

(UNOFFICIAL TRANSCRIPT)

**TRANSCRIPT OF PRIME MINISTER GOH CHOK TONG'S
NATIONAL DAY RALLY SPEECH (ENGLISH) ON 11 AUGUST
1991**

1. Friends and fellow citizens, this is a big occasion for me. It is also a difficult occasion. I said that I was not going to wear Mr Lee Kuan Yew's shoes, but I found myself stepping into his shoes tonight. I am not going to follow his act. I am going to walk my own way. I have to because, as you know, my knowledge of Malay is minimal. I would have to spend quite a lot of effort in order to make a speech in Malay afterwards.

2. My knowledge of Mandarin is a little better because I spent some time over the last two years to learn my Mandarin. But still, as with Malay, I would require the assistance of the auto-cue. You see these two contraptions over here. They are parts of the auto-cue to assist me in my Malay and Mandarin speeches.

(Remarks in Bahasa Melayu and Mandarin).

3. Friends and fellow citizens, when I assumed the premiership in November, I discussed with my colleagues how we should pay tribute to Mr Lee Kuan Yew. I suggested that we should hold a special session of Parliament in order to pass a resolution to allow members of Parliament to pay tribute to Mr Lee Kuan Yew. My colleagues agreed. I then put it to Mr Lee. He said it was not necessary. Here is a man who has given his life to Singaporeans in order that we can all be better off. Here is a man who has fought for independence, gave us merdeka, dignity and prosperity. I will be derelict in my duty tonight if I do not ask you to show him our appreciation.

4. Thank you. I feel much better now. I owe Mr Lee one. Mr Lee and a whole generation of Singaporeans have got us to where we are today. I want to build on your successes. I want to do this by reinforcing in Singaporeans a sense of family.

5. For a country to make progress, we must have a strong sense of belonging to one another, of caring for one another. We cannot separate the communities living in Singapore, say Malays in Geylang Serai, and the Chinese in Chinatown, Indians in Serangoon Gardens. If we do that and the communities do not mix, each community will be isolated from

another. There will be no sense of relationship. That will spell for big trouble for Singapore. If we are not careful, over time, tension will even build up between the communities and the country can even break up.

6. I want to illustrate this by pointing to the example of Yugoslavia. Yugoslavia is a multi-ethnic country. It is an artificial country created after the First World War. Like Singapore, it is actually not a nation. It is a country created by politicians, but not a nation. There are several communities living within Yugoslavia, but the three main ones are the Serbs, the Croats and the Slavians. The Serbs are Orthodox Christians, or they belong to the Orthodox Church. They form some 37 per cent of the population of Yugoslavia, which is about 23 million people. The Croats are mainly Roman Catholics. They form 20 per cent of the population.

7. You see what is happening in Yugoslavia now. It was held together for over 40 years because there was a strong centre which controlled the people and got them to stay together. After Tito died, the centre weakened and the latent ethnic tensions and antagonism again emerged. The tensions were always there and they emerged when the centre became weaker. The different people in Yugoslavia do not consider themselves one people. They do not want to share the same destiny. The Slavians want to have their own country. The Croats also want to have their own independent country.

8. If Singaporean Chinese, Malays, Indians, Eurasians do not begin to care for one another, to care for each other's welfare, we may go the same way. It is not easy to build up this sense of family amongst people of different races, but we must try. We can try and build up an extended family of Singaporeans. To do so, to succeed in our venture, every Singaporean should be treated equally.

9. It is important that the rich and powerful are not favoured over ordinary Singaporeans. If we do not treat Singaporeans equally, there is no reason for ordinary Singaporeans to support the system because the system only benefits the rich and the powerful. You cannot have cohesion within the country if the country is divided. In fact, the rich and powerful are exploiting the ordinary people. Now, Japan is a cohesive society. It is because of this concern over the possibility of loosening this cohesion that their securities scandal is causing alarm among Japanese.

