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PM visit to Australia, Bahrain, Oman, Singapore, Malaysia, Thailand & Dubai, August 1988  
(Policy)

FOREIGN POLICY

Pt 1 May 1988

Pt 2 August 1988

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>12-7-88</del>							
<del>13-8-88</del>							
<del>18-8-88</del>							
<del>27-8-88</del>							
<del>30-8-88</del>							
<del>5-9-88</del>							
<del>11-10-88</del>							
30-11-88							

PREM 19/2690

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Foreign and Commonwealth Office

London SW1A 2AH

17 May 1989

Sir Minister

Dear Andrew

mf

COO  
17/5Australia

In your letter of 30 November, you said that the Prime Minister would like a further report on the action being taken to give Australia a more prominent place in our foreign policy.

Action has been coordinated by the Whitehall Australia Group (WAG) which has met regularly since the Prime Minister's visit to Australia last year. Members of the Group have contributed to the enclosed report, which shows that the momentum has been maintained in the run-up to the Australian Prime Minister's visit next month.

The Foreign Secretary had a useful meeting with his Australian counterpart (Senator Evans) in March. The Minister of State (ODA) will visit Australia in October, though a proposed visit to Australia in June by the Permanent Secretary (ODA) has been cancelled.

The Secretary of State for Defence visited Australia in March which gave fresh emphasis to the more general defence relationship.

The Secretary of State for Education and Science visited Australia on 7-11 May. The visit was fruitful, opening up new possibilities for cooperation in education and science, especially on the global environment. We hope that it will be possible to make some announcements during Mr Hawke's visit next month.

Mr Hawke told Sir John Coles on 4 May that he was really looking forward to his visit to Britain. He had studied the programme (draft enclosed); it contained plenty of work and that was how he wanted it.

The DTI have arrangements for the Trade and Investment Conference, which will form an important part of the visit, well in hand.

I am copying this letter to Brian Hawtin (MOD), Tom Jeffrey (DES) and Neil Thornton (DTI).

Yours ever

R N Peirce

(R N Peirce)  
Private Secretary

FOREIGN AND COMMONWEALTH OFFICE

The Foreign Secretary had discussions over lunch with the Australian Foreign Minister, Senator Evans when the latter stopped over in London in March.

The Minister of State, Lord Glenarthur visited Australia from 21 February - 1 March when he concentrated on the less visited state capitals.

A joint FCO/DTI team led by the Deputy Under-Secretary (Economic) visited Australia in March for wide ranging talks on world economic and trade matters.

The FCO, with the help of sponsorship from the industrial company, BTR is about to set up an entirely new scholarship scheme to bring 10 Australian students a year to Britain for post graduate studies.

ODA

Mr Patten will visit Australia for official talks during a tour of the South Pacific from 16-28 October.

MINISTRY OF DEFENCE

The Secretary of State for Defence visited Australia in March. He visited Perth, Adelaide, Canberra and Sydney and met a wide range of contacts. Mr Younger was warmly welcomed and he regarded the visit as a significant demonstration of the importance which the UK continues to attach to the defence relationship with Australia. He formed an excellent relationship with his Australian counterpart, which will be built on further when Mr Beazley visits the UK in June as a member of Mr Hawke's party.

The Australian Chief of Defence Forces, General Gration and the Chief of the General Staff, Lieutenant General O'Donnell paid separate visits in the Spring. They discussed a range of bilateral issues, and looked at the way in which the UK is tackling problems common to both countries (eg retention and recruitment).

Australia (and New Zealand) responded very positively to the UK's suggestion on coordinating participation in FPDA exercises. Direct staff contacts have now been initiated for this purpose.

BH3AAC

DEFENCE SALES

DG Marketing led a senior industrial mission to Australia in March which included representatives from most of the major UK defence contractors. It visited all the principal Australian States and met up with the Secretary of State for Defence in Canberra.

DESO's main aim over the next 18 months is to ensure that UK sub-systems are well represented on board the ANZAC frigate. To aid this effort DESO will be encouraging UK participation in Australia's International Defence Equipment Exhibition in Canberra in November and Australian attendance at this year's Royal Navy Equipment Exhibition.

A Defence Sales Counsellor will take up his position at the British High Commission in Canberra in July.

The first Annual Steering Committee Meeting on MOUDEP - (Memorandum of Understanding on Defence Equipment Procurement and Production) was held in London on 3 May 1989 to discuss projects for bilateral collaboration. A full industrial visit programme was organised for the Australian representatives prior to the meeting.

DEPARTMENT OF TRADE AND INDUSTRY

Arrangements are proceeding for the Australia-UK Trade and Investment Conference which the Secretary of State for Trade and Industry and Senator Button, his Australian counterpart, will be co-chairing at the Queen Elizabeth II Conference Centre on 22 June. The Australian Prime Minister, Mr Hawke, and the Minister for Foreign Affairs and Trade, Senator Evans, will be present for part of the proceedings. Sir Ralph Robins of Rolls-Royce and Mr Richard Branson of Virgin Group have agreed to speak at the Conference, and over 80 senior businessmen from each country have so far accepted invitations by the two Governments to attend the Conference.

BANK OF ENGLAND

The Bank of England continues to maintain contact with its counterpart in Australia: an Executive Director and a senior official have recently made visits to Australia for consultations and an exchange of views. The Governor of the Reserve Bank of Australia will be visiting the Bank of England in June.

DEPARTMENT OF EDUCATION AND SCIENCE

The Secretary of State for Education and Science visited Australia from 7-11 May, accompanied by the President of the Royal Society. Mr Baker had talks with Mr Hawke and 4

BH3AAC

other ministers. The impact of the visit on the Australian educational and scientific community was strong. Agreement was reached to consider new cooperation in respect of:

- a) exchange of science teachers
- b) a visiting programme for Australian Science students
- c) the delivery of distance education, particularly language teaching, through links between distance education centres in Australia and the Open University
- d) post-doctoral science exchanges
- e) science collaboration, especially on the global environment (cooperation between British, Australian and perhaps New Zealand scientists with Antarctic experience is envisaged)

It was agreed that all of the above should be considered in detail with a view to announcements during the visit of Mr Hawke to Britain next month.

#### BRITISH COUNCIL

The British Council has redeployed £50,000 from its own resources for 1989/90. £40,000 is being used to strengthen the Academic Links and Interchange Scheme (ALIS) which brings together centres of excellence in science and technology in the two countries for research and curriculum development to include the creation of Bursaries for Australian post-graduate students.

The Council has submitted a bid for an additional £160,000 recurrently from April 1990 to fund the continuation of the ALIS bursaries, and to help maintain the high level of arts activity generated by the Bicentenary. It is envisaged that the augmented Council input will generate matching funds and sponsorship to build an arts programme worth £250K by 1991/2.

#### DEPARTMENT OF SOCIAL SECURITY

Mr Hawke raised the question of uprating of pensions during the Prime Minister's visit to Australia last year. They subsequently exchanged letters on the subject in February/March. No additional funds were made available in last year's PES round and the Prime Minister's letter made it plain that there are no plans to change the situation.

Relations on other social security matters are good. The social security agreement with Australia is now in the process of being thoroughly revised, at the request of the Australians, to bring it completely up to date.

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SCOTTISH OFFICE

There has been an increasing flow of Australian companies visiting Scotland to explore the prospects for direct investment. To respond to this interest, Locate in Scotland (LIS) has since late 1988 mounted a modest promotional programme in Australia, covering those industrial sectors which match best with our own strengths. This has met with a good response, and the Scottish Office is now establishing links with a number of Australian companies which could lead to direct investment. They see Australia providing a modest flow of investment to Scotland, but do not expect it to achieve the scale of the US or Japan markets.

The Secretary of State for Scotland plans to visit Australia in September 1989.

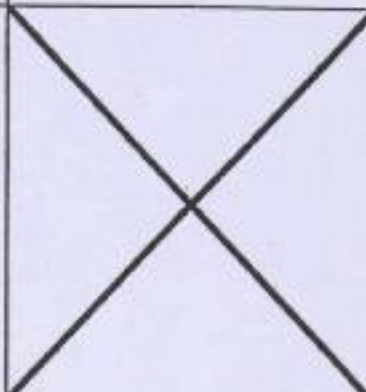
Parliamentary

The Australian Parliament will send a delegation to the IPU conference in London in September. The two co-leaders of the delegation have been offered official programmes in Britain by the FCO.

The Lord Chancellor will visit Australia in August 1989.

WHITEHALL AUSTRALIA GROUP  
May 1989

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DEPARTMENT/SERIES ..... <i>PREM 19</i> ..... PIECE/ITEM ..... <i>2690</i> ..... (one piece/item number)	Date and sign
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Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,  
eg. HO 405, J 82.

Enter the piece and item references, .  
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.  
This should be an indication of what the extract is,  
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.  
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10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

30 November 1988

Dear Bob,

AUSTRALIA

BN

Thank you for your letter of 28 November summarising the action which has been taken to give Australia a more prominent place in our foreign policy. The Prime Minister has noted this and commented that she hopes the effort will continue. She would like to have a further report a month before Mr. Hawke's visit next year.

I am copying this letter to Brian Hawtin (Ministry of Defence), Neil Thornton (Department of Trade and Industry) and Tom Jeffery (Department of Education and Science).

Yours sincerely,  
C. D. Powell

(C. D. POWELL)

R. N. Peirce, Esq.,  
Foreign and Commonwealth Office.

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RJ



Foreign and Commonwealth Office

London SW1A 2AH

28 November 1988

Prime Minister  
CDP 20/xi

Dear Charles

Australia

In your letter of 7 August you reported the Prime Minister's conviction that Australia deserves greater priority in our foreign policy and asked for an interim report - by 1 December - of action being taken to follow up her visit there.

The Foreign Secretary decided to set up an inter-Departmental group (the Whitehall Australia Group - WAG), chaired by Under-Secretary level by the FCO, to co-ordinate further action. Since the Prime Minister's visit the WAG has met once a month. It will continue to do so next year to prepare for Mr Hawke's visit in June.

All members of the WAG have contributed to the enclosed report. The Group has paid special attention to measures to improve our export performance in the Australian market. It has also discussed other ways of advancing British interests in Australia, in particular through the Ministerial visits now planned.

Lord Young visited Australia shortly after the Prime Minister. Since then the Section in the DTI responsible for trade with Australia has been brought up to full strength, and arrangements are in hand for a one-day conference on Anglo-Australian trade and investment during Mr Hawke's visit to Britain in June 1989.

Defence links with Australia were already strong, with close co-operation across a wide range of military activities. This will, of course, continue, but Australia has also been singled out for a special effort to improve our defence export performance. A dedicated Defence Sales post is being created in our High Commission in Canberra, and the Defence Secretary will make sales a major theme of his visit to Australia in March next year.

Further information on action taken, particularly on defence exchanges and defence sales, is available should the Prime Minister require it.

/I am

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I am copying this letter to Brian Hawtin (Ministry of Defence), Neil Thornton (Department of Trade and Industry) and Tom Jeffery (Department of Education and Science).

*Yours ever*

*R N Peirce*

(R N Peirce)  
Private Secretary

C D Powell Esq  
10 Downing Street

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FOREIGN AND COMMONWEALTH OFFICE

Since August the Minister of State, Lynda Chalker, has visited Australia as leader of the British delegation to the Commonwealth Parliamentary Association annual conference. She had discussions with a number of Australian Ministers including Prime Minister Hawke. Sir Patrick Wright visited Australia in October for talks with senior Australian officials. A joint FCO/MOD team led by the FCO Deputy Under-Secretary (Defence and Intelligence) visited Australia in November to discuss political, military, intelligence and counter-terrorism issues.

The Minister of State, Lord Glenarthur, intends to visit Australia in March 1989 and the Foreign Secretary hopes to be able to visit Australia again in 1990.

The FCO plan to strengthen bilateral cooperation by increasing the number and scope of regular exchanges at official level.

The number of FCO category 1 sponsored visits for Australians is being increased.

ODA

ODA has increased its contacts with its counterparts in the Australian International Development Assistance Bureau (AIDAB). An Under Secretary visited Australia in October to discuss our aid policy in the South Pacific (where most Australian aid is concentrated) and Australian involvement in other regions. Mr Caines, Permanent Secretary, ODA, plans to visit Australia in June 1989.

Defence

Defence relations between the UK and Australia are close and cordial. There are frequent exchanges of personnel and joint or reciprocal exercises. Substantial numbers of Australian service personnel attend military training courses in the UK. The UK and Australia, together with New Zealand, Singapore and Malaysia, are members of the Five Power Defence Arrangement, which is entering a new phase of activity as an important security organisation in South East Asia.

The Defence Secretary will visit Australia in March 1989.

### Defence Sales

Australia has been singled out for special effort by the Defence Export Services Organisation (DESO). A number of initiatives have been taken in 1988 to acquaint companies more fully with the Australian market. The new DG Marketing made Australia his first overseas destination on taking up his appointment. A new DESO post at First Secretary level is being created at the High Commission in Canberra. The post should be filled by April 1989.

### Department of Trade and Industry

The Secretary of State for Trade and Industry paid an official visit to Australia from 28 August - 3 September 1988. Lord Young's report on the visit was sent to the Prime Minister on 16 September.

Following the Prime Minister's visit, steps have been taken to ensure that the section of the DTI responsible for commercial relations and trade promotion with Australia is maintained at full strength to follow up new export opportunities and undertake the organisation of a one-day conference on Anglo-Australia trade and investment next year in London. Arrangements are in hand for this to take place on 22 June in the Queen Elizabeth II Conference Centre during Mr Hawke's visit. Our High Commissioner at Canberra has recently been instructed to put Lord Young's proposals for the Conference to the Australian Government. Their response is awaited.

### Treasury

The Treasury has taken a keen interest in developments in Australia as the Australian Treasury has in developments here. There are parallels in the way both countries have been undertaking structural reforms (eg abolition of exchange controls and reform of personal and company taxation) to promote a more efficient economy although there are also some significant differences in approach. Meetings between the Chancellor and Mr Keating have been frequent; the last one took place in October. The Financial Secretary also met his Australian counterpart in September.

### Bank of England

The Bank has also taken a close interest in developments in Australian financial markets and the increasing activity of British banks within them. At the same time the internationalisation of the Australian banking system has involved Australian banks in acquiring some UK banking institutions. This has required maintenance of a close

dialogue between the UK and Australian supervisory authorities.

In addition the Governor meets Governor Johnston of the RBA at the monthly BIS Central Bankers' meetings. Australian Ministers and senior Treasury officials call on the Governor or Deputy Governor from time to time.

#### Agriculture, Fisheries and Food

In addition to contact with Australia over specific commodity questions, MAFF has frequent contact over agricultural trade policy negotiations. Australia and UK objectives in the agricultural part of the current GATT Round are close. In fisheries, the UK and Australia work closely together and with other like-minded countries in the International Whaling Commission on whale conservation issues.

Consideration is being given to a visit to Australia by the Minister of Agriculture.

#### Department of Education and Science

The Secretary of State for Education and Science will visit Australia in April 1989. The visit will enable Mr Baker to:

- exchange views and information on education reform.
- focus on education-industry links;
- and support Acorn's further penetration of the school IT market.

The Parliamentary Under Secretary of State, Mr Robert Jackson, visited Australia from 26 August - 6 September 1988, to attend the inauguration of the Australia telescope and to discuss higher education developments.

#### Department of Social Security

The UK's policy of not uprating retirement and widows' pensions payable to pensioners in Australia when cost of living increases are paid in the UK is a source of resentment to the Australian Government and to the pensioners affected. There has been recent correspondence between the Prime Minister and Mr Hawke on this subject. The issue is still being considered, though no additional funds were made available in this year's PES round. Relations on social security matters other than pensions are good - for example the reciprocal social security agreement with Australia was amended last

year at their request to prevent abuse by visitors on holiday but with a right to work being enabled to claim unemployment benefit.

#### Scottish Office

Australia is regarded as an important developing area for inward investment in Scotland and regular visits by Locate in Scotland staff are planned to follow up those made in 1988. Agents have been appointed to develop commercial relationships further. The Clydesdale Bank has improved its overall performance since its takeover by the National Australia Bank in 1987.

#### Welsh Office

There is a range of academic and industrial links between Wales and Australia as well as sporting, cultural and health ties. The Secretary of State for Wales welcomes opportunities to build on these.

#### Northern Ireland Office

Australia takes a generally constructive interest in Northern Ireland and the Government formally welcomed the signing of the Anglo-Irish Agreement. The High Commissioner in London visited Northern Ireland in May 1988 and intends to go again in January 1989. The new Ambassador to the Republic, (and former Premier of Western Australia) Mr Burke, had talks with Mr Viggers and officials in London before taking up his post and visited the Province in November.

#### British Council

Following the Bicentenary celebrations, the British Council has redeployed existing funds to maintain a higher level of activity in Australia.

A proposal for a new scholarship scheme to send Australian students to Britain for post-graduate studies, to be funded from the private sector, is under consideration.

#### Lord Chancellor and The Speaker

The Lord Chancellor and the Speaker visited Australia in August in order to attend the inaugural session of Parliament in the new Parliament House in Canberra. The Lord Chancellor hopes to visit Australia again in August 1989 for a legal conference and to carry out a bilateral programme.

A proposal to enhance the Australian copy of the Constitution Act will be submitted to the Prime Minister by the Lord Chancellor's Department shortly.

**Attorney-General**

The Attorney-General visited Australia in October at the invitation of the Australian Government and met most of the leading figures in the legal field in Australia.

**Parliamentary Delegation**

A six-man delegation from both Houses led by Sir Bernard Braine visited Australia from 1-12 November. They called on the Governor-General, Minister for Foreign Affairs and Trade and both Presiding Officers of the Australian Parliament.



FOR POL : visits to Ant etc pt 2



30/9/88

Mrs. Thatcher,  
10 Downing St,  
London SW1.

R7/10

Dear Mrs Thatcher

Thank you much for  
sending the photograph  
& letter from the  
children. As I have  
much enjoyed her  
visit to the School of the  
Air, and in fact her  
letter, I have  
tried to find  
some more  
letters

Please find enclosed some letters written  
by students in my class (Year 6) at  
Alice Springs School of the Air following your  
recent visit.

I'm also enclosing a photo of the kids  
as they were leaving Alice on a recent  
excursion to Brisbane to see Expo (amongst  
other things) We all had a GREAT TIME!!

Thanks for your interest in the kids - they  
really appreciated it!!

Regards

Anne Scherer (ANNE SCHERER  
YEAR 6 teacher)

% Ali Curung Police Station  
Ali Curung NT 0872  
Australia  
22-8-88

Dear Mrs. Thatcher,

My name is Danny Fraser. I am a pupil of the Alice Springs School of the Air and I enjoyed listening to you the other day. You will not remember me as I did not ask you any questions.

I live at Ali Curung, an aboriginal settlement that is 170 km S. & E. of Tennant Creek. The population varies between 500 and 650. The proper name for it is Warrabri. Ali Curung means dog dreaming but most of the dogs are badly treated.

Once again I must say it was a pleasure hearing you and I hope your stay was enjoyable.

Yours Truly,  
D. L. Fraser.

C/- Dolgetys  
P.O. Box 2340  
Alice Springs  
N.T. 5150

Mrs. M. Thatcher  
Prime Minister,  
10 Downing Street,  
London SW1  
UNITED KINGDOM

Dear Mrs Thatcher,

My name is Jamie Malone.  
Thank you for the video tape which was very  
interesting

I have two Blue Heeler Cattle dogs for pets.  
I live on Owen Springs Station which is 1400  
square mile and we run 8000 cattle. Owen Springs  
is about 54km south west of Alice Springs.

We only use two-way radio for communication  
over long distances. My father drives a Toyota  
around the bore run and starts all the  
bores and cleans the troughs. We have 30  
bores and dams on Owen Springs. I also like to  
help dad when I am ~~am~~ not doing school work.

Yours faithfully,

Jamie Malone.  
Age 11

New Crown St,  
via Alice Springs

NS 0271

Aug, 22, 1988

Mrs. M. Thatcher,  
Prime Minister,  
10 Downing Street,  
London SW1  
UNITED KINGDOM

Dear Mrs Thatcher,

How are you? Thank you for making  
time to come to school of the Air. I liked  
the answers that you gave to the questions and  
I liked the video that you gave us. We learned  
a lot from both things. We were lucky when  
you were at school of the Air. A camera man  
videored us and we are going to be on TV in  
England and we were on TV in Alice Springs.  
Everybody we know rang up and said that  
they saw us on TV.

Yours faithfully  
Greg Smith  
Aug 11

Palmer Valley S.L.  
Via Alice Springs  
N.T. 5751  
Australia  
25 September, 1988

Mrs. M. Thatcher,  
Prime Minister,  
10 Downing Street,  
London SW1  
United Kingdom

Dear Mrs. Thatcher,

Thankyou for coming to the School of the Air and speaking to us. I found your talk very interesting and I learned alot about Great Britain.

My name is Brett and I am in the Grade Six class. I live on a cattle station 140 km away from Alice Springs. The station is approximately 1200 sq. km in size and we run 3000 head of Hereford - Brahman cross beef cattle.

The favourite things I love doing on the station are helping Dad muster the cattle, riding my motorbike, playing with my little brother and going out camping with Dad. Most days I do my schoolwork from 9:00 in the morning to 4:00 in the afternoon and I have one radio lesson during each weekday that lasts for forty minutes. I enjoy doing school at home and listening to the other children on the radio but I miss not being able to do sports.

Thankyou again for coming and for the lovely video.

Yours Faithfully,  
Brett Stanes

Pipalyatjara Aboriginal Community  
P.M.B. 75  
Via Alice Springs  
0871  
26-8-88

Mrs. M. Thatcher  
Prime Minister  
10 Downing Street  
London SW1  
United Kingdom

Dear Mrs Thatcher,

Hello, my name is Todd Dooley. I am in year 6 at the Alice Springs School of the Air. Did you like answering the questions at School of the Air?

I live at Pipalyatjara which is an Aboriginal community. It is sited fifteen kilometres south of the Northern Territory and fifteen kilometres east of Western Australia. In the summer the temperature reaches  $50^{\circ}\text{C}$  but in winter they get down to around  $2^{\circ}\text{C}$ . If it rains it is usually in summer. We sometimes get dust storms. I like to ride my B.M.X. bike, reading and write stories

Yours faithfully

Todd Dooley  
Age 10

New Crown Str,  
Via Alice Springs.  
N.T. 0871  
22<sup>nd</sup>/8/88

Mrs. M. Thatcher,  
Prime Minister,  
10 Downing Street,  
London SW1  
United Kingdom

Dear Mrs Thatcher,

I was really happy when the school said you were coming. Thank you very much for coming and visiting the school of the Air and talking to us. It was very bad luck that the radio reception was so poor. Thank you for the tape of Great Britain. We had a cameraman come and video us talking to you. When he put up the lights and lit up the room all the cobwebs that you couldn't see appeared. Mum was madly running around sweeping them down. It was very interesting listening to you. I wish I could make decisions like you.



I hope you had time to see or meet all  
the school teachers.

Yours Faithfully,  
Clint Smith.

Age 12

P.S. Mum said they were freshly spun cobwebs!

Balmain Station  
Via Katherine  
P.M.B 11 N.T.  
AUSTRALIA

20<sup>th</sup> August 1938

Mrs. M. Thatcher,  
Prime Minister,  
10 Downing Street,  
London SW1  
UNITED KINGDOM

Dear Mrs Thatcher,

I would like to thank-you for coming to School of the Air to talk to us. My brothers and I enjoyed hearing about England and your work as Prime Minister.

I am twelve years old, and have two brothers, Daniel ten and Angus six. We live on a cattle station near the Gulf of Carpentaria, which is different to life in the city. My brothers and I ride every day, and help with the cattle mustering during the school holidays. Our station has lots of waterholes, so we can always go fishing and swimming during hot weather.

Next year I am going to boarding school, & will miss having Mummy teaching me, but I am looking forward to learning about city life.

On behalf of my brothers and myself, I would like to thank you for the Poles of Britain, we have enjoyed watching it.

Yours faithfully

Georgia Holt.

Temple Downs Sta

P.O. Box 1534

Alice Springs nt 5750

31<sup>st</sup> August 1988

Mrs M. Thatcher

Prime Minister

10 Downing Street

London SW1

United Kingdom

Dear Mrs Thatcher,

I am Trevor Edwards from Temple Downs Station which is 250-kilometres south-west of Alice Springs. The station is 5400 square kilometres and runs approximately 5000 head of shorthorn cattle. However, due to a five year drought we are only running 3000 head.

The Palmer River runs right past our house but like most rivers in the Northern Territory it is dry and only flows after a heavy rainfall.

We must use helicopters and Toyotas. In the dry season we use trackways.

I like living here because there is plenty of room to move about and I like riding my bike and inventing things. I also like going to the dam, paddling around in the canoe and catching yabbies. Our closest neighbour is 4 kilometres away but the closest neighbour with children are 140 kilometres away. Both my brother and I do school of the air and are supervised by a governess.

Thank you for visiting school of the air it was interesting listening to you. Thanks also for the video it is interesting.

Yours faithfully,

Trevor Edwards

(Age 10)





PARLIAMENT OF AUSTRALIA  
HOUSE OF REPRESENTATIVES

DEPUTY SPEAKER  
AND  
CHAIRMAN OF COMMITTEES  
PARLIAMENT HOUSE  
CANBERRA, A.C.T. 2600

Tel: 77 4016

12/1/88  
Rt Hon Margaret Thatcher, FRS, MP  
Prime Minister  
10 Downing Street  
LONDON SW1, UK

Dear Mrs Thatcher,

I am writing on behalf of all members of the Australian Parliamentary Delegation, rather belatedly, to thank you for the time our delegation spent with you. You will understand that since our return, the opening and commissioning our new parliament building has kept us more than preoccupied during the last months.

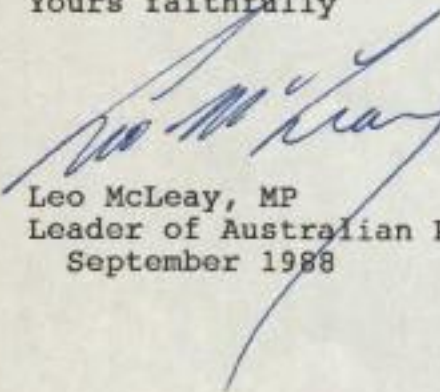
We were particularly pleased that this delegation, the first for some considerable time, found throughout our visit a great warmth and respect for Australia, its people and institutions, a warmth and respect which we had come to take for granted.

You were most generous of your time and frank in our discussions, both of which were appreciated by members of the delegation. It enabled us to gain a much deeper appreciation of issues - political, social and economic - which impact upon our communities. The sharing of ideas, experiences and information, best achieved by the regular exchange of parliamentary delegations, ensures that our common ideals may be understood and disseminated.

Please accept our deepest appreciation for your personal contribution to the success of our delegation's visit. Would you also convey our warmest thanks to your ministerial colleagues who also made our visit most worthwhile.

On a personal note, I was glad to renew our acquaintance on your recent visit to Australia. I hope your visit to Australia was as useful and enjoyable as our visit to the United Kingdom.

Yours faithfully

  
Leo McLeay, MP  
Leader of Australian Parliamentary Delegation  
September 1988



me pm

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

11 October 1988

I am writing on behalf of the Prime Minister to thank you very much indeed for your letter of 30 September and for sending her the photograph and letters from the children. Mrs. Thatcher very much enjoyed her visit to the School of the Air; and, indeed, her whole trip to Australia and has asked me to send you all her very best wishes.

Mrs T Gaisman

Ms. Anne Scherer

KK



THE ROYAL THAI EMBASSY,  
30, QUEEN'S GATE,  
LONDON, SW7 5JB.

No. 03/1381/2531

*dated  
15/9/88*

The Royal Thai Embassy presents its compliments to the Prime Minister's Office, and has the honour to forward herewith the note from General Prem Tinsulanonda to the Rt.Hon. Margaret Thatcher, MP, Prime Minister of the United Kingdom.

The Royal Thai Embassy avails itself of this opportunity to extend to the Prime Minister's Office the assurances of its highest consideration.

London, 5 September, 1988



Prime Minister's Office  
10 Downing Street  
London, SW1A 2AA

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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Sultanate of Oman  
Office of the Personal Representative  
of H. M. The Sultan  
Muscat



سُلْطَانَةُ عُضْمَان  
مكتب الممثل الخاص لجلالة السلطان

مسقط  
Prime Minister

CDP 12/9

Ref : .....

Date : 30th Aug. 1988.

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T132B/88

الرقم:

التاريخ:

SUBJECT OF MASTER  
OPS

Yours Excellency

flap Pt. 1

Thank you for your letter dated 31st July 1988.

It was indeed a pleasure to me to meet you in Salalah. I have enjoyed the talk we have exchanged, then though the period of your stay was very short. I do hope that you will be able to spend more time in Oman when you next visit us.

Please accept my best wishes.

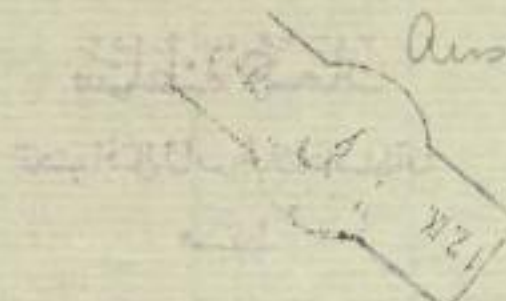
Yours sincerely

HER EXCELLENCY MRS. MARGARET THATCHER.



FOREIGN POL: Mr Visit to

Australia, Jap East etc Pt 2



CONFIDENTIAL



*afe*

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

30 August 1988

*Dear Bob,*

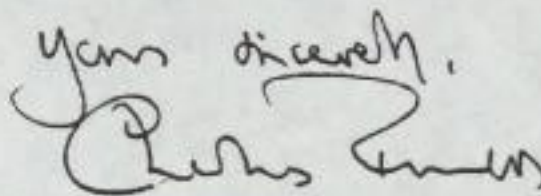
PRIME MINISTER'S VISIT TO OMAN

Thank you for your letter of 30 August about follow-up to the Prime Minister's visit to Oman. I have two immediate comments:

- it was made clear by the Sultan that his thoughts on a Muslim bloc were very much for the Prime Minister's ears only. He would feel deceived if Mr. Alston were to raise the matter: and the Prime Minister herself would be surprised to learn that the matter had been reported to you and to Mr. Alston. I should be grateful if your covering letter and the draft message could both be amended to remove all reference to this subject;

- since we are to see the Russians tomorrow, it is surely much better to delay the message to the Sultan so that the Prime Minister can report the initial Soviet reaction.

I should be grateful if you could make the necessary amendments.

*Yours sincerely,*  
  
 (C. D. POWELL)

R. N. Peirce, Esq.,  
 Foreign and Commonwealth Office.



Foreign and Commonwealth Office

London SW1A 2AH

30 August 1988

*Don Charles*

Prime Minister's Visit to Oman

Thank you for your letter of 24 August about follow-up to the recent talks between the Prime Minister and Sultan Qaboos.

We propose to raise the question of the PDRY/Oman border with a Soviet delegation, under Vice-Minister Petrovsky, which is scheduled to visit the UK on 31 August for talks, mainly on UN matters, with an FCO team led by Sir John Fretwell. Time has been set aside for discussions on Iran/Iraq and other Middle East issues and this seems to us to be an opportune occasion to raise the border question. It is clear from Robert Alston's letter to you of 22 August that the Sultan is anxious for progress on this issue and this early action would no doubt be well received by him.

Your agreement that HM Ambassador should also raise with the Sultan, on instructions from the Prime Minister, other subjects not raised during the discussions at Salalah is most helpful. Reference to the British Eastern Relay Station (BERS) and the "Britain with Oman" exhibition would enable Robert Alston to move forward on both these matters. We hope that the Prime Minister will agree to write a foreword for the booklet being prepared for "Britain with Oman" week to underline HMG's commitment to this venture. We shall provide a draft.

We also feel that it would be appreciated by the Sultan if, following Zia's death, the Ambassador explained why we feel the idea of the formation of a Muslim bloc, is now even less likely. You will recall that the Sultan raised this subject during the discussions.

During her talks with the Sultan, the Prime Minister also undertook to encourage more ministerial visits to Oman. We have been discussing with the Departments of Trade and Industry and Energy and the Home Office possible visits by their Ministers. We intend to convey the Prime Minister's interest to those - and, as appropriate, other - ministries in planning the future visits programme.

/I enclose



I enclose two draft telegrams to Muscat. The first telegram contains detailed instructions for Mr Alston on the line to take in his discussions with the Sultan. The second contains a further short message from the Prime Minister to the Sultan explaining the action we are taking on the border issue and touching on the subjects mentioned above. This should ensure rapid access for Mr Alston to the Sultan, and lend force to the Ambassador's approach on BERS and "Britain with Oman".

