

BRIEFING BY THE DEPUTY PRIME MINISTER  
IN CONNECTION WITH VISIT OF PRIME MINISTER  
OF JAPAN TO THE OPERATIONS ROOM  
ON 23RD SEPTEMBER 1967

Your Excellency,

I like to welcome you to our National Operations Room. This is in a way a War Room; but it is not for fighting against human enemies but for development work for raising the standard of living of the people to fight against poverty, diseases and illiteracy.

Your Excellency, we in Malaysia had to fight against militant communism for 12 years, from 1948-1960. When we achieved Independence in 1957, we still have to continue to fight against these militant communists. However, in July 1960, we were able to defeat the Communists in the battlefield. Since we defeated the Communists, we decided to turn our attention to the people to see to their welfare. For 12 years the people, particularly, those living in the villages, were not cared for. They were suffering. They had no proper means of livelihood and no proper clothing. Indeed, they were not cared for at all because we have to concentrate our efforts on the war. Therefore, having won the war, we must now win the hearts and the minds of the people to prevent them from being attracted to communism.

We, therefore, decided to embark on an extensive National Development Programme. As you know, planning is a straightforward exercise. There are plenty of economists and experts who can plan development plans, but the difficulties are to put a plan into action, to give concrete results from plan on the paper to the ground. Therefore, in order to obtain the maximum results and to ensure that our plans are a success, we evolved our own techniques and our methods of implementation.

Also, we decided that a development plan to achieve maximum success must have the support of the people. Therefore, from the moment we embarked on this Plan, we brought the people in the planning. We evolved the Red Book system which is here and in this Red Book are laid down the various projects and programme which the people themselves must set for the development of their particular area. This Red Book was prepared by the District Development Committee, by the officers and the representatives of the people, Members of Parliament, Members of the Assembly at the district level which is our lowest administrative unit. Then as we implement the Plan, we continue to bring the people in through adult education programmes to educate them on development - through 'gotong royong', i.e. the spirit of self-reliance and of helping one another - through 'Operation Progress' or 'Gerakan Maju' where officers and village leaders work together to achieve results on the ground - through extension services organised by various Departments.

Now, Your Excellency, the techniques we evolved are as follows: First, we have to gear the whole Government machinery towards Development. We have to change the Colonial system of Civil Service into a Civil Service of an independent country. We have to see that there is co-ordination of officers at all levels from national level to the State level and the district level, and that they all should work as one team with one heart, one mind and one aim to achieve results.

Your Excellency, we have a number of difficulties in our efforts of implementing our Development Plans. We have a Federal system of Government and the States have a measure of autonomy on certain subjects. We have 13 States in all and plus the Central Government, we have 14 Governments. We have, therefore, to see that the 14 Governments work together in complete cohesion as one big machine. We also have to get the officers at all levels - the administrative officers, technical officers, professional officers and others - to work as one team. Indeed, we have to see that complete co-ordination be achieved at all levels.

Now, to do this, we established development teams at all levels - at national level, consisting of all the Ministers of the Government, at State level, presided over by the Chief Minister of the State and consisting of Members of the State Executive Council and officers at State level; then at District level, consisting of officers and Members of Parliament and State Assemblymen at that level. We have to make this team work with complete co-ordination, with one aim and one purpose. We make them hold regular meetings in the early days at the national level, once a week; now because the machinery is working well, we only meet once a month. The same at State level. They used to meet once a week, now once a fortnight. At District level, they do meet once a week; but at State and District levels, all officers connected with development have to meet once a week in what we call the "Morning Prayers" to see that they resolve whatever problems they have and whatever differences they might have and see that they do achieve maximum co-ordination.

Now, Mr. Prime Minister, this system has to be back-stopped by Operations Rooms, such as the one we are in now. We have a room like this in every State and district and in these Operations Rooms, all projects are charted, showing progress from month to month. Then we hold regular briefings to see that progress of projects is maintained. We have a system of record, Form 471, showing the progress of projects month by month.

Now, all these briefings, reports, charts and progress must be back-stopped also by action on the spot, i.e. by inspection by Ministers, in particular, by myself as Minister responsible, together with my team of officers; and here is the chart showing the visits I made to the various States and districts to see for myself that officers do get on with the job and do maintain progress of the projects.

Maps and charts showing progress:-

- (1) F.L.D.A.
- (2) Survey
- (3) D.I.D.
- (4) Agriculture
- (5) Rubber Replanting
- (6) N.E.B.

(7) Health

(8) Economic Planning Unit (E.P.U.)

As a result of using these techniques, we were able to achieve results far in excess of what we anticipated during our First Five-Year Plan from 1960-1965 as can be seen from the map. We budgeted for an expenditure of \$2,700 million but at the end of the period, we spent \$3,100 million. Even then, we did not have the money to spend much more because our machinery was capable of doing much more than we could have afforded.

Today, we are in the midst of implementing our First Malaysia Plan which we started in 1966 and in this Plan, we have gone ahead of schedule in all our projects and because we are short of funds, we have to slow down implementation of certain projects because of heavy defence expenditure during the confrontation by the former Indonesian regime and now, with the remnant of the Communist terrorists in our midst and the withdrawal of the British troops, we still have to maintain the high level of defence expenditure, amounting to \$740 million. With the low price of rubber, we are short of money. We have embraced as much taxation as we could and the World Bank has already advised us that we cannot do more than what we can do in the form of taxation. We have also utilised our foreign exchange resources as much as we could. Indeed, we made all possible efforts to obtain money and we are short of a sum of \$1,900 million or \$630,000 American dollars to complete the projects we have planned between 1960-70. We hope to obtain assistance from friendly countries to bridge this gap and we are very grateful to your Government, Mr. Prime Minister, for having given us an undertaking to lend up to \$150 million to help us finance our First Malaysia Plan. We hope, if you can, you will consider helping us more.

Under the present Plan, we lay particular emphasis on diversification of our economy, on planting crops other than rubber, and also on increasing our food production so that we shall be self-supporting in our staple food, i.e. rice. We also concentrate on industrialisation. We gave pioneer status to industries (in 1958) which we consider useful to our Development. We believe in free enterprise and encourage joint ventures and industries with friendly countries, such as Japan, and I am pleased to say that in two major industries steel and sugar refinery, we are having joint ventures with Japan.

We encourage investment from outside and we feel that because of the political stability of our country, we provide good and fertile ground for investment either in joint ventures or in private enterprise. We welcome business people from friendly countries, including Japan. We have a number of Japanese business enterprises in this country. We welcome more of them because we need your help in order to achieve progress. We would like our friends to show their faith in us. We, as a democratic freedom-loving Nation, desire peace and progress and we feel that the best way of preventing the advent of militant communism is through economic development. If we can make our people happy and contented, then they will not be attracted to any foreign ideas or ideologies. That is why, Mr. Prime Minister, we are devoting all our resources and efforts in this important field of economic development and we trust that our friends will give us all the help we need in this important venture.