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SPEECH BY MR ONG PANG BOON, MINISTER FOR LABOUR,
AT THE 7TH ANNIVERSARY DINNER OF THE SINGAPORE
INDUSTRIAL LABOUR ORGANISATION HELD AT THE
NEPTUNE THEATRE RESTAURANT ON SATURDAY, 2ND
APRIL, 1977 @ 7.30 PM

I am pleased to have been invited to join officials and members of Singapore Industrial Labour Organisation (SILO) in celebrating the 7th Anniversary of their Organisation.

Our successful economic development in the last 12 years is due in no small way to the acceptance by the trade union leadership that union's and workers' interest lay in ensuring that the Republic succeed in achieving economic growth. With no natural resources and with an entrepot economy with a limited capacity to generate new employment, union leaders realised then in the 60's that the massive unemployment as well as the economic problems could only be solved by rapid industrialisation. The trade union leadership therefore supported the Government's policies aimed at economic development. Trade unions were modernised, their roles re-defined, and temporary wage restraints in the late sixties to attract more investments and improve our export competitiveness were accepted. Thus, today we have near full employment and a standard of living second to Japan in Asia. Our workers are now better housed, clothed and fed and their children attend modern schools and play in a clean and green environment.

The realisation by our union leaders that the workers' standard of living can only be improved if there is economic development has not been forgotten, and indeed, cannot be over emphasised. We have to realise that the industrialised countries in the West are facing problems of high unemployment, excess manufacturing capacities and strong protectionist pressures. This means that for us the years ahead will be difficult ones with intense international competition for investments and sale of our goods and services and that we will have to adjust from double-digit to single-digit growth rates. New strategies and fresh approaches to meet this new situation have to be mapped out. Our top union leaders have endorsed the continued need for policies of orderly wage increases tied to higher productivity, the freeze on fringe benefits, good labour-management relations and higher productivity including the need for upgrading the skills of our workers and the desirability for correct work habits and attitudes such as diligence, pride in work, discipline and eagerness to learn and improve. They had experienced the tough days of the 60's so they understand and readily accept tough measures needed to accelerate economic activity. However the trade union movement has expanded since the 60's. At the end of 1976 there were 91 unions and 913 branches with a record membership of 222,000. Many new union leaders especially at the branch level have therefore come to the fore.

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They and the young members have not experienced the grim days of the early 60's. It would be useful therefore, for them to examine our economic situation and the policies that would be required for continued economic development to ensure high living standards of our existing workers and also jobs for new entrants to the labour market in the years ahead. In this regard SILO with its large membership drawn from a key economic sector - manufacturing - can play an important role. Once there is that understanding and acceptance of policies of economic development necessary for the interests of workers, there will be better industrial relations and labour productivity.

A dominant feature of our trade union movement is industry-wide unions. SILO is a good example of an industry-wide union with a headquarters and branches in a large number of firms. Our experience shows that we can further improve upon our operations of industry-wide unions. The set-up of a union headquarters with branch committees in each company can create a communication gap which becomes serious during times of differences and disputes. Central in such situations is the Industrial Relations Officer (IRO) of the union headquarters. Too often he is looked upon as the third party. This is sometimes compounded by the IRO's inadequate depth of knowledge of the particular factory and industry and his relative youthfulness.

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This creates problems. Friction arises due to insufficient understanding and appreciation of the problem. The solution lies in the hands of both the union and management. On the union side, it should ensure that all IROs are thoroughly acquainted with the state of the economy and the factory and the industry they are representing. Visits to factories to gain first hand knowledge of work conditions, production processes, industrial climate and discussions with management should be organised. In short, a line of communication should be established so that any misunderstandings can always be resolved expeditiously, for by then, both parties would be talking on the same wavelength.

Management, which is usually of the older generation must try to appreciate the fact that we are a young nation and our leaders at different levels tend to be relatively young. It should also treat IROs not in their personal capacities but rather as representatives of national unions. It is only when mutual respect exists that problems can be more readily solved.

Finally, I would like to congratulate SILO on its commendable achievements over the last seven years. It is the largest union in the Republic and the leading one in the manufacturing sector. It has assisted its members in keeping the cost of living down through its Multi-

Purpose Co-operative Society and its super-markets. Their welfare have been catered for by SILO projects and amenities like the "Singapore Bus Service Workers Special Welfare Fund", the child-care centre, health centre, death, sickness and education benefits as well as numerous seminars on wide ranging subjects from "Young Union Leaders in Southeast Asia" to "Job Evaluation". I am confident that SILO would continue to grow in strength and contribute further to our nation's well-being.