TRANSCRIPT OF ADDRESS BY THE PRIME MINISTER, MR. LEE KUAN YEW, TO REPRESENTATIVES OF LEADING ORGANISATIONS OF GERMAN INDUSTRY AND COMMERCE AT HOTEL KONIGSHOF, BONN, ON 28TH SEPTEMBER, 1970

Mr. Meyerheim, Your Excellencies and Gentlemen;

First, I want to thank you for organising this meeting on behalf of the three organisations -- the Federation of German Industries, the German East Asia Society and the Federation of German Chambers of Commerce -- and giving me an opportunity to meet some of your leading industrialists and people connected with manufacturing. I am interested in finding other sources for the supply of reasonably competitive and skilled labour, in order to keep up the competitive position in both their home and their export markets.

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I would like to make just a few brief remarks in order that you may know what we think about these things, and will then give you an opportunity to ask me whatever you would wish.

I tell my young men that when they choose a career, they have to make up their minds depending upon which way they think the country is going. If it's going down the drain, then I advise them to join the Army because it has great promise for them and you can -- as has happened in some parts of the world -- one day be a corporal and end up as a four-star or five-star general and president into the bargain. Then that solves everything. All problems of development are solved and you can pick up whichever diamond you like every morning, and the rest can go for surreptitious or other forms of exports.

But I tell them that if I have my way -- and it is the intention of my colleagues and myself that we should have our way -- there is a great future in engineering, business management and economies. Because, if they are thinking in terms of assuming political leadership, then that is not possible without an appreciation of the economic facts of life.

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I am glad to tell you that most of the young men find what I tell them quite credible, and large numbers of them are studying engineering, business management and economics. So much so that we have a great deal of trouble attracting sufficiently intelligent and even limited numbers of national service officers to take on regular service after their national service is over. The younger generation having placed this burden upon me, I simply must succeed.

Briefly, if I can tell you the reasons why I think we have to do what we have done and of the composition of the people and the country.

Singapore is more than just a place on the map. One hundred and fifty-one years ago, an Englishman went there, sent by the East India Company. They had been trying -- the East India Company -- to do two things: to develop the trade in the Indies, in competition against the Dutch, and also to find a staging post on their way to China for the trade which they sought. They succeeded for a variety of reasons. One, they were more liberal in their policies than the Dutch and they allowed free competition. The net result was a rapid growth in the population... On the 8th of February 1819, when Stamford Raffles went there, there were 150 men and women and children in a fishing village -- 30 of them Chinese, 90 Malays. Three months later, when he declared this an open, free competitive market, the population became 5,000 because all the Arabs, the Indians and the Chinese traders in the area decided to make Singapore their centre of operations.

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For over 100 years, the Dutch tried to cancel out Singapore. Fortunately, they did not succeed. As a result of which Malaya was helped in its developments, and its roads, railways, plantations, mines, commerce, industry developed. So did the Rhio Islands around us. So did the east coast of Sumatra.

Today, the population is about two million and a hundred thousand, but not the average 2.1 million Southeast Asians. This is a very select group. Open competition meant that if you think you are good, then you go to Singapore. If you don't think you are good enough, then you stay where you are and you have protective barriers.

I have several of my colleagues with me today. They have all come from Malaysia, their families are still in Malaysia. My colleague, the Minister for Finance, comes from Penang, founded about 30 or 40 years before Singapore, in the late 18th century, but it never succeeded in breaking open the Malay Peninsula. My other colleagues are from Johore. Often, I tell my Ministers in the Cabinet that perhaps they are kind to me and allowed me to become the Prime Minister because I was born in Singapore -- for the majority of them, 60%, are born in Malaysia. And this is true of the whole population.

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Today, I would like to believe that we provide one of the best training and best educational facilities for development of our human resources in South and Southeast Asia. Nobody is without schooling, he has it for at least eight years. If we had foreseen the events that subsequently took place -- if we had foreseen it earlier, if we had known that joining the Federation of Malaysia would not have been a success and that we would be asked to leave in 1965 and become

independent on our own, then we would have started our technical education much earlier. As it was, we only get started after independence. Because there were two ways of life: one was within Malaysia, in which case you can go at a slower pace, trade can go up and go down. If it goes down, you can fall back on your soft, wet padi fields of the country. If it goes up, the price of rubber is a bonus, the price of tin is a bonus, then you can buy more transistors or bicycles or scooters or cars. But by ourselves, we had either to organise as an important manufacturing centre, servicing centre or we die.

