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SINGAPORE GOVERNMENT PRESS STATEMENT

MO. AUG. 23/65 (F.I.)

5-2

INDEPENDENT SINGAPORE NOT TO IMPLEMENT  
TURNOVER TAX

The following statement was issued today by the Ministry of Finance:-

It is hereby announced for the information of the public that the independent Government of Singapore does not intend to proceed with the implementation of the turnover tax. These taxes were severely criticised by Singapore members of the Federal Parliament because of the injurious effects on the trade, the economy and the cost of living.

Collection of pay roll taxes will continue. However it is intended that the proceeds will be paid into a Social Security Fund soon to be established by law. Out of this Fund, will be paid social insurance benefits to unemployed workers included in this Scheme. Details of contributions by workers to the Social Security Fund will be discussed later with the National Trade Union Congress. The whole scope of the unemployment insurance scheme will be discussed with the N.T.U.C. as well as industrial and commercial interests.

Another decision of the Government is to allow the Singapore branch of the Bank of China to continue to function. During the recent Hong Lim Bye-election, the People's Action Party made a pledge to do its utmost to find a solution to this matter.

9th August, 1965.

(Time issued: 1100 hours)