

SPEECH BY THE DEPUTY PRIME MINISTER ON THE MOTION OF THE FIRST MALAYSIAN PLAN, 1966-1970
IN THE DEWAN RAKYAT ON 15TH DECEMBER, 1965

That this House, recognising the need to promote the integration of the peoples and States of Malaysia and to build a more united, secure and prosperous nation, approves the objectives, priorities and programmes of the First Malaysia Plan as set out in Command Paper No. 45 of 1965. In adopting the Plan, this House calls upon Malaysian from all walks of life who have the welfare of the country at heart, to strive to accomplish the challenging task of meeting the aspirations of all our people for a better life and higher standard of living by fulfilling the objectives and goals of the Plan.

Tuan Yang di-Pertua, saya membentangkan kepada Dewan ini, satu Usul yang sangat penting dan mustahak, iaitu Usul untuk menentukan kemajuan-kemajuan dalam lapangan iktisad dan masyarakat yang akan dijalankan di negara kita pada masa lima tahun yang akan datang, iaitu Rancangan Malaysia yang pertama bagi memberi segala nikmat-nikmat, kemakmuran, mata pencarian yang lebih luas, dan taraf hidup yang lebih tinggi kepada semua rakyat Malaysia daripada berbagai-bagai keturunan. Untuk mencapai matlamat dan cita-cita ini pelaksanaan Rancangan Malaysia Yang Pertama mestilah berjalan dengan baik dan pesat. Dan, untuk menjamin itu, mustahaklah kita semua — Kerajaan Pusat, Kerajaan Negeri, Wakil-Wakil Rakyat, Pegawai-Pegawai Kerajaan, semuanya bersungguh-sungguh berusaha menjayakan pelaksanaan rancangan itu. Cabaran di hadapan kita adalah kuat dan besar.

Pada hari ini, saya membentangkan kepada Ahli-ahli Yang Berhormat sekalian, satu rancangan yang sangat besar, berani, tetapi adalah realistik dan boleh dijayakan. Rancangan Lima Tahun Malaysia Yang Pertama akan membawa rakyat dan negara ini mara ke hadapan dalam bidang kemajuan dan kemakmuran yang lebih besar lagi. Matlamat Rancangan Lima Tahun Malaysia Yang Pertama ini ialah untuk memberi Malaysia dan rakyatnya satu tempat yang lebih sempurna dan mulia dalam dunia dan kedudukan taraf hidup dan kemakmuran yang kita semua cita-citakan. Rancangan ini, sungguhpun dinamakan Rancangan Lima Tahun, tetapi adalah satu rancangan yang sasarannya akan menuju dan menjalani tempoh selama 20 tahun, mulai daripada tahun hadapan. Semenjak negara ini mencapai kemerdekaan dalam tahun 1957, telah banyak perubahan-perubahan dan kemajuan bagi rakyat, khususnya bagi mereka yang duduk di luar bandar terutama telah dilaksanakan oleh Kerajaan Perikatan.

Saya amat sukacita menengaskan di sini yang Rancangan Lima Tahun kita yang pertama, iaitu rancangan daripada tahun 1961 hingga tahun 1965, telah memberi kejayaan lebih daripada yang dijangkakan atau lebih daripada sasarannya. Ini sangatlah memuaskan hati kita dan sangat-sangat membanggakan kepada Kerajaan, dan lagi, kejayaan yang cemerlang ini telah dicapai walaupun negara kita, daripada semenjak tahun 1963, telah diancam oleh konfrantasi dan pencerobohan Indonesia yang telah membuatkan perbelanjaan dalam lapangan pertahanan dan keselamatan kita bertambah banyak dan besar.

Malaya dan Malaysia di bawah pimpinan Kerajaan Perikatan, telah mencapai kejayaan, kemajuan demi kemajuan, dan perubahan-perubahan yang besar dari Malaya yang merdeka kepada Malaysia. Keteguhan politik membawa kemakmuran, dari kemakmuran membawa keadilan dan keamanan. Ini adalah kejayaan-kejayaan dan hasil-hasil daripada pimpinan Kerajaan yang praktikal dan adil. Kerajaan Perikatan telah berkhidmat dengan segala kejujuran dan ikhlas kepada rakyat negara ini dari semua bangsa. Dan perkhidmatan Kerajaan ini telah dihargai oleh rakyat semua, kerana tiap-tiap Pilihanraya pada tiga kali yang telah lalu, rakyat negeri ini telah memilih Kerajaan Perikatan untuk memimpin negara dan rakyat ini kepada kemajuan dan perubahan yang lebih besar lagi. Niat-niat dan cita-cita Kerajaan Perikatan adalah sentiasa untuk memperhambakan diri, untuk berusaha dan bekerja bagi kemakmuran dan keadilan untuk semua rakyat daripada semua bangsa, bagi melahirkan satu masyarakat yang lebih adil dan saksama, di mana jurang perbezaan di antara penduduk-penduduk negara ini dalam semua bidang dapat dikurangkan. Kita mahu melihat rakyat daripada semua bangsa bukan sahaja terus-menerus hidup aman damai, penuh dengan perasaan muhibbah dan mesra satu dengan lain, tetapi juga mempunyai keseimbangan dalam semua bidang, terutama sekali dalam bidang ekonomi dan pelajaran.

