

- 8 NOV 1996

PRESS RELEASE

Release No.: 29/JUL

15-1/96/07/17

96 - LHM - 10

**SPEECH BY BG (NS) LEE HSIEN LOONG,
DEPUTY PRIME MINISTER,
AT THE DEMOCRATIC SOCIALIST CLUB
KENT RIDGE FORUM 96/97
HELD AT THE NATIONAL UNIVERSITY OF SINGAPORE
(NUS) LECTURE THEATRE II
ON WEDNESDAY, 17 JULY 1996 AT 7.00 PM**

CHALLENGES FOR THE NEW GENERATION

Singapore is an exceptional country.

We have survived and prospered, because we have responded creatively to challenges. When we were defenceless, we built up the Singapore Armed Forces (SAF) to make us safe. When our people had no homes, the Housing and Development Board (HDB) built homes for everyone. When our roads were getting clogged up, we introduced Certificates of Entitlement (COEs) to keep the traffic free flowing.

We have been so successful that these arduous achievements of an older generation now appear to be permanent, natural features of the Singapore landscape, which have always been there, which will stand by themselves, and which require no tender loving care.

This is completely wrong. This Singapore did not just happen by itself. It is man-made. In fact, it has mostly been created by ourselves, and especially by the older generation of Singaporeans. We must not be trapped into thinking that the status quo is the natural state of affairs, God-given, fixed, and cannot be improved.

To thrive, we must continue to innovate, to adapt ourselves to new circumstances. We must stay ahead of other countries, and be better, if not the best. To be No. 1 or No. 2 is not a matter of choice, but of survival, of making sure of our place in the future.

We are much more secure now than when we first became independent in 1965. But we face fresh and continuing challenges. Unless we surmount them, we will fizzle out.

What are these challenges?

MAINTAINING ECONOMIC GROWTH

First, keeping economic growth high. This is essential. Material well being is not our only purpose in life. But without it, we cannot improve our lives, or build the Singapore we dream of. For the individual citizen, without a well-paying job, he cannot have the freedom to choose how to bring up his children, build his home, spend his leisure, or help the poor and unfortunate in society.

We have grown by nine per cent per annum for 30 years. Since Independence, in one generation, our Gross Domestic Product (GDP) has increased by 13 times, and real per capita income by seven times (6.8 per cent

per annum). Because we have more resources, therefore we have been able to transform Singapore.

We hope to make six to eight per cent growth over the next decade, that is doubling our GDP in 10 years. Singaporeans expect this, in order to fulfil their aspirations. And we believe that we can do it. But it will not be easy. There are few precedents for such sustained high growth in other countries at a similar stage of development.

Our per capita incomes are already very high – exceeding several developed countries, and on a purchasing power parity (PPP) basis even higher. Hong Kong is most similar to us in size and income levels. In recent years it has been growing less than six per cent per annum., despite having the advantage of being on China's doorstep. Developed countries at this income level grow quite slowly – three to four per cent per annum., because their economies have matured, populations are static, and productivity is not easy to raise.

Japan made 6.9 per cent per annum, the highest. But even Japan has slowed down in the last few years to one to two per cent per annum, after deflating their "bubble" economy. Our target of six to eight per cent means that we are trying to equal Japan's past performance, or surpass Japan's present performance. Even if one Singaporean is equal to one Japanese, can three million Singaporeans, working together, equal 130 million Japanese, working together?

So we are on our own. There is no single model for us to follow. We must find our own way forward. We can succeed, but only if we pursue sound policies, and work together as a team.

MEETING FOREIGN COMPETITION

A key factor determining how rapidly we grow is how we measure up to foreign competition. The competition is getting tougher in every field, because many other countries are striving to develop along similar paths as us.

I give two examples. The first is attracting foreign investments, particularly in the semiconductor industry. The second example is our port, Port of Singapore Authority (PSA.).

Foreign Investments

Foreign investments have been a key engine of our economic growth. We still need all the high quality foreign investments that we can get, even though we are now more developed. They will create the jobs that will give Singaporeans a developed country standard of living.

The Economic Development Board (EDB) aims for \$ 7 - 8 billion of manufacturing investment commitments per year. These investments will create 10,000 to 15,000 new manufacturing jobs each year, with an increasing proportion for skilled workers, technicians and professionals.

