SPEECH BY THE PRIME MINISTER AT A RECEPTION TO REPRESENTATIVES OF THE CITIZENS CONSULTATIVE COMMITTEES AND MANAGEMENT COMMITTEES OF THE COMMUNITY CENTRES ON 17TH FEBRUARY, 1973.

On this auspicious evening of the New Year, it may be useful to remind ourselves of the hard facts of life. The present heady boom in the stock market does not reflect the true economic position of the companies, either the value of their assets, their earning potentials, or likelihood of future growth. The bubbly market has been caused by considerable speculation.

The Hong Kong stock exchanges have worked themselves into a tizzy. Singapore has been infected by this. There is a crazy streak that one can get something for nothing, of buying in the morning and selling in the afternoon at a profit.

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Meanwhile, the corporate raider who uses paper with a highly inflated value to acquire property and assets is doing this at very little cost to himself, but at the expense of the investing public which ultimately foot the bill. The big time operators, with inside knowledge, will know when to get out. It will be the small

time amateurs, hoping to make a bit on the side, who will be landed with the bulk of the share scrips when the price is knocked down from the present unreal levels.

Singapore cannot build a sound economic base on the basis of gambling. The transformation of our economy was a painful one. One adversity was hardly overcome before another befell us. It was sheer determination, good planning and the hard work of our people, that saw us through these difficulties. The present climate of confidence is the result of a combination of social and work discipline, plus honest and efficient administration. We have the basis for steady growth for the next 5 years, especially in the manufacturing and servicing sectors.

If there are not setbacks in international trade, we should make over 10% in annual growth. And it is our intention to see that the workers get the benefits of their hard work. The average worker must find it worthwhile to be thrifty, to save part of his increased earnings. For those who want to gamble, there is little that any government can do to save them from their own greed and folly. Many have lost money on chit funds, chasing impossibly high interest rates. Those who speculate on the stock exchange do so at their own peril, particularly when they have little knowledge of stock companies or the international money market and the problems of currency parities and short term speculative inflows of money.

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When the economy is developing at about 10% per annum, it is not possible to make 10% per week. The bubble must burst.

We have grown stable as a result of hard work. To get rich quickly without hard work is a pipe dream. That is why the Turf Club never loses. If you can afford a flutter, go ahead. But remember it is a flutter.

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