

and friendship. Ultimately they will regard themselves not as members of different communities but as members of one nation. We have said this is the cardinal principle of our policy many, many a time and it does seem hardly worth repeating but there are some people who for reasons of their own refuse to understand what we said. Therefore it is necessary for us to continue repeating this important policy of our Government.

I have no doubt that the majority of our people have a deep sense of loyalty to our country and know that they must live together in harmony, friendship and unity because on this alone can we look forward to the future with real hope and confidence.

A THREE-WORD FORMULA

THE TASKS AND PROBLEMS FACING HEADS OF DEPARTMENTS

Careful preparation of the First Malaysia Plan, efficient and proper implementation of the Plan and constant evaluation of the programmes under the Plan constitute the formula offered by Tun Abdul Razak for all development officers when he addressed the Federal and the State Heads of Departments at Dewan Tunku Abdul Rahman on 4th June. 1964. Parts of his speech follow.

The purpose of this meeting, as you know, is to provide an opportunity for us here in the Central Government and, in particular, the National Development Planning Committee and myself, to explain to you all the tasks which lie before you in the preparation and execution of the first Malaysia Development Plan.

I recall that it was in this hall in February, 1961, that I held a similar meeting of Federal and State Heads of Departments to launch the Second Five-Year Plan. At that meeting, I urged all Government officials at all levels to do their utmost in the implementation of our Second Five-Year Development Plan. I

said then that if we were to achieve the maximum success in the implementation of our Plan, then the greatest efforts of co-operation, co-ordination and solid hardwork would be required by every single Government officer concerned from the highest to the lowest level.

I also called on all those present to light the flame of determination and enthusiasm in the minds of all officers and to keep that flame burning throughout the period of the implementation of our Envelopment Plan.

I am pleased to say today that officers at all levels have responded to the call and to the challenge magnificently. The tremendous progress in the implementation of our Plan in the last three and a half years is a splendid testimony. I would, therefore, like on behalf of the Prime Minister, my Ministerial colleagues, and the people of the country as a whole, to think all Governments servants for their devotion to duty and for the services they have rendered to our country and our people. In the last seven years since we achieved independence, our young nation has been moving forward steadily and progressively towards the attainment of the aims we set ourselves on the day we achieved independence. Merdeka has now meant to all of us the beginning of bigger and better things

During the next five years, our efforts to develop Malaysia will be most crucial. Malaysia is a new nation comprising States with different levels and stages of development. Some States like Sabah and Sarawak are relatively under-developed with acute shortage of labour and skilled personnel for local management and administration. On the other hand, the States of Malaya and Singapore are fairly advanced in terms of economic and social development. The different stages of development in different States obviously pose major problems of balancing needs with the best economic allocation of resources. These problems are compounded by the political necessity to develop as rapidly as possible those relatively under-developed States to meet the rising expectations of the people for a higher standard of living.

What is more Malaysia, being a Federation is. therefore, planning within the structure of a Federation and this structure demands solutions of complex Federal/State inter-relationship. There should be widespread participation at all levels in the preparation of the Plan to embrace the Centre, the States, the Districts and Mukims and Local Council areas. There should also be close co-operation and co-ordination between the Centre and the States and complete harmonisation of various diverse Federal/State, public and private interests so that when the final blue-print is produced, it will stand the test of future events without repudiation.

It must be remembered that the ordinary' people in the villages and the long-houses would not know what are the responsibilities of the Federal Government and where the responsibilities of the State Government lie. They only know there is one Government. Both Federal and State Governments are equally responsible for the people and there must be co-ordination between the Federal and State Governments in the function of responsibilities so that the whole governmental machinery can work as one. and can serve the people to their satisfaction.

I realise only too well that with the formation of Malaysia, we have to face many new and added problems. While we have to set about with our Development Plan and implement it. we have at the same time to adjust our national administration into a unified whole. This means a lot of work and a lot of extra energy. Also, we have to reply to Sockarno's confrontation in defending our borders from active aggression and securing our country from active subversion from within. However. I am pleased to see that our officers, not only in the old Federation, but also in Sabah. Sarawak and Singapore, are attacking these tasks and problems with added determination and added energy. With an optimistic approach we shall win through successfully. Therefore, in facing these tasks and problems, the energies of all officers must be directed unanimously and unitedly towards the achievements of our aims and they must not be frittered away by petty jealousies within the Federal and State Governments or by departmental differences. This is a time of national crisis in which all of us must work together putting our work and the benefit of our people before self.