10. In June this year, the four largest Japanese securities houses -- Nomura, Daiwa, Nikko and Yamaichi -- compensated favoured clients. These are big clients of the four stock houses. They had a prior

arrangement that if the stock houses lost money for the big clients, they would be compensated. But the small investors were not compensated. When this became public knowledge, there was a public outcry. It is not illegal for the stock houses to have this arrangement because they want to have their clients' business. They can give them a guarantee against losses. It is not illegal, but that is not the point. The worry is that the system favours the rich and the powerful. The ordinary people are not part of this investment losses protection scheme. So, this worries the Japanese.

11. We cannot allow that to happen in Singapore. We certainly do not want this to happen to Singapore. We got to ensure that our system is such that it would not favour the rich and powerful because if there is such a system, we cannot build a cohesive nation. We will not be able to reinforce this sense of family togetherness among Singaporeans.

12. The examples in Singapore must be set by people at the top. The President, the Prime Minister, the Cabinet ministers, the civil servants, the Chief Executives of corporations, the successful businessmen. They must set the example of not extracting from the system at the benefit of ordinary Singaporeans. But you know we cannot legislate for honesty. It is not possible to have legislation to make a person honest. But we can have legislation to prevent people from inclining to be dishonest because they can be punished by the system if they are inclined to be dishonest. It is for this reason that when we were discussing this Elected Presidency Bill, we decided to include a provision that should the Prime Minister not support CPIB when the CPIB is investigating into ministers, the CPIB could still investigate if the elected President concurs. Now, I was going to be the Prime Minister but I was more than happy to subject myself to that additional check and balance. It is necessary to set an example for Singaporeans that we run a fair system and people at the top are subject to similar checks and balances as for ordinary Singaporeans.

13. It is more important, however, to ensure that honest people with the right values are in charge of key institutions, Parliament, the Civil Service, MAS, statutory boards and so on. Now, again, I can give you an example of what would have happened had we did not have honest men in charge of MAS. You know the BCCI case, the Bank of Credit and Commerce International. It is the biggest bank fraud in the world -- bank used by gun runners, drug smugglers, corrupt dictators, money launderers. This bank has a presence in 69 countries. It tried to apply for a branch to be opened in Singapore, but it did not succeed.

14. It first applied for a license in 1973. It was rejected because the bank had no track record. But it persisted several times using high-powered intermediaries to get the decision reversed. They used Mr Van Oenen who was the head of the Bank of America branch in Singapore in the 1970s. He was a man who helped us to start the Asian currency Unit, so there was a certain obligation to him. The bank also used a former British Prime Minister who is close to Mr Lee Kuan Yew but still the reply was "no". Successive managing directors of MAS -- Dr Goh Keng Swee, the late Mr Hon Sui Sen, Yong Pung How, Richard Hu, Joe Pillay and Lee Ek Tieng -- all turned down the application. They based their decision on the simple criterion of whether the bank was reputable or not. In other words, they upheld the high standards and principles necessary for Singapore to succeed as a financial centre. I thank my lucky stars that we have such men in charge. Otherwise, I will be picking up the problems, not Mr Lee Kuan Yew because he is no longer in charge.

15. Just look at the Hong Kong depositors. I understand that they deposited over US\$1 billion. Most of the funds will be lost. They cannot be recovered. Now, had that happened to Singaporeans, you can imagine the problem that we will be facing now. Trying to calm down Singaporeans over their losses in this bank because we gave them the license to operate in Singapore. The moral of the story is - always have honest men with high principles and sound judgement in charge of your lives. Stick to those principles and we will be safe.

16. We've made great strides over the last 26 years for many reasons. But one major reason for our success is the system which we run -- meritocracy. The system allows individuals to pursue their interests, to acquire skills, to maximise their potential, to go as high up as they can go. There is incentive for them to acquire knowledge, skills because when you apply those knowledge and skills to good use, you are rewarded accordingly. You get paid wages, bonuses related to productivity. Now, this system makes us competitive and productive, both as individuals and as a nation. It is necessary therefore, for us to preserve this system, to keep it going, to enhance it because without this drive towards competitiveness, we would not be running the world's busiest port in terms of shipping tonnages and in terms of container traffic. Changi Airport would not have been voted world's number one for three years in succession by a British travel magazine.

