SINGAPORE AND INTERNATIONAL LAW

THE objective of this section of the Review is to reproduce materials and information which illustrate Singapore's attitude to, and approaches on, questions of international law and international organisations. As far as possible, primary materials are reproduced but where unavailable, and the topics are important, secondary materials including relevant extracts from newspaper reports are reproduced. The materials are presented under the following headings:

I. Policy Statements*

II. Legislation*

III. Judicial Decisions*

IV. Treaties (other than Asean Instruments)

V. Asean Treaties, Declarations and other Instruments

VI. Singapore in the United Nations and other International Organisations and Conferences

The materials are selective. As the materials are compiled from the Law Library and other sources, it should be stressed that any text contained herein is not to be regarded as officially supplied to the Review. [*Singapore & International Law Section Editor.*]

IV. TREATIES (OTHER THAN ASEAN INSTRUMENTS)

(a) *INVESTMENT PROTECTION AGREEMENT BETWEEN THE PEOPLE'S REPUBLIC OF CHINA AND SINGAPORE* (*Singapore Government Press Release 15-0/85/11/22*).

An Agreement on the Promotion and Protection of Investments has been signed between the respective governments of the People's Republic of China (PRC) and Singapore.

The Agreement was signed by Brig-Gen (Res) Lee Hsien Loong, Minister of State for Trade and Industry and Defence, on behalf of the Singapore Government, and Mr. Wei Yuming, Vice-Minister of the Ministry of Foreign Economic Relations and Trade (MOFERT), on behalf of the PRC Government. The signing took place on 21 November '85 in Beijing. The signing was witnessed by Mr. Teh Cheang Wan, Singapore's Minister for National Development and Mr. Zheng Tuobin, the PRC MOFERT Minister.

The text of the Agreement and an explanatory note on the main provisions of the Agreement follow.

* There is no material under these headings in this issue.

EXPLANATORY NOTE

The main provisions of the Investment Protection and Promotion Agreement (IPA) are:

(a) *Most-Favoured-Nation Provision*

The purpose of an IPA is to ensure fair and equitable treatment of investments by each party. Each party shall accord to the investors of the other party treatment that is no less favourable than that accorded to investors of any third country. This, however, does not limit each party from applying any prohibitions or restrictions essential to the protection of its security interests.

(b) *Applicability*

The IPA will only apply to investments which are specifically approved in writing by the competent authority of either party. The provisions of the IPA will also apply to investments made before the coming into force of the IPA.

(c) *Expropriation*

The IPA provides that expropriation or nationalisation can only be made under due process of law and upon appropriate compensation. This compensation shall be effectively realisable and be made without unreasonable delay. The compensation shall also be freely convertible and transferable.

(d) *Repatriation of Returns*

Under the IPA, each party guarantees free transfer of capital and returns from investment in accordance with its laws and regulations, and on a non-discriminatory basis.

(e) *Dispute Settlement*

The IPA provides procedures for the settlement of investment disputes. Provision is made for settlement through the establishment of an international arbitral tribunal.

(f) *Duration*

The IPA is valid for fifteen years and will be automatically renewed at the end of this period, unless either Party gives notice to terminate the Agreement.

AGREEMENT
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE
AND
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA
ON
THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Republic of Singapore and the Government of the People's Republic of China (each hereinafter referred to as a "Contracting Party").

DESIRING to create favourable conditions for greater economic co-operation between them and in particular for investments by nationals and companies of one State in the territory of the other State based on the principles of equality and mutual benefit;

RECOGNISING that the encouragement and reciprocal protection of such investments will be conducive to stimulating business initiative and increasing prosperity in both States;

HAVE AGREED AS FOLLOWS: —

Article 1

Definitions

For the purposes of this Agreement:

(1) The term "investment" means every kind of asset permitted by each Contracting Party in accordance with its laws and regulations, including, though not exclusively, any:-

(a) movable and immovable property and other property rights such as mortgage, usufruct, lien or pledge;

(b) share, stock, debenture and similar interests in companies;

(c) title to money or to any contract having an economic value;

(d) copyright, industrial property rights, (such as patents for inventions, trade marks, industrial design), know-how, technical processes, trade names and goodwill; and

(e) business concession conferred by law or under contract, including any concession to search for, cultivate, extract or exploit natural resources.

(2) The term "returns" means monetary returns yielded by an investment including any profit, interest, capital gain, dividend, royalty or fee.

(3) The term "national" means;

(a) in respect of the People's Republic of China a person who is a citizen of the People's Republic of China according to its laws;

(b) in respect of Singapore, any citizen of Singapore within the meaning of the Constitution of the Republic of Singapore.

