Prime Minister’s National Day Rally Speech

MORAL VALUES: THE FOUNDATION OF A VIBRANT STATE

Four years ago, I could not have predicted that we would do so well.

Last year’s growth of 9.9 per cent was extraordinary. Its momentum has carried over to this year. We grew by 10.5 per cent for the first half of this year. Even if the economy slows down in the second half, we should still end the year with more than nine per cent growth, which means civil servants will get a special bonus.

Our strong economic performance translates into higher wages, better schools, housing and health care. Everyone has benefited, not just big businessmen, the graduates and professionals, but also small businessmen, workers, stallholders, taxi-drivers.

Singaporeans living in Housing and Development Board (HDB) flats have seen big improvements in the standard of living. They own more luxury items like hi-fi sets, air-conditioners, microwave ovens and personal computers. 37,000 HDB homes have maids, including 4,000 three-room households. Each year, nearly one in two HDB families have some members who go abroad for holidays.

Compare yourself with your counterparts in other countries and see how well you have done. If you are a technician or a teacher, compare yourself with technicians or
teachers elsewhere. If you are a taxi-driver, compare yourself with taxi-drivers in Thailand, Taiwan, London, or anywhere else in the world. How many of them own their homes? How many of them own shares? You are ahead of them.

How far ahead? Singaporeans now have one of the highest per capita incomes in the world. The World Bank ranks us 18th out of 230 countries. We are ahead of Hong Kong and New Zealand, and just behind Australia.

Boom in Region

It will not be easy to repeat the 8.1 per cent annual growth of the last five years. But I am optimistic about the next five to 10 years. The region is booming. We are seeing the greatest transformation in human history since the Industrial Revolution of the 18th century.

Singapore is part of this great transformation. We are now China’s fifth largest foreign investor with more than 3,000 projects worth about $7 billion. We are also investing in Vietnam, Myanmar, Indonesia and India.

Property

Even as we invest in the region, we should not overlook opportunities in Singapore. In Singapore, the most important appreciating asset is land. Its value has risen because the economy has grown. It will rise over the long term as incomes rise. The 90 per cent of households who own properties have seen their wealth boosted.
In developed countries like Australia, New Zealand, the US or Europe, property appreciates slowly, or not at all, because real incomes in these countries grow slowly - one to two per cent per year. But in Singapore, incomes grow fast - six per cent per year over the last five years (1989-1993). People have confidence in the stability and long term future of Singapore. The supply of land is limited. Therefore property values go up steadily. According to MAS, private housing prices are now 23 times the level in 1970, and public housing prices eight times.

So houses in London, Australia, Batam and China look cheap to Singaporeans. Many are buying them as second homes. Our newspapers are full of colourful advertisements about them. But before you snap them up, remember, they will not appreciate in value as fast as Singapore properties. These countries are huge and land is plentiful. As soon as your property appreciates, other developments will start and keep the rate of appreciation down. Indeed, some second homes may go down in value if the economy of that country stays in the doldrums and does not recover from its malaise.

As an aside, let me caution that before you buy a foreign property, get proper legal advice. Check the title, the reputation of the vendor and developer, and whether you have legal redress in case of shoddy work and breaches of contract. Don't be taken for a ride by unscrupulous vendors.

**Prices of Private Housing**

Tan Sai Siong of the Straits Times calculated how many millionaires there are in Singapore. She estimated that based
on property worth alone, Singapore has about 200 millionaires per square kilometre.

This may be no consolation to younger Singaporeans who have just started working. They wonder how they can ever own properties at such high prices. But while properties in Singapore will appreciate steadily as the economy grows, the surge in the last two years is unsustainable. Look at what is in the pipeline. This year, the Ministry of National Development (MND) will release land for 4,000 units of private housing, double the number in 1991. Next year, MND will release land for 6,000 units, of which 1,500 will be for landed properties. Another 2,000 to 4,000 units will be built on privately-owned land. This adds up to 8,000 to 10,000 new private housing units per year, more than double the number built per year between 1983 and 1993.