*Yours ever*  
*R N Peirce*

(R N Peirce)  
Private Secretary

C D Powell Esq  
10 Downing Street

# OUT TELEGRAM

	Classification <b>CONFIDENTIAL</b>	Caveat	Precedence <b>IMMEDIATE</b>
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		Catchword: <b>MIFT)</b>	
YYYY MAIN ADDITIONAL NNNN	File number <b>N10AB0</b>	Dept <b>MIDDLE EAST</b>	Drafted by (Block capitals) <b>A L WOTTON</b>
		Telephone no. <b>270 2986</b>	
Authorised for Initials Date/time despatch by:			
For COD use only	Comcen reference	Telegram number	Processed by

OUT TELEGRAM (CONT)

CONFIDENTIAL

Precedence

IMMEDIATE

MIFT) the Prime Minister has said that she hopes the leases could be renewed on similar terms to the present agreements.

5. If asked about the proposal for Omani broadcasting facilities in the UK, you should explain that there are major legal and practical difficulties with terrestrial facilities (ie. no foreign organisation has or would be permitted to have medium wave or VHF broadcasting facilities in Britain). However cable companies may offer other possibilities perhaps worth pursuing (eg. the Westminster Cable Company, which has an Arabic channel carrying Dubai television, has spare time available on its channels).

6. The message also contains a reference to the Prime Minister's support and hopes for the success of the Britain with Oman exhibition. The Prime Minister has also agreed to write a foreword in support of the exhibition. We are drafting.

7. In her letter of 31 July to the Sultan the Prime Minister picked up the Sultan's concern about the formation of a Muslim bloc comprising Pakistan, Iran, Afghanistan and Turkey. You should explain in our doubts that this is a serious policy aim of Pakistan drawing on the following:

a) The situation in Afghanistan is unpredictable. It is impossible to guess when the current regime will fall or the shape of any future government. Although Zia clearly hoped for a compliant administration in Kabul, the history of friction between Afghanistan and Pakistan may make this unlikely. In particular, a resurgence of the Pushtunistan issue (Afghan claims to Pushtun tribal areas inside Pakistan) cannot be ruled out, even if a future Afghan government uses it only as rhetoric. In short, community of interests between Pakistan and Afghanistan cannot be assumed.

b) The Pakistani relationship with Iran is tricky. Relations are currently on an even keel, but only by dint of Pakistan maintaining strict neutrality in the Gulf War. Pakistan forbade

OUT TELEGRAM (CONT)

Classification

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IMMEDIATE

calls in Karachi by warships coming from or bound for the Gulf, thus annoying her Western backers. Pakistan can only guess how relations with Iran will develop post-Gulf War. There is potential for Pakistani/Iranian friction over their respective involvement in Afghanistan. The ending of the Gulf War may yet tempt Iran to become more active in Afghanistan. The Pakistanis cannot therefore be confident of staying on good terms with the Iranians.

c) It is hard to see Turkey, a member of NATO, involved in a bloc comprising Iran, Pakistan and Afghanistan. She shares a general sense of Muslim community with them and has political and economic interests to protect with Pakistan and Iran. But she is careful to balance the latter by her ties with India and Iraq, <sup>and</sup> most importantly, the Turks are much more concerned with presenting themselves as a modern, Westernised society and trying to get into the EC.

d) Finally, Pakistani membership of a non-Arab Muslim bloc might strain Pakistani relationship with Arab and particularly the Gulf States. The Saudi decision at the end of 1987 to end the contract of the Pakistani brigade based in Saudi Arabia was an indication of growing friction. Remittance of earnings from Pakistanis in the Gulf States is a major source of foreign currency which Pakistan would not wish to risk disrupting. The Sultan's remarks may not in fact reflect any set concrete Pakistani intentions. The idea may be floating around some senior military officers but it is not an immediate, or indeed a realistic, long term policy aim for Pakistan. The death of Zia has made it even less likely that such a bloc might emerge, particularly when it is not clear what manner of government might emerge when the present transition period is over.

CHALKER

For distribution order see Page

Continued





# OUT TELEGRAM

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10 MIPT : FOLLOW-UP TO THE PRIME MINISTER'S VISIT

11 1. Following is text of the Prime Minister's message to Sultan

12 Qaboos:

13 Begins

14 Your Majesty

15 In my letter to Your Majesty of 31 July I undertook to

16 consider how I could help with the Soviet Union over the question

17 of the border with the PDRY. *take the synthesis of talks* We have decided to raise the matter

18 *at the level of discussion to raise the matter* in talks with the Russians this week, and I shall let you know

19 the outcome.

20 You also expressed concern about the possible formation of a

21 Muslim bloc comprising Pakistan, Iran, Afghanistan and Turkey. I

22 agree that this would be a worrying development. However, I am

23 not convinced that this is a realistic or serious policy aim of

24 Pakistan, particularly following the death of President Zia

25 al-Haq. The situation in Afghanistan is unpredictable, the

26 current relationship between Pakistan and Iran may not be

27 durable, Turkey's membership of NATO would be a stumbling block,

28 and Pakistan would be wary of straining her relations with Arab,

29 especially Gulf, states. I have asked the Ambassador to discuss

///  
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Catchword: <b>this</b>			
File number: <b>N10ABP</b>	Dept <b>MED</b>	Drafted by (Block capitals) <b>J R YOUNG</b>	Telephone no <b>270 2981</b>
Authorised for despatch by: Initials Date/time			
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OUT TELEGRAM (CONT)

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this matter further with Your Majesty.

There are two other points I did not have time to cover in our talk, but to which I attach great importance. As you may know, the leases on the British Eastern Relay Station in Masira expire in 1991. The station performed a valuable function and I very much hope it may be possible to renew the Leases on a similar basis to the present one.

As you may be aware, we are planning a quote Britain with Oman unquote event next February. The programme being prepared is designed to demonstrate our determination to maintain very close ties with Oman into the 1990s and beyond and our desire to work with Your Majesty's government in all aspects of the continuing development of the country where you feel that British involvement could be of assistance. The wide range of activities planned is particularly aimed at the younger generation of Omanis. I hope you will feel able to lend the event your support.

The Ambassador will be able to go into greater detail on all these issues.

With warm and respectful regards. *Margaret Thatcher*

ENDS

CHALKER

YYYY

MAIN

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For distribution order see Page

Catchword

No.0002/13040



Office of His Majesty's  
Principal Private Secretary,  
Grand Palace, Bangkok 10200.

C.S. FCO  
EDP  
29/8

22 August B. E. 2531 (1988).  
227

Dear Prime Minister,

I am writing with reference to your letter dated August 8, 1988 expressing your appreciation for Their Majesties the King and Queen's kindness and consideration for having granted you an audience on the occasion of your visit to Thailand between August 6-9, 1988 as well as your gratitude to Their Majesties for the beautiful gifts.

In this connection, I would like to assure you that the content of your letter has duly been submitted to the High Knowledge of Their Majesties the King and Queen.

I wish also to take this opportunity to inform you that it was indeed a great pleasure for us to have had the opportunity of welcoming you as the first Prime Minister from the United Kingdom to visit Thailand. May I, furthermore, congratulate you on the success of your trip to our country and extend to you my sincere best wishes for your good health and further success.

Yours sincerely,

*Thawisan Ladawan*

(Mom Luang Thawisan Ladawan)  
His Majesty's Principal Private Secretary.

The Right Honourable Margaret Thatcher,  
The Prime Minister,  
10 Downing Street,  
London SW 1A 2AA,  
ENGLAND.



Foreign Policy

Per Mail to '02'

PTC

2

Embassy of the State of Bahrain



London

سفارة دولة البحرين  
لندن



Prime Minister

CDV  
31/8

WITH COMPLIMENTS

98, Gloucester Road,  
London, SW7 4AU.

*Arshad Ali*  
*letter*  
*not*

Telephone: 01-370 5132/3

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

● PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. 127A/88



cc/c  
Filed: FOREIGN POLICY  
PM's Visit to Amstaha,  
Bahrain, Oman, Singapore,  
Malaysia Thailand &  
Dubai - Part 2

21st August 1988

SUBJECT  
cc OPS  
MASTER

Aap PTI

I thank you for your letter of 30th July and for your kind thoughts and wishes for Shaikh Khalifa bin Salman Al-Khalifa. I am glad to say that his operation was a complete success and that Shaikh Khalifa is now convalescing and will be returning to office shortly.

I would also like to thank you for visiting Bahrain during your recent tour and it pleases me greatly that you enjoyed your brief stay with us. I was very much looking forward to welcoming you personally and meeting with you again, and I appreciate your understanding that I was, at that time, unable to do so.

Shaikh Hamad and my Ministers briefed me fully on the matters discussed, and may I say that the Royal Navy is always welcome in Bahrain, and particularly for their present efforts for peace in the waters of the Gulf. The recent developments in this area are indeed encouraging and I hope that the current initiative leads to a full and lasting peace. I would like to take this opportunity to thank you personally for your role and endeavours in achieving the acceptance of United Nations Resolution 598 and for your continuing support for peace in the region.

It makes me very happy that the close relationship between our countries continues to develop, and I know that our cooperation in several fields will strengthen the association.

بِسْمِ الرَّحْمَنِ الرَّحِيمِ



- 2 -

I wish you continued success in your distinguished role in both the United Kingdom and within the international community.

With best wishes

*Isa Bin Salman*

Isa bin Salman Al-Khalifa  
Amir of the State of Bahrain

The Right Honourable Margaret Thatcher M.P.  
Prime Minister  
10 Downing Street  
LONDON SW1A 2AA

CDP o/r



Cole

ES

10 DOWNING STREET  
LONDON SW1A 2AA

24/8

*From the Private Secretary*

18 August 1988

I am writing in the absence of both the Prime Minister and Mr. Powell on leave to thank you for your letters of 16 and 17 August. I will, of course, ensure that these are seen on their return.

P. A. BEARPARK

His Excellency The Honourable Douglas  
McClelland, A.C.

mm



SECURITY AND INTELLIGENCE  
SERVICE  
STATE OF BAHRAIN



مصلحة الأمن والمخابرات  
دولة البحرين

17 August, 1988

*Prime Minister*  
000  
30/8

The Rt. Hon. Margaret Thatcher, M.P.,  
The Prime Minister

*Dear Prime Minister,*

*Hay PTT*

It was very kind of you to write about the arrangements made for your security during your recent visit to Bahrain. For me and my colleagues it was, in all honesty, a great privilege and special pleasure to be able to perform the task for you. We were only sorry your stay was not longer and at a cooler time of the year.

I took the liberty of passing a copy of your letter to my fellow-officers who, like me, were amazed that you had taken the trouble to write.

On behalf of all in the Bahrain Special Branch, may I send our warmest wishes for your continued success and good health.

*Yours sincerely,*  
*Ian S.M. Henderson*

Ian S.M. Henderson

FOREIGN POL: Visit to Australia etc PT2

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DEPARTMENT OF STATE  
WASHINGTON, D.C.



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AUSTRALIAN HIGH COMMISSION

R 18/8  
AUSTRALIA HOUSE  
STRAND  
LONDON WC2B 4LA  
01-438 8220

THE HIGH COMMISSIONER

August 17, 1988

Dear Charles,

Now that I have returned to London after my recent visit to Australia I am writing to thank you and all of your colleagues on the Prime Minister's staff for the warm and friendly welcome and assistance you always gave to Lorna and me as we travelled with you around Australia.

The trip is now one of the fond memories of our lives and we sincerely trust that all of you enjoyed your visit to Australia as much as we did accompanying you.

Please convey to everyone my warmest best wishes.

Yours sincerely,

  
(Douglas McClelland)

Mr C.D. Powell  
Private Secretary to the Prime Minister  
(Overseas Affairs)  
10 Downing Street  
LONDON SW1A 2AA



AUSTRALIAN HIGH COMMISSION

2  
CFC  
AUSTRALIA HOUSE  
STRAND  
LONDON WC2B 4LA  
01-438 8220

THE HIGH COMMISSIONER

August 16, 1988

My dear Prime Minister  
at 1/88

24/8  
CFC  
Rie Austin

When I returned to London this morning there was awaiting me your letter of 6th August, expressing your pleasure with the outcome of your recent visit to Australia and your delight that the Australian Prime Minister has agreed to visit Britain next year.

Might I take this opportunity to respond by saying that Lorna and I were honoured to be invited to travel with you and Denis on your RAF aircraft during your visit and we are most grateful to the both of you and to all members of your staff for the warm and friendly way in which we were accepted as travelling companions of those accompanying you. We were always made to feel most welcome and with friends.

Might I also add that it was of enormous assistance to me and my wife to be able to get to know John Coles and Anne on a personal basis and to work closely with them. They are doing a wonderful job in Australia.

In the week after you left Brisbane for Malaysia and Thailand, and whilst I remained in Australia, quite a number of Australians spoke to me about your visit. They all said they were delighted to see the closeness of the links between our two countries reinforced publicly by your visit. I am sure you did much to reinforce those close ties.

.../2

Lorna and I thank you and Denis very much for the many courtesies you extended to us as we moved around Australia and we look forward to seeing you in London in the near future, hopefully to be able to exchange reminiscences of the trip. From our own personal point of view we could not have had a more pleasant and enjoyable return to our homeland.

*Warmest best wishes,*

*Yours sincerely,*

*Doug McClelland*

(Douglas McClelland)

The Rt Hon Margaret Thatcher, MP  
Prime Minister  
10 Downing Street  
LONDON SW1A 2AA



Fouzi Percy

Australia

May '88

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. ....



Sisao Theves Residence  
BANGKOK.

15 August B.E. 2531 (1988)

Dear Prime Minister,

I wish to thank you warmly for the kind thoughts and words conveyed in your letter of 9 August. It meant a great deal to me that I was able to welcome you in person on your visit to Thailand.

It was indeed a most successful visit. Thailand owes much to your personal interest and support for our endeavour for peace and stability in Southeast Asia. Over these years, our bilateral cooperation too have prospered. I consider myself privileged to know you - a true leader and statesman of our time and to have worked with you for the good of both our countries.

I am confident that my distinguished successor, H.E. Major General Chatichai Choonhavan, will continue to work for the mutual understanding between Great Britain and Thailand. And, as I return to private life, I stand ready to do all I can for the cause of our friendship and cooperation. The warmth of your kindness and generosity, Prime Minister, will remain with me always.

With warmest personal regards and best wishes,

Yours sincerely,

General

*P. Tinsulanonda*

(Prem Tinsulanonda)

The Right Honourable Margaret Thatcher, FRS, MP.,  
Prime Minister of the United Kingdom,  
LONDON.

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T1248/88

ccpc

دولة البحرين  
رئاسة مجلس الوزراء

STATE OF BAHRAIN

OFFICE OF THE PRIME MINISTER

Ref.: 22.414

SUBJECT MATTER  
OP

الرقم

Date: 13th August 1988

التاريخ

The Right Honourable Mrs Margaret Thatcher  
The Prime Minister  
10 Downing Street  
London SW1

(4)

مك

Your Excellency ,

I am deeply grateful for your sincere and noble feelings expressed in your letter inquiring about my health, and found it very unfortunate that we were not able to meet in Bahrain.

I would like to thank you for your efforts in attempting to achieve peace and stability in our region and hope that the current progress towards peace will accomplish our goals.

May I also take this opportunity to extend my sincere best wishes for Your Excellency and hope that the friendly relations between our two countries will continue to flourish.

Your Sincerely  
Khalifa Bin Salman Al-Khalifa

The Prime Minister of the State of Bahrain



Foreign Post: PM's visit to  
SE Asia, East + Australia  
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## ADVANCE COPY

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FM TOKYO  
TO IMMEDIATE FCO  
TELNO 742  
OF 120614Z AUGUST 88  
INFO IMMEDIATE BANGKOK

### LETTER FROM PRINCE SIHANOUK TO THE PRIME MINISTER

1. FOLLOWING IS TEXT OF LETTER DATED 11 AUGUST FROM SIHANOUK TO THE PRIME MINISTER WHICH WE HAVE BEEN ASKED TO TRANSMIT BY SIHANOUK'S OFFICE:

BEGINS

YOUR EXCELLENCY,

THE BRITISH EMBASSY IN BANGKOK HAS KINDLY CONVEYED TO ME YOUR EXCELLENCY'S THOUGHTFUL LETTER OF 8TH AUGUST 1988. I WOULD LIKE TO THANK YOUR EXCELLENCY FOR THE VERY GENEROUS TERMS IT CONTAINS CONCERNING 'SITE B' AND MY PERSONAL EFFORTS TO ACHIEVE FREEDOM, INDEPENDENCE AND NEUTRALITY FOR CAMBODIA.

IT WAS A GREAT PLEASURE AND A GREAT HONOUR TO BE ABLE TO WELCOME YOUR EXCELLENCY. MY FAMILY, MY PEOPLE AND MYSELF WERE VERY TOUCHED BY THE PERSONAL CONCERN YOUR EXCELLENCY HAS SHOWN IN OUR PEOPLE'S WELFARE. I AM WELL AWARE THAT YOUR SCHEDULE IN THAILAND WAS A VERY HECTIC ONE, STILL YOUR EXCELLENCY FOUND THE TIME TO VISIT MY PEOPLE, THAT IS A VERY NOBLE GESTURE THAT WE SHALL FOR EVER CHERISH AND REMEMBER.

PERSONALLY, I AM VERY ENCOURAGED BY THE SUPPORT HER MAJESTY'S GOVERNMENT HAS EXTENDED TO MY HUMBLE EFFORTS ON BEHALF OF MY UNFORTUNATE PEOPLE. I AM VERY MUCH LOOKING FORWARD TO DISCUSSING THE SITUATION AT LENGTH DURING MY FORTHCOMING VISIT TO LONDON.

I AVAIL MYSELF OF THIS OPPORTUNITY TO REITERATE TO YOUR EXCELLENCY THE ASSURANCES OF MY HIGHEST CONSIDERATION AND PERSONAL ESTEEM.

ENDS

2. ORIGINAL FOLLOWS BY BAG.

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10 DOWNING STREET

THE PRIME MINISTER

Personal Minute

No. M7/88

FOREIGN AND COMMONWEALTH SECRETARY

VISIT TO AUSTRALIA, THE GULF AND SOUTH-EAST ASIA

I should like to put on record my gratitude to those concerned in the Foreign and Commonwealth Office and in other Departments who worked on the briefing and the programme for my visit to Australia, the Gulf and to South-East Asia. I am most grateful for their help, which made it possible to do a great deal of useful business during this series of short visits. I am particularly indebted to Sheila Waghorn for making all the arrangements: it would not have been possible to get through such a very busy programme without her meticulous and faultless preparation.

I have written separately to the various Heads of Post in the countries and cities which I visited to thank them also for their admirable help and support.

I am sending copies of this minute to the Chancellor, the Defence Secretary and the Secretary of State for Trade and Industry.

*Nagaret Shakti*

12 August, 1988.

*ops*



File  
DA.

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

12 August 1988

Dear Peter,

The Prime Minister has asked me to thank you and all the members of your crew very much for their good work in helping her carry out her very full visit to the Middle East, Australia and South-East Asia. She was very grateful for the comfortable journey and excellent service, which contributed to a very successful visit.

Yours sincerely,  
C.D. Powell

(C.D. POWELL)

Squadron Leader P.M. Jewell, R.A.F.

dg



FILE  
DA.

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

12 August 1988

Dear Brian,

The Prime Minister was immensely grateful to you and your crew for flying her for most of her recent visit to Australia and South-East Asia. It was a very busy expedition but as always she could rely absolutely on the RAF to get her where she wanted to be when she wanted to be. It's the absolute confidence that this side of the visit will be impeccable which makes all the other problems manageable. She has asked me to thank you and all the members of the crew very much, and to say that she hopes they got some enjoyment to compensate for their hard work.

Yours sincerely,  
Chris Powell

(C.D. POWELL)

Wing Commander D.B. Symes, R.A.F.

dg



file  
FA

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

12 August 1988

Dear John,

The Prime Minister was most grateful to you and your crew for getting her off to a good start on her recent journey to Australia and other points East. As always, she was very well served and has asked me to thank all of you.

Yours sincerely,  
C.D. Powell

(C.D. POWELL)

Squadron Leader J.H. Wolley, R.A.F.

dg

010  
Norodom Sihanouk  
du Cambodge

92  
Tokyo, 11th August 1988.

4  
Your Excellency,

The British Embassy in Bangkok has kindly conveyed to me Your Excellency's thoughtful letter of 8th August 1988. I would like to thank Your Excellency for the very generous terms it contains concerning 'Site B' and my personal efforts to achieve freedom, independence and neutrality for Cambodia.

It was a great pleasure and a great honour to be able to welcome Your Excellency. My family, my people and myself were very touched by the personal concern Your Excellency has shown in our people's welfare. I am well aware that your schedule in Thailand was a very hectic one, still Your Excellency found the time to visit my people, that is a very noble gesture that we shall for ever cherish and remember.

Personally, I am very encouraged by the support Her Majesty's Government has extended to my humble efforts on behalf of my unfortunate people. I am very much looking forward to discussing the situation at length during my forthcoming visit to London.

I avail myself of this opportunity to reiterate to Your Excellency the assurances of my highest consideration and personal esteem.

*Sihanouk*

Her Excellency  
The Right Honourable Margaret Thatcher, MP,  
British Prime Minister,  
10 Downing Street,  
LONDON SW1A 2AA

United Kingdom.





MINISTRY OF DEFENCE  
MAIN BUILDING WHITEHALL LONDON SW1A 2HB  
Telephone 01-218 2111/3

MO 25/3/4V

10th August 1988

CDP  
11/8

Dear Charles,

Thank you for your letter of 9th August to Brian Hawtin. We have, as you requested, signalled the text of the Prime Minister's letter to Commodore Maclaren, and despatched the original to him via BFPO Ships.

Yours sincerely

John Colston

(J P COLSTON)  
Private Secretary

Charles Powell Esq  
10 Downing Street

foreign Pa: Australia etc New.

Mar 3



COMMERCIAL

III

BRITISH HIGH COMMISSION

CANBERRA

9 August 1988

The Rt Hon Sir Geoffrey Howe QC MP  
LONDON

*Prime Minister* (u)

*John Chen's despatch assessing  
your recent successful visit*

*pub*  
Sir

**VISIT BY THE PRIME MINISTER TO AUSTRALIA**

1. The Prime Minister, accompanied by Mr Thatcher, paid an official visit to Australia from 1 to 6 August, 1988. She did so at the invitation of the Australian Prime Minister to mark the celebrations of the Australian Bicentenary. I annex an outline of the programme which took the Prime Minister to Perth, Alice Springs, Canberra, Melbourne, Sydney and Brisbane.

The British Offer

2. Although Mrs Thatcher had visited Australia four times previously, this was the first substantial official visit by a British Prime Minister since 1957. That fact speaks volumes. In the three intervening decades the British/Australian relationship had declined to a point where senior Australians could openly describe Britain as "irrelevant". The Prime Minister used all the opportunities the visit presented to argue the case for a revived relationship. Privately and publicly she explained that while for reasons of history and self-interest the two countries had necessarily come to concentrate on their own immediate regions - Europe and the Pacific - there were still important bonds including those of trade, family and personal connexions, which linked us. Our own failure to think of Australia as a nation, "and not just a piece of Britain transposed to the other

/side

side of the world", had constrained the relationship. But the mood of national self-confidence, so evident in Australia this bicentenary year, and the equally striking resurgence of Britain's spirit, provided a good basis for overcoming the inhibitions of the past. We each had our regional interests but we shared wider and deeper interests too - in extending democracy, in removing restrictions to free trade, in strong defences against totalitarianism and in the soundness of the world economy. The Prime Minister looked to a future in which Britain and Australia "will each have its independent policies and priorities, but should be constantly looking to see what we can achieve together."

3. The fullest presentation of this offer of a closer and more modern relationship was made in the Prime Minister's major speech to the National Press Club in Canberra on 3 August. But from the first interviews she gave to Australian journalists before leaving London to her last speeches and interviews in Brisbane Mrs Thatcher set out the case. Many thousands of Australians have now heard her speak of the vibrant and confident nationalism of their country and Britain's wish to do business with it.

#### The Australian Response

4. The question, when the visit began, was how the Australians would respond. Would they recognise the language and the sentiment as new and commendable? Would they see an Australian interest in moving down the path proposed? Or would the old inhibitions about Britain prevent them, and in particular the Federal Labor Government, from responding positively? The Labor Premier of Western Australia, the first port of call, said straight away that he wished to respond to the challenge of a new economic relationship. The Labor Premier of Victoria said publicly that "The future holds a very different relationship - a much more dynamic and creative one and, I should hope, a mutually rewarding one. We want to do business". The Liberal (Conservative) Premier of New South Wales and the National (Conservative) Premier of Queensland were even more enthusiastic in their support for closer links of all kinds.

/5.

5. - The response of the Federal Government was impressive. Mr Hawke's speech at his official lunch for the Prime Minister on 3 August was the most pro-British statement anyone can recall him making; he could have met the requirements of the occasion without being anything like so effusive. He had earlier accepted the Prime Minister's invitation to pay an official visit to Britain next year, accompanied by a number of his Ministers. Mrs Thatcher had made it clear that she envisaged a substantial visit with full scope for bilateral talks and perhaps a conference on Anglo/Australian trade and other events. The details still have to be arranged but we now have an excellent opportunity to re-examine all aspects of the relationship and to find ways of strengthening British interest in Australia, just as the Australians will be working to promote Australian interests in Britain.

#### The Official Talks

6. It became apparent during the visit that both sides see a number of practical advantages in a revived relationship. The Prime Minister emphasised Australia's strategic importance to Britain as a friendly, like-minded country situated in the fast-growing development area of the Pacific Rim and well-placed to preserve stability and advance democracy in the Pacific. In the official talks in Canberra the Australian government showed great interest in the Prime Minister's account of the Europe of 1992 and its significance for the Community's trading partners, clearly seeing Britain as the best channel for Australian trade with, and investment in, the European Community. They were reassured by the Prime Minister's determination that 1992 should not mean the erection of new barriers to external trade and her assessment that the Single Market should provide opportunities for Australia to increase its trade with Europe. The Australians also went out of their way to express appreciation of British efforts to reduce agricultural protectionism and both sides registered a convergence of interests in the Uruguay Round and the success of the mid-term meeting in Montreal in December.

7. The other major subject raised in the official talks was that of East/West relations where positions were broadly similar. Mr Hawke paid tribute to the Prime Minister's early recognition of the

/potential

potential of Mr Gorbachev and shared her view that one could do business with him. But he also argued for caution and scepticism until we saw that Gorbachev's words were matched by deeds, expressing doubt as to whether in the end Gorbachev would be successful. This was more prudent language about the Soviet Union than we have heard from Mr Hawke of late, a prudence which will perhaps have been reinforced by Mrs Thatcher's comments in reply and her appearance at the National Press Club on 3 August when she warned against relaxation of defences against the Soviet Union and, in answer to a question, urged that Australia should examine very carefully the implications of the fishing agreement with the Russians which it is currently considering.

8. An earlier tete-a-tete meeting between the two Prime Ministers had touched on the situation in Vanuatu, Papua New Guinea, Fiji and Malaysia and had also dealt with outstanding bilateral issues. On the possible uprating of pensions paid to British pensioners in Australia Mrs Thatcher said that if she saw any possibility of a change in the situation she would let Mr Hawke know (and she later told a press conference that it was possible that a new reciprocal agreement would be reached). Mr Hawke emphasised that there was a very strong wish in Australia to obtain from our archives one of the two originals of the Constitution Act, Australia's basic constitutional document. The Prime Minister explained the difficulties but said she would investigate further on her return whether there was any way in which the Australian government could hold an original copy while it technically remained part of our archives. Mr Hawke sought the Prime Minister's support for the candidature of Mr Malcolm Fraser as the next Commonwealth Secretary-General and Mrs Thatcher was non-committal in her response. There was no reference to the question of clearing up the Maralinga ranges, on which studies are still proceeding.

9. More interestingly, Mr Hawke did not raise the question of South Africa where the issue of sanctions has on previous occasions divided the two Prime Ministers. He doubtless assumed that there was no chance of moving Mrs Thatcher and therefore no point in discussing it. Later, at two press conferences, questions gave Mrs Thatcher the opportunity of spelling out the case against sanctions with much more clarity and conviction than the Australian audience is used to.

/Commercial Questions

Commercial Questions

10. I believe that the Prime Minister was impressed by the current extent, and potential strength, of our commercial interests in this country. Her first act on arriving in Australia was to open a turbine blade factory, a joint venture between Rolls-Royce and an Australian partner. She then held a private meeting with Western Australian businessmen. In each state she visited she discussed the commercial prospects with its Premier. In Sydney Mrs Thatcher gave a lunch for some 20 leading Australian businessmen and exchanged views with them about the British and Australian economies. She also opened an exhibition of the Wellcome Foundation. Nor were defence sales neglected. The Prime Minister told the Federal Defence Minister (Mr Beazley) in her first hour here that she wanted the British defence industry to perform better in Australia. When in Sydney she visited the submarine training facilities of the Royal Australian Navy and gave particular attention to a new Ferranti simulator. I am most grateful to Mr Thatcher for undertaking a separate visit to Plesseys in Canberra where he heard about their important Raven contract to provide the Australian Army with a battlefield radio communications system.

The Melbourne Demonstration

11. The Prime Minister's visit to Melbourne was marred by a demonstration for which the Victorian police had made inadequate preparations. A walkabout had been planned in a pedestrian mall and shopping arcade in central Melbourne. Gay and Lesbian rights activists and some apparent supporters of the IRA managed, because of the insufficient police presence and the absence of barricades, to turn the walkabout into a noisy, physically unpleasant and tense affair. It is still hard to understand how it can have happened. The intention of these groups to demonstrate had been known to the Victorian police, and to us, for some days but the police had reassured us on more than one occasion that they were confident that they had things under control and no suggestion was made that the walkabout should be cancelled on security grounds. The demeanour of the Prime Minister and Mr Thatcher won everyone's praise, and fortunately neither they nor anyone of the party were hurt in the crush. But it was an experience to which they

· /should

should never have been exposed. Attempts at repeat performances by similar groups of demonstrators in Sydney and Brisbane were competently handled by the police and therefore made little impact. But inevitably the Melbourne incident tended to dominate the attention of the British and Australian media for a time, and questions about it pursued the Prime Minister during her remaining media interviews, at least until she announced firmly, and in my view generously, to a press conference in Brisbane on 5 August that she had no complaints about the security arrangements for her visit.

#### The Australian Media

12. The Australian media are notorious for their low standards of journalism, their scurrilousness, triviality and bias. Even the Prime Minister has not yet conquered them. But it was fascinating to observe the development of their coverage during the week. In the first days the mixture was one of snide comment, half-baked and out-of-date ideas about Britain and grudging admiration of the Prime Minister. At the end of the week Australia's most serious newspaper, the "Financial Review", produced a major and favourable article entitled "She's got it all down to a T." The almost equally prestigious "Australian" gave similar space to an article entitled "Maggie the Master...and what the British want from Australia." Melbourne's leading paper, "The Age", produced a long verbatim interview with the Prime Minister. But perhaps most satisfyingly of all was the comment column of "The Australian" on 8 August which, most unusually, assessed the performance of the Australian media during Mrs Thatcher's visit, expressed much sharp but accurate criticism of them and concluded: "It is time our media stars began to exhibit the same high professional standards which they expect from others."

#### Brisbane

13. I cannot, in the space of this despatch, describe all the events of the Prime Minister's visits to the four Australian States. But it is worth dwelling on the final full day (5 August) in Queensland partly because the media did not give it anything like so much prominence as the unfortunate 35 minutes in Melbourne, partly because it was a day eloquent in its affection for Britain and rich in its

/symbols



symbols of the British/Australian relationship, present and future.

14. The Prime Minister formally opened British Day at EXPO with a fine and enthusiastically received speech on the role of technology in promoting achievement and fulfillment. She then toured the British pavilion which, despite its modest size, remains one of the most popular on the site. After other engagements she went on board "Young Endeavour", the sail-training ship which was Britain's bicentennial gift to Australia, and sailed for a short time on the Brisbane river, talking to the Australian officers and the young Australian boys and girls who make up the present crew. At a reception given later by the Queensland Premier Mrs Thatcher disposed of her prepared text and delivered a moving impromptu speech (the last and eighth of her tour) about the nature and future of Queensland and the bilateral relationship. She then returned to the EXPO site to attend part of a re-enactment of the "Last Night of the Proms" at which between seven and ten thousand people enthusiastically waved Union Jacks and sang "Rule Britannia", "Land of Hope and Glory" and much more besides. Then to the last two acts of Swan Lake, danced by the Royal Ballet in Brisbane's magnificent new theatre, and finally to a further reception. All day the Prime Minister was surrounded by excited, applauding crowds. Many thousands of people were that day made more conscious of the new Britain with its confident and successful leadership, its advanced technology, its creative dynamism, its cultural excellence, its tradition of greatness and its vision of a modern relationship with Australia.