(4) The term "company" means:

(a) in respect of the People's Republic of China, a company or other juridicial person incorporated or constituted in its territory in accordance with its laws;

(b) in respect of Singapore, any company, firm, association or body, with or without legal personality, incorporated, established or registered under the laws in force in the Republic of Singapore.

Article 2

Applicability of this Agreement

(1) This Agreement shall only apply:

(a) in respect of investments in the territory of the People's Republic of China, to all investments made by nationals and companies of the Republic of Singapore which are specifically approved in writing by the competent authority designated by the Government of the People's Republic of China and upon such conditions, if any, as it shall deem fit;

(b) in respect of the investments in the territory of Singapore, to all investments made by nationals and companies of the People's Republic of China which are specifically approved in writing by the competent authority designated by the Government of the Republic of Singapore and upon such conditions, if any, as it shall deem fit.

(2) The provisions of the foregoing paragraph shall apply to all investments made by nationals and companies of either Contracting Party in the territory of the other Contracting Party, whether made before or after the coming into force of this Agreement.

Article 3

Promotion and Protection of Investment

(1) Each Contracting Party shall encourage and create favourable conditions for nationals and companies of the other Contracting Party to make in its territory investments that are in line with its general economic policy.

(2) Investments approved under Article 2 shall be accorded fair and equitable treatment and protection in accordance with this Agreement.

Article 4

Most Favoured Nation Provisions

Subject to Articles 5, 6 and 11, neither Contracting Party shall in its territory subject investments admitted in accordance with the provisions of Article 2 or returns of nationals and companies of the other Contracting Party to treatment less favourable than that which it accords to investments or returns of nationals and companies of any third State.

Article 5

Exceptions

(1) The provisions of this Agreement relating to the grant of treatment not less favourable than that accorded to the nationals and companies of any third State shall not be construed so as to oblige one Contracting Party to extend to the nationals and companies of the other Contracting Party the benefit of any treatment, preference or privilege resulting from:

(a) any regional arrangement for customs, monetary, tariff or trade matters (including a free trade area) or any agreement designed to lead in future to such a regional arrangement; or

(b) any arrangement with a third State or States in the same geographical region designed to promote regional cooperation in the economic, social, labour, industrial or monetary fields within the framework of specific projects.

(2) The provisions of this Agreement shall not apply to matters of taxation in the territory of either Contracting Party. Such matters shall be governed by any Avoidance of Double Taxation Treaty between the two Contracting Parties and the domestic laws of each Contracting Party.

Article 6

Expropriation

(1) Neither Contracting Party shall take any measure of expropriation, nationalization or other measures having effect equivalent to nationalization or expropriation against the investment of nationals or companies of the other Contracting Party unless the measures are taken for any purpose authorised by law, on a non-discriminatory basis, in accordance with its laws and against compensation which shall be effectively realisable and shall be made without unreasonable delay. Such compensation shall, subject to the laws of each Contracting Party, be the value immediately before the expropriation, nationalization or measure having effect equivalent to nationalization or expropriation. The compensation shall be freely convertible and transferable.

(2) The legality of any measure of expropriation, nationalization or other measures having effect equivalent to nationalization or expropriation may at the request of the national or company affected, be reviewed by the competent court of the Contracting Party taking the measures in the manner prescribed by its laws.

(3) Where a Contracting Party expropriates, nationalizes or takes measures having effect equivalent to nationalization or expropriation against the assets of a company which is incorporated or constituted under the laws in force in any part of its own territory, and in which nationals or companies of the other Contracting Party own shares, it shall ensure that the provisions of paragraph (1) of this Article are applied to the extent necessary to guarantee compensation as specified therein to such nationals or companies of the other Contracting Party who are owners of those shares.

Article 7

Compensation for Losses

Nationals or companies of one Contracting Party whose investments in the territory of the other Contracting party suffer losses owing to war or other armed conflict, a state of national emergency, revolt, insurrection or riot in the territory of the latter Contracting Party, shall be accorded by the latter Contracting Party treatment,

as regards restitution, indemnification, compensation or other settlement, if any, no less favourable than that which the latter Contracting Party accords to nationals or companies of any third State.

Article 8

Repatriation

(1) Each Contracting Party shall guarantee to nationals or companies of the other Contracting Party the free transfer, in accordance with its laws and regulations and on a non-discriminatory basis, of their capital and the returns from any investments, including:

(a) profits, capital gain, dividends, royalties, interests and other current income accruing from any investment;

(b) the proceeds of the total or partial liquidation of any investment;

(c) repayments made pursuant to a loan agreement in connection with investments;

(d) licence fees in relation to the matters in Article 1(1)(d);

(e) payments in respect of technical assistance, technical service and management fees;

(f) payments in connection with contracting projects;

(g) earnings of nationals of the other Contracting Party who work in connection with an investment in the territory of the former Contracting party;

(2) Nothing in paragraph (1) of this Article shall affect the free transfer of compensation paid under Article 6 of this Agreement.

