

SPEECH BY THE DEPUTY PRIME MINISTER,
AT THE OPENING OF THE ASIAN SEMINAR ON
"TRADE UNIONS AND COOPERATION"
AT THE LECTURE THEATRE "A"
UNIVERSITY OF MALAYA, KUALA LUMPUR
ON 2ND AUGUST, 1966.

Mr. Chairman, Ladies and Gentlemen,

It gives me great pleasure to accept the invitation of the Malaysian Trades Union Congress to open this Seminar on "Trade Unions and Cooperation". I thank you, Mr. Chairman, your colleagues and the affiliates of the MTUC for giving me this honour.

I would like first of all, on behalf of the Government of Malaysia, to extend a warm welcome to all the participants to the Seminar. I am happy particularly to see those of you who have come from our neighbouring countries and from other parts of the world, and I hope that apart from your busy programme in the Seminar you will be able to see something of our country - not only this part of Malaysia but also Sabah and Sarawak if possible.

I have always attached the greatest value to Seminars of this nature, because they provide the opportunity for people from various countries with different background and experience to come together to discuss problems of common interest, find possible solutions, plan future action, and above all, strengthen the bonds of friendship and goodwill between countries. It is upon such personal bonds of friendship that the real foundation for peace between nations can be built. I would like to congratulate the MTUC, and in particular members of its organising committee for organising this Seminar.

Although it is the first time that the MTUC has dealt with the subject of Cooperatives in a Seminar, I believe, this is in fact one of a long series of regional and international activities sponsored or organised by the MTUC dealing with a great variety of subjects of

current interest to workers. These educational activities, I believe, must have enriched the knowledge and experience of all those who had taken part in them, and promoted a deeper understanding of the many labour and social problems faced by their respective countries. My colleague, the Honourable Minister of Labour, who is here with us this morning, and who, himself, has actively participated in many international activities, will agree with me that the MTUC and the Malaysia trade union movement have through the years earned a high place in the international labour field, not only because of their continued concern in the development of sound trade union educational programmes for the members and officers of their affiliates at home but also because their activities overseas and their international relationship have brought about a greater understanding between countries. I congratulate the MTUC for all its successful efforts in this field.

I am told that this Seminar is conducted by the MTUC in cooperation with the Friedrich Ebert Foundation of Germany and this is the second time that this Foundation is associating itself actively and assisting in the educational programme of the MTUC. I would like to take this opportunity to express my appreciation of the valuable service this Foundation has been rendering in the cause of adult education for democratic life and international understanding, not only in its own country but in other areas, particularly in the developing countries.

It has been accepted in many countries that the cooperative movement is an important means of improving-conditions of work, increasing production, promoting employment and raising standards of living in the rural and urban areas.

Trade unions and cooperatives have a number of common features. Both have the same motivation - to raise the standard of their members; both are democratically controlled by officers elected by the members themselves; and both are supported by contributions from members who share the same risks and benefits. The trade union movement is, therefore, in a position readily to lend its strength to encourage the formation and accelerate the growth of cooperatives amongst its members.

I am told that the main issues to be taken up for consideration

at this Seminar will include the characteristics of the trade union movement and of the cooperative movement and to what extent and in what manner there should be collaboration between these two movements. As trade unions are primarily organisations of employed workers, I believe, the main questions that you will be dealing with in your Seminar are likely to centre on employed workers. It would, however, be very valuable if your Seminar could also deal with cooperatives in a wider context of "workers" so as to include self-employed people and family workers and consider in what way the benefits of cooperatives can be extended to these categories of workers. I am, therefore, pleased to hear that this Seminar will also be considering the problems of peasants and rural workers and how best these groups could be integrated into the cooperative movement so as to raise their economic standard and in what manner trade unions can assist towards this end.

Whilst I do not wish to anticipate the discussions in your Seminar, it would perhaps not be out of place for me, briefly, to touch on the position of cooperatives in Malaysia and the role of cooperatives in our National Plan for economic development.

