

**TRANSCRIPT OF MINISTER MENTOR LEE KUAN YEW'S INTERVIEW  
WITH HASLINDA AMIN OF BLOOMBERG NEWS ON 29 APRIL 2008 AT ISTANA**

AMIN: Let's start with food prices. Rice has surged to a record just about every other day. Is there perhaps a concern that instability in Asia could crop up?

LEE: It depends where it crops up. I don't think it will crop up in the big countries: China, Vietnam, India. In the rice-growing countries, it won't crop up: Indonesia. Maybe you have the Philippines in trouble, because they are a rice importer, they have not been growing as much rice as they are consuming. Pakistan is alright, Bangladesh, too.

Indonesia is an exporter, usually is an exporter, but they have been careful with their stock. I do not see rice as a big issue for the Asian countries, the big Asian countries where you could have upheavals.

AMIN: But the World Bank said today that 2 billion people are struggling with rising prices. And 100 million have just joined the ranks of the poor in the world.

LEE: But where are they? You are asking me about Asia, I've given you my assessment of Asia, of the countries I know. I can't tell you about the other rice-consuming countries in other continents. Generally, the prices of food, not just rice, wheat maize or corn, all the food items, meats, will be a bigger and bigger proportion of the budget of the working classes in Asia, including China.

AMIN: What do you think is the main cause of this rice shortage we're seeing right now?

LEE: Probably many causes. Some failed harvests. On the whole, many harvests are successful. Some diversion of food, not just rice, but other food products into biofuels, which starts speculation about shortages, so it leads to hoarding and we're not sure. The people manipulating the hedge funds are not sure how much of it is caused by hoarding. They are buying food futures and other commodities.

I'm not quite sure we will know exactly how much of this present rise is due to real shortages or shortages induced by expectations of shortages where people hold back supplies, where people buy more than they need to hoard. It will take some time to clarify. It's right for the world bodies to take prompt action because the masses at the very bottom of the pile will have a hard time.

AMIN: Prompt action, but is it prompt enough? The IMF has said it wants to help the developing nations that are struggling with rising prices. What else can international organizations and governments do to rescue these people?

LEE: I'm not an NGO, so I'm unable to answer your question. Unless you're completely an urbanized environment, there are always other alternatives to rice or

maize. And tropical countries, there's tapioca, sweet potatoes, all kinds of root plants, which I had to eat during Japanese occupation. They've got carbohydrates. They've got a lot of starch and also fiber. Probably more fiber than rice or wheat or corn. But they will sustain life.

But if you're poor and in an urban situation and you can't grow root crops, then you're in trouble. I went through 3½ years of Japanese occupation, and Singapore was an urban situation, very little agriculture, but more than now, and people just dispersed and started to grow rice, ragi, and all kinds of alternatives to rice because rice imports couldn't come from Thailand and elsewhere -- no shipping. Sweet potatoes, tapioca, all kinds of root crops. And people survived.

AMIN: How about Asean? Should Asean do something about it? We have the biggest importer within Asean, the biggest exporter of rice within Asean as well. Should Asean consider something like a strategic rice reserve?

LEE: (Laughs) Who's going to maintain it? And who's going to bear the cost of it? The Singapore government insists on the rice traders keeping a two- to three-month supply. They have to maintain it. We allow them to even out the price of rice, from highs to lows, lows to highs, over the months. But they have to carry and roll over the stock. If you keep rice for long, you get weevils and all kinds of problems.

The Japanese, as you know, when they have surplus rice, they put them into plastic bags and sink them into the ocean, to keep them at least in a semi-refrigerated form. But in the tropics, we had rice in Japanese occupied Singapore, and kept for long, you have weevils and it goes moldy and all kinds of problems. So easy to talk theoretically about keeping rice stocks, but who has the expertise, who will have the stocks and who will pay for the costs?

And when the price of rice goes down, what do you do with these stocks, who will bear the loss? We keep a two to three-month supply so we know the problem. The big rice importer, I believe, is the Philippines, and the Philippines should be able to manage this.

AMIN: Minister Mentor, is the rice shock that we're experiencing now tantamount to the oil shocks we saw back in the 1970s?

LEE: No. It's only partially related in the sense that the U.S. dollar has gone down, the demand for oil has increased, but the supplies have become sticky because nobody is investing in new wells as fast as they're needed. So we're faced with very volatile oil prices. But I'm not sure it will just go up and up to \$200 per barrel. At some time, it's going to hit its limits in spite of the demand from China and India, and there will be a mild slowdown or even a recession, and things will go into reverse order.

