

As I have explained just now, with the serious security threat to Sarawak posed by the Communist organisation, we cannot afford to have a serious political uncertainty which means we will be playing into the hands of the enemies of the State.

Under the circumstances, I am confident this Bill will receive the support of this House and of the Senate as well as all the loyal citizens of our country.

Sir. I beg to move.

## **ALLIANCE PHILOSOPHY IS PROGRESS**

### **BUT THE STAKES ARE HIGH**

*In moving the adoption of the First Malaysia Plan (1966-70) in Parliament on 15th December, 1965, Tun Abdul Razak listed the notable achievements of the previous Five-Year Plan and then enumerated the objectives of the new Plan and the problems facing the Government. In what was considered as one of his most important speeches, he predicted 'a more united, secure and prosperous Malaysia,' His speech follows.*

"This House recognising the need to promote the integration of the peoples and states of Malaysia and to build a more united, secure and prosperous nation, approves the objectives, priorities and programmes of the First Malaysia Plan as set out in Command Paper No. 45 of 1965. In adopting the Plan, this House calls upon Malaysians from all walks of life who have the welfare of the country at heart, to strive to accomplish the challenging task of meeting the aspirations of all our people for a better life and a higher standard of living by fulfilling the objectives and goals of the Plan."

Sir. I rise to propose no ordinary motion. I rise to move before this Parliament, this symbol of our democracy, a plan for economic and social development for the next five years—a plan of purpose and determination to enable our country to travel yet further on the road to accelerated progress and prosperity—a plan to give

Malaysia its rightful place in the international, economic community of free nations of the world.

We in Malaysia are seasoned travellers on the path of progress. We have been envied by other less fortunate nations for breaking the development speed barrier in this international race towards economic progress and stability.

We have quietly forged ahead from strength to strength, on a firm foundation of sound security, stability, good economic planning and even more important, the determination and ability to translate our plans into action.

Mr Speaker. Sir. almost every developing country in the world has a Five-Year Plan, but a plan in itself does not mean anything. A plan on paper without the will and energy to put it into practice does not bring any benefit to the people and to the country. However, I am glad to say, Sir. that as this historic day heralds the launching of our Plan for the future, it also records the success in the implementation of the previous Five-Year Plan which, in spite of defence commitments in countering confrontation and aggression, has nevertheless achieved the targets.

I am proud to say that in many sectors of the 1961-1965 Development Plan, we exceeded the aims we set ourselves.

The Opposition, particularly those who are blind followers of outdated doctrines and political philosophies formulated many years ago—by such people as Karl Marx and Engels. allege that the Alliance Government has no political philosophy and therefore any development plan without a philosophy cannot possibly succeed and cannot benefit the people. To those intellectuals who are so philosophically conscious. I say categorically that the Alliance has a philosophy, a philosophy that is bearing fruit in actual practice and the evidence of its success lies in the progress that we as a young nation, have achieved since independence.

We have achieved results from Merdeka to Malaysia, from stability to success, from peace to prosperity and the Alliance philosophy is progress.

We are, Mr Speaker, Sir, a progressive Government, our ideas and our thinking aptly meet present day needs and the needs of our people whom we put foremost in our minds before any selfish aim or political gain. But we are not in the habit of misleading the electorate with cries and slogans of outdated doctrines taken out from outdated philosophies or torn away from text books.

We are essentially, both in our philosophy and practice, a Government elected by the people, close to the people and representing the wishes of all sections of our people. We believe that it is for the electorate, for the people to decide what direction it wishes the country to progress. It is then for the politician to create a vision of this progress and to make the people see his vision as he sees it. It is for the politician to give words to this vision and turn it into policy. It is then for Government servants to give form to policy and to translate political wishes into reality. This, Sir, is our philosophy of democracy and this is our definition of democratic practice for development and progress which we have applied over the last ten years with success.

Let us go back to the years leading towards independence. None of us in those days, even with the greatest optimism could have dared visualize a prosperous Malaysia as she is today. Mr Speaker, Sir, public memory is short. It very soon forgets. Sometimes, worse still, the memory of the Opposition is even shorter. I am not quite sure whether they maliciously forget or will not admit the progress that we in the Alliance Government have achieved since we took over the reins of Government from the days of colonialism.

