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SPEECH BY THE DEPUTY PRIME MINISTER ON THE
MOTION OF THE DEVELOPMENT ESTIMATES, 1964 IN
THE DEWAN RAKYAT ON 10TH JANUARY, 1964

Mr. Speaker, Sir, I beg to move that the Motion standing in my name be referred to a Committee of the whole House, as both this House and the country know, it is not the principle of the Alliance Government to look backward but rather to look forward. However, today, I would like to break with this principle and with this tradition and ask you to look backward over the last three years. I remember vividly the 7th of February, 1961, in our former Parliament building, when I rose to introduce our present National Development Plan. To me it seems as if it were only yesterday.

In the last three years, which have pass so quickly, so much has been done and, perhaps, time has, in fact, passed with such speed because these years have been filled, day by day, with tremendous action and activity towards the betterment of our people and our nation.

Not only has the building of our Parliament gained an entirely new stature, but also I am proud to say that our nation has gained tremendously in stature — a stature which has been considerably strengthened and enhanced with the coming together, with free will and goodwill, of our friends and brothers from the three new States of Singapore, Sabah and Sarawak.

Sir, we have no need to waste months and years looking for a national identity. We have a national identity of which we are proud — a national identity of a free and democratic Malaysia. This House, the membership of this House, and the democratic representation of our people throughout the whole of Malaysia is in itself sufficient proof of our national identity. I honestly believe that no Member of this House, whether he be on the Government benches, or whether he oppose Government policy, has not, somewhere deep down in his heart, a silent pride of belonging to this new vital nation of Malaysia of which we have the honour to be citizens. I think we can take pride, albeit with modesty, in agreeing with these countries throughout the world, who praised us by describing us as a democratic nation practising democracy with dignity and implementing our Development Plan with a deliberated determination and dynamic drive.

Now, turning to the Estimates before you, Sir, I should like to stress a point regarding development which is very often forgotten. It is not entirely the amount of money available for expenditure in the Government sector of our Plan. Any Parliament, anywhere in the world, can vote money, provided it has funds available, but the main thing in implementing a development programme is the ability to convert such money into tangible development projects on the ground. So, therefore, equally important to the voting of funds is the capacity of the Government — professional, technical and administrative machinery — to be able to translate more dollars into tangible projects on the ground.

Leaving aside for the moment provision for the State of Singapore, Sabah and Sarawak, Honourable Members will notice that the total expenditure for the implementation of the fourth year of the original Malayan Plan, there is a provision of over \$520 million. Comparing this to the pre-Merdeka year of 1956, there was only \$100 million available for development.

The very fact that we can tackle next year a programme of \$523 million together with an added sum of \$106 million of the States of Sabah, Sarawak and Singapore is a great compliment to the hard-working ability and devotion to duty on the part of the many thousands of Government officers throughout the country responsible for translating into action, in the form of tangible projects, the words and deliberations of this House.

In other words, Mr. Speaker, Sir, to back to this question of national identity, I should like to add another factor to our national identity, and that is that we, as a nation, have been recognised as being far and away ahead of many other nations in our ability to get a development plan off paper and on to the ground without wasting time about it.

This, Sir, as I have state in this House, has been testified by no less than 5,000 overseas visitors, who in the last three years have visited our shore with the express purpose of finding out the technique employed by this Government in the implementation of a development plan. So, therefore, we may take pride on the score of development that we not only have a national identity but we have also achieved an international identity. This, Sir, as my honourable colleague, the Minister of Finance¹ state in his speech introducing the 1964 Budget, is a measure of our success, and this is the magnitude of our achievement.

In two respects 1964 will be a note worthy year in the history of development of the States which make up Malaysia. For the States of

¹ Encik Tan Siew Sin.

Malaya, 1964 will be the fourth year of the Second Five-Year Plan and will enable us to assess the results of what has been achieved during the past three years. In 1964 also the Federal Government will be making its first contribution to the development of Sarawak and Sabah and will be joining for the first time as a partner in the development of Singapore.

As regards Malaya, I think few people still need convincing that the methods that we have adopted for planning and achieving the economic and social development of the country have been resoundingly successful. One has only to travel round the countryside to see the large areas under new land development schemes, the many new schools, health clinics, water supplies, roads and bridges, telecommunications services, electrical installations and the like. Similarly, the air of bustle and confidence in the sphere of commerce and industry is apparent throughout Malaya and is reflected in the reputation which our country enjoys in the financial centres of the world. It is not surprising, therefore that what has most attracted the public of Sarawak and Sabah to the idea joining Malaysia has been the opportunity to share in the kind of progress which our methods of development planning and implementation are allowing us to achieve in the States of Malaya.