\$ 7 - 8 billion per year is a very ambitious target. It is more than we have ever achieved before. Just five years ago, we were getting less than \$3 billion per year.

Investment commitments do not grow by themselves from year to year. In fact, we need to work harder just to attract the same amount of investments as

before. We are now targeting quality, world class projects. They are in demand in both developed countries and in the region.

The best way to convince you how difficult EDB's job is, is to cite actual projects we have won or lost, which companies were involved, and who our competitors were. Alas, EDB will not let me do that. Recently I made a speech lamenting that Singaporeans did not know how stiff the competition was. So the press followed up to ask EDB for examples of EDB wins and losses. Chairman EDB sent an email to his staff, which he copied to me:

“Please ensure that we do NOT name companies and/or countries. Both will be sore with us. Companies will be criticised by losing countries. Winning countries will use it to quote our uncompetitiveness.

“We meet our opponents in the field all the time. We become permanent losers. If we cannot be a good loser, quit EDB job. Be a generous/gracious winner/loser. Do not be an arrogant/bitter winner/loser.”

EDB's approach is never to admit defeat or give up. As Mr Philip Yeo told the Straits Times:

“We have not lost a single project. We have lost parts of projects. EDB is not a loser. If we don't get first prize, we go for second prize.”

Unfortunately, Chairman EDB is right. So I must do the next best thing. I will describe how EDB works to build up one key industry in Singapore – the semiconductor industry, and especially wafer fabrication projects.

Wafer fabs are one of EDB's major promotion targets. It is a capital intensive business. Investments often exceed \$1 billion per project. Investors think very carefully before committing these huge amounts. If they have any doubts about the political stability of the country, or the quality of the workforce, they will go elsewhere.

Three companies currently operate four wafer fabs here. Two more investors are starting operations soon. EDB's target is to attract 20 to 25 wafer fab plants over the next decade. This means \$40 billion of investments, generating 25,000 high-skilled jobs.

The semiconductor industry world-wide has been growing spectacularly. They are looking for new sites to build fabs. This gives us a narrow window of opportunity, to get the major players to invest in fabs in Singapore. Once a company commits to one fab, it is likely to expand and build a second or a third in the same location.

We face stiff competition from both developed and developing countries for fab projects. Some developed countries offer hundreds of millions of dollars in upfront cash grants to attract the projects, especially where unemployment is high and the government is desperate to create jobs. We cannot match their generosity. Bigger countries often offer land almost for free to wafer fab projects. Malaysia is one of them. But land in Singapore is scarce and expensive.

In the last two years we have lost three wafer fab projects - one each to the United States (US), the United Kingdom (UK) and Germany. But we are still attracting wafer fabs to Singapore. Hitachi is building one together with Nippon

Steel, and SGS-Thomson is building a second wafer fab here. Why do they come to Singapore, despite our limitations?

It is because we can mount an integrated, national effort to support the projects. The Ministry of Trade and Industry (MTI), Ministry of National Development (MND), EDB, Jurong Town Council (JTC), the National Science and Technology Board (NSTB), the universities, the research institutes, all work closely together. We have identified suitable sites for wafer fab plants. We are investing in the necessary infrastructure (such as uninterrupted power supplies and utilities) in advance, to meet their stringent requirements. We are training engineers and technicians. The universities and polytechnics are providing focussed microelectronics training at the undergraduate and diploma level. We encourage companies to recruit talent with specialised skills from abroad, to augment local supply. The Government grants tax incentives to key projects, and offers to co-invest in them in risk-sharing ventures.

These are the details. The strategic reasons are a competent and stable government which makes rational and transparent decisions, hardworking and well-trained workers, and supportive unions. These convince investors that their wafer fabs will be safe in Singapore. So we remain competitive.

Port

My second example of competition is PSA. Singapore is the hub port, a key communication node in the Asia Pacific. Containers come to Singapore to be transhipped from as far away as China and India. Every day there are four sailings to Japan, three to Europe, two to the US, and many more for intra-region traffic. Goods can therefore get to the markets in the quickest time. PSA's

importance to Singapore exceeds its numerical contribution to the GDP. It is an economic multiplier which helps the rest of our economy to thrive.

PSA handled 12 mn TEU last year. It is building a new container port at Pasir Panjang, which will eventually handle 36 mn TEU per year, three times the present volume. PSA started planning it in 1989, when we were only 4.4 mn TEU. It was an act of faith, but a justified one.