Parti-parti Pembangkang sentiasa membantu kecaman yang tidak adil terhadap Kerajaan Perikatan, kononnya Kerajaan tidak membuat apa-apa kemajuan dan perubahan kepada rakyat. Betapa kosong dan palsu-nya kecaman-kecaman ini, bolehlah dibuktikan oleh keputusan-keputusan Pilihanraya-pilihanraya dari semenjak tahun 1955 hingga Pilihanraya tahun 1964. Rakyat Malaysia daripada segala bangsa telah memberi kepercayaan yang penuh kepada Parti Perikatan kerana mereka sedar hanya di bawah pimpinan Kerajaan Perikatan terjamin perpaduan di antara kaum-kaum, keteguhan politik dan kemakmuran, yang dibawa dengan cara beransur-ansur dan aman.

Kepada mereka yang sentiasa tidak mahu menerima kenyataan dan mengikuti kejayaan-kejayaan Rancangan-rancangan Kemajuan Kerajaan, saya minta mereka merenung kembali dan membuat perbandingan antara

keadaan dan rupa bentuk negara kita ini semasa penjajah dahulu dengan keadaan bentuk rupa negara kita - kemakmuran dan keteguhan rakyat Malaysia daripada semua bangsa semenjak Malaya mencapai kemerdekaan pada tahun 1957. Di bawah pemerintahan penjajahan British dahulu, rakyat kebanyakan hidup dalam keadaan kemiskinan serta ditekan oleh cengkaman politik dan muslihat penjajah. Di bawah Kerajaan Perikatan, Malaya dan sekarang Malaysia, telah mencapai berbagai-bagai kemajuan.

Malaysia, pada hari ini adalah sebuah negara yang makmur. Rakyat mempunyai taraf hidup yang lebih tinggi sekali di Tenggara Asia ini. Kejayaan ini boleh didapati dan boleh dilihat di serata-rata tempat. Rupa bentuk dan pandangan di Malaysia telah berubah dalam semualapangan. Negara telah terang dengan kemajuan-kemajuan, dan rakyat berani dan percaya pada diri masing-masing. Keadaan bentuk rupa dan isi kampung-kampung pun telah berubah dan sedang menuju ke arah kemajuan yang lebih besar lagi. Kejayaan-kejayaan telah dicapai kerana Kerajaan Perikatan telah menjalankan pimpinan dengan waras dan melaksanakan dasar-dasarnya dengan tidak dikuasai oleh sentimen atau perasaan, akan tetapi berdasar kepada keadaan di sekeliling - kepada logik dan kenyataan hidup yang sebenarnya.

Di bawah Kerajaan Perikatan, rakyat Malaysia dari berbagai-bagai bangsa berganding bahu mencari kemakmuran dan ketinggian taraf hidup. Tiap-tiap kaum di Malaysia dijamin mencari kejayaan, seperti juga tiap-tiap puak terjamin mengikut adat istiadat masing-masing, mengikut agama masing-masing, dan mempelajari bahasa masing-masing. Sungguhpun semuanya itu terjamin, kita juga sekarang berusaha dan menggalakkan penubuhan satu bangsa Malaysia yang tulin di mana semua rakyatnya akan mempunyai taat setia mereka yang tidak berbelah bagi kepada negara kita. Pelaksanaan ini sedang berjalan dengan aman damai. Saya yakin atau bangsa Malaysia yang tulin, yang terdiri dari berbagai-bagai keturunan akan lahir dan Malaysia akan menjadi sebuah negara yang bahagia dan makmur.

Hari ini, negara kita ialah sebuah negara yang telah menjadi contoh kepada negara-negara di dunia ini, iaitu menjadi contoh di mana rakyat berbagai-bagai bangsa hidup aman bahagia berganding bahu bersamasama mencari kemajuan dan kebahagiaan hidup. Kerana Kerajaan Perikatan mempunyai sifat-sifat yang sederhana, mempunyai sifat-sifat yang praktik, sifat-sifat yang benar dan jujur, dan pandai pula memperalatkan kebaikan-kebaikan Demokrasi dan Nationalism,serta menggunakan kekayaan negara kita dengan cermat danjujur. Sebab itulah kejayaan yang saya telah nyatakan tadi dapat dicapai terlebih besar daripada sangkaan kita sendiri. Malaysia boleh melahirkan kemajuan dan kekayaan ini, oleh kerana ada mempunyai perpaduan yang erat di antara semua

kaum di negara kita ini. Keteguhan perpaduan inilah telah dicapai di bawah pimpinan Kerajaan Perikatan dan kita sentiasa hendak memperkuatkan lagi perpaduan ini kerana hanyalah dengan perpaduan ini boleh kita menjamin kemakmuran yang telah dicapai itu, kekal dan menjamin mendapat kejayaan lebih besar dalam pelaksanaan Rancangan Lima Tahun Malaysia Yang Pertama ini dengan licin dan sempurna.