This is a very large increase in supply. Currently private housing makes up 15 per cent of houses. MND projects that this will increase to 20 per cent by the year 2000, and further beyond that. Private housing will not be cheap. But if you are among the top 20 per cent of income earners, they will be within your reach.

Public Housing

The majority of Singaporeans live in HDB flats. We will improve the quality of the HDB flats, not just new flats, but also older ones under the Upgrading Programme.

There is now a rush for HDB flats - last quarter there were nearly 90,000 applicants for 7,500 flats. 60 per cent are upgraders. HDB will try its best to meet the demand. We
Private housing makes up 15 per cent of houses in Singapore, and this will increase to 20 per cent by the year 2000.
recognise the strong desire of Singaporeans to upgrade. But HDB cannot provide an Executive flat to every family that wants one. It is not possible, nor can we satisfy everybody at once if all rush to upgrade simultaneously. So I hope Singaporeans who have applied for flats will be patient. HDB gives priority to first-timer applicants over upgraders, so upgraders will have to wait somewhat longer than before.

Between now and the year 2000, HDB will build 164,000 flats. Of these 74,000 or 45 per cent will be five-room or Executive flats. This is a major building programme, given that 90 per cent of Singaporeans already own their homes. We should not get carried away and build up a surplus, or else the price of your HDB flats when you sell will tumble.

Strong Singapore Dollar

The high value of our properties is the result of our strong economic growth and prudent financial policies. So is the strength of the Singapore dollar compared to other currencies.

Since February 1973, when the floating exchange rate system began, the Singapore dollar has appreciated by 70 per cent against the US dollar, 300 per cent against the Australian dollar and 400 per cent against the New Zealand dollar. Next to the Japanese yen, the Singapore dollar has been the strongest currency in the world since 1980. This is because inflation in Singapore is one of the lowest in the world.
Between now and the year 2000, HDB will build 164,000 flats.
Next to the Japanese yen, the Singapore dollar has been the strongest currency in the world since 1980. [BCCS]

Today, over 1.5 million Singaporeans travel abroad yearly. They enjoy the strength of the Singapore dollar. In Perth, Singaporeans are called birds. When they are in the shops, they go “cheap-cheap”.

**Assets-enhancement Programme**

We will use our budget surpluses to expand the assets-enhancement programme. Like Edusave, this is a key programme to increase every citizen’s stake in Singapore. We will help you to build up your wealth in Central Provident Fund (CPF) balances, shares and property.
The Singapore Telecom share issue was a major asset-enhancement exercise. We sold Group A and Group B shares to citizens at prices well below their market value. We promised loyalty bonus shares to Singaporeans who hold on to their Group A shares as long term investments. Nearly all are doing so. Six months after the listing, at the end of May 1994, only 1.7 per cent of those who bought Group A shares and 14 per cent of those who bought Group B shares, have sold them. Singapore Telecom's IPO increased the number of share-owning Singaporeans by five times, from 250,000 to 1.4 million. Singapore has become a share-owning society. This is in addition to a home-owning society.
How much wealth did we distribute in Singapore Telecom Group A and B shares? We sold the shares at $1.90 and $2.00. The strike price was $3.60, so the discount was $1.60 or $1.70 per share. The total discount was $1.7 billion. In addition, the Group A loyalty bonus shares are worth $1.2 billion. Overall, the Government distributed nearly $3 billion to Singaporeans in this one exercise. $3 billion, or $3,000 million, enough for you to buy 19,000 HDB five-room flats at today's prices ($160,000). They will fill up the whole Bishan New Town, or three times Marine Parade.

I am encouraged by the way Singaporeans first bought and then held on to Singapore Telecom shares, in large numbers. We will have more such privatisation schemes every two to three years. We will privatise and float the Electricity and Gas Departments of PUB in 18 to 24 months. Citizens will be able to buy its shares at a discount, like Singapore Telecom shares. Later, we will privatise other major statutory boards and government-linked companies, for example PSA or Pidemco.

We will top up CPF accounts of active members from time to time, to help you buy shares, or if you prefer, simply to put aside the money for your retirement. The amount will depend on the state of the economy, and the budget surplus. In exceptionally good years, each active CPF member can expect to receive more than $400 from the Government.

