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SINGAPORE GOVERNMENT PRESS STATEMENT

SPEECH BY THE MINISTER FOR LABOUR, MR. JEK YEUN THONG,
AT THE 50TH SESSION OF THE INTERNATIONAL LABOUR ORGANISATION
CONFERENCE IN GENEVA ON JUNE 7, 1966

May I, first of all, offer the warmest greetings from my Government to you, Mr. President, on your election to the high and distinguished office of President and also take this opportunity to extend fraternal greetings from the Government and the people of the Republic of Singapore to all the distinguished delegates present at this Conference.

The Republic of Singapore is attending this Conference for the first time as a full member since we became a sovereign and independent nation on August 9th, 1965 and as leader of our delegation I express my Government's faith in the I.L.O., and reaffirm that it remains bound by the obligations imposed on it by the Conventions which we have ratified.

The Director-General must be congratulated for his comprehensive report on "Industrialisation and Labour", in which he draws attention to various social and labour problems which directly influence both the course and the speed of industrialisation and in respect of which appropriate action by the I.L.O. may "contribute in a positive way to accelerating the realisation of the aspirations of the industrialising countries". We are especially heartened that "the main thrust of the action of the I.L.O. would be to assist the emerging nations of the world in laying the foundations of industrial societies which hold out the promise of a better and more prosperous future for their population".

My Government acknowledges with gratitude the technical assistance so far provided by the I.L.O. and welcomes further assistance in all fields related to the special needs arising out of the increasing momentum of the industrialisation of our country. We pledge whole-hearted support to, and full co-operation with, the I.L.O.'s efforts to develop the scope and effectiveness of its contributions towards the industrialisation of developing countries like Singapore.

Singapore is a small island nation of about 224 square miles with no natural resources. We are known to the world as the great entrepot pivoted in the heart of South-East Asia, strategically placed with a good harbour and access to both raw materials and markets. Our inherent advantages have given rise to the great city of about 1.9 million people that it is now. The story of Singapore cannot and must not stop at its pre-eminence in the commercial world with its sound financial institutions and a versatile and hardworking people. The postwar period heralded the beginnings of new problems for Singapore for it saw a rapidly increasing population. During the period 1947 to 1957 the population continued to increase at the phenomenal rate of about 4.3%. It was clear that trade could not sustain the increasing population, over half of whom are under 21 years of age. Therefore the main consideration underlying all the economic and social development programmes of our first 5-Year Development Plan,

with its special emphasis on industrialisation, is its rapid population growth. Clearly in any country with such a high rate of population growth, it would be extremely difficult, even with the utmost development effort, to advance rapidly the standard of living of its people. Thus the importance of restricting population growth was especially stressed in our first 5-Year Plan as one of the long-term solutions to the economic problems of Singapore. As a result of our intensified social and economic development efforts during recent years, the rate of increase in population, especially that due to natural growth is declining comparatively rapidly. The total percentage increase was 2.5% in 1964 compared to 4.1% in 1959. To a certain extent, this reflects the transformation of our nation's economy into a modern structure. If this trend continues, the population increase will not in the words of the Director-General "nullify to a large extent the effects of industrialisation, on the raising of national per head income and the improvement of living conditions".

In 1961 my Government established the Economic Development Board, a statutory body which was entrusted with the responsibility of promoting industrial development and of co-ordinating investment both from the private sector locally and from overseas. Nine industrial sites, the largest over 6,000 acres, were developed for the setting up of manufacturing industries. Because of our immediate needs of creating sufficient employment, initially, those small industries using labour intensive techniques which offer considerable employment opportunities were developed. Our overall objective was to provide completely serviced factory sites with all modern facilities and ready-built factories to manufacturing enterprises at low cost. We have also provided incentives like a tax-free period of up to five years at the initial stage of setting up a firm with pioneer status, and a tax-free expense account on advertising for all export-orientated firms, and a faster rate of write-off for depreciation of key industries, protective tariffs, and quantitative restrictions to protect infant industries in their first few years of development.

In addition, a comprehensive range of technical consultant services was also set up. Under these services, an Industrial Research Unit set up with the assistance of the New Zealand Government under the Colombo Plan provides expertise, equipment, and scholarship. Further, a Light Industries Service Unit, set up with the assistance of the I.L.O. and the United Nations Special Fund, provides a comprehensive range of financial, technical, and management services, to help more than 2,500 small manufacturers to modernise and expand their establishments and take their place in the Republic's developing industrial complex. An Institute of Management has also been established to provide more trained management personnel, and the Products and Design Centre established to offer advice on design, packaging, and display of finished products.

Realising the importance of raising productivity in industries so as to enable them to compete successfully in export markets, we are encouraging the active participation of employers' and workers' organisations in the greater use of industrial engineering techniques. A Charter for Industrial Progress and a Productivity Code of Practice has been formally signed between the Singapore Employers Federation and the Singapore Manufacturers Association representing employers, and the National Trades Union Congress representing workers. The Charter provides for the establishment of a Singapore Productivity Centre which will be governed by a council with equal representation of Government, employers and employees. This Centre will be responsible for promoting and co-ordinating an intensive productivity campaign in the Republic, and especially for setting up joint productivity and consultative councils in various industrial enterprises. My Government has given high priority for the setting up of this Centre, and with that end in view, has sought the assistance of the I.L.O. in the matter. It has requested the I.L.O. to send a suitable technical mission for a period of two years. The duties of the mission will be primarily to assist the authorities to set up and run the centre and to train local counterparts who will eventually take over complete responsibilities for the running of the centre. I am glad to say that the I.L.O. has fully considered our request and has already taken steps to meet it.

