

Part I will cover answers to Question 1 to Question 4

1 In 1959, you outlined your vision of labour-management relations. You called for a united labour movement. You wanted to establish industrial peace with justice. What were the problems that had to be overcome to achieve these two objectives?

There were many problems. First most of the strong unions were organised by the communists. They had been the most active and the most successful in mobilising the lower income workers, mainly the Chinese-speaking - either dialects or Mandarin. Their purpose was not to improve industrial relations but to keep building up hatred against the employers and against the system so that the whole system could be overthrown.

So really we were at cross purposes. They talked about the livelihood of the workers but they were only interested in making things worse so that unemployment would become worse, workers would become more dissatisfied, and the system would be overthrown, and there would be a revolution. To counter them we had to approach this in two ways.

First, we had to expose them as exploiters of the workers for their political agenda, a political programme that had nothing to do with benefits for the workers, but more to implement their communist ideology, their communist paradise. It was difficult for us to counter the communists because China was thought to be a great success, so we could not convince the

workers so easily that communism was going to bring disaster to them. The Chinese-educated believed that China had become a wonderful industrialised country.

The other approach was to show that by negotiations - argument with the employers, frankness, opening of the employers' books - it was possible to get better relations and better conditions, and a more secure employment, better benefits for the workers.

So it was a two-pronged approach, which took a long time before it succeeded. We had the Industrial Arbitration Court, which they regularly flouted. They refused to obey the law that once a matter was referred for arbitration, there should be no strike.

It was not until we had the political fight in the open with them from 1961 to 1963 (after we defeated them in the Referendum in 1962 and the General Election in 1963) that we began to see sunshine, some sunshine.

Before that, it was all clouds and rain. Every time, I came back from Kuala Lumpur or London after discussions, I would drive in to town and see banners and posters of strikes, go-slows, sit-ins all over the place. And it was very depressing because the communist agitators chased away investments, they chased away jobs.

But after 1963, we were able to put the communists on the sideline, but at the same time, 1963 saw Confrontation by Indonesia's Sukarno, so the economy was affected by a sudden cut-off of trade.

We went through very hard times until 1968 when the British decided to withdraw their forces. This was going to throw 30,000 workers in direct employment with British Military Services out of jobs. Another 50,000 people indirectly working for the British services - the laundrymen, the dry-cleaners, the shopkeepers and those employed in the bars and restaurants, the maids and so on - also faced unemployment.

That challenge, that threat, that crisis enabled us to get the people together and we were able to pass the Employment Bill, changing the bad practices that had crept in, where every promotion had to be discussed with the union, so the management had lost their right to manage. So we created a more orderly system which entitled management to get on with the job, but workers to get a fair deal. From then onwards, we began to make progress.

2 On the Employment Act, some union leaders feel that today employers are applying the Act as if conditions were the same as in the past.

No, I don't see it that way. I think we are now in a new phase. If you look at the advanced countries, you will see whether in America or in Europe, or Japan, union membership is falling. The reasons are really structural. Nothing to do with the loss of dynamism of unions or union leaders.

In the early days of industrialisation, unions were formed to protect large groups of depersonalised workers operating in mass production lines under bad conditions.

Now, you get management, big or small, very anxious to incorporate their workers into their production organisations to get the cooperation of their workers and to raise productivity. So they have Quality Control Circles, more training, especially the Japanese - all the time they are training and retraining.

Today's production line is no longer just mass, mechanical turning of screws. It's all more customised. It's robotised. It's computerised. So the worker has got to use his brains. He's got to upgrade his skills. Technology is changing so that units of production in the factories are getting smaller and smaller. So IBM is losing out to many different PC companies. And these PC companies maintain good rapport with their

workers. Their small workforces feel they belong to the team. And many of them have profit-sharing schemes.

So the need for a union to protect oppressed workers has disappeared. Take the situation in Singapore. Where have we got an iron and steel factory with thousands of workers exploited? We haven't got that. What do we have? Electronics factories, disk drives, totally air-conditioned, clean rooms, canteens for the workers, uniforms, transport to take them back and forth. And employers who understand the need for productivity, the need for their workers to be in good health, providing gyms and exercise facilities, all to maximise their workers' skills and productivity.

