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**SPEECH BY THE DEPUTY PRIME MINISTER
TO PERSATUAN EKONOMI MALAYSIA
ON 24TH MARCH, 1966.**

Mr. Chairman, Ladies and Gentlemen,

When I first received your invitation to talk to you tonight my Private Secretary was a little confused and told me that I had to give you an "economic address".

I was quite worried, because you know that as a Minister one is not free to go where one wants to; furthermore, my wife does not allow me to go to addresses, which are, I believe, "very economic", the sort of address which I knew in my student days!

However, my Private Secretary corrected himself and said that what was really required was a *talk* on National Development and its implementation.

At the very outset I must make my position clear as I am talking to such a learned Society as yours.

Supposing any of you are driving from here to Ipoh and your car breaks down with an intricate and sophisticated defect such as the failure of its hydraulic brakes, I am sure none of you would be able to get down to repairing it on the spot; because most of us are merely drivers and are not concerned with the *detailed mechanical engineering* of our motor cars; we rely on Engineers and Fitters.

That also is roughly my position as Minister of National and Rural Development.

I am concerned with driving Development! But I am not an Economist and I am not qualified to get down to the detailed mechanics of Economics! I even have sometimes to rely on Economists.

So, therefore, do not expect from me any academic words of *economic wisdom* because I am essentially a *Development Driver*, although I do not drive on the left side of the Development Road; I probably drive more in the middle of the road and when I see the way clear sometimes go far right or even left in order to overtake in the Development Race!

My basic thinking on Development is that it is a *mosaic*, a combination of various parts; one cannot separate the various aspects of Nation Building and Development because each is so closely inter-related with the other.

It is my view that you cannot separate Development from politics or from day to day administration. Neither can you separate Development Planning from implementation and neither can you separate implementation from evaluation.

I understand that scientists have as yet not answered the question asked by children: which came first, the chicken or the egg?

There is a similar question to be asked with regard to national Development: which comes first, political stability or economic stability?

I myself would answer this question by saying that both come first *and they come together*; they come together because *without* political stability you cannot have economic development and *without* economic development you cannot have political stability. The two are synonymous and inseparable.

Therefore, Ladies and Gentlemen, the first basis for economic development is the type of political leadership which will not waste National emotion on non-essential rabble-rousing and unnecessary over-production of National pride without having anything to be proud of!

We in Malaysia are:

- proud of our Development since we achieved Independence and our country is going in the direction of Development which will make us even more proud in years to come;

- proud of a progressive Nation;
- proud of Development Projects planned, executed and implemented;
- proud of a higher standard of living; and
- proud of a happy and prosperous way of life.

But, although we live in this modern world of automation and we read from time to time in newspapers of scientific progress that has made so many things in our daily lives automatic, there is one thing we must remember - *one hard fact* - and that is the Development in any newly independent country is *not automatic*; neither is the implementation of a Development Plan automatic!

Our last Five-Year Development Plan would not have achieved the success it did if the political leadership of our country had *mis-spent* the Nation's time and energy and fed our people on a diet of empty emotionalism, a diet which has ruined the national nutrition of a neighbouring nation which only now, after 21 years of independence, is learning that Development is not automatic!

The basic thinking behind the implementation of our last and present National Development Plan was to so channel our national emotion into *action* and use emotion as an essential *vitamin* in a wholesome *diet* of Development, rather than wasting time, as so many other development nations do, be moaning the defects of the past, beating the corpse of colonialism, and wasting our reservoirs of National emotion in the fruitless aim of trying to compete with some other nations who try to gain international stature on hollow words alone, without any *development results* to back them up.

I am glad to say that Malaysia *has* gained an international standing and reputation in the *very* field that every other young nation is striving to achieve, the field of Development, and the field of political and economic stability.

And if the saying that "Imitation is the most sincere form of flattery" then also, Malaysia has been flattered by many countries throughout the world, because many have copied our own Malaysian methods of Development and implementation.

This, as I say, is the mosaic of Development. Because, unless we are respected for our good sense, sensible leadership, sensible planning and implementation and sound political stability, we cannot hope other free nations would put their trust in us, invest in our enterprise, give both technical and financial aid to our Development Programme.

Conversely, sound development planning, dynamic development implementation and tangible development results on the ground with the continuous increase in the standard of living are the greatest anti-dotes to Communist subversion, and attempted domination from subversive aggressors; it may be said that the great safeguard of our sovereignty is not only Defence but, even more so, Development.

