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GERAKAN BERSAMA RAKYAT

—— A Selection of Speeches (1981-1992) by
Dr. Lim Keng Yaik, President
Parti Gerakan Rakyat Malaysia

NASKHAH PEMELIHARAAN
PERPUSTAKAAN NEGARA MALAYSIA

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Dr. Lim Keng Yaik

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FOREWORD

The idea of a volume containing a selection of speeches and statements made by me, particularly at each of the Annual Delegates Conference over the last 12 years since I assumed the Presidency in 1980, was planned as one of several activities organized to celebrate the party's Silver Jubilee this year. Many a time, I have in fact been persuaded by many within our party to come forth with such a volume but I held back the idea till now. One major reason that prompted me to give the go-ahead this time is that a book of this nature will give greater and fairer coverage to my views, which I have made on behalf of the party, on a broad range of issues. I reckon this to be an important part of our party's efforts to disseminate in a more effective manner our party's views to a broader cross-section of the Malaysian population. While it is known that Parti Gerakan pursues a multi-ethnic non-racial Malaysian line, the specific form such a line can be utilised to analyse issues is not adequately well-covered in the media and hence is not known to many. Hopefully, a volume of this nature will help fill the void.

The views, positions and opinions of the party that I have expressed in this book have been arrived at through the many long hours of discussions and consultations that I have had with my comrades within the party over many years. In fact, since assuming the Presidency, I have always given great emphasis to serious political work, in particular on the evolution and concretisation of the party's Malaysian line. This book embodies in print the ideas we have concretised thus far. For the moment, only the English version has been published. Work on both the

Bahasa Malaysia and Chinese versions will begin soon and it is expected that they will be published by the end of this year.

I would like to take this opportunity to thank the party's Central Research Bureau for having edited and brought out this volume.

Dr. Lim Keng Yaik
President
Parti Gerakan Rakyat Malaysia
May 1993

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About the Author

Saudara Dr. Lim Keng Yaik was born in 1939 in the town of Tapah, Perak. After receiving his early education at the St. Michael's Institution, Ipoh, Perak, he proceeded to Queen's University, Belfast, Northern Ireland where he obtained his M.B.B. Ch. in medicine in 1964.

Upon returning to Malaysia after his graduation, Saudara Dr. Lim started his private medical practice in Chemor, Perak. Medical practice did not detain him for long, however. The ideal of wanting to cure social illnesses through concrete political action had the better of him. In 1968, he joined the MCA, which nominated him to contest a state seat under the Alliance banner in the 1969 General Elections. Although he was defeated in this election, Saudara Dr. Lim was not discouraged. In fact, at the onset of the seventies, he, together with several comrades, started what has popularly been referred to as the Reform Movement within the MCA. In recognition of his leadership of this powerful movement, Saudara Dr. Lim was appointed Chairman of MCA, Perak, in 1971; appointed a Senator in 1972 and a Minister with Special Functions in the same year. But the struggles of Saudara Dr. Lim soon stumbled on some stiff opposition from the status quo within the party. He was sacked from the MCA a year later.

In 1973, he joined Parti Gerakan Rakyat Malaysia and was elected Chairman of the party's Perak State Liaison Committee in 1974 and Deputy President in 1976. In August 1980, he assumed the Presidency left vacant by the retirement of Saudara Dr. Lim Chong Eu.

In 1978 and again in 1982, he was elected State Assemblyman for the state constituency of Jalong in Perak and held the post of Exco member of the Perak State Government between 1978-1986. In the latter year, he opted to contest the parliamentary seat of Beruas when the party decided that he should play a more active role in the Federal Government. He was elected Member of Parliament for Beruas in 1986 and 1990 and has been holding the post of Minister of Primary Industries since 1986.

He is currently also the President of the Wushu Federation of Malaysia and Vice-President of the International Wushu Federation. In 1989, he was conferred the title of SPMP, which carries the title of Dato Seri, by His Majesty the Sultan of Perak.

Saudara Dr. Lim is married to Madam Wong Yoon Chuan and they have 3 children.

CHAPTER 1

INTRODUCTION

Scope

This book is a collection of speeches delivered by Saudara Dr. Lim Keng Yaik in his capacity as President of Parti Gerakan Rakyat Malaysia (Malaysian People's Movement Party) at all Annual Delegates Conferences of the party held during the last 12 years (1981-1992). Several other speeches and statements made on other occasions have also been included. However, instead of the usual format of publishing his speeches in full, the Central Research Bureau, which has been assigned the task of editing this volume, decided to break up his speeches according to topics. These are politics, economics, human resources development, social issues and party affairs. The rationale behind such an editorial move is that, hopefully, the views of Saudara Dr. Lim and Parti Gerakan on issues within each of these broad areas can be brought out in sharper focus.

Each chapter begins with an Introduction which attempts, whenever necessary, at providing the background information deemed essential for a better understanding of the contents of Saudara Dr. Lim's speeches. There is also this attempt in the Introduction at identifying those government policies later adopted that appear compatible with the views expressed earlier by the party through Saudara Dr. Lim. The fact that there are a fair number of such governmental policy actions must be extremely encouraging and reassuring to Saudara Dr. Lim, his colleagues in the leadership and the party's rank and file, for this must mean that their role within the Barisan Nasional is not, after all, unproductive and futile.

In addition to the main Introduction, excerpts of the Presidential Speeches for each year have also been preceded, whenever necessary, by editor's notes. These are meant again to provide the background, usually pertaining to the political socio-economic environment, that hopefully will help in the understanding of the issues and problems raised. Such editor's notes have been provided for all years in the chapter on economic issues (Chapter 3) and for some years only in the rest of the chapters. Such an arrangement implies that issues raised in some years are sufficiently clear-cut as not to warrant these editorial notes or comments or that these have already been sufficiently well-made in the main Introduction to the chapter.

Objectives

Despite having been involved in the Malaysian political arena for close to two and half decades, not much publicity has been given to Saudara Dr. Lim's political concepts, positions and ideals. While his work as a member of the Executive Branch of the Government, first as a member of the State Executive Council in Perak (1978-1986) and later as a Minister charged with the responsibility of looking after the Ministry of Primary Industries in His Majesty's Federal Government of Malaysia (1986 till now) has been well-covered, particularly in the mass media, the same cannot be said of his ideological positions. Whatever coverage that has been provided is sparing and certainly has not done justice to the many views and ideas that he has put forward, particularly since assuming the Presidency of Parti Gerakan. It is with a view to providing a fuller coverage of Saudara Dr. Lim's political ideals expressed over the years that the concept of a book containing his selected speeches and statements was conceived. It is timed to come out on the eve of Saudara Dr. Lim's 13th Presidential Address this year as part of the party's year long activities planned to celebrate the party's Silver Jubilee. Hopefully, the publication of this volume will present both members of Parti Gerakan and the public a chance at reading his

thinking and that of Parti Gerakan on a range of issues that straddle across a broad spectrum of disciplines. It is also a fitting tribute to a man who has tirelessly and selflessly dedicated himself to the cause for which he and the party have stood for. The book must certainly be a welcome addition to Parti Gerakan's ideological literature (Editor).

CHAPTER 2

POLITICAL ISSUES

Introduction

As the leader of Parti Gerakan, Saudara Dr. Lim Keng Yaik's primary preoccupation must be with providing the political direction for the party. He must constantly discuss with other members of the party's leadership the line the party should adopt over a whole range of political issues and to tell Party members and the public of this line. This is key, for a party is a movement comprising like-minded people who are all committed to a cause. And it is in the determination of the best mode of struggle towards attaining this cause, taking into account the objective prevailing socio-economic circumstances, that must make a constant demand upon the time and resources of Saudara Dr. Lim and his other compatriots in the leadership.