PSA's container business has been growing rapidly - 15-20 per cent per annum over the last few years. But PSA faces fierce competition from other ports, including Port Klang in Malaysia, and Kaohsiung in Taiwan. Indonesia also plans to build a container port in Batam. Most of PSA's business is transshipment. It can easily go elsewhere, if we become too expensive or less efficient.

Port Klang has openly declared its aim to be the alternative hub port in Southeast Asia, and not just a feeder port to Singapore. Quote PM Mahathir:

"The government may be doing some mild arm-twisting to make sure that people send their goods to Port Klang and also receive goods landed at Port Klang."

"I'm not running down anybody, but it so happens that they like to use SIN to denote their name, their port. But we should not sin along with them."

Malaysia has imposed levies to discourage trucks from bringing containers to Singapore: RM\$100 on trucks entering Malaysia, and RM\$200 on those leaving the country. Port Klang is hiring experienced people from around the world to take over senior management positions. The Chief Executive Officer

(CEO) of the Port Authority is an Indian. One terminal operator has a Singaporean general manager, and another American general manager.

The Malaysian Transport Ministry wants to divert half the Malaysian cargo now being transhipped in Singapore to Port Klang. They say they are only taking back what is theirs. They have also reportedly asked Indonesia to transfer 70 per cent of their transshipment containers from Singapore to Malaysia.

Kaohsiung is another competitor. Containers going from Thailand to the US often passed through Singapore. But last year Maersk Lines set up their own dedicated terminal in Kaohsiung. So Maersk is shipping more US-bound containers through Kaohsiung, bypassing Singapore. Now Thai ports are handling more containers than before, but PSA's volumes from Maersk have dropped.

There are other potential competitors nearer home. Malaysia is developing a new port at Tanjung Pelepas, in South West Johor, just across the second link from Singapore. It will have similar geographic advantages to Singapore's port, including a deep natural harbour.

Indonesia also wants to build its own port facilities. They are planning a port at Kabil in Batam, and aggressively luring shippers to operate from Batam. It is widely reported that they are talking to some shipping consortiums currently using PSA, but so far nobody has decided to shift there.

What Malaysia and Indonesia are doing is completely legitimate. As their economies develop, they want to build up their ports, and take PSA's business away. We have always been ready for competition. We must keep on our toes. PSA has to coexist with Pasir Gudang port, and Changi Airport with Senai in

Johor and Hang Nadim in Batam. If Tanjung Pelepas and Kabil can equal to PSA's performance, PSA will lose business.

But PSA stays in business, by constantly finding ways to improve and stay ahead of competition. It is speeding up loading and unloading rates per crane, planning ahead to handle bigger container ships, using sophisticated computer systems to cut down response time, etc. This is how for many years PSA has stayed the busiest (or sometimes second busiest) container port in the world.

PSA's problem epitomises Singapore's problem. We have no iron rice bowl. The most competitive country in the region, the one offering the best service and the best value for money, will get the business. If we are competitive, then we can do very well, out of proportion to our size and numbers. But if anything we do, others can do as well, or better, our livelihood is gone.

THE FUNDAMENTAL CHALLENGE

Keeping growth high and staying competitive are important challenges for Singapore. There will be other challenges. But they all depend on one yet more fundamental factor – the quality of Singapore's people, their values and their commitment to Singapore.

We need a cohesive society, a people who understand what is at stake and will work together to achieve common goals. We also need outstanding leaders, who can inspire and motivate our people, and help them to achieve their maximum. This is the key challenge, on which everything else depends.

Mr Rajaratnam used to say that an army of sheep led by a lion will defeat an army of lions led by a sheep. But ours is a very small army, so we must have every soldier a lion, and the bravest and best lions leading us into battle.

A Cohesive and Committed Population

To have every soldier a lion, we must have a strong sense of cohesion and community spirit. Every citizen must feel that he is a part of Singapore society. Every Singaporean, and not just a few leaders, must feel his responsibility to society, to his fellow citizens, and not just to his immediate family and personal career.

The Japanese are formidable not just because they are individually tough and capable, but more because they are a tightly-knit, cohesive society with strong group instincts. As individuals other nationals may outperform the Japanese, but as a group the Japanese are hard to beat.

