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The 1972 Ramon Magsaysay Award for Government Service

BIOGRAPHY of Goh Keng Swee

Dr. GOH KENG SWEE was born October 6, 1918 in Malacca, a Chinese-Malay city situated on the west coast of the Malay Peninsula. It was then part of the British Straits Settlements which included Singapore. GOH's parents, Goh Leng Inn and Tan Swee Eng, were typically industrious and frugal Chinese who lived modestly on his father's income as manager of a rubber plantation and spared no effort to give their two sons and two daughters good starts in life. From the Anglo-Chinese School in Singapore GOH went on to graduate from Raffles College with a Diploma in Arts. After World War II, when he fought against the Japanese in the ranks of the Singapore Volunteer Corps, he graduated with First Class Honors in Economics from the University of London School of Economics. He was a William Farr

prizeman and was awarded a University of London scholarship for postgraduate studies in 1951, completing his doctorate in economics there in 1954. During his London student days he showed keen interest in Malaya's political development and initiated a student discussion group, the "Malayan Forum."

GOH had joined the government of Singapore in the Department of Social Welfare in 1946. After completing graduate studies he stayed on in government, and as a civil servant took little active part in politics. He was Director of the Social and Economic Research Division of the Social Welfare Department when he resigned in August 1958 to work for the People's Action Party (PAP), of which he had long been a member, in the general elections of May 1959.

The 1959 elections were extremely important because for the first time Singapore would be self-governing in domestic affairs through its fully elected parliament, although security and foreign affairs would still be the provenance of the British. As a member of the Central Executive Committee of PAP, and later its vice-chairman, GOH stood for the legislative assembly from the Kreta Ayer district and was elected. In June he was invited to become Minister of Finance in the cabinet of newly installed Prime Minister Lee Kuan Yew. As such he became responsible for the economic planning and development of the city-state.

Behind the anticolonial facade of solidarity that gave PAP its overwhelming victory was a deep ideological division between the democratic socialists, represented by Lee and GOH, and the pro-communists. These differences were to constitute a major political problem for the first years of the new government. In July 1961 the issue came to a head over the government's decision to negotiate a merger with Malaya to form the new state of Malaysia. Democratic socialists like GOH had long believed that the future of Singapore was best tied to that of Malaya, her sister state across the Johore Strait. GOH felt it so strongly that he had earlier taught himself to speak Malay, which made him fluent in the three official languages of Singapore—English, Chinese and Malay.

Sixteen members of parliament, however, split from PAP over this decision and formed the Barisan Socialis, with reported ties to communist parties in both Malaya and Indonesia. They represented a chauvinistic Chinese-speaking, Chinese stream-of-education movement seeking to establish an independent Chinese communist Singapore and as such tried to block the political and economic policies of the PAP government. Before seceding they had succeeded in taking over leadership of the trade unions.

In 1959 the PAP government had found itself in charge of a Singapore of one and a half million persons, 75 percent of them Chinese, and half 16 years of age or younger. As GOH said at the time, "what is regrettable is that the parents of Singapore in the past sixteen years have been so prolific in their capacity as parents that they have created a problem of terrifying dimensions." With overcrowded slums, large numbers of unemployed, and youth coming into the labor force at the rate of 40-50,000 a year, Singapore, as GOH clearly recognized, was "no place for normal socialist economic planning."

On the positive side, Singapore was a junction of major sea and air routes. It had traditionally been an entrepôt, a middleman, moving goods from one nation to another. However, in the postwar period the newly

independent nations of the area were seeking to bypass Singapore and deal directly with their foreign markets. Yet Singapore had a geographic advantage, commanding the Strait of Malacca and the South China Sea, around which lived a potential Southeast Asian market of 150 million people. She had the institutions necessary for trade, and the facilities; her people had an urban work ethic; her currency was stable; she had a free market (only tobacco, liquor and oil were taxed), and English, the postwar language of commerce, was widely spoken.

