

November 12, 1990

PRIME MINISTER

MAIN EVENTS

- Lord Mayor's Banquet - Prime Minister's speech
 - Enthronement, Japanese Emperor
 - Tom King visits Gulf
 - EC Foreign Affairs Council (to Tue)
 - EC Agriculture Council (to Tue)
 - National Fedn of Women's Institutes meeting
 - Retail sales (Oct - prov)
 - Producer prices (Oct - prov)
 - Drunkenness offences, 1989
 - Food Surveillance Paper - plasticisers
 - World Wide Fund for Nature news conf on Antarctica
 - Women of the '90s conference, London
 - Mental Health Foundation conf
 - Prison Governors' conference, Blackpool (to Wed)
 - Standing conf on Racial Equality in Europe launched (Bernie Grant)
 - Govt replies to Defence Cttee reports on reliability, procurement and Trident
 - D/Health reply to Soc. Services Inspectorate report on Rochdale child abuse
 - Statement on Cullen Report on Piper Alpha disaster
 - Disabled Benefits Bill published
 - Commons: Questions: Energy; Attorney-General; ODA
Debate on the Rights, freedoms &
Address: responsibilities
Select Cttee: Home: Football hooliganism (FA, FL)
 - Lords: Debate on Address - environment & transport
 - Chancellor meets Giscard D'Estaing
 - Home Secy meets New Testament Church of God leaders
 - Kenneth Clarke opens National Curriculum council offices, York
 - David Hunt visits Aberystwith University
 - Michael Howard visits NW Training Council; launches Leeds TEC
 - Chris Patten addresses Assn of County Councils, Cheltenham
 - Tony Newton meets Nat Council for One Parent Families
 - Peter Lilley hosts US business conference dinner
 - David Mellor addresses Advisory Cttee on Arts & Heritage
 - BBC TV Panorama on the economy
 - ITV World in Action on Piper Alpha disaster
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PRESS DIGESTMain News

Tom King says Heseltine must not challenge you while Gulf crisis lasts.

Heseltine's constituency officials deny rebuking him and give him full backing.

But will he stand for leadership - or won't he?

Calls on Sir Geoffrey Howe either to stand himself or form axis with Heseltine.

Telegraph says Heseltine's camp remains unclear about his support.

For the first time, Ministers concede that you could lose to Mr Heseltine. "He'll do better than people think", one says to Independent.

Heseltine camp welcomes signs of panic among your supporters. Ministers fear Nicholas Fairbairn's personal abuse of Heseltine could be counter-productive. Labour privately admit their "golden scenario" for you to be wounded, but not brought down Independent.

Central Office suspected of "dirty tricks" operation - "Henleygate" - aimed at wrecking Heseltine's leadership chances via constituency letter Independent.

Guardian says Howe's friends say he won't run and will stay neutral.

FT front page lead says Tory Party faces one of its toughest weeks since 1979. Chief Secy calls on Party "to get its act together" or risk defeat at next election. More MPs support Heseltine as speculation grows he will challenge you. You have a chance to unite Party with your Lord Mayor's speech tonight.

Six arrested in Kilburn when police find cars packed with explosives and detonators.

Police felt to have foiled a Christmas bomb blitz.

RUC fear 2 policemen and two friends shot in Northern Ireland on a duck shoot may have been betrayed by an informer.

King Hussan proposes an Arab summit; Hussain agrees to talks in interview with ITN - but on conditions.

PRESS DIGEST

Several newspapers think Richard Needham "faces the chop" longer term for his remarks about you. Sun says his honourable course would be to go.

Row over use by Prince and Princess of Wales of jumbo at cost of £500,000 to travel to enthronement of Japanese Emperor. Sun says the Prince's party could have been accommodated in the first class section of a scheduled BA flight. Express thinks this shows alarming insensitivity to the public mood.

TORY LEADERSHIP

Star and Express advise Heseltine not to challenge. Times says he should in the interest of his own credibility. Independent does, too, and urges Howe to endorse Heseltine.

William Hill says Heseltine's odds have lengthened.

Michael Jopling declines to run your campaign on return from abroad; needs time to decide who to back.

Star says there should be only one message the Tory Party is sending to Hussain: we all back Maggie.

Mirror says Rubbish. In 1940 we swapped Prime Ministers and Lloyd George replaced Asquith in 1916. To suggest we have to keep you in order to beat him (Hussain) is an insult to intelligence of the public.

Today says the result of the leadership election rules is a crisis which looks more like a conspiracy of sniggering schoolboys than democracy. Tories must end the confusion immediately.

Express says it is notable that not one of those MPs publicly calling for Heseltine to don his kamikaze uniform has been given a sniff of office under you. You remain the best hope of eventually pulling the party through.

Kilroy-Silk, in Express, says Heseltine's actions are not those of a leader but of a prevaricator, an unreliable, disloyal man. Fortunately most MPs know that.

PRESS DIGEST

Times leader under heading "Heseltine Must Stand" says he must be aware of the costs of equivocation. As the days tick by, his proffered excuses for deferring a decision grow lamer. It adds that the leadership has to be resolved and if Heseltine fails to throw his cap into the ring, he will thoroughly deserve to have it stuffed down his throat.