The HDB Upgrading Programme is another huge success. The completed precincts have a condominium quality. Each family in the Upgrading Programme receives a subsidy of about $50,000. As a result, resale values of upgraded flats have risen significantly.
With more privatisation schemes coming up, citizens will be able to buy more shares at a discount and have a bigger stake in Singapore. [SES]

The CPF top-up, shares at a discount and HDB Upgrading schemes are for all Singaporeans. One group of Singaporeans has been exceptionally lucky - HDB shop tenants who buy their shops from HDB.

The average discount per shop is $75,000. But HDB's estimate of the market value of the shops is conservative. So shop-owners can often sell the shops off for a capital gain of $200,000 or more. They should not waste these assets.
HDB shop tenants can buy their shops at an average discount of $75,000 per shop.

The discount on hawker stalls is up to $14,000 for a slab stall, $16,000 for a lock-up stall and $22,000 for a cooked-food stall. It is still too early to know what their capital gains will be.

The sale of HDB shops and stalls will create a new class of commercial property owners among small businessmen. When they own their properties, they will better understand the link between the value of their assets and economic growth. They will support good government and policies which generate growth.
Family and Moral Values

I am reasonably confident that things will go well for the next five to 10 years. At home, sound economic policies are in place. In the region, things look calm, but of course, one can never predict international relations. For success to continue, correct economic policies alone are not enough. Just as important are the non-economic factors - a sense of community and nationhood, a disciplined and hardworking people, strong moral values and family ties. The type of society we are determines how we perform. It is not simply materialism and pursuit of individual rewards which drive Singapore forward. More important, it is the sense of idealism and service, born out of a feeling of social solidarity and national identification. Without these crucial factors, we cannot be a happy or a dynamic society.

These non-economic factors translate into the political values the society has. Some of the political values we have are already ingrained and are good for our development. For example, the society's rejection of corrupt practices and demand for a clean government and civil service. This is a basic expectation and it is a good political value. The more we enshrine this value, the more we ensure that crooked people do not assume responsible positions to make decisions affecting our lives. Only with a set of political and social values grounded on sound moral principles can a country develop progressively and win the respect of other nations.

Singaporeans have the right values to progress. Our Asian culture puts group interests above that of the individual. We have strong family and extended family ties. The generation
of those over 40 have shared the hardships of the 1950s, 60s and 70s caused by communists and communalists, and the uncertainties after separation from Malaysia when our survival was at stake. These experiences have tempered this older generation.

But societies change. They change with affluence, with technology, with politics. Sometimes changes are for the better, but sometimes changes make a society lose its vitality, its solidarity, make a people soft and decline.

Singaporeans today enjoy full employment and high economic growth, and low divorce, illegitimacy and crime rates. You may think decline is unimaginable. But societies can go wrong quickly. US and British societies have changed profoundly in the last 30 years. Up to the early 60s, they were disciplined, conservative, with the family very much the pillar of their societies.

Since then both the US and Britain have seen a sharp rise in broken families, teenage mothers, illegitimate children, juvenile delinquency, vandalism, and violent crime. In Britain, one in three children is born to unmarried mothers. The same is true for the US. A recent BBC programme asked viewers to choose from a list of finalists, the model British family. They chose a pretty divorcee, her boyfriend, and her five-year old daughter by a previous marriage. The boyfriend did not even live with the divorcee. He came over only on weekends. This “family” won by an overwhelming majority. The London Times (19 June 1994) which reported this story, said that the BBC viewers chose them not just because they looked attractive but because they easily identified themselves with them.
This is a profound change in the British family structure. Many families have no man at the head of the household. The woman raises her children without him. The man is, as the London Sunday Times puts it, “a non-essential extra”.

Some American and British thinkers are deeply concerned with this change in the moral fabric. The US News and World Report (1 August 1994) recently carried a series of articles entitled “America’s New Crusade”, on the loss of values in the US. 25 years ago the US was swept by the hippie movement, the “flower power” people who smoked pot, promoted free love, believed in “doing their own thing”, and opposed the Vietnam War. Today, the article says:

“Many Americans feel mired in a deep cultural recession and are struggling to escape by restoring old-fashioned values to a central place in their lives. It is Woodstock turned on its head 25 years later, a counter-revolution that esteems prayer over pot, self-discipline over self-indulgence, family love over free love.