The old trade union concepts, unless they are updated, are just irrelevant. We have got to move along with the times. I'm not saying we don't have troublesome employers. But I think troublesome employers will soon run into trouble with their profits, because if they don't get the cooperation of their workers, their competitor who does get the cooperation of his workers will beat them.

Let's take Singapore Airlines. We see so much of its troubles reported in the press. The airline business is one of the most competitive in the world. SIA no longer has the advantage of low wages which it had in the 1970's. Today we face competition from low wage Thai Airways, MAS and Garuda, because our wages have moved up to 70 to 80% that of BA and

Qantas. Many major airlines have been squeezed, gone bankrupt. PanAm, Braniff and Eastern have closed down. Many major airlines have been taken over, slimmed down and re-created to survive.

What is the solution? The airline that does not have the workers cooperating with it to provide high quality, friendly service, is soon in the red and has to close down because your competitor is incorporating his workers into his organisation, co-opting them, winning their cooperation with all kinds of bonus schemes, that makes it more efficient and more productive, providing better service. So you are out of business.

SIA's profitability cannot be taken for granted. Lufthansa has cut staff and re-organised, and are more competitive. Smaller, low-cost airlines are getting better. SIA is squeezed in-between.

I worry for SIA's employees. Once SIA is in the red, it's finished. There would be just no jobs. And no jobs means no tourists coming in, because SIA brings the tourists in. So it is not just workers in SIA but the tourist trade - the hotels, the shopkeepers, the restaurants, the whole chain, the tour operators, will all be affected, because SIA's success means tourists come in (business tourists, convention tourists, ordinary sight-seeing tourists), it has contributed to tourism's 5% per cent of our GDP.

The word trade unionism today must mean something different from the trade unionism of pre-war Britain, symbolised in the General Strike in 1926 when the whole system collapsed, the Government fell, and the Labour Government was formed, but could not get the country going.

3 How would you define trade unionism today - and its role?

I think the unions' major role today in Singapore, is to protect the future of our workers. The unions must insist on retraining and skills upgrading programmes because that is the future. Technology is changing so fast, that if we don't get our workers up to mark, they may be out of jobs because they cannot work the new machines that come in.

For instance, I am now coming on to 72. But I have to learn to use the computer to get my e-mail. I read your piece (can't remember where I read it) about you using the computer. You did it in your 50s. I'm doing it in my 70s. Otherwise, if the whole Government is on e-mail, and I'm not, I'm cut off. So I have had to spend nine months to learn how to use the computer. From time to time, I still have to ask my secretary how to work it. I knew it, then I have forgotten the procedure, so if I look up the manual, it would take so long; he just presses a few buttons, I remember them and I can do it. But at 71, coming on 72, I had to do it - to stay in touch with the system because now all Ministers are on computers, all are

on e-mail. And they can contact each other without faxing letters. You just type, press a key and it is done. And they can reply at leisure.

If we don't train our workers, and the disk drive industry changes shape, what will happen to them? They will be 40 plus years old. They started work at 20 plus. What can they do? They will be a problem to us. They will be a problem to themselves. They will eat up their CPF.

The trade unions' greatest obligation today is to try and get the employers and get their workers to cooperate in upgrading skills and education, so that they can cope with the new machines and be versatile. If you read the technology magazines, especially the Japanese ones, you will see the speed at which things are changing. There's big trouble if our workers are caught unprepared and training not upgraded.

When production line changes, and you can't work in the new production line, you can't be part of that team, what's going to happen? How many doormen can we have at the hotels? How many porters at the airport? There is a limit.

4 In the present harmonious industrial relations climate, there are people who say NTUC no longer has an important role to play. How would you respond to this?

