

EMBARGOED UNTIL AFTER DELIVERY
PLEASE CHECK AGAINST DELIVERY

Speech by Dr Goh Keng Swee, Deputy Prime Minister and Minister of Defence at the Annual General Meeting of NTUC INCOME to be held at the Singapore Conference Hall on Wednesday, 23 Jun 76 at 5.30 pm

To most of shareholders of INCOME gathered here for the sixth Annual General Meeting, INCOME is one of the several successful co-operatives launched by the NTUC. Members of trade unions involved in these enterprises quite rightly take pride in the achievements of these co-operative ventures.

Today, I want to make the point that what the trade union movement is doing in this field is not merely a concern of its members, nor only that of Singapore citizens. It has its place in the much broader perspective of the trend of world events in the last decade or two. Let me explain this in some detail.

For many years Singapore, being an open city, had been exposed to the world's mass media through newspapers, magazines, cinemas, television, visitors etc. Through these channels, our citizens have been assailed by many new and strange ideas and practices. There is the hippie cult, the cult of permissiveness, student radicalism, ideologies of the welfare state and anti-establishment and anti-multinational company attitudes, to name a few. We have had to combat these ideas and practices because we believe that they are irrelevant to our situation and in some cases would be harmful to our interests.

These ideas have their origin in the West, principally among certain academic circles as well as intellectuals in political and mass media organisations. Not all these ideas

are bad. Their origins are diverse and many stemmed from a praise-worthy intention to improve society, to better the lot of the underprivileged, especially ethnic minorities which had been subject to discrimination. There were also major events such as the Vietnam war and the Watergate scandals which had profound if temporary effects on the climate of public opinion.

We resisted these influences by whatever means are available to us and with varying degrees of success. This has had a number of consequences, both within Singapore and in the outside world. So far as the world press is concerned, our non-conformist attitudes and actions have not endeared ourselves to them. The idea of such a small country deriding widely accepted western intellectual fashions seemed absurd. So they call us authoritarian, arrogant, high-handed, perverse, this that and the other. There is an element of Caucasian arrogance behind this name-calling.

Within Singapore itself, we convinced the great majority of our people that they should not discard their traditional values, such as belief in hard work, thrift, honesty, self-discipline, regard for education, respect for enterprise and concern over family stability.

But small groups of intellectuals in academic and student circles believed that we were wrong and that these ideas from the West were the correct ones. In fact, when I was speaking to a university group, one of them asked me whether we could succeed in shutting out these ideas and attitudes when we are bringing in modern systems of production and management. The implication was that both go together and it was a self-defeating process to separate them.

But what is actually happening now is that the West has grown tired of intellectual radicalism and are having increasing doubt about the validity of government policies based on them. Students have gone back to their studies. The strident anti-establishment postures and activities are no longer seen in the university campuses of the West. However, in Singapore these have emerged in recent years. Singaporeans are always behind the times. For instance, mini-skirts are beginning to disappear now whereas they have vanished years ago in Western countries, from whence they originated.

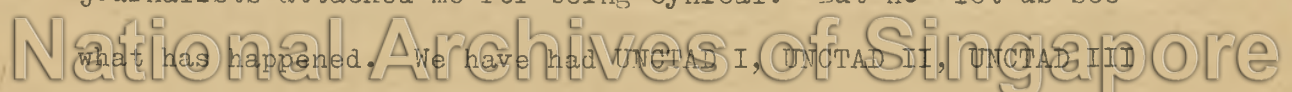
When we leave the lunatic fringe of political radicalism, and move to more practical matters such as welfare benefits provided out of public funds, we see again that many Western countries are having serious doubts over their value in their present form. Ever increasing welfare benefits such as free university education, generous unemployment benefits, free health services and so on are no longer based on an admirable concern over the plight of the poor. They have become articles for auction when political parties compete for the favour of the voters at elections.