We are not as homogenous as the Japanese. But we too must develop and strengthen our group instincts, this sense of being Singaporeans together. If we are reluctant to put society above self, to compromise personal interests to achieve national objectives, if we do not support the leaders whom we have ourselves chosen, if we think and act on the basis that we owe nothing to society, and that we can pursue individual goals even at the expense of society, then Singapore will disintegrate.

What holds a society together? It is deeply felt emotion, important things which they share in common – race, religion, culture, values, history, experiences. These form the basis of a sense of nationhood and identity, a commitment to Singapore.

Race and religion cannot be the basis for a multi-racial, multi-religious society.

Culture and values – gradually a Singaporean culture will emerge. A Singapore identity is already emerging. A Chinese Singaporean is different from a Chinese from the People's Republic of China (PRC), Taiwan or Malaysia. An Indian Singaporean is different from an Indian from India. A Malay Singaporean has different values and attitudes than Malays from Malaysia or Indonesia. But the process of evolving a unique Singaporean culture will take a very long time. And it will never be complete, because our different ethnic groups will always draw our cultures from different sources and heritages.

History – this is important. To know who we are, and where we are going, we must know where we have come from, and why we are here. But Singapore's history as a nation is very short compared to other small and vulnerable countries – less than two generations, not 700 years like the Swiss, or 3,000 years like Israel. A vital part of our history is how we became independent. That generation of Singaporeans who lived through the tumultuous events know this history first hand. But we must transmit this to the post-independence generations. How did Singapore become independent? Why did we leave Malaysia? What does Singapore stand for?

Every Singaporean ought to know the most basic facts about our nationhood: that we entered Malaysia in 1963; that there was basic disagreement over the fundamental issue of equal rights and opportunities for all races in Malaysia; that many people were killed in two race riots in 1964, which had been deliberately instigated to intimidate Singapore's Chinese population; and that Singapore was finally ejected from the Federation on 9 August 65, because Malay-Chinese race relations became so bad that Tunku Abdul Rahman, then

Prime Minister of Malaysia, warned that if we did not separate, there would be bloodshed.

But our young people learn little of this, either from their elders or in schools. I recently heard the story of a young Singaporean woman in the US, who was asked by an American why Singapore had left Malaysia. In reply, she solemnly assured the American that he was mistaken, and that Singapore had never been part of Malaysia!

I hope this was an exceptional case of ignorance. Our schools teach students about the critical issues of Singapore's constraints and vulnerabilities as a nation. Every student studies Singapore history. But they spend far too little time – only four periods in Secondary I – on the key events surrounding our independence. Two hours at the age of 13 cannot be enough to teach every Singaporean why and how we merged with Malaysia, then separated from it, and became a nation.

Recently the Senior Minister (SM) said that re-merger with Malaysia is conceivable, if Malaysia continued towards meritocratic policies, since this was what we had fought for when we were in Malaysia. The Malaysian reactions were spontaneous and visceral:

Kadir Jasin, editor of the New Straits Times, wrote a piece "Greater social justice in Malaysia: meritocracy shuts out low-achievers in Singapore society" [NST, 16 June 96]:

“[SM's statement is] less a statement made in good faith than an intent to insult.

“By religiously insisting on meritocracy, what Singapore has succeeded in doing is to keep the playing field lopsided in favour of the well-to-do and educated, who happen to be largely Chinese, and discriminating against the poorer and less educated, who are the Malays and Indians.

“Although the special privileges accorded to the Malays and other bumiputras have catapulted many of them into the business and professional class, their number and share of wealth are still less than those of the Malaysian Chinese.

“There are more Chinese millionaires, Chinese-controlled listed companies and professionals in Malaysia today than when Lee was screaming “Malaysian Malaysia” in the Malaysian parliament in the early 1960s.

Watan printed an article “Who will benefit?” [15 June 96]:

“For 30 years, we have been extracting our natural resources which mostly went to contributing to the wealth of our neighbour and ex-family member – Singapore – which had for 30 years acted as a middleman to the catch brought in by our traditional fishermen.

“We should not and cannot blame Singapore for reaping the profits as a middleman. ... Instead we should blame ourselves for being complacent with the economic structure.

“Singapore cannot obstruct our efforts even though our development will have a long-term impact on the Republic’s economic growth. We are merely developing our economic

potential, though the heat may be felt by others who all this while have been exploiting us.

