

PRIME MINISTER

BILATERAL WITH THE FOREIGN SECRETARY

You have a bilateral with the Foreign Secretary tomorrow evening. The subjects to cover are:

- SNF

So far the US Administration have been remarkably sound and Henry Kissinger this morning confirmed very strongly your own views. But the telegram we saw yesterday suggesting that the Americans and Germans are working with a less than satisfactory text is a worry. We have not yet heard any more from Washington about this but may get some news in tomorrow morning. We need to decide how to handle this issue in the ten days or so remaining before the NATO Summit. Is there a case for a further high level message to the Americans (probably Foreign Secretary to Baker rather than you to Bush)? Should you take the initiative in telephoning Helmut Kohl to see where matters stand? Do we have any further information on what the Dutch are up to? Has the time come to try to agree a form of words with the Americans with which we can both live in the hope that they can be tied down to it?

- Argentina

The Foreign Secretary will want to give you his assessment of the implications of Menem's election. He is clearly a highly unsatisfactory choice, among other things because he is a friend of Qadhafi's. Argentina's horrendous economic problems should deter him from presenting much of a threat to the Falklands in the short term. But you can never tell: the very scale of the domestic problems may encourage him to look for a distraction elsewhere. Is there anything to be said for a small but ostentatious temporary strengthening of our

forces in the South Atlantic as a warning to Menem?

- European Community

You have the manifesto launch on Monday followed by the Candidates Conference. This may be the last chance for you to talk to the Foreign Secretary before then about the impression you want to get across at the launch. Getting out the Conservative vote looks likely to be the main problem which suggests that you should go strongly on the no Socialism through the back door line. At the same time, you will want to be positive about our sort of Community.

- Leon Brittan

Leon Brittan is coming in to see you on Thursday evening. You may want to ask whether there are any particular points the Foreign Secretary wants you to make to him.

C.D.P.

(C.D. POWELL)

16 May 1989