Thus, Saudara Dr. Lim's Presidential Addresses do devote considerable space to an analysis and discussion of a wide range of political issues. These encompass democracy and human rights, concern over rising racial polarization, bureaucratic racism, money for politics and politics for money, the so-called 2 front system and Vision 2020.

In discussing some of these, Saudara Dr. Lim has stuck consistently to Gerakan's principled position of a non-ethnic, multi-racial Malaysian line. Such an adherence can at times be difficult, especially since Malaysian society is still dominated by politicking along ethnic lines. Such racial politicking exerts tremendous pressure upon grassroots leaders, who in turn press the central leadership to take positions that may not be entirely consistent with the party's non-ethnic multi-racial Malaysian line, just in order not to appear politically heretic. The fact that the

bulk of seats at both state and federal levels allocated to Parti Gerakan are Chinese-dominated does not help matters either. Thus, there is this constant struggle between the two lines - the racial versus the non-racial line, occurring for a long time, both within and without the party. But in the face of such struggles, both from within and without, it is to the credit of Saudara Dr. Lim that he has managed to steer the party along the Malaysian line during his 12 years of stewardship, even though there may have been some deviations along the way. These are, however, mere hiccups that do not constitute permanent ideological reneges.

The steadfastness in which Saudara Dr. Lim and his compatriots in the party have pursued their political struggle is now convincing many more Malaysian of the correctness of the party's line. Even one or two racial parties are now beginning to ethnically pluralize their once mono-ethnic membership in an effort to go more multi-racial. Such trends are no doubt encouraging signs that will spur the leadership of Parti Gerakan to pursue their non-racial Malaysian line with even greater zeal, commitment and determination (Editor).

1984

Democratic Rights and the Malaysian Line

As embodied in the very name of our party, GERAKAN was conceived as a political movement fighting for the democratic rights of our rakyat of all races. We have always been true to this basic commitment since our formation. To us, the struggle for national unity and social justice must in the final analysis be founded on the active democratic participation of the rakyat themselves. Parti GERAKAN is thus committed to defending the institution of democracy itself, and to championing the rights of our rakyat within a democratic framework. At the same time, however, we are totally opposed to anyone group abusing the

democratic rights accorded them in order to destroy the institution of democracy itself.

Non-Communal Malaysian Approach

Another corner-stone of GERAKAN's political philosophy is our commitment to a non-communal Malaysian approach to politics. We have always maintained that a multi-ethnic political party with representation from Malaysians of different backgrounds is the most viable approach in the long run towards the creation of a just and equitable society for all, irrespective of race. Now, more than ever, in the face of increasing racial polarization in our country, we in GERAKAN shall redouble our efforts to further propagate and disseminate our non-communal Malaysian political line to our rakyat.

Besides intensifying our political education programs, we shall also demonstrate our Malaysian line to the masses through concrete exemplary political practices. We shall be actively identifying the communities and social groups that are ready for our political approach. We shall embark on an active programme of dialogues and debates on the need for a Malaysian political line such as is practised by GERAKAN. After 27 years of independence we are convinced that the time has come to inculcate in the rakyat the need to think and act as Malaysians.

1985

Rising Ethnic Polarization

Too Much Racial Politicking

We meet at a time when our country is heading towards increasing ethnic polarization. If not halted, this will almost

certainly undermine the political stability and social fabric of our country. It is difficult to pinpoint the root causes of this unhealthy trend. Be that as it may, it cannot be denied that racial politicking by some parties is partly to blame. Remarks with racial undertones are often made on behalf of one community only to be countered by opposite remarks on behalf of another. Very rarely are statements made that highlight the common political and economic problems, particularly those of the have-nots, of all racial groups. In other words, very rarely is the Malaysian line adopted.

Over-Emphasis on Bumiputeraism

To this must be added the seemingly never-ending emphasis on bumiputeraism since the launching of the New Economic Policy (NEP) in 1971. Many facets of Malaysian life are now feeling the effects of this policy of bumiputerization, be it in industrial investment, public sector recruitment and promotions, university admissions, the granting of government contracts, licences, subsidies, land, etc. The policy to help Bumiputeras was launched on the ground that the indigenous group was economically the most backward. This group therefore needed state support on their behalf, otherwise the operation of the openly competitive, free market system would leave them further behind. A major objective of the NEP is therefore to close the gap between all racial groups. Once this has been attained, and we are confident it will be, come 1990, all state intervention in the economy along racial lines must cease. Instead, government support should be on the basis of economic need, irrespective of race. This will certainly remove a major source of racial politicking. In fact, it is the view of Parti Gerakan that racial politicking always works to the disadvantage of minority groups. A much more egalitarian way would be to base our policies and strategies on the principles of justice and equality for all.

National Unity Board

Even since the tragedy of May 1969, the government has set up a National Unity Board to work on national unity and integration. This Board, which fulfills an important function for the country, has somehow neglected its responsibility. In this regard, I would like to call for the revamping of the National Unity Board such that it should henceforth comprise representatives from the various political parties, religious, cultural and academic bodies. The Unity Board should be chaired by a well-known and acceptable personality and be entrusted with the responsibility of promoting greater national unity and integration. As you are all aware, greater unity and integration can only be forged among Malaysians of all nationalities if they can be made to identify with and work for common goals and causes. It is in the identification of these common goals and causes, which can constitute a powerful basis for greater unity and integration, that the revamped National Unity Board can play a major and crucial role. When the National Unity Board is seen to comprise people from all major races and classes and if this Board, in association with the government, can in turn ensure that the benefits from working towards the common goals accrue to all, irrespective of race, then racial suspicions and cynicism will be removed. This will certainly be a first big step towards attaining greater national unity and integration.

Bureaucratic Racism

Fair and just decisions that aim at promoting unity are merely one aspect of the problem. Ensuring that they are implemented by the bureaucrats without deviations is another. It is imperative, therefore, that we keep reminding our bureaucrats at all levels, especially those who come face to face with the rakyat in their day to day dealings, of their important role in contributing to the political stability and well-being of the rakyat

in this country. Some of our civil servants should be reminded that their duty is to serve the public with dedication and fairness. Indeed, a great majority of our public sector employees do serve the public with dedication and fairness. However, a small number have abused their power to implement government policies according to their own biases and prejudices. Several months ago, I spoke of the problems of bureaucratic racism, red tape and corruption which in turn have given rise to delays in project implementation, decline in productivity, and unfair rejection of legitimate requests for public services, especially by the poor and needy. This in turn can further give rise to racial tension, especially when those whose legitimate demands are rejected, come from one racial group while the small number of irresponsible bureaucrats are from another. Perceptions will then be formed in one section of the Malaysian community that the bureaucracy is an ethnically one-sided rather than a racially balanced fair institution.

Deviant Implementation Blamed on the Government

Often such frustrations and unhappiness on the part of the people with the bureaucracy are extended to the politicians in the government. This particularly affects the non-Malay politicians who are often seen as being weak and ineffectual in defending their community's interests. What is worse, while bureaucrats, whose irresponsible actions have led to the problems in the first place, do not have to face the electorate, politicians have to account and answer for policy deviations for which they were never responsible for. Some of the bureaucrats should be reminded that deviant implementation of policies, when these policies are just and fair, can seriously tarnish the image and creditability of the government which will then be seen as being unjust and worse still, hypocritical. Parti Gerakan therefore calls upon the government to effectively monitor the implementation of its fair policies which have already been adopted by both the Cabinet and Parliament to ensure that these are not distorted by

the "dead hand of the bureaucracy".

Parti Gerakan is of the opinion that Bumiputera representation in our civil service is already more than proportionate. The issue of Bumiputeras lagging behind in the government services no longer arises. As such, the principle of meritocracy and fairness must be upheld in all future recruitment and promotion exercises.

