SPEECH BY PRIME MINISTER LEE KUAN YEW
AT LORD MAYOR'S LUNCH HELD ON
15 JUL 82 AT MANSION HOUSE, LONDON

Mr Lord mayor, Your Excellencies, My Lords,
Aldermen, Sheriffs, Ladies and Gentlemen,

I am overwhelmed by the accolade you, my Lord Mayor, have given me, on top of the address by your Chamberlain.

When I accepted this honour, I believed my contributions to the proceedings were to make only one speech. Later, I discovered to my dismay, that apart from a formal reply, I also had to make a light-hearted response during lunch.

This is a difficult task. To make a light-hearted speech, on demand, is only for the gifted, or the most professional of practitioners. To be amusing after a good lunch, the speaker must be in a light-hearted mood. He has to keep up a conversation with his companions at the lunch, whilst holding at the back of his mind a broad outline of what he wants to say, and if possible, some punch lines.

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My present mood is a sober one, of relief that the world has so far averted catastrophe. With the Middle East torn in conflict, and the major industrial

countries in prolonged recession, with high interest rates, massive unemployment, and stubborn inflation, perhaps the excitement of the Falklands provided a release from other unresolved problems. There was excitement because there was a real danger of failure. The match was no pushover. If one or two of the aircraft carriers had been sunk, the whole expedition could have been aborted. Hence, interest was kept alive right up to the end. It was a great exploit.

When the expedition started, no one could have predicted the reactions of the British people under the vagaries of the democratic processes. Rationally, the arguments of the intellectual critics are unassailable, that British responsibility for this barren rock should have been shed long ago. However, they did not take sufficient account of the fact that a great people did not become great without inheriting ancient memories and sharing common reflexes in response to injuries done to national honour. The British people had their own self-image of the kind of people they were. It was as well.

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My mind went back to one January in 1968 when the British Government announced their withdrawal from the east of Suez, including Singapore. I read, with unease, several scholarly articles in British weeklies comparing it to the withdrawal of the Roman Legions from Britain. It was a most ominous analogy. It conjured up visions of loss of civic order, and of anarchy and barbarity in its place. Fortunately, the past has not been an accurate pointer to the future. Fourteen years after 1968, there are more people to-ing and fro-ing between Singapore and Britain now than in 1968. And there are more British merchants, industrialists and Bankers and lawyers than ever in Singapore making a great contribution to our economy.

It is as if the Romans, having withdrawn their Legions, came back to Britain as specialists and consultants to upgrade the state of British agriculture and commerce. Technological breakthroughs, especially those in transportation and communications, have made historical analogies misleading.

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In the nuclear age when the future of mankind is in jeopardy, life would be unbearable without basic optimism. Optimism comes more easily to the young. For example, as a young student, I had immerse respect, amounting to awe, for the power and ingenuity of able men like those who made this City pre-eminent in finance and banking.

It took me another 20 years, until the 1967 devaluation of the pound, to recognise the obvious, that it was impossible for any central banker, however immense his expertise, to cover for more than brief periods, the unending needs of a government he serves, when that government is unable or unwilling to make a people live within their means. Inflation and devaluation cannot be avoided by the wizardry of banking and high finance. Similarly, after the oil crisis in 1973, it took me many years to realise that a number of powerful bankers have put their banks in jeopardy because more than a few debtor nations to whom they have lent billions of dollars will never be able to repay these loans. I had looked upon such big international bankers as wise men who had helped recycle petrodollars to prevent the world economy from collapse.

And it still bewilders me why they lend more money to a debtor to pay up the arrears of interest, whilst repayments are rescheduled or postponed indefinitely. To keep the system going, such bankers have to make the most improbable of assumptions. They must make-believe that these enormous debts, owed by East Europeans and by many third world countries, running over $500 billion, will one day be paid. And despite all the doomsday predictions of financial analyst, no major crisis has yet hit the banking system. Perhaps, the

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debtor's inability to pay is never too stark an embarrassment to the lending banks, provided central banks stand ready to bail them out.

Let me recount an anecdote. Two years ago, I asked my friend, an Arab Sheikh, if he still went to London for his holidays. "Yes, sometimes, but not as often," he said. I asked why? He looked at me with a twinkle in his eye: "I meet so many Arabs in London these days, it's like visiting the Middle East." But he added, "I have my savings managed there. So I go there more on business than on holiday. My bankers gave me honest advice, so I have been buying properties in America and shares in Tokyo." "In America and Japan?" I asked. "Yes," he replied. "And they have been right. They are trustworthy." This trust and confidence in your bankers' integrity are assets which took this City a few hundred years to build.

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Finally, my Lord Mayor, let me thank you for inviting to this luncheon so many of my British friends. It is a rare privilege to have present on this occasion old friends from different periods of my life. A few, now professors and QCs, go back to university days in the 1940s. A few, including the last Governor of Singapore, Sir William Goode, and once Secretary of State for the Colonies, Viscount Boyd, then the Rt Hon Alan Lennox-Boyd, go back to the 1950s when I was a troublesome rebel against the colonial system. They made decisions that

affected the course of my life. Then there are those, from the early 1960s, like the Rt Hon Sir Philip Moore, once Deputy High Commissioner in Singapore, and the Rt Hon Viscount Head, High Commissioner to Kuala Lumpur, 1963-66, when Singapore was part of Malaysia. Their wisdom and their support saved me from mishaps in Malaysia to which I often came very close. And from the period of the 1960s and 1970s are former Secretaries of State like Lord Duncan-Sandys and the Rt Hon Arthur Bottomley, with former Secretaries of State for the Commonwealth office, and former Prime Ministers ranging from the Rt Hon Harold Macmillan, Lord Home and Rt Hon Sir Harold Wilson, to Rt Hon James Callaghan. From them, I had the benefit of valuable support. Then there are former British Service Commanders in Southeast Asia, based in Singapore, in the 1960s and early 1970s. They protected Singapore from many threats. Over dinners and drinks, I received useful and basic instructions on security and defence.

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My Lord Mayor, the pleasure of receiving the honour you have bestowed on me is enhanced by having so many friends present. I thank them, and all of you, for doing me the honour of being present. Thank you for this splendid and memorable occasion.

Now ladies and gentlemen, may I ask you to join me in a toast to the health of the Lord Mayor and to the Corporation of London.

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