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SPEECH BY THE DEPUTY PRIME MINISTER
OVER RADIO MALAYSIA ON THE NATIONAL
AND RURAL DEVELOPMENT ROUND-UP -
MALAYSIA DAY 1966 ON 31ST AUGUST, 1966.

Today we are celebrating our ninth year of Independence, and this is the most memorable Merdeka day so far in our history.

It is historical because it marks the transition of Malaysia from under the clouds of Confrontation into a new era heralding a dawn of new development!

Although during the period of Confrontation, never did our determination to develop ever diminish, but it must be admitted that the problem of combatting Confrontation did in fact act as a deterrent to development.

What does the ending of Confrontation mean to us? It means that we can now divert all our time, energies and effort to their rightful use and turn the nation's *full resources* towards the task of *nation-building* and a better way of life for our people.

Throughout the period of Confrontation, my government's *policy never wavered*: we stood firmly on the side of right, patiently upholding the principles of peace, and although we had to take steps to defend our sovereignty, never once did we allow ourselves to be misled towards an attitude of aggression or animosity.

We know we had done no wrong in the eyes of God, and we believed that by pursuing the right action and the right attitude of tolerance, patience and goodwill that the natural laws of justice would come to our aid in the long run; and reward us with the three things to which we as a nation are dedicated; the three things most dear to the hearts of every true Malaysian - What Malaysia stands for — Peace, Progress and Prosperity!

With those words from the Deputy Prime Minister and Minister

of National and Rural Development, Tun Abdul Razak, let's look at the Nation's march towards Peace, Progress and Prosperity.

Our National Development Programme portrays the long term objectives of the Government, geared to contribute fully to national progress.

We are now in the second stage of Phase Two of the National and Rural Development Programme which the Government launched early in 1961.

Highlight of the development progress today is "Gerakan Maju" or "Operation Progress". This is a follow-up of the various facilities and amenities which the Government provided the rakyat when Phase One of the National Rural Development programme was launched. And, over the years numerous projects have been implemented to raise the standard of living and economic position of the people, particularly those in the rural areas.

Our development statistics show that almost all the projects launched under the First and Second Five-Year Malaya Development Plans have been successfully completed far ahead of the scheduled time. There have been tremendous changes all over the country in the remote rural areas in kampongs and in towns.

"Gerakan Maju", the theme of our development today is aimed at mobilising the spirit and energy of the rural people in "bergotong royong" or "self-help" in bettering themselves and the Nation.

Now, while the base of the National Development Programme has been fully established under the First and Second Malaya Development Plans, the Malaysia Development Plan aims at further bettering the living standards and prosperity of the people.

Broadly, the Government's National Development Programme have a four-pronged project to develop the country economically and socially through:

- the Government's implementation and participation in development projects,

- Community Development programme — through the rakyat's participation in "bergotong royong", or "self-help",
- improvement in marketing facilities of primary and rural produce through the setting up of the Federal Agricultural Marketing Authority in October, 1965, and
- thereby correct the imbalance between the urban and rural sectors of the economy by the establishment of Bank Bumi-putera and "MARA" or the Council of Trust of the indigenous people.

These programmes are aimed at sustained economic and social growth of the Nation.

Now, according to the trend of development projects "Gerakan Maju" is at the moment being launched only in West Malaysia. This is because Phase Two of the National Development Programme has not been extended to East Malaysia as she is in the early stages of the National Development Plan.

In Malaysia motivation alone is not depended on implementing our National Development Programmes. Today, we are living in a period of strategic development. This calls for not only the rakyat and the farmer to participate but also the coordination by the various departments of the Government, quasi-government, voluntary organisations and other individuals.

The theme "Agriculture in economic development" is particularly important to Malaysia where more than two-thirds of the population are in one way or another dependent on agricultural activity for their livelihood. Our planners have given high priority to agriculture in our national development programme. The agricultural policy of the Government is directed to the development and exploitation of agricultural resources to the maximum and to intensify diversification of the agricultural sector of our economy. We need raw materials for our industrialisation programmes to broaden the base of the country's economy and as a source of foreign exchange earnings to finance a sustained rate of economic growth.

The progress achieved in the last five-year development plan showed that in 1960, the total value of animal products produced by our local animal industry was worth only about 180 million dollars. But today, our animal products have increased in value to no less than 350 million dollars. This shows a 9.5 per cent growth in value per year in the animal industry.

