PRIME MINISTER

BILATERAL WITH THE FOREIGN SECRETARY

You have a bilateral with the Foreign Secretary tomorrow afternoon. The main subjects which suggest themselves are:

<u>China</u>: how to interpret developments there, the likely outcome of the apparent struggle between those who support democratisation and the hardliners, and the implications for Hong Kong.

SNF: the Germans have turned down the proposals which the Americans put to them at the weekend and are trying to engage the Americans in a further negotiation to narrow the gap, particularly on the question of when negotiations on SNF would begin (i.e. before or after the implementation of an agreement on conventional force reductions). The great danger must be that the Americans will resile further from their position, in order to reach an agreement with the Germans before the Summit. You need to discuss with the Foreign Secretary how we can discourage the Americans going any further.

Shamir visit: there may be some points of follow-up from your meeting today with Mr. Shamir.

Visas for Turkey: the Home Office believe the situation has become intolerable and that we must introduce a system in the shortest possible time (in practice a month from today). The Foreign Office are concerned that they do not have adequate facilities in place in Turkey. I imagine you will incline towards the Home Office view that even a slightly ramshackle system of visa-giving will be better than nothing.

CONFIDENTIAL

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<u>European Elections</u>: there may be points arising from your Press Conference today which the Foreign Secretary wants to raise.

<u>Senior Staff</u>: there is a separate note in your box about his proposals on senior appointments in the Diplomatic Service. It might be better to deal with this in writing rather than have a further discussion at this stage.

c)?

C. D. POWELL
22 MAY 1989