

SPEECH BY HON'BLE DEPUTY PRIME MINISTER BEFORE
BANKERS AND INDUSTRIALISTS AT LUNCHEON IN
MELBOURNE ON 21ST APRIL 1967

Gentlemen,

I understand that the first man who came to this part of Australia, a man named John Batman, sailed up the river Yarra and wrote in his diary, "This will be the place for a village." What a magnificent village it has turned out to be! I come from a land of 1000 villages and I hope I learn something here about making villages grow like this one.

Traditionally, our villages have been built in the spirit of what we call, "Gotong Royong", or "Mutual Help". Before the coming of money and banks there was no other way and the system worked well enough. Even today it works, and it will continue to work as long as human beings remain civilised because there is and there could be no civilisation without mutual help and self reliance. Now this kind of co-operation is symbolised very neatly in your great bank, the Australian and New Zealand Bank Limited, bringing together the financial and economic resources of the two countries of Australia and New Zealand. This "Gotong Royong" spirit is something we in Malaysia lay great store by, and that is why we subscribe to such agencies of co-operation where we not only accept help but also provide whatever assistance we can that is required by our friends. The Association of South East Asia and the Asian Development Bank are recent examples, and one which is very familiar to you is the Colombo Plan.

We in Malaysia have benefitted greatly by participating in the Colombo Plan, and to a great extent our people associate the Plan first and foremost with Australia. This is so because of the large number of Malaysian students we have here under the Colombo Plan and the consequent contact that has been establishment which has been close and continuous. Secondly, because aid from Australia has had a tremendous impact on so many aspects of life in Malaysia, so much so that when our newspapers mention Colombo Plan, it is often in connection with Australia.

Australia is indeed promoting international co-operation in a very real and dramatic sense as far as Malaysia is concerned. As a developing country with hopes and plans to give her people the good things of life and the machinery to implement these plans, Malaysia is indeed grateful for the aid given by her friends. You Australians have given us much. Your capital assistance projects in my country ranges

from the supplying of medical equipment for our hospitals and more recently for our new teaching hospital, equipment for our trade and vocational schools and also for the Faculty of Engineering. We have had 135 experts from Australia over the last 15 years and they have provided their expertise in such varied fields as taxation, central banking, insurance, civil aviation and instructors for our schools and hospitals. You will notice that when I mentioned the kind of assistance that we have received under the Colombo Plan, I referred to mainly assistance in the public sector of our economy. As in other developing countries the public sector is a very important one. But in Malaysia we also attach great significance on the private sector, for Malaysia has basically a free enterprise economy where the individual is given every encouragement to push ahead with his drive and talents. The public sector, far as we are concerned, is to provide the infrastructure, the base, in other words the necessary framework for our people to build their lives and fortunes, and in the process hand in hand the future of the nation. It is therefore in the private sector that we can expect to accomplish the achievements that will bring real material progress. You gentlemen represent this vital sector, this section of the community that can sail up a river, cast its eyes on a barren landscape and visualize a vast enterprise that will grow and flourish, as indeed it has. You gentlemen represent the sector that can make this vision come true.

As you know, the Malaysian economy is heavily dependent on two major export commodities, rubber and tin. The price for our rubber however has been rapidly declining in recent years, and as for tin, although the price decline has not been as bad as for rubber, the known reserves of tin are depleting. The downward price trend for our two main exports poses problems to us which you can readily understand - because you too depended for a long time on a narrow based economy, the base being the back of your famous Merino sheep. In the same way as you decided to diversify years ago, we are now in the process of diversifying our economy. We are doing what we can to diversify the agricultural sector, but equally we are very earnest on industrialisation.

How are we to do this? Once again we find ourselves thinking and acting on your example. In spite of much opposition from various quarters you not only embarked on industrialisation on your own but offered great investment opportunities to another young and energetic nation, the United States. Thus the post-war era has witnessed a remarkable upward surge of your economy and you have gone a long way in diversifying and industrialising your economy. Your vast hinterland, with the untapped resources, offered investors both in your country and outside with new great profitable opportunities which

they responded, and your city today stands testimony to the soundness of your good system and the success of your policy.

