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TEXT OF A SPEECH BY THE PRIME MINISTER, MR. LEE KUAN

YEW, AT THE MAY DAY RALLY, ON SUNDAY, MAY 1, 1960.

May Day 1960 will always be a notable occasion in the history of the trade union movement of Singapore. For this is the first time that May Day is celebrated in Singapore when there is a government which is openly on the worker's side. The P.A.P. said clearly before and during the elections that a P.A.P. Government is a Government on the side of the workers. Today nearly a year after assuming office both the employers and the people generally know the significance of this. The days of employers ignoring the laws giving benefits and rights to the workers are on the way out. Gone are the employer's or yellow unions. The intransigence of die-hard employers whose answer to a trade union claim was the use of secret society gangsters is slowly disappearing. Even the Hock Lee and Tay Koh Yat bosses now talk reason and observe reasonableness.

On June 3, 1959, the trade union movement in Singapore entered a new phase. The apparatus of the State is now in the hands of the representatives of the people, the majority of whom are workers. So all the old frustrations, the indifference of non-cooperation of the administration, the advantage taken of this negative attitude by die-hard employers, the refusal of recognition, the rejection of negotiations, all these are gone. The strength of the workers is directly related to the supremacy of the Government. The only limitations are those on the Government itself. Although the Government is free to act as it likes in matters of internal self-government, let it never be forgotten that there are two very real limitations on it. First in matters of internal security which come under the preview of the Internal Security Council. Second, what is even more important, our economic destiny is controlled more by forces outside Singapore.

As to the first let me say that in a non-Communist socialist state the trade union movement must be in non-Communist socialist hands. However, with the vigilance of the Internal Security Council it is obvious that Communist activists cannot find sanctuary by engaging themselves in trade union activities. It is the second limitation that we should more concern ourselves with. With the new situation of a government of the people, has come new problems. As socialists the logical conclusion of all our political struggle is to establish a society where man does not exploit his fellow man. And in the field of production or economic

activity it means that no capitalist or employer shall, by his ownership of capital or property, get the lion's share of the fruits which his property plus the effort of the workers produce. The classical theory is that employers with capital exploit workers who have none. Therefore workers must combine to fight employers. When the capitalists are defeated a socialist party of the workers takes over the capital, i.e. the land, factory, machinery and equipment, and then exploitation of the working class is stopped. Then the unions, working together with the Government, exhort the workers to work harder and get the state-owned factory to produce more for the same reward because the surplus must go as savings into investment in more factories for the greater wealth and prosperity of the whole people.

But we are confronted with a freak situation in Singapore. Economically we are an entrepot. There are no major factors of production to take over, no tin or iron mines or even rubber or coconut plantations. All we can take over are bits of light machinery and office furniture, equipment and stationery. Even if there were a few big factories worthwhile nationalising, it would still not be practicable. For politically we are not a viable independent state. So as socialists we are placed for the time being in the curious position of having to encourage investors (i.e. people with capital) to come to Singapore to build factories to create jobs for our growing population. But investors will not build

factories unless they can get a profitable return for their investments. And they can get a profitable return only if there is a big enough market for the sale of their goods, and industrial peace in which to produce the goods, and wages at a level which leaves them a profit margin.

This is the basic problem of the Government. Not only must we ensure that existing employers are giving their workers a fair share of the fruits of their labour, but we must also ensure that a reasonable margin of profit is left for the employer so that he will find it worthwhile to re-invest and expand. And at the same time other capital must be attracted to come in and build factories.

So far so good. Plans for several new industrial projects have been finalised. And if all goes reasonably well we may get much more expansion in the coming year. The point we have always to remember is that we have entered a new situation and new methods and skills are required for us in the Government and in the trade union movement to resolve these problems. No longer will it be necessary, far less desirable, to have long trials of strength between union and employers. What is required is careful and thorough study and understanding of the economic conditions in a particular factory or industry taken in the context of the whole economy. To be a good and effective trade union leader is no longer a matter simply of getting the workers to unite and fight the employer. And if the

employer refuses to settle, then to squat and suffer collectively at the factory gate and hope to make the employer's business also suffer until he settles or closes down. For with the Government on the workers' side this is not necessary. If a settlement is possible which will leave the employer alive with a profit, the machinery of government can bring this about.

In the following months, the machinery of the Industrial Relations Ordinance will be set up. What is wanted will be economic argument and reasons, not toughness and endurance. This makes it vital that the Trade Union Congress should have a strong research section which will provide the necessary facts and figures relating to any particular industry, and the good trade union leader is he who can not only rally the workers and challenge the employer's attitude, but one who can show by facts and figures presented reasonably and cogently, why the employer's attitude is unreasonable and unjust. The Ministry of Labour and Law will give all help to the trade union movement, and in the beginning will provide such data as is available to the Government. The Ministry will also provide a panel of officers who can help present the cases. But in the end it must be the vigilance, diligence and hard work of the trade union leaders themselves which should sustain the movement.

The past year has been a credit to the Ministry of Labour and Law and the trade union leadership. A difficult period of transition from the old situation of oppression and repression to the present position of strength, without industrial confusion and strife. The workers realise the need for sincerity to match the Government's earnestness to look after the rice bowl not only of themselves but also of their unemployed fellow citizens and of their children. The employers have got the measure of the Government and understand the limits of the scope of their economic activity. Let the year in front of us be one of industrial expansion, with adequate profits amidst industrial peace and justice to the workers. Let me leave you this guiding principle: Never take any direct industrial action without first consulting the Trade Union Congress and the Ministry of Labour and Law to find out if there is any other way of solving the problem, and if not, whether you are in the right from, not just your point of view, but also from the country's point of view. For the State must protect your rice bowl, your friend's rice bowl and also that of your children. Let us in this spirit of mutual confidence and strength march forward with steadfastness and strength for the benefit of all our people.

APRIL 30, 1960.

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