

SECRET 30

cc: BORNEO + BRUNEI
Internal Slt.
March 82

SECRET

FM BRUNEI 190730Z JAN 84
TO PRIORITY FCO
TELEGRAM NUMBER 29 OF 19 JANUARY
INFO PRIORITY SINGAPORE

ADVANCE COPY

No 10 DSE
(FOR P.M.)

1. LORD FANSHAWE HAS ASKED FOLLOWING MESSAGE TO BE PASSED TO
THE PRIME MINISTER AND TO THE SECRETARY OF STATE.

QUOTE

DURING A PRIVATE MEETING ALONE WITH LEE KUAN YEW YESTERDAY
THE FOLLOWING POINTS WERE DISCUSSED BETWEEN US:

A) INTERNATIONAL DEMOCRAT UNION

LEE EXPRESSED GREAT INTEREST AND WILL CONSIDER POSSIBILITY OF
HIS PARTY APPLYING TO JOIN ORGANISATION. *ms*

B) HONG KONG

LEE VIEWS OUTLOOK FOR OUR NEGOTIATIONS WITH PEKING AS GLOOMY.
HE HOLDS LITTLE HOPE OF SUCCESSFUL NEGOTIATION
AS PEKING HAS MADE TOO MANY PUBLIC STATEMENTS WHICH GIVES CHINESE
LITTLE FLEXIBILITY WITHOUT LOSS OF FACE. HE CONSIDERS THAT
FOREIGN EXCHANGE ASSET PROVIDED BY HONG KONG IS LESS IMPORTANT TO
PEKING THAN THE POLITICAL/EMOTIONAL ISSUE. HE FORESEES HONG KONG
MIDDLE MANAGEMENT BECOMING DEMORALISED AND DANGER OF AN ECONOMIC
RUN DOWN WITHIN FIVE YEARS. LEE STRESSES THAT THIS WILL BE
DAMAGING TO SINGAPORE AS HIS ECONOMY FLOURISHES AND STRENGTHENS
IN COMPETITION WITH A PROSPEROUS HONG KONG. HE MUCH VALUED HIS
TALK WITH YOU IN DELHI.

C) PHILIPPINES

LEE GIVES MARCOS ONE TO THREE YEARS BEFORE DYING FROM SERIOUS
ILLNESS. HE SUSPECTS THAT IMELDA MARCOS AND A GENERAL WERE
INVOLVED WITHOUT HER HUSBAND'S KNOWLEDGE IN MURDER OF AQSIMO.
SHE NOW PLANS TO SUCCEED ON MARCOS' DEATH. LEE IS VERY WORRIED
ABOUT THE REAL DANGER OF U S FORCED WITHDRAWAL FROM PHILIPPINE
BASES. IF THIS OCCURS SOVIET PRESENCE IN CAM RANH BAY WILL CAUSE
GRAVE INSTABILITY IN THE AREA.

D) BRUNEI

LEE IS DISAPPOINTED THAT SULTAN HAS NOT TAKEN HIS ADVICE AND APPOINTED ABLE BRUNEIANS TO IMPORTANT CABINET POSTS. HE ASSESSES

THAT THERE ARE ABOUT 12 ABLE MEN IN BRUNEI. THREE OR FOUR SHOULD BE IN CABINET. IF THEY DON'T PERFORM SACK THEM. THAT IS HOW LEE RUNS HIS CABINET. HE TAKES A VERY CLOSE INTEREST IN BRUNEI WITH 400 SINGAPOREAN TROOPS IN PERMANENT TRAINING. HE FEARS INTERNAL TROUBLE IN ABOUT FIVE YEARS UNLESS SULTAN INVOLVES MORE EDUCATED BRUNEIANS IN GOVERNMENT. HE WOULD LIKE FRANCIS CORNISH TO CALL ON HIM AND DISCUSS SITUATION WHENEVER HE PASSES THROUGH SINGAPORE.

E) MAHATHIR IN KUALA LUMPUR IS BASICALLY ANTI BRUNEI AND WILL STIR UP TROUBLE IN DUE COURSE WHEN HIS OWN INTERNAL PROBLEMS WITHIN MALAYSIA ARE SORTED OUT. LEE TOLD ME THAT TAN SRI GAZALI LEAKED ALL CABINET DISCUSSIONS ON CONSTITUTIONAL PROBLEMS DIRECT TO THE MALAYSIAN SULTANS. MAHATHIR HAS DISCOVERED THIS AND AS A RESULT GAZALI'S POSITION IN THE GOVERNMENT IS VERY PRECARIOUS.

F) LEE TOOK HIS USUAL SUPPORTIVE AND FRIENDLY ATTITUDE BOTH TO YOU PERSONALLY AND THE CONSERVATIVE GOVERNMENT'S POLICY IN THE UK.

UNQUOTE

CORNISH

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