The hedge funds will go into commodities, and go into oil, gold and so on. They do not believe this is going to go up and down in a straight line. At some point, there's a

turning. There's going to be a peak, and then it goes down. And you want to get off before it goes down.

AMIN: But as it turns out, the rise in commodity prices is really causing food prices to surge, and that's causing inflation to rise. And as a result, people are suffering. Is there a role for government subsidies in such a situation?

LEE: I'm not an international economist and I cannot say what other governments want to do. We are not a food-growing nation. So we're price takers. We import all our food. The only food we produce ourselves now is chicken and eggs, and even that is not enough. So we have to buy them from as many sources as possible to even out prices, to make sure that if supply fails from one source, we can get it from another source.

You have to decide: what is it that you can afford? In our case, we are price takers, we are not price givers. So, we go with the market. We try to even out by sourcing from various countries, and for the lowest paid, we give them what we call ``Work Fare." If you work, and you are below a certain income level, and more than a certain amount of your income goes into food, then we top it up. But other countries will find other solutions.

AMIN: Do you agree with the assessment that the global economy could be in the worst recession in 30 years?

LEE: No, I'm not sure that's going to be the position. That's one of the scenarios. There's tremendous argument about how to approach this credit crunch crisis, when it will end, and how it can end.

If you increase liquidity and run the risk of higher inflation, then you will postpone the problem, perhaps to a later date, when it may become more complicated or easier to resolve. We're not sure.

The Federal Reserve in America has decided to increase liquidity, take over some of these questionable subprime and other collateral debt obligations and make the banks and even the brokerages, Bear Stearns and others, solvent again. Not everybody in America agrees with that.

AMIN: Do you agree?

LEE: I think there's a risk but it's better than doing nothing. If we do nothing, we might trigger a real worldwide credit crunch and confidence crisis, and we'll have a recession, a worldwide recession, which may be very difficult to reverse. So I think it's better to take this risk and have the fallout later. The same thing is happening in Britain, where the Bank of England is putting in \$100 billion and rescuing Northern Rock, which is a mortgage bank. But the argument against it is you are pumping in money.

I'm not sure, having gone this far. I just read a piece by a Danish economist, who's working in Singapore, where he argues that the problem is similar to that of the 1930 crisis, where all currencies were pegged to gold, and they were overvalued. That caused deflation, and economies, trade collapsed, and everything came to gridlock.

Therefore, he says, if we stick to this hard line, that you must have discipline, and you must punish those who acted imprudently and they go bankrupt, you're risking the whole economy getting frozen. For better or for worse, both the chairman of the Fed, Bernanke, and Treasury Secretary Paulson, they've got to expand the rules, or stretch the rules, in a way that has never been done before, and just rescue these brokerage houses.

Will it work? It has checked the fall in the American stock market. Will it cause contagion in other banks, like UBS, or German banks that have got some of these subprime mortgages? I think it's better to take the risk and pump in the money and restore liquidity and get the economy going. To do nothing is surely the run into a gridlock.

I think Paulson and Bernanke, I will support them, that this is the lesser of the two evils. That, perhaps, despite what Alan Greenspan has said, he should have taken the punchbowl away earlier and not allow low interest rates to go on and the housing frenzy and consumption frenzy to go on, that you might have a softer landing. It's not possible to foresee how this will end. He was in charge, he had his board, he carried the majority of his board.

So, seven, eight wise men, well versed in these arcane matters, went along with him, that this was the best course and let the markets decide. The markets haven't gone wrong. The traders were too clever, so they immediately cut the deal and they pushed it on, got their bonus, and carried on, and finally, everybody thought was safe, so the big banks bought it, and held on to it. Now, they're not sure which ones are worthless and which ones are not, so that is the problem. If you make people lose confidence, generally, banks also lose confidence, the system will seize up, and we get a 1930 crisis.

AMIN: The moves that you mention are also aimed at boosting and propping the U.S. economy, which is currently also seeing a weak dollar. Is that weak dollar helping at all?

LEE: There are two views on that. The weak dollar is forcing the European Central Bank to decide whether they can stay on their high and mighty platform and say, we are not affected, we are going to fight inflation. And then they find their exports, and Airbus is not going to sell. Because the 380s and 340s and 320s are sold in the market in dollars. So they can't meet their costs and are going to shift parts of their operations to America.

