

**SPEECH BY THE PRIME MINISTER TO THE
NEW ZEALAND INSTITUTE OF INTERNA-
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It is for me, great pleasure to have the opportunity of addressing this distinguished group, the New Zealand Institute of International Affairs. I am fully aware that I am speaking to a group not only knowledgeable in the affairs of Southeast Asia but one having deep concern and interest in the developments in that region.

I certainly welcome your concern and interest in Southeast Asia as this will help to further strengthen the ties of friendship that exist between New Zealand and the countries of Southeast Asia in particular with Malaysia who, like New Zealand, is also a member of the Commonwealth. I also believe that people in New Zealand are beginning to feel a greater sense of proximity to Southeast Asia, not only in terms of geography, as the jet age continues to shorten distances, but also perhaps psychologically. There is now a greater degree of interaction and interdependence between countries and between regions. And Southeast Asia being the region closest to you in the Southwest Pacific, there should be a high degree of mutual interest between us. It is therefore with particular pleasure that I meet with you today to share some thoughts with you on some of the problem facing us in Malaysia.

In my address to you today I would like to focus attention of Malaysia's efforts and aspirations for national development. I shall also relate the subject to the environment of Southeast Asia today, because in this age of interdependence it is no longer possible to consider and discuss the problems and plans for development of a particular country without at the same time taking into consideration the conditions and environment in the surrounding countries. Developments in Southeast Asia not only have great relevance to Malaysia but in a sense condition our own plans and efforts. Like wise at a time when the countries of Southeast Asia are engaged in co-operative efforts to secure a new order for permanent peace and stability in the region, Malaysia's own efforts of national development should have relevance to the needs of the region.

Ladies and Gentlemen,

A glance at the history of Southeast Asia would immediately show that of all the regions in the world Southeast Asia has stood out over the centuries as the most coveted subject of colonial and big power rivalries. All the countries in Southeast Asia except Thailand have been under colonial domination of one power or another. And even as the decolonization process took place, one part of the region, Indochina, continued to be embroiled in war and violence, posing a threat to peace and stability in the region as a whole. Malaysia has always viewed this situation as underlying the urgent need for peace and stability in the area free from any form of interference and instruction by outside powers. Malaysian foreign policy is therefore geared towards co-operation, because we believe that for Southeast Asia to free itself permanently from big power rivalry and outside domination of one or another, it is essential that the countries in the region not only be at peace with each other but co-operate with each other for the common good.

I am glad to say that Southeast Asian countries have been able to establish for themselves a framework for effective and constructive regional co-operation. I refer to ASEAN which was founded in 1967 and which is now highly regarded and accepted not only by the peoples in the member countries, but by countries outside the region as well. The support given to ASEAN by New Zealand, for instance, in associating itself with some ASEAN projects is a manifestation of this international recognition and support given to ASEAN. And we are all very heartened by it.

Although geared primarily to regional co-operation in the economic, cultural and social fields, ASEAN has also served as a forum for bold political initiatives. One example was when ASEAN countries accepted Malaysia's proposal for the neutralization of Southeast Asia as a Zone of Peace, Freedom and Neutrality free from any form of interference and intrusion by outside powers. We believe that this concept of a Zone of Peace provides the blueprint for the achievement of lasting stability in our region. This blueprint is designed to free the countries of Southeast Asia from the extension of super power conflicts to this region and to allow them to concentrate their efforts on pressing domestic problems. Within the framework of the Zone

of Peace countries in the region will be able to co-operate with each other for the mutual benefit of their peoples irrespective of their political ideology and social system.

The question may be asked about the future prospects of the region, and of neutralization, in the face of the dramatic political changes which have taken in Indochina in April and May this year. Would not the emergence of Communist Indochina be a threat to the rest of Southeast Asia and would it not make the Zone of Peace an irrelevant concept?