These strong, emotional responses show vividly that the passions raised by the fundamental issues of racial equality and meritocracy when Singapore was part of Malaysia have not subsided. Since Separation, the two countries have gone their different ways. But despite the passage of 30 years, what was not acceptable when we were in Malaysia remains unacceptable today. Malaysian writers made no bones about the reasons why Singapore left Malaysia, and why we would not be welcomed back for a very long time.

A Straits Times poll showed most Singaporeans were also against re-merger with Malaysia. But Singaporean reactions were much milder. Fully 41 per cent had not heard of SM's comments. This was after more than a week of prominent coverage of SM's comments and Malaysian reactions. When asked, 64 per cent opposed re-merger, but they were far less clear about the issues than the Malaysian writers. Some named Malaysia's bumiputra policy as an issue standing in the way of merger. But others talked about wanting to retain Singapore's separate identity, pointed out differences in lifestyles and political systems, or said that having been chased out, we should not, as a matter of pride, return.

Nobody raised the basic difficulty: the different fundamental ideals of Singapore and Malaysia. After 30 years of separate independence, Singapore has evolved certain basic principles which have guided our nation building. Every citizen has full and equal opportunity to fulfil his potential, regardless of race, language, and religion. Everyone who works hard can expect to do well, in proportion to his contribution. Everyone has a stake in Singapore. Both the private sector and the government follow honest and transparent rules. Everyone

can be held accountable, nobody is above the law, and the government acts to the best of its ability in the country's long term interests.

These are not merely pragmatic policies to help us prosper. They are fundamental ideals which we must uphold and cherish. They are reasons for us to be proud of Singapore, proud enough to fight for it and defend it.

Every American knows about the Boston Tea Party, the American Revolution, George Washington, and the Civil War. They have learnt about the Declaration of Independence, the Bill of Rights, and Abraham Lincoln's Gettysburg Address. It is part of their upbringing and education, part of becoming an American.

We must do the same for ourselves. We must fill this serious gap in the education of our people. This is national education, not general education. If we are ignorant of our own history, especially the reasons for our independence as a nation, we will have no common frame of reference for us to bond together as one people, which is necessary for us to survive and prosper.

Shared Experiences – The independence generation experienced war, communist subversion, communal riots, poverty, and finally growth and prosperity. They know that hardships and dangers can befall us, and that peace and prosperity is far from the inevitable state of affairs.

The generation below 30 has known only peace and prosperity, so far. You find it difficult to imagine that what happened to Kuwait, or Sri Lanka, or Bosnia, can ever happen here. And yet somehow we have to absorb, deep into our psyches, the realisation that Singapore is a fragile place. Our city skyline may look no different from London, New York or Tokyo, but we are not the

same. London, New York or Tokyo may have ups and downs, but they will endure. But if we take one wrong turn, or some mishap beyond our control befalls us, this can become a very different Singapore than what we have been used to, quickly and permanently.

Our problem at present is not that we feel too insecure, but that we feel too secure. Others laugh at Singapore's leaders for constantly fretting over hypothetical dangers. But one essential quality for our survival kit is a healthy sense of insecurity. Another is a strong commitment to group survival.

Our instinct for group survival depends on the strength of the emotional bonding of our young. We grow up in the same HDB estates, go to the same schools, say the pledge together, serve national service together. These are important shared references for Singaporeans.

These ties will have to see us through times of danger. We must not let them weaken in times of peace. Shared hardship, and dangers survived, bind us tighter than shared prosperity. The post-independence generation has yet to undergo a trial by fire. I hope such a trial does not come too soon. But when it comes, we must be ready for it, and must emerge from it stronger than before.

Producing Exceptional Leaders

Why have we been able to create the SAF, the HDB new towns, the Central Provident Fund (CPF) scheme, etc.? It is because we have had outstanding leaders in the first generation. These leaders conceived bold ideas, implemented them, and persuaded Singaporeans to support them and their ideas. The population backed their leaders, and together they achieved great deeds.

As Singapore progresses, we must continue to produce leaders with exceptional drive, imagination, and leadership skills. Most important, the leaders must want to change Singapore for the better. They must be committed to Singapore. And so must the population as a whole, otherwise we will never produce the leaders we need, because leaders emerge from the society which nurtures them.