Soon after his appointment as Finance Minister GOH showed his pragmatic determination. As he said later in a speech to the Economics Society "modern ideals of liberalism, egalitarian ideals, welfare state concepts these are appropriate in an affluent society but are largely irrelevant in a nation struggling to escape age-old poverty; these concepts encourage a propensity to laziness and inaction, inculcate a belief that society owes every man a comfortable living, and proliferate trade unions whose main purpose is to get more pay for less work." GOH took the position that since the underlying principle of socialism is to improve the standard of life for all workers, the need was to provide jobs for the vast number of unemployed and the way to do so was to encourage capitalism and private enterprise.

Singapore's financial position was in a sorry state and the budget drawn up by the previous administration anticipated a deficit. GOH determined to institute necessary reforms. He began by cutting the pay of civil servants, including parliamentary secretaries and ministers. He followed this up with stringent economy in government spending, and by September he was able to announce that instead of an estimated budget deficit of Singapore \$14 million (US\$4.6 million; S\$3.06-2.82 to US\$1 in 1969-1972), the year would end on a financial even keel. His austere measures actually produced a surplus of S\$1 million.

At the same time GOH discussed Singapore's economic problems with World Bank and United Nations development specialists, and experts from other countries. He requested the Schereschewsky and Winsemius missions from the U.N. to study particular lines of industrial growth. He was determined to move Singapore from a trading economy to a broader-based economy which would include manufacturing.

The government policies for the first two years, however, were dictated primarily by "immediate political necessity," as GOH has said, rather than by the "long-term needs of economic development." It was really only in August 1961 when the Economic Development Board (EDB) was established, with powers, strong membership, and a government contribution of S\$20 million that the economic program took shape. At the same time the Housing Development Board (HDB) was created out of the former Singapore Improvement Trust, and action was taken to extend and improve the educational system.

Although the EDB built smaller estates as well (four on sites of 7 to 42 acres by 1963), the major project of the EDB has been the development of the Jurong Industrial Estate. Discussed as far back as 1952, the idea was carefully researched by GOH and his ministry throughout 1960. Jurong is an area west of the City of Singapore, which in 1960 consisted of mangrove swamp and low forested hills. A major advantage was that it faced deep water. As planned by the EDB the Jurong Estate would be the first multimillion dollar industrial complex for Singapore—indeed for Southeast Asia—and its development would mark a major change for Singapore from trade to industry.

Eighty-six hundred acres would be drained, leveled and developed over a 10-year period, and its housing area would accommodate anticipated workers and their families. The Housing Development Board would build low cost flats, shops, schools and commercial centers in two large areas adjoining the industrial sites, and these would be enhanced by parks and open spaces. Two new access roads would be developed, reducing travel from Jurong to Singapore City from 17 to 12 miles. One of the link roads would require a causeway which would in turn convert the Jurong River into a large fresh water lake. The lake would provide storage for 300 million gallons of industrial water, make 200 acres of new land available for agriculture and eliminate the danger of flooding.

The government announced that it intended to spend S\$122 million on infrastructure such as earthworks, roads, bridges, sewerage, railways, sea walls, land acquisition and resettlement projects. The planned approach road from the city would give easy access to wharves and the area set aside for heavy industry. Noxious industries, heavy industry, and shipbuilding and breaking yards would be located by the sea; light industry would be placed adjacent to these areas. Great difficulties and serious doubts notwithstanding, this grandiose scheme has been, for the most part, carried out as planned—and later expanded—and the economic results have been dramatic.

In October 1962 when Professor Jacques L. Rueff, leader of a World Bank economic mission to Singapore, saw what had been accomplished in one year, he commented that this was "one of the most impressive developments I have seen. . . . It's a wonder." Eleven hundred acres of land had been leveled, the second phase of development of the area for heavy industry was proceeding rapidly, the first phase of the housing project had started and the new harbor was being dredged. This in spite of a record number of strikes; 410,891 man-days were lost by strike in 1961 alone.

The defeat of the Communist United Front in the Referendum of August 1962 eased the situation. Strikes and riots were considerably fewer thereafter. By 1964 strikes accounted for only 35,908 man-days lost. However, GOH found it necessary in the next few years to remind both labor and management of their responsibilities. In a speech in 1968 to trainees from the Trades Union Congress who had just completed a seven-week course at the Youth Leadership Training Institute, he reminded them that class conflict is an outmoded 19th century concept: "When organized labor believes that it can improve its position only by downing the other side, disaster soon overtakes the economy." In modern society, he pointed out, there is an identity of interest between state, workers and employers. Countries that have achieved economic miracles in the post World War II years have proven that.