During 1964 and 1965 our development effort will be extended to the whole of Malaysia, but nevertheless, the form and individuality of the Plan which we began in 1961 will not be lost. We shall surely be adding to it additional sections to cover the new States. During this time, planning will be going on for what would have been the Third Five-Year Plan for Malaya and will now be the First Malaysia Five-Year Plan covering the period 1966—1970. In this First Malaysia Plan will be included what remains of the development plans, which may already exist in the three new States. The thinking behind the Plan, however, will be a Malaysian thinking aimed at producing the best possible results for all the States of Malaysia considered as a whole.

It was stated last year that a full scale review of the Second Five-Year Plan was being carried out with the object of ensuring that the allocation originally made to the various sectors and projects included in the programme is being tabled this morning before this House. Now, Sir, the effect of the review can be seen in the tabled Annexure to the Treasury Memorandum on the Development Estimates, Command Paper No. 49 of 1963, where the revised Plan target for each Department is shown together with the cumulative annual total expenditure expected during each year of the Plan.

Sir, this green cover document (Command Paper No. I of 1964) is no propaganda pamphlet. This report is the fullest statement yet made of development performance in Malaya. Achievements are stressed and

set forth with considerable detail. The problems and tasks ahead are also discussed to make the report analysis of all major aspects of Development. We have so far reached a half-time score in the implementation of our development programme; and I can say with pleasure and with pride that the goals we have already achieved, a half-time, are considerable. I can also say with assurance that with the continued drive and determination of the Alliance Government, the final score of this present Five-Year Plan will be even more satisfactory because, Mr. Speaker, Sir, in spite of confrontation, I can assure this House that the present maximum momentum on development will be maintained.

Sir, we are tired of the silly speeches of those who, like political parasites, are perpetually picking at the corpse of colonialism, just because they have nothing else to say and are, perhaps, jealous of the achievements of the Alliance Government.

The Alliance Government has established a reputation throughout the country as a Government which will give off its best to the people we serve.

I regret, Mr. Speaker Sir, because of the difficulties of obtaining reliable international statistics, we have not been able to put international comparisons into this review, so that Honourable Members would have an opportunity to compare our progress in Malaya with other countries which have been independent for a similar, or even a longer period than ourselves.

However, if any Honourable Members of the Opposition doubt the achievements of the Alliance Government, they have only to travel in some other Asian countries and see, every mile of the way, the sharp contrast between what they would see there and, on their return, if they were honest enough to admit it, they would have no more doubts about the success of our own Development Plan here in Malaya.

Also, on their travels in other countries they would realise the value of the Malayan dollars they would take with them because, in spite of the tremendous amount of money, which the Alliance Government has put into sound and solid development, it has been a good caretaker of the country's wealth and has been able to achieve all these results without either causing inflation or raising in any way the cost-of-living index, which shows very little change over the whole period that this Development Review covers.

Sir, one feature of the review has been the contribution made to development expenditure by States and Statutory Authorities from

their own resources. At the time the current Plan was being prepared, very little information was available on which a forecast could be made of the contributions which could reasonably be expected towards the Plan. At that time, the planners included a figure of only \$360 million for these bodies, of which \$200 million represented State Government expenditure and \$160 million expenditure by other public authorities, such as the Central Electricity Board, Malayan Railway, Port Authorities and the Municipalities. The revised target, which has been prepared in the light of actual developments in 1961 and 1962 is no less than \$576 million, of which \$267 million is State Expenditure and \$236 million is expenditure from the resources of the Central Electricity Board. These amounts are in addition to the grants and loans, which have been made to these authorities from the funds of the Federal Government. The review has also resulted in changes in the expenditure targets of many of the departments of the Federal Government — in some case upwards and in some cases downwards. The main increases are for rural development, roads and bridges, telecommunications, broadcasting, television, and commerce and industry. Very considerable increase have of course been necessary for the Police and for defence, reflecting the centrally incurred expenditure which is attributable to Malaysia. Where decreases have taken place, they have been due to a more realistic phasing of departmental programmes, involving the postponement of some portions until the next Five-Year Plan. In that part of the Plan which relates to Federal Government expenditure, there has been an increase of \$564 million over the original target figure, out of which Defence and Internal Security account for \$319 million and other sectors for \$245 million. I am pleased to state that the allocation among sectors, excluding Defence and Internal Security requirements, still gives the economic sector no less than 71.3 per cent of the total outlay.

Sir, with the transmutation of the old Federation of Malaya into the new and larger entity of Malaysia, it is not surprising that the Development Estimates for 1964 now tabled provide for a higher figure expenditure than ever before. I am glad to say that the resources available to meet this expenditure have also been increased, and in this connection I would draw the attention of Honourable Members to the statement of estimated income of the Development Fund for 1964 appearing at the beginning of the Development Estimates. From this table, it will be seen that we expect to receive \$60 million from the British Government as a grant towards the capital cost of Malaysia defence and \$ 17 million as a grant for the Development of the Borneo States.

