

Transcript of Minister Mentor Lee Kuan Yew's interview with Arnaud De Borchgrave, Editor at Large of UPI on Feb 2 at the Istana:

US ELECTIONS AND IRAQ

ARNAUD DE BORCHGRAVE: What brings me here is a special project, quite apart from the privilege of seeing you, is a special project that we're doing there for the Centre for Strategic and International Studies where, as you know, (Zbigniew) Brzezinski and (Henry) Kissinger were, too. Incidentally, Brzezinski is now the Chief Foreign Policy Adviser to Obama, you know that, and he's a good colleague of mine. So, we have done for the last two years a study on what's motivating the Islamist extremists in Europe. We've got 15 of the best scholars together from the Middle East, North Africa, Europe, North America, put them into a collaborative electronic system where they were working 24/7 for one year. We're now doing the same thing in Southeast Asia and I'll leave you, this is just a summary of everything we're doing, but that's not really why I'm here.

MM LEE: Who will win? Hillary or Obama?

ARNAUD DE BORCHGRAVE: I think Obama.

MM LEE: You think so? Hillary has the resources and the networks.

ARNAUD DE BORCHGRAVE: Yes, but he's coming on very strong, sir. He's very good, he's got a beautiful manipulation of the English language, which helps. We haven't had someone like that for a long time and I think more and more people are ...

MM LEE: But the momentum is coming too late for him, isn't it?

ARNAUD DE BORCHGRAVE: You think so, sir?

MM LEE: You've got Super Tuesday on the 5th (of February), that's only three days off. If he can't pull that one off, well, there are many delegates behind, especially California and New York.

ARNAUD DE BORCHGRAVE: You favour Hillary, don't you?

MM LEE: I feel safer. I've watched him on television, but I'm a bit scared when he says "We'll get out of Iraq" just like that and he can't get out of it, you know.

ARNAUD DE BORCHGRAVE: He can't get out.

MM LEE: If he wins, he's got to get out of Iraq and that will be a very big mess.

ARNAUD DE BORCHGRAVE: I think that Brzezinski will convince him that you can't just walk out of Iraq.

MM LEE: But I mean, if he doesn't walk out of Iraq after all this, he's finished, his credibility is gone.

ARNAUD DE BORCHGRAVE: You think so, sir?

MM LEE: Or are Americans that short-sighted or short memory?

ARNAUD DE BORCHGRAVE: Well, I come to you, sir, from the new bilingual capital of the United States. You know what our second language is in Washington? It's the truth, seldom spoken, unfortunately. You've seen that in recent years. Memories are very short, sir. People don't remember what was said one day, the next day, they've forgotten.

MM LEE: But you know, the world will not forget this. He will lose credibility. He's got to at least have a caveat. But this is my view, but I will take the assessment of the military leaders at the time.

MM LEE: I do not want to say anything that will hurt President Bush because I believe he went in with the best of intentions. He put his trust in Dick Cheney and I had confidence in Dick Cheney because I thought, you know, he had experience in the Gulf, he's in the oil business, he was Defence Minister first Gulf War, but I don't know what's happened to Dick Cheney. He allowed himself to believe people like Paul Wolfowitz and Richard Pearle."

ARNAUD DE BORCHGRAVE: The Neo-cons.

MM LEE: Yes, that you could change Iraq. How can you change Iraq? It's a 4,000-year-old society. You know, it's not malleable, it's fractured, everybody knows the troubles the British had in their...

ARNAUD DE BORCHGRAVE: My grandfather, General Townsend, had a tremendous defeat in a place called Kut in World War I when he lost 23,000 Indian army troops, second biggest disaster after Gallipoli. Paul Wolfowitz, all these people were close friends and they were not interested in the history of Iraq. That's what struck me one year before the war when we were telling them not to do it. He said, "It'll be like France in 1944". That's what Paul Wolfowitz told us.

MM LEE: Did he tell you that?

ARNAUD DE BORCHGRAVE: And this is a very intelligent man. Ideology blinded them.

ARNAUD DE BORCHGRAVE: And that's what happened.

MM LEE: But I think, you know, George W Bush, whatever his faults, he's not walking away from the problem he's created and I think that's just as well. Otherwise, further damage will be done. I don't know, I prefer really John McCain. I think he will see this thing through and you've got to see ... If Afghanistan is a failed state, it's not your fault. Nobody has ever made sense out of Afghanistan. Maybe it's got to be fractured like that.

ARNAUD DE BORCHGRAVE: Even Alexander the Great bypassed it.

MM LEE: But if you leave Iraq in a mess after you went in to put it right, you'll never live this down. You'll have trouble throughout the whole Middle East. The Shi'ites will get together, not that they will stay together, but for a short time. The Iranians and the Iraqis, the Iraqi Shi'ites will have to depend on the Iranians because they are such a weak state. The Iranians will want to have mastery of the Gulf area.

IRAN - "HELL OF ANOTHER MESS"

ARNAUD DE BORCHGRAVE: What should we do in your judgment, sir, about the nuclear ambitions of Iran?

MM LEE: I think it's a hell of another mess. It may well be unstoppable now, you know.

ARNAUD DE BORCHGRAVE: That's my view. The Shah told me that one day, Iran would be a nuclear power. He told me that in 1972.

MM LEE: You see, they're an old civilization and unlike the Arabs, apart from the Mesopotamian Valley and the Nile, they had no high-level civilisations. The Iranians had, you know. And I was

struck when I listened to a BBC programme recently, about half-a-year ago, and they interviewed an Iranian and he said when you talk about Asian civilizations, really, there are only two we're talking about: China and Persia. That's their thinking and I think they want to go back to those glorious years of empire.

ARNAUD DE BORCHGRAVE: So, we should be talking to them at the highest level, the way Henry went to China?

MM LEE: But you haven't got a Henry in Washington.

STATESMEN AND THE MEDIA

ARNAUD DE BORCHGRAVE: In fact, we don't have great statesman anymore anywhere in democracies. Do you have a view as to why that is no longer possible to have someone like you or Charles De Gaulle or Margaret Thatcher?

