

PRIME MINISTERBILATERAL WITH THE FOREIGN SECRETARY

You have a bilateral with the Foreign Secretary tomorrow morning immediately before Cabinet. The main subjects seem likely to be:

(i) Your visit to Africa

You will want to give him a brief account of your visit. We have conveyed to the Foreign Office the main conclusions you have drawn from it (copy of letter in folder) and you want to see the various points to be followed up. Two particularly urgent matters are:

- (a) action with the BBC over President Moi's complaints. It might be best for me or Bernard to contact Dukey Hussey, subject to the Foreign Secretary's views; and
- (b) a response to President Babangida on the terms for the £200 million medium-term ECGD cover.

(ii) Foreign Secretary's visit to Japan

He will want to report to you on this and on the prospects for a visit by Mr. Takeshita.

(iii) Defence matters

You have now replied to President Mitterrand's message in terms intended to put the French on the spot. It seems likely that the Americans are about to come forward with dates for a NATO Summit in early March.

The most sensitive point on the defence side at present concerns the implications for Trident of the counting rules agreed by the Americans and Russians in the START negotiations. An MOD team was in

Washington at the weekend and have apparently come back reasonably reassured. The Defence Secretary will be minuting colleagues about this.

(iv) The Middle East

You may want to make some observations about Mr. Mellor's visit. You have refrained from any public comment but you are not sure that he acted very wisely. You have built up a very careful balance in our Middle East policy over the last three years which has served us well. This may now be at risk.

You may also want to make clear that you do not see much merit in the suggestions being touted for a more active British role, including a shuttle, on Arab/Israel matters. This over-estimates our ability to deliver. In any event we should wait until Mr. Coles has paid his farewell visit to King Hussein in Aquaba on 16/18 January before reaching any conclusions on the way forward.

(v) Europe

There are signs that the German Presidency are out to isolate us at the European Council in February. We shall need to take particular care to maintain our good cooperation with the Dutch and try also to get back to closer terms with the French, to avoid this. We are still waiting for a date for a meeting between you and Chancellor Kohl. There are also still problems over the starting time for the European Council. We are trying to push the Germans towards holding it on the Friday and Saturday.

C.D.P.

CHARLES POWELL
13 January 1988