Singapore will provide 13.5 million in reimbursement of Federal development expenditure in that State and also a sum of \$30 million representing the first instalments of the loan for development of the

Borneo States in accordance with the terms of the Malaysia Agreement. These sums, amounting to more than \$120 million, will be available to help towards the expenditure provided for in these Estimates, and it will thus be clear that Malaya is not being left alone to bear the burden of Malaysia entirely from its own resources.

Honourable Members will note that the Development Estimates for 1964 are set out in four parts, covering Malaya, Sabah, Sarawak and Singapore respectively. The first part, comprising Heads 100 to 153, contains the fourth phase of the Second Five-Year Plan for the States of Malaya and is almost comparable with the annual Development Estimates to which we have been accustomed to in previous years. This part contains, however, provision of \$77.9 million for new defence requirements and \$18.4 million for new Police works, which are directly attributable to Malaysia. In addition, the Contingencies Reserve has been raised to \$25 million which is some \$ 10 million more than it would have been if Malaysia had not been established. It may be said, therefore, that approximately \$106.3 million of the total expenditure of \$629.5 million provided for the Malaya section is attributable to Malaysia. This section should thus be reduced to \$523.2 million for the purposes of comparison with the Estimates of the Federation of Malaya in past years.

Now, in addition to the provision for the continuation of schemes included in the Second Five-Year Plan, which are already familiar to Honourable Members representing Malayan constituencies, the Estimates contain a number of new schemes which appear for the first time.

Under Television, which is now given a separate Head, No. 104, instead of being included under Broadcasting, there is provision not only for the Television scheme for Kuala Lumpur which has been provided for in 1963 but also a sum of over \$5 million for the extension of the television to the West Coast of Malaya. Under the Head for Radio Malaysia, No. 103, there is provision for the Overseas Broadcasting Service and also for land acquisition and preliminary expenses for a new broadcasting house, which will be built during the next Plan period. Television also appears under Head 144 — Telecommunications, where about \$31¼ million has been provided for Television Programme Circuits.

In the sphere of Rural Development, there are considerable increases for the R.I.D.A. loan programme, and for minor rural development schemes, including schemes for new villages as well as kampongs. The provision for State and rural roads under Head 137 also includes allocations for roads in Local Council and new village areas as well as in other rural areas. This, Sir, is in conformity with Government policy

to help those of our less fortunate people of all races, whether they live in old kampongs or new villages. The provision for loans for water supply schemes in States is almost \$35 million, as against the revised estimates of \$221/2 million for 1963 and actual expenditure of approximately \$15 million in 1961 and 1962. These are only a few items amongst those which will be more fully described by my colleagues the Ministers concerned in the Committee stage.

In respect of development expenditure in the State of Malaya, the level of expenditure will probably be similar to that achieved in 1963. The same will no doubt apply to Singapore. In Sarawak and possibly in Sabah, the actual level of performance may well be lower than the budgeted figure, as this will be the first year of the new Sarawak Development Plan and construction capacity and the machinery for development planning and project execution will not have been fully built up.

Now, Sir, in introducing past phases of the Second Five-Year Development Plan the Government has tended to stress the achievements which can be expected in the future. At this stage, we are already able to see a promising measure of positive results. At the same time, we must take a further look into the future as a result of the vast new commitments which are being undertaken with the establishment of Malaysia. Were it not for the measure of success, which we have already demonstrably achieved, it is difficult to imagine that the Federal Government could contemplate offering to the Borneo States the prospects of economic development referred to in the Report of the Inter-Governmental Committee on Malaysia. Further resources will have to be found during the course of the next few years, both from domestic revenue and from internal and external borrowing. However I have little doubt, that our economic position and our international reputation for financial stability will be sufficient to enable us to meet this challenge and to promote the welfare and prosperity of all the inhabitants of Malaysia effectively, whether they dwell in the old States of Malaya or in Singapore or Sarawak or Sabah.

Sir, I beg to move, that pursuant to Standing Order 67c the following Motion be referred to a Committee of the whole House.

That this House resolves that a sum not exceeding \$721,587,720 be expended out of the Development Fund in the year 1964, and that to meet the purposes of the Heads and Sub-Heads set out in the second column of the Statement laid on the Table as Command Paper No. 46 of 1963, there be appropriated the sums specified against such Heads and Sub-heads in the ninth and tenth columns in respect of Heads 3 00—15 3 and the eighth and ninth columns in respect of Heads 155—210.