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FM BRUNEI 090836Z APR 85  
TO IMMEDIATE JAKARTA  
TELNO 2 OF 9 APRIL

FOLLOWING FOR POWELL : PRIME MINISTER'S VISIT TO BRUNEI :

9 APRIL : AUDIENCE WITH SULTAN

1. PRIME MINISTER SAW SULTAN FOR ABOUT 30 MINUTES. I WAS ONLY OTHER PERSON PRESENT. PRIME MINISTER DID NEARLY ALL THE TALKING. SULTAN LISTENED CAREFULLY, WAS ANXIOUS TO PLEASE, BUT SAID LITTLE OF SUBSTANCE. IT WAS, I FEAR, A TYPICAL PERFORMANCE. PAST EXPERIENCE SUGGESTS THAT HE MAY HAVE TAKEN IN MORE THAN WAS APPARENT, BUT HOW MUCH ACTION HE WILL TAKE AS A RESULT IS UNCERTAIN.
2. PRIME MINISTER SAID THAT SHE HAD SPOKEN AT LENGTH TO DR MAHATHIR AND MR LEE KUAN YEW. THE LATTER IN PARTICULAR WAS EXTREMELY SOUND. HE HAD MADE A TREMENDOUS SUCCESS OF SINGAPORE WITHOUT BRUNEI'S FINANCIAL RESOURCES AND WAS WELL WORTH OBSERVING AND HEEDING. SULTAN AGREED. HE WAS IN REGULAR TOUCH WITH MR LEE.
3. PRIME MINISTER EXPLAINED THE THINKING BEHIND MR LEE'S SUGGESTION ON 8 APRIL THAT SULTAN SHOULD ACCOMPANY PRIME MINISTER ON HER PROGRAMME IN BRUNEI. SHE HAD BROUGHT WITH HER A GROUP OF JOURNALISTS WHO WOULD ENSURE THAT HE WAS SEEN AMONG HIS PEOPLE. THIS WOULD HELP CREATE AN INDISPENSABLE PERSONAL BOND. IN BRITAIN EVERYONE WAS CONVINCED THAT CONSTITUTIONAL MONARCHY WAS THE BEST WAY. THIS CAME ABOUT LARGELY BECAUSE EACH BRITISH MONARCH TOOK THE TROUBLE TO EARN THE LOYALTY OF THE BRITISH PEOPLE. THE SULTAN SAID HE WELL UNDERSTOOD. BEFORE INDEPENDENCE HE HAD MADE REGULAR VISITS TO VILLAGES AND HE PLANNED TO START AGAIN. ALREADY HE WENT TO A NUMBER OF DIFFERENT MOSQUES AND MET THE PEOPLE THERE. PRIME MINISTER SAID, IN CONTEXT OF BRUNEI'S FIVE YEAR DEVELOPMENT PLAN, THAT IT WAS ALSO IMPORTANT TO EXPLAIN POLICY TO THE PEOPLE - TO PUT ACROSS NOT ONLY WHAT WAS PLANNED BUT WHY. MR LEE WAS A MASTER AT THIS.
4. PRIME MINISTER SAID THAT THESE POINTS WERE PARTICULARLY IMPORTANT BECAUSE SOME OF BRUNEI'S REBELS FROM 1962 WERE STILL IN MALAYSIA. THEY NEEDED WATCHING SINCE THEY COULD BE USED TO CAUSE TROUBLE. IT WAS VITAL TO FORESTALL THIS BY FORGING A SOLID BOND WITH THE PEOPLE. IT WAS IMPTRTANT TO WATCH ONE'S BASE.

5. PRIME MINISTER SAID WE WANTED OUR FRIENDS TO SUCCEED AND PROSPER BECAUSE THEY WERE OUR FRIENDS, NOT JUST TO GET SOMETHING OUT OF IT FOR OURSELVES. THE ADVICE OF BRITISH FIRMS AND BANKS WOULD ALWAYS BE IMPARTIAL. KLEINWORT BENSON, MORGAN GRENFELL AND JAMES CAPEL WERE ALL FIRST-RATE AND GENUINELY WANTED TO CONTRIBUTE. SULTAN GAVE AN ASSURANCE THAT BRUNEI STILL WANTED TO INVEST IN BRITAIN. THE POSITION OF MORGAN GRENFELL AND JAMES CAPEL WAS SECURE.

