PREM 19/2877

TOP SECRET

PART ONE

NEW FILE COVER

Confidential Filing

Visit of the Prime Minister of Thailand to the U.K.

UK/Thailand Relations

THAILAND

PT1:
March 1982

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
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7.12.89.							

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ENDS

PREM 19/2877

PART 1 ends:-

COP to fco. 7.12.89

PART 2 begins:-

fco to COP. 11.6.90

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
JIC(83)(N) 49	22/3/83

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate **CAB** (CABINET OFFICE) CLASSES

Signed C Wayland Date 20 April 2017

PREM Records Team

CONFIDENTIAL

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

7 December 1989

POSSIBLE GUEST OF GOVERNMENT VISIT BY MAJOR-GENERAL CHATICHAI, PRIME MINISTER OF THAILAND

Thank you for your letter of 4 December about a possible Guest of Government visit by Major-General Chatichai. The Prime Minister would be content for an open invitation to be issued in her name for General Chatichai to visit the United Kingdom next year. But as you rightly surmise, there is no question of her being able to cope with a visit in March/April.

CHARLES POWELL

R N Peirce Esq
Foreign and Commonwealth Office

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SCPC (1)

Foreign and Commonwealth Office

London SW1A 2AH

4 December 1989

Prime Minister

Agree no issue an open invitation to the Thai PM to visit the UK next year?

CDP

Dear Charles

Possible Guest of Government Visit by Major-General Chatichai, Prime Minister of Thailand

The Foreign Secretary recommends that we invite Major-General Chatichai, the Thai Prime Minister, to visit the UK as a Guest of Government. I enclose a personality note.

Chatichai, who came to power following elections in July 1988, leads a five-party coalition which has proved remarkably stable. He is politically adept and energetic, both domestically and on the international stage where he is a major player in the ASEAN search for a solution to the Cambodian problem. He takes a close personal interest in large infrastructure projects in Thailand, a number of which are being pursued by British companies. He has already visited or received invitations from a number of major Western powers. A Guest of Government visit to London could do much to consolidate the British share of the flourishing Thai market.

The Prime Minister met Chatichai during her visit to Thailand from 6-9 August last year. This fell shortly after the Thai elections, during an interregnum between former Prime Minister Prem and his successor. The Prime Minister's host on that occasion was General Prem, although Chatichai took part in the programme as Prime Minister-Designate.

The Embassy in Bangkok advise that March and April are traditional travelling months for senior Thai Ministers. But this is a busy time in London, and we have been unable to identify dates at this time in 1990 when both the Prime Minister and the Foreign Secretary would be available to receive Chatichai. If the Prime Minister is content to invite Chatichai, it might be sensible to offer it as an open invitation for next year, with dates to be negotiated. The Foreign Secretary would like to be able to instruct the new Ambassador in Bangkok, Mr Ramsay Melhuish, to issue the invitation during his preliminary call on Major-General Chatichai

/in

in mid-December. Bangkok see possible commercial advantage in the early issue of the invitation; Shell's bid for the construction of a new oil refinery is currently under consideration, and experience suggests that the prospect of a high-level visit would carry weight in the deliberations of the Thai cabinet.

Yours ever

(R N Peirce)
Private Secretary

C D Powell Esq
10 Downing Street

CHATICHAI CHOONHAVAN, GENERAL

Prime Minister and Defence Minister (1988)

Leader of the Chart Thai Party

Born 5 April 1922 in Bangkok, the son of Field Marshal Phin Choonhavan. Graduated from Military Academy in 1939. Saw active service in the 1940 Indo-China War, World War II and the Korean War. Assistant Military Attache in Washington 1949. Commandant of Armoured School 1955. Following Field Marshal Sarit Thanarat's coup in 1957, he was sent into an unofficial exile in diplomatic posts for over a decade because of his opposition to the coup leaders. He described himself as a "circumstantial ambassador". Thai Charge d'Affaires to Argentina, 1958 and Ambassador, 1960. Ambassador to Austria and Turkey concurrently in 1963 and to Switzerland and Yugoslavia in 1968. He was recalled as Director-General of Political Department, MFA and subsequently Deputy Minister of Foreign Affairs, 1972 under Thanom (qv) and Sanya (qv), 1973-75. One of the founders and Secretary-General of Chart Thai Party, 1974 under the leadership of his brother-in-law Pramarn Adireksarn. Elected MP for Korat (North East Thailand) 1975 and 1976. Minister for Foreign Affairs 1975-76 under Kukrit (qv), at a particularly difficult time, when Saigon, Laos and Cambodia fell. Minister of Industry, 1976 under Seni (qv). Did not stand in the general election of April 1979 but remained Deputy Leader of Chart Thai. Was appointed Minister of Industry in the Prem I Government in 1980, re-elected MP for Korat in 1983, 1986 and 1988.

Was instrumental in the collapse of Prem I when he publicly accused his SAP Deputy, Visit Thansacha, of seeking a commission from a Saudi oil deal. The ensuing controversy led to Visit's resignation and, ultimately, to SAP's withdrawal from the government coalition. Was not a competent Minister and remained in office mainly because of his personal relationship with Prem (whom he once commanded when he was a cavalry officer).

/During

During Chart Thai's period in opposition between April 1983 and July 1986 he was the chief link-man between his party and the Army, and at the forefront of unsuccessful attempts to secure Army support for Chart Thai's return to government.

It became clear that, under Pramarn's leadership, Chart Thai was not going to be included in a Prem government, and so Chatichai took over the reins prior to the 1986 General Elections. He gained financial support from General Chavalit (qv), and after the election bargained well for key portfolios and for his own appointment as Deputy Prime Minister.

Immediately following the dissolution of parliament in April 1988, virtually no-one considered Chatichai as the next Prime Minister - but as calls for an elected PM became stronger during the pre-election campaigning, several politicians, including Kukrit Pramoj, said that the leader of the party with the largest number of seats should at least be given the chance to form the government. Thus, on General Prem's announcement that he would not take another term as premier, Chatichai was thrust into the limelight, and accepted the Prime Ministership, later appointing himself Defence Minister too.

During his first few months as PM, he sought to reward his supporters and colleagues by allowing large pay rises for MPs, and appointing party members without cabinet seats to salaried advisory posts. He has allowed notably corrupt colleagues to take up lucrative posts, at the head of the Finance, Industry and Agriculture Ministries.

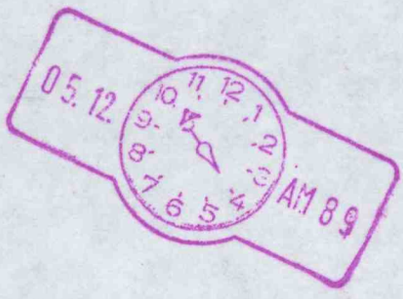
He is a businessman with international trading business interests, from South East Asia to the Middle East and beyond. His diplomatic experience has made him interested in foreign affairs in marked contrast to his predecessor. He made the noteworthy comment early on in his term that he would like to see Indo-China "turn from a battlefield into a trading market" much to the chagrin of the more cautious and conservative Foreign Minister, Siddhi Savetsila (qv). He supports the

He supports the private sector and business interests; early on he came into conflict with the technocrats who achieved considerable influence under General Prem. He may attempt to privatise inefficient state enterprises, although his power to take on the unions may be limited.

An affable character, with a reputation of being something of a playboy and a joker: on being elected, one of his first quips was that he would have to give up discos. He is somewhat erratic, and does not welcome some of the responsibilities of leadership, although he probably enjoys the considerable financial benefits available to a Thai Prime Minister.

He is a keen golfer, and enjoys playing at Gleneagles as part of his almost annual private trips to Britain. He travelled officially to the UK as a member of then Prime Minister Prem's party in 1982. His English is not scintillating. He may be a little deaf, in both ears.

Married to the lively and convivial Khunying Boonruan (good French, passable English). Two married children, one of whom, Professor Kraisak Choonhavan (Kasetsart University and formerly SOAS, London), is known for his left-wing views, but in 1988 was co-opted as an unofficial member of his father's think tank, the Prime Minister's Policy Advisory Council.


05. 12.
AM 89

CONFIDENTIAL

PRIME MINISTER

MEETING WITH GENERAL PREM

You agreed to see General Prem briefly on Wednesday, for old time's sake. He will bring the Thai Ambassador and a political colleague. It will be largely a courtesy call in which you will want to reminisce about your visit to Thailand, praise the remarkable economic growth which stemmed from his policies and send your respects to the King and Queen.

If there is time you may like to touch on some regional issues. Our most immediate concern is the problem of Vietnamese boat people which also affects the Thais. You will also want to mention developments in China where it seems that the hardliners are coming out on top. This will cause despondency in Hong Kong. You might also raise Cambodia. Following your visit in Thailand last year, we have initiated informal consultations among the Five Permanent Members of the Security Council of possible international participation in monitoring a settlement and perhaps also peace-keeping.

You will want to convey your regards to Prime Minister Chatichai and say that we hope he will find time to visit Britain in due course.

CDP

CHARLES POWELL
27 May 1989

THIS IS A COPY. THE ORIGINAL IS RETAINED UNDER SECTION 3 (4) OF THE PUBLIC RECORDS ACT

Foreign and Commonwealth Office
London SW1A 2AH

26 May 1989

Temporarily retained Cha Wayland, 20/4/17

Dear Charles,

Call by the ex-Prime Minister of Thailand, General Prem Tinsulanonda

General Prem will call on the Prime Minister at 1230 hrs on Wednesday 31 May. I enclose a biographical note on General Prem. He wishes to bring with him Mr Sudhee Prasasvinitchai, the Thai Ambassador to the UK, and Senator Professor Prasop Patanakorn,

There are no major points to make. As general conversation openers the Prime Minister might:

- recall with pleasure her visit to Thailand in August last year and the Thais' cordial hospitality;
- ask for her respects to be conveyed to Prime Minister Chatichai and also to Their Majesties King Bhumibol and Queen Sirikit (Prem sees the King twice a week as Deputy President of the Privy Council);
- express her admiration for the continued prosperity of the Thai economy, in no small part due to the policies of Prem's successive administrations (10% growth in 1988, but infrastructure is now struggling to cope).

Bilateral relationship

There are no serious problems. Since the Prime Minister's own visit to Thailand in August 1988, there have been six ministerial visits in each direction, including visits to Thailand by Lord Glenarthur, Lord Trefgarne, Mr Newton and Mr Trippier, and visits to the UK by two of the three Thai Deputy Prime Ministers, and the Thai Minister for Health.

Bilateral visible trade has shown a more than 30% increase in 1988. We have slightly increased our share in a rapidly growing market. Our turnover now tops £600m per year (UK exports £280m, Thai exports £320m). Invisibles probably tip the balance in our favour. During her visit to Thailand in 1988, the Prime Minister raised the prospects for the sale of Leyland buses to the Bangkok municipality. She may wish to know that the municipality have recently approved in principle the purchase of 410 Leyland buses, although Cabinet approval has not yet been secured.

The Prime Minister might:

- welcome the excellent state of relations and the continuing large numbers of high-level visitors in both directions;

- regret that she will probably not be able to visit Thailand when she is in the region for CHOGM in October, but note that the Duke of Edinburgh will visit Bangkok at that time (the Thais are aware of HRH's plans);

- welcome the healthy growth in bilateral trade;

- note that the prospects for sales of Leyland buses to Bangkok municipality are still good.

Regional Issues

Thailand shares Hong Kong's problem of an increasing influx of **Vietnamese Boat People**. We are closely cooperating with Thailand and other ASEAN countries with a view to a common front to seek a comprehensive solution at the International Conference on Indochinese Refugees in Geneva next month.

On **Cambodia**, there is slow but perceptible movement towards a settlement. The Sino-Soviet summit may have assisted this process, though complete agreement was not reached. The Cambodian factions seem gradually to be inching towards agreement on an interim administration based on the existing PRK administration but with all the factions included in the government. However Prince Sihanouk may yet be attracted by attempts by Hun Sen and Vietnam to woo him into a deal which excludes the Khmer Rouge altogether and could risk Civil War.

Prime Minister Chatichai has declared an aim to turn battlefields in Burma and Indochina into marketplaces. Thailand is well-placed to gain from peace in Cambodia and economic reforms in Vietnam and Burma. But these developments could strain ASEAN cohesion.

The Prime Minister might:

- draw attention to the acute difficulties which the continuing influx of Vietnamese boat people is causing for Hong Kong and note the common British and Thai interest in achieving a comprehensive solution, notably by maintaining pressure on Vietnam to face up to its responsibilities;

- note that further accommodation is needed between the Cambodian factions: in particular the PRK (and Vietnam) need to show more flexibility towards Prince Sihanouk;

/

- inform Prem that the Five Permanent Members of the Security Council are making useful progress in informal (and confidential) discussion of possible international participation in monitoring/peacekeeping;

- ask how Prem sees Thailand's relations with Vietnam and Burma developing and how this trend might affect ASEAN.

Yours,
Stephen Wall

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

PREM TINSULANONDA, GENERAL

Born 26 August 1920. Distinguished military career culminating in Commander in Chief, Royal Thai Army, 1978 and Minister of Defence, 1979. Prime Minister 1980 until August 1988. Prem never joined a political party, but between 1980 and 1988 presided over five coalition governments, consisting of various combinations of political parties.

Prem's image as Prime Minister was not charismatic. His key political assets have been strong support from the Army and from the Palace. He is now Deputy President of the Privy Council, which meets the King twice weekly to review domestic and international issues. As an uncontroversial figure in Thai politics, Prem remains a possible future contender for the premiership. He is three years younger than General Chatichai, whose policies are flamboyant and sometimes controversial.

Prem paid an unofficial visit to the UK in April 1982 as part of a European tour, and was received by Prince Charles and Mrs Thatcher. He visited the UK again in October 1985 on his way to the UN General Assembly, and was received by Mrs Thatcher and Sir Geoffrey Howe. He paid a further unofficial visit to the UK in March 1987, and called on Mrs Thatcher. He was Mrs Thatcher's host when she visited Thailand in August 1988.

Prem is single. He dresses rather flamboyantly

He is partly deaf in his left ear and, as he refuses to wear a hearing aid, he occasionally goes off on the wrong track in answer to questions.

Prem speaks reasonable English. He enjoys golf.

Temporarily retained, CA Wayland, 20/4/17

THIS IS A COPY. THE ORIGINAL IS RETAINED UNDER SECTION 3 (4) OF THE PUBLIC RECORDS ACT

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

22 May 1989

GENERAL PREM

Thank you for your letter of 19 May about the visit of General Prem. The Prime Minister could see him at 12.30 on Wednesday, 31 May. I should be grateful if this could be suggested to him.

C. D. POWELL

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

Charles

1230 on Wednesday
31st May

Amanda

cc P.C.

Prime Minister

We could squeeze this in on 31 May if you wanted to see him. But it is a very busy time.

CDP 19/5

I must see him. He was very kind to me not

Dear Charles

Foreign and Commonwealth Office

London SW1A 2AH

19 May 1989

Former Thai Prime Minister

The Thai Embassy in London have asked us to draw the Prime Minister's attention to a private visit to London later this month by former Thai Prime Minister General Prem Tinsulanonda.

During General Prem's eight-year term from 1980 to 1988, he met the Prime Minister on four occasions, most recently during her visit to Thailand in August 1988 during his handover to Prime Minister Chatichai. He is now a highly respected elder statesman and Vice Chairman of the King's Council, a largely ceremonial position.

It is clear that General Prem would be delighted to have the opportunity to renew his acquaintance with the Prime Minister if she had a moment to see him during his visit from 30 May to 1 June. But we see no foreign policy case for her to do so, and we assume in any case that diary pressures rule it out.

Yours ever

(R N Peirce)
Private Secretary

C D Powell Esq
10 Downing Street

dti

the department for Enterprise

The Rt. Hon. Lord Young of Graffham
Secretary of State for Trade and Industry

.The Rt Hon John Major MP
Chief Secretary to the Treasury
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

Department of Trade and Industry

1-19 Victoria Street
London SW1H 0ET

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01-215 7877

Telex 8811074/5 DTHQ G
Fax 01-222 2629

Direct line 215 5422
Our ref PB4AQW
Your ref
Date 15 March 1989

Dear Chief Secretary

RAYONG POWER STATION THAILAND

Thank you for your letter of 9 February. I am grateful for your readiness to accept that a yen soft loan should be offered in the circumstances outlined in my letter.

I have seen Chris Patten's response of 7 March which deals with one of the main outstanding issues - the distribution of the cost of the soft loan between ATP and the ECGD interest make up account. I very much agree that, especially as a greater than normal burden will be placed upon ATP by a yen soft loan, with a corresponding saving on interest make up, there should not be an additional cash transfer from the former to the latter to the extent that Euroyen rates remain below the yen Commercial Interest Reference Rate. Certainly officials here, and I believe in the ODA, did not understand this to be part of the arrangement which the Treasury was earlier prepared to accept. It would effectively introduce a penalty clause for ATP in a situation where the interest make up account cannot in any case lose.

Since you wrote, my officials have been in touch with John Brown and their bank about the availability of long term fixed rate yen finance. There continues to be considerable doubt over the relevance to the present situation of the three

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dti

the department for Enterprise

cases to which you refer in your letter, both in terms of the parties involved and the nature of the transactions. Nevertheless Bank of America continue to investigate what may be possible.

I am copying this letter to the Prime Minister, Sir Geoffrey Howe, Nigel Lawson, Norman Fowler and to Malcolm Rifkind, and Sir Robin Butler.

Yours sincerely

Ian Sloccock.

(Approved by the Secretary of State and signed in his absence)

the Enterprise initiative

THAILAND: Relations Naval 82



Prime Ministers office

With the Compliments of
Private Secretary
to the
Minister for Overseas Development

Eland House, Stag Place,
London SW1E 5DH
Tel: 01-273 0409

cc P.C

OVERSEAS DEVELOPMENT ADMINISTRATION
ELAND HOUSE
STAG PLACE LONDON SW1E 5DH

Telephone ~~01-213 3000~~ 01-273 0409

From the Minister

7 March 1989

CBP 7/3

The Rt Hon John Major MP
Chief Secretary
HM Treasury
Parliament Street
LONDON SW1

Dear Chief Secretary,

RAYONG POWER STATION : THAILAND

I am glad that your letter of 9 February to Lord Young provided a basis on which financing for this important project could be taken forward.

It is right that John Brown should explore further the possibility of obtaining fixed rate yen finance for this project. But if, as you say, they are able to convince us that such funds are not available then I agree we should, exceptionally, be prepared to accept floating Euroyen finance for a portion of the contract.

I am, however, concerned that the proposal in your letter is very much a one way bet against my ATP vote. In all soft loans in foreign currency we accept the exchange risk, and Rayong would be no exception. In addition, we are prepared, reluctantly, to accept the interest rate risk, should the market rate rise above the CIRR rate.

But whilst the market rate remains below the CIRR rate we would expect to meet a cost no higher than the difference between the soft loan rate and the market rate. Any higher cost would mean that the ATP vote was meeting more than the actual overall subsidy cost of the transaction to HMG. It would, in effect, be a transfer (outside PES) of resources from the aid vote to the FREF Account for no discernible purpose. I do not believe this can be right. It is also relevant, I think, that a sterling soft loan which we were all in principle prepared to support, would in this case have cost the FREF account close to £70 million.

I am copying this to members of EX and to Malcolm Rifkind.

Yours sincerely,

Myles A. Wickstead

pp CHRIS PATTEN

THAILAND: Relations
March 82

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CCPC

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Lord Young of Graffham
Secretary of State for Trade and Industry
Department of Trade and Industry
1 - 19 Victoria Street
London
SW1H OET

CDP 13/2

9th February 1989

Dear Secretary of State

RAYONG POWER STATION THAILAND

Thank you for your letter to Nigel Lawson of 3 February about John Brown Engineering's bid for this important contract.

As you rightly say, Treasury officials have been keen to explore ways in which fixed rate yen finance could be found for this deal which would at an acceptable cost remove uncertainty about the subsidy bill for interest make-up. This is particularly important given the 18-year term for this contract and the fact that its 'bullet' nature means that the whole loan will be outstanding for the full period.

There seems to be a doubt, however, about the availability of fixed rate yen finance. I note that JBE's American bankers state that they are unable to obtain such funds. The Bank of England, however, advises us that Malaysia, Mauritius and India have all raised fixed rate yen finance over 15-20 years. It is difficult to see why Thailand is unable to emulate them. Indeed, I understand the Thais have already raised fixed rate yen finance over 10 years. The present loan would of course be guaranteed by the Thai Ministry of Finance and would count as sovereign risk. With the added attraction of ECGD's guarantee, the Thais should in principle be able to obtain fixed rate yen funds at a very fine margin.

I should be grateful therefore if you would press John Brown Engineering to explore further the availability of fixed rate yen finance.

THAILAND: Relations, Mar 82

If finally, however, they are able to convince all of us that such funds are not available either from Bank of America or a Japanese bank, then I am prepared to accept exceptionally that finance may be provided at the floating Euroyen rate - on condition that any subsidy cost is met from the cash-limited ATP budget. ODA will in the normal way make up to ECGD the difference between the concesional yen rate and the pre-contract Commercial Interest Reference Rate (CIRR) plus the banks' usual FREF margin. But if the Euroyen floating rate exceeds this rate, then ODA will meet the additional subsidy cost. I understand that both Chris Patten and you are ready to accept this compromise.

I am copying this letter to members of EX and to Malcolm Rifkind.

Yours sincerely
Sheldon Kosby

JOHN MAJOR

(Approved by the Chief Secretary and signed in his absence)



dti

the department for Enterprise

The Rt. Hon. Lord Young of Graffham
Secretary of State for Trade and Industry

The Rt Hon Nigel Lawson QC MP
Chancellor of the Exchequer
HM Treausury
Parliament Street
LONDON
SW1

Department of
Trade and Industry

1-19 Victoria Street
London SW1H 0ET

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01-215 7877

Telex 8811074/5 DTHQ G
Fax 01-222 2629

Direct line 215 5422
Our ref PB5APQ
Your ref
Date 3 February 1989

Dear Chancellor

RAYONG POWER STATION THAILAND

I am most concerned to learn that we are on the verge of losing a major contract in Thailand because of unrealistic terms which are being insisted upon by Treasury for making a yen soft loan available.

For some time we have been making great efforts to break into the project market in Thailand. We have been relatively unsuccessful, although GEC have recently won a sizeable Japanese OECF funded resignalling contract for the Thai railways. Particularly worrying, however, has been our lack of success in the power sector where Thailand's requirement for substantial additional generating capacity for the remainder of this century offers major commercial opportunities. British companies have found themselves handicapped both by the apparent leanings of the Electricity Generating Authority of Thailand (EGAT) toward the Germans and Japanese and by EGAT's method of tender evaluation which emphasises absolute interest rate levels rather than currency. Hence the obvious advantage for bids in low interest rate currencies such as yen.

We were, therefore, very disappointed recently when John Brown Engineering (JBE) failed in their bid for the World Bank funded Bang Pakong combined cycle power station, which was won by Mitsui/GE. In normal circumstances we would have expected that, because of its similarity with Bang Pakong, the follow-on Rayong project would have been negotiated by EGAT with Mitsui/GE. We were surprised, but pleased, when just

before Christmas, the Thais issued a limited tender for Rayong which included JBE. We were able to agree an urgent ATP mixed credit case in support of the subsequent JBE bid.

Earlier this week, we learnt that the JBE bid appears to be competitive both in terms of price and technology. Our Embassy in Bangkok have since confirmed that all is now likely to rest on the financing package. At present, it is clear that, because of EGAT's method of evaluating such packages, the French Government's offer, in support of Alsthom, of a 22 year soft loan in yen, is regarded as considerably better than our mixed credit. While it is most unusual for the Thais to permit any changes to a bid, we understand that a revised financing offer from the UK would be considered, so long as we did not increase the 35 percent concessionality of the mixed credit. An 18 year yen soft loan at 2.75 percent interest and with a 17 year grace period on repayment of principal would, it appears, ensure EGAT evaluated the JBE finance package as better than the French. Because of OECD's method of calculating concessionality, it should, of course, cost us less to meet a specific concessionality level in a low interest rate currency such as yen as compared to sterling.