1986

Around the mid-eighties, the country was rocked by a couple of major political-economic crisis. The first was the by now infamous BMF scandal in which about RM2.5 billion worth of losses were sustained by BMF, the subsidiary of Bank Bumiputera Sdn Bhd, as a result of imprudent management. The other was the deposit-taking co-operative (DTC) crisis in which billions of savings were lost following from insolvency. These, coupled with a few practices of 'money for politics and the politics for money' led to some erosion of public trust and confidence in the government, particularly among the urban electorate. It was in this context that Saudara Dr. Lim stressed the need for greater public countability and liberalism towards criticism on the part of the government in order to arrest this erosion in trust and confidence (Editor).

Declining Public Confidence - Money for Politics and Politics for Money

A year ago, in our last Annual Delegates Conference (ADC) in Penang, I spoke of the problems of growing ethnic polarization as evidenced by the persistent biases in the implementation of the NEP restructuring. Since then, I am sad to say that the problems have become more serious. This has contributed towards increasing frustration and cynicism among the

people, especially the non-Bumiputeras, towards the government. The continuing economic recession, growing concern with the lack of performance of certain public enterprises, and increasing worry over the high debts incurred by the country, have further contributed towards the erosion of public confidence in the government.

Another dangerous trend that we in Parti GERAKAN are very concerned with is the decline in the public trust towards the integrity of the government. The problems of "money for politics", which have been frequently voiced in the past, are undoubtedly a contributing factor. However, the converse problem, that of "money-making through politics" has, in our opinion, become even more serious. Indeed, the latter can be said to be a source or cause for the former, for it is when money can be made through political connections that political positions are sought for with money.

This erosion of public confidence towards the government, while not yet reaching crises proportion, is nevertheless very serious indeed. If left unchecked, the credibility of the entire governmental system may be seriously impaired, and this needs to be done before the general elections.

Increased Public Accountability

Parti Gerakan is concerned, too, about the need to increase public accountability of the government to the rakyat. In this regard, Parti Gerakan calls upon the government to adopt a more open-door policy by making public many of the reports and documents to parliament.

A More Representative Civil Service

Further, given the multi-racial character of our population, the civil service should be restructured to reflect this

multi-ethnic character. Only via such a restructuring will not only implementation of government policies be fairer, but more importantly, the issue that a predominantly Malay bureaucracy has been biased against many non-Malay members of the public will no longer arise and, therefore, be a source of tension and exploitation by irresponsible politicians. Hence, Parti Gerakan would like to call upon the government to immediately increase the intake as well as promotional prospects of the non-Malays in the civil service.

Strengthening Parliamentary Democracy by Stopping Party Hopping

Parti Gerakan is concerned about the need to strengthen the country's democratic institution in order to re-affirm our commitment to parliamentary democracy. Undemocratic practices, such as the buying of people's representatives to boost the numbers of a particular political party, must be ceased through the passage of the relevant amendments to the constitution. This will help strengthen people's faith in the electoral process; otherwise this very process will appear farcical in the eyes of the electorate.

Liberal Attitude Towards Criticisms

There is also a need to make the government more open and liberal. The government must be seen not only to be tolerant, but to welcome constructive criticisms from concerned pressure groups. As much information must be made available to the public while some of the laws that inhibit and restrict the development of a healthy, participatory democracy must be removed, or at least parts of them amended. In this regard, Parti Gerakan welcomes the government's announcement that certain sections of the University and University Colleges Act will be amended so as to help stimulate the growth of a more open, liberal and democratic atmosphere in our local universities.

"We in Parti Gerakan feel strongly that the line between political participation and business entrepreneurship must be clearly drawn, so that the public will not feel that to do business they would need political patronage or conversely, to participate politically they would need financial patronage"

Close Association between Politics and Business

One disturbing feature of Malaysian politics and the economy is the emergence of political parties as entrepreneurs and as business organizations competing with the non-political sector of the economy. The intervention of political parties in the free-enterprise system has favoured companies associated with political parties or political personalities. Such a close association has caused grave doubts and eroded confidence in the business community which relies on free competition and endeavour. Therefore, we in Parti GERAKAN feel strongly that the line between political participation and business entrepreneurship must be clearly drawn, so that the public will not feel that to do business they would need political patronage or conversely, to participate politically they would need financial patronage.

1987

The 1987 ADC was held a year after the country's seventh General Elections. In this election, the BN suffered some reverses in many largely Chinese-dominated urban constituencies. While acknowledging that majority support for BN was largely sustained, Saudara Dr. Lim did, in his 1987 Presidential Address, however, remind the party and the government of the need to look

into the demands and grievances of the urban electorate. Although support for the opposition parties from among the urban voters is a phenomenon universal to most countries that practise parliamentary democracy, still Saudara Dr. Lim reckons that support for the BN in the urban areas can be improved if only certain reforms are undertaken. One such reform is closer monitoring over policy implementation in a bid to stamp out racism, particularly bureaucratic racism, that has alienated and frustrated many urban Chinese voters.

He continued to stress Gerakan's commitment to the Malaysian line. As part of the party's effort to push this cause, he announced, for the first time, that Parti Gerakan would seek to form a confederation with other multi-racial parties within the BN such as the Parti Bersatu Sabah (PBS) which was then still within the ruling coalition (Editor).

The 1986 General Election - Strong Support for the Barisan Nasional

About two months after our Party's last ADC, our country's 7th General Elections since independence was held. Despite the adverse economic condition and the prophesy of doom and gloom by political pundits and analysts, the Barisan Nasional scored a resounding victory. This is ample proof that the majority of Malaysians believe that the Barisan Nasional is still the only party that is capable of ruling this country effectively. The support, trust and confidence in the BN have thus been reconfirmed.

Having said this, we must not allow the euphoria of the BN's overall victory to lull us into a state of complacency. We must calmly, coolly and objectively analyze the results in order that the people's dissatisfaction and frustration over certain Government policies can be better appreciated and understood.

Only then can Parti Gerakan identify weaknesses and seek reforms. Only then can Government policies be improved and people's welfare be further ameliorated. Only then can we ensure that the trust and confidence of the people in the BN will not be betrayed.

Dissatisfaction of the Urban Voters - Why?

Here, I would like to avail myself of this opportunity to present some of Parti Gerakan's findings following from our analysis of the election results. There is no doubt that while the bulk of the rural electorate supported the BN, a substantial proportion of the urban electorate expressed their dissatisfaction with the Barisan. Why are the urban voters unhappy? They are unhappy because of what they perceived as racial-biasedness, both in the formulation and implementation of Government policies; the imbalances in educational opportunities for their children, particularly at the tertiary level; a series of financial crises and scandals, and the declining economic opportunities caused by the recession. While the latter cannot be entirely blamed upon the Government, the Government can certainly do something to improve its image in the eyes of the urban people by making educational opportunities available to all.

"If at all there should be any domination, we should talk of domination by All Malaysians over their own land and their own destiny as a nation. Only then can we build up the national identity of a Malaysian race. Only then can that common enemy of racism be annihilated"

Stamp Out Racism!

It is important that the Government be fair and be seen to be fair to ALL in its formulation and implementation of policies. It is equally important that fair policies, once agreed upon, should be implemented with firmness as intended and that any deviations be severely dealt with. In this regard, I call upon the Government to grant more licences, land and scholarships to Malaysians on the basis of merit and need, and not on the basis of race. Likewise with employment and promotions in the public sector, where the basis should be merit and seniority. It will be really difficult to promote unity when certain communities continually feel deprived and left-out from the mainstream of the allocation of resources and opportunities by the Government. And yet unity is so vital for the long-term stability and prosperity of our nation.

Apart from this, it is also imperative that all political forces in this country should continually stress on the multi-ethnic, multi-cultural, and multi-religious character of Malaysian society. This rarely happens, however. Instead, some political parties keep relentlessly harping on the need for the different races to separately unite and worse still, even on the need for one race to be dominant. Parti Gerakan is of the firm view that no one race should dominate over others. If at all there should be any domination, we should talk of domination by all Malaysians over their own land and their own destiny as a nation. Only then can we build up the national identity of a Malaysian race. Only then can that common enemy of racism be annihilated.