No, I don't agree with that. There will always be a role because there will always be a need to check those employers who are not modern enough, up-to-date enough, to get their workforce to cooperate. The problem will always exist because you cannot have a perfect group of employers. There will always be some who will not meet minimum standards, and before they go bankrupt, we must put them right and unions can save them from bankruptcy.

And secondly, NTUC has another big role which I think is as crucial as improving wages and benefits. That is to provide facilities for the workers. Besides training, give them all the amenities so that they also can share in the different kinds of lifestyle of the bosses.

If the bosses have their golf clubs, you have your golf club. If the bosses have got their resorts, you have your resorts. If they can go to Sentosa, you can go to Sentosa. Maybe you are not so plush but no sector, no area of enjoyment or recreation, or sports, or learning or culture, should be closed to the unions.

Collectively, NTUC can bargain with all these companies - whether the big stores or recreation centres, the zoo or the bird park, or Sentosa - you can always bargain and get lower prices. And NTUC FairPrice can give you some money back, besides selling at low prices.

So it is a good thing that from 1970, we started the

modernisation drive. Without that, we would still be in the old system. Now a group of workers know what it is to run an enterprise. You must have efficiency, you must have proper management, you must have a black bottom line. Or you close down. So that has helped to educate the union leaders who in turn educate their members.

Part II covers answers from Question 5 to Question 9

5 Government consults NTUC before announcing policies that affect the interests of workers. Yet because these consultations take place mainly behind closed doors, little is known of the lobbying done by the unions on behalf of workers. So people get the impression that NTUC is not doing enough for workers.

Well, that's the problem. If you take it up in the open, it may become a public issue. And when Government gives way, it may also make certain groups feel that their interests have been affected, and NTUC has had undue influence.

So I think the answer would be for the unions who have MPs as their representatives to stand up in Parliament to speak when this issue comes up, that NTUC has made its representations, and they are happy that Government has accepted NTUC's position, or made concessions half way to meet NTUC's position. That may be one way out.

You have a Nominated MP. You have several MPs who are associated with the unions. They can take the opportunity in Parliament to bring these things out into the open.

6 The induction of PAP MPs into the labour movement has led to criticism that NTUC is Government-controlled and so cannot serve the interests of workers. This criticism has persisted even though these labour MPs have to subject themselves to union elections. How would you analyse the situation?

The real test is not whether NTUC is confrontational, or cooperative but whether it produces results. We can go back to a confrontational mode, and NTUC can get zero results, as Barisan Sosialis-controlled Singapore Association of Trade Unions (SATU) found out. We just stonewalled them. So confrontation, having an adversarial position, does not mean you get results.

You can see it in the British TUC. And they get no results. A whole economy has failed for decades because of that attitude of non-cooperation. Mrs Thatcher broke the strength of the key, big unions, following the coal miners' strike in 1984/85. But whilst union power has diminished considerably, they are still withholding cooperation. So there has been no productivity movement, no involvement in improving the quality of products, and British industry has had to pay a price because of that non-co-operation. The Japanese car

companies in Britain have done much better in labour relations, starting on a clean slate with house unions.

You take, on the other hand, the Japanese unions in Japan. They are all house unions. According to Western theory, they are employers' unions. But what is the result? The country has progressed. They go on token strike. They put on armbands to go on one hour's strike, they come back, they increase productivity. The result? High productivity and increasing benefits to the economy and to the workers.

So we have to find our own way. If we follow the West, with their confrontational attitudes, you have seen what happens to the British. (Sigh) Why should we go that way.

You look at the French. They want to trim down the Air France workfore because it is losing money and cannot carry on. The State is just financing losses after losses, year after year. They went on strike. The Prime Minister had to give way. The Prime Minister said let's ignore the minimum wage for students so that more jobs can be created. Students protested, and threatened to strike. The proposal was dropped. No jobs created. More students stay unemployed.

There are different ways to approach the problem. If we copy the Western model, which is not working, we are going to get ourselves into a bind. We have found a formula that has worked. If it hadn't worked, then we would have a different

Singapore today.