Article 9

Exchange Rate

The transfers referred to in Articles 6 to 8 of this Agreement shall be effected at the prevailing market rate in freely convertible currency on the date of transfer. In the absence of such a market rate the official rate of exchange shall apply.

Article 10

Laws

For the avoidance of any doubt, it is declared that all investments shall, subject to this Agreement, be governed by the laws in force in the territory of the Contracting Party in which such investments are made.

Article 11

Prohibitions and Restrictions

The provisions of this Agreement shall not in any way limit the right of either Contracting Party to apply prohibitions or restrictions of any kind or take any other action which is directed to the protection of its essential security interests, or to the protection of

public health or the prevention of diseases and pests in animals or plants.

Article 12

Subrogation

(1) In the event that either Contracting Party (or any agency, institution, statutory body or corporation designated by it) as a result of an indemnity it has given in respect of an investment or any part thereof makes payment to its own nationals and companies in respect of any of their claims under this Agreement, the other Contracting Party acknowledges that the former Contracting Party (or any agency, institution, statutory body or corporation designated by it) is entitled by virtue of subrogation to exercise the rights and assert the claims of its own nationals and companies. The subrogated right or claim shall not be greater than the original right or claim of the said investor.

(2) Any payment made by one Contracting Party (or any agency, institution, statutory body or corporation designated by it) to its nationals and companies shall not affect the right of such nationals and companies to make their claims against the other Contracting Party in accordance with Article 13.

Article 13

Investment Disputes

(1) Any dispute between a national or company of one Contracting Party and the other Contracting Party in connection with an investment in the territory of the other Contracting Party shall, as far as possible, be settled amicably through negotiations between the parties to the dispute.

(2) If the dispute cannot be settled through negotiations within six months, either party to the dispute shall be entitled to submit the dispute to the competent court of the Contracting Party accepting the investment.

(3) If a dispute involving the amount of compensation resulting from expropriation, nationalization, or other measures having effect equivalent to nationalization or expropriation, mentioned in Article 6 cannot be settled within six months after resort to negotiation as specified in paragraph (1) of this Article by the national or company concerned, it may be submitted to an international arbitral tribunal established by both parties.

The provisions of this paragraph shall not apply if the national or company concerned has resorted to the procedure specified in the paragraph (2) of this Article.

(4) The international arbitral tribunal mentioned above shall be especially constituted in the following manner; each party to the dispute shall appoint an arbitrator. The two arbitrators shall appoint a third arbitrator as Chairman. The arbitrators shall be appointed within two months and the Chairman within four months from the date on which one party concerned notifies the other party of its submission of the dispute to arbitration.

(5) If the necessary appointments are not made within the period specified in paragraph (4), either party may, in the absence of any other agreement, request the Chairman of the International Arbitration Institute of the Stockholm Chamber of Commerce to make the necessary appointments.

(6) The arbitral tribunal shall, apart from what is stated below, determine its own arbitral procedures with reference to the "Convention on the Settlement of Investment Disputes Between States and Nationals of Other States", done at Washington on 18 March, 1965.

(7) The tribunal shall reach its decision by a majority of votes.

(8) The decision of the arbitral tribunal shall be final and binding and the parties shall abide by and comply with the terms of its award.

(9) The arbitral tribunal shall state the basis of its decision and state reasons upon the request of either party.

(10) Each party concerned shall bear the cost of its own arbitrator and its representation in the arbitral proceedings. The cost of the Chairman in discharging his arbitral function and the remaining costs of the tribunal shall be borne equally by the parties concerned. The tribunal may, however, in its decision direct that a higher proportion of costs shall be borne by one of the two parties, and this award shall be binding on both parties.

(11) The arbitration shall, as far as possible, be held in Singapore.

(12) The provisions of this Article shall not prejudice the Contracting Parties from using the procedures specified in Article 14 where a dispute concerns the interpretation or application of this Agreement.

Article 14

Disputes Between the Contracting Parties

(1) Any dispute between the Contracting Parties concerning the interpretation or application of this Agreement shall, as far as possible, be settled through diplomatic channels.

