

**SPEECH BY DEPUTY PRIME MINISTER
TO BANKERS AND INDUSTRIALISTS
IN MELBOURNE ON 7TH APRIL 1967**

Gentlemen

I understand that the first man who came to this part of Australia, a man named John Batman, sailed up the River Yarra and wrote in his diary, "This will be the place for a village". What a magnificent village it had turned to be! I come from a land of thousand villages, and I hope I learn something here about making villages like this one.

Traditionally, our villages have been built in the spirit of what we call "gotong-royong" or "mutual help". Before the coming of money and banking, there was no other way and the system worked well enough. Even today it works, and it will continue to work as long as human beings remain civilised because there is no civilisation without mutual self-help and self-reliance. Now, this kind of co-operation is symbolised very neatly in your great bank bringing together the financial and economic resources of the two countries Australia and New Zealand. This "gotong-royong" spirit is something we in Malaysia lay great store by, and that is why we subscribe to such agencies of co-operation where we not only accept help but also provide whatever assistance we can that is required by our friends. The Association of Southeast Asia is a recent example and one which is very familiar to you is the Colombo Plan.

We in Malaysia have benefitted greatly by participating in the Colombo Plan and to a large extent our people associate the plan first and foremost with Australia. First because of the large numbers of Malaysian students we have here under the Colombo Plan and the consequent contact that is regular and continuous. Secondly, we are physically so close to you and Australia is in fact our closest developed neighbour. And thirdly, because aid from Australia has touched on so many aspects of life in Malaysia, so much so, that when our newspapers mention the Colombo Plan, it is invariably in connection with Australia.

You might in fact say that Australia is promoting international co-operation in a very real and dramatic sense as far as Malaysia is concerned. Australia's interest in the Colombo Plan too is very obvious. It was no accident, I think, that Australia is a founder member of the Plan. Nor was it a mere coincidence that your country

was the first to host the Conference after its inaugural meeting in Colombo.

Let us pause to consider the significance of an international plan of assistance such as the Colombo Plan. To most donor countries, the Plan has meant providing aid either in cash or in kind. To the public in the donor countries, aid plans have meant money and talents leaving the country in one form or other. To the ordinary man in the street in London, Ottawa, Christchurch or Melbourne, it has meant higher taxes. He may not readily understand either the politics or the economic of international aid. Understandably all he can say is that for the benefit of some unknown people in a distant country, he has to do with less of the good things of life.

I sympathise with this man in the street. I sympathise with the works of a very famous Australian poetess, Dame Mary Gilmore who said:

" All men at god's round table sit,
And all men must be fed;
But this loaf in my hand,
This load is my son's breed."

It is a primary responsibility of nations to consider its own sons first. Indeed, I would say it is immoral to feed your neighbour's son while your own son is hungry. We in Malaysia believe this but we also believe very strongly that " All men at God's round table sit, And all men must be fed".

This, of course, is the problem. As a developing country with hopes and plans to give her people the good things of life, Malaysia is indeed grateful for the aid given by her friends. You Australians have given us much. Since 1960 there have been nearly 40 separate capital assistance projects which cover such wide fields as diesel cars for our railways, medical equipment for our hospitals and, more recently, for our teaching hospital, equipment for our trade schools and equipment for our Faculty of Engineering. We have had 135 experts from Australia over the last 15 years and they have provided invaluable assistance in such varied fields as taxation, central banking, insurance, civil aviation and instructors for our schools and hospitals. These things and many more, we have received and we are very grateful. But we do not believe in holding our hands out for gifts. Like the Australians we believe in pulling ourselves up by our own bootstraps. And this is why we believe in regional co-operation or self-reliance which is as important an ingredient as mutual assistance. This is why we believe in A S A - the Association of Southeast Asia - and this is why we believe in the Colombo Plan.

You will notice that when I mentioned the kind of assistance that we received, I mentioned mainly assistance in the public sector of our economy. The public sector is a very important one in a developing country. But in Malaysia we also place great significance on the private sector, for Malaysia is basically a free enterprise economy where the individual is given every encouragement to push ahead with his drive and talents. The government does not control or throttle the ambitions and energies of the individual. The individual, in fact, is the base of our democracy. The public sector, as far as we are concerned, will provide the infrastructure the base, the necessary framework for our people to build their lives and fortunes and hand in hand with the fortunes of the nation. It is in the private sector that the great things can happen.

You, Gentlemen, represent this sector, this section of the community that can sail up a river, cast its eyes on a barren landscape, and visualise a vast enterprise that will grow and flourish and can make this vision come true.

As I have said, in the past the assistance we have received has been largely in the public sector. You have helped us to build roads, dams, and hospitals; you have helped us to provide better social services for our people. But private sector has not received much attention. Of course, your educational institutions have produced for us accountants, economist and bankers. This has, indeed, helped us for it has strengthened the structure of our economy. But, now we have reached a new stage in our economic life. We are in earnest on industrialisation.