MM LEE: No, no, no, you will now have, I don't know for how long this phase will last, an electorate that's influenced by the mass media, and a mass media run by a group of media barons with their appointed surrogates getting tired of leaders after a short while and wanting change, always believing that the next one will be better. So, (former British Prime Minister) Tony Blair, use-by-date over, out. They've got Gordon Brown. Is he better? I don't know. He doesn't measure up, out. (Conservative Party leader) David Cameron, is he better? After awhile, out.

ARNAUD DE BORCHGRAVE: So, the power of the media has made it impossible to be a great statesman or great stateswoman?

MM LEE: I'm not sure. I think it depends upon the crisis. When a real crisis sets in, people begin to feel it in their bones and their opinion-formulators also begin to feel that this is life-and-death, it's no longer pontificating and better be cautious about this. Let's stick by somebody who knows what this is all about and will stay the course.

ARNAUD DE BORCHGRAVE: You see, the media allows people to get onto the pedestal and then they start chopping away the pedestal.

MM LEE: No, that's part of the cycle.

ARNAUD DE BORCHGRAVE: Yeah. So, it has become impossible to create another ...

MM LEE: I mean, you watch (French President Nicolas) Sarkozy. At the end of five years, I think they would have reduced him to a different size.

ARNAUD DE BORCHGRAVE: But he helped in that regard, didn't he?

MM LEE: Well, yeah, but nevertheless, I mean, he, you know ...

ARNAUD DE BORCHGRAVE: It's ruthless, it's a ruthless machine the media now. I belonged to it for 61 years and I've seen unbelievable changes and never for the better.

MM LEE: No, it is the pressure of competition and the drive for advertising. Who is able to get the advertisers? What programme gets what viewership or readership or place? And never mind what the consequences are. If you get the advertising, you win. That's that.

ARNAUD DE BORCHGRAVE: When you started, sir, in your political career, you used some very great American foreign correspondents. They don't exist anymore. We had 2,500 foreign correspondents at the end of World War II when I started. There are 237 today. ABC, Ted Koppel was telling me the other day that when he and I were running around the world - I was with Newsweek - there were at that time 37 staff foreign correspondents with ABC. Today, there are

two. It's happening everywhere and what's taking over, of course, as you know, is the Internet. The youngsters don't read newspapers anymore. I have a 37-year-old deputy at CSIS, who has a PhD from Fletcher. He's never read a newspaper in his life.

MM LEE: In his life?

ARNAUD DE BORCHGRAVE: In his life. When he comes into my office at nine o'clock in the morning and he will say, guess what I read in the Singapore Straits Times today? He's covered the whole world on the Internet but never held a newspaper in his hands.

MM LEE: Oh dear.

ARNAUD DE BORCHGRAVE: I know and you see that crisis in American newspapers everyday.

MM LEE: So, I am a dinosaur.

ARNAUD DE BORCHGRAVE: Well, sir, I read seven newspapers everyday. So, I'm worse than a dinosaur.

MM LEE: Oh, my goodness me.

THE "ISLAMIST BOMB"

ARNAUD DE BORCHGRAVE: You remember, sir, that when I was here in May in 2001, I asked you what really concerned you most about the future and your response was "Islamist bomb" and, mark my words, it will travel, and secondly, you said the challenge that the global status quo by China and by India. Do you see the next ten years roughly in the same way?

MM LEE: No, not quite. I think the Islamic bomb, it has travelled already. I'm not sure how it will go because the US, the Europeans and even the Russians have to make up their minds whether Iran can be allowed to grow nuclear.

The Russians are playing a game. They believe if the Americans will pay the price and then they'll say, "There you are, you see". They're the nice guys, they supply the nuclear fuels for peaceful purposes and the Americans cause all this trouble.

But if I were Russian, I'd be very worried if Iran has the bomb because they're more at risk than America. Maybe Israel is at risk, but that's another matter. Russia is at risk because the central European states, Asian states, central Asian states, the Chechens and all, next time they're in the bomb shop, it won't just be with plastic explosives on their bodies.

So, I'm not sure whether (when) it comes to the brink, the Russians will say, "No, thus far and no further", and maybe even they can't stop it at that point, in which case, we just live with a very dangerous world because then they can be quite sure the Sunnis will get the bomb. So, you've got a nuclear Middle East, you've got the whole world nuclearised.

ARNAUD DE BORCHGRAVE: So, you would favour, I mean, if you an Israeli, as you know, favouring bombing of Iran and given Iran's formidable retaliatory capabilities, I personally think that would a mistake to bomb Iran.

MM LEE: I can express no view on that because it's ...

ARNAUD DE BORCHGRAVE: As an Israeli, you can understand it.

MM LEE: I think they're at risk.

ARNAUD DE BORCHGRAVE: You know, sir, as I travel around the Muslim world, I've asked heads of state all the way from Morocco to Indonesia, what percentage of your population would you consider extremist? And they usually reply, one per cent. When President (Pervez) Musharraf told me that, I said, well, Mr President, that's 1.6 million extremists you have in your

country. He said, you know, I haven't thought of it in those terms, but I guess you're right. I said what about the fundamentalists, those who sympathise with them? He said that's about ten per cent. So, there. You've got on a global scale, you've got 13 million extremists and 130 million sympathisers or fundamentalists.

MM LEE: No, but I do not see them winning. Winning means you're able to impose your system on your enemy and mould them to your cast. I can see them causing damage, fear, insecurity because they haven't got the technology and the organisation to overwhelm the enemy and we are all enemies. You've got too many enemies.

ARNAUD DE BORCHGRAVE: So, what are we doing wrong? How do you see the future of Al-Qaeda and what we've done since 9/11?

MM LEE: That's why I think it is important in Iran and Afghanistan. Even if you can't win, you mustn't lose. You must not allow them to believe and all their Internet followers throughout the world to believe, yes, this is the winning strategy. Let's have more suicide-bombers, more improvised explosives, we can disrupt the world and take over.

