

PRIME MINISTER

BILATERAL WITH THE FOREIGN SECRETARY

You have your first bilateral of the autumn with the Foreign Secretary tomorrow. You will wish to congratulate him on his successful visit to the US, and on his speech (which was fine).

Subjects which need to be covered are:

- his visit to Washington. He will want to report on his meetings. You have seen the main telegrams. President Bush is due to let you have some thoughts before your meeting with Gorbachev. He is keen for you to go to Washington.

- Soviet Union/East Europe. The pace of change is very rapid. We must be prepared to deal with the unexpected. You would be interested to hear what impressions the Foreign Secretary brings back from his meeting with American experts on the Soviet Union. Meanwhile we are going to have to move soon towards concrete decisions on aid to Poland. That is going to mean extra money.

- you will need careful briefing on Embassy ceilings for your talks with Gorbachev. But you will not want to get into detail.

- South Africa. You want to get off a message to De Klerk - with whom you are increasingly unimpressed - before you leave for Japan. We must avoid conflicting statements by Ministers (i.e. the Lord President's comments on South Africa). You are sure it is right not to take part in the Commonwealth Observers' Group for Namibia.

- Colombia. Our initiative on Colombia has had a good reception, both from the Colombians and the Americans.

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- EMU. The Chancellor's proposal on competing currencies did not get a very good reception at Antibes, which is perhaps not surprising since not nearly enough work has been done yet. But at least some other countries are joining us in trying to put the brakes on study of Delors' Stages 2 and 3. The meeting with the French on the Social Charter takes place tomorrow.

- Vietnamese Boat People. The Foreign Secretary will want to tell you how he got on in Washington: the Americans are still being difficult, although perhaps a bit less so.

C.D.?

C. D. POWELL

13 September 1989