I ask this House to compare the memory of the days of under-development before Merdeka and the difference between our country as it was ten years ago and as it stands now as a prosperous nation to which all of us are proud to belong. This present day prosperous Malaysia is in fact the vision which the Alliance saw through the clouds of colonialism and that vision was formed in all its aspects. And that has been given form, formulated in terms of the administrative machine of our country

**and put into practice in our schools, in our villages, in our factories, on our land and in our homes.**

*We, the Alliance. are proud to have the honour of leading our nation on the march of progress towards the fulfilment of this vital vision of a vigorous and prosperous nation. The vision of the future is even more hopeful.*

**Now, Mr Speaker, Sir. I would like to give credit to those many Members of Parliament on the correct side of this House who entered into the spirit of creating this true vision of independence and worked day and night, travelling tirelessly around the**



Tun Abdul Razak is seen walking along a slippery water-logged track to reach Kampong Paya Luas in Pahang. He walked more than two mile\* to see the progress of the road linking Kampong Paya luas with the main Songsang-Kuala Kurau Road in Pahang. This picture was taken on 16th December. 1961. 1

**country, putting force and realism into our vision and the implementation of our development aspirations. I thank each one of them for their unselfish services to the country over the last five years in putting development and national progress before selfish gain. It would not be out of place if these Alliance Members of Parliament were allowed to applaud themselves because they deserve it**

Secondly. Mr Speaker. Sir, I would like to give particular credit to those who have no voice in this House even when their devotion is discredited by some members of the Opposition. I would like to give credit and high praise to the many thousands, who cannot applaud themselves, the administrators, engineers, doctors and all the Civil Servants, too numerous to mention, for the loyalty, dedication, hard work and enthusiasm which they have given as a major contribution towards the development progress of our country during the implementation of our last Five-Year Plan.

It is not my intention. Mr Speaker. Sir, before introducing this new Plan, to give a lecture on Alliance philosophy, because any Member of this House can quite easily learn much more about it merely by having the good sense to pay a small subscription to an office somewhere along Jalan Tuanku Abdul Rahman and join the most progressive and sensible party in this country, and a party which serves the people well and truly and has succeeded in translating the vision of a happy and prosperous Malaysia into a reality.

We are a nation of many races, many cultures; a country in which all are allowed to practise many religions, and Alliance philosophy and policy have facilitated us to advance coolly, continuously and with good conscience; and the practice of our policy has never been done in the heat of passion, spasmodically or under the threat of subsequent remorse; and it is only with this cool, sensible and unemotional Alliance leadership will we weld together our various races and cultures into a stable, happy Malaysia living in harmony and progressing in unity.

To do this and to enable us to develop—in order to achieve unity and economic progress, we need a heavy dose of nationalism as a necessary stimulant, but let us, and this is Alliance Philosophy, always think of our nationalism within the correct and balanced context of internationalism.

We have the basic assets of sound democracy, a great potential of natural resources and a people, who, in the last five years have shown themselves capable of advancing faster than our own expectations.

We have also the most important stimulant for development—national unity—which has been forged by the Alliance Government

Sekarang Tuan Yang di-Pertua, sa-belum saya menerangkan butir<sup>2</sup> Pclan ini. patut saya menerangkan kapada Ahli Dewan ini apa sebab-nya Pelan ini belum lagi di-terjemahkan ka-dalam Bahasa Kebangsaan. Pada bulan Ogos apabila Pelan ini hampir siap di-susun. Pelan Negeri Singapura pun termasuk juga, akan letapi dengan perpisahan Singapura dari Malaysia, Pelan ini hendak-lah di-susun sa-mula. Oleh sebab itu Pelan baharu ini terlewat di-sediakan dan tidak ada masa untuk di-terjemahkan ka-Bahasa Kebangsaan sa-belum di-bawa ka-nadapan Dewan ini. NValau pun demikian terjemahan-nya akan di-siapkan dengan sa-berapa segera yang boleh.

The Government and people of Malaysia can rightfully be proud of the achievements of our country during the last few years. Malaysia itself was established only two years ago. Since that date it has had to contend with incessant aggression from a much larger neighbour, but it has withstood this danger successfully.

*Besides this external threat to her independence. Malaysia has also had to contend with internal political difficulties which finally led to the separation of one of its States. Many waverers and out enemies were of the opinion that this would lead to the disintegration of the nation. But they have been proved wrong. Separatum with Singapore was effected constitutionally and peacefully Malaysia remains united ami strong.*

The problems standing in the way of the economic progress of the country have also been formidable. But the advances which have been made in the campaign against poverty, illiteracy and disease too. have been significant. Malaysia embarks upon its future with a stronger foundation for bringing about greater unit and a more prosperous and happier life for its people than the have ever known before. It is with this paramount objective in view that the Government has formulated the First Malaysia Plan which I now commend to this House.

