

**SPEECH BY THE DEPUTY PRIME MINISTER IN
REPLYING TO THE DEBATE ON THE ROYAL
ADDRESS REGARDING THE SECOND FIVE
YEAR DEVELOPMENT PLAN AT THE DEWAN
RAKYAT ON 27TH MAY, 1963**

A number of Hon'ble Members spoke on our Second Five Year Development Plan and alleged that the Plan is a failure and that it has neither improved the national income of the people, particularly in the rural areas, nor has it given increased employment. We understand the feeling of despondency and frustration of the Member for Kuala Langati because he was given nearly six years to prove his worth to show that he could put into action what he so lively and loudly spoke in words. He was the Minister for Agriculture whose six years was also responsible for the co-operative movement. He always regarded himself as he said in his speech as the champion of the commonmen of the rakyat. But what did he do? Has any of his schemes proved a success? Because of this failure to plan properly and to approach the problems in the true prospective and to implement development programme continuously and with a real comes of determination, he was asked to leave the Cabinet. He talked about the great type of resentment built up by the rakyat who had been defrauded. If at all there is any such resentment, then it should be directed to him for his failure to carry out the various schemes of improvement of the lot of the people when he had all the opportunity to do so. And if the people were defrauded, it was he who defrauded them by making them believe that he could do a lot of things for their own interest when in actual fact he did very little. The ordinary men and women in this country, including those who live in the rural areas, are not stupid nor are they blind to facts. They always know where the truth lies and where sincerity exists. We, the present members of the Alliance Government, are always ready to be judged by the people for what we

have done and what we intend to do. By our rural development programme during the last two and a half years, we have to some extent succeeded in changing the face of the rural areas. In areas where there are no roads before, we have built roads. We have brought medical facilities, water-supplies, mosques, cumulative homes and such other social amenities which we consider are desirable for a civilized life. Of course, these are not all the things that we want to do for them. There are many more amenities which we intend to bring to the rural areas to make rural life as pleasant and as amenable as life in the cities. Also, to those who have no means of employment, we had given them land of economic size. We have so far established fifty land schemes of 4,000 acres each. That is to say, each scheme can accommodate 400 families. Therefore, on the existing schemes alone, when they are completed, we shall have been able to find employment, a decent home, a decent place to live in with all the necessary amenities of life to about 20,000 families. This is not all, we intend to continue this programme. I recently announced that, with the agreement of the Pahang Government, we propose to open up about 200,000 acres in the centre of Pahang to cater for all the landless peoples from all over Malaya.

The first fact regarding our standard of living of which every Member of this House is well aware that our heritage from colonial rule resulted in our economy being dependent on two primary products, namely rubber and tin and the rise and fall of our National standard of living must, for some years to come, be inseparable from the rise and fall in the price of these two products.

The Alliance Government have always been well aware of this fact and that is why in our Five Year Plan we have given the greatest emphasis and taken active and positive steps towards the implementation of an agricultural diversification programme so that in the years to come our economic stability and the standard of living in both our urban and rural areas will not be entirely dependent on World market prices of these two products.

With regard to the effect of the National Five Year Plan, which includes the National Rural Development Plan, it has been proved by our assessment of the result of the first two years of the Plan that the physical output of our National economy has increased by 10% between 1960-62.

The assessment made not only by the Alliance Government but corroborated by the International Bank for Reconstruction and Development and the International Monetary Fund. There is proof that the general standard of living throughout the country has increased and continues to increase as a result of the implementation of our Plan.

Now, Mr. Speaker, to be more specific on this, the Federal Land Development Authority have already developed an acreage of approximately 197,000 acres of new land giving a new way of life and a better standard of living to approximately 16,000 families even the most irresponsible Member of Parliament cannot argue against facts; and the fact is that this new development of land is in fact raising the standard of living in the rural areas.

In parallel to this the various State Governments have, under Fringe Alienation Schemes, opened up an acreage of over 186,000 acres of land; the opening up and giving of land to cultivation by the rural people in itself is proof of a general raising of our National Output and our National standard of living.