17. The World Economic Forum, which is a Swiss organisation tracking the competitiveness of nations, has published this year's annual report. So, I asked for a copy of the report just to look at the factors which

they regard as important for a nation to compete in the world. I would like to quote an extract from the report, to give you an idea of the fundamentals which they look out for, because if you understand what this World Economic Forum was looking out for, you will be better able to understand the factors which are necessary for Singapore's success:

“The fundamentals which in the past have ensured the continuous success of countries such as Japan, Germany, Switzerland and Singapore are now well-known. There is a strong emphasis on good infrastructure, a continuous technological flow, a dynamic international orientation, a conservative monetary and budgetary policy, and stable socio-political environment. A significant factor is the decisive impact of education and values on competitiveness.”

18. Note education and values on competitiveness.

“The four nations mentioned above share an excellent educational system which seems to place less emphasis on creating geniuses than on upgrading the average competence level of the population. They also have in common a system of values based on hard work, loyalty and team spirit.”

19. Team spirit, I want to emphasise this because that is my theme for tonight. The combination of excellence in education and tenacity in values seems to be an unbeatable ticket for world competitiveness. Now, we are competitive. My worry is whether we're able to maintain the cooperation and cohesion in our society in order that we can remain competitive. In order that we can make progress.

20. In the past, everyone believed that with effort and hard work, you could make it to the top. Indeed, many sons and daughters of washerwomen, taxi-drivers, and labourers have made it to the top. So, they supported the able and the bright. They encouraged the able and the bright to do better, because they were hoping their children too can do better. And when the able became successful, they graduated, they became professionals. They, in turn, came back to help the less successful. There was that sense of obligation to society. They have made it through the system, and they felt that they should come back and serve. Many of our members of Parliament and ministers belong to that category. They have succeeded. They are successful. They feel that it is their duty to serve the country, to serve the community organisations. I suspect that there is a loosening of this bond. I can see emerging signs.

21. The less able, I can sense, are beginning to envy the success of the more able. And amongst the more able, there is a certain self-centredness. This sense of obligation is not as strong as those in their 30s and 40s, or even early 50s. The less successful resent our emphasis on independent schools, programme for the gifted children - our encouragement for graduates to marry graduates. They see this as our helping the able who already are talented. They do not see the need for government to spend more funds, more efforts to help those who are already doing well in school. It is not that they object to the concept of independent schools. It is that their children cannot make it to independent schools. If we spend more funds on upgrading the quality of independent schools, set up more independent schools, they fear that the gap in performance between those in independent schools and those in government schools will widen. So, they brand the independent schools as “elitist”.

22. In my recent walkabout, one member of the public came to me and asked me, why do we have gifted programmes for the talented? He suggested to me that we should in fact scrap the entire programme. I asked him why. The reason was what I told you just now. The children are already gifted, why spend more on them to make them even better, to make them perform even better than others who cannot make it to the programme. So, his suggestion is not to find ways to help those who are not doing so well, but for us to scrap the gifted programme for the better-endowed children. To me, this is a suggestion that we should level down. Now, if the man were alone in this suggestion, then I would not worry. But I have been around in several walkabouts, meeting people, I can feel that quite a few Singaporeans share the sentiment, that since we cannot make it to independent schools, we cannot make it to the gifted programme, let's not have them, let's level down. This is a very dangerous desire. It represents the kind of egalitarian thinking that got communist countries into trouble. You know, the communist countries -- Soviet Union, Yugoslavia, Romania, China -- they are all in a mess. It is because of this levelling down in the societies.

23. I first went to a communist country in 1971 to Beijing. I went there as part of NOL's delegation to try and charter ships to them. Took us a long time to arrive in Beijing in those days. You have to first go to Hong Kong to apply the China Travel Service for your pass, stay overnight in Hong Kong, then go by train to Canton, stay overnight, and then fly to Beijing. When we arrived in Beijing, it was after 7pm. We were hungry, we were famished because they did not serve you on the plane from Canton to Beijing. But their best hotel, which was Beijing Hotel, refused to serve us any dinner. Dinner time was from 5 to 7, if you don't make it,

you don't have food. Well, that is the system which they run in a communist country.

