

SECRET

PRIME MINISTER

MEETING WITH THE FOREIGN SECRETARY, 8 AUGUST 1989

I have been speaking to my counterpart in the Foreign Secretary's office about the follow up of today's private meeting. The Foreign Secretary does not intend to circulate any note of it in the Foreign Office and regards it very much as a personal meeting.

Nonetheless it will be helpful for us to have a note for the file here, especially in your absence. I understand that the main points to record were as follows:

- The hostage situation: it was agreed that the UK would probably not send a message to Tehran unless others did so and that you would be consulted if a decision were taken to do so. Any such message would make it clear that the UK was against the taking of hostages anywhere in the world.

- Argentina: following the two letters of 7 August from the FCO which you saw in last night's box, you agreed that Sir Crispin Tickell should seek in his discussions with the Argentines to restore confidential communications as proposed by the FCO. You also agreed to the agenda and the approach proposed for these talks in the letters mentioned above. However, you both agreed that the possibility of a meeting of Foreign Ministers should not be raised in Sir Crispin's talks - a decision on whether this might be possible should wait until after the meeting.

- HongKong: it was agreed that the Foreign Secretary should speak to Sir Percy Cradock about HongKong, and specifically about the visit of the Prince and Princess of Wales. You agreed that the registration of the HongKong Shanghai Bank

should go ahead and that the Chinese should be informed soon but not so far ahead of the registration that they could make trouble.

- Vietnamese Boat People: the Foreign Secretary explained his view - with which you did not disagree - that more work with the Americans and particularly with the UN High Commissioner for Refugees was needed before any action was taken. Otherwise there was a risk that the UK would end up out on a limb and unable to sustain its position.

- China: you mentioned the need for contingency planning in the event of the now likely death of Deng Xiaoping, particularly for any message of condolence.

- Commonwealth Secretary General. The Foreign Secretary explained his view that Mr Fraser is probably the best candidate for the post and was the most likely to be appointed. He felt that it was therefore only realistic to accept this and you agreed. He would consider what further action was necessary and whether Mr Fraser and the other candidates should be informed of the UK position.

- The Commonwealth Foreign Ministers conference at Canberra: it was agreed that a line of complete rejection of any further sanctions against South Africa and a robust line on sporting links should be maintained.

- Helen Sussman: you agreed that it would be a good idea for her to be given an Honorary OBE and that this should be done as soon as possible.

I understand that you did not discuss EC matters. Nor were the arrangements for CHOGM discussed.

The Foreign Secretary has since spoken to Sir Percy about

HongKong. They discussed the Royal visit, forthcoming Ministerial visits, the position on the HongKong Shanghai Bank, the setting up a large consular general in HongKong and the Vietnamese Boat people. Sir Percy plans to minute you about his discussion tomorrow.

You still have the folder for your meeting today. This includes a number of very sensitive papers and you may like to return it to us for safekeeping before you go on holiday.

CMS

Caroline Slocock

8 August 1989



10 DOWNING STREET

THE PRIME MINISTER

8 Aug. 1959

Caroline

Meeting with F.C.S.

F.C.S. and I both regarded this as a personal meeting.

The two matters which were the subject of action, I reported to you

- ① Any possible message to Iran about the hostages which F.C.S. was considering would be referred back to us for clearance on both content & timing.
- ② F.C.S. wanted to talk further on Hong Kong matters ~~to~~ with Percy Caddell, especially on visit of H.R.H. Prince of Wales.

Action on other matters is all being dealt with separately as you have seen from the contents of various boxes. not

SECRET AND PERSONAL

MR POWELL O/R

SIR PERCY CRADOCK

**THE PRIME MINISTER'S MEETING WITH THE FOREIGN SECRETARY, 8 AUGUST  
1989**

As you know, the Prime Minister held a private meeting with the Foreign Secretary on 8 August. You may like to see a copy of the record I made of the main points which I understand were discussed. As you will see from the attached note which the Prime Minister gave me in return, she did not wish any record to be kept of the meeting. Indeed she kept the copy of the record which I gave to her. I therefore sending this to you on a personal basis only.

CAS

Caroline Slocock

14 August 1989