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Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

This summarizes
the action taken to follow
up your recent visits.

23 April, 1985

It also attaches instructions to
the High Commissioner in Colombo to
encourage President Jayawardene to
take a political initiative towards
the Tamils.

Yes not

Dear Charles,

Agree the instructions?

Prime Minister's Visit to South East Asia, Sri Lanka, India
and Saudi Arabia

CDB
23/4

Your letter of 15 April listed a number of points arising from the Prime Minister's visits which needed to be followed up. This letter summarises the action we have taken or propose to take.

[The question of
security & military
assistance to Sri
Lanka is on
separate papers.]

Malaysia

(a) Air Services

On the airlines tax measure our High Commissioner is already pressing his EC colleagues and others interested to urge their airline representatives (through the Board of Airline Representatives) to make a further collective approach to the Ministry of Finance. We are taking similar action here with foreign missions, and the Department of Transport have lobbied the Germans in Bonn: they are probably the most important of the other European carriers. On the 5th frequency point, BA have now agreed with MAS that airline talks will take place in mid-May. MAS have (perhaps not unexpectedly) put forward maximal requests by giving notice that they are under instructions from their government to press for:

- (i) the introduction of the additional frequency in April 1986, which would not be subject to the capacity restrictions which affect their current services to London; and,
- (ii) agreement on arrangements for progress to the 6th and 7th frequencies

(b) Visits

The Malaysian MFA have told us that Dr Mahathir has mentioned September 1986 as a possible date for his official visit to the UK. It would be useful to know whether we could offer the Malaysians dates within this period. As to Dr Mahathir's suggestion for more contacts between British and Malaysian Ministers, Mr Jopling (or Lord Belstead), Mr Channon and



Mr Luce all have tentative plans to visit Malaysia in 1985. There is also a possibility that Mr Heseltine may accompany the war widows and veterans on a splinter group visit to Malaysia as part of their Far East visit in November; the Malaysians however, have yet to be consulted. Mr Gillmore will explore the possibility of a visit by Daim Zainuddin, the Minister of Finance, once the tax issue is out of the way. The Deputy Minister of Defence will visit the UK next month as a guest of FCO/COI.

(c) Malaysia/EC Trade and the GSP

The GSP offers duty-free access to the Community for an annual amount of plywood from each of the major exporting countries. There has been an increase in the amounts for 1985, the lion's share being allocated to the UK. Most other timber-based products are duty-free. In annual reviews the UK seeks to improve benefits in face of opposition from other member states, eg Greece, France, Belgium and Italy. On the review of the GSP, the Community awaits Commission proposals for 1986 and beyond.

BRUNEI

The Director Military Assistance Overseas, MOD, and Mr Bernard Breslin, Defence Sales Organisation, will visit Brunei from 25-29 April. They have been fully briefed to discuss the MOU and defence sales matters.

We are pursuing with DTI questions related to the management of Brunei's funds.

We are writing separately to our High Commissioner about both the MOU and fund management to repeat the Prime Minister's wish for early decisions. We will keep you in touch with developments.

The Sultan and Al-Fayed

Mr Luce met Mohamed Al-Fayed at lunch on 18 April. Al-Fayed expressed confidence that British business houses would soon again be more closely involved in the management of Bruneian investment funds.

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FOI exemption

AWayland

27 March 2014



As you know, the Foreign Secretary and the Prime Minister have discussed their anxieties about the future of Brunei. The Foreign Secretary has arranged for these to be considered in more depth.

INDONESIA

Aid

Since ATP terms are unacceptable to Indonesia, ODA is urgently examining scope for renewing capital aid pledges to the country for the period 1986/87-1988/89. Proposals would however need to be considered in forthcoming aid framework meetings within the limits of present financial restraints which I described in my letter of 19 April about the proposal for extending ATP to China.

DTI are pursuing the question of a science and technology agreement, and preparations for the visit of Dr Habibie in June for which firm dates are being sought. They will work in consultation with FCO Departments and with Sir R Nicholson of the Cabinet Office, as appropriate.

On trade matters, DTI and MOD have been briefed on specific projects identified during the Prime Minister's visit for follow up action and are similarly pursuing defence sales opportunities. The Director Military Assistance Overseas and a representative of MOD's Defence Sales organisation are visiting Indonesia in April and have been briefed.

We are examining the question of further Ministerial visits to Indonesia.

SRI LANKA

- (a) The Sri Lankan Government, with uncharacteristic efficiency, have already provided us with a detailed list of the numbers of armed service personnel discharged in 1983 and 1984 for involvement in excesses against the civilian population. They have also given examples of terrorist attacks which, they claim, were aimed at provoking service reprisals but which did not have the intended effect. I enclose a copy of the document forwarded to us by the Sri Lankan High Commissioner.
- (b) We think that the best way to encourage the Sri Lankan Government to respond to Mr Gandhi's ideas on parallel steps by India and Sri Lanka to reduce tension would be for us to instruct the High

/Commissioner



Commissioner to speak to President Jayewardene, making it clear that he was doing so on the Prime Minister's express instructions. He could give the President an account of the Prime Minister's talk with Mr Gandhi and enquire what further action he might have in mind. I enclose a draft telegram of instructions to Colombo.

- (c) *Passage deleted and closed under
FOI Exemption. (Wayland, 27 March 2014)*
- (d) The ODA will provide a further evaluation of the Samanala Wewa project shortly.
- (e) We have sent a telegram of instructions to our High Commissioner at Colombo about the shipping and air services problems.
- (f) We are considering urgently with the MOD the points in your letter of 22 April.

*Passage deleted and closed under
FOI Exemption
(Wayland
27 March 2014)*

SAUDI ARABIA

Given the religious festivities in Saudi Arabia in May/June and August/September it is most unlikely that the King will wish to travel outside the Kingdom before late September, although he may decide to come nevertheless in late June or July. Our Ambassador would prefer to wait a month or so before sounding out the King on his intentions.

COMMERCIAL PROSPECTS

The DTI will give a separate response shortly about action taken, as necessary, on their side to follow up on the commercial openings provided by the visit.

I am copying this letter to John Mogg (Department of Trade and Industry), Richard Mottram (Ministry of Defence), Hugh Taylor (Home Office), Richard Allan (Department of Transport), Richard Broadbent (Chief Secretary's Office), Michael McCulloch (ODA) and Richard Hatfield (Cabinet Office).

Ye are,
(P F Ricketts) *Peter Ricketts*
Private Secretary

CONFIDENTIAL

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cc: PC



10 DOWNING STREET

From the Private Secretary

24 April 1985

PRIME MINISTER'S VISIT TO SOUTH EAST ASIA, SRI LANKA,

INDIA AND SAUDI ARABIA

Thank you for your letter of 23 April summarising action taken following the Prime Minister's visits during the Easter recess.

The Prime Minister has noted the action in hand. She is content with the instructions to the High Commissioner in Colombo and the telegram enclosed with your letter may be despatched.

(C D Powell)

P Ricketts Esq
Foreign and Commonwealth Office

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