

UNCLASSIFIED

FM COIN LONDON

TO IMMEDIATE THE HAGUE

TELNO RETRACT 001

OF 270001Z JUNE 86

AND TO IMMEDIATE FCO, NO TEN

THE HAGUE - IMMEDIATE FOR THE PRIME MINISTER, THE SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS AND THE CHIEF PRESS SECRETARY

NO TEN - PRESS OFFICE AND PRIME MINISTERS PRIVATE OFFICE

FCO - NEWS DEPT AND SECRETARY OF STATES PRIVATE OFFICE

FOLLOWING IS LPS MEDIA SUMMARY OF FIRST EDITIONS OF NATIONAL NEWSPAPERS OF FRIDAY 27 JUNE 1986 AND RADIO AND TELEVISION NEWS REPORTS OF THURSDAY EVENING 26 JUNE 1986.

THE TOP STORY IS THE EUROPEAN COMMUNITY SUMMIT AND THE QUESTION OF SANCTIONS AGAINST SOUTH AFRICA. "EC SUMMIT DEADLOCK ON SANCTIONS" IS THE HEADLINE ON THE PAGE ONE LEAD STORY IN THE TIMES. THIS SAYS PRIME MINISTER MARGARET THATCHER AND OTHER EC LEADERS AGREED YESTERDAY IN THE HAGUE ON THE NEED TO SEND A "SIGNAL TO PRETORIA", BUT LAST NIGHT THEY WERE STILL DEADLOCKED OVER WHETHER TO IMPOSE SANCTIONS ON SOUTH AFRICA. IT ADDS THAT A POSSIBLE COMPROMISE SOLUTION, DISCUSSED BY EC LEADERS OVER DINNER, IS A DECLARATION OF INTENT COUPLED WITH A DIPLOMATIC DIALOGUE WITH THE SOUTH AFRICAN GOVERNMENT DESIGNED TO AVERT THE NEED FOR EC MEASURES. BUT IT SAYS THE MEASURES WOULD BE INTRODUCED IF PRETORIA DID NOT LIFT THE STATE OF EMERGENCY AND MAKE NECESSARY REFORMS, ACCORDING TO OFFICIALS. IT GOES ON TO REPORT THAT SOURCES SAID BRITAIN WAS NOT ISOLATED OVER THE ISSUE, AND MRS THATCHER WAS FAR FROM BEING THE ONLY EC LEADER TO RESIST SANCTIONS. THE SOURCES ADDED THAT BRITAIN WAS WILLING TO CONSIDER RELUCTANTLY LIMITED "NEGATIVE" SANCTIONS, PROVIDED THEY WERE COMBINED WITH POSITIVE MEASURES, SUCH AS LEGAL AND FINANCIAL