Tuan Yang di-Pertua, saya suka menegaskan di sini, kunci kejayaan kita pada masa akan datang ini ialah keteguhan perpaduan antara kaum yang lebih kuat lagi. Kita juga mestilah sentiasa sedar dan insaf bahawa kemajuan dan kemakmuran kita pada masa akan datang bukanlah terletak pada rasa puas hati dengan apa yang kita telah dapat, tetapi yang terletak kepada keazaman, keteguhan hati dan keyakinan yang lebih kuat untuk melancarkan usaha-usaha yang lebih giat dan besar pada masa-masa hadapan. Masa lima tahun yang ke hadapan ini adalah masa yang penting bagi negara kita dan dalam sejarah pembangunan seluruh rakyat Malaysia dari semua bangsa khususnya anak-anak bumiputera yang masih mundur dalam serba serbi mestilah melipat kali gandakan usaha mereka untuk perkembangan dan kemajuan dalam pembangunan ekonomi dan lain-lain. Inilah masalah yang besar yang mesti dihadapi dan inilah cabaran pada masa hadapan untuk rakyat yang mahu maju dan bangun. Kerajaan telah berbuat apa juga yang terdaya untuk semua bangsa dan Kerajaan Perikatan akan terus-menerus berkhidmat tetapi saya memberi nasihat kepada semua, terutama sekali kepada rakyat bumiputera, bahawa segala rancangan-rancangan Kerajaan tidak akan dapat memberi faedah yang dikehendaki, jika rancangan-rancangan Kerajaan itu tidak mendapat sambutan yang sempurna dan yang kuat daripada rakyat sendiri. Kerajaan mengadakan rancangan-rancangan bertujuan untuk mengubah nasib rakyat. Pertolongan Kerajaan ada hadnya, nasib rakyat tidak akan berubah dengan pertolongan Kerajaan sahaja, nasib semua rakyat, khususnya bumiputera, tidak akan berubah jika rakyat bumiputera sendiri belum insaf dan sedar dan berazam hendak mengubah nasibnya sendiri.

Saya menyeru mulai daripada tahun sempena dengan pelancaran Rancangan Kemajuan Malaysia Yang Pertama ini supaya rakyat negeri ini mengubah sikap hidup, mengubah falsafah dan konsep hidup kita, kepada konsep dan falsafah yang lebih cergas lagi supaya semua rakyat lebih bercita-cita lagi kepada kemajuan. Saya harap kita gantikan falsafah yang dikatakan hidup kais pagi bagi makan pagi itu dengan falsafah bekerja seolah-olah kita hidup selama-lamanya dan mahu hidup menikmati dengan segala kemewahan-kemewahan yang dibawa oleh sains. Negara kita kaya dan kita mempunyai segala syarat-syarat untuk melaksanakan segala rancangan-rancangan yang kita cita-citakan. Syarat yang besar sekali kita kehendaki sekarang ialah keyakinan dan kemahuan

yang kuat dan usaha yang lebih kuat lagi yang boleh melahirkan segala kejayaan dan kebahagiaan hidup kita.

Tuan Yang di-Pertua, sekarang sayaminta izinhendakbercakap dalam bahasa Inggeris tetapi sebelum saya berbuat begitu saya suka menerangkan kepada Dewan ini, saya dukacita kerana terjemahan Rancangan Malaysia Yang Pertama dalam bahasa Kebangsaan tidak dapat dijelaskan dengan sempurna tetapi ringkasan-ringkasan telah dapat dibentangkan di Dewan ini. Rancangan ini telah disediakan beberapa bulan yang lalu akan tetapi disebabkan oleh perpisahan Singapura pada 9 Ogos yang lalu terpaksa Rancangan ini dipinda semula dan disemak semula dan itu telah mengambil masa dan tidak dapat disediakan sehingga beberapa minggu yang telah lalu dan dengan itu tidak dapatlah masa hendak diterjemahkan semua sekali rancangan-rancangan ini.

Mr. Speaker, Sir, I rise to propose today no ordinary motion. I rise to before this Parliament this symbol of our democracy, a plan for economic and social development for the next five years, a plan of purpose and intention to enable our country to travel yet further on the road to accelerated progress and prosperity, a plan to give Malaysia its rightful place in the international, economic community of free nations of the world.

We in Malaysia, Sir, are seasoned travellers on the path of progress. We have been envied by other fortunate nations for breaking the development speed barrier in this international race towards economic stability. We have quietly forged ahead from strength to strength on a firm foundation of sound security, stability and good economic planning, and, even more important, the determination and ability to translate our plans into action.

Mr. Speaker, Sir, almost every developing country in the world has a Five-Year Plan, but a plan in itself does not mean anything. A plan on paper without the will and energy to put it into practice does not bring any benefit to the people or to the country. However, I am glad to say, Sir, that as this historic day heralds the launching of our plan for the future, it also records the success in the implementations of the previous Five-Year Plan (Applause) which, in spite of defence commitments in countering confrontation and aggression, has nevertheless achieved the targets which this Government sets in line to achieve in 1961.