Also on the field of RIDA, thirteen rubber processing factories have been set up; sixty small rubber processing factories; twelve Bus Companies; well over 100 markets have been opened up; \$20 million worth of loans have been given up to the rural areas of which over \$15 million has already been paid back; even the rural bus service in Kelantan, more commonly known as NETS has been put in order from being in debt to the extent of \$800,000 to being put in credit and making a profit last year of over \$67,000.

All these facts and figures a tangible proof that these vague accusations are false. Accusations that the Alliance Government is not in fact raising the standard of living are not based on facts and figures but are based on wishful thinking on the part of the opposition because it is obvious from the speeches in this House today that the wishful thoughts, the hopes and aspirations of the opposition is that our National Five Year Plan will fail and will in no way help the people whom they represent in the rural areas. They hope and pray for this failure for purely selfish reasons that they themselves will be able to take over the Government and I will say this, Mr. Speaker, that one of the greatest guarantees that the standard of living of our people will not only be maintained but will be increased; the greatest guarantee for this is that the Alliance Government continue to govern and continue the implementation of our National Five Year Plan as at present, because there is no doubt from the irresponsible speeches from the other side of the House that if, by a stroke of bad luck this country was being governed from the other side of the House then by their vague thinking, by their vague speaking and by their muddled meddling then the standard of living, in our country, which on this day, the 27th of May, 1963, would drop lower, lower and lower.

I am surprised that the members of the Opposition, the Hon'ble Member for Ipoh and member for Tanjong², made some assertions about unemployment when there are no reliable statistics prior to 1962. As I have indicated unemployment in selected manufacturing industries has also increased by 10% from 1960 to 1961.

I would like to assure the House that the Government is not unmindful of the needs of reliable information of employment and unemployment in the country. We are making every effort to obtain this information through comprehensive employment and unemployment surveys. This is being undertaken by the Department of Statistics and the first comprehensive survey has been completed for the year 1962.

2 Encik Tan Phock Kin.

The result of this survey indicated an average of about six per cent in the labour force in 1962 were unemployed. This is approximately the same as unemployment rates in the United States and Canada, two of the countries where unemployment exists on a scientific basis.

As stated in His Majesty's speech "the implementation of our Second Five Year Development Plan, particularly our Rural Development Plan, has been a great success". The proof of this is clear for everyone to see in the rural areas themselves. The Government's action and the Government's deeds speak louder than empty words of the Members of the Opposition. It is true that although we have done much, there is still much to be done. But if we are given the privilege by the people to do it, we shall continue to tackle this problem of poverty and depression in the rural areas, with all the energy and earnest sense of determination, as we have done during the last two and a half years. There is no doubt that we have tackled this problem in the right way and with the right approach. The problem of improving the standard of living of the rural people is certainly a complex one, but we cannot solve it by merely talking or by propounding theories. I am prepared to say categorically to this House and to the country at large that our Plan, and our method of approach to overcome this immensely complex problem, are basically right. I am prepared to meet any Professor or any theorist on this case. Our method and our way have shown results and have succeeded. I have just come back from a long tour of the United States, Canada and the United Kingdom and had met many great leaders of Governments as well as leaders of International Agencies. All of them paid great tribute not only for the way in which the Alliance Government has administered the country but for the way in which we are implementing our development plan. We had been regarded as a model for newly independent countries because of the stability of our Government and because of the success of our development plan. We had been given the respect in great capitals of the world far out of proportion of our size and of our population. I heard all these in glowing terms personally, and I say all **these out** of tribute to the Alliance Government. Of course,

we do not expect to get such tributes from members of the Opposition. But if they are honest in themselves and responsible as they should be, then they should give credit where credit is due.

I know certain quotations have been read out from reports put up by a Professor who is supposed to be conversant in economic theories. But I say, we in the Alliance Government, do not merely talk of theories. We believe in action, in deeds and in results. The people in the rural areas, in the kampongs and in the villages, do not understand theories but they understand results and I will say this to any Professor who wish to propound on theory of rural development, I wish you show results first before you can talk. We do not dwell on theories.