Our leaders must understand Singapore and its people, thoroughly. They must know what works and what does not, given our history, our culture, our neighbours, and our international environment. They cannot make decisions just based on textbooks or first principles. They must know not only how things came to be what they are now, but also how different things could have been, and most important of all how things can be made better. They must foresee and avoid problems before we run into them, and spot opportunities which are not obvious.

So leaders cannot just operate the system according to given rules. They have to settle the right rules and know when it is time to change them, in order to achieve the best outcome for Singapore. We changed the rules when we created Group Representation Constituencies (GRCs) to guarantee that the minority communities would always be adequately represented in Parliament. We changed the rules with the HDB home ownership policy, to give every citizen his own home, and a substantial stake in the country he has to defend. When our birth rates dipped below replacement level for educated parents, we changed the rules to encourage families who could afford it to have more children. We need leaders who can recognise when we need to change the rules again when conditions change.

Strong leadership has enabled us to implement rational, correct long-term policies better than other countries. Mediocre leaders who follow popular feelings cannot meet problems before they are upon us. The population will soon get the measure of them, and lose respect for them. Then either Singapore politics will degenerate into manoeuvring and politicking, doing what is expedient without regard to the long term good of the country, or else the leaders will prevail, not through superior arguments and ideas, but simply because they are in charge, and will fix anyone who disagrees with them or points out their follies.

Both outcomes will be disastrous for Singapore. It happens so often in other countries. But they can afford to muddle through or brazen out, and sometimes even prosper, because they are bigger countries, with richer resources, larger pools of talent, and wider margins for error.

For example, India now has a coalition government. It is made up of 13 parties, including four communist parties. The Finance Minister, Mr Chidambaram, knows that he has to press on with economic reforms to get the Indian economy moving. Soon after taking office, he decided to trim government spending, which meant cutting jobs. The coalition partners immediately objected. The government backtracked, and promised that no jobs will be cut. One of the communist parties issued a statement:

“The politburo wishes to remind Mr Chidambaram that he is the Minister of a coalition”.

What will happen to Singapore if it has such a government?

We have to find men of integrity and ability as leaders, who are fully up to the heavy responsibility entrusted to them. However difficult finding them may

be, we simply have to get the best into government, because we cannot make do with lesser men. Singapore cannot hope to compensate for unfit leaders through some clever constitutional formula or system of checks and balances. Once they have gained power, no such fix can help incompetent men to do good, or prevent dishonest men from doing harm.

Each generation must produce enough leaders who measure up in their commitment, integrity, and ability. This will be more difficult in future. Whereas we gathered the first generation leaders from all over the region, Malaysia, China, India and Ceylon, now we have to choose leaders from a much smaller base in Singapore itself. Differences in life experiences, compared to the older generations, will tell. The preoccupation with material pursuits, with the 5Cs, means that fewer suitable men will enter politics.

The founding generation of political leaders entered politics as a matter of compulsion. They lived through the tumult and upheaval of World War II. They saw how helpless and vulnerable Singapore was, and were determined to take control of their lives and of the future of Singapore.

The following generation, the present ministers, lived through the transformation of Singapore, from British colony to independent republic. They were very young or not even born in World War II. But they could remember the Hock Lee riots and the communist-inspired upheavals of the 1950s, the racial riots of the 1960s, the Vietnam War and the British military withdrawal going into the 1970s. They instinctively understood our vulnerability and our need for good government.

They also entered politics because of a sense of obligation. Many came from poor families, and went to university on government scholarships. Without

the scholarships, they could not have afforded a university education. But for our meritocratic system, they would never have risen in their careers and made good through ability and effort. They were grateful to the society and the system which nurtured them. So when they were asked to serve, they responded because they felt they ought to contribute towards sustaining the system which had given them a home and a future.

But students today have not personally experienced threats to life and livelihood, and have many options for their future. Government scholarships are not the only way to go to university. Many other scholarships are available to bright students, including OMS and FMS – old man's scholarship and father-mother's scholarship. Many parents can afford to pay for their children's university education, using their CPF savings or with the help of university tuition loans. Some promising students refuse all scholarships, in order not to be bonded.

This financial independence makes people think that they have succeeded by themselves. They do not feel as strongly that they owe something to the society which nurtured them. The sense of obligation is much less. What then will motivate new leaders to come forward to serve?

