

EMBARGOED TILL AFTER DELIVERY
PLEASE CHECK AGAINST DELIVERY

SPEECH BY MR ONG PANG BOON, MINISTER FOR LABOUR, ON THE OCCASION OF THE 15TH ANNIVERSARY DINNER AND DANCE OF THE UNITED WORKERS OF PETROLEUM INDUSTRY HELD AT THE SOUTHRON THEATRE NIGHTCLUB ON FRIDAY, 17TH DECEMBER, 1976 @ 7.30 PM

When Singapore attained self-Government in 1959, her economic and social prospects were far from satisfactory. Unemployment was high and labour unrest was the order of the day. These problems were compounded by an explosive annual rate of population increase of 3.3 per cent. Recognising that the island's entrepot trade traditionally associated with the Republic's prosperity offered little prospect of rapid expansion to provide jobs for the growing population, the Government embarked on a massive industrialisation programme.

There has been a constant and dramatic increase in the total number of workers employed in all establishments. In 1960, the total number of workers employed in establishments was about 162,000 and in mid-1976, the number was 680,000, an increase of 320%. On the other hand, the unemployment rate has fallen steeply from 7.3 per cent in 1968 to 4.4 per cent in mid-1976. These figures clearly reflect the success of the Republic's industrialisation programme. Three main factors are largely responsible for this success - firstly, the political stability of the country, backed by a stable, honest and efficient PAP Government, secondly, the effective economic policies of the PAP Government and thirdly, the entrepreneurship and enterprise of our human resources. The PAP Government's ability to bring about political stability and hence creating a climate conducive to investment has been the main force in attracting foreign investments into our country.

The contributions made by our workers and their unions to our successful industrialisation programme cannot be overemphasised. All the efforts by Government to industrialise would not have been successful had it not been for the hard work of the Singapore workers and the responsible and enlightened leadership of their unions which realise that national interest should supersede sectional interest. The acceptance by the unions and workers of the Employment Act and Industrial Relations (Amendment) Act of 1968 reflects commendably the

discipline exercised by them. It was a discipline born of awareness of the need to build a strong economic foundation for the country. Recognising the importance of the trade union movement keeping pace with the economic development of Singapore, the NTUC held a seminar in 1969 to define its role in the 70's and to formulate a programme to modernise and strengthen the trade union movement. The far-reaching conclusions and recommendations of the seminar marked the beginning of a new period for the trade union movement. The movement should not be exclusively concerned with collective bargaining functions. It was realised that collective bargaining for the sole purpose of increasing the workers' earning power could be self defeating if productivity and economic growth are ignored. The trade unionists concluded that economic progress could only be achieved if unions, employers and Government worked together as equal partners. This tripartite alliance now forms the basic foundation for the harmonious labour scene in Singapore.

The path of economic progress has not been a smooth one for Singapore. We have had to face one crisis after another. The two foremost ones are the British military withdrawal in 1968 and the 1974 oil crisis which accelerated the recent worldwide inflation and subsequent recession. Singapore is almost entirely dependent on the import of raw materials at inflated costs. Our exports go to countries which are also affected by the ills in the world economy. We walk a tight rope and have no choice but to adjust to forces which we can neither control nor exclude. However, despite the recession, Singapore's economy grew 4.1 per cent in real terms in 1975. The Government took a number of measures to stimulate the economy. The unions and workers responded positively by adopting a voluntary wage restraint.

The recession is behind us but we now face uncertainty over the rate of the world economic recovery. This is going to be aggravated by the increase in oil prices just announced by the Organisation of Petroleum Exporting Countries. In such an uncertain and unfavourable world economic situation, we must strengthen our economy from within and develop resilience to reduce the effects of adverse external influences which are beyond our control.

We must be prepared to accept a slower growth rate in the years ahead. It will not be realistic for any union to assume that our workers can still rightfully demand higher wages and better conditions

of service at the rate they had enjoyed in the past. Union demands should therefore be reasonable and be based on a realistic appraisal of the current state of the national economy and the financial position of the individual firm concerned.

More new investments must be attracted to the Republic and existing ones encouraged to expand so that more jobs can be created for our people and our standard of living maintained at a comfortable level. This, though, can only be realised if the investment climate in Singapore is further improved.

One of the pre-conditions for an attractive investment climate is a dedicated, keen and diligent workforce which is skilled and receptive to new technology; takes pride in its work and is loyal to the company. Only then can we boast of having a workforce which is second to none in this region.

Another is our political stability and industrial peace. Such stability and harmony must not only be maintained but further strengthened. It is imperative that workers, unions and managements renew their determination to co-exist in harmony and to play their separate but complementary roles in pursuit of a better future for Singapore. With sincerity, any differences can always be settled by constructive and peaceful means to the mutual benefit of all parties.

The task that lies ahead for our unions is not an enviable one. Union leaders have to consolidate the support of workers for our national goals so that they can contribute positively towards the security, stability and progress of the Singapore society.

In the final analysis, the progress and prosperity, indeed, the very survival of Singapore compels us to accept a system of rewards through productivity. Any demand by workers for rewards disproportionate to their productivity will only bring disaster to our national economy.

The PAP Government has steered the country through the difficult period of the 1960's. Difficult and, sometimes unpopular, measures had to be taken. Certain sacrifices had to be made for long-term considerations. We do not pretend that the path in the next few years is going to be smooth. But we are confident that with the collective support of the management and unions, we will be able to ride over these difficulties.

Finally, may I congratulate the United Workers of Petroleum Industry on its 15th Anniversary and wish your union every success in its future endeavours.

DECEMBER 17, 1976.