As regards the training for skill in labour we place special emphasis on scientific, technical and vocational training. Our existing Vocational Institute which provides training for skill at craft level has now an enrolment of 2,500 places. A new Vocational Institute of Engineering will be set up to accommodate another 2,000 students in engineering and building construction. Another Vocational Institute with the capacity for 2,000 students in manual and applied subjects is now under construction. The Singapore Polytechnic which now provides higher technical education will be developed into a full-fledged technological university for 1,000 students and a separate technical college for 3,000 students. The University of Singapore, in line with the reorientation to meet the changing needs of our society, has now set up a Faculty of Social Sciences which includes within it a Department of Business Administration.

My Government fully endorses the view of the Director-General in his report that the correct climate of labour relations both in industrial undertaking and in the nation as a whole is an important element in the process of industrialisation and that a certain measure of responsibility for labour relations in industry rests with Government. Towards this end, my Government has encouraged the unification of the democratic trade union movement resulting in the emergence of a free and independent national body, the National Trades Union Congress, which now has 57 trade unions affiliated to it with a total membership of 200,000, or nearly 75 per cent of the organised workers in the Republic. Trade union leaders together

with employers' and Government representatives sit on a wide range of national consultative and advisory bodies, the most important of which is the State Economic Consultative Council and its Labour Sub-Committee.

My Government in 1960 introduced the Industrial Relations Ordinance with the primary aim of ensuring industrial peace with justice. This Ordinance provides for the regulation of the relations of employers and employees and the prevention and settlement of trade disputes by collective bargaining and conciliation and arbitration. This Ordinance was an attempt to continue the best of two systems in industrial relations, namely, free collective bargaining and compulsory arbitration and to adapt this combination to the social, political and economic conditions in Singapore. There are at present in Singapore two Industrial Arbitration Courts which have played a positive role in encouraging management and labour to solve their differences by voluntary negotiation, conciliation and arbitration. We have at present very stable labour relations in Singapore. This is borne out by the fact that in 1961 there were 116 strikes resulting in over 410,000 man-days lost compared to only 30 strikes with about 45,000 man-days lost in 1965. The unique and important development in our system of industrial relations which was introduced in 1960 has proved a success and this is shown by the fact that to date the Industrial Arbitration Courts have up to date made a total of 531 awards covering over 200,000 workers. Recently we have introduced some amendments to our Industrial Relations Ordinance which will further make it a more efficient instrument in the prevention and settlement of industrial disputes, that is to say, in the preservation of industrial peace.

On the 9th of August, 1965, upon separation from Malaysia, Singapore became a fully independent and sovereign state bringing with it not only new challenges but also independence of action. For the first time Singapore is in full control of its foreign affairs. We formulated our foreign policy based on a realistic appraisal of the position we occupy in South East Asia. Our policy is designed first to secure the physical survival of Singapore, its territorial integrity and its economic growth. We seek to be friends with all, to establish cordial and fraternal relationships, particularly in the field of trade and industrial development. While our natural affinity is with countries in Afro-Asia whose leaders have successfully arrived for independence against colonialism and who now seek to establish a new social order and a more just and prosperous society than the ones they inherited, we also seek friendship with any country which can make a contribution to our security and which can assist us in our economic development.

In 1965 we see the close of Singapore's first 5-Year Development Plan. By the end of 1965 our total planned expenditure amounted to about \$950 million. However, our second 5-Year Plan envisages an expenditure of \$1,520 million. It is hoped that this will in turn generate matching private development expenditure of about \$1,300 million.

This should result, given favourable opportunities for exports in the growing industrial sector of the economy, in an increase of national income of about 5%. As Singapore's rate of population increase has fallen to about 2.5% per annum, this would enable us to achieve a sustained economic growth. Our immediate need, therefore, is overseas markets for our products, the value of which has now reached the sum of US\$106 million from industries ranging from the manufacture of steel, chemical and chemical products, petroleum products and consumer goods like food, beverages, textiles and garments. Therefore, the availability of world markets for our manufactured goods is vital to our industrial development and I cannot but agree fully with the Director-General in his report when he says that "The success of industrialisation efforts in the developing countries will depend to a substantial extent on the willingness of the developed countries to import more manufactured goods from them". In this respect, my Government has spared no efforts in the search for such markets both on regional and on international basis since there was no prospect of a common economic union with Malaysia in the immediate future following separation. Trade missions have been sent out to Africa and East European countries for the express purpose of establishing trade and markets for our products. We have also in return welcome trade missions from New Zealand, Australia, Hongkong, America and recently from Russia and Bulgaria. We have entered into trade pacts with Russia and Bulgaria and hope that we will secure trade pacts with other East European countries in the very near future. In our view, trade and active participation in industrial projects and not aid alone is the solution to the problems of many a developing country. In this connection, we urge the I.L.O. in close co-operation with the other agencies of the United Nations to take positive measures to influence all developed countries to accommodate the increased imports of products manufactured, processed or semi-processed by developing countries, so that the provisions advocated in the Employment Policy Recommendation 1964 could be fully implemented.

Sir, the problem that we are now facing is one of survival as a multi-racial, multi-lingual, multi-cultural democratic socialist state. We accept that immense obstacles and difficulties have to be overcome before we can achieve a dynamic self-sustaining industrial economy but overcome these we must if we are to survive. I am certain that the conclusions arrived at in our debate in the present session of the conference, will enable the I.L.O. to play an even more effective role in accelerating the process of industrialisation in the developing countries.