

Now we are clear in our minds of the necessity of adopting this national policy of family planning, if we are to enjoy the fruits of scientific and technological advancement and to have a strong, well-fed, educated people able to play their rightful part in a modern society. Since we established the National Family Planning Board in 1966, much has been achieved in promoting this policy and in making it known to our people the desirability of adopting this policy. We adopted this policy at the end of our successful Second Five-Year Development Plan and within a year our Family Planning Programme has achieved remarkable success. I would, therefore, like to appeal to all our people that in their own interest and in the interest of their descendants and in the interest of our nation, they should adopt this family planning without any hesitation.

I am happy to know that the National Family Planning Board anticipates that by their current progress, birth rates will drop by 2% by 1985, that is 0.2% lower than that projected by the Government. If this can be achieved, then it will undoubtedly take us far ahead of all developing countries. If we succeed in doing this, then clearly before the end of the century we will be able to eliminate poverty, ill-health and illiteracy among our people and to build a modern society and a happy and contented people. I would like to appeal to those of child-bearing age to take the opportunity of utilising to the fullest the services offered by the Family Planning Board and to participate in its programmes for the happiness of their family, for the prosperity of our nation and for peace of the world.

## **THE MAINSTAY OF OUR ECONOMY**

### **NEED FOR STABILISATION OF PRICE OF RUBBER**

*Tun Razak emphasised that rubber was still the mainstay of Malaysia's economy and that the vicissitudes of its producers were inescapably reflected in the economic and social well-being of this country. He said this when he officially opened the Conference of Natural Rubber Producing Countries in Kuala Lumpur on 2nd October, 1967.*

We, in Malaysia, attach the greatest significance to the fact that you as delegates from other rubber-producing countries show that you also share our sense of purposes and sense of urgency.

The nations which are represented at this Conference together produce 90 per cent of the world's natural rubber. We would have liked our far-away fellow producer nations in Africa and South America to be with us today, but because of distance and the time it had not been possible for them to do so. We are confident that this Conference here can speak loudly and clearly on behalf of all the natural rubber-producing countries of the world. In this connection, I would like to extend a special welcome to the observer from Liberia who has come from a long way.

We have been under the shadow of a cloud of depression. The price of natural rubber has dipped to its lowest level in the last 19 years, and rubber-producers, big and small, are beginning to be afflicted by gloom and despondency. It was decided that producing countries could consult each other and evolve effective measures to deal promptly with the problem that faces us, and to reach agreement on the problems of production and price which are in the forefront of our thought today.

The hopes and aspirations of the several millions of our people concern their own life and existence, dependent on a flourishing natural rubber industry. The natural rubber-producing countries of the world, are coming to grips with a problem which is at the very heart of the struggle by the vast body of under-privileged mankind for a better and fuller life.

By taking counsel together to find an effective answer to the problem of falling rubber prices, we are making it clear to the world that producers of primary commodities can no longer sit back without taking positive and effective steps to solve the instability of the price of this our main product. The fortunes of Malaysia, like those of your countries, are bound up with natural rubber.

Rubber is the *mainstay* of our economy and the vicissitudes of its producers are inescapably reflected in the economic and social well-being of our country. We, in Malaysia, just as in the other natural rubber-producing countries which are represented here today, are confronted with the need to achieve an adequate rate of growth in our economies to meet the needs of an expanding population and the rising expectations of our people.

Our resources are limited and like you we depend substantially on the earnings of our primary export commodities to finance a steady and sustained programme of economic development, and

for this reason alone, if not for others, a fair and stable price for natural rubber is of the utmost importance. We, in Malaysia, have through ups and downs over many years displayed every confidence in the future of a well-nurtured natural rubber industry. As early as 1953. we embarked on a gigantic replanting programme to ensure that natural rubber could be *viably produced at a price competitive with* that of any synthetic producer.

We have been spending large sums of money on research and development to enable our product to meet the technological challenges which the Synthetic Rubber Industry has posed and is expected to pose. Our scientists are tearing down the barriers which separate agricultural practice from industrial technology to ensure that the rubber tree can continue to match and, if necessary, outmatch the chemical engineering plant as a production unit.

These efforts are clear manifestations of our determination to sustain this great industry, whatever the challenge may be. But, despite all this, there are forces at work in the world at large which are nullifying the fruits of our **labours**, and are undermining their purpose.

*A fall in the average price of rubber of Malayan 42 cents in the last six years (1961-1966) has meant to us a loss of \$5,400 million in foreign exchange earnings. which is equivalent to a fall of 57 per cent in our estimated GNP (Gross National Product) and 150 per cent in our estimated gross export earnings for 1967. . J*

We, in Malaysia, have long accepted that the natural rubber industry would have to reckon with a secular downward decline in prices from earlier, higher levels, and we have made preparations to meet this. However, in recent months the decline has been strongly accentuated by pressures which are not consonant with the world rubber situation and which have allowed sentiment and manipulation to figure too largely in the market price.

Now if we look at the long-term supply and demand position of natural rubber in relation to the consumption trend for all rubber, there is every reason for us to have confidence in the future of the natural rubber.