I think you will agree that this is a remarkable turn of events offering us a unique opportunity not only to win a £210 million (£150 million UK content) contract in a rapidly growing market in which our total exports last year were only around £250 million, but to gain a critical and long sought toe-hold in the Thai power sector. Unfortunately, it appears that your officials are holding out against this. They are insisting that such an ATP supported yen soft loan can only be offered if JBE's bank can obtain funding at the Japanese Long Term Prime Rate (LTPR). This is unrealistic. First, no yen export credit, with a shorter horizon of risk than the proposed yen soft loan, has been supported by ECGD over recent years. This is simply because British banks are unable to obtain long term fixed rate yen at the LTPR (and Japanese banks are generally unwilling to do so in support of British companies in competition with their own firms). Second, US dollar, Deutschmark, even sterling export credits (and ATP soft loans) which are supported by ECGD are funded in the short term market. Exactly the same arrangement in yen would immediately solve the present problem. And, present short-term Euroyen rates are, of course, below both LTPR and the yen Commercial Interest Reference Rate. Third, the French clearly have no problem over supporting a 22 year yen loan.

dti

the department for Enterprise

While it appears that JBE's bank (Bank of America) may be able to access yen through a Japanese at LTPR for part of the proposed 18 year horizon, they have confirmed unequivocally (and unsurprisingly) that they cannot do so for the whole period. A loan with a shorter maturity would, however, not meet EGAT's requirements. Thus, because of the uncertainty (already accepted by ECGD in other currencies) over future movements in yen interest rates, which could just as easily result in yet lower costs to HMG as higher , we appear unwilling to go part way to matching the French, and shall undoubtedly lose this extremely valuable and high business. I really do not think that this can be right. We shall simply be accused and be guilty of having allowed bureaucratic inflexibility in insisting on an impractical proposition in relation to yen soft loans alone, to lose the UK a very major contract opportunity.

Our latest information is that technical evaluation will begin in Thailand on Monday (6 February) and that the EGAT board is due to meet next Wednesday to hear a presentation on the bids. The Embassy's advice is that we will need to confirm our intentions no later than Tuesday which, because of the time difference, means we must take a clear-cut decision here by Monday evening. I should therefore welcome your agreement, within this timescale, that, in this case, we should be prepared, if necessary, to accept Euroyen rates as the basis for the required soft loan. Officials could, of course, subsequently ensure with Bank of America that for as much of the 18 year horizon as was practicable, we locked into the Japanese LTPR.

I am copying this letter to members of EX and to Malcolm Rifkind.

Yours sincerely

Jeremy Godfrey

for Lord Young of Graffham

(Approved by the Secretary of State
and signed in his absence)

the Enterprise initiative

06.11 AM 9



|| Worker participation
is <u>not</u> unanimous decision ||

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CPC

Foreign and Commonwealth Office

London SW1A 2AH

30 September 1988

CDP 3074.

Dear Charles,

Message from Thai Prime Minister

You will recall that the Prime Minister sent a message of congratulations to Major-General Chatichai Choonhavan when he became Prime Minister of Thailand in August. I now enclose Major-General Chatichai's response which was forwarded to us through the Thai Embassy in London. It does not require a reply.

Yours ever,

(L Parker)
Private Secretary

C D Powell Esq
10 Downing Street

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No: T147A/88

SUBJECT CC MASTER ORS

No. 04/ 1477 /2531



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

26 September 1988

Excellency.

I have the honour to request your kind assistance in conveying the following message from H.E. Major General Chatichai Choonhavan. Prime Minister of Thailand. to the Right Honourable Margaret Thatcher. Prime Minister of the United Kingdom of Great Britain and Northern Ireland:

Begin

"Excellency.

I deeply appreciate your kind message of congratulations extended on the occasion of my appointment as Prime Minister of Thailand.

It is my firm belief that the existing cordial relations and coopeation between our two countries. strengthened by your recent visit to Thailand. will be further developed in the years ahead for our mutual interests.

Please accept. Excellency. the assurances of my highest consideration.

Major General Chatichai Choonhavan
Prime Minister of Thailand"

End

Please accept. Excellency. the assurances of my highest consideration.

S. Prasasvinitchai

Sudhee Prasasvinitchai
Ambassador

H.E. The Rt. Hon. Sir Geoffrey Howe. QC MP
Secretary of State for Foreign and
Commonwealth Affairs
Foreign and Commonwealth Office
London

CONFIDENTIAL

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

CONFIDENTIAL

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.

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

(CHARLES POWELL)

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

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SUBJECT
cc MASTER
OPS

FCO

PERSONAL MESSAGE
SERIAL No. T 643/87

10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

6 April 1987

Dear Prime Minister,

When we met in London last month, I promised to raise the problem of Cambodia during my visit to Moscow.

I did indeed make clear to Mr. Gorbachev our deep concern about Soviet support for the Vietnamese occupation of Cambodia. Sir Geoffrey Howe also discussed the matter at greater length with Mr. Shevardnadze, and will be happy to give you and your colleagues a personal account when he comes to Bangkok later this month.

We both pointed out to the Russians that their support for Vietnam only reinforced international apprehensions about Soviet policies worldwide. The Russians said that they were reluctant to exert any pressure on the Vietnamese to withdraw because such pressure would be ineffective. They argued that a solution to the Cambodian problem could not be achieved overnight, that responsibility for a solution ultimately rested with the countries in the region and that the process of achieving a national consensus in Cambodia would have to start before Vietnamese troops left and continue after they had gone. The Russians claimed to have gained the impression that some outlines of a peaceful settlement acceptable to ASEAN and the countries of Indo-China were emerging.

I fear that the Soviet attitude was entirely predictable. There was no movement, but at least they were prepared to discuss the subject. We can only keep up the pressure on them and on the Vietnamese to take the steps necessary for a solution.

I should be happy for you to share this information with your ASEAN colleagues but I should be grateful if, beyond that, you could treat it in strict confidence.

Yours sincerely

Margaret Thatcher

His Excellency General Prem Tinsulanonda

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T47A187

SUBJECT
cc MASTER
OPS

CC FCO
e retn

Royal Thai Embassy
London

Prime Minister
CDP
19/3

16 March 1987

Dear Prime Minister,

I wish to express my gratitude to you, Prime Minister, and to the British Government for the generosity and warmth of welcome accorded to myself and my party during our visit to Great Britain.

The discussion which I was privileged to have with you, covering an extensive range of issues of mutual interest, was for me an enriching experience. I am very happy to see once again that the traditional ties of friendship and cooperation between Great Britain and Thailand are as strong as ever. Your understanding and reaffirmation of support for the position of Thailand and ASEAN on the Kampuchean problem was most reassuring. Equally rewarding was your express interest and strong support for an expansion of our bilateral cooperation for mutual benefits, especially in trade and investment. The lively, productive dialogue which we have long enjoyed with British business was given a substantial boost by the new level of rapport gained in London during this trip. I therefore have good reason to believe that the prospects for an accelerated expansion of economic cooperation between our countries are very bright indeed.

We in Thailand hope that you will be able to crown what have been thus far achieved with a visit of your own to our country in the near future. I can assure you, Prime Minister, that an immense reserve of goodwill awaits you personally in Thailand.

With warmest regards and best wishes.

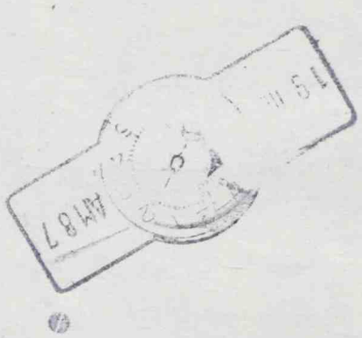
Yours sincerely,

General P. Tinsulanonda

(Prem Tinsulanonda)
Prime Minister of Thailand

The Rt. Hon. Margaret Thatcher M.P.
Prime Minister
10 Downing Street
London





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CCP

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

No. 04/541/2530

The Royal Thai Embassy presents its compliments to the Foreign and Commonwealth Office, and with reference to the visit of His Excellency General Prem Tinsulanonda, Prime Minister of Thailand during 12 - 16 March 1987, has the honour to forward herewith the letter from His Excellency General Prem Tinsulanonda to The Rt. Hon. Margaret Thatcher, MP, Prime Minister.

The Royal Thai Embassy avails itself of this opportunity to renew to the Foreign and Commonwealth Office the assurance of its highest consideration.

ROYAL THAI EMBASSY, LONDON.

London, 16 March 1987

CONFIDENTIAL

SUBJECT
cc master

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

12 March 1987

Dear Robert,

PRIME MINISTER'S MEETING WITH THE PRIME MINISTER OF THAILAND

The Prime Minister received the Prime Minister of Thailand for a talk this evening. General Prem Tinsulanonda was accompanied by the Thai Foreign Minister and the Thai Ambassador. HM Ambassador in Bangkok was also present.

The Prime Minister enquired after the King and Queen of Thailand and asked for her respects to be conveyed to them. General Prem said how grateful he was to the Prime Minister for seeing him, for the arrangements made for his visit to the United Kingdom and for our generally helpful and supportive attitude to Thailand.

Cambodia

General Prem said that Thailand had suffered as a result of the Cambodian conflict for nearly eight years now. The conflict imposed heavy burdens on Thailand, both in the number of refugees and in the need to defend its borders. But these burdens would be borne willingly if a solution appeared possible. His fear was the rest of the world was losing interest in the situation there. For instance much greater international attention was devoted to the Afghanistan conflict, while Cambodia was treated as a routine matter. The West should appreciate that his country's very survival was at stake.

The Prime Minister said that we continued to give our full support to ASEAN's position on the Cambodian conflict. We understood the problems which the conflict created for Thailand and had helped when we could. We had been encouraged by the satisfactory outcome on the annual resolution at the United Nations General Assembly which had achieved a record vote in favour. It seemed, however, that there were still problems in bringing the non-Communist resistance groups in Cambodia together, and forging them into an effective resistance. She wondered whether the Foreign Minister's talks with Mr Shevardnadze had yielded any hint of a possible way forward.

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The Foreign Minister made no audible comment about his talks with Mr Shevardnadze but painted a relatively optimistic picture of the growing effectiveness of the non-Communist resistance. They were gaining strength at the expense of the Khmer Rouge and improving their capability to mount operations in Cambodia. However there were certainly still many difficulties: for instance Sonn Sann was at loggerheads with the commander of his forces which put their morale in jeopardy and limited the numbers which they could put into the field.

General Prem added that it was a no-win situation. A solution would only come with the withdrawal of Vietnamese troops and self-determination for Cambodia with free elections. He believed that the Cambodian people, if given a free choice, would not opt for Pol Pot. But there was no sign that Vietnamese withdrawal was likely. There continued to be a number of forays across the border into Thailand but he did not expect any major incursion. The Chinese Government had assured Thailand that, in the event of a significant advance by Vietnamese troops into Thailand, they would take military action on their border with Vietnam. General Prem repeated his plea to the Prime Minister to help concentrate international attention on the Cambodian conflict and to work for a solution.

The Prime Minister said that the key to a solution lay in Moscow and she would be prepared to raise the issue in her talks with Mr Gorbachev. A way must be found to get the Soviet Union to bring pressure on Vietnam to end its occupation. She would point to the damage which support for Vietnam policies was doing to the Soviet Union's international reputation. She agreed that more needed to be done to keep the Cambodian situation at the centre of international attention and would consider how we could help further.

International Economic Issues

General Prem referred to the difficulties caused for the Thai economy by protectionism, particularly in the agricultural field. He had explained to visiting United States senators and congressmen the damage which protectionist legislation caused to countries like Thailand.

The Prime Minister said that we shared the objective of reducing the barriers to trade. The main villain was Japan which continued to obstruct imports and to protect its agriculture very heavily indeed. She acknowledged that Europe was not free from blame in the latter area, although General Prem could be assured that the United Kingdom would continue to oppose very strongly the proposed tax on oils and fats. We had always managed to block this in the past. She expected agricultural protection to be one of the main themes of the next Economic Summit.

Bilateral Relations

The Prime Minister commented on the excellent state of relations between Britain and Thailand. She noted that the trade balance had now moved in Thailand's favour. We hoped that they would buy more from Britain. She recalled her talk with General Prem in October 1985 about the Leyland bus contract. We would pursue export opportunities vigorously.

General Prem said that the Prime Minister had a good memory. On the subject to Leyland bus, he did not want to make her feel bad but his Government had decided that there must be open competition. He had talked to a number of British businessmen during his visit to London and they seemed anxious to invest in Thailand. He would be making a speech to the London Chamber of Commerce the following day. The Prime Minister said that she was all for open, competitive tendering but it would be necessary to watch the Japanese very closely. They would try to push everyone else out of the market.

General Prem said he hoped the Prime Minister would visit Thailand in due course. The Prime Minister said that she would very much like to do so, although she was not able to name a date at present.

Drugs

The Prime Minister complimented General Prem on the vigorous fashion in which Thailand was combating drug trafficking and abuse. She understood that there was good co-operation with Britain in this field. General Prem said that Thailand was proud of its success and would not give up.

I am copying this letter to Tim Walker (Department of Trade and Industry), John Howe (Ministry of Defence) and Trevor Woolley (Cabinet Office).

Yours sincerely,

Charles Powell

Charles Powell

R.N. Culshaw, Esq., MVO.,
Foreign and Commonwealth Office.

FILE
DA

MR. BEARPARK
MR. SHERBOURNE

PRIME MINISTER OF THAILAND

When the Prime Minister met the Prime Minister of Thailand this evening, she raised the general subject of our trade with Thailand and our wish to sell more in their market, particularly in the defence field. But she did not feel it appropriate to raise any individual contracts. She recalled that at her last meeting with General Prem, she had raised the Leyland Bus contract and he evidently regarded it as very bad form.

Both the Foreign Secretary and the Defence Secretary will be having further contact with General Prem and his Foreign Minister and may find opportunities to raise the issue of defence sales. Meanwhile, I suggest that you reply to Sir James Goold and to Lord Strathcona respectively that the Prime Minister raised with General Prem the general subject of our trade and urged the need for Thailand to buy more from us especially in the defence field, but did not regard it as appropriate to raise specific contracts such as the fast patrol boats with him. We understand that this order and others are being followed up by other Government departments with members of General Prem's delegation.

(C.D. POWELL)

12 March 1987
DCABTZ

PRIME MINISTER

MEETING WITH THE THAI PRIME MINISTER

You are to see General Prem tomorrow afternoon. He will be accompanied by his Foreign Minister and the Thai Ambassador. Our Ambassador in Bangkok, Mr. Tonkin, will also be present.

You last saw General Prem in October 1985. The note of the meeting is in the folder. The main item was Leyland's bid for buses (which came to nothing).

You will remember that General Prem is not the world's greatest conversationalist and is deaf in his right ear. He frequently fails to respond to points made to him.

General Prem is on a private visit. He has been in Egypt and the Netherlands, and is going on to Spain. His visit coincides with a seminar on investment opportunities in Thailand. He will address a lunch hosted by the London Chamber of Commerce.

You might start by remarking upon the excellence of our relations and the success of the Thai economy. You recall that last time you met, he gave you assurances about Thailand's stability. These have been fully borne out. You could congratulate him on Thailand's vigorous anti-drug programme.

You might then ask him to bring you up to date on the situation in Cambodia. There has been little change either in the scale and degree of Vietnamese involvement or in the ability of the various resistance factions to get together. We continue to support ASEAN's position strongly. It would be interesting to know whether the Thai Foreign Minister's recent meeting with Shevardnadze held out any hope of change.

There are a number of commercial issues to raise. The visible trade balance is now in Thailand's favour: we would like to sell them more. You might recall your disappointment at the postponement of the bus contract for which Leyland had been a strong competitor. We failed to win any major contract in 1986. Westinghouse Signals have just won the contract for the first phase of the Thai Railways signalling modernisation. We hope that they will win the next phase too: and that there will be no dirty work at the cross-roads by the Japanese (the contract is funded from Japanese aid, for once untied). We can also offer Hawk trainer aircraft and Rapier anti-aircraft defence, both already in service with other ASEAN countries. Also Westland Sea-King helicopters for VIP use. Hall Russell of Aberdeen are tendering for three Fast Patrol Boats for the Royal Thai Navy.

He might bring up some international economic issues. You can assure him that we firmly oppose EC proposals for an oils and fats tax. We have grave doubts about the value of International Commodity Agreements which provide for market intervention. We have gone along sceptically with negotiations for a new International Rubber Agreement, but can only contemplate reaching agreement if consumer demands are met in full (the awful thing is, they might be). You will want to emphasise the need for a strong defence of our interests in the ITC case.

C.D.P.

Charles Powell

11 March 1987

The National Archives

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Foreign and Commonwealth Office

London SW1A 2AH

11 March 1987

CDP
12/3

Dear Charles

Visit to Thai Prime Minister, 12-16 March

I enclose additional briefing for the call on the Prime Minister by the Thai Prime Minister on 12 March about British involvement in a possible $1,000 million irrigation project in North East Thailand. We have just heard that General Prem may raise it following an approach from Biwater, the British company involved.

The project is at a very early stage and there are some doubts about the timescale and its environmental and political implications. An additional reason for caution is that a similar large-scale project in Northern Thailand, in which British companies such as Balfour Beatty hope to be involved, is at a more advanced stage. We do not therefore recommend that the Prime Minister should initiate discussion.

Biwater is the company which won the £400 million irrigation project in Malaysia and has a commendably entrepreneurial approach. They have the flair to turn even a doubtful project into a serious runner; but substantial ATP or a soft loan would be required, and at this stage we recommend that the Prime Minister should do no more than take note with interest, if Prem raises the subject.

Yours ever

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/10 Downing Street

RESTRICTED

VISIT OF THAI PRIME MINISTER, GENERAL PREM TINSULANONDA, 12-16 MARCH 1987

THREE RIVERS PROJECT, NORTH EAST THAILAND (if raised)

Thai Objectives

- To establish whether HMG will provide ATP support for proposed irrigation, water treatment and hydro project in NE Thailand.

Our Response

- Interesting proposal. Will need careful study.

Background

- Biwaters has written to Thai Prime Minister offering to provide a survey and financial package for $1,000 million irrigation scheme in NE Thailand. Appear to assume ATP support.

- But similar, large-scale project, with substantial potential British involvement (Balfour Beatty) about to start in N Thailand. Thais unlikely to be able to afford 2 huge projects simultaneously.


11. III.

cc Bkup

Foreign and Commonwealth Office

London SW1A 2AH

11 March 1987

CDP 11/3.

Dear Charles,

Visit of Thai Prime Minister,
General Prem Tinsulanonda, 12-16 March 1987

I attach a brief for General Prem's call on the Prime Minister at 17.30 on Thursday, 12 March, together with a programme, a list of the Thais attending the meeting, biographical notes, and a fact sheet on Thailand.

General Prem's visit to London is a private one. He will be accompanied by a number of Ministers and senior Thai officials. One of the main elements of the visit is a seminar on investment opportunities in Thailand. General Prem will also address British businessmen at a luncheon hosted by the London Chamber of Commerce. Before coming to Britain, he will have visited Egypt, where he will meet Prime Minister Dr Alef Sidqi and President Mubarak, and the Netherlands, where he will meet Mr Lubbers and Queen Beatrix. After visiting the UK, General Prem will go to Spain to meet Sr Gonzalez and King Juan Carlos.

Discussion Topics

In view of the limited time available, we recommend that the priorities for discussion should be Anglo/Thai relations, Cambodia, international economic issues and commercial opportunities for British firms in Thailand, in particular Westinghouse Signals' bid for involvement in the next phase of the re-signalling of the Thai railway system. The Thai side will doubtless wish to brief us on the Thai/Cambodian border situation. They will be looking for assurances of our continued support, political and material.

/The

The Prime Minister will no doubt wish to stress the need for British firms to win a flagship contract in Thailand. Thailand's economy is the healthiest in ASEAN but British firms failed to win any major contracts in 1986.

General Prem is deaf in one ear* (this may explain why he occasionally fails to respond to points made to him).

Yours ever

(R N Culshaw)
Private Secretary

C D Powell Esq
No 10 Downing St

* I am seeking to discover which ear

PRIME MINISTER'S MEETING WITH THE THAI PRIME MINISTER, GENERAL PREM TINSULANONDA, THURSDAY 12 MARCH, 1987 AT 1730

I Our Objectives

(i) Anglo/Thai Political Relations

- To assure General Prem of our continuing support for a stable Thailand and to encourage Thailand to maintain its pro-Western role within South East Asia.

(ii) Cambodia/Vietnam

- To reaffirm our support for Thailand in its confrontation with Vietnam over Cambodia.

- To seek General Prem's assessment of current situation in Cambodia, Vietnamese/Soviet tactics and Chinese objectives.

(iii) International Economic and Trade Issues

- To emphasise UK commitment to combatting protectionism and support for Uruguay round.

- To welcome ASEAN lobbying against Commission proposal for oils and fats tax.

- To encourage Thai flexibility in current rubber negotiations and united front with UK in defence of International Tin Council (ITC).

(iv) Commercial

- To confirm importance UK attaches to developing commercial

relations with Thailand and to emphasise HMG's recognition of advantages of foreign investment to both developed and developing countries.

- To encourage the Thai Authorities to consider bids by British companies favourably and in particular to invite Westinghouse Signals to discuss their proposals for the next phase of the re-signalling of the Thai railway system.

(v) Defence Sales

- To encourage Thais to purchase BAe's Hawk Fast Jet Trainer and Rapier and Westland helicopters.

(vi) Drugs

- To encourage Thai Government's domestic effort to combat drug misuse in support of overall international effort.

II Arguments to use

(i) Anglo/Thai Political Relations

- Relations excellent. Close identity of views.

- Glad to see stability and economic prosperity in Thailand High growth rate (5%), remarkable, given Thailand's dependence on commodity exports, best in ASEAN.

- Recognise Thailand's crucial role within ASEAN, an increasingly important market-orientated democratic grouping. EC-ASEAN October Ministerial meeting a real success: constructive dialogue. Important agreement to work together on drugs, terrorism.

- Prospects for ASEAN Summit in Manila end 1987 ?

(ii) Cambodia/Vietnam

- Fully aware of problems Cambodian stalemate creates for Thailand, eg Vietnamese incursions and refugee influx. Have regularly spoken out against Vietnamese actions eg at UNGA on 23 September. Continuing to make UK funds available for refugee relief work on Thai/Cambodian border (£685,000 this year).

- Despite their more conciliatory tone, do not believe that Vietnamese line has softened significantly. Hanoi will grab any opportunity to exploit signs of weakness.

- Continue to support aims of non-communist resistance. UK bilateral humanitarian aid (£100,000 this financial year) is continuing. But non-communists, particularly KPNLF, need to solve their internal divisions which weaken their performance inside Cambodia. Need for greater cooperation between factions.

- We shall continue to put pressure, eg withholding aid, on Vietnam to withdraw from Cambodia, and persuade others to do likewise.

- Understand your Foreign Minister recently had talks with Mr Shevardnadze. Any sign Soviet Union prepared to put pressure on Hanoi?

(iii) International Economic and Trade Issues

- Full UK support for Uruguay Round: vital to preserve open trading system, vital to economic development.

- UK committed to Punta del Este standstill on protectionist measures: firmly opposed to Commission proposals for oils and fats tax. Welcome ASEAN intensive lobbying: must keep it up.

- International Commodity Agreements which resist long term market forces and prop up prices doomed to fail (eg tin).

- While price support is possibly beneficial to producers in short term, hinders necessary adjustment.

- United front in International Tin Council essential if defence to succeed.

(iv) Commercial

- Encouraged by steady increase in two-way trade. Visible trade balance (£25m) now in Thai favour. Understand British banks and insurance companies active in Thailand as are British investors in expanding Thai stock market. Britain is fourth largest foreign investor in Thailand.

- Closely following Thai State Railways signalling modernisation programme. Delighted that Westinghouse Signals awarded contract for the first phase of the programme (CHACHOENGSAO to SATTAHIP). A well respected UK company with a world-wide reputation.

- Sorry to hear that problems on the Japanese bid have delayed assessment of the competing proposals for the next stage. Hope there will be no question of Japanese bringing pressure on Thailand to buy from Mitsui because the contract will be funded from Japanese aid. Since loan is untied this should not be so. Understand Mitsui have been called in to negotiate on reduced scope of work. Hope that Westinghouse Signals will also shortly be invited for discussion; believe that their proposals will merit serious consideration and allow you to profit from their existing experience with Thai Railways.

(v) Defence Sales

- Hawk in service with RAF, in ASEAN, extremely versatile. If Royal Thai Air Force (RTAF) looking to replace F16s, Hawk is ideal fast jet trainer. Further assistance available if RTAF buy Hawk.

- Rapier in service with UK forces, performed well in Falklands. Wide service in ASEAN and in use with USAF in UK, highly efficient weapon, lighter and more mobile than competitors.

- Westlands deployed by all three services, experienced manufacturers.

(vi) Drugs

- Personally concerned with fight against drug misuse. Welcome Thai efforts in combatting drugs problem through crop eradication and enforcement programmes.

III Thai Objectives

(i) Anglo/Thai Political Relations

- To reassure UK that General Prem has a firm grip on Thai affairs and that country remains politically stable.
- To maintain access to highest political level in UK.
- To seek continuing UK support for Thailand.
- (possibly) To invite the Prime Minister to visit Thailand.