The giant 204 million dollar "Muda Irrigation Project" in Kedah which is now under construction is promising to make Malaysia self-sufficient in rice.

The States of Malaya alone now produce about 571,000 tons of rice annually. This is about sixty per cent of our rice requirements. Agriculturists in the country have been working to produce good padi seeds such as "Mashuri", "Malinja" and recently, the higher yielding "Padi Ria" which yields about 100 per cent more padi than either of the earlier introduced Malinja and Mashuri padi varieties. And, with the new padi Ria, we are already on the road towards self-sufficiency!

Now since about 50 per cent of our gross national income comes from agriculture and about 70 per cent of our population is engaged in agriculture, development of agriculture is given strategic importance under the First Malaysia Development Plan. Therefore, the Government has set aside a total of 1,086.6 million dollars for agricultural development in the First Malaysia Plan, out of a total allocation of 4,550 million dollars for development in the public sector.

Agriculture, forestry and fisheries form the most important sector of our economy. Rubber, which is our most important agricultural crop has accounted directly for more than twenty per cent of the gross national product and total employment and is responsible for almost 40 per cent of Malaysia's total earnings.

The development of agriculture has played a distinct role in community development work because of the existing machinery available regarding cooperative societies, and farmers' and fishermen's associations.

Already twin agricultural developments can be seen in many

parts of the country; rubber replanting programmes, the oil-palm industry, double cropping and cooperative marketing, are all signs of a silent agricultural revolution for the better in a modern Malaysia.

Since the year 1956, the Federal Land Development Authority has opened up numerous thriving and progressive land development schemes in different parts of the country. In each FLDA Scheme is an estate and an orchard, including a village and housing area, complete with settlers' quarters, shops, schools, theatres, playing fields, offices, market, community-centres, suraus and all amenities for the benefit of the people.

Up to date sixty-two such compact nucleated agricultural settlements have been opened up in different parts of the country. Of these, ten schemes grow oil palm, and the remainder grow rubber as their main crop.

Until June, 1966, a total of 10,269 families have been settled on some 270,569 acres of land on these schemes.

Under the First Malaysia Plan, the Government is now opening up the most ambitious and giant land scheme ever envisaged, covering some 200,000 acres in the fertile "Jengka Triangle" of Pahang. When completed it will offer even more opportunities for the people to progress and prosper.

The rubber holdings in some of these Federal Land Development Schemes which are coming into maturity are giving as much as 400/- dollars a month. This is from six acres of land and goes to prove that the Government's objective to enable a family in the rural areas to earn 300/- dollars a month is within the reach of every farmer!

The Federal Agricultural Marketing Authority or commonly known as "FAMA" which was established towards the end of 1965 is now busy coordinating the marketing of primary products. In this connection FAMA is compiling a report on findings of its recent Public Inquiries with a view to providing a master-guide for the re-organisation of the existing marketing system so that farmers could be assured a fair return for their produce.

Recently, the Chairman of the Federal Agricultural Marketing

Authority, Encik Hanafiah Hussein commented on the proposed Padi Marketing Board.

"This marketing Board which FAMA proposes to establish is a Board provided for under Section 6(1) of the Federal Agricultural Marketing Authority Act, 1965. The Authority has recommended that there will be four marketing schemes for Krian, Tanjong Karang/Sabak Bernam, Province Wellesley, and Perlis. FAMA - the Board that is established under Section 6 will be the organisation that will be responsible for implementing all the four schemes".

These marketing developments mark yet another milestone in the numerous agricultural development projects that are being successfully implemented under the National Development Plan.

Alongside the trend of developments there is a silent economic social and cultural revolution in the rural areas. A concerted programme of "Adult Education Over the Air" on a Nation-wide basis was launched on the 1st of April, 1962. And there are at present about 300,000 students attending adult education classes in both East and West Malaysia.

This pilot rural adult education scheme has been highly commended by the Prime Minister, Tunku Abdul Rahman, as it is a big step - forward to lifting the literacy - levels of the rural areas as it forms the "grass root" and basis of our nation - building programme.

Instead of depending on two main export commodities of tin and rubber, the Government is embarking on a programme of diversification and industrialisation. Under this scheme, the First Malaysia Plan aims at creating 500,000 new jobs for the people.