The U.S. exports are expanding. Germany is the biggest exporter of all the European countries. Theirs have held up. They export very specialized machinery, which has

inelastic demand, so they're holding it up. But sooner or later, the disparity in exchange . . . I think the euro is now 157, 158 to the dollar, so it's a tremendous jump. So there are two schools of thought. At the moment, I'm persuaded more by the school that says let's do something.

AMIN: Amid all the credit turmoil, the sovereign wealth funds have gained prominence. Even China has come to the fold. With China's funds, is it adding pressure for Singapore, not just in terms of competition but also how its funds are viewed overseas?

LEE: No. I don't think so. The markets and the governments know the difference between a Chinese fund and a Russian fund, and a Singapore fund, or an Abu Dhabi fund. So they've got Abu Dhabi and us to discuss these matters with the U.S. Treasury and the IMF. And we have appeared before a Senate Finance Committee, Temasek, and explained how we do our investments. And the market knows this. We are not in there to manipulate or take charge of the economy. We're there to have a good return.

In fact, to judge how we are performing, we put some money with the other banks, like Goldman Sachs, Lehman Brothers and so on, \$5 billion, \$10 billion, and they invested for us. And part of the deal is every transaction they put through for that capital that we have put in their charge, we follow on the computer. So we're able to see at the end of one year, how they have performed as against our team in Singapore, in London, in New York, in Frankfurt, in Tokyo have done.

We're not Russia wanting to corner the gas market, or the gas pipeline or the sale of gas to European countries. These are our hard-earned savings, which we must invest prudently, carefully, taking the kind of risk which we think is justified for the kind of returns we expect.

I don't expect much trouble from the governments. Some of the governments have made it quite clear that they welcome us. And I would be surprised if the U.S. government or the U.S. Senate says, "No, Singapore is a dangerous investor."

AMIN: Having said that, what do you make of calls for more transparency?

LEE: There have always been these calls for transparency and we have been careful about it. There are reasons why we do not think we should be too transparent.

One, people will anticipate our moves. No company likes to have its moves anticipated. If you make your moves very clear, people can predict what you will do next, and forestall you or preempt you.

Second, you raise expectations of your own people, and they say let's spend it. We've made 8 percent last year, why are we keeping 4 percent. Let's spend 6 percent instead of 4 percent. And so on. These are populist pressures which we have to buffer. Disclosing our profits and losses over a five-year or 10-year

period, not year by year. If we do it year by year, we will have our ups and downs. Well, if you have good profits, people will say, let's spend. If you have bad profits, we can't spend this year, they will say, oh, it will hurt.

A government has to take the risk and say this is as far as we can go. We will build up this fund for the future for all kinds of contingencies, like a major worldwide recession or depression. This is what we will spend. We will not spend the capital, we will spend half of our earnings, taken on a five-year basis, not year by year.

AMIN: GIC and Temasek have made substantial investments in troubled financial institutions. Given the risk of a financial meltdown, do you think they could have been more conservative? Should they have been more conservative?

LEE: Nobody knows how it's going to turn out. Will these banks that we have invested in, with very good franchises, brand names, good managements, but led astray over these subprime mortgages, will they not recover? Will the economy not recover? Will there be another Swiss bank like UBS for wealth management? I doubt it. We doubt it. That's why we invested in it. Will it get back to its pre-crisis prices? May be not immediately. Five years, seven years, 10 years, with good management, good conditions? We will know in five to 10 years. And GIC is a long term investor.

Similarly for Citigroup. It's got an enormous spread worldwide as a retail bank. It's gone into other kinds of banking services. Will it always be down? Is the management that bad? Did Chuck Prince, was he so fundamentally wrong? Goldman Sachs did well and Citigroup did badly, so the CEOs have paid for it. But the franchise of the banks, the expertise that they have, under proper leadership, they will be able to recover and rise again.

AMIN: Warren Buffett is also a long-term investor. But he's choosing to buy into companies like Wrigley instead. He's keeping away from banks.

LEE: No, no, no. He has a different view. He has to give returns to his investors year by year. We don't have to. We have to think in terms of the next 10, 20, 30 years. We are buying into something which we intend to keep for the next two, three decades and grow with them.

When will we get this chance? Maybe we're wrong, and we pay for it. But so far, we've grown this fund, so, on the whole, we've been right eight cases out of 10, so we're not so bad. We may be wrong. These may be the two cases out of the 10 we're wrong, but that would be very sad for us.

AMIN: You mentioned when `will we get the chance to buy into these companies?' Should GIC and Temasek be looking at greater investments into the banks right now?