As you know, our economy is rested on two major industries- rubber and tin-but the prices of rubber have steadily been decreasing in recent years and the known reserves of tin are depleting. The price fluctuations in these and especially the downward trend calls problems which you can readily understand- because you, too, depended for a long time on a narrow-base economy, the base being the back of your famous marine sheep. In the same way as you decided to diversify, we are now in the process of diversifying our economy. We are, in fact, trying to find as many baskets as possible to separate our eggs in case of trouble.

How are we to do this? Once again, we find ourselves thinking of your example. In spite of much opposition from the prophets of doom you offered investment opportunities to another young and energetic nation, the US. The postwar era saw your economy and upward surge that has succeeded in large measure wiping out the memories of the terrible depression of the 1930's. Your vast hinterland with the untapped resources offered investors with new and vital opportunities

and your City now stand testimony to the soundness of your good judgement.

In Kuala Lumpur today we look at Australia in much the same way as you looked at US after the war. We are encouraged to do this for not only as Australia is a friendly and understanding neighbour but she is also an important trading partner of Malaysia. In fact, Australia was the first country with whom the Federation of Malaya entered into a trade agreement barely a year after we attained independence in 1957. As you are aware, Malaysian imports from your country have been increasing in recent years and the balance of trade has been increasing in recent years and has been in your favour. The fact that Australian goods find an increasing place in the Malaysian market, which is highly competitive is a tribute to the quality of your goods and salesmanship. It is with thin thought in mind that we turn to Australia to train our new Trade Commissioners.

As a developed country Australia has shown great initiative in extending preferential treatment from July 1966 to less developed countries for a schedule of semi-manufactured and manufactured goods up to the levels of specified quotas. I understand that recently Australia has made known its intention to further extend the number of products from developing countries to be given pre-ferential treatment. I hope this worthy lead taken by Australia will be followed by other developed countries.

A second field in which we can derive much mutual benefit is investment. I would like to see more Australian investment in my country. Malaysia is in a position to offer Australian investors opportunities in the country as good as, if not better than, those found in any other part of Southeast Asia. For some reason or other, Australians investors have not fully availed themselves of the opportunities that we offer. I suspect that the fault may have been partly ours. Perhaps, we have not made the picture clear to you. I hope the brochure now in your hands will convince you of the wonderful opportunities that are waiting the Australian inverstors. I will not repeat the facts and statistics that are to be found there. But allow me to give you one illustration to show why I feel that you could play a fortitable as well as useful role in our efforts to industrialisation the country.

It is likely that you have heard of our historic town of Malacca. It is a picturesque town, complete with the ancient forts and churches but just outside the town is a village that has endured hundreds of years of comparatively under developed existence. In fact, the pre-independence per capita income in this village been estimated at A\$8/- a month, or about \$30, but in the last few years this village, just as many others, has witnessed a silent revolution. Each of the villagers

has been given 10 acres of high yielding rubber and the rubber trees are now almost ready for tapping. Later in the year, tapping will begin and the income to these villagers will rise to something like A\$ 100!!! Now, you might see that this is remarkable and undoubtedly it is. But something even more remarkable is happening. A few weeks ago I visited this village and I noted there were already two motor cars in that village. Mind you, they were not luxurious limousines but good sturdy vehicle used for taking some of the subsidiary crops to the market.

Gentlemen, you are businessmen and I don't have to tell you what this means. But I must tell you this; these cars are not Australian Holdens. They were vehicle that the new Malaysian consumers had heard about and convinced enough to buy.

This village I speak about is only one of the 61 land development schemes we have launched in the last seven years. We are about to open another scheme in my home state of Pahang, covering 300 square miles for 150,000 people. These people will, in a matter of four or five years, have a purchasing capacity that they cannot imagine today. For that matter even today, with a population of barely 10 million, Malaysia has already a purchasing power that is at least twice as high as some of other countries in Southeast Asia with far bigger population. I might say here that in this sense we are like Australia, a small population but with a relatively high standard of living and every likelihood of having higher purchasing power. So, if you hesitate to see the size of the market in Malaysia, the only thing you have to do is to look at your own country, one does not necessarily need large number of people to provide a healthy and growing market.

The investment climate, the growing market and the opportunities are already there. And we intend to provide even more incentives than those set out in the brochure to attract foreign investors to Malaysia. I am sure that Australia who has set the lead in so many fields will again rise to this call of mutual cooperation for mutual benefit in the field or investment.

Now, Gentlemen, I know only too well that bankers become wary when called upon to invest their money by some fast talking stranger who speaks in terms of golden opportunities and returns. And I am new to this country. You may not wish to take my word for it but, at least, I hope, I have convinced you to visit us, to look around and to meet our businessmen. This is important. My visit here also has been to learn something about you. And I have learned something. I have seen some of the spirit and dedication that brought such men as John Batman with magnificent dreams that had come true. We in Malaysia too have such pioneers and they would welcome the descendants of Batman and McAurthur, Lonsdale and Lathrope to

participate in the great adventure that we are having today in my country in carving the jungle to make way for villages that will in time grow to be beautiful and magnificent as this city of yours is.