But nothing is for free in this world and the end result of indiscriminate welfare state policies is bankruptcy. New York City recently came close to bankruptcy and might yet suffer this fate in spite of all rescue attempts. In several West European countries, unemployment benefits have been so generous that some workers are better off unemployed. The money to pay for welfare state expenditure must come either from taxes or from the printing press.

Increasing taxes, mainly soaking the rich, reduces the amount of money available for investment, thereby slowing economic growth. Printing paper money to avoid unpleasant tax increases merely results in more inflation.

I believe that not only thinking people but the general public in the West are getting disillusioned over these policies at one time considered radical and avant-garde. In the American primary elections, for instance, the spectacular and unexpected success of Mr. Jimmy Carter - a devout Christian of a fundamentalist faith - seems to indicate that the American people want to go back to the old virtues and beliefs. These are the values that made America rich and strong. And they are what we in Singapore have been advocating all these years in the face of resentment of the foreign press and opposition by our more feeble-minded intellectuals.

Some fifteen years when I was in the Finance Ministry, I said that Singapore must seek its salvation by its own effort and not depend on the generosity of rich countries. Some foreign journalists attacked me for being cynical. But now let us see what has happened. We have had UNCTAD I, UNCTAD II, UNCTAD III and this month UNCTAD IV. The poor nations have asked the rich countries to contribute to a fund which will stabilise prices of raw materials which poor countries produce. The rich countries never cease to assure the poor of their deep concern over their pitiful condition; nevertheless they did not agree to this scheme and the poor countries had to be satisfied with soft words instead of hard cash.



Take another example. Our trade union leaders never try to conceal from the rank and file the fact that they cannot expect to get more pay unless their productivity increases. Our union leaders repeatedly warn members that excessive pay increases will be harmful to them should these lead to a reduction of investment and a shrinking of job opportunities as investors move to South Korea or Taiwan. Talk of this kind is unheard of among trade union circles in some Western countries in which this is most needed.

Not only trade union but also political leaders have set before the public the plain unvarnished truth about our situation whenever we see trouble looming over the horizon. Let me relate my own experience. In December last year, I was asked to address the annual meeting of the Singapore Portworkers Union. The message I gave on that occasion was that malingerers should be sacked and that the union should not take up their case before their employers. I was thereupon made honorary life member of the union!

The workers accepted this proposition because I had explained to them how their pay doubled over the last ten years, while their hours of work had declined considerably. This was possible because the same number of workers handled a great deal more cargo through better organisation, use of mechanical equipment and positive attitudes towards work. Malingering endangers their future prospects and must therefore be resisted.

Our workers are reasonable and are willing to accept the necessity for stern measures when they are given all the facts and a clear explanation of their meaning.

We have proved our critics wrong not merely by argument but by the concrete results of our policy. Mass unemployment, overcrowding in shop-house cubicles, inadequate schools - all these were thought insoluble 15 years ago. They are still considered insoluble in most third world countries. In Singapore, we have overcome them. The NTUC has not only protected the interests of the workers through collective wage agreements, annual negotiations in the National Wages Council, but it has also demonstrated that the hard realistic businesslike approach is not the preserve of entrepreneurs and management. The many successful co-operative ventures launched by the NTUC are now part of Singapore's every day life.

When Mr Devan Nair went to London to put forward Singapore's case against the absurd accusations of the Dutch and British Labour Parties, one of the documents he handed over was the book "Tomorrow - the Peril and the Promise!" This is the Secretary-General's report to the second Triennial Delegates Conference of the NTUC. If the representatives of these two Labour Parties would study this document closely, not only would they have realised how silly they were in wanting to expel us from the Socialist International, they would also have realised how misguided their own policies are and what great harm these have inflicted on their own countries.

The report on INCOME appears in pages 76 to 87 of the book. So you see that willy-nilly, INCOME has become an item in the contest of ideas that is now going on in the non-communist world. On the one hand, we have the ideologues, the soft-headed intellectuals, the opportunist politicians of no conviction who sway with the wind. They believe that the good society can be built out of increasing government cash handouts. On the other hand, there are those like us in Singapore who believe that the good society can only be created by the efforts of a self-reliant people.