(2) If any such dispute cannot be settled, it shall upon the request of either Contracting Party be submitted to arbitration. The arbitral tribunal (hereinafter called "the tribunal") shall consist of three arbitrators, one appointed by each Contracting Party and the third, who shall be the Chairman of the tribunal, appointed by agreement of the Contracting Parties.

(3) Within two months of receipt of the request for arbitration, each Contracting Party shall appoint one arbitrator, and within two months of such appointment of the two arbitrators, the Contracting Parties shall appoint the third arbitrator.

(4) If the tribunal shall not have been constituted within four months of receipt of the request for arbitration, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to appoint the arbitrator or arbitrators not yet appointed. If the President is a national of either

Contracting Party or if he is unable to do so, the Vice-President may be invited to do so. If the Vice-President is a national of either Contracting Party or if he is unable to do so, the Member of the International Court of Justice next in seniority who is not a national of either Contracting Party may be invited to make the necessary appointments, and so on.

(5) The tribunal shall reach its decision by a majority of votes.

(6) The tribunal's decision shall be final and the Contracting Parties shall abide by and comply with the terms of its award.

(7) Each Contracting Party shall bear the costs of its own member of the tribunal and of its representation in the arbitration proceedings and half the costs of the Chairman and the remaining costs. The tribunal, may, however, in its decision direct that a higher proportion of costs shall be borne by one of the two Parties, and this award shall be binding on both Parties.

(8) Apart from the above the tribunal shall establish its own rules of procedure.

Article 15

Other Obligations

If the legislation of either Contracting Party or international obligations existing at present or established hereafter between the Contracting Parties in addition to this Agreement, result in a position entitling investments by nationals of the other Contracting Party to treatment more favourable than is provided for by this Agreement, such position shall not be affected by this Agreement. Each Contracting Party shall observe any commitment in accordance with its laws additional to those specified in this Agreement entered into by the Contracting Party, its nationals or companies with nationals or companies of the other Contracting Party as regards their investments.

Article 16

Entry into Force, Duration and Termination

(1) Each Contracting Party shall notify the other Contracting Party of the fulfillment of its internal legal procedures required for the bringing into force of this Agreement. This Agreement shall enter into force on the 30th day from the date of the notification of the later Contracting Party.

(2) This Agreement shall remain in force for a period of fifteen years and shall continue in force thereafter unless, after the expiry of the initial period of fourteen years, either Contracting Party notifies in writing the other Contracting Party of its intention to terminate this Agreement. The notice of termination shall become effective one year after it has been received by the other Contracting Party.

(3) In respect of investments made prior to the date when the notice of termination of this Agreement becomes effective, the provisions of Articles 1 to 15 shall remain in force for a further period of fifteen years from that date.

IN WITNESS WHEROF the undersigned representatives, duly authorised thereto by their respective Governments, have signed this Agreement.

Done at Beijing on ..... in duplicate, in the English and Chinese languages, both texts being equally authentic.

For the Government of the People's Republic of China	For the Government of the Republic of Singapore

(b) *AGREEMENT FOR THE AVOIDANCE OF DOUBLE TAXATION BETWEEN THE REPUBLIC OF SINGAPORE AND THE PEOPLE'S REPUBLIC OF CHINA (Singapore Government Press Release 08-0/86/04/03).*

Negotiations for a comprehensive agreement for the avoidance of double taxation between Singapore and the People's Republic of China were successfully concluded. The Agreement was initialled in Beijing by Mr. Jin Xin, Director-General, General Taxation Bureau, People's Republic of China and Mr. Hsu Tse-Kwang, Commissioner of Inland Revenue, Singapore.

When the agreement becomes effective, after having been officially signed and ratified by both Governments, it will remove double taxation and provide concessions for any incentives designed to encourage economic development.

The Agreement covers a wide range of activities and items of income and adequately deals with their tax consequences. For instance, it provides that either country would reduce its tax on dividends, interest and royalties received by residents of the other country.

A provision has been specially incorporated for the benefits of Singapore entrepreneurs investing in China whereby any incentives such as exemption from and reduction of Chinese tax granted by China in any investments and projects will be given full recognition by the Singapore tax authority. This provision is further extended to include the reduction of Chinese tax provided for under the Agreement and not due to any incentives under the Chinese incentive laws. This means that Singapore would give tax credit for any reduction and exemption of Chinese tax under the agreement and any incentive laws in China and Singapore entrepreneurs will derive full benefits on income derived from China.

