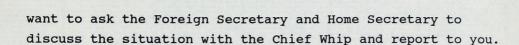
<u>SECRET</u> 399-6

PRIME MINISTER

BILATERAL WITH THE FOREIGN SECRETARY

You have a bilateral with the Foreign Secretary tomorrow, immediately after the Italian party have left. I have not been able to establish exactly what he wants to talk about since he is constantly in orbit: New York yesterday, debate in the House on East/West relations today, visit to Gibraltar and Spain at the weekend. But you ought to cover some at least of the following issues:

- South Africa. Our Community partners behaved in their customary craven fashion by refusing to go along in relaxing the voluntary sanctions. You have reprimanded Herr Stoltenberg for this and we shall need to keep up the pressure on the Germans and some others. Realistically, I fear they will not take any action until de Klerk lifts the state of emergency: that will be the stage for us to go in really hard to demand a Community response. For our part, we need to work out exactly which further measures we will rescind when the state of emergency goes. Meanwhile, President de Klerk has asked to bring forward his visit here to early April. There are reports that Mandela will address a major anti-apartheid rally in Wembley Stadium on Easter Monday. It is not clear whether he will seek a meeting with you as well: I understand he told Robin Renwick that he would like to meet you, but would have to be guided by the ANC. It could be quite difficult to handle if he comes here but does not ask to see you.
- Germany. We have now got the Germans committed to a whole series of negotiations: in the Four plus Two group, NATO, the European Community and the CSCE. The first of these will be by far the most important, at least at the beginning. We need to work out clearly what our aims will be in the discussions.
- <u>Hong Kong</u>. I know that the Whips are increasingly worried whether they can deliver the Hong Kong Bill, although they have not yet come to you formally about this. You might



President Bush. He has frequently taken the initiative in telephoning you. You have not found so many reasons for telephoning him. I think we have to be careful not to appear stand-offish. You might consider telephoning him on Saturday, before his meeting with Chancellor Kohl, just to review where we have got to on German unification and express satisfaction at the creation of the Four plus Two group. You might also have a word about Mr. Gorbachev's prospects. I know that none of this is particularly precise: but I think he just likes a chat every now and again and you should show willing. You might discuss this with the Foreign Secretary (to whom I have not mentioned this idea). If you agree, I will ask the White House whether a time on Saturday would be convenient.

C D.?

C. D. POWELL

22 February 1990

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