(ii) Cambodia/Vietnam

- To seek continuing UK support for Thai position on Cambodia.

- (possibly) To seek closer UK involvement in the search for a Cambodia settlement.

- (possibly) To seek additional UK assistance in dealing with Thailand's refugee problem.

(iii) International Trade and Economic Issues

- to express concern at growing US protectionism and predatory US export subsidies on rice,

- to seek confirmation that UK will stand firm against Commission proposals on oils and fats, which will affect ASEAN exports

- to lobby for conclusion of new Rubber Agreement

- to escape liability for ITC debts in English courts.

(iv) Commercial

- To promote inward investment into Thailand to aid economic recovery. (Prem is addressing investment seminar sponsored by London Chamber of Commerce).

- To update existing signalling system - some of which is over 50 years old - on the best terms available.

(v) Drugs

- To seek UK financial support for drug enforcement programme.

IV Our Response

(i) Anglo/Thai Political Relations

- Regret not been able to visit Thailand. But 1987 busy year for bilateral relations. Mr Younger visiting later this month and Foreign Secretary in April, Princess Anne hoping to visit in November.

- Visit by PM. (If raised). Accept in principle, date to be fixed in due course.

(ii) Cambodia/Vietnam

- Consider it right that ASEAN should be in the forefront. We shall continue to play a full part in support of the ASEAN position.

- Value our contacts with non-Communist resistance groups. Continuing to provide bilateral humanitarian aid. Not our policy to provide military aid.

- Continuing to contribute to international relief on Cambodian border. Our record is good. Hope to make further money available to UN Border Relief Operation and UNHCR later this year. Unfortunately not well placed to help in refugee resettlement from Thailand. Hong Kong, which still has large number of un-resettled Vietnamese refugees, must be our first priority.

- Concerned that nature of refugees from Vietnam changing, increasingly economic migrants from north who are harder to resettle in developed countries.

(iii) International Trade and Economic Issues

- Uruguay round crucial in holding back protectionist forces, especially in US. Priority given to improving market access for tropical products

- Will make essential contribution to problem of agricultural surpluses. All major producers involved: US rice export subsidy an example, high Japanese price and closed market just as bad

- Can rely on UK to oppose Commission proposals on oils and fats. Reform essential to contain costs. But Commission proposals will hit poorest EC consumers and developing supplier countries.

- Failure to reach Agreement on flexible market-intervention mechanism in rubber negotiations would highlight inflexibility of International Commodity Agreements in general. Current waste of renegotiation if producers not prepared to meet well known consumer time requirements.

- UK robust in defence of own and ITC interests in tin case. If one country fails to defend itself it will open door to creditors.

(iv) Commercial

- Welcome recent establishment of EC/Thai Joint Investment Committee in Bangkok (similar to those planned for other ASEAN capitals). Could play useful role in drawing attention to investment opportunities and identifying factors (eg complex procedures) possibly inhibiting increased investment.

- (As required) UK investors lay great importance on adequate patent and copyright protection and are nervous about transfer of technology and introduction of new products (for instance, pharmaceuticals) into overseas markets where such protection is inadequate.

- Every confidence in ability of Westinghouse Signals to do a good job, given the chance.

(v) Drugs

- Always ready to consider requests for assistance in supporting international effort to combat drug misuse. UK major donor to UN Fund for Drug Abuse Control (UNFDAC) through which we channel most of funds available for projects overseas. Funds currently available very limited, many competing claims (less than £0.5m for the next two years).

V Press Line

- Mrs Thatcher and General Prem Tinsulanonda discussed UK/Thai political and commercial relations and the desirability of building on these for example in the areas of trade and investment. They reaffirmed the excellent state of bilateral relations. The two Prime Ministers also discussed the continuing problem of Cambodia and agreed on the urgent need for a comprehensive political settlement.

- They agreed on the importance of the Uruguay Round of

multilateral trade negotiations in strengthening the world open trading system and resisting protectionism.

- (If raised)
They exchanged views on and expressed their mutual commitment to international efforts to prevent drug trafficking and abuse.

VI Background

(i) Anglo/Thai Political Relations

- Prime Minister last met General Prem during a working visit to the UK in October 1985. General Prem last paid an official visit to UK in April 1982. Prem's fifth coalition government elected July 1986. Now Thailand's longest serving Prime Minister.

(ii) Cambodia/Vietnam

- ASEAN tables annual resolution at UNGA calling for total withdrawal of foreign forces from Cambodia, internationally supervised elections and independent, neutral, non-aligned Cambodia. Last year record vote of 115 in favour, UK sponsored.

- Thailand completed a two-year spell as a member of the UN Security Council in December 1986.

- Thais have recently closed Khao-I-Dang refugee camp and transferred inmates to camps for Cambodian displaced persons along border. Closure in part due to frustration at declining rates of refugee absorption in West. UK's main priority is Hong Kong, where continuing arrivals of boat people, many of whom are economic migrants, rather than genuine refugees.

(iii) International Economic and Trade issues

Protectionism

- Launch of New GATT Round in September 1986.

- Trend in US Congress towards protectionist legislation: contrary to spirit of Uruguay Round. Thailand concerned at US protectionsim.

Oils and fats tax

- Commission introduced proposals for tax as part of CAP price fixing. Tax to be applied to imports and home production. Must be agreed by Council.

- UK opposed to tax which will hit poorest consumers and adversely affect trade.

- ASEAN producers concerned that tax would affect earnings and conflicts with Uruguay commitment to standstill and rollback.

Rubber

- Current INRA in operation since 1979. Following a two year extension it expires October this year. Fourth renegotiation session being held in Geneva 9-20 March.

- Producers agreed to consumer demands for a removal of buffer stock borrowing powers and a specific limitation of member states financial liability.

- Deadlock over other consumer demands caused last session (6-17 October) to end inconclusively.

- UK negotiating in good faith, but do feel improvements are needed. However, since we do not like market intervention Agreements, would not be upset if present renegotiations fail.

Tin

- London tin market collapsed in October 1985: debts incurred by the ITC Buffer Stock totalled £900m.

- Attemps to reach a settlement with creditors in 1986 failed, despite UK offering £50m over and above our normal contribution to the ITC.

- Brokers and banks have issued writs against the ITC. They have

also issued writs against ITC member states (including Thailand) claiming they are joint and severally liable for iTC debts.

- UK and iTC defence relies on arguments of non-justiciability. All other countries are claiming sovereign state immunity.

(iv) Commercial

- In past Thais concerned at trade balance in UK's favour, but balance now shifted. 1986 £25 million visible bilateral surplus for Thailand but significant invisible earnings probably give Britain overall surplus.

Major UK Exports: Cereals, beverages and tobacco, chemicals, medicines and pharmaceuticals.

Major UK Imports: Textiles, clothing, footwear, seafood, vegetables, fruit.

Principal competitors: Japan (27% of market), USA (13.2%), FRG (4.2%). UK share 2.3%.

- British pension funds, corporate institutions and individuals have invested more in stocks and shares quoted on Securities Exchange of Thailand than any other foreign investors.

- Westinghouse Signals bidding for second phase of Thai Railways' (SRT) signalling modernisation programme, worth about £31m (UK content). Westinghouse were awarded the first phase of this work in 1985 (UK value £5m).

- This is to be financed by Japanese OECF loan which is supposed to be untied. Consideration of international tenders has reduced the competition to Mitsui of Japan and Westinghouse of the UK.

- Westinghouse have looked well placed to win this contract for some time but things have become bogged down as the Japanese see the contract slipping from them. How this project works out will prove

a good test of the Japanese contention that OECF loans are not tied to Japanese suppliers.

- Winning this project will hold Westinghouse in good stead for future signalling work in Thailand and SE Asia Generally. It would also be a considerable coup for a UK company to win an OECF funded contract. It would also give Britain the flagship contract we need in Thailand.

(v) Defence Sales

Hawk Fast Jet Trainer

- RTAF does not possess modern fast jet trainer. Present batch of F16's ageing. Their replacement is a high priority.

- Little doubt RTAF like Hawk. But Thais operate predominantly American aircraft and may be unwilling to change.

- Success could lead to follow-up sales of Hawk single seater light attack aircraft.

Rapier

- Thais need short range air defence system to operate on the Cambodian border. Shortage of funds and lack of US alternative have delayed purchase.

- There are indications that the purchase could be made in 1988. Rapier already sold to other ASEANS (Indonesia, Singapore, Brunei).

Westland

- King's Flight needs 3-5 new VIP helicopters.

- Westlands Sea King could provide flexible alternative. Impressed a Thai Airforce Evaluation Committee who visited UK.

- There would be possible follow-up sales of Westland Lynx to Thai Navy.

(vi) Drugs

- Thailand is part of the Golden Triangle (with Burma and Laos) and produces illicit opium/marijuana.

- Thais determined to combat problem. Have recorded considerable success (opium production down from 450 tons in 1982 to about 25 now). This aim to reduce this to 5 tons.

- About 500,000 drug addicts in Thailand. UNFDAC have implemented programmes to assist.

- At the 1985 UNGA the UK co-sponsored a resolution calling for the convening of an International Conference on Drug Abuse and Illicit Trafficking in June 1987. The issue of the Presidency may develop into a major row. HMG has urged the two candidates (Malaysian Prime Minister and Bolivian Foreign Minister) to agree by consensus on a sole candidate and thus avoid the need for a vote.

FOREIGN AND COMMONWEALTH OFFICE
MARCH 1987

PARTICIPANTS AT CALL ON THE PRIME MINISTER ON THURSDAY 12 MARCH, 17.30

Prime Minister	HE General Prem Tinsulandonda Prime Minister of Thailand
	HE Air Chief Marshal Siddhi Thai Foreign Minister
PS/No 10	HE Sudhee Prasasvinitchai (Ambassador of Thailand)
Mr Derek Tonkin CMG HM Ambassador Bangkok	Krit Garnjana-Goonchorn (Officer attached to Secretariat of Prime Minister: note taker).

PREM TINSULANONDA, GENERAL

Prime Minister

Born 26 August 1920 at Songkhla (South Thailand). Educated at Suan Kularb College. Attended Chulachomklao Royal Military Academy 1941, Cavalry School 1947, US Army Armour School 1952-53, Army War College 1960, and National Defence College 1967. Served with the Tank Corps and Armour School 1941-63. Deputy Commanding General 2nd Army 1973, and Commanding General 1974. Assistant Army C-in-C 1977. Commander-in-Chief, RTA, 1978.

He was successful in containing the insurgency in the north-east, and is an advocate of counter-insurgency strategies stressing political and developmental methods rather than the use of force. Appointed to the Cabinet in 1977 to appease the "Young Turks", who had great respect for him as a successful field officer. His apparent incorruptibility and his campaign against "influential" figures in the provinces made him a popular figure, and in October 1978 Kriangsak appointed him C-in-C of the Army. After the election of April 1979, Prem's position was further strengthened by his appointment as Minister of Defence. During the next year, as Kriangsak's popularity declined because of mounting economic difficulties, Prem was increasingly spoken of as the logical successor. He appeared unwilling to take the premiership, but eventually accepted in March 1980, with the strong support of the Palace.

He formed his first Cabinet, "Prem I" in March 1980 with support from four of the five major parties. When it collapsed a year later following a controversy over Saudi oil purchases and the withdrawal of the Social Action Party (SAP), he successfully negotiated the formation of Prem II with a number of smaller parties. There is some uncertaintly concerning Prem's role in the events leading up to the abortive coup staged shortly afterwards by the so-called "Young Turks", a group of officers to whom he had previously been close. But he accompanied the Royal Family to Korat from where General Arthit was able to gather sufficient military support to retake the capital in Prem's name. His extension of tenure as Army C-in-C in 1980 aroused much controversy and he retired from the Army in August 1981. Reshuffled his cabinet again in December 1981 to bring in SAP, the largest party in the house, thereby forming Prem III. Although there had ealier been indications that he might join a political party, he did not stand in the 1983 general elections. Despite a tactical resignation in the confusion immediately after the elections, there was no surprise when he continued as Prime Minister, as head of a revamped (Prem IV) coalition excluding Chart Thai.

The resignation of former SAP leader Kukrit Pramoj in December 1983 and the resulting disarray within the SAP were exploited by the then Army Commander, General Arthit, in an attempt to avenge Prem's decision not to extend his tenure as Army Commander and eventually led to the downfall of Prem IV in May 1986. During the rather quiet

election campaign which followed the question of whether or not the new Prime Minister should be an elected MP was the only issue to generate much public interest. However there was never any real doubt over Prem's reappointment and he duly resumed the premiership at the head of the current Prem V coalition in August 1986.

Though originally thought to be a reluctant premier, and though he has occasional moods of depression which lead him to contemplate resignation when things get tough, he appears to enjoy being Premier and to like the style and ceremony of the job. But despite recent attempts to present a more dynamic image he continues to be generally uninspired in terms of policy implementation. Has little grasp of foreign affairs and economics, and is impressive neither as a public speaker nor in high-level private meetings.

In domestic political terms he is though a more commanding figure than his quiet style suggests. Likes to stay above the factional in-fighting of political life, and governs by consensus and compromise. Key political assets have been strong support from the Palace, from the Army and, in particular, from General Chavalit since the latter's appointment as Army Commander. The latter is indeed regarded as Prem's most likely successor. His previous good relations with Kukrit, former leader of SAP, have soured since the latter's embittered retirement. Similarly his relations with the Democrats has suffered due to the latter's continual in-fighting since the start of Prem V.

Prem suffered heart and lung ailments in 1984 which at the time were thought to threaten his ability to take the strains of office. However he currently appears in good health and generally buoyant mood.

Paid an official visit to UK in April 1982 as part of a European tour and was received by Prince Charles and Prime Minister. Paid an unofficial visit to UK in October 1985 and called on Prime Minister.

Single. Dresses in rather flamboyantly coloured "sua prarachathan" (the national dress consisting of a suit with a high-collared jacket which was recently introduced with the King's support). Is reported to be almost deaf in one ear. Does not wear a hearing-aid and occasionally goes off on the wrong track in answer to questions. Speaks reasonable English.

SIDDHI SAVETSILA, AIR CHIEF MARSHAL

Minister of Foreign Affairs (1980). Leader of Social Action Party (SAP) since 1985.

Born 7 January 1920. Had an English grandfather, Mr Alabaster, who was a Consular assistance in Bangkok (Savetsila is Sanskrit for "White Stone"). Studied at Suan Kularb High School in Bangkok in the same year as Prem. Studied engineering for two years at Chulalongkorn University before obtaining an Air Force scholarship to study metallurgy at MIT, where he completed his Master's degree during World War II. He was involved in the Free Thai movement while in the USA during the war.

From 1948-1957 held staff appointments in the RTAF before joining the Department of Central Intelligence. Secretary-General of the National Security Council 1975-80. Appointed Minister attached to the Prime Minister's Office in May 1979, with responsibility for refugee matters. In this capacity he represented Thailand at several international conferences. His appointment as Foreign Minister in 1980 in the short-lived Kriangsak III Cabinet confirmed his existing position as one of Kriangsak's main foreign affairs advisers and the chief architect of Thailand's foreign policy. Prem retained him as Foreign Minister in all five of his Cabinets and clearly relies heavily on his advice in the foreign affairs field. A much more assertive Foreign Minister than his predecessor, Dr Upadit. Friendly and engaging personality.

While maintaining a hard line on Cambodia he has sought to develop a more omni-directional foreign policy. This received a boost with Thailand's election to the Security Council for two years from 1 January 1985.

Joined SAP in mid-1982 and was appointed deputy leader. Scored an impressive vote alongside Kukrit in 1983 elections in Bangkok and is proud of his status as an MP, which has sparked an interest in parliamentary politics. On Kukrit's resignation as party leader, elected interim leader in December 1985 and subsequently confirmed as leader at the Party Assembly in 1986. Appointed to the concurrent post of Deputy Prime Minister in the SAP-led reshuffle in January 1986 in place of Boontheng Thongsawasdi. Successive events showed that Siddhi did not play his hand well, and, in particular, neglected the essential task of balancing factions. The result was Bootheng's rebellion which contributed to the downfall of the Government when it lost a crucial vote in the house on 1 May 1985, for which Siddhi, torn between his conflicting duties, was out of the country. A beleagured Siddhi was subsequently unable to stop mass defections from the Party, which entered the elections with severely depleted ranks. But a brave decision to stand against a strong Democrat team in Bangkok's constituency, together with a good personal campaign (he was re-elected in July 1986 comfortably ahead of his nearest rival), saw Siddhi bounce back to head a smaller but more united SAP as a coalition partner in the present Prem V Government. Siddhi's reappointment as Foreign Minister in Prem V Cabinet makes him the only party leader in the present coalition who

is not a Deputy Prime Minister.

Married to Khunying Thida, with two sons and two daughters. Speaks good though at times delphic and somewhat inaudible English. Generally an unimpressive speaker in both Thai and English. Boontheng and others have criticised him as being too emotional, a point which some of his public appearances bear out.

PERSONALITY NOTE ON THE AMBASSADOR OF THAILAND

Mr Sudhee Prasasvinitchai ("Mr Sudhee", pronounced "Sooty") was born on 17 March 1931 in Ayudhya, Thailand. He received LL.B. from Thammasat University, Bangkok and M.A. & LL.B. from Magdalene College, Cambridge as well as Docteur de L'Université de Paris, France. He also attended the National Defense College, Thailand.

He joined the Ministry of Foreign Affairs in 1950 and has served in several positions both at home and abroad. He became Chief of South Asia Division, Political Department in 1966, and was assigned to the Royal Thai Embassy in Jakarta as First Secretary in 1968. He then returned to Thailand to become Chief of Legal Division, Treaty and Legal Department in 1970 and Deputy Director-General, Political Department in 1973. He was appointed Minister-Counsellor at the Royal Thai Embassy in Washington, DC in 1974 and Ambassador and Permanent Representative of Thailand to the United Nations in Geneva in 1976. He subsequently became Ambassador Extraordinary and Plenipotentiary to the Federal Republic of Germany in 1979. He became Director of the Political Department in 1982 and Deputy Permanent Secretary responsible for internal administration affairs (Chief Clerk) in 1980 a position he held until his appointment to London.

His awards include the Knight Grand Cordon of the Most Noble Order of the Crown of Thailand, the Knight Grand Cross of the Most Exalted Order of the White Elephant and the Chakrabarti Mala Medal.

Mr Sudhee Prasasvinitchai is married to Mrs Ponglak (née Sriyanonda) and they have three children, a son of 21, who is studying fine arts in California, a daughter of 20, who studies at the American College in Richmond, and a daughter of 17, who attends school in Kingston.

Mr Sudhee is 55 of medium build with a round, rather flat face and thin black receding hair.

KRIT GARNJANA-GOONCHORN

Born 14 March 1948, Bangkok.

Education: BA Queen's College, Oxford.

PhD Manchester University.

Krit has been seconded from the MFA to the Prime Minister's office where he works primarily as an interpreter.

He is married to Khun Raveewan with one son.

THE KINGDOM OF THAILAND

DEMOGRAPHY

Population	53 million (1986 est)
Religion	94% Buddhist, 4% Muslim, 1% Christian, 1% Hindu
Language	Thai, Issan (Lao) in the NE Provinces

GEOGRAPHY

Area	514,000 sq Km (approximately the size of France)
Neighbours	Burma (N and N West), Laos (N and N East), Cambodia (East) and Malaysia (South)
Rivers	Mekong, Chao Phraya, Pasak, Mun
Capital	Bangkok (over 7 million)
Principal Cities	Bangkok, Chiang Mai (105,230), Nakhon Ratchasima or Korat (87,371), Khon Kaen, Udon Thani
Principal Ports	Bangkok, Sattahip, Songkhla

GOVERNMENT

Government	Constitutional monarchy, largely dominated by the military; bicameral legislature (appointed Senate, House of Representatives elected by universal suffrage)
Head of State	King Bhumibol Adulyadej (Rama IX)
Prime Minister	General (retd.) Prem Tinsulanonda
Principal Political Parties	Government Coalition: Democrats, Social Action Party, Chart Thai, Rassadorn Opposition: United Democracy Party, Prachakorn Thai, Community Action Party, Ruam Thai
Membership of International Organisations	UN, ECOSOC, UNCTAD, G77, ASEAN, IMF, ADB, ESCAP

ECONOMY

Sectors (% GDP by industry of origin)	Services 48%; Agriculture 24%; Manufacturing 21%; Construction 4%; Electricity and Water 2%; Mining 1%		
GDP 1984	US $43 billion		
GDP per capita 1984	US $850		
Real GDP growth	1984 6.3%	1985 4.1%	1986 3.8%
Central Government overall deficit/GDP 1985	-5.1%		

TRADE

Exchange Rate Baht per £1 sterling	1985 35.2	1986 38.5	18.2.87 39.7
Exports 1985	US $7.0 billion		
Imports 1985	US $9.4 billion		
Trade balance 1985	-US $2.4 billion		
Current Account Balance 1985	-US $1.5 billion		
Gross official reserves 1985	US $2.6 billion (2.9 months of imports)		
Debt Service Ratio 1985	27.4%		
Principal Exports 1984	Rice 14%; Tapioca 11%; Textiles 10%; Rubber 8%; Maize 6%		
Main export markets 1985	US 19.6%; Japan 13.3%; Singapore 8.0%; Netherland 7.1%; UK 2.4% (9th)		
Principal Imports 1984	Mineral Fuels 24%; Non-Electric Machinery 14%; Base Metals 9%; Chemicals 9%; Electrical Machinery 7%		
Main import sources 1985	Japan 26%; US 11.2%; Singapore 7.3%; Malaysia 5.8%; UK 2.6% (9th)		

ANGLO-THAI TRADE

	1983	1984	1985	1986
UK Exports (£m)	132.3	149.7	157.7	158.2
UK Imports (£m)	87.8	112.4	131.8	182.8
Major UK Exports	Electrical and non-electrical Machinery; Chemicals; Transport Equipment; Beverages			
Major UK Imports	Fish Products; Clothing; Electrical; Machinery; Textiles			

UK AID TO THAILAND

UK Public Expenditure on Overseas Aid to Thailand (£ '000)

	1981	1982	1983	1984	1985
Technical co-operation	1,703	1,007	1,135	1,880	1,516
Financial aid	486	822	93	240	263
	2,189	1,829	1,228	2,120	1,779
Commonwealth Development Corporation investment	5,602	2,179	4,325	17,916	5,658

Technical Cooperation to Organisations located in Thailand

	(£)
Asian Institute of Technology	245,000 pa
Economic and Social Commission for Asia and the Pacific	80,000 pa
Mekong Comittee	15,000 pa

Aid Framework Allocations

(£m)	1985/86	1986/87	1987/88
Technical Cooperation	1.4	1.4	1.45

OFFICIAL PROGRAMME FOR THE VISIT TO BRITAIN BY THE THAI PRIME MINISTER, GENERAL PREM TINSULANONDA, 12-16 MARCH 1987

Thursday 12 March

11.20 Arrival at Heathrow. Met by Minister of State at the Foreign and Commonwealth Office, Mr Timothy Renton.

16.45 Call by Thai Foreign Minister, ACM Siddhi on the Foreign Secretary, Sir Geoffrey Howe

17.30 Call on the Prime Minister, Mrs Margaret Thatcher

20.00 Working dinner hosted by the Foreign Secretary, Sir Geoffrey Howe, for Thai Foreign Minister, ACM Siddhi

Monday 16 March

10.30 Farewell call on General Prem at hotel by Secretary of State for Defence, Mr Younger

CDP

Foreign and Commonwealth Office

London SW1A 2AH

16 February 1987

Tessa

I think we already have this in the diary

CDP

Dear Charles

VISIT BY THE THAI PRIME MINISTER, GENERAL PREM TINSULANONDA

Thank you for your letter of 22 January about the Prime Minister's agreement to act as notional host for the visit of General Prem, the Thai Prime Minister.

The Thais have now told us that they would prefer the visit to proceed on a private basis.

The Foreign Secretary recommends that the Prime Minister receive General Prem for a talk on Thursday 12 March at 17.30. The Thais are concerned that this official component should be included in an otherwise private visit.

Yours ever

(R N Culshaw)
Private Secretary

C D Powell Esq
10 Downing Street



THAILAND
RELATIONS
3/82

CONFIDENTIAL

MJ2CVR

aPL

10 DOWNING STREET

LONDON SW1A 2AA

22 January 1987

From the Private Secretary

VISIT BY THE THAI PRIME MINISTER

Thank you for your letter of 21 January about the visit by the Thai Prime Minister. The Prime Minister agrees that General Prem should be given Guest of Government status and is willing to act as the "notional host" so that the invitation would be issued in her name. She could see General Prem for a talk on Thursday 12 March at 1730.

