

Also, in the private sector there exists an Institute of Management which, from time to time, runs excellent courses on the teaching of managerial skills and other such skills as are essential for the running of an efficient business.

Finally. Ladies and Gentlemen. I would like not only to wish the MIEL the best of luck in its further expansion Programme, but I would like to express my sincere hope that those of you who have recently set up industries in this new Kawasan MIEL will meet with success in your ventures and be able to contribute to the industrial productivity of our Nation. Thank you.

THE MALAYSIAN SCENE TODAY

A DECADE OF DEVELOPMENT AND OUR ACHIEVEMENTS

Some of the aspects of the outstanding achievements in national and rural development were reviewed by Tun Abdul Razak in a Malaysia Day radio broadcast on 31st August, 1968. In the course of his talk, covering a decade of development the Tun appealed to "all Malaysians to re-dedicate themselves to the task of developing our country into a happy and prosperous land for ourselves and our children

On the eve of Malaysia Day. I would like this evening to review some aspects of the impressive economic progress which has taken place in Malaysia since Independence was achieved in 1957. What is the general picture that you see? May be you are so accustomed to the scene. that you do not pause to reflect. So let me put the question differently. What is the general picture that a visitor to Malaysia sees?

He may fly into Kuala Lumpur, the capital city of Malaysia, on a modern airline. This might be the Malaysia-Singapore Airline, a major part of whose share capital has been provided by the Malaysian Government. His plane lands at Subang Airport, one of the largest and certainly the most modern airport in the region. From there he will be taken by a Mercedes Benz taxi over a dual carriage, four-lane highway to the city. On the way

he will see newly planted oil palm estates, well maintained rubber estates, tin mines with ship-like dredges, a busy railway line and a modern highway linking the bustling port of Swettenham with the capital city and its suburbs.

His car will take him through Petaling Jaya, a fast growing modern suburb of Kuala Lumpur, developed almost entirely after Independence. Here he will see factories producing acid for rubber making, construction materials such as cement pipes and roofing tiles, paints, motor cars and scooters, tyres, soap and margarine, household and office furniture, soft drinks, beer, condensed milk, metal boxes and a wide range of other consumer goods. He will see houses of modern design stretching from the highway to the surrounding hillside.

Houses of worship for Muslims, Buddhists and Christians living in the suburb will also attract his attention, as will the impressive new Government buildings, a huge teaching hospital, a fast growing modern University campus and brand new commercial houses.

Following or passing his taxi will be vehicles from Japan, Australia, Italy, France, West Germany, the United Kingdom and the United States. He will pass shops and department stores stacked with goods from all over the world and eating places selling Malay, Indian, Chinese and European food. And on arrival at his hotel, he will be taken to an air-conditioned room. In other words, this trip from the Subang International Airport to the Hotel will have shown him a sample of the economic progress that we have achieved in Malaysia.

But this, of course, is only part of the scene. Our visitor may go to the rural areas as well.

From one of the main highways passing through Kuala Lumpur, he will take a secondary road built recently and to a high standard. On both sides of the road, will be estates and smallholdings. If it is a rubber area, the trees will have been recently replanted with high-yielding clonal seedlings. Similarly, if it is a coconut area, he will see rehabilitation and replanting programmes underway. If he happens to pass a rice growing area and stops to speak to the farmer harvesting the crop, he may be told that this is the second harvest. This second crop means extra income for the farmer and has been made possible by drainage and irrigation

schemes recently put in. the fertilizer which Government programmes have enabled him to obtain at subsidized prices and the advice received from extension officers of the Government.

As the visitor proceeds into any of the villages along the way. he will witness the impressive developments which have occurred since Independence to improve the lot of farmers and their families. He will see a new school, and he will see healthy and well-nourished people—the result of economic progress and the extension of modern health services into the rural areas. These programmes have largely freed the people from debilitating disease and have given Malaysians one of the highest life-expectancies in the developing world.

