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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Datuk Seri Dr. Mahathir bin Mohamad,
Prime Minister of Malaysia, Kuala Lumpur (S)

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President for
National Security Affairs

DATE, TIME May 20, 1989
AND PLACE: Boston, Massachusetts

Prime Minister Mahathir: The Prime Minister raised the Cambodia issue and opined that the Khmer Rouge, left alone, could win out. (S)

The President: The President asked what might happen in China. (S)

Prime Minister Mahathir: The Prime Minister indicated that events might turn out like Burma if the authorities bring in troops from outside. However, they must worry about Hong Kong, Taiwan, etc. The students are trying to force the pace and this is not wise. The students should move more gradually and restrain themselves. China is not ready yet for elections. (S)

The President: The President characterized U.S.-Malaysian relations as being OK. Although it sometimes seems that they are swallowed up by the Cambodian problem and attention to ASEAN, the President declared that he did not want to neglect our bilateral relationship. The President raised the Uruguay Round indicating that it was the best way to work out trade problems. (S)

Prime Minister Mahathir: The Prime Minister indicated Malaysian support for the Uruguay Round. Our bilateral relationship is satisfactory but we have palm oil problems. There is a vicious anti-palm oil campaign (shows poster). (S)

The President: The President stated that we must honor labeling procedures but that labeling should be factual. (S)

Prime Minister Mahathir: The Prime Minister responded that Malaysia has tried to put out the facts, but the Federal Trade Commission has intervened to prevent the pro-palm oil message from being distributed. The scientific facts are difficult to

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sort out but the Food and Drug Administration said that the contents of "The Facts about Palm Oil" were accurate. (S)

The President: The President said that the Food and Drug Administration's position should prevail and agreed to look into the matter. (S)

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