RF

Charles Powell

Robert Culshaw Esq MVO
Foreign and Commonwealth Office

CONFIDENTIAL

X16

(1)

10 DOWNING STREET

Yes

Prime Minister

Could I urge

you not to

offer him lunch?

It is a busy

time: he is a

frequent visitor

you want to

cut back on foreigners:

and Thailand is not high

on our list.

I am sure that a

short meeting is enough.

Agree? CDP 12/1

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OF THE PUBLIC RECORDS ACT

Temporarily retained, Wayland, 20/4/17

CCPC

(1)

Prime Minister

This is rather trying. But a ½ hour meeting in all that is required. Agree that he come as a guest of the government, & to see him briefly?

Yes mt

CDP 21/1

Foreign and Commonwealth Office

London SW1A 2AH

21 January 1987

Dear Charles,

Visit by the Thai Prime Minister, 12-17 March

The Thai Prime Minister, General Prem Tinsulanonda (personality note enclosed), proposes to visit Britain from 12-17 March. He has asked to call on the Prime Minister. The Thai Ambassador has also asked, belatedly, that we invite General Prem to be an official guest during his visit. General Prem's visit to Britain is linked to official visits to Egypt, the Netherlands and Spain. He is likely to be accompanied by Foreign Minister ACM Siddhi Savetsila and the Minister of Interior, General Prachuab Suntrangkoon.

General Prem was last here in October 1985 when he called on the Prime Minister. He was a guest of Her Majesty's Government in April 1982, when the Prime Minister, as his host, received him for talks and gave him lunch.

Agreed mt

The Foreign Secretary hopes that the Prime Minister can agree that General Prem should be given Guest of Government status in March. He further hopes that the Prime Minister would be willing to be the "notional host" for General Prem and that the invitation to him should issue in her name. This would not in practice take up much of her time: a short call would suffice, with hospitality being offered by other Ministers.

Agreed mt

– Must give him lunch

In pursuit of our political and commercial interests, several Ministers, including Mr Jopling, visited Thailand in 1986. The Foreign Secretary intends to pay a short visit to Thailand en route to Australia in April. The Defence Secretary also intends to visit Thailand, during a visit to the region, one week after General Prem's proposed visit to the UK.

Thailand's economy is currently achieving the highest growth rate in ASEAN (5% in 1986) and has been the least affected by the recent downturn in commodity prices. Although Leyland Bus and BREL were not successful in winning major contracts in 1986, there will be opportunities for British companies to win substantial contracts in Thailand in 1987/88. These opportunities include Leyland Bus's refined proposals for re-equipping the Bangkok Mass Transit Authority (value £94m);

/and

and Westinghouse's bid to supply new railway signalling equipment (value £31 m to the UK). In addition Biwaters hope to create a rural water supply project along the lines of their involvement in Malaysia, with a value of up to £250 million.

General Prem's visit will therefore provide an opportunity to underline to him not only our continuing support for Thailand over Cambodia, but also our strong wish to win more commercial contracts in Thailand.

Yours ever

(R N Culshaw)
Private Secretary

C D Powell Esq
10 Downing Street

PREM TINSULANONDA, GENERAL

Prime Minister and Minister of Defence.

Born 26 August 1920 at Songkhla (South Thailand). Educated at Suan Kularb College. Attended Chulachomklao Royal Military Academy 1941, Cavalry School 1947, US Army Armour School 1953, Army War College 1960, and National Defence College 1967. Served with the Tank Corps and Armour School 1941-63. Deputy Commanding General 2nd Army 1973, and Commanding General 1974. Assistant Army C-in-C 1977. Commander-in-Chief, RTA, 1978.

He was successful in containing the insurgency in the north-east, and is an advocate of counter-insurgency strategies stressing political and developmental methods rather than the use of force. Appointed to the Cabinet in 1977 to appease the "Young Turks", who had great respect for him as a successful field officer. His apparent incorruptibility and his campaign against "influential" figures in the provinces made him a popular figure, and in October 1978 Kriangsak (qv) appointed him C-in-C of the Army. After the election of April 1979, Prem's position was further strengthened by his appointment as Minister of Defence. During the next year, as Kriangsak's popularity declined because of mounting economic difficulties, Prem was increasingly spoken of as the logical successor. He appeared unwilling to take the premiership, but eventually accepted in March 1980, with the strong support of the Palace.

He formed his first Cabinet, "Prem I" in March 1980 with support from four of the five major parties. When it collapsed a year later following a controversy over Saudi oil purchases and the withdrawal of SAP, he successfully negotiated the formation of Prem II with a number of smaller parties. There is some uncertainty concerning Prem's role in the events leading up to the abortive coup staged shortly afterwards by the so-called "Young Turks", a group of officers to whom he had previously been close. But he accompanied the Royal Family to Korat from where General Arthit (qv) was able to gather sufficient military support to retake the capital in Prem's name. His extension of tenure as Army C-in-C in 1980 aroused much controversy and he retired from the Army in August 1981. Reshuffled his cabinet again in December 1981 to bring in SAP, the largest party in the house. Although there had earlier been indications that he might join a political party, he did not stand in the 1983 general elections. Despite a tactical resignation in the confusion immediately after the elections, there was no surprise when he continued as Prime Minister, as head of a revamped coalition excluding Chart Thai.

Though originally thought to be a reluctant premier, and though he has occasional moods of depression which lead him to contemplate resignation when things get tough, he appears to enjoy being Premier and to like the style and ceremony of the job, but has been generally uninspiring in terms of policy implementation. Has little grasp of foreign affairs and economics, and is impressive neither as a public speaker nor in high-level private meetings.

In domestic political terms he is a more commanding figure than his quiet style suggests. Likes to stay above the factional in-fighting of political life, and governs by consensus and compromise. Key political assets have been strong support from the Palace, from the Army (though he has had to look for this to Generals Arthit (qv), Chavalit (qv) and Pichitr (qv) among others, whose interests have on occasions conflicted with his own) and good relations with Kukrit (qv), leader of SAP, and with the Democrats. His position would have been harder had there been a credible successor ready to take over and acceptable to the major interest group. General Arthit (qv) had been widely tipped to succeed him after his retirement from the military due in September 1985, but given the doubts about Arthit's qualifications, Prem should (health permitting) remain Prime Minister beyond then. On the other hand, his distaste for political infighting has, in the past,

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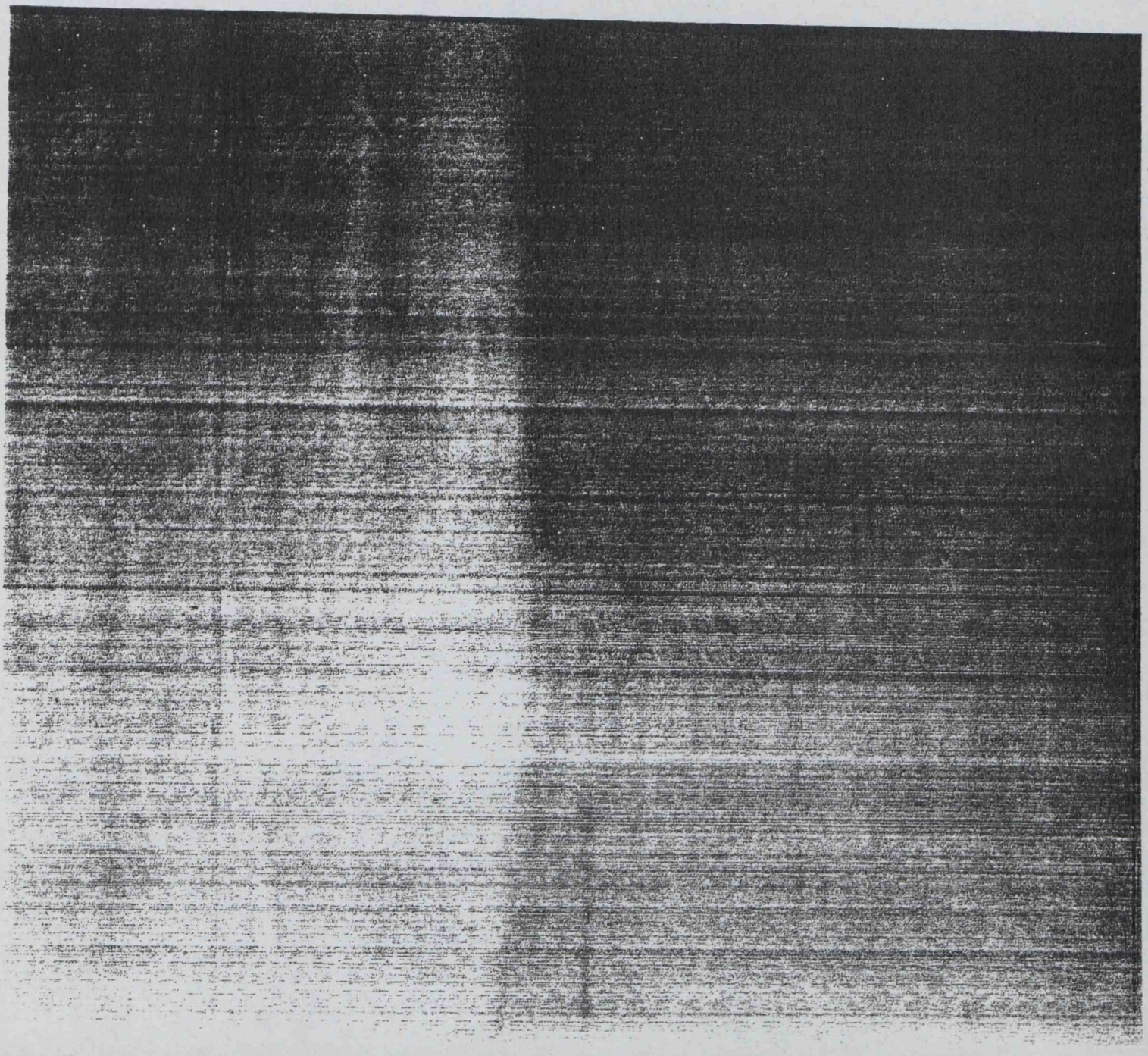
made him an easy target for anyone seeking to pressure him into resignation, unless his allies are willing to put up a strong defence on his behalf, or unless he continues to receive the firm support of the Palace. Suffered heart and lung ailments in 1984, which continue to threaten his ability to take the strains of office. Since facing off Arthit's challenge over the November 1984 devaluation, his position appears otherwise unassailable, due largely to the strong personal support of the King and a fair measure of support from within the military, especially Class 5.

Paid an official visit to UK in April 1982 as part of a European tour and was received by Prince Charles and Mrs Thatcher.

Single. Dresses in rather flamboyantly coloured "sua prarachathan" (the national dress consisting of a suit with a high-collared jacket which was recently introduced with the King's support).

Is reported to be almost deaf in one ear and, as he refuses to wear a hearing-aid, he occasionally goes off on the wrong track in answer to questions. Speaks reasonable English.



Ministry of Agriculture, Fisheries and Food
Whitehall Place London SW1A 2HH

From the Minister's
Private Office

CDP
19/11

Charles Powell Esq
10 Downing Street
LONDON
SW1

7 November 1986

Dear Charles

--- I enclose a note of a meeting between my Minister and General Prem, the Prime Minister of Thailand. You will see, from the last paragraph, that General Prem asked Mr Jopling to convey his regards to the Prime Minister.

Yours ever

CIL

C I LLEWELYN

Reference.....

NOTE OF A MEETING BETWEEN THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD AND THE PRIME MINISTER OF THAILAND: BANGKOK: 29 OCTOBER 1986

Present:

Minister	General Prem Tinsulanonda
Mr Andrews	General Harn Leenanond (Minister of Agriculture and Cooperatives)
Mr Llewelyn	
H M Ambassador	Dr Thalerng Thamrong-Nawasawat (Permanent Secretary, Ministry of Agriculture and Cooperatives)
Mr Vereker (Embassy)	Members of the Prime Minister's Office

Welcoming the Minister, General Prem said that he was pleased that relations between Thailand and the UK were extremely good. The Minister replied that this had been made evident to him during his visit. He was grateful for the excellent organisation of his programme and for the friendliness he had encountered throughout his time in Thailand. He had had helpful discussions with Thai Ministers, in which both sides had tried to identify areas of future cooperation between the two countries. He thought they had been successful, and he looked forward to seeing more flowers, fruit and fish products from Thailand on European markets. It had also been made clear to him that agriculture in both countries suffered from the effects of over-production and low prices. He thought, however, that the prospects for international agricultural trade were now brighter and he particularly welcomed the outcome of the discussions at Punte del Este. He hoped that Thailand thought that the British Government, and, indeed, the European Community, had adopted a helpful line in these discussions. It was clear to him that the new GATT round would have to include agriculture.

General Prem agreed that both countries were facing the same agricultural problems and that both were suffering from the effects of protectionism. It was important for friendly countries to work together to resolve the problems now affecting world trade. These problems had to be dealt with by negotiation, not by confrontation.

The Minister commented that he had been struck by Thailand's highly developed infrastructure. This, together with Thailand's political stability and disciplined labour force,

made it an attractive country for foreign investors. However, there was clearly strong competition for inward investment from other countries in the region. In Malaysia, for example, foreign investors were to be allowed to own agricultural land, while Indonesia was considering changing its laws on intellectual property. General Prem said that Thailand was indeed seeking inward investment, and was trying to attract investors by making favourable arrangements for taxation, repatriation of profits etc. He thought that investors welcomed this approach. They now had a number of major projects for which they were seeking investment.

The Minister said that he had been accompanied by a party of businessmen, who were particularly involved in new agricultural techniques such as embryo transfer and genetic engineering. They had had useful discussions with Thai officials, and he hoped that his visit would lead to increased cooperation in these sectors.

At the end of the meeting General Prem asked the Minister to convey his regards to the Prime Minister. The Minister said that he would certainly do this; he knew that the Prime Minister entertained warm feelings towards General Prem and towards Thailand.

C I LLEWELYN
November 1986

SUBJECT cc OBS master.

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OF 111652Z AUGUST 86

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. TISI/86

YOUR TELNO 409: POST ELECTION DEVELOPMENTS
1. PLEASE FORWARD THE FOLLOWING MESSAGE FROM THE PRIME MINISTER TO GENERAL PREM:
BEGINS. MAY I OFFER YOU MY WARMEST CONGRATULATIONS ON YOUR REAPPOINTMENT AS PRIME MINISTER FOLLOWING THE RECENT ELECTIONS IN THAILAND. DURING THESE LAST SIX YEARS, I HAVE WELCOMED YOUR COUNTRY'S DEVELOPMENT AS A FORCE FOR STABILITY IN SOUTH EAST ASIA AND AS AN INSPIRATION TO OTHERS. THAILAND'S PRINCIPLED STAND AGAINST COMMUNIST AGGRESSION IN INDO-CHINA IS ANOTHER HALL-MARK OF YOUR FAR-SIGHTED LEADERSHIP. I SEND YOU MY BEST WISHES FOR YOUR FURTHER TERM OF OFFICE. MARGARET THATCHER. ENDS.

YOUNG

OCMIAN 5733

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NEWS D
INFO D
PROTOCOL D
PLANNING STAFF
PS.
PS LADY YOUNG

PS/PUS.
SIR W. HARDING.
MR WILSON.

Restricted

FILE CAJ

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

11 August 1986

The Prime Minister has seen Robert Culshaw's letter of 7 August proposing a message to General Prem Tinsulanonda. She has agreed that the message proposed should be issued and I should be grateful if you could arrange for this to be done.

TIMOTHY FLESHER

David Reddaway, Esq.,
Foreign and Commonwealth Office

010.

CAPE

RESTRICTED

Prime Minister (1)

Agree to send the message, as drafted at Flag A, to General Prem?

Dear Charles

Mark 8/8

Foreign and Commonwealth Office

London SW1A 2AH

7 August 1986

Yes mt

Our Ambassador in Bangkok reports (telegram number 409 attached) that General Prem Tinsulanonda was reappointed Prime Minister by the King of Thailand on 5 August. This follows the General Election on 27 July in which a majority of seats was won by a coalition of parties willing to support a government led by the non-partisan General Prem. We agree with the Ambassador's recommendation that the Prime Minister should send a message of congratulation. I attach a draft telegram to this effect.

Prem was first appointed Prime Minister in 1980. Under his leadership, Thailand has exhibited greater political and economic stability than at any time since the constitutional monarchy was introduced in 1932. Prem's firm resistance to Vietnam's illegal occupation of Cambodia has won him worldwide respect and has been crucial to ASEAN's continued development as a cohesive and effective regional force.

Yours ever

Robert Culshaw

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/10 Downing Street

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FM BANGKOK
TO IMMEDIATE FCO
TELNO 409
OF 060637Z AUGUST 86
AND TO PRIORITY KUALA LUMPUR, SINGAPORE, RANGOON, MANILA
AND TO PRIORITY HONG KONG, MODUK
AND TO ROUTINE WASHINGTON, PEKING, BRUNEI

POST ELECTION DEVELOPMENTS

SUMMARY

1. PREM WAS REAPPOINTED PRIME MINISTER BY THE KING ON 5 AUGUST FOLLOWING THE OPENING OF TGE NEW PARLIAMENT ON 4 AUGUST.

DETAIL

2. ON MONDAY 4 AUGUST HIS MAJESTY THE KING PRESIDED OVER A SHORT CEREMONY, WHICH I ATTENDED, TO OPEN THE NEW PARLIAMENT. THIS WAS FOLLOWED BY A STORMY AND SOMEWHAT INEPTLY HANDLED DEBATE IN WHICH THE THREE LARGEST PARTIES (DEMOCRATS, CHART THAI AND SOCIAL ACTION PARTY) FORCED THROUGH THE ELECTION OF THEIR O, CANDIDATES FOR SPEAKER AND THE TWO DEPUTY SPEAKER POSTS, DESPITE A WALKOUT BY MPS OF UNITED DEMOCRACY PARTY, PRACHAKORN THAI AND OTHER SMALLER PARTIES (DETAILS FOLLOW BY BAG).

3. THE KING REAPPOINTED PREM AS PRIME MINISTER IN A TELEVISED CEREMONY AT CHITRLADA PALACE ON THE EVENING OF 5 AUGUST. THIS FOLLOWED A CALL ON THE KING BY DR UKRIS MONGKOLNAVIN, PRESIDENT OF PARLIAMENT. THE NEW COALITION GOVERNMENT, IN WHICH THE PORTFOLIOS HAVE YET TO BE ALLOCATED, WILL BE GENERAL PREM'S FIFTH CONSECUTIVE GOVERNMENT.

4. I RECOMMEND THAT A MESSAGE OF CONGRATULATIONS SHOULD BE SENT TO GENERAL PREM ON HIS REAPPOINTMENT: THISEDHOULD PRESUMABLY BE SENT IN THE NAME OF THE PRIME MINISTER.

TONKIN

YYYY

BDHPAN 5148

LIMITED.
SEAD
NEWS.D.
INFO.D.
PLANNING STAFF.
PS
PS|MR. RENTON
PS|PUS

SIR. W. HARDING.
MR. WILSON.

COPIES TO.
ASSESSMENT STAFF
CAB OFFICE.

Restricted

OUT TELEGRAM

A

Classification	Caveat	Precedence
RESTRICTED		PRIORITY

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TO PRIORITY BANGKOK
TELNO
OF Z AUG 86

YOUR TELNO 409: POST ELECTION DEVELOPMENTS

1. Please forward the following message from the Prime Minister to General Prem:

Begins. May I offer you my warmest congratulations on your reappointment as Prime Minister following the recent elections in Thailand. During these last six years, I have welcomed your country's development as a force for stability in South East Asia and as an inspiration to others. Thailand's principled stand against Communist aggression in Indo-China is another hall-mark of your far-sighted leadership. I send you my best wishes for your further term of office. Margaret Thatcher. Ends.

YOUNG

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		Catchword: NEWS D	
File number	Dept: PRIVATE OFFICE	Drafted by (Block capitals): R N CULSHAW	Telephone no: 233 4641
Authorised for despatch by:	Initials	Date/time	
For COD use only	Comcen reference	Telegram number	Processed by

XY48 (REV)

OUT TELEGRAM (CONT)

	Classification	Caveat	Precedence
	RESTRICTED		PRIORITY

<<<<

NEWS D
INFORMATION D
PROTOCOL D
PLANNING STAFF
SIR W HARDING
DR WILSON
PS
PS/MR RENTON
PS/PUS

NNNN

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For distribution order see Page

Catchword:

Dd8422552 50m 10/85 27081



CDP

file

Please see Len Appleyard's letter to you of 14 March - at flap.

The Foreign Office were wondering if we were intending to reply to this letter. I gathered they were expecting a reply to say that the PM agrees - or otherwise.

No reply asked for or required. But I am sure the PM is right.

Amanda
21.3.86

The National Archives

DEPARTMENT/SERIES PREM 19 PIECE/ITEM 2877 (one piece/item number)	Date and sign
Extract details: Folio 12 Letter from Appleyard to Powell dated 14 March 1986	X
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Instructions for completion of Dummy Card

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.
Do not enter details of why the extract is sensitive.

If closed under the FOI Act, enter the FOI exemption numbers applying to the closure, eg. 27(1), 40(2).

Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer or Number not used.

Foreign and Commonwealth Office

London SW1A 2AH

27 February 1986

Dear Charles.

Thailand: Message to the Prime Minister from General Prem

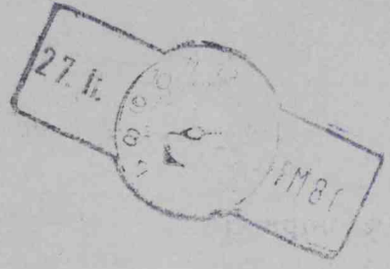
HM Ambassador Bangkok recently paid a farewell call on the Thai Prime Minister, General Prem Tinsulanonda.

During the call, General Prem mentioned how much he had enjoyed meeting Mrs Thatcher at No 10 last October, and made a particular point of asking that his personal good wishes be passed on to her. He hoped the Prime Minister would find an early opportunity to visit Thailand, where she would be very welcome.

Yours ever

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/10 Downing Street


27.11.

Office of the Army Attache,
Royal Thai Embassy,
30 Queen's Gate,
London, S.W.7.
Tel : 01-589-0209

Ref. 0402.10/03

2 January 1986

Mr.Nigel Wicks
Principle Private Secretary to the Prime Minister
Prime Minister Office
No.10 Downing Street
London SW1

Dear Mr.Wicks,

General Arthit Kamlang-ek, Commander in Chief of the Royal Thai Army and Supreme Commander of the Royal Thai Armed Forces has sent a letter to the Right Honourable Margaret Thatcher, Prime Minister of Great Britain through my Office. The letter is enclosed herewith for your kind attention.

May I take this opportunity to offer you my personal assistance and cooperation upon any matter which concerns Thailand or the Royal Thai Army as you wish.

I would be most appreciative if you would be so kind as to inform me, at your convenience, the acknowledgement of the letter.

Yours sincerely,

Kamol Dapparungsi

Kamol Dapparungsi
Colonel, Royal Thai Army
Army Attache

CC/PC

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

No. 03/2444 /2528

26/11

25th November 1985

Excellency,

I have the honour to refer to the Embassy's Note No. 03/2323/2528 dated 8th November 1985, conveying to Your Excellency the message from His Excellency General Prem Tinsulanonda, Prime Minister of Thailand.

I am now pleased to forward herewith the original letter from His Excellency General Prem Tinsulanonda to Your Excellency.

Please accept, Excellency, the renewed assurances of my highest consideration.

Owart Suthiwart-Narueput

Owart Suthiwart-Narueput
Ambassador

The Rt. Hon. Margaret Thatcher, MP
Prime Minister
10 Downing Street
London, SW1A 2AL

Subject
cc ops
master

(4)

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T210A/85



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

Prime Minister

CDP 12/XI

No. 03/ 2323 /2528

8th November 1985

Excellency.

I have the honour to convey to Your Excellency the following message from His Excellency General Prem Tinsulanonda, Prime Minister of Thailand:

Begin

5 November B.E. 2528 (1985)

RL2

Dear Prime Minister,

I wish to express my profound thanks for the generosity and kind courtesies with which we were received during our recent visit to your country. I was very grateful for the opportunity of meeting you, Prime Minister, and of having a most fruitful discussion on regional cooperation. For myself, it was indeed gratifying to see once again the strength and closeness of friendship that have always characterised the relations between Great Britain and Thailand.

