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10 DOWNING STREET

From the Private Secretary

9 April, 1985

PRIME MINISTER'S MEETINGS WITH MR LEE KUAN YEW
AT THE ISTANA ANNEXE IN SINGAPORE ON 8 APRIL

The Prime Minister had a small informal lunch with Mr Lee and four of his Ministers at the beginning of her visit to Singapore. (Mr Goh Chok Tong, First Deputy Prime Minister and Minister of Defence, Dr Tony Tan Keng Yam, Finance, Education and Health Minister, Mr Ong Teng Cheong, Second Deputy Prime Minister and Professor S Jayakumar, Minister of Home Affairs). She and Mr Lee subsequently held a *tete-a-tete* meeting which lasted until shortly after 1600 hrs. This letter records briefly some of the points which arose over lunch and others which the Prime Minister has passed on about her *tete-a-tete*.

The discussion over lunch ranged widely covering such matters as declining standards of Parliamentary behaviour, the televising of Parliament, the changes wrought in the character of countries as a result of immigration, and the foreign policy problems increasingly presented by minority communities such as Sikhs. Only Mr Lee spoke on the Singapore side. His Ministers were mute.

Rather more substantively, there was a discussion of Mr Lange's non-nuclear policy in New Zealand. Both Prime Ministers agreed that Mr Lange's approach to strategic issues was naive. Mr Lee lamented the fact that the New Zealanders had once been the most robust members of the Five Power Defence Arrangement but had moved to the opposite extreme, although they were intending to retain their battalion in the area. The Prime Minister described the discussion which she had had with Mr Lange about nuclear ship visits. Mr Lee said that he was seriously concerned about the erosion of the Anzus Pact as a result of Mr Lange's policies. It was all right to cock a snook at the Americans in some areas of lesser importance where they were prepared to turn a blind eye, and not notice the snook that was being cocked. But this was serious. The Prime Minister commented that while the United Kingdom was prepared to be tolerant of New Zealand because of our long historical connection and to continue to help them in the EC context, there was no doubt that the Americans would make the New Zealanders pay for their sins.

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There was also a discussion of Cambodia. Both lamented the horrors which had been wrought upon that unfortunate country by the Pol Pot regime. Mr Lee said the Cambodians had never hurt anyone: now they were decimated and cowed. He did not expect any basic or early change in the situation there. The older generation of Vietnamese leaders were very stubborn and would not admit that they were wrong. The Vietnamese would push on until all the camps within Kampuchea were destroyed. There was a risk that thereafter they might try to attack the resistance and the refugee camps in Thailand. Continuing in a more philosophical vein, Mr Lee ruminated that it was ironic how the Communist governments had turned against each other in South East Asia rather than uniting to expand their sway. Five years ago everyone had expected Thailand to be the next to fall to Communism. In fact the opposite had happened and large areas had been cleared of Communist guerillas. Thailand was a domino that never fell.

Mr Lee went on to recall how Deng had told him that the Vietnamese were "ungrateful wretches": never a word of thanks for the massive aid which China had given during the Vietnam war but instead an assault on China's interests in the region. This led Mr Lee on to develop the idea that it was as well for countries like Singapore and Malaysia that China had been so pre-occupied over the last twenty years with its internal struggles and with the cultural revolution. Had that period instead been devoted to building the country's economic strength, China would have become an unstoppable influence in the area and Singapore and her ASEAN partners would have become peoples' republics.

There was some discussion of the Soviet Union in which Mr Lee lamented the waste of time and energy involved in keeping an eye on Soviet activities in Singapore. He wished he had never let them in.

Mr Lee also complimented the Prime Minister very warmly on the success of the Hong Kong negotiations. He would never have believed that the Chinese Government could be persuaded to put their names to such a detailed document. Every element necessary for maintaining confidence in Hong Kong had been included. It was a triumph of negotiating skill which must have involved a large number of able people.

The only action point which arose during the Prime Minister's tete-a-tete with Mr Lee concerned Brunei. Mr Lee spoke of his worries about corruption in Brunei and the degree to which the Sultan was out of touch with his people. He undertook to telephone the Sultan to try to persuade him to accompany the Prime Minister on her tour of the hospital and river trip. We were subsequently told by Mr Lee's Private Secretary that he had done so, but the reply had come back that it was too difficult to change the programme at short notice.

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Otherwise the discussion touched on East/West relations, arms control, Sino-Soviet relations, regional issues (notably Indonesia, Philippines and Malaysia), international economic matters including the strength of the US dollar and oil prices. Mr Lee did not raise air services and Singapore Airlines' request for additional services to Manchester. Nor were any other bilateral matters mentioned.

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