

SPEECH BY THE DEPUTY PRIME MINISTER  
ON THE SECOND FIVE-YEAR PLAN AND CO-  
ORDINATION OF THE RED BOOK PROJECTS  
AT THE MEETING OF SECRETARIES TO  
MINISTRIES AT THE MINISTRY OF DEFENCE,  
KUALA LUMPUR ON 25TH JANUARY, 1961

I have called this meeting with all of you today in order that you may be given a clear picture of the financing of our National Rural Development Programme throughout the period of the Second Five-Year Plan, 1961-1965.

On the 10th of February I shall be talking to you, and to all Heads of Federal Departments, on the general aspects of the implementation of the National Second Five-Year Plan but today I want to be more specific and deal with two things:

- (a) The co-ordination, financing and implementation of the "Red Book" projects for which provision has been included in your Ministries' allocation under the Second Five-Year Plan; and
- (b) The preparation by each Ministry of its own "Red Book" so that the progress of development plan in each Ministry's Plan can easily be ascertained and that progress or delays, whichever the case may be, may be "spotlighted" at regular intervals so that we make sure that we are progressing according to plan.

Firstly, with regard to the co-ordination, financing and implementation of the "Red Book" projects, I think it would be as well if I outlined, very briefly, the part we expect State Governments to play in financing rural development, because, State and Federal money is very much inter-related in our National Rural Development Programme.

You will remember in the Financial Policy laid down in Appendix "D" of the "Red Book" it was clearly stated:

"In brief, the Policy is that Federal funds will be made available, provided that State Governments show that they have geared their own Policy, Funds and Efforts towards giving the maximum to the development of the rural areas."

“When it is abundantly clear that the State has given of its best, every effort will be made by the Federal Government to make up the balance of the funds.”

“The National Policy of rural development is not a matter of paper battles between the State and Federal Governments but is a co-ordinated and determined effort to which both Federal and State Governments will give of their best in a combined effort, to ensure that in the next few years the utmost is done for the rural people.”

The Federal Government has now clearly defined which type of rural development projects, as far as possible, will be paid for from State Funds and which from Federal Funds:

- (a) All “Red Book” proposals which involve Federal matters enumerated in the Federal List under the Constitution, will be financed directly by the Federal Government through the Ministries concerned.
- (b) Large schemes, relating to matters under the Concurrent List in the Constitution, such as D.I.D. schemes, etc., which have been approved by the Ministry concerned, will be treated as Federally sponsored schemes and will be financed, as in the past, by votes in the Federal Estimates being used to reimburse States for actual expenditure incurred.
- (c) All other “Red Book” projects will be treated as State projects, these include—
  - (i) State roads.
  - (ii) Minor rural roads.
  - (iii) Bridle paths.
  - (iv) Small D.I.D. schemes.
  - (v) River clearing.
  - (vi) Water supplies (Federal loans for economic supplies).
  - (vii) Playing fields.
  - (viii) Community centres.
  - (ix) Mosques, etc.

(d) However, Federal Funds can, and will be, used to supplement State Funds for the following types of "Red Book" projects—

- (i) State roads.
- (ii) Minor rural roads.
- (iii) Minor D.I.D. schemes.
- (iv) River clearing.
- (v) Rural electricity supplies.
- (vi) Agricultural schemes.
- (vii) Veterinary schemes.
- (viii) Fishery schemes.
- (ix) Rural marketing and processing.
- (x) Co-operative schemes.
- (xi) Uneconomic Water Supplies in F.L.D.A. schemes (to become a Federal responsibility).
- (xii) Land Development under the Group Settlement Act.

Most States, so far, in preparing their State Five-Year Plans, and also their 1961 Development Estimates, have in fact, given of their best, with a few exceptions; these exceptions are where States have put aside money for what we may call "prestige" projects.

It is my intention to explain to those States, which are guilty of doing this, that there is in fact much more prestige to be gained from real results in rural development and I have good reason to believe that they will delete such "prestige" items and divert the money to rural development, because, if they do not, I shall cut down their Federal ration of rural development funds accordingly.

However, if State Governments are to implement all the projects they have planned, and for which they are responsible for paying from their own State Funds, projects such as uneconomic kampong water supplies, mosques, playing fields, community centres, etc., then, we, the Federal Government must be prepared to help

them as much as possible with funds for projects which fall under the category of the Federal List or the Concurrent List, in the Constitution.

Therefore, it is most important that the Federal money allowed for in the Five-Year Plan to do this, must be used for the implementation of such "Red Book" projects as the States have proposed; and we must make certain that this money is not diverted to be used on anything else; otherwise we, the Federal Government, will be guilty of breach of promise not only to the State Governments, but to the rakyat of the rural areas on whom we depend to play the main part in the development of our country.

