# TEXT OF PRIME MINISTER'S SPEECH

# ON THE EMPLOYMENT BILL

One of the reasons why we called earlier General Elections was because we have to adjust our plans to meet the military and economic consequences of the British Government's decision to withdraw from her bases in Singapore and Malaysia, by the end of 1971.

The overall objective is simple: to attract expertise, know-how, enterprise and capital, to use Singapore domestic capital and her workers to greater advantage in the manufacturing, assembling and servicing sectors. We must also stimulate expansion of existing industries and enterprises and encourage them to new lines of business, all with the accent on export. We must get our young men and women trained and skilled in the techniques of modern industry, so that the quality and costs of our products are competitive on the export markets. This will increase the GNP to give us a higher standard of living, and to pay for the ever-increasing cost of our own defence.

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There are ample funds in Singapore as every banker will tell Honourable Members. Every sound share issue put on the market has been over-subscribed sometimes by four and more times. But until we have enough industrial expertise, managerial talent and export promotion know-how, this capital will not be used effectively to give meaningful jobs to our ever-increasing numbers of educated but not technically trained workers.

The objective can be illustrated vividly if the House will allow me to over-simplify the problem. Given what we have at present in Singapore, the total performance, the value of goods and services produced, i.e. the gross national product, could treble if our two million people were made up of people from the highly developed countries, like workers from Japan with their intensity of purpose and high skills, technicians and engineers from Germany with their efficient and specialised apprenticeship training, scientists and technologists from Britain with their sophistication and imaginative research, and executives from America with their well-developed disciplines in business administration and management and their "hard-sell" approaches. Such a two million population would not be just repairing ships. They would be building ships. They would be running their own merchant fleets like the Norwegians and deep-sea fishing fleets like the Japanese. They would be running a fully fledged round the world international airline. They would be a centre for the maintenance of airframes

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and aircraft engines in the region. They would be a centre for computers and computer servicing in the region.

The problem therefore is how to educate and train our people to reach the standards of these technologically advanced peoples as quickly as possible. First we must ask if our people have it in them, for otherwise this will be a vain and futile exercise. From the record of the last nine years since we started to manage our own affairs, I believe nearly all our people have got the stuffing in them to make the grade. What they need are the opportunities and the training. One way to educate our young people to higher degrees of technical skill, is to send them abroad. But this is only for a few, since it is costly. The more practical, economical and productive way is to import outside expertise to manufacture or assemble, or set up the servicing organisations for which there is a demand. With inservice training, our workers will develop higher and higher skills. However, this is what a few other countries are also trying to do. Some have more attractive inducements with non-unionised and cheap labour and a better protected domestic market to help an industry get established. But they often have disadvantages, like workers who are less educated, not so striving nor easily trained, nor disciplined, and less stable and favourable political, social and economic conditions.

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We must put to maximum advantage the capacity of our workers for intense effort and rapid acquisition of skills. Their readiness to learn, their irresistible impulse to improve themselves, when combined with politically stable and socially healthy conditions, make Singapore attractive to those manufacturers who can get a freight or wage advantage to manufacture or assemble for Singapore's consumption and for export.

Let me illustrate the same point in another way. Given the very same Singapore but substituting the present two million Singaporeans for some other two million people, more pleasure-loving, less hardy and less willing to learn, compound this with inept administration and corrupt government, then overnight Singapore's GNP can be reduced to a half or a third of what it is. This should illustrate how much the final performance depends upon the ability, stamina, skills, knowledge, expertise and discipline of our population.

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There are testing times ahead. Details of British withdrawal plans have been made known to us. They show an ever increasing rate of redundancy of local civilian workers and repatriation of British uniformed personnel. The heaviest blow will fall in 1971. From the experience of the Economic Development Board we know that it takes two to three years from first discussions on a project, through its planning and construction stages, to first

production. Therefore, unless we attract manufacturers on new projects now, there will neither be the factories nor the jobs in 1970, 1971 and 1972 when the pressure of unemployment will be heaviest.

