

SINGAPORE GOVERNMENT PRESS STATEMENT

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Speech by Dr Goh Keng Swee, Deputy Prime Minister and Minister of Defence at the official opening of AVIMO SINGAPORE (PTE) LIMITED at 14 Fifth Lokyang Road, Jurong Town on 5 November 1975 at 3.00 p.m.

May I first, on behalf of all Singaporeans, welcome Mr Levine and other overseas visitors who have taken time off to be present at this function. We hope that they will find their stay in Singapore interesting and useful.

In these difficult times, it is always heartening to listen to success stories, especially when related with such aplomb as in Mr Levine's account. One cannot but feel that not only has this enterprise made a fine start but that its future is well assured with the experience, drive and imagination available on tap, so to speak, from the parent company in England.

I was particularly happy to read in the latest annual report and accounts of United Scientific Holdings Limited, which is the parent company of Avimo Singapore, a favourable reference to this new factory. "Production on a small scale commenced in October 1974 and is expected to build up to a worthwhile contribution within twelve months. It is anticipated that the Singapore operation will prove to be fully viable during the current year, and to start to contribute to profits in a significant manner next year".

These comments are noteworthy to us in Singapore on two accounts. First, it is not often that a new off-shore manufacturing facility making products of some sophistication

could achieve business viability so quickly. Second, we are happy to note that significant profits are expected soon. Profit is not a dirty word in Singapore, as regrettably is becoming the case among some wealthy and advanced countries.

Why this should be the case is not clear to us in Singapore. We accept business corporations for what they are and do not expect them to perform the functions of philanthropic institutions.

Our workers and trade unions hope and expect that their employers make profits, the bigger the better. This is because they understand that it is only when businesses make big profits that employees can hope to benefit by way of pay increases, larger bonuses, faster promotion and improved fringe benefits. One would have thought of this proposition to be so self-evident as hardly worth mentioning. But, as I said a moment ago, the prevailing mood in advanced countries runs contrary to this view point. One can only hope that this is a temporary aberration of the public mind, for the free enterprise system has served the West so well for nearly two centuries and its continuing vigour could be sapped if its motivating force is held suspect.

Workers and trade unions in Singapore understand that profits are made in an open competitive system by keen and efficient management. They also understand that if you want good management, you have to pay good money.

Workers understand this not because they have been persuaded by management propaganda but because through the National Trades Union Congress, they have embarked on a number



of business enterprises - supermarkets, taxi cooperatives, bus services and insurance.

Fortunately for them, they were guided by the right principles from the beginning, which was to pay special attention to selection of management personnel. Often these are paid far more than what members of the NTUC Central Council themselves earn. The result was predictable. These enterprises make good profits and with the accumulation of profits over the years, they are considering moving into real estate and banking.

I go into this detailed account of trade union business enterprises to establish an important point. Singapore's attitude towards profits and towards foreign investments is not merely government policy. Much less is it government policy foisted upon a reluctant or uncomprehending public. It would not be an exaggeration to say that these attitudes are part of our social ethos. Singapore grew up as a city of migrants seeking a better livelihood than they could get in their homeland.

Hence they are willing to strive to save and to venture. This explains the respect accorded to successful people whose rewards in terms of profits are regarded as just. The ambitious Singaporean harbours a secret belief that one day he too can make it to the top.

All this may be regarded as quaintly Victorian and old fashioned by westerners, especially the so-called liberal or radical thinkers. But we know from experience that this is good for economic growth when world conditions are favourable; it also sustains us through difficult times as at present.

Of course fast economic growth over the years brings in its train a number of problems. This is not the occasion to discuss them here. My intention in discussing these matters is to assure Mr Levine and other overseas guests that the climate of domestic opinion which welcomes foreign investment, both from large multi-nationals as well as smaller enterprises, is not a temporary mood or a passing phase. It is built into our society through a long process of historical evolution. It is therefore likely to be durable.

And on this note may I congratulate all those who have been connected with this enterprise, both here and in England, on their magnificent performance and I wish the company many years of successful growth.

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