive style on Europe. He concludes that if you cannot quickly get a grasp on the style and substance of policy, the Tory Party must let you know it is time for a change.

Times leader says Heseltine's attempt to demoralise you into resignation, so that he can avoid the odium of abandoning his pledge not to stand against you will not work. He is at present merely helping the Conservatives to lose the next election. He should put up or shut up.

Telegraph leader says Heseltine's letter is an attempt to create a crisis of confidence. Once again he believes he sees a situation in which he may hope to profit if he can generate sufficient disaffection and distress. At the heart of his thinking almost certainly is the belief that if he cannot dislodge her now the chance to do so may not recur before the General Election. As long as you wish to remain leader you deserve the support of party members, and especially of MPs.

Guardian leader says there can be no real unity for the Conservatives under your leadership. But if you are to go you will have to be driven out. Heseltine has probably now edged himself to the point of no return. He'll look foolish if he declines to stand.

ECONOMY

Institute of Directors says entry into ERM and fall in business rates has raised business confidence; 60% say they are "faring fairly well".

Building trade in recession according to Building Employers' Confed.

PRESS DIGEST

John Banham says unemployment will soar by 1million if Govt does not get on top of inflation.

Sweeping 500 day plan for transforming the Soviet Union into a market economy is now certain to fail, say the 13 economists who wrote original plan, and hyper-inflation is on the way FT.

GULF

Douglas Hurd, interviewed in the Independent, says that in moving the Gulf crisis to its next stage, where the threat of military action is to the fore, it is not because he wants to see fighting but that it will increase the powers of persuasion. The military option, if credible, is an important form of peaceful pressure. He also says there is no great crisis in our relations with the Community.

Iraqis say they will never quit Kuwait as James Baker tells troops West cannot back away.

Baghdad muddies the hostage issue, with little sign that Iraq is preparing for a mass release of hostages, despite an announcement at the weekend that it would release all hostages if sufficient guarantees against military attack were received Independent.

Heath predicts 30 more British hostages in Iraq will be freed next weekend - all employed on contract building Hussain's palace.

Willy Brandt sets off on hostage mission to Iraq with Bonn's blessing Times.

British wives upset by telephone calls at weekend inviting them to visit Iraq for Christmas Times.

Independent reports that as Britain and the US place different emphasis on the need to win UN Security council support for military action in the Gulf, the US faces a dilemma over whether to ask for a resolution authorising the use of force or acting unilaterally and starting a war, which could jeopardise the unity of the international coalition.

US in war timetable talks as Baker tests allies' readiness to fight in attempt to force Saddam to back down. Starting in Saudi Arabia today he will explore the willingness of Arab and European countries to face the human and political cost of driving Saddam out of Kuwait. But with the build-up of US forces still in progress, no decision is likely until next month and possibly later Independent.

PRESS DIGEST

Sir Michael Howard, Professor of Modern History at Yale, writing in the Times, under the heading "On balance, Bush must go to war" believes the longer an attack on Iraq is delayed, the stronger Saddam's hand will be.

Assad fulfils Syria's promise of troops for the alliance, but their quality and that of the equipment arriving in Saudi Arabia leave the country's commitment in some doubt Independent.

Turkish PM Ozal rejects a US plan to form a second front against Iraq, and is reported to have said a war in the Gulf is inevitable Independent.

Booty looted in Kuwait is being sold in Iraq's souks FT.

Israelis drop boulders from helicopters on to protesting Palestinians in weekend riots; 300 hurt in shootings.

Israel dismisses UN Secy-General's report on killings in Jerusalem, reiterating their belief that 4th Geneva Convention does not apply to occupied territories FT.

INDUSTRY

Mirror claims passenger trains lined with asbestos are still in service 3 years after they were due to be taken out.

Electricity companies will be free to sell retailing operations after privatisation without sharing proceeds with govt FT.

Swiss company Ciba-Geigy to invest £170million in Grimsby FT.

Proposals to prepare the ground for Britain's canal network to be put before House in Private Bill this week Guardian.

POLITICS

Gerald Kaufman in a Times interview emphasises that Labour's new defence policy in no way commits the Party to removing Polaris and Trident regardless of what the Soviet Union and other countries do. He adds that Labour has deliberately refrained from setting a timetable for removing nuclear weapons as it is not prejudging the outcome of Start II.

PRESS DIGESTEDUCATION

The National Union of Teachers is to intensify its efforts to win parents' support for most pay after rejecting a national strike ballot Independent.

The shortage of teachers is being exacerbated by early retirement among staff Independent.

Times says Hard Left teachers are determined to call strikes in the New Year.

Hackney imports 23 teachers from Trinidad and gives them houses.

£800 nursery vouchers being canvassed by your supporters - Today whose support it wins.

SOCIAL SECURITY

CPAG says 2.5million children - double figure when Tories came to power - are living in poverty.

LAW AND ORDER

Judge James Pickles says Myra Hindley should be freed - she would not kill again.

Audit Commission says police forces are undercharging for policing such events as football matches and pop concerts and there should be national guidelines.

South Yorkshire police may become the first force in England to refuse to arrest poll tax defaulters, as police believe they run the risk of becoming used as a debt collecting agency. They have told local authorities it is not their duty to arrest people who do not turn up in court to answer non-payment cases Independent.

Pensioners in Merseyside are selling sleeping pills to drug addicts according to police and doctors Independent.

UK intends to continue border checks to control immigration, David Waddington told European Interior Ministers in Naples FT.

ENVIRONMENT

UN scientists' task force warn of catastrophic global warming unless swift action is taken to cut "greenhouse" gases FT.

PRESS DIGEST

But US doubt over evidence of greenhouse gases may leave it isolated at Geneva. German Cabinet will this week raise its target for reducing CO2 emission from 25% to 30% by 2005 FT.

Today protests at dolphin massacres in Japan.

National Trust votes to ban deer hunting on its land.

MEDIA

Preview of your TV-Times interview.

Opposition seeking statement on Sky-BSB deal.

IBA under pressure to strip the new British Sky Broadcasting of the 5 frequencies awarded to BSB Independent.

Sandy Gall leaving News at Ten to work on special reports for ITN FT.

SPORT

Teenage soccer fan shot dead and 8 others wounded when police opened fire on rioting fans in Leipzig.

REMEMBRANCE

Peace Pledge Union want to lay a German wreath of white poppies on Cenotaph next Sunday to the outrage of Star.

US ELECTIONS

Independent editorial previews the American election tomorrow, saying the Republicans are likely to suffer from association with the President whose rating has plummeted over the last few weeks. Such a setback must diminish his authority until he does something about it. He needs to reassert himself. His chances of enjoying a second term will ultimately be shaped by his handling of the Gulf crisis and the American economy, not by the outcome of the elections.

FOREIGN

President of Moldavia returns from crisis talks with Gorbachev to urge his parliament to avert civil war between rival ethnic groups Independent.

PRESS DIGEST

Chilean flight carrying Falklands businessmen and a Foreign Office official has been barred from Argentine air space. Group stranded in Uruguay were later taken on to Falklands by a diverted RAF flight FT.

Benazir Bhutto has taken over as Opposition leader in Pakistan FT.