“At the core of this pessimism is an increasingly frantic fear among Americans that the country is suffering a moral and spiritual decline.”

It also quoted President Bill Clinton:

“Our problems are beyond government's reach. They are rooted in the loss of values.”
Singapore society is also changing. Singaporeans are more preoccupied with materialism and individual rewards. Divorce rates are rising slightly. There are some single parents, and some increases in drug addiction and juvenile delinquency.

Recently Straits Times carried an advertisement showing a boy saying: “Come on, Dad. If you can play golf five times a week, I can have Sustagen once a day.” I found the language and the way the boy speaks most objectionable. Why put an American boy’s way of speaking to a father into a Singaporean boy’s mouth? Do your children really speak to you like that these days? These advertisements will encourage children to be insolent to their parents. Many American children call their fathers by their first names, and treat them with casual familiarity. We must not unthinkingly drift into attitudes and manners which undermine the traditional politeness and deference Asian children have for their parents and elders. It will destroy the way our children have grown up - respectful and polite to their elders.

Lesson 1: Do Not Indulge Yourselves And Your Family, Especially Young Children And Teenagers

As Singaporeans became more affluent, parents have increasingly indulged in their children’s whims and fancies. One small sign of this is the growing number of obese children in schools. Between 1980 and 1993, the obesity rate for primary school students went up three times. I see this in kindergarten students in Marine Parade. There are
more chubby children today than in the 70s. Affluent parents who had poor childhoods want to spoil their children.

The schools are tackling the problem, but too many parents are not co-operating. They think chubby children are cute, because in the old days only wealthy people had chubby children. They do not know that doctors have found that fat cells in children make for a lifetime of problems.

![Schools help children to keep trim and fit through physical education classes, but parents should also do their part.](image)

In America, indulgent upbringing of children has brought sorry consequences. If you slap your child for unruly behaviour you risk going to jail. At a grocery store in the state of Georgia, a nine-year-old boy picked on his sister and was rude to the mother. The mother slapped him. A police officer saw red marks on the boy's face and asked if he had been
slapped before. "I get smacked when I am bad," the boy said. The mother was handcuffed and hauled to jail for child abuse. She was released on S$33,000 bail. The charges were later dropped, not because the police felt they were wrong, but because they feared they could not prove to the court that the mother's slapping had caused excessive pain to her son.

British justice also seems to have gone liberal and soft. One teenager committed burglary and other offences. To reform him, the judge sent him on an 80-day holiday to Africa: Egypt, Kenya, Tanzania, Malawi, Zambia and Zimbabwe. I suppose the trip was to open his eyes to conditions in poorer countries. The safari cost British taxpayers £7,000 (S$16,100). Within a week of returning on this all-expenses paid trip, the "Safari Boy", as he was dubbed by the press, went on a burglary spree. He was convicted. The sentence? A six-month stay in a young offenders' institution, where the treatment is gentle.

The American and British peoples are fed up with rising crime rates, and want to get tough on crime. This is why Michael Fay's vandalism aroused such interest. Opinion polls showed that the American and British public supported the Singapore Government's stand on the caning by large margins. But the liberal establishment, especially in the media, campaigned hysterically against the caning, not least because they felt that the ground in their own countries was shifting against them.

Compare the attitudes of Michael Fay's parents and Shiu Chi Ho's parents. Fay's parents were outraged instead of being ashamed. They went on radio, TV, talk-shows, blam-
ing everyone but themselves. Shiu’s parents showed pain, avoided publicity, and considered leaving Singapore because of a sense of shame. On the other hand, Michael Fay, back in America, got drunk and when his father protested, he tackled the father and wrestled him to the ground. I cannot imagine a Chinese son, or any other Asian son, physically tackling his father. But that may happen when sons call their fathers by their first names and treat them as equals. Familiarity can breed contempt.