But the formula has given every worker a house, minimum 3 rooms, worth anywhere between \$120,000 and \$150,000. Many have 4-5 room units which could go up to \$200,000 to \$400,000. Each has his own CPF account and he can buy stocks, shares, gold, houses and property. He has his own Medisave. Many have POSB accounts. What is the result? The result has been progress for the country and benefits to the workers. If we start off with Western attitudes, we would end up with Western problems.

7 In Singapore today, there are still companies, even Government-linked companies, which adopt anti-union attitudes.

Well, we will always have that problem because many employers - and these are enlightened employers - have found that by first class industrial relations, they perform better with their workers and get better results than with unions. In the late 1960s and early 1970s, several American companies told us: "If you want us to have unions, we're not coming." So we compromised and said: "All right, first five years, no union. Thereafter if your workers decide to have a union, and they are a clear majority vote, they will have a union. They agreed."

Today, many of these companies are still without unions. Free vote of the workers. So it does show that first class

industrial relations and proper benefits to the workers, and winning the confidence of the workers, can end up with the union being unnecessary.

This is a lesson we have learned. We did not believe it when they came in here in the late 1960s and early 1970s. But in the 1990s, you see several big companies do not have unions. And you can't get the workers to vote for a union. I say there is nothing wrong with that. That is to the benefit of the employer and the worker.

I had, when I was with Lee and Lee, nearly 40 years ago, about 15 clerks. Why should they join a union when they did not need a union? They were getting on fine. They got big bonuses.

8 New people are assuming leadership positions in Government and in the trade unions, without the benefit of sharing experience of the more turbulent times. What can be done to maintain the close ties between Government and the labour movement?

Well, we have tried to - at least I have tried and the younger generation must find new ways of twining the leaderships. I have tried to get trade union members elected into Parliament. It is becoming increasingly difficult because with so many opportunities for education, very few people who can get to

university do not get there. So there's almost no university quality people in the rank-and-file of the unions. I did the next best thing. I have collected a group of graduates with a sense of mission, a sense of social purpose, and tried to graft them into the unions so that they can represent union interests. If you want every union leader to spring up from the grassroots, to start off as a blue-collar worker, you will have very uneducated leadership which will be very bad for the unions.

So we got to find new ways to twine them. It's like what we have done. We now have the Nominated MP. He is a grassroots leader. He can speak up for union causes and he does so. We've got several MPs whom we have grafted on to the unions. The younger Ministers may think up better ways - they have to find ways and means to twine the political and trade union leadership.

9 What are the key issues facing the labour movement, and how they should be overcome?

The key issue would be unemployment as a result of restructuring, new technologies and workers not being able to take the training to do the new jobs. In anticipation of that, we have to go in for more training and retraining. That's number one. I would put that very high on the agenda, because the time to do something about it is now, not when the

retrenchment and restructuring take place. They can take place in five years time, or seven years' time. Nobody knows the speed with which new technology will come in.

The other big issue is how to deal with a widening of the wage gap. As we go regional, the people at the top will get big benefits because the managers, the engineers, the supervisors and skilled foremen will go abroad to train people in other countries. They will get special compensation packages because they have to leave their homes and live in more difficult conditions. They will be paid much more, so the gap between these people who are able to go regional and the average worker who has to stay home because he is not needed abroad - that will widen.

They have to think of ways and means to give those at the bottom who are not going to enjoy these benefits, some benefits like asset enhancement, which is what the Prime Minister is doing. Upgrading their homes, increasing the value of their homes, giving them more shares at discount prices so that when shares of Singapore Telecom (and later PUB, PSA or SMRT) increase in value with our economy's growth, they will own a part of the new wealth.

But whether people will keep what they are given or spend it, that is a matter for them to decide. Those who are wise and careful in their spending - spending the interest of what is earned, not the capital - they are the people who will do well.

I think Government should do more of this. The Prime Minister and his colleagues, I know, are looking at different ways to give the people who are not going to benefit directly from this expansion abroad, benefits from the returns to Singapore's economy from abroad. They have to spread the benefits through asset enhancement schemes.

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