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ADDRESS BY THE MINISTER FOR LABOUR, MR ONG PANG BOON,
AT THE NTUC 1979 MAY DAY RALLY AT THE SINGAPORE
CONFERENCE HALL ON TUESDAY, MAY 1, 1979, AT 10 A.M.

May 30, 1959: a date, almost forgotten by most Singaporeans, young and old alike, yet it is the most important date in the post-war development of our Republic. On that day, two decades ago, Singaporeans elected the first PAP Government. Since then, they have been voting the PAP into office in every general election. During these 20 years, Singapore has been transformed from a politically turbulent semi-colony into a stable industrial nation in South-east Asia.

What were the basic issues that faced us during these years? They were the constitutional future of Singapore. Closely connected with this question was the kind of society Singapore was to have: communist or non-communist. The political issue could only be resolved if Singaporeans were convinced that the non-communist solution to their bread-and-butter problems was more effective and less painful than the communist alternative.

Today, there is near full employment. For some years now, we have not with us massive unemployment. Therefore, it is hard for Singaporeans, especially young Singaporeans, to visualize what it was some 20 years ago. Then on the register, about 46,000 persons or 9.2 per cent of the labour force had no employment, not counting new entrants into the labour market in the immediate years ahead. Living and working conditions were poor, education, health and other social services were inadequate.

These were the ingredients for political mischief. And the communists were there to exploit them. They kept Singapore on the boil, because they had infiltrated into every sector of society that could be mobilized to turn Singapore into a base to achieve their ends.

In the end, the non-communists won, not by the bullet but by the ballot. We won because we had honest resolute dedicated leadership in the PAP. But our efforts would have been more difficult if2/-

difficult if there had not been in the labour movement non-communist leaders with equal honesty, determination and dedication.

Containing the communists in Singapore had been a joint PAP and trade union effort. The results achieved in the political front would not have lasted so long if we had not also worked together to solve our unemployment problems.

We have abandoned the notions that labour and management must necessarily confront each other before each can get a fair share of the fruits of labour or more aptly, the gross domestic product. In place of these traditional ideas of class conflict, we have introduced the idea of tripartite partnership for progress, and the idea of distribution of rewards according to efforts and productivity. Government, management and labour are partners for economic progress. Sectional interests are subordinate to national interests. All work together for the national good, rather than each section advancing its own interests and wrecking the welfare of the community. Political stability and industrial peace have been the products of this situation. These have made Singapore into one of the most attractive places for investments in South-east Asia.

The success of the tripartite formula is written in statistics. In 1970, at current factor cost, the gross domestic product was \$5.3 billion, more than double the figure for 1960. When it was only \$2 billion. Last year, the GDP was \$16.3 billion, slightly more than trebled what it was in 1970, and more than eight times the level for 1960. During the 19 years, average monthly earnings of production and related workers have also increased: \$165 in 1960, \$197 in 1970, and more spectacularly \$384 in 1978.

The quality of life has also improved significantly. Workers work in greatly improved physical environment. Social services have been vastly expanded. In 1960, more than half the population of 1.6 million people were living in slums without proper lighting, water and modern sanitation. Today, some 1.5 million people live in publicly built flats. They enjoy not only the benefits of public utilities and modern sanitation, but also amenities like gardens, playgrounds, cinemas and swimming pools. Some 57 per cent of the 1.5 million own their flats. There is also a place in school for every child of school-going age. Medical services and hospital facilities are within the reach of even the poorest.

The important thing is that Singapore workers have earned their rewards. As a whole, they have proved themselves to be a disciplined and willing workforce. This can be seen in the statistics of industrial strife. In 1961, 411,000 man-days were lost because of industrial disputes. In 1977, the man-days lost were only 1,000. Last year, for the first time in post-war Singapore, we had a strike free year - a record enviable by any standard, considering that this was achieved under a democratically-elected government.

Such a record of industrial discipline is a tribute to the quality of the trade union leadership. Union leaders have taken a long-term view of their group interest. Instead of creating situations of conflict and confrontation, they have made the workers of their being the co-owners of society and partners in industrial progress. It is an enlightened and pragmatic view of the role of trade unions in the circumstances peculiar to our situation in Singapore. With limited land areas and no natural resources, and almost wholly dependent on the export market, it is inconceivable that the trade unions could have chosen any other role without hindering our efforts of industrialization.