He may also come upon a concentrated area of development in the centre of which lies a compact village. This would be one of the more than 70 Federal Land Development Authority schemes that have been established since Independence. Or he might be surprised to notice a gathering of Government officials and village representatives in serious discussion in a community hall. This would be a village development committee. Here the economic and social problems of the area are being discussed and plans formulated for overcoming these problems and enhancing the productivity and welfare of all the people in the village.

If our visitor had been to these rural areas some 10 years ago. he could not help but be impressed by the dramatic changes that have taken place since then. At other times and perhaps in other places such changes would have been achieved more slowly—if at all. That they have taken place in Malaysia in the space of only 10 years is testimony to the results of the new silent revolution which was initiated with Independence.

If you were to ask an economist for a summary measure of this progress and of the current state of the economy, he would use the *per capita* income level or the average income of all Malaysians as an approximate measure. At present, this is just above US\$300 per person. This is indeed a high level by the standards of developing countries. In Asia, it is second only to Japan, excluding of course the city states of Hong Kong and Singapore.

The total income or gross national product, is over S10 million, having grown by about 6% annually over the past 11 years. As population has increased by 3.0% per year, *per capita* income has expanded by about 3 per year.

This relatively high income level and the sustained nature of its growth has been due to a significant extent to the growth of Malaysia's traditional industries namely rubber and tin. At the same time, new economic activities have emerged which have not only contributed to growth but have also served to strengthen and broaden the base of our economy.

In the field of agriculture, oil palm and timber have become important partners to rubber as Malaysia's principal export commodities. Since 1957, the production of palm oil has increased fourfold: as a result, we are now the world's largest exporter of this product.

During the same period timber output has about trebled. Our exports of logs and sawn timber have now overtaken iron ore as the nation's third largest foreign exchange earner. The production of rice, our staple food, has kept up with the very rapid rate of population growth. At this very moment, two large drainage and irrigation schemes are being implemented. When completed during 1970-71 they will enable double cropping of rice over some 300,000 acres of land. As a result of this and other efforts, West Malaysia will become self-sufficient in its rice requirements before the mid-seventies.

A major innovation of development planning in Malaysia is the FLDA programme. This has gone a long way toward increasing the opportunities of our rural people for a better way of life. Designed to give land to the landless and to provide them with an income commensurate with their effort, the work of the FLDA has already resulted in some 250,000 acres being developed and some 14,200 families being settled on 5,000 to 20,000 acre schemes. We are very encouraged by the success of this programme, and derive considerable satisfaction from the comments made by the Asian Development Bank in its recent Asian Agricultural Survey. In this survey, it is quoted that our efforts stand as a model of a well-conceived and well executed land development programme.

In the industrial field, progress has been similarly good. Manufacturing production has grown by about 10% per year in the last 11 years. As a result, we find ourselves in the group of developing countries which have experienced the most rapid rates of industrial growth in the recent past. Four-fifths of the developing world experienced rates of industrial growth less than 10% per annum since the end of the Second World War. What were

the elements of our progress in this field? From 1960 to 1967. cigarette production increased by 66%. biscuits trebled, sawn timber rose by 70% while veneer and plywood expanded by not less than 1000%.

Output of soap and rubber products also expanded rapidly. Petroleum refineries and cement plants were established and in 1967, a steel mill and automobile assembly plants came into operation. In many of these products, Malaysia has not only become self-sufficient but has also begun to export.

In support of all these increases in production, there has similarly been a rapid development of our physical and human infrastructure. Road mileage has been extended by over 80% over the whole of Malaysia and port capacity almost doubled. In education, enrolments at the primary level rose by 35% and at secondary level it increased nearly five-fold. And in 1967. the student population at the University of Malaya reached over 5.000 compared with only 323 students at its inception.

As rapid agricultural and industrial development will greatly increase the demand for skilled workers. Government is doing everything possible to ensure that the supply remains adequate. In addition to the numerous on-the-job training schemes in the private and public sectors, the vocational school enrolments have risen from 500 in 1965 to 1.000 at present; the intake of students into the College of Agriculture has quadrupled; enrolments at the MARA Institute of Technology will have grown from nothing in the past to 4.000 by 1970; the Technical College is being expended; a polytechnic is now being established at Ipoh and the new Tunku Abdul Rahman College will soon be established with a heavy technical bias.

