

MR

WELCOMING SPEECH OF THE
ATTORNEY-GENERAL.

CONFERENCE ON PRIVATE INVESTMENTS
AND INTERNATIONAL TRANSACTIONS

JULY 9TH TO 13TH 1973

Madam Chairman
Ladies and Gentlemen:

Robert F. ...

It gives me great pleasure to come here this morning to say a few words of welcome to you. You have come here, some of you from far away, to share with us your thoughts on the law of international trade and investment. I need hardly say that these are subjects of the greatest interest to us. Geography and history have conspired to make trade the life line of Singapore, and in recent years, as a result of a steady infusion of investment from overseas, industry has also assumed an increasingly important place in our national economy. It is therefore of great relevance and significance to us that the sponsors of this conference have chosen Singapore as the venue for their first conference to be held outside the United States. For my part, it gives me great pleasure to welcome to Singapore all of you who in one way or another are concerned with the law. It is indeed a rare occasion that so many distinguished lawyers from so many countries are gathered here to devote themselves to a topic which is of such great interest to us.

I see that your programme is devoted almost



exclusively to the subject of investment law. But since trade and investment are so closely related, I would like to share with you some thoughts on the subject of international trade law.

All of you are aware of the problems arising from the divergence that exists in the business laws of the world today. The difference is baffling enough for a lawyer and must be doubly so for his client, the businessman. International efforts in the unification of trade laws as an answer to this diversity have been going on since the founding of UNIDROIT in 1928, if not earlier. But the two conventions on the sale of goods prepared by UNIDROIT and adopted by a diplomatic conference in the Hague in 1964¹ have met with only scant acceptance by nations of the world². The more pessimistic of us might well think it not unlikely that these two conventions will be consigned to the grave-yard of still-born international conventions.

The United Nations has, ^{however,} now taken up this task of unification of trade laws by the establishment of a commission on International Trade Law, commonly known as UNCITRAL. The question which one would naturally ask is whether the United Nations will be more successful than UNIDROIT has been? I think the answer is a guarded "yes". I think the difference

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1. The Convention on International Sale of Goods (commonly known as ULIS) and the Convention on the Formation of Contracts for the international sale of goods.
 2. ULIS has been ratified by Belgium, San Marino and the United Kingdom and the other convention by San Marino and the United Kingdom.

lies in the evident support of the entire world community which the United Nations enjoys. I believe it is being increasingly recognised that the diversity of legal norms in the field of international trade is a luxury ^{a luxury that the world} ~~that mankind~~ can no longer afford. The need to use a common legal language, if I may call it that, is so apparent that it is only surprising that not much progress has been made to-date in this task of unification. Our experience with UNCITRAL bears out the suspicion that I have always had that beneath the superficial diversity in the trade laws of various legal systems, there is a basic common alphabet on which a common legal language might be created.

If those who are now charged with this task approach it with their heads above the clouds but their feet firmly on the ground, tempering their idealism with a good measure of realism, it may not be too much to expect concrete results within a reasonable time. Before long, and as a realist I am thinking in terms of decades rather than years, a new universal law, a new jus gentium might yet emerge to regulate the commercial relations of the world. I would expect this law to draw its inspiration from the best of the great legal systems of the world today, and I would think its eclectic character will ensure its survival, ^{old} ~~in the same way as the law merchant, which grew in~~ ^{has survived, although it developed in} ~~narrower confines in mediaeval times, has proved its~~ ^{the narrower} ~~value in the last centuries.~~ ^{confines of} ^{mediaeval times}

The work of the South-western Legal Foundation is of direct relevance to this work of unification. In organising conferences such as this, the Foundation fulfils a pressing need to advance the comparative study of the trade laws of various countries and makes a valuable contribution to the task of unification which I have been talking about. Our experience with UNCITRAL has shown how psychological barriers due to ignorance of the rules of another legal system, can ^{addo} hamper the work of unification. The truth is you cannot work towards agreement with someone until you know his conditioning and his prejudices. In this respect, our experience of working with jurists of other legal systems has shown, paradoxically, that lawyers tend to be conservative ⁱⁿ ^{by} nature, yet at the same time they are by training able to see more than one side of an argument. An exchange of views among lawyers and businessmen from various countries which conferences like this bring about, can help to remove such psychological barriers and contribute directly to creating an atmosphere conducive to the task I have mentioned.

I should perhaps apologise for having dwelt at such length on this matter of unification of trade laws, but with the importance I see in matters relating to it, I thought it appropriate to leave these thoughts with you as you proceed about your work of comparing the investment laws of the various countries in this region.

In the *I would like*
The little time I have left now, to address myself
this, however,
to the subject of investment, is no measure of its real
importance. I need hardly say that the success of any
investment venture requires the joint and co-operative
effort of the investor and the recipient country. The
need here is to work out a just balance of rights of
responsibilities between the two parties. It is of the
utmost importance that a climate of mutual understanding
between the parties should be maintained. As lawyers
with an innate sense of justice, you can be instrumental
in the search for this balance.

At this point, if you will forgive me for being
a little parochial, I would like to mention some of the
things we have done in Singapore to provide the legal
framework for the investor. You will hear more about this
from other speakers in the course of this week, but I
would just like to take this opportunity before I conclude
this address to tell you in brief about some of the more
important laws which have been enacted and which have
been instrumental in stimulating the international
investors' interest in Singapore.

Soon after the present Government took office in
1959, the Industrial Relations Act was passed. The purpose
of the Act is aptly summarised in its long title, which
says, and here I quote, "an Act to provide for the regulation
of the relations of employers and employees and the prevention
and settlement of trade disputes by" - and these are the
key words - "collective bargaining, conciliation and
arbitration."

This Act has provided for us here in Singapore an effective method of conciliation and its success can really be measured, paradoxically, by the decline in the number of cases brought before the Industrial Arbitration Court throughout the years. The Act has helped greatly in ensuring industrial peace in this country.

The years 1967 and 1968 saw the enactment of other important laws in the field of investment in Singapore. The Economic Expansion Incentives Act of 1967 provides the investor, especially in export-oriented industries, with a wide range of incentives in the way of "tax holidays" and other not inconsiderable privileges, *but only in appropriate cases, as we do not give those away indiscriminately.* The Employment Act of 1968 has helped to create and maintain an efficient and disciplined work-force, who are now enjoying the rewards of orderly progress.

In the same year, 1968, we took another step to demonstrate to the investor our seriousness of purpose, by writing into our law a convention which had been concluded in Washington in 1965, the Convention on the Settlement of Investment Disputes. This Convention, as you know, seeks to regulate the mode by which disputes between the investor and the host state can be resolved. I am happy to tell you that, as far as I know, no investor in Singapore has found it necessary to resort to the Convention.

As you would expect, legislation can only provide the bare framework; the rest must be left to ~~our administrators~~ *and the administrator* and the investor. In this connection, I must not

forget to mention the Economic Development Board, -- The
Chairman will be speaking to you ^{and he will no doubt tell you about} -- and the crucial part
his agency has played in the industrialisation of Singapore.

Ladies and Gentlemen, I must not go on too long
boasting about our achievements. I do believe that the
investor and ourselves have worked out a good symbiotic
relationship, with full awareness on each side of the
needs and expectations of the other. We are only too
mindful in Singapore that our prosperity is vitally linked
to that of our neighbours. I hope that this conference
will help further to stimulate investors' interest in
this entire region to the benefit of all.

I wish you ^{a successful conference.} well and hope you will have a pleasant
week in Singapore.

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