LEE: If there are other banks of the quality of the two that we bought into, with the promise and the capabilities and inherent capabilities to recover, we have got the

liquidity to meet it, to make such an investment. We will not rule it out.

AMIN: Now, Mr. Lee, the Olympic torch relay has been plagued with protests every leg of the way. What do you make of that?

LEE: Not every leg of the way. Let's be fair, protests were most vigorous in London, Paris. Would have been in San Francisco, but the mayor decided to change the route suddenly and beat the protestors. It had no trouble in Buenos Aires, Islamabad, nothing in Karachi, after that, it was Bangkok, very little. In fact, the supporters overwhelmed the protestors. Because by then, the Chinese had got their supporters organized, and everybody was waving the Thai flags and the China flags, the five pointed star.

Nothing in Malaysia and Kuala Lumpur, Jakarta, nothing happened. Japan, very little, except the one Buddhist temple that decided to opt out and created news like Spielberg pulling out of the Olympic opening and closing ceremony advice. South Korea, very little, Seoul little, Pyongyang nothing. They expect something in Hong Kong, because Hong Kong's got different rules. So I hear Mia Farrow is going to turn up.

But it makes no difference, the Chinese are going to do the best they can to show the world that they are unfazed. They're going to run this Olympics properly, there will be no terrorism.

There may be a few flags, Tibetan flags or banners in the stadium, nobody knows. You can't frisk everybody and the cameras will train on them and try to sideline the carefully choreographed presentation of synchronized calisthenics, which would have taken them months and months of rehearsing.

But at the end of the day, the people who matter will know that they are dealing with a very determined China and a China with the people solidly behind the Olympics and fiercely resentful of this putdown. I'm not sure that all this is a plus for the anti-China group. They've decided to hold talks with the Dalai Lama, they've offered to his closest representatives. They are showing flexibility.

They've learnt to ride with the punches. First they were shocked, and then, they reorganized, and they had their own teams waving flags and in many places they had more Chinese students and supporters turning up than the protestors. Because they've got numbers: 1,300 million people, with just about half a million of them or more abroad studying in many big cities of the west, and cities in Asia, too.

Let me give you this example of how at the end of the day leaders take away impressions. They have invited leaders to the opening ceremony. It'll be meticulously timed and presented in the best showbiz tradition. There may be a few protestors waving Tibetan flags, 'Free Tibet' banners and the western media will play that up. I mean we have to expect that. If I were them I would expect that and say, 'so what?' Will there be a free Tibet if no nation in the world says there will be an independent Tibet? When the Dalai Lama himself says there will not be an independent Tibet?

Unfortunately they are still in the old set in the way they react, but they're learning. But the way they do things leaves a very solid impression at the end of the day. I will give you an example: they've invited Asean heads of government to an Asean meeting in Guangxi, Nanning, that's west of Guangzhou. It's a backward province. But they've got the capital really up to the mark and the heads of governments were there.

I wasn't there but I heard a report and I personally spoke to the ministers who were there, the prime minister, the minister for foreign affairs and the minister for the economy. And they put on a show. The place was spruced up, modern, and then they put on a show, with their performers showing songs and dances of each Asean country, carefully rehearsed. They took all the leaders one by one a long time to forget it.

One leader said, 'you know we could never produce such an array of girls all same size, same movements and so on. And, singing their songs, not Chinese songs, but the songs of the Asean country.' And another leader said, 'yes, what you need to grow is order, investments and hard work, not democracy.' (Laughs) What the propaganda says, what the media says, and what the impressions leaders and top officials take away, are two different things.

The Asian leaders will be there. There is no reason for them to offend the Chinese. I'll be there personally and I've said so. I know what to expect because I've been there almost every year since 1976, sometimes twice a year. Those who go there, they talk about the pollution; the marathon would be disastrous for the runners, etc.

I was there for the 50th anniversary of the founding of the republic, the People's Republic. 1949, so that was '99. And the sky was blue. So I asked our ambassador, I said 'how is that so?' He said 'Oh, for two weeks, all factories stopped for this great occasion.' And there was a great parade.

I have no doubts that it will meet world standards, the venues will be world class, the airport, I was watching the discovery channel, bits of it, about how it will be the biggest airport in the world, Terminal 3 or whatever they call it. It's a construction marvel: British design, British architects, but their construction. Their building contractors, their engineers, executing British plans. And it's breathtaking. And compared to Terminal 5 in London, it will not be like that. I'm quite sure of it.