Of the three-fold process of National Development Planning, implementation and evaluation, I would say that implementation is perhaps the most difficult of the three and requires extremely clear definition of action if Development Plans are, in fact, to be translated from paper to projects producing tangible results, both on the ground and in raising the standard of living of our people.

The technique of National Economic Development Planning is now well advanced throughout the world and it is fairly easy for any developing nation to have a plan prepared, but the technique of implementation and putting some push and punch into the translation of that plan from paper into factual results is a technique for which there is little international knowledge available at the present time, from which developing countries can learn and apply.

So, therefore, we in Malaysia evolved our own technique of Development Plan implementation - a technique which is now being copied by many countries in both Africa and Asia and even, I believe, by Columbia in Latin America.

The first consideration in evolving a technique of implementing a Five-Year Plan is the time factor.

In five years there are 1,825 days, but, if you deduct all non-working days such as Sundays, half Saturdays, public and religious holidays, and all those days given up to average leave, sickness,

bad weather, flooding, breakdowns, etc. - then a Five-Year Plan does not give one a full five years in which to implement development - one really has only 1,000 full working days!

I am reminded of the Chinese proverb which says "An inch of time cannot be bought with an inch of gold". Time is the most valuable and important commodity in the implementation of the Five-Year Plan, equally as important as funds. If there is a short-fall in development spending in any one year of the Development Plan, funds can be revoted through Parliament the following year, but no Government in the world can revoke a short-fall of waste of time; once time is lost, it is lost for ever.

It was necessary, therefore, to evolve a system of Development implementation that would make the maximum use of time and talent available.

Let us for a moment consider the major deterrent factors which tend to delay Development.

Let us first go back and analyse the change which had to take place as Malaya moved from dependence to independent status.

Any Government run under a colonial system tends to be merely custodian and carry out nothing but basic minimum administration with no sense of urgency and no dedication to Development for the sake of the Nation.

Because the Civil Service after Independence was the same Civil Service which had served during the days of colonial dependence, the first thing which had to be done in evolving a technique of Development implementation, was to bring about a change of attitude in the hearts and minds of every Government employee; to instil a sense of urgency, a sense of dedication to Development, a spirit of initiative and a feeling of "belonging", *not* to an impersonal, bloodless, lifeless administrative Government machine, but rather a feeling of belonging to a vital, lively and loyal group of human beings, dedicated not merely to their monthly pay packets, but rather to the Development and service of their country.

The first necessary step, therefore to implement development

was to bring about a change of attitude throughout the whole of Government service and, I am glad to say, that in the course of the last five years a new spirit and a new life has permeated throughout the entire Government structure, and the last vestiges of our colonial heritage are fast disappearing.

The other main deterrent factors which tend to delay Development are what I call the "Deadly Sins of Bureaucracy", such as inter-departmental jealousy in the execution of Government functions; conflicting departmental policies; lack of coordination between departments in carrying out National policies; lack of day-to-day cooperation between Government Officers on the ground mainly due to lack of understanding of each other's task and responsibilities. Many a time each department thinks that his own function is the most important without appreciating the importance of others. Lack of appropriate planning and lack of a Master Plan at all levels for the purpose of achieving maximum result. And lastly, lack of sufficient directive control at the top to ensure Government at all levels functions as an efficient machine manned by a purposeful, single-minded team and driven towards one goal, ie. of National Development.

These factors or "Deadly Sins" tended in the past to decrease the efficiency of Government and hampered development. Therefore in carrying out our National Development, the first essential is to set up a machinery of Government which will eradicate such defects.

As I said earlier, the preparation of a Master Plan in the form of a Five-Year Development Plan is a fairly straightforward task, particularly when it is made by such distinguished Economists, some of whom grace this gathering tonight, and its preparation further backstopped with the help and advice of the World Bank.

At this point I would like to say publicly how much we in Malaysia appreciate the help and assistance which this International Organisation gives us from time to time, and the tremendous interest which the World Bank has taken in Malaysian Development.

I have heard it said that we should not use the Bank and some people have the wrong impression that we make use of its technical

and professional skills, because we have not sufficient Economists of our own to carry out our economic planning and that we are completely independent on the World Bank for technical and economic skill. This is not true!

We have a first-class Economic Planning Unit of our own which recently prepared the First Malaysian Development Plan and we work closely in conjunction with the World Bank because the World Bank is, in fact, an Association of Nations. It is, so to speak, an Economic Club of which Malaysia is an *equal member* and pays its yearly subscription, and I am sure you will agree with me that when one joins any kind of Club, and pays one's subscription, it is only correct that one makes use of whatever facilities the Club offers. I pay high tribute to the World Bank, which I reckon to be probably the best Club to belong to in the world, and am grateful for the help it has given, and continues to give us.