The Malaysian Line - The Only Principled Line

In this regard, Parti Gerakan will not waver from its firm and principled stand that it should and will continue to remain a Malaysian party that struggles for the interest of all Malaysians.

irrespective of colour, creed and religion. We shall join hands with all like-minded forces in our common struggle for a just and fair Malaysian society. Already, a small but significant beginning has been made in this direction. We shall soon, if delegates agree, be joining hands with our friends in the Parti Bersatu Sabah to form a confederation which we later hope to extend to other like-minded parties. This enlarged political body will then launch a massive, nation-wide struggle against racism and in its place promote Malaysian nationalism. It will call upon all Malaysians to unite, for Malaysia is for all Malaysians.

1988

The year 1987 was marked by a bitterly fought contest for the top two posts in UMNO, the dominant party in the ruling coalition. This was soon followed by the party's deregistration. Both these events had their ramifications on the entire Malaysian body politic. Unfortunately, Parti Gerakan itself was not spared some of the turmoil following from internal contests for key positions within the party and the government. In 1987, Saudara Dr. Goh Cheng Teik teamed up with Saudara Khor Gark Kim to contest for the two posts of President and Secretary-General respectively. In the event, both were defeated. While Dr. Goh remained loyal and faithful to the party, Saudara Khor later left with some of his followers to join the MCA. This exodus did cause some worry and anxiety among the rank and file, who fear that the party may be weakened as a result, particularly in Penang. It was to allay such fears and anxiety that Saudara Dr. Lim devoted considerable attention in his 1988 speech to this issue.

Aside from this problem, Saudara Dr. Lim also tackled yet another problem that has confronted the party till to-day and that is, the demand by Indian members that their position and role within the party be enhanced in order to present a better multi-

ethnic image of the party to the public. While conceding that this demand is not without its legitimacy, Saudara Dr. Lim in his 1988 address, however, cautioned against too much emphasis on form when in fact substance is what should be stressed. Herein lies a difficulty that besets a multi-racial party like Parti Gerakan viz the need to balance form with the substance of multi-racialism (Editor).

The Political Scene and Gerakan

The past two years have been a troublesome and tumultuous period in the political arena of our nation. Admittedly, the protracted internal strife within UMNO has had its ramifications on the entire body politic of our country, resulting in considerable anxiety, especially since people are prone to speculation and rumours.

Gerakan's position throughout has been clear and firm. We consider stability and national unity as the corner-stone of our country's continued progress. That was the reason why GERAKAN participated in the formation of the Barisan Nasional in 1974 in order to minimize unnecessary politicking so as to concentrate our time and energy on socio-economic development for the people. Therefore we have been hoping and appealing for amicable solutions to the internal problems of any component party.

Some Intra-Party Rumblings

Unfortunately, GERAKAN itself has also just been afflicted by some internal rumblings, especially in Penang, where friction created by a small faction has been particularly marked over the past ten years. Despite claims by the detractors that hundreds of party members have left the party, the vast majority

of members in Penang have remained steadfast and principled in their commitment to Gerakan. In fact, if anything else, the recent incident has reaffirmed and reinforced the members' commitment and conviction. As a Chinese proverb says "ghasty winds will separate the strong grass from the weak weed". We are therefore confident that Gerakan will definitely emerge out of this as a stronger Gerakan, as predicted by our National Advisor (Saudara Dr. Lim Chong Eu).

Righteousness and Truth

A few points need to be made in connection with this incident. Firstly, in view of accusations made by a party leader on the State Chairman of Penang, the Party's Central Working Committee has been seeking the path of righteousness and truth in this matter. When substantiation of the accusations were not forthcoming, the C.W.C. took disciplinary action in the form of suspension in order to establish the truth and maintain righteousness. However, if this particular leader, together with his followers decide to leave the party, it is because he tries to avoid facing the truth and righteousness. Party members should not be too alarmed by their actions.

Gerakan has been advocating a Malaysian perspective and a non-racial approach as the best solution to issues and problems of a multi-racial Malaysia. Whatever happened in the past few weeks did not at all affect our firm belief that Gerakan's ideology is indeed the best antidote to the frequent use of racialism and extremism in the politics of Malaysia. In fact, even some of the grassroots leaders who left the party have admitted in their press statements that Gerakan's ideology is the most perfect and ideal ideology for multi-racial Malaysia. However, while criticizing the leadership for failure to implement the party's ideology, they have chosen to join a communal party - a classic contradiction alright!

Leaders and Positions in Gerakan

Now, if the criticisms are over aspects of implementation strategy and tactics presented in a sincere manner, not merely as justification or "cover-up" for other non-ideological reasons, than the party leadership is always prepared to listen and accept, and to review our party's strategy, tactics and organization. However, I hope that those who have just left will also review their own history and performance within Gerakan.

If we examine the records carefully and objectively, those in the leadership category who left have actually been given ample opportunities over a long period of time to prove themselves and to emerge in even more prominent roles within the party and the government. In fact, for one leader in particular, the red carpet had for quite some time been virtually laid for him, leading to the most important and prestigious post available to the party. Unfortunately, because of his own impatience, he has not only tripped but also got entangled in the carpet.

No Racial Discrimination within Parti Gerakan

There have also been some rumblings from a small group of members complaining about lack of opportunity for positions purportedly because of their racial origin. As a result, accusations were made, saying that Gerakan is not a multi-racial party anymore. Such accusations are misleading. Pressures on the leadership of Parti Gerakan to present multi-racialism more in 'form' rather than 'content' have arisen as a result of lack of understanding of Gerakan's ideological struggle, and efforts must be made to correct this.

As a Malaysian party committed to equality and justice for all Malaysians, Gerakan does not and will not allow any discrimination against any member on account of his or her racial

background. On the other hand, no member should make any demand for position or reward merely on account of his or her racial background. Both acts are wrong as they reflect obsession with race and racialism. That is what Gerakan is fighting against.

Therefore, positions are to be given based on sincerity, capability, dedication, hard work and commitment to the party's ideology. Of course, due consideration will also be given to the need to encourage greater participation from those who have been under-represented in the past so that Gerakan as a whole can become even more effective in drawing various socio-economic groupings together as Malaysians. Above all, every member must realize that a position is a responsibility, not a privilege. A position is an opportunity to serve the people and the party and not for self-glory or self-interest!

The incident and issues discussed above show how difficult it is to promote a Malaysian identity and propagate a Malaysian perspective. We must indeed be steadfast in resisting the temptation and expediency to resort to racial sentiments, interpretations and manipulations. We must not be shackled by racial emotions. We must open ourselves to a broader, more encompassing Malaysian perspective, rather than to get trapped in a narrow parochial and communal tunnel vision.

*"Being 'non-communal' is actually
being 'anti-communal'"*

Being Non-Communal is to be Anti-Communal

Let me, however, hasten to clarify that Gerakan's Malaysian perspective and non-communal approach does not mean that we acquiesce to communalism or racism being practised by others. Nor does it mean that we cannot or are "not qualified" to defend the rights of any racial, social or cultural group especially

when their rights are threatened. These are false accusations propagated by a certain group of politicians who see Gerakan as a threat to their interest and who attempt to cover up their own weaknesses by resorting to racial tactics.

On the contrary, since its foundation, Gerakan has always been in the forefront in fighting racism, extremism and chauvinism. Being "non-communal" is actually being "anti-communal". Our track-records have also shown that we are not afraid to face and resolve sensitive and controversial issues, albeit in a positive, sincere and concrete manner rather than playing to the gallery for one's own interest and image, with very little regard on whether the problem is really resolved in the interest of those affected. We subscribe to positive politics, not negative polemics.