We have made good progress in the past two decades. We can justly be proud of our achievements. But in enjoying presently the fruits of our relative affluence, let us not forget that in the past, we had generally been favoured by a world economy that was passing through a strong phase of its post-war growth. Let us also ponder on what the future holds for us.

We have learnt to live with the problems of our small internal market and our lack of natural resources. These will perpetually be with us. We have built a diversified and sound economic base. Our workers have learnt the essential basic industrial skills though more will have to be learnt. The comforts made possible by our relative affluence, however, have eroded somewhat the moral fibre of the younger generation. They tend to take for granted the comforts that they now enjoy and the ease with which they can now secure jobs. Such negative trends will have to be arrested through moral education in the schools.

Unlike the post-war era of the 50's and 60's, the world economic environment has entered a more difficult phase. The oil

crisis of 1973 has resulted in a changing economic order, one which the world is still learning to cope with. Chronic inflation in times of economic recession confound planners. Wages continue to spiral while unemployment persists. Traditional solutions to such economic ills no longer seem to work. Under such constraints, the recovery of the world economy will continue to be slow and uncertain. Governments of the leading industrial economies have adopted cautious growth policies aimed primarily at controlling inflation. With unemployment remaining at high levels, these governments have submitted to protectionist sentiments of their electorate and trade unions, to the detriment of the developing nations. Just as the situation begins to show signs of improvement, political uncertainties in the Middle East have disrupted oil supplies and set off substantial hikes in oil prices. Together with developments in Indo-China, the future is beset with difficulties.

While we are not in a position to influence the course of such international developments there is much we can do to mitigate their effects. The course of our future economic growth will depend critically upon our ability to induce entrepreneurs, both local and foreign to inject additional investment capital: new plants must be added, and existing ones expanded. Their decisions will depend on how conducive our economic and industrial environment is. In terms of labour input, such an environment is reflected in a disciplined, skilled and productive workforce, orderly wage increases and peaceful industrial relations. This state of labour climate is possible because of our brand of tripartite co-operation. Proven as workable, tripartite co-operation involves a genuine spirit of give and take on the part of management and labour unions. It will not work if one partner is seen or is believed to have taken undue advantage over the other. It will not work if it is not based on good faith, honest intentions, sincere goodwill, and common sense.

We cannot ponder about the future, without thinking about the succession to the present leadership in the unions. Economic problems grow more complex each year. So better-educated union leaders must some day take over the leadership in the unions. As in the political arena, we cannot create combat situation to test the qualities of leadership of the better-educated leaders. Whatever the final outcome in the succession situation, certain things are clear. A bureaucratic machinery has grown up in the trade unions to handle labour disputes,

cater to the needs and welfare of union members, organize the growing number of commercial ventures, and, generally, to handle the increasing range of activities. This development is inevitable. But it is important always to remember that the union leaders are not civil servants, and the union machinery cannot be operated like the civil service apparatus of government. Union leaders must not lose touch with the ground and become insensitive bureaucrats. And the union machinery must not become rigid and inflexible like the civil service bureaucracy. Otherwise, the rank and file will not identify with their union leaders, and, in their eyes, the union machinery is another impersonal organization, like a government department. We will then have troubles.

We should not forget that our present climate of industrial and political stability is as much the achievement of good government and union leadership as the abstention of the Communist Party of Malaya in open-front politics in Singapore. The new generation of union leaders must not put themselves in the position where the rank and file do not identify with them. If such a situation develops, the principal beneficiaries will be the Malayan Communist Party. We can warn of the dangers, we can, in our best judgment, select and groom a successor generation, but we cannot guarantee results. The essential attributes of leadership are the gifts of nature. We can provide the opportunities for leadership, we can improve on what nature has given, but we cannot adequately make up by formal training or experience on the job what nature has not given. In a crisis, the gifts of nature will show. Leaders are born out of crisis. This is the lesson of history. The margin of error we can give ourselves is small, but I am confident that, in Singapore, in a crisis situation, we will have sufficient leaders in the pipe-line to lead the unions and the PAP.