The first Cooperative Society in this country was formed in 1927 and from that time until 1942 the cooperative movement was chiefly confined to thrift and credit. From 1951 the movement spread to consumers' cooperatives to enable workers particularly in the rural areas to buy food-stuffs of good quality and at reasonable prices. The Government particularly encouraged the formation of consumers' cooperatives on plantations.

The Cooperative Societies Ordinance provides a legislative basis for cooperatives in Malaysia. The Registrar of Cooperative Societies who is also the Commissioner for cooperative development, is the Head of the Division of Cooperative Development in the Ministry of Agriculture and Cooperatives. His decision deals particularly with cooperatives on plantations and other places of employment in addition to other cooperatives in the urban and suburban areas.

The Planters' Organisations and trade unions also assist in the promotion of cooperatives for the workers. Such assistance take the form of general advice, support, and encouragement to workers, free transport and accommodation or the provision of such facilities

at nominal cost, the upkeep of records and accounts, collection of sums payable to cooperatives by the workers and the acceptance of responsibility for the safety of the funds. I would, however, like to stress that all this advice and assistance is rendered in such a way that the autonomy of the cooperatives and their own responsibilities remain in tact.

Thrift and credit form the basic needs of workers. The immediate field of expansion, therefore, lies in the furtherance of thrift and credit cooperatives. Along with these cooperatives, consumer cooperatives may also be usefully encouraged. Plantation-ownership, land development and land settlement schemes are other useful fields.

To overcome to some extent the problems of workers affected by the fragmentation of plantations and the change in ownership of plantations, a scheme has been drawn up to encourage workers to form cooperatives with the object of buying and running the plantations themselves on co-partnership lines. Plantation-ownership requires a large capital and to meet this need, a separate financing cooperative, the National Land Finance Cooperative Society Ltd., has been formed. Capital is accumulated through the issue of shares to cooperatives and individuals, in particular the plantation workers. This Society has achieved tremendous success. By the end of 1965 the Society has 39,215 members with its own capital totalling \$5,524,254. Its total funds including loans from banks amount to \$13,230,385. The Society now owns 10,938 acres of rubber plantations valued at more than \$12 million.

The main function of the Division of Cooperative Development is to encourage the development of the Cooperative movement as a vehicle for uplifting the economic well-being of the rural population and to foster the acceptance of cooperative principles and practices in the economic activities of the primary producers. A comprehensive and stable foundation for economic improvement on cooperative lines now exists. The First Malaysian Plan has been drawn up to consolidate, extend and intensify the various activities. In addition, the Plan introduces many new projects with the ultimate objective of ensuring the reconstruction and emancipation of the rural areas including the workers.

The programme of cooperative development stresses on and will continue to emphasize on the following objectives:-

- (i) to strengthen the cooperatives at primary, secondary and apex levels for the supply of adequate and low interest-bearing credit to members in order that they can ultimately free themselves from the clutches of usurers and middlemen;
- (ii) to encourage processing and marketing cooperatives in order to secure for the primary producers fair and remunerative prices for their produce;
- (iii) to encourage the use of more fertilisers, modern farm implements etc., by farmers;
- (iv) to foster the expansion of the cooperative consumers movement;
- (v) to foster the expansion of cooperative in the urban areas, plantations and other places of employment;
- (vi) to provide education and training facilities to cooperative members.

The findings and conclusions of your Seminar on cooperatives will be of value to workers and trade unions as well as to Government and employers, especially when in Asia the incentive and encouragement for the development of cooperatives have for various reasons necessarily come from the Government and to some extent from management. For my part, as Minister of National and Rural Development, I shall be very interested in the results of your Seminar.

I wish your Seminar every success and I have great pleasure in declaring this Seminar open.



Timbalan Perdana Menteri Tun Abdul Razak sedang berucap di majlis perasmian pembukaan Seminar Kesatuan Sekerja Se Asia bertajuk 'Trade Unionism and Co-operation' di Universiti Malaya, Kuala Lumpur pada 20 Ogos 1966.