

PRIME MINISTER'S ADDRESS ON TV ON THE EVE
OF NATIONAL DAY, 8TH AUGUST, 1967

Tonight we complete the second year as a republic on our own. We have more than maintained the pace of progress that we achieved in the first year.

The figures for the last 12 months, as against the 12 months before that, show that our imports went up 8% and our exports 9%. This increase is reflected in the cargo discharged and loaded. Cargo discharged increased by 17% and cargo loaded increased by 20%. This means our exports increased more than our imports.

On the industrial front our net output for manufacturing industries increased 18%.

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Our exports of manufactured goods also increased 18%.

If we take the exports of only the new or pioneer industries, the exports increased by 70%.

In the meanwhile, our foreign exchange reserves moved up by \$136 million to \$1,174 million from November, when the Finance Minister made his Budget speech, to May this year-- an increase of over 12%.

All this economic growth is reflected in our tax collection. Income Tax collected went up 12%. Property tax collected went up 15%.

Tax from liquors consumed went up 12%. But tax returns for tobacco and petroleum decreased. Petroleum went down \$1.8million or 3% , and tobacco went down \$0.6 million or 1.4%.

This is because for tobacco, people smoked more locally produce cigarettes which were subjected to less tax. The fall in petroleum taxes was because duty on fuel oil used by the Public Utilities Board and other industrial enterprises was exempted from tax.

At the same time, construction progressed. The Housing and Development Board spent more that \$70 million, an increase of 7%. P.W.D. spent 16% more.

On our schools and clinics we spent 3% less. It is a healthy sign. For as our birth rates decline to more manageable proportions, so we require less expansion of primary schools, clinics and maternity facilities.

In the private sector, the value of houses built was more than \$40 million, an increase of 29%. And all other construction increased 44%.

But, in the long run, it is the quality of our youths that will determine our future. And we have to invest in them more than any other sector. Changes are taking place in the schools. The emphasis is now on content and quality. We want our schools to produce citizens who are healthy and hardy, with a sense of social purpose and group discipline, prepared to work and to pay for what they want, never expecting something for nothing. Our schools will train students in the classrooms, in the playing fields to make them healthy and robust. But even more important, they will teach our students high standards of personal behaviour, social norms of good and bad, right and wrong. Without these values, a literate generation may be more dangerous than a completely uneducated one.

But, unfortunately, for those who have left school, the changes taking place in the schools have come too late. The Ministry of Defence has, therefore, prepared a scheme to train those already out of school. From this year, with

National Service, every boy-- and later on, we hope every girl-- will undergo some form of national service, not just to be a fighter but to learn to be a good citizen.

The other Ministries have not wasted their time. Without good administration it is impossible to live in comfort and security in a crowded and densely populated island Republic. The Labour Ministry has registered all those above 12 years, given them new identity cards which cannot be easily forged. One million two hundred thousand people were given red cards. They are Singapore citizens, members of the club, entitled to all the care, the training, the assistance, the job opportunities which we can provide for ourselves. We have also issued 160,000 people with blue cards. They are not citizens.

Meanwhile, the Ministry of Health has made a break-through in standards of public hygiene. The city is visibly cleaner. Hawkers are re-sited and all roads, big and small, will be cleared for traffic. We can and we will make this the cleanest and the greenest city in South Asia. For long years we were plagued by rogue unions. Now, for the first time a worker works for his wage and he does not fiddle for his "fringe benefits". We have got to do the same for all the other sectors, both in Government and in private enterprise.

But as we solve old problems-- and the year that has passed has been a year of considerable progress -- new ones, however, have appeared. The British Government has decided to cut down their force in the Singapore-Malaysia area by half in four years, by 1971. By the middle 70's, i.e., some time between 1973 and 1977, depending upon conditions in this region, the British will leave their bases. Thereafter they will maintain only a military capability. This will consist of a strategic reserve in Britain, and sophisticated weapons, chiefly ships and aircraft.

This presents us with a grave challenge, almost a change of life, a new and different way of living. We shall have to arrange new means to secure our defence with old friends and allies. These defence cuts will also create immediate problems. 15,000 civilian employees will lose their jobs by 1971. About half of them will be our citizens. And as the British Service families leave, so about 5,000 women, now earning their keep as domestic help, will also lose their jobs.