24. I also took the trouble to visit the communes. When I went to a commune, I saw hundreds of workers out in the field, flags fluttering away, bright colours, blue, red, yellow, the communist flag, then loudspeaker blaring revolutionary music, workers carrying their tools, working in a very small area. Then my mind flashed back to the year which I spent in William's College, when I visited a farm in Iowa. There, one man, one farmer with one tractor looked after acres of land. So, the lesson was brought home to me vividly. You level down, everyone is paid equal wage, you need hundreds of workers to man one small plot of land. In the States where they are paid by incentives, one man, one tractor, big farm land. So, I understood the meaning of low productivity for the communist country.

25. When I first went to China, the waiters and waitresses were grumpy, they didn't serve us well. I have been back to China several times since. This time, the waiters and waitresses smile. They serve you, they have name-tags with English names so that you can remember them better when they give you good service. Well, China has changed. It has learnt that you need to reform the system to reward people accordingly. So there is hope for China.

26. But I do not think there is any hope for the Soviet Union, not for a long, long time anyway. I visited Moscow in 1990 just before I took over, a few months before I took over. First time, I was advised to bring my own toilet paper. So, I asked the person that advised me, why should I bring my own toilet paper? The answer was the toilet paper in the Soviet Union is non-absorbent. And true enough, at the guest-house, the toilet paper was non-absorbent but the writing paper is absorbent. I took the trouble to go to a supermarket and I got the shock of my life. The shelves were empty, long queue of people just trying to buy a few pieces of meat, few eggs and so on. Then, I understood why.

27. When Premier Rizkov came to Singapore, he asked to visit a supermarket in Singapore. Yeo Ning Hong who accompanied him told me that Premier Rizkov took an orange, took an apple, fondled it lovingly, wondering how Singaporeans could afford such beautiful apples and oranges. So, having been to Moscow, I understood why. The lesson for us is that if you level down a society, you want everybody to be equal, you are not sharing prosperity. You are sharing poverty. It is this sullen

egalitarian streak in the Russians which prevent them from changing the system.

28. Hedrick Smith, in his book "The New Russians" wrote about the Russians. He had several stories. I will just tell you two of them. One is that the Russian peasant cannot stand someone better off than him. If he sees someone with a car, he will think dark thoughts: This so and so with his car, I would like to kill him for living better than I do. That is the way he thinks. There was this lucky peasant who was given a wish by God. God said to him, I will give you a wish. You can have anything you want, a car, a house, millions of roubles, anything you want. So, of course the peasant was very happy. He began to fantasise what wishes he could have. The wealth that he could have from God. And God says, remember, whatever I give you, I would double it for your neighbour. So, this Russian peasant, his face dropped, he agonised over it because he could not bear the fact that his neighbour would be twice as rich as he is. Then, after a while, he told God, I will tell you what my wish is. Take out one of my eyes so that my neighbour would lose both his eyes.

29. This envy of someone better off, this impulse of not letting anyone get ahead, if it occurs in a society, I think that would be the end of Singaporeans. We cannot afford to pull your neighbour's shirt in order to prevent him from going faster. This is why Gorbachev finds it so difficult to introduce his reforms that would reward good work. In April 1990, he declared, "If we do not break out of this foolish system of wage levelling, we would ruin everything that is alive in our people, we shall suffocate." So, Gorbachev understands that they got to remove this wage levelling system in the Soviet Union.

30. The way for us to make progress is to level up by maximising the potential of everyone. We have to maximise the potential of the able, the talented. But not just the able and talented, we should maximise the potential of everyone. Of course, if we spot a bright kid, our job is to make sure that that bright kid can go as far as he can. Because you need all the bright kids that we can get hold of to turn them into professionals, into managers, into doctors and so on, so that they can manage the country. Now, there is a Chinese proverb (in Mandarin). *Easier to raise an army than find a general*. So, that is our philosophy when we say we try and maximise the potential of everyone, if we try and push the able to the limit.