ARNAUD DE BORCHGRAVE: So, you think what we've done so far is the right thing?

MM LEE: No, in Iraq, I think it was a mistake to try and remake the society.

ARNAUD DE BORCHGRAVE: It's played into the hands of the extremists?

MM LEE: I have said this before and I said it in the presence of Paul Wolfowitz at a conference here of the IISS in May of 2003, two months after the fall of Saddam. I was the conference pre-dinner speaker and there was a Question & Answer (session) afterwards. So, somebody asked me, what will happen in Iraq. So, I said, I don't know. But in October 2002, I was in Washington and I was quite convinced when I left that there would be an invasion. So, on my way back, I stopped in London, saw Tony Blair and asked him to give me a briefing. So, his MI6 gave me a briefing together with his political adviser. After 45 minutes, I said, "Look, I accept the argument: degraded weapons system, aircraft, tanks, radar, low morale. It's a walkover. What do you do day after?"

They replied: "It's up to the Americans".

I said: "If you were in charge, what would you do?" The political adviser stepped in and said: "We will appoint the strongest general and get out quickly".

So, I said that at the meeting. I said, probably, only half in jest, but they suffered in the 1920s. So, they know what a complicated mix it is and it was. Paul Wolfowitz stood up in high dudgeon. So, to placate him, I said, but, of course, the British don't have the resources you have. If they had your resources, maybe they would have done differently.

He then saw me here in this office and asked me to send police trainers. I've known him since he was a junior officer in the State Department, not junior, but among the lower ranks. I said, "Paul, do you know how long we take to train a policeman in Singapore in one language in English? Two years. You want me to send trainers to Iraq to train them in Arabic in three months?" He said, "No, we'll provide translators.

I said, "What kind of policemen would you have?" He said: "This is an emergency and we've got many people helping us, many nations". So, I said, "Alright, we'll go to Amman and train them,. We're not going to be Baghdad because it's going to be suicide bombings, it's quite obvious". So, we went to Amman. I don't know how many batches we trained with interpreters.

So, a year-and-a-half ago, I was at a New York meeting talking to a select audience and I said, when you disbanded the police force, I was very nervous because when the Japanese Army came down here, 30,000 troops captured 90,000 British troops, British, Indian, Australian. They sent them to captivity, they left the police in charge, they left the administration in charge. They just changed British heads of department for Japanese and even British heads of power, water, gas were left in charge and everything functioned; and 25, 000 troops moved on to Java to capture 5,000 forces. Embassy garrison and everything functioned. Here, you disbanded the

police.

ARNAUD DE BORCHGRAVE: And the army.

MM LEE: No, the army just disappeared.

ARNAUD DE BORCHGRAVE: Well, they've got to recall the army the next day.

MM LEE: Yeah, the army just disappeared and you dissolve the administration, the Baathists. How are you going to govern this country? It's a vacuum. So, I think, from Day One, the idea of remaking Iraq - the hubris! ... If you trace it back, I think the hubris grew out of the ease with which they did it in Afghanistan with the help of the Northern Alliance and then, in so many, 33 days in Baghdad, just melted away. So, it can be done. Not forgetting, conquering armies go to China on horseback. Having defeated the Chinese army, you've got to get off the horseback and govern and they use the same Mandarins and they governed but here they dissolved the Baathist Party...

ARNAUD DE BORCHGRAVE: Also, I think you would agree, Minister Mentor, that it had nothing to do with Al-Qaeda, Iraq.

MM LEE: No, I don't want to go into all that. It did not have anything to do with Al-Qaeda, but they were convinced that Saddam would aid Al-Qaeda, giving them weapons, training and maybe weapons of mass destruction. So, therefore, Saddam must be eliminated.

ARNAUD DE BORCHGRAVE: Did you happen to see, sir, last week the 60 minutes special on the man who spent five hours every day with Saddam during his last few months?

MM LEE: No.

ARNAUD DE BORCHGRAVE: He was an FBI man who spoke Arabic because he was born Lebanese. It's fascinating and Saddam made very clear that ...

MM LEE: Oh, yeah, he didn't have those weapons, he was bluffing.

ARNAUD DE BORCHGRAVE: Yes, bluffing because of Iran and anyway, that's history at this point. But that brings me back to Pakistan and Afghanistan because as you've seen in recent times, all the trails from Europe or most of the trails lead back to Pakistan. The terrorist trails in Germany now, they told us the other day, they go through Turkey ...

MM LEE: We had one Pakistani here, or of Pakistani descent, he led a group here.

ARNAUD DE BORCHGRAVE: So, what does one do about that? I go to Pakistan frequently, sir.

MM LEE: We now have to live with this problem for a long time and my fear is Pakistan may well get worse. You know, it was ... Don't go back too far into history because that'll take too long a time. Just start off with Musharraf and his problems with the Chief Justice. I don't know what made the Chief Justice decide to thwart him. I'm not sure whether it would have been different if the Chief Justice did not threaten to, or he did not feel Chief Justice would block his re-election and didn't call the Emergency and didn't cause all this trouble. But whatever it is, what is the choice to Musharraf? He's the only General I know - and I've met a few in the Pakistani Army - who is totally secular in his approach. But he's got to manoeuvre within this milieu. I do not see Benazir Bhutto or Nawaz Sharif or any political leader emerging, taking on the Taliban and the extremists because when they were in power, they compromised with them. They wanted their vote, their support. Musharraf turned around on 9/11 because he was presented with a stark choice.

ARNAUD DE BORCHGRAVE: Yeah, ultimatum.

MM LEE: Yeah. I don't know what Richard Armitage told him, but obviously, he understood that it's either this or the disintegration of Pakistan. So, he decided on cut the link and for him to be able ... I don't if you ... I have an interesting article on the ISI (Inter-Services Intelligence) . This is the Indian Global Affairs. That's about how the ISI has 20 per cent of their officer corps fundamentalists and so on.

