

LOBBY BRIEFING

time: 11.00 date: 23.10.79

PRIME MINISTER'S ENGAGEMENTS

A meeting of Ministers began at 10.00 am and was still continuing. In addition to the Prime Minister those present were: The Foreign Secretary; Chancellor of the Exchequer; Secretaries of State for Scotland, Industry, Employment, Environment, Energy, Trade; Ministers of Agriculture and Transport; Lord President of the Council; Chief Secretary (Treasury); Attorney General. We cannot rule out that nuclear energy will be on the agenda.

PRESS NOTICE

Sir Ashley Ponsonby to be Lord-Lieutenant of Oxfordshire.

INDUSTRY BILL

Bill will be published shortly after 3.30 pm with a press conference at 4.30 pm. The Lobby are invited.

10-MINUTE RULE BILL

A 10-minute Rule Bill is likely to be introduced on kidney transplants.

STATEMENT

We cannot confirm the likelihood of a statement but will let the Lobby know later.

SHIPBUILDING BILL

... Will be published at 0830 Wednesday with a Lobby Note.

SALE OF ASSETS

Asked if it was intended to announce two or three new sales of assets every week (eg following motor-way service areas) we said that this announcement was consistent with Government policy without giving any further examples.

FINANCIAL INTERESTS

We had no guidance to offer about the proposal in the Industry Bill to remove the requirement for a register of the financial interests of members of British Shipbuilders

PRIME MINISTER'S ENGAGEMENTS

This morning's Ministerial meeting ended between 12.15 and 12.30 pm. Following her PQs and the Chancellor's Statement, the Prime Minister was due to see Michael Butler, successor to Sir Donald Maitland in Brussels. Later she was to have an Audience with/of the Queen.

PRESS NOTICE

The Lobby were reminded about the Ponsonby press notice.

EEC: BUDGET

The Lobby explored the Budget question in some depth, against the background of what the PM had said in answer to PQs. We explained that she was taking a step-by-step approach without bullying or blackmailing; and she intended to obey the rule of law and specifically the European Court (an implicit dig at the French over sheep meat). Questions about amendments to the European Communities Act as a preliminary to withholding contributions were hypothetical. The PM was looking for a "catalytic decision" at Dublin. We rehearsed the timetable of events so far, starting with Strasbourg and the instructions to the Commission to prepare a report (a prima facie recognition of the problem). In addition to the bilateral meetings in Italy and Luxembourg, the PM was scheduled to have two more bilaterals before Dublin (with Schmidt and Giscard). We refused to answer questions about the discussions with Roy Jenkins or the possibility of sanctions and emphasised that what the PM wanted was a mechanism to deal with the problem. The Treaty of Rome itself recognised this need.

EEC: SHEEP MEAT

The UK was not taking any new action at the moment. But there was an Agricultural Council next week.

EMS

The UK's ultimate objective was to join the EMS but in a situation of economic stability. EMS could not be a trade-off with the French for a solution to the Budget problem.

KAUNDA

The PM was not in touch with President Kaunda over his "inexplicable" remarks reported earlier today. We had no evidence and no guidance.

BREZHNEV

The PM had responded to Mr Brezhnev in her Luxembourg speech last week. The formal response would be through NATO.

PUBLIC EXPENDITURE WHITE PAPER

Could be next week.