TRANSCRIPT OF SPEECH BY THE PRIME MINISTER AT THE DOCKYARD WORKERS' NATIONAL DAY CELEBRATION DINNER, HELD AT THE PORT OF SINGAPORE AUTHORITY RECREATION CLUB ON AUGUST 5, 1967.

Mr. Chairman and Friends,

We have to modernise our way of working and way of looking at things. One of the tragedies of Keppel Dockyard is it has become so set and so complacent in its ways that the world has passed it by. Singapore is a veritable shipping arcade, but for the last eight and a half years, it was my fault -- I was too busy with too many other things -- that we literally allowed hundreds of ships that stop and pass Singapore every month to go by, although dozens were seeking repairs. They looked for other places to do their repairs. If you want to pass from Collyer Quay to Raffles place you go by the Arcade. Even if one in ten stops to buy a little bit from the shops they are bound to do well. But, our shipping arcade with 1,200 ships calling and a few hundred others just passing by every month has not done well.

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This place employs 2,000 people. Ten years ago, it was employing 2,000 people. How can we be that stupid? Hong Kong which employed less than 1,000

people in their dockyard 15 years ago now employs seven to eight times that number. Yet Hong Kong is out of the way: it is not at the gateway between the Indian and the Pacific Oceans.

I will tell you what is wrong; because the top people who were in charge of this dockyard earned a salary. As long as the Harbour Board did not get a query from the Government, the Harbour Board would not query the dockyard engineer or the dockyard manager. And as long as nobody presses the dockyard manager and the dockyard engineer, there was no reason to work better and faster and cheaper so that more business can come our way. The net result is that productivity went down.

I know that change is sometimes unpleasant, particularly when, if you have been working at a leisurely pace and somebody comes along to put the heat on you.

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Let us be frank. Swan Hunter have come here to make money, not because they love you or they love me. But that is what I want: somebody who likes to make money. But more important, somebody who knows how to make money in the ship-repairing and shipbuilding business. He can then go into

partnership with me, because I want to make money, too, for Singapore and for you -- more jobs, better jobs and better pay.

But first show me that you are worth the better pay by higher productivity.

We made a study of 300 workers from Keppel Dockyard who left to work in Jurong Shipyard. They had their training here. Now in Jurong every one of them increased his monthly earnings by 22% to 27%. And I said to the Union representatives at the table that the best answer to all their grumbles is to have fifteen workers take a day off, with no pay, and take them to Jurong. They will meet their 300 former colleagues to find out why the latter are getting more pay.

I will tell you the reason: the management is making them work better and more efficiently. The Japanese have sunk half the money in Jurong to make money. We, through the Economic Development Board put in the other half, and the Economic Development Board are determined to make the money. They will pay anybody well who will help them make money. That is what I want to see happen in Keppel.

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Remember, within Singapore there is going to be a race between Jurong, Keppel, and Sembawang Dockyards. Sembwang employs 5,000 workers. It has

an engraving dock there twice the size of this one. And the British Navy is going to give it up soon. But they are going to give it to us together with 10,000 people and their families whom they brought from Kerala, Madras, Malaya and Hong Kong into the Sembawang Naval base. They are presenting me with whole families together with the Naval base. Over half have become Singapore citizens.

Let me tell you what the race is about: it is to see which dockyard has the initiative, the drive and the organisation, the adaptability and the spirit to try new methods of working to make that dockyard the best, the biggest and most profitable in Singapore.

Keppel Dockyard is the one which is least efficient and unprofitable for the capital we have sunk in. The newest Jurong is the one that is on its present performance making the best showing. But it may well be that the one in the Naval Base, with the biggest dockyard to take in the big tankers, may, if the workers are prepared to adapt and adjust to civilian methods of work and payment according to performance, be the biggest money-earner.

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So if you don't try, then your rice-bowl will be cracked. I am trying for you. But please remember you must try for yourselves all the time. I can't do the

work for you. I can work for you, sometimes 15 hours a day. I ask you to work hard and well, for yourselves, only eight hours of that day.

I am not going to come here, next time, just to hear a long moan about more pay and better conditions of service. I am interested in more productivity. That is what we have paid Swan Hunter to do for us. And if you and Swan Hunter cannot do it, I want to know whose fault it is. If it is the fault of the workers, then I say we will expand Jurong and Sembawang. But if it is Swan Hunter that cannot make the grade, then we replace Swan Hunter, since they are only managing the place for us for a fee. There are other large shipbuilders and repairers who want to make money and will come.

I did not come here this evening intending to give you this homily. But I was disturbed by the table-talk I have had. You better know this. You are not fooling around. This is not a government in a mood to fool around. Your livelihood is at stake. If you don't try hard enough, Singapore will be in trouble. But you, the dockyard workers, will be in bigger trouble.

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Whatever we run we want too make it pay. Our accountants tell us that this dockyard is worth $80,000,000. Swan Hunter thinks it is worth only $14,000,000. Well, I don't know. But the cost of land alone is $30,000,000.

Suppose you ignore the buildings, the lay-out and the roads, the value of the land will still be $30,000,000. If I invest in debentures -- just buy safe gilt-edged shares -- Singapore will get 7% interest, nearly two million dollars without any effort.

Do you know how much you are making from this dockyard with all your effort put in? Only two million dollars!

Now you tell me what is wrong here. We must make a better effort. otherwise, the ships will pass you by and go on to Jurong and Sembawang. If this place cannot make good, Jurong will make good, Sembawang will make good. You will suffer. If you don't want that to happen, then let us make a go of this-- a change in better management and working methods. Let us improve the working spirit, the willingness to try new and better ways of working.

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Let me give you one bit of encouragement, if you need any. I believe you have more fibre in you than you yourselves know. Put to the test, a response to a challenge, this place will work.. It will be painful, all increases in productivity must mean more effort. But it is good for you, and it is good for Singapore. Remember, Swan Hunter has not been paid by us just to pay out more money to

you. They do not share the profits as managers. And paying out Port Singapore Authority money to lose on the dockyard is not the job we pay them to do.

When I come and see you again I hope to find leaner, more rugged and only after higher productivity better-paid workers.

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