ARNAUD DE BORCHGRAVE: I did a one-year study on ISI, sir, for the Centre for Strategic International Studies. So, I do have the figures too. It's unfortunately two of the four provinces in Pakistan today are governed by the pro-Taliban people.

MM LEE: Yeah, that's right.

ARNAUD DE BORCHGRAVE: And you see all the extremism going on now in Germany, in Spain and England coming from Pakistan. So, we have to live with this?

MM LEE: Well, it's their choice.

ARNAUD DE BORCHGRAVE: I see.

MM LEE: Are you going to invade it?

ARNAUD DE BORCHGRAVE: No, I was just asking whether you think there's something we're doing wrong? Something that hasn't been tried?

MM LEE: You know, they are living next door. If they could do something about it, they would have. But they just stalemate it. You go in, alright? Let's say they don't have the bomb. You go in, then what? Then you've got four failed states. And then what? Then you leave? And if you don't leave, what happens? So, I really don't know what you do about such a horrendous festering problem. Somehow, you've got to contain it and close it, you know, like Chernobyl.

NATO'S FUTURE

ARNAUD DE BORCHGRAVE: Afghanistan could be the end of Nato, too?

MM LEE: I'm surprised that Nato leaders have such short memories and they don't project into the future. I mean, do they believe that the Russians have been defanged forever? Or that they are safe and, you know, they've got a Europe which is at peace and can remain at peace? This is a globalised world. So, for them to balk at the casualties when the Americans came in to rescue Europe in two world wars, I just do not understand. I think that's also got to do with the mood in Europe ...

ARNAUD DE BORCHGRAVE: A peace movement in Europe?

MM LEE: Yes. And also the change, the switch from Papa Bush to Madeleine Albright as the indispensable power, to the Neo-cons as a superpower and they said, Okay, well, if you are the superpower, it is your show. Supposing they kept, America kept to the Papa Bush line and consulted everybody: This is a world problem now, there are targeting me, but you are the next one and you know that. The French know that. Supposing you have a more collective decision-making process, maybe a little slower, I think you might have created a different mood in the electorate.

ARNAUD DE BORCHGRAVE: But you do feel that Nato's future is at stake here?

MM LEE: Oh, yes, oh yes, indeed.

ARNAUD DE BORCHGRAVE: Because you saw what the Canadians said two weeks ago, we

are pulling out unless the Germans are willing to do what we are doing?

MM LEE: Yeah, yeah.

ARNAUD DE BORCHGRAVE: So, that would be a major concern of yours if Nato collapsed?

MM LEE: Not immediately, but overall, the balance will be upset. I think it's a more dangerous world.

ARNAUD DE BORCHGRAVE: Balance to be upset in whose favour, sir?

MM LEE: In favour of China and Russia. Surely, it is a weaker Western camp they have to contest against.

WHERE IS CHINA HEADING?

ARNAUD DE BORCHGRAVE: Can we just touch on China now because as I was thinking about what to ask you, it's just amazing what we have been living in the last 30 years. We knew China as one of the poorest nations in the world and now becoming perhaps the world's economic power. All of that in 30 years. You go to places like Dubai and where you have just been, in Saudi Arabia, it's amazing what has happened in 30 years. So, where is China going?

MM LEE: I think the Chinese have come to the conclusion that if they stay on course, peaceful rise, don't try any areas of influence, don't challenge any existing power, whether it's America or Western Europe, just make friends with everybody, including the Japanese, the Russians, the Indians, everybody out there, given the rules of the game now that they are in (the) World Trade Organization, they can only go stronger and stronger, year by year, decade by decade and within three, four decades, their GNP will be equal to America, not per capita. Their technology will be half of America and another 30, 40, 50 years, their GNP would be bigger than America and their technology may not be far away from America because they have seen - and they have studied in detail, Taiwan, Hongkong, Singapore - and Deng Xiaoping opened up in 1978. He had been here - and he was amazed because his briefing did not tally with what he saw. So, he decided - he must have been thinking this a long time already - the communist system did not work - and he saw this tiny little place with all the goods in the shops, such a high quality of living, garments, et cetera and with exploiting European and American and Japanese capitalists having factories all over. He said ... we can do that too. So, he went back and tried these special economic zones, about 12 of them, around the coastal cities and leased the communes back to the farmers. It worked.

I think they have concluded that Taiwan, Hongkong, Singapore advanced because they had the advantage of connections to the West, access to technology, export markets, knowledge, capital and an educated workforce. Okay. They've got a better workforce, they can be better educated. They've got more bright people. They are now in WTO. They are sending 250,000 students every year abroad. All right, 60 per cent, 70 per cent don't come back. It does not matter, they will come back eventually and year by year, they are closing the gap. So, they worked out this theory of peaceful rise. They have ... I don't know if you watched this or heard of this series, The Rise of the Great Powers, which they did.

ARNAUD DE BORCHGRAVE: Yeah.

MM LEE: You have read it?

ARNAUD DE BORCHGRAVE: Yeah.

MM LEE: I had read it and I called for the VCDs and I watched it. I was amazed. It was a scholarly job done by the historians, no communist jargon. How did these powers rise, tiny little Portugal? Technology, naval technology, they navigated the world, Christopher Columbus. Spain,

Holland, the French, the British, the Armada. What is the trick? The trick is technology plus a government and people that's united and going for growth.

ARNAUD DE BORCHGRAVE: Can you keep a one-party state under those circumstances?

MM LEE: Well, I was quite surprised when they analysed the British rise because they gave it factually. They said the barons brought the King back to Magna Carta and said you will rule through us in Parliament, not divine right but a divine right exercised through us in Parliament and when the King misbehaved, Charles 1, they beheaded him. I thought that was a most subversive view. They would chop off the head of the Communist Party, but they said because of that, the people have confidence in the government and the government with the confidence of the people. A merchant class grew up, they formed the East India Company that expanded and created an empire.

ARNAUD DE BORCHGRAVE: So, we see China on the same track?

MM LEE: I think so, but not ... Having hoisted in all these lessons, they want to avoid doing a Japan or a Germany. They are not challenging anyone.

