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Add-on

THE WHITE HOUSE  
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Chatichai Chunhawan of Thailand (Ø)

PARTICIPANTS: The President  
James A. Baker, III, Secretary of State  
Robert Mosbacher, Secretary of Commerce  
Carla Hills, United States Trade Representative  
William J. Bennett, Director, Office of National  
Drug Control Policy  
John H. Sununu, Chief of Staff  
Brent Scowcroft, Assistant to the President for  
National Security Affairs  
Robert M. Gates, Assistant to the President and  
Deputy for National Security Affairs  
Daniel O'Donohue, Ambassador to Thailand  
Richard Solomon, Assistant Secretary of State,  
East Asia & Pacific Affairs  
Karl D. Jackson, Senior Director for Asian  
Affairs, NSC Staff (Notetaker)

Chatichai Chunhawan, Prime Minister  
Sitthi Sawetsila, Minister of Foreign Affairs  
Subin Pinkhayan, Minister of Commerce  
Prachuap Chaiyasan, Minister of Science,  
Technology, and Energy  
Korn Thappharangsi, Minister Attached to the  
Office of the Prime Minister  
Phatchara Isarasena, Permanent Secretary of the  
Ministry of Commerce  
Witthaya Wetchachiwa, Ambassador to the U.S.  
Sathianthai Surakiat, International Law Advisor  
(Notetaker)  
Kasem S. Kasemsi, Permanent Secretary, Ministry of  
Foreign Affairs (Interpreter to Prime Minister  
Chatichai)

DATE, TIME AND PLACE: June 14, 1990, 11:35 - 12:00pm, Expanded Meeting  
Cabinet Room

The President moved the meeting from the Oval Office to the  
Cabinet Room. (U)

The President: We are very pleased you are here. As every  
President since Dwight Eisenhower has done, I want to reaffirm  
strong American commitment to Thailand under the Manila Pact. We  
must maintain this commitment even in a time of diminished world  
threat. We start as friends and our relationship is expanding  
and evolving. This creates some problems which we can discuss  
here or at lunch. (Ø)

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In our earlier discussion of the narcotics problem, Prime Minister Chatichai made a good statement, "Do something about the demand for narcotics." We are waging an all out fight on the demand side and are making some progress. The Prime Minister has asked for our cooperation and we will try to help. (S)

I want to keep this meeting as informal as possible. Others should join the discussion. (U)

Prime Minister Chatichai: Mr. President, it is a great pleasure and honor to have this meeting. I hope this visit will mark a new era of relations between our two countries, a new economic relationship based on common interests such as joint ventures in ASEAN and in Indochina in the future. (S)

Living in the transnational era in diplomatic affairs, Southeast Asia benefits from positive trends. Looking forward to the post-Cambodia era, we look forward to economic competition replacing the battlefield in Southeast Asia. We want to work with you on refugees and displaced persons, narcotics, and the environment. We appreciate the technical advice and assistance supplied in the past. We are willing to negotiate in good faith to solve the trade problems. (S)

Prime Minister Chatichai next introduced his delegation and called upon Foreign Minister Sitthi Savetsila. (U)

Foreign Minister Sitthi: Mr. President, we know your security assistance has been diminishing but believe your interests in supporting Thailand remain the same. You are a real good friend. (S)

The President: We will continue to be good friends. (U)

Prime Minister Chatichai: Do you want more on the Vietnamese boat people? (S)

The President: Let me begin by saying we appreciate what Thailand has done by providing first asylum to 300,000 displaced Khmer. We are concerned that ASEAN might condition its provision of first asylum on our acceptance of force repatriation. (S)

We will continue to oppose involuntary repatriation but will continue to work with you and take as many refugees as possible. We continue to believe that voluntary repatriation will work. We ask for patience and that you not take actions that will remove the focus from Vietnam, the real cause of the refugee problem. (S)

Foreign Minister Sitthi: We will maintain the first asylum principle and provide humane assistance as long as we can. On the boat people -- Australian and others are increasingly concerned. In only four months there have been 4,000 boat people -- nearly equal to all of last year. (S)