31. The SAF has some 300,000 soldiers. You know how many generals we have? So easy to raise 300,000 soldiers but we have only 14 generals and that includes Lee Hsien Loong and George Yeo who are non-

active generals. So, my philosophy is a simple one. If we can find an able person, we will allow that able person to rise as far as he can go. If you do not have such an able person, you will not be able to have your big organisations built up. Take the case of SIA. Joe Pillay and his team built up SIA. One man who did not know anything about airline was put in charge because he was an able man. He built up SIA, which is today's most profitable airline in the world. SIA employs some 13,000 people and contributes five per cent to our GDP. That is a very big contribution from one single company.

32. I mentioned Mr Pillay because he is partly responsible for my being here today. I worked for him when I first started work in the Economic Planning Unit. He was the Deputy Secretary in charge. He sent me to Williams College. I did not apply for it. He got the form. He asked me to apply for it. Then I went to William's College. Before I left for the university, he invited me to his house for dinner. So, he cared for a staff who worked for him whom he thought can be groomed to do bigger things.

33. When I came back from Williams College, Prime Minister Lee was looking for a Principal Private Secretary. He asked for me to appear before him for an interview. I was interviewed and he told me that he would arrange for me to report to him to work as his PPS. So I went back and told Joe Pillay that. Joe Pillay hit the roof. He said, "I did not send you to Williams College in order that you can be the Prime Minister's Principal Private Secretary". I do know how he did it, but I never ended up as Mr Lee's Principal Private Secretary. I therefore have great respect for Joe Pillay, a civil servant who was able to stand up to a Prime Minister.

34. The point that I am making is – I am a product of this policy. When the senior officer finds a junior officer able to learn, acquire the skills and knowledge, he takes an interest in the junior officer. He sends him off on scholarship. So, I have benefited from that policy and I want to continue that policy. So, I take a personal interest in able officers, in able people, not just those in the civil service. Talent scouting Singaporeans, finding out where they are, trying to get them into the system and making sure that they can maximise their talent and later on, use them for Singapore.

35. I am therefore very happy that among this year's President's scholars, of the four, two came from humble backgrounds. One of them, his father is a taxi driver, mother is a room stewardess. The other, the father is a merchant having only a secondary education. The mother only a primary education. So, two out of four. I checked up on the total figures for President's scholars. Some 40 per cent of our President's scholars came

from humble beginnings. They lived in HDB flats. So, it is a system which allows people to go up to the top and this is a system I want to preserve.

36. In order for us to succeed in preserving this system, there is a flip side to the coin. The able must have that sense of obligation to help the less able because society as a whole has accepted this system. If the able does not have this sense of obligation to help the slower learners, then your average Singaporean is not going to support your able. He is going to resent our spending more money on the able. But if the able comes back and helps others in society, then the others can see the benefit which we enjoy from the able. So, I would like to urge Singaporeans who are successful to develop this sense of obligation to society, to help other Singaporeans who are not as able as themselves.

37. I feel so strongly on this because I have been reading *The Straits Times'* national supplement on the views and attitudes of younger Singaporeans. You read the views of the over-20s, the views of the baby boomers, the 30s and 40s, you find that there is a difference in their outlook. The younger Singaporeans are self-centred, they are confident, they are successful, they know that more money will come their way because jobs are available in great abundance. They can afford to carve a career for themselves without worrying too much about society.

38. I was reading the small print in an article. The taxi-driver was complaining, one taxi-driver was complaining. He said, I worked and worked and worked until I die. My son, he spends all my money with his girlfriend in the coffee house. Well, if that is going to be the attitude of younger Singaporeans and in particular, the successful Singaporeans, then we must expect the bond which we have built up over the years to loosen because each is looking at his own career. This complacent "me-first" attitude will destroy the fabric of society.

39. Look at the British. Same people, but the working class loathe the upper class. I suppose the upper class also, in a sense, loathe the working class. So, there is this division between them. So, the working class withholds cooperation from the managers, from your upper class. The British trade unions, some years ago, they were trying to wreck the whole system because they could not see themselves benefiting from the system. Mrs Thatcher did a great job in breaking up the trade unions, in destroying political trade union leader, Arthur Scargill. She got the unions to work with the management, but there is no sense of cooperation. The unions and

the workers work because they have to, but they withhold active cooperation from management.

