

# Thatcher faces growing rift in Cabinet

From Julian Haviland, Political Editor, Blackpool

The two faces of a divided Cabinet and party were displayed at the Conservative conference yesterday in contrasting speeches from senior ministers which Mrs Thatcher may not easily reconcile when she makes her final rallying speech today.

The starkest contrast was between Mr Michael Heseltine, Secretary of State for the Environment, and Mr Norman Tebbit, Secretary of State for Employment and the fastest rising member of the Government.

Mr Tebbit, who was promoted to the Cabinet to curb trade unions which his predecessor Mr James Prior shrank from, pleased the conference by indicating that he will do just that.

He gave no details of his new laws but promised, to loud applause, that they would protect the weak against the strong, and provide redress for those unjustly harmed.

Mr Tebbit said he had no wish to bash the unions but he was not willing to stand aside if they began to bash those weaker than themselves.

"There is need of further steps and it is time another step was taken. I have prepared proposals for legislation in the next session of Parliament which I will shortly be putting to my colleagues."

Mr Tebbit is an interesting politician. He chooses to describe himself as "hard line" and his speech was studded with hard phrases. But he spoke with pride of the £1.5b to be spent next year on keeping some 450,000 people out of the dole queues through special employment measures.

"That is hardly the work of a skinflint government that does not care," he said.

The battle over the economy also continued outside the conference with three other Cabinet Ministers at odds. Mr Peter Walker, Minister of Agriculture, again argued the merits of government intervention to sustain industry, while Mr Nigel Lawson and Mr David Howell, respectively Ministers responsible for Energy and Transport, at separate meetings counter-attacked on behalf of Mrs Thatcher.

The economic argument was taken up at another fringe meeting by Professor Alan Walters, Mrs Thatcher's personal economic adviser, who described Mr Edward Heath's past policies as "asinine".

Mr Heseltine, who was charged with studying the problems of Merseyside after last summer's riots and is still concerned with the inner cities, made a powerful case for government action to reverse decades of decline.

"Self-help has a limited meaning", he said, "in an inner city community where 40 per cent of the young kids may be without work."

Three hours later, Mr Tebbit was saying that he himself had grown up in the 1930s with an unemployed father. "He didn't riot. He got on his bike, and looked for work."

"The overwhelming majority of people want to work," Mr Heseltine said in commending the Government's Youth Opportunities programme. But Mr Tebbit, who is responsible for that programme and clearly believes in it, paused in his speech to make a different point. Three million unemployed was an appalling toll, he said, but "of course, some of these three millions are less keen to find work than others."

Mr Heseltine, broadening his theme, told the party that there would be no recovery in the economy without more resources, preferably through investment by the private sector. "But if the case can be made it may also be from extra public expenditure," he added in the tones of a man who intends to make that case to his Treasury colleagues, and to the Prime Minister, if he can.

From Mr Tebbit there was no such talk. There would be no reflation, he said, no "orgy of self indulgence".

Both men received standing ovations, Mr Tebbit because his instincts and those of the conference coincide. The conference all week has given the warmest receptions to those ministers who it believed to be closest to the Prime Minister.

Mr Heseltine was cheered even louder, because he is an established conference star.

Mr Heseltine's eloquence stole some thunder from Mr Francis Pym, Leader of the House of Commons and another potential leader of the party. In a concerned speech, Mr Pym said that the country was watching the Conservatives critically, and looking to them for new hope and confidence in the future.

Mr Walker, who is spoken of more and more as one who may resign from the Cabinet if the Treasury secures heavy cuts in next year's public spending, made a speech at his fringe meeting which argued the merits of Government intervention to sustain industry. He has not concealed his sympathy for the modified reflation urged by Mr Heath and Sir Ian Gilmour.

But Mr Lawson showed contempt for such advice. The Government's critics, he said, were offering "little more than cold feet dressed up as high principle".

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