JOINTLY ISSUED BY:

COMMISSIONER, INLAND REVENUE SINGAPORE	DIRECTOR-GENERAL GENERAL TAXATION BUREAU, BEIJING, PEOPLE'S REPUBLIC OF CHINA

3 April 1986

V. ASEAN TREATIES, DECLARATIONS AND OTHER INSTRUMENTS

(a) *THE KAMPUCHEAN PROBLEM: ASEAN Statement on the CGDK Eight-Point Proposal issued in Bali on 28 April 1986 (Singapore Government Press Release 09-0/86/04/29).*

The ASEAN Foreign Ministers discussed the eight-point proposal of the Coalition Government of Democratic Kampuchea issued on 17 March 1986. They were impressed by the comprehensive nature of the proposal, the laudable attempts to address all aspects of the Kampuchean problem including the core issues of the total withdrawal of Vietnamese troops, self-determination of the Kampuchean people, the concrete steps to bring about national reconciliation and Kampuchea's role and obligations in the regional and international context.

The Foreign Ministers supported the eight-point proposal as it reaffirms ASEAN's resolve that the Kampuchean problem has to be solved by the Kampuchean people themselves. It is a viable proposal originating from the Kampuchean people themselves with the merit that it can serve as a constructive framework for negotiation. For this reason the Foreign Ministers strongly urged the support of the international community for the eight-point proposal as it is reasonable and reflects a genuine effort by the CGDK to find a just and durable solution to the Kampuchean problem.

The Foreign Ministers called on the Socialist Republic of Vietnam to seriously consider the various positive aspects of the proposal and to reconsider its rejection. The Foreign Ministers urge the Socialist Republic of Vietnam to respond positively by engaging in direct or indirect talks with CGDK with the participation of the Heng Samrin Group.

The Foreign Ministers, encouraged by the eight-point proposal and the increasingly effective role of the CGDK, reaffirm their continued determination to contribute towards finding a comprehensive political solution to the Kampuchean problem.

VI SINGAPORE IN THE UNITED NATIONS AND OTHER INTERNATIONAL ORGANISATIONS AND CONFERENCES

(a) *THE UNITED NATIONS: Excerpts of the Speech by Mr. S. Dhanabalan, Minister for Foreign Affairs and Minister for Community Development at the dinner of the UN Association on 25 October 1985 (Singapore Government Press Release 09-1/85/10/25).*

... There is however one organization that has dedicated itself, in the words of its Charter, "to save succeeding generations from the scourge of war". It is called the United Nations.

Its record in forty years has been imperfect. Wars have persisted. Yet there has been no global war. In relative terms, no epoch of world history has seen as much peace and prosperity as we have encountered and enjoyed, I should add, even by most parts of the Third World. There has probably never been a better time for a

common man to be born on this planet. In many parts of the globe, whole generations have grown up without ever having seen or heard the sounds of war in their nations. This, I suspect, is a new phenomenon— and this stability cannot be explained away merely by balance of power theories.

If Julius Ceasar were alive today, for example, he would be thrilled by the overwhelming might of the two superpowers. He would envy their military capabilities, their capacity to transport enormous armies across mountains and oceans. He would not be surprised by the Soviet invasion of Afghanistan and the Vietnamese invasion of Cambodia. In fact he is more likely to applaud such old-fashioned imperialism which he would have seen as the mighty offering their protection to barbarians.

He would however be profoundly puzzled by the sheer audacity of small nations to stand up and criticize these invasions. Thus if he were taken to the United Nations, he would be flabbergasted to witness small nations proclaiming their right to speak and vote on an equal basis with the superpowers in the General Assembly. Those of you who remember your Shakespeare will recall the democratic arguments of Cassius to Brutus that Cassius saw no reason why Ceasar, who was born no more free nor fed any better nor more able to endure the winter's cold than Cassius or Brutus, should "get the start of the majestic world and bear the palm alone". Not for Ceasar such egalitarian thoughts. If Ceasar had his way, he would dispense with the UN, much as he tried to dispense with the troublesome Senate of his time.

Julius Ceasar is not around today but there are many modern day versions of him. Each of them finds the United Nations a terrible inconvenience. Without the UN they are more likely to send a gunboat or two, or perhaps a regiment or two, to occupy or punish small nations. Quite a few Ceasars have tried this, some have succeeded. The UN has not been able to prevent these actions. In each case, however, the UN has always made them pay a price.

The price is not always clearly tangible. Slowly but steadily, however, the UN is weaving together a web of international morality that no nation state can ignore. Even within societies, as Professor Hart pointed out in his seminal study "The Concept of Law", law does not depend on coercion alone but also on a deeper "internal aspect" of law — an inner commitment on the part of citizens to the systems as a whole.

The uniqueness of the UN is that it is trying to use this model of civilised behaviour within societies to apply to behaviour between societies. Within a civilized society, the strong and the weak, the rich and the poor are considered equal in the eyes of the law. Each has the right to live and develop with equal opportunity. The mighty shall not trample on the weak.