The problem is this: that while we can and we will maintain our economic growth, we have not and may not, for some time, be able to solve the problem of unemployment. Last year, our pioneer industries produced only 3,000 new jobs, just like the year before that. Our economists who have studied this problem of

population growth and economic progress tell us that we must create between 7,000 to 10,000 new jobs in manufacturing industry every year, and this, together with the normal job expansion in commerce, trade, administration, entertainment and other servicing industries, will then every give boy and girl who comes up from our schools meaningful jobs.

Now, for eight years since this Government took office in 1959, we have surged forward at a 6% to 9% annual growth. That means our Gross National Product -- G.N.P., all the goods and services we produced, went up year by year 6 to 9%. But every year, unfortunately, these new jobs created have not been enough to match the boys and girls leaving our schools. And don't forget the girls are also getting jobs. Total unemployment has continued to grow. The result is -- and we know from the National Re-registration for the new identity cards which we carried out in 1966 -- we have a working population of 550,000.

Of them, 59,000 are on work permits. They are non-citizens. And the Re-registration exercise showed that 43,000 of our citizens were unemployed.

And on top of this, in the last 12 months, we had 12,000 people changing their addresses of their identity cards from Malaysia to Singapore. It is a little better than the year before when we had 15,000 coming from Malaysia to Singapore.

The biggest challenge in the decade ahead for all of us is to find meaningful jobs for our young and now educated population.

We have, straight away, to take steps to make sure that future Governments will not be faced with these same problems of large numbers of new babies -- meaning large numbers of even educated but unemployed people. Now our birth rate, with family planning and better housing and living standard, have gone down from 40 per thousand of population in 1959 to 29 per thousand this year. And it is still going down, in about 7 years time, it will be about 20 per thousand.

We have to revise all our social values so that no one is required to have a large family in order to qualify for a housing board flat, for social welfare relief and so on. Today, strange as it may seem, we are giving priority to people with large families, thereby encouraging people to have large families. And the person with a small family can't get the flat. Every large family is a drag not just on the father and mother but on the whole community. This requires a revamping of all our social services, free primary schools, free hospitals and free maternity clinics regardless of how large the family is, and the bigger social welfare

allowances are given to the bigger familiars. Since we want to encourage people to have small families of 3 or even less children who can all be well cared for when the family is small, then we must systematically encourage the small and discourage the large family.

But, meanwhile, Barisan Sosialis and all the other communist front organisations keep on their senseless hit and run demonstrations. We will counter them. Political protests will not create more jobs. On the other hand, they will discourage investments, check the growth of industries and restrict the number of new jobs. And so we have got to be firm and effective in dealing with these problems. And only such an administration can maintain that public order and confidence, with which alone new factories will be built and new jobs created. This requires an efficient administrative framework, without which no effective government is possible.

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Given time, there are very few things we cannot do in Singapore. For we have got a young, active, adaptable and striving community prepared to look for new answers, sometimes well tried solutions, sometimes imaginative innovations, to meet our problems.

It has been two years of progress since we left Malaysia. But, now, new problems have appeared. But at least, we have the satisfaction of knowing that we can have a go at these problems. For we have the right, as a Republic on our own, to tackle these problems our way. How much sadder it could have been. British cuts and withdrawals in the 70's would still have come. Imagine the anger and frustration of watching these problems unattended to and unresolved.

From our past performance, not just over the last 2 years but over the last 8 years, I say we have the capacity to make the grade. If we gird ourselves to meet these problems we shall carve out a better and a more secure future for ourselves and our children in this corner of Asia.

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Appendix 'A'

SINGAPORE TRADE STATISTICS

(Million Dollars)

	(a)	(b)		
	May 1965	May 1966	Increase	%
	<u>April 1966</u>	<u>April 1967</u>	<u>(b) - (a)</u>	<u>Increase (over 1965)</u>
Imports	3,860.9	4,166.7	305.8	7.92
Exports	<u>3,122.3</u>	<u>3,389.4</u>	<u>267.1</u>	<u>8.55</u>
	6,983.2	7,556.1	572.9	8.20
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CARGO LOADER AND DISCHARGE

AT P.S.A, WHARVES AND AT THE ROADS

(In Thousand Freight Tons)

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	(a)	(b)		
	June 1965	June 1966	Increase	%
	<u>May 1966</u>	<u>May 1967</u>	<u>(b) - (a)</u>	<u>Increase</u>
Cargo	14,781.1	17,289.5	2,508.4	17.0
Discharged				
Cargo	<u>9,142.2</u>	<u>10,978.7</u>	<u>1,836.5</u>	<u>20.1</u>
Loaded				