The dramatic progress achieved in the economic and social development of the country is indeed a credit to the nation especially when account is taken of the many economic and political problems which confronted us, In fact it can be said with justification that the way in which we have forged ahead in developing this country and the consequential changes which have been brought about can be said to be a "silent revolution".

In the last five years, average income in the country has risen by almost 15% despite the fact that population has been growing at one of the highest rates in the world, and despite the fact that the country's earnings from the production and sale of natural rubber—its principal product—have been falling. This is indeed a notable achievement. The rate of growth of income achieved is high by international standards, especially in comparison with other developing countries with rapidly growing populations.

Employment has also increased significantly. In Malaya, where the problem of unemployment is serious in comparison with the Borneo States where it is negligible, about 345 thousand jobs were created. As a result, the rate of unemployment of the male and female labour force remained at about 6%. This rate compares not unfavourably with other nations which are at the same stage of development as Malaysia.

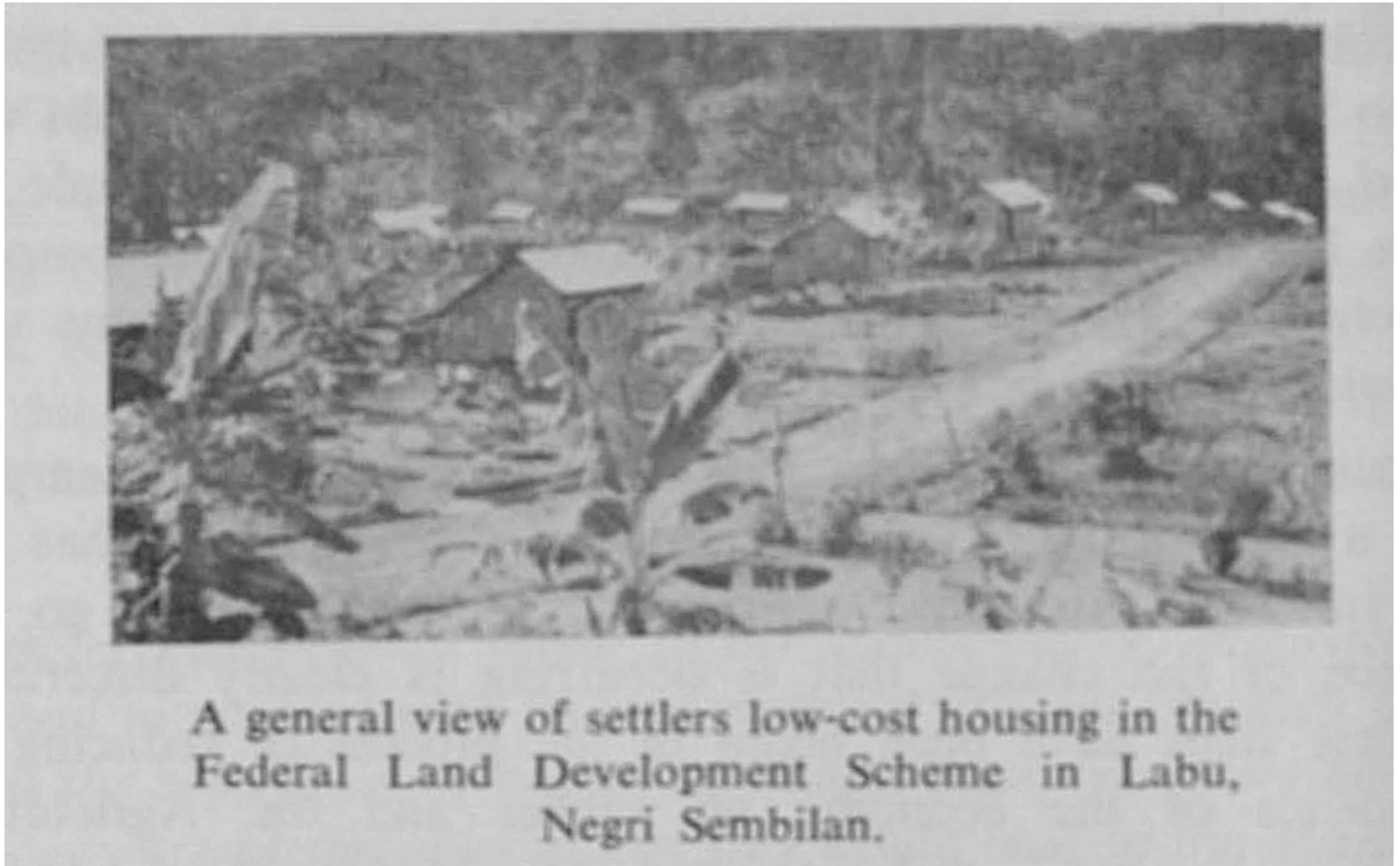
Concurrent with these increases in national income and employment, a transformation in the character of the economy has also been initiated. Although there is still a long way to go, the evidence of the change that is occurring is clearly discernible. The first steps have been taken in the process of reducing the dependence of the economy on rubber and tin. Agricultural production has begun to be diverted. The production of oil palm, livestock, fish and forest products has increased rapidly. A beginning has also been made in the industrialisation of the economy. As a result, locally manufactured goods of many types have begun to replace imports. The development of petroleum refining in Malaya is a good example. In 1960, all imports of petroleum fuels entered in product form, by 1964 only 41% entered as petroleum products, while the remaining 59% entered as crude petroleum for domestic refining.