The UN Charter, a truly revolutionary document, starts with a remarkable premise: "The organisation is based on the principle of sovereign equality among its members". Ceasar would have rejected this immediately. The Charter adds: "Members shall settle their

dispute by peaceful means" and "Members shall refrain from the use or threat of force in their international relations". Geasar's response would naturally be: "How do you expect me to expand my empire if I accept these principles?".

Of course, the record so far has been far from perfect. Yet, to cite an example, close to home, witness the considerable discomfort Vietnam has suffered since its invasion of Cambodia. Some of the consequences Vietnam has suffered are concrete and real: the military pressure on the Sino-Vietnam border, the armed Cambodian resistance and relegation to the fringe of the international economy. Vietnam has been able, if only barely, to cope with these concrete pressures but its leadership and people are probably aware of the larger costs Vietnam is paying as a result of its political and moral isolation. Vietnam has almost become an outcast state, not quite as isolated as South Africa but Vietnam is getting there.

So unfriendly has the UN become to Vietnam that no senior Vietnamese official seems to wish to serve as Ambassador there (the post of Ambassador has been left vacant for months) and the Vietnamese Foreign Minister Nguyen Co Thach has fought shy of showing up at the UN this year, not even for the 40th Anniversary celebrations. Nations, like politicians, know the price to be paid when they lose the mantle of legitimacy. Vietnam is slowly coming to realise that there is an invisible web of morality binding nations together. By ignoring such morality, Vietnam is only repeating Stalin's classic mistake when he asked: "How many divisions does the Pope have?".

I am therefore glad that at a time when all eyes are focussed on the United Nations, when almost a hundred Kings, Presidents, Prime Ministers and other high-level envoys have gone to the UN to reaffirm their commitment to the UN Charter, the United Nations Association of Singapore has chosen to do its bit by organizing this function. Given the onslaught of the Western media against the UN, it is badly in need of friends now. However, institutions, like humans, languish when they only have uncritical lovers and unloving critics. Open, honest and well-intentioned criticism of the UN is in order. In view of the many failings of the UN, criticism is certainly justified.

Unfortunately, there has been a regrettable tendency on the part of many in small countries to join in the cynicism about the UN which is fashionable in some western circles. By doing so, they are only helping the little and not so little Ceasars of the world to tear apart the fragile web of international morality that the UN is gradually weaving. It may not be as durable as the cages and enclosures in the Singapore Zoo but, with some luck, it may yet help to restrain man's brutality to man. Who knows, perhaps someday, the international community of man may be as safe to live in as the jungle?

(b) *INTERNATIONAL LABOUR STANDARDS: Excerpts from Speech by Mr. Eugene Yap Giau Cheng, Senior Parliamentary Secretary (Labour and the Environment) at the 10th ILO Asian Regional Conference in Jakarta on 5 December 1985 (Singapore Government Press Release 12-3/85/12/05).*

... The year 1985 which is soon coming to a close saw many countries in Asia experiencing lower economic growth and high un-

employment. The economic and unemployment problems in Asia are related to the current economic predicaments faced by the OECD countries, particularly the United States. For 1985, the US economy is expected to grow by just three per cent as compared with 6.8 per cent in 1984. The sluggish economy of the United States has had adverse consequences on Asian countries as many of them depend heavily on the US market for export. This can be seen from the fact that in almost all countries in Asia, their GDP growth for 1985 has declined. With OECD countries failing to maintain the momentum of economic recovery and with commodity prices continuing to be depressed world-wide, the economic prospects for 1986 for Asia and other parts of the world remain bleak.

Population growth in Asia is one of the highest in the world. Each year; some 10 million youths will join the labour market. It will therefore be a gigantic task for the governments concerned to tackle the unemployment problem. With the slow-down in the economies of the Asian countries, the problem of unemployment will be aggravated, thus making the task of generating enough employment opportunities for job-seekers to be much more difficult.

Mr. President, unemployment in the OECD countries too is expected to remain high. With the high level of unemployment, governments of these countries are likely to be pressurised into taking protectionist measures against imports including those from Asia. The Jenkins Bill recently passed by the US Congress and Senate is a case in point. It aims at cutting textile imports from 20 top producing countries, including Hong Kong, South Korea, China and the ASEAN countries. Textile and garment industries in our region provide one of the largest sources of employment and foreign exchange. Any cut-back in production would have serious repercussions on their depressed economies and further aggravate the situation of unemployment.

