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SPEECH BY MR S RAJARATNAM, MINISTER FOR FOREIGN AFFAIRS,
AT A DINNER GIVEN IN HONOUR OF HIS EXCELLENCY
MR HANS DIETRICH GENSCHER, MINISTER FOR FOREIGN AFFAIRS
OF THE FEDERAL REPUBLIC OF GERMANY, AT THE ISTANA
ON THURSDAY, 28TH APRIL, 1977 AT 8.00 P.M.

It gives me great pleasure to extend a warm welcome to you and Mrs Genschler and members of your delegation to Singapore. I am sorry however that your stay has to be so brief but I hope this will be the start of many more visits.

For the greater part of Singapore's history, its relations with Europe had been indirect and channelled through the United Kingdom. Therefore relations with Germany were part of Anglo-German relations.

But during the past 12 years or so relations between Singapore and Europe have altered in a very profound way. While we still value our long association with the United Kingdom we have also established new and direct ties with other European countries, including the Federal Republic of Germany. It is gratifying to note that within a very short period association between our two countries has developed very rapidly. The FRG is today our second largest trading partner in the EEC. Our trade with it has increased more than two-fold in the past five years from S\$540 million in 1972 to S\$1387 million in 1976.

One reason for the rapid expansion of economic and other relations between our two countries is that we both have an identity of views on the fundamentals of political and economic organisation.

Like you, we believe, in a democratically organised society. There may be differences in details of its application because of differences of historical background, our different cultural beliefs

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and the special circumstances in our region which throw up problems peculiar to our area. But basically we believe in rule by governments freely and periodically elected by the people, though some people outside Singapore contend that it is most undemocratic for a government to implement programmes and policies approved, in our case, by over 70 per cent of the electorate.

Like you, we believe, in the virtue of hard work and that those who work harder and contribute more to society merit greater rewards. I know there is a school of thought which decries meritocracy and wants to substitute it with what can only be described as an aristocracy of the unsuccessful. Admittedly this is an attractive formula and one which we would not have been unwilling to adopt but for the fact that over the past 30 years countries which applied this peculiar doctrine are flat on their faces politically and economically.

Like you, we also believe that the world does not owe us a living and that we have to earn our keep. You learnt this hard fact of life, the hard way - through war.

We learnt this in a less costly way - by a dispassionate study of what has been often described as the German miracle. This study led us to the conclusion that behind the German miracle was not some benevolent Divinity but a very simple economic belief - a country that produces more than it spends must be prosperous.

So in Singapore, as in your country, the basis of our democracy is postulated on harmonious partnership between workers, management and government. The resulting industrial peace must bring social peace and political stability.

These are among the reasons why Singapore welcomes a German presence in Singapore. We have never treated your investors in Singapore as interlopers and exploiters. We expect foreign investors to make profits. As a matter of fact we are somewhat wary of foreign investors who tell us that they are pouring in money into Singapore not to make profits but as an act of Christian charity.

Investors not interested in making profits, in my view, are more likely to make trouble.

So we prefer investors who are not ashamed to make reasonable profits provided in the process they teach us new skills and give us a fair share of the fruits of their enterprise. And German investors, I am happy to say, have treated foreign investments as a necessary technique for the passing on of technology and skills from high cost developed countries to lower-cost developing countries. Given the reality of an interdependent world and an all pervading international economy the continual transfer of technology and skills from more developed to less developed countries is vital to the smooth functioning of world economy.

That is why we share with you your belief that international trade should be as free as possible and that the clamour for protectionism, especially on the part of wealthy and developed countries, is a remedy that must disastrously worsen the disease.

Finally, Mr. Minister, there is one other area of common belief. Your country is a fervent advocate of regionalism and you are one of the pace setters in the European Economic Community. Singapore too believes in regionalism and together with four other like-minded countries we formed the Association of South East Asian nations.

In non-Communist Europe the E.E.C. is the only regional organisation of its kind.

In non-Communist Asia, ASEAN is the only regional organisation of its kind.

For over two thousand years relations between Asia and Europe have been one of confrontation - either the hordes of Asia sweeping across Europe to subdue it or the barbarians of Europe storming Asia to carve out empires.

May be this depressing pattern of Euro-Asian history can be radically altered by co-operative links between ASEAN and E.E.C. A co-operative relationship between two regional groupings, embracing some 490 million people, must I believe have a decisive impact on world politics, on world trade and even on universal problems of war and peace.