These achievements are testimony to the efforts of our farmers, industrialists, technicians and administrators, who, by their hard work and enterprise have made it possible for this country to offer an improving standard of living to our people. These achievements also attest to the size and effectiveness of this Government's economic and social development programmes—expenditure on which was about two and a half times as great as the amount spent during 1956-60.

In fact, as the country's export earnings grew only very slowly because of falling rubber prices, the rapid increase of public investment during the last five years was one of the principal

causes of the high rate of growth in income which was achieved. But more important than this immediate benefit, is the fact that a firmer base for future economic and social development has been laid. In Malaya about 2.300 miles of roads were constructed, compared with about 600 miles during the 1956-60 period. Port capacity was expanded at Port Swettenham.

The development effort of the Government has also resulted in improving the long-run productivity of our natural and human



resources, particularly in the rural areas. About 145,000 acres of virgin land were opened up by the F.L.D.A. for the settlement of twelve thousand families. The completion of several irrigation and drainage projects raised the acreage of padi capable of being double-cropped fivefold from 38.000 acres in 1960 to 193.000 acres in 1965. Total planted acreage increased from 941.000 to 980.000 acres. An estimated 760.000 acres of land belonging to smallholders were planted or replanted with high-yielding rubber, bringing the acreage under high-yielding rubber to 890.000 acres or about 50% of total smallholder acreage.

In the field of education. Sir, an additional 6.000 classrooms were constructed in primary schools and 3.000 in secondary schools. As a result, primary school enrolments increased from 980.000 to 1.200.000 and secondary school enrolments rose from 100.000 to 275.000. During the same period, the school-leaving age was increased from 12 to 14 years and a reorganisation of the secondary school system was effected with the introduction of the comprehensive system of education. Rapid progress was also made in college and university education.

In addition to the efforts of the government in building up the Malayan economy, Hon'ble Members will note that social and community services have been improved and expanded, particularly in the rural areas. Hospital capacity was raised and a total of 31 main health centres, 132 sub-centres and 645 mid-wives clinics were constructed in the rural areas. The number of rooms available through public housing schemes tripled between 1960 and 1965, thus helping to meet the heavy demand for housing created by the rapid increase in urban population.

Electricity and telephone services were extended to many rural areas. With all these projects, the already high standard of social and community services in Malaya was further improved. What is also important is the fact that whereas in the past these facilities were negligible in the rural areas, they are now becoming numerous. No one can dispute that a radical change for the better has been effected in the face of the rural countryside.

In Sabah and Sarawak, almost 35% more was spent on the development effort than was the case in the two previous years before the establishment of Malaysia. The rapid increase in Government's development activities has not only contributed to the enlargement of incomes in these States but has also strengthened and broadened their base for future economic and social development.

The Government would have liked to have done much more for these States. But the time which has elapsed since the establishment of Malaysia has been too short to bring about striking changes. Nevertheless, taking the period of the last five years as a whole, some concrete advances have been made. In both States, increased attention was also given to extensive replanting of low-yielding rubber with high-yielding material.