I cannot fail to renew, Prime Minister, our cordial invitation for you to visit our country where, indeed, so much goodwill and admiration are held in great reserve for you personally. Your visit, I am truly convinced will further lend the much needed impetus to the efforts of both countries to expand and add depth to our economic and commercial ties for greater mutual benefits.

With warmest personal regards and best wishes.

Yours sincerely,

Signed General Prem Tinsulanonda
Prime Minister of Thailand

End

I also wish to inform Your Excellency that the original of the above letter will be forwarded to you in due course.

Please accept, Excellency, the renewed assurances of my highest consideration.

Owart Suthiwart-Naruput

Owart Suthiwart-Naruput
Ambassador

The Rt. Hon. Magaret Thatcher, MP
Prime Minister
10 Downing Street
London SW1A 2AL



OFFICE OF THE PRIME MINISTER
GOVERNMENT HOUSE
BANGKOK, THAILAND.

5 November B.E. 2528 (1985)

Dear Prime Minister,

I wish to express my profound thanks for the generosity and kind courtesies with which we were received during our recent visit to your country. I was very grateful for the opportunity of meeting you, Prime Minister, and of having a most fruitful discussion on regional affairs as well as the ways and means to strengthen our bilateral cooperation. For myself, it was indeed gratifying to see once again the strength and closeness of friendship that have always characterised the relations between Great Britain and Thailand.

I cannot fail to renew, Prime Minister, our cordial invitation for you to visit our country where, indeed, so much goodwill and admiration are held in great reserve for you personally. Your visit, I am truly convinced, will further lend the much needed impetus to the efforts of both countries to expand and add depth to our economic and commercial ties for greater mutual benefits.

With warmest personal regards and best wishes,

Yours sincerely,

P. Tinsulanonda

General

(Prem Tinsulanonda)
Prime Minister of Thailand

The Right Honourable Margaret Thatcher M.P.,
Prime Minister
10 Downing Street,
London.


26.XI
PM 8 5

RESTRICTED

10 DOWNING STREET

7 October, 1985

From the Private Secretary

THAILAND: LEYLAND BUS CONTRACT

Having reflected carefully, the Prime Minister has decided that it would not be appropriate for her to write in detail to the Prime Minister of Thailand about the Leyland Bus contract. Since he carefully distanced himself from the discussion of this point during their meeting, she feels this might be an embarrassment to him. She would prefer, therefore, that either the Foreign Secretary or Trade and Industry Secretary should write to their opposite numbers setting out our position. One possibility would be for Mr. Channon to deliver a letter from one or other of them during his forthcoming visit.

I am sending a copy of this letter to John Mogg (Department of Trade and Industry).

(C.D. Powell)

P. Ricketts, Esq.,
Foreign and Commonwealth Office.

RESTRICTED

10 DOWNING STREET

THE PRIME MINISTER

SUSPEND

My dear Prime Ministers.

It was very good to see you on Friday and I was pleased that we were able to have such a thorough discussion.

We dealt only briefly on your plans for modernising the bus operations in Bangkok and the proposals for the Leyland consortium for putting these into effect. I thought it would be useful if I were to set out the main points of our position. These are:-

i. The British Government's willingness to provide aid and credit guarantee for the Bangkok Bus Project is confirmation of its confidence that the British companies involved have the experience and expertise to carry the project through to successful completion.

ii. The complexities of the project will demand careful management throughout. The British Government would provide aid through Government to Government channels and maintain a close interest in the UK's effective contribution to the project.

iii. The British Government would be prepared, under a protocol if appropriate to join the companies of the consortium in linking into any general

overview arrangements set up for the project by the Thailand authorities.

iv. The British Government would encourage the companies of the consortium to help with any training/consultancy requirements which might arise as the project is progressively put into effect.

v. The British Government understands the Royal Thai Government's desire to develop its own national industrial capability and would therefore encourage the companies of the consortium to keep this objective in view. For their part Leyland Bus normally seek local partners for manufacture. Their twin objectives for the Bangkok Project will be:-

- rapid initial entry of new vehicles financed by export credits;

- parallel involvement of local manufacturers aimed at speedy build up of their production.

vi. The British Government is aware of the Royal Thai Government's trading objectives and would encourage the companies of the consortium to work towards these. Leyland Bus would assist the Royal Thai Government in this respect by arranging a counter-trade to offset part of the capital cost of the Bangkok Bus Project. By their nature such arrangements will require detailed preparation after Cabinet approval, but Leyland anticipate that a figure of up to 20 per cent of off-shore supply should be possible dependent on precise product and timing.

Apart from the Bangkok Bus Project, the British Government is ready to continue to look constructively

elsewhere at the use of aid to back British companies participating in Thailand's development.

I hope you will find this useful.

With warm best wishes.

His Excellency General Prem Tinsulanonda.

JA

DRAFT

Addressed to:

The Prime Minister of Thailand

File No.

Copies to:

Enclosures:

ABN

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(Initials and date)

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(Initials and date)

Type for signature of

The Prime Minister
(Initials and date)

DEPARTMENT OF TRADE AND INDUSTRY

It was very ~~kind of you to call at No. 10 Downing Street last~~ good to see you on
Friday ~~during your visit to Britain.~~ and I was ~~delighted to have the~~ pleased that
~~opportunity of discussing matters of mutual interest and gaining~~
~~a closer understanding of Thailand's position on a number of issues.~~ we were able to have had a thorough
discussion.

We ~~touched in our discussion on~~ dealt briefly your plans for modernising the bus operations in Bangkok and the proposals by the Leyland consortium for putting these into effect. I thought it would be useful to record the main points we covered on that subject:-

i) The British Government's willingness to provide aid and credit guarantee for the Bangkok Bus Project is confirmation of its confidence that the British companies involved have the experience and expertise to carry the project through to successful completion.

ii) The complexities of the project will demand careful management throughout. The British Government would provide aid through Government to Government channels and maintain a close interest in the UK's effective contribution to the project.

iii) The British Government would be prepared, under a protocol if appropriate, to join the companies of the consortium in linking into any general overview arrangements set up for the project by the Thailand authorities.

iv) The British Government would encourage the companies of the consortium to help with any training/consultancy requirements which might arise as the project is progressively put into effect.

v) The British Government understands the Royal Thai Government's desire to develop its own national industrial capability and would therefore encourage the companies of the consortium to keep this objective in view. For their part Leyland Bus normally seek local partners for manufacture. Their twin objectives for the Bangkok Project will be:-

- rapid initial entry of new venicles financed by export credits;

(CONTINUE TYPING HERE)

File No.

and - parallel involvement of local manufacturers aimed at speedy build up of tneir production.

vi) The Britisn Government is aware of the Royal Thai Government's trading objectives and would encourage the companies of the consortium to work towards tnese. Leyland Bus would assist tne Royal Thai Government in this respect by arranging a counter-trade to offset part of the capital cost of tne Bangkok Bus Project. By their nature such arrangements will require detailed preparation after Cabinet approval, but Leyland anticipate tnat a figure of up to 20% of off-shore supply should be possible dependent on precise product and timing.

Apart from tne Bangkok Bus Project, the British Government is ready to continue to look constructively elsewnere at tne use of aid to back Britisn companies participating in Thailand's development.

I very much enjoyed our talk and I look forward to fruitful collaboration between our countries in the future.

My colleague Paul Channon will be in Bangkok later this month, and will be discussing a number of issues including the Bangkok Bus project.

I hope you will find them useful.

With best wishes.

Conservative Central Office
32 Smith Square Westminster SW1P 3HH
Tel. 01-222 9000 Telex 8814563

From:
THE CHAIRMAN OF THE PARTY
Rt. Hon. Norman Tebbit MP

R7

NT/AM

4th October 1985

Confidential

CDP

I understand that it is expected that there will be an opportunity to raise the proposed Leyland bus order with the Prime Minister of Thailand during your meeting with him today.

As you know, there would be a significant potential advantage in the negotiations with the Americans, if Leyland secured this order. It would also be seen as a further success for you following the clinching of the Saudi arms deal as well as a boost to our fortunes in the North West.

No doubt the question of further soft credit or aid will arise, and I understand that the Thais might be interested in linking any aid which we might offer them in connection with their border and refugee problems.

NT

The Prime Minister

cc. The Rt. Hon. Lord Young of Graffham
The Rt. Hon. Leon Brittan, QC., MP.

CONFIDENTIAL

10 DOWNING STREET

From the Private Secretary

4 October 1985

Dear Peter,

PRIME MINISTER'S MEETING WITH THE PRIME MINISTER OF THAILAND

The Prime Minister received the Prime Minister of Thailand for a talk this afternoon. General Prem was accompanied by Mr. Suli Mahasandana, Mr. Ruchupan and the Thai Ambassador. Mr. Channon and Sir William Harding were also present.

The Prime Minister said that she had been sorry not to be able to visit Thailand at the time of her journey to South-East Asia last April. We had been very relieved by the speed with which the recent attempted coup had been dealt with. The Prime Minister continued that she hoped General Prem would tell her something of the situation in Thailand and give her his assessment of developments in Cambodia. She would also like to know how matters stood over the Leyland Bus contract which meant a great deal to the United Kingdom.

General Prem said that the coup had received no support but had given rise to damaging misunderstandings about Thailand's stability. He could assure the Prime Minister that the country's basic stability remained unaffected.

General Prem said that he saw no clear picture emerging in Cambodia. The leaders of the various resistance groups had failed to unify. Thailand had been urging them to do so and had tried to put pressure on Prince Sihanouk through the Chinese Government. He thought that the resistance groups had improved their military effectiveness and were now inflicting significant damage on the Vietnamese forces. He had recently discussed the situation with former President Nixon who had suggested that the most effective means to bring about Vietnamese withdrawal would be to persuade the Soviet Union to suspend its aid to Vietnam or at least exert more control over the actions of the Vietnamese Government. The Prime Minister observed that the Russians were unlikely to help. She recalled having tried to enlist Kosygin's support in 1979 over the Vietnamese boat people, to no effect. She enquired whether the refugee problems on the border between Thailand and Cambodia was imposing a heavy burden on the Thai economy. General Prem expressed gratitude for Britain's help in dealing with the refugee problem.

CONFIDENTIAL

General Prem said that, more generally, major problems confronted the Thai economy. The Government had to be prudent, particularly when it came to taking on loans.

The Prime Minister asked what had been the theme of General Prem's speech to the United Nations General Assembly. General Prem said that he had concentrated on the human dimension to international problems. He added, with some prompting from his entourage, that he had also spoken on protectionism. The Prime Minister agreed that this was a great danger, particularly in the United States. That was why Britain and most other industrialised countries were keen to launch a new multilateral trade round in the GATT.

The Prime Minister asked about Thailand's experience in dealing with the drug problem. General Prem claimed that there was not a major problem in Thailand. The older generation who were addicted to smoking opium were dying out. Younger people had been educated on the dangers of drugs. It remained a fact that opium was grown in the mountains, but the Government was having some success in encouraging crop substitution. The Royal Family had played a helpful role in this.

The Prime Minister said that Britain had great hopes of the Leyland Bus contract and had devoted considerable resources to providing Thailand with an attractive offer. Mr. Mahasandana said that the project was receiving careful consideration from the authorities concerned, notably the Ministry of Finance, the Ministry of Communications and the Economic Development Board. Thailand had to be careful both in its spending and its foreign borrowing. Foreign debt was already a heavy burden. But he could assure the Prime Minister that the project was receiving careful scrutiny. The Prime Minister said that we looked forward to hearing the outcome of this. She would stay firmly optimistic.

I am copying this letter to Matthew Cocks (Department of Trade and Industry) and Richard Mottram (Ministry of Defence).

Yours sincerely.

(Charles Powell)

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

010

JU207

cc HJP.

11

SECRET

PRIME MINISTER

LEYLAND BUS: BANGKOK PROJECT

The brief for your meeting with General Prem on 4 October recommends that you should make clear the Government's full backing for the Leyland Bus consortium bidding for this contract. That remains my advice but you should know of a potential complication which, sooner or later, we may need to address.

The UK bid is strengthened by two factors - Leyland Bus' access to the managerial, financial and technical resources of a large automotive group (LRL); and availability of an in-house source of engine manufacture. I understand the Thais attach importance to both these factors which also feature in the bids by Leyland's principal foreign competitors. However, GM's SALTON proposals exclude Leyland Bus and GM also wish to discontinue engine manufacture within Leyland (which serves Trucks as well as Bus). On both counts therefore SALTON could significantly reduce the attractiveness of Leyland Bus as the main collaborative partner in a project of major importance.

If the Thais learn about SALTON before taking decisions on Bangkok they might well switch to another, foreign bidder. If SALTON follows the award of the contract we might be open to

charges of bad faith unless satisfactory alternative arrangements are in place. In continuing to back the UK consortium we are therefore proceeding with a certain measure of risk.

I do not believe that at this stage it would be sensible to change course. It is by no means certain that an acceptable deal with GM can be negotiated. There has not yet been any opportunity to test GM intentions on the scope of their interest or the nature and timing of the manufacturing changes they would wish to introduce, and it might be possible to provide for the Bangkok contract as part of any deal. And we can look at other privatization options for Leyland Bus with the needs of the Bangkok contract in mind.

As we move forward on these issues, we shall obviously need to take the Bangkok order fully into account. In the meantime I believe the right course is to continue to make every effort to secure this business which is the largest overseas contract in prospect for the UK bus industry whose domestic market continues to be difficult.

I am copying this minute to the Chancellor of the Exchequer.

L B

L.B.

3 October 1985

Department of Trade & Industry

999-49


03.X.
AM85

PRIME MINISTER

MEETING WITH THE PRIME MINISTER OF THAILAND

There is a monstrous briefing folder which you will probably not have time to go through.

You will want to start by saying something on Anglo/Thai relations. You could say that we were glad to see the recent coup attempt so quickly overcome. We recognise Thailand as a respected voice for moderation in world affairs, and are keen to work with them on the UN Security Council.

You could go on to ask his assessment of the situation in Cambodia and confirm our support for the Thai/ASEAN position.

Most important, you will want to mention the Leyland bus project, although you should be aware of the minute by the Trade and Industry Secretary in the front of the folder. We are very keen to secure this contract, for which we have put up substantial aid (£20 million) and credit (nearly £400 million). The main threat to us comes from the Japanese who want the project cancelled so that the money can be spent instead on a new Mass Transit Railway which they would build. Leyland have confirmed that they would maximise Thai participation in bus manufacture and accept countertrade to offset part of the project cost. General Prem may press you for a Government-to- Governmentagreement as well as a higher level of UK aid. We cannot afford to agree to either point, but it is suggested that you should write to General Prem after the meeting to confirm our offer in the most encouraging terms possible. Paul Channon will be present at the meeting to deal with the points of detail.

You might also make a brief but oblique reference to co-operation on security matters.

CDP

3 October 1985

Foreign and Commonwealth Office

London SW1A 2AH

3 October 1985

Dear Charles,

Visit of Thai Prime Minister, General Prem Tinsulanonda: 3-7 October

I attach a brief for General Prem's call on the Prime Minister on Friday 4 October at 1600, together with a programme, a list of the Thais attending the meeting, biographical notes, and a fact sheet on Thailand.

The Foreign Secretary suggests that the Minister for Trade and Sir William Harding (Deputy Under-Secretary of State at the FCO) attend on our side.

General Prem's visit to London is a private one. He will be accompanied by a number of Ministers and senior Thai officials. He is coming from New York (where he addressed the UNGA) and will be going on to France and the Federal Republic to meet M. Fabius and Herr Kohl.

Discussion Topics

We think that in view of the limited time available, the Prime Minister may wish to concentrate on Anglo-Thai relations, Cambodia and the Leyland Consortium's bid to win the £400 million Bangkok Bus contract. The Thai side will doubtless wish to brief us on the Thai/Cambodian border situation. They will be looking for assurance of our continued support, political and material. We shall want to take the opportunity to underline HMG's support for Leyland's proposals, without entering into open-ended commitments. Enclosed with the brief is a draft letter from the Prime Minister to General Prem recording the points which might be made in discussion, which the Foreign Secretary could hand to Prem when he lunches with him on Monday 7 October.

The Prime Minister will no doubt wish to touch on the 9 September coup attempt in Bangkok. Although General Prem appears to have weathered this storm, it could have repercussions for the bus contract. In a speech to the Thai nation on 23 September, Prem stated that as a result of the

/coup

coup attempt he had ordered the "cancellation or postponement of major investment projects ..... which are not urgently necessary".

Although there may well not be time for a detailed discussion of defence sales, I enclose a separate brief on this provided by the MOD.

I am copying this to Matthew Cocks at the Department of Trade and Industry, and Richard Mottram, MOD.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

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DEPARTMENT/SERIES PREM 19 PIECE/ITEM 2877 (one piece/item number)	Date and sign
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File 0A

10 DOWNING STREET

From the Private Secretary

30 September 1985

VISIT OF THAI PRIME MINISTER

Thank you for your letter of 30 September about the proposed exchange of gifts with the Thai Prime Minister. I should be grateful if you could select a suitable print for the Prime Minister to give him.

(C. D. POWELL)

C. R. Budd, Esq.,
Foreign and Commonwealth Office.

Foreign and Commonwealth Office

London SW1A 2AH

30 September 1985

Dear Charles,

Visit of Thai Prime Minister: Gifts

I understand that the Thai Prime Minister, General Prem Tinsulanonda, will present the Prime Minister with a jewellery box when he calls on Friday 4 October. Our Embassy in Bangkok have suggested that a painting or print of a British scene would be an appropriate gift to present in return. General Prem will be visiting Blenheim Palace and Christ Church and Queen's, Oxford on 6 October. A number of prints of these venues are available at prices from £40 - £150.

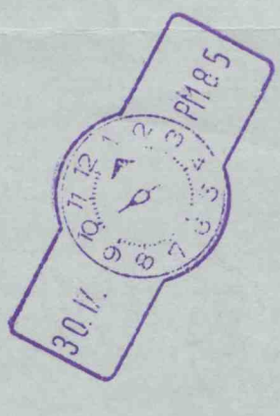
If this proposal meets with your approval, I can have a selection sent round to No 10 for inspection.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
No 10 Downing Street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PM 8 5

10 DOWNING STREET

FCO say

"Dept concerned has confirmed with No.10 that PM will see Thai PM on 4/10/85 in afternoon for 30 mins — no exact time for meeting arranged yet."

MEA

Have fixed for 9.15 in the morning.

CR

30/8.

CR. 2/9 Margo

Cecilie.

OK. Stephen might 1600 would be best alternative. M.

Mark -
see recent corres. on file.
CST

OCMIAN 3644
CONFIDENTIAL
PP BANGK
FM FCOLN TO BANGK
221045Z AUG
GRS 264

CONFIDENTIAL
FM FCO
TO PRIORITY BANGKOK
TELNO 187
OF 221045Z AUG 85

FROM HEAD OF SEAD
YOUR TELNO 269: VISIT BY THAI PRIME MINISTER
1. THE THAI AMBASSADOR CALLED ON ME ON 21 AUGUST TO DISCUSS THE PROGRAMME, FIRST DRAFTS OF WHICH HE HAS SENT TO BANGKOK. ON INSTRUCTIONS, HE HAS KEPT IT AS ESSENTIALLY A PRIVATE VISIT WITH NO OFFICIAL CALLS APART FROM THAT ON MRS THATCHER AND THE REMAINDER DEVOTED TO SIGHTSEEING AND SHOPPING. HOWEVER, I TOOK THE OPPORTUNITY TO HINT THAT THE SECRETARY OF STATE MIGHT DECIDE TO OFFER A LUNCH FOR GENERAL PREM AND SOME OF THE SENIOR MEMBERS OF HIS ENTOURAGE ON 7 OCTOBER. I ALSO SUGGESTED THAT SINCE ARSA WOULD ALSO BE IN THE PARTY, THIS MIGHT PROVIDE A GOOD OPPORTUNITY FOR US TO ARRANGE FOR A SHORT SESSION OF TALKS WITH THE PUS AND OTHER UK OFFICIALS. THE PUS'S DIARY WAS FREE ON THE MONDAY MORNING AND IT COULD FIT IN NICELY BEFORE THE SECRETARY OF STATE'S LUNCH. I STRESSED THAT IN BOTH CASES WE HAD NOT BEEN ABLE TO CONSULT MINISTERS OR THE PUS AND THESE WERE ONLY SUGGESTIONS AT WORKING LEVEL.
2. OWART ASKED IF WE COULD GIVE SOME HELP WITH THE VISIT PARTICULARLY TO SOME OXFORD COLLEGES AND POSSIBLY ARRANGE A TOUR OF THE HOUSES OF PARLIAMENT. I TOLD HIM THAT WE WOULD DO WHAT WE COULD TO HELP.

HOWE
YYYY

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DR WILSON

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PS/NO.10 DOWNING ST.

CONFIDENTIAL

ADVANCE COPY

SENT
14 AUG 1985

PS LADY YOUNG
PS/M LUCE
PS/PM
SIR W. HARDING.
PS/NO 10 DST
HD/SEAD

LHL 181/14

OO F C O

GRS 140

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FM BANGKOK 140300Z AUG 85

TO IMMEDIATE F C O

TELNO 264 OF 14 AUG 85

YOUR TELNO 173 : VISIT BY THAI PRIME MINISTER

1. I SPOKE ACCORDINGLY TO PERMANENT SECRETARY, MFA YESTERDAY. ARSA EVIDENTLY MUCH APPRECIATED THE OFFER AND EXPRESSED UNDERSTANDING FOR MRS THATCHER'S HEAVY PROGRAMME. HE DOUBTED WHETHER AT THIS STAGE IT WOULD BE POSSIBLE TO BRING GENERAL PREM'S ARRIVAL FORWARD IN ORDER TO ENABLE HIM TO MEET MRS THATCHER ON 04 OCTOBER, BUT AGREED THAT IN ANY CASE THE OFFER SHOULD BE CONVEYED FORMALLY (WHICH I SHALL DO TODAY).

2. EVEN IF IT TURNS OUT THAT PREM CANNOT CURTAIL HIS TIME IN NEW YORK SO AS TO ARRIVE IN LONDON ON 04 OCTOBER, I AM SURE THAT THIS OFFER WILL BE SEEN AS FORTHCOMING ON OUR SIDE AND WILL THEREFORE HAVE THE RIGHT EFFECT.

3. IF GENERAL PREM CANNOT ACCEPT, WILL IT BE POSSIBLE TO REVERT TO THE SUGGESTION IN YOUR TELNO 160, PARAGRAPH 4?

STAPLES

NNNN

CC ~~D~~ 1

PCO to c.t.

Prime Minister:
You have said you do not want any more meetings this week. If you do not wish to make an exception for the Thai Prime Minister, a draft letter of regret is attached.
TF 9/8

Must see him – ½ hr only.
MT.
1600 – 4/10

Foreign and Commonwealth Office

London SW1A 2AH

8 August 1985

Dear Tim,

Thailand

Charles Powell wrote to me on 16 July, in reply to mine of 15 July about the proposal that the Thai Prime Minister, General Prem Tinsulanonda, should call on the Prime Minister in October.

You made clear that the period 5-15 October is out. There is, however, now a possibility that General Prem might arrive in England from New York (where he is to address the UN General Assembly on 2 October) a day or two earlier and, thus, be available to call on the Prime Minister on Friday 4 October or perhaps on 3 October.

I am sorry to come back on this subject, since I realise how very full the Prime Minister's programme must be. But it is clear from the approaches made to our Embassy in Bangkok and representations from the Thai Ambassador in London, that the Thai authorities attach very great importance to General Prem being able to call on the Prime Minister, however briefly. There are also considerable British interests involved. An unfavourable decision would come at a critical juncture for the contract British Leyland is pursuing, worth some £400 million, to supply buses to the Thais. Moreover, as I said in my letter of 15 July, the Thais are in the front line against the Vietnamese on the Cambodian border and look to us and others in the West for moral support.

We realise how inconvenient the whole period of early October is for the Prime Minister, but given the importance attached by the Thai Government to a short meeting we thought it right to enquire whether the Prime Minister would be able to make any time available on 4 October. If General Prem himself cannot respond because of his visit to New York, honour would nevertheless be satisfied. If it is not possible to make such an offer, we recommend that the Prime Minister should send a personal letter of regret, on the lines of the attached draft.

I am copying this letter to John Mogg at the DTI who have been consulted about the text of the draft letter.

Yours ever,
Peter Ricketts

(P F Ricketts)

Tim Flesher Esq
10 Downing Street

"My dear Prime Minister"

10 DOWNING STREET

THE PRIME MINISTER

Paul Channon has told me about his most useful discussions with you during his visit to Bangkok in June. He also told me of your own plans to pay a private visit to London at the beginning of October. Most unfortunately I have a series of unbreakable engagements at that time, both in and out of London, and I fear that this means that there will be no opportunity for us to meet. I am so sorry.