I am proud to say, Sir, that in many sectors of our last Five-Year Development Plan, we exceeded the aims we set ourselves.

Sir, the Opposition, particularly those who are blind followers of outdated doctrines and political philosophies formulated many years ago —

by such people as Karl Marx - allege that the Alliance Government has no political philosophy and therefore any development plan without a philosophy cannot possibly succeed and cannot benefit the people. To those who are so philosophically conscious, I say categorically, that the Alliance has a philosophy, a philosophy that is bearing fruit in actual practice and the evidence of its success lies in the progress that we, as a young nation, have achieved since independence.

We have achieved success from Merdeka to Malaysia, from stability to success, from peace to prosperity and the Alliance policy philosophy is progress.

We are, Mr. Speaker, Sir, a progressive Government, our ideas and our thinking aptly meet present day needs and the needs of our people whom we put foremost in our minds before any selfish aim or political gain. But we are not in the habit of misleading the electorate with cries and slogans of outdated doctrines taken out from outdated philosophies or torn from text books.

We are essentially, both in our philosophy and practice, a Government elected by the people, close to the people and representing the wishes of all sections of our people. We believe that it is for the electorate, for the people to decide what direction it wishes the country to progress. It is then for the politician to create a vision of this progress and to make the people see his vision as he sees it. It is for the politician to give words to this vision and turn it into a policy. It is then for Government servants to give the policy a form and to translate this vision into reality. This, Sir, is our philosophy of democracy and this is our definition of democratic practice for development and progress which we have applied over the last ten years with success.

Let us look back to the years leading towards independence. None of us in those days, even with the greatest optimism could have dared visualize a prosperous Malaysia as she is today. Mr. Speaker, Sir, public memory is short. It is very soon forgets. Sometimes, worse still, the memory of the Opposition is even shorter and I am not quite sure whether maliciously forget or will not admit the progress that we in the Alliance Government have achieved since we took over the reins of Government from the days of colonialism.

Now, Sir, I ask this House to compare the memories of the days of under-development before Merdeka and the difference between our country as it was ten years ago and as it stands now today as a prosperous nation to which all of us are proud to belong. This present day prosperous Malaysia is in fact the vision which the Alliance saw through the clouds of colonialism and that vision was formed in all its aspects.

And that has been given form, formulated in terms of the administrative machine of our country and put into practice in our schools, in our villages, in our factories, on our land in our homes.

We the Alliance are proud to have the honour of leading our nation on the march of progress towards the fulfilment of this vital vision of a vigorous and prosperous nation. The vision of the future, Sir, is even more hopeful.

Now, Mr. Speaker, Sir, I would like to give credit to those many Members of Parliament on this side of the House, or rather on the correct side of the House, who entered into the spirit of creating this true vision of independence and worked day and night, travelling tirelessly around the country, putting force and realism our vision and the implementation of our development aspirations. I thank each one of them for their unselfish service to the country over the last five years in putting development and national progress before selfish gain. I feel, Sir, it would not be of place if these Alliance Members of Parliament were to applaud themselves now because they deserve it.

Secondly, Sir, I would like to give particular credit to those who have no voice in this House even when their devotion is discredited by some Members of the Opposition. I would like to give credit and high praise to the many thousands, who cannot applaud themselves, the Administrators, the Engineers, the Doctors, the Technicians and all the other Civil Servants, too numerous to mention, for the loyalty, dedication, hard work and enthusiasm which they have give as a major contribution towards the development progress of our country during the implementation of our last Five-Year Plan.

It is not Sir, my intention, before introducing this new Plan, to give a lecture on Alliance philosophy, because any Member of this House quite easily learn much about it merely by having the good sense to pay a small subscription to an office somewhere along Man Tuanku Abdul Rahman and join the most progressive and sensible political Party in the country, a party which serves the people well and truly and has succeeded in translating the vision of a happy and prosperous Malaysia into a reality.

Sir, we are nation of many races, many cultures; a country in which all are allowed to practise many religions, and Alliance philosophy and policy have facilitated us to advance coolly, continuously and with good conscience; and the practice of ours has never been done in the heat of passion, spasmodically or under the threat of subsequent remorse; and it is only with this cool, sensible and unemotional Alliance leadership

will we weld together our various races and culture into a stable, happy Malaysia living in harmony and progressing in unity.

To do this and to enable us to develop — in order to achieve unity and economic progressive - we need a heavy dose of nationalism as a necessary stimulant, but let us, and this is our Alliance policy, always think of our nationalism within the correct and balanced context of internationalism.

We have the basic assets of sound democracy, a great potential of natural resources and people, who, in the last five years have shown themselves capable of advancing faster than our expectations.

We have also the most important stimulant for development — national unity — which has been forged by the Alliance Government.

Now, Sir, the Government and people of Malaysia can rightly be proud of the achievement of our country in the last few years. Malaysia itself was established only two years ago. Since that date it has had to contend with continuous aggression from a much larger neighbour, but it has withstood this danger successfully. Besides this external threat to her independence, Malaysia has had to contend with internal political difficulties which finally led to the separation of one of its States. Now, many waververs and our enemies were of the opinion that this would lead to the disintegration of the Nation. But they have been proved wrong. Separation from Singapore was effected constitutionally and peacefully. Malaysia remains united and strong.

