

**MINISTERIAL STATEMENT BY THE PRIME**  
**MINISTER REGARDING MINISTERS' SALARIES AND**  
**ALLOWANCES FOR M.P.'S**

Mr. Speaker,

Although it is 15 years ago, in 1955, that Ministerial salaries and allowances for Members were fixed and are unrelated to present-day economic conditions, I would have preferred to have left them alone.

However, two reasons compel me to make some adjustments now, and this in spite of the need for wage restraint by the workers and by their trade union leaders. Until we are sure that the effects of the rundown of British military spending have been more than offset by an expansion in our industrial and servicing sectors of the economy, we must be cautious and discourage wage increases which are not matched by higher productivity.

National Archives of Singapore

The first reason is that I wish to appoint the new Member of Parliament

for Havelock to an important Ministry. Sir, it is not fair to ask any man, however conscientious and faithful a public servant the Member for Havelock has been, to take on a Ministry which carries heavier responsibilities than the Development Bank of Singapore for a salary of \$2,500 per month. It is so unrealistic and so unrelated to present conditions in Singapore, and to what he is getting, and to

what is the remuneration for higher executives in commerce and industry, and even for senior members in the professions. Senior lawyers put in income tax returns of over \$20,000 a month.

I am sure that if I asked him to, the Member for Havelock would be willing to make a sacrifice and serve at the present salary. But if we are to attract men of ability to serve as Ministers, in other words, to run for election and then serve as Ministers, Singapore cannot, for the indefinite future, rely on people who are willing to make inordinate sacrifices, particularly when it is at the expense of their families.

No group of men, either in commerce or industry or in academe, are as crucial to Singapore's continued security and prosperity as the eleven who form the Cabinet. The leadership that a government provides determines whether a country is stable and prosperous, or chaotic and bankrupt. And what has happened to a number of new countries should warn us of the dangers Singapore faces if a second generation leadership is not equal to their task.

Sir, I had considered the possibility of raising the salaries for the Member for Havelock and for a few other Ministers for whom \$2,500 would be out of all proportion to what they were earning outside the Government and whose family

needs are also pressing. I decided against it. To do so would be discriminatory and arbitrary.

The second reason is that it would not be possible to have men of ability and integrity to become Ministers at these salaries, once the present Ministers leave office. If Ministers in Singapore are not expected to be scrupulously honest, then that is quite a different matter. For then their Ministerial salaries can be token payments for purposes of income tax returns, whilst fortunes are accumulated in kick-backs and rake-offs, for licences, contracts, and a hundred and one acts of the exercise of Ministerial discretion.

I have, therefore, decided to recommend to Members to increase the salaries of Ministers in Cabinet from \$2,500 to \$4,500 per month; Ministers of State from \$2,000 to \$2,500 per month; Parliamentary Secretaries from \$1,500 to \$1,750 a month.

National Archives of Singapore

I am not increasing my own salary of \$3,500 a month. My salary will stay as it is until the end of 1972, by which time Singapore should have overcome the economic problems caused by the rundown in British military expenditure, provided we all work hard for higher and higher productivity and more and more industries. I am able to do this only because my wife is a practising solicitor

with an adequate income. But it is unrealistic to expect the next Prime Minister, one qualified for the job, to discharge the functions of this office for the present salary.

Meanwhile my colleagues and I are hoping to attract young men and women of ability and integrity to take up political work and stand as Members of Parliament. From several selection exercises we have held since 1965 to get new blood into this House, we know that many young people are reluctant to undertake political life and stand for election, first, because their public and private lives are immediately put under close and constant scrutiny, and next, because of the time and effort required of a Member of Parliament, all for \$500/- per month.