I am particularly disappointed not to be able to see you in London at that time because I attach great importance to maintaining close links between our two countries. I should have welcomed the opportunity to hear your views on recent developments in Indo-China. We have watched with great interest and admiration the firm stand you have taken with respect to Vietnam's incursions across your border from Cambodia. We continue to give our full support to ASEAN on the Indo-China problem.

I was pleased to learn from Paul Channon of the close identity of views between us on many of the difficult international economic issues currently under discussion. I was encouraged, too, to hear that our bilateral trade is continuing to prosper to mutual advantage. There are, I know, several major projects now under consideration in Thailand in the transport and power generation sectors, which British companies, with their great experience in these areas, are ideally placed to fulfil and keen to do so.

As you will know, Richard Luce, Minister of State at the Foreign Office, will be visiting Thailand in September at the invitation of Air Chief Marshal Siddhi, and Paul Channon will be attending the important EC/ASEAN Economic Ministers' meeting in Bangkok in October. I shall look forward to their reports with particular interest.

May I say again how very sorry I am that we shall not be able to meet in October, but I hope that it will not be long before there is an opportunity for us to do so.

His Excellency General Prem Tinsulanonda

(27) SPW

10 DOWNING STREET

From the Private Secretary

16 July 1985

THAILAND

Thank you for your letter of 15 July about the intended visit by the Prime Minister of Thailand.

The dates proposed are simply out of the question for the Prime Minister. She will have been away immediately beforehand: 5-7 October are being reserved for work on her Party Conference speech and essential Government business: thereafter she goes to the Party Conference itself: after which we have Mr. Gandhi and then CHOGM. It is better that we explain this clearly and firmly to the Thais now, making clear that it is not a case of reluctance which can be overborne by persistence, but a definitive no. If you wish us to look at some alternative dates, for instance at the end of October, please let me know.

(C. D. POWELL)

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

RESTRICTED

Foreign and Commonwealth Office

London SW1A 2AH

15 July, 1985

Dear Charles,

Thailand

The Thai Prime Minister, General Prem Tinsulanonda, is visiting Britain from 7-9 October. He was last here, as an official guest, in April 1982 when he called on the Prime Minister. General Prem may be accompanied by his Foreign Minister, Air Chief Marshal Siddhi Savetsila. They will both be en route to the USA to attend the UN 40th Anniversary Celebrations. General Prem has said that he hopes it will be possible to call on the Prime Minister, preferably on 7 October. The Thais have asked whether lunch or tea at No 10 might be possible.

The Foreign Secretary hopes that the Prime Minister will be able to receive General Prem, however briefly, even though the visit is inconveniently timed, coming as it does on the eve of the Conservative Party Conference. General Prem is a good friend of Britain and the West generally. There was strong disappointment in Thailand that the Prime Minister was unable to visit that country during her South East Asia Tour. The Thais feel particularly exposed at present as a result of the Vietnamese offensive along the Thai/Cambodian border and incursions into Thai territory. They look to the West for support and would certainly be deeply disappointed if the Prime Minister were not to be able to see General Prem (though Mr Channon did point out to Prem on his recent visi to Bangkok the problems that the proposed dates might cause).

There is one additional factor. In July 1984, the Prime Minister received General Arthit, Supreme Commander of the Thai Armed Forces. Arthit and Prem are arch rivals. Late last year Arthit mounted a challenge to General Prem and his government, losing Royal and public support in doing so. The Thais, who are very protocol conscious and sensitive about the treatment they receive abroad, could well take it amiss, if, in the circumstances, the Prime Minister was unable to see General Prem.

If, however, the Prime Minister is unable to receive Prem on 7 October, but could offer a meeting on another day, between 5 and 15 October we could try to persuade Prem to change his travel plans accordingly. We cannot be sure that this would succeed but the offer of an alternative date to the Thais would at least show willing and would be appreciated even if, in the event,

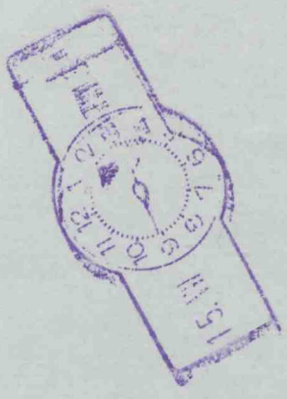
the Thais have to decline.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street



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Note for the Mill

FCO Private Office confirmed that an abridged meeting record has been forwarded to the Colonel who accompanied Gen. Arthur Kamlang-Ek to the meeting with the PM on 3 July.

Mark

10/7/84

The National Archives

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CONFIDENTIAL

10 DOWNING STREET

From the Private Secretary

3 July, 1984.

Prime Minister's Meeting with
General Arthit Kamlang-Ek

In the course of this meeting I noted that the Colonel accompanying General Arthit Kamlang-Ek was recording the conversation on a miniature tape-recorder. On the way out I relieved him of the tape. I did, however, promise him that we would let him have a note of the meeting. I should be grateful if you could ask the Department to turn my record into a summary account which could be passed to General Arthit Kamlang-Ek, if possible before he leaves the United Kingdom.

C. Powell

Roger Bone, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

file SECRET + PERSONAL JH/JR

a MASTER

bc PC 3A

CONFIDENTIAL

10 DOWNING STREET

From the Private Secretary

3 July, 1984.

Dear Roger,

Record of a meeting between the Prime Minister and General Arthit Kamlang-Ek, Supreme Commander of the Royal Thai Armed Forces, on 3 July, 1984, at 10 Downing Street

The Prime Minister received General Arthit Kamlang-Ek, Supreme Commander of the Royal Thai Armed Forces, on 3 July. General Arthit Kamlang-Ek was accompanied by Lt.Col. M.R. Krita Kritakara. The Chief of the Defence Staff and Sir William Harding were also present.

General Arthit Kamlang-Ek conveyed the warm regards of the Prime Minister of Thailand. The Prime Minister enquired after the health of Their Majesties The King and Queen. General Arthit Kamlang-Ek recalled that his last visit to the United Kingdom had been at the end of the Falklands War. The decisiveness displayed in that conflict by the Prime Minister had been much admired in South East Asia.

The Prime Minister congratulated General Arthit Kamlang-Ek on the Thai Government's handling of its problems with terrorism. General Arthit Kamlang-Ek said that those who had been misled by Communist propaganda and recanted were rehabilitated. This enabled the Government to deprive the hard core of support and to focus its military effort on dealing with the hard core alone.

The Prime Minister enquired how General Arthit Kamlang-Ek assessed the external threat. General Arthit Kamlang-Ek said that Vietnamese forces in Cambodia were backed by the Soviet Union. He was concerned also by the build-up in Soviet activities in Cam Ranh Bay, and the scale on which they were supplying military equipment to their allies in the area. It was important that the free world should demonstrate to the Soviet Union that their

CONFIDENTIAL

BM

expansionist aims would be firmly resisted. The Prime Minister commented that the global nature of the Soviet threat should not be underestimated.

The Prime Minister asked about the situation on the Sino/Vietnamese border. Presumably the strong Chinese military presence there had the advantage of diverting Vietnamese troops from Cambodia. General Arthit Kamlang-Ek confirmed that this was so. He had visited the border area on his last visit to China. Chinese forces there were strong, and were tying down up to 20 Vietnamese divisions. In reply to a further question from the Prime Minister, General Arthit Kamlang-Ek said that China's military leaders, with whom he had got along well, had told him that they saw no prospect of restoring relations between China and the Soviet Union. More generally, he had been impressed with changes within China. There was an open door to foreign investment. Agricultural reforms, and the introduction of the rural production units which now offered only part of their production to the State, had greatly increased production.

The Prime Minister asked whether the Chinese were still providing help to the Cambodians. She had found the Chinese evasive on the subject. General Arthit Kamlang-Ek said that, when asked this question, his Chinese hosts had said they supported anyone who was correct. They did not wish to control Cambodia: they had enough problems of their own. The Prime Minister observed that the Chinese equally would not want the Russians to achieve a proxy victory through the Vietnamese. She had the impression that the Cambodians were holding out better than previously. What was the reason for this? General Arthit Kamlang-Ek ascribed the success to the fact that they were fighting to win back their own country. He confirmed that the Khmer Rouge and the pro-Sihanouk forces were cooperating now though he did not expect any such alliance to hold. The Prime Minister referred to the continuing refugee problem which placed heavy demands on Thailand both in terms of resources and organisation. General Arthit Kamlang-Ek said that the Thai Government was following a policy of voluntary repatriation. They were grateful for the assistance they were receiving from abroad including the United Kingdom.

The Prime Minister said that she understood the military assistance and training programme was going well.

The Chief of the Defence Staff commented that there appeared to be some useful defence sales prospects including the Vickers Main Battle Tank, submarines and the Stingray Torpedo.

THIS IS A COPY. THE ORIGINAL IS RETAINED UNDER SECTION 3 (4) OF THE PUBLIC RECORDS ACT

Concluding the meeting, the Prime Minister said that she wished to congratulate the Thai Government upon its success in dealing with subversion and to wish it every success in the future.

I am sending copies of this letter to Richard Mottram (Ministry of Defence) and to Lt. Col. R.C. Walker (Military Assistant to the Chief of the Defence Staff).

Yours sincerely,

Charles Powell

Charles Powell

Roger Bone, Esq.,
Foreign and Commonwealth Office.

The National Archives

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Extract details: Folio 3 Letter from Bone to Powell dated 2 July 1984	
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The National Archives

DEPARTMENT/SERIES PREM 19 PIECE/ITEM 2877 (one piece/item number)	Date and sign
Extract details: Folio 2 Letter from Bone to Powell dated 2 July 1984	X
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	20 April 2017 O Wayland
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cc PC.

CDP 3/7.

MO 25/8

NOTE OF A MEETING BETWEEN THE DEFENCE SECRETARY AND GENERAL ARTHIT KAMLANG-EK, SUPREME COMMANDER OF THE ROYAL THAI ARMED FORCES, AT 1450 HOURS ON 2ND JULY 1984

Those present:

The Rt Hon Michael Heseltine MP
Secretary of State for Defence

General Arthit Kamlang-Ek
Supreme Commander Royal Thai Armed Forces

Mr John Lee MP
Under Secretary of State for Defence Procurement

Lt Col M R Krita Kritakara
Aide de Camp and Interpreter

Col B J Harrold
Defence and Military Attache, Bangkok

Mr S H Lowe
APS/Secretary of State

2. The Secretary of State opened the meeting by saying how much he had enjoyed his two past visits to Thailand. It was agreed that there was no need to repeat the detailed defence sales points which General Arthit had discussed with Mr Lee earlier in the day.

3. Invited by the Secretary of State to assess the situation in South East Asia, General Arthit said that this could change drastically in the future. A Great Power was attempting to use communism to obtain control of the region. Pressure was applied to one country at a time, and currently Thailand was bearing the brunt; but if Thailand felt it would be followed by Malaysia, Singapore and Indonesia. Thailand would be better able to resist if it had a stronger economy, but this was difficult to achieve in an agricultural country. The attitude of other Western states with import quotas did not help; General Arthit cited the example of EEC limits on tapioca purchases as a particular problem. Thailand was a small country looking for markets, and it did not have the credit facilities or diversity of product which others enjoyed.

4. Though these were economic considerations they had a direct impact on defence, which required funds. While the USSR supported Vietnam with huge subsidies, Thailand had to sell its products to survive. He was not asking the UK for assistance; what other countries did was for them to decide. Thailand would still have to buy equipment from the West as it could not make its own. Thai forces were trained to do their

best with whatever equipment funds permitted, and they would defend their country to the end.

5. The Secretary of State said that the UK recognised the importance of South East Asia. Events there were an integral part of the global picture of East/West relations. In further discussion General Arthit gave his views on the nature of the Communist threat. The Communists operated throughout the world, using whatever tactics were appropriate. Sometimes they used political methods, sometimes armed force, and in the democracies they hid behind other labels. Mr Heseltine pointed out that their tactics were counterproductive: Soviet aggressiveness had led in the West to the election of governments ready to put more effort into defence. General Arthit said that Thailand was currently less concerned about the threat from the Chinese, with their advocacy of armed struggle, than the more insidious Russian, political, brand of subversion. In any event China would in future become Communist in name alone. The liberalisation of economic activity had proved so successful, particularly in the countryside, that it would not be reversed.

6. Other subjects covered included Vietnam, where General Arthit said that the economy remained in a very poor state after so many years of war. The Russians' main motive in supporting her was not only to thwart the Chinese. They also wished to gain military bases close to the Indian Ocean. On refugees, Thailand still had a major problem and needed foreign assistance. The UK had helped to supply this, along with other countries and the UN.

7. The meeting closed with General Arthit thanking Mr Heseltine for seeing him. The Thai people had great respect for Britain, as a monarchy and a democracy. The two countries had been friends for a very long time, and many of the military structures were modelled on British lines.

8. The meeting ended at approximately 1520 hours.

Ministry of Defence
2nd July 1984

Distribution:

D Barclay Esq, No 10

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Hd of DS15
RMD3

CALL BY GENERAL ARTHIT KAMLANG-EK

3 JULY 1984

1. Ask about his visit to China. Tell him a bit about Hong Kong. Enquire about problems on Thai/ Cambodian border.

2. Glad to hear military training and assistance programme going well.

3. Keen to increase defence sales. Hope in particular that contract for Stingray will be signed soon.

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PRIME MINISTER

Call by General Arthit Kamlang-ek, 3 July

General Kamlang-ek is Supreme Commander of the Royal Thai Armed Forces. He is very likely to be the next Prime Minister.

You will probably wish a photograph to be taken upstairs.

CDS and Sir William Harding will attend. Briefs and card attached.

C D P

29 June 1984

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Covering CONFIDENTIAL

CCPC

MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~930 7822~~ 218 2111/3

MO 25/8

29th June 1984

Dear Charles

CALL ON THE PRIME MINISTER BY GENERAL ARTHIT KAMLANG-EK

As you indicated in your letter of 18th June, the Prime Minister is due to receive a call from General Arthit Kamlang-Ek, Supreme Commander of the Royal Thai Armed Forces, at 1200 hours on Tuesday 3rd July. General Arthit will be accompanied by the Chief of the Defence Staff, Field Marshal Sir Edwin Bramall, and an interpreter.

I attach briefing material prepared by this department and the FCO, covering political and border issues, defence relations with Thailand and defence sales prospects. Also enclosed is some general background briefing on Thailand and General Arthit, together with a copy of his programme for the current visit.

I mentioned to David Barclay that General Arthit may present the Prime Minister with a gift of considerable value. Although we have no further details at the moment it could well be a precious stone of some kind. I will of course let you know if we find out anything more.

Yours ever

Simon Lowe

(S H LOWE)

C Powell Esq

POLITICAL SITUATION/BORDER ISSUES

POINTS TO MAKE

1. Sympathy for extent to which Thai forces committed in coping with the clashes on Thai/Cambodian border and Indochinese refugee problems.

2. UK will continue to support ASEAN's efforts towards diplomatic solution to the Cambodian problem.

3. General Arthit's impressions of China on his recent visit?

ESSENTIAL FACTS

DRY SEASON OFFENSIVE IN CAMBODIA

1. During their 1984 dry-season offensive, launched in late March, Vietnamese occupation forces in Cambodia made brief incursions into Thai territory but were repulsed by Thai military units and Cambodian resistence forces. Some 100,000 Khmer civilians are reported to have fled into Thailand as a result of Vietnamese military action.

REFUGEES

2. Currently there are some 127,000 Indochinese refugees (including boat people) in camps in Thailand. There are also some 230,000 displaced Khmers in camps on the Thai/Cambodian border. The UK contributes through the UN Border Relief Organisation towards the costs of maintaining these (£450,000 in 1983). We have also recently given a further £75,000 to the Thai navy's anti-piracy programme which operates under the auspices of the UNHCR.

ASEAN/CAMBODIA

3. A meeting of the ASEAN Foreign Ministers was held in Jakarta on 8 May. It reiterated ASEAN unity over the Cambodian issue and their determination to continue efforts to reach a negotiated settlement on the basis of a withdrawal of Vietnamese forces and full self-determination.

VISIT TO CHINA AND JAPAN

4. General Arthit visited China in mid-May, when he met the Chinese Prime Minister, Zhao Ziyang. He is also scheduled to visit Japan later in June where he expects to meet Mr Nakasone.

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DEFENCE RELATIONS

POINTS TO MAKE

Value continuing friendly defence relations with Thailand.

UK involvement in SE Asia will continue to be mainly through our involvement with the Five Power Defence Arrangements and the provision of military training and assistance to our friends in the region.

Glad to see Thailand making good use of facilities available for military training and assistance from UK armed forces.

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ESSENTIAL FACTS

DEFENCE RELATIONS

1. Defence relations with Thailand are friendly but not extensive; our defence involvement in South East Asia is mainly with our Five Power Defence Arrangements partners (Malaysia, Singapore, Australia and New Zealand) and Brunei, whilst the Thais look to the US to guarantee their security. Nonetheless, there are some important sales prospects; the Thais regularly approach us for military assistance; and Thailand's membership of the (non-military) ASEAN organisation gives her some importance to HMG in foreign policy terms.

Manila Pact

2. SEATO was dismantled in 1977 at the request of Thailand and the Philippines, but the political framework - the Manila Pact dating from 1954 - remains. Under it, the signatories (UK, US, France, Australia, New Zealand, Thailand and the Philippines) agree to consult in the event of an armed attack within the Treaty area. It is unlikely that the Thais would wish to invoke the provisions of the Pact, and we would not wish to encourage them to do so.

Military Training and Assistance

3. Thailand enjoys a relatively large allocation from the FCO's UKMTAS fund (UK Military Training and Assistance Scheme) which provides subsidies for military assistance for foreign policy reasons. The allocation for 1983/84 was £250,000, which has been equalled for 1984/85. Last year's allocation was exceeded by £30,000 and £92,000 of this year's is already committed. A total of 32 Thai students attended courses in the UK last year, an increase of 9 on the previous year. We believe General Arthit may wish to raise points of detail concerning military assistance during appropriate calls at MOD.

DEFENCE SALES

POINTS TO MAKE

1. Pleased that links between Thailand and UK in the defence field are being strengthened. Grateful for warm reception given to Geoffrey Pattie during his recent visit to Thailand.

2. Welcome Thai support for the proposal for a General Memorandum of Understanding between Thailand/UK concerning co-operation/ support in the defence equipment field. Look forward to early progress on this.

3. In the meantime can give assurance of HMG support for current programmes such as Vickers MBT, Submarines and Stingray torpedoes. Glad to know if there is any way in which HMG can be of assistance in formulating the way ahead on these programmes.

BACKGROUND BRIEF ON DEFENCE SALES

1. The major defence equipment supplier to the Thai Armed Forces is the United States. The USA maintain a Joint United States Military Advisory Group (JUSMAG) within Thailand, which in addition to its advisory role provides the Thais with a convenient channel through which purchases are made under US Foreign Military Sales (FMS) credits.

2. The Thai Armed Forces have informally indicated that they wish to diversify their defence equipment purchases away from the USA and the Minister of State for Defence Procurement visited Thailand in April this year, where he met General Arthit and was warmly received. During this visit he proposed to the Thais the establishment of a General Memorandum of Understanding (MOU) to cover co-operation/support in the defence equipment field and this was accepted in principle. This MOU is currently in draft and will be forwarded to the Thais for their consideration within the next few weeks.

3. Vickers Mk III Main Battle Tank (MBT). In-country trials, whichthe company state were very successful, have been completed. However, the Thais have requested the tank to be fitted with a different engine from that installed in the trial vehicles This has been done and inspected by the Thais on a recent visit to Newcastle. The Thai requirement is for 104 MBTs, 26 bridge layers and 9 Armoured Recovery Vehciles, total value £250M. Competition is from Austria, Germany, Italy and USA. It is understood that the USA have offered secondhand M48s at a very preferential rate. The decision will have to be fully justified to the Thai Parliament and a strong case would have to be made to justify rejecting any cheap secondhand offer the USA might make. Nevertheless Vickers remain a strong prospect, if a satisfactory credit package can be arranged.

4. Stingray - Stingray is in competition with the USA and Italy to supply torpedoes for Royal Thai Navy (RTN) aircraft, helicopters and surface ships. A RTN evaluation team visited UK in January this year. Total requirement is for 48 torpedoes but initial order likely to be for 12 (£4M). Marconi Underwater Systems Ltd believe they will be successful and that a contract will be signed in August this year.

5. Submarines - The RTN are considering the establishment of a submarine service and a team lead by Vice Admiral Siri visited UK in April this year, to investigate training facilities. Vickers Shipbuilding and Engineering Ltd (VSEL) are marketing their 550 Class (1000 tons) submarine. Competition is from France, Sweden, and Germany. The RTN have been assured that should they purchase the VSEL submarine suitable training arrangements, including RN assistance will be made.

POLITICAL BACKGROUND AND CAREER NOTE

1. Thailand is a relatively demoncratic pro-Western monarchy. A military coup saw the removal of the absolute powers of the Monarch in 1932. Since then the army has played a predominant role in Thai politics.

2. The present Constitution (which dates from April 1979) provides for a bicameral Parliament, consisting of a Senate nominated by the King on the advice of the Prime Minister (and in practice dominated by the Military), and a House of Representatives elected by universal suffrage. The 1979 Constitution contained temporary clauses which restricted the powers of the elected parliament in favour of the Army, by enabling government officials, including military officers, to hold ministerial office, and by stipulating that the military-dominated Senate and the Lower House should vote jointly on money bills and votes of confidence. These temporary clauses expired in April 1983 and, despite support for their extension from the political Right and from elements within the Army, the Thai Parliament voted that they should not be renewed.

3. General Prem Tinsulanonda (Prime Minister since 1980) currently heads his fourth administration, a four-party coalition.

GENERAL ARTHIT

4. Appointed Commander-in-Chief of Royal Thai Army in October 1982. Since October 1983 he has concurrently held post of Supreme Commander of the Armed Forces.

5. A very experienced soldier who served in the Korean and Vietnam wars, and was employed during 1970's in counter-insurgency operations in north-east Thailand. He played an important role in the suppression of the coup of April 1981 led by 'Young Turk' Army colonels. At the time Arthit was based at Korat. He was joined there by General Prem and the Royal Family, and with their support gather sufficient troops to lead a successful assault on the capital.

6. Arthit is believed to have political ambitions and is generally considered to be Thailand's Prime Minister-designate. However, under the present

constitutional arrangements (mentioned in para 2 above) he is debarred as a serving officer from becoming a Minister. His dilemma therefore, is whether to delay his bid for ministerial office until his retirement in 1985 (which will however deprive him of of his current power-base in the Army) or to press for constitutional changes which would enable him to become premier (or alternatively Minister of Defence) whilst retaining the Supreme Command.

7. Arthit possesses drive and shrewdness, but is seen as a man of action rather than intellect. He clearly has some support among civilian politicians and trade union leaders. However, there are some observers who feel that he lacks the 'political flair' to make a successful bid for the premiership, once deprived of his military power base. His current full programme of overseas visits seems to be an attempt to establish himself as an international statesman. During a recent visit to China, he met the Prime Minister, Zhao Ziyang, and he is scheduled to meet Mr Nakasone when he visits Japan in late June.

8. His wife died in April 1983. He has three sons, all of whom are pursuing military careers.

Thailand March 82

Relations

1 July invited.

DMB 25/6

10 DOWNING STREET

1) Mr Powell CDP
2) Prime Minister

The Chief of the Defence Staff would like to be present when you see the Commander in Chief of the Thai armed forces on 3 July.

Agree? Yes MT

DMB 22/6

RESTRICTED

10 DOWNING STREET

From the Private Secretary

18 June 1984

You wrote to David Barclay on 15 June to enquire whether the Prime Minister would wish to receive General Arthit during his forthcoming visit. The Prime Minister would be pleased to see him at 1100 on 3 July for half an hour. You will no doubt let me have the necessary briefing in good time.

I am copying this letter to Peter Ricketts (Foreign and Commonwealth Office).

S.H. Lowe, Esq.,
Ministry of Defence.

RESTRICTED

RESTRICTED

(1)

MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~930 7022~~ 218 2111/3

MO 25/8

15th June 1984

Prime Minister
Agree?
CDP 18/6

Charles Powell

Dear David

Yes ms.

The Prime Minister may wish to be aware that General Arthit Kamlang-Ek, Supreme Commander of the Royal Thai Armed Forces, is visiting the UK at the invitation of the Chief of the Defence Staff from 2nd to 6th July.