The problems standing in the way of economic progress of the country have also been formidable. But the advances which have been made in the campaign, against poverty, illiteracy and disease too, have been significant. Malaysia embarks upon its future with a stronger foundation for bringing about greater unity and a more prosperous and happier life for its people than they have ever known before and it is with this paramount objective in view that the Government has formulated the First Malaysia Plan which I now commend to this House.

Now, Sir, the dramatic progress, achieved in the economic and special development of the country is indeed a credit to the Nation, especially when account is taken of the many economic and political problems which confronted us. In fact it can be said with justification that in the way in which we have forged ahead in developing this country and the consequential changes which have been brought about can be said to be a "silent revolution".

In the last five years, average income in the country has risen by almost 15% despite the fact that the population has been growing at one of the highest rates in the world, and despite the fact that the country's earnings from the production and sale of natural rubber — its principal product — have been failing. This is indeed a notable achievement. The rate of growth of income achieved is high by international standard, especially in comparison with other developing countries with rapidly growing populations.

Employment has also increased significantly. In Malaya, where the problem of unemployment is serious in comparison with the Borneo States, where it is negligible, about 345 thousand jobs were created. As a result, the rate of unemployment of the male and female labour force remained at about 6%. This rate, Sir, compares not unfavourable with other nations which are at the same stage of development as Malaysia

Concurrent with this increase in national income and employment, a transformation in the character of the economy has also been initiated. Although there is still a long way to go, the evidence of the change that is occurring is clearly discernible. The first steps have been taken in the process of reducing the dependence of the economy on rubber and tin. Agricultural production has begun to be diversified. The production of oil palm, live stock, fish and forest products has increased rapidly. A beginning has also been made in the industrialisation of the economy. As a result, locally manufactured goods of many types have begun to replace imports. The development of petroleum refining in Malaya is a good example. Now, in 1960, all imports of petroleum fuels entered in product form, by 1964 only 41% entered as product form, while the remaining 59% entered as crude petroleum for domestic refining.

These achievements are testimony to the efforts of our farmers, our industrialists, our technicians and our administrators, who, by their hard work and enterprise have made it possible for this country to offer an improving standard of living to our people. These achievements also attest to the size and effectiveness of this Government's economic and social development programmes — expenditure on which was about two and a half times as great as the amount spent between 1956 and 1960.

In fact, as the country's export earnings grew, only very slowly because of falling rubber prices, the rapid increase of public investment in the last five years was one of the principal causes of the high rate of growth in income which was achieved. But more important than this immediate benefit, is the fact that a firmer base for future econo-

mic and social development has been laid. In Malaya about 2,300 miles of roads were constructed, compared with about 600 miles during the 1956-60 period. Port capacity was expanded at Port Swettenham. The number of telephones installed increased, trunk lines were extended into new areas and the quality and capacity of existing trunk lines were raised. Electricity generation capacity expanded by 64% while the average daily output of water increased by 54%. With all these achievements, a reasonably sound economic infrastructure of transport and communication facilities and electricity and water supply systems have been created.

The development effort of the Government has also resulted in improving the long-run productivity of our natural and human resources, particularly in the rural areas. About 145,000 acres of virgin land were opened up by the FLDA for the settlement of twelve thousand families and in a few of these settlements, Sir, the people have now reaped the benefits and in one land scheme in Kedah, which I visited last Sunday, the settlers are now beginning to draw an income of the average of \$350.00 and some \$400.00 a month on an average tapping days of 24/25 days a month (Applause). This, Sir, proves my prediction on this was right some years ago. The completion of several irrigation and drainage projects raised the acreage of padi capable of being double-cropped fivefold from 30,000 acres in 1960 to 193,000 acres in 1965. Total planted acreage increased from 941,000 to 980,000 acres. An estimated 760,000 acres of land belonging to smallholders were planted or replanted with high-yielding rubber, bringing the acreage under high-yielding rubber to 890,000 acres or about 50% to total smallholding acreage.

In the field of education, Sir, an additional 6,000 classrooms were constructed in primary schools and 3,000 in secondary schools. As a result, primary school enrolments increased from 980,000 to 1,200,000 and secondary school enrolments rose from 100,000 to 275,000. During the same period, the school-leaving age was increased from 12 to 14 years and a re-organisation of the secondary school system was affected with the introduction of the comprehensive system of education. Rapid progress was also made in college and university education.

Now, in addition to the efforts of the Government in building up the Malaysian economy, Honourable Members will note that social and community services have been improved and expanded, particularly in the rural areas. Hospital capacity was raised and a total of 31 main health centres, 132 sub-health centres and 645 midwives' clinics were constructed in the rural areas. The number of rooms available through public housing schemes tripled between 1960 and 1965, thus helping to meet the heavy demand for housing created by the rapid increase in

urban population. Electricity and telephone services were extended to many rural areas. With all these projects, the already high standard of social and community services in Malaya was further improved. What is also important is the fact that whereas in the past these facilities were negligible in the rural areas, they are now becoming numerous. No one can dispute that a radical change for the better has been effected in the face of our rural countryside.