Another achievement of Malaysia is her per capita income of about 850 dollars per annum which is one of the highest in this part of the world. Compared to population increase, which is about 3 per cent per annum, our per capita income is rather high.

We are Manufacturing more and more consumer goods. There are about 11,000 large and small factories spread all over Malaysia, manufacturing about 40% of our total domestic demand of manu-

factured consumer goods. And we are now consuming about 2,000 million dollar worth of manufactured goods. These figures show a considerable saving in foreign exchange.

Malaysia is a fertile ground for investors. The Nation is politically and economically sound; the gross domestic savings for 1965 was 1,764 million dollars. We also had a surplus trade balance in 1965 by 176 million dollars and our foreign exchange reserve was 2,760 million dollars.

And, according to the Minister of Commerce and Industry, Dr. Lim Swee Aun:

The position of commerce and industry has been steadily forging ahead. Our trade figures show that we are exporting more and we have had favourable trade balances, that is to say we are earning more in our exports than we are spending in our imports and where industrialisation is concerned, we have had more factories come into production both pioneer and non-pioneer.

Several pioneer industries have come into production and today we have a total of about 138 companies, pioneer companies and about 60 pioneer companies approved in principle.

I am very happy that at this stage since Malaysia there have been several applications from 100% local Malaysian companies and they have been given pioneer status and the more 100% local companies are set up with local capital, local know how and locally manned, the sooner we will be in a position to produce more of our "Made in Malaysia" goods and would be in a much better position to compete in the export market. We have been very successful in attracting foreign investments into this country. In the pioneer industry area where 138 companies have already received pioneer status there is a total investment of about \$335 million out of which \$190 million come from abroad and the rest from local resources.

The light industries, as you know, are the industries that produce consumer goods and we are going ahead very satisfactorily and on the heavier ones, like the rolling of steel and aluminium, the rolling of aluminium is already in production but the rolling of iron will come later.

There is a great promise in our natural resources as a result of geological surveys and as you are aware the West Coast of Malaysia is now open for prospecting of tin in the sea and also in the East Coast of Malaya, western Malaysia it is going to be opened for the prospecting of oil, we are fortunate that in Eastern Malaysia on the sea beds opposite Sarawak a Shell company has already found promising areas where there will be oil and this would be in addition to the production of oil in Miri. Recently there has been reports of finding copper deposits in Sabah and if these are economical in quantities then our supply for copper would be much enhanced and this would add to our future production of raw materials.

I am glad that quite a number of these consumer good factories have been set up. A sugar refinery in Prai, a jute factory will soon be coming up in Makmanding there are several textile factories in Johore. However the more important thing is to see whether or not it is feasible to grow the raw materials in this country where the pineapple canning industry is concerned, we of course produce our own pineapples and therefore this has become a very important export item and is earning us a lot in foreign exchange.

So much money is being allocated for the diversification of agriculture. The improvement of our crops, the increasing of productivity so that this basis, agricultural basis can be strong and stronger and the producers in Agricultural can have a bigger cash earning. Now industrialisation is only one of the methods of diversification to our economy. This is not the end or we cannot expect industrialisation to overtake agricultural development in the very short future, perhaps in the long run this might be so but in the foreseeable future we must still depend upon our agriculture to be our main export earner in the light of the very close market for manufactured goods throughout the world. It is for this reason that rubber plays a very important part in our economy. It is still our largest export earner that is why in its competition with synthetic rubber we have through our scientific research found ways and means to increase production, reduce costs and improve its presentation and also improve its marketing. Similarly too with palm oil and timber. These are new and upcoming export earners where we have to pay more and more attention. In the other field of food production where we spent considerable amount of money in improving the irrigation with the object of being more self-sufficient

in our food supplies, this would save a large part of our foreign exchange because if we can produce more of our food then we need not import so much of food from abroad.

I am very happy to read and hear of favourable comments by foreign economists and foreign businessmen who come here. This is an expression of their confidence in our economic situation, our economic stability and what is more important also is our political stability. The expression of confidence by foreign investors is a sure sign that we are on the right track and that our economic situation is sound.

Trade plays a dominant role in the economy of our country. The Government has stepped up its trade promotion efforts. This is because of the intensified industrialisation programme to find markets for products of our new manufacturing industries. Special trade Commissions will not only deal with our trade with international trade bodies, but will also be responsible for trade and economic intelligence for trade and export promotion.