It is true that in the wake of the developments in Indochina some people have expressed apprehension and pessimism concerning the future of Southeast Asia. But it is singularly striking to me to note that most of this expression of pessimism and apprehension come from countries outside the region. Whereas for the countries of Southeast Asia, while naturally there must be anxiety and uncertainty about the future, while we must be aware of pitfalls ahead of us, we are resolved that business must go on. We also see the end of the conflict in Indochina as bringing about new opportunities hitherto unavailable to Southeast Asia. This is the opportunity of establishing real and durable peace in the whole of Southeast Asia. Let us not forget that until the events of April and May, Southeast Asia as a region had not known real peace since the outbreak of World War Two. This is the first time that peace has returned to the region and the prospects of real and durable peace has returned to the region and the prospects of real and durable peace are at long last within our grasp. It is for us to respond positively to this challenge and contribute towards permanent peace and stability in the region.

Similarly, the end of the war in Vietnam has made the neutralization of Southeast Asia all the more relevant. In fact we have to work more vigorously towards this objective before the peace that now exists become threatened once again by outside forces. We believe that the speedy phasing in of the neutralization of Southeast Asia would ensure the consolidation of peace that we have today free from the threat and interference of outside forces.

If I have dwelt at some length on the Southeast Asian regional environment it is because I feel that it is necessary to stress the relationship between development and security. They are mutually interdependent. Without security there cannot be satisfactory development nor can we have security if development is neglected.

If we look at the situation in Southeast Asia from this point of view, we cannot escape the conclusion that peace and stability in Southeast Asia must in the long run be sustained by the economic and social strength of the region. Even after we have achieved the neutralization of the region, it is the strength and viability of the region which, in the final analysis, will serve the surest guarantee for the region's independence and neutrality. To achieve this regional strength and viability would require the co-operation of all countries in the region, and this underlines the important and vital contribution that ASEAN is making towards regional strength and stability.

It is also in this context that we see the relevance of the development efforts and aspirations of each country of Southeast Asia to regional development. These two are themselves interdependent you cannot have economic prosperity in your country amidst an environment of regional poverty and neglect, nor on the other hand could you obtain regional prosperity without each country in the region contributing towards that goal. This is how we approach the question of development in Malaysia. We are acutely aware of the close inter-relationship between national strength and regional viability. Our goal is therefore not only prosperity and stability at home but through this we also contribute to the stability and prosperity of the region.

As I indicated earlier, security and development can be considered as two sides of the same coin. For a country like Malaysia which despite its economic progress since independence, is still facing the threat of Communist insurgency, the importance of economic development assumes special dimension since it is the strength of the economic and social fibre of the nation that serves ultimately as the surest defence against the Communist threat.

But in our efforts in economic development we in Malaysia face peculiar problems not found in other countries. While Malaysia shares with other developing countries the problem of disparity

between the rich and the poor therefore the need to eradicate poverty, we also have a problem of economic imbalance between racial groups which, as you know, make up the Malaysian population. The problem of economic imbalance between the racial groups is further compounded by the fact that there is a broad identification of the different racial groups with economic functions. The continued existence of this imbalance and of this identification will create obstacles in the development of true national unity but, more importantly, under pressure of economic strains and stresses, it will even pose as a threat to the peace and stability of the nation. Viewed in all these aspects therefore Malaysian economic development programme must have an orientation of its own. In our pursuit of economic development we cannot proceed on doctrinaire line of stimulating economic growth only without regard to the lifting of the living standards of the poor and without regard to rectifying the imbalance between the racial groups.

Thus, Malaysia has embarked on a New Economic Policy in 1970 designed to achieve national unity and stability through economic development and progress. The Policy calls for development planning to be responsive both to the objective of economic growth and to the demands of social justice. It is a policy designed to improve the quality of life of Malaysians of all races. Consistent with this overall objective the New Economic Policy has two basic aims. The first aim is to eradicate poverty among the people irrespective of race. The second aim is to restructure the Malaysian society to narrow and finally to eliminate the economic gap between the racial groups and to remove the identification to race with economic functions. These twin aims of the economic policy are mutually reinforcing.