ARNAUD DE BORCHGRAVE: Not interested in territorial conquest?

MM LEE: No, no, no, not necessary. Look, you don't have to be a genius to know that they are producing five times as many engineers every year as the Americans. Scientists. What is it you need? The roads, the bridges, the railways, conference halls? They are everywhere in Africa, in the Arab world, in Latin America, right? Have you got the numbers? I (China) have. Yes, I am weak still, but maybe my bridges, my dams are not as technically attractive as yours, but they work. But I am everywhere. Can you be everywhere? What is their competitive or comparative advantage? Numbers and educated ones.

ARNAUD DE BORCHGRAVE: And smart power, too?

MM LEE: Yeah.

ARNAUD DE BORCHGRAVE: Instead of hard power or soft power, they have smart power.

MM LEE: So, they've opened Confucian institutes to sell language, culture.

ARNAUD DE BORCHGRAVE: So, it will be China's century, rather than America...?

MM LEE: No, no, I don't think so, not quite. They will want to share this century, at least I hope.

ARNAUD DE BORCHGRAVE: And what? But then, it still moves forward, doesn't it, even if it is not their century?

MM LEE: Oh, yes. It will be a different world by 2050. Even by 2030. You cannot intervene in Taiwan. It is too costly. In fact, the Sin-Pac Commander, Admiral Moore, has already said, you know, you have got all these forces, designed to knock out my Seventh Fleet, my aircraft carrier battle group. And that's what they are after. Don't intervene. If Taiwan declares itself independence, I have already passed this law, anti-secession, I have to move and I will stop him, but we are quite happy to leave it as it is. That's, indeed, it is in their own interest to leave as it is. Taiwanese go to America, get technology, built up Taiwan, then old technology goes to China. You take back Taiwan, they become Chinese, access to US labs cut off. So, they are quite smart.

ARNAUD DE BORCHGRAVE: And young Taiwanese today would rather work in Shanghai than work at home?

MM LEE: Because the stupid Taiwanese Government is stopping their link economically with

China, thinking they can prevent China from going in that way when the rest of the world is going there.

ARNAUD DE BORCHGRAVE: So, you don't think it's going to be moving as fast as I see it coming?

MM LEE: No, no. They are in no hurry. Why? Because they are quite comfortable. Every year, they are in a stronger position.

HEZBOLLAH AND HAMAS

ARNAUD DE BORCHGRAVE: Can I ask your view, sir, on what is happening now with these micro individual weapons against macro power like the US Fleet. Like the other day in the Persian Gulf, you saw those little speedboats darting in and out of American ships. If they had been suicide boats, you could have had three major ships immobilized by tiny, little speedboats. We are moving into that kind of asymmetrical warfare world?

MM LEE: Don't worry. I mean, again, they cannot win. They can inflict damage. Can they win? Can they land troops and have a beachhead in your territory and then conquer you? They can't. They can only inflict damage and intimidate you from attacking them.

ARNAUD DE BORCHGRAVE: But they have formidable retaliatory capabilities, sir, don't they? They have Hezbollah, Hamas and ...

MM LEE: Yes, but they can't conquer the world. They can't conquer you. Hezbollah cannot conquer Lebanon. They can create trouble for them, non-Hezbollah Lebanese, the Christians and the others.

ARNAUD DE BORCHGRAVE: So, you don't see these micro-players bringing superpowers to ...?

MM LEE: No, no, no, they cannot.

ARNAUD DE BORCHGRAVE: Not bringing them down but to...

MM LEE: They can cause a lot of discomfort and losses.

SCIENCE AND TECHNOLOGY

ARNAUD DE BORCHGRAVE: I am getting into science and technology because unless you read science fiction, I find it absolutely impossible to comprehend what is happening today?

MM LEE: I give up.

ARNAUD DE BORCHGRAVE: You give up.

MM LEE: Because I no longer understand, you see. I mean, you know, I am not, I did not do any science beyond high school. I was into mathematics and economics and the law, that at least I could understand. I have reached a point now where I don't follow when I read the article. I ask, look, at the end of it, how does this happen and why? I get new words, bio-pharmaceuticals. I send it to my secretary "What is the difference between a pharmaceutical and bio-pharmaceutical and biologics? What is biologics?" He explained it to me. I don't know where he gets it from, the Internet or somewhere. That is the life element, not just dead chemical elements but life element introduced into the pharmaceuticals. Finally, I was watching a BBC (programme), I just happened to watch it in Riyadh, Craig Venter.

ARNAUD DE BORCHGRAVE: Yes, the famous human genome...

MM LEE: That is right. Oh, it was a spectacular presentation, brilliant, sparkling brilliance. He covered the whole field in 45 or 50 minutes. I was transfixed. I watched him and he said now we can create life.

ARNAUD DE BORCHGRAVE: Artificial life?

MM LEE: Yes, it is created. Well, but where are we heading? Where are we heading for?

ARNAUD DE BORCHGRAVE: I am almost your age, sir. We are just two years apart and ...

MM LEE: You are younger than me?

ARNAUD DE BORCHGRAVE: By two years.

MM LEE: So, you have gone through the same world period.

ARNAUD DE BORCHGRAVE: But I am a World War Two veteran. I spent for years in the British Navy in World War Two and I am still kicking and I have covered 18 wars. But I am puzzled, like you, where is this going because it is happening so quickly. Everyday, it's something new and we already have one billion people online, as you know, around the world, soon to be two billion. We have two billion cell telephones which are also getting information now.

MM LEE: Yes, streaming videos ...

ARNAUD DE BORCHGRAVE: And all that, yes.

MM LEE: 3G.

NATIONAL SOVEREIGNTY

ARNAUD DE BORCHGRAVE: What does your imagination tell you as to how this is going to change things in terms of national sovereignty? Does it mean anything anymore, national sovereignty?

