

PRIME MINISTER'S ADDRESS ON EVE OF NATIONAL DAY,

8TH AUGUST, 1966.

Good evening.

Tomorrow, we begin our second year on our own. The first year has been valuable experience of what we can do to thrive and prosper and to build a permanent future for ourselves in this part of the world.

Our position now is much better than this time last year. We have consolidated our internal and our international position – made new friends and strengthened ties with old ones.

Meanwhile, our economy continues to move ahead. Figures for trade, for industry, for cargo handled in our port, the increases in revenue through increased incomes being spent – they are cause for satisfaction.

For the year ending July this year, 1966 as against the corresponding period before independence, imports went up by 9%, exports by 10%. Cargo handled went up 60%, industry went up by about 10%, and revenue on liquor, tobacco and petrol at the same rate as the year ago increased by 9%, roughly reflecting the 10% increase in our trade and industry.

Meanwhile, construction went on with more roads, bridges, schools, houses and fountains. We did not stagnate.

They speak well of the capacity of a resilient and vigorous community always forging ahead to greater effort and fresh achievements.

At home, our ground organisations: the Citizens' Consultative Committees, Community Centres and their management committees, the Vigilante Corps – have tightened the organisation, put in leaders who have been trained in our Youth Training Institute to help in the administration and bring about better co-ordination between the administration, the government and the people. Most important of all, the effectiveness of our security forces – the Police and the Army – is much better. And the response of the volunteers to the P.D.F. – our People's Defence Forces – has been very good.

However, we have to re-access our plans for the kind of society we have to build. The emphasis must be on a rugged society. We are providing many amenities free or heavily subsidised, like housing, hospitals, clinics, schools, universities and public assistance.

From now onwards, we must concentrate our expenditure on the areas which will help directly to increase productivity and accelerate our economic growth. For instance, take education. Expenditure on this is a necessity. In a highly urbanised society, our future lies in a well-educated population, trained in the many disciplines and techniques of a modern industrial society. On the other hand, in the more stringent circumstances we found ourselves in, on our own paying for our own defence and our own foreign affairs, we have to be more prudent on the purely welfare projects which do not increase our economic growth. And in this field we have to bring in more public participation for charitable projects.

For we must remember that, in the end, everything we enjoy must be paid for through the taxes we all pay.

Another matter on which we must change our attitudes is the system of wages and salaries which we pay. We must make it worth for everyone's while to work his best. In an easier situation – part of a broader economic base, part of Malaysia – we could have carried passengers. And, unfortunately, we often did pay the hardworking and the not-so-hardworking the same wage, and we just cannot afford to continue this. Our system of incentives must change and rewards must be equated to results, not just to time. High incentives for high

performance will build the kind of society which will guarantee us our pre-eminence as a centre of orderly growth and progress in an otherwise troublesome region.

The immediate future is secure. We have five, probably ten years time within which to strengthen our long-term prospects. What will happen in the very long run will depend on many factors. And we should leave ourselves the widest range of alternatives to ensure the survival of the multi-racial society in which all of us have found satisfying lives.

We will co-operate with our neighbours for mutual benefit. Then, of course, our links with Malaysia are especially strong, for there are so many ties of history, geography and family which are not easily severed.

At the same time, there are proposals for wider regional co-operation. And we are ready to participate in them a contribution to the economic development of our neighbours and to get something in return.

But remember: never take the future for granted. We live in an era of tumult and revolution, and in an area of constant turbulence. And you and I have gone through enough in the last few years to learn to value the right to live our lives in freedom and dignity, to have communal peace and harmony without terror and fear or loss of self-respect. Together, we will defend this right to live as equal citizens in an open society, and we can look back with pride on what has been accomplished in the first year.

The second year will be easier. For it does not have the same problems of the first. And time is on our side, for we have employed it and will continue to employ it, to greater advantage than many others.

Finally, never forget that our greatest asset is our youth. Ours must be a robust and a rugged society. Over 50 per cent of the population are below 19, and for them we must build a solid foundation; give them the best in training; equip them in order to make a success of what we have started out to build – a more just, a more equal society, a society which gives one and all a meaningful life.

APPENDIX**SINGAPORE TRADE STATISTICS**

	<u>Million Dollars</u>			
	(a)	(b)		
	July '64 - June '65	July '65 - June '66	Increase in trade (b) - (a)	% Increase
Imports ...	3,629.0	3,904.2	275.2	7.58%
Exports ...	2,872.8	3,193.7	320.8	11.16%
Total:	6,501.8	7,097.9	596.0	9.17%

Cargo Loaded and Discharged at P.S.A. Wharves and at the RoadsThousand Freight Tons

	(a)	(b)		
	July '64 - June '65	July '65 - June '66	Increase (b) - (a)	% Increase
Cargo discharged	12,587.7	15,120.2	2,532.5	20.12%
Cargo loaded	2,228.4	9,311.0	7,082.6	317.83%
Total:	14,816.1	24,431.2	9,615.1	64.9%

Details of Manufacturing Firms of All Sizes

	(a) Mid. '64 - Mid. '65	(b) Mid. '65 - Mid '66	Increase (b) - (a)	% Increase
No. of Factories	2,300	2,500	200	9%
No. of Workers in Factories	64,000	67,000	3,000	5%
Output	\$1,100 mil.	\$1,350 mil.	\$250 mil.	23%
Value Added (Contribution to National Income)	\$347 mil.	\$421 mil.	\$74 mil.	21%

Revenue

Customs Duties on Liquors, Tobacco & Petroleum

Million Dollars

	(a) July '64 - June '65	(b) July '65 - June '66	Increase in Revenue (b) - (a)	% Increase
Liquors ...	34.87	38.36	3.49	10.0 %
Tobacco ...	46.02	49.47	3.45	7.5 %
Petroleum ...	46.37	55.01	8.64	18.6 %
Total:	127.26	142.84	15.58	12.2%