The adoption of trade protectionist measures by developed countries to protect jobs is a retrogressive step in an era where much of our prosperity has been made possible through the promotion of free trade. In an increasingly interdependent world, any restrictive measures to curtail trade and reduce the free flow of capital and technology among nations would only lead to global economic stagnation to the detriment of all nations.

The OECD countries are the major markets for Asian agricultural and manufactured products. From the developed countries, Asian developing nations import their capital, technology and management know-how, without which their economies cannot take off. Prevented from exporting their products to the developed countries, developing nations will be prevented from buying from them capital equipment and sophisticated products and services. They will also have great difficulty in servicing their debts. Consequently, the economic and employment situation of the developed countries will also be adversely affected. Thus it is clear that protectionism protects no one. The solution to poor economic growth and high unemployment therefore lies on the promotion of more, and not less trade.

May I now make some comments regarding ILO labour standards setting. Mr. President, while it is essential for the ILO to set basic international labour standards, it is equally important that the setting of such standards should take into consideration the social and economic conditions of different countries. It would be unrealistic for the ILO to set standards which can only be ratified by a small number of ILO member states with the majority finding it difficult to follow. The consideration given to the different social and economic conditions of the developing countries in standard setting will certainly help to ensure that more member states of the ILO could ratify its conventions and recommendations.

In applying the ratified conventions and recommendations, the ILO Committee of Experts should also adopt a more flexible approach and should give due consideration to the stage of development as well as the overall social and cultural conditions of its member countries. This would mean that there is a need for the ILO Committee of Experts to have a better understanding and appreciation of the economic and social conditions of the developing countries. Better understanding and appreciation will help to bridge the differences between the ILO and its member states on the implementation of ILO Conventions.

For many years, Singapore and other members of Asean have repeatedly urged the ILO and the Committee of Experts to take a more flexible and realistic approach in its standard setting, and its implementation of ratified ILO conventions. On this occasion of the 10th ILO Asian Regional Conference, we would like to once again urge the ILO to take positive steps to make appropriate adjustments so that ILO standards could be more meaningfully introduced and complied with.

(c) *THE NON-ALIGNED MOVEMENT: Excerpts from Speech by Mr. Yeo Cheow Tong, Minister of State (Foreign Affairs and Health) at the Ministerial Meeting of the Coordinating Bureau of Non-Aligned Countries in New Delhi from 16-19 April 1986 (Singapore Government Press Release 09-2/86/04/18).*

... When the idea of a Non-Aligned Group was first announced in Bandung in 1955 and then officially launched in Belgrade in 1961, both superpowers angrily denounced the doctrine of non-alignment as impractical and immoral. Their response was understandable and was to be expected. Prior to the launching of the Non-Aligned Movement, the superpowers could use Third World countries as pawns on the international chessboard. That was no longer possible with the birth of a third group of neutral developing nations. However, as the membership of the Non-Aligned Movement gradually expanded from about 25 at Belgrade to its present membership of over 100, the objective of destroying the Movement became an unattainable goal. During the 1970s, the superpowers therefore ceased denouncing the Movement as immoral. They instead showered it with guarded praise, simply because the objective by then was to capture it from within.

If the Non-Aligned Movement is to live up to its name and continue to be recognised as a major force in world affairs, it cannot be the "natural ally" of any superpower or power bloc. If we allow our Movement to be enslaved by one or other of the superpowers, we should be prepared to see the Movement destroyed and fade into oblivion. Superpowers act only in their self-interest. Neither of them is the sole repository of international virtue nor the only cause of international tension.

It is therefore a sad commentary on our Movement that some of its members have allowed themselves to be allied with and dictated to by one superpower. This is a flagrant violation of one of the principal tenets of the Non-Aligned Movement. Perhaps this explains why our Movement has taken a relatively soft stand on the problems of Cambodia and Afghanistan, both of whom have been invaded and occupied in flagrant violation of our Movement's fundamental principles. We pay a heavy price for this soft stand. It undermines our Movement's credibility and diminishes our effectiveness in curtailing the aggressive behaviour of the superpowers.

Apart from engaging in proxy wars with a steady flow of sophisticated and increasingly expensive weapons for their client states, the superpowers have of late also chosen to fight each other with words rather than the enormous arsenals at their disposal. The superpowers regard the discussions of our forum and others as one vital input into what one superpower calls the "correlation of forces". They seek to shape the direction of our discussions and to manipulate international public opinion. They strive to tip the overall "correlation of forces" in their favour, in order to secure real and tangible negotiating advantages over their adversaries. We should not acquiesce in any effort by either of the superpowers to use our sincere commitment to peace in order that it could gain a negotiating advantage.

