ADDRESS BY THE PRIME MINISTER DECLARING OPEN THE NATIONAL TRADES UNION CONGRESS FIRST TRIENNIAL DELEGATES CONFERENCE AND SYMPOSIUM AT CONFERENCE HALL ON 27TH APRIL,1973

Comrade Chairman, Friends and Fellow Citizens,

I make a habit of reading papers sent to me for the opening of a function. I congratulate you on the qualitative improvement in the presentation, and in the organisation which it depended on. You have raised the tone and the level of discussions within the trade union movement.

However, I would like to point out two shortcomings.

National Archives of Singapore

We have perhaps a decade in which to ensure continuity in the close relationship between the government and the labour movement. This present relationship will continue perhaps for another decade. To understand this relationship, you have to dig up the past, and educate your younger members on what went before. Then they can pick out what is relevant for the future.

The fundamental position of strength which Singapore enjoys is the relationship of trust and confidence between workers and the political leadership. Nobody doubts that policies are framed, and decisions are made, in the interests of the majority of the people.

How did this come about?

It is useful if you would commission a group of people to objectively describe this historical development, in the labour and the political movements. Some time in 1923, the communists became the first organised political force. In the 1930's and 40's, the communist built up the first organised trade unions, mainly underground. They reached the peak of their strength. in open organisations, in 1963. We became part of that political-cum-labour movement in the 1950's and 60's. Having assumed power in 1959, the line got drawn between the communists and the non-communist factions of the political and labour leaderships. It should analyse how it was that, after 1963, communist stocks went steadily down. And, gradually, painfully, picking up the bits and pieces, today we have the NTUC working in a framework of a relatively security with stable employment and industrial expansion.

National Archives of Singapore

Knowledge of this past is necessary in understanding why the present is what it is, and why these conditions can be expected to continue for a decade.

But what follows? A people do not live just for a decade. Therefore, it is necessary not only to discuss the technological changes which are coming, and with it the consequential forms and styles in which the trade union movement will operate. More important is the question of how we are to maintain this intimate partnership between the political and the union leaderships.

We have inducted into the political leadership, some of the younger, more promising trade union leaders, those with the potential to mature and develop a broader and wider perspective. We hope that they will provide that continuity. They will be entrusted, or have thrust upon them the responsibility, not simply easy matters, like asking for more wages and better benefits, but also to weigh and carry the burden of the consequences of affording these increase wages and benefits on the economy as a whole. For they must take into account the economic base on which our well-being, indeed our survival, depends.

National Archives of Singapore

The second shortcoming, if I may call it such, is the special and unique economic and political base within which we operate in Singapore. Perhaps the older union leaders have it inbuilt as part of their psyche so that they do not need to discuss these problems. We were the heart of an empire. In 1945, we were truncated from the rest of the British Empire in Southeast Asia. We had been the

administrative and entrepot centre, the trading, processing, collecting and distributing point for Southeast Asia.

We faced a changed situation. First, we tried to reform a broader economic base through merger, in Malaysia, in 1963. But we had to completely change our strategy, in 1965, when we were out of Malaysia. We moved on to a new role, one which we can continue to play only if we have that added edge in better organisation and higher efficiency, so that we keep moving from traditional entrepot to manufacturing and servicing -- and from physical services to brain services, including international banking and finance.

If you overlook this basic point, all these papers on technological progress will end in the wastepaper basket. To survive, to thrive, we have to get better all the time. We have to provide services which nobody else can do at that speed, or quality, or price. And because we provide security and stability, investors can amortise their capital outlays over periods of 10, 15 and more years, not 1-3 years.

National Archives of Singapore

Unless you get your younger union leaders to understand and to remember, at all times, the framework within which we have built this relative prosperity, then all may go down the drain one day. I say relative prosperity, because compared to the Japanese, our wages, skill for skill, are about one-third that of

the Japanese. But for engineers, managers and professionals, we are about four-fifths that of the Japanese. This is another reality which union leaders and members have to recognise. Those in the upper brackets, the professionally trained, can sell their services across national boundaries by migrating. When we held wages down from `68 to `72, 5 years of restraint, we lost quite a number of high-calibre men. They moved out to the private sector, and got paid the rate for the job. Otherwise they would have moved out of Singapore altogether.

A first-class engineer, whether in electronics, chemical or civil engineering, or computers can cross national boundaries. He can sell his services in Western Europe, North America, or Australasia. The skilled worker, even the technician, cannot.

Hence, we had to make considerable adjustments in the public sector this March, 1973, to match rewards in the private sector for the top administrators and professionals.

National Archives of Singapore

These are fundamental data, without which your younger unionists will never be able to understand their limits for manoeuvre. These are realities which we accepted as a government in 1965. I posed them to you in this hall and we discussed the solutions required for our survival. You accepted the challenge.

Together we faced up to these realities. So today we are not dead, nor crawling on all fours, as many thought we would.

But do not forget that the basic facets of our economic position have not altered. Gloss over them, take liberties with ourselves, only if we are prepared to unscramble all that has been built. Change is of the essence of life, whether in the individual or in a people, or in the world. But for us, our basic position means that we cannot afford to be a soft or easy-going society.

I hope nobody will ever write about Singapore, that after enjoying remarkable growth for some 2 decades, the next generation leaders forgot the basis on which that growth and development were possible, and allowed the firm framework of good government to go slack, and work and social discipline went down, and prosperity soon evaporated.

National Archives of Singapore

There are two basic factors for our strength. First, rapport between the political and union leaderships. This enables entrepreneurs to confidently predict their returns from their investments for 10-15 or more years.

Second, whether or not there will gradually be more economic regional co-operation, like a free trade area, or a common market for specific combined

projects, we make our plans on the basis of the least favourable of economic and political circumstances. Therefore, we cannot allow any loss of verve, or blunting of our keenness. Loss of that cutting edge in our competitiveness means a lowering of our standards of life.

You want to know what is going to be the National Wages Council's recommendations on 1st May. But that is the least important of our problems. These are temporary difficulties. There have been droughts and famine. There is a shortage of rice. So rice has gone up in price. There has been some change in the climate -- some people say that there is a minor ice age setting in, with shorter summers in Canada and Russia. So the wheat harvest has been and is expected to be poor. The Russians are importing wheat and the Canadians have not got that much of a surplus to sell to Russia or China. So the price of wheat has shot up. So the price of bread in Singapore has gone up 5 cents per loaf. They are not unimportant. But, remember, if our workers lose their drive, their willingness to work, we shall not be eating bread or rice at all. We shall be eating tapioca.

National Archives of Singapore

If you keep these realities in mind, and have your discussions with this backdrop, we should be able, in this decade, to groom a generation of union leaders who have got their heads screwed on properly and their feet firmly planted on hard realities.

National Archives of Singapore