They must realise that the impression of having made it by themselves, without help, is an illusion. Had society not nurtured them, educated them, made them what they are, and given them the opportunities to develop their potential, they would not be where they are today. Even 10 years ago only half as many of you would have made it to university. Because we have steadily improved the school system and expanded university intakes, today more than 20 per cent of your age group make it to university. If you had been born elsewhere in Asia, would you have had a better chance of getting to university?

Having made it to university, many of you will in time rise to the top in your careers, in rewards, in society. You owe an obligation to the other members of society who have enabled you to succeed. You ought to consider how you can contribute something back to the society. If the most able members of society do not play their part, the social compact will break down. Those less fortunate than you will ask why should they support the system, when the ones who benefit most from it put nothing back in?

In some American cities, civic society has completely broken down, with welfare, crime, and drugs. The able and successful are opting out. They are retreating to fortified apartment blocks or distant suburbs, to form new communities on their own. They are fencing themselves off from trouble-making outsiders, with their own security guards, their own schools, clubs. They become societies unto themselves.

Can we do that in Singapore? Some, especially graduates and professionals, may argue that the better way to opt out is to emigrate. They will have education and skills, and nowadays talent is welcome everywhere. That is so for a minority, but at the price of never fitting in and never belonging, a price which both they and their children will have to pay. But their fellow Singaporeans cannot leave. What will happen to those who have nowhere to go, if the most able, in whom the society has invested the most, decide to abandon them? Who will lead them? Do we not owe them something, feel some responsibility for them? They are our siblings, our cousins, our friends, our fellow citizens, people we grew up with.

From time to time we hear the argument that if successful Singaporeans do not get something or other – a car, a house, or some change in government policy

– more people will emigrate. This is an apathetic, defeatist approach. Surely the more responsible way, if you care for Singapore and for your fellow Singaporeans, and think that something is not right, is to stand up, argue your case, and either get the government to change its position, or oppose the government and persuade the voters that it is wrong? This is much more demanding, but this is the attitude Singaporeans must have for the country to progress.

I have argued why it makes sense, why it is rational, for a new generation, in different circumstances, to come forward to serve the country. But maybe this is the wrong approach, because ultimately it is not a question of logic or reason, but of conviction and passion. If we must make mental calculations of how much we have received from society and therefore how much we must give back, if we decide to stay only because the costs of emigrating exceed the benefits, we are already in trouble.

Singapore will not thrive if the only thing which motivates Singaporeans is wealth and personal success. Singaporeans must want to contribute to something larger than themselves, to show what we can do as a nation, together. Leaders must serve because they want to keep the miracle going, to preserve the ideals that have guided our way of life, to defy the odds, and keep Singapore an exceptional country in the 21st century.

I believe Singaporeans have an idealistic, nationalistic streak in them, even though for the time being it has been overlaid by preoccupation with material success. Undergraduates spend much time organising hall activities and raising funds for charity. The Television Corporation of Singapore (TCS) series on “Extraordinary People” attracted a large viewership, because Singaporeans identified with and admired the extraordinary people who had given so much of

themselves. People queue overnight not just for condominiums, but also for National Day Parade tickets. When we travel abroad, we are proud of the way we do things in Singapore, sometimes to a fault.

It has been 30 years since Independence. Nobody imagined in 1965 that in one generation Singapore would become the prosperous, stable country it is today, with cars and private housing being the major problems for many people.

Provided we keep up our extraordinary efforts to achieve top class ratings, and keep alive our faith that we can create a better future for our children, given another 30 years, we should again totally transform Singapore from what it is today. That depends on your generation – the choices you make, what you do with your lives.

In 30 years, you will be in the prime of your careers. You will provide a large part of Singapore's leadership –community leaders, civic leaders, people who spend time on the arts, or on charity work, Members of Parliament (MPs), Ministers, maybe even the Prime Minister. The quality of your leadership will be crucial.

Men and women with ability and commitment must come forward to serve. Singaporeans must rally behind them, as one united people. Then Singapore will be not just an affluent developed country, but a vibrant and gracious nation, with a rich cultural life and strong social fabric. Then we can build a tightly-knit society, to sustain and protect all of us, our families and children. Then we will overcome all other challenges, and secure our long term future.

@@@@@@@@@@@@@@@@@@@@@@@@@@@@@