SPEECH BY THE PRIME MINISTER, MR LEE KUAN YEW,

AT THE OFFICIAL OPENING OF NTUC WELCOME TANJONG PAGAR

SUPERMARKET AT TANJONG PAGAR PLAZA

ON THURSDAY, 25 NOVEMBER 1976

This is the seventh WELCOME supermarket. We now have a network to check on the cost and profit margins of all essential commodities, like rice, noodles, bee hoon, milk powder, cooking oils, and detergents. We also know the cost and profit margins of the semi-essential items.

This year prices of food have fallen 6.4% compared to last year. So there is no excitement and little interest in food prices. But only 3 years ago in 1973, prices of food were skyrocketing. It went up about 49% between 1972 and 1973. This was mainly because of bad harvests around the world. And with shortages, some wholesalers and retailers began hoarding and pushing prices up further.

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WELCOME supermarkets and the consumer clubs in the various constituencies must keep going. They have become a useful defence mechanism against profiteering when supplies for essential items, like rice, become scarce

and prices shoot up. Once in several years, world harvest will be poor either because of drought or flood. Then prices will shoot up, and shortages will be made worse by hoarding, speculating and profiteering.

For two years, 1974 and 1975, those who buy from the WELCOME supermarkets have had a rebate of 5% on all purchases and a 6% dividend on fully paid up shares. There is every prospect of a similar rebate and dividend for this year. For the year ending June 1976, WELCOME has 14,282 members and a turnover of $20.5 million.

WELCOME supermarkets have kept prices of essentials low by cutting profit margins. So other supermarkets and shops have had to do likewise. The trend favours the supermarkets because of bulk purchasing and lower overhead costs. In all cities the world over, small shopkeepers have had to combine to form bigger shops or lose out to supermarkets. And that is the only way to lower costs and to offer more variety.

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Now I have pleasure in declaring this WELCOME supermarket in Tanjong Pagar Plaza open.