In Confucian society, a child who goes wrong knows he has brought shame upon the whole family. In America, he may win instant stardom, like Tonya Harding the ice-skater who tried to fix her rival. The difference is stark between what traditional Asians demand of their children and what many Americans now allow theirs to become.

William Bennet, who was President Reagan’s Secretary of Education, wrote an article in the Asian Wall Street Journal (16 March 1993) titled “Quantifying America’s Decline”. From 1960 to 1990, the US GDP grew by nearly three times, welfare spending by six times, and education budget by $2^{1/4}$ times. During the same period, violent crime increased by $5.6$ times, illegitimate births and divorces by four times. The only thing which went down was student performance: the Scholastic Aptitude Test Score dropped by 80 points.

What went wrong? People demand their rights, without balancing them with responsibilities and a sense of social obligation. As Mr Bennet puts it:

“American society now places less value than before on what it owes to others as
a matter of moral obligation; less value on sacrifice as a moral good; less value on social conformity and respectability; and less value on correctness and restraint in matters of physical pleasure and sexuality."

This is the result of a me-first-and-society-last attitude to life.

Because we uphold tried and tested traditional values and inculcate them in our young, we are a different society. For instance, the Straits Times recently (17 June 1994) printed a letter from a Naresh K Sinha, a visiting professor at NTU from McMaster University, Ontario, Canada. It was an unsolicited compliment to standards of morality in Singapore. Two days before Mr Sinha was due to leave Singapore, he went to a CPF branch office to withdraw his Medisave contributions. To his horror, he discovered he had lost his passport. He panicked and made several phone calls. Meanwhile, someone had found his passport and handed it to the police. The police called his office to ask him to go down to the police station and claim it. Mr Sinha wrote:

"There are two amazing facts about this incident. The first is that someone took it immediately to the police station. The second is the efficiency with which the police were able to locate where I worked and inform me that they had my passport.

"... this could be possible only because of the tough law enforcement in
Singapore, coupled with the fact that the political leaders here have promulgated a strict code of ethics and morality.

Mr Sinha lamented that during the last 33 years of his stay in North America, he had seen a steady decline in moral standards, followed by increasing crime and falling standards in education in both Canada and the US.

I know Mr Sinha's experience is just one example and there are others who lose their things and never get them back. But I cited Mr Sinha's letter not to make us proud of ourselves or, worse still, smug. It is to highlight and hold up as examples the good deeds when they are done. In the same vein, I am pleased to see our newspapers, TV and Police give prominence to Singaporeans who do honest deeds. Society must hold up these examples so that we can all emulate them and retain our strict code of ethics and morality.

**Lesson 2: Compassion Can Be Misguided**

We deal severely with criminals and anti-social elements. We have a reason: we have seen that in such cases, to be kind to the individual offender is to be cruel to the whole society and to him.

When Michael Fay was caned for vandalism, the US media accused us of being barbaric. We know from experience that strict punishments deter criminals. In particular, it deters those who have been punished from repeating the offence. One US TV crew who was here covering the Michael Fay case interviewed a man who had been caned
for participating in a gang rape. He told them that the caning was so painful that he would never commit the crime again. In other words, the punishment worked.

In the US and Britain, some judges seem to show more sympathy for the accused person than for his victim. This softness is not confined to juvenile offenders. A British judge recently convicted a 43-year-old man of molesting a six-year-old girl. But instead of sentencing him to jail, he set the man free on probation, and ordered him to pay the girl just £50 as “compensation”. The judge explained that he was taking this “exceptional” course because the man was stunted, and “had found it difficult to form relationships with women”. He said: “I think the girl should be rewarded for what she had to go through. I don’t see why she should not be compensated in some way.”

Welfare is the other area where misguided government compassion has led to disastrous results. The biggest welfare programme in America is Aid to Families with Dependent Children (AFDC). Under this programme, women who are poor, unmarried and have children receive welfare cheques so long as they remain single and jobless. Result? The women don’t get married and they don’t get a job. For if they do, they will lose the benefits. So they produce more illegitimate babies.

