ADDRESS BY MR. LEE KUAN YEW, PRIME MINISTER OF SINGAPORE, AT THE ASIA SOCIETY DINNER AT NEW YORK HILTON ON MONDAY, 12TH MAY, 1975

One problem every Minister from Southeast Asia faces, when making a speech after the dramatic events of the last few weeks, is how to strike a balance between, first, maintaining confidence and stability, with investments uninterrupted and economic development, and second, the need to alert one's people, to galvanise them into unity of purpose and action, but not to alarm and paralyse them through exaggerated fear and unnecessary panic. A certain sense of urgency must be injected, so that public opinion is mobilised and people prepared to make the sacrifices to make the economy hum, to generate revenues adequate to pay for security, with enough left for social advancement. It is important not to overdo the urgency or one may arouse an air of crisis at home, and consternation abroad. If this were to happen and confidence shaken, there will be less economic growth, more unemployment, more discontent, adding to the numbers of potential insurgents bringing about the very evil one wishes to avoid.

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I believe my best course is to take an intermediate view of events. I have no apocalyptic predictions. Nor will my views tranquilise opinion that all is and will be well. For that way I shall surely lose my credibility and reputation.

When the dust has settled in 6 - 12 months, we will all know the nature of the regimes in Saigon, Phnom Penh and Vientiane. We may know how much influence Hanoi, and the Soviet Union, have over them through military and economic aid, as compared to China. Meanwhile, it is as well to remember, when reading statements from Thai or Filipino ministers, made in anguish or anger, through the mass media, that the events of the last few weeks, in Cambodia and South Vietnam, took everyone by surprise, including the United States Administration. United States secretaries, when speaking publicly, take into account the temper of Congress, and of the mood of Americans generally. Hence they are unable to publicly reassure ministers in Bangkok, who feel that they have been seduced to over-commit their government and people to the American side. Leading officials in Bangkok feel especially indignant that after 20 years of unquestioning support for American politics, they are now left in serious doubt whether, apart from moral support, they can rely on the United States against externally aided insurgency. A civilian Thai government needs time to carry out its programmes and policies to remove disaffection, the result of social injustices, imagined or real. Meanwhile, ministers and generals have just

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had the shattering experience of seeing close friends in Phnom Penh and Saigon fleeing into exile, with only a few, brave enough, like Long Boret, to go back to Phnom Penh to face the ultimate. Most Thai leaders have a part of their minds numbed by the personal and national tragedies they have seen their personal friends experience.

It is as well to discount 60 percent of what is being said in press reports. Statements are being made, partly for internal consumption, and partly for international pride. The mass media does not help by putting difficult questions to the United States Secretary of Defence to elicit replies which are bound to be less than satisfactory to Southeast Asian allies, especially those who sent troops to Vietnam. So they got the Secretary of Defence to say that if there were an external attack on Thailand, then the United States government was morally bound to intervene. The news agencies then whipped around to Bangkok to ask for rejoiners. They got one, from the Thai Foreign Minister. He is normally a courteous and generous man. On this occasion he was provoked into saying that Americans had no morals, so why talk of moral obligations. The best service the Western press can render is to report events calmly and objectively, and to help keep tempers cool.

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I do not believe that, apart from that part of Thailand in the Northeast, where there are some 4 million Laotians, twice as many as there are people in Laos, insurgency is ever likely to succeed. By culture, the gentler Buddhist religious outlook, allegiance to the monarchy, and a long experience of shrewd and skilful diplomacy thereby keeping their independence, Thailand is in no danger of becoming either a Vietnam or a Cambodia. They have 20 years of American, West European and Japanese investments, a thriving tourist industry, and a very strong agricultural base. They are the biggest food exporter in South and Southeast Asia, rice and corn, beef and pork. Disaffection is not in the countryside, but in the big towns, like Bangkok. It is the students, who, anxious to secure good jobs after graduation, are pressuring for more equality of wealth and opportunity. They have been the leaders of political discontent, culminating in riots that overthrow the last military government in October '73. In a crisis, of course, it is the King and his advisers who will temper the effect of any policies which politicians campaigning for office many inadvertently have over-committed themselves too.

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Next, Malaysia. It is well - developed compared to the other countries of Southeast Asia. The insurgents are the remnants on the Thai-North Peninsular Malaysian border, about 2,000. They are mostly ethnic Chinese in their leadership, and their followers. They know that they cannot win the revolution, unless they can get sufficient Malay peasant - worker support, and align themselves with radical Malay - Muslim intellectuals who, like the Thai students in the towns, may become affected with the disparities of wealth and opportunity for those not with good university degrees, or good connections. Malaysia has a sound economy, widely diversified, minerals, especially tin, and commodities -- rubber, palm oil, timber. And there is a growing industrial sector. Their problems are manageable, certainly not so acute that only revolutionary means can resolve. This will be ever more so after the economies of the industrial countries pick up by the latter half of this year, or early next year. But a boom in commodity prices in '76 - '77, if followed by a precipitate drop, because the industrial countries are again caught in another bout of inflation in '77 - '78, could prove awkward.

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Insurgency or terrorism is improbable in Singapore. Most of the recent sporadic acts of terrorism have been committed by Malaysians -- members of the MNLL, Malayan National Liberation League, or MNLA, Malayan National Liberation Army -- again mostly ethnic Chinese who had infiltrated down into

Singapore for the specific purpose of committing these acts of terrorism. They wish to demonstrate that their movement is "Pan-Malayan", i.e. Peninsular Malaysia plus Singapore. Their actual recruitment in Singapore has been disappointing.