In this respect, we are again very willing and more than prepared to work closely with other political organizations sharing the same concern, outlook and approach, particularly those within the Barisan Nasional. We understand that there are still parties which are communally-based because of various historical and social reasons. Our hope is that they will change by opening up, although it may take quite sometime for a larger and more genuinely Malaysian political movement to emerge. Our intention is to reform, not to replace. To unite not to divide. Our goal is to attain a society where everyone will "live, think and act as a Malaysian" - an ideal often expressed by our Prime Minister and other political leaders.

Confederation with Other Like-Minded BN Parties

It is in this context that early last year we embarked on a course of confederating with the PBS of Sabah and other multi-racial parties in the Barisan Nasional, who share the same views and objectives as us. As this is an exercise of integration and

cooperation and not confrontation, we have to take our time to explain our intentions. Although in the past year the concept of the confederation has been understood and accepted by both the P.B.S. and Gerakan's leadership and grassroots, time is still needed to explain our intentions to others. Progress is steady and very soon at the right time we shall concretise the confederation.

Party Gerakan's Difficult Struggle

Gerakan has shown by example over the past 20 years, particularly in Penang under the leadership of Saudara Dr. Lim Chong Eu, how the Malaysian concept and approach could be implemented in a fair and just manner, albeit not without difficulty or problem. Gerakan's experience in Penang has also shown that the path to our ideal is a tortuous path which asks for the best in all of us.

Today we shall deliberate on the party's direction and future. Tomorrow, we shall celebrate our party's twentieth anniversary by jogging across the Penang Bridge, which stands proudly as a symbol of Gerakan's commitment to the people of Penang and Barisan Nasional's contribution to the nation's development. We should indeed look forward to the future with confidence.

1989

The main theme of Saudara Dr. Lim's 1989 speech on politics was on the need to expand the ideological base of Parti Gerakan within the Barisan Nasional itself. This is to be achieved first via forming a confederation with Sabah's PBS, an idea mooted a couple of years earlier. Next, through constant dialogues and discussions, it is the hope of Parti Gerakan that other parties within BN will begin discarding their racial character and instead choose the multi-racial line. As was stated

in the Introduction to this chapter, this is already happening, what with UMNO admitting non-Malay Bumiputeras in Sabah and even now considering taking in Malaysians of Portuguese descent into their fold (Editor).

Ideological Inspiration of Participation

Parti Gerakan was founded in 1968 amidst the political tensions of the sixties characterized by contending ideologies and communal politicking. Gerakan was conceived as a political movement by Malaysians for Malaysians striving to promote Malaysian nationalism and to solve the problems of the Malaysian people through a non-communal approach. Today, after 21 years, Parti Gerakan has just attained adulthood. There is no denial that our society is still entrenched with communal interests and racial politicking. A political movement committed to a non-racial approach has to face many challenges and obstacles. Nevertheless, the party has grown, both in size and in the quality of our political workers, as well as from a regional party to a national political organization that has considerable influence in the Government and has contributed positively and constructively to nation-building.

Confederation with the PBS

As Part of our efforts to achieve our vision of a united, fair and just Malaysian society for all based on Malaysian nationalism, our party has always been ready to "co-operate with other political parties with similar aims and objectives", as stated in our Party Constitution. We have taken steps to work closely with component parties within the Barisan Nasional. In particular, Gerakan and Parti Bersatu Sabah (PBS) have both agreed to the formation of a confederation of the two parties in order to foster closer working relationship and accelerate the growth of a non-racial, genuinely Malaysian political movement in Malaysia.

However, the leaders of the two parties have also agreed not to institutionalize any formal structure at the moment. Instead, more joint activities will be organized to promote closer working relationship between members of the two parties.

Efforts will also be continued to build close bonds with other like-minded parties within the Barisan Nasional. I have emphasized before that such efforts are not meant to be confrontational against other component parties. In fact, it has always been our hope that the Barisan Nasional itself will eventually evolve into a non-communal political movement embracing and leading all Malaysians towards a common destiny and destination no longer compartmentalized by racial organizations and divided by racial politicking.

We are heartened to note that there are more and more Malaysians of different races and from different walks of life sharing our political visions. However, our tasks ahead remain enormous. Our struggle will be tedious and tortuous. In the years to come, we will devote even more time and effort to enlarging and strengthening our core of conscious and committed political workers. With this core of political workers dedicated to building a broad mass support as its base, the Party will be able to forge ahead to further promote our political movement.

1990

The country's eighth General Elections was held in 1990. At the time when Parti Gerakan's 19th ADC was held, news were abound about the formation of an opposition front that would pose a strong challenge to the BN in that year's election. This opposition front comprises two sub-fronts - the Angkatan Perpaduan Ummah (APU) that is made up in the main of PAS and Semangat 46 and the Gagasan Rakyat (GR) that has Semangat 46, DAP and Parti Rakyat as its component members. The formation

of this opposition front was greeted with a great deal of enthusiasm. Many have hailed it as the beginning of a 2 multi-racial party-system in Malaysia, similar to the system that exists in the other more mature democracies such as the USA, United Kingdom and Australia. While welcoming its formation which is yet another concrete proof that parliamentary democracy is well and alive in Malaysia, Saudara Dr. Lim, however, revealed the inherent ideological contradictions of this combined opposition front in his 1990 Presidential Address. With such contradictions, it is highly unlikely that the so-called Opposition Front can present and hence execute a workable political and economic programme upon the assumption of political power. Thus, the APU - GR front is no alternative to the BN, claims Saudara Dr. Lim (Editor).

Political Alignment and Alliances: Convenience Versus Confidence

We are now in the midst of a very exciting political period, more so with speculation that the next general elections are just around the corner. As has been with past election years, political alignments and realignments are being forged. This time, PAS, DAP and a new party formed by ex-UMNO members called "Semangat 46" have been making attempts to form an opposition front to take on the Barisan Nasional in the forthcoming General Election. This alliance is even being bandied about as a possible alternative to the Barisan Nasional. However, a deeper analysis will reveal that it is not an alternative at all to Barisan Nasional.

Inherent Contradictions within the Opposition Front

One reason is the inherent internal contradictions within the so-called Opposition Front. On the one hand, PAS has been advocating for the creation of a fundamentalistic Islamic State to

be placed on top of the policy agenda of the "Opposition Front". On the other hand, DAP has been claiming itself to be the champion for a secular "Malaysian Malaysia". Sandwiched in between is Semangat 46 which agrees with the PAS concept of an Islamic State in Malay constituencies but with DAP for a secular Malaysian Malaysia in urban constituencies. So much for the political principles of Semangat 46. At the same time, both DAP and PAS are obviously having an electoral pact in an opportunistic manner each with the hope of winning more seats. How can such a loose, so-called opposition front of convenience and opportunism work effectively when its members are still at loggerheads over basic fundamental policy issues such as the political and economic system for the country.

Consensus Within Barisan Nasional

In contrast, all parties within the broad coalition of the Barisan Nasional are committed to the current system of parliamentary democracy as the core of the country's political system and to the free enterprise system with appropriate government intervention to correct market failures, as the core of the country's economic system. While we do not deny that there are problems, this system has by and large worked well. Moreover, on sensitive and controversial issues such as religion, language and education, the component parties of Barisan Nasional have been able to avert conflicts and achieve workable consensus on certain common grounds, despite divergences in views and differences in feelings. The result is political stability and inter-racial harmony. This is not an easy result to achieve, especially since ours is a multi-ethnic and multi-cultural society where each and every community has its own demands and sensitivities. The Barisan Nasional is therefore a coalition that builds confidence and cooperation through consensus and deserves continued support. Whereas Barisan Nasional is seeking to build unity and strength on our diversity, the opposition would actually

be sharpening differences, ethnic as well as religious.