My colleagues and I have, therefore, decided that we should raise M.P.'s allowances to \$1,000/- per month. I am not suggesting that this will solve the problem. But it will help. At the next sitting of Parliament I shall introduce a supplementary budget for these changes to be made from 1st June, 1970. The cost will be about \$300,000 per annum for the increase in the M.P.'s allowance, and \$300,000 per annum for the increase in the salaries of Ministers, Ministers of State and Parliamentary Secretaries. No increases are proposed for Political

Secretaries, for normally they would not be Members of Parliament and, therefore, the rationale for the increases does not apply to them.

Within the 70's, it is my hope that this Parliament can attract enough men of quality and integrity to maintain honest and efficient standards of administration, and to provide capable leadership for Singapore. Social, economic and political conditions have changed enormously since 1955, and motivations for seeking political office have also changed. But I believe we can produce a second generation leadership, as competent and honest, and with a bit of luck, perhaps also as dedicated and determined as those colleagues of mine who have been in office since 1959. If we can succeed in this, then Singapore's future for the 1980's and beyond will be assured. I am prepared, in view of the statement I have put to the House, to answer any questions by way of clarification.

## National Archives of Singapore

Mr. Ng Kah Ting (Punggol): Mr. Speaker, Sir, I would like to seek clarification and elucidation from the Prime Minister arising out of the Ministerial Statement. First of all, Sir, will the Prime Minister indicate whether or not the four Members of Parliament who resigned from this House last month would come into this category to enjoy their pensions? Secondly, will he not consider that this increase is out of date? Thirdly, Sir, will he not inform this House, apart

from the reasons he gave just now, why he has not recommended an increase in his own salary?

The Prime Minister: Mr. Speaker, Sir, in reply to the first question, whether the increases will apply to the four Members of Parliament who have resigned, the answer (with great regret), is no. We considered this matter carefully. If we were to apply it to them and have their pensions based on \$1,000 per month, then we, as a government, would be going against the principle for which we have always stood, namely, that wage increases should never be back-dated or made retrospective. Parliamentary pensions for M.P.'s allowances and Ministers salaries are calculated on the mean average of their last three years. So if it is to be altered for the four former M.P.'s, the present allowances would have to be back dated three years. It is irresponsible for any government to set such a precedent. Apart from grave problems that would be posed only to employers generally, the Minister for Finance will be pressed, because every wage increase made, will be asked to be retrospective. I know that it is regrettable that former Members like Mr. Lee Teck Him, after having served 11 years, will get a pension of only \$170 a month. I suggest to the Member for Punggol that perhaps his feelings of comradeship and loyalty to Mr. Lee Teck Him are such as to make a call on his generous and charitable disposition, and that of other Members.

Mr. Ng Kah Ting: The second question is about the increase in the Prime Minister's salary.

The Prime Minister: I have already given the reason. I do not think it is appropriate. First, I can afford not to take an increase immediately. Second, I think it will be better understood by workers generally and their trade union leaders, of whom there are several representatives in this House, that the need for wage restraint and no wage increase without higher productivity - that policy, must prevail. My stagnant salary is symbolic of that policy. I am not suggesting that my productivity is not increasing. All I am saying is that, because workers do not visibly see my productivity increasing, I am leaving it at \$3,500 until we have the all-clear signal by the end of 1972.

Mr. Ng Kah Ting: There is still the last part of my question, Sir: whether the Prime Minister would not consider that this increase is a little bit out of date?

## National Archives of Singapore

The Prime Minister: It is better late than never.

Mr. Ho See Beng (Bras Basah): Mr. Speaker, Sir, we all know that the Member for Joo Chiat has been a Member of Parliament till his election as Speaker of the House. May I know whether the new salary will be applied to him in his present position as Speaker?

The Prime Minister: Unless the Member for Bras Basah moves an amendment to exclude the Member for Joo Chiat, the increase for all M.P.'s will also cover him. I am not sure whether the Member for Bras Basah wants to exclude the Member for Joo Chiat.

Mr. Ho See Beng: In fact, I was a bit anxious when the Member of Joo Chiat's position was not clarified. I want him to be included.

Mr. Speaker: Thank you, Mr. Ho.

Date: 7th May, 1970

National Archives of Singapore