

SPEECH BY PRIME MINISTER LEE KUAN YEW AT THE DINNER IN
HONOUR OF THE RIGHT HONOURABLE MARGARET THATCHER,
PRIME MINISTER OF THE UNITED KINGDOM, AND MR DENIS
THATCHER, AT THE ISTANA ON MONDAY, 8 APRIL 1985

I take great pleasure in extending a warm welcome to you, your husband, and members of your delegation to Singapore. The government and people of Singapore are honoured by your visit.

We first met at a dinner at No. 10 Downing Street in the autumn of 1971 when you were the Secretary of State for Education and Science. You had just returned from a visit to Rumania. From a discussion of the non-egalitarian practices of education systems in “socialist” countries, we lamented how ironically the Left in Britain had tried to equalise standards by discouraging public and grammar schools in favour of Comprehensives. I felt comfortable speaking freely to someone who spoke her mind. In subsequent meetings, I was struck by your determination, your inexhaustible energies, your strong convictions. The refusal to bend, to fudge, to temporise, to be deflected from your declared objectives, have become your hallmarks of firm government. There was no sterner test of your resolve than one year of violence and

intimidation from the striking coal miners which ended only recently. A lesser Prime Minister would have been softened by insidious pleas for reasonableness and compromise in the face of organised hooliganism and blackmail.

The British people had voted you in 1983 for a second consecutive term in an election campaign devoid of opportunism. There was no snap election to ride the crest of the Falklands wave, nor was there a reflationary pre-election budget.

You have striven for fundamental changes in attitudes and policies to change the direction Britain will take. Privatisation of major sections of the economy should bring back vigour to British industry. You have resisted the temptation to take the standard solution of fiscal stimulation to reduce unemployment. Instead you seek the slower but more lasting solution of encouraging entrepreneurs to risk their capital in new ventures and to hire workers. You have made it more worthwhile to take risks to create wealth. This requires courage in a Britain where profits have become a dirty word.

For nearly four decades since the war, successive British governments seemed to assume that the creation of wealth came about naturally, and that what needed government attention and ingenuity was the redistribution of wealth. So governments devised ingenious ways to transfer incomes from the successful to the less successful. In this climate, it requires a Prime Minister with very strong nerves to tell voters the truth that creators of wealth are precious members of a society who deserve honour plus the right to keep a better part of their rewards.

There are positive signs that Britain's economy is taking a turn for the better. Inflation has fallen to five per cent. From one of the slowest growing economies in the European Community, Britain is now one of the fastest growing with a forecast of three-and-a-half per cent growth in 1985. Only unemployment remains a deep-seated problem. But no government can resolve this problem as long as unions insist on high wage increases during a period of high unemployment. These rigidities caused by union practices discourage employers from hiring more workers.

Prime Minister, Britain and Singapore have good and sound relations. Singapore suffered a shock from British Government's decision to withdraw her forces in 1968. It took considerable effort to overcome the loss of nearly 20 per cent of Singapore's GDP, then generated by British military spending. The

British Government did its best to soften the blow. And we have not forgotten that. Nor have we forgotten Britain's invaluable contributions to our security and defence.

We have used to advantage what Britain left behind: the English language, the legal system, parliamentary government and impartial administration. However, we have studiously avoided the practices of the welfare state. We saw how a great people reduced themselves to mediocrity by levelling down. The less enterprising and less hardworking cannot be made equal simply by cutting down the achievements of the enterprising and the striving. And we have seen how difficult it is to dismantle a system of subsidised living once people get accustomed to a government providing for them.

Your visit to the ASEAN region will focus the minds of British entrepreneurs on their opportunities in a high growth region. Britain has many old links for easy re-entry into the region for her bankers, exporters manufacturers and the providers of professional services. Of course they will face keen competition from the more recently established Japanese and Americans. But the fact that many British enterprises are thriving under competition should encourage new entrepreneurs to venture their capital and share in the growth.

Finally, Your Excellencies, distinguished guests, ladies and gentlemen,
may I ask you to join me in a toast to Her Majesty the Queen, and to the good
health and success of the Prime Minister Mrs Thatcher.

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