Now looking forward into the future, we need to consolidate our successes, learn from our mistakes and rededicate ourselves to even greater efforts. We certainly cannot afford to be complacent. Our attainments in the last five years constitute only the initial step in the process of bringing about a truly developed Malaysia. Much more remains to be done and the First Malaysia Plan is our blue-print of what must be done by the Government and the people during the next five years.

The First Malaysia Plan has four primary objectives. The first is to promote the integration of the peoples and states of Malaysia

by embarking upon a development plan explicitly designed to promote the welfare of all; the second objective is to provide steady increases in levels of income and consumption for our people and those in other low income groups; the third objective is to generate employment opportunities at a rate sufficient to provide productive work for new entrants to the labour force and to lower the rate of unemployment; the fourth is to continue to stimulate new kinds of economic activity, both agricultural and industrial, so as to reduce Malaysia's economic dependence on rubber and tin.

The attainment of these objectives is a difficult task for there are many problems which we have to face. The most serious of these problems are the prospect of a continuing decline in the price of rubber and the depletion of known tin reserves. The production and marketing of these two export commodities constitute at present our major source of income and employment. As their immediate prospects are not particularly bright, the task of progressively increasing our national income become challenging. It is crucial that we find new sources of income and employment.

A second major problem which confronts us is our extremely high rate of population growth. At about three per cent a year, this rate is one of the highest in the world. It is staggering to realize that if this rate of growth is not checked, Malaysia population, which is now about nine and a half million people, will double in twenty-five years' time.

The population of Malaysia will grow to about eleven million by 1970 and this presents a serious challenge indeed to the effort to provide rising income levels and improved social services.

Sir, in order to attain the objectives of steadily increasing income and reducing unemployment during the period when our population is increasing rapidly and the value of our traditional exports is likely to grow only slowly, the Plan calls for the development of new patterns of economic activity. It calls for the development of new export products, in particular oil palm and timber, for which there are bright prospects. But traditional export commodities are not likely to earn enough foreign exchange over the next five years to pay for our import needs.

Therefore the Plan accords top priority to the production within Malaysia of an accelerated volume of those commodities which are at present imported. There are favourable prospects

for substituting domestic production for imports in both the agricultural and the industrial sectors. The production of foodstuffs and other agricultural commodities for which reliance on imports is heavy must be increased. Most important of all, the extremely good opportunities which exist for increased output of manufactured goods for the domestic market must be exploited. Only if all these possibilities are seized will it be possible to sustain the growth of the economy in the long run.

To bring about the exploitation of all immediate possibilities for increasing production, to strengthen the base of our economy for future growth and to provide social and community services for all our people, and in particular those in the low income groups, it will be necessary for the country to spend a sum of \$10,500 million on development during the next five years. The public sector's share in this total is \$4.550 million and that for the private sector is \$5.950 million. If these targets are reached—and the Government is confident that they will be—average income in the country will rise by over five per cent.

Although this rate of increase is modest, it will be a considerable achievement, in the face of relatively unfavourable external factors, to protect *per capita* income levels from declining and help them to rise, at the same time to lay the foundations for a new economic structure. Moreover, the anticipated rise in income levels will accumulate to substantial improvements in a few years\* time. As far as employment is concerned, nearly 380,000 new jobs are likely to be created in Malaya and 80,000 in Sabah and Sarawak making a total of 460,000 new jobs for Malaysia. This will reduce unemployment from its present rate of six per cent of the labour force to about five per cent in 1970—a rate comparable with that of even some of the most developed countries in the world.

Even more important than the immediate income and employment goals of the Plan are the preparations it embodies for accelerated development in the long-run. The emphasis given in the Plan to education and training, to rural development and the diversification of economic activities, to family planning and to applied agricultural and industrial research, will yield sizeable returns in the years ahead.

*The First Malaysia Plan has been formulated as the initial phase in a 20-year Perspective Plan of economic and social development, which envisages the attainment of a level of income per capita of \$1,500 by 1985.*

The achievement of this long-run target will require that the First Malaysia Plan is implemented successfully and that a rising tempo of development is attained in subsequent Five-Year Envelopment Plans.

A major share of the responsibility for attaining the income and employment objectives of the Plan will lie with the private sector. In the past, private enterprise has served the cause of development in Malaysia with considerable effectiveness. It has injected into the economy a degree of vigour and initiative which is one of our greatest assets. The Government is confident that Malaysia's entrepreneurs, whose number and quality is increasing daily, will continue to render significant service in the solution of the challenging economic tasks ahead.