1991

In his 1991 Presidential Speech, Saudara Dr. Lim continued with his mission of explaining to the Party delegates and the public at large the inherent ideological contradictions of the combined opposition front of APU-GR. Without consensus on the basics, such as the structural framework of the socio-economic-political system to be installed upon assumption of power, the only reason for the opposition's apparent unity is simply political opportunism. The opposition's only creditable claim for support from among the Malaysian population is simply that of improving the quality of parliamentary democracy by way of installing a competitive multi-party system. But this, according to Saudara Dr. Lim, has long been in existence so that this ostensible contribution is nothing new.

Saudara Dr. Lim also pledged the party's support for Vision 2020 propounded earlier in the year by our Prime Minister when launching the Malaysian Business Council. The basic thrust of this Vision is to make Malaysia a united, modern, industrial and caring society by the year 2020. These noble objectives are clearly in line with Parti Gerakan's own vision; hence our solid support (Editor).

The 1990 General Election - Dr. Mahathir's Brilliant Leadership

Our country, true to democratic tradition, held its General Election about four months after our last ADC. The last General Election was our country's eighth election after independence. In the run-up to the election, speculation was rife that the Barisan Nasional would almost certainly lose its two-thirds majority. There was a stage when people even said that the possibility of the Barisan losing political power to the combined

opposition forces could not be ruled out. But the outcome of the 1990 General Election once again proved all these political pundits and soothsayers to be completely off the mark. Not only did the Barisan Nasional retain power at the Federal level but it did so in style and romped home with a two-thirds majority. Parti Gerakan would like to take this opportunity to offer our warmest congratulations to Y.A.B. Dato Seri Dr. Mahathir Mohamad who, as Chairman of the Barisan Nasional, led the team to such a great victory. Without a doubt, Y.A.B.'s dynamic and brilliant leadership was a major contributory factor to the Barisan Nasional's victory.

The Prime Minister's Vision 2020

In February this year, the Malaysian Business Council, comprising Cabinet Ministers, senior civil servants and captains of industry, was launched by our Prime Minister. The purpose of this Council is to offer a forum to representatives of both the public and private sectors to exchange views on how best to improve further our country's already good economic performance. It is part of the government's efforts to cement ties between the state and business in the hope that both will work towards strengthening the economy to meet the many challenges of the 90s and the 21st century. While the launching of the Council was an important event, even more significant was the spelling out in some detail by our Prime Minister his vision of a Malaysia becoming a fully developed nation by the year 2020.

In his vision, Dato Seri Dr. Mahathir Mohamad has expressed the hope that by the year 2020, Malaysia will be a fully integrated and united nation that is at the same time economically and technologically advanced. Parti Gerakan supports wholeheartedly our Prime Minister's Vision 2020. A good government is one that must have a vision. A visionless government is also one that is directionless. The country under such a government merely floats aimlessly, unaware of the

direction it should pursue. Parti Gerakan is therefore proud to be a component of the present government that is led by a leader that has a vision. Parti Gerakan hopes to be able to play a meaningful role towards helping to realize Dato Seri Dr. Mahathir's vision which we are confident Malaysians of all creeds will accept as theirs as well. The latter is important for any a developmental effort must involve the mobilization of all the talents and energies of the entire Malaysian populace if it is to succeed and to bear fruit. Besides, commitment to a common cause, which in this case is the creation of a fully developed country by the year 2020, helps rally and unite people of all ethnic origins together.

In order to realize our Prime Minister's Vision 2020, efforts must be made to translate this vision into medium-term goals and annual targets. Suitable and appropriate strategies must then be designed to attain these targets and goals. The realization of Vision 2020 also dictates that the annual targets be consistent with the medium-range goals and these consistent with the vision.

Consistency between policies and goals is also essential. Once these consistencies are in store, the attainment of the targets will lead to the attainment of the goals, and the attainment of the goals will in turn lead to the realization of the vision.

The Two-Barisan System

In my speech to the ADC last year, I mentioned that in the run-up to our country's eighth General Elections, political alignments and realignments, especially among the opposition forces, were bound to be forged, and at a hectic pace too. In the event, two such alliances were formed among the opposition parties viz the Gagasan Rakyat comprising the DAP, Parti Semangat 46, the Malaysian Indian Progressive Front and Parti Rakyat Malaysia and the Angkatan Perpaduan Ummah (APU) comprising PAS, Semangat 46, Berjasa and Hamim. They were formed to take on the Barisan Nasional in the hope that they could topple the BN and win power. In their drive to attain power,

only one thing united them - their craze for political power. On political fundamentals, which must form the basis of the exercise of this power, they were poles apart. On the one hand, PAS advocates the creation of a fundamentalistic Islamic State which some of their leaders are now trying hard to install in Kelantan.

On the other hand, the DAP claims itself to be the champion for a secular "Malaysian Malaysia", but whose leaders are actually racial extremists. Sandwiched in between is Semangat 46 which agrees with the PAS concept of an Islamic state in Malay constituencies but with the DAP for a racially extremist and secular Malaysian Malaysia in urban constituencies. How can such a loose, so-called opposition front of convenience and opportunism work effectively when its leaders and members are still at loggerheads over basic fundamental policy issues such as the political and economic system for the country?

A Multi-Party System - Nothing New

And yet this fact was conveniently pushed to the sidelines. Instead what was stressed by their leaders was the need to have a two-Barisan system to strengthen parliamentary democracy in Malaysia. This idea did indeed attract a lot of the urban Chinese voters, more so after the PBS withdrew from the Barisan Nasional in the midst of the election campaign. But the idea of a 2 Barisan system is really based on the 2 party system such as exists in the USA, the UK and Australia. If so, it is not something that is new to the Malaysian political scene for a multi-party system has for long existed in Malaysia. Perhaps what may now be regarded as a recent development is the admission by the DAP that it has failed as a multi-racial party in that it has managed only to get Chinese support by their extreme emotional appeal, but has failed to win Malay support. Hence, the DAP sees a need to ally with the breakaway faction of UMNO, to solicit for such Malay support. It has finally come to adopt a political action it has always condemned Gerakan, MCA and MIC for doing. All this is really for the purpose of realizing

the dream of one man who desperately wants to be the Chief Minister of Penang and also to satisfy the obsession of the other man who wants to be the Prime Minister of Malaysia. This therefore is opportunism of the highest degree and yet the urban voters have allowed themselves to be misled by them.

The Opposition Front: No Consensus

If the opposition, especially the DAP, were to believe sincerely in providing a two party system, then the policies of the opposition should be spelt out clearly. As an opposition Barisan, it has to state clearly its multi-racial policies in conjunction with Semangat 46 and PAS. When this happens, the DAP will find that it will not be able to exploit anymore extreme Chinese emotions while PAS will not be able to exploit extreme religious emotions amongst the Malays. The Semangat 46 will have to stop its' opportunistic stance of siding with both the DAP and PAS, especially when the approaches and ideologies of these two parties are in direct conflict with each other. We, therefore, keenly await the emergence of an opposition Barisan that is not based on opportunism but is based on realistic policies and plans of action to cater to the multi-racial, multi-cultural and multi-religious population of Malaysia. I have taken time to explain these matters so that members can understand properly the political aspects of these arguments. They can then play their part in explaining to the people of large these important political aspects. This will deny the DAP and the opposition an avenue to mislead the people further.

1992

At the beginning of the nineties, Malaysia confronted a new form of political interference by outside forces. This was manifested in the determination and imposition of standards pertaining to trade unionism, environment, human rights and

democracy on Malaysia by governments in certain developed countries and international organizations. Saudara Dr. Lim felt it incumbent in his 1992 speech to expose this type of interference by highlighting the specific issue of a certain international trade union movement insisting on GSP being granted to Malaysia by the USA on condition that a national union of electronic workers be allowed by the Malaysian Government. Expressing caution, Saudara Dr. Lim claims that the real motive behind such pressures being applied is merely to create industrial unrest in a bid to erode our country's industrial competitiveness. He regretted that such pressures had the support and even collaboration of some local union leaders from the opposition.