#### Conclusion

15. The visit achieved much more than I expected. This is not an easy country for a British visitor. The barriers created by past resentments and inhibitions are strong. The average Australian is a sceptical, down-to-earth chap, usually not much moved by grand ideas or emotional speeches, a famous cutter-down of tall poppies, an unpromising target for practitioners of "conviction politics". But there were some important shifts of attitude on this occasion. Few could have expected the Australian Prime Minister to speak so warmly of the British connexion as he did in the new Parliament House on

/3 August

3 August and to say, as he did in conclusion:

"The basic understanding between us - the firm friendship, the common traditions, the shared values which form the very basis of our nationhood, the strong and abiding links of kinship and the coincidence of many of our real international interests now and in the future - all of these will stand us in good stead as we prepare to enter the third century of a relationship characterised by maturity, dynamism and exceptional warmth."

16. Mr Hawke's most likely successor when the day comes, Paul Keating, described the Prime Minister, with his usual penchant for vulgar aptness, as a "class act". Another important Labor Minister, Kim Beazley, said in Perth that no more prestigious visitor than Mrs Thatcher could possibly be imagined. All this from a government thought by many to be anything but enamoured of Britain. A very prominent journalist, Paul Kelly, who rarely has anything to say of Britain, said of Mrs Thatcher's performance at the National Press Club and Parliament House, that she "radiated a confidence bred of political success and a sharpness, clarity and conviction rarely seen in these Australian forums." The Opposition Leader, John Howard, was of course delighted to see the Prime Minister again and assured her that her invitation to Mr Hawke to visit Britain was welcome to the Liberal Party as a strong traditional supporter of close links with Britain. The new Liberal Premier of New South Wales, Nick Greiner, found remarkable the parallels between the earliest years of Mrs Thatcher's administration and the tasks he has now set himself in Australia's most important state.

17. But I shall end on a note of caution. The opportunity for establishing a closer and more productive relationship with Australia has been created. The framework has been established. But much of the excitement and emotion of the last week will quickly disappear. Many of the old scepticisms and doubts will probably resurface. The work of strengthening the relationship will have to be persistent and skillful if we are to succeed. Success matters because Australia is likely to be of strategic and commercial importance to Britain well

/into

into the next century and because, as the Prime Minister's visit showed, there is a great reservoir of goodwill here waiting to be tapped. We have got off to a very good start.

18. I am copying this despatch to the Secretary of State for Trade and Industry, the Secretary of State for Defence, Her Majesty's Representatives in Washington, Moscow, Tokyo and Jakarta, and the High Commissioners in Wellington, Singapore and Kuala Lumpur.

I am, Sir,

Yours faithfully,

A J Coles

PROGRAMME FOR PRIME MINISTER'S VISIT TO AUSTRALIA

MONDAY 1 AUGUST

- 1400 Arrive Perth (met by Mr Beazley, Federal Minister for Defence, and Mr Dowding, Premier of WA)
- 1410 Depart Airport (accompanied by Federal Minister for Defence)
- 1430 Arrive Bishop's House (met by Lord McAlpine)
- 1510 Depart Bishop's House
- 1530-1615 Open Turbine Components (Australia) factory (a Rolls-Royce joint venture)
- 1635-1700 Walkabout in City Centre (accompanied by Lord Mayor of Perth)
- 1705 Arrive Bishop's House
- 1715-1800 Meeting with prominent Western Australians at Bishop's House
- 1910 Depart Bishop's House
- 1915 Received by Premier of WA at Parmelie Hilton
- 1930 Pre-dinner drinks
- 2000-2200 Official dinner offered by State Government
- 2205 Depart Parmelia Hilton
- 2210 Arrive Bishop's House

TUESDAY 2 AUGUST

- 0705 Depart Bishop's House
- 0725 Arrive Airport (farewelled by Premier of WA)
- 0730 Depart Perth
- 1145 Arrive Alice Springs
- 1150 Depart Airport
- 1205 Visit School of the Air (broadcast to school children followed by questions from them, presentation of gift to School of the Air)
- 1245 Depart School of the Air

- 1250 Visit Royal Flying Doctor Service Communications Centre (presentation of gift to Royal Flying Doctor Service)
- 1315 Depart Royal Flying Doctor Service Communications Centre
- 1330-1340 Visit Royal Flying Doctor Service Airbase (at Alice Springs Airport)
- 1345 Depart Alice Springs
- 1710 Arrive Canberra (RAAF Fairbairn): met by Prime Minister and Mrs Hawke
- 1715 Depart RAAF Fairbairn
- 1730 Arrive High Commissioner's Residence
- 1840 Meet High Commission staff at Residence
- 1900 Depart Residence
- 1910 Received by Governor-General at Government House
- 1920 Prime Minister and Mrs Hawke arrive
- 1930 Receive guests
- 2000 Official dinner offered by Governor-General
- 2230 Depart Government House
- 2240 Arrive Residence

WEDNESDAY 3 AUGUST

- 0815 Depart Residence
- 0825-0835 Visit Australian War Memorial (to lay wreath and sign visitors' book)
- 0845 Ceremonial welcome at New Parliament House (including Guard of Honour)
- 0900 Walk with Prime Minister Hawke to his office
- 0920-1050 Meeting with Mr Hawke (Private meeting, signature of UK/Australian Drug Trafficking Agreement and expanded meeting)
- 1055-1120 Call on Leader of the Opposition

1055 Depart New Parliament House  
 1130 Arrive National Press Club  
 1200-1245 Speech and Question/Answer session  
 1248 Depart National Press Club  
 1253 Arrive New Parliament House  
 for  
 1300-1430 Lunch offered by Mr Hawke  
 1435 Depart New Parliament House (accompanied by Mr Hawke)  
 1450 Arrive RAAF Fairbairn (farewelled by Prime Minister  
 and Mrs Hawke)  
 1455 Depart Canberra  
 1605 Arrive Melbourne (met by Mr Cain, Premier of Victoria)  
 1610 Depart Airport  
 1630-1700 Visit Walter and Eliza Hall Institute of Medical Research  
 1710-1735 Walkabout in City Centre (Bourke Street Mall, The Walk  
 Arcade and The Body Shop, Little Collins Street)  
 1745 Arrive Hilton Hotel  
 1915 Depart Hotel  
 1920 Received by Premier of Victoria at Arts Centre  
 1930-2200 Official dinner offered by State Government  
 2205 Depart Arts Centre  
 2210 Arrive Hotel

THURSDAY 4 AUGUST

0825 Depart Hotel  
 0840 Visit Hawker de Havilland factory  
 0925 Depart for Airport  
 0955 Arrive Airport (farewelled by Premier of Victoria)  
 1000 Depart Melbourne  
 1120 Arrive Sydney (met by Mr Greiner, Premier of NSW)  
 1125 Depart Airport  
 1145-1225 Meeting with Premier of NSW at State Office Block  
 1230 Arrive Inter-Continental Hotel

1300 Prime Minister hosts lunch for prominent Australian businessmen at Hotel

1430 Depart Hotel

1450-1535 Visit HMAS Watson (Submarine Team Trainer, Submarine Warfare Systems Centre, meet RN personnel and visit Chapel)

1540 Depart by boat from Watson's Bay for Darling Harbour (accompanied by Premier of NSW)

1610-1625 Walk through Darling Harbour to cars

1630-1705 Visit Powerhouse Museum (including opening of Wellcome Exhibition)

1715 Arrive Hotel

1955 Depart Hotel

2000 Received by Premier of NSW at Regent Hotel

2015-2145 Official dinner offered by State Government

2150 Depart Regent Hotel

2155 Arrive Inter-Continental Hotel

FRIDAY 5 AUGUST

0705 Depart Hotel

0725 Arrive Airport (farewelled by Premier of NSW)

0730 Depart Sydney

0900 Arrive Brisbane (met by Mr Ahern, Premier of Queensland, and Lord Mayor of Brisbane)

0905 Depart Airport

0925 Arrive Sheraton Hotel

0955 Depart Hotel

1005-1020 Calls on Sir Edward Williams, Commissioner-General, World Expo 88, and Mr Bob Minnikin, General Manager, Expo Authority, at Expo House

1030-1110 British Day Opening Ceremony at Amphitheatre: Fanfare, introductions, anthems and flag-raising followed by speeches from:

- General Manager, Expo Authority
- Commissioner-General, World Expo
- Premier of Queensland
- Senator Graham Richardson, Federal Minister for the Arts, Sport, the Environment, Tourism and Territories
- Prime Minister

1055-1155 Visit British Pavilion

1200 Arrive Australian Pavilion  
for  
1210 Official lunch offered by Commissioner-General,  
World Expo 88

1340-1415 Tour of Australian Pavilion

1420-1450 Visit Queensland Pavilion

1500-1615 Final press conference at Expo Media Centre  
followed by interviews with British media

1625-1700 Visit to Young Endeavour at Riverside Centre, followed  
by cruise on Brisbane River (Mr Arthur Weller,  
Chairman of Britain Australia Bicentennial Schooner  
Trust, presents special photograph album; Prime  
Minister presents gift to Royal Australian Navy)

1705 Arrive Hotel

1830 Depart Hotel

1840 Received by Premier of Queensland at Parliament House

1850-2000 Official reception offered by State Government

2015-2050 Attend part of "Last Night of Proms" at River Stage,  
Expo 88

2105-2215 Attend part of Royal Ballet performance of "Swan Lake"

later Attend High Commissioner's reception for Royal Ballet  
cast and others at Lyric Theatre Balcony, Performing  
Arts Complex

SATURDAY 6 AUGUST

0805 Depart Hotel

0825 Arrive Airport (farewelled by Federal Minister,  
Premier of Queensland and Lord Mayor of Brisbane)

0830 Depart Brisbane



file



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

9 August 1988

Dear Brian,

I enclose the Prime Minister's thank you letter to the Senior Naval Officer Middle East following her visit to the Armilla Patrol. I should be grateful if the text could be signalled to him, with the original to follow by bag.

Yours sincerely  
C. D. Powell

C. D. POWELL

Brian Hawtin, Esq.,  
Ministry of Defence

dg

FILE



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

9 August 1988

Dear Bob,

I enclose the Prime Minister's thank you letters for Dubai. I should be grateful if you could arrange for the texts to be telegraphed to them, with the originals to follow by bag.

Yours sincerely,  
*C. D. Powell*

C. D. POWELL —

R. N. Pierce, Esq.,  
Foreign and Commonwealth Office

*da*



Thank-you letters.

1. His Highness Shaikh Mohammed Bin Rashid  
Al Maktoum  
UAE Minister of Defence  
Po Box 2838  
Dubai
2. His Excellency Mr Mohammed Bin Dahi  
Deputy Chief of Protocol.  
Po Box 7700 Dubai
3. Commodore P McCharen Royal Navy  
Senior Naval Officer Middle East  
NP1600  
BFPO Ships
4. Mr Jolyon Kay  
HM Charge D'Affaires  
British Embassy  
Dubai

5. Mr. Abdulla Al Ansari  
Director of Public Relations  
Dubai International Airport  
Po Box 2525  
Dubai

(Responsible for  
airport facilities)

6. Brigadier Dhahi Khalifa Tamim  
Dubai Police Headquarters  
Po Box 1493  
Dubai

(special mention should  
be made to "Colonel  
Abbas and his team")

(responsible for security)

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10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

9 August 1988

*Dear Brian,*

ARMILLA PATROL

The Prime Minister had a highly successful visit to HMS Manchester on the Armilla Patrol in the Gulf on 9 August and has written to thank those concerned. A number of points emerged from the visit on which the Prime Minister would welcome the Defence Secretary's comments. The main ones are:

- it was represented to the Prime Minister that there was insufficient ammunition available to the ships of the Armilla Patrol for training purposes. The Prime Minister would like to know if this is indeed the case and what steps are in hand to remedy it. Even allowing for expenditure constraints, this would seem a dangerous area in which to economise.
- it was also suggested that the senior officers of the Armilla Patrol were not given any latitude whatsoever on matters of public presentation of their role in the Gulf. Instead every single request, even the smallest, had to be referred to MOD. While it is obviously the case that naval officers must work within very clear guidelines, it seemed to the Prime Minister that the present policy is too restrictive. Again she would welcome the Defence Secretary's comments.
- the point was also made to the Prime Minister that the training margin (which I took to mean the scope to allow officers and men adequate time away from operational duties to undertake training) was inadequate. The Prime Minister would like the Defence Secretary's views on this point as well.

I should underline that these points were elicited under strenuous questioning by the Prime Minister and were not volunteered by the senior officers whom she met.

The Prime Minister was particularly struck by the fact that all to whom she spoke expressed great satisfaction with the Rules of Engagement for the Armilla Patrol. The Prime Minister was also very impressed by the high professional standards and

CONFIDENTIAL

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- 2 -

state of readiness of HMS Manchester, which she understands is matched by the other ships of the Armilla Patrol and the MCMVs. She would like her impressions, together with her congratulations on the high standards attained, brought to the attention of the Chief of the Defence Staff and the Chief of the Naval Staff.

I am copying this letter to Stephen Wall (Foreign and Commonwealth Office) and Trevor Woolley (Cabinet Office).

Yours truly,  
Chris Powell

C. D. POWELL

Brian Hawtin, Esq.,  
Ministry of Defence

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"THANK YOU" LETTERS FROM THE PRIME MINISTER

- (1) HE General PREM TINSULANONDA  
Prime Minister
- ✓ (2) HE Major-General CHATICHAI CHOONHAVAN  
Deputy Prime Minister
- ✓ (3) HE Admiral SONTHEE BOONYACHAI  
Deputy Prime Minister
- ✓ (4) HE Dr ARUN PANUPONG  
Minister attached to the Prime Minister's Office
- ✓ (5) HE Air Chief Marshal SIDDHI SAVETSILA  
Minister of Foreign Affairs
- ✓ (6) M L THAWISAN LADAWAN  
His Majesty's Principal Private Secretary  
(to be addressed initially in the body  
of the letter as MOM LUANG THAWISAN)
- ✓ (7) HRH Prince NORODOM SIHANOUK  
FUNCINPEC

✓ (8) *G. Ross*

① *Ambo*



FILE  
cc f20

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

9 August 1988

Dear Mr. Kay,

I am most grateful to you and your staff for the excellent arrangements made for my brief visit to Dubai. I know how much it involved with the added burden of having to maintain security about it. But it enabled me to have both a useful meeting with Shaikh Mohammed and to carry out a full and interesting visit to the Armilla Patrol. I know that the members of the press accompanying me were also very grateful for the kind help of your staff in enabling them to contact London to file their stories. All in all, it was a first class operation.

My husband joins me in sending best wishes to you and Mrs. Kay,

Yours sincerely

Raymond Lambert

Jolyon Kay, Esq.

dg





FILE

cc Flo

10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

9 August 1988

Dear Commodore McClaren,

I thoroughly enjoyed my visit to HMS Manchester off Dubai and was very pleased to be able to meet some of the officers and men of the Armilla Patrol and the MCMV force, and to express to them the thanks of everyone in the United Kingdom for the tremendous work which they do. We are all very proud of them. The conditions under which they have to operate are very trying, but the professionalism and standards of excellence which I saw are in the highest traditions of the Royal Navy. I should be grateful if you could convey to all the officers and men of the ships under your command - including our Dutch and Belgian Allies - my congratulations on their dedication and my gratitude for their outstanding service.

May I add a particular word of thanks to Captain Cosby for the hospitality of his ship, and send him and all aboard my best wishes for their well-earned leave.

Denis joins me in sending you our warm good wishes,

Yours sincerely

Commodore P. McClaren, R.N.

Raymond Shafter

da



FILE

cc FEO

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

9 August 1988

Dear Mr. Al Ansari,

Thank you very much for making available such excellent facilities for me at Dubai International Airport during my brief visit. It was very good of you and your staff to go to so much trouble and greatly appreciated.

With best wishes,

Yours sincerely

Raymond Walker

Mr. Abdulla Al Ansari

dg



File  
cc fco

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

9 August 1988

Dear Brigadier Dhahi:

I am most grateful for the excellent security arrangements made during my brief visit to Dubai and would be grateful if you could pass on my particular thanks to Colonel Abbas and his team. They enabled me to get through a very busy programme in a very short time.

With best wishes,

Yours sincerely  
Margaret Thatcher

Brigadier Dhahi Khalfan Tamim

dg



File  
ce file

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

9 August 1988

Your Excellency

I am most grateful to you for the marvellous arrangements which you made for my short visit to Dubai. Every kindness and consideration was extended to us and we were made most comfortable and welcome.

With best wishes,

Yours sincerely  
Nayana Shah

His Excellency Mr. Mohammed Bin Dhahi

da



FILE

cc FO.

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

9 August 1988

Your Highness

I am most grateful to Your Highness for coming to the airport to meet me during my short visit to Dubai. I found our discussion of developments in the Gulf very useful, in particular to hear your views on Iran. I was also very pleased to have the opportunity to thank you in person for the outstanding help which Dubai and the UAE have given to the ships of the Armilla Patrol and our Mine Counter-measures Vessels. We could never have managed without your assistance and support.

I hope that you will let me know when you are in London so that we may have the opportunity to continue our discussion of these very important matters. Meanwhile my husband joins me in sending our warm good wishes to Your Highness.

Yours sincerely  
Margaret Thatcher

His Highness Shaikh Mohammed Bin Rashid Al Maktoum

dg



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

9 August 1988

*Dear Admiral Sonthee*

Thank you very much for your courtesy in welcoming me on my arrival in Thailand. I very much enjoyed my visit and I believe that it will help to draw our two countries closer together, to the benefit of both.

My husband joins me in sending you our best wishes.

*Yours sincerely*

*Margaret Thatcher*

His Excellency Admiral Sonthee Boonyachai

*File  
cc:ro  
HMA Bangkok*



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

9 August 1988

*File*  
*cc to*  
*HMA Bangkok*

*Dear General Chatichai,*

I was very pleased that my visit to Thailand gave me the opportunity to meet you and I extend my very best wishes for your new and arduous post. I look forward to working as closely with you as with your distinguished predecessor.

I have been most impressed by all I have seen during my visit. The pace of development is remarkable, ensuring that Thailand will play a very important role in the affairs of the region, both politically and economically. I am sure that the partnership between Britain and Thailand will also be strengthened.

My husband joins me in extending our warm good wishes.

*Yours sincerely*

*Margaret Thatcher*

His Excellency Major-General Chatichai Choonhavan



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

9 August 1988

*Dear General Prem,*

I am most grateful to you for the great kindness you showed me during my visit. Denis and I had a marvellous time which we shall never forget. The warm welcome which we have received in Thailand has been most heartening and I am very grateful to you for the excellent programme you arranged. May I thank you in particular for the splendid dinner last night, for the generous gifts and most of all for the things you said in your speech.

The achievements of your eight years as Prime Minister are remarkable and are very widely recognised throughout the world. I always enjoyed our discussions and believe that together we helped to advance many important causes. I am so sad that you have decided to go, but I hope that you will contact me whenever you plan to be in London, so that we can keep in touch.

My husband joins me in sending you our warm good wishes.

*Yours sincerely*

*Margaret Thatcher*

His Excellency General Prem Tinsulanonda

*File*  
*cc PRO*  
*HMA Bangkok*





10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

9 August 1988

I am most grateful to you for the great kindness and ~~courtesy~~ you showed me during my visit. The achievements of your eight years as Prime Minister are remarkable and I have always looked forward to our discussions, knowing how much I shall benefit from your great wisdom and experience.

The warm welcome which I have received from everyone I ~~have~~ met has been most heartening, and I am very grateful to you for all the arrangements made for me. May I thank you in particular for the splendid dinner last night and for the very kind and generous gifts and ~~for~~ mark of all for the things

*that you do in your speed*

My husband joins me in sending you warm good wishes - and our hope that you will let us know whenever you come to London.

*I am so sad that you have decided to go, but I hope that you will contact me whenever you plan to be in London so that we can keep in touch*

His Excellency General Prem Tinsulanonda



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

9 August 1988

*Dear Mr. & Mrs. Tonkin,*

I am most grateful to you both for your very kind hospitality during my visit to Bangkok. You made us very comfortable and welcome - and it was marvellous to be able to stay more than one night in the same place. Thank you also for your help and support throughout the visit. I think it was well worthwhile, and I was very interested both to see Site B and to hear how the Thais see the prospect for Cambodia. I hope that what I had to say, both in the talks and in the various speeches and press conferences, has contributed towards progress. I was particularly glad of your detailed knowledge of Cambodia (and indeed the language).

Please also thank all your staff for the work which went into my programme: I know how much is involved and am extremely grateful.

Denis joins me in sending best wishes to you both.

*Yours sincerely  
Margaret Thatcher*

His Excellency Mr. D. Tonkin, C.M.G.

*FILE.*

*c file*

*HMA,*

*Bangkok*



me ECL  
SUBJECT  
cc master

bc PC

10 DOWNING STREET

LONDON SW1A 2AA

9 August 1988

*From the Private Secretary*

Dear Bob

PRIME MINISTER'S MEETING WITH THE UAE MINISTER OF DEFENCE

The Prime Minister had a brief meeting with the UAE Minister of Defence, Shaikh Mohammed Bin Rashid Al Maktoum, at the airport in Dubai today, shortly before her visit to the Armilla Patrol. Mr. Jolyon Kay, our Charge d'Affaires, was also present.

The Prime Minister enquired after the health of Shaikh Rashid and went on to express the British Government's gratitude for the facilities which Dubai gave to the Armilla Patrol and the MCMVs engaged in Operation Calendar. She also expressed Britain's sympathy for the families of those Dubai and UAE citizens who had lost their lives in the shooting down of the Iranian Airbus.

The Prime Minister continued that the news that both Iran and Iraq had agreed to a ceasefire was most encouraging. She would welcome Shaikh Mohammed's views on the reasons that had led Iran to accept UN Security Council Resolution 598 at last. Shaikh Mohammed said that the Iranians were tired of war. The key had been to bring Ayatollah Khomeini to endorse the ceasefire. Without that, there was no doubt that the fighting would have gone on. The Prime Minister asked whether Iraq's use of chemical weapons had played a role in the Iranian decision. Shaikh Mohammed agreed that this was probably the case. The Prime Minister asked whether Shaikh Mohammed expected the direct negotiations between Iran and Iraq, which were due to start on 25 August, to be difficult. Shaikh Mohammed said that Iraq still hankered after a victory settlement. They would probably try to re-negotiate the border with Iran in the area of the Shatt-al-Arab.

Shaikh Mohammed continued that Iran would now wish to get back on friendly terms with European countries and he hoped that the latter would respond. The Prime Minister said that there were still a number of hurdles to be cleared. She hoped that Shaikh Mohammed was right to say that Iran would become more moderate and turn its back on terrorism and subversion. Shaikh Mohammed said that one should not expect too much. Iran might still try to stir up trouble, for instance through the Shia communities in the Gulf. The other Gulf States would need to be on their guard against this. The Prime Minister asked whether Shaikh Mohammed expected Iran to be more cooperative over oil policy. Shaikh Mohammed said that Iran's priority now

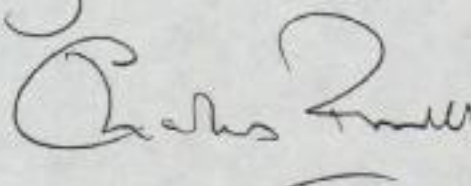
would be to rebuild the country and for that they would need stability in oil prices. They would soon learn the lesson that if they produced too much the price would go down. The Prime Minister said that Dubai was in a good position to play a helpful role.

The Prime Minister said that the Armilla Patrol would remain in the Gulf so long as the threat to our merchant ships existed. The same applied to the MCMVs, although we would like to get them back to their normal duties as soon as possible. Shaikh Mohammed hoped that the MCMVs would remain after a ceasefire to help clear mines in the Gulf and allow shipping to return to normal.

The Prime Minister repeated that we were very appreciative of everything which Dubai and the UAE had done to help the Armilla Patrol. She would very much welcome a further discussion with Shaikh Mohammed in London, possibly at the time of his visit to the Farnborough Air Show, to which she handed over an invitation.

We shall need to be in touch in due course about arranging such a meeting.

I am copying this letter to Brian Hawtin (Ministry of Defence) and Trevor Woolley (Cabinet Office).

Yours sincerely,  


(CHARLES POWELL)

R.N. Peirce, Esq.,  
Foreign and Commonwealth Office.

*Message passed to Sam (mess)*  
21-30

ZCZCLCB667  
AAAA  
091615Z AUG 88  
FM AIRBORNE  
TO CABINET OFFICE 033 IMMEDIATE  
BT

R E S T R I C T E D

FROM INGHAM AIRBORNE  
TO IMMEDIATE SIMON DUGDALE, NO.10 PRESS OFFICE

VISIT TO HMS MANCHESTER (UNDERLINED)

AS THE BRITISH PRESS LEFT HMS MANCHESTER AFTER THE PRIME MINISTER ADDRESSED THE SHIP'S CREW YOU MAY CARE TO GIVE THE FOLLOWING ACCOUNT OF THE PRIME MINISTER'S TOUR OF THE SHIP TO CHRIS MONCRIEFF:

THE PRIME MINISTER AND MR. THATCHER SEPARATELY MADE EXTENSIVE TOURS OF THE DESTROYER AND SAW MOST OF THE COMPLEMENT OF 300 MEN.

MRS THATCHER WENDED HER WAY THROUGH THE SHIP UP AND DOWN LADDERS AND ALONG GANGWAYS FROM THE GALLEY TO THE SEADART MISSILE LOADING BAY.

SHE PRONOUNCED HERSELF 'MOST IMPRESSED WITH ALL WE SAW' AND SENT A SIGNAL TO THAT EFFECT FROM THE FLIGHT DECK OF THE VC10 WHILE LEAVING DUBAI TO CAPTAIN RICHARD COSBY, COMMANDER OF HMS MANCHESTER.

IN THE COURSE OF THE TOUR SHE MET A ROYAL MARINE DETACHMENT ON DECK AND BELOW DECKS SUCCESSIVELY VISITED THE RADIO COMMUNICATIONS CENTRE, THE MACHINERY CONTROL ROOM, THE SHIP'S SHOP, THE MESS DECK, THE SICK BAY (HAPPILY EMPTY) AND THE DARKENED OPERATIONS ROOM WITH A FULLY MANNED WATCH.

IN THE GALLEY CHIEF COOK 'TICKER' HART OF FAREHAM, SAID THE TEMPERATURE WAS 105 DEGREES F. HE WAS BAKING AN APPLE AND BLACKCURRENT PIE.

'I HOPE YOU DON'T GIVE THEM ANYTHING TOO FATTENING' MRS THATCHER TOLD HIM.

THE CHIEF COOK SAID THAT THE TEMPERATURE IN HIS GALLEY HAD TOUCHED 126 DEGREES F, marginally above the temperature the prime minister and Mr. Thatcher encountered as they waited for the helicopter to take off from DUBAI AIRPORT APRON FOR HMS MANCHESTER.

JUST AFTER HER CALL IN THE GALLEY SHE MET THE SHIP'S CHINESE TAILOR, SEOW YOKE CHEE - MR SEW SEW, AS HE IS KNOWN. HE LIVES AND WORKS IN AN EXT ORDINARILY TIGHT CORNER OF THE VESSEL.

LATER THE PRIME MINISTER WAS PRESENTED WITH A MODEL OF THE MAIN GUNS ONBOARD HMS MANCHESTER, MOUNTED ON A SHELL CASING. IT WAS MADE BY LEADING SEAMAN JOHN RUSSELL, OF PORTSMOUTH.

THE PRIME MINISTER INVITED HIM TO NO.10 DOWNING STREET ON HIS RETURN TO HAND OVER THE GIFT FORMALLY. HE WILL BE GIVEN DUTY LEAVE TO DO SO.

CAPTAIN COSBY HANDED THE PRIME MINISTER A MESSAGE FROM THE MASTER AND SHIP'S COMPANY OF THE BRITISH STEEL TANKER MANTICINA, EXTENDING THEIR COMPLIMENTS AND GOOD WISHES TO HER ON THE OCCASION OF HER VISIT.

THE PRIME MINISTER SENT A SIGNAL FROM HMS MANCHESTER 'MANY THANKS FOR YOUR GOOD WISHES. WE GREATLY APPRECIATE THEM. WE WISH YOU A SAFE JOURNEY'.

AFTER DRINKS IN THE CAPTAIN'S CABIN, MR AND MRS THATCHER FLEW BACK TO CUBAI AIRPORT BY XSNX HELICOPTER. THE PRIME MINISTER HAD FURTHER TALKS WITH SHAIKH MOHAMMED BEFORE BOARDING HER VC10 FOR THE LAST 4,400 - MILE FLIGHT HOME.

SINCE LEAVING LONDON ON JULY 29 SHE HAD FLOWN MORE THAN 29,000 MILES, VIA BAHRAIN, OMAN, SINGAPORE, PERTH, ALICE SPRINGS, CANBERRA, MELBOURNE, SYDNEY, BRISBANE, KUALA LUMPUR, BANGKOK AND SITE B, THE CAMP FOR KHMER DISPLACED PERSONS ON THE THAILAND/CAMBODIA BORDER.

ACCOUNT ENDS.

YOUR MAY CARE TO PASS THIS TO HUGH COLVER, MOD.

INGHAM

GRS 00494  
NNNN



BRITISH HIGH COMMISSION  
CANBERRA

8/8/1954

EM

24/8

My dear Charles,

I know the thank-you letter normally  
go the other way on these occasions - and I am very  
grateful for the energetic and stimulating one received  
from the Prime Minister this morning - but I  
very much want to thank you for your absolutely key  
part in the success of the Australia visit. I know  
that it was you who seized upon and so accurately  
interpreted the political message that I was trying to  
get across before the visit - so that the speeches and  
letter came across exactly as I would have wanted  
them to. That apart, I very much admired your  
deft handling of the whole visit, and I hope it was  
not too much of a bore to have an old private  
meeting around.

I was sick about Melbourne and enjoy that

It should have happened on my territory. But I  
have thought it all through since you left and cannot  
blame anyone except the police. I shall be writing  
separately about that side of things.

Have a good holiday. It was so nice to see  
everyone from No. 10 again - made me quite nostalgic.

Warm thank

Yours ever

John.



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

8 August 1988

*Dear Air Chief Marshal Siddhi,*

I was very glad to have the opportunity to meet you again during my brief visit to your country and to have the benefit of your wisdom and advice on the regional issues which we discussed, in particular Cambodia. I very much enjoyed my visit as a whole, including that to the Site B Refugee Camp. Thailand's firmness of purpose and generosity of spirit in confronting the problem of Cambodia make a great impression.

With best wishes,

*Yours sincerely*

*Margaret Thatcher*

His Excellency Air Chief Marshal Siddhi Savetsila

*lite*

*cc FEO*

*HMA Bangkok*





*File*

*cc FRO  
HMA Bangkok*

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

8 August 1988

*Dear Mr. Carlson*

I wanted to write to express my great admiration for the work you are doing at the Site B Refugee Camp and to thank you for your courtesy and consideration in arranging my visit there on 7 August. The whole organisation and running of the camp is most impressive and reflects enormous credit on you and your staff. I am glad that Britain is able to contribute to the relief effort and was particularly pleased to be able to meet some of the British people who are working with you.

With renewed thanks and best wishes,

*Yours sincerely*

*Margaret Thatcher*

Mr. Mitchell Carlson



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

8 August 1988

*File*  
*cc FIO*  
*Hm A Bangkok*

*Dear Non Chao,*

It was very good of you to show me round the Royal Palace and the Temple of the Emerald Buddha this morning. It made all the difference to have the histories explained so fully. I know what a great privilege it is to have been taken into the Temple of the Emerald Buddha and I am very grateful to you for arranging this. Thank you very much for your kindness and consideration.

My husband joins me in sending you our warm good wishes.

*Yours sincerely*

*Margaret Thatcher*

Professor Mom Chao Subhadradis Diskul



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

8 August 1988

Dear Mr. Palmer,

Thank you very much for so kindly arranging for me to change in the Oriental Hotel and also for the most excellent lunch on the "Oriental Queen". It made all the difference to be able to rest for a few moments in the cool and of course the hotel is something which deserves to be seen in its own right. The lunch on the river was superb. I am most grateful to you and all your staff. Thank you also for your lovely gift.

With best wishes,

Yours sincerely  
Margaret Thatcher

Mr. Duncan Palmer

file.

cfio  
Hest,  
Banpleak



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

8 August 1988

*Dear Non Luang Thawisan,*

It was a great privilege and honour to be received by Their Majesties this afternoon during my visit to Thailand and I should be grateful if you would convey to them my warm appreciation for their kindness and consideration.

I was so pleased to hear His Majesty's views on Cambodia, and the ways in which progress could possibly be made. We shall consider the next steps most carefully - it is important to get them right.

I was also very interested to learn more of the rural development projects in which His Majesty takes such a great interest, one of which has just been accorded international recognition.

I would be grateful if you would express to Their Majesties my gratitude for their beautiful gifts which we shall treasure. We were also very happy to meet the Crown Prince and Princesses.