Before 1960, one in 20 Americans was born out of wedlock. Now it is one in three. Among black Americans, two out of three births are illegitimate. Having babies without getting married is becoming the way of life for many Americans.
The AFDC programme costs the US taxpayers US$34 billion a year, enough to support our SAF for 11 years!

Our compassion must never remove that spur that makes people work and pay for themselves. Nor should we undermine self-control, discipline and responsibility.

Singapore is still a conservative society. Few children are born out of wedlock - one in 100, compared with one in three in US. I was dismayed that Sumiko Tan, a Straits Times journalist whom I know to be a serious-minded young lady, could publicly reveal that she had once entertained the thought of having a child out of wedlock. Japan, despite its wealth is still conservative, with only one child out of 100 born out of wedlock. Japanese women feel ashamed to have illegitimate children, and quite rightly so.

Lesson 3: Defend And Strengthen Family Values

One of our Shared Values is the family as the basic building block of society. Through the family, we transmit values, nurture our young, build self-esteem and provide mutual support. Schools can teach ethics, Confucian studies, or religious knowledge, but school teachers cannot replace parents or grandparents as the principal models for their children.

Many three-generation Singapore families live together. But this is giving way to single nuclear families. Even so, Singaporeans try to buy HDB flats near to their parents, so that grandparents can help out with the grandchildren. Married children still have regular dinners or lunches with their parents.
The family plays a vital role in transmitting values, nurturing the young, building self-esteem and providing mutual support. [MCD]

But we have educated all our women and given them a difficult double role as homemaker and co-breadwinner. If the grandparents look after the children, the kids are not at risk. But they will be at risk if left entirely to the maids, or worse, grow up by themselves in front of TVs.
Furthermore, as we go regional, more families will have fathers who are frequently away, and mothers will have to bear the full burden of caring for the children and aged parents. We must help families to stay together, and encourage wives and young children to follow the fathers abroad, to China, Vietnam, India or Indonesia.

Women’s groups have pressed the Government to change the civil service rule on medical benefits for family members of female officers. The Cabinet has discussed this several times and is reluctant to do so. Changing the rule will alter the balance of responsibility between man and woman in the family. Asian society has always held the man responsible for the child he has fathered. He is the primary provider, not his wife. If a woman has a husband, the husband must be responsible for supporting his children, including meeting their medical costs. If she is an unmarried mother, her children will not be entitled to civil service medical benefits. But if she is widowed or her husband is incapacitated and she is the sole breadwinner, an exception is made and the Government extends medical benefits to eligible children. If the boyfriend’s child, or the woman’s husband, can depend on the woman for medical benefits, the Singaporean man will become a non-essential extra as in Britain.

I am not saying that woman is inferior to man and must play a subservient role. I believe women should have equal opportunities and men should help out at home, looking after babies, cleaning the house and washing dishes. But we must hold the man responsible for the child he has fathered, otherwise we will change for the worse a very basic sanction of Asian society. We do not accept unmarried single-parent families.
See what has happened in the US, UK and New Zealand in the last 20 years after their governments took the responsibility of looking after unmarried or divorced mothers and their fatherless children. The number of single-mother families sky-rocketed out of control.

America, Britain and several West European governments have taken over the economic and social functions of the family, and so make their family unnecessary and superfluous. Marriage to raise a family is now an extra, an optional extra, like optional extras when buying a car. As the Pope observed, two lesbians, a dog and a cat now form a family.

America’s and Britain’s social troubles - a growing underclass which is violence-prone, uneducated, drug-taking, sexually promiscuous - is the direct result of their family unit becoming redundant or non-functional. Some 20 to 25 per cent of American and British children go to school not to study but to fight and make mischief. Teachers cannot control them. In America, many students carry guns to school and have shoot-outs.

The basic error was for governments to believe that they could stand in the place of father and even mother. So they have an underclass which grows up unnurtured by mother or father, with no family love and support, no role models and no moral instructions. It started with the best of intentions - compassion for the less fortunate. It ended in the dismantling of their family and the creation of troublesome, uncontrollable youngsters who, in turn, will become parents without forming proper families.

That is why our Small Families Improvement Scheme insists on the family staying intact. When the family breaks
up, the payment stops. I know this is harsh, but it is right. We must never end up with our own version of Aid to Families with Dependent Children.