Saudara Dr. Lim was quick to stress that while opposing such interference, which he described as a form of neo-colonialism, the BN government is always mindful of the need to protect and upgrade the welfare of our country's workforce. Indeed, this has been pursued with such zeal and commitment that there have been very encouraging results such as full employment and rising wages. He also reminded the workforce of the necessity to constantly enhance productivity in order for Malaysia to stay competitive in an ever more competitive world economic environment.

Finally, he touched on the struggle between the 2 lines in the Malaysian political arena viz that between the force to create a united, modern, industrial and caring state as pushed by the BN versus the force to build a feudal and conservative state based on the narrow interpretation of Islam as pushed by the PAS-Semangat 46-DAP Alliance. He said that Parti Gerakan supports the line as pushed by BN but maintains that the victory of this line is not as yet assured. Hence, he urged Party members to redouble their efforts to ensure victory for the BN line for this is the one and only correct line (Editor)

Interferences by International Organizations

Some leaders of trade unions and other non-governmental organizations from the developed countries have made use of the fora and the mechanisms provided by some international organizations to apply pressure on us to comply with the human rights, democratic and environmental standards that they have determined. These include the right to form national unions for some sections of the workforce. A good case in point was the action by some leaders of an international union to use the recent annual convention of the International Labour Organization (ILO) to pressure the Malaysian government into submitting to their will of wanting to see a national union among electronic workers formed. Once such a national union has been formed, these unionists hope to see nation-wide industrial action being taken to back up claims for higher wages and other conditions of service in the electronics' sector, the largest industrial sector in Malaysia. This, as we all know, will in turn lead to industrial chaos and instability that will harm our country's investment climate.

What is even more sad is the fact that such efforts by leaders of the international union movement have been abetted and encouraged by a few of our local union leaders from the opposition. These few local unionists cum opposition leaders are prepared to see our country's industrial competitiveness eroded through the adoption of tactics that can interfere with the workings of the free market mechanism just in order to realize their own political schemes against the government. If indeed our country's industrial competitiveness is eroded and comparative advantage lost in certain sectors such as the electronics' sector through excessive politicking in the union movement, the first to suffer will be none other than the workers who will lose their jobs and incomes. This is why the Barisan Nasional government has always exhorted care and caution in our move towards greater unionization of our country's workforce, especially in the key electronics' sector.

Full Employment

This is not to say that we are not concerned about the workers' well-being. On the other hand, the Barisan Nasional government is always mindful of its responsibility towards the workers and is always concerned about their well-being. This responsible and caring attitude is shown in the many comprehensive economic plans that have been drawn up by the Barisan Nasional government to enhance the economic well-being of the workers. The major thrust of these plans aims at the rapid creation of jobs in order to reduce the rate of unemployment. This is certainly very important. If the rate of unemployment remains high, many workers will be without jobs and will, therefore, be without any income. The economic hardships and sufferings that befall them will be immense. Hence, the Barisan Nasional government, being a responsible one, has committed itself to doing what it can to generate as much employment opportunities as is possible with a view to attaining full employment. This remains the government's top-most priority, as indeed it must.

For this, the government has gone all-out to construct the necessary infrastructure, provide incentives and most importantly, maintain political stability in order to create a conducive environment for investments. All these have resulted in billions of ringgit of investments, creating in the process thousands of jobs. In fact, so rapid has been the rate of job-creation that Malaysia has now already achieved full employment. Once investments are on the increase, demand for labour will automatically rise. This increase in demand for labour will in turn lead to increases in wages, including those in the electronics' sector. This has already happened in our country. Even those who accused the government of being "exploitative" cannot deny that wages, on the average, have gone up many-fold over the years. And with some manufacturing sectors facing a labour

shortage, there is a strong possibility of further increases in wages. From a low-wage economy, Malaysia is slowly but surely being transformed into a medium-high wage economy. And with the government's efforts to woo investments continuing to be highly successful, we are confident that workers will continue to enjoy increases in wages and hence ever higher standards of living.

Responsible Trade Unionism Needed For Industrial Competitiveness

What I wish to stress here is that Malaysia cannot afford, in its current intermediate phase of development, to import wholesale institutions such as unrestricted and uninhibited trade unionism into our country. To do so may mean incurring the high risk of our becoming highly uncompetitive in certain industrial sectors. This has happened in certain developed societies. At one time frequent strikes resulting from powerful militant trade unionism in these countries have led to wage increases in excess of productivity increases, disruption in production and hence the failure to deliver goods on schedule. These in turn have led some of these countries to lose their comparative advantage in certain key industrial sectors such as shipbuilding. It will thus be suicidal for Malaysia to adopt this path of development. It will be better, instead, for us to stay as an economy where our workers match wage rises with equal increases in their productivity in order that unit product costs do not escalate rapidly, thereby eroding our competitiveness. Meanwhile, in-service and on the job skill enhancement programmes for both our current and future workforce and technological enhancement should be adopted and implemented with zeal in order to raise the productivity of our country's workers. With rapid increases in productivity, wages can then increase without any escalation in unit costs. This is what we can and must do in order to stay competitive.

Opposition to Neo-Colonialism

We must thus be in constant guard against foreigners who keep telling us what to do with regard to promoting the interests of our workers. At the same time, we must expose those local unionists cum opposition politicians who keep getting these foreigners to apply pressure on the government in order that their political schemes may be realized. Such an alliance between some of our local unionists who also double as opposition politicians and a few foreign union leaders, if allowed to succeed, will not only harm our country's economic interests but also lead to the loss of our country's independence. Our political and economic destiny will henceforth be determined by such alliances and not by our own rakyat. This is truly a form of neo-colonialism that we must oppose at all costs.

National Political Trends

Freedom of Religion

I want next to share my views with you on some recent political developments in this country and their implications for our future political struggle. You would have of course read in the newspapers about the proposed intentions of the PAS-Semangat 46 state government in Kelantan to implement hudud laws in that state. What subsequently became controversial was not just this intention to implement hudud laws but the proposal of PAS to extend the jurisdiction of such laws to include the non-Muslims as well. This at once aroused the opposition of many political parties, including our own party. Such opposition is correct and is based on the principle that our country's constitution provides for religious freedom and tolerance under which the beliefs, tenets and laws of any one religion cannot be imposed on the followers of other religions. Viewed in this context, PAS has therefore no right to impose hudud laws on non-

Muslims. Any such attempt by PAS will represent a gross violation of our country's constitution and the basic human right of non-Muslims not to be subjected to the laws as provided for under Islamic jurisprudence.

Major Political Contradiction

This recent controversy has merely brought to the fore a major contradiction that may become even more sharpened with the passage of time. This contradiction is manifested in the form of a struggle between the forces to establish an Islamic state as proposed by PAS on the one hand and the forces to establish a modern industrial state but with good Islamic ethical and moral values that are at the same time universally accepted by all religious followers, as represented by UMNO, on the other. This to me is the principal contradiction in the Malay and hence the Malaysian political arena that will shape the nature of the political struggle between the two major Malay political parties today and in the years to come. Between the two, we broadly support the line as pursued by UMNO.

This is because UMNO's line calls for the pursuit of both material and spiritual development, a path of development that will bring us hopefully to the attainment of Vision 2020 and all the idealistic goals that this vision entails. It is heartening to note that among the many challenges of Vision 2020 that the leader of UMNO and therefore the Barisan Nasional has accepted is that of establishing a mature, liberal and tolerant society in which Malaysians of all colours and creeds are free to practise and profess their customs, cultures and religious beliefs and yet feeling that they belong to one nation. It is commitment to this ideal that has instilled confidence in us as to the correctness of the line pursued by the Barisan Nasional. Already, within this overall strategy, growth has been generated, incomes raised, jobs created and the rights to different religious and cultural beliefs respected.