The Malaysian Government's action has re-activated the market and restored much-needed confidence, and in doing so, has proved the point that the big price drop to 47 cents was essentially a temporary feature caused by "bearish" sentiment magnifying the effect of a number of special short-term factors. We, in Malaysia.

by Government intervention, have provided the rubber market with a "shot in the arm."—have injected a serum, giving it slight vigour and activities.

Nevertheless, such re-invigoration, important though it is, is not enough for full restoration of health without further positive sustenance. What is important *now* is to generate the closest co-operation among the world's natural rubber producing nations, so that concerted measures can bring about a more lasting recovery in the price structure.

As suppliers of a large volume of important strategic raw material in world-wide use, there is every reason for natural rubber producers to work together towards achieving a fair and equitable price for their product.

In fact, at the Ministerial meeting of ECAFE, developing countries on UNCTAD recently concluded in Bangkok, it was enunciated and accepted by all participants that formulating a pricing policy which secures the highest possible real earnings for developing countries from the export of their primary commodities has become a key objective in assisting developing countries.

This, then, is the compelling case for our meeting here to-day. We, in Malaysia, look to our fellow producers assembled at this Conference to provide us with wise counsel and sincere co-operation to resolve our common problems.

Whilst I have touched on the need for quick measures to alleviate the immediate effects of unduly low natural rubber prices, which in the absence of corrective action could well have serious long-term consequences, there are deeper, more fundamental problems which call for long-term measures in order to bring a *greater degree of stability* into world trading, and to the *mutual advantage* of natural rubber and synthetic rubber producing countries, a *stabilisation of price* for all of us in the world rubber industry at a reasonable level.

I refer to the prevailing world-wide surplus production capacity for synthetic rubber and the market pressure from ever-growing stocks. Fiercely competitive and unhealthy trading practices have become prevalent as is now publicly acknowledged by synthetic rubber producers themselves with "dumping" at cut prices taking place on a substantial scale, notably in the European Common Market countries, where domestic producers have at least been forced to make official protest.

The heavy discounts, now common-place, are not only eroding the normal price levels of synthetic rubber, but are bringing down the natural rubber price as an inevitable sequence.

We, in Malaysia, believe that if synthetic rubber producers were given a choice between a rat race in the world's rubber markets with its attendant price culling and other unsavoury practices and a planned price policy related to world supply and demand, there is no doubt what their choice would be. All we require is fair competition on this basis.

We aim for a price level for natural rubber which is rationally equated with that for comparable synthetic rubber and not one depressed and distorted by market encroachment through "dumping" and kindred practices.

We seek a *policy which will restrain trading rivalries* within an immensely powerful industry from spilling over and swamping the multitude of the very much smaller and much more vulnerable producers of natural rubber and thereby undermining the economic progress of those countries.

We ask no more than that the code of reasoned self-discipline for the common good which distinguishes civilisation from barbarism in social life be carried over to trading relationships between nations. We in Malaysia believe that effective measures based on these principles can be devised and realised if mutual trust, understanding and goodwill between the natural rubber producing and the synthetic rubber producing countries can be better established.

We, therefore, call on the synthetic rubber producers, under the aegis of their Governments, to join with natural rubber producers to plan production with due regard to demand.

In doing this, let me state plainly that we do not approach the subject with a motive of being anti-synthetic.

Natural rubber and synthetic rubber, like many other **competitive** entities, have to co-exist and it is just good sense that they do so to mutual advantage. The true answer to falling **rubber** prices lies in an embracing **International Commodity Agreement**. This calls for dual action, by both the natural rubber **producing** nations and by the synthetic rubber producing and **consuming** nations.

Genuine international economic co-operation is becoming a sheer necessity if basic trading problems of this kind are to be solved, national progress in the populous, lesser-developed countries to be maintained, and world peace and security preserved.

I sincerely hope that by this conference and by taking counsel together, those of us who are so deeply concerned with the production of rubber and with finding market at a reasonable level will be able to find solution to the all important but complex problem. We are making these efforts not with the object of making a profit but merely to make life bearable and pleasant for our people who are so dependent for their existence on rubber.

## **THE PROBLEM OF ILLITERACY**

### **CHALLENGE BEFORE NATION GREAT**

*Eradication of illiteracy is a vital key to nation building." said Tun Razak in his message on International Literacy Day on September 8, 1967. In the course of his message he underlined the danger of illiteracy as well as its obstruction to progress.*

Today is International Literacy Day -a day which has great meaning in the United Nations' endeavour to promote universal understanding and to preserve world peace and goodwill among men. To us in this country, this Literacy Day provides yet another impetus in our determination to eradicate illiteracy as part of our national efforts to bring greater progress and prosperity to our people.

As in many developing countries, we in Malaysia have yet to overcome fully the problem of illiteracy. This problem exists amongst our people, especially those in the rural areas who had no opportunity for proper education during the colonial days. According to the Census of 1957, which was done before Independence, there were some 2.4 million illiterate people in West Malaysia. It has since been estimated that the actual number was much more than this.

With the formation of Malaysia in 1963, it was estimated that the number of illiterates in our country was increased by another