CONFIDENTIAL



DR4ANP cPC.

10 DOWNING STREET LONDON SWIA 2AA

From the Private Secretary

15 December 1986

NEW ZEALAND: FIVE POWER DEFENCE ARRANGEMENTS

I enclose a copy of a message to the Prime Minister from Mr. Lange, giving notice of New Zealand's intention to withdraw its battalion stationed in Singapore by the end of 1989. We are asked to treat this information as confidential for the time being.

I should be grateful for a draft reply.

I am copying this letter and enclosure to John Howe (Ministry of Defence) and Trevor Woolley (Cabinet Office).

C.D. POWELL

R.N. Culshaw, Esq., MVO, Foreign and Commonwealth Office.

SUBJECT CC OPS MASTER



PRIME MINISTER'S

PERSONAL MESSAGE SERIAL No. 1241/86

New Zealand High Commission

London

12 December 1986

The Rt Hon Margaret Thatcher FRS MP
Prime Minister and First Lord of
the Treasury
No 10 Downing Street
LONDON

LONDON SW1

Dr. hurs Shetcher

I have just been asked to pass on to you the following message from our Prime Minister:

"Dear Prime Minister

As I am sure you are aware we are currently in the process of reviewing our defence policy. The future of the battalion based in Singapore is an important part of this review. The review has reached the stage where we are now in a position to let Five Power Defence Arrangements partners know the review's basic conclusions.

I know it will come as no surprise to you that the overall emphasis of our thinking is to concentrate our defence focus and capability increasingly on our immediate environment, and in particular the South Pacific region. This, as you know, was foreshadowed as long ago as the 1978 New Zealand Defence Review. Developments in our area in recent years give greater cause for concern than before and our own knowledge and capability to act in the region, should it be required, could stand improvement.

Conversely, while the situation in parts of South East Asia still presents challenges from a security point of view, progress towards political stability and economic development has been quite remarkable in the last two decades. Certainly, the transformation from the conditions prevailing since the New Zealand battalion and support units

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