At the same time he emphasized that democratic trade unions are essential to a democratic state. He stated that "it is only the unenlightened backward employers who hope that their workers will never join a union." In June 1969 he warned the Singapore Manufacturers Association that "the unthinking and unenlightened employer who pushes his labor force around" will be dealt with severely by government. "Irresponsibility in one quarter breeds irresponsibility as a response," he continued, and if labor strikes it usually wins. Labor and management alike must tailor their aspirations to the demands of national economic growth and nation building. "Where intelligent cooperation is achieved, the result has been beneficial to everybody," he stated. His examples were the United States, Scandinavia, Germany and Japan.

In September 1962 GOH laid the foundation stone of the National Iron and Steel Mills, the first heavy industry to be built in Jurong. The government was a major partner in this S\$50 million investment. At the same time it was announced that a S\$23 million shipyard would soon be started with 50 percent Japanese and 50 percent Singaporean capital. The government was also going ahead with construction of prefabricated factories for light industries to be completed by the end of the year. GOH's idea was that factories should be built so that interested industries could move in and begin production almost immediately, eliminating costly lead-in time for land purchase and construction. Land, however, was to be kept available for heavy industry and industries with special needs.

By September 1963 the government had invested S\$73 million in Jurong, including S\$14 million for a wharf project which, when complete, would offer 9,000 feet of deep water wharf space and 3,000 feet of shallower draughtage. Private firms had invested another S\$160 million. In only three years, private investment was double government infrastructure investment.

Small industrial estates closer to the city proper were developing more rapidly. Two new oil refineries, a cement factory, a bitumen plant, a drum making factory, and light industries including food and pharmaceutical processors—all "pioneer plants" new to Singapore and therefore eligible for tax breaks and other perquisites—were in production. Two large flour mills were under construction.

A railway was being built to link Jurong with Malayan Railways in preparation for Singapore's union with Malaya, Sabah and Sarawak as the new state of Malaysia.

GOH was very much involved in the economic discussions leading to union. As he has said, while the political decisions "were agreed to with out difficulty, negotiations on financial arrangements and over structure of the Common Market proved unexpectedly long and difficult. In the end, a compromise solution was found, literally at the eleventh hour in London," and Singapore, with GOH's assist, entered into the Federation of Malaysia September 16, 1963.

During the pre-Malaysia period, roughly 1959-1963 the gross domestic product (GDP)—distinguished from the gross national product (GNP) by being generated entirely within the country—increased from S\$1,968 million to S\$2,684 million, a compound growth rate of 8.1 percent a year. This was primarily due to the housing program launched under the Ministry of Finance by the Housing Development Board. By building new housing on the outskirts of Singapore, then razing inner city slums and rebuilding the central city, the HDB made major strides in both solving the housing shortage and urban redevelopment, and in a way

designed to minimize individual dislocation. It also absorbed large numbers of workers and helped sustain economic expansion. The net output generated by the building program rose from S\$40 million in 1959 to S\$94.7 million in 1963. By August 1964 over 35,000 flats had been completed and 15,000 more were under construction. When David Rockefeller, President of the Chase Manhattan Bank, visited the sites and was told that a flat was completed every 45 minutes, he commented that it was "as good as the Chevrolet factory."

Continued growth in construction and manufacturing kept Singapore's economy afloat during what turned out to be unexpectedly difficult years when Singapore was part of Malaysia, 1964-1965. Two problems arose: complications concerning the financial arrangements the rest of the Federation, and military and economic confrontation by Indonesia. President Sukarno of Indonesia saw Malaysia as a threat to his expansionist designs in Southeast Asia and responded to the establishment of the new state by cutting off trade with Singapore, thereby eliminating Singapore's major market. His military incursions in the Strait and on the Peninsula severely limited Singapore's fishing and agricultural industries. The HDB construction program and GOH's earlier insistence on expanding the economic base from trade to include manufacturing kept the GDP figures in the black, although by a mere .05 percent. British military spending in Singapore was also crucial.