It is anticipated that General Arthit will succeed General Prem as Prime Minister of Thailand within the next 18 months. During a recent visit to China he met the Prime Minister, Zhao Ziyang, and is scheduled to meet Mr Nakasone when he visits Japan in late July. He has expressed a wish, through unofficial channels, to meet the Prime Minister whom he greatly admires, during his visit to the UK. FCO officials believe that such a call would be most valuable politically for our future relationship with Thailand.

A call would also be valuable from the point of view of defence sales, where the Thais are currently expressing a wish to diversify from US dominance. It would be particularly timely as decisions on major purchases of Main Battle Tanks and torpedoes, in which we are primary contenders, are imminent.

I would be grateful if you could establish whether the Prime Minister would wish General Arthit to pay a short call during his forthcoming visit.

I am copying this letter to Peter Ricketts (FCO).

Yours ever

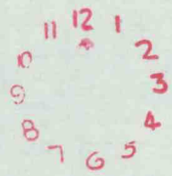
Simon Lowe

(S H LOWE)

D Barclay Esq

RESTRICTED

18 JUN 1984



SUBJECT

cc Master Ops

cc Eco. Thailand

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 98/82

10 DOWNING STREET

THE PRIME MINISTER

5 May, 1982.

My dear Prime Minister,

Thank you so much for your letter of 30 April. I greatly enjoyed meeting you on 28 April, and was very pleased to have the chance to talk with you about international affairs. Everyone was delighted with your speech at the lunch - indeed it was a very happy occasion. It was wonderful to see so many of your Ministers. We truly appreciated their efforts too. I am so glad that you enjoyed your visit to London. Everyone here wants to know as much as possible about Thailand.

My very best wishes,

Yours sincerely

Margaret Thatcher

His Excellency General Prem Tinsulanonda.

File

288

4 May 1982

PRIME MINISTER OF THAILAND

I enclose a copy of a letter which the Prime Minister received from General Prem on 30 April. The Prime Minister has signed the enclosed reply, and I should be grateful if you could arrange for it to be delivered.

John Holmes, Esq.,
Foreign and Commonwealth Office.

File

DS
Thailand

4 May 1982

VISIT OF PRIME MINISTER OF THAILAND

I enclose a record of the conversation between the above and the Prime Minister on Wednesday 28 April.

A.J. COLES

CS

John Holmes, Esq.,
Foreign and Commonwealth Office.

SUBJECT

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T92/82

J. Master
Ops

THE ROYAL THAI EMBASSY
30, QUEEN'S GATE,
LONDON, S.W.7

No. 04/924/2525

30 April 1982.

Dear Prime Minister

On our departure from London, I send the heartfelt thanks of my delegation and myself to you and to the Government of Great Britain for the kindness and warm hospitality which have been shown to us during our visit to your country.

I am most honoured to have been granted an audience with His Royal Highness The Prince of Wales and am very appreciative of the valuable discussions that my delegation have had with senior members of your Government.

In particular, I wish to take this opportunity to express my deep appreciation to you for sparing some of your valuable time during a very critical period to turn your thoughts to issues of mutual interest to our two countries.

Our discussions have reaffirmed my conviction that Great Britain is one of the most valued and dependable allies of Thailand. I am glad that our two countries which have shared such a long history of harmonious relations continue also to share a common political view of the world. Please be assured of the support and understanding of my country in these difficult and uncertain times.

Please accept, Prime Minister, my very best wishes for your continued good health and success.

Yours sincerely,

P. Tinsulanonda

General Prem Tinsulanonda
Prime Minister of Thailand

The Right Honourable Margaret Thatcher, MP.,
Prime Minister,
10 Downing Street,
LONDON.

SUBJECT

CONFIDENTIAL

cc master

RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER OF THAILAND AT 10 DOWNING STREET, AT 1200 HOURS ON WEDNESDAY 28 APRIL, 1982

Present:

The Prime Minister	General Prem Tinsulanonda
Lord Belstead	Air Chief Marshal Siddhi Savetsila
Mr. H.A.J. Staples	HE Mr. Phan Wannamethee, Ambassador of Thailand
Mr. A.E. Donald	
Mr. A.J. Coles	
Mr. K. Burns	

The Prime Minister extended a warm welcome to General Prem. We had a natural interest in Thailand and acknowledged Thailand's key role within ASEAN. We particularly admired the extra responsibilities so willingly shouldered by Thailand in looking after refugees from Cambodia. We hoped that on the commercial plane we could get closer to one another. She invited General Prem's comments on the situation in South East Asia, as seen from the Thai viewpoint.

General Prem, having expressed his deep appreciation, invited his Foreign Minister to say something about the Cambodian problem which bulked so large in their minds.

ACM Siddhi said that he had already briefed Lord Belstead on the Cambodian situation. He would like to emphasise however that the ASEAN countries were united in working towards a peaceful solution to the Cambodian problem in accordance with the relevant UN Resolutions. So far they had not succeeded in getting the

/ Vietnamese

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Vietnamese to the conference table. He had wanted them to meet the Austrian Foreign Minister so that Dr. Pahr might explain to them the proposals adopted last year by the International Conference on Kampuchea and to show them how these took account of Vietnam's own security interests. But the Vietnamese had refused.

Meanwhile the Vietnamese had launched another dry season offensive in Cambodia against Son Sann as well as DK forces. This had caused some damage to both, but the rainy season was approaching and he did not believe that the Vietnamese offensive would attain its objective.

ACM Siddhi recalled the history of ASEAN's efforts to promote a coalition of the Cambodian factions. Thailand was aware that some EC and other countries saw the DK as indistinguishable from the old Pol Pot regime. Of course, the return of Pol Pot was not at all what ASEAN wanted. They had been looking around therefore for alternative Cambodian leaders possessing the necessary stature. So was born the idea, since developed with China's blessing, of forming a tripartite coalition embracing Sihanouk, Son Sann and the DK. Both the DK and the Chinese now recognised the danger of erosion of international support for the DK. The DK and Sihanouk had met in Peking and managed to come to an understanding. As for Son Sann, he had arrived in Thailand during April, and a meeting between him and Khieu Samphan was likely in the next day or two. Thailand hoped the three factions would now succeed in working out a basis for a coalition government. If so, they could then all meet in Kuala Lumpur to set the seal on what had been agreed. This would help politically; it should enable the world community to continue to support DK Credentials at the UN and at the same time solidify support for the resistance inside Cambodia itself.

Meanwhile the Vietnamese had renewed their efforts to entice Thailand into bilateral talks. The Thai Government would not be falling into this trap. They would stick to the proposition that progress could best be made through the UN framework. The problem was an international one and required an international solution.

/ The Vietnamese

The Vietnamese were also looking for aid from the EC and other Western countries. They had already got something out of the French as well as the Swedes. But if Co Thach had been hoping for some response from Germany and Belgium in the context of his recent tour it would seem he was disappointed. Time was not on Vietnam's side.

The Prime Minister noted that Vietnamese hopes for a quick and total victory had been thwarted by the DK's resistance. The question remained how to get the Vietnamese to back down and what allowance might be needed for elements of face-saving.

General Prem did not know the answer to this question. But ASEAN's basic position - that the UN Resolution should be respected - was a very strong one. The only way he could see of getting the Vietnamese to withdraw would be somehow to get through to them the truth that Cambodia was not their business - and that it was a very expensive business.

The Prime Minister recalled that Lord Carrington had visited some of the refugee camps on the Thai/Cambodian border. What were the latest figures for the total number of refugees?

General Prem said that the Thais were very grateful to the British Government for the assistance that they had given. Without this help from Britain and other friendly countries the Thais could not have coped with the problem. There were currently some 200,000 refugees along the border being looked after jointly by the Thai Government and the United Nations. The crucial point was that Thailand could not afford to give these refugees a permanent home. The help of friends was needed to help resettle them in third countries.

The Prime Minister remarked that the international community owed a debt of gratitude to Thailand for its wonderful response to the problem. We were trying to help in our own small way. We recognised that the problem was an international one.

/ General Prem

General Prem said that the most useful thing we could do would be to persuade the EC not to give assistance to Vietnam.

The Prime Minister enquired whether the problem of the boat people showed signs of diminishing. They were good hard-working people, but they had left in such numbers. Were the Vietnamese authorities still pushing them out?

General Prem said that the boat people were still coming, though it was true the numbers were now less.

Mr. Staples pointed out that in addition to those that ended up in Thailand there were others that found their way to other countries in the region - and of course to Hong Kong.

The Prime Minister enquired about the internal situation in Thailand.

General Prem was proud to say that they had enjoyed quiet success in their efforts to suppress the Communist Party of Thailand (CPT). In the past, in both the South and in the Northeast, the level of communist activity had been very high. This was now declining, and the fight against the CPT was now being carried on not so much by fighting and the deployment of troops as through persuasion and the use of voluntary forces. There were various indicators of success, including many defectors who had lost hope in the jungle. The problem was no longer a major one.

ACM Siddhi agreed that the communists were not now getting much support from the people. They were also getting much less help from outside. The Thais had asked the Chinese to respect the normal rules and keep out of their affairs.

General Prem said that he himself had met the Chinese Prime Minister and asked him to leave Thailand alone. He had said that he would.

/ The Prime Minister

The Prime Minister commented on the changes in Peking since Hua Guofeng's visit to Britain. China seemed unsettled and the Chinese not to see clearly where to go economically. It was good that they were not now so interested in interfering in the affairs of other countries.

The Prime Minister asked about the Thai economy. We were still not out of the world recession, though if the oil price rose no further an opportunity for expansion would come that the world had not seen for some time.

General Prem said that Thailand was faced with a number of economic problems. The key to the five-year plan was a determination to help the poor. His own philosophy was that if you could fight poverty successfully you could fight anything. There were more than 8 million people in Thailand who literally did not earn enough money to live. They needed help because they could not help themselves. He believed that if all went as planned and in particular, with gas now on stream and oil found, prospects would look very much better within the next two years.

The Prime Minister asked about prospects for Thailand's crops.

General Prem said that the price of rice had been falling as a result of exceptionally good crops. Still, Thailand would prefer to see a good rice crop since it should enable more people to eat better and earn more.

The Prime Minister enquired about the Thai party's talks with the European Commission in Brussels about manioc.

General Prem said that the outcome had been quite good, if not as good as Thailand would have liked.

The Prime Minister remarked that it was the French who insisted on manioc import restrictions. It was curious how people could preach the virtues of aid while acting to restrain trade.

/ ACM Siddhi

ACM Siddhi explained that manioc, being a crop that would grow in almost any conditions, was grown mainly by the poorest people. The EC had proposed lowering the ceiling on imports from Thailand as a result of French objections and had called for a reduction of 500,000 tons a year below the current level of 5 million tons. This would have had a severe impact on the poorest Thai farmers. The Thais were aware that the French had a problem - with militant farmers marching on Paris - but the Thais had felt it necessary to remind those in Brussels that Thailand had millions of farmers - over 70 per cent of the population. The Thais had counter-proposed an increase to 5.5 million tons and had asked for this level to be maintained for a period of three years. This was because crop substitution, which was certainly needed, took time. They had also pointed out that the more manioc Thailand could export to the EC the more they would be able to buy from the EC. In the event, their talks with Thorn and Haferkamp had ended with a Commission offer of a figure of 5 million tons a year for three years. This was indeed less than the Thais had hoped for but at least it gave a promise of a period of stability.

General Prem said that rubber was one of the possible substitutes for manioc. Higher yielding trees were now available for planting. But it all took time. Apart from the time required for rubber trees to grow to maturity the farmers needed to be shown how to cope with new crops.

Mr. Staples commented that while it was true that the rubber market was currently over-supplied the longer-term prospects for rubber were deemed to be quite good. The CDC was making a contribution to the replanting scheme.

The Prime Minister asked whether there was any drift of the people from the countryside into the towns, with all the social difficulties that brought?

General Prem agreed that this was a problem. For this reason they put a lot of money each year after the harvest into job creation projects designed to keep the people on the land.

/ Thailand needed

Thailand needed foreign investment and would be more than happy to have British firms come and invest - for example in the gas and oil industries where Shell were already established.

The Prime Minister agreed that more British investment would be good for both countries. We too wanted a yet closer relationship founded on this kind of shared interest. Apart from Shell and Davy, which were already active on the Thai scene, were there any immediate possibilities General Prem would wish to mention?

General Prem said that the Eastern Seaboard should prove particularly rewarding since their plans provided for it to develop into a major industrial complex, including notably petrochemicals.

Mr. Staples recalled that both Shell and Esso had been exploring for oil onshore and Shell had found some. Shell also operated one of the three oil refineries - the one Davy hoped to be involved in expanding.

The Prime Minister asked about Thailand's defence requirements.

General Prem confirmed that Britain was playing a helpful part in meeting Thai needs.

Mr. Staples drew attention to the fact that the Thai army were already equipped with Scorpion; and there were a number of other promising prospects for the future. The flag ship of the Royal Thai Navy had been built some 10 years ago at Yarrow.

The Prime Minister remarked that everyone was very naval-minded at the moment. The operation to launch a British fleet towards the South Atlantic had been a very impressive one. Equipment had been embarked and the fleet got ready to sail at a quite remarkable speed. When they heard that we had to go to the help of our people in the Falklands, everyone had pulled together; strikes were forgotten; work rates accelerated.

She had been glad to hear how on Cambodia ASEAN were working to get the Vietnamese out of the country and for self-determination for

the people of Cambodia in accordance with the terms of a UN Resolution.

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A.S.C.

2 May 1982

CONFIDENTIAL

Type please.

DSR 11C

DRAFT RECORD OF MEETING BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER OF THAILAND AT 10 DOWNING STREET, AT 1200, 28 APRIL

Present:

The Prime Minister	General Prem Tinsulanonda
Lord Belstead	Air Chief Marshal Siddhi Savetsila
Mr H A J Staples	HE Mr Phan Wannamethee, Ambassador of Thailand
Mr A E Donald	
Mr A J Coles	

Mr K. Burns.

Mr. Coles (No 10)

Mr. Burns' draft record of the Prime Minister's meeting with General Prem.

J H Holmes 30/4

1. The Prime Minister extended a warm welcome to General Prem. We had a natural interest in Thailand and acknowledged Thailand's key role within ASEAN. We particularly admired the extra responsibilities so willingly shouldered by Thailand in looking after refugees from Cambodia. We hoped that on the commercial plane we could get closer to one another. She invited General Prem's comments on the situation in South East Asia, as seen from the Thai viewpoint.

2. General Prem, having expressed his deep appreciation, invited his Foreign Minister to say something about the Cambodian problem which bulked so large in their minds.

3. ACM Siddhi said that he had already briefed Lord Belstead on the Cambodian situation. He would like to emphasise however that the ASEAN countries were united in working towards a peaceful solution to the Cambodian problem in accordance with the relevant UN Resolutions. So far they had not succeeded in getting the Vietnamese to the conference table. He had wanted them to meet the Austrian Foreign Minister so that Dr Pahr might explain to them the proposals adopted last year by the International Conference on Kampuchea and to show them how these took account of

/Vietnam's

Vietnam's own security interests. But the Vietnamese had refused.

4. Meanwhile the Vietnamese had launched another dry season offensive in Cambodia against Son Sann as well as DK forces. This had caused some damage to both, but the rainy season was approaching and he did not believe that the Vietnamese offensive would attain its objective.

5. ACM Siddhi recalled the history of ASEAN's efforts to promote a coalition of the Cambodian factions. Thailand was aware that some EC and other countries saw the DK as indistinguishable from the old Pol Pot regime. Of course, the return of Pol Pot was not at all what ASEAN wanted. They had been looking around therefore for alternative Cambodian leaders possessing the necessary stature. So was born the idea, since developed with China's blessing, of forming a tripartite coalition embracing Sihanouk, Son Sann and the DK. Both the DK and the Chinese now recognised the danger of erosion of international support for the DK. The DK and Sihanouk had met in Peking and managed to come to an understanding. As for Son Sann, he had arrived in Thailand during April, and a meeting between him and Khieu Samphan was likely in the next day or two. Thailand hoped the three factions would now succeed in working out a basis for a coalition government. If so, they could then all meet in Kuala Lumpur to set the seal on what had been agreed. This would help politically; ~~[The Prime Minister indicated agreement]~~, it should enable the world community to continue to support ~~the~~ DK Credentials at the UN and at the same time solidify support for the resistance inside Cambodia itself.

6. Meanwhile the Vietnamese had renewed their efforts to entice Thailand into bilateral talks. The Thai Government

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would not be falling into this trap. They would stick to the proposition that progress could best be made through the UN framework. The problem was an international one and required an international solution.

7. The Vietnamese were also looking for aid from the EC and other Western countries. They had already got something out of the French as well as the Swedes. But if Co Thach had been hoping for some response from Germany and Belgium in the context of his recent tour it would seem he was disappointed. Time was not on Vietnam's side.

8. The Prime Minister noted that Vietnamese hopes for a quick and total victory had been thwarted by the DK's resistance. The question remained how to get the Vietnamese to back down and what allowance might be needed for elements of face saving.

9. General Prem did not know the answer to this question. But ASEAN's basic position - that the UN Resolution should be respected - was a very strong one. The only way he could see of getting the Vietnamese to withdraw would be somehow to get through to them the truth that Cambodia was not their business - and that it was a very expensive business.

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The crucial point was that Thailand could not afford to give these refugees a permanent home. The help of friends was needed to help resettle them in third countries.

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42. She had been glad to hear how on Cambodia ASEAN were working to get the Vietnamese out of the country and for self-determination for the people of Cambodia in accordance with the terms of a UN Resolution.

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Temporarily retained, C Wayland, 20/4/17

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PRIME MINISTER

Thailand

Lunch for the Prime Minister of Thailand
Wednesday, 28 April

I attach the list of guests attending the lunch tomorrow for the Prime Minister of Thailand together with a draft seating plan. The draft seating plan has been seen by John Coles.

Do you agree?

The Ogilvies will arrive at No. 10 at 1310.

Sue Goodchild

27 April 1982

LIST OF GUESTS ATTENDING THE LUNCHEON TO BE GIVEN BY THE PRIME MINISTER IN HONOUR OF HIS EXCELLENCY GENERAL PREM TINSULANONDA, PRIME MINISTER OF THAILAND ON WEDNESDAY, 28 APRIL 1982 AT 1.00 PM FOR 1.15 PM

Her Royal Highness Princess Alexandra, The Hon. Mrs. Angus Ogilvy and The Hon. Angus Ogilvy

Miss Mona Mitchell	Private Secretary and Lady in Waiting to HRH Princess Alexandra

The Prime Minister

Thai Suite

His Excellency General Prem Tinsulanonda	Prime Minister
His Excellency Air Chief Marshal Siddhi Savetsila	Minister of Foreign Affairs
His Excellency Major General Chatichai Choonhavan	Minister of Industry
His Excellency Mr. Chuan Leekpai	Minister of Agriculture and Cooperatives
His Excellency Lieutenant Suli Mahasantana	Minister attached to the Prime Minister's Office
His Excellency Squadron Leader Punnamee Punsri	Minister of Commerce
His Excellency Mr. Phaichitr Uathavikul	Deputy Minister of Finance
His Excellency the Thai Ambassador and Mom Luang Hiranyika Wannamethee	
Lieutenant-General Chantrakupt Sirisuth	Secretary General to the Prime Minister
Mr. Vicharn Nivatvongs	Under Secretary of State Ministry of Commerce
Mr. Thalerng Thamrongnavasawat	Under Secretary of State, Ministry of Agriculture and Cooperatives
Mr. Snoh Unakul	Secretary General of the National Economic and Social Development Board
Mr. Bayong Lamsam	Director, Thai Bankers' Association. President, The Thai Farmers Bank Ltd.
Dr. Somphob Sussangkarn	President, Thai Chamber of Commerce. President, Board of Trade of Thailand. Managing Director, The Jalaprathan Cement Co. Ltd.
Dr. Thaworn Phornprapha	President of ATI. Chairman Motor Group

HM Government

Rt. Hon. Sir Geoffrey Howe, MP and Lady Howe	
Rt. Hon. Peter Walker, MP and Mrs. Walker	
Rt. Hon. Nigel Lawson, MP	
Rt. Hon. Lord Cockfield and Lady Cockfield	
Mr. Kenneth Baker, MP and Mrs. Baker	
The Lord Belstead	

Conservative MPs

Sir Charles Fletcher-Cooke	Chairman, Anglo-Thai Parliamentary Group

Business/Commerce

Rt. Hon. Lord Shawcross	
Mr. Robin Leigh-Pemberton and Mrs. Leigh-Pemberton	Chairman of the Committee of London Clearning Banks
Sir Jack Wellings and Lady Wellings	Chairman, The 600 Group Ltd.
Sir Frederick Page and Lady Page	Chairman, Aircraft Group, British Aerospace
Sir John Buckley and Lady Buckley	Chairman, Davy Corporation
Professor Christopher Foster and Mrs. Foster	Coopers and Lybrand

Officials

Mr. H.A.J. Staples	HM Ambassador, Bangkok
Mr. C.S.R. Giffard and Mrs. Giffard	Foreign and Commonwealth Office

10 Downing Street

Mr. Ian Gow, MP and Mrs. Gow	Parliamentary Private Secretary
Mr. John Coles	Private Secretary (Overseas Affairs)

DRAFT SEATING PLAN FOR LUNCHEON ON WEDNESDAY, 28 APRIL

Table A

THE PRIME MINISTER
HIS EXCELLENCY GENERAL PREM TINSULANONDA
HER ROYAL HIGHNESS PRINCESS ALEXANDRA, THE HON. MRS. ANGUS OGILVY
His Excellency Air Chief Marshal Siddhi Savetsila
Mrs. Walker
The Lord Belstead
Lady Howe
Rt. Hon. Lord Shawcross

Table B

RT. HON. SIR GEOFFREY HOWE
His Excellency Major General Chatichai Choonhavan
THE HON. ANGUS OGILVY
Mrs. Baker
Sir Charles Fletcher-Cooke
Mr. Snoh Unakul
Lady Buckley
His Excellency Mr. Phaichitr Uathavikul

Table C

RT. HON. PETER WALKER
His Excellency Mr. Chuan Leekpai
The Lady Cockfield
His Excellency Squadron Leader Punnamee Punsri
Mr. Robin Leigh-Pemberton
Miss Mona Mitchell
Sir Frederick Page
Mom Luang Hiranyika Wannamethee

Table D

RT. HON. NIGEL LAWSON
His Excellency Leiutenant Suli Mahasantana
Lady Page
Mr. Bamyong Lamsam
Sir Jack Wellings
Mr. Ian Gow
Mrs. Giffard
Lieutenant-General Chantrakupt Sirisuth

Table E

RT. HON. LORD COCKFIELD
Dr. Somphob Sussangkarn
Mrs. Gow
Dr. Thaworn Phornprapha
Mrs. Foster
Sir John Buckley
Mr. C.S.R. Giffard
Mr. Vicharn Nivatvongs

Table F

MR. KENNETH BAKER
His Excellency the Ambassador of the Kingdom of Thailand
Lady Wellings
Mr. H.A.J. Staples
Professor Christopher Foster
Mr. John Coles
Mrs. Leigh-Pemberton
Mr. Thalerng Thamrongnavasawat

Thailand

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Foreign and Commonwealth Office

London SW1A 2AH

Dear John,

Official Visit of Thai Prime Minister

I enclose briefing for the meeting on Wednesday 28 April at 12 noon. The Briefs are as follows:

Steering Brief (Brief No 1)
Bilateral Relations (Brief No 2)
International Issues (Brief No 3)
Commercial and Defence Sales (Brief No 4)
Trade Policy Issues (Brief No 5)

— in attached folder

I shall forward separately a Brief on tin following the International Tin Council meeting in London on 26 April.

General Prem will be accompanied at the talks by Air Chief Marshal Siddhi, the Foreign Minister, and by the Thai Ambassador, together with an interpreter/note-taker. If you agree, Lord Belstead and Mr Justin Staples, the Ambassador in Bangkok, are prepared to attend on our side.

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

covering CONFIDENTIAL

VISIT OF HIS EXCELLENCY GENERAL PREM TINSULANONDA

PRIME MINISTER OF THE KINGDOM OF THAILAND

27 - 30 APRIL 1982

ADMINISTRATIVE PLAN
(to be read in conjunction with the programme attached).

Tuesday 27 April

Arrival

The Prime Minister will arrive with his official suite and the unofficial suite on flight BA 601. As soon as the aircraft doors open a representative of the British Airports Authority will escort the greeting party to the aircraft. The Thai Ambassador will board the aircraft and a Thai cameraman will, if circumstances permit, leave the aircraft in order to take photographs of the formal arrival. He will join the rest of the unofficial suite after this task is complete. The Thai Ambassador will escort the Prime Minister to the tarmac. The following will be at the aircraft steps (in order) :-

The Lord Belstead,
Minister of State for Foreign and Commonwealth Affairs

Mr J Staples,
HM Ambassador, Thailand

Brigadier J A C Cowan,
Secretary, Government Hospitality Fund.