AID TO BLACK OPPOSITION GROUPS. IT NOTES THAT OFFICIALS SAID IRELAND, GREECE, SPAIN, DENMARK AND THE NETHERLANDS WERE ALL IN FAVOUR OF NEGATIVE SANCTIONS. A FRONT PAGE STORY IN THE FINANCIAL TIMES FTAYS A PROPOSAL BY THE DUTCH PRESIDENCY OF THE EC FOR AN IMPORT BAN ON SOUTH AFRICAN COAL, IRON, STEEL, WINE, FRUIT AND VEGETABLES THREATENED TO DIVIDE THE EC LEADERS LAST NIGHT. IT ADDS THAT MRS THATCHER AND WEST GERMANY'S CHANCELLOR KOHL MAINTAINED FIRM OPPOSITION TO ANY SWEEPING ECONOMIC SANCTIONS AS PART OF AN EFFORT TO PERSUADE THE SOUTH AFRICAN GOVERNMENT TO OPEN A DIALOGUE WITH GENUINE LEADERS OF THE BLACK COMMUNITY. IT GOES ON TO SAY THAT THE LEADERS WERE STRUGGLING LAST NIGHT TO FIND COMMON GROUND ON A "BALANCED PACKAGE" WHICH MOST MEMBER STATES BELIEVE SHOULD INCLUDE SOME RESTRICTIVE ECONOMIC MEASURES AS WELL AS POSITIVE ACTION. THE TIMES CARRIES A PAGE SEVEN PIECE ON SECURITY AT THE HAGUE WHICH SAYS THAT THE DUTCH APPEARED TO HAVE BEEN SEIZED WITH LAST-MINUTE ALARM AT THE THOUGHT OF AN OUTRAGE AT THE SUMMIT, WHICH MARKS THE END OF THE NETHERLANDS' PRESIDENCY. "THATCHER AND HOWE SPLIT ON SANCTIONS" IS THE HEADLINE ON THE FRONT PAGE LEAD STORY IN THE GUARDIAN. THE STORY SAYS THE PRIME MINISTER AND THE FOREIGN SECRETARY ARE REPORTED BY THEIR COLLEAGUES TO BE IN SERIOUS DISPUTE ABOUT SANCTIONS AND TO HAVE REACHED AN UNHAPPY STAGE IN THEIR LONG AND FORMERLY CLOSE POLITICAL RELATIONSHIP. IT ADDS THAT AS THEY LEFT FOR THE SUMMIT YESTERDAY, MRS THATCHER AND SIR GEOFFREY WERE STILL ARGUING ABOUT BRITAIN'S ROLE IN INTERNATIONAL ACTION AGAINST PRETORIA. IT GOES ON TO SAY THAT MINISTERS CLOSE TO BOTH OF THEM WERE CONCERNED ABOUT THE EFFECT OF THEIR DISAGREEMENT ON THE GOVERNMENT. THE STORY SAYS MRS THATCHER HAS BEEN EXPRESSING TO HER FRIENDS CONSIDERABLE IRRITATION AT THE FCO'S APPROACH TO THE SOUTH AFRICAN CRISIS. IT ADDS THAT THIS HAS RESULTED IN A SERIES OF SHARP EXCHANGES WITH SIR GEOFFREY, "WHO HAS NOT BEEN NOTED IN THE PAST FOR HIS ENTHUSIASM FOR FIGHTS WITH DOWNING STREET". IT SAYS DIFFICULTIES IN MRS THATCHER'S RELATIONSHIP WITH SIR GEOFFREY DATE FROM THE DISPUTE OVER THE SETTLEMENT OF THE FUTURE OF HONG KONG. THE DAILY TELEGRAPH REPORTS THE SUMMIT ON THE BACK PAGE, SAYING MRS THATCHER SAT DOWN TO DINNER LAT NIGHT AWARE THAT THE BRITISH IDEA OF SENDING A "TROIKA" OF FOREIGN MINISTERS, HEADED BY SIR GEOFFREY, WAS GETTING A COOL RECEPTION. "SUMMIT TRIUMPH" AND "MAGGIE WINS EC SUPPORT ON SOUTH AFRICAN SANCTIONS" ARE THE HEADLINES ON A PAGE 10 STORY IN THE DAILY MAIL. THIS SAYS THE PRIME MINISTER WON STRONG BACKING AT THE SUMMIT OVER HER OPPOSITION TO COMPREHENSIVE SANCTIONS AGAINST SOUTH AFRICA. "MARKET IN DEADLOCK ON SANCTIONS TUSSLE" IS THE HEADLINE ON A PAGE TWO PIECE IN THE DAILY EXPRESS. AND "SANCTIONS: MARKET GANG UP ON MAGGIE" IS THE HEADLINE ON A PAGE TWO STORY IN THE DAILY MIRROR.



## BROADCASTING

THE SIX O'CLOCK NEWS ON RADIO 4 SAYS EC FOREIGN MINISTERS DISCUSSED SOUTH AFRICA IN THE HAGUE BUT THERE WAS NO AGREEMENT. STEPHEN JESSEL REPORTS THE FIRST DAY OF THE SUMMIT BEGAN WITH SOUTH AFRICA AND WILL END ON THE SAME TOPIC WHEN THE HEADS OF STATE MEET OVER DINNER. HE ADDS THAT A BAN ON THE IMPORTATION OF SOUTH AFRICAN FRUIT OR COAL HAS BEEN SUGGESTED BY SOME BUT THE OTHERS ARE NOT SURE ABOUT IT.

CHANNEL 4 TV NEWS SAYS MRS THATCHER, THE GERMANS, THE PORTUGUESE AND THE FRENCH DO NOT WANT SANCTIONS BUT THEY MAY BAN COAL, FRUIT, IRON AND STEEL. NICK GOWING REPORTS THAT THERE WAS A DEMONSTRATION AND SANCTIONS MAY COME. A DUTCH SPOKESPERSON SAYS: 'WE MUST GIVE A MESSAGE.'