We send our most respectful greetings and warm good wishes to Their Majesties.

*Yours sincerely*

*Raymond Walker*

M.L. Thawisan Ladawan

*FILE.  
cc to  
H.M.,  
Bangkok*





10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

8 August 1988

Dear Dr. Arun,

It was very good of you to accompany me to Site B on Sunday, even though I am afraid it was not at all a convenient day for you. But I very much enjoyed the visit and found it instructive. The Government of Thailand's record in providing sanctuary for refugees from the conflict in Cambodia is a very proud one, as I was able to see for myself.

May I also thank you for the excellent arrangements made for my visit to Thailand. I am most grateful to all those who worked hard to ensure its success.

With best wishes,

Yours sincerely  
Margaret Thatcher

His Excellency Dr. Arun Panupong

file

cc to  
Hunt,  
Bardole

SECRET  
FM DUBAI 5  
TO DESKBY 081000Z BANGKOK  
TELNO U/N  
OF 080630Z AUGUST 88  
AND TO IMMEDIATE FCO  
INFO PRIORITY ABU DHABI

MF

ABU DHABI TELNO 218 TO FCO AND MY U/N TEL TO BANGKOK : PRIME MINISTER'S VISIT

1. WE BELIEVE, THOUGH I CANNOT EVEN NOW BE CERTAIN, THAT SHAIKH ZAID WILL NOT COME TO DUBAI. THE PRIME MINISTER MIGHT THEREFORE FIND SOME OF THE FOLLOWING POINTS ABOUT SHAIKH MOHAMMED BIN RASHID USEFUL.
2. SHAIKH MOHAMMED WILL BE PREPARED TO CARRY ON HIS CONVERSATION WITH THE PRIME MINISTER BRISKLY, WITH A MINIMUM OF INTRODUCTORY COURTESIES, THOUGH SHE MAY CARE TO OPEN BY RECALLING MEETING THE RULER, SHAIKH RASHID, ON HER 1981 VISIT, AND ENQUIRE ABOUT HIS HEALTH (WHICH HAS LONG BEEN VERY POOR).
3. IN DISCUSSION WITH THE PRIME MINISTER I SHOULD EXPECT SHAIKH MOHAMMED TO ADDRESS MAJOR POLITICAL ISSUES AS A SENIOR UAE LEADER, BUT HIS MAIN POLITICAL PREOCCUPATIONS REMAIN PRESERVING THE INDEPENDENCE OF DUBAI WITHIN THE FEDERATION. THE PRIME MINISTER MIGHT CARE TO REMIND HIM OF THE UK'S SUPPORT FOR THE STRENGTH AND UNITY OF THE FEDERATION.
4. HE IS WELL INFORMED ABOUT THE SITUATION IN IRAN, PARTLY THROUGH THE LARGE IRANIAN COMMUNITY HERE. HE WOULD BE FLATTERED, AND HIS REPLY WORTH HEARING, IF THE PRIME MINISTER ASKED FOR HIS VIEWS. HE SEES DUBAI'S RELATIONSHIP WITH IRAN AS CLOSER THAN THAT (GOOD THOUGH IT IS) OF THE FEDERATION AS A WHOLE.
5. HE ALSO VIEWS DUBAI'S CLOSE RELATIONSHIP WITH THE UK, SIMILARLY, AS EVEN MORE IMPORTANT TO IT THAN IS BRITAIN TO THE FEDERATION. HE TAKES PRIDE IN HAVING INTRODUCED HAWK TO THE MIDDLE EASTERN MARKET (AND RECKONS WE HAVE STILL TO REPAY THAT FAVOUR). HE AND HIS BROTHERS SPEND A GREAT DEAL OF THEIR TIME IN THE UK. HE HAS BEEN CONSISTENTLY SUPPORTIVE OF THE WORK OF THE ARMILLA PATROL, FREELY OFFERING FACILITIES ONLY JUST SHORT OF ANYTHING THAT COULD BE CONSTRUED AS (TABOO WORD) AN ON SHORE BASE - EG JEBEL ALI PORT SELDOM HAS FEWER THAN TWO OR THREE RN SHIPS ALONGSIDE. BRITAIN PROVIDES MOST OF THE ARMS FOR THE CENTRAL MILITARY COMMAND (DUBAI'S QUASI INDEPENDENT ARMED FORCE), AND A MODEST NUMBER OF LOAN SERVICE PERSONNEL. IT WOULD THEREFORE BE INAPPROPRIATE FOR THE PRIME MINISTER TO PURSUE THE LINE IN PARA 11 OF TUR.
6. THE DUBAI SHAIKHS KNOW THEIR OIL WILL RUN OUT WELL BEFORE THAT OF ABU DHABI, AND ARE DOING THEIR BEST TO BUILD UP DUBAI AS A REGIONAL COMMERCIAL CENTRE. MANY BRITISH COMPANIES HAVE INDEED ESTABLISHED THEIR MIDDLE EASTERN HEADQUARTERS HERE, TO TAKE ADVANTAGE OF THE GOOD COMMUNICATIONS, THE ORDERLY SOCIETY AND THE ADMINISTRATION'S PRO-BUSINESS ATTITUDE. THE LACK OF CONFIDENCE IN THE JUDICIAL SYSTEM CAUSED BY CORRUPTION AND SHAIKHLY INTERFERENCE IS THE WEAKEST POINT, AND THAT THEY ARE MAKING SOME EFFORT TO CLEAR UP.
7. THIS HAS PRODUCED A LARGE (ESTIMATED 15,000) BRITISH EXPATRIATE POPULATION WHO HAVE VERY FEW DIFFICULTIES WITH THE LOCAL AUTHORITIES. IF OPPORTUNITY OFFERED MRS THATCHER MIGHT LIKE TO ASSURE HIM THEY RECOGNISE AND APPRECIATE THE HOSPITALITY OF THE DUBAI AUTHORITIES.
8. THE PRIME MINISTER MIGHT APPROPRIATELY CONCLUDE BY ASKING THAT HER GOOD WISHES AND APPRECIATION OF THE UAE'S HELPFUL ATTITUDE IN SUPPORT OF ARMILLA/CALENDER BE CONVEYED TO SHAIKH ZAID.
9. SHAIKH MOHAMMED BIN RASHID HAS SHOWN A FIRM INTEREST IN ATTENDING THE FARNBOROUGH INTERNATIONAL EXHIBITION (5 - 8 SEPTEMBER 1988.) WOULD THE PRIME MINISTER LIKE TO HAND OVER THE INVITATION CARD?

KAY

*bc HMA Bangkok  
PC,**SUBJECT  
cc moute*

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

8 August 1988

*Dear Bob,*

PRIME MINISTER'S MEETING WITH THE  
PRIME MINISTER OF THAILAND

The Prime Minister had a meeting in Bangkok this morning with the Prime Minister of Thailand. General Prem was accompanied by the Prime Minister-designate, Major-General Chatichai Choonhavan, the Minister of Foreign Affairs, Air Chief Marshal Siddhi Savetsila and the Thai Ambassador in London. H.M. Ambassador Bangkok was also present. The meeting lasted some fifty minutes and was extremely friendly and good humoured.

Cambodia

The Prime Minister referred to her visit to the Site B refugee camp and praised Thailand's help for the Cambodian refugees. The aim must be to create conditions in Cambodia which would allow the refugees to return under a stable and secure government. She wondered how General Prem envisaged this coming about.

General Prem said this was a good question. He shared the Prime Minister's aim. But the refugees would not return until they could feel safe. Air Marshal Siddhi added that there would need to be an international conference on the resettlement of refugees, on the pattern of that held in 1979. The Prime Minister indicated that she thought that this was premature for the time being. But Britain would be ready to provide financial assistance when the refugees returned.

The Prime Minister continued that the first task must be to secure the withdrawal of Vietnamese forces. Thereafter there must be a stable government. The informal group set up following the meeting in Indonesia would obviously have a role in helping to create conditions in which such a government could be formed, as would the United Nations. The return of the Pol Pot regime must be out of the question. General Prem said that a way must be found to reconcile all four of the main Cambodian groups. One needed to distinguish between particular individuals in the Khymer Rouge movement, who were evil men, and the movement itself. Not all its members were bad - indeed some of them were quite good - and a way would have to be found to accommodate them in any future government. He understood that China now agreed that certain individuals would have to be excluded altogether and wanted to see a reasonable



government in Phnom Penh. The Prime Minister commented that the most ruthless people usually succeeded in dominating the rest. She wondered what timescale General Prem had in mind for a settlement. General Prem said that it need not take very long, but a great deal rested on Prince Sihanouk. Much would also depend on the forthcoming meeting between the Chinese and Soviet Deputy Foreign Ministers at which Cambodia was to be discussed.

The Prime Minister said that, having listened to General Prem and reflected on her brief discussion with Prince Sihanouk, she thought that the United Nations ought to play a more active role. There had been good cooperation between the Five Permanent Members of the Security Council over Iran/Iraq and she would like to see this cooperation extended to discussion of Cambodia. The Five should turn their attention to the problem. She would consider on her return to the United Kingdom how best this might be pursued. General Prem said it would indeed be very desirable if the Five Permanent Members were to focus on the problem. There would be no solution in Cambodia if it was left to the regional countries alone. Thailand had very much appreciated the Prime Minister's action in raising the problem of Cambodia with Mr. Gorbachev. That had meant a great deal to them.

#### Bilateral relations

The Prime Minister and General Prem agreed that bilateral relations between Britain and Thailand were very satisfactory. The Prime Minister said that she hoped there would be further exchanges of ministerial visits and more British investment in Thailand. General Prem said that he was glad that ICI had been the successful bidder to establish a PTA plant in Thailand. He knew that the company had a very high reputation internationally and Thailand looked forward to a good relationship at the technical level. The Prime Minister commented that there were a number of other major projects in which Britain was interested, for instance the supply of BAe aircraft, either for purchase or lease; the Hawk 200 aircraft to meet the Royal Thai Navy's need for light attack aircraft; and Shell's interest in building a new oil refinery on the eastern seaboard. General Prem said that Thailand had just spent a great deal of money in the defence field on the purchase of the M16 tank from the United States. Although the economy was doing much better, priority would need to be given to alleviating poverty. He believed that the recent economic growth would continue, but Thailand would need to be prudent in spending money. The Prime Minister said that she understood this and had simply wished to put on record the ability of British firms to help in certain specific areas. She complimented General Prem on his very successful management of the economy.

The Prime Minister added that she also very much welcomed the cooperation between Thailand and Britain against drugs.

China

The Prime Minister commented that she had been very impressed by the fast pace of economic development in South East Asia and round the Pacific rim. But a major question-mark remained over the future of the Chinese economy. She believed that the Chinese Communist Party would continue to exert strong central control, which would considerably inhibit the prospects for economic growth. General Prem commented that the Chinese had changed a lot in recent years and had learned some lessons from the past.

International economic questions

The Prime Minister said she thought that the path of future economic cooperation lay in more investment and joint ventures. We welcomed Thailand's openness to such investment. She knew that some governments in South East Asia were worried about the implications for their trade with Europe of completion of the single market in 1992. Britain was determined that this would not lead to the establishment of new barriers to trade with countries outside the European Community. We would also fight protectionism on the agricultural front, although there would be difficulties with France and Germany within Europe and with Japan in the GATT. The major industrialised countries must not ruin other countries economies by heavy subsidies to their own agriculture.

Defence

The Prime Minister thanked General Prem for allowing British units to exercise in Thailand. We welcomed Thai officers on courses in the United Kingdom. She would like to see this aspect of relations strengthened.

Vale

General Prem concluded that he wanted to express personally to the Prime Minister his appreciation for her role as a great world leader. He had been proud to be her partner and - he hoped he could say - friend. He had learned much from working with her and Thailand would not forget the way in which she had brought their concerns to Mr. Gorbachev's attention. He was going to step down as Prime Minister in the next day or two, but would not want to leave office without having expressed his gratitude to the Prime Minister, both on his own behalf and on behalf of the Thai people, for all she had done over his eight years in office.

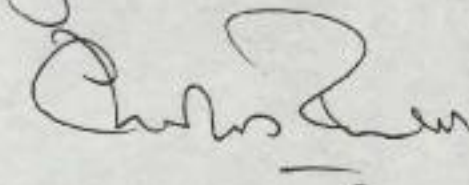
The Prime Minister said that the feeling of gratitude was fully reciprocated. She recalled that General Prem had come to see her early in her time as Prime Minister and they had from the beginning established an excellent personal relationship. She believed their partnership had been helpful for both countries. She hoped that General Prem would let her know whenever he came to London. She did not forget old friends.

CONFIDENTIAL

- 4 -

General Prem commended his successor to the Prime Minister. The Prime Minister said that she looked forward to working just as closely with him.

I am copying this letter to Brian Hawtin (Ministry of Defence), Alex Allan (H.M. Treasury), Neil Thornton (Department of Trade and Industry) and Trevor Woolley (Cabinet Office).

Yours sincerely,  


(CHARLES POWELL)

R.N. Peirce, Esq.,  
Foreign and Commonwealth Office.

CONFIDENTIAL

SECRET #2

FM FCO

TO DESKBY 081500Z BANGKOK

TELNO 384

OF 081213Z AUGUST 88

AND TO DESKBY 081500Z CABINET OFFICE

INFO DESKBY 081600Z DUBAI, ABU DHABI, UKMIS NEW YORK

FOR PRIME MINISTER'S PARTY

MY TELNO 528 TO CANBERRA: PRIME MINISTER'S VISIT TO DUBAI

1. FOLLOWING IS PROPOSED REVISED DRAFT OF A STATEMENT BY THE PRIME MINISTER ON THE GULF CONFLICT. IT TAKES INTO ACCOUNT THE AGREEMENT OF IRAN AND IRAQ TO ACCEPT A CEASEFIRE AND DIRECT TALKS. WE EXPECT THE SECRETARY-GENERAL TO ANNOUNCE THE DATE FOR A CEASEFIRE (D-DAY) THIS EVENING 8 AUGUST: THE SECURITY COUNCIL IS EXPECTED TO MEET TO ADOPT A RESOLUTION SETTING UP A UN OBSERVER FORCE - UNITED NATIONS IRAN-IRAQ MILITARY OBSERVER GROUP (UNIIMOG) - ON 9 AUGUST. THE SECRETARY-GENERAL HAS PREDICTED THAT D-DAY WILL BE ABOUT 2 WEEKS HENCE TO ALLOW TIME FOR THE OBSERVER FORCE TO BE PUT TOGETHER. WE ARE PRESSING HIM TO MOVE AS FAST AS POSSIBLE.

2. BEGINS.

- HAVE DECIDED TO BREAK MY JOURNEY HOME IN ORDER TO VISIT ARMILLA PATROL AND TO EXPRESS SUPPORT FOR OUR FRIENDS IN THE ARABIAN PENINSULA AND THE GULF REGION.
- GLAD TO BE HERE ON THE VERY DAY AFTER THE SECRETARY-GENERAL HAS ANNOUNCED THE DATE FOR A CEASEFIRE BETWEEN IRAN AND IRAQ. WELCOME THE DECISIONS OF THE IRANIAN AND IRAQI GOVERNMENTS TO ACCEPT A CEASEFIRE TO BE FOLLOWED BY DIRECT TALKS UNDER THE AUSPICES OF THE SECRETARY-GENERAL. HOPE THIS WILL LEAD TO AN EARLY END TO THIS SENSELESS CONFLICT WHICH HAS COST SO MANY LIVES OVER A PERIOD OF ALMOST 8 YEARS.
- PLEASED THAT BRITAIN HAS BEEN ABLE TO PLAY A LEADING PART IN WORKING AT THE UNITED NATIONS TO END THE CONFLICT. WE SHALL CONTINUE TO OFFER EVERY SUPPORT TO THE SECRETARY-GENERAL IN HIS EFFORTS TO ACHIEVE A RAPID CEASEFIRE AND FULL IMPLEMENTATION OF THE TERMS OF SCR 598. A CEASEFIRE IN ITSELF IS NOT ENOUGH. WHAT IS NEEDED, AND WHAT IS ENVISAGED IN SCR 598, IS A COMPREHENSIVE AND LASTING SETTLEMENT WHICH WILL RESTORE PEACE AND SECURITY TO THE REGION.
- ARMILLA PATROL HAS BEEN DOING A VITAL JOB PROTECTING BRITISH MERCHANT SHIPPING AND HELPING TO UPHOLD THE PRINCIPLE OF FREEDOM OF NAVIGATION. OUR COMMITMENT WILL REMAIN AS LONG AS A THREAT TO MERCHANT SHIPPING CONTINUES. WELCOME DECISION OF THE WEU ON 3 AUGUST TO MAINTAIN FORCES IN THE GULF UNTIL THE JOB IS COMPLETED. PAY TRIBUTE TO THE ROLE OF THE RN MINESWEEPING FORCE IN COOPERATION WITH DUTCH AND BELGIAN ALLIES (CALENDAR).

ENDS.

3. UK/IRAN: THE DECISION TO SEND A BRITISH DIPLOMAT (DAVID REDDAWAY) ON A SHORT VISIT TO TEHRAN WAS ANNOUNCED BY THE FCO SPOKESMAN TODAY. THE RESPONSIVE LINE PROPOSED IN TUR REMAINS VALID.

CHALKER

OCMIAN 9444

NNNN

0814372



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

8 August 1988

*Dear Prime Minister,*

It was good of you to receive me during my brief stop in Kuala Lumpur and I was very glad that we were able to have a good talk, although in the time available we were unable to go into some of the matters as fully as I would have liked. I was very interested by your full account of recent developments in Malaysia and glad that you felt able to confide in me. I have, as you requested, kept what you told me to myself but have noted the action taken by the King. Your advice on Cambodia was very useful. I have subsequently met Prince Sihanouk and talked to General Prem, whose views were very much the same as yours. I will bear in mind in particular your point about the need to persuade the Chinese government to reduce their support for the Khmer Rouge.

One of the matters which we were not able to discuss as fully as I had hoped is our intention to increase our co-operation. I was glad to be able to confirm the assurance that we have already given your government that seventy million pounds of grant aid in association with one hundred and thirty million pounds of ECGD cover will be available for civil projects. I want to underline that further grant aid will continue to be available on a similar basis for development projects agreed upon between our two governments.

I am looking forward to your visit in September when we can continue discussions over lunch. I hope that the Memorandum of Understanding on the defence package can be signed at that time.

With renewed thanks for your hospitality and warm regards.

Yours sincerely

Rajiv Gandhi

His Excellency Dato' Seri Dr. Mahathir bin Mohamed



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

8 August 1988

*Your Royal Highness*

It was very good of Your Royal Highness to arrange to meet me at the Site B Camp and to devote so much of your time to accompanying me on my visit there. Your people's devotion and respect for you are most moving. I also very much admire the organisation of the Camp and the facilities which have been provided, but more than anything the spirit which your people show in their determination to lead as normal lives as possible. That is due in very large measure to the inspiration which you provide to them.

I also have a better understanding, as a result of my visit, of the situation in your country, which has suffered so much tragedy. I look forward to a fuller discussion of the political aspects with Your Royal Highness when you come to London in October, a visit to which we are very much looking forward.

May I also say how very much I appreciated the kindness of the other members of Your Royal Highness's family in being present for my visit. The work which they do for their people is outstanding.

*Yours sincerely*

*Ngayant Shante*

His Royal Highness  
Prince Norodom Sihanouk

CONFIDENTIAL



SUBJECT  
cr. matter.

FILE  
DA  
be PC  
High Com.

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

7 August 1988

Dear Bob,

PRIME MINISTER'S MEETING WITH THE MALAYSIAN  
PRIME MINISTER

The Prime Minister had a meeting with the Malaysian Prime Minister in Kuala Lumpur on 6 August, between her visits to Australia and Thailand. Dr. Mahathir was accompanied by his Foreign Minister, the Secretary General to the Foreign Ministry and two other officials. Our High Commissioner was also present.

Dr. Mahathir's visit to London

The Prime Minister opened by saying how much she was looking forward to Dr. Mahathir's visit to London in September when she would like to give a lunch for him. She wondered whether he would prefer a small working lunch or a larger occasion. Dr. Mahathir indicated that he would prefer the former.

CHOGM

The Prime Minister said that she was also very much looking forward to CHOGM in Kuala Lumpur in the autumn of 1989. She understood that the Malaysian Government intended to invite The Queen to pay a State Visit to Malaysia at the same time. She believed that such an invitation would be welcomed. Dr. Mahathir indicated that he would indeed like to invite The Queen but had hesitated to do so until the dates for CHOGM had been settled. The preferred time for the latter now seemed to be either the third or fourth week of October. The Prime Minister said that she could probably manage either but would prefer the third week. In any event she would need to be back in London for Cabinet on the Thursday of the fourth week. She hoped that we could continue with the same duration and format as for CHOGM at Vancouver. Dr. Mahathir said that it might be necessary to find dates which spanned the third and fourth weeks of October.

The Prime Minister asked how Dr. Mahathir would like to use the short time available for their talk. For her part she would very much welcome his advice on Cambodia, she would like to discuss

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the defence package and she would be interested in anything which Dr. Mahathir wished to tell her about developments in Malaysia. She hoped that on this they could talk as old friends. Dr. Mahathir indicated that he would also like to raise air services.

Situation in Malaysia

Dr. Mahathir gave the Prime Minister a lengthy account of developments in Malaysia. He particularly asked that this be kept confidential and it was agreed that nothing would be written down. The essence was that the dispute with the Lord President and the Judges was more between them and the King than with Dr. Mahathir himself, who was haplessly caught in the middle. In order to preserve the constitutional niceties he could not publicly explain the true position. The result was that he and Malaysia were getting a very bad press, which was in turn deterring foreign investment. The King was expected to reach a decision on the Lord President's future later in the day (he has, of course, subsequently decided to dismiss him).

Dr. Mahathir said that he was considering whether to restore provision for certain cases to be heard by the Privy Council. Malaysian judges were getting very lax. They were far behind with their cases and often failed to write their opinions or judgements. They needed the discipline of a higher review body.

The Prime Minister commented that the present difficult situation was clearly a great weight on Dr. Mahathir's mind. She would not of course mention anything of what Dr. Mahathir had told her to the press. If asked, she would say that the matter of the judges was being dealt with by the Head of State in accordance with the Constitution and that everyone including Dr. Mahathir was anxious that the matter should be fully and properly resolved. Dr. Mahathir indicated assent to this. The matter was not in fact raised in the Prime Minister's subsequent press conference.

Cambodia

The Prime Minister said that she would be seeing Prince Sihanouk while in Thailand, and Cambodia was bound to be one of the main issues for discussion with the Thai government. The Cambodian people had been subjected to appalling brutality. The aim now must be to achieve secure, stable and reasonable government in Cambodia. But it was hard to see who could provide this. Prince Sihanouk appeared to be the only person with any prospect of uniting the various factions, but the proposals which he had put forward were not at all realistic.

Dr. Mahathir said that the most urgent aspect was to prevent the Khmer Rouge from obtaining a dominant voice in a future government of Cambodia. From that point of view there was, perhaps, some logic in Prince Sihanouk's proposals: the Khmer Rouge had in practice been able to gather support and were the most successful of the factions, and Sihanouk's proposals would automatically constrain their influence. But he agreed that the proposals were scarcely realistic.

The Prime Minister said that it seemed likely that any solution would require the United Nations to play a role. Dr. Mahathir said there would certainly need to be some form of international supervision, and it was also important to persuade China to end its support for the Khmer Rouge. He thought this might be possible: the Chinese were becoming more willing to listen to the views of others. They knew that the Khmer Rouge were a bad lot. As for Sihanouk, the trouble was that you could never hold him to anything. He was not a consistent person and his main motivation was a strong desire to return to Cambodia. There was a distinct possibility that he might do a deal with the existing regime in Phnom Penh.

#### Defence Package

Because of the time spent on these other issues, the defence package was reached only in the last five minutes of the meeting. The Prime Minister said that we were anxious to reach agreement on the defence package which would mark a new stage in co-operation between Britain and Malaysia. At the same time we had tried hard to produce proposals for civil aid which would be satisfactory to Malaysia. This would, of course, be quite distinct from the defence package. We had offered seventy million pounds of ATP and one hundred and thirty million pounds of ECGD cover for civilian projects. If further important projects came forward after this had been used up, then we would of course consider providing assistance for them.

Dr. Mahathir said that Malaysia was seeking a higher proportion of aid. If the defence package went through, it would impose a very heavy and continuing financial burden on the Malaysian economy. For many years to come, defence expenditure would be vastly increased. There was already a backlog of development projects which had been held back by the economic difficulties of the last few years and he was anxious to finance these. The point about parallelism caused him no difficulty. But he would like to know the terms we had in mind for the one hundred and thirty million pounds of extra credit cover. These must be attractive. He hoped that we would be ready to negotiate them on a realistic basis. The Prime Minister commented that we hoped to be able to sign the defence package at the time of Dr. Mahathir's visit in September. Dr. Mahathir did not comment.

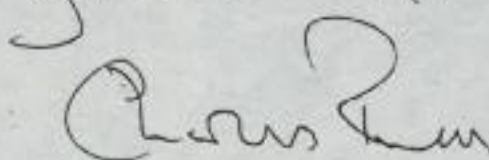
#### Air Services

The Prime Minister said that her understanding was that if MAS entered into further talks with British Airways, not just on the frequency of services but also on other matters such as co-operation on tourism, there was a good prospect they could make progress. The Foreign Minister told the Prime Minister after the meeting that the Malaysians had hoped for agreement to give a political dimension to the discussions. The Prime Minister reminded him that British Airways was now in the private sector. We could not negotiate on their behalf.

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- 4 -

I am copying this letter to Brian Hawtin (Ministry of Defence), Alex Allan (HM Treasury), Neil Thornton (Department of Trade and Industry), Roy Griffins (Department of Transport) and Trevor Woolley (Cabinet Office).

Yours sincerely,  


(C.D. POWELL)

R.N. Peirce, Esq.,  
Foreign and Commonwealth Office.

CONFIDENTIAL

CONFIDENTIAL

*file*

*ECU*



*bc HMA Canberra*

*CC AUSTRALIA relations file*

*PC*

10 DOWNING STREET

LONDON SW1A 2AA

7 August 1988

*From the Private Secretary*

*Dear Bob,*

AUSTRALIA

Following her visit to Australia the Prime Minister has commented that she thinks Australia deserves greater priority in our foreign policy. She was impressed by the extent of our commercial interests in Australia and by the potential for creating a closer and more productive political relationship.

In order to give a higher profile to the relationship, and to set a target for strengthening ties, the Prime Minister invited the Prime Minister of Australia to visit Britain at a time to be arranged in 1989 and to bring with him two or three key Ministers for talks with their opposite numbers. Mr. Hawke accepted the invitation. The Prime Minister hopes that agreement can now be reached on dates and on which Ministers should be involved. In addition to political talks, she hopes that the possibility of an Anglo-Australian Trade Conference, to be convened in London at the time of the visit, can be examined. She wants the visit to be something out of the ordinary.

The Prime Minister is glad that the Secretary of State for Trade and Industry and the Secretary of State for Defence are to visit Australia, in September and March respectively. She hopes that both visits will underline the new priority accorded to Australia in our thinking and will lead to an increased interest by British industry in the Australian market for both civil and defence exports. She also hopes that Mr. Younger's visit will give fresh emphasis to the more general defence relationship.

It is useful that visits are planned in the next few months by the Speaker, the Lord Chancellor, the Attorney-General, Mrs. Lynda Chalker and Mr. Robert Jackson. These plans will also demonstrate that Australia is receiving full attention in London and will create opportunities for advancing British interests.

The Prime Minister also wishes Ministers concerned to ensure that staff in their Departments are given clear directions to take advantage of the momentum created by her visit, and indeed that sufficient staff are available to do this. This applies in particular to DTI. The Prime Minister wants to be sure that adequate staff are available there to follow up export opportunities. She thinks it short-sighted of the DTI to have declined to contribute to the British Pavilion at EXPO 88.

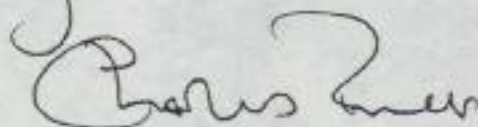
CONFIDENTIAL

CONFIDENTIAL

- 2 -

The Prime Minister would like an interim report of action being taken to follow up her visit by 1 December.

I am copying this letter to Brian Hawtin (Ministry of Defence), Neil Thornton (Department of Trade and Industry), Paul Stockton (Lord Chancellor's Department), Michael Saunders (Attorney-General's Office) and Peter Wardle (Mr. Robert Jackson's office, Department of Education and Science).

Yours sincerely,  


(CHARLES POWELL)

R.N. Peirce, Esq.  
Foreign and Commonwealth Office.

CONFIDENTIAL

Australia

Following her visit to Australia the Prime Minister has commented that she thinks Australia deserves greater priority in our foreign policy, ~~a view which she knows the Foreign Secretary shares.~~ She was impressed by the extent of our ~~current~~ commercial interests in Australia and <sup>the</sup> potential for creating a closer and more productive political relationship.

In order to give a higher profile to the relationship, and to set a target for strengthening ties, the Prime Minister invited the Prime Minister of Australia to visit Britain at a time to be arranged in 1989 and to bring with him two or three key Ministers for talks with their opposite numbers. Mr Hawke accepted the invitation. The Prime Minister hopes that agreement can now be reached on dates and on which Ministers should be involved. In addition to political talks, she hopes <sup>the idea of</sup> an Anglo-Australian Trade Conference, to be convened in London <sup>under commercial</sup> ~~under commercial~~ <sup>sponsorship</sup> at the time of the visit, can be examined.

The Prime Minister is glad ~~to note~~ that the Secretary of State for Trade and Industry and the Secretary of State for Defence are to visit Australia, in September and March respectively. She hopes that both visits will underline the new priority accorded to Australia in our thinking and will lead to an increased interest by British industry in the Australian market for both civil and defence exports. She also hopes that Mr Younger's visit will give fresh emphasis to the <sup>more general</sup> defence relationship.

It is ~~also~~ useful that visits are planned in the next few months by the Speaker, the Lord Chancellor, the Attorney-

/General

Draft memo  
to P.S. to FCS

from Mr. Dowell

cc IS to Sec S & Defence

.. .. to Trade  
.. ..

.. .. Lord Chancellor

.. .. Attorney-General

.. .. Mr. Robert  
.. .. Jackson.

She wants  
the visit  
to be  
something  
out of the  
ordinary

General, Mrs Lynda Chalker and Mr Robert Jackson. These plans will also demonstrate that Australia is receiving full attention in London and will create opportunities for advancing British interests.

~~The Prime Minister would also like departments to ensure their staffing, to the extent that are directing efforts properly deployed in order to give the necessary staff to support staff deployed to exploit the priority which we are to ensure that staff are to review.~~

~~also wishes departments to make sure that their officials staff are deployed who are Ministers & anchored to heads of departments in their departments are given clear staff & are directed to~~

~~also wishes that staff are given clear direction to take charge of a new unit created by her staff, & indeed that staff are available to do this. This applies in particular to D.I. 2-1. The Prime Minister wants~~

To be sure all candidate  
staff ~~remain~~ are available time to

follow up repair opportunities. She

thinks it ~~is~~ <sup>short sighted of</sup> ~~the~~ <sup>the</sup> DTI  
no has  
I declined no contribute to the  
British Pavilion at ~~the~~ EXPO SP.

The Ri Minister would

like an interim report of

action being taken to follow up

her visit by C. DeLuna.

I am copying this letter

.....



CONFIDENTIAL  
FM BANGKOK  
O DESKBY 071700Z FCO  
TELNO 554  
OF 071250Z AUGUST 88  
AND TO DESKBY 080200Z KUALA LUMPUR

FOR RESIDENT CLERK FROM CHARLES POWELL

YOUR TELEGRAM NO 381 : MALAYSIAN DEFENCE PACKAGE

1. I THINK THE FORM OF WORDS PROPOSED IN KUALA LUMPUR TELNO 381 IS A GOOD ONE AND THAT THE PRIME MINISTER WOULD APPROVE IT. TEXT OF HER PROPOSED THANK-YOU MESSAGE TO DR. MAHATHIR WOULD READ AS FOLLOWS:

BEGINS:

IT WAS GOOD OF YOU TO RECEIVE ME DURING MY BRIEF STOP IN KUALA LUMPUR AND I WAS VERY GLAD THAT WE WERE ABLE TO HAVE A GOOD TALK, ALTHOUGH IN THE TIME AVAILABLE WE WERE UNABLE TO GO INTO SOME OF THE MATTERS AS FULLY AS I WOULD HAVE LIKED. I WAS VERY INTERESTED BY YOUR FULL ACCOUNT OF RECENT DEVELOPMENTS IN MALAYSIA AND GLAD THAT YOU FELT ABLE TO CONFIDE IN ME. I HAVE, AS YOU REQUESTED, KEPT WHAT YOU TOLD ME TO MYSELF BUT HAVE NOTED THE ACTION TAKEN BY THE KING. YOUR ADVICE ON CAMBODIA WAS VERY USEFUL. I HAVE SUBSEQUENTLY MET PRINCE SIHANOUK AND TALKED TO GENERAL PREM, WHOSE VIEWS WERE VERY MUCH THE SAME AS YOURS. I WILL BEAR IN MIND IN PARTICULAR YOUR POINT ABOUT THE NEED TO PERSUADE THE CHINESE GOVERNMENT TO REDUCE THEIR SUPPORT FOR THE KHMER ROUGE.