The first major task of this new Parliament is to take through this series of legislative amendments that will put our working population into trim. It is a package which is fair and attractive. These amendments are designed to make everyone put in a greater effort for the higher performance to bring in higher rewards, and with the home-ownership scheme for the mass of our workers and not just the higher salaried groups, more and more of our working population will have a growing personal stake in the continuing prosperity and stability of our society.

There are some enterprises that can profitably work, round the clock for every day of the 365 days in the year. They should do so. The harbour, the dockyards, the airports, and some factories whose export orders make this worthwhile will do this.

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We must cut out unnecessary stoppages of work. Over the years, each cultural and religious group has had holidays added onto our annual list. We were well on the way to having the highest number of public holidays per year for office workers in Asia. Now we shall go back to 11 public holidays a year which is what it has always been for industrial workers. In the essential services work will carry on, holidays and Sundays notwithstanding, providing more jobs for our unemployed. Singapore will be kept clean and green. Shops and restaurants can open on Sundays and public holidays – the whole year round if they find it profitable – so that they can better cater for their customers or for tourists. But workers will get one rest day per week, and double pay for a public holiday if the employer wants them to work. But if it is the employee who wants to work on a public holiday then he gets only single pay.

The assumptions made in the ’50s and ’60s by the trade unions and their advisers, of whom I was one, were that our workers wanted more leisure to enjoy their pay. These assumptions were based on British practices which were and are completely irrelevant to our social conditions. Our workers want work, and more money for more work – not more leisure to spend the inadequate sums they earn.

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For the vast majority of workers, over three-quarters of whom are not in any unions at all, the new legislation means an improvement in their working conditions. It is only the minority, less than one-tenth of our work force, the better unionised clerical groups, who will have to make some adjustments in their working hours per week before being entitled to overtime. This is a helpful change for it will bring blue-collar workers into line with the white-collar workers. And we need more blue, and less white, collar workers. This is a legacy of the education policies of the past when it was never envisaged that we would be other than a dependent people assisting in the lower ranks of a trading and administrative capital of one part of a vast empire.

If we accept the amendments being introduced by Member for Bukit Ho Swee, NOBODY WILL LOSE ANYTHING EITHER IN WAGES OR FRINGE BENEFITS. ALL EXISTING AGREEMENTS BETWEEN UNIONS AND EMPLOYERS WILL CONTINUE UNTIL THEY EXPIRE. But when these agreements expire, unless we have succeeded in creating the new jobs, the redundancies that are taking place, plus the annual inflow into the labour market from the schools, will alter the supply and demand situation and determine the wages and other benefits being re-negotiated. So unions and their members have a vested interest to help create conditions under which more industries and enterprises are established creating more demand for workers and reducing the

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supply. We are also checking the tendency to increase labour costs, not by wage increase but by fringe benefits, hidden costs which can be easily abused, like casual sick leave which is taken whenever workers feel like a day off, often when they are not sick.

But I cannot over-emphasise that we have NOT attempted to regulate agreements between unions and employers on the wages to be paid. We have NOT fixed maximum or minimum wage levels. That wage will depend upon what a particular industry or enterprise can afford, taking into consideration the rate for that kind of job, the performance of a particular company's workers and the profits of that enterprise. IN OTHER WORDS WITH LESS HIDDEN BENEFITS AND MORE OPEN REWARDS, WITH HIGHER INCENTIVES FOR HIGHER PERFORMANCE WHEN INDUSTRIES AND ENTERPRISES PROSPER SO WAGES WILL GO UP. SO WILL BONUSES ALSO GO UP. The legislation is also designed to help improve management discipline and establish a sensible relationship between unions and management.

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It goes without saying that as new and better management techniques are introduced by subsidiaries of the large industrial concerns who go into partnership with our citizens, so our own established enterprises must

modernise and improve work methods, machinery, organisation for increased productivity, or they will go under.

