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SPEECH BY DR. AUGUSTINE H.H. TAN, POLITICAL SECRETARY TO PRIME MINISTER AND CHAIRMAN, NATIONAL PRODUCTIVITY BOARD, AT THE OFFICIAL OPENING OF THE TWI ALUMNI OF SINGAPORE SUPERVISORY TRAINING CENTRE AT 18⁴, MIDDLE ROAD ON SATURDAY, 2ND FEBRUARY 1974 AT 3:00 P.M.

The year 1974 promises to be a year of uncertainty and disruption for the world economy. Although predictions vary, they are all pessimistic, ranging from low rates of growth to outright depression, ~~the~~ negative rates of growth. About the only certain prediction is inflation - i.e. higher prices.

The pessimism is well-founded, because, even without the oil crisis, the unsettled world monetary conditions and the measures to combat inflation would have resulted in low rates of growth for the industrial countries. For a time, the Arab oil cut-backs threatened to produce a world slump. Now, this ^{is} replaced by the need for substantial balance of payments adjustments as a result of substantially higher oil prices. The process of adjustment in the developed countries may include any or all of the following:

1. Loss of foreign exchange reserves
2. Further exchange-rate re-alignments
3. Belt-tightening to improve the balance of payments
4. Attempts to export more, import less, involving, possibly, import restrictions
5. Increased prices of exports to pay for oil and other imports
6. Controls on export of capital

The extent of application of these measures and, hence, the prospects for the world economy, will depend on the answers to two questions:

- (a) What is the degree of co-operation that can be achieved by the developed countries to reduce beggar-thy-neighbour policies?
- (b) What will the oil producing countries do with their increased revenues?

I do not propose to go into a lecture on all the possible permutations and combinations. What is clear is that there is little room for optimism because the adjustments involved are substantial and painful.

It seems to me that the rational attitude for us in Singapore is to hope for the best but to prepare for the worst. As a small, open economy, our fortunes depend on the health of the world economy. There are 4 major difficulties that we are likely to encounter:

1. Higher cost of imports : following from the oil-price increases, we can expect higher prices for manufactures and raw materials.
2. Difficulties in export markets, because everybody will be trying hard to export more and import less.
3. A slowing down in the inflow of long-term investment because of export uncertainties and, possibly, controls on movements of capital.
4. Disruptions in money and capital markets: our money supply and interest rates have been and will be distorted.

Now, what can we do to ameliorate these difficulties? There are a number of measures open to us:

- (a) Measures to conserve foreign exchange.
- (b) Measures to minimize distortions in money supply and interest rates.
- (c) Measures to induce people to spend less, hoard less, and save more.
- (d) Measures to induce people to work harder to increase productivity.

In this last area, the role of supervisors is critically important. Experience of the developed countries clearly shows that the level and extent of development of a nation's supervisory skills can substantially contribute towards the growth of productivity. The skill of the supervisor can lead to reduced wastage of fuel and other resources, to improved organization, and to innovations in plant technology. The leadership provided by the front-line foreman or supervisor affects workers' morale and attitudes towards work, and therefore, affects productivity.

Training-Within-Industry programmes were developed as an emergency service to America's war contractors and essential industries during the Second World War to stimulate increased production. Since then, TWI courses and techniques have found widespread application. In Singapore, the number of participants in TWI courses now exceed 18,000.

In July 1973 the Supervisory Training Section of the Ministry of Labour, which organised TWI courses, was transferred to the National

Productivity Board. Currently, seventy-two licensed TWI trainers are qualified to conduct the 4 basic TWI courses for supervisors. Seven approved training bodies are assisting the Supervisory Development Unit of NPB in organising about 20 TWI courses a month. We are launching 4 new TWI Supplementary Courses, viz. Job Discussion, Job Action, Job Control and Job Orientation. Trainers' Institutes will be conducted to qualify trainers to conduct these courses.

The fees charged for TWI courses continue to be nominal as NPB believes the social gain outweighs the cost to Government. To further the development of supervisory skills in Singapore, NPB is planning more advanced training programmes leading to certificates by examination.

In conclusion, may I congratulate the TWI Alumni for the enthusiasm displayed in furthering the essential cause of advancing supervisory skills in our Republic? It is now my great pleasure and honour to declare the Centre open.

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