They will have rehearsals and rehearsals, soft openings and when the great day comes, it will breeze through and they will come back and say 'God, what discipline, organization, mobilization of the population can do.'

So, yes the media will go and say what human rights, this dissident arrested, that dissident put down, this fellow arrested, this chap disappeared, but people in the developing world, I can't speak for westerners, but westerners at the very top are also getting to become quite sophisticated. But in Asia and in Africa, and in the developing world, they are asking themselves, how did this country, in 30 years, from such

backwardness, suddenly make this great big leap into modernity. When all the western nations say, 'the system is wrong, how is it?' That is what they are going to register.

There is now growing, a certain Beijing consensus that is different from the Washington consensus: what is it you need to grow? Order, certainty, consistency, hard work, market-friendly policies, savings and investments, trade, education, and training. And they are conveying that message to all the leaders around the world and the Olympics will be another occasion.

When they called a meeting of African leaders, all the Africa leaders turned up in Beijing and I watched it on their CCTV with great interest -- carefully choreographed. Yes, it is done Soviet style, almost everybody, so many segments, everyone turns up, big, small countries, all the same, shake hands, smile, photo ops, move on, then big reception, great speech is made. They went back with a clear impression that this is not a country you can ignore. So, the same thing will happen with this Olympics.

AMIN: What's the biggest challenge for China right now?

LEE: It is to get out of this mindset. I'm ethnically Chinese, but I'm not Chinese in my thinking and my mental outlook. Because I'm a Singaporean, I've been exposed to a British colonial education and a British education and exposed to American education and everything. So my outlook, my mental approach is different from theirs. I would laugh at the west. Just like you know, they say 'Singapore is a fine city.' Everything is fine, no chewing gum, no litter in the streets, it's antiseptic, it's sterile. I don't take offence.

People come here, people stay. It's safe, 3 a.m. in the morning, you can go jogging by the marina, nothing happens to you, no rape, and no muggings. News gets out. We are dull. Now, we are not dull, we are quite cool.

AMIN: Yeah, we allow bar-top dancing.

LEE: No, we're going to have reverse bungee, wheel, all-night dining by the river and by the marina, two integrated resorts, Formula One. How do you explain that? Whether they like it or not, they have to shift the nuances.

The Chinese should learn to do what we have done, just take the western media on the western media's terms. I don't tell the western media you can't sell here. All I say is you allow me the right of reply. You are selling because you want to sell advertisements, not because you want freedom of information or because you want to enlighten my people.

So when you write an article with a little sting at the end, which is not true. I claim the right of reply. You have written 5,000 words, I claim 500 words. They refused, and in that case, I will restrict you. I will not block you because you will say I'm afraid of what you said. But I will restrict you and allow the other people, the other subscribers to

photostat, fax, and now scan. So now you allow me the right of reply, I get the right of reply, the writer who puts in all these poison barbs no longer appears so smart. You can twist my arm, I'll wring your neck. So what are the facts? So, now we have reached a certain respect for each other.

The Chinese can easily do that, but they don't, I don't know why. Maybe what they need is a growing middle class, educated in the west, familiar with the west, understands the rules, been to America, stayed there five years, 10 years, been all over Europe, Australia, Japan, whatever, fully understand the rules of the game and playing according to western rules, and they can win. Are they stupid? No. Are they evil? No.

You take Tibet. Who started it? It was started by the Tibetans. The March incident, March 14. I was reading Jonathan Eyal who writes for our Straits Times. He was a commentator from London. He is from I think Chatham House, a very thoughtful man. He said if they had called in the newspapers right from the word go, and said look, this is what happened. The Economist correspondent was in Lhasa when it happened and wrote about it. He was favorable to them. The rioters started killing people and they were not reacting. The orders were not to shoot, not to take on the rioters because they didn't want trouble. Had they engaged the west, all this would have turned out differently.

Why didn't they? Because there was a chasm between their mental make up and that of the west. So they say all western correspondents out, that means you have got something to hide. I think that was not very wise. Supposing it was Singapore, do we say all correspondents out? No. I say look come on, stay, watch it, see what happens, see who started what. Are they stupid? They can't do what we do? No. Its just people at the people at the top have not been educated in the west, they have not been exposed to that kind of environment, that kind of rules of the game, and are not playing by those rules of the game.

The day they build up an educated middle class, a large middle class, huge numbers of whom have been educated abroad, PHDs, MBAs in America, Europe, Japan elsewhere, and they are the people setting policies at the top, not people whose mental mindsets are from Soviet days, that day they will find they can play by the western rules and win.

