

PRIME MINISTER

FOREIGN AND DEFENCE AFFAIRS: IMMEDIATE ISSUES

These are the main issues which will come to you in the next two weeks.

EC Budget - Short Term and Long Term

Foreign Ministers discuss in Luxembourg on Monday. You discuss in Stuttgart from 17-19 June.

The prospects are gloomy. The draft conclusions produced by the Presidency are not very helpful to us on the short term. The French are saying very firmly that they cannot agree to a short term solution until later in the year.

I suggest that you have a meeting on Tuesday with the Foreign Secretary, Chancellor of the Exchequer, Minister of Agriculture, Sir Michael Butler and Sir Robert Armstrong to discuss the approach to Stuttgart on this issue, whether we should send an emissary to see the Germans, and what action we should take if we do not get the solution we want at Stuttgart. May I arrange such a meeting?

4.00

Yes

Hong Kong

You need to take decisions about the wording of the agenda for the talks and the way we conduct the talks in the weeks ahead. We also need to update you about the situation in Hong Kong (the Hong Kong Dollar and the Hang Seng Index continue to fall) and one or two other developments.

May I arrange a meeting for next Wednesday with the Foreign Secretary, Defence Secretary, Sir Antony Acland and Mr. Donald?

- evening

5.00

Destefanis

We have the approval of the Speaker the Swamp - in - that had better be over first.

A decision will be needed on whether to grant him a visa to visit the UK and who he should see if he does. We shall receive advice soon.

Falklands Airfield

We need an early meeting if current tenders are not to be invalidated and if we are to take advantage of summer construction time in the Falklands. Agree that OD(FAF) should discuss in the week beginning 20 June? *Yes mf*

HARM/ALARM

You decided to postpone a decision until after the Election. Lord Carrington has written again to stress the urgency and to remind you that you undertook to take a very early decision. Agree that OD should discuss in the week beginning 20 June?

This coming week - Thursday after Cabinet.

Overseas Visits

You will probably wish to decide fairly soon whether you are to make any overseas visits during September. I shall minute you separately about the possibilities.

*15 September
(per SP 14 last week)
until 29/30.*

A. J. C.

10 June 1983