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PRIME MINISTER

MEETING WITH THE FOREIGN SECRETARY

You have a bilateral with the Foreign Secretary tomorrow afternoon. The subjects which are likely to come up are:

1. European Council

He will want to tell you about the meeting of Foreign Ministers in Brussels and discuss the prospects for the European Council next week. There is no doubt that you have very wide public and parliamentary support here for holding to a very firm line. Your problems will arise only if we make concessions. These will have to be very carefully judged. Nonetheless, it would be prudent to examine points on which some movement in our position might be possible and the scope for offsetting it by concessions by others to us (eg deeper price reductions in return for higher MGQs). You might commission the Foreign Secretary to produce a ready reckoner which will enable you to calculate implications of various possible concessions by us, and of compensating moves by others.

2. Angola

I have told the Foreign and Commonwealth Office (letter attached) that you are sceptical about the excuses they produce for keeping our contacts with UNITA at a fairly low level. If Mrs Chalker can see Tambo of the ANC, it is hard to understand why she cannot also see a high level UNITA emissary, particularly when the Americans, French, Kenyans and Nigerians do. Our aim in doing so would be to increase the pressure to get the Cubans and Russians out of Angola.

3. Middle East

There are some signs of renewed American activity, focusing on substance rather than procedure. They do not

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amount to very much: and the guiding principle seems to be what is acceptable to Shamir. But it is better than nothing. We should surely be feeding some ideas of our own to the Americans on the substance, since it is clear we are not going to see any serious progress towards an international conference in the next few months.

4. World TV

The Foreign Secretary is trying to pluck up courage to come back to you on your objections to making public funds available to finance external TV broadcasting by the BBC (letter in folder). But I know his heart is not in it and one more push from you will persuade him to drop it.

C.D.P.

C D POWELL

2 February 1988

F.S. Please now see further note on Angola (attached).

DS2AET