Total investment however continued to expand and gross capital formation increased at an annual rate of 20.6 percent. Fifty-five percent of capital investment in new industries was local capital, 45 percent foreign. In terms of total capital investment both loans and working capital, it was 60/40.

Infrastructure development continued at Jurong during this period. By July 1964 some 11 miles of roads were surfaced, with five more almost completed; 1,360 acres were ready for immediate use; the first train was expected to run on the new rails in early 1965, and 19 of the standard factories which were completed had been let. Tenders were out for work on seven more. The bridge to Pulau Semulon—a 37-acre island offshore—was completed and 90 percent of the fishermen displaced by the new developments had been resettled in new houses on Pulau Merlimau, a neighboring island. A 200-foot-long jetty had been built on the latter for the benefit of the fishermen.

In April 1965 Vespa opened a motor scooter factory in Jurong. GOH commenced that acquisition of a motor scooter by an individual was the first tangible evidence of increasing affluence. Between 1962 and 1965 registration of motor scooters had been at a rate of 1,500 a year. Vespa, by opening a factory in Jurong, was recognizing this growing market.

Although manufacturing, construction and utilities grew at a combined rate of 16.2 percent during the Malaysian years—compared with 14.7 percent previously—trade was down drastically, overseas assets declined and employment rose only moderately—10,000 new jobs being created over the two-year period instead of the needed 80-100,000.

On August 9, 1965 the federation with Malaysia came to an end. At issue were the preponderantly Chinese makeup of Singapore in what otherwise was by a thin margin a Malay-majority state, and Singapore's economic preeminence. The future for Singapore looked bleak. It was an island city, dependent for defense primarily on Great Britain which was soon to announce its plans to withdraw its forces from the Far East. Even its drinking water had to be imported from its former partner.

The next years were to show the wisdom of GOH's earlier investment policies and his building priorities. By November 1967 there were 101 factories operating in Jurong; 26 had opened during the year and 60 more were in the development stage. The new wharf was in operation and a U.N. Technical Assistance Board expert had spent three months at Jurong preparing a final master plan for the area. Commenting on this the following year, Foreign Minister Rajaratnam noted that many had questioned the wisdom of the Jurong project (calling it "GOH's folly"), but that "if there were no Jurong today we might have instead mass unemployment, starvation and riots."

The Jurong Town Corporation Bill was passed by parliament in May 1968, with the Corporation assuming responsibility from the EDB for the management of Jurong and six other industrial estates. Together these included 293 factories; 21,000 workers; a S\$588 million capital investment; 9 blocks of flatted factories (factories located on one or more floors of a larger building) under construction; and 4,500 flats and 150 chophouses in Jurong. The latter continued to be a problem because the housing estates still had no social or recreational facilities and youth attracted to jobs at Jurong were mostly single and preferred to live in the city with their families. Flatted factories, proved unexpectedly popular, with long waiting lists for occupancy

The Development Bank of Singapore was incorporated in July the same year to take over the financing function of the EDB. Several senior personnel of the German Federal Government's Kreditanstalt fuer Weideraufbau were sent to assist it in developing policies and techniques for financing manufacturing, tourism, estate projects and urban renewal programs. The International Trading Company was incorporated in November. It is jointly owned by the government, the Development Bank and the private sector, which have invested S\$6 million, 3.8 million and 10.2 million, respectively. Its purpose is to seek out new markets—for the first time in Communist countries.

In his Budget Speech to Parliament in December 1968 GOH announced that the government had made a three percent profit on its capital investment in the Jurong industrial infrastructure, higher than was originally anticipated. This revenue was expected to rise to seven to eight percent in the future, and factories which had rented more space than they actually needed in the first years of industrial development were being asked to release space.

