

PRIME MINISTER'S ENGAGEMENTS

After working at Downing Street in the early part of the morning, Mrs Thatcher was meeting the Wales TUC at 1100 (they had asked for the meeting when they met the Secretary of State for Wales some time ago).*

This afternoon the Prime Minister will have a tête-a-tête session of talks with Premier Hua Kuofeng, starting at 3.30 pm. This will be followed by an enlarged session at which will be present: Lord Carrington; Peter Blaker, Minister of State, FCO; and Sir Percy Cradock, HM Ambassador to Peking. Among the Chinese will be Yu Qiuli, Vice Premier of the State Council and Huang Hua, Minister of Foreign Affairs.

This evening Mrs Thatcher will attend a reception for Premier Hua at the Banqueting House, Whitehall.

At 2100 she will meet the Prime Minister of Jamaica, Mr Michael Manley.

EEC: BUDGET

Commenting on reports that the Germans were prepared to offset our contribution in return for flexibility on fishing policy, we said that HMG was not in the business of bartering. The PM had established our case - she regarded it as "only equitable" that broad parity on the contributions front should be achieved.

PUBLIC SPENDING

The White Paper would come on Thursday afternoon: we did not have an exact time or know whether it would be accompanied by a statement.

AW

* Mr Ingham to brief Lobby and industrial correspondents in No 10 at approx 1215.