Malaysia today looks at Australia in much the same way as you regarded the United States after the war, as a source of private investment. We are encouraged to do this for not only is Australia a friendly and understanding neighbour, but she is also an important trading partner of Malaysia. In fact Australia was the first country with whom the then Federation of Malaya entered into a trade agreement barely a year after we attained Independence in 1957. As you are aware, Malaysian imports from your country have been increasing in recent years and the balance of trade has largely been in your favour with more of your manufactured goods coming into our market and with the quality of your goods finding so ready acceptance in our market, I feel there is no dearth of investment opportunities for Australian industrialists.

We can derive much mutual benefit in investment. I would like to see more Australian investment in my country. Malaysia is in a position to offer Australian industrialists investment opportunities in the country as good as, if not better, than those found in any other part of Southeast Asia. For some reason or another, I understand that Australian investors have not fully availed themselves of the tremendous opportunities that we offer. Perhaps we have not made the picture clear to you. I hope the brochure now in your hands will convince you of the remarkable possibilities that await the Australian investor. I will not repeat the facts and statistics that are to be found there. But allow me to give you just one illustration to show why I feel so strongly that you could play a profitable as well as indeed a useful role in our efforts to industrialise the country.

It is likely that you have heard of our historic town - Malacca. It is a picturesque town, complete with an ancient fort and churches, but just outside the town is a village that has endured the hundreds of years of comparative under-developed existence. In fact the pre-Independence per capital income in this village has been estimated at Australian \$8 a month. But in the last few years there has been a great transformation. This village, just as many others, has witnessed a silent revolution. A land development scheme has got under way and each of the villagers has been given 10 acres of high yielding rubber land. The rubber trees are now almost ready for tapping. Later this year when tapping begins the income to each of these villagers will rise to something like Australian \$100. You might feel that this is remarkable; undoubtedly it is, but something even more remarkable is happening which should be of great interest to you as potential investors in my country. A few weeks ago I visited this village and I noted that there were already two motor cars in that village. Mind

you, they were not luxurious limousines but good sturdy vehicles used for taking some of the subsidiary crops to the market.

Gentlemen, you are bankers and industrialist and I do not have to spell out to you in detail what all this means. But I must tell you this: those cars were not Australian Holdens. This village I speak about is only one of the 62 land development schemes we have launched in the last 7 years, covering about 270,000 acres. Of this area more than 100,000 acres have been planted with rubber and nearly 30,000 with oil palm. My Government has now reached an advanced stage in its planning of another scheme in my own home state of Pahang - the Jengka Triangle, covering 150,00 acres of untouched forest. This, our biggest land settlement scheme, will provide farms for 12,000 families, and of course new captive markets for the goods turned out by our domestic manufacturers. These people will, in a matter of 4 or 5 years, have a purchasing capacity that they cannot imagine today. It is in these and other ways that even today Malaysia, with a population of barely 10 million, already commands a purchasing power that is at least twice as high as other countries in Southeast Asia with far bigger population. I need not add to you the importance that you attach as industrialists to this purchasing power and the fact that it is a growing one. I might say that in this sense we are like Australia having a small population but with relatively high standard of living and forging ahead for even higher standards of living. So do not hesitate to come and invest in Malaysia merely because of the small size of the population. The only thing you have to do is to learn from your own experience; one does not necessarily need a large population to provide a healthy and growing market.

The political stability, sound currency and extremely favourable investment climate and a growing market are already there to attract you. And we intend to provide even more fiscal incentives than those outlined in the brochure to attract both domestic and foreign investors to the manufacturing sector. I am sure that Australia which has set the lead in so many fields will again respond to this call for mutual co-operation for mutual benefit in the field of private investment.

Now gentlemen, I know only too well that you bankers and industrialists become cautious and wary when called upon to invest your funds by some fast talking stranger who speaks in terms of golden opportunities and return. I am new to your country, indeed this is my very first visit. You may therefore perhaps not wish to take my word for it but at least, I hope, I have convinced you to visit my country and to look around for yourselves the great opportunities that are there. This is important.

My visit here has been also to learn something about you, and I have learnt one thing of great significance to us. I have seen some of

the moving spirit and dedication that brought the magnificent dreams of such men as John Batman come true. We in Malaysia too have our pioneers, and they would welcome the descendants of Batman, Lonsdale and Lathrope to participate in the great adventure that we have embarked on in my country in carving the jungle to make way for the villages that will in time grow to be beautiful and magnificent as this your city of Melbourne is.

Thank you.