SPEECH BY THE PRIME MINISTER, MR. LEE KUAN YEW, AT THE DINNER IN HONOUR OF HIS EXCELLENCY HELMUT SCHMIDT, CHANCELLOR OF THE FEDERAL REPUBLIC OF GERMANY, AND MRS. HANNELORE SCHMIDT AT THE ISTANA, ON FRIDAY, 13 OCTOBER 1978

Your Excellency,

I take great pleasure in extending a warm welcome to you, your wife, Mrs. Schmidt, and members of your delegation. The government and people of Singapore are honoured to have you visit us.

You represent a remarkable people. After the devastation of the last war, the Germans have picked themselves up, rebuilt, and gone on to greater achievements. It is a proud record of economic and social progress achieved within a democratic framework.

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You also represent an exceptional social democratic party. The SPD has achieved a more just and equal society in the Federal Republic of Germany without generating and exploiting class hatred and antagonisms. The SPD-FPD

Government has recorded the lowest inflation rate of all industrial countries, positive economic growth rates even after the oil crisis, and unemployment lower than most industrial countries. The strength of the Deutsche Mark is an unsolicited, sometimes embarrassing, tribute that the world's bankers pay to the German Government, management, and unions, to work together and find some solution to the complex of problems that confront Germany and the world since the oil crisis.

It is not by a coincidence that the EEC-ASEAN Ministerial meeting from 20-21 November in Brussels is to take place when the EEC Council of Ministers is under the chairmanship of the German Foreign Minister. We believe this EEC-ASEAN Ministerial Meeting can chart out the areas in which further and greater cooperation can take place.

During your brief stay, I hope you will get a feel of the texture of the society we have woven in Singapore. Singapore grew out of 140 years of British colonial administration. During that period, Malays, Indians, and Chinese migrated to Singapore to seek their fortunes. A few made their fortunes. Most left only their children. In the last 20 years, the descendants of these immigrants have acquired a sense of their own identity. This society has been influenced by men who in turn were influenced by British Labour ideals of socialism in the

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1940's and 50's. It was a time when most of my colleagues and I were students in Britain. We were attracted and influenced by the humanitarian instincts and the egalitarian ideas which shaped British Labour Government policies in those years after the last war. None of us foresaw the side-effects of the welfare state on personal motivation and achievement.

Fortunately, the Asian philosophy is that life is one hard struggle. This saved us from our early idealistic innocence. We learned the hard way, that the world does not owe us a living. Our people made the effort to help themselves. So we made some progress.

Now, this progress is threatened by slow economic growth in the industrial countries, monetary stand against protectionism by the Federal Republic of Germany is reassuring. For industrial countries of the West to contemplate retreat behind selective safeguards and other shields or barriers to protect from competition against old industries in need of restructuring is defeatist, and in the end self-defeating. It is to ignore the lesson of history, history so recent that many present tonight can personally remember the Great Depression, protectionism, nationalism, racism, and the terrible consequences of conflict as each major industrial power sought to secure its own base for raw materials and

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markets. The only sane and rational way forward is an agreement on the Multilateral Trade Negotiations which will increase, not impede, trade.

Finally, may I ask you all to drink to the health of the Chancellor and his wife, Mrs. Hannelore Schmidt.

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