

SPEECH BY MR. LEE KUAN YEW AT A RALLY AT THE
ESPLANADE, PENANG, ON 20TH APRIL, 1964.

Jingoism no substitute for economic and social policies

UMNO leaders have complained that the PAP's participation has distracted attention from the main issue of this election, namely confrontation. By this they mean that because of our participation they have found it difficult to make jingoism, the call-up and "let's unite to defend Malaysia", a substitute for policy in winning the elections.

The Socialist Front fell into the UMNO trap and started talking of "peace or war". We know there will be no peace. We know there will be no war. It will be trouble short of war. But what we want to know from the Alliance is what they intend to do to meet this grinding external pressure on our borders and relentless internal subversion and sabotage by Communists and by Malay sympathisers of Indonesia.

This relentless process of erosion on both the Chinese and the Malay mass bases cannot be met by guns, call-up or national service. It can only be defeated by intelligent social and economic policies which will give every non-Malay a

stake in the Country, just as the Malay has. This is what has caused discomfiture of both UMNO and MCA leaders, the raising of economic and social issues, the question of whether and how we are to create an equal and more just society.

The next Federal Government must have more of a social conscience than the last, for only then will practical step be taken to alleviate poverty, hardship and injustice.

Socialist Front no positive alternative

The Socialist Front claims that they are putting themselves forward as an alternative Government. But they have not put forward an alternative economic and social policy. In any case, by the disarray of their leadership, the S.F. is unfit to be trusted with any power, even in the State Government of Penang

Mr. Lim Kean Siew criticises Dr. Lim Chong Eu, Chairman of the UDP, for making Chinese education an issue in this election. Meanwhile, for the past fortnight, long screeds on Chinese education and how the Alliance Government has destroyed it, have been published in the Chinese Press issued by S.F. headquarters. But he, like Dr. Lee Siew Choh, is only a figurehead of the real masters of the open Communist front. Like Dr. Lee he will find himself humiliated and isolated in the party. All he could do then is, like Dr. Lee, to

threaten resignation so that the party should let him have his way, or lose the advantage of his cover of "respectability".

The dilemma of the S.F. in Penang is how to be part of the S.F. of Malaya and yet to lull Penang into a sense of security to vote them in as a State Government. Mr. Lim Kean Siew denies that the S.F. of Penang had anything to do with Barisan Sosialis or Dr. Lee Siew Choh and his doings in Algiers. But meanwhile Dr. Lee turns up at Kuala Lumpur spouting his anti call-up and anti-national defence line at a Socialist Front rally.

The S.F. claims that a S.F. State Government can ensure the free port status of Penang. They say they will hold a Referendum in Penang on the free port status. Either this is ignorance of the law and the Constitution, or just humbug. Elections is a Federal matter and no state government in Malaya can hold elections or have a Referendum. Further, Penang's Constitution, like the other states in Malaya, can be changed without the consent of the state government by a two-third's majority in Parliament.

Financial resources of Penang

Every year over the last six years the State Government of Penang has been spending about \$12-\$13 million. About half of this comes from State revenue collected in Penang. The other half comes as Federal grants from Kuala Lumpur. For the S.F. to talk of economic development and the building up of a tourist resort and a University College making Penang a seat of learning all depending on its State revenue of between \$6-\$7 million a year is empty talk. Everyone of these projects will cost tens of millions of dollars a year in capital expenditure and recurrent costs. Only generous grants from the Central Government could pay for this. An even with an Alliance Government in Penang, all that the State Government got was an extra \$5-\$6 million grants per year.

What PAP can do

Before we set out to change the scheme of things in Malaysia, it is as well if we first understand the mechanics of power in Malaysia. In order to protect the different economic and social policies in Singapore, we ensured that money from Customs, Income Tax and all other revenue collected in Singapore shall remain in Singapore. It is the State Government which subsidises the Federal Government to the extent of 40% of national taxes collected, leaving Singapore with over \$300 million a year, or 50 times Penang's State revenue, to dispense on health, medical and social service, housing and economic development.

In this way, we are able to continue our policy which is completely different in social orientation from Kuala Lumpur. We spend 15 times as much as Kuala Lumpur on social welfare benefits (\$8.9 per head as against Federation's \$0.59), about three times as much on health benefits (\$37 per head as against Federation's \$13.5) and twice as much on education (\$52 as against Federation's \$32) per head of population. What is more, we get more worth out of every dollar than Kuala Lumpur. We build a two-room flat at \$4,100 whilst Johore builds the same type of unit for over \$7,500. We build a three-room flat for \$4,900 whilst the same type of unit in Malacca cost \$9,000. And so it is with the cost of all the schools, hospitals, clinics, creches, and community centres.

We have over 150 community centres, both urban and rural type, for an island of 220 square miles. We have over 25 clinics, including maternity and child health centres, to ease the pressure on five hospitals. To solve the unemployment of our youth during the first few years after leaving school waiting to get jobs, we have built up a Works Brigade to give them training and work in return for food and lodging and a token take-home pay of \$2 a day. They go out into the rural areas building roads, drains, repairing small bridges, earthworks and generally making life in the rural areas more tolerable.

Meanwhile, we provide avenues of employment in Government services for Chinese Middle-School graduates, thus siphoning off frustration and discontent which had existed for years among the Chinese educated as a result of unequal treatment in unemployment opportunities. For the bright ones, we arrange refresher courses in English so that they can switch over to the English language University stream to do medicine, dentistry, engineering, law and the sciences giving them avenues of training which will ensure them opportunities to advance in life and make a better contribution to society.

Social justice and industrial expansion

Our workers thrown out of jobs as a result of Indonesian confrontation are given rehabilitation and training to go into the booming building industry. For six months while training they receive two-thirds of their former pay, one-third from the Government and one-third from the employer.

Meanwhile, factories are opening daily in Singapore as the Economic Development Board with over \$300 million resources, systematically sets out to provide industrial sites, power, water, technical assistance, and even loans to industrialists.

All this can also be done in Malaysia and in Penang. A more intelligent, effective, economic and social policy. But it cannot be done in Penang alone. It must be done in conjunction with the rest of Malaysia. We have fielded three candidates in the State elections and one in the parliamentary election. This is the first step. As in Singapore in 1955 we fielded three candidates for our State Assembly elections. By 1959 we had built up enough strength to run the Singapore State Assembly.

Penang can do likewise

So between now and 1969, we can and will draw out people with integrity and ability in Penang to come and join us in building this new Malaysia. In two years time, there will be elections to the Penang City Council. If there are enough people in Penang prepared to shoulder responsibilities and give a part of their time to the city of Penang, we can do here what we did to the City Council in Singapore in 1957, shake out corruption and inefficiency, instil honesty and dedication, give fair and just rewards to City Council workers, and increase efficiency and courtesy to the public.

April 25 is a small first beginning. The end objective is a Malaysia with a government more honest and effective and an economy expanding and

diversifying to create employment for our population and making adjustments for the time when by 1970 Russia and many other countries may not want to buy our rubber because they have synthetic.

There are grave problems ahead which can be foreseen and forestalled.

There are also glowing opportunities for enterprising and creative planning.

Intellectual and creative capacity: analyses, diagnoses and forward planning can ensure our success as a modern industrial society.

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