ONE OF THE MATTERS WHICH WE WERE NOT ABLE TO DISCUSS AS FULLY AS I HAD HOPED IS OUR INTENTION TO INCREASE OUR CO-OPERATION, BOTH IN DEFENCE AND IN MALAYSIA'S DEVELOPMENT PROGRAMME. I WAS GLAD TO BE ABLE TO CONFIRM THE ASSURANCE THAT WE HAVE ALREADY GIVEN YOUR GOVERNMENT THAT SEVENTY MILLION POUNDS OF GRANT AID AND ONE HUNDRED AND THIRTY MILLION POUNDS OF ECGD COVER WILL BE AVAILABLE FOR CIVIL PROJECTS. I WANT TO UNDERLINE THAT THERE WILL (LAST WORD UNDERLINED) BE FURTHER GRANT AID AVAILABLE ON A CONTINUING BASIS FOR DEVELOPMENT PROJECTS AGREED UPON BETWEEN THE TWO GOVERNMENTS.

I AM LOOKING FORWARD TO YOUR VISIT IN SEPTEMBER WHEN WE CAN CONTINUE DISCUSSIONS OVER LUNCH. I HOPE THAT THE MEMORANDUM OF UNDERSTANDING ON THE DEFENCE PACKAGE CAN BE SIGNED AT THAT TIME.

WITH RENEWED THANKS FOR YOUR HOSPITALITY AND WARM REGARDS.

ENDS

2. GRATEFUL FOR ANY COMMENTS BY 1800 LOCAL TIME TOMORROW.

TONKIN

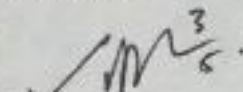
YYYY

BDHPAN 3856

NNNN

\* still to do.

MINUTE

  
 HC  
 PS/No. 10

CANBERRA: THANK YOU LETTERS

1. The Rt Hon. Sir <sup>N</sup> Vivian Stephen  
 AK, GCMG, CECVO, KBE,  
 Governor-General of Australia,  
 Government House,  
 Yarralumla  
 Canberra

Your Excellency

\* (2) The Hon. R.J.L. Hawke AC MP,  
 Prime Minister of Australia  
 Parliament House  
 Canberra

Dear Bob

(3) The Hon J Howard MP  
 Leader of the Opposition  
 Parliament House  
 Canberra

Dear John

(4) Dame Beryl Beaurepaire DBE  
 Chairman  
 Council of the Australian War Memorial  
 GPO Box 345  
 Canberra 2601

Dear Dame Beryl

~~Mr Ken Randall  
 Senior Vice-President  
 National Press Club  
 16 National Circuit  
 Barton  
 Canberra~~

Dear Mr Randall

(5) Mr Duncan Anderson  
 Assistant Secretary and  
 Commonwealth Visit Director  
 Ceremonial and Hospitality Branch  
 Department of Prime Minister and Cabinet  
 Canberra

Dear Mr Anderson

Cont../

2. I imagine the letters to Mr Hawke and Mr Anderson will wait until either the end of or after the visit.

3. I have omitted Mr Keith Pearson, Director of the Australian War Memorial, and Mrs Margorie Turbayne, Manager of the National Press Club, as Dame Beryl Beaurepaire and Mr Randall are the representatives of the boards of management which control the respective organisations.

*See index 3/8.*

RESTRICTED

FROM: A N GEORGE

PRIVATE SECRETARY

DATE: 6 August 1988

*Decided  
not.  
en*

FAREWELL MESSAGE TO PREM

We recommend that, as Prem is expected to act as the Prime Minister's principal host, a farewell message should wait until after her departure. It might appropriately be sent from the aircraft en route to Dubai.



A N George

RESTRICTED



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

6 August 1988

*Dear John and Ann*

The visit to Australia was absolutely splendid, and I cannot thank you enough for all the careful preparation which you and your staff put into it. There was a clear objective of giving more substance to our relations, and a carefully worked out plan for how to go about it. As a result, I think we succeeded in most of what we set out to achieve, with the commitment to a further high-level meeting in the United Kingdom next year. We must ensure that Bob Hawke's visit is a success; and I shall also take steps to make clear to all Departments in Whitehall that I want the momentum created by my visit to be effectively followed through, particularly in the commercial field.

But the visit was also tremendously enjoyable for both of us and it was very good to find such a strong residual goodwill towards Britain and wish to preserve the links with us. That should be a very good basis for the future. The fact that you and Ann came everywhere with us added very much to the pleasure of it all, indeed it was quite like old times.

I have written to thank Bob Hawke and all the State Premiers and other officials. Thank you for all your support and advice; and please tell all your staff, both in Canberra and in the Consulates-General how grateful I am for their work. I would add a special word of thanks to Iain Lindsay who was outstanding in the help he gave throughout.

Denis joins me in sending warmest regards to you both.

Yours ever

Raymond and Denis

---

His Excellency Mr. A. J. Coles, C.M.G.



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

6 August 1988

*Dear Mr. Anderson*

Thank you very much indeed for making the arrangements for my visit to Australia. They were absolutely splendid, indeed I have never been so well looked after. It must have involved an enormous amount of work in a year in which you are particularly burdened with foreign visitors. I can only say that it is very much appreciated: I enjoyed every minute of my time, and of course your careful planning enabled me to make the most of it.

I am really very grateful to you, and indeed to all those who helped with the arrangements, and would ask you to pass on my thanks to them.

With all good wishes,

*Yours sincerely*

*Rajiv Gandhi*

Mr. Duncan Anderson, C.V.O.  
Asst. Sec. and Commonwealth Visit Director,  
Ceremonial and Hospitality Branch, Canberra



10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

6 August 1988

*Dear High Commissioner*

It was very good of you and your wife to accompany us throughout our visit to Australia, and added tremendously to our enjoyment of it. I am very pleased indeed with the outcome of the visit, both on the political level where my talks with Bob Hawke were extremely friendly and useful, and on the wider front of reinforcing the relations between Britain and Australia. I am particularly pleased that Bob has agreed to visit Britain next year.

The programme arranged for me was excellent in every respect and the memory of the welcome which I received will stay with me always. Thank you again for all you did, and Denis and I look forward to seeing you both again in London.

With warm regards, — we shall never forget  
*this wonderful visit.*

*Yours sincerely*

*Margaret Thatcher*

His Excellency The Hon. Douglas McClelland, A.C.  
Australian H.C. in London





*File*

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

6 August 1988

*Dear Bob,*

I am writing to you as we fly over the Northern Territories towards Darwin at the end of my visit to Australia, with the last glimpses of your great land below me. I leave with the warmest possible memories and with a feeling of achievement because I believe that you and I have together taken a very important step to putting the relations between Britain and Australia back on a much sounder and healthier footing. I am very grateful to you for your role in that, and for taking up so promptly and enthusiastically my suggestion that you make a return visit next year. We look forward to welcoming you and your colleagues, and must ensure that it is a well prepared meeting with real substance.

May I thank you most warmly for your hospitality during my own visit. I could not have had a more heartening welcome both in Canberra and in the States and it was very good to find what a strong desire there is everywhere to maintain the links with Britain. What you have achieved in Australia is most impressive and I congratulate you very sincerely upon it. I would also like to record my great appreciation of the arrangements made for the visit by your officials. They were outstanding, indeed better than I have ever seen anywhere. I am most grateful to all of them, and in particular to Duncan Anderson who accompanied us throughout.

Denis joins me in sending warm regards to you and your wife - and we look forward to seeing you both in the United Kingdom next year.

Best wishes from us both to you both

Yours ever

Raymond

---

The Honourable R. J. L. Hawke, A.C., M.P.

//////////

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FM AIRBORNE  
TO CABINET OFFICE 021 IMMEDIATE  
BT

R E S T R I C T E D  
SECTION 1 OF 2

TO IMMEDIATE CANBERRA

FOLLOWING FOR HIGH COMMISSIONER  
FROM CHARLES POWELL

THIS TELEGRAM CONTAINS THE TEXT OF THE PRIME MINISTER'S  
REMAINING THANK YOU LETTERS FOR HER VISIT TO AUSTRALIA.  
I SHOULD BE VERY GRATEFUL IF YOU COULD ARRANGE FOR  
THEM TO BE DELIVERED. WE SHALL SEND THE SIGNED ORIGINALS  
FROM LONDON.

EVERYONE ON THE VC10 JOINS IN THANKING YOU AND ANN FOR  
YOUR TREMENDOUS KINDNESS AND HELP DURING OUR STAY. IT  
WAS AN UNFORGETTABLE VISIT.

C.D.P  
C D POWELL

1. QUOTE

DEAR MR ANDERSON

THANK YOU VERY MUCH INDEED FOR MAKING THE ARRANGEMENTS  
FOR MY VISIT TO AUSTRALIA. THEY WERE ABSOLUTELY SPLENDID,  
INDEED I HAVE NEVER BEEN SO WELL LOOKED AFTER. IT MUST  
HAVE INVOLVED AN ENORMOUS AMOUNT OF WORK IN A YEAR IN WHICH  
YOU ARE PARTICULARLY BURDENED WITH FOREIGN VISITORS. I CAN  
ONLY SAY THAT IT IS VERY MUCH APPRECIATED: I ENJOYED EVERY  
MINUTE OF MY TIME, AND OF COURSE YOUR CAREFUL PLANNING ENABLED  
ME TO MAKE THE MOST OF IT.

I AM REALLY VERY GRATEFUL TO YOU, AND INDEED TO ALL THOSE  
WHO HELPED WITH THE ARRANGEMENTS, AND WOULD ASK YOU TO PASS  
ON MY THANKS TO THEM.

WITH ALL GOOD WISHES,

YOURS SINCERELY

MARGARET THATCHER

UNQUOTE

(TO MR. DUNCAN ANDERSON, C.V.O.)

2. QUOTE

DEAR BOB

I AM WRITING TO YOU AS WE FLY OVER THE NORTHERN TERRITORIES  
TOWARDS DARWIN AT THE END OF MY VISIT TO AUSTRALIA, WITH THE  
LAST GLIMPSES OF YOUR GREAT LAND BELOW ME. I LEAVE WITH THE  
WARMEST POSSIBLE MEMORIES AND WITH A FEELING OF ACHIEVEMENT  
BECAUSE I BELIEVE THAT YOU AND I HAVE TOGETHER TAKEN A VERY  
IMPORTANT STEP TO PUTTING THE RELATIONS BETWEEN BRITAIN AND  
AUSTRALIA BACK ON A MUCH SOUNDER AND HEALTHIER FOOTING. I AM  
VERY GRATEFUL TO YOU FOR YOUR ROLE IN THAT, AND FOR TAKING UP  
SO PROMPTLY AND ENTHUSIASTICALLY MY SUGGESTION THAT YOU MAKE  
A RETURN VISIT NEXT YEAR. WE LOOK FORWARD TO WELCOMING YOU AND  
YOUR COLLEAGUES, AND MUST ENSURE THAT IT IS A WELL PREPARED  
MEETING WITH REAL SUBSTANCE.

MAY I THANK YOU MOST WARMLY FOR YOUR HOSPITALITY DURING  
MY OWN VISIT. I COULD NOT HAVE HAD A MORE HEARTENING WELCOME  
BOTH IN CANBERRA AND IN THE STATES AND IT WAS VERY GOOD TO FIND  
WHAT A STRONG DESIRE THERE IS EVERYWHERE TO MAINTAIN THE LINKS  
WITH BRITAIN. WHAT YOU HAVE ACHIEVED IN AUSTRALIA IS MOST  
IMPRESSIVE AND I CONGRATULATE YOU VERY SINCERELY UPON IT.  
I WOULD ALSO LIKE TO RECORD MY GREAT APPRECIATION OF THE  
ARRANGEMENTS MADE FOR THE VISIT BY YOUR OFFICIALS. THEY WERE  
OUTSTANDING, INDEED BETTER THAN I HAVE EVER SEEN ANYWHERE. I  
AM MOST GRATEFUL TO ALL OF THEM, AND IN PARTICULAR TO DUNCAN  
ANDERSON WHO ACCOMPANIED US THROUGHOUT.

DENIS JOINS ME IN SENDING WARM REGARDS TO YOU AND YOUR  
WIFE - AND WE LOOK FORWARD TO SEEING YOU BOTH IN THE UNITED  
KINGDOM NEXT YEAR.

BEST WISHES FROM US BOTH TO YOU BOTH

YOURS EVER

MARGARET

UNQUOTE

(TO THE HONOURABLE R. J. L. HAWKE, A.C., N.P.)

GRS00000  
NNNN

//////////

ZCZC  
AAAA  
060230Z AUG 88  
M AIRBORNE  
TO CABINET OFFICE 022 IMMEDIATE  
BT

R E S T R I C T E D  
FINAL SECTION OF 2

TO IMMEDIATE CANBERRA

3. QUOTE

DEAR CONSUL-GENERAL

THANK YOU VERY MUCH FOR ALL THE WORK WHICH YOU PUT INTO MY VISIT TO BRISBANE AND TO THE BRITISH CONTRIBUTION TO EXPO. IT WAS A GREAT DAY AND WONDERFUL TO SEE THE RESPONSE AT THE LAST NIGHT OF THE PROMS. I COULD NOT HAVE HAD A MORE ENCOURAGING AND ENJOYABLE FINALE TO MY VISIT TO AUSTRALIA.

PLEASE ALSO PASS ON TO YOUR STAFF MY THANKS AND APPRECIATION.

WITH WARM REGARDS TO YOU AND YOUR WIFE.

YOURS SINCERELY

MARGARET THATCHER

UNQUOTE

(TO H. J. O. R. TUNNELL, ESQ.)

4. QUOTE

DEAR JOHN AND ANN

THE VISIT TO AUSTRALIA WAS ABSOLUTELY SPLENDID, AND I CANNOT THANK YOU ENOUGH FOR ALL THE CAREFUL PREPARATION WHICH YOU AND YOUR STAFF PUT INTO IT. THERE WAS A CLEAR OBJECTIVE OF GIVING MORE SUBSTANCE TO OUR RELATIONS, AND A CAREFULLY WORKED OUT PLAN FOR HOW TO GO ABOUT IT. AS A RESULT, I THINK WE SUCCEEDED IN MOST OF WHAT WE SET OUT TO ACHIEVE, WITH THE COMMITMENT TO A FURTHER HIGH-LEVEL MEETING IN THE UNITED KINGDOM NEXT YEAR. WE MUST ENSURE THAT BOB HAWKE'S VISIT IS A SUCCESS SEMI-COLON AND I SHALL ALSO TAKE STEPS TO MAKE CLEAR TO ALL DEPARTMENTS IN WHITEHALL THAT I WANT THE MOMENTUM CREATED BY MY VISIT TO BE EFFECTIVELY FOLLOWED THROUGH, PARTICULARLY IN THE COMMERCIAL FIELD.

BUT THE VISIT WAS ALSO TREMENDOUSLY ENJOYABLE FOR BOTH OF US AND IT WAS VERY GOOD TO FIND SUCH A STRONG RESIDUAL GOODWILL TOWARDS BRITAIN AND WISH TO PRESERVE THE LINKS WITH US. THAT SHOULD BE A VERY GOOD BASIS FOR THE FUTURE. THE FACT THAT YOU AND ANN CAME EVERYWHERE WITH US ADDED VERY MUCH TO THE PLEASURE OF IT ALL, INDEED IT WAS QUITE LIKE OLD TIMES.

I HAVE WRITTEN TO THANK BOB HAWKE AND ALL THE STATE PREMIERS AND OTHER OFFICIALS. THANK YOU FOR ALL YOUR SUPPORT AND ADVICE SEMI-COLON AND PLEASE TELL ALL YOUR STAFF, BOTH IN CANBERRA AND IN THE CONSULATES-GENERAL HOW GRATEFUL I AM FOR THEIR WORK. I WOULD ADD A SPECIAL WORD OF THANKS TO IAIN LINDSAY WHO WAS OUTSTANDING IN THE HELP HE GAVE THROUGHOUT.

DENIS JOINS ME IN SENDING WARMEST REGARDS TO YOU BOTH.

YOURS EVER

MARGARET AND DENIS

UNQUOTE

(TO HIS EXCELLENCY MR. A. J. COLES, C.M.G.)

ENDS

GRS02000  
NNNN

//////////



10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

6 August 1988

Dear Consul-General

Thank you very much for all the work which you put into my visit to Brisbane and to the British contribution to EXPO. It was a great day and wonderful to see the response at the Last Night of the Proms. I could not have had a more encouraging and enjoyable finale to my visit to Australia.

Please also pass on to your staff my thanks and appreciation.

With warm regards to you and your wife.

Yours sincerely

Raymond Dalrymple

H. J. O. R. Tunnell, Esq.

SUBJECT cc MASTER

CUT

See also CDP 16  
FCO 7-8-88

ZCZC  
BDHPAN 3836  
CONFIDENTIAL  
DD 061430Z FCOLN  
DD 070200Z KULUM  
FM BANGK TO FCOLN  
061230Z AUG  
GRS 850

CONFIDENTIAL  
FM BANGKOK  
TO DESKBY 061430Z FCO  
TELNO 552  
OF 061230Z AUGUST 88  
INFO DESKBY 070200Z KUALA LUMPUR

FOLLOWING FOR PRIVATE SECRETARY FROM CHARLES POWELL.

PRIME MINISTER'S MEETING WITH DR. MAHATHIR.

1. THE PRIME MINISTER HAD A GOOD TALK WITH DR MAHATHIR. MUCH OF THE HOUR WAS TAKEN UP WITH HIS EXPLANATION OF THE BACKGROUND TO RECENT EVENTS IN MALAYSIA. HE APPEARED RATHER BELEAGUERED AND GLAD TO HAVE THE OPPORTUNITY TO UNBURDEN HIMSELF. IT WAS AGREED TO SAY TO THE PRESS, IF ASKED, ONLY THAT THE MATTER OF THE JUDGES WAS BEING DEALT WITH BY THE HEAD OF STATE IN ACCORDANCE WITH THE CONSTITUTION AND THAT EVERYONE INCLUDING THE (MALAYSIAN) PRIME MINISTER WAS ANXIOUS THAT THE MATTER SHOULD BE FULLY AND PROPERLY RESOLVED.
2. THE OTHER MAIN SUBJECT DISCUSSED WAS CAMBODIA. THE PRIME MINISTER SAID THAT THE AIM MUST BE TO SECURE STABLE AND REASONABLE GOVERNMENT IN CAMBODIA AND SOUGHT DR MAHATHIR'S ADVICE ON HOW THIS COULD BE ACHIEVED. SHE DOUBTED THE REALISM OF PRINCE SIHANOUK'S PROPOSALS. DR MAHATHIR AGREED ON THIS LAST POINT. THE MOST URGENT ASPECT WAS TO PREVENT THE KHMER ROUGE FROM OBTAINING A DOMINANT VOICE IN THE FUTURE GOVERNMENT OF CAMBODIA. EFFORTS SHOULD BE MADE TO DISSUADE THE CHINESE FROM CONTINUING THEIR SUPPORT FOR THE KHMER ROUGE. ANY SOLUTION WOULD REQUIRE SOME FORM OF INTERNATIONAL SUPERVISION.
3. THE PRIME MINISTER CONFIRMED THAT WE WERE LOOKING FORWARD TO CHOGM IN KUALA LUMPUR. THERE WAS SOME DISCUSSION OF WHETHER IT SHOULD BE THE THIRD OR FOURTH WEEK OF OCTOBER 1989. THE PRIME MINISTER MADE CLEAR THAT SHE WOULD NEED TO BE BACK IN LONDON FOR CABINET ON THE THURSDAY OF THE FOURTH WEEK. SHE EXPRESSED A PREFERENCE FOR THE VANCOUVER FORMAT AND DURATION. SHE TOLD DR MAHATHIR SHE THOUGHT THAT THE QUEEN WOULD WELCOME AN INVITATION TO PAY A VISIT TO MALAYSIA IN CONJUNCTION WITH CHOGM.

4. DR MAHATHIR RAISED THE AIR SERVICES AGREEMENT. THE PRIME MINISTER SAID THAT THERE SHOULD BE FURTHER TALKS BETWEEN BRITISH AIRWAYS AND MAS. IF THESE WERE BROADENED TO INCLUDE OTHER ASPECTS SUCH AS COOPERATION ON TOURISM, THERE WAS A GOOD PROSPECT THEY COULD MAKE PROGRESS. THE FOREIGN MINISTER TOLD THE PRIME MINISTER AFTER THE MEETING THAT THE MALAYSIANS HAD HOPED FOR AGREEMENT TO GIVE A POLITICAL PUSH TO THE NEGOTIATIONS. THE PRIME MINISTER GAVE HIM NO ENCOURAGEMENT.

5. DR MAHATHIR DID NOT (REPEAT NOT) RAISE THE ISSUE OF VIETNAMESE BOAT PEOPLE.

6. ON THE DEFENCE PACKAGE, WE ARE CLEARLY NOT THERE YET. THE PRIME MINISTER SAID THAT WE HAD DONE OUR BEST TO PUT TOGETHER A SATISFACTORY PACKAGE OF AID AND CREDIT. ONCE IT WAS EXHAUSTED WE WOULD BE PREPARED TO CONSIDER AID FOR FURTHER PROJECTS. DR MAHATHIR WAS VISIBLY DISAPPOINTED THAT THE PRIME MINISTER DID NOT HAVE MORE TO OFFER. WHILE HE APPEARED TO ACCEPT THAT WE WERE UNLIKELY TO IMPROVE ON THE SPLIT BETWEEN £70 MILLION ATP AND £130 ECGD COVER, HE INSISTED THAT THE TERMS FOR THE ECGD COVER MUST BE ATTRACTIVE AND HOPED THAT THE UK WOULD BE READY TO NEGOTIATE ON A REALISTIC BASIS. HE DID NOT REACT EITHER WAY WHEN THE PRIME MINISTER SAID THAT WE HOPED TO SIGN THE MOU IN SEPTEMBER.

7. THE PRIME MINISTER THINKS THAT WE MUST MAKE EVERY EFFORT TO CLINCH THIS IN THE NEXT TWO WEEKS OR SO. HOW WE DO SO MUST DEPEND IN PART ON THE SOUNDINGS WHICH THE HIGH COMMISSIONER WILL TAKE TO ESTABLISH MALAYSIAN REACTIONS TO TODAY'S DISCUSSION. BUT THE IMMEDIATE REQUIREMENT IS FOR A FORM OF WORDS FOR THE PRIME MINISTER TO USE IN HER THANK YOU LETTER TO DR MAHATHIR, TO CONVEY THE STRONG AND CLEAR IMPRESSION THAT THERE (NEXT WORD UNDERLINED) WILL BE FURTHER SUPPORT FORTHCOMING ONCE THE INITIAL OFFER IS USED UP. I SHOULD BE GRATEFUL IF YOU COULD TELEGRAPH ADVICE TO US IN BANGKOK ON 8 AUGUST.

8. THE PRIME MINISTER INVITED DR MAHATHIR TO LUNCH ON 27 SEPTEMBER. DR MAHATHIR INDICATED THAT HE WOULD PREFER A SMALL WORKING LUNCH TO A LARGER OCCASION.

9. FCO RESIDENT CLERK PLEASE ADVANCE TO PRIVATE OFFICES OF MOD, TREASURY, DTI, ODA.

TONKIN

YYYY

BDHPAN 3836

NNNN

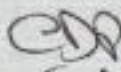
RESTRICTED

TELEGRAM TO CANBERRA

IMMEDIATE

FOLLOWING FOR HIGH COMMISSIONER FROM  
CHARLES POWELL

This telegram contains the text of the Prime Minister's remaining thank you letters for her visit to Australia. I should be very grateful if you could arrange for them to be delivered. We shall send the signed originals from London. // Everyone on the VC10 joins in thanking you and Ann for your tremendous kindness and help during our stay. It was an unforgettable visit, ~~and we all think the two of you are marvellous.~~



C D POWELL

6.8.88

RESTRICTED





10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

5 August 1988

*Dear Sir Llewellyn,*

Since we did not have the opportunity to meet, may I let you know with this letter how very impressed I was with Expo 88. It really is a tremendous achievement and I am sure it will have no difficulty in meeting all its targets. I shall always remember my day - for the interesting pavilions and the warmth and the welcome I received from the people of Queensland and the many visitors.

With best wishes,

*Yours sincerely*

*Rajiv Gandhi*

The Hon. Sir Llewellyn Edwards



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

5 August 1988

Dear Mr. Carmichael,

I am so sorry that a last minute change of plan made it impossible for us to go through with the full programme for my visit to Darling Harbour. I am sure you understand that we have to be guided by the State Government and police in these matters. But at least I saw something of it from the boat - and of course I thoroughly enjoyed my visit to Sydney.

With best wishes,

Yours sincerely

Margaret Thatcher

Mr. Alex Carmichael, A.O., C.B.E.



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

5 August 1988

Dear Mr. Veivers,

I am most grateful to you for showing me around the Australian Pavilion at Expo 88. It is a stunning achievement, reflecting the great resourcefulness and inventiveness of your country. It was well worth coming all the way from London to see, and to feel the enthusiasm of so many people at what you have created. Thank you also for the splendid gift of books, which I shall enjoy reading on my return to England.

Please pass on my thanks and congratulations to all those concerned with the Pavilion.

With best wishes,

Yours sincerely

Raymond Staiter

Mr. Tom Veivers



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

5 August 1988

*Dear Mr. Reid,*

Thank you very much for the excellent arrangements made for my visit to Brisbane. They made it possible for me to fit in a tremendous amount in a very short time and the kind welcome I received is something which I shall always remember.

I should be grateful if you could pass on my thanks to all those concerned with the arrangements, not least the police.

With best wishes,

*Yours sincerely*

*Raymond Shafter*

Mr. R. E. Reid, C.V.O.



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

5 August 1988

*Dear Premier,*

May I thank you very warmly indeed for the tremendous hospitality and welcome which I received in Queensland. It was a perfect day in every sense: the marvellous welcome from the people of Queensland, the originality and interest of the Pavilions at Expo, the short voyage down the river in the 'Young Endeavour', and above all the tremendous feeling of enterprise in Brisbane itself. Thank you in particular for the very kind words in your speech at the opening of British Day and again at your reception which I very much appreciated.

It was very good of you and your wife to accompany us during the visit to Expo and to give such a splendid reception at the end of the day which brought the happiest possible conclusion to my visit to Australia. I hope we shall see you both in London. Meanwhile my husband joins me in sending warm regards to you and your wife.

*And thank you very much indeed for the  
filled lizard on the lovely opal rock.*

*Kind regards,*

The Honourable M. J. Ahern, M.L.A.

*Yours sincerely*  
*Margaret Thatcher*



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

5 August 1988

*Dear Sir Edward,*

I cannot thank you enough for your kindness in accompanying me throughout my most enjoyable visit to Expo 88. It is a fantastic achievement, full of excitement and originality and a tremendous boost for both Queensland and for Australia. I enjoyed every minute of my day, above all the very warm welcome I received from the visitors and staff at Expo. Thank you in particular for the very cheerful lunch and for the kind gifts, which will help me remember this splendid day.

I do hope that you did not have any bruises from your fall.

With warm regards to both you and your wife.

*Yours sincerely*

*Margaret Thatcher*

The Honourable Sir Edward Williams, K.C.M.G., K.B.E.



10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

5 August 1988

*Dear Commander Townsend,*

Thank you very much for your help in organising the berthing of the Young Endeavour and making my brief visit to it possible. It is wonderful to see the young people given such an opportunity and I am very glad that Britain was able to mark the bicentenary in this way.

With best wishes,

*Yours sincerely*  
*Margaret Thatcher*

Commander A. W. Townsend, R.A.N.



10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

5 August 1988

*Dear Mr Maybury,*

Thank you very much for showing me around the Queensland Pavilion at Expo 88. It is absolutely marvellous, reflecting the tremendous vitality and potential of your City. I wish I could have stayed to see more, but there were so many other things to do.

Please pass on my thanks and congratulations to all those concerned with the Pavilion.

With best wishes,

*Yours sincerely*

*Margaret Thatcher*

Mr. Fred Maybury





BY HAND

British Consulate-General  
Sydney

7 August 1988

Nigel Wicks Esq.,  
Principal Private Secretary  
(AT SYDNEY)

*Dear Nigel,*

THANK-YOU LETTERS

I recommend that the Prime Minister should send thank-you letters at the end of her Sydney visit to:-

(1) (i) The Hon. N F Greiner MP  
Premier of New South Wales  
Level 8, Premier's Wing  
State Office Block  
Macquarie Street  
SYDNEY NSW 2000

(addressed as "Dear Premier")

(2) (ii) Rear Admiral A R Horton AO RAN  
Flag Officer, Naval Support Command  
Naval Headquarters  
22nd floor, Sperry Remington Building  
175 Liverpool Street  
SYDNEY NSW 2000

(addressed as "Dear Admiral Horton")

(3) (iii) Mr Jim Dominguez  
Acting President  
Board of Trustees  
Powerhouse Museum  
84 Mary Ann Street  
ULTIMO NSW 2007

(addressed as "Dear Mr Dominguez")



(iv) Mr Stefan Bokaemper  
General Manager  
Inter-Continental Hotel  
117 Macquarie Street  
SYDNEY NSW 2000

4

(addressed as "Dear Mr Bokaemper")

(v) Mr Alex Carmichael AO CBE  
Chairman  
Darling Harbour Authority  
25-29 Dixon Street  
SYDNEY NSW 2000

5

(addressed as "Dear Mr Carmichael")

(vi) Mr Tom Hayson  
Chairman of Directors  
Merlin International Properties Pty.Ltd.,  
Harbourside Festival Marketplace  
DARLING HARBOUR NSW 2000

(addressed as "Dear Mr Hayson")

(vii) Mr Ian Duffell  
Managing Director for Australia and Japan  
Virgin Retail Australia Pty.Ltd.,  
51-53 Murray Street  
PYRMONT NSW 2009

6

(addressed as "Dear Mr Duffell").

7

GG

*Yours ever*  
*A J Sindall*  
(A J Sindall)  
Consul-General



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

5 August 1988

*Dear Mr. Duffell.*

I am so sorry that a last minute change in my programme meant that I was unable to visit the Virgin Megastore. I am sure you will understand that I have to be guided by the State Government and the police in these matters, but I fear it will have been a disappointment to you. I send you and all those at the Virgin Megastore my warm good wishes for the future success of the enterprise.

*Yours sincerely*

*Margaret Thatcher*

Mr. Ian Duffell  
Managing Director for Aus. and Japan,  
Virgin Retail Australia Pty. Ltd.



*File*

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

5 August 1988

*Dear Mr Bokaemper.*

I am most grateful to you and all the members of the staff at the Inter-Continental Hotel of Sydney for making me so welcome during my brief stay. We were very comfortable indeed and I have never been in an hotel anywhere in the world with such a magnificent view. Thank you also for the beautiful book on Australian blooms which I shall enjoy looking through on my return to England.

With best wishes to you all.

*Yours sincerely*

*Raymond Shalton*

Mr. Stefan Bokaemper  
General Manager,  
Inter-Continental Hotel



*File*

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

5 August 1988

*Dear Mr. Dominguez*

Thank you for showing me round the Powerhouse Museum during my visit to Sydney. I was absolutely delighted to see for myself what a great achievement it is, blending the ancient and modern so skilfully. It is always difficult to appreciate something properly when moving round with a large posse of press photographers and I am determined to return on some other occasion to see it more fully. Meanwhile I am most grateful to you and all those who helped make the arrangements for my visit.

With best wishes,

*Yours sincerely*

*Margaret Thatcher*

Mr. Jim Dominguez  
Acting President, Board of Trustees,  
Powerhouse Museum



lito

10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

5 August 1988

Dear Admiral Horton,

Thank you very much for showing me round the Submarine Warfare Systems Centre at HMAS Watson. It was a most interesting visit and I was glad that it also gave me the opportunity to meet so many of your officers. The chapel was a particular joy, and I am grateful to you for including it in the programme.

May I take the opportunity through you to send my good wishes to all the officers and men at HMAS Watson.

Yours sincerely

Margaret Thatcher

Rear Admiral A.R. Horton, A.O., R.A.N.  
Flag Officer, Naval Support Command



*File*

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

5 August 1988

*Dear Premier,*

May I thank you and your wife most warmly for your extremely generous hospitality during my visit to Sydney. It was a wonderful day and very good of you to devote so much of your time to escorting me, which added greatly to the enjoyment. Thank you in particular for the magnificent dinner in the evening and for the very kind words in your speech.