40. I am aware that we have been, over the last few years, emphasising this aspect of maximising the potential of your able, getting your gifted Singaporeans to go as far as they can. Over the next few years, I want to balance our policy of levelling up with programmes for the average Singaporeans. In particular, assistance programmes for slow learners, or slower learners. I want to concentrate on three basic areas: education, health and housing. On education, we are on the right track. We have broken out from the trap of uniformity and mediocrity with independent schools. After some years, when we have more experience, we should give more autonomy to government schools, so that within government schools, there will be schools which also have the flexibility to experiment, to introduce better programmes for the students. There would also be some competition between government schools. I believe competition would be good for the schools because they would then be competing for students, competing for teachers, and the net result will be higher standards for the students.

41. We will be introducing Edusave next year. Again, we will run it. Allow the funds to be used only for enrichment programmes like gymnastics, dance classes, art classes. But after a while, when we have more experience, we can then allow the funds in Edusave to be used to pay part of school fees. Because when you have autonomous schools, independent schools, there will be a range of school fees, there will be a range of schools catering to varying capabilities of Singaporeans, then Edusave can be liberalised. The students then will have a choice to shop for the best school they want to go to. They need not confine themselves to neighbourhood schools. They can look for the best schools. If the best schools charge a higher school fee, we should allow them to use their Edusave funds to pay for part of the school fees.

42. We are now spending 3.5 per cent of our GDP on education. We intend to spend four per cent. Secondary schools will be turned into single session schools. Even as we are implementing a third polytechnic, we are planning a fourth polytechnic. Our target is to have some 40 per cent of our students, or post-secondary students go to polytechnic. We will revamp our Vocational and Industrial Training Board into a new Institute of Technical Education. NUS and NTU will expand their intakes. Then we will start an open university, encourage distance learning. Education must be on a continuing basis. One should never stop learning, one should learn all the time. So, all these programmes will be for the benefit of the bulk of

the Singaporeans. This is balancing our earlier programme for the gifted in our society.

43. Home Ownership. Ninety per cent of Singaporeans now own their own homes. That leaves 10 per cent who still live in rental flats. I have asked the Minister for National Development to see how we can get this 10 per cent to also own their own flats. I believe if we have more liberal financial programmes, financial assistance, to get them to own their flats, we can succeed in raising the home ownership percentage from 90 to 95 per cent. I do not think it is possible to achieve 100 per cent because there will always be a group of Singaporeans whose income will be so low or who will be unable to keep the funds they earn to own their own flats. So if we can achieve 95 per cent home ownership in Singapore, I will regard that as achieving full home ownership for Singaporeans. So that is the target we are aiming for. We will be coming up with programmes to assist that 5 per cent to own their own homes. The 5 per cent who now live in rental flats. For the rest, we can still help them. We can refurbish their flats, we can improve their surroundings so that even those living in rental blocks can enjoy a higher quality of life, a higher quality of environment, living in HDB rental flats.

44. When I was looking at HDB's problems, I realised that there is also a group of Singaporeans who requires assistance. That is the singles. Our rule now does not allow the singles to own their own home by himself or by herself. He has got to do it jointly with somebody else. I will ask the Minister to look into this to see how we can facilitate the singles to either rent or own HDB flats. We can announce the scheme later on once the Minister has formulated a proper scheme to cater to the singles. By the way, there are some 19,000 single men over 40 years and some 37,000 females over 35 years.

45. There is another HDB policy, which I would like to change. We have been trying to free the rules and regulations, which govern home ownership of HDB flats so that the homeowners can be, like the private homeowners. Since 90 per cent of Singaporeans now own their own homes, I think we can allow the HDB lessees to also invest in private residential properties. That is provided they live in their HDB flats. Again, this is not a firm decision. This is something, which I want to do. I will ask Dhanabalan to look into this to see how we can liberalise to allow HDB lessees to invest in private residential homes.

46. Health. I know Singaporeans are concerned over rising health costs. So are we because health costs are indeed rising. I take an interest in

health because when I was young, I lost my father at an early age. One day, I was summoned from school to appear by the bedside of my father. He was dying from tuberculosis. His last words to me were, "Look after your mother. Look after your brother and sisters, study hard." That night, he died. So I know the meaning to a family of someone dying prematurely. So if I can help, I will try and save someone from dying prematurely for his sake and for his family's sake.