Actually the funds allotted for the "Red Book" projects under the Second Five-Year Development Plan should be under the charge of the Ministry of Rural Development but I have agreed that they can be distributed to the various Ministries concerned with a proviso that in implementation of these projects I should be consulted and, where necessary, approval of the National Rural Development Council obtained. In other words funds allotted for "Red Book" projects must be spent for "Red Book" projects and if there is to be any change then the matter be brought to the National Rural Development Council.

But I hope you will remember that in planning these projects District Heads of Departments were consulted and when they were considered at State level, State Heads of Departments were consulted as Members of State Rural Development Committee. They were not merely proposals put up by "laymen". It was the intention of Government that the people at District level should be brought at the planning stage—the people should be made to feel that the National Development Plan was their plan, and that they had a hand in implementing the plan. Also in our Rural Development Programme our main objective is to satisfy the needs of the people and the projects in the "Red Book" are what the people need. In most cases these projects were conceived in the first instance by the officer of the department at District level.

Therefore, I do wish that all "Red Book" projects should, as far as possible, be implemented and included in the estimates of each Ministry from year to year. These projects are either Federal

projects or Federal sponsored State projects and in the latter cases funds must be reserved and made available through your Ministry to the State.

I suggest that the best method of examining "Red Book" projects in each Ministry is to call a meeting of your State Heads of Departments in Kuala Lumpur with the State Development Officer present; also the Deputy Secretary (Development) from my Ministry and, if necessary, a representative from the Treasury. At such a meeting the projects in the "Red Book" for 1961 could be considered and assessed. Those projects worth while can be allocated funds. If those are projects which are not considered worth while, they can be reconsidered by the National Rural Development Council.

You will remember that every single project in the "Red Book", and included in the State Five-Year Rural Development Plans, was listed in order of priority. This means that the top layer of projects, which will automatically fall into the 1961 Estimates, are projects which have been under consideration for a long time and for which, in many cases, the people have been petitioning for years. So, therefore, these projects in the 1961 Estimates, in most cases, will be fairly sound and reasonable, and will not need as much detailed examination as those listed to be done in subsequent years.

I hope, therefore, that we will be able to get on with the proposed projects for 1961 without delay; later in the year, when work on the 1961 projects is under way, we must take time to study the proposals for 1962, 1963, 1964, 1965 so that when the time comes for the preparation of each year's Development Estimates we should be well prepared, and well ahead, with our planning.

You will notice in Table VI of the Five-Year Plan there is a Summary of Public Investment, arranged by Ministries and Departments; in the Remarks Column, alongside each Ministry, there is a note to the effect that "Red Book" proposals have been included in the Ministry programme. In cases where it is not clear what the exact amount is, which has been allocated to any Ministry for the "Red Book" projects, the Economic Secretariat will supply you with the exact figure.

The two main points, which I want all of you to understand fully are:

- (a) The reason why I am laying such stress on the importance of "Red Book" projects is that we, all of us, know, that the real success in the development of the rural areas lies in the hearts and minds of the rural people themselves, and I intend to call upon the people to play their part to the full, when I launch Phase II of our Rural Development Programme.

But, if we are to get the fullest co-operation from the rakyat, the Government must give tangible proof, in the form of projects and real results on the ground, in order to show that the Government itself has been sincere in its desire for development. If we do not implement all the "Red Book" projects which are reasonable and practicable we will have failed in our sincerity. If we succeed, and we have already succeeded to a considerable extent, then, there is every chance that the people will really play their part in giving the best of their own efforts in developing their own land and by being more industrious in contributing their share in the National interests.

In fact I have already seen on my tour around the kampongs last week, where one could see actual progress on the ground in the form of roads, bridges, etc., a new atmosphere; a new spirit; a sense of expectancy; a new enthusiasm; and a focus of purpose among the kampong people such as I have never felt or seen in the past.

Therefore, it is of the utmost importance that we do all in our power to implement these "Red Book" projects which have been designed for the benefit of the kampong people.

You may remember what I said in Parliament; it is the Government's duty to lay the Foundation Framework of Development in the rural areas, so that we are able, with a clear conscience, to call on the rakyat to play their part, and to put all their effort into building, on that framework, a better and more prosperous Malaya. The "Red Book" projects are the Foundation Framework.

(b) Therefore, the money allocated to your Ministry in the Five-Year Plan, under the "Red Book" projects, is in fact money which must be devoted exclusively to the implementation of our National Rural Development Programme and must not, under any circumstances, be used for the implementation of any other schemes.

I am aware that one cannot draw a clear-cut line, in many cases, between rural development projects and the implementation of your overall Ministry programme, but nevertheless in order to make sure that the money specifically allocated for rural development does not disappear out of my sight there is a Cabinet decision to the effect that all "Red Book" money will be spent subject to my approval as Minister of Rural Development, in consultation with the National Rural Development Council.

With regard to the preparation by each Ministry of its own "Red Book" in respect of rural projects I need not say very much.

Cabinet has decided that these books will be prepared and every assistance from the officers of my Ministry will be given, if required.

