CONFIDENTIAL

PRIME MINISTER

BILATERAL WITH THE FOREIGN SECRETARY

I have not been able to ask the Foreign Secretary what points he wants to raise, since he is in Sweden until tomorrow. But the following subjects suggest themselves:

- Outcome of the elections in France. You have struck a shrewd blow by telephoning President Mitterrand and offering an early meeting. We are discussing

 10 June as a possibility. Rocard's appointment as Prime Minister is also helpful from our point of view.
- Gibraltar Inquest. I expect the Foreign Secretary will want to bring you up to date on preparations for the inquest in Gibraltar.
- Sweden. You are seeing the Swedish Prime Minister next week. The Foreign Secretary will probably wish to tell you a bit about his own visit to Sweden and Mr. Carlsson's preoccupations.
- have decided against seeing Leon Brittan at this stage because you do not want to provoke talk of a by-election.
- Arms Control. The difficulties which have cropped up over ratification of the INF Treaty are worrying but can probably be resolved by Shultz and Shevardnadze, who are meeting in Geneva tomorrow and Thursday.
- Thyssen. The Foreign Office concern is with the effect on relations with Spain if we succeed in getting our offer accepted. There is no reason why this should be our dominant consideration.

- <u>Japan</u>. You will be getting a draft message to Takeshita tomorrow following up his talks with you The Japanese press have been attempting to play down his personal commitment to you to help resolve outstanding issues. You will need to keep up the pressure.
- Angola. You will see from the telegrams that President Chissano is anxious that you should make some personal intervention to promote progress in the Angola/US/Cuba/South Africa talks. You should probably send him a message.

C 05

C. D. POWELL

10 May 1988

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