Total	23,923.3	28,268.2	4,344.9	18.2
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Appendix 'B'

REVENUE

I. Income Tax and Property Tax for period

July 1966 to June 1967

Million Dollars

	(a)	(b)	Increase/ Decrease	%
	July 1965 to June 1966	July 1966 to June 1967	(b) - (a)	Increase
Income Tax	106.09	117.92	+ 11.83	+ 11.15%
Property Tax	<u>64.88</u>	<u>80.24</u>	<u>+ 15.36</u>	<u>23.67%</u>
	<u>170.97</u>	<u>198.16</u>	<u>+27.19</u>	<u>+ 15.90%</u>

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Appendix 'B'

REVENUE

I. Customs and Excise Duties on Liquors, Tobacco
and Petroleum for period July 1966 to June 1967

Million Dollars

	(a)	(b)		
	July 1965	July 1966	Increase/	%
	to	to	Decrease	Increase/
	<u>June 1966</u>	<u>June 1967</u>	in Revenue	<u>decrease</u>
			<u>(b) - (a)</u>	
Liquors	38.28	42.70	+ 4.42	+ 11.54
* Tobacco	45.43	44.83	- 0.61	- 1.35
**Petroleum	<u>54.99</u>	<u>53.23</u>	- <u>1.76</u>	- <u>3.20</u>
Total	138.70	140.75	2.05	+ 1.48

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- * The fall in Tobacco revenue was because of a big switch to locally produced cigarettes which are subject to less tax.

** The fall in Petroleum duty was because of the exemption from duty on fuel oil used by the Public Utilities Board and all industrial undertakings.

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Appendix 'D'

DETAILS OF MANUFACTURING FIRMS OF ALL SIZES

	Mid 1964 - Mid 1965	Mid 1965 - Mid 1966	Mid 1966 - Mid 1967
No. Of Factories	2,300	2,500	2,600
Net increase/year		200	100
% increase/year		9%	4%
No. Of Workers	64,000	67,000	70,000
Net increase/year	-	3,000	3,000
% increase/year	-	5%	4%
Output	\$1,050 mil.	\$1,240 mil.	\$1,465 mil.
Net increase/year	-	\$190 "	\$225 "
% increase/year	-	18%	18%
Total Added	\$325 mil.	\$385 mil.	\$455 mil.
(contribution to national income)			

Domestic Exports	\$322 mil.	\$373 mil.	\$440 mil.
Net increase/year	-	\$51 “	\$67 “
% increase/year	-	16%	18%
Exports of New Singapore	\$90 mil.	\$140 mil.	\$235 mil.
Industries			
Net increase/year		\$50 “	\$95 “
% increase/year		55%	70%

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SINGAPORE CONSTRUCTION STATISTICS

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	July 1963	July 1964	%	July 1956	% increase	July 1966	% increase
	to	to	increase	to	of	to	of
	July 1964	July 1965	of	July 1966	(e) over	July 1967	(g) over (e)
			(c) over		(c)		
			(b)				
	\$	\$		\$			\$
I. Public Sector							
(I) Housing &	53,040,151.05	46,607,330.80	-12.13	65,923,015.58	+41.44%	70,310,947.93	+6.66%

Development

Board

(ii) Public Works	20,305,835.00	25,905,279.00	+27.6%	28,530,177.00	+10.1%	33,020,389.00	+15.8%
(iii)	11,382,059.00	16,245,491.00	+42.7%	14,454,032.00	-11%	13,967,799.00	-3.4%
Schools/Clinics	<hr/>						
Sub-total:	\$84,728,045.05	\$88,758,100.80	4.8%	\$108,907,224.58	22.7%	\$117,299,135.93	+7.7%

II. Private Sector

(i) Housing	21,120,000.00	24,460,000.00	+15.8%	31,180,000.00	+27.5%	40,180,000.00	+28.9%
(ii) Other	9,900,000.00	11,150,000.00	+12.6%	7,450,000.00	-33.2%	10,750,000.00	+44.3%

Construction

Sub-total:	\$31,020,000.00	\$25,610,000.00	+14.8%	\$38,630,000.00	+8.5%	\$50,930,000.00	31.9%
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TOTAL	\$115,748,045.05	\$124,368,100.80	+7.4%	\$147,537,224.58	+18.6%	\$158,229,135.93	+7.2%
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