Besides the plans, and human energies, electrical energy has played an important role in economic development of the country.

We find that electricity is a "magic servant" in modern-day life. It brings light to the homes and streets and provides energy to work modern machinery in the home and in industries. In the rural areas electricity brings light and provides a brighter environment and could stop the exodus of population from the rural to the urban areas.

And here, the Chief Engineer of the Distribution Division of the National Electricity Board, Encik Chan Kee Pok, tells us about electrification programmes over the years:

Before the implementation of the First and Second Five Year Federal Development Plans the National Electricity Board had been giving an electricity supply to 102 towns and villages in the States of Malaya. It had also issued licences to companies and individuals to give a public electricity supply to another 107 towns and villages.

When the First Five Year Federal Development Plan was started

in 1955 the Emergency was at its height and the Board on behalf of the Federal Government had also installed generating stations in 128 New Villages primarily to supply the perimeter lighting around the villages for security purposes. In almost all of these villages the surplus power after the perimeter security lighting requirement had been met was made available to villagers for domestic consumption.

Under the Second Five Year Plan the Board in conjunction with the Federal Government drew up a detailed programme in accordance with the Red Book proposals for its rural electrification scheme. Altogether 423 villages were given an electricity supply during 1961 to 1965 at a total cost of \$16 million of which the Government has contributed the amount of \$12 million. These supplies have benefited about 300,000 of the rural population.

Under the current First Malaysia Plan 1966/70, the Board in conjunction with the Federal Government has drawn up a programme to give an electricity supply to a further 350 villages which is estimated to cost approximately \$15 million of which \$12 million will be provided by the Federal Government. Work has started on this programme and 65 villages will be given an electricity supply in 1966.

Besides home and industrial use, electricity can be used to provide power to pump water to irrigate vast tracts of arable land, enabling double-cropping of padi to be practiced on increasing acres of land. Electricity could be used for weeding the padi instead of using the conservative manual methods. And indeed, rural electrification can help the establishment of cottage industries in villages and factories in towns.

In all our development projects, labour has played an important role to ensure industrial peace, discipline and maximum levels of production.

Here, the Permanent Secretary to the Ministry of Labour, Mr. Yeap Kee Aik tells us some of the important aspects of labour.

There are certain notable features in the Ministry of Labour which have been given very careful attention since Malaysia Day. These would include matters pertaining to a need to

standardise labour legislation throughout the States of Malaysia with a substantial review of such legislation further there is the need to integrate the Departments of Labour in the country as a whole and, what is equally important a need to develop a democratic labour movement in Eastern Malaysia;

there is also the unemployment problem in the country with a surplus of manpower in Western Malaysia balanced by a shortage for the industrial and agricultural developments of Eastern Malaysia. And finally there are two major developments which need special mention. The First of these is the establishment and development of a completely reoriented Department of Employment and Training with its concomitant, as a second development, the adoption of a more progressive social development programme pertaining to the welfare and security of the working population of the country and their dependants.

We are however, aware that throughout these years the Ministry has from time to time, brought in legislation which has up-dated those provisions in law which are considered to be out of step with developments in our social infrastructure.

The departments of labour in Malaysia have been successfully and effectively integrated. State Departments have been strengthened and channels of communications established with a minimum of delay in the administration of labour responsibilities in Eastern Malaysia. It must be said that simultaneously with this integration every care is taken to ensure that State interests in these matters are consolidated and, wherever so provided, safeguarded.

The Malaysian Migration Fund Board has been established and this has, as its immediate objective, the transfer of manpower from the areas of surplus in Western Malaysia to the areas of shortages in Eastern Malaysia.

In one way or another economic development is dependent on

health development. Both must progress together for any development plan to succeed. In recent years a number of health centres and clinics have been set up in all parts of the country to give good medical and health services to our people.