In the earlier stages of our labour movement, the trade union often became a place of refuge for the inefficient, the slack, the lazy and the anti-social. As has happened elsewhere these are the first to join the union to seek protection against the natural tendency of any employer to be rid of bad workers. When some Russian trade unionists were in Singapore several months ago they told our union leaders that Russian trade unionists report to and require of management the dismissal of inefficient workers and thereby increase productivity. I am not asking our union leaders, in an open society, to take on the role of management. But I do urge them, with the help of these new laws, to stop giving cover to those who do not pull their weight. WE MUST AVOID SLIPPING INTO A SITUATION WHERE TRADE UNIONISM IS THE PRACTICE OF PROTECTING THE WEAKEST AND THE SLOWEST WORKER AND, WITH EVERYBODY BEING PAID THE SAME WAGE, NO WORKER WILL HAVE ANY INCENTIVE TO WORK HARDER THAN THE WEAKEST AND THE SLOWEST.

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But just as there are bad workers, so too there are bad employers. From my discussions with the various employers' associations and Chambers of Commerce, it is clear that the old fashioned family type businessman has no conception of the wider and longer term relationships between management and labour in an age of educated and organised workers who are conscious of their indispensable part in the production of the wealth of the whole community. These employers will have to be educated and taught the facts of present day industrial life.

We call upon everyone for improvement and effort. This is our duty as a government. No one is asked to sacrifice for the benefit of the privileged and the corrupt, nor will revenue go in wasteful and extravagant expenditure. With higher performance and greater output, there will be more industries, and more jobs, better trained artisans, technicians, engineers, and executives. From the higher GNP will come greater revenue. From this revenue will flow improved standards of education, health services, social amenities, and housing for all.

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We are all human beings. The government does not expect workers to put in more effort for nothing. So we are putting more into the kitty.

In the private sector the higher Central Provident Fund benefits mean that workers getting less than $200 per month will still not have to contribute to the CPF. But their employers will have to contribute an additional 5%. The increase will be implemented in three annual stages by increases of 1½%, 1½ % and 2%. At present the maximum contribution an employer has to make for workers earning more than $200, without special pensionable schemes, is $25. This is also the maximum the worker has to pay to the CPF. Now the maximum contribution is $150 per month instead of the present $25 per month. So if a young executive is earning $1,500 a month, he will contribute $150, and his employer will contribute $150 every month for his CPF where formerly each contributed only $25.

Present CPF balances can be set-off against down payment for HDB flats. The present employer plus worker total 10% monthly contributions will go up to 13%, 16% and 20% in three annual stages. These monthly contributions can be set-off against monthly instalments of HDB or privately built houses. Legislation will also be introduced to allow workers to authorise their employers to deduct monthly sums from salaries for HDB or private developer constructed houses.

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Everybody is getting more. This must be matched by everybody putting in more. Only then can we have better social, educational and medical services. And let us not forget the ever-growing annually recurring costs of defence. It is not just a question of buying aeroplanes. Having bought them, we need to train our pilots to fly them. We need the ground crew to maintain them for flying by our pilots every day of every year so that planes and pilots are on top form all the time. It is not just buying a few patrol boats. We have to maintain them and re-fit them. And our sailors have to man them all the time. Then every so many years a new generation of weapons has to be bought and obsolete aircraft, vehicles and weapons discarded.

Let me briefly recap:

Our plans are to put our capital and labour to greater use. We must attract more capital and more expertise from those who know how to use capital in a place like Singapore to maximum economic advantage. Several factors are in our favour: stable political conditions for the indefinite future, a sound currency, clean, healthy living conditions. Most important, we have workers who are intelligent, industrious, resourceful and positive in their approach to life. The government, workers, and management, we must work together for accelerated growth in our economy.

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Finally, as a government, we shall be judged by results. These results depend, among other things, upon the morale and enthusiasm of the people, and the pace set by their leaders in the House and outside.

If we were a soft community, then the temptation would be to leave things as they are, and hope for the best. Then, only good fortune can save us from unpleasantness which will be ahead. But we are not an easy-going people. We cannot help thinking, calculating and planning for tomorrow, for next year, for the next decade, for the next generation. And it is because we have restless minds, forever probing and testing, seeking new and better solutions to old and new problems, that we have never been, and I trust never shall be, tried and found wanting.

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