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**SPEECH BY MR TAN SOO KHOON,
SPEAKER OF PARLIAMENT
AND MP FOR EAST COAST GRC,
AT THE KAMPONG CHAI CHEE NATIONAL DAY DINNER
AT CAR PARK BD-B7 BESIDE CHANGI
AND BEDOK THEATRE, NEW UPPER CHANGI ROAD
ON SATURDAY, 2 AUGUST 1997 AT 7.30 PM**

Thank you for being here this evening to join in Kampong Chai Chee's National Day celebrations.

Since the General Elections this year, Kampong Chai Chee is now part of the East Coast GRC. Kampong Chai Chee now includes two new parts: Bedok Town Centre and Chai Chee Gardens. I welcome the residents of these areas and hope that you will work with me and the community leaders to ensure that Kampong Chai Chee will always be a pleasant and happy place to work and live in.

Singapore's success as a country is well-known. What makes this success unique is the Government's ability to share it with

Singaporeans. We are able to do this because year after year there has been strong economic growth and the Government has been able to accumulate large budget surpluses. In the past years several schemes have been introduced to enhance the value of your assets and to level up society by sharing much of our prosperity with lower-income groups.

Every Singaporean therefore gains when Singapore succeeds. Ultimately, we strengthen our political stability, social cohesion and economic competitiveness, in turn promoting further growth and ensuring more prosperity and a better quality of life in the years ahead.

But success cannot be guaranteed forever. I want to illustrate by way of two examples of how fragile peace and prosperity can be.

In recent weeks you have read about and watched on television the traumatic events taking place in Cambodia. This is not the first time political power in Cambodia has been determined by the use of force. There was a time when the Khmer Rouge ruled the country by brutal force killing people deemed to be in its way. Then came the Vietnamese invasion of that country. Four years ago, the international community helped end Cambodia's civil war. Elections were held and a new government put in

place. Many Cambodians who had fled the country previously returned to rebuild their homeland. Investors poured in billions of dollars into the Cambodian economy.

You have seen what is now happening in Cambodia. Because of violent division within its political leadership, Cambodia is entering an era of uncertainty. Investment has grinded to a halt. Foreigners who have been there to help Cambodians rebuild the economy have pulled out.

Now imagine if Singapore had been wracked by severe political infighting. Imagine further if, instead of Singaporeans being airlifted out of Cambodia, you see scenes of expatriates being flown out of Singapore in a hurry by their governments. What would the future be then for Singaporeans?

The lesson in this is that we must always ensure political stability in our country. It is the pre-requisite to giving confidence to investors and businessmen who deal with us. It will take some time before the most hard-headed investor would want to stake his money in Cambodia again. To build is difficult enough, but one wrong move can destroy everything and the task of rebuilding will be even more difficult.

Let me now give you another example of how a country's fortunes can suddenly take a downturn.

For over a decade Thailand's economy has enjoyed strong growth. Thailand's factories depended on abundant low-cost labour to produce goods they could export cheaply. But over the years rising wages and other costs eroded Thailand's competitiveness. It did not re-structure its manufacturing sector and it was a matter of time before its exports could no longer fuel its economic growth. Then many of its financial institutions got into trouble because large loans that were liberally given out during the boom years could not be recalled.

The upshot of all these was the monetary crisis in July with the value of the Thai Baht declining 20 per cent against the US dollar.

Now imagine for a moment if we had not re-structured our manufacturing sector years ago. Imagine if, instead of producing computer components and wafers, we are still producing shirts and shoes.

Imagine now if the Singapore dollar declined in value by 20 per cent and you find yourself paying much more for the things you want to buy, or that your holiday abroad suddenly becomes much more expensive!

A country's economy must therefore be correctly managed to ensure that growth is sustainable in the long term. If we are economically strong today, it is because we have upgraded our industries, learned and applied new technologies, trained and re-trained our workers. It has been this ability to adapt to changes that allowed us to stay ahead of the competition.

Ladies and gentlemen, I have used these two examples to show that things should never be taken for granted. It is an old cliché, oft-repeated but nonetheless worth mentioning again and again. Our success today must never lull us into complacency. Certainly, all's well does not necessarily stay well. Ensuring political stability and managing an economy well with the ability to strategise in the face of changing circumstances so that we will maintain that essential cutting edge are just two, but not all of the pre-requisites to our long-term viability as a nation. Other factors include upholding our maintaining religious and racial harmony, having a honest and competent government, and keeping intact our system of

meritocracy which offers fair opportunities for all. Time does not permit me to talk of these but they are core values which we must always uphold.

I wish you and your families good health and happiness and may we continue to rejoice on National Day in the years ahead.

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