According to the Parliamentary Secretary to the Ministry of Health, Encik Ibrahim bin Abdul Rahman:

At the beginning of 1961 there were only 8 main centres, 8 sub health centres and 26 mid wife clinics. But, today we have 38 main centres, 140 sub health centres and 672 mid wife clinics. The response by the rural people is most encouraging because the out-patient records show that in 1960 there were only about 4.6 million attendance but in 1964 there were 6.4 million attendance. It shows a net increase of 1.8 million. To cope with a number of main centres and sub-health centres the Ministry of Health has also set up 3 training schools for nurses and hospital assistants. We are expecting 250 nurses and 45 hospital assistants yearly and today we have more than 2,000 para medical staff who are undergoing training and 1,000 nurses who are under going training either in the country, United Kingdom and in Australia. Other than that we have also undertaken the training of other para medical staff like the health inspectors and health nurses. The public health training centre at Bungsar Road, Kuala Lumpur, has trained until February 1966, 103 public health nurses, 156 health inspectors and 88 anti-malarial inspectors. We have also set up two other similar training centres at Jitra in Kedah and Rembau in Negeri Sembilan, where the assistant nurses, mid wives and health overseas are trained. Up to date there are 1,032 mid-wives, 361 assistant nurses and 269 public health inspectors were trained there.

With regard to the urban areas at present the major towns such as Penang, Kuala Lumpur, Alor Star, Ipoh, Seremban and Malacca have a limited decentralised out-patient service and in these places the scheme can be obviously extended. The Health Minister has proposed the setting up of poly-clinics in Ipoh, Penang and Kuala Lumpur. There are quite a number of new hospitals being built as all of you are aware, one new hospital in Kuala Lumpur costing about \$15 million, the other one teaching hospital in Petaling Jaya also costs \$15 million, another one in Seremban costing \$16 million and at Ipoh nearly \$2 million. \$18 million is allotted for the State

of Sabah in the First Malaysian Plan and for Sarawak \$21 million is allotted in the First Malaysian Plan. I would like to say that the role of my Ministry is to maintain the good health of the nation by providing the Rakyat with good medical and health services within the means available and I feel we are doing that now. The object of the Malaysian Plan is to raise the productivity and income level of the Rakyat and this can be achieved if the health of the people is good. There is a saying.

"Mensana Incorporesano"
example a healthy mind in a healthy body.

The Deputy Prime Minister, Tun Abdul Razak who is also the "Father of our National and Rural Development Programme" explains the significance of our National Development Plan:

Let us for a moment go back to our first Merdeka Day, 31st August, 1957; let us stop and think for a moment and imagine that instead of being here today *in the Malaysia of 1966*, we are back in the year 1957 - just compare what in fact has happened to our country during the nine years which have passed since our first Independence day!

Think of the tremendous amount of development which has taken place, both in our towns and kampongs; compare our way of life today to that of pre-Independence. We now have a better standard of living; we now have better facilities for better education; better health, better land development and better communications and hundreds of other things which we never enjoyed nine years ago.

This progress, this present day prosperity, and these development improvements are not things which happen *automatically* in any country.

How did we reach our present standard of National achievement?

The results we have achieved are the reward of a partnership - a partnership of effort in which both our government and our people shouldered their fair share.

On the one hand, the Alliance government laid down sensible

and sound policies for stability, and applied these policies with the best leadership available; the Alliance government produces sound development plans coupled with a determined effort day by day to translate these plans into action and results.

On the other hand, you, the citizens of our country rose to the challenge, and over the last five years of this era of development, you were loyal not only with your lips but with your deeds, and it is this spirit of cooperation between our government and our people that has made Malaysia what she is today - A country to which we are proud to belong.

In this spirit, therefore, let us look ahead and try to visualise *what the Malaysia of 1976* is going to be like.

We have ahead of us 10 years which have not yet unfolded themselves on the pages of the history of our nation, and if we are to make the best of these ten years, if we are to ensure greatest *maximum progress* and prosperity for our people, for our children and for our grand-children yet unborn, we must make an even more determined effort to achieve these national development aims which all of us so ardently desire.

Merdeka Day, therefore, must be regarded as a day of determination, a day in which all of us Malaysians, wherever we are, renew our determination to shape the destiny of our nation by resolving to give our best in the years to come, our full contribution in playing each, our individual, part in the task of nation-building.

It is my hope and prayer that our country, Malaysia, in entering this new era of peace and understanding not only with our neighbour Indonesia, but with all other freedom-loving friends in South-East Asia, will, with their cooperation and accord move forward to enjoy even greater prosperity in the future.

And, with these inspiring words from our Deputy Prime Minister and Minister of National and Rural Development, Tun Abdul Razak for a bright, progressive and happy Malaysia, we round-up this programme on National and Rural Development!