A political change in Indonesia resulting in the resumption of trade with Singapore and the strong economic state of the industrialized world during the late 1960s were major reasons for the growth of Singapore's economy during these years. Industrialized countries were seeking to export industries to low-cost-labor areas and Singapore, with its stable currency and labor market, benefited. Total investment in the period 1966-1969 increased from S\$473.3 to S\$918.5 million, with private sector investment increasing 156 percent compared to the public sector increase of 35 percent. Overseas assets grew during this same period from S\$631 million to S\$2,445—a growth of 400 percent. Manufacturing alone was providing 15,000 new jobs a year in 1968 and 1969. As GOH stated in March 1970, "this reflects the response of private enterprise to the growing social maturity, to the National Trades Union Congress' success in promoting labor responsibility and to the Government's policy on wage stability and industrial incentives."

To this should be added the government's educational policy. Recognizing that high schools and universities were turning out large numbers of people educated to perform white-collar work for which there was little demand, and that a shortage of skilled workers was "becoming a serious constraint on our industrial growth," the government earlier had begun to channel a tremendous amount of effort and large sums of money into vocational training institutions. Speaking at the opening of an airconditioning factory in May 1968, GOH stated: "The ministries of Education and Labor and my own ministry are now engaged in a deep and fundamental exercise to inject a new dynamic direction in our education system from the primary school upwards." We hope, he said, "to produce a Singaporean who is an intelligent, diligent, adaptable and creative person. For if he does not have any of these qualities, he will simply vanish from this small speck of Southeast Asia." In order to survive as a state, GOH recognized that Singapore had to move "from the third to the second division of the industrial league and in a decade or two to the first division."

In February 1970 the government announced plans to drain 8,000 acres of marshy land in Jurong to accommodate another 205 factories and marine-oriented industries. The need for such facilities existed because of oil and tin probes in Southeast Asian waters. Some 80 international oil drilling operators, contractors, service, and boat chartering companies had established bases in Singapore and invested over S\$150 million in the area. The government also announced a joint venture with Bethlehem Steel "to build, equip, improve and deal in rigs, drilling platforms and drilling requirements of all forms." New sites were being developed as fishing ports. The Asian Development Bank, which had lent S\$30 million in 1969, agreed to lend another S\$25 million in 1970 for port expansion which would include four deep water general purpose wharves, one warehouse, and three transit sheds.

Industrial development was so successful in Jurong that by August 1970 the government was promising that only non-polluting factories would be allowed in the future and that existing polluters, including the National Iron and Steel Company in which government had the major interest, would be required to install smokestack "extractors."

Over 8,200 people were living in Jurong now, with others waiting for houses. Plans to treble the number of flats in three to five years had been made in August 1969 and flats were being built for middle level management as well as for workers. It was planned to offer some of the flats for sale to the workers. Transportation was greatly improved, with six new bus companies offering services.

The plans to make the Jurong River into a lake and turn eight islands created out of promontories into a Chinese garden, Japanese garden, aviary and a picnic ground were nearing completion. The aviary was opened to the public by GOH on January 4, 1971. Although he was then Minister of Defense, the aviary had

been his idea, developed on the lines of aviaries he had seen in Rio de Janeiro and Bangkok on two of his many travels to World Bank and ECAFE meetings. He had proposed the aviary for no other reason than that it would "add to the enjoyment of our citizens, especially our children."

Britain's announcement in late 1967 that it planned to withdraw all its military forces from the East by 1971, had presented Singapore with a serious economic and political situation. Britain at the time was spending in Singapore S\$450 million, which accounted for approximately 15 percent of Singapore's GNP. Withdrawal of its forces would not only mean an end to such spending, but also a loss of 40,000 civilian jobs connected with the British military presence. Adding to the burden of this reduction in jobs and income, Singapore would now have to allocate a sizeable portion of its budget to defense.

GOH for the past two years had been Minister of Defense, assuming that office after Singapore was forced out of the Malaysian Federation on August 9, 1965. As Minister of Defense he had created the nucleus of a modern army, set up the People's Defense Force (civilian volunteers) and instituted compulsory military service. Now Prime Minister Lee and GOH agreed it was most important to strengthen and expand the economy in order to absorb the 40,000 workers to be laid off in the next three years and to support the greatly increased defense expenditures. Lee asked GOH to return to the Finance Ministry to oversee this important work. GOH was also asked to seek exploratory talks with Malaysia on defense measures which he did with great success.

