

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

FOR RESIDENT CLERK FROM CHARLES POWELL

YOUR TELEGRAM NO 381 : MALAYSIAN DEFENCE PACKAGE

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

BEGINS:

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

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

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

WITH RENEWED THANKS FOR YOUR HOSPITALITY AND WARM REGARDS.

ENDS

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

TONKIN

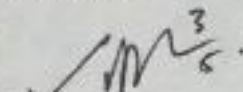
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NNNN

\* still to do.

MINUTE

  
 HC  
 PS/No. 10

CANBERRA: THANK YOU LETTERS

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

Your Excellency

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

Dear Bob

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

Dear John

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

Dear Dame Beryl

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

Dear Mr Randall

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

Dear Mr Anderson

Cont../

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

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

*See index 3/8.*