

PRIME MINISTER'S ENGAGEMENTS

At 0945 the Canadian High Commissioner, Mr. Paul Martin, paid a farewell call on the Prime Minister.

A meeting of the Overseas and Defence Policy Committee began at 10 o'clock and ended at 1105 with the following present:

Prime Minister

Home Secretary
Foreign Secretary
S/S for Defence
Lord Privy Seal
S/S for Scotland
Attorney General

Lord Chancellor
Chancellor of the Exchequer
Lord President of the Council
S/S for Trade
Minister of Agriculture

At noon the Prime Minister started talks with the Greek Prime Minister, Mr. Constantine Karamanlis, on EEC and bilateral matters. The talks would be followed by a working lunch for which a guest list was available

At 1500 Mrs. Thatcher will present a trophy at No. 10 to the 42nd Wakefield Cub Scout Pack who are the winners in a national charity washing up competition. Later this afternoon Mrs. Thatcher will be in the House to listen to the statement on Rhodesia (Lord Carrington at 1500 in the Lords, Sir Ian Gilmour at 1530 in the Commons) reporting on the position at the Constitutional Conference.

This evening the Prime Minister would have an Honorary Fellowship conferred on her by the Chemical Society and the Royal Institute of Chemistry. She will be making a speech on this occasion on the general subject of science policy. No advance text will be available. The press are welcome to attend the ceremony.

EEC BUDGET

We repeated yesterday afternoon's briefing emphasising that the Government intended to persist in its attempts to achieve a solution to the problem of our budgetary contribution at the European Council in Dublin. Our bilateral contacts in the run-up to Dublin were designed to prepare the way for constructive discussion.

Progress had already been made. At Strasbourg in June, under the French presidency, our partners including, of course, the French, had agreed that there was a problem. As a result of deliberations in Brussels and other capitals, we felt that a consensus was emerging that something must be done to correct the imbalance. We were under no illusions that it would be difficult to achieve a solution satisfactory to all members of the nine. But progress had been made so far and we would continue to persist.

We said that the question of our joining EMS was not a negotiating lever in our discussions about the budget: the latter would be dealt with objectively and in its own context.

EXCHANGE CONTROL ANNOUNCEMENT

We said that no connection was intended between the Ministerial meeting yesterday morning of the Economic Strategy Committee and the Chancellor's statement in the House about exchange controls yesterday afternoon.

MORTGAGE RATE

Obviously the Prime Minister would be very disappointed if the mortgage rate went up in January. She had no plans to see building society chiefs: to do so would not be consistent with the Government's policy of not intervening directly in matters of this kind.

GAS PRICES

We are not expecting a statement this week.

CVA

The morning Lobby was repeated.

OVERSEAS AND DEFENCE POLICY COMMITTEE

We said it was reasonable to assume fishing policy generally was discussed. This would probably have been on the lines of conservation rather than fisheries protection.

FOURTH TV CHANNEL

We had no information on timing.

PARLIAMENTARY BUSINESS

It was likely that the Education Bill would be published on Friday.

PRESS NOTICE

A press notice announcing the appointment of Lord Justice Jones and Lord Justice O'Donnell to the Privy Council.

JL