Fortunately for Singapore, the birthrate on the island had dropped to under two percent; the economy was expanding at a rate of 7.7 percent annually; trade, industry, manufacturing and investment were increasing; and tourism had become a major income earner. Business International, a firm of U.S. business consultants, in 1968 described Singapore as "an excellent place to do business."

As GOH has said, Singapore had four lucky breaks during the succeeding three years: Indonesia invited world oil companies to explore for oil in the seas around the archipelago; the campaign of the Red Guards in China made both Hong Kong and South Korea less attractive to foreign investors, and there were unexpected booms in tourism and in building which gave a great stimulus to the economy. Because of earlier planning by GOH and his ministry an infrastructure existed to take advantage of these growth developments. The trained labor necessary to economic growth also existed and was receptive to the government position expounded by GOH: "The way to higher wages is not by action to reduce profits but by increasing economic growth through improved skills and greater output." He added: "We are all in the same boat—the worker, the employer and the government—and we must all pull together."

GOH was consistent. He told Parliament in August 1968 that it was not the time to introduce a pay raise for top civil servants, when most of the rest of the country was being called upon to "put in additional effort without thought of recompense." He also made it clear that the government expected business to give the consumer a fair deal, particularly when it enjoyed a "captive" market as a result of government intervention.

Although Singapore was a free trade market, in 1968 the government began to limit industrial expansion. In July that year GOH announced at the opening of the S\$6,500,000 assembly plant of Associated Motors Industries that Singapore would license no more automobile assembly plants. This was the third and all the limited market could bear without excessive competition which, GOH observed, had resulted in other developing countries in high cost of production and ineffective use of capital and labor. In April 1969 he turned down another steel mill.

Singapore's economic expansion and increased defense spending were financed mainly from its own economic growth. When GOH returned from a 20-day overseas mission in September-October 1968 where he attended the Commonwealth Finance Ministers' Conference in London, the International Monetary Fund Meeting in New York, and discussed business with leaders in Germany, Denmark and Hawaii, he could report that Germany had offered to lend Singapore money but that he had turned it down. The International Monetary Fund had invited Singapore to join the creditor nations, lending money to other developing countries. This too he had declined seeking to keep investment money in Singapore. (By 1970, however, Singapore's economic strength was such that GOH was encouraging investment in both Indonesia and Malaysia: it is "in our interest," he said at that time, "to see that these countries keep pace with us.")

On this trip he also studied tourism in Hawaii and arranged with Cornell University School of Hotel Management to train personnel in Singapore. He brought back 24 U.S. business proposals which would bring sophisticated industries to Singapore, requiring Singapore in turn to produce scientists and highly skilled

technicians. GOH was interested because he realized that Singapore needed to upgrade its labor force. In 1968 it was still labor-intensive rather than capital-intensive and thus output was low. GOH was interested in high-technology industries because they not only imported new technologies but required the development of social attitudes appropriate to modern societies: hard work, innovation, meritocratic selection and advancement, and efficiency. He believed the most advantageous were export industries keyed to the markets of the rich nations. Tourism he also saw as a welcome possibility.

In January 1968 GOH had been asked to include tourism in the Ministry of Finance, taking it out of the Ministry of Law and National Development where it had been almost overlooked. He began a major hotel building program to raise the number of rooms from 2,800 to 13,100 by 1972. He recommended monies for overseas promotion of Singapore be increased from S\$900,000 to S\$3 million, with emphasis placed on the U.S., Australian and Japanese markets. Tourists should be encouraged not only to come but to stay several days. To make their visits worthwhile he urged completion of the aviary and 18-hole championship golf course at Jurong, and an aquarium and zoological garden.

At the closing ceremony of Festival '68, a month long festival of arts, GOH commented that artists can contribute "to the growth of our economy by turning their creative talents to the production of souvenirs for sale in Singapore as well as for export"—souvenirs of the quality of Danish silver and ceramics. He also suggested importing talented craftsmen from other Asian countries to upgrade the techniques of local craftsmen. In his experience, he stated, "human investment is the most productive and fruitful form of investment."