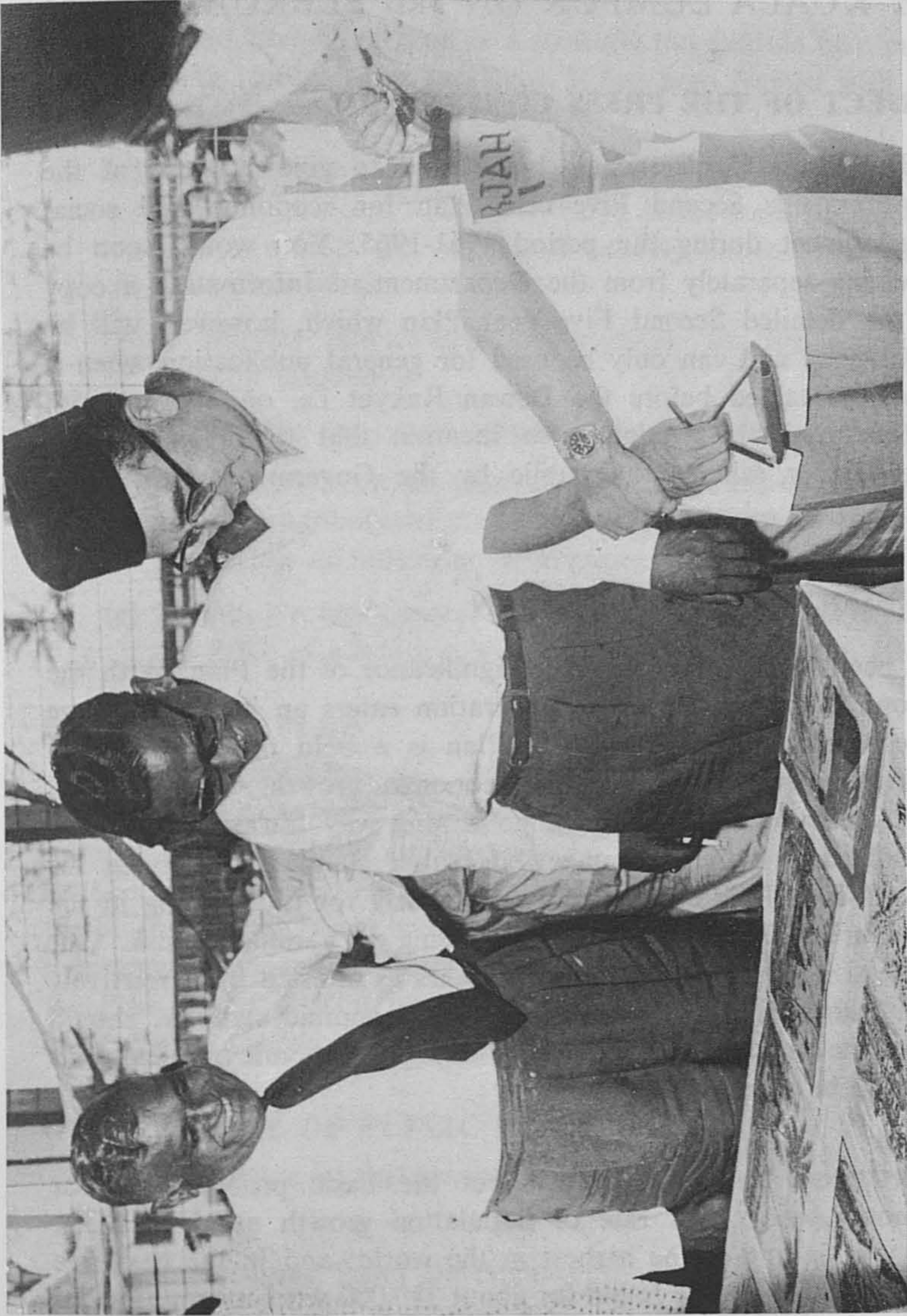
It is essential that in the case of each Ministry, and each Department within each Ministry, there is at the beginning of the "Red Book" a very clear definition of policy and that the functions of each department are very clearly set out. Also, that the duties of the officers at each level, responsible for implementing such policy and functions are precisely prescribed.

If we are to implement our Second Five-Year Plan to the fullest extent possible, within the short time available, we must take care that there is no overlapping of effort, either by departments, or by individual officers and everyone concerned must have clear-cut directions and instructions as to what is required of him.

These "Red Book", when prepared, should do much to clear any doubts which may exist in the minds of the departmental officers throughout the country and will do much also to give other departments a clear understanding of what their fellow-departments are doing.

Projects can be divided into categories and shown with plans and tracings in the same method as already done in the original rural development "Red Book".

In fact, as far as possible, I would like the Ministry "Red Books" to follow identically the same layout as the rural development "Red Book" except in cases where this is not practicable or where in any particular case a special improvement can be made.



Tun Abdul Razak sedang memerhatikan gambar beliau di pameran kerjatangan ketika melawat Sekolah Melayu Jasin, Melaka pada 2hb Februari, 1961. (Gambar Jabatan Penerangan Malaysia).