In Sabah and Sarawak, about 35% more was spent on the development effort than was the case in the two previous years before the establishment of Malaysia. The rapid increase in Government's development activities has not only contributed to the enlargement of incomes in these States but has also strengthened and broadened their base for future economic and social development. The Government would have liked to have done much more for these States. But the time which has elapsed since the establishment of Malaysia has been too short to bring about striking changes. Nevertheless, taking the period of the last five years as a whole, some concrete advance had been made. The initial steps in the creation of an adequate economic infrastructure in Sabah and Sarawak have been taken. Road mileage expanded by 72% while electricity generation capacity increased by 84%. In the field of agriculture, measures were taken to promote an efficient system of settled cultivation. Many new land settlement schemes were established. In Sabah, oil palm as well as rubber is being grown on such schemes. In both States, increased attention was also given to extensive replanting of low-yielding rubber with high-yielding material.

Looking back on the progress which has been achieved, we can justifiably draw satisfaction from the efforts which we have made. We have toiled, struggled and sacrificed and our efforts have been amply rewarded.

Now looking forward into the future, we need to consolidate our successes, learn from our mistakes and rededicate ourselves to even greater efforts. We certainly cannot afford to be complacent. Our attainments in the last five years constitute only the initial step in the process of bringing about a truly developed Malaysia. Much more remains to be done and the First Malaysia Plan in our blue-print of what must be done by the Government and the people during the next five years.

The first Malaysia Plan has four primary objectives. The first is to promote the integration of the peoples and States of Malaysia by embarking upon a development plan explicitly designed to promote the welfare of all; the second objective is to provide a steady increase

in levels of income and consumption for our people, particularly these in the rural areas, and those in other low income groups; the third objective is to generate employment opportunities at a rate sufficient to provide productive work for new entrants to the labour force and to lower the rate of unemployment; the fourth is to continue to stimulate new kinds of economic activity, both agricultural and industrial, so as to reduce Malaysia's economic dependence on rubber and tin.

The attainment of these objectives is a difficult task, because there are many problems which we have to face. The most serious of these problems are the prospect of a continuing decline in the price of rubber and the depletion of known tin reserves. The production and marketing of these two export commodities constitute at present our major source of income and employment. As their immediate prospects are not particularly bright, the task of progressively increasing our national income becomes challenging. It is crucial that we find new sources of income and employment.

A second major problem which confronts us in our extremely high rate of population growth. At about three per cent a year, this rate is of the highest in the world. It is staggering to realize that if this rate of growth is not checked, Malaysia's population, which is now about nine and a half million people, will double in twenty five years' time. While there are possibilities for reducing the rate of population growth in the long-run, in the short space of the next five years, no substantial reduction can be effected. The population of Malaysia will grow to about eleven million by 1970 and this presents a serious challenge indeed to the effort to provide rising income levels and improved social services.

Sir, in order to attain the objectives of steadily increasing income and reducing unemployment during the period when our population is increasing rapidly and the value of our traditional exports is likely to grow only slowly, the Plan calls for the development of new patterns of economic activity. It calls for the development of new export products, in particular oil palm and timber, for which there are bright prospects. But traditional export commodities are not likely to earn enough foreign exchange over the next five years to pay for our import needs. Therefore, the Plan accords top priority, to the production within Malaysia of an accelerated volume of those commodities which are at present imported. There are favourable prospects for substituting domestic production for imports in both the agricultural and the industrial sectors. The production of foodstuffs and other agricultural commodities for which reliance on imports is heavy must be increased. Most important of all, the extremely good opportunities which exist

for increased output of manufactured goods for the domestic market must be exploited. Only if all these possibilities are seized will it be possible to sustain the growth of the economy in the long run.

To bring about the exploitation of all immediate possibilities for increasing production, to strengthen the base of our economy for future growth and to provide social and community services for all our people, and in particular those in the low income groups, it will be necessary for the country to spend a sum of \$10,500 million on development during the next five years. The public sector's share in this total is \$4,550 million and that for the private sector is \$4,950 million. If these targets are reached - and the Government is confident that they will be — average income in the country will rise by over five per cent. Although this rate of increase is modest, it will be a considerable achievement, in the face of relatively unfavourable external factors, to protect per capital income levels from declining and help them to rise, at the same time to lay the foundation for a new economic structure. Moreover, the anticipated rise in income levels will accumulate to substantial improvements in a few years' time. As far as employment is concerned nearly 380,000 new jobs are likely to be created in Malaya and 80,000 in Sabah and Sarawak making a total of 460,000 new jobs for Malaysia. This will reduce unemployment from its present rate of six per cent of the labour force to about five per cent in 1970 a rate comparable with that of even some of the most developed countries in the world. This will indeed be a considerable achievement and will result in the creation of sufficient employment to match the growth of the labour force.