THE NINE O'CLOCK NEWS ON BBC-1 SAYS THE EC FOREIGN MINISTERS FAILED TO REACH AGREEMENT EARLIER TODAY AND THE LEADERS WERE TRYING TO THRASH OUT THE SANCTIONS ISSUE AT DINNER. JOHN SIMPSON REPORTS THAT THE FOREIGN MINISTERS GAVE UP THEIR TALKS AS A BAD JOB., THEN THE LEADERS SWEEP IN TO TAKE OVER THE DISCUSSIONS. HE SAYS THE SMALLER MEMBERS THINK THE BIGGER ONES HAVE ALREADY DONE A DEAL OVER SOUTH AFRICA. HE ADDS THAT MRS THATCHER SAID IT WOULD BE A DISASTER TO BOYCOTT SOUTH AFRICAN GOLD AND PLUTONIUM BECAUSE THE SOVIETS ARE THE ONLY OTHER SOURCE. HE SAYS THE LEADERS TONIGHT WERE GETTING TO THE HEART OF THE MATTER AND TALKS WERE LIKELY TO CONTINUE INTO TOMORROW.

THE PM PROGRAMME ON RADIO 4 SAYS NO CONCLUSION WAS REACHED AT THE EARLIER TALKS BECAUSE THE FOREIGN MINISTERS OF FRANCE AND WEST GERMANY WERE NOT THERE. STEPHEN JESSEL REPORTS THAT HE THINKS THERE IS EVERY SIGN THAT THE SOUTH AFRICA ISSUE WILL DOMINATE THE SUMMIT, PERHAPS TO THE DETRIMENT OF OTHER ISSUES. HE SAYS THERE ARE DIVISIONS BUT THERE IS GENERAL APPROVAL FOR POSITIVE ACTION, SUCH AS MORE MONEY FOR BLACK EDUCATION, MORE MONEY FOR ANTI-APARTHEID GROUPS, BUT THE MORE CONTENTIOUS QUESTIONS ARE THINGS LIKE THE BANNING OF URANIUM IMPORTS OR CAPE FRUITS.



THE NEWS AT TEN ON ITV SAYS THE EC SPLIT ON SANCTIONS FOR SOUTH AFRICA. IT ADDS THAT MRS THATCHER WAS HOLDING OUT WITH THE WEST GERMANS AND PORTUGUESE, NOTING THAT THE PRIME MINISTER AND CHANCELLOR KOHL ARGUED FOR POSITIVE ACTION. MICHAEL BRUNSON REPORTS FROM THE HAGUE THAT THE SECURITY WAS UNREAL. HE SAYS THERE WERE SOME IDEAS OF BANNING FRUIT, COAL, IRON AND GOLD, HE ADDS THAT QUEEN BEATRIX, OPENING THE SUMMIT, SAID THE LEADERS SHOULD DISCUSS EUROPEAN MATTERS AND THEY DID FOR A LONG TIME. BRUNSON SAYS MRS THATCHER ASKED IF THE UK COULD GET CHROME AND TITANIUM FROM THE SOVIET UNION. HE ADDS THAT BELGIUM SUGGESTED THAT SIR GEOFFREY HOWE SHOULD GO TO SOUTH AFRICA ON A PEACE MISSION.

THE WORLD TONIGHT ON RADIO 4 SAYS THE HEADS OF STATE AND GOVERNMENT HAD THE SOUTH AFRICA ISSUE BEFORE THEM AFTER THE FOREIGN MINISTERS FAILED TO AGREE ON A COMMON POSITION. IT ADDS THAT HERR KOHL FIRST EXPRESSED DOUBTS ON NEGATIVE MEASURES, AND WAS BACKED BY BRITAIN AND PORTUGAL. STEPHEN JESSEL'S REPORT GOES ON TO SAY THAT THE LINEUP WITH THE LEADERS NOW APPEARS TO BE NINE TO THREE. HE SAYS THE PROBLEMS IS ACHIEVING A BALANCE BETWEEN POSITIVE AND NEGATIVE MEASURES, WITH THE MAJORITY THINKING SOME PUNITIVE MEASURES MUST BE INCLUDED IN THE PACKAGE IF PRETORIA IS TO GET A SIGNAL FROM THE EC. HE ADDS THAT, AS BRITAIN IS TO ASSUME THE PRESIDENCY ON TUESDAY, IT WOULD NOT WANT A DAMAGING ROW AT THIS STAGE. HE SAYS THE GERMANS ARE SAID TO BE A BIT SOFTER ON A FRUIT AND VEGETABLE EMBARGO, AND THE PORTUGUESE COULD PERHAPS BE BROUGHT ROUND. HE CONCLUDES THAT THERE WILL NOT BE A DECISION TONIGHT.