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There is the problem of the screened-out and the screened-in. Regarding the screened-out, we are asking for involuntary repatriation, beginning July 1. We need your sympathy. If the screened-out remain in Thailand, this will be something for us to deal with in the future. (S)

Perhaps a holding center should be set up elsewhere for the screened-out. (S)

The President: I am trying to be understanding. I don't want to get cross-wise. You should talk in more detail with Secretary Baker. We want to try to be part of the answer here. Good talks today might help. (S)

Prime Minister Chatichai: I want to talk about narcotics. The Royal Thai Government has undertaken enforcement measures as mentioned in the aide memoir in Tokyo. Minister Korn is empowered to take action in my name on all narcotics matters. (S)

Minister Korn: I had a good productive meeting with Secretary Bennett this morning. Looking at the problem from this part of the world, we wish that policy toward Burma could be changed. You need a friend to work with inside Burma. (S)

The President: As a result of the recent elections, will there be more of an opportunity to find such friends? (S)

The bills being drawn up on the Hill against Rangoon will be counterproductive. We need Burmese groups on our side to control production of the Hill tribes within Burma. (S)

Secretary Baker: The election just held on May 27th could change the dynamics on the Hill but it won't happen unless there is a peaceful transition to civilian government and things are done to relieve the concerns voiced in the Monihan amendment. (S)

Secretary Bennett: This is similar to the Andean problem. We need friends in Rangoon. Minister Korn is concerned with the Monihan/Solarz view that there be no contact with Burma. (S)

Minister Korn: For the first time in ten years the Royal Thai Government has appointed someone to be in charge of the narcotics program. Perhaps Secretary Bennett and I can go to work on these problems. (S)

The President: As usual, we have 535 would-be Secretaries of State on the Hill trying to run foreign policy. We must avoid becoming handcuffed by our own good intentions. (S)

Minister Korn: Last week we passed a narcotics bill unanimously. This does not happen often in the Thai Parliament. (S)

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The President: We view your designation, like Bill Bennett's, as something that puts the focus on the narcotics problem. Perhaps Secretary Bennett can give us one or two minutes on the drug program in the United States. (Ø)

Secretary Bennett: There are two major things. People are changing their minds. The American people have seen what drugs can do and don't like it. Drug use is down in the U.S. education and prevention programs have begun to have a positive impact. (Ø)

The demand side is starting to turn around very directly. (Ø)

Prime Minister Chatichai: The demand side is very important. (Ø)

Secretary Bennett: It is down by about 35% in the U.S. (Ø)

Prime Minister Chatichai: I want to expand on the idea of our bilateral economic relationship. We believe there is a necessity for a general framework for economic matters. The first step might be to establish a consultative mechanism at the ministerial level to help with potential economic problems. The oriental approach features conflict avoidance and this will help our bilateral economic relationship. (Ø)

The President: We know of your interest. If it is agreeable to you, we are prepared to establish the Joint U.S.-Thai Committee under the Secretary of Commerce. We can announce it today, including commerce, trade, and investment. (Ø)

Minister Subin: We have met this morning. We hope to solve problems in the future before they arise, so that we do not need to deal with USTR. I asked if we could combine USTR and Commerce on the bilateral committee. (Ø)

The President: How did she respond? (Ø)

Minister Subin: She didn't. (Ø)

The President: Representatives from both departments must be present. This is legally required. If set up appropriately, there will not be mindless interagency conflict. (Ø)

Minister Subin: We think on both sides there should be two agencies. (Ø)

Minister Korn: If concerns are raised from Commerce or USTR, these could be resolved in the consultative committee. (Ø)

Concerning American investment in Thailand, in the past ten years U.S. investment has become number two. You have come back to that part of the world and this is encouraging to see American

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5

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companies participating such as Bell and Caltex. The Guardian Glass case will be solved within 24 hours. We will meet with the President of Guardian and will tonight bring about a solution. (S)

The President: If this can be done, this will remove a cloud over U.S. investment in the area. (S)

Minister Korn: This cloud will be removed. (S)

The President invited the meeting participants to lunch. (U)

-- End of Conversation --

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