For its part, the Government will provide whatever technical and capital assistance are necessary. It will expand and orient its educational system to train the men and women required to modernise and energise the Malaysian economy. It will strengthen in Malaya and expand considerably in the Borneo States, our transport and communication facilities and electricity and wa'er supply systems—all of which are the physical foundations of our economy. And it will continue to improve the already high level of social and community services available in the country so that all Malaysians will have the opportunity of leading a fuller, better and more satisfying life.

For its part also, the Government will continue to strike for equality of economic opportunity for all Malaysians. Under the First Malaysia Plan, therefore, the Government will intensify its efforts to provide facilities and opportunities for the rural population and other low income groups in urban areas to improve their levels of economic and social well-being. Our work in this direction will not slacken until we are completely satisfied that every Malaysian has the opportunity to participate in the development of his country and to receive in return the fruits of his efforts.

For all these economic and social development programmes, the Government will spend some S3.810 million during the next five years. The bulk of this allocation will be for economic projects. Of this allocation, over S1.000 million will be for agricultural and rural development.

*Extracts from the rest of Tun Razak's speech are given below.*

All the Government's economic and social development efforts will complement the programmes of the private sector and together they will provide substantial benefits to the people in the rural as well as the urban areas, particularly to those in the low income groups . . . .

The development expenditure programme of the Government of \$4,550 million during 1966-70 also provides for \$740 million to be spent on expanding the nation's military and police capabilities so that with the help of our friends abroad. Malaysia will be able to withstand any potential threat from its enemies in and outside the country . . . .

Mr Speaker. Sir. the First Malaysia Plan is indeed a bold programme. And its financing will present a challenging task to the Government for. in addition to the cost of the development effort, the Government's need for recurrent expenditure is also rapidly mounting . . . .

It is therefore unavoidable that the Government has to seek additional financial resources through taxes and charges of various kinds and further domestic borrowing. In this endeavour, we call for full co-operation from all Malaysians who have the interest of their country at heart . . . .

The Government will supplement resources obtained through taxation and domestic non-bank borrowing by running down its accumulated assets and by borrowing from the banking system . . . .

Mr Speaker. Sir. Malaysia has received some assistance from many countries in and outside the Commonwealth in the last five years. For this we are indeed very grateful. In the next five years, when our problems and difficulties will multiply, it is our hope that our friends abroad will respond to our requests for much greater assistance than we have received in the past . . . .

Another problem which will affect the rate of economic progress in this country is the shortage of trained and skilled manpower. This will affect the development efforts of the Government as well as the private sector . . . . And if bold measures are not taken to step up the development of this nation's human resources immediately, the deficiency of skilled manpower will continue to plague us far into the future. This is a predicament which we **must avoid.**

In this age of science and technology, the rate of Malaysia's economic development will be determined not only by our material resources but also by our success in developing and in utilising effectively the intellectual capacities of our people.

It is for this reason that high priority is being given in the First Malaysia Plan to education and training. It is also for this reason that our education system is being re-fashioned. We want to meet not only the objectives of nation-building and universal literacy but also the economic goals of the country by producing an increasing number of Malaysian teachers, agricultural specialists, engineers, technicians, economists, doctors and administrators

Mr Speaker. Sir. I have already indicated to this House the nature of the many economic and social problems which confront this Nation. We cannot and must not underestimate their gravity. Malaysia is too dependent on rubber and tin. Our population is growing much too rapidly. There are still wide disparities between the 'haves' and the "have-nots". Our supply of skilled and trained manpower is much too low. By their very nature, these formidable problems cannot be solved over-night. But if they are not progressively attacked and ultimately resolved, then the Malaysia economy will in time come to an awful standstill. We have no time to lose. We must intensify the onslaught on our basic problems now.

We the Government and the people of this country must brave ourselves to this challenge. We must undertake all that is required of us to meet it. This Government commits its energies and its resources to this task. In turn, each and every Malaysian must similarly dedicate himself to do all that is within his power and his means for the development of his country. Only in this way will national prosperity be progressively achieved. Only in this way will all our people—in Malaya, in Sabah and in Sarawak—be provided with the opportunity of an increasingly better and happier life.

The stakes are high. If we fail, national unity will be jeopardized and our very existence as a nation will be imperilled. If we succeed, and succeed we must, we will have taken a major step forward towards the creation of a more united, secure and prosperous Malaysia.

Sir. I beg to move.