When GOH visited Indonesia in March 1969, besides arranging for investments in that country totaling S\$61 million, he discussed cooperating in exploiting Bali as a tourist mecca. "Everybody in Indonesia is convinced that this is a gold mine," he reported on his return. He succeeded in interesting both the World Bank and an American hotel chain in this project. At the ECAFE conference the following month he successfully promoted the idea of an Asian Handicraft Center in Singapore to sell arts and crafts of Southeast Asia for the mutual profit of all concerned.

So effective have his efforts been in promoting tourism that in April 1971 he was reported as saying that Singapore might have to limit its tourist trade—which had increased 70 percent in 1968 and was growing at the rate of 25-30 percent a year—by distinguishing between the casual visitor and the visitor "of some importance," e.g. those attending conventions or on business. He commented that with the limited amount of land in Singapore, and therefore the limited facilities that could be made available, citizens might otherwise be competing with an equal number of visitors by the mid-1970s. He had noted the problems Hawaii was experiencing on his visit there.

July 15, 1970 GOH was again asked to accept the Defense portfolio which he has held ever since, serving also as Acting Prime Minister when Lee is away (he began serving as such in May 1968). The situation in Southeast Asia had become more unsettled, with the U.S. leaving Vietnam fighting continuing in Cambodia, and Laos as "insecure as ever." Insurgency had "raised its ugly head in northern and northeast Thailand as well as on the Thai-Malaysian border," GOH noted, and Malaysia and Indonesia were faced with acute domestic political problems which could spill over their borders. GOH reminded his countrymen of the need to be militarily prepared, pointing out that within the past 30 years: they had been overrun by the Japanese army and faced death and starvation; communist insurgency on the Malay Peninsula (1948-1960) had been suppressed only at great cost by the British army; "between 1954 and 1963 the Communist United Front organizations literally ran riot in Singapore," and from 1963 to 1965 Indonesia for all intents and purposes had been involved in "an undeclared low-level war" with Malaysia. "But for British protection," he added, "we surely would have succumbed." GOH proceeded to complete the integration of Malaysia and Singapore defense plans and to carry out needed military expansion.

Although GOH's cabinet responsibilities have always been Finance or Defense, he was ever concerned about education, recognizing the nation's need for scientists, technicians and skilled workers, people with a practical orientation. He had urged and arranged for the development of more vocational schools and more vocational training in regular schools. He believed that a greater interchange between the "practitioners and the academicians cannot but be good for both," and suggested that civil servants have a year sabbatical at a university to enhance both their own perceptions of their jobs and the teaching profession's understanding of the work-needs of the students it was preparing for government service.

He also urged that inquiry and intellectual stimulation be the goals of a liberal arts education rather than

preparation of students for higher certificates. At a week-long seminar on communism and democracy in April 1971 GOH pleaded with university graduates to take a personal interest in the affairs of their country and make an effort to understand issues and provide leadership in forming public opinion. "Too many people," he said, "regard political ideas not as serious matters affecting their lives but as topics for idle discussion. Nor do they ask of themselves, what is the relevance of these notions to the situation of Singapore today, tomorrow and in the next decade."

Again, speaking at the opening ceremonies of the leadership conference of the University of Singapore Student's Union, he addressed himself to the question: what price in personal liberty must be paid for nation building? He pointed out that there are no absolute values. "We have to find a right mix of these desirable objectives, often sacrificing a measure of one to get more of the other." For Singapore, actually, there is a three-way trade off among economic growth, individual liberty and nation building. GOH noted that the government's thrust to achieve fast economic growth was through the free enterprise system. "Those who achieve in this system," he admitted, "tend to be hardheaded, ruthless in overcoming obstacles and put self-interest first." An enhanced sense of nationhood, he recognized, does not flourish in a climate of this kind. However, if Singapore had not been able to absorb the large number of unemployed youths— then thought to be an insoluble problem—any talk today of nation building "would be idle chatter." The choice he explained is not either-or, but how much of each ingredient: "Only history will tell whether we have selected the proportions correctly."