This then is a capsule summary of what has been achieved—11 years of economic growth with continued financial and monetary stability. Our cost of living has been stable while the Malaysian dollar is as strong as ever. In fact, since 1966. the Malaysian dollar has lost less than half a per cent of its purchasing power.

In the same period the US dollar lost purchasing at the rate of 1.8%. In addition, the Malaysian dollar is the first Asian currency to be used by the International Monetary Fund as one of its "loan" currencies.

Indeed, the nation can take pride and credit for these achievements. All the more so, as all this was achieved despite the disrupting effects of the Communist insurgency in the early part of the period, the threat of external aggression from 1963-1966, the separation of Singapore from Malaysia, and more recently, the withdrawal of British military forces from Malaysia.

Still we cannot and must not remain complacent. We must strive for sustained economic and social progress to meet the rising expectations of our fast growing population and to bridge the gap between the "haves" and "have-nots". In this task, everyone of us has a role to play—politicians, civil servants, members of our armed forces, private entrepreneurs, our farmers and industrialists and the man-on-the-street. We tackled armed Communist insurrection successfully a decade ago. We must fight the battle for development—the battle against poverty—with the same seriousness of purpose.

So far the foundations of our economic progress have been the growth of our rubber and tin industries. But we can no longer depend on these two industries alone to provide our growing population with good jobs and adequate incomes. We have to continue to accelerate the development of new activities through agricultural diversification and industrialization. And this indeed is our battle strategy -our basic development strategy.

I can say with confidence that we shall overcome. We shall continue to advance in our quest of sustained economic and social progress, for Malaysia has the necessary instruments. Like most developing countries, we have a large reservoir of unemployed and underemployed labour. Unlike most of them, however, Malaysia possesses a substantial amount of virgin land, readily accessible and of high fertility. The potential for agricultural development is therefore enormous. It is just as great for industrial development, particularly through the development of raw material based industries—such as the rubber, wood and food product industries.

In addition to these impressive elements of strength, we possess an efficient and well-developed economic infrastructure in transportation, communications and power; a demonstrated capacity in the public sector to carry out development projects with effectiveness; and, an abundance of entrepreneurial capacity in the private sector.

Given our determination and capacity to work hard and to do better, we can look to the future with confidence. My Government has been privileged to have been given the opportunity to provide the lead. As we celebrate the eleventh year of Merdeka, we rededicate ourselves to this mission and invite all Malaysians in every walk of life similarly to rededicate themselves to this task of developing our country into a happy and prosperous land for ourselves and our children.

THE FRUITS OF RESEARCH

GREAT STRIDES IN PRODUCTION AND PROCESSING OF RUBBER

The growing importance and the vital role of research and development in the field of natural rubber were stressed by Tun Abdul Razak at the opening of the Second International Conference on Natural Rubber at the Dewan Tunku Abdul Rahman in Kuala Lumpur on 29th August, 1968. More than 500 scientists including 200 from overseas attended the conference.

At this particular phase of the development of the natural rubber industry, when so much has been said and written about its problems and prospects. I consider it opportune, refreshing, and decidedly reassuring that you the scientists and technologists from so many countries who have for so many years worked so closely in this field of natural rubber research should decide to get together to take counsel and hold discussions on your research covering a wide range of subjects connected with natural rubber.

To my mind this conference provides a good opportunity for you to examine the many promising developments that have taken place as a result of your researches in the natural rubber industry and also the challenges posed by its competitor, the synthetic rubber industry, so that you can make an objective assessment of the innate strength of the natural rubber industry which, in turn, will assist in mapping out the strategy for future development and your research. We, therefore, look forward with keen interest to your findings and deliberations which, I am sure, will be fruitful and useful.