Therefore, under the circumstances, it calls for greater efforts on the part of everyone not only in preparing our Development

Plan but also in carrying out our day to day tasks. Now, with the declining trend in the price of rubber and consequent fall in Government revenue and with the need to meet rising recurrent expenditure for public service and for defence, we must take all factors into account in putting up development expenditure proposals.

In spite of Indonesian confrontation and financial limitations, the Government is determined to push ahead with development and to formulate a realistic and dynamic First Malaysia Plan for improvement in the standard of living and conditions of our people and for national-building.

Now, in the task of preparing and implementing our Development Plan. / offer you a neat "PIE", a three letter-word formula which / hope you will hear in mind. The "P" stands for careful preparation of the First Malaysia Plan. "I" stands for efficient and proper implementation of the Plan and "E" stands for constant evaluation of the programmes under the Plan.

In preparing programmes for the next Plan, every Ministry and Department, every State and District, should scrutinize their programmes carefully with a view to ensuring maximum return for investment. We must weigh alternative courses of action in relation to their cost and the benefits to be derived. In other words, we should ensure that the value derived from every dollar spent on any development project, will contribute maximum benefit to the country. It is normal and human for every Ministry or State Government to think that their particular programmes deserve the most support of the Government for final inclusion in the Plan. We must however establish a clear order of priorities. Where programmes or projects are of lower priority in terms of overall national requirements, they should be excluded or deferred.

Resources are limited and it is not possible to include all projects one would like to have in the next Plan. This calls for a vigorous determination of what are urgent and what are marginal programmes. It should be borne in mind that the third Five-Year Plan or the First Malaysia Plan, is not the *one* and only *one* Plan—rather it is one of a series of Plans in the process of development.

You have been sent the circulars setting out the guidelines for the preparation of the Plan. At the same time the Treasury, the E.P.U. and other Departments are now engaged in preparing I

papers to appraise the economic and financial position of the country. What emerges from the whole exercise will be placed before the NDPC and the Cabinet for consideration and approval.

Once the Plan is approved by the Government and the Parliament, the next stage is to implement it efficiently. The process with which you all will become involved and the manner in which you carry out the Plan is bound to have far-reaching effects and tremendous impact on the well-being of the nation. It is futile if the Plan just remains a "paper plan" and therefore we must sustain our efforts to implement it and gear our administrative machinery to obtain the required results.

The next very important step is to evaluate the progress of the development programmes. We must ensure that clinics built are properly manned, land provided to farmers are cultivated, loans granted are properly utilised, roads constructed are maintained and the output of farmers are efficiently marketed. All these activities require a continuous process of appraising the results, to allow adjustments of policies and programmes where circumstances demand. Therefore I would emphasise that there should be no relaxation of efforts in the preparation, implementation and evaluation of the next Plan. Remember "PIE" is the key word and in the process of "eating" this "PIE" offered to you this morning, you will find that in the years ahead when the country is developing rapidly it is an instructive and a very rewarding exercise.

I would like also to mention that steps are being taken to re-organise the planning machinery particularly the structure of the NDPC to enable it to discharge more effectively the increased development responsibility arising from the creation of Malaysia. The NDPC will have broader representation from Ministries, and States concerned with major aspects of planning. In addition, I am considering the setting up of an Advisory Committee to NDPC on the development of the private sector with representatives from private enterprise, from employers and trade unions so that they will be able to help contribute towards national economic and social development.

Now, gentlemen. I have outlined to you that our main objectives are in the preparation and implementation of our Plan and what your duties and responsibilities are. We are a young nation—Malaya seven years old and Malaysia is hardly one year old. We

can be justly proud of what we have achieved during the past seven years. Many of you here will remember the period before independence when the critics said that we were not yet ready to govern ourselves and that independence probably will be the beginning of the end of prosperity and stability in Malaya.

The last seven years have shown what Merdeka has meant to the people of this country. It has meant the foundation and furthering of stability and prosperity within our shores, the steady progress towards a better way of life in both the rural and urban areas, the release of energy and enthusiasm and concentrated efforts in the task of nation-building in which we all have joined in the unselfish and untiring efforts. As I have said, all these things have brought praise from every free nation in the world today but we do not ask for praises. We ask and pray for progress. However, the praises that have been poured upon us have given us great encouragement to move forward and to achieve better and greater things in the years to come.

Now, we have Sabah, Sarawak and Singapore, out of their own freewill joining us as equal partners to work together, to pool our resources to build a free and independent nation. We have many problems and difficulties ahead but despite all this, we have achieved much in the past and therefore, it is in this spirit of national pride, determination and perseverance that I ask you all from whichever part of Malaysia you may be, to work together, to combine all your efforts and goodwill towards the building of a strong, stable and secure Malaysia.