Our approach towards the realisation of the twin aims of our economic policy is simple. The policy is to level up and not to level down because in our situation, where the majority of our people are poor, to level down would mean sharing the poverty. This policy of levelling up applies to both the twin aims, that is to say, in the context of eradicating poverty as well as in the context of closing the economic gap between the racial groups. For instance, in the context of restructuring society, the aim is that the Malay community which, through the colonial neglect of the past, constitutes the economically disadvantaged group, should be

given the opportunity not only to share the wealth of the country with the economically more advantaged groups but to have an equitable participation in the economic activities of the country. It is therefore one of the main objectives in the programme of restructuring communities would by the end of this century have at least 30 percent share in the country's economy. But in attaining this objective it is not the policy of the government to take anything away from any group but that from now on a greater share of the expanding economy should be given to the disadvantaged group. In other words, we go through the process of levelling up, to ensure that everyone benefits from our programme.

We believe we have ample resources to generate the necessary economic growth to sustain this economic policy and realise its objective. Nature has fortunately endowed Malaysia with a number of natural resources of which we are the world's leading producers such as, rubber, tin, palm oil and tropical hardwood. We have also discovered gas and petroleum and this no doubt will add to the wealth of our exploitable resources. Land is still one of our untapped resources. Through land development schemes we are able to create hundred of thousands of new homesteads each with a ten or twelve acre plot of rubber or palm oil and small lot for vegetable and fruits. One of these schemes bears the name of New Zealand in acknowledgement of the assistance that your country has given to this particular project. Our economic policy is therefore geared towards the expansion of our economic activities fully exploiting the natural resources at our disposal so that the twin objective of our economic policy will be obtained without bringing disadvantage or loss to any particular group.

The New Economic Policy is being implemented through a successive series of five year development plans beginning with the Second Malaysia Plan launched in 1970. The achievements under the Second Malaysia Plan provide a strong basis for optimism about prospects for making further advances in the implementation of the New Economic Policy through the Third Malaysia Plan to be launched next year for the 1976-1980 period.

The Third Malaysia Plan will essentially be the furtherance of the Second Malaysia Plan as it will be guided by the same priorities, policies and programmes, but with added vigour. Consistent with the overall objective of the New Economic Policy

the Third Malaysia Plan will focus on the problems of poverty, unemployment, under-employment and various economic disparities to ensure a sustained and continuing development to build a prosperous and united society.

The main thrust of the Plan will be to direct our development efforts in a manner which will enhance the economic and social opportunities of the low income group. While continuing to intensify our rural development projects particular emphasis will be given to the method and approaches adopted in order to reach a larger number of beneficiaries. Together with the programme to improve the economic position in existing low income areas, the planning and implementation of integrated regional schemes in new resource opportunity areas will gain momentum during the Third Malaysia Plan thus helping to draw surplus labour away from poverty areas into new development areas leading to the establishment of new townships. In this way the benefits of industrial modernisation will be brought to under-developed areas. This process of industrialisation is important to the objectives of restructuring society especially by providing the Malays and other indigenous people with opportunities and a stake in the economic life of the country which have long been denied to them.

The strength of our New Economic Policy lies in the fact that by eradicating poverty regardless of race, and by giving assistance to the economically disadvantaged group, thus rectifying the economic imbalance among the racial groups in the country, our development programme will remove the sources of dissatisfaction and will bring economic implementation of our economic policy, will remove a fundamental defect in our society left behind as a legacy of colonial neglect, which is the economic and social compartmentalisation of our people on racial lines. Our objective is to break down these barriers and create a cohesive society of Malaysian enjoying an enhanced quality of life. Our economic development policy is therefore a recipe for national unity and permanent peace and prosperity of Malaysia. And through this, I believe, we are also contributing to the strength and viability of the Southeast Asian region to which we belong.