

While doing everything possible internally ourselves, we are also endeavouring to bring the countries in Southeast Asia closer together to co-operate in economic, cultural and other fields for mutual benefit; for, Mr Prime Minister, in the present age, it is not possible for any country to live in a vacuum or be isolated, particularly small countries. We can only survive if we stand together united in the defence of the common cause of democratic freedom and of the ways of life which we cherish and uphold.

I can assure you we will go back to Malaysia carrying with us happy memories of our short stay and confident in the thought that our two peoples will always stand together in the defence of the ideal which we both believe in. Though I do not wish and God forbids that we in Malaysia will again go through the ordeals that we have just passed, but if such a catastrophe does happen again, I am convinced your Government and your people will come readily to our aid.

## **A MAGNIFICENT VILLAGE**

### **THE TUN'S CALL TO AUSTRALIAN BANKERS AND INDUSTRIALISTS**

*In his address to the bankers and industrialists in Melbourne on 21st April, 1967, Tun Abdul Razak expressed the hope that more Australian investors would avail themselves of the tremendous opportunities that Malaysia offers. His reasons: Political stability, sound currency and extremely favourable investment climate and a growing market.*

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."\*  
^hat a magnificent village it has turned out to be! I come from a land of 1.000 villages and I hope I learn something here about making villages grow 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 banks there was no other way and the system worked well enough. Even today it works, and it will continue<sup>10</sup> work as long as human beings remain civilised because there

is and there could be no civilisation without mutual help and self reliance. Now this kind of co-operation is symbolised very neatly in your great bank, the Australian and New Zealand Bank Limited, bringing together the financial and economic resources of the two countries of Australia and New Zealand.

This "gotong royong" spirit is something we in Malaysia lay great store by. 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 South East Asia and the Asian Development Bank are recent examples. One which is very familiar to you is the Colombo Plan.

We in Malaysia have benefited greatly by participating in the Colombo Plan, and to a great extent our people associate the Plan first and foremost with Australia. This is so because of the large number of Malaysian students we have here under the Colombo Plan and the consequent contact that has been established which has been close and continuous. Secondly, because aid from Australia has had a tremendous impact on so many aspects of life in Malaysia, so much so that when our newspapers mention Colombo Plan, it is often in connection with Australia.

Australia is, indeed, promoting international Co-operation in a very real and dramatic sense as far as Malaysia is concerned. As a developing country with hopes and plans to give her people the good things of life and the machinery to implement these plans. Malaysia is grateful for the aid given by her friends. You Australians have given us much. Your capital assistance projects in my country range from the supplying of medical equipment for our hospitals and more recently for our new teaching hospital equipment for our trade and vocational schools and also for the Faculty of Engineering. We have had 135 experts from Australia over the last 15 years and they have provided their expertise in such varied fields as taxation, central banking, insurance, and aviation and instructors for our schools and hospitals.

You will notice that when I mentioned the kind of assistance that we have received under the Colombo Plan. I referred mainly assistance in the public sector of our economy. As in other developing countries the public sector is a very important one. But in Malaysia we also attach great significance to the private sector, for Malaysia has basically a free enterprise

economy where the individual is given every encouragement to push ahead with his drive and talents.

The public sector, as far as we are concerned, is to provide the infra structure, the base, in other words the necessary framework for our people to build their lives and fortunes, and in the process hand in hand the future of the nation.

It is, therefore, in the private sector that we can expect to accomplish the achievements that will bring real material progress. You, gentlemen, represent this vital sector, this section of the community that can sail up a river, cast its eyes on a barren landscape and visualize a vast enterprise that will grow<sup>?</sup> and flourish, as indeed it has. You, gentlemen, represent the sector that can make this vision come true.

As you know, the Malaysian economy is heavily dependent on two major export commodities, rubber and tin. The price for our rubber however has been rapidly declining in recent years. As for tin, although the price decline has not been as bad as for rubber, the known reserves of tin are depleting. The downward price trend for our two main exports poses problems to us which you can readily understand—because you too depended for a long time on a narrow based economy, the base being the back of your famous Merino sheep. In the same way as you decided to diversify years ago, we are now in the process of diversifying our economy. We are doing what we can to diversify the agricultural sector, but equally we are very earnest on industrialisation.

HOW are we to do this? Once again we find ourselves thinking and acting on your example. In spite of much opposition from various quarters you not only embarked on industrialisation on your own but offered great investment opportunities to another young and energetic nation, the United States. Thus the post-war era has witnessed a remarkable upward surge of your economy and you have gone a long way in diversifying and industrialising your economy. Your vast hinterland, with the untapped resources, offered investors both in your country and outside with new great profitable opportunities which they responded, and your city today stands testimony to the soundness of your good system and the success of your policy.