MM LEE: Oh, yes, I think it does for a long part because that is what keeps a certain framework for a group of people to mount their activities. Supposing you've had just a free for all in the world, we have chaos. So, because you have specific areas of sanity, whether it's ... Suppose you have every country like Kenya is going through now, or Rwanda, I think that's the end. It's finished, there is no progress. Nothing can be achieved. You can give them all the aid and modern gadgetry and digital advances, they are just back to the Stone Age.

ARNAUD DE BORCHGRAVE: But as you were watching the television programme, what was going through your mind as to where all this is going?

MM LEE: I think I do not buy Craig Venter's optimistic view that he can create a microbe making a carbon-free fuel.

ARNAUD DE BORCHGRAVE: You don't think that's possible?

MM LEE: I don't think that is possible in the foreseeable future.

ARNAUD DE BORCHGRAVE: Well, ASU, sir, Arizona State University, now which has left MIT (the Massachusetts Institute of Technology) in the dust in many respects, especially on the merger of information technology, biotechnology, nanotechnology and robotics, they are bringing all that together and they are way ahead of anybody, ASU. They say that today, they have discovered the way to turn human wastes into fuel.

MM LEE: Yes, yes, the Chinese are doing that.

ARNAUD DE BORCHGRAVE: Same thing, yeah.

MM LEE: They are using methane. That's simple. But what Craig Venter suggests was possible was you create a microbe and that micro will work on something, I do not know what, and produce carbon-free fuel.

ARNAUD DE BORCHGRAVE: Many things are happening.

MM LEE: Let's say it is possible. Then what happens? With carbon-free fuel, you can desalinate all the oceans of the world and you would overpopulate the world. Then you've reached another impossible situation. My conclusion is there are certain moral and physical limits to what man can do, mankind can do, to this planet. If you begin with human history from the earliest tribes, we still haven't got out of the instinctive responses of groups of people to grow and protect themselves. A tribe needs territory to survive - first, hunting, then agriculture, then it comes against another tribe. So, they either fight each other and one becomes dominant or they trade or they do both from time to time. But the tribe that grows and multiplies is the tribe that becomes stronger and the weaker ones get knocked out. We're still in that mode, you know. The Muslims believe that if they procreate and multiply, like what (Yasser) Arafat used to say - "My secret weapon is the Arab women's womb" - then they will conquer the world. The only other religion that posited the same theory are the Catholics. Are you a Catholic?

ARNAUD DE BORCHGRAVE: I was born a Catholic, sir. I'm non-practising, sir.

MM LEE: But they are losing because the lowest fertility rate now is Italy. But they're still winning in Latin America. But I think eventually, they will lose. Whatever you do, whether it's human cure for Aids or whatever, you just multiply and whoever has the bigger population base, the world belongs to you. Now, does it make sense for the incapable, technologically-incompetent peoples of the world to take over what is your civilization and run it? Can they? They can't. So, where does all this lead to? You have a Craig Venter and he'll be matched by Chinese and Japanese and other Indian scientists. But at the end of the day, where are we heading?

ARNAUD DE BORCHGRAVE: I can tell you the scientists, sir, that I've talked you recently at George Mason University that is working very closely with Lucent Technology and all that and also ASU in Arizona, they believe that the ageing process can be arrested.

MM LEE: And then?

ARNAUD DE BORCHGRAVE: And even retarded.

MM LEE: And then?

ARNAUD DE BORCHGRAVE: And they also believe, sir, that this century, anybody born today will live to 120 quite easily.

MM LEE: Yeah, well, that's possible. I believe that.

ARNAUD DE BORCHGRAVE: And anyone born in the next century, they say 250 will be quite possible.

MM LEE: And then what?

ARNAUD DE BORCHGRAVE: Well, that's what I'm asking, where is all this going?

MM LEE: And, therefore, it makes no sense. Three score and ten is not a bad span. Have a good life, live and let your progeny enjoy a slightly better life, but leave them space.

ARNAUD DE BORCHGRAVE: But that's not going to happen. As you know, science is ...

MM LEE: I think we're heading for an unhappy time. I am not at all sure that the future, that my children's future will be, well, maybe my children's future not too bad, my grandchildren's future may not be as ...

ARNAUD DE BORCHGRAVE: As good as ours was. You see a deterioration of human life?

MM LEE: Yeah. I mean, you take Singapore. When I was born, this island had probably 450,000 people. By the time of Second World War, nearly one million, it grew with trade and so on. Three-and-a-half years of Japanese Occupation cut off from all sea routes, no food, no medicines, no textiles, no nothing, the population dispersed into all the surrounding areas to grow tapioca in order to survive. It went down to about half-a-million. British came back, restored the system, trade grew, went back to one million. By the time we became independent in 1965, we were about two million.

So, long stretches of rubber estates, pineapple plantations, mangrove swamps. I used to cycle down to town from the countryside. It's now just highway upon highway, tall buildings.

We now have four-and-a-half million people, 3.2 million our citizens, the rest foreigners working here and our planners are projecting for growth to 6.5. I said, look, go slow. Do we want to hit 6.5? Maybe we should ... My demographers tell me 5.5 is the more likely target unless we ramp up the immigration. Even 5.5, already at 4.5, we have complaints from our people who say, look, will you keep those permit holders, those strange Chinese and Indians who don't look like us, far away because if we have them nearby, at night, in the weekends, they come near our places because we've got bright lights and they stay around and leave the place littered and make a terrible noise. If we don't have them, who's going to climb up all these scaffoldings and bend these steel bars?

SINGAPORE'S BRAIN DRAIN

ARNAUD DE BORCHGRAVE: So, how serious is the brain drain, sir?

MM LEE: The brain drain is pretty serious, our brain drain, losing them ...

ARNAUD DE BORCHGRAVE: To China?

MM LEE: No, losing them to America. No, we're not losing to China.

ARNAUD DE BORCHGRAVE: Not China?

MM LEE: China, they'll come back. You want to be Chinese or do you want to be Singaporean. You go to China, you're going to compete against 1,300 million very bright fellows, hardworking, starving. Do you stand a chance to be on top of that pole? No, but if you go there as Singaporean with a different base, speaking English which they can't, with connections to the world, then you've got a different platform.

