

TEXT OF A TALK BY THE PERMANENT SECRETARY (MINISTRY OF FINANCE) INCHE ABU BAKAR BIN PAWANCHEE, ON THE ECONOMIC DEFENCE (DIRECTION OF EMPLOYMENT) SCHEME, BROADCAST OVER RADIO SINGAPORE AT 7.10 P.M. ON FRIDAY, 20TH MARCH, 1964.

You are all aware that Indonesia has launched an all-out political and economic confrontation on Malaysia. Singapore has had to bear the brunt of the Indonesian economic confrontation because of its large volume of trade with Indonesia. This trade has in recent years exceeded \$1,000 million per annum. In addition, some of our industries such as rubber milling, sago processing, coconut-oil milling and rattan processing have been affected by the reduction in the imports of their raw materials.

Confrontation has also resulted in some unemployment. Such unemployment has hit firms trading with Indonesia, shipping firms as well as industrial establishments. The total number of affected workers has now reached 4,000. Our total working population is more than 450,000; so confrontation has directly affected less than 1% of our population. But we must do something for these 4,000 people who have, through no fault of their own, lost their jobs. The Government is pledged to protect the livelihood of the people in order to withstand and finally overcome confrontation.

You all have heard of our scheme whereby these workers will continue to receive for a period two-thirds of their former wages - the Government itself contributing one-third and the employers one-third. This, however, cannot continue indefinitely. Fortunately, the rising tempo of industrialisation in the State has created many new jobs. The Government has therefore decided to give workers affected by confrontation preference in filling up these new jobs.

On the 1st February, the Government gazetted an order under the Economic Defence (Direction of Employment) Ordinance,

1963. This order stipulates that all categories of workers in pioneer firms, except managerial and supervisory personnel, would be recruited from among the workers affected by confrontation. And, of course, all Government departments and statutory bodies like the Public Utilities Board, the Harbour Board, have also been recruiting from those laid-off workers. The Government will in the next few days issue a second order under this Ordinance which requires all private firms with 50 or more employees to accept the same responsibilities.

The Government does not normally tell employers who they should employ and who they should not. It is the employer's money that goes into the pay packet and, normally, it is he who should decide whom to employ. However, all of us, Government and employer, have to do something for those citizens who, through no fault of theirs, have lost their jobs. These are the victims of confrontation and they have a call on our resources.

The Government will ensure that this scheme is implemented fairly and reasonably. Where the worker sent to an employer is unsuitable for lack of skill, experience or for other good reasons, the employer may ask the Director of Economic Defence for a waiver. Should the Director not agree to a waiver and should a dispute arise the matter will be referred to an Appeals Committee, on which both employer and employee will be represented. It is to be hoped, however, that employers and affected workers will co-operate with the Economic Defence Department to ensure that the scheme works smoothly and with little friction. With goodwill and good sense, I am sure that it will.

MARCH 20, 1964.

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