However, having got our Plan, the next stage was to develop a technique for implementation and a system which will help to eradicate the deadly sins of bureaucracy which I mentioned earlier; a system by which to obtain the maximum cooperation and coordination, not only between the Departments concerned with Development, but also between State Governments in their relationship to the Central Government and vice versa.

I, therefore, set up Development Planning Teams at the three main levels of Federal, State and District and I continue from time to time to give directives to these Teams as to how to set about their business of Development Plan implementation.

The directive I give to Government officers concerned with Development, is that our people - the public - look upon Government as one comprehensive whole. They are not concerned with which Government Department does what; neither are they concerned as to whether the Development Projects are State or Federal Government responsibility; all that the public want are results, and quick results.

I am glad to say that over the last five years there has been a tremendous improvement in inter-departmental and inter-Governmental cooperation and coordination in Development.

My favourite dictum to these Development Teams is "It does not matter who you are; it does not matter what you are; it does not matter where you are; it does not matter how senior or junior you are; it is the *progress on Development Projects* that matters and that all of you must sacrifice both your personal and departmental pride to cooperate and coordinate to get quick results on the ground!"

Each of these Development Teams, throughout the country, is backstopped by a Development Operations Room of which we have now no less than 114; and in which projects at District, State and Federal level are charted, located on maps, and progress on the implementation of each project is reported each month.

Both myself, Menteri-menteri Besar and Chief Ministers hold regular briefings to take stock of progress and diagnose the reasons for delay when they occur and then prescribe by decision, action to be taken to cure the disease of delay.

There is one thing I would like to say about these Operations Room. Many visitors on first impression get the idea that they are information show rooms. Although they have a lot of information on Development in the form of maps and charts, they could more suitably be described as a "development surgery" and, as I told one visitor the other day, the object of these Development Operations Rooms is for me, as Minister of National and Rural Development, to be able to keep my finger on the pulse of Development progress, *not* so much where the pulse is beating but to find out where the Development pulse has *stopped* beating!

I have directed that apart from the regular routine form of meetings, which Development Teams attend, they must also, at least once a week, have what I call "Morning Prayers" where all departmental officers get together and instead of writing tedious minutes on files to each other, they settle their departmental differences together, in a coordinated way, in front of the maps in their Operations Rooms.

With regard to actual briefings on Development progress, which are given to me regularly by Heads of Departments at both States and Federal level, they have a treble advantage.

Firstly, it allows myself and my Cabinet colleagues to be kept fully informed of progress and be in a position to pinpoint and eradicate delays in projects.

Secondly, at the same time these "briefings" help continually to ensure that Heads of Departments are on top of their job and because they never know what questions they will be asked during the briefing, they have to get down to some "pre-briefing" hard work in order to fully acquaint themselves with an up-to-date knowledge of the progress their Development Projects.

Thirdly, these briefings help towards a higher standard of co-ordination because each Head of Department has to listen to the briefing given by his colleague from another Department and, therefore, they all learn about each other's work and can see clearly whether their tasks fit into the "mosaic" of Development implementation and that they must represent to the people the goal as one organization and not divided into compartments.

I could talk for many hours on my favourite subject of Development Implementation, but I hope I have said enough on the subject to give you an idea of the technique which, I say with modesty, has already achieved international acclaim.

I should like now to turn to actual Development.

Since Malaya achieved Independence in 1957, considerable progress has been made in the economic and social field. In less than a decade and with the active public support and cooperation, we have developed and changed the face of the country both in the rural and urban areas. The momentum of development generated by the First and Second Malayan Plans has given further impetus for promoting economic growth in the country under the First Malaysia Plan. Seen as a whole, our economy, in its performance over the last few years, has proved to be remarkably vigorous and economically stable. Opportunities are being opened up not only in the mainland of Malaya but also in the Borneo States of Sabah and Sarawak for better and higher education and employment; lands are being cleared for settlement, agriculture and industrial production have increase; road, water supplies, power, low-cost houses and other facilities have been constructed on an increasing scale.

Although the prospects for our economic progress appear to be extremely bright, I hasten to add that the path of development is by no means easy. There are many problems ahead - problems which are very complex and difficult and may even prove to be crucial to the success of nation-building. We cannot therefore be complacent over what we have achieved but should strive harder so that our goals for a higher standard of living and a better society for all our people may be attained.