Even more important the immediate income and employment goals of the Plan are the preparations it embodies for accelerated development in the long run. The emphasis given in the Plan to education and training, to rural development and the diversification of economic activities, to family planning and to applied agricultural and industrial research, will yield sizeable returns in the years ahead. The First Malaysia Plan has been formulated as the initial phase in a 20-year Perspective Plan of economic and social development, which envisages the attainment of a level of income per capital of \$1,500 by 1985. The achievement of this long-run target will require that the First Malaysian Plan is implemented successfully and that a rising tempo of development is attained in subsequent Five-Year development plans.

A major share of the responsibility for attaining the income and employment objectives of the Plan will lie with the private sector. In the past, private enterprise has served the cause of development in Malaysia with considerable effectiveness. It has injected into the

economy a degree of vigour and initiative which is one of our greatest assets. The Government is confident that Malaysia's entrepreneurs, whose number and quality is increasing daily, will continue to render significant service in the solution of the challenging economic tasks ahead.

For its part, the Government will provide whatever technical and capital assistance are necessary. It will expand and orient its educational system to train the men and women required to modernise and energise the Malaysian economy. It will strengthen in Malaya, and expand considerably in the Borneo States, our transport and communication facilities and electricity and water supply systems — all of which are the physical foundation of our economy. It will continue to improve the already high level of social and community services available in the country so that all Malaysians will have the opportunity of leading a fuller, better and more satisfying life.

For its part also, the Government will continue to strive for equality of economic opportunities for all Malaysians. It is all too evident today that despite the massive efforts of the Government in recent years, there are still insufficient opportunities for low-income groups to better themselves. Under the First Malaysia Plan, therefore, the Government will intensify its efforts to provide facilities and opportunities for the rural population and other low income groups in urban areas to improve their levels of economic and social well-being. Our work in this direction will not slacken until we are completely satisfied that every Malaysian has the opportunity to participate in the development of his country and to receive in return the fruits of all his efforts.

For all these economic and social development programmes, the Government will spend a sum of about \$3,810 million during the next five years. The bulk of this allocation will be for economic projects, of this allocation, over \$1,000 million will be for agricultural and rural development. The remainder will be for roads, ports, communications, power, water supplies and other economic services. More than \$800 million will be for social services, of which education expenditure will take up more than half. Housing will take up \$190 million largely for low-cost housing and accommodation for public employees in the industrial and manual group. This programme will enable an intensified phase of housing development to take place so that the most immediate problems posed by the housing shortage will be met. The allocation for social services also provides for a large programme of family planning to be initiated. Family planning will be popularised and family planning services will be made available to those who desire them. I have already referred to the serious problem posed by the country's very rapid rate of population growth. The family planning

programme will enable the groundwork for less rapid population growth to be laid. Action in this regard is of the utmost urgency, for if the current rate of growth of our population is not checked, it will be difficult for this country to provide increasing incomes and adequate education and social services to the future generations.

All the Government's economic and social development efforts will complement the programmes of the private sector and together they will provide substantial benefits to the people in the rural as well as the urban areas, particularly to those in the low income groups. Besides the \$1,000 million to be spent on agriculture and rural development projects. Which will directly benefit the rural people by raising their productivity and income levels, expenditure in other areas will also contribute to rural development. Much of the expenditure to be incurred for education, health, transportation and water supplies will be made in the rural areas. Malaysia's urban sector will also share in the development of social and economic services which will take place during the Plan period. Additional housing, education, health, transport and power facilities will contribute to making urban life more pleasant and more productive.

On a regional basis, the allocation for economic and social development expenditure by the Government (excluding that for Defence and Internal Security) will be about \$3,110 million for Malaya, \$3000 million for Sabah and \$400 million for Sarawak. The target for Malaya is about 32% more than similar expenditure in the last five years, while the targets for Sabah and Sarawak are greater by 47% and 57% respectively. The targets for Sabah and Sarawak are also substantially greater than those which the Central Government endeavoured to allocate when subscribing to the Inter-Governmental Committee Report prior to the establishment of Malaysia. Difficult as our financial position will be over the next years, the Government is determined to ensure that as much as possible is spent in the development of these two States. This is essential if their level of development is to be brought closer to that of Malaya. The targets for the Borneo States do provide for this. In fact, if the cost of accommodation facilities for the armed forces and police is taken into account, the total sums allocated to the Borneo States are more than 80% greater than the comparable amounts spent in 1961-65. They constitute the maximum amount of funds that can be used for the development effort within the technical and administrative capacities of both Sabah and Sarawak.

The development expenditure programme of the Government -of \$4,550 million during 1966-70 also provides for \$70 million to be spent on expanding the nation's military and police capabilities so that

with the help of our friends abroad, Malaysia will be able to withstand any potential threat from its enemies in and outside the country. It is unfortunate that expenditure of the scale envisaged for military and police requirements is necessary. But we have no choice in this matter. For so long as any threat against our existence and ideals is imminent, we must be prepared to meet it. All our efforts at building up an independent, democratic, happy and prosperous Malaysia would come to nought if we were to be defeated by those powers and forces which are unceasingly attempting to subjugate this nation, its people, its ideals and its spirit.