One example of the harm broken families cause is our drug problem. Our tough anti-drug laws and stringent enforcement efforts have kept this under control. But a significant minority of young people take drugs and end up in the Drug Rehabilitation Centre (DRC). There are 7,700 DRC inmates, more than the number of prisoners in our jails. 1,200 are first-timers. 6,500 are repeat cases. In other words, the relapse rate is very high. The majority of the drug cases are Malays. A MENDAKI survey of the Malay addicts showed that one third were from broken homes with parents who were separated or divorced. The Ministry of Home Affairs (MHA) and the Ministry of Community Development (MCD) have found the same cause among juvenile delinquents, street corner gangs, and school dropouts. Broken families and hostile home environments have made children unable to cope, and they become problems to themselves and to society.

I have asked Abdullah Tarmugi to chair an inter-ministry committee to study this problem of broken families, juvenile delinquents and drug addicts, and to recommend solutions. We must do our best to prevent their numbers from growing.

**Government’s Role to Support the Family**

We intend to reinforce the strength of the family. The Government will channel rights, and benefits and privileges, through the head of the family so that he can enforce
the obligations and responsibilities of family members. We will frame legislation and administrative rules towards this objective. We already give tax rebates for support of parents and children. Children are allowed to top up their parents' CPF. Medisave can be used for parents, siblings and the extended family. We encourage and will give support to such cross-generational transfers in the family and the extended family.

The Government supports Walter Woon's Bill on the Maintenance of Parents. Parents who brought up their children should in turn be cared for by them. They should have legal recourse to seek financial support from their children as a last resort.

Edusave accounts are now in the name of students. We will amend the Edusave Act so that the accounts are jointly held by the students and parents, either the father or mother. The children are too young to have their apron strings cut. Joint accounts will underline and reinforce the family bond.

The Government will introduce a new CPF housing grant scheme to help children buy HDB flats near their parents. We will give a grant of $30,000 into the CPF account of households who purchase, as their first HDB flat, a resale flat in the New Town where their parents live. The $30,000 grant is to be used strictly as a capital payment to reduce the loan principal. The same conditions will apply as for first-time buyers of HDB flats - income eligibility, five-year minimum period of occupation before resale or reapplication for another flat, and premium or levy to be paid when they next buy a flat from HDB.
HDB currently allows unmarried mothers to buy HDB flats direct as well as on the resale market. 1,000 unmarried mothers have done so. This rule implicitly accepts unmarried motherhood as a respectable part of our society. This is wrong. By removing the stigma, we may encourage more women to have children without getting married. After discovering this slip-up in our rules, we have decided no longer to allow unmarried mothers to buy HDB flats direct from the HDB. They have to buy them from the resale market.

Lessons from Taiwan

Now, let me turn to a related subject. The Western media prescribe Western style democracy and press freedom for all countries, regardless of their different histories, culture, traditions and social evolution. They praise countries which follow their prescriptions: a free-wheeling democracy designed to produce alternating parties in government, and a press that treats the government party as an overlord to be gunned down and the opposition party as the underdog to root for. So the Western media praise Taiwan and South Korea but criticise Singapore because we do not heed their advice. We are the “authoritarian”, “dictatorial” “PAP regime”, “straight-laced” and “repressive”.

The Economist (2 July 1994) in a recent report on Taiwan said:

“The interests of Taiwan are more likely to be served ... by the evolution of a system of pluralism which enables bad governments to be voted out and good governments to be voted in ...
“Taiwan will then look just like any other independent democratic country, and have the same moral claims on the rest of the free world.”

The Economist argued that Taiwan should become more “pluralistic” and “democratic”, even though it acknowledged that Taiwan was “a society where votes are bought and free elections have proved to be very expensive”. The Asian Wall Street Journal (17 August 1994) reported that the Taiwanese government is cracking down on election vote-buying, and in March indicted “436 politicians, including 341 of 858 councillors voted into office early in the year”. In the Taoyuan County Assembly, out of 60 councillors, 30 have been convicted of corruption and are appealing, 24 more are on trial and two have been acquitted. That means only four out of 60 had no charges against them.