Then Indonesia. It is completely different from the country under Soekarno. The four-fold increase in oil prices has given them a bonanza of 4-5 billion dollars a year, with one and a half million barrels per day export of sulphur - free crude at a price of over 12 dollars a barrel. True, Pertamina, the National Oil Corporation, is facing some liquidity problems. They had been borrowing on short term money markets because of regulations preventing them from borrowing long term without the permission of the Indonesian Ministry of Finance. But this is a temporary difficulty. Short of a worldwide prolonged recession, mass unemployment and deprivation, insurgency in Indonesia is not likely for the foreseeable future. Indonesia is ever mindful of Madium in 1948, and Gestapu in 1965, with the Sukiman Razzia of 1951 in-between. And the dollars four billion plus worth of oil exports is augmented by foreign exchange earning from rubber, tin, copra, copper and bauxite exports. And they are getting self-sufficient in rice and cereals. When the benefits are spread and felt beyond Jakarta and Java, into the other urban centres and the other islands and into the

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countryside, with subsidised fertilisers, better seeds and increased production of food and commodities, chances of instability and revolution are slender.

Last the Philippines. They enjoyed bouyant balance of payments surplus in 1973 and ‘74. The economy bounced with vigour with the great increase in sugar and copper prices in 1973 and ‘74 and early ‘75. They have also plugged most of the leaks in foreign exchange. But the Sulu insurrection, externally fuelled by petro-dollars, appears intractable. Since there is no limit to the funds available for more and more weapons of an ever more sophisticated vintage, this can become an unquenchable fire. The demand for autonomy by the Sulu rebels in the last negotiations in Saudi Arabia included a separate constabulary and armed forces, i.e. de facto independence -- something which a government in Manila will not be able to concede. The problem is whether any government can survive a bleeding of resources in fighting an insurrection with ever more sophisticated weapons. Perhaps the best counter is some stalemate position, the holding of strategic positions, with a minimal drain of revenues for counter - insurgency, and a maximum concentration of resources on economic development. Relief will come when, sooner or later, the suppliers have to attend to their own problems, and will have neither the time nor the excess zeal to embark on a proselytising mission, whose eventual success is dubious.

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But the future of all these five countries will be influenced most of all by the economic health of the industrial world, by their own capacities to attract capital and investment, their access to markets for commodities, agricultural and mineral, and their exports of their simpler manufactured goods to America, Japan and Western Europe. Healthy economies, with decreasing unemployment, reducing birth-rates, and increasing per capita income, must be felt by the majority of the people, especially if there is a more equitable distribution of the GDP. These factors will determine whether insurgencies can succeed outside Indo-China. Communist insurrections have not succeeded in Pakistan, India, Bangladesh, Ceylon or Burma. Though they have impoverished some of these countries, there is no reason why insurrections could damage the ASEAN countries. The resources-to-population ratio is better, and the economic and social infrastructure more developed. The negative factors are incipient rebellious groups, who now may come into possession of a part of the vast armoury of weapons which the communists captured in South Vietnam and Cambodia. If these weapons would go into a "swords into ploughshares" programme, then peace and stability is almost guaranteed for Southeast Asia. However, it is doubtful, if the new owners of these American-made weapons have these priorities, now that they have won their "war of national liberation". This arsenal can provide them with convertible currency to help their rehabilitation. At the same time such sales to the right customers could justify

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their revolutionary dogma and prove their ideological purity by supporting revolutionary causes anywhere and everywhere in the world.

The future has become a shade grimmer as a result of the sudden collapse of nerve in the leadership in South Vietnam, and the complete collapse of will in the officers of the South Vietnamese Armed Forces, shattering the morale, both of their troops and of the civilian population. The unbelievable speed at which everything happened, handed over almost intact, with little or no fighting, to the North Vietnamese army several billion dollars worth of military hardware. This was a contingency no one had planned for. But as your President said, this was not the end of the world, except for those who were trapped in Vietnam and Cambodia, and were committed to the American side.

We are witnessing the start of a new era. Political postures will change. Policies will be adjusted. They must take account of the relationship between the superpowers, with the strongest, the United States, in a curious deadlock on several issues between the Presidency and the Congress, at least until the next Presidential Elections. I believe that after the next elections, whoever wins it, the Presidency and the Congress will recognise that for the security and stability of America and the world, the isosceles triangular balance of power in the Western Pacific must be kept. It is not an equilateral triangle, because Chinese military

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strength cannot yet match that of either the Soviets or the Americans. If America's naval presence and her economic contributions were to be diminished, more conflicts will take place, because China's answer to Soviet naval and economic power would be to intensify local insurgency. This clash must imperil the stability of America's allies in the Western Pacific, affecting the balance between the great powers, and affecting peace and stability in the rest of the Pacific Basin.

My hope is that a modus vivendi between the Presidency and Congress can be reached before the next elections resolve their differences. Otherwise there may be further major losses in Asia and elsewhere. And the pity would be that such losses could be made completely unnecessary, simply by America making her position clear beyond any pretence of misunderstanding, that any adventurism anywhere will be countered swiftly and with all the great power and resources that America, they know, still possesses.

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