AMIN: Minister Mentor, lets take the discussion back home to Singapore. Why has it been difficult to find a replacement or successor for Prime Minister Lee Hsien Loong?

Nobody can predict who is his successor. I did not predict or appoint Goh Chok Tong. What I had to do, which I think Goh Chok Tong in turn did and what I think Lee Hsien Loong as prime minister is now doing, is to get a group of 6, 8, 10, able, upright, experienced, committed people, committed to Singapore.

Get them in, they've got to learn not just how to do things, but also how to connect with people and persuade people. That's the hard part. So you've got to start fairly early, at about 30 plus. I started at 20 plus, because at the end of the day, not only must your

policies be right, you must persuade people that your policies are right, because you have to stand for elections and you must carry them.

If they have been working together for 5, 10 years, they get to know each other, they will choose a man whom they think will lead them to success. That's the way it is done. It's not me choosing Goh Chok Tong. I was able to bring together, with the help of my colleagues, eight able people. And they chose Goh Chok Tong. He, in turn, got together 10 able people and they chose Lee Hsien Loong.

His problem now is he's got a team all around his age. He's in his mid 50s, the top ministers are all in their late 40s. It's only about seven to eight years difference. He's got to find people in their early 40s, or better still in their late 30s. Let's assume he's got two more elections to go, that's about 10 years. If you can find a group of 8 to 10 people, of whom there may be about two to three already in, then, in the course of the next 10 years, they will decide who is the man who will lead them to success, and lead Singapore to success. That's the way we do it.

AMIN: If you take a look across the causeway. People are really surprised at how UMNO may be losing grip on power, do you see the PAP ever in that situation?

LEE: (Laughs) The moment the PAP becomes less than honest, above board in everything it does, the moment it is filled with people are not committed to the public good, but for their own selfish future, the moment we are not competent, we will be out, and we deserve to be out. We are in because nobody has been able to find a team that can equal us.

LEE: You live here?

AMIN: I do.

LEE: If you can find anybody whom you think would make a good minister, the chances are we've already spotted him and asked him to join us. And he's decided no, no, he wants to live his private life, he's quite comfortable, he's doing fine. Because going into politics in Singapore is quite a heavy undertaking. You will not make as much as you could in the private sector for your capabilities, you are under scrutiny all the time by your constituents and people in the media. Your family is also under pressure.

This is a small society of 3 plus million people in one little island. Everybody knows everybody else. It's difficult for you to go to a food court or a hawker center and just be lost in the crowd. And many people don't want to lose their privacy. But the day which we are unequal to our jobs, either because of integrity, or capabilities, or relating to people, that day, we deserve to be out.

AMIN: Back in 1996, you mentioned that the day that the Bumiputra policy, the policy that gives favors to Malays in Malaysia, gets eradicated in the country, you would consider reunification. That day may come close simply because Malaysia may be

heading in that direction.

LEE: Don't misquote me. I did not mention the Bumiputra policies. What I said was: if they practice meritocracy, and they would educate their Chinese and Indians like the way they educate their Malays. And make use of their talent in their economy, there's no reason why we should have left them in the first place.

I do not believe, having been apart now for 43 years nearly, that it is easy to come together. What we have to do is to come together in the wider context of Asean, where we first started with a free-trade area, where we have a common market, then we have a community and easy flow of people, ideas, goods, capital, eventually become something like the European Union. It may take 50 years, 100 years, I don't know, but that's the future, in which we can reconnect with each other in a more balanced way. We have become different, they have chosen Malay as their national language, we have chosen English as our working language.

When I was a student, you couldn't tell the difference between a Malayan and a Singaporean. Now you can, by their accent, because they're speaking different languages, Malay, Chinese dialects, English, and their English becomes different from ours.

And it's not just that, it's the mental approach. They go to different schools to begin with. Chinese go to Chinese schools, Indians go to Tamil schools, Malays go to national schools where they learn Malay and religion. And when they meet in university, they don't want to share rooms, or they don't fraternize. We have put everybody into high rises, balloting for their neighbors, you have non-Chinese, non-Malay neighbors. It may have been strange at the beginning, 30, 40 years ago, but now you're completely at home and they're at home with you.

We have a different relationship, the Singapore Malay, the Singapore Chinese and Indians, have become more Singaporean than they ever were. How do we go back to that situation? It's not possible, apart from the economics. But within this wider context, I think there's a lot we can do for each other.