ON NEWSNIGHT ON BBC-2, NICK CLARKE REPORTS IT WOULD BE WRONG TO THINK THERE WAS NO AGREEMENT - ALL EXPRESSED A WISH TO TAKE SOME ACTION. HE ADDS THAT DENMARK HAS DEMANDED WIDESPREAD AND IMMEDIATE SANCTIONS, WHILE THE UK AND WEST GERMANY DO NOT LIKE THE IDEA OF SANCTIONS AT ALL.

#### OTHER NEWS

THE PAGE ONE LEAD STORY IN THE FINANCIAL TIMES SAYS THE PEACOCK COMPANY EXAMINING THE FINANCING OF BRITISH BROADCASTING HAS RECOMMENDED THAT ALL 15 INDEPENDENT TV FRANCHISES SHOULD BE PUT UP FOR AUCTION WHEN THE NEXT FRANCHISE ROUND IS DUE IN 1988.



A PROMINENT FRONT PAGE PIECE IN THE TIMES SAYS THE POLICE INVESTIGATION INTO JOHN STALKER, DEPUTY CHIEF CONSTABLE OF GREATER MANCHESTER, IS TO CONTINUE IN SPITE OF HIS PROTESTS THAT HE IS INNOCENT OF ANY WRONG DOING AND MOUNTING CONCERN FROM MP'S.

A STORY APPEARING IN SEVERAL PAPERS SAYS MRS THATCHER HAS ASKED SIR ROBERT ARMSTRONG, THE CABINET SECRETARY, TO STAY ON BEYOND HIS EXPECTED RETIREMENT DATE UNTIL THE NEXT GENERAL ELECTION.

ANOTHER STORY WINNING WIDE COVERAGE SAYS TWO BRITISH ENGINEERS HELD IN NIGERIA FOR MORE THAN TWO YEARS YESTERDAY WON THEIR APPEAL AGAINST 14-YEAR JAIL TERMS FOR CONSPIRACY AND THEFT OF AN EXECUTIVE JET.

A PAGE ONE ITEM IN THE FINANCIAL TIMES SAYS THE US ADMINISTRATION EXPECTS TO HAVE TO LOWER ITS REAL ECONOMIC GROWTH PROJECTION FOR 1986 FROM FOUR PER CENT AND TO RAISE ITS ESTIMATE OF THE FISCAL YEAR 1986 BUDGET DEFICIT WHEN IT RELEASES ITS MID-YEAR REVIEW OF THE BUDGET OUTLOOK NEXT MONTH.

TODAY HAS A PAGE TWO STORY REPORTING THAT ENERGY SECRETARY PETER WALTER WARNED YESTERDAY THAT BRITAIN WOULD FACE A NIGHTMARE FUTURE WITHOUT NUCLEAR POWER.

A PAGE FOUR STORY IN THE FINANCIAL TIMES REPORTS THAT NICARAGUAN PRESIDENT DANIEL ORTEGA SAID PROPOSED US MILITARY AID FOR THE 'CONTRAS' MARKED ANOTHER STEP TOWARDS AN INVASION. A PAGE NINE PIECE IN THE TIMES SAYS SR ORTEGA CALLED PRESIDENT REAGAN 'A TERRORIST AND A FASCIST WORSE THAN HITLER'.

A PAGE SIX PIECE IN THE DAILY TELEGRAPH SAYS A RECENT GALLUP POLL JUST RELEASED SHOWS THAT ALMOST TWO IN THREE OF THE PUBLIC THINK MRS THATCHER'S SYMPATHIES ARE WITH THE WHITE SOUTH AFRICAN GOVERNMENT. THIS IS IN STARK CONTRAST TO WHERE THE PUBLIC'S SYMPATHIES LIE - ALMOST TWO IN THREE WITH THE BLACK POPULATION, ACCORDING TO THE POLL.

AND A PAGE EIGHT STORY IN THE GUARDIAN SAYS COMMONWEALTH SECRETARY-GENERAL SONNY RAMPHAL YESTRDAY WARNED BRITAIN THAT FAILURE TO AGREE TO SANCTIONS AGAINST SOUTH AFRICA WOULD PUT ITS OWN ECONOMIC RELATIONS WITH COMMONWEALTH COUNTRIES AT RISK.

ENDS MEDIA SUMMARY