I particularly appreciated the chance to have a good talk with you about the principles and policies which we have in common. I congratulate you most warmly on the courage with which you are tackling many difficult problems and wish you every success in overcoming them. I shall ensure that the points which emerged from our talk are followed up through our High Commissioner.

May I also ask you to express my gratitude to all those in Sydney who were involved with the arrangements for my visit. They did a tremendous job.

I hope very much that we shall see you in London with your wife. Meanwhile Denis joins me in sending you both our warm regards.

*Yours sincerely  
Margaret Thatcher*

The Hon. N.F. Greiner, M.P.  
Premier of New South Wales



Wt

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

5 August 1988

Dear Mr. Sindall,

I am most grateful to you and all the members of your staff for making the arrangements for my visit to Sydney. I know how much work goes into the advance preparations. It was a wonderful day and all went extremely well.

I hope my visit will prove of help to you in your own work. Please pass on my best wishes to all the members of your staff.

Yours sincerely

Margaret Thatcher

A.J. Sindall, Esq.  
Consul-General



ZCZC  
AAAA  
052315Z AUG 88  
FM AIRBORNE  
TO CABINET OFFICE 019 IMMEDIATE  
BT

R E S T R I C T E D

TO IMMEDIATE BANGKOK  
AND TO IMMEDIATE FCO

FROM CHARLES POWELL (PRIME MINISTER'S PARTY)

FCO TEL NO. 530: MESSAGE TO GENERAL PREM.

I AM SURE THE PRIME MINISTER WILL BE CONTENT TO SEND  
A MESSAGE AS PROPOSED IN TUR, BUT TIMING OF DELIVERY  
WILL SURELY DEPEND ON WHETHER IT IS PREM WHO GREETES  
THE PRIME MINISTER AT THE AIRPORT ON ARRIVAL THIS  
EVENING.

C.D.P.

GRS00000  
NNNN

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LNCYAN 4685 OCMIAN 9290  
CONFIDENTIAL  
FFFF CABINET OFFICE PLEASE PASS  
DD 052230Z CAOFF  
FM FCOLN TO CANBE  
051650Z AUG  
GRS 190

CONFIDENTIAL  
FM FCO  
TO DESKBY 052230Z CANBERRA  
TELNO 526  
OF 051650Z AUGUST 88  
INFO DESKBY 060100Z KUALA LUMPUR

FOR PRIME MINISTER'S PARTY ON BOARD VC10.  
MEETING WITH DR MAHATHIR: VIETNAMESE BOAT PEOPLE

1. AS YOU WILL SEE FROM OTHER CHANNELS, DR MAHATHIR MAY SEEK THE PRIME MINISTER'S SUPPORT FOR A MINISTERIAL LEVEL CONFERENCE ON VIETNAMESE BOAT PEOPLE EARLY IN THE NEW YEAR. THIS IS A MALAYSIAN PROPOSAL ENDORSED BY ASEAN. UK MINISTERS HAVE NOT CONSIDERED IT, BUT OFFICIALS ARE CAUTIOUS. WE FEAR THAT SUCH A POLITICAL CONFERENCE WOULD BE SIDE-TRACKED INTO OTHER ISSUES AND AWAY FROM THE OVERRIDING NEED FOR VIETNAM TO TAKE BACK HER BOAT PEOPLE. IF DR MAHATHIR MENTIONS IT, THE PRIME MINISTER MAY WISH TO BE NON-COMMITTAL, ASKING DR MAHATHIR HOW HE THINKS SUCH A CONFERENCE WOULD HELP AND STRESSING THAT IT WOULD REQUIRE VERY CAREFUL PREPARATION.
2. IF DR MAHATHIR RAISES THE QUESTION OF VIETNAMESE BOAT PEOPLE IN GENERAL, OUR POLICY IS THAT VIETNAM SHOULD TAKE MEASURES TO STEM THE OUTFLOW AND TAKE BACK ALL WHO ARE NOT GENUINE REFUGEES BUT ECONOMIC MIGRANTS, WHETHER THEY WISH TO RETURN OR NOT, SINCE THERE IS NO FUTURE FOR THEM OUTSIDE VIETNAM.

CHALKER

OCMIAN 9290

NNNN

ZCZC  
 LNCYAN 4692 OCMIAN 9356  
 RESTRICTED  
 FFFF CABINET OFFICE PLEASE PASS PM'S PARTY  
 DD 052330Z CAOFF  
 FM FCOLN TO CANBE  
 051043Z AUG  
 GRS 231

RESTRICTED  
 FM FCO  
 TO DESKBY 052330Z CANBERRA  
 TELNO 530  
 OF 051043Z AUGUST 83  
 INFO DESKBY 060130Z BANGKOK

FOR PRIME MINISTER'S PARTY ONBOARD VC10.

FOLLOWING FROM PS FOR PRIME MINISTER'S PRIVATE SECRETARY

1. FURTHER TO MY TELNO 525, WE RECOMMEND THAT THE PRIME MINISTER SENDS A FAREWELL MESSAGE TO THAILAND'S FORMER PRIME MINISTER GENERAL PREM, WHO UNEXPECTEDLY TURNED DOWN AN INVITATION TO HEAD THE NEW GOVERNMENT COALITION. PREM IS SURE TO REMAIN AN INFLUENTIAL FIGURE IN THAI POLITICS FOR SOME YEARS TO COME AND WE DO NOT RULE OUT THE POSSIBILITY OF HIS RETURN AS PRIME MINISTER. IF THE CHATICHAI COALITION FALLS APART PREM COULD AGAIN BE INVITED TO FORM A NEW GOVERNMENT.

2. DURING PREM'S EIGHT YEARS AS PRIME MINISTER, THAILAND ENJOYED AN UNPRECEDENTED PERIOD OF ECONOMIC GROWTH AND STABILITY. HE HAS TAKEN A FIRM STANCE ON CAMBODIA AND HAS BEEN A KEY CONTRIBUTOR TO ASEAN'S DEVELOPMENT. WE SUGGEST A MESSAGE ALONG THE FOLLOWING LINES: BEGINS

MAY I OFFER YOU A WARM FAREWELL FOLLOWING YOUR DECISION NOT TO CONTINUE AS PRIME MINISTER OF THAILAND AFTER THE GENERAL ELECTION. UNDER YOUR LEADERSHIP THAILAND ENJOYED A PERIOD OF UNPARALLELLED PROSPERITY AND STABILITY. YOUR DISTINGUISHED CAREER AND SERVICE TO YOUR COUNTRY HAVE EARNED YOU WORLDWIDE RESPECT. I SEND YOU MY BEST WISHES FOR THE FUTURE.  
 MARGARET THATCHER. ENDS

3. IF YOU AGREE YOU MAY WISH TO AUTHORISE BANGKOK TO ISSUE THIS MESSAGE.

CHALKER

OCMIAN 9356

NNNN

MR. POWELL

The attached message from Mr. Mulroney  
is self-explanatory. I have acknowledged  
receipt.

*ASB*

P. A. BEARPARK

5 August 1988

Canadian High Commission



Haut Commissariat du Canada

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL NO T121/88

London  
August 5, 1988

original filed on: Canada:  
relations ptb

Mr. Charles Powell  
Private Secretary to the Prime Minister  
10 Downing Street  
London

Dear Mr. Powell,

I should be most grateful if you would  
transmit to Prime Minister Thatcher the attached  
personal message from Prime Minister Mulroney.

With best personal regards.

Yours sincerely,

*L. A. Delvoie*  
L. A. Delvoie  
Acting High Commissioner

Message from Prime Minister Mulroney to Prime Minister  
Thatcher

"Mila and I would like to convey our admiration for the dignity and courage which you displayed in response to the demonstrations you encountered in Australia. We have followed your visit on Canadian television and are appalled at the misbehaviour of the demonstrators. Your dignity in the face of these very difficult circumstances is truly remarkable.

With every best wish of support.

Brian Mulroney"



British Consulate-General  
Melbourne

2 August 1988

Miss Sheila Waghorn,  
c/o Hilton International Hotel,  
Melbourne.

*See D.L.*

Thank You Letters

We have been asked to have a list of Thank you Letters recipients, available for the Private Office. Could you please pass this on to the Private Office at an appropriate moment.

You will see I have marked three of the responses with a  $\phi$ . This is, as explained, because they can expect to receive a photograph, the Thank You Letter may therefore be unnecessary or varied.

*James Marshall  
Ch. L.*

M.W. Marshall

Encl:

MWM/bt.



THANK YOU LETTERS - VICTORIA

① Mr. David Ford, LVO GM.  
Chief of Protocol,  
State Public Offices,  
1 Treasury Place,  
Melbourne Victoria 3002.

② Sergeant Rayment Potter  
Close Protection Unit,  
Victoria Police Department  
Police Complex,  
Russell Street,  
Melbourne Victoria 3000.

~~Mr. John Mansfield,  
State Media Liaison Officer,  
State Public Offices,  
1 Treasury Place,  
Melbourne Victoria 3002.~~

③ Sir Gustav Nossal CBE FRS  
Director,  
The Walter & Eliza Hall Institute of  
Medical Research,  
Royal Parade,  
Parkville Victoria 3050.

④ Dr. Margaret Brumby  
General manager,  
The Walter & Eliza Hall Institute of  
Medical Research,  
Royal Parade,  
Parkville Victoria 3050.

⑤ The Right Honourable The Lord Mayor  
of Melbourne  
Councillor Lecki Ord,  
City Hall,  
Swanston Street,  
Melbourne Victoria 3000

.../continued





(6) Miss Jane Seaholme,  
Manager,  
The Body Shop,  
Howey Place,  
Little Collins Street,  
Melbourne Victoria 3000.

(7) Mr. Tony Carolan,  
General Manager,  
Hawker De Havilland (Victoria) Ltd.  
304 Lorimer Street,  
Port Melbourne Victoria 3207.

(8) Sen. Const. Sharon Matthews  
Close Protection Unit,  
Victoria Police Department,  
Police Complex  
Russell Street,  
Melbourne Victoria 3002.

ø Will also receive photograph.

File



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

4 August 1988

Dear Senoi Constance Matthews

Thank you very much for looking after me so well during my visit to Melbourne. I am afraid you had a more strenuous afternoon than you expected but you never faltered and I am most grateful for all that you did.

With best wishes,

Yours sincerely

Raymond Thatcher

Sen. Const. Sharon Matthews  
Close Protection Unit, Victoria



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

4 August 1988

*Dear Mr. Carolan,*

Thank you very much for showing me round the Hawker De Havilland factory during my visit to Melbourne. It is most impressive and I was glad to hear how well the company is doing. I wish you every success in the future.

I should be grateful if you could pass on my thanks to all those who helped show me round and give them and indeed all the staff my best wishes.

*Yours sincerely*  
*Margaret Thatcher*

Mr. Tony Carolan  
General Manager, Hawker De Havilland (Victoria) Ltd.



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

4 August 1988

Dear Miss Seaholme,

I think one can safely say that my visit attracted plenty of attention to the Body Shop even though some of it was far from welcome! I do hope that no damage was done and that you and your customers were not too inconvenienced. I was delighted to see the shop and to hear how well you are doing. Thank you very much for showing me round.

With best wishes,

Yours sincerely

Raymond Stalton?

Miss Jane Seaholme

Manager, The Body Shop, Melbourne



*Cite*

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

4 August 1988

*Dear Lord Mayor*

I am most grateful to you for your hospitality to me in Melbourne. It was only a brief visit but I was glad to be back and marvel at the way in which the city has grown and developed in the years since I was last there, not least with the addition of the magnificent Arts Centre. I am sorry that you got jostled during the walkabout and hope you are none the worse for it. I should be grateful if you could pass on my thanks to all those in the city who helped with the arrangements for the visit.

With kind regards to you and your husband,

*Yours sincerely*

*Royal Highness*

The Right Honourable The Lord Mayor of Melbourne  
(Councillor Lecki Ord)



*Cik*

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

4 August 1988

*Dear Dr. Brumby,*

I am most grateful to you for your help in arranging my visit to the Walter & Eliza Hall Institute of Medical Research which I greatly enjoyed. I could happily have spent several hours longer learning more about the Institute's work but at least I was able to get a general picture of it.

With best wishes,

*Yours sincerely*

*Margaret Thatcher*

Dr. Margaret Brumby

General Manager, Walter and Eliza Inst. of Medical Research, Victoria



*Cib*

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

4 August 1988

*Dear Sir Gustav,*

I found my visit to the Walter & Eliza Hall Institute of Medical Research extremely interesting and am most grateful to you for arranging it and escorting me round. I wish I could have spent much longer but in such a short visit to Australia I am afraid everything has to be done in a rush.

I should be grateful if you could pass on my thanks to all your staff for their help and congratulate them on the excellent work which they are doing.

With warm good wishes,

*Yours sincerely*

*Raymond Hunter*

Sir Gustav Nossal, C.B.E., F.R.S.

Director, The Walter and Eliza Hall Institute of Medical Research,  
Victoria



file

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

4 August 1988

Dear Sergeant Potter,

I am most grateful to you and your colleagues for your good work in looking after me during my visit to Melbourne. I am sorry that you had to deal with rather a crush at one point but we got there and I enjoyed my visit very much.

With best wishes to you and your colleagues,

Yours sincerely

Margaret Thatcher

Sergeant Raymond Potter  
Close Protection Unit, Melbourne





*Cite*

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

4 August 1988

*Dear Mr. Ford,*

I am most grateful for all the work which went into the arrangements for my visit to Melbourne. It was a great pleasure to be back in the city after a long gap and to see how much it has developed. The programme enabled me to get through a great deal in a short time, thanks to your efforts and those of so many others. I should be grateful if you would pass on my thanks to all concerned.

With best wishes,

*Yours sincerely*

*Margaret Thatcher*

Mr. David Ford, L.V.O., G.M.  
Chief of Protocol, Melbourne



*Cole*

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

4 August 1988

*Dear Premier,*

My visit to Melbourne was very brief but I was pleased to be back in the city and in the State of Victoria again, to admire the many changes since my last visit seven years ago. I am most grateful to you for your courtesy in coming to meet me and for the most enjoyable dinner which you gave in my honour, with the opportunity to meet so many distinguished Victorians. It was a most interesting evening.

I should be grateful if you could pass on my thanks to all those in the State who helped make the arrangements for my visit and tell them how much I enjoyed it.

With best wishes to you and your wife,

*Yours sincerely,*

*Raymond Shaitan*

The Hon. John Cain, M.L.A.  
Premier of Melbourne



*Cite*

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

4 August 1988

*Dear Consul-General*

Thank you very much for all the work you did on the programme for my visit to Melbourne. I fear that the coverage of it will probably be dominated by the rather rowdy demonstration, but one gets used to that. I was pleased to see the city again and hope that my coming there will have been of help to you in your own work.

I should be grateful if you could pass on my gratitude to all the members of your staff, and at the same time thank them all most warmly for the beautiful red roses. It was a very kind thought.

With best wishes,

*Yours sincerely*

*Margaret Thatcher*

M. W. Marshall, Esq., O.B.E.  
Consul-General in Melbourne

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CONFIDENTIAL  
 FM FCO  
 TO DESKBY 042300Z CANBERRA  
 TELNO 519  
 OF 041514Z AUGUST 88

FOR PRIME MINISTER'S PARTY:  
 MEETING WITH DR MAHATHIR, 6 AUGUST: BRIEFING ON DEFENCE PACKAGE  
 AND AIR SERVICES

1. THE DEFENCE PACKAGE IS LIKELY TO BE THE MAIN SUBJECT FOR DISCUSSION WITH DR MAHATHIR. THE PRIME MINISTER WILL WISH TO ASSURE HIM OF HER FULL SUPPORT FOR IT. HE IS LOOKING FOR CONCESSIONS ON AID AND MAYBE ALSO ON AIR SERVICES. ON AID, WE CANNOT ACCEPT ANY LINKAGE BETWEEN AID AND DEFENCE SALES AND THE PRIME MINISTER MAY WISH TO MAKE CLEAR THAT OUR LATEST OFFER IS AS FAR AS WE CAN GO. IF DR MAHATHIR RAISES AIR SERVICES, THE PRIME MINISTER MAY WISH TO ENCOURAGE HIM TO PERSUADE MAS TO CONTINUE TO TALK TO BRITISH AIRWAYS, BUT ON A BROADER RANGE OF COMMERCIAL OPTIONS.

DEFENCE PACKAGE

2. THE PRIME MINISTER IS FAMILIAR WITH THE BACKGROUND TO THE DEFENCE PACKAGE. ON 23 MARCH THE DEFENCE SECRETARY SIGNED A PROTOCOL WITH THE MALAYSIAN MINISTER OF DEFENCE FOR THE SUPPLY OF DEFENCE EQUIPMENT INCLUDING TORNADO AIRCRAFT, RAPIER MISSILES, RADARS, HOWITZERS AND SUBMARINES. PAYMENT WOULD BE IN CASH, USING THE PROCEEDS OF CRUDE OIL SALES BY PETRONAS, THE MALAYSIAN STATE OIL CORPORATION. (A BRIDGING FINANCE FACILITY, REQUIRING ECGD COVER OF POUNDS 200-300 MILLION WILL BE NEEDED. ECGD CAN PROVIDE IT). AT MALAYSIAN REQUEST THE PROTOCOL INCLUDED A REFERENCE TO AID (UNSPECIFIED) IN SUPPORT OF NON-MILITARY PROJECTS TO 20 PER CENT OF THE VALUE OF THE DEFENCE EQUIPMENT (I.E. POUNDS 200 MILLION ACCORDING TO THE APPROXIMATE VALUATION OF POUNDS 1 BILLION ORIGINALLY PLACED ON THE EQUIPMENT COVERED BY THE PROTOCOL; POUNDS 300 MILLION ACCORDING TO LATER ESTIMATES BY THE INDUSTRY OF POUNDS 1.5 BILLION). LINKING AID TO DEFENCE SALES CONTRACTS WOULD SUBJECT MINISTERS TO SEVERE CRITICISM IN PARLIAMENT AND IN THE OECD. ON 20 JUNE, FOLLOWING AN INTER-MINISTERIAL MEETING MR YOUNGER WROTE TO THE MALAYSIAN FINANCE MINISTER (DAIM) RULING OUT LINKAGE. AT THE SAME TIME OUR HIGH COMMISSIONER SENT A SEPARATE LETTER OFFERING POUNDS 200 MILLION IN THE FORM OF POUNDS 70 MILLION ATP GRANT AND POUNDS 130 MILLION ASSOCIATED EXPORT CREDIT COVER SUPPORT FOR ELIGIBLE CIVIL PROJECTS. THE MALAYSIANS EXPRESSED DISAPPOINTMENT THAT THE POUNDS 200 MILLION WOULD NOT ALL BE IN THE FORM OF ATP GRANT AND INDICATED THAT DR MAHATHIR WOULD NEED FURTHER CONCESSIONS TO SELL THE PACKAGE TO HIS CABINET. OUR HIGH COMMISSIONER WROTE AGAIN TO DAIM ON 27 JULY (IN TERMS AGREED) BY THE PRIME MINISTER AND COLLEAGUES) STATING THAT WE WOULD BE PREPARED TO CONSIDER SYMPATHETICALLY THE POSSIBILITY OF PROVIDING FURTHER SUPPORT IF

PROGRESS WERE MADE IN USING THE POUNDS 200 MILLION AND THE MALAYSIAN GOVERNMENT PUT FORWARD FURTHER ELIGIBLE PROJECTS. SPRECKLEY TOLD DAIM ON INSTRUCTIONS THAT THIS OFFER REPRESENTED A MAJOR EFFORT ON OUR PART TO MEET MALAYSIAN WISHES AND THAT IT WAS AS FAR AS WE COULD GO. WHAT INDICATIONS WE HAVE SUGGEST THAT THE MALAYSIANS WILL ACCEPT THIS. UNLESS SPREAD OVER A VERY LONG PERIOD HIGHER FIGURES COULD CREATE ATP BUDGET PROBLEMS, CROWDING OUT SUPPORT FOR PROJECTS ELSEWHERE AND REQUIRE AN INCREASE IN THE ECGD COUNTRY LIMIT WHICH WOULD BE DIFFICULT TO AGREE.

3. THIS PROBLEM HAS HELD UP NEGOTIATION OF AN MOU ON THE DEFENCE PACKAGE PROPER. DR MAHATHIR NOW ACCEPTS IT CANNOT BE SIGNED ON 6 AUGUST AND HAS SUGGESTED SIGNATURE DURING HIS VISIT TO THE UK IN LATE SEPTEMBER. WE HAVE REPLIED THAT IT IS TOO EARLY TO DECIDE ON TIMING OR SIGNATORIES. OUR PREFERENCE IS FOR SIGNATURE BY DEFENCE MINISTERS AND TO AVOID TYING OURSELVES TO ARTIFICIAL DEADLINES.

#### AIR SERVICES

4. THE BRIEFING WE HAVE ALREADY PROVIDED CONTAINS BACKGROUND ON

AIR SERVICES. THE MALAYSIANS HAVE SINCE HINTED THAT WITHOUT AGREEMENT ON SIXTH AND SEVENTH WEEKLY FREQUENCIES TO LONDON FOR MAS (INSTEAD OF THE PRESENT FREQUENCY OF FIVE FLIGHTS PER WEEK) MAJOR CONTRACTS IN THE DEFENCE PACKAGE MAY BE LOST. DR MAHATHIR HAS TOLD OUR HIGH COMMISSIONER THAT HE HOPED THE PRIME MINISTER WOULD PRESS BA TO BE MORE FORTHCOMING IN THEIR NEGOTIATIONS WITH MAS. THE PRIME MINISTER WILL NOT WISH TO RAISE THIS SUBJECT HERSELF, BUT IF DR MAHATHIR DOES SO, SHE MAY WISH IN ADDITION TO DRAW ON THE FOLLOWING WHICH IS MORE FORTHCOMING THAN THE LINE IN THE ORIGINAL BRIEFING AND IS BASED ON SUBSEQUENT DISCUSSION WITH BRITISH AIRWAYS. THE PRIME MINISTER MAY ALSO WISH TO BE AWARE THAT THE BRITISH AIRPORTS AUTHORITY'S PROPOSALS FOR RUNNING MALAYSIAN AIRPORTS NOW LOOK LIKELY TO BE ACCEPTED.

5. THERE SHOULD BE NO LINKAGE WITH THE DEFENCE PACKAGE: AIR SERVICES MUST BE CONSIDERED ON THEIR OWN MERITS. WE HOPE THAT A WAY FORWARD CAN BE FOUND WHICH WILL ALLOW MAS TO OPERATE ADDITIONAL SERVICES TO LONDON. OF COURSE BRITISH AIRWAYS ARE NOW A PRIVATE COMPANY. BUT WE UNDERSTAND THAT THEY WOULD BE PREPARED TO LOOK AT A RANGE OF COMMERCIAL OPTIONS AND OTHER IDEAS FOR DEVELOPING THE UK/MALAYSIAN MARKET. DR MAHATHIR MIGHT THEREFORE ENCOURAGE MAS TO CONTINUE THEIR DIALOGUE WITH BA ON THIS BROADER BASIS. THE PRIME MINISTER MAY WISH TO AVOID BEING DRAWN FURTHER. MAS HAVE REPEATEDLY FAILED TO PRODUCE FIGURES TO JUSTIFY AN INCREASE IN SERVICES. BA'S IDEA IS THAT THE TALKS COULD BE BROADENED OUT TO COVER ARRANGEMENTS WHICH WOULD BENEFIT BOTH AIRLINES, NOT JUST MAS. BA HAVE NOT TOLD US WHAT IDEAS THEY HAVE IN MIND. BALANCING BENEFITS ARE COMMONLY SOME SORT OF COMPENSATION PAYMENT, EXTRA PASSENGER RIGHTS OR DEVELOPMENT OF TOURISM. BUT THESE ARE FOR THE AIRLINES, NOT GOVERNMENTS, TO DISCUSS.

CHALKER

OCMIAN 8933

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CONFIDENTIAL  
FFFF FOLLOWING PASSED AT THE REQUEST OF CANBERRA  
FFFF FOR THE ATTENTION OF THE PRIME MINISTERS PARTY  
OO CAOFF  
FM FCOLN TO BRISB  
O41030Z AUG  
GRS 608

CONFIDENTIAL  
FM FCO  
TO DESKBY O42300Z BRISBANE  
TELNO 28  
OF O41030Z AUGUST 88

FOLLOWING TELEGRAM NOW REPEATED TO YOU AT REQUEST OF SEAD

CONFIDENTIAL  
FM KUALA LUMPUR  
TO IMMEDIATE FCO  
TELNO 407  
OF O20800Z AUGUST 88

MALAYSIA: POLITICAL AND ECONOMIC ROUND-UP  
SUMMARY

1. AS A RESULT OF FIRM ACTION BY DR MAHATHIR THE POLITICAL SCENE IS CALM AND PUBLIC CRITICISM HAS BEEN SILENCED. HE IS FULLY IN CONTROL. HIGH COMMODITY PRICES HAVE CONTRIBUTED TO AN ECONOMIC RECOVERY AND A HIGH RATE OF GROWTH. MALAYSIA'S INTERNATIONAL INTERESTS REMAIN LIMITED AND THE MAJOR EVENT ON THE HORIZON IS THE COMMONWEALTH HEADS OF GOVERNMENT MEETING NEXT YEAR.

DETAIL  
POLITICAL

2. THE POLITICAL CLIMATE IS CALM, ON THE SURFACE AT LEAST. FIRM ACTION BY THE AUTHORITIES LAST NOVEMBER TO STAMP OUT RACIAL TENSION HAS CONTINUING EFFECT. DR MAHATHIR HAS ALSO DEALT FIRMLY WITH THE OPPOSITION FROM WITHIN HIS OWN PARTY AND IN THE NATIONAL COALITION MOST RECENTLY, THE SUSPENSION OF SIX SUPREME COURT JUDGES HAS PUT A STOP TO WHAT HE SAW AS A THREAT COMING FROM THE JUDICIARY AND THE LEGAL PROFESSION. THE PRIME MINISTER'S HAND IS ON ALL THE IMPORTANT LEVERS, AND NOBODY CAN AT THE MOMENT PREVENT HIM FROM CONSOLIDATING LEGISLATIVE ACTION, AND BUILDING UP THE NEW UMNO.

3. LEADERS OF THE PARLIAMENTARY OPPOSITION REMAIN IN DETENTION AND THEIR FOLLOWERS ARE VERY NERVOUS ABOUT TAKING ANY STEPS WHICH MIGHT CREATE FURTHER TROUBLE. NEW UMNO APPEARS TO BE MAKING PROGRESS IN RECRUITING MEMBERS AND SETTING UP ITS ORGANISATION. THE CHINESE AND INDIAN ALLIES IN THE NATIONAL COALITION HAVE CONCLUDED THAT THEY HAVE NO CHOICE BUT TO FOLLOW THE PRIME MINISTER'S LEAD AND TO SUPPORT HIS APPEALS FOR NATIONAL UNITY. DR MAHATHIR'S OPPONENTS WITHIN THE MALAY POLITICAL COMMUNITY HAVE HAD TO ACCEPT THAT DIRECT CHALLENGE WILL GET THEM NOWHERE AND THEY ARE ALMOST ALL KEEPING THEIR HEADS DOWN, THOUGH THEY CONTINUE TO REJECT HIS AUTHORITY.

4. DR MAHATHIR'S SKILL IN USING THE WEAPONS HIS POSITION GIVES HIM, AND HIS VERY UN-MALAY WAY OF DEALING DIRECTLY AND FORCEFULLY WITH ANY MANIFESTATION OF OPPOSITION, MAKE HIM UNASSAILABLE AT THE MOMENT. HIS CRITICS AND OPPONENTS ARE REDUCED TO GRUMBLING IN PRIVATE, AND TO WISHFUL THINKING ABOUT THE POSSIBILITY THAT HE MIGHT MAKE SOME CONSILIATORY GESTURES. HOWEVER, COMPROMISE IS NOT DR MAHATHIR'S STYLE.

#### ECONOMIC

5. HE IS HELPED BY THE FACT THAT THE ECONOMIC SITUATION CONTINUES TO IMPROVE, LED BY SUSTAINED IMPROVEMENT IN COMMODITY PRICES. GROWTH OF OVER 7 % FOR THE YEAR IS NOW BEING SPOKEN OF AND THERE ARE MANY INDICATIONS OF RENEWED CONFIDENCE. THE CONSTRUCTION INDUSTRY, FOR EXAMPLE, WHICH HAD BEEN BECALMED FOR THE LAST COUPLE OF YEARS, IS NOW BEGINNING TO TAKE UP AGAIN AND THERE ARE SIGNS OF INCREASED FOREIGN INVESTMENT. DOMESTIC INVESTMENT IS STILL VERY SLUGGISH AND EVEN THOUGH CHINESE BUSINESSMEN ARE FINDING IT EASIER TO MAKE MONEY, A NUMBER OF THEM CONTINUE TO SEE THEIR EVENTUAL FUTURE OUTSIDE MALAYSIA.

#### INTERNATIONAL

6. IN RECENT MONTHS MALAYSIA HAS NOT PLAYED A PROMINENT PART ON THE INTERNATIONAL STAGE AND THIS SEEMS LIKELY TO CONTINUE, THOUGH SHE IS A CANDIDATE FOR THE SECURITY COUNCIL. SHE FOLLOWS OTHER ASEAN COUNTRIES, ESPECIALLY INDONESIA, OVER INDO-CHINA, WITHOUT TAKING ANY PROMINENT ROLE. WE HAVE HEARD LITTLE RECENTLY ABOUT TRADITIONAL MALAYSIAN HOBBY-HORSES LIKE THE ANTARCTIC, THOUGH CRITICISMS OF THE PROTECTIONIST TENDENCIES OF THE DEVELOPED WORLD STILL SURFACE FAIRLY REGULARLY. THE PRIME MINISTER'S DECISION TO INVITE THE COMMONWEALTH HEADS OF GOVERNMENT MEETING HERE IN 1989 HAS PRODUCED SOMETHING OF AN ABOUT-TURN IN ATTITUDES TO THE COMMONWEALTH. THE SUCCESSFUL ORGANISATION OF THIS EVENT IS BEGINNING TO PRE-OCCUPY THE GOVERNMENT.

SPRECKLEY

CHALKER

PTMIAN 2811

UVHPXN 4605

NNNN

MALAYSIA (THALASSID)





10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

4 August 1988

Dear Bob,

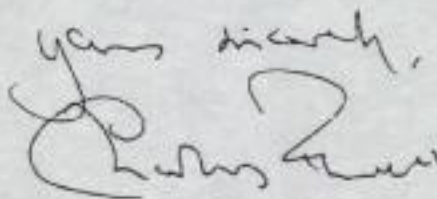
## PRIME MINISTER'S MEETING WITH THE PREMIER OF NEW SOUTH WALES

The Prime Minister had a talk with the Premier of New South Wales on her arrival in Sydney this morning. Mr. Greiner was accompanied by two of his Ministers.

Mr. Greiner gave an account of the policies of the State Government which he described as the first reformist conservative administration in Australia's history. He said that he had taken many of his ideas from the policies of the British Government, both on education, on state finances and on privatisation. There was considerable resistance to many of his ideas, particularly from the unions, but he was determined to press ahead.

The Prime Minister described some of the British Government's experiences with similar policies over the past nine years and congratulated Mr. Greiner on his courage in undertaking such far-reaching changes. She would also arrange for him to have a fuller account of our experiences in dealing with the electricity unions who had played a very responsible role. It might be possible to encourage the EEPTU leaders to visit New South Wales. Mr. Greiner said that there were remarkable parallels between what the Prime Minister had achieved in the United Kingdom and what he was seeking to achieve in New South Wales. He was trying to bring about a complete change of attitude and political culture. He was grateful for the Prime Minister's advice.

The two points above relating to education reform and the electricity industry will need to be followed up with our High Commissioner in Canberra.

Yours sincerely,  


(C.D. POWELL)

R.N. Peirce, Esq.,  
 Foreign and Commonwealth Office.



file

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

4 August 1988

Dear Dame Beryl,

I am most grateful to you for arranging my visit to the Australian War Memorial. I have always found it a moving experience to visit the Memorial and that was so again yesterday. The simple beauty of the building, the unending list of names of those who fought and gave their lives and the beautiful position overlooking the heart of Canberra make it a unique monument of which all Australians are rightly proud. It was a privilege to visit it and pay my respects once more - and it was very good of you to give up your time to escort me for the occasion. I am most grateful.

With warm good wishes,

Yours sincerely  
Raymond Storer

Dame Beryl Beaurepaire, D.B.E.  
Chairman, Council of the Australian War Memorial



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

4 August 1988

*Dear Governor-General,*

May I thank you and Lady Stephen for the memorable dinner at Government House on the evening of my arrival in Canberra. The warmth and kindness of your welcome will always remain with us; and the remarkable group of people from every sphere whom you assembled gave us an insight into Australia today which no other occasion could have provided. It was very good of you both to go to so much trouble and Denis and I both thank you very much for your kindness.