What happens is they go to America. Americans then collect them, the bright ones. You stay for two, three years in their companies, acclimatise them to the company culture and take them to China, if they speak Chinese. So, they're part of the American team. Now, if they are working in China, I think they'll come back because they don't want their children to compete against Chinese. But if they decide to take the Green Card and settle in America, then I think we've lost them and they are going to America and those who don't want the hard competition here go to Australia and Canada.

ARNAUD DE BORCHGRAVE: You have percentages on that, sir?

MM LEE: We're losing about ... According to the people who give up their citizenship and take out their savings, their pension funds, we're losing about, at the top end, 1,000 a year, which is about, if you take the top 30 per cent of the population, thereabout four or five per cent. It will

grow because I think the numbers are growing. Every year, there are more people going abroad for their either first degree or second degree or whatever.

But we're making up by getting many bright Chinese and Indians coming here because of better prospects, learn English, you can learn Chinese at the same time and so on and the Indians are near home, First-World standards as against Indian infrastructure. The trouble is many of the Chinese then use us as a stepping stone to go to America where the grass is greener. But even if we only keep 30 to 40 per cent and we lose 60 to 70 per cent, we're a net gainer. But the day will come, maybe 20 years, maybe 30 years, when Chinese say, look, my life is better than yours or as good.

ARNAUD DE BORCHGRAVE: Sir, if I could ask you about the future capitalism because one thing that concerns me about my own country in the United States is the growing gap between the mega rich and the rich, on the one hand, and the rich and the rest of the country, on the other hand. You've seen this sub-prime mortgage crisis which has hit the whole world done by obviously people who knew what they were doing. But it created havoc for the whole capitalist world in the last few months. Where are we going with capitalism that no longer has Marxism to challenge it? My theory is that capitalism was kept on the straight and narrow throughout the Cold War because we have Socialism and Marxism breathing down our necks all the time. Since the end of the Cold War, apparently, nothing is there to challenge capitalism anymore and we see more and more abuses, especially in the United States.

MM LEE: No, from time to time, human greed, even with the best of the MBA graduates, gets better of the people and they skew the system up. But I believe you cannot find a substitute system that does not factor in a desire of the human being to do well for himself, to cater for his responsibilities, his wife, his family, his parents, whatever his filial obligations are, and then when he has extra, to have compassion for his fellow human beings, especially his neighbours and his immediate friends and relatives. So, the system that maximizes this is the system that gives the highest motivation to the person to do well. I mean, the Chinese experimented with this, Mao tried this, you know, the super worker.

ARNAUD DE BORCHGRAVE: The New Man.

MM LEE: The New Man, the Communist Man. It didn't work. I mean, whatever you put in, I put in, we are equal and the whole thing degraded - performance going down and the pie grew smaller. But even then, in the height of the communist folly, I remember going to China and the Chinese official, not to me, but he was showing it to my people, he'd take out his Mao jacket and show his fur-lined. I can't show it, because then we're not equal. So, I look equal, but really he knows that I'm the boss because I can afford this fur-lined.

So, Deng Xiaoping acknowledged that when he saw Singapore. He must have heard reports from Hongkong and Taiwan and studied Japan and Korea. Switched. That to be rich is glorious and now, they're on this path and the incomes are widening and (Chinese President) Hu Jintao and (Prime Minister) Wen Jiabao are out to equalise the harmonious society. And in time, they will level out. They will never quite level out, but anyway, they ameliorate or alleviate the feelings of the dispossessed, but it will go on.

So, I think we're going through a particularly acute period where you suddenly have two-and-a-half, if not three billion people entering the marketplace. They were out of it, India, China, Eastern Europe, Central Asia. They have gone in. When they go in, they have lots of unskilled and uneducated people so that those who are unskilled and not well-educated worldwide will suffer because there's a surplus of such people. Then those who are skilled and technologically-equipped, their incomes go up because our companies are going to the Gulf, going to China, going to India and they need people to go there and start up their companies. So, they get all kinds of incentives and extra pay, whatever, which they save to buy whatever they want to buy here.

But I think this will go on for about 20, maybe at the most, 30 years because the Chinese will ramp up and so will the Indians. They don't want always to be doing the dirty and the heavy. They will be producing their own graduates, year by year, more and more, their own technicians. So, I

believe this phase will go on with lessening severity over the next ten, 15 years. So, it'd peter out from about 25 years from now.

DEMOCRATIC CAPITALISM

ARNAUD DE BORCHGRAVE: So, you do believe, sir, that democratic capitalism then is the final stage in human revolution?

MM LEE: I do not say that. I am not a (Francis) Fukuyama fan. I do not believe you can predict how human societies will evolve. I mean, if you reach a position of saturation of population, you will then have to craft new strategies to protect yourself. I mean, you take Singapore. Yes, we want Asean, yes, we want solidarity, yes, like the European Union, that's a distant dream. But supposing I tell the people of Singapore, like ... (indistinct)... any entry into any Asean country you can enter Singapore, my God, what will happen to us?"

ARNAUD DE BORCHGRAVE: You'll be swarmed.

MM LEE: Yes. So, there will be entities that will say, look, this is my camp, my oasis. I can only take so many, but I'll share, I'll give you the work, I'll give you this and that. In other words, I can't have people setting up camps out, setting up a plastic tent outside in my garden. So, when you reach that stage, what kind of a social organisation do you need? I don't know.

ARNAUD DE BORCHGRAVE: But you do see the abuses of the system everyday turning off the people generally.

MM LEE: Yes, of course.

ARNAUD DE BORCHGRAVE: I mean, I never forget this man from Goldman Sachs was given US\$70 million as a Christmas bonus, not this last Christmas, the Christmas before. He turned it down. He said, "I'm worth US\$100 million" and he walked out and he's now a hedge fund manager who makes US\$300 million in one year. You see this happening more and more and that's why I think the Democrats are coming back.