GOH also realizes that the very success of Singapore's economic program has created new problems—the problems of affluence. Those who are not forging ahead are discontented and anxious. Youth is attracted to the counter-culture of the West—drug taking, pacificism, anti-establishment attitudes, and moral laxity. Speaking to the Tenth Orient and Southeast Asian Lions Convention on October 30, 1971, he listed the attitudes of youth as one of the three major world-problems of concern to Singapore (the other two are the collapse of the monetary system established at the Bretton Woods Conference in 1945, and American military disengagement from Vietnam and its relations with Communist China). Noting that no country can survive if such attitudes prevail for long, he pointed out that Singapore is based on the principles of "hard work, enterprise, personal ambition and habits of thrift and prudence," and must so remain.

He had addressed the Sixth Asian Christian Conference on the same subject in August, pointing out that religion can do much to help solve the problem since it has confronted the same situations in the past: "Christians know that there is no wisdom in pursuit of pleasure through self-indulgence. . . . They also know that man finds his fulfillment when he is able to rise above petty personal affairs and commit himself to a larger and nobler cause."

GOH practices what he preaches. He has a tremendous zest for work, a gift for concentration and the ability to apply his mind to a variety of subjects quickly and smoothly—"like a man switching high pressure taps off and on" as a journalist once said. Yet he maintains throughout a sense of humor and proportion.

Like many of his colleagues, GOH is a combination of "British training and Chinese reserve." He is a great reader of Chinese history, especially military. His pastimes are chess and golf, and he has the distinction of having shot a hole-in-one.

GOH has traveled a great deal on his country's business, and is an active member of most major international economic organizations. On his First visit to Australia in 1962 to attend a Colombo Plan Ministerial Session he also sought Australian investment in Jurong. He returned in February 1969 from a five-week work/holiday which included time spent in New Zealand where he discussed the problems arising from Britain's proposed withdrawal from the area.

In Washington later that year he attended the annual meetings of the World Bank and the International Monetary Fund. He attended the Asian Development Bank meeting in Seoul in April 1970 where he was elected "to the one-year term Chairmanship of the Bank's Board of Governors," and Singapore was designated the site of the 1974 meeting. Continuing on to Israel for five days, returning an earlier visit by an Israeli trade mission, he concluded this trip with a four-day unofficial visit to Athens as a guest of the Greek government.

He was accompanied by his wife, Alice Woon, whom he had married in 1942. Mrs. GOH is a well known social worker in charge of social centers and creches run by the Singapore government. She was trained in child development in England and in 1960 went on a three-month study tour of America and Japan, at which

time she represented Singapore at the golden Anniversary White House Conference on Children and Youth in Washington. They have one married son, Goh Kian Chee.

GOH is also head of the Presidential "Watchdog" Council whose job is to protect minority interests in the republic and provide the executive and legislative branches with advice on racial and religious matters. He is chairman of the Board of Trustees of the Insurance Cooperative Enterprises of the National Trades Union Congress, an organization which "is part of the larger socialist movement of the Republic [to] . . . enable the labor movement to move into the ownership of the means of production." He is a member of the governing council of the Asian Institute of Economic Planning and was appointed by the Prime Minister to the board of the People's Association. He helped establish the Institute of South East Asian Studies which was his "brainchild."

In April 1971 the Economic Society of Singapore recognized GOH's contributions in the fields of economic growth and nation building by naming him their first Honorary Fellow. Never one to rest on his laurels, however, GOH warned in a recent speech that 10 years of effort is still needed to bring Singapore to a "robust state of health." "We need to maintain vigilance and self-discipline," he counseled. "Our prosperity is manmade and what is made by man can be undone by man." Many people think that GOH is the man who made the prosperity and that when he calls on youth to produce "people with keen minds, able to see beyond the routine and the ordinary to perceive the big opportunities ahead, and to think out bold, imaginative yet practical plans and carry these out successfully," he is unwittingly describing himself.

August 1972
Manila

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Visits to Singapore development sites and interviews with and letters from colleagues of Goh Keng Swee and others knowledgeable about economic development in Singapore.

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