47. I would therefore make sure that every Singaporean can afford essential healthcare. I will ensure that Singaporeans can afford treatment in hospitals. "C" Class beds will always be affordable to average low-income worker with Medisave. "B2" class beds will always remain affordable to the average lower middle-income Singaporean. We will continue to provide large subsidies to the Ministry of Health to subsidise C and B2 beds and together with the Medisave plus the subsidy, which will be given by the government, you should have enough to pay for your health. We have done our calculations. So long as there is economic growth 5 to 7 per cent a year and so long as we all contribute to our Medisave and we continue to inject subsidy into the system, you will be able to afford your C and B2 beds. This is for the average Singaporean. Now, for the very poor like the odd job labourer or those who are frequently sick, their Medisave will not be enough. For that group, we can top up their Medisave.

48. Government will set up a medical endowment fund. So every year, from economic growth, we will dock off a certain sum of money and put it into medical endowment fund. My rough estimate at the moment is, we will need about 5 billion, over the longer term, to give you a stream of income to provide the funds to help the very poor and the frequently sick. This is a ballpark figure. We can target to put aside \$300 million to \$500 million per year into this medical endowment fund or Medifund. It is not welfare. We are not going to give money away.

49. Welfare health system will not work. The Chinese are now trying to charge for their health services. The Russians have large number of doctors but the system is in a mess. Free system abused by the people, too high demand and the whole system is unable to cope. So Medifund is not a welfare scheme. It is a safety net in case Singaporeans find themselves without Medisave to pay for their health services. For the average Singaporean who works, together with the subsidy, you should be able to afford the fees charged by hospitals, whether they are restructured or government hospitals. But for the very poor, the casual labourer, the chronic sick, the frequently sick, there will be this safety net. This way,

Singaporeans can be sure that their healthcare needs would be taken care of in the future.

50. I also want to give special consideration to one group of Singaporeans - the older Singaporeans who do not have sufficient medisave. Medisave started too late in their lives. They were probably in their 50s. So they would not have sufficient funds in their Medisave. Now when this fund is set up, I will pay some attention to the needs of this group. This is our gesture of recognising the contribution of the older Singaporeans in building Singapore.

51. I cannot resist the line that you must keep fit in order to avoid incurring unnecessary health expenditure. Health is your primary responsibility. You have just got to keep yourself fit and do not just depend on your Medifund or your Medisave. In the US, they discriminate against those with unhealthy lifestyles. You know the medical benefits which union members enjoy, which employees enjoy. Over here, whether you smoke, whether you take fast food regularly, whether you are not exercising regularly, you enjoy the same medical benefit as somebody who jogs everyday, who stays trim, who does not smoke. I think this is most unfair to those who keep fit. Well, the US system discriminates against those who do not keep fit. So perhaps we should get our employers to see what they can do about this. Maybe give some incentives for those who stay fit. For example, contributing a sum to their Medisave for not using medical benefits for that year. But we will be starting a campaign soon to get Singaporeans to keep fit.

52. We have published our programme in the next lap. We can succeed in implementing the next lap only if we have your support. It is our programme, but without your support, we cannot implement it. And for the programme to succeed, the able must care for the average and slower learners. Only then can a bond be built up between the able and the others. Only then can we reinforce in Singaporeans this sense of family. Only then can we achieve our goal of having an extended family of Singaporeans.

53. I have originally thought of having the next general elections only in 1993, but my colleagues have told me that grassroots leaders have told them that people are supportive of my new open, consultative style and they think I can improve the chances and they think we can improve the chances of success for the next lap if we go for early general election to get a strong mandate. They feel that the mood is right. I feel that the mood is right. I was chosen by my colleagues in Cabinet and in Parliament to be

the Prime Minister. I want your endorsement as Prime Minister. When I call for a general election soon, I hope you will give me that clear mandate. I hope that you will endorse my style of government, my way of doing things and my programme. Thank you. Goodnight.

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