Mr N Coppel,
Escort Officer, Government Hospitality Fund

The official suite of 15,plus three security officers, will proceed to the VIP suite and the cars (car plan attached). The unofficial suite will be escorted through immigration and customs by staff of British Airport Authority and to transport provided by the Thai Embassy.

2030 hours The entire visiting party will be attending a private function at The Royal Thai Embassy, 29 Queen's Gate, SW7.

Wednesday 28 April

Talks at 10 Downing Street

His Excellency the Prime Minister of Thailand will be accompanied by the Minister of Foreign Affairs, the Thai Ambassador and an interpreter.

River Trip

His Excellency the Prime Minister will be accompanied by His Excellency the Thai Ambassador, His Excellency Air Chief Marshal Siddhi, His Excellency Lieutenant Suli, His Excellency Mr Phaichitr, Lieutenant General Chantrakupt, Dr Snoh, Mr H A J Staples, Mr N Coppel and a Special Branch Officer.

The Port of London Authority Barge ''The Royal Nore'' is in constant radio contact with the operations room at the Thames Barrage. The telephone numbers of the operations room, through which contact can be made with ''The Royal Nore'' are 01 855 5186 and 855 0315.

Call on the Lord Belstead by His Excellency Air Chief Marshal Siddhi Savetsila at 1130.

A Private Secretary, Mr H A J Staples, Mr Nitya Pibulsonggram, Mr Chawat Arthayukti will also be present.

Call on the Minister of Trade, Mr Peter Rees MP by His Excellency Major General Chatichai Choonhavon at 1625.

Mr Sivavong Changkasiri, Mr Korn Dabbarangsi and Mr Anucha will also be present.

Visit to Covent Garden Market, by His Excellency Mr Chuan Leekpai at 0730

Mr Thalerng, and Mr Kasit Piromya and a Private Secretary will accompany.

At 1100 hours the Minister will make an additional call on Sir Peter Meinertzhagen, of the Commonwealth Development Corporation, Hill Street, Mayfair, W1.

During the call on the Minister of Agriculture, Fisheries and Food, the Rt Hon Peter Walker MP, the Earl Ferrers, Minister of State will be present.

Call on The Lord Cockfield, Secretary of State for Trade by His Excellency Squadron Leader Punnamee Punsri at 1525

Mr Vicharn Nivatvongs and a Private Secretary will accompany

SEPARATE PROGRAMME FOR HIS EXCELLENCY MR PHAICHITR VATHARIKUL

Dr Snoh and a Private Secretary will accompany throughout.

ADDITIONAL VISIT

Mr Sivavong Changkasiri, Deputy Under Secretary of State, Ministry of Industry will call on Mr Sedman, Export Credit Guarantee Department, Clement House, Gresham Street, EC2 at 1030.

Details of luncheon appointments for Mr Sivayong Changkasiri, Mr Chira Panupong, Mr Nikorn Praisaengpetch and Mr Nitya Pibulsonggram will be announced.

Thursday 29 April

After the luncheon given by the London Chamber of Commerce and Industry, His Excellency the Prime Minister and other Ministers will meet with Lord Jellicoe in Tallow Chandlers Hall. Meanwhile His Excellency Mr Phaichitr Uathavikul, Deputy Minister of Finance, accompanied by Dr Snoh and Mr Chira Panupong and others will attend a forum organised by the Chamber at Cinema 2, Barbican Centre.

Visit to Stoneleigh Agricultural Centre, by His Excellency Mr Chuan Leekpai

Mr Kasit Piromya and a Private Secretary will accompany

Meeting with Committee on Invisible Exports by His Excellency Mr Phaichitr Uathavikul

The Deputy Minister of Finance accompanied by Dr Snoh, Mr Chira Panupong and Mr Virul Aunstnunta will arrive at the Mansion House, Walbrook Entrance, at 1015 and be met by the Rt Hon the Lord Mayor of London, Sir Christopher Leaver GBE Dr Mus. The Committee Meeting will be chaired by Mr Peter Tripp CMG, and participants will leave at 1210 for Tallow Chandlers Hall without attending His Excellency General Prem's call on the Lord Mayor from 1200 to 1230.

B C Burrough
Visits Section
Protocol and Conference Department
Tel: 233 4227

23 April 1982

D I S T R I B U T I O N

10 DOWNING STREET

Private Secretary/Prime Minister (2)
Press Office (1)

ROYAL THAI EMBASSY

Ambassador (2)
Chawat Arthayukti (15)

DEPARTMENT OF TRADE

Private Secretary to Secretary of State (2)
Private Secretary to Minister of State (2)

DEPARTMENT OF ENERGY

Private Secretary to Minister Of State

MINISTRY OF AGRICULTURE FISHERIES AND FOOD

Private Secretary/Minister of Agriculture. (2)

HM TREASURY

Private Secretary/Financial Secretary

EXPORT CREDITS GUARANTEE DEPARTMENT

Mr Sedman (1)

BANK OF ENGLAND

Deputy Governor/Mr C W McMahon (2)

FOREIGN AND COMMONWEALTH OFFICE

Private Secretary (2)
Private Secretary/Minister of State (2)
PS/PUS (1)
Mr J L Bullard (1)
SEAD (Mr Stitt)(6)
Head of Missions Section (2)
News Department (3)
Resident Clerk (1)
Protocol andConference Department (8)

GOVERNMENT HOSPITALITY FUND

Brigadier J A C Cowan (1)
Mr C Taylor (1)
Mr J Watt (12)

The National Archives

DEPARTMENT/SERIES PREM 19 PIECE/ITEM 2877 (one piece/item number)	Date and sign
Extract details: Car passenger lists attached to Administrative Plan for visit 27-30 April 1982: minute by Burough dated 23 April 1982	X
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RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	20 April 2017 CWayland
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NUMBER NOT USED	
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DOCUMENT PUT IN PLACE (TNA USE ONLY)	

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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.
Do not enter details of why the extract is sensitive.

If closed under the FOI Act, enter the FOI exemption numbers applying to the closure, eg. 27(1), 40(2).

Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer or Number not used.

Foreign and Commonwealth Office

London SW1A 2AH

27 April 1982

Dear John,

Official visit of Thai Prime Minister: Briefing and Toast

/ I enclose notes for a toast at the Prime Minister's luncheon.

/ I also attach a revised page 2 of the background to Brief No 5 (Trade Policy Issues). We learned this afternoon that an agreement on manioc was reached recently in Brussels, by a Thai delegation with the Commission.

We understand that General Prem will have a 'five minute' speech of thanks in his pocket.

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing St

DRAFT NOTES FOR TOAST

DSR 11C

Glad to have opportunity of adding own congratulations on 200th anniversary of ~~founding of~~ Thai Royal Family and of establishment of Bangkok as capital.

Delighted Thai Prime Minister and so many of his Cabinet have come to Britain. ~~Visit must represent the most wide ranging exchanges of view ever in~~ Relations between our two countries have a long and friendly history. 1612 saw the first contact when the master of the British vessel 'Globe' remarked on the beauty and sophistication of the then capital Ayuthya (ay-you-tee-ya). ~~The nineteenth century saw first commercial treaty - in 1855: Thailand's first with a Western country. And~~ Today, we see expanding trade and economic cooperation, as Thai economy develops ~~in impressive fashion.~~ impressively

Thailand signed a commercial treaty with the U.K. – its first with a western country

~~Confident that visit will further strengthen ties.~~ Pleased that General Prem has brought so many senior Thai businessmen with him. Believe British firms have valuable role to play in Thailand's development - through trade and through investment. Already see signs of this. Shell have discovered oil in Thailand ~~in what~~ we all hope it will be a significant find. Davy Corporation has just concluded contracts for important role in major oil refinery expansion - TORC project. (Good to see Sir John Buckley of Davy ~~at luncheon~~ here.) Contribution by UK consultants valuable also - eg study by Coopers and Lybrands of development of Eastern Seaboard of Thailand (C and L represented today by Professor Forster). May trade in both directions continue to flourish and expand.

But trade can only flourish in a peaceful world. Welcome opportunity visit offers for discussions ~~also~~ about international scene. Our support for your attempt to find a peaceful and honourable solution to the crisis created by Vietnam's invasion and occupation of Cambodia

/demonstrates

demonstrates our concern for principle of self-determination and determination to resist aggression. The parallel with Argentine invasion of Falklands not exact but close enough, and the principles at stake are the same. Friends must and do support one another in their efforts to preserve the rule of international law.

[TOAST TO THE KING OF THAILAND]

PRIME MINISTER

Visit of Thai Prime Minister

I suggest we have talks in the Cabinet Room.

On their side the following will attend:

General Prem: Prime Minister
Air Chief Marshal Siddhai: Foreign Minister
Mr. Phan Wannamethee: the Thai Ambassador
Interpreter/note-taker

On our side there will be:

Lord Belstead
Mr. Justin Staples: our Ambassador in Bangkok
Mr. Alan Donald: Foreign and Commonwealth Office

The Prime Minister speaks reasonable English but is apparently not very easy to talk to. His Foreign Minister may do much of the talking.

You will want to end the talks promptly at 1.00 (or perhaps rather before) so that you can receive your main guests before going down to meet Princess Alexandra and Mr. Ogilvy at 1310.

I attach notes for a short speech after lunch.

27 April 1982

FILE Copied to: Mr. Coles

PRIME MINISTER

Wednesday, 28 April: Lunch
for Prime Minister of Thailand

H.R.H. Princess Alexandra and Mr. Ogilvy arrive at 1310. All your guests should have arrived by then and this will enable you to go to the front door to greet them.

Agree?

CS

26 April, 1982

SPECIALIST PARLIAMENTARY SERVICES
01- 353 5272

Their file

HAZLITT HOUSE
4 BOUVERIE STREET
LONDON EC4Y 8AR

23 April 1982.

Sir William Clark M.P.
House of Commons,
SW1.

I have been asked to assist in bringing to the attention of Government and Members of Parliament contracts won by Foster Wheeler Energy Ltd and Foster Wheeler (Process Plants) Ltd. I enclose a Press release which explains the details.

My purpose in writing to you is to remind you of the visit to London next week of General Prem, Prime Minister of Thailand for talks with Mrs Thatcher. It is possible that the contracts may be discussed.

Foster Wheeler have been working to get finance for the contracts from ECGD and COFAS. The project is being sold on the basis that such is the need for increased refinery capacity in Thailand that it will speedily p for itself and that the repayment of any ECGD/COFAS loan will be made out of earnings.

I draw to your attention the final paragraph of the Press release which gives an estimate of the likely benefits to British industry.

Please let me know if there are any more details you would like.

Best wishes,

Yours sincerely

John Thomson

Extel Public Relations

Extel GROUP

4, BOUVERIE STREET, LONDON EC4Y 8AB

TELEPHONE 01-353 5272 · TELEX 263609 and 24783

Date: 13th April, 1982

To: Editors, Financial, Technical and Trade Press
Energy Correspondents

You will see from the enclosed press release that our clients Foster Wheeler Energy Limited have signed a £470 million contract with the Thai Oil Refinery Company Limited. (This is Foster Wheeler's third major gain in a month, the other two contracts being in Saudi Arabia and Sweden.)

Naturally we wanted to inform you of this latest success as speedily as possible, but you may not be aware that General Prem, Prime Minister of Thailand, will visit the UK at the end of April, and his presence will obviously give additional stimulus to the announcement.

His 2-day visit is primarily an economic mission and he will be accompanied by some of his ministers and leading businessmen. We understand that a press conference will form part of his agenda, besides meetings in Whitehall and a forum sponsored by the London Chamber of Commerce.

If we can help you with any further information on behalf of Foster Wheeler, please contact Susan Harley or George Metcalfe at the above address.

Extel Public Relations

Extel GROUP

4, BOUVERIE STREET, LONDON EC4Y 8AB TELEPHONE 01-353 5272 · TELEX 263609 and 24783

REFINERY EXPANSION CONTRACT IN THAILAND FOR FOSTER WHEELER

Foster Wheeler Energy Limited and Foster Wheeler (Process Plants) Ltd have signed contracts with The Thai Oil Refinery Company Limited (TORC) appointing Foster Wheeler as overall Project Managing Contractor for a major expansion of their petroleum refinery located at Sriracha, about 50 miles east of Bangkok on the coast of the Gulf of Thailand.

Refining capacity will be almost doubled to 120 000 barrels per day, and by selecting a hydrocracker as the main process conversion unit the expanded refinery will be able to maximise production of the middle distillates, kerosene, gas oil and diesel to satisfy the much increased domestic demand. Total cost of the expansion project is estimated at US $820 million.

Foster Wheeler's present assignment for TORC continues an association which began with a contract awarded in 1980 to carry out an extensive feasibility study of the proposed project.

Foster Wheeler's responsibilities under their new management contract will include the monitoring and co-ordination of the work of the British/French joint venture Technip S.A./ Procofrance S.A./Davy McKee (Oil & Chemicals) who have been appointed as main contractor for execution of the project.

.../2

Foster Wheeler's role also covers the continuing provision of advice and assistance to TORC in establishing the financial structure for the project. N.M. Rothschild & Sons Limited are providing the specialist financial expertise necessary for this vital element under a separate contract with Foster Wheeler.

It is anticipated that orders for plant, equipment and services amounting to about US $640 million will flow in roughly equal proportions to industry in Great Britain and France.

Further information: Extel Public Relations Limited
01-353 5272
Susan Harley (home: 01-788 2854)
George Metcalfe (home: 030-381 2188)

12th April, 1982
FW/3

List of those who also received the information.

Rt.Hon Sir Geoffrey Howe M.P.

Rt Hon James Prior, M.P.

Anthony Grant M.P.

Keith Wickenden M.P.

Teddy Taylor, M.P.

Peter Rost M.P.

Kenneth Warren M.P.

File

ds

Thailand

22 April 1982

Official Visit of Thai Prime Minister

Thank you for your letter of 21 April. The Prime Minister agrees that you should plan on the basis you suggest.

JOHN COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.

(1)

Foreign and Commonwealth Office

London SW1A 2AH

21 April 1982

Prime Minister
Content with X?
A.J.C. 21/4

Dear John,

Official visit of Thai Prime Minister, 27-30 April

We have been giving thought to the possible implications for General Prem's visit next week (my letter of 24 March) of our continuing preoccupation with the Falkland Islands crisis.

For a number of reasons we believe that, even if the Prime Minister has to bow out of the programme altogether, the Thais would prefer to go ahead with the rest of the programme, so far as possible. They would naturally be very disappointed if General Prem could not call on the prime Minister as planned and if the Prime Minister's lunch had to be cancelled. Nevertheless, on the face of it, the rest of General Prem's programme might be expected to survive. In particular, there is no reason to suppose that the crisis need affect the engagements he had in the City of London on 29 April. Nor, on the face of it, need the crisis interfere with the various ministerial calls planned for the accompanying Thai Ministers on their opposite numbers - essentially in the economic field. In any event, we would not expect the Thais to want to postpone the visit lock stock and barrel, if only because it falls between similar visits to Austria and France.

The Thai Ambassador, whom we have consulted very informally, takes this view. He would not exclude the possibility that Prem himself might prefer to remain quietly in Europe while the rest of the party came here as planned. But this is not what he would expect Prem to decide. His absence would detract considerably from the Thai descent upon the City. And Phan believes he would wish to go ahead with the call on the Prince of Wales at Windsor.

X In these circumstances it is Mr Pym's view that the visit should be maintained. If the Prime Minister herself has to withdraw from her engagements at the last moment, the Thais will understand, although we should of course give them as much notice as possible (the Thai Ambassador leaves to join his Prime Minister in Brussels around lunchtime on Friday); and, clearly, it would be much appreciated if the Prime Minister were able to fit in a call, however short, rather than drop out of the programme altogether.

I would be grateful if you could let me know whether the Prime Minister agrees that we should plan on this basis.

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing St

file

ds

MR. THATCHER

Lunch for the Prime Minister of Thailand: Wednesday 28 April

You were to have been away on this date and the invitations have in fact gone out in the Prime Minister's name alone. However, would you like to attend after all? No. The Ogilvys are coming.

CAROLINE STEPHENS

19 April 1982

N Coles

Thailand

10 DOWNING STREET

6 April 1982

Professor Christopher Foster
Coopers & Lybrand Associates Ltd
Shelley House
3 Noble Street
LONDON
EC2V 7DQ

Many thanks for your letter of 1 April. I am copying the letter and the enclosure to John Coles in the Private Office here. I spoke to him following our earlier discussion, and he said he thought there would be no difficulty about ensuring that you were "involved" in some aspect of General Prem's visit.

Thank you for your good wishes regarding my future after I leave No.10. There are a number of interesting possibilities already being floated, though I am not leaving to go into a full-time job, at least for some months. I have always taken a strictly "task-orientated" approach to this job, believing that the correct planning and doing period is from mid-Parliament to mid-Parliament, weaving Election and policy into a single "project".

I would much enjoy lunch, but don't worry if your diary, like mine, is tight during April. I shall be away for the whole of May, but maybe we could lunch in June if April looks too crowded.

JOHN HOSKYNS

Coopers &Lybrand associates

Coopers & Lybrand
Associates Limited
management consultants

Shelley House 3 Noble Street
London EC2V 7DQ

telephone 01-606 4040
telegrams Colybrand London
telex 887470

a member firm of
Coopers & Lybrand (International)

our reference

J Hoskyns Esq
10 Downing Street
London WC1

1 April 1982

Dear John

The Visit of General Prem

I was speaking to a Mr Sitts of the FCO who is organising this visit. Because of what he said I think it would be useful if I sent both you and him a short note on what it was we were doing in Thailand, and why I believe it sufficiently close to the direct interests of General Prem, and important for British interests, to justify my being involved in the arrangements for the visit in some way or another.

I was very sorry to learn that you are going. I hope it is to something exacting and exciting. I hope you will have time to have lunch before you go. May I ask my secretary to ring your secretary to arrange this.

Yours sincerely

pp. Anne Bourke.

C D Foster

1970

directors David C Hobson Brian A Maynard Raymond L Emmitt Donald R Chilvers J Ian Andrew Alan W Brookland The Lord Chorley Ian C W Hancock B Hugh R Hudson-Davies Peter M Burnham Neil S Boggon Geoffrey Foster Ernest P Morris Donald Wilkes George F Cockerell John M Andrews D Michael Fleming David N Miller Christopher D Foster A John Pendlebury Timothy J Powell Clive R Williams John P Bragg (Australian) William F Rooke

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consultants Professor Gordon Cameron T Bernard Russell

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Abacus House Gutter Lane Cheapside
London EC2V 8AH

Note on Thailand Eastern Seaboard Development

Thailand has a major problem in:

(a) deciding how to finance and where to locate major new heavy industries;

(b) deciding to attract inward investment to bolster other parts of its industrial base, where to locate these, and what forms of joint venture or other organisational form to adopt;

(c) deciding what industrial policies they should adopt to stimulate industrial development, inward investment, and decentralisation from Bangkok.

As it happens this is of direct interest to General Prem who, not only chairs a special cabinet committee, but takes a close personal interest in it. Dr Sno (who will be with his PrimeMinister) told me that Prem rates this issue of the development of the Eastern Seaboard as his single most important domestic political issue, and of first importance for the next election.

We have been given the job of trying to provide answers to these questions, as well producing a development programme for the Eastern Seaboard. I will be making a presentation of this to General Prem personally in July. It is a large job for us (nearly £1,000,000) but, as it contains most of the really large industrial projects planned for the next 10 years, it has very important knock-on possibilities for British industry since there will be many multi-million projects, industrial and infra-structure. This is the kind of project which is very much a gateway to other things.

pp 'Aine Bourke

C D Foster

1st April 1982

vb

Thailand

26 March 1982

Official Visit by the Prime Minister of Thailand

Thank you for your letter of 24 March. The Prime Minister is content with these arrangements and agrees that her talks with General Prem Tinsulananda should be limited to the two Prime Minister plus two others on each side (in addition to Private Secretaries).

AJC

John Holmes, Esq.,
Foreign and Commonwealth Office.

(1)

Prime Minister

(a) Content with arrangements in general

(b) Agree that we should limit numbers for your talks to the 2 Prime Ministers plus 2 others on each side?

A.J.C. 25/3.

Foreign and Commonwealth Office

London SW1A 2AH

24 March 1982

Dear John,

Official Visit by the Prime Minister of the Kingdom of Thailand
27 - 30 April

You agreed some time ago that the Prime Minister would see and give lunch to General Prem Tinsulananda. You may find helpful some details of his proposed visit. This will be his first visit to Britain as Prime Minister. He also holds the Defence Portfolio. He last visited this country in February 1979 as a member of the official party accompanying the then Prime Minister, General Kriangsak, when he was Deputy Minister of the Interior (and Army Commander in Chief).

General Prem's journey to Europe in April and May is at his own initiative and will include Belgium, Austria and France, as well as the UK. The major aims of the tour appear to be to promote trade and European investment in Thailand. During his recent ASEAN tour, Lord Carrington confirmed to General Prem that the Prime Minister would be glad to see him on 28 April.

Though initially a somewhat diffident and reluctant Premier, in the last few months General Prem has shown a more decisive approach to his position as Prime Minister, and now seems likely to continue in office until the election of April 1983. He appears to be most at home carrying out the ceremonial duties of the premiership, rather than giving a lead to his team or determining policy. In his decision to visit Europe, there is almost certainly an element of image building, of an attempt to build up a reputation as a figure on the world stage.

/General Prem

General Prem will be accompanied by a large official party, including a number of Ministers, together with some twenty senior businessmen. The accompanying Ministers are the Foreign Minister, Air Chief Marshal Siddhi; the Finance Minister, Mr Sommai Hoontrakul; the Industry Minister, Major General Chatichai; the Agriculture Minister, Mr Chuan; the Commerce Minister, Dr Punnamee; and the Minister of the Prime Minister's Office, Flying Officer Suli. The official party also includes the Secretary General of the National Economic and Social Development Board, Dr Snoh. Fifteen members of the official party will be guests of HMG.

The Prime Minister has offered one hour of talks on 28 April at noon followed by lunch. At the talks with the Prime Minister, the Thais have suggested that General Prem might be accompanied by the Thai Ministers and Dr Snoh. Alternatively, they have proposed that the two Prime Ministers have a restricted session for about twenty minutes (accompanied by one or two Ministers, at least on the Thai side), the other senior Thais joining for the remainder of the hour. Our recommendation is that the talks should basically be confined to the Thai Prime Minister plus two of his Cabinet colleagues. He is not the easiest conversationalist, and the meeting might go more smoothly with the help of more experienced operators like Siddhi. If necessary, the rest of the Thai team could join in just before lunch for a few minutes.

General Prem will be mainly interested to learn the Prime Minister's views on current international issues. He will wish to describe the trade and investment aims of his mission and may wish to raise EC/ASEAN co-operation and current Thai and British policy in the face of the continued Vietnamese occupation of Cambodia. None of these presents us with any great difficulties as topics for discussion.

General Prem will pay a short courtesy call on the Prince of Wales. We are making arrangements for the Thai Cabinet Ministers to meet their British counterparts. We are considering the prospects for visits by at least part of the group to some aspects of British industrial activity that might offer pointers for increased British exports to Thailand. The Thai delegation will have extensive talks with the private sector, both industrial and commercial. The exact nature of these arrangements will depend to some extent on the interests of the businessmen whom General Prem brings with him and has still to be decided. A dinner in General Prem's honour and hosted by a Government Minister is under consideration.

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street



14 MAR 1982

Alan
Sorry No
Try Sue Goodchild?
K 19/3

Kay
Do you have any pp's please. If so please let me have them AD 18/3

Thailand

16 March 1982

MR COLES

cc Mr Scholar

PRIME MINISTER OF THAILAND

I note that the Prime Minister is giving a lunch for the Prime Minister of Thailand, during his visit, on Wednesday 28 April. I am not sure what sort of "cast" will be assembled for this lunch, but would like to suggest that Christopher Foster of Coopers and Lybrand might be one of the guests. He has been to one or two businessmen's lunches given by the Prime Minister in the past, is a member of the Megaw Inquiry, and Coopers and Lybrand have a lot of work on hand or in the balance for the Thai Government, where they are working on projects aimed to move the development of Thailand in the Taiwan/Singapore direction, ie another Western-oriented free market NIC. Foster has done some good work for us, (eg on the British Rail electrification proposals, at our suggestion) as well as the Megaw exercise. It would be nice if he could be asked.

JH

JOHN HOSKYNS


Grey Scale #13
C
Y
M
A 1 2 3 4 5 6 M 8 9 10 11 12 13 14 15 B 17 18 19