With warm regards to you both,

*Yours sincerely*  
*Rajiv Gandhi*

The Rt. Hon. Sir Nivian Stephen, GCMG, GCVO, KBE, AK.  
Governor-General of Australia



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

4 August 1988

*Dear Mr. Howard,*

I was very glad to have the opportunity for a further talk in Canberra and particularly pleased that I was able to meet the members of your Parliamentary Group for a few moments. May I also thank you for your kind words in your speech at lunch which were much appreciated.

My visit has been most enjoyable and shown me much more of Australia than I had seen before. I hope it will also have done something to revive relations between Britain and Australia and put them on a better footing. We must ensure that the momentum from the visit is not allowed to peter out.

With warm regards to you and your wife,

*Yours sincerely*

*Raymond Dalitz*

The Hon. J. Howard, M.P.  
Leader of the Opposition, Parliament  
House, Canberra

SUBJECT cc MASTER

CONFIDENTIAL



10 DOWNING STREET  
LONDON SW1A 2AA

File 811  
cc BHC Canberra  
bc PC

pared to London on  
3/8

From the Private Secretary

3 August 1988

Dee Bob,

**PRIME MINISTER'S MEETING WITH THE LEADER OF THE OPPOSITION  
IN THE AUSTRALIAN PARLIAMENT**

The Prime Minister had a brief talk this morning with Mr. John Howard, Leader of the Opposition, in the new Parliament Building in Canberra.

Mr. Howard asked the Prime Minister how she viewed relations between Britain and Australia following her meeting with Mr. Hawke. The Prime Minister said that in general she felt they were much better. She had invited Mr. Hawke and a number of his senior ministers to pay an official visit to the United Kingdom next year. Mr. Howard said that he was supportive of what the Prime Minister was trying to do about bilateral relations.

Mr. Howard said that his main point of difference with the Hawke government lay with their attitude to the trade union movement and its powers and legal structures. This was at the heart of Australia's problems.

The Prime Minister said that Mr. Hawke was evidently worried about a number of regional issues. Mr. Howard said that he was particularly concerned about the Philippines, particularly if fundamental instability there affected the United States bases. There was also the problem of nuclear ship visits to New Zealand. On this he felt that the Australian government had behaved quite sensibly. Mr. Howard continued that the Government was more starry-eyed than the Opposition about Soviet activities in the Pacific. They were negotiating with the Soviet Union over port facilities for Soviet fishing vessels. He believed this was rash and was also himself trying to dissuade some of the smaller island states in the Pacific from concluding fisheries agreements with the Soviet Union.

Mr. Howard said that he supported the Australian government's position on the need to deal with agricultural protectionism. The Prime Minister agreed that it was important to make progress on this in the multilateral trade negotiations and to ensure that the Montreal meeting was a success. The difficulties in Europe lay not in Britain but with countries such as France and Germany.

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- 2 -

Mr. Howard raised the question of the Commonwealth Secretary-General. It was clear that Mr. Malcolm Fraser wanted the post. He would be a conscientious Secretary-General. The Prime Minister did not comment.

Mr. Howard then invited the Prime Minister to meet briefly with members of the Opposition Parliamentary Group.

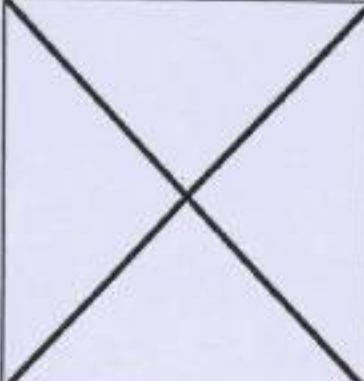
*Yours sincerely,  
Charles Powell*

C. D. POWELL

R. N. Pierce, Esq.,  
Foreign and Commonwealth Office

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**A** The National Archives

DEPARTMENT/SERIES ..... <i>PREM 19</i> ..... PIECE/ITEM ..... <i>2690</i> ..... (one piece/item number)	Date and sign
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Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,  
eg. HO 405, J 82.

Enter the piece and item references, .  
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.  
This should be an indication of what the extract is,  
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R3/8

*With the compliments of*  
LT CDR A A AINSLIE  
ASSISTANT NAVAL ADVISER

BRITISH DEFENCE LIAISON STAFF  
BRITISH HIGH COMMISSION  
CANNBERRA

03/08 '88 09:18

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47 Newcastle Street  
FYSHWICK ACT 2609

P.O. Box 5  
CANBERRA CITY ACT 2601

Tel: 61 (62) 391388  
Fax: 61 (62) 804394

3rd August 1988

Lieutenant Commander A. Ainslie,  
Assistant Naval Adviser & Head of Secretariat,  
British High Commission,

For Transmission to Facsimile: 73-3236

Dear Lieutenant Commander Ainslie,

Enclosed is a copy of a press release that will be made available to the Australian press p.m. today.

Due to the commercial orientation of Mrs Thatcher's visit, we believe her staff should be made aware of the press release as it marks a very significant milestone in Australian/British industry collaboration.

We would appreciate you passing this information on to Mrs Thatcher's staff, the Australian Minister for Defence has been informed of the matter this morning.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Max Vardanega'.

Max Vardanega  
Chief Executive

PRESS RELEASE

The Directors of RIMPAC Limited and Redifon Limited have announced concurrently in Canberra and London the conclusion of a wide ranging collaborative agreement between the two companies.

Redifon (formally Rediffusion Radio Systems Limited) has been in the professional Communications business for over 50 years. Redifon specialises in Naval Communications Systems and is the principal supplier of Surface Ship HF Communications to the Royal Navy. Its equipment has been chosen by the Royal Navy for minor war vessels (ICS 25) and the Type 23 Frigate (ICS 6).

The collaborative agreement will provide for the RIMPAC subsidiary, Information Electronics Limited to manufacture in Australia the Redifon range of specialised communications equipment. This manufacturing will include the associated technology transfer to Information Electronics.

It is expected that the collaborative agreement will lead to joint studies designed to satisfy regional Defence communication needs and to joint Research and Development activities.

The Directors of RIMPAC and Information Electronics believe that this collaborative agreement will allow for maximum Australian content to be achieved for the Australian Navy Frigate programme and will enhance considerably Australia's industrial capacity to produce and maintain state of the art naval communications equipment.

For Further Information, please contact:

RIMPAC Limited	Max Vardanega, Chief Executive Telephone 61 62 39-1388 Facsimile 61 62 80-4394
Redifon Limited	Carl S Den Brinker, Director Technology Telephone 44 293 51-8855 Facsimile 44 293 56-1096

Additional Notes - Ministers Copy Only

Redifon and Information Electronics are jointly bidding for the communication aspects of the following projects:

Anzac Ship (M Class Frigate)	potential	\$100m
Naval Communications Station	potential	\$150m

Additional business potential exists for the replacement of the secure speech HF network, both research and manufacture \$50m

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SUBJECT cc MASTER



FILE  
DA  
[Signature]

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

3 August 1988

Dear Bob,

**PRIME MINISTER'S MEETING WITH THE AUSTRALIAN PRIME MINISTER**

The Prime Minister had a meeting with the Australian Prime Minister in the new Parliament building in Canberra today. The meeting started as a tête-à-tête between the Prime Minister and Mr. Hawke lasting some 45 minutes. This was followed by a plenary session attended by Mr. Bowen (Deputy Prime Minister), Mr. Keating (Treasurer), Mr. Duffy (Minister of Trade), Mr. Button (Minister of Industry), Mr. Beazley (Minister of Defence), Mr. Howe (Minister for Social Services), and Mr. Kerin (Minister for Primary Industries and Energy) as well as a large number of senior officials.

Restricted Session

Quite a large number of points were covered in the restricted session.

Mr. Hawke said that the Australian Government would support Mr. Malcolm Fraser's bid to become Commonwealth Secretary General. The Prime Minister said that we would no doubt be approached for support by several candidates. We would not be able to take up a position until we knew what other candidates might be in the field. Subsequently in the car on the way to the airport, Mr. Hawke told the Prime Minister that he had just heard that the Canadians were not very enthusiastic about Mr. Fraser's candidature. The Canadian representative on the Eminent Persons Group had not given a good report of him. The Prime Minister commented that perhaps General Obasanjo would be better. Mr. Hawke said that he certainly would be, if he were available.

Mr. Hawke raised the question of the Australia Constitution Act. There was a very strong wish in Australia to have one of the originals of this document. The Prime Minister expressed sympathy with the Australian wish but explained that the document formed part of an unbroken archive reaching

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back to the 13th century. To allow it to go to Australia would require an Act of Parliament, and she would not like to go to Parliament on the issue unless she was sure of a successful outcome. But she would investigate further on her return whether there was any way in which the Australian Government could hold an original copy, while it technically remained part of our national archives.

Mr. Hawke raised the question of pensions. The Prime Minister explained the difference between the British and Australian pension systems and pointed to the very considerable cost of uprating for British pensioners in Australia. Mr. Hawke pointed out that Britain had reciprocal arrangements for uprating pensions with a large number of countries. The Prime Minister said that nonetheless these covered only a minority of British pensioners abroad. If we saw any possibility of a change in the situation she would let Mr. Hawke know.

The talk then turned to a number of regional issues. Mr. Hawke expressed concern about Libyan activity in the Pacific region, particularly in Vanuatu. He was also worried about the situation in Papua-New Guinea. He thought that M. Rocard's initiative in New Caledonia would be successful. He commented that considerable numbers of Indians were leaving Fiji. He thought that a majority of the remaining Indians might accept the new Constitution. The Prime Minister remarked that Fiji should then be able to rejoin the Commonwealth. Mr. Hawke agreed. The Prime Minister also recounted to Mr. Hawke what Lee Kuan Yew had told her about developments in Malaysia.

There was also a brief discussion of efforts at the United Nations to end the Iran/Iraq conflict.

The Prime Minister invited Mr. Hawke to pay an official visit to the United Kingdom in 1989 together with a number of his senior Ministerial colleagues. She had in mind something like the bilateral summits which we held with our main European partners. The meeting might be combined with some other event or events. Mr. Hawke accepted with pleasure and agreed that the Prime Minister could announce this in her speech to the National Press Club.

Mr. Hawke did not raise the question of South Africa.

### Plenary Session

The Plenary Session fell into two parts: first a discussion of European and trade issues, and subsequently an exchange on East/West relations.

### European Community

In response to Mr. Hawke's invitation the Prime Minister gave an account of the European Community's drive to complete

the Single Market by 1992. She saw this as an essential part of the Treaty of Rome's original commitment to economic freedom to underpin political freedom in Europe. It was a massive undertaking, requiring removal of barriers in many areas and harmonisation of standards and regulations. It was important to ensure that new regulations were genuinely enabling and did not just introduce new restrictions. She also wanted to stress that the completion of the Single Market was not intended to erect barriers against the rest of the world: rather it was supposed to be an example to the rest of the world of how to get down barriers. The Single Market should provide opportunities for Australia to increase its trade with Europe. The Prime Minister spoke briefly about discussions in the European Community on further steps towards monetary union, expressing scepticism about a European Central Bank. She concluded that the goal of present efforts in the Community was to bring barriers down within Europe and not to erect new ones on the perimeter.

The Prime Minister continued that it was important to make a success of the new GATT round of multilateral trade negotiations, particularly on agriculture. The European Community had taken important steps in this direction at the Brussels European Council earlier in the year, but these would need to be taken further in the context of the GATT round. There had been some progress at the Toronto Economic Summit, with agreement on use of the producer subsidy equivalent as a mechanism for measuring comparative agriculture protection in the different countries. We should aim for a positive outcome from the interim meeting in Montreal in December.

Mr. Keating said that he shared the Prime Minister's scepticism about a European Central Bank, indeed he went further and doubted whether the European Monetary System could survive. It was not possible to fix exchange rates. At most you could smooth them while the market adjusted. All attempts to manage exchange rates had failed. Equally he could quite understand why other European countries would not wish Herr Poehl to run their monetary systems. But how did the Prime Minister see the future for Britain outside the ERM? The Prime Minister said that we were certainly not likely to join the ERM in the near future. The pound was in a very different position to other European currencies, and the volume of daily transactions on the London exchanges was far higher than in Frankfurt or Paris.

Mr. Duffy said that he was pleased to hear that the United Kingdom was as opposed as Australia was to the concept of a fortress Europe. The Australian Government was grateful for the United Kingdom's efforts to reform the CAP and avoid new barriers. He was reasonably optimistic about

the GATT round, although there were problems over safeguards and the surveillance mechanism. On agriculture, Australia wanted to break the deadlock between the United States and the EC. He thought a reasonable outcome could be secured from the Montreal meeting, provided short term measures were genuinely regarded as a down-payment for longer term reform. Mr. Kerin added that the Australians had been rather disappointed with the outcome of the recent green currency changes in the EC's agricultural price fixing. But by and large he thought that efforts to reform the CAP were moving in the right direction. Australia would like to see progress also on eliminating subsidies on other natural resources, in particular on coal.

The Prime Minister noted that we wished to encourage Australian companies to invest in the United Kingdom as a springboard for their entry to the EC market. Britain for its part was investing heavily abroad, including in Australia.

#### East/West Relations

Mr. Hawke said that he thought the present generation was privileged to be living in a time of optimism for future relations between the super-powers. The Australian and British positions were very similar. Australia welcomed the realistic way in which the Prime Minister had realized the potential of Mr. Gorbachev at a very early stage. They shared her view that he was a man with whom one could do business. Like the Prime Minister, they also thought he was a man of courage and that he should be helped in the changes he was trying to make. At the same time, we had to maintain caution and even scepticism until we saw that his words were matched by deeds. Mr. Hawke continued that the magnitude of the problems facing Gorbachev were generally underestimated. Personally he would not put much money on Gorbachev's prospects of succeeding. The forces opposed to him were substantial. The Soviet economy was in chaos. Even so, he thought Gorbachev was committed to going on to the next stage of reform.

Mr. Hawke said that Australia was particularly concerned with Soviet activities in the Pacific region and in South East Asia. He had pressed the Soviet Union to use its influence with Vietnam to secure the withdrawal of Vietnamese forces from Cambodia. But Gorbachev could not deal with too many problems at once and for the time being the focus was on Afghanistan. The meeting in Jakarta between the various Cambodian parties had been useful; but in his view there was a serious lack of realism in Sihanouk's proposals. It was ironic that virtually the whole region was seeing rising prosperity while Vietnam was an island of stagnation and hopelessness.

The Prime Minister said that she agreed with much of Mr. Hawke's analysis. Gorbachev was bold, courageous and determined to go through with his reforms whatever

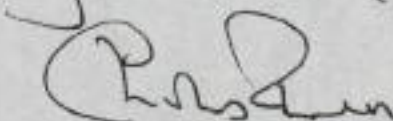
the cost to himself. But the problems were substantial: unchecked bureaucracy, the absence of initiative, the lack of any understanding of a free market. All the same, Gorbachev had gone much further at the recent Party Conference than we had expected and deserved our support.

Turning to arms control, the Prime Minister said that the INF agreement had been a good one. But there would be a problem if Germany tried to go to a third zero for shorter-range nuclear weapons. It was essential to modernise NATO's nuclear weapons: an obsolete deterrent was no deterrent. The next priority was to negotiate reductions in conventional forces and NATO was working out proposals on this. There was little prospect that the START negotiations would be completed in President Reagan's time. The elimination of chemical weapons posed severe difficulties particularly on verification. The precedent established by Iraq's use of these weapons was a very dangerous one.

Turning to various regional issues, the Prime Minister commented that it had been a great achievement to get the Soviet Union to withdraw from Afghanistan and we should not settle for less than the removal of the present regime in Kabul. She shared Mr. Hawke's concern about developments in Vietnam and Cambodia. There seemed to be new generation of political leaders in Cambodia. The situation in the Philippines was also worrying. Mr. Hawke intervened to say that he was more pessimistic than his colleagues about the Philippines. There was a serious lack of leadership from President Aquino. He hoped that the Bases' agreement could be preserved, but he was very pessimistic about the post-1992 prospects and this seemed to be the US view too. If the United States were to leave the Philippines, the whole area would be an entirely different chequerboard.

The Prime Minister concluded the meeting by reporting Mr. Hawke's acceptance of her invitation to visit the United Kingdom with several of his senior colleagues next year.

I am copying this letter to Brian Hawtin (Ministry of Defence), Alex Allan (HM Treasury), Neil Thornton (Department of Trade and Industry) and Trevor Woolley (Cabinet Office).

Yours sincerely,  


(C.D. POWELL)

R.N. Peirce, Esq.,  
Foreign and Commonwealth Office.



PRIME MINISTER'S MEETING WITH MR. HAWKE

Bicentenary

- good image of Australia abroad
- British contribution

Bilateral

- new phase
- modern relationship
- joint interests (reform agricultural trade; Asia-Pacific stability; Western alliance; success of nuclear deterrence; management of relations with Soviet Union; two-way trade; Aids; drugs)
- closer top-level relationship needed

- invitation for next year; bring 2 or 3 Ministers;  
1 day of talks, 1 day trade conference
- (if raised) Pensions, Constitution Act, Maralinga;  
Commonwealth Secretary-General

International

- Soviet policy
- Asia/Pacific
  - Japan
  - China
  - Hong Kong (refugees)
  - Cambodia
  - Fiji

Vanuatu

British aid to South Pacific

5 Power Defence Arrangements

- Defence Policy, Arms Control

Australia's defence policy

START prospects

Chemical (including Hawke's proposal for regional discussions)

- Uruguay Round

Congrat. on tariff reductions & industry restructuring

Leadership of Cairns Group

Aims for Montreal



Alice Springs

Thank you letters :-

✓ Mr. Sean Dempsey

Protocol arrangements

Protocol Officer,

Northern Territory Government

Department of the Chief Minister

PO Box 2605

Alice Springs N.T.

Australia 5750

✓ Mr. Gary Yates

Principal

Alice Springs School of the Air

✓ Mr. Steve Byrnes

Manager, Northern Territory Operations,

Royal Flying Doctor Service



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

3 August 1988

*Dear Mr. Byrnes,*

Thank you very much for letting me see something of the operations of the Royal Flying Doctor Service. It is rightly renowned world-wide for its work and I was very glad to be able to meet some of those involved and to know more about the operations. It is indeed a marvellous service and I congratulate you and all those involved very warmly on your work.

With best wishes,

*Yours sincerely*

*Raymond Staiter*

Mr. Steve Byrnes  
Manager,  
Northern Territory Operations,  
Royal Flying Doctor Service,  
Alice Springs, N.T.,  
Australia 5750.



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

3 August 1988

*Dear Mr Dempsey*

Thank you very much for the excellent arrangements made for my brief visit to Alice Springs. I enjoyed it enormously: it is somewhere I have always wanted to see and at last that ambition has been realised. I am most grateful to all those who made it possible for me to make the most of my two hours there.

With best wishes,

*Yours sincerely*

*Margaret Thatcher*

Mr. Dean Dempsey  
Protocol Officer,  
Northern Territory Government,  
Department of the Chief Minister,  
PO Box 2605,  
Alice Springs N.T.,  
Australia 5750.



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

3 August 1988

Dear Mr. Yates,

I very much enjoyed my visit to the Alice Springs School of the Air and being able to talk to the children. It was a pity that the atmospheric conditions were so difficult that day, but it certainly did not diminish the enjoyment and I am most grateful to you for arranging for me to see the school. I think your work there is quite remarkable and I do congratulate you and all the staff upon it.

Please give my good wishes to all the children next time you are talking to them on the air.

Yours sincerely

Margaret Thatcher

Mr. Gary Yates  
Principal,  
Alice Springs School of the Air,  
Alice Springs N.T.,  
Australia 5750

PERTH VISIT, 01 AUGUST

Thank you letters to:

①  
The Honourable Peter Dowding LL.B MLA  
Premier of Western Australia  
19th Floor  
Capita Centre  
197 St Georges Terrace  
Perth WA 6000

(Dear Premier)

②  
The Honourable K C Beazley MHR  
Minister for Defence  
Parliament House  
Canberra  
ACT 2600

(Dear Minister)

③  
The Right Honourable Mr Charles F Hopkins  
Lord Mayor of Perth  
Council House  
St Georges Terrace  
Perth WA 6000

(Dear Lord Mayor)

④  
Mr S G Morgan  
Chairman of Directors  
Turbine Components Australia Pty Ltd  
Suite 8  
Technology Centre  
2 Brodie-Hall Drive  
Bentley WA 6102

⑤  
The Lord McAlpine of West Green  
Bishops House  
Spring Street  
Perth 6000

⑥  
Ms Carlyne Davidge  
Manager  
Laura Ashley  
City Arcade  
Perth WA 6000

⑦  
[Owner of R M Williams]  
Mr Anthony Summers  
Chairman  
Bennett & Fisher Ltd  
12 Currie Street  
Adelaide South Australia 5000

⑧  
Charles

The M.B. (? Chairman) of R.M. Williams did not turn up yesterday. Instead, a Mr. PFEIFFER, showed. But the Control General does not know his position. Maybe it would be better to write to Summers, anyway + phrase the letter accordingly. DF



Debbie Ailes  
~~Sue Morris,~~

Leonard Boyes, CG Perth, gave a list of thank you letters to Charles Powell yesterday.

There is one change. The M.D. of R.M. Williams did not turn up yesterday. Instead, a Mr. Pfeiffer showed. Please amend the list accordingly. Unfortunately, Leonard does not know what position he holds.

Lain Lindray 2/8



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

2 August 1988

*Dear Premier,*

May I thank you most warmly for your extremely kind and generous hospitality during my visit to Western Australia. I am sorry that it could not have lasted longer, but I have so much to fit in in such a short time. I was most interested in all you had to tell me about Western Australia's future prospects which are very promising indeed; and, as I said in my speech at dinner, I do hope that Britain will take a prominent part to play in helping to realise to the full the enormous potential. I found Perth a most attractive and impressive city and can all the better understand the attraction of Western Australia for people from other parts of the continent. I wish you and the people of Western Australia every success for the future.

May I also thank you for the very beautiful flower prints. I shall get great pleasure from them - as indeed I shall from the Jarrah wood box!

With every good wish to you and your wife,

*Yours sincerely*  
*Margaret Thatcher*

The Honourable Peter Dowding, M.L.A.  
Premier of Western Australia  
19th Floor Capita Centre  
197 St George's Terrace, Perth, WA 6000



llh

10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

2 August 1988

Dear Ms. Davidge,

I very much enjoyed my brief, if hectic, visit to your shop yesterday. It is good to see Laura Ashley in such a prime position and doing so well. I send you best wishes for your future success.

Yours sincerely  
Margaret Thatcher

Ms. Carlyne Davidge  
Manager,  
Laura Ashley,  
City Arcade,  
Perth,  
WA 6000



*Cite*

10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

2 August 1988

*Dear Consul-General,*

I was most grateful to you and your staff for all the work which went into my visit to Perth. I very much enjoyed my brief time there and hope that my visit will have been a helpful support to your own efforts.

With best wishes,

*Yours sincerely  
Margaret Thatcher*

L. W. Boyes, Esq.  
Consul-General,  
British Consulate General  
Prudential Building  
95 St George's Terrace  
Perth,  
WA 6000



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

2 August 1988

*Dear Mr Beazley,*

It was very kind and hospitable of you to come to Perth to meet me yesterday and I much appreciated the chance to talk to you. Thank you also for the kind words in your introductory remarks at the Rolls Royce factory. I was delighted to be able to visit Perth at last: one feels a tremendous sense of opportunity and enterprise in Western Australia which is very heartening.

I very much hope that we have another opportunity to meet and talk in Canberra. Meanwhile I send you warm regards,

*Yours sincerely*  
*Roger M. Healy*

The Honourable K. C. Beazley  
Minister for Defence,  
Parliament House,  
Canberra 2600



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

2 August 1988

*Dear Lord Mayor.*

I greatly enjoyed my visit to Perth even though it was so brief. It is a magnificent city with a tremendous sense of opportunity and I am very grateful for the warm welcome I was given by the people in the shopping centre. It was a very heartening experience to feel that the links with Britain still mean a lot. I was also most impressed by the scale of the development which you are undertaking: it is a very good omen for the future.

May I ask you to thank all those responsible for the arrangements for the visit, in particular the police who did such excellent work.

With warm good wishes,

*Yours sincerely*  
*Margaret Thatcher*

The Right Honourable Mr. Charles Hopkins  
Lord Mayor of Perth  
Council House  
St George's Terrace,  
Perth,  
WA 6000



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

2 August 1988

*Dear Mr Morgan.*

Thank you very much for arranging the ceremony at the Turbine Components factory in Perth. I was very pleased to be able to take part in the opening ceremony of such an excellent project and I wish it every success. Joint ventures of this sort should be a very important part of future commercial and industrial co-operation between Britain and Australia.

I should be grateful if you could also pass on my thanks to all the members of your staff for their part in arranging such an exciting and successful visit.

With best wishes,

*Yours sincerely*

*Margaret Thatcher*

Mr. S. G. Morgan  
Chairman, Turbine Components Australia Pty Ltd  
Suite 8 Technology Centre  
2 Brodie Hall Drive,  
Bentley,  
WA 6102



10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

2 August 1988

Dear Mr. Pfeiffer.

Thank you very much for showing me around R M Williams yesterday and for the very kind gifts. I was pleased to see the Drizabone and the hat featured so prominently in the press the next day!

I send you every good wish for the future success of the business.

Yours sincerely

Mr. Pfeiffer

Nayana Shantha

Sent by post on 3/8

c/o.

Bennett + Fisher Ltd

12 Currie St

Adelaide

S. Australia 5000

ecu





10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

2 August 1988

Dear Mr. Pfeiffer.

Thank you very much for showing me around Bennett & Fisher yesterday and for the very kind gifts. I was pleased to see the Driza Bone and the hat featured so prominently in the press the next day!

I send you every good wish for the future success of the business.

Yours sincerely  
Margaret Thatcher

Mr. Pfeiffer

ZCZC

HRCEAN 5082 ABHPAN 4357

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TO CANBE

FM ABDHA TO FCOLN

021015Z AUG

GRS 933



INREG 3156  
TOR 022316

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FM ABU DHABI

TO IMMEDIATE FCO

TELNO 218

OF 021015Z AUGUST 88

INFO IMMEDIATE CANBERRA, BANGKOK

INFO PRIORITY DUBAI, WASHINGTON, MODUK

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SIC

FOR PRIME MINISTER'S PARTY

PRIME MINISTER'S VISIT TO THE UAE

1. I REGRET THAT I HAVE BEEN UNABLE TO GET A CLEAR INDICATION FROM THE UAE AUTHORITIES OF SHAIKH ZAID'S INTENTIONS DURING THE PM'S VISIT. I OFFER THE FOLLOWING AS A SUPPLEMENT TO BRIEFING PROVIDED BY THE DEPARTMENT. IF IN THE EVENT SHAIKH MOHAMMAD BIN RASHID ALONE RECEIVES THE PRIME MINISTER, HMG DUBAI WILL WISH TO SEND SOME ADDITIONAL BACKGROUND.

GENERAL

2. THE UAE'S POLITICAL CONCERNS REMAIN THE IRAN/IRAQ WAR AND THE OIL PRICE. THEY ALSO HAVE LESSER WORRIES: THE FRAILTY OF THE FEDERATION BECAUSE OF ABU DHABI/DUBAI RIVALRY AND THE LACK OF SERIOUS PLANNING FOR THE TRANSITION OF POWER TO THE NEXT GENERATION. IN THE LONGER TERM, THERE IS A PERCEIVED SAUDI THREAT TO THE COUNTRY'S TERRITORIAL INTEGRITY AND POSSIBLY ITS INDEPENDENCE.

3. RECENT DEVELOPMENTS IN THE IRAN/IRAQ WAR, PARTICULARLY IRAN'S ACCEPTANCE OF SCR 598, HAVE BEEN RECEIVED IN THE UAE WITH INTENSE RELIEF. WHILE THE FEELING HERE IS THAT AN END TO THE WAR IS IN SIGHT, THERE IS ALSO CONCERN FOR THE PROVEN CAPACITY OF BOTH IRAN AND IRAQ TO TAKE DECISIONS WHICH WILL ENSURE THAT PEACE WILL REMAIN OUT OF REACH. THERE REMAINS A DEEP DISTRUST OF THEIR LONG TERM OBJECTIVES.

4. BUT WHETHER IN WAR OR PEACE, UAE POLICIES TOWARDS IRAN AND IRAQ ARE IN GOOD SHAPE AND CAN BE SUSTAINED AFTER THE END OF HOSTILITIES. PAST AND PRESENT PRESSURE ON THE UAE TO PROVIDE FINANCIAL SUPPORT FOR IRAQ WILL BE REPLACED BY PRESSURE TO ENTER INTO COMMITMENTS FOR RECONSTRUCTION IN BOTH IRAN AND IRAQ. SHAIKH ZAID HAS ALREADY PUBLICLY ACKNOWLEDGED THIS OBLIGATION.

5. THE UAE'S ABILITY TO PROVIDE FINANCE FOR RECONSTRUCTION, AND FOR ITS OWN FURTHER DEVELOPMENT, WILL DEPEND LARGELY ON THE OIL PRICE. THE UAE'S DECISION TO ALLOCATE ITSELF THE NEW INCREASED QUOTA OF 1.5 MBPD WILL CONTRIBUTE TO A DOWNWARD PRESSURE ON OIL PRICES BUT THE EFFECT OF THIS DECISION WILL BE SMALL COMPARED WITH THE LIKELY VARIATIONS IN PRODUCTION POLICIES IN IRAN AND IRAQ IN THE POSTWAR PERIOD. BOTH WILL NEED READY MONEY FOR RECONSTRUCTION, REARMAMENT AND DEBT REPAYMENT. BUT EVEN IN THE EVENT OF A SHARP FALL IN OIL PRICES, OIL PRODUCERS ARE LIKELY TO RESPOND TO THE "PAIN BARRIER" BEFORE THE POLITICAL STABILITY OF THE UAE COULD BE AFFECTED BY FALLING REVENUES.

6. THE SITUATION IN SHARJAH CONTINUES TO BE UNEASY FOLLOWING THE RE-INSTALEMENT OF THE PRESENT RULER AT DUBAI'S INSISTENCE AND CONTRARY TO THE PREFERENCES OF ABU DHABI. BUT NEITHER THIS NOR THE OTHER PROBLEMS OUTLINED ABOVE SEEMS LIKELY TO COME TO A HEAD IN THE IMMEDIATE FUTURE. THE PRESENT POLICIES OF MINIMAL CHANGE SHOULD SUFFICE. IN THE LONGER TERM HOWEVER, THE NEED TO FACE UP TO FINANCIAL DISORDER IN THE FEDERATION AND TO THE REQUIREMENT FOR EMPLOYMENT FOR SHAIKHS AND COMMONERS WILL INCREASE AS TIME PASSES.

7. ON THE WIDER STAGE, SHAIKH ZAID CAN BE WELL SATISFIED WITH HIS HANDLING OF THE DIFFICULT PROBLEMS FOR THE UAE ARISING FROM THE IRAN/IRAQ WAR. HIS OUTSPOKEN AND TIMELY SUPPORT OF EGYPT'S RE-ENTRY INTO THE ARAB FOLD, HAS LEFT THE UAE FIRMLY ALIGNED WITH THE ANGELS. HE DESERVES OUR CONGRATULATION.

#### BILATERAL

8. UNTIL THE OIL PRICE COLLAPSE OF 1986, THE UAE WAS OUR SECOND LARGEST MARKET IN THE MIDDLE EAST. IT CLAIMS TODAY TO HAVE THE BIGGEST OIL RESERVES IN THE MIDDLE EAST AFTER SAUDI ARABIA. IT IS CERTAINLY AMONG THE TOP FIVE. WE NEED TO LOOK NOT JUST TO PRESENT OPPORTUNITIES BUT TO WHEN NORTH SEA OIL RUNS OUT AND THE OIL PRICE RISES.

9. ALTHOUGH SHAIKH ZAID CHOSE TO SHOW SOME DISAPPOINTMENT ABOUT THE PRESENT STATE OF UAE/UK RELATIONS IN RECENT CONVERSATIONS WITH THE HOUSE OF COMMONS FOREIGN AFFAIRS COMMITTEE, HE, LIKE ALL HIS GENERATION, REMAINS PROFOUNDLY GRATEFUL TO BRITAIN FOR OUR HELP IN REPELLING THE SAUDI THREAT TO BURAIMI IN 1956 AND, IN MORE GENERAL TERMS, FOR THE BENIGN NATURE OF OUR RELATIONS WITH THE AREA BEFORE INDEPENDENCE. AMONG THE OLDER GENERATION THERE IS A TENDENCY TO LOOK BACK WISTFULLY AT THE COSINESS OF OUR RELATIONS AT THAT TIME.