In the same issue of the AWSJ, an American academic, James Robinson, noted that in the forthcoming elections for the mayor of Taipei, the Kuomintang candidate has “a budget of some US$20 million - in the league of a US presidential campaign”. Yet Robinson goes on to say:

“The Taiwanese themselves marvel at how far their country has come in ten years, reforming itself and making its democratic processes durable. This polity has room to become more democratic, especially in privatization of television and radio and reform of campaign financing, but the democratic core is firm.”
Now, let me quote the Taiwanese themselves. They have a serious magazine called Commonwealth (天下杂志). Ten years ago, 天下 sent a team here to produce a special edition on Singapore. Five years ago, it sent another team, and this year, a third team. Its editors and journalists have studied us closely over a period of 10 years.

The publisher and chief editor, Diane Ying, in her article, "What Makes a Beautiful Dream Come True" says:

“In ten years, Singapore has faced the reality coolly and soberly, sparing no effort in addressing its problems...

“(On the other hand,) in ten years, loss of social discipline, confusion of values, rampant gangsterism and drug addiction, a crisis of national identity, poor leadership, weakening of government power and public trust in Taiwan have left Taiwan further and further behind Singapore.

“Taiwan has lost its goal and efficiency after lifting the martial law: environmental pollution, backwardness of public construction and worsening social order ...

“Most Taiwanese share the dream of having a clean living environment, a gracious living, a safe and stable society and a clean and efficient government.
What they want is social equality and rule of law, not greater freedom and democracy."

These are the words from Taiwan’s leading intellectual magazine.

The Taiwanese have good reasons for going democratic, American style. Taiwan’s leaders know too well that this is a very complex and delicate operation. But to survive they need the support of the US media and Congress. Moreover if Taiwan is democratic and China is totalititarian, then the West may support Taiwan if China uses force for reunification.

**Conclusion**

Western liberals, foreign media and human rights groups also want Singapore to be like their societies, and some Singaporeans mindlessly dance to their tune. See what happened to President Gorbachev because he was beguiled by their praise. Deng Xiaoping received their condemnation. But look at China today, and see what has happened to the Soviet Union. It’s gone. Imploded! We must think for ourselves and decide what is good for Singapore, what will make Singapore stable and successful. Above all else, stay away from policies which have brought a plague of social and economic problems to the US and Britain.

Let me end by quoting from the US News and World Report’s (8 August 1994) editorial “Where Have Our Values Gone?” which eloquently describes what it calls America’s “moral and spiritual decline”: 
“Social dysfunction haunts the land: crime and drug abuse, the breakup of the family, the slump in academic performance, the disfigurement of public places by druggies, thugs and exhibitionists.

“We certainly seem to have lost the balance between societal rights and individual freedoms. There are daily confrontations with almost everyone in authority: ... children against parents, mothers against matrimony, fathers against child support ...”

“Gone are the habits America once admired: industriousness, thrift, self-discipline, commitment.

“The combined effect of these sicknesses, rooted in phony doctrines of liberalism, has been to tax the nation’s optimism and sap its confidence in the future.”

America was not like this in 1966 when I was there as a student. In one generation, it has changed. Is it for the better or for the worse? That’s for Americans to decide. But for me, a Singaporean, it is a change I would not want for my children and my grandchildren. Will Singapore, another generation from now, be like the US today? This is not an idle question. Popular culture, TV, rock music, the buy-now-pay-later advertisements, conspicuous consumption, the desire for more material goods, all combine to erode the tradi-
tional virtues of hard work, thrift, personal responsibility and family togetherness.

Our institutions and basic policies are in place to sustain high economic growth. But if we lose our traditional values, our family strength and our social cohesion, we will lose our vibrancy and decline. This is the intangible factor in the success of East Asian economies, especially the NIEs and Japan.

We have a built-in set of traditional values that have made our families strong. These values are tried and tested, have held us together, and propelled us forward. We must keep them as the bedrock values of our society for the next century. With no physical resources but with proper values, we have made the grade. To continue to succeed, we have to uphold these values which bond the family and unite our nation.