It would be comforting to think that the progress achieved in the field of national economic development would ensure us an automatic steady expansion. Unfortunately this conclusion cannot be drawn nor should the achievement be taken for granted. Our economic base is still very narrowly dependent on a few export commodities which remain extremely vulnerable to price decline and fluctuations in international markets. The rapid growth of population implies that there are many more new mouths to feed, people to clothe and houses and new job opportunities have to be created for their employment. On top of these we have to face external threats of confrontation and internal subversion. Our internal and external financial position will also be subject to strain in the next few years because of the need for increasing development expenditure and expenditure on defence and security.

These problems must be tackled in the clear order of priorities within a proper time perspective. If we were content with continuing along the same level or rate of development as in the days of colonial administration, there would have been no need to formulate and implement such bold development programmes as envisaged under the First Malaysia Plan. But for our own progress and survival under a democratic system of Government, we cannot afford to relax. We must "deliver the goods", we must plan and act not in terms of next election but in terms of next and future generations.

In the light of these considerations we have carefully prepared our development programmes from both the top and below in a manner giving concrete expression and due account to the wishes and aspirations of the people through a process of consultations at various levels. As time is limited, I do not wish to elaborate or discuss these programmes since they can be found in the Plan document. Suffice it to say that the Plan focuses on agricultural,

industrial and rural development. The latter is designed to redress the imbalance between rural and urban incomes which has grown up over the years. As the bulk of the rural people are Malays or Bumiputras, people may argue that a major part of the development programme is for the benefit of a particular racial group. This however is not the case. There are rural people among the Chinese, Indians, Kadazans, Ibans, etc. who will also share in the rural development effort. People of various racial origins have and will be settled in FELDA land settlement schemes while the new villages and towns have received major share of development expenditures. Rural roads, water supplies and electricity benefit all people as do other aspects of the development programme.

In the urban areas where Chinese and non-Malays predominate, there have been a variety of development programmes ranging from low-cost housing projects and industrial activities which provide employment and income for the people. Our development programmes are designed to benefit all racial groups and every citizen will have a proper place under the sun in Malaysia.

My Government is fully aware that one of the most difficult problems in national development is how to bring together peoples of the various races, customs and religious faiths so that they may share common development objectives. I am fully convinced that with a political leadership which is fair to all and with understanding, tolerance, mutual respect and cooperation, we can succeed and succeed we must as a nation. You will note in this connection that the First Malaysia Plan has, as one of its main objectives, the integration of the peoples and states of Malaysia to promote the welfare of all. Measures designed to achieve this objective are evident and permeate throughout the Plan.

Our goals are to provide enlarged and equal opportunities for all. Our framework is democratic action with the Government giving the lead and a helping hand in the process of modernisation. What kind of transformation do we want to see in the lives of our people? We want them and their sons to have lively, inquiring, individual minds, each man using his own intelligence and energies to improve his lot. We don't want to place them into a rigid mould of centrally planned economic development. We want them to live their own individual lives as part of the process of betterment

with human dignity and free from the state of regimentation, fear and suspicion.

In the first phase of our national development programme, the Government shouldered responsibilities such as road-building, the provision of schools, health centres and water supplies, electricity and rural credit and material subsidies. By thus giving the people visible evidence that we are earnestly working to improve their standard of living, to provide them with the amenities of life, we create confidence and enlist the support of the farmers and rural dwellers. Our second phase is to encourage the people to carry out their own responsibilities in improving their standard of living. The main object at this stage of "Operation Maju" is to make the people self-reliant, to promote initiative and enterprise so that they can exert their own efforts to improve their well-being.

We must realise, as perhaps you all do, that a country cannot remain strong and prosperous without hard-work, sweat and some sacrifice. For those who belong to the "haves" they must assist by paying a fair share of taxes. The Government cannot afford in financing development - schools, hospitals, roads and power - without raising adequate sums in taxation. Some loans can be raised abroad and some grants may be obtained from friendly countries which are sincere and willing to assist us. But most of the resources required for improvement have to be found domestically - we have to be more and more self-reliant and self-supporting.

My Government also expects the private sector to play an active role in our national development. Every encouragement will be given to joint partnership between local and foreign capital or cooperative enterprise in industries and other growing points of the economy.

The Alliance Government is determined to translate national objectives and people's aspirations into realities. We are determined to make our Plan succeed in achieving results and for this reason our development programmes must be implemented with public support at the national levels as well as in every town, village and kampong.

There is no magic short-cut to success in our National Development but I am confident that with mutual trust and cooperation,

goodwill, hard work and determination on the part of all of us, both Government and our people, Malaysia will develop from strength to strength and eventually our own children and descendants will be proud to say that in this crucial and important period of our history we did not fail them but have ensured them a proper and rightful place in our country.