10. THERE CAN OF COURSE BE NO RETURNING TO THAT COMFORTABLE PERIOD BUT WE HAVE BEEN NEGLECTFUL OF OUR RELATIONS WITH THE UAE SINCE ITS FOUNDATION IN 1971. RECENTLY, HOWEVER, WE HAVE BEEN MAKING CONSIDERABLE EFFORTS TO RE-ESTABLISH A PRIVILEGED POSITION HERE FOR OURSELVES AND TO RAISE THE PROFILE OF OUR BILATERAL RELATIONS. IN PARTICULAR WE ARE RESPONDING TO SHAIKH ZAID'S DISAPPOINTMENT IN WHAT IS FOR HIM THE IMPORTANT AREA OF VISITS. WE HOPE TO SEE HIS STATE VISIT TO BRITAIN NEXT SUMMER (SHAIKH ZAID DOES NOT YET KNOW OF THIS) AND A VISIT HERE BY SIR G HOWE EARLY NEXT SPRING. THE PROPOSED VISIT BY THE PRINCE AND PRINCESS OF WALES IN MARCH WILL HELP US ENORMOUSLY.

11. WE HAVE ALSO MADE A SUBSTANTIAL CONTRIBUTION TO THE INTERESTS AND THE STABILITY OF THE AREA THROUGH THE ARMILLA PATROL AND THE MCMV'S. WE STAND READY TO PROVIDE TRAINING FOR THE UAE ARMED FORCES. BUT IT TAKES TWO TO FURTHER THE BILATERAL RELATIONSHIP AND WE NEED TODAY SERIOUS CONFIRMATION BY THE UAE OF THEIR WISH TO COOPERATE WITH US. BIG ORDERS IN DEFENCE AND POWER GENERATION HAVE GONE TO FRENCH AND AMERICAN FIRMS. WE WOULD LIKE TO SEE, AS A POLITICAL SYMBOL, THE EARLY CONCLUSION OF A DEAL FOR A NEW BATCH OF HAWKS IN ABU DHABI AND FOR THE PURCHASE OF BLACK HAWK HELICOPTERS TO REPLACE THE SUPER PUMAS CURRENTLY USED BY THE UAE AIR FORCE. SECONDLY TWO OR THREE BRITISH COMPANIES HAVE BEEN HAVING SERIOUS DIFFICULTIES WITH PAYMENT FROM THE FEDERAL OR MILITARY AUTHORITIES. WE WOULD LIKE THESE ACCOUNTS TO BE FULLY SETTLED AT CONTRACT PRICES AS AN EARNEST OF THE COMMITMENT OF THE UAE TO A CLOSER BILATERAL RELATIONSHIP.

TAIT

*PK*

02 AUG 1988/1533

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ETAT

THE RIGHT HONOURABLE MRS MARGARET THATCHER

THE PRIME MINISTER

10 DOWNING STREET - LONDON SW1

*Prime Minister 4*

*P3/B*

I WAS DEEPLY TOUCHED FOR YOUR KIND CONCERN ABOUT MY HEALTH AND WOULD LIKE TO EXPRESS MY GREAT THANKS, APPRECIATION, AND REGRET THAT WE WERE NOT ABLE TO MEET IN BAHRAIN DUE TO MY HEALTH

P2/50

CONDITION.

I APPRECIATE YOUR EXCELLENCY'S EFFORTS IN ATTEMPTING TO ACHIEVE PEACE AND STABILITY IN THE GULF AND HOPE TO SEE THE POSITIVE RESULTS IN THE NEAR FUTURE.

AVAILING MYSELF OF THIS OPPORTUNITY I WISH YOUR EXCELLENCY EVERY HEALTH AND HAPPINESS, AND THE CONTINUED PROGRESS AND PROSPERITY FOR THE FRIENDLY PEOPLE

P3/16

*and*

OF THE UNITED KINGDOM.

KHALIFA BIN SALMAN AL-KHALIFA

THE PRIME MINISTER OF THE STATE OF BAHRAIN

COL ETAT

British TELECOM International Telegram For enquiries dial the number shown in your Phone Book



File

10 DOWNING STREET

LONDON SW1A 2AA

*From the Principal Private Secretary*

1 August 1988

Your Highness,

I am writing on behalf of all Mrs. Thatcher's staff to thank you for the kind hospitality which you extended to us during our visit. It was so pleasant to be able to rest so comfortably in such beautiful surroundings after our flight from London. Our only regret was that we were unable to spend more time in Bahrain.

We also wish to thank you for the handsome gifts which you so kindly presented us. They will remind us of a happy time with you.

Yours sincerely

Nigel Wicks

His Highness Shaikh Hamad bin Isa Al Khalifa, K.C.M.G.

Crown Prince



file  
 passed to KFO 1/8/88.  
 bc PC

## 10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

1 August 1988

Dear Bob,

PRIME MINISTER'S MEETING WITH THE  
 PRIME MINISTER OF SINGAPORE

The Prime Minister had a talk with the Prime Minister of Singapore at the Istana in Singapore on the evening of 31 July followed by dinner. Lee Kuan Yew was accompanied for the talk by Professor Jayakumar (Minister of Home Affairs). A number of other Ministers were present for the dinner. The conversation was very informal and Lee Kuan Yew was in his usual trenchant form.

Lee Kuan Yew opened up by saying that he would not dream of having the sort of programme the Prime Minister was undertaking, it was absolute madness. He did not know anyone else who would even contemplate it.

Lee Kuan Yew continued that the Prime Minister was clearly doing very well as was Britain. The Prime Minister said that our growth was perhaps a bit too fast. Lee Kuan Yew said that he was sure the Government had been right to bring down taxes. Singapore was bringing its top rate down to US levels. He was confident of steady growth averaging four to six per cent an annum over the next ten to twelve years. He was unimpressed with Germany: they were going through the same malaise of welfare-ism that Britain had previously suffered and Kohl was failing to tackle the problems. He was also worried about the United States. They were just postponing all the difficult decisions. The Prime Minister said that at least Greenspan had not let the money supply go. Lee Kuan Yew said that, of all the major economies, that of Japan was the best managed. He was impressed with Thailand's performance. It was clearly going to be the next NIC and a powerful machine for growth.

Malaysia

Lee Kuan Yew said that he was very worried about the situation in Malaysia. The economy was improving, which might help, but Mahathir's action in splitting UMNO had been ill-considered. He had some sympathy with Mahathir in his dispute with the judges: the Lord President had been wrong to try to intervene so directly in politics. The best course now would probably be to let the Lord President return, complete his outstanding cases and retire. There was no way he should be allowed to continue in office in the light of some of the things he had said. Some of the other judges might need to be disciplined too. He had spoken to Mahathir and tried to help him get back on course, but Mahathir had only been half-listening. All

in all, he was holding his breath and had no idea how the situation was going to end. It was rather frightening. How were Britain's relations with Malaysia?

The Prime Minister said that we had worked hard at our relations and they were now fairly good. She thought the political instability would be bad for investor confidence in Malaysia. She wondered whether she ought to try to raise these matters with Dr. Mahathir. He clearly needed friends in this difficult situation. Lee Kuan Yew thought it would be helpful if the Prime Minister could find a way to raise them, although she should not let on that she had discussed them with him otherwise Mahathir would suspect collusion. It was right to try to help him to retrieve the situation. Virtually all the people of any standing were now in the opposition and Mahathir was an isolated figure. He had noticed that at CHOGM in Vancouver Mahathir had never exchanged a word with his own Foreign Minister.

#### Cambodia

The Prime Minister said the situation in Cambodia was a terrible mess for which Vietnam was primarily responsible. She remembered that Lee Kuan Yew had said at the Melbourne CHOGM that just at the very moment when Vietnam could have dedicated itself to achieving higher living standards they had indeed turned on Cambodia. Was there any way the situation could be retrieved?

Lee Kuan Yew said that a way must be found to get Vietnam out of Cambodia so that the lesson was learnt that borders must not be violated. If they were allowed to continue their occupation while at the same time other countries developed economic and trade relations with them, it would be a victory for Vietnam. He thought on balance that the Vietnamese would pull out because they needed trade and investment so badly. The necessary steps were: Vietnam's withdrawal, establishment of an international peace keeping force, disarming of all the various groups and finally free elections. He thought that the Chinese now understood that the Khmer Rouge could not become the dominant force in Cambodia. It was helpful that Japan had offered to finance the peace keeping force.

The Prime Minister asked whether Lee Kuan Yew thought that Prince Sihanouk could really lead Cambodia again. Lee Kuan Yew said that he was convinced that in free elections the Khmer Rouge would lose and Sihanouk would win. Sihanouk was a great politician: he could sing, dance and give lovely speeches. The one thing he could not do was run a government. But his son was able and should be brought on. All in all, he thought the Vietnamese would withdraw by the end of 1990.

#### Soviet Union

The Prime Minister spoke about the changes taking place in the Soviet Union. Lee Kuan Yew commented that Gorbachev would take a long time to succeed. But provided he continued to move in the direction he was going, we would have a less tense world.



China

The Prime Minister said her impression was that the Chinese Communist Party would never agree to give up its central control. Lee Kuan Yew agreed. Communism went against the grain of Chinese character and could not in the very long term succeed. Four thousand years of habit would return, but the habit in China was authoritarian with no tradition of democracy. The Chinese were very realistic about themselves and the difficulty of reconciling ideology with the needs of their economy. One of them had said to him that they were like crabs: to move forwards they had to move sideways. The truth was that to move forwards they had to break the mould of the present system, but that they could not do.

Iran

The Prime Minister said that Iran's decision to accept SCR 598 had been unexpectedly good news but the Iraqis were now being difficult. Lee Kuan Yew said that he could see what the Iraqis feared. In ten or fifteen or twenty years time some younger Ayatollah would emerge who would want to get revenge by beating the brains out of the Iraqis. The Iraqis needed a settlement which made Iran reluctant to try again. But they were not going about it very sensibly. They were creating a lot of bad blood.

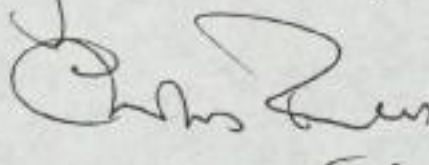
North Korea

The North Koreans were dismissed by Lee Kuan Yew as the Last of the Mohicans. They were in a world of their own and would simply have to change.

The Prime Minister summed up that there was encouraging progress in solving quite a number of the world's problems. We must make sure they were not just replaced by even worse new ones. Lee Kuan Yew said that the most positive fact was the reduced fear of a major conflagration involving the super powers. His personal fear was centred on a clash between new nuclear powers or the acquisition by some lunatic regime like Libya of nuclear weapons.

On this cheerful note, we adjourned to a poolside supper.

I am copying this letter to Brian Hawtin (Ministry of Defence) and Trevor Woolley (Cabinet Office).

Yours sincerely,  


(CHARLES POWELL)

R.N. Peirce, Esq.,  
Foreign and Commonwealth Office.

ZCZC

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INFO IMMEDIATE DTI

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(DTI FOR PEP 3A)

RESTRICTED

FOR PRIME MINISTER'S PARY.

VISIT OF PRIME MINISTER TO MALAYSIA: EAST/WEST SUBMARINE CABLE

1. TEXT OF TELEGRAM RECEIVED FROM DTI (OTTER 156) NOW REPEATED TO YOU, AS FOLLOWS:

BEGINS:

'' FROM PEP 3A

1. STC HAVE SENT IN TO US A SHORT NOTE WHICH THEY SUGGEST WOULD BE OF INTEREST TO THE PRIME MINISTER BEFORE HER VISIT. THIS WAS TOO LATE TO BE INCLUDED IN THE BRIEFING, SO WE HAVE REPEATED THE TEXT BELOW FOR YOUR INFORMATION AND WOULD BE GRATEFUL IF IT COULD BE DRAWN TO HER ATTENTION AS APPROPRIATE.

*Under  
Latter  
S. C.*

QUOTE STC IS BIDDING FOR A FIBRE OPTIC SUBMARINE CABLE SYSTEM BETWEEN Kuantan and Kota Kinabalu. THE VALUE OF THE CONTRACT IS ABOUT RM 40 MILLION. THE STC BID IS SUPPORTED BY HMG AID OF 30.1 PER CENT OF CONTRACT VALUE. A DECISION ON THE PREFERRED SUPPLIER IS IMMINENT. IT IS UNDERSTOOD THAT STC'S ONLY REMAINING COMPETITION FOR THIS CONTRACT IS THE JAPANESE COMPANY, NEC, THAT THE PURCHASER PREFERENCES STC TECHNOLOGY AND THAT STC ARE EXTREMELY STRONG POLITICALLY IN MALAYSIA AND HAVE BEEN USING THIS INFLUENCE TO THEIR ADVANTAGE ON THIS CONTRACT. STC BELIEVES THAT AN EXPRESSION OF BRITISH POLITICAL SUPPORT FOR THEIR BID WOULD HELP COUNTER THIS INFLUENCE. UNQUOTE. ENDS.

2. COMMENT: WE BELIEVE STC'S NOTE TO BE ACCURATE, IN PARTICULAR THE BELIEF THAT

A DECISION ON THIS PROJECT IS LIKELY TO BE MADE VERY SOON.

3. SEVERAL BRITISH COMPANIES (STC INCLUDED) HAVE RECENTLY ASKED US TO INSURE THAT MRS THATCHER WAS AWARE OF THEIR INTEREST IN (DIFFERENT) PROJECTS BEFORE HER TALK WITH DR MAHATHIR. WE HAVE TAKEN THE LINE THAT IN THE SHORT TIME AVAILABLE THE PRIME MINISTER COULD NOT MENTION THE ASPERATIONS OF EACH COMPANY WHICH HAD APPROACHED US AND THAT IT WOULD BE INVIDIOUS FOR US TO SELECT ONE OR TWO. (WE HAVE SUGGESTED THAT THE COMPANIES PURSUE THEIR INTERESTS IN LONDON.) WE WOULD BE ENTIRELY HAPPY FOR YOU TO TAKE THE SAME LINE WITH THIS REQUEST. HOWEVER, BECAUSE OF THE WIDER 'DEFENCE PACKAGE' ASPECTS TO ATC'S ATP SUPPORTED BID AND THE APPARENT IMMINENCE OF THE DECISION YOU MAY FEEL ABLE TO INCLUDE A NOTE ON STC IN THE PRIME MINISTER'S BRIEFING FOR HER CALL ON THE MALAYSIAN PRIME MINISTER. OR YOU MAY WANT FURTHER ADVICE FROM DTI. IT WOULD BE HELPFUL TO KNOW BEFORE 6 AUGUST WHAT DECISION YOU TAKE ON THIS.

SPRECKLEY

YYYY

KJSMAN 1999

NNNN



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

1 August 1988

Dear Sir Charles,

Thank you for your kind letter of 1 August which I received early this evening following our arrival in Perth. I understand that Mr. MacKinnon will have an opportunity to meet Mrs. Thatcher at dinner tonight and I am sure that they will be able to have a quiet word together. I am very sorry that it will not be possible to arrange a separate meeting: there simply is not time in the Prime Minister's very full programme this evening and we leave again at 7.00 a.m. tomorrow. I am sure you will understand.

Mrs. Thatcher did indeed meet your son at the Rolls Royce project this evening.

With best wishes,

Yours sincerely  
C. D. Powell

C. D. POWELL

Sir Charles Court, A.K., K.C.M.G., O.B.E.

1st August, 1988.

The Private Secretary to  
The Rt. Hon. Mrs. Margaret Thatcher,  
C/- Hotel Parmelia,  
Mill Street,  
PERTH. W.A. 6000.

Dear Sir,

Lord John Boyd-Carpenter was endeavouring to make contact with you or someone appropriate in your Prime Minister's office to ascertain whether it would be practicable for her to see the Leader of the Opposition in the Western Australian Parliament, Hon. Barry MacKinnon, MLA, even if only for a minute or two whilst Mrs. Thatcher is in Perth.

It would be of great help to Mr. MacKinnon if he could have a visit with Mrs. Thatcher, even if it was a very short one.

He has an Election coming up early in 1989 and he has been a very strong and outspoken supporter of Mrs. Thatcher and her policies.

I can understand the security around your Prime Minister's visit and I can also appreciate the strenuous nature of the visit to Australia she is currently making - having had to undertake the flight from Britain to Australia and then to be involved in official commitments immediately on arrival many times over my long time in the State Parliament.

If a call on Mrs. Thatcher is possible, I can arrange this at short notice.

Incidentally, in case you have not been told by Lord Boyd-Carpenter, or he was unable to make contact, I am the former Premier of Western Australia, heading up the Liberal Government 1974/1982, at which time I retired from Parliament.

Prior to that, I had been Minister for Industrial Development and the North-West, as well as other portfolios, 1959/71.

I have met Mrs. Thatcher, but I would not expect her to remember this in view of the strenuous nature of her activities and the great responsibilities she has borne so well for a great number of years.

Please convey my best wishes to her and my appreciation for the fact that she is able to visit Australia during this the Bicentennial year.

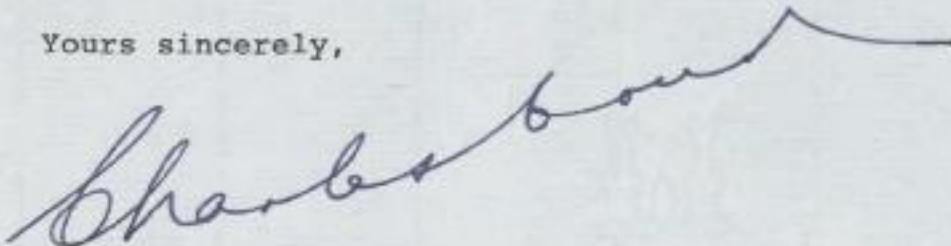
My office number is 322 4387 and Mr. MacKinnon's number at Parliament House is 222 7222.

To save you any bother, it might be easier if you let me know and I will make the necessary arrangements for Mr. MacKinnon to call on Mrs. Thatcher.

Incidentally, my fourth son, Richard, who is the Deputy Leader of the Opposition in the Western Australian Government, will be seeing Mrs. Thatcher at the industrial establishment she will be visiting later today and where they are going to undertake some work for Rolls Royce.

With kindest regards.

Yours sincerely,

A handwritten signature in cursive script, reading "Charles Brown". The signature is written in dark ink and is positioned below the typed text "Yours sincerely,". The signature starts with a large, looped 'C' and ends with a long, sweeping horizontal stroke.

Mr. Powell

PRIME MINISTER'S VISIT: THANK YOU LETTERS

∴ Thank you letters from the Prime Minister should be sent to the following (surname in capitals):

- ① - Mr. LEE Kuan Yew, Prime Minister of the Republic of Singapore.
- ② - Professor S. JAYAKUMAR, Minister of Home Affairs and Second Minister for Law. (He was also the Minister in Attendance in 1985.)
- ③ - Dr. YEO Ning Hong, Minister for Communications and Information and Second Minister for Defence (Policy).
- ④ - Rear Admiral Peter WoodHEAD, Flag Officer, 2<sup>nd</sup> Flotilla.
- ⑤ - Mr. Michael FAM, Chairman of the Mass Rapid Transit Corporation.
- ⑥ - Mr. Fock Siew Wah, Chairman of the Singapore Mass Rapid Transit.

⑦ - Mr KOH Boon Hwee, Chairman of the Telecommunications Authority of Singapore.

⑧ - Mr. Alan E. FRENCH, Managing Director/Chief Executive of Robinson and Co (s) Pte. Ltd.

3 In addition to the above, the High Commissioner recommends that the Prime Minister writes to

⑨ Mr. Goh Chok Tong, First Deputy Prime Minister and Minister for Defence recalling their meeting in London in 1986 (when Goh was a Category I Sponsored Visitor) and expressing pleasure at the renewing of the acquaintance. Although Goh did not act as host to ~~any~~ the Prime Minister, <sup>handling the day to day</sup> he is effectively <sup>or</sup> running the country and is likely to become Singapore's Prime Minister after the next election (expected to be held either in September or December).

10 PIKE

29 July 1988



M. C. STREETON



UNCLASSIFIED

IMMEDIATE TELEGRAM TO SINGAPORE  
REPEATED FOR INFORMATION TO FCO

FOR HIGH COMMISSIONER FROM CHARLES  
POWELL, PERTH

The following are texts of the Prime  
Minister's thank you letters for her  
visit to Singapore. I should be grateful  
if you could arrange delivery. Signed  
originals will follow by bag.



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

1 August 1983

*Dear High Commissioner,*

Thank you very much for arranging my visit to Singapore and for your help and advice while I was there. I am always impressed by Singapore's achievements and you must find it a very stimulating place to live and work. And of course it is always good to have a chance to talk to Lee Kuan Yew.

I should be grateful if you could pass on my thanks to all the members of your staff who helped in the arrangements for my visit for their hard work. Please also thank Catherine for her very kind hospitality. She made us most comfortable and welcome which added very much to the pleasure of the visit.

Denis joins me in sending you both our warm good wishes.

*Yours sincerely*  
*Roger Douglas White*

His Excellency Mr. M. E. Pike, C.M.G.



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

1 August 1988

*should be H.C.*  
*Jean Ambassador.*

Thank you very much for arranging my visit to Singapore and for your help and advice while I was there. I am always impressed by Singapore's achievements and you must find it a very stimulating place to live and work. And of course it is always good to have a chance to talk to Lee Kuan Yew.

I should be grateful if you could pass on my thanks to all the members of your staff who helped in the arrangements for my visit for their hard work. Please also thank Catherine for her very kind hospitality. She made us most comfortable and welcome which added very much to the pleasure of the visit.

Denis joins me in sending you both our warm good wishes.

*Yours sincerely*  
*Roger Shallett*

His Excellency Mr. M. E. Pike, C.M.G.



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

1 August 1988

*Dear Harry,*

It was a tremendous pleasure to visit Singapore again. I never cease to be amazed by what you have achieved. The evidence of success is everywhere you look, and nothing brought it home to me more than my brief helicopter flight over the Island to visit the Ark Royal. No-one else could have done it.

I very much enjoyed our talk. As always it was refreshing to hear such trenchant and original views, but also reassuring to find that we still think very much alike on so many issues. I am particularly grateful for your advice and views on matters so important to the region and indeed to the world as a whole. The dinner beside the pool was a delight and it was very good of you both to make us so welcome. Please thank your wife especially for her kindness and for the really wonderful flowers.

Denis join me in sending you both our warm good wishes.

*Yours ever*

*Margaret*

The Honourable Lee Kuan Yew, C.H., C.C.M.G.  
Prime Minister of Singapore



10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

1 August 1988

It was a tremendous pleasure to visit Singapore again. I never cease to be amazed by what you have achieved. *[The success you have had in bringing the economy back from the difficult times in 1985/6 is remarkable and the growth seems set to continue. I know how crucial your own role has been in this and congratulate you upon it.]* The evidence of success is everywhere you look, and nothing brought it home to me more than my brief helicopter flight over the Island to visit the Ark Royal. *No-one else could have done it.*

I very much enjoyed our talk. As always it was refreshing to hear such trenchant and original views, but also reassuring to find that we still think very much alike on so many issues. *(a)* The dinner beside the pool was a delight and it was very good of you both to make us so welcome. Please thank you wife especially for her kindness and for the really wonderful flowers.

Denis joins me in sending you both our warm good wishes.

The Honourable Lee Kuan Yew, C.H. G.C.M.G.

*I am very particularly  
grateful for your  
advice & views on  
matters so important to the  
region - and indeed to the world  
as a whole.*



Orchids - thanked  
in L-K-Yew's  
letter  
1/8

WITH COMPLIMENTS FROM PRIME MINISTER  
AND MRS. LEE KUAN YEW TO PRIME MINISTER  
MARGARET THATCHER AND MR. DENIS THATCHER.

AT THE MARCO POLO HOTEL SHOPPING ARCADE, G1 TAI PAN ROW,  
TANGLIN RD., SINGAPORE 1024. TEL: 475 4790, 474 7141 EXT. FLORIST



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

1 August 1988

*Dear Admiral Woodhead,*

Thank you very much for the excellent lunch aboard HMS Ark Royal. It was as always a great privilege to visit one of Her Majesty's ships and I am very glad that the happy co-incidence of Ark Royal's visit to Singapore and mine made it possible on this occasion. The deployment to the Far East is clearly bringing home to the countries of the region our continued interest in their defence and the fact that we still play a world role. I wish you every success for the remainder of the voyage. I should be grateful if you could pass on my gratitude to all the officers and crew of the ships of Second Flotilla.

I am sorry that you had such a wretched journey out to Singapore. It was very good of you to go ahead with the lunch all the same.

With best wishes,

*Yours sincerely*

*Raymond Stalder*

Rear Admiral Peter Woodhead  
Flag Officer, 2nd Flotilla

*File*



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

1 August 1988

*Dear Mr. Fam*

Thank you very much for escorting me on my visit to the Singapore MRT. It is a most impressive undertaking and I congratulate you warmly upon it. It will certainly make a major contribution to Singapore's development and is a tribute to the country's farsightedness and determination always to have the best.

With good wishes,

*Yours sincerely*

*Rajant Kalita*

Mr. Michael Fam  
Chairman, Mass Rapid Transit Corporation





10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

1 August 1988

*Dear Mr. Koh*

I was delighted to be able to attend the commissioning ceremony for the Teleview project. The project itself is most impressive and it was good of you to explain it to me in such detail. I am of course particularly pleased that GEC-Marconi are involved because this underlines just the sort of co-operation in high technology between Britain and Singapore which I particularly wish to encourage.

I send you my best wishes for the success of the project and should be grateful if you could convey my thanks and congratulations to all your staff.

*Yours sincerely*

*Raymond Lambert*

Mr. Koh Boon Hwee

Chairman, Telecommunications Authority of Singapore



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

1 August 1988

*Dear Mr. Yeo,*

Thank you very much for coming with me on my visit to the Singapore MRT and for the Teleview commissioning ceremony. The MRT is very impressive indeed and I do congratulate you on the achievement which it represents. I was glad to find major British and Singapore companies co-operating on the Teleview project and I hope very much it will be a success.

It was also very helpful to have the chance to talk to you and to learn more about Singapore's remarkable progress. I am most grateful to you for giving up so much of your time.

With warm good wishes,

*Yours sincerely*

*Raymond Staites*

Dr. Yeo Ning Hong  
Minister for Communications and  
Information and Second Minister for Defence (Policy)



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

1 August 1988

*Dear Professor Jayakumar,*

Thank you for so courteously escorting me throughout my visit to Singapore. It was a great pleasure to have your company and to learn so much from you about Singapore's remarkable development. It made my visit exceptionally interesting and worthwhile and I am most grateful to you for having given up so much of your time. May I also thank your wife for her very kind help. I hope you will both soon come to London when we can return your kindness. With warm good wishes to you both.

*Yours sincerely*  
*Rajiv Gandhi*

Professor S. Jayakumar  
Minister for Home Affairs and Second Minister for Law

*File*



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

1 August 1988

*Dear Mr. Fock.*

Thank you very much for showing me Singapore's marvellous Mass Rapid Transit system. It is a great tribute to your planning and foresight: indeed the most impressive system I have seen anywhere in the world, and confirms Singapore's reputation as a leader in all areas of advanced technology and its application to improving the quality of life. I should be grateful if you could pass on my congratulations and good wishes to all concerned.

With best wishes,

*Yours sincerely,*

*Raymond Stalder*

Mr. Fock Siew Wah  
Chairman, Singapore Mass Rapid Transit Corp.



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

1 August 1988

Dear Mr. French

Thank you very much for escorting me around the St. Michael store. I was delighted to see a British company active in the very competitive and successful market which Singapore represents. I thought the range of goods and the way they were displayed quite outstanding, and I should be grateful if you would pass on my congratulations to all the staff.

With best wishes,

Yours sincerely

Nayana Laiter

Alan French, Esq.

Man. Dir./Chief Exec. of Robinson and Co (S) Pte. Ltd.

ZCZC  
AAAA  
010200Z AUG 88  
FM AIRBORNE  
TO CABINET OFFICE 008 IMMEDIATE  
BT

C O N F I D E N T I A L

FOLLOWING FOR PS/FOREIGN SECRETARY FROM CHARLES POWELL,  
AIRBORNE.

PRIME MINISTER'S MEETING WITH DR. MAHATHIR

THE PRIME MINISTER WOULD FIND IT USEFUL TO HAVE AN UP-TO-DATE  
ASSESSMENT OF DEVELOPMENTS IN MALAYSIA IMMEDIATELY BEFORE HER  
MEETING WITH DR. MAHATHIR ON 6 AUGUST. THIS MIGHT BE TELEGRAPHED  
DIRECT TO THE AIRCRAFT ONCE WE LEAVE BRISBANE AT 0900 LOCAL TIME  
ON 6 AUGUST.

PLEASE COPY TO NO.10 FOR PS AND SIR PERCY CRADOCK.  
GR500000  
NNNN

TEL 008

010200Z

TELEGRAM  
IMMEDIATE FCO  
CONFIDENTIAL

FOLLOWING FOR PS/FOREIGN SECRETARY FROM CHARLES POWELL,  
AIRBORNE.

PRIME MINISTER'S MEETING WITH DR. MAHATHIR

The Prime Minister would find it useful to have an up-to-date assessment of developments in Malaysia immediately before her meeting with Dr. Mahathir on 6 August. This might be telegraphed direct to the aircraft once we leave Brisbane at 0900 local time on 6 August.

Please copy to No.10 for PS and Sir Percy Cradock.

C.D.



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

1 August 1988

*Dear Mr. Goh,*

I was very pleased to meet you again during my brief visit to Singapore and to have the opportunity to renew the contact began on my visit in 1985 and your subsequent visit to London. My admiration for what you are achieving in Singapore grows with every visit, and I wish you continued success in the future. May I also say how very grateful I was for the excellent arrangements for the visit which made it possible for me to see a great deal in a short time.

With warm good wishes,

*Yours sincerely*

*Raymond Hunt*

Mr. Goh Chok Tong

First Deputy PM and Minister for Defence

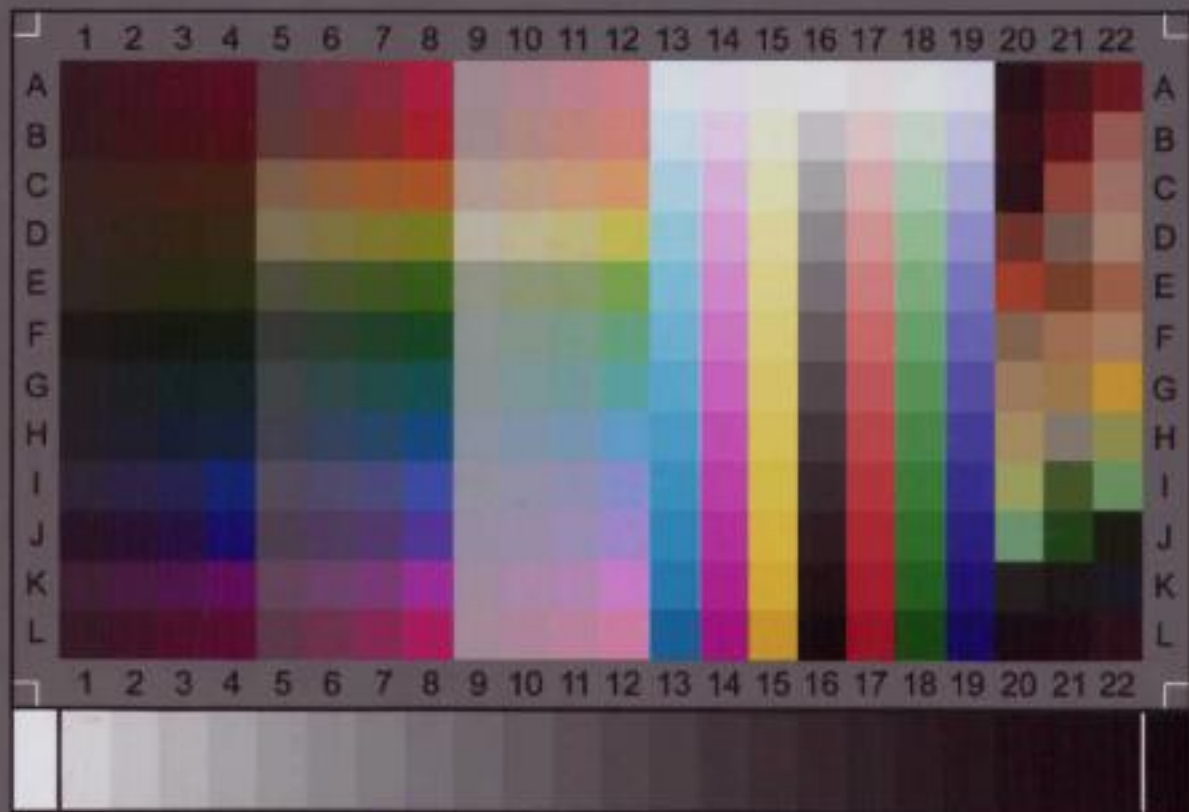


PART 1 ends:-

Thank you letter list - Owen J/D

PART 2 begins:-

PM to Mr Goo Chok Tong 1.8



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