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PRIME MINISTER

BILATERAL WITH THE FOREIGN SECRETARY

You have a bilateral with the Foreign Secretary tomorrow afternoon. Points you may want to cover are.

- (i) Hijacking. There seems no evidence that the Kuwaitis made concessions on the Dawa 17, but stood firm. You ought to send a message to the Amir.

We also need to follow up on several aspects:

- possible collective action against Algeria under the terms of the Bonn Declaration;
  - steps to improve airport security;
  - an international code of conduct to deal with hijacking incidents;
  - greater self-control on the part of the media.
- (ii) The Gulf. The Iranians have received considerable setbacks by losing Faw, from the American retaliatory strikes in the Gulf and in South Lebanon (where they have been seen off by Amal). This is likely to make them more dangerous and unpredictable. We can expect further kidnappings or terrorist incidents, or an attack on a Gulf state. It would be a good moment for the Security Council to press ahead with a follow-up resolution to 598.
- (iii) Murder of Abu Jihad. The Foreign Secretary wants to raise this. Whatever we think of it, there is widespread satisfaction in Israel. But it

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wasn't very wise and some retaliation is inevitable.

You will want to mention your concern that the Americans may revive their idea of a US/Soviet umbrella for Arab-Israel peace negotiations.

- (iv) Arms Control. You will want to ask how he sees prospects for the forthcoming NDG meeting and for progress on modernisation.

You might also ask about progress with producing a NATO position on conventional arms reductions.

- (v) Anglo-German Summit. Chancellor Kohl's office tell me that he would much prefer a private meeting with you at Chequers to a full-scale Summit. He has proposed 9 July.

- (vi) EC:British Commissioner. There is altogether too much gossip going on. You don't envisage taking a decision until the early autumn, in case your calculations are affected by a reshuffle. You are inclined to replace both our Commissioners.

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Charles Powell

20 April 1988