

CONFIDENTIAL

## PRIME MINISTER

## BILATERAL WITH THE FOREIGN SECRETARY

The Foreign Secretary is coming in this afternoon for a talk. The main subjects which seem likely to come up are:

(i) Preparation for the European Council

The Foreign Ministers ended their meeting today but will meet again next week. The Agriculture Council is still going on. The results to date are not enough to produce a satisfactory solution at Copenhagen. The text which is before Agricultural Ministers deals principally with stabilisers and is a great advance on two months ago. But it still contains serious weaknesses, for instance on cereals, and oil-seeds, and also remains (at least in MAFF's eyes) discriminatory against the UK on sheepmeat. The Foreign Secretary floated your scheme for using national financing to dispose of existing surplus stocks. It got support from Spain and Portugal and a flicker of interest from the Netherlands but no one else. Moreover, the intelligence suggests that the French and Germans still reckon that they can get together at Copenhagen and isolate us with the result that we shall have to concede some of our basic requirements. That suggests that we shall have to go through the heat and the smoke of Copenhagen to show them that this expectation is not well-founded.

It seems to me that we have a good position with which you are comfortable and should now stick firmly to it up to and through Copenhagen, despite the pressures. You might like to give this general steer to the Foreign Secretary.

(ii) Possible Visit of Mr. Gorbachev

It seems that Shultz and Shevardnadze have struck a deal in Geneva and the summit is now definitely on. In that case, we can probably expect an announcement of the Gorbachev's visit as early as tomorrow (always assuming that the wretched Observer has not ruined it with their story about

CONFIDENTIAL



Mrs. Gorbachev). The point has been firmly registered that you want the arrangements to be absolutely perfect. We are sending a team down to Brize Norton on Friday to meet the Russian advance team who are on their way through to <sup>Washington</sup> Geneva. It is a bit difficult to plan the structure of the meeting until we know exactly who is coming on the Russian side. But I have told the Foreign Office that you will want private talks with Mr. Gorbachev while the Foreign Secretary has a separate session with Mr. Shevardnadze, but there might be a rather wider participation in the lunch.

(iii) Duncan Campbell

I understand that the Foreign Secretary will probably say that, after further consultations with the Attorney and reflection on the risks of wider disclosures about GCHQ, he has decided that it would be too risky to prosecute Duncan Campbell. But civil proceedings should be instituted.

(iv) External television broadcasting

I have written to the Foreign Office to say that you remain dissatisfied with the Foreign Secretary's proposal and will only be content when the BBC and ITN are given an opportunity to tender on an equal footing. I gather that he is still not disposed to accept this; and will probably argue that tender is not the right way to proceed since in any case ITN would never accept the prescription powers of the Government. I think that you should continue to press him on this.

(v) Gibraltar

He will want to bring you up to date on the negotiations in Spain over the Gibraltar airport. Although some progress has been made it is still probably not enough to produce a solution which we could reasonably insist that the Gibraltarians accept. Meanwhile opinion in Gibraltar is becoming increasingly turbulent on the subject. But we cannot let them dictate our policy provided we remain absolutely firm on the question of sovereignty and of no joint control of Gibraltar airport.



(vi) Visit to Nigeria

Our High Commissioner still has not got an appointment with President Babangida. Is he just over-worked? Or is it a signal? Perhaps we should give him until the end of the week, and if there is still no meeting then, look for alternative places to visit. Botswana? Cameroon? Morocco?

C.D.P.

(C. D. POWELL)

24 November 1987