7. PRIME MINISTER SAID SHE HAD BEEN IMPRESSED BY BRUNEI'S HOSPITAL AND WHAT SHE HAD HEARD OF THE EDUCATION SYSTEM. IT WAS IMPORTANT FOR PEOPLE TO REALISE THAT THESE EXCELLENT SERVICES CAME FROM THE SULTAN'S GENUINE CONCERN FOR HIS PEOPLE. SHE WAS GLAD TO HEAR BRUNEI WAS PLANNING TO ESTABLISH A UNIVERSITY AND SHE KNEW THAT BRITISH FIRMS WERE KEEN TO CONTRIBUTE. SHE MENTIONED TAYLOR WOODROW. SULTAN SAID THAT BRUNEI WOULD USE BRITISH ADVICE ON THE UNIVERSITY.

8.

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9. ON BRUNEI SHELL PETROLEUM, SULTAN SAID THE RECENT ARTICLE (26 MARCH) IN ASIA WALL STREET JOURNAL WHICH SUGGESTED THAT THE BRUNEI GOVERNMENT WAS DISSATISFIED WITH SHELL WAS MISLEADING. SHELL HAD BEEN IN BRUNEI SINCE 1929 AND HAD DONE MUCH GOOD. THE PRIME MINISTER SAID SHE HAD BEEN PLEASED TO SEE THE BRUNEI GOVERNMENT'S PRESS STATEMENT ON THIS.

8. PRIME MINISTER SAID SHE HOPED TO SEE SULTAN AT THE 1985 CHOGM. MR LEE WOULD ALSO BE THERE TO GUIDE HIM. THE SULTAN SAID HE PLANNED TO ATTEND.

CORNISH

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PRIME MINISTER'S SPEECH

AT THE

SULTAN OF BRUNEI'S LUNCH

TUESDAY, 9 APRIL 1985

E. R.

Your Majesties, your Royal Highnesses.

I am proud and delighted to be the first British Prime Minister to visit Brunei Darussalam.

Just over a year ago in this magnificent palace and in the presence of the Prince of Wales and many other eminent figures, your Majesty said that Brunei Darussalam did not intend to abandon its long established friendships, and expressed the hope that the relationship with Britain would always be a cordial one in the years to come.

It is certainly a long standing friendship.

It was first put into the written word in the

Treaty of 1847 which declared that "peace, friendship and good understanding shall from henceforward and forever subsist between Her Majesty The Queen of Great Britain and Ireland, and His Highness Omar Ali Saifudeen Sultan of Borneo, and between their respective heirs and successors and subjects".

Those words are as good now as they were then.

Although I have not been here before, I feel at home in this country.

That is because of your Majesty's warm hospitality.

It is also because our links are so strong.

E. R.

Over the years the relationship has been, for the most part, a happy and fruitful one, and the role played in this by His Royal Highness The Seri Begawan Sultan has been a most significant one.

I am told that Your Royal Highness is writing his memoirs of a long and illustrious life. It will be a fascinating story.

During all this time, Britain has tried to help and to co-operate.

This we shall continue to do.

The end of the constitutional arrangement will lead to no diminution in Britain's interest in Brunei.

We help to train your Majesty's armed forces.

We welcome the many Bruneian students who come to Britain.

British business will continue to work with Brunei - and one major company, Shell, has been producing oil here since 1929.

We shall continue to offer the benefit of our own long experience in many fields.

We shall work together in these matters as two free and equal partners.

But the history of Britain's involvement in Brunei is only a small part of the whole.

Your Majesty's family has ruled this country for more than five centuries and your Majesty

is its 29th member to occupy the throne.

We too come from a monarchy and we have found

that institution to be a powerful focus for

the people and a strong force for stability.

It is a great pleasure to visit a country

where the same tradition prevails and which,

at the same time, moves forward by selecting

and accepting the best which the modern world

can offer - as I saw this morning at the new

hospital.

Indeed, Brunei enjoys many advantages.

But we live in a world where we are all

increasingly dependent on one another.

I am impressed by the rapidity with which



Brunei has moved to recognise that interdependence.

We were pleased to welcome Brunei to the Commonwealth and to the United Nations.

We were particularly glad to see Brunei take its seat in Asean.

This is the third Asean country I have visited during my current tour and I am going on to a fourth.

I have been struck by the association's sense of common purpose, particularly at a time of economic difficulty and when confronted with severe tensions in Indo China.

I look forward to watching Brunei develop its role as Asean's sixth member.

ER  
Your Majesty, this visit has been too short but for me

it has been more than useful.

I am grateful for your Majesty's invitation,  
for our helpful discussions and for your  
generous hospitality.

I hope your Majesty will know that we are  
always ready to welcome you and members of  
your family to Britain.