

**PRESIDENT'S ADDRESS AT THE OPENING OF PARLIAMENT**

**TUESDAY, 26TH DECEMBER, 1978**

Honourable Member,

Three major factors will influence events and help shape the deliberations of this next session of Parliament.

First, most economists forecast a downturn in the US economy in 1979. This will now be aggravated by the OPEC oil price increases of 14.5% spread over 1979. Some believe the downturn will be mild and brief, others that it may be moderate. The impact of a slow-down on Singapore may be mitigated if the economies of Japan and the EEC are able to grow as much as they did last year. Barring a recession, Singapore should still be able to make 6-8% economic growth next year.

Second, the conflict between Vietnam and Kampuchea will have important consequences for Thailand and the rest of Southeast Asia. This conflict will not be resolved by a single or simple victory on the battle field. When one

communist state sets out to subvert another communist state, victory for one does not mean the defeat and extinction of the leadership of the other, especially when a bigger communist power is not prepared to see its ally go down. Resistance can be expected to be prolonged and bitter when racial hatred goes deep into the history of the two peoples. The danger is that these clashes may spread beyond Kampuchea into Thailand.

Third, the single most important issue in Singapore is the next political leadership. The responsibilities of government have become more complex and diverse in the past 20 years. The political leadership will require the continued support of able administrators in the public sector. Hence, at least one-third of the top talent of the younger generation must be in the Administrative Service and the statutory boards. This will require a total revamping of the rewards and salaries of senior officers in the public service. These changes must make it unmistakably clear to the young scholars in their 20's as they contemplate their future after their 5-8 year period of bond with the government, that the public service offers comparable rewards. If they choose to take up the challenge of the more demanding tasks in the service of the government, they will not be penalised, compared to what the private sector offers to the most talented and hardworking amongst the executives and professionals. This revision must be done with minimum delay and a measure of flexibility. Further, any formula for

revision will need to be monitored and regularly further revised. Periodic 3-4 year revisions may be the only way to meet the varying and changing economic conditions.

All said and done, it is the quality of the political leadership that is decisive. We can take heart that since I addressed this House two years ago, several younger members have shown that they have the capacity to meet the intense demands of leadership. Given the experience and time to develop the camaraderie, the verve and vitality of leadership need never flag in the 1980's.

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