

SINGAPORE GOVERNMENT PRESS STATEMENT

MC.DE.59/65(LAB)

BRIEF STATEMENT BY THE MINISTER FOR LABOUR,  
MR. JEK YEUN THONG, ON PRESENTING THE REPORT  
OF THE COMMISSION OF INQUIRY INTO THE FINANCIAL  
TRANSACTIONS OF THE DEREGISTERED S.G.E.U., THE  
S.B.H.E.U. AND THE S.B.W.U.

Mr. Speaker, Sir, honourable Members will recollect that on 11th December, 1963, I made a statement in the House concerning the setting up of a Commission of Inquiry into the mismanagement of union funds by the pro-Communist leaders of the deregistered Singapore General Employees' Union, the Singapore Business House Employees' Union and the Singapore Bus Workers' Union.

I mentioned then that while deregistration proceedings were pending against them, the leaders of these three unions were making desperate plans to withdraw large sums of money from the unions' bank accounts to finance the Communist united front campaign against merger and Malaysia. I also recounted to the House how these unions took advantage of a loophole in the trade union law to sabotage measures taken by the Government to protect trade union funds in the interests of the workers.

With the assistance of their Legal Adviser, Mr. T.T. Rajah, they contrived and succeeded in withdrawing \$30,000/- from banks in the second week of October, 1963. When the Registrar of Trade Unions tried to ascertain whether this sum of money was properly and legally utilised, the pro-Communist union leaders deliberately obstructed his inquiry. Even Police investigation were hampered because of the sudden disappearance of the then General Secretary of the S.G.E.U.

These incidents caused concern to the public in general and the workers in particular. Naturally they had good reasons to be disturbed. The so-called leaders of the pro-Communist unions had been claiming all these years that they were the genuine champions of the workers and had dedicated their lives to the cause of the trade union movement. But what some of the workers did not know, because they were really misled, was that these bogus leaders were dedicated only to the anti-national cause of their political masters. They were not really interested in promoting the industrial interests of the workers but just made use of the workers as political pawns to achieve their anti-national objectives.

The public and the workers have a right to know the actual state of financial affairs in these unions. It is the duty of the Government to keep our citizens informed of the true facts concerning any matters of public interest.

It was against this background that a one-man Commission of Inquiry was set up under the Inquiry Commissions Ordinance by His Excellency the Yang di-Pertuan Negara on 21st December, 1963.

Mr. Tan Wee Kian, an officer of the Legal Service, was appointed the Commissioner. The Commissioner has now completed its work. In all, there were 38 sittings of the Commission, 116 witnesses were examined and 324 exhibits submitted to the Commission. The Report of the Commission was submitted by the Commissioner to His Excellency on 31st July, 1965. I now present a copy of this Report for the information of Members.

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The Report of the Commission reveals a shocking state of affairs in these three deregistered unions. Their officials have been found wanting and have not discharged the responsibilities imposed on them by union rules. This group of political activists in the disguise of trade unionists were found to have displayed a flagrant disregard of the statutory provisions governing the custody of trade union funds. The unions' system of accounting was such that it provided ample opportunities for the manipulation of financial transactions. Even the Unions' Legal Adviser, the self-styled spokesman of the workers, Mr. T.T. Rajah, was found to be a party to the irregularities. According to the Report, in the transactions for the purchase of new Union premises by the Singapore Bus Workers Union, Mr. T.T. Rajah, who acted for the Vendors and the Purchasers, undertook conveyance of the property to three union officials who were not Trustees although the Rules of the Union specifically provided for all properties, moveable and immoveable, to be vested in the Union Trustees.

Despite the disappearance of union officials, minutes, documents and account books - in the case of the Singapore Business Houses Employees Union the whole set of account books was found missing - and deliberate attempts to frustrate the Commission's investigations and to cover the malpractices of certain officials, the Commission found that huge sums of union funds had been dissipated illegally. The findings of the Commission in this respect, as summarised in its Report, are:-

- (i) that in the case of the Singapore General Employees' Union:
- (a) payments totalling \$24,467-00 were unauthorised by the Rules of the Union or contrary to the provisions of the Trade Unions Ordinance;
  - (b) \$29,847-95 were incurred negligently by the Executive Committee of the Union; and
  - (c) \$153,564-32 had not been accounted for.
- (ii) that in the case of the Singapore Business Houses Employees Union:
- (a) payments totalling \$13,550-00 were unauthorised by the Rules of the Union or contrary to the provisions of the Trade Unions Ordinance;
  - (b) Foo Yong Fong, P. Govindasamy and Tan Siew Chwee were found guilty of gross negligence in dissipating a sum of \$26,901-30 contrary to union rules; and
  - (c) \$35,654-00 had not been accounted for.
- (iii) that in the case of the Singapore Bus Workers Union:
- (a) payments totalling \$55,030-80 were unauthorised by the Rules of the Union or contrary to the provisions of the Trade Unions Ordinance;
  - (b) \$2,535-20 was incurred negligently; and
  - (c) \$12,523-69 had not been accounted for.

From the above you will see that a total amount of \$354,074.26 was either unauthorised, incurred negligently or had not been accounted for by these three unions over a period from 1st April, 1962 to 30th October, 1963. How much more was taken or misused by them nobody will know. This represents the largest amount of money the Communist union leaders had absconded from the workers as far as records are concerned.

Sir, this is not the first time that the pro-Communist union leaders have been found to have misused trade unions funds. Such things happened eight years ago. Just before the deregistration of the Singapore Factory and Shop Workers Union in February, 1957, a sum of \$100,000/- was unconstitutionally withdrawn from its bank account and the money just vanished into thin air.

Members will recall that on previous occasions when I mentioned in this House how the bogus leaders of the pro-Communist unions illegally dissipated funds of the workers for purposes inconsistent with the objects and rules of the unions to the detriment of the unions and danger to the State, Members across the House, for obvious reasons jumped to defend their character and integrity and accused us of smearing them.

Members will also recall that in the past when the Government introduced legislative measures to safeguard trade union funds, we were accused by Members across the House of adopting Fascist and dictatorial methods to suppress the unions associated with them.

When they receive the Report of the Commission they may read it in silence or play on the same old tune. But one thing is certain, and that is that no amount of false accusations from Members across the House and their friends will be able to alter the facts and figures contained in the findings of the Commission.

DECEMBER 24, 1965.

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