MM LEE: They can't stop this, you see. Look, I'm the Chairman of our pension fund, called the GIC. The people who manage that and are deciding where we put our money on equities, on bonds or private equity ...

ARNAUD DE BORCHGRAVE: That's your sovereign wealth fund, right?

MM LEE: Yeah. They are paid five times what I'm paid. Why? If not, they will just walk out and join the next, any number of financial institutions that want their skills. But they are dealing with billions everyday. So, your sense of proportion, if I am making you, by this one transaction, a 20 per cent gain just by staying in this, I mean, what do I get? And I could easily lose your 20 per cent.

ARNAUD DE BORCHGRAVE: So, you think that's an inevitable part of the system.

MM LEE: No, these are the vagaries of the human intellect. You lose your sense of proportion and those in authority have got to maintain that sense of proportion. Supposing I say to myself, "Okay, he gets so much. I'm more important than him because I settled the whole system, therefore, I should be paid ten times his". Then there's no end to it. So, we've got to say, alright, this is what the chap at the lowest end gets.

The foreign worker who comes here, a domestic maid comes here and starts off with S\$300. You won't get a Singaporean working for S\$300 as a maid. You get S\$1,000 as a maid, maybe, part-time, one hour a day or two hours a day. So, you've got to have a sense of proportion. A society will remain cohesive only if there is a certain sense of equity and fair play. If I have unbridled capitalism, winner takes all, like in America, and have an underclass, I will find my minorities

over-represented and the society will be in jeopardy. They will riot.

So, what do we do? We raised the levels of the losers. We give them homes which they will not be able to buy, we give their children equal education in schools they otherwise can't afford, health services and so on and so on; and where they have lost jobs because the jobs migrated and they were not educated enough to take the jobs that's coming that requires higher skills, all right, you take this job, his lower pay, we make it up. Here is Workfare, give you the extra, but continue work. If you stop working, we are giving you nothing. We want no layabouts. You work, we make up. So, you find ingenious ways to keep them working and sufficiently rewarded so that they feel they are not abandoned and as a constant challenge and constant adjustment during this period.

BIGGEST CONCERN OVER NEXT 10 YEARS

ARNAUD DE BORCHGRAVE: Can I perhaps conclude, sir, by asking you the same question that I asked you when I was last here in 2001 about what concerned you most about the next ten years, whether it's Al-Qaeda, whether it's the Islamist bomb, whether it's China, India? How have your views evolve since 2001?

MM LEE: I think my worry is first whether America will go through this rough patch without losing heart and losing the will to see this problem through. Afghanistan was not of your choosing and if you've stuck in Afghanistan, not attempt it so much, just pacify it and let the warlords sort it out in a such a way that you do not try to create a new Taliban state, you cannot do that. The British tried it and they didn't succeed. Nobody has succeeded.

In Iraq, you should have gone in and just, you know, just appoint the next man and finish with it and if you behave like Saddam, I'll come back. That's enough. But to remake societies is beyond the capacity of any nation. But having gone in, if you lose heart and say, look, I can imagine an America that says, to hell with it all. Europeans not helping, Japanese half-hearted, opposition is blocking this, that, tokenism from all the others. Look, we just protect ourselves.

ARNAUD DE BORCHGRAVE: That's right. How could we be staying that we just protect ourselves?

MM LEE: Then what happens to the kind of world that we thrive in, where there's a balance of power and international law and order is not just so many words that you commit aggression, it will be stopped and you will be punished. I think we are in trouble. But what we're enjoying today is a result of pax-Britannica moving on to pax-Americana.

ARNAUD DE BORCHGRAVE: And the Gulf region, your trip to Saudi Arabia, sir, what impression did you bring back from Saudi Arabia? Is this tenable for another ten, 15 years?

MM LEE: As long as the American umbrella is there.

ARNAUD DE BORCHGRAVE: The ruling family you think can maintain themselves for a long period of time?

MM LEE: No, I'm not saying forever because they are changing. You can't bring in all this development and the women go out abroad, learn and then you bring them back and you put them into the burqa. I mean, they have changed inside. So, how it would change, at what pace and how suddenly it'll become different, I don't know. But I think it's going to be different.

ARNAUD DE BORCHGRAVE: Was this your second trip to Saudi Arabia?

MM LEE: Yes, my second trip.

ARNAUD DE BORCHGRAVE: And the last one was how long ago, sir?

MM LEE: About two years ago.

ARNAUD DE BORCHGRAVE: Oh, I see. You haven't been there before.

MM LEE: But I've read about it.

ARNAUD DE BORCHGRAVE: I was in Dubai with my wife. She was at your table at the state dinner that Reagan gave for you. You remember, Christine McAuliffe, if you remember. She was the one killed in the Challenger explosion. She was there at the same dinner with you, the Reagan dinner for you, which is, what, 1982, 1983, 1984, early 1980s. The first thing that goes for people like you and me is our short-term memory, right?

MM LEE: Well, no, it's a physiological or neurological process. I mean, your immediate recall becomes, immediate recall neuron becomes smaller and smaller and it's only your long-term recall that you have.

ARNAUD DE BORCHGRAVE: At GMU, they have reverse-engineered the human brain with its 100 billion neurons and between each neuron, there's an interconnection of 25,000 separate bits.

MM LEE: So, you multiply that.

ARNAUD DE BORCHGRAVE: It's amazing what they're discovering. Well, sir, I can't thank you enough for this wonderful audience and it's always a great privilege to be with you and I'm glad to see that one of the very few great leaders we've had in the world is still in very good health.

MM LEE: Try to be but weakening, weakening and declining. Well, but life carries on.

ARNAUD DE BORCHGRAVE: So, you'll see this is the project which we're hoping to enter Singapore in. That was on Europe that we did last year. Sir, a great privilege. Thank you so much and very best of health to you, sir.

MM LEE: And to you.

ARNAUD DE BORCHGRAVE: Thank you. Good bye, sir.

MM LEE: And may you live to 120.

ARNAUD DE BORCHGRAVE: If I were you, maybe. But, you know, 120 when you are a journalist, no, thank you.