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**SPEECH BY PRIME MINISTER LEE KUAN YEW FOR  
TANJONG PAGAR CONSTITUENCY DAY ON 1 JUN 86**

This is the second occasion we have celebrated Tanjong Pagar Constituency Day. I thank the organisers in the CCC and RCs who have enabled large numbers of residents and shopkeepers in Tanjong Pagar to participate in the activities, and get to know one another, and so build up a closer community spirit.

In order that events have meaning and give pleasure besides servicing a social purpose, some people must give of their time to plan and organise these activities. The problem in the new towns or new blocks in old towns like Tanjong Pagar is to identify those who are willing to sacrifice their time to do their work, and find enough satisfaction for them to want to continue doing it. Fortunately, over the last eight years we have found enough leadership material for Tanjong Pagar Plaza, Spottiswoode Park, Everton Park and Outram Park.

Tonight I also want to welcome members of the CDCC (Civil Defence Coordinating Committee) who now join the ranks of the constituency organisations.

It has been a disappointing year economically. Our hopes for more development and growth have had to be postponed. Instead we have to sacrifice by giving up 15 per cent of the employer's contribution to the CPF.

The best news I have read is the OECD forecast last week that there will be slightly higher growth rates in the major industrial countries in 1986 and, more important, again in 1987. If the forecast for 1987 is correct, then our economy should turn around.

The response of Singaporeans to unexpected adversity has been encouraging. Workers and their unions have given their support to the NTUC.

The NTUC has endorsed the Government's policies for wage restraint. Now it is up to union branch committee members to put wage restraint into practice.

It will take at least another year after the first signs of recovery before management can consolidate their financial positions to make further investments on capital equipment and increase productivity. Only after we have made up the ground lost in the years of negative growth in 1985 and, I fear, also in 1986

which looks like another year of negative growth, can we afford to loosen our policy of wage restraint. And then we must peg future increases in wages to increases in productivity.

Some time in the course of the next 12-18 months, there may be signs of an upturn. It is when these signs appear that we shall face our real test. If at this first blush of an upturn, workers and unions begin to press for wage increases and to ignore wage restraints, then we shall throw away the most valuable asset which younger Singaporeans are together building up, a reputation as a practical and realistic people, self-disciplined and united when responding to unexpected problems.

In the next 2-3 years a younger generation of workers and leaders in the NTUC and the Government, will be tested for that quality which has been the major factor in our economic transformation of the last two decades, namely worker-Government trust and cooperation. If that quality is still in our people then our future will be as constructive and fruitful as the past 20 years.

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