And I have left my electorate in no doubts that that is the enormity of the prospect: either they are organised, disciplined, prepared to work hard, to acquire high skills and sustain this growth for another 5, 10, 15, 20 years until we reach a self-sustaining, self-generating growth, or I cannot be responsible. Nobody can. And we know that we are like a very complicated watch. Do not dismantle it unless you know how to put it together again. I have seen this happening in many countries. They take the watch; they take a screw driver; they take a pair of pliers; they unscrew it and then they find they cannot put it back together again. And even if you go to the watchmaker, he can't put it together again because the parts are spoilt. So, new parts have to be found, fine implements have to be assembled and, finally, it is probably better to start with another new watch. But if you can't afford it, then you are left without a watch.

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Briefly, that is Singapore. It comprises largely of immigrants and descendants of immigrants: in other words, the Chinese who form about 80% of the population, the Indians who form about 10% and the Malays who form another 10%. This is in broad rough terms. And the Malays came from Indonesia and Peninsula Malaya because as I told you there were only 90 of them in a fishing village. They, particularly the Chinese and Indians, know that they have left behind a secure cultural past and, to make this worthwhile, we have to build a secure future for ourselves. And that we are determined to do. Fortunately for my colleagues and I, the people as a whole are determined to do that. I don't think I can describe it more vividly than this.

A British historian once described -- I am not saying this is a complete explanation of history -- but he said civilisation means climbing up the face of the cliff to higher levels of human endeavour. When the challenge is there, and you have the potential to respond to the challenge, then you make that climb up the cliff.

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In 1965, we were presented with that challenge; in 1968 the British announced, two months after devaluation, that they were going to get out completely in 1971. Either we had it in us, sufficient iron in our souls, or we just

lie down and say," Please God, help me". Well, fortunately, there is enough iron in our souls. We turned adversity to advantage. The Americans came to know about the engineering workshops and the airfields which will be vacant, the Japanese already knew, and so they came in. Today, the Americans -- Lockheed and Grumman's, two big aerospace corporations -- cannot wait for the RAF to get out from the airfields.

Now, I am interested in getting West Europeans to come in, because I don't want to be too much dependent on just Americans and Japanese. Otherwise, I think the combination of the two will produce quite an ugly Singaporean. I think the sophisticated and cultured West European has a contribution to make in Southeast Asia.

As I explained to the French President and his colleagues, the countries in Southeast Asia have a long connection with Europe because of the colonial history. Some of them have gone through a traumatic anti-imperialist stage, like the Indonesians. For 20 years, Soekarno was berating the Dutch. But, if you will notice, the present President of Indonesia, President Suharto, went out of his way to visit The Hague in order to convince the Dutch that they are welcome back in Indonesia. And, I believe this will be true also of the Indo-Chinese peoples when the war is over. They are finding the Americans like the Europeans found the

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Americans in Europe. As you all know, they are overfed and they are over there, over here. That's the problem. So they like to diversify. And I say the problem is this: that there are too many giants now. The American has got enormous industrial power potential, so has the Russians although he has suffered a setback in Indonesia -- one thousand million US dollars in debts which may never be paid. Well, the Russians can afford it, they are going to go in a big way. I have just visited Russia. They are going to start a shipping line from the Baltic Sea to Singapore, from Singapore up to Vladivostock, and the other way round. The Japanese have a special interest because of geography, ease of transportation. They are going to make a bid for this region. It has 30,000 islands. If you include the peninsula and the whole of Southeast Asia, it would have a population of nearly 250 million. At the moment, it has very low purchasing power, but a lot of timber, oil, minerals.

But as I told some 60 distinguished delegates in Lusaka when we met there recently, even if the Zambians are prepared to sell me copper at a special price, a special price because we are friends, both being underdeveloped, I do not know how to dig the copper out of the ground. That requires high technology. And even if somebody helps me to mine and refine it, who is going to use it? All the countries around the table or the countries who are not around the table? We take a realistic view of it and, therefore, I don't believe that the

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Dutch in Indonesia, or the French in Indo-China or the British in Malaysia and Singapore on their own, can stand up to these new pressures which the Americans, the Japanese and the Russians are going to generate.

So I make this journey, partly in the hope of changing the trend a little, in getting the West Europeans if not in a consortium as yet, at least individually. Perhaps eventually, as an enlarged EEC, you will be able, as a composite force, to present a sufficiently strong and effective alternative. But for the time being, every aeroplane I travel in and all the aeroplanes that took the delegates to Lusaka, travel in, let us be honest, are either American or Russian. There are no other aeroplanes. These are the facts of life.

Now I will answer whatever you like to put to me as best as I can, and I hope as honestly as I can.

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Thank you.