

PRIME MINISTER

BILATERAL WITH FOREIGN SECRETARY

Subjects which need to be covered are:

- (i) Inward State Visits. The FCO are still agitating for three a year. You will want to make clear that you think two quite enough and want to drop the November one (which is always the most inconvenient). If he argues that The Queen could live with three, the answer is that she could equally live with two. However, there is no reason to object to more guest of government visits (which are less time-consuming for you). There is a note in the folder.
- (ii) Visit to Morocco. The FCO think the Spaniards would be miffed if you decided to visit Morocco right after your visit to Spain. I have discussed this with our Ambassador in Madrid who is confident that he can explain it to the Spaniards, provided that we give them plenty of advance notice (you are of course visiting Luxembourg on the way to Spain). We need to speak to the Moroccans quite soon, in order to propose dates.
- (iii) Relations with Chancellor Kohl. We need to do some repair work on relations with Chancellor Kohl and the Germans more generally. You will want to discuss with the Foreign Secretary how to go about this. It needs action at several levels, and will probably require in due course a bilateral between you and Kohl. We might start with a session between me and Teltschik.

- (iv) Arab/Israel. You have seen the telegrams. The Americans are pressing Shamir for an answer when he comes to Washington next week. Shamir will try to procrastinate. The result may be early elections. It remains very important to ensure that King Hussein is not the one who says no.
- (v) Iran/Iraq. The war of the cities continues. The Iranians clearly believe that the Soviet Union has supplied Iraq with SS-12 missiles and are beginning to retaliate against them in the commercial sphere. This is helpful.
- (vi) Panama. The Panamanian Ambassador was interviewed this afternoon and claimed some discrepancies in the police account of what happened. These are being carefully checked before a decision is reached whether to make some expulsions. There can surely be no doubt that those directly responsible ought to be removed. *The Foreign Secretary is worried that it will look as though we are just following the Americans. (I don't see why)*
- (vii) Iraq/Gibraltar. The next step will be the inquest. The search for the explosives continues. We shall want to resist an inquiry strongly.
- (viii) South Africa. President Botha is seeing Mr Renwick this afternoon and there will be a report by tomorrow.
- (ix) Governor of Bermuda. The Foreign Office have now whittled the choice down to two military candidates one of whom is General Langley whom you suggested. The other is General Thorne.

CSP

Charles Powell

8 March 1988