ADDRESS BY THE PRIME MINISTER AT THE OPENING OF THE KAMPONG GLAM COMMUNITY CENTRE, SATURDAY, 24TH NOVEMBER,1973

My congratulations to the Kampong Glam Citizens' Consultative Committee, and Management Committee of the Community Centre for having raised more than $300,000 for building this 3-storey community centre.

Unfortunately, it is not possible for the Property Tax Department to allow one floor of Kampong Glam Community Centre to be used as a restaurant, and to tax it at the rates of a community centre. Further, if it is used as a restaurant, will it be compatible with the normal activities of a community centre? From your experience, I hope other constituencies will remember that they should work out the practical uses of the building and the economics of it. Before starting, they must check with the relevant government departments whether or not they will be allowed to use the building in the way they wish to make it paying.

National Archives of Singapore

But occasionally even the most careful calculations go awry. The West Europeans and the Americans were hoping, for 1974, to cut down by half their very high inflation rates for this year. They were planning for economic growth of between 4-5%. The Japanese were planning for a 10-12% increase.

Now, as a result of the Arab oil cutback of about 6 1/2 million barrels from a total production of about 20 million barrels per day, the loss in supply in total world oil production is about 10%. The West Europeans and Americans may be lucky to lose between 9% and 1% of their expected growth rates. The Japanese expect zero or negative GNP growth.

With reduction in production in Japan, Western Europe and America, total world trade will go down. Already car sales have gone down. So too electrical appliances. Pertochemicals will be in short supply at increased prices. This will affect developing countries, like Singapore, as well as developed countries.

National Archives of Singapore

What has happened has already jeopardised economic growth prospects for 1974 for everyone, including Singapore. We shall have to revise our hopes for 1974.

These problems have been sprung upon the world unexpectedly. And even regardless of Arab oil cutbacks, the world already faces steep increases in the price of oil, already up by 70%. This will alter the trends in industrialisation and development all over the world.

Nobody can predict how long it will take the Arabs and Israelis to negotiate a just and durable peace. It may take from 6 months to 2 or more years. A prolonged continuation of the Arab oil cutback, particularly if the volume of the cutback is increased, will increase the dangers of an economic recession turning into a world-wide depression. This carries grave consequences for the whole world.

National Archives of Singapore