Malaysia today looks at Australia in much the same way as you regarded the United States after the war, as a source of

private investment. We are encouraged to do this for not only is Australia 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 then 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 largely been in your favour with more of your manufactured goods coming into our market and with the quality of your goods finding so ready acceptance in our market. I feel there is no dearth of investment opportunities for Australian industrialists.

We can derive much mutual benefit in investment. I would like to see more Australian investment in my country. Malaysia is in a position to offer Australian industrialists investment 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, I understand that Australian investors have not fully availed themselves of the tremendous opportunities that we offer. Perhaps we have not made the picture clear to you.

Allow me to give you just one illustration to show why I feel so strongly that you could play a profitable as well as indeed a useful role in our efforts to industrialise the country. I

It is likely that you have heard of our historic town - Malacca. It is a picturesque town, complete with an ancient fort and churches, but just outside the town is a village that has endured the hundreds of years of comparative under-developed existence. In fact the pre-Independence per capita income in this village has been estimated at Australian \$8 a month. But in the last few years there has been a great transformation. This village, just as many others, has witnessed a silent revolution. A land development scheme has got under way and each of the villagers has been given 10 acres of high yielding rubber land. The rubber trees are now almost ready for tapping. Later this year when tapping begins the income to each of these villagers will rise to something like Australian \$100. You might feel that this remarkable; undoubtedly it is, but something even more remarkable is happening which should be of great interest to you & potential investors in my country. A few weeks ago I visited this village and I noted that there were already two motor cars in

that village. Mind you. they were not luxurious limousines but good sturdy vehicles used for taking some of the subsidiary crops to the market.

This village I speak about is only one of the 62 land development schemes we have launched in the last seven years, covering about 270,000 acres. Of this area more than 100,000 acres have been planted with rubber and nearly 30,000 with oil palm. My Government has now reached an advanced stage in its planning of another scheme in my own home state of Pahang—the Jeneka Triangle, covering 150,000 acres of untouched forest. This, our biggest land settlement scheme, will provide farms for 12,000 families, and of course new captive markets for the goods turned out by our domestic manufacturers. These people will, in a matter of four or five years, have a purchasing capacity that they cannot imagine today.

It is in these and other ways that even today Malaysia, with a population of barely 10 million, already commands a purchasing power that is at least twice as high as other countries in Southeast Asia with much bigger population. I need not add to you the importance that you attach as industrialists to this purchasing power and the fact that it is a growing one. I might say that in this sense we are like Australia having a small population but with relatively high standard of living and forging ahead for even higher standards of living. So do not hesitate to come and invest in Malaysia merely because of the small size of the population. The only thing you have to do is to learn from your own experience; one does not necessarily need a large population to provide a healthy and growing market.

The political stability, sound currency and extremely favourable investment climate and a growing market are already there to attract you. And we intend to provide even more fiscal incentives to attract both domestic and foreign investors to the manufacturing sector. I am sure that Australia which has set the lead in so many fields will again respond to this call for mutual co-operation for mutual benefit in the field of private investment.

My visit here has been also to learn something about you. I have learnt one thing of great significance to us. I have seen some of the moving spirit and dedication that brought the magnificent dreams of such men as John Batman come true. We in Malaysia

too have our pioneers, and they would welcome the descendants of Batman. Lonsdale and Lathrope to participate in the great adventure that we have embarked on in my country in carving the jungle to make way for the villages that will in time grow to be beautiful and magnificent as this your city of Melbourne is. Thank you.

## **EXAMPLES OF RACE RELATIONS**

**During his visit to New Zealand in April. 1977. the Tun extolled in a radio broadcast the noble qualities of the Government and the people of New Zealand who. in a friendly manner, extended help in many directions to promote harmony and progress among the peoples in this part of South East Asia.**

**Continuing Tun Razak said:**

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**I have always been impressed by examples of your race relations. how you attempt to solve them not by emotional dialogue, or theoretical analysis, but rather by examples and deeds, by making the life of every individual citizen of yours rich and meaningful regardless of his racial origin. I have come this time to see for myself and perhaps to benefit by the knowledge I have gained in this short visit.**

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**I always believe there is wealth in diversity with each racial component contributing all its best features towards creating a truly rich national identity. In this respect your nation is already far in advance and has already been well established. We in Malaysia are committed to follow this same path of evolution in solving our multi-racial problems.\*\***

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