Ronald Butt in the Times, says that whether or not Michael Heseltine or anyone else challenges you, great damage has been done to the party by the events of the past week. On balance, he does not believe that a challenge now would clear the air. He concludes that if there is no contest it does not follow that there should be no change of leader. A period of renewed calm would give you the chance to take advice and to consider whether there should be a peaceful change of leader before a 1992 election.

Independent editorial says Heseltine has to put up or shut up. He seems to be moving towards the first and should do so without embarrassment. Morale within the Tory Party is low. Your approach to Europe is untenable, impractical and not in the national interest. As a result, an uncontested election would resolve nothing. Instead it would leave the Parliamentary party insecure and simmering with discontent under your divisive leadership. Sir Geoffrey Howe could not with honour support you in any contest. He is duty bound to tell the Conservative Party either that he intends to stand against you or that he endorses Heseltine's candidacy.

GULF

Saddam Hussain, in ITN interview, accuses you of bullying nations into joining the Gulf task force and of lying about Iraqi atrocities.

He says he is ready to talk - on conditions.

King Hassan of Morocco calls for a last chance Arab summit to prevent war in the Gulf Times.

Mail reports two doctors saying Iraqi soldiers killed 70 new born babies by ripping plugs from incubators.

Britain expels two Iraqi businessmen after trying to buy military equipment.

EC to launch diplomatic drive to free hostages.

PRESS DIGEST

30 British and Irish medical staff at Baghdad hospital told they can leave for home.

7,000 Vietnamese workers will be airlifted from Baghdad to Hanoi beginning Tuesday. Remaining 8,000 to leave within weeks FT.

Claims that Iraq has successfully tested a new rocket with a range of 1,250 miles.

After live-firing exercises in the Saudi desert the Desert Rats are ready for war with Iraq Times.

James Baker finds discord over when or if there should be war with Iraq after his Middle East and European visits Times.

Senior Democrats urge Bush to recall Congress if he wants to start Gulf fighting Independent.

US poised to delay seeking UN resolution authorising use of force against Iraq amid differences within multinational coalition over whether to launch a military operation FT.

Iraq to stiffen penalties for merchants hoarding grain as trade sanctions hit home FT.

Iran/Iraq relations cool in dispute over exchange of POWs Independent.

Star says Hussain must be chuckling while Tory party tears itself apart.

ECONOMY/EUROPE

Chancellor warns of potentially disastrous results for rushing into a single Euro currency.

In Independent interview, Karl-Otto Poehl suggests that EMU for the whole EC is not possible for the foreseeable future. Whatever the rich members decide to do, the poor - Greece, Portugal and Ireland - would find it hard to join them. Britain is a marginal case, he says. The EC is also on the verge of significant change and should not plan just for 12 members. But he calls our hard ECU a "wishy washy" solution, creating a grey area in which common decision-making is avoided.

The Archbishop of Canterbury joins the debate on the need for greater European unity, adding implicit criticism of your stance Times.

PRESS DIGEST

Report by two leading conservation groups says that the EC's system of subsidies for agriculture could be abolished without any overall loss of income to British farmers. Present subsidies could be replaced by green payments Times.

Robin Leigh-Pemberton prepared to agree draft statutes for European Central Bank in Basle tomorrow, although he will express UK reservations about the project FT.

FT leader says Uruguay Round stands on the brink of failure. This is not only dangerous in economic terms but risks swelling political instability in the developing world and Eastern Europe.

Opposition demand explanation of why submarine is to be scrapped after £100million refit FT.

Guardian says you are to press for increase in £30,000 mortgage tax relief.

INDUSTRY

NUM expected to reject industrial action over pay on Thursday.

EC pressure has forced the Govt to make significant concessions towards the introduction of fair competition in the coal industry Times.

Major shake-up in oil rig safety arrangements expected to be announced today when report into Piper Alpha disaster is published.

Oil industry spends £750million in off-shore safety improvements to pre-empt Piper alpha findings Times

Govt fails to find a new chairman of British Coal because £155,000 salary is too low.

You knew about proposal for a Sky-BSB merger.

Opposition MPs will today accuse you of failing to tell the Home Secy that you knew in advance of plans to merge Sky and BSB Times.

Hattersley to use Home Affairs debate today to ask whether you gave tacit approval for Sky/BSB merger Independent.

Pay and perks for directors being hit by recession Telegraph.

PRESS DIGEST

Prospect of a \$1.2billion film studio theme park on Rainham Marshes could be fading fast following fire at Universal Studios in Hollywood Times.

45% of long-term unemployed fail to turn up for employment training, govt survey shows Independent.

Pan Am has received \$450million merger proposal from TWA FT.

Brent Walker banks agree to provide £30million cash to avert short term liquidity problems FT.

EDUCATION

Kenneth Clarke comes out against school vouchers and Mail supports his stand.

LOCAL GOVT

Labour to announce today plan to abolish county councils and set up unitary all-purpose authorities under a system of regional govt.

Unpopular artificially created counties and districts may be swept away over next 5 years, whichever party wins the next election as an unexpected consensus emerges between Labour and Conservatives on future of local govt Times.

LAW & ORDER

Remembrance Day protester who set fire to himself in Whitehall seriously ill in hospital.

FOREIGN

Moscow city council will be asked to approve comprehensive food rationing within the next two weeks Times.

Alarming increase in desertion among Soviet troops in eastern Germany - 200 in last few weeks Independent.

New Indian PM has problems raising a Cabinet as press speculate he will only last a few weeks Independent.