It is therefore in the interest of our Movement to act in a way that takes into account the legitimate interests of both sides. Our aim should be to enhance international stability and security by constraining the freedom of both superpowers to exercise force in the Third World. While we welcome the recent efforts at dialogue between the US and the Soviet Union at various levels, and the improvement in the international climate, we in the Non-Aligned Movement must ensure that our interests are not adversely affected. There is a saying that when the elephants fight, the grass suffers. However, I would like to add that when the elephants make love, the grass also suffers.

In a similar fashion, efforts have been made at Non-Aligned Meetings to emphasise the desirability of state intervention and of centralised planning. In part, it was a reaction to the laissez-faire policies which dominated the economic thinking of the colonial powers. The reaction of the first generation of leaders was therefore against such laissez-faire policies. In part, however, it reflected the influence of the "natural allies" of one superpower who sought to impose their domestic policy preferences on the non-aligned majority.

With the passage of 25 years, we have seen that many of the economic doctrines that were articulated in the 1960s are irrelevant

to the real world in which we live. Our people seek a better life, a higher standard of living and the benefits of international trade and commerce. In a nutshell, there has been "a revolution of rising expectations". It is a fact of life in the international community that the countries which have opted for integration into the international economy are the ones which have achieved most rapid growth together with equitable standards of living for their population. They are exporters of goods and services whose patterns of trade do not reflect mere ideological preferences.

We in the developing countries need to move away from doctrines of "dependency" articulated by social scientists whose objective, it seems, was to consign us to permanent poverty. In reality, import-substitution policies were responsible for chronic balance of payments difficulties, extensive commercial borrowing and economic and social distortions arising from a mis-allocation of resources. Our Movement today comprises members having a variety of political, social and economic systems. Should we continue to be preoccupied with, and be committed to, only certain development models? Would we not be complicating further the already difficult task of understanding how different countries, saddled with particular domestic structures and a hostile international environment, struggle to advance the welfare of their peoples?

In a period of declining oil and commodity prices, growing foreign debt, rising protectionism and continuing recession in many Third World countries, it is imperative that we in the Non-Aligned Movement re-think our approaches to economic issues and perhaps experiment with bold new approaches to bring about a new international economic order. Liberal trading and market-oriented practices would allow for greater participation in the international economy. They could prove to be more effective than autarkic policies of self-sufficiency and import-substitution. The recent successes of the countries on the Pacific Basin can be emulated in all parts of the Third World.

There is a tendency within the Movement to believe that war, invasion and conquest are prerogatives only of the two superpowers. The tragedy has been that the arms expenditure of the non-aligned countries has been increasing at a rate faster than that of the two superpowers. Even in Southeast Asia, we see the phenomenon of one of the poorest states maintaining the largest armed forces in the region and the 4th largest in the world. These armed forces were used to invade and occupy Cambodia, a founder member of the Movement. They were used to install a puppet government in the occupied country.

The Vietnamese invasion and occupation of Cambodia in December 1978 is of special significance to the Non-Aligned Movement. Vietnam has clearly violated the fundamental principles that the founding fathers of our Movement enunciated at Bandung — namely, respect for territorial integrity and sovereignty, mutual non-aggression, mutual non-interference in internal affairs and peaceful co-existence. The Cambodian people have not accepted the foreign occupation of their country. There is growing national resistance against the Vietnamese occupying forces.

The Non-Aligned Movement has always supported independence movements around the world. The Cambodian people need our moral and material support in their fight to regain their independence. The illegal decision by the host government at the Non-Aligned Movement Summit in Havana in 1979 to unjustly deny Democratic Kampuchea its legitimate seat remains a blemish on our Movement.

The Coalition Government of Democratic Kampuchea recently announced an eight-point proposal to resolve the problem. It calls for negotiations for a phased withdrawal of the occupying Vietnamese troops, followed by a programme for national reconciliation and free elections. My Government welcomes the eight-point proposal and urges Vietnam to respond positively to this initiative.

For the past seven years, the international community has tried to persuade the Vietnamese occupation forces to withdraw from Cambodia and reach a negotiated settlement.

In Luanda, the Foreign Ministers stressed the obligations of all States to strictly abide by the principle of the United Nations and respect its decisions and resolutions.

In November 1985, 114 member states of the UN, of which 66 are also members of the Non-Aligned Movement, voted for the resolution at the UN General Assembly, calling on foreign forces to withdraw from Cambodia.

My delegation therefore calls upon Vietnam, as a member of the Non-Aligned Movement, to respect this decision of the Movement. Let Vietnam show its commitment to peace and stability by upholding UNGA Resolution 40/7, and withdraw its occupying forces from Cambodia.