The Hon'ble Member for Tanjong spoke about collective ownership in order to create efficiency and patriotism. I say this idea of collective ownership is unacceptable to the kampong people. They want to own land; they want to own houses; but they are prepared to development their land co-operatively or collectively and this, as far as possible, is being done. That is why one of the main things that we encourage in rural development is the spirit of "Gotong Royong". Here again, I say to the Hon'ble Member for Tanjong, don't work on theories. We have got to devise a system of economic development which is suited to the conditions of our country, suited to the mentality of our people. After all, in economic development, as in any other field of progress, human factor plays an important part. Whatever we want to do, whatever method we devise, we must have the acquiescence of the people. They must agree that it is right so that they can adopt it and use it continuously to get results. That is why, I say we, in the Alliance Government, are convinced that we are doing the right thing in the right way. Given a few more years, with the present stable conditions of the country, we are confident that we can effect that evolution in the life of the rural people so that all of them will be able to live a better, healthier and happier life and that we shall have a real economy, based on a strong and sound foundation.

The Hon'ble Member for Seremban Timor? alleged that in the implementation of the Development Plan, we are not treating the new villages in the same footing as the other villages. I have made so many statements on this subject that it is almost worthless to repeat. But because of the Opposition Members talks and who always play the same record, we also have to repeat the answer. I said our aim in the rural development is to carry out development throughout the country in accordance with the needs of a particular area and our plan is national in spirit and in character. We have now a special leaf in the Red Book for the development of the new villages and the requests from people of the new villages are being attended and given the same attention as those of the other areas in the country.

Mr. Speaker, Sir, next I wish to mention a little bit about loans. The Hon'ble Member for Tanjong accused Government for borrowing too much money from overseas. I would like to explain that we are in a young and developing country. We cannot carry out development plan without money. The Hon'ble Member also said our taxes are too high. Well, if we cannot get money internally, we must get money from loans overseas to finance our development plan. This is a usual thing done by any country in the world, including the United States of America before she became the most prosperous country in the world. Like any business undertaking, if you want to expand your business, you go to increase your capital. You borrow money in the hope that your business will expand and your profits will increase and you will pay the loan from your profits. In the same way, in a country, if we want to development and expand our economy, naturally we have to borrow money for the purpose. When our economy had expanded and our national income increases, we shall be able to draw more from the country to pay our loans. This is the only rule to prosperity; a rule which had been followed by every developing and wealthy country in the world. There is no other way. If we are not prepared to borrow money to expand our economy, then we must remain static and we cannot expand and improve in our way of life.

I should like to explain to the House a little bit about our financial position. With the advent of Malaysia, as has been explained on a number of occasions, with Malaysia it will mean we shall have to increase our defence forces and our police forces for the protection of a much bigger area than we have now. It has been estimated that we shall have to increase our defence forces and our police forces for the protection of a much bigger area than we have now. It has been estimated that we shall have to increase our defence and our internal security with the current expenditure extent to the tune of about \$200 million a year on account of Malaysia. In addition to that we have to incur considerable capital expenditure. Also, the new territories of North Borneo, and Sarawak, which are much less developed than we are, will need assistance for their development plans to a tune of about \$100 million a year. We cannot find this money from internal sources, we shall have to obtain assistance from abroad. That is why my colleague the Minister of Finance and myself were in London recently to talk to the British Government on financial assistance for defence as well as development. We feel that Britain has a special responsibility to give assistance for the expansion of our defence forces as well as for development in the new territories. We have had these talks, but as I have indicated on my return, the talks did not end successfully as the offer made by the British Government fell far short of our requirements. As this matter is still under negotiation between the two countries, I regret that I am not able to give the figures of the amount of assistance offered by the British Government but we hope we shall be able to get the British Government to agree to give assistance to what we consider reasonable because it will be difficult for us to carry out our development programme which we promised to do and at the same time expand our armed forces without assistance from outside.