

PRIME MINISTER

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BILATERAL WITH THE FOREIGN SECRETARY

You have a bilateral with the Foreign Secretary tomorrow. The subjects to be covered are:

- his visit to the Middle East. He has sent you a personal note about this and you have read the telegrams. He has come back considerably alarmed about the situation and the risks, and reflecting the pressure he came under for the Europeans to be more active on Arab/Israel. He did not meet the PLO during the trip, but may revert to the idea of seeing Arafat in due course.
  
- your visit to the Soviet Union. In the wake of the Bush/Gorbachev meeting, the main ticklish subjects seem bound to be Germany/NATO and Lithuania. (A full list of topics is in the folder.) You may also need to deal with non-circumvention under the START Agreement. On Germany/NATO, I think the approach of putting it in a wider context is the right one (and the Americans seem to be on the same track with their nine points). It means emphasising all the changes that are taking place, both in arms control and NATO's more political role. The risk is that others will want to change NATO too much, in order to make it acceptable to the Russians, particularly by getting rid of nuclear weapons from Germany. That is something which we will have to guard against at the NATO Summit. I have asked for additional briefing on CFE and on non-circumvention.
  
- help with return of ANC exiles. The FCO are unhappy with your response, on the grounds that the money would not go to the ANC itself but to international refugee organisations, as it did in the case of Namibia. I think you have a very good point: the ANC should renounce the armed struggle first.

C.D.R.

C. D. POWELL

4 June 1990

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