

TEXT OF A SPEECH BY THE MINISTER FOR COMMERCE AND
INDUSTRY, MR. J.M. JUMABHOY, AT THE LEGISLATIVE
ASSEMBLY ON WEDNESDAY, SEPTEMBER 10, 1958

Though Government welcomes investment in the industrial field from individual financiers and groups with large capital resources, Government feels that the time has come when the people as a whole should not only directly participate in but also benefit by their country's industrial development. Government realises that the working man and woman in Singapore has up to now had very little opportunity or incentive to actively participate in the ownership of industries and to benefit therefrom. Government therefore feels that it is not only necessary but also the duty of an elected Socialist Government to actively assist the people in owning and opening some industries which are profitable because they produce goods needed by the vast majority of the population. Such ownership should not be by the State with public funds but rather directly by the people on an individual basis so that every individual shareholder benefits directly from the profits.

In order to achieve this purpose, Government proposes to set up a People's Sector in Industry, and some of the industries which produce goods needed by the vast majority of the people and are therefore a profitable proposition will be reserved for this Sector in which at least 51% of the shares shall be held locally. Holding of these shares is intended for the working man and woman on an individual basis or for the Government's Industrial Promotion Board. No large local shareholding from this percentage will be allowed.

In order to organize the working man and woman for the new role of industrial ownership, a People's Investment Corporation will be set up with shares at \$10 each to enable every working man and woman to participate by owning at least one share of \$10. In order that the Corporation is really an organization of the people and is not monopolised by a few big shareholders, no person shall be allowed to hold more than 50 shares.

Initially as the first target it is proposed to reserve the further manufacture of cigarettes and the manufacture of matches in Singapore for the People's Sector, and as soon as the People's Investment Corporation has sufficient finances, it will be invited by the Government's Industrial Promotion Board to participate in the setting up of a People's Cigarette Factory with an investment of 49%. Government's Industrial Promotion Board will hold 2%, and outside manufacturers of cigarettes of only popular brands would be invited to contribute up to 49% and to manufacture cigarettes of their popular brands and to supply the technical know-how. If such outside manufacturers are not willing to join in the proposal, the remaining shares in the People's Cigarette Factory will be taken up by the Industrial Promotion Board. Restriction will be placed on the import of cigarettes as soon as the factory starts production. It is not the intention of Government to restrict the operation of existing Singapore cigarette factories which were in production on the 13th August, 1958.

A People's Match Factory would be set up in which the People's Investment Corporation would be invited to invest 49% along with 51% from the Government's Industrial Promotion Board. This factory will be given a monopoly for manufacturing matches in Singapore and

imports of matches will be prohibited.

The Industrial Promotion Board will start taking the necessary steps right away towards establishment of these factories.

In order to encourage the people to invest in the People's Investment Corporation a mass investment campaign will be started by the Government as soon as the machinery for setting up the People's Investment Corporation is ready.

SEPTEMBER 10, 1958.

(Time issued 1200 hours.)