Mr. Speaker, Sir, the First Malaysia Plan is indeed a bold programme. And its financing will present a challenging task to the Government for, in addition to the cost of the development effort, the Government's need for recurrent expenditure is also rapidly mounting. Every endeavour will be made to curb expenditure for recurrent purposes through intensified attempts to minimise the cost of Government operations. Even then the increases that will be required in recurrent expenditure will be sizable in view of the expanding and widening responsibilities of the Government particularly in the fields of education, health, communications, defence and internal security.

It is therefore unavoidable that the Government has to seek additional financial resources through taxes and charges of various kinds and further domestic borrowing. In this endeavour, we call for full cooperation from all Malaysians who have the interest of their country at heart. The Government will be constrained in its endeavour to promote economic and social development if Malaysians themselves do not continue to play their part in shouldering their responsibilities. The Government appreciates that Malaysians are already contributing in taxation a portion of their income which is comparable with that in many other progressive countries. We ask simply that Malaysians accept the responsibility of contributing in taxation the same proportion of the country's national income throughout the next five years as they are doing today. We also ask that individuals, businesses and institutional investors increase their purchase of government securities. Honourable Members will, I am sure, agree that in terms of the substantial benefits that will accrue to us and our children, these sacrifices will be worth making.

The Government will supplement resources obtained through taxation and domestic non-bank borrowing by running down its accumulated assets and by borrowing from the banking system. The amount which it is planned to obtain from the latter source has been very carefully considered, for we are determined not to create in-

flationary conditions which would undermine this country's financial stability. Such a situation would prevent the attainment of our investment targets. It would also bring about much suffering for most of us since it would lead to a progressive reduction in the purchasing power of our incomes.

After allowing for the recurrent expenditure needs of the Government during the next five years, the funds which will be available for public development expenditure will amount to \$2,650 million. As the development expenditure programme requires \$4,550 million, the Government intends to finance the remainder of \$1,900 million by seeking foreign loans and foreign grant assistance. We will justify such support through continued financial policies which are sound and development policies which take every possible advantage of favourable opportunities for private and public economic progress.

Mr. Speaker, Sir, Malaysia has received some assistance from many countries in and outside the Commonwealth in the last five years. For this we are indeed very grateful. In the five years, when our problems and difficulties will multiply, it is our hope that our friends abroad will respond to our requests for much greater assistance than we have received in the past. We are confident that our requests will not go unheeded for they, as much as we, firmly believe that there is much the developed nations can do to help the poorer nations in their endeavour to attain a higher standard of living. But, if for one reason or another, our confidence in their professed intentions is misplaced, then we shall have no alternative but to trim our development programmes. This would indeed be unfortunate, to say the least, for the programmes incorporated in the First Malaysia Plan have already been severely pruned and the level we have set is the minimum necessary for maintaining the tempo of development in this country.

Another problem which will effect the rate of economic progress in this country is the shortage of trained and skilled manpower. This will affect the development efforts of the Government as well the private sector. The problem is particularly serious in Sabah where there is an acute shortage not only of skilled but even of unskilled manpower.

These shortages have resulted in a rate of development in the recent past which is lower than might otherwise have been achieved. Although significant progress has been made in increasing the output of trained and skilled personnel, the problem is still of sizable proportions. It will continue to constrain the development of the economy in the next five years. And if bold measures are not taken to step up the develop-

ment of this nation's human resources immediately, the deficiency of skilled man-power will continue to plague us far into the future. This is a predicament which we must avoid. In this age of science and technology, the rate of Malaysia's economic development will be determined not only by our material resources but also by our success in developing and in utilising effectively the intellectual capacities of our people. It is for this reason that high priority is being given in the First Malaysia Plan to education and training. It is also for this reason that our education system is being re-fashioned. We want to meet not only the objectives of nation-building and universal literacy but also the economic goals of our country by producing an increasing number of Malaysian teachers, agricultural specialists, engineers, technicians, economists, doctors and administrators.

Mr. Speaker, Sir, I have already indicated to this House the nature of the many economic and social problems which confront this Nation. We cannot and must not underestimate their gravity. Malaysia is too dependent on rubber and tin. Our population is growing too rapidly. There are still wide disparities between the "haves" and the "have-nots". Our supply of skilled and trained man-power is much too low. By their very nature, these formidable problems cannot be solved overnight. But if they are not progressively attacked and ultimately resolved, then the Malaysian economy will in time come to an awful standstill. We have no time to lose. We must intensify the onslaught on our basic problems now.

We the Government and the people of this country must brace ourselves to this challenge. We must undertake all that is required of us to meet it. This Government commits its energies and its resources to this task. In turn, each and every Malaysian must similarly dedicate himself to do all that is within his power and his means for the development of his country. Only in this way will national prosperity be progressively achieved. Only in this way will all our people — in Malaya, in Sabah and in Sarawak — be provided with the opportunity of an increasingly better and happier life. The stakes are high. If we fail, national unity will be jeopardized and our very existence as a nation will be imperilled. If we succeed, and succeed we must, we will have taken a major step forward towards the creation of a more united, secure and prosperous Malaysia.

Sir, I beg to move.