Mission of Parti Gerakan

We must, thus, from now on, as responsible members of a political movement, assume the task of exposing the dangers of supporting the PAS-Semangat 46 coalition, who are strong allies of the DAP, to the urban electorate. We must call upon the urban electorate, especially those in Penang, to rally behind the Barisan Nasional. The Barisan has an outstanding record of economic achievements that is the envy of the rest of the world. The Barisan has a fine record of inter-ethnic co-operation and religious tolerance. The Barisan has an aspiration in Vision 2020 that calls for the creation of a modern and socially just industrial state that is at the same time imbued with good moral strength and ethics. The opposition's programme, that is dictated primarily by PAS and that is too preoccupied with religious development almost to the total neglect of material development, can only cause economic disaster and wreckage. The choice before the electorate is thus obvious. They must continue to support the Barisan Nasional in order that we can all together move towards the promised land - a land of prosperity that is at the same time socially just and imbued with good morals and ethics. Choose the PAS - Semangat 46 - DAP opposition and you will have religious extremism devoid of economic growth and development and therefore chaos.

Importance of Stability

Finally, but no means the least important, the country's present political stability must be maintained at all times if we are to continue to grow and prosper. As I have said so many times before, and I stress it again now, we must never take this stability for granted. We need only look around us to learn that countries that were previously peaceful and stable are now wrecked by racial and religious strife and turmoil. Any a multi-ethnic and multi-religious society will always have its fair share of religious and ethnic contradictions, and Malaysia is no exception. Indeed,

this country, although harmonious thus far, is still continuously being threatened by the divisive forces of religious and ethnic extremism. In order for Malaysia to contain these negative, destructive and divisive forces, and in order for this country not to explode and rip itself apart, Malaysians need a strong, central ruling coalition to seek and enforce compromises. That is what the Barisan Nasional government has done historically and hopefully, will be allowed to do so for many more years to come.

Contain Religious Extremism

People from all races and religions must therefore continue to rally behind the Barisan Nasional in order to enable it to play this role of compromise-seeking among sometimes conflicting ethnic, religious and cultural interests even more effectively. They must show in no uncertain terms their disapproval of the forces of religious extremism, racism and political opportunism. All of you have a heavy responsibility of exposing the dangers posed by these forces of extremism and bigotry that are pushed with such vigour by some sections of the opposition. This is a task you must carry out now and with zeal and determination. You cannot and must not fail, for the consequences that befall our nation following from such failure will be extremely damaging. As part of this campaign against religious and ethnic extremism, we in the Barisan Nasional must show that we are committed to developing a society that is prosperous yet humane and ethical.

APPENDIX 2.1

THE POLITICAL ROLE OF PARTI GERAKAN IN ACHIEVING VISION 2020

Speech delivered at KLFT's 'Malam Gerakan' in 1991

(1) Introduction

1991 must go down as an important year in the history of Malaysia's economic development. It marks the end of two decades of rapid growth with distribution under the New Economic Policy (NEP), and more importantly, the beginning of a new era of what we in Parti Gerakan believe will be many more years of growth in incomes, jobs and social welfare. To usher in this new era, our Prime Minister in February of this year, when launching the Malaysian Business Council, put forward his Vision 2020. This vision, which has now come to be accepted as the vision of the whole country, envisages a Malaysia that will, by the year 2020, become a mature, developed industrial society that is at the same time resilient, socially just, culturally rich and caring. The launching of Vision 2020 was indeed timely. It provides a guide to future development efforts that will henceforth be more purposeful and focussed. The productive energies of the entire Malaysian population, irrespective of their race and religion, can and will now be mobilized to achieve Vision 2020. The Vision thus acts as a facilitator of more rapid development and a goal to which all Malaysians will rally.

(2) Parti Gerakan Supports Vision 2020

Parti Gerakan supports wholeheartedly Vision 2020. This stand of our party bears repeating. Our support for Vision 2020 is based on the fact that its broad goals are very much in line with our Party's philosophy and ideology. Way back in 1968, the founding fathers of our Party have already envisioned the

achievement of a democratic, socially just and economically strong Malaysia where all Malaysians, irrespective of ethnicity and religious background, enjoy their rightful place under the Malaysian sun, as the goal of our party. More specifically, our party seeks, among others, to struggle for a just and equal Malaysian society that is based on democratic and humanitarian principles and economic and social justice via:

- (a) the removal of all forms of exploitation and the provision of full opportunities to all who need them;
- (b) a just and equitable distribution of income and wealth;
- (c) the guaranteeing of the right of individuals to own property; and
- (d) ensuring that women get equal pay and other privileges for equal work.

Towards these ends, our party envisions the pursuit of a mode of struggle that is based on needs and merit without any regard to creed, religious and cultural beliefs. These goals and the concomitant Malaysian approach towards facing and overcoming problems, have continued to guide our party's struggle till today. We are confident that our struggle will ultimately win the support of the vast majority of Malaysians. With such support, a just, equal and caring Malaysian society will surely evolve. In short, our party's principled struggle will definitely see to the ultimate triumph of Vision 2020.

(3) Parti Gerakan's Performance

Already, we have achieved much. Ever since we joined the Barisan Nasional in the early seventies, we have helped formulate policies that have led Malaysians to enjoy ever rising standards of living that is the envy of many Third World countries

today. We have near full employment with minimum inflation. The basic needs of the bulk of the population have been satisfied. Besides freedom from hunger and starvation, Malaysians also enjoy cultural, religious and political freedom. It is true that we do not avail uninhibited and unrestrained freedom to all. This is because the divisive ethnic, cultural and religious forces are still very much alive and constantly threaten to tear the fragile social fabric of Malaysia asunder. As a responsible party, the Barisan Nasional cannot and will not allow these ugly ethnic and religious forces free play, for to do so will be to invite divisions, split and cleavages, that once opened up, cannot be healed. One has only to look at Sri Lanka, Lebanon and now Yugoslavia, all of which have been torn apart by ethnic and religious strife, to remind ourselves of the importance of restraint and compromise between the various races and religions. This is where the Barisan Nasional has played a role model. Within the broad framework of the Barisan, parties representing the different ethnic communities are brought together with Malaysian-based parties such as Parti Gerakan, to discuss issues that can be potentially explosive, in a restrained and moderate fashion, with a view to arriving at decisions that will bring the greatest good to the greater number. In these discussions, whether they be on education, culture or religion, parties put forward views of their various communities. These are considered along with the views of parties that take a non-racial Malaysian line such as Parti Gerakan. These are part of the whole process of inter-ethnic bargaining and consociational politics. The outcomes arrived at often have the more extreme sections of all communities and religions feeling dissatisfied with the Barisan. These extremist sections from all ethnic groups have formed parties to fight and destroy the Barisan. They have now even coalesced to form a front to topple the Barisan. It is from this front that the threat to the peace and stability of the Malaysian nation comes. It is this extremism and bigotry, frequently of a racial and religious type, perpetrated by these opposition forces that lie on our path towards attaining Vision 2020. Unless removed, they constitute major

obstacles to the realization of our dream of a united, mature and caring Malaysian nation that is at the same time industrialized and developed.

(4) Negative Forces

It is thus our duty, the duty of each and every Gerakan member, to fight these negative forces of destruction. To be able to do so successfully, we must first identify what these are. They are the extreme positions on Islam taken by PAS as manifested in the administrative actions implemented by the Angkatan Perpaduan Ummah (APU) government in Kelantan. These have been abetted and supported, directly or indirectly, by the DAP, which in turn has deliberately and wantonly whipped up racial emotions and sentiments of the urban electorate for short - run political gains. The coalescing of these forces thus represents a potent combination, which once given power, threatens to bring the nation to a situation which contrasts starkly with what the Barisan Nasional has attained and will attain. The situation our country will be in, once the APU-DAP alliance wins power, is one that is based on the narrow interpretation of Islam by the clergymen of PAS to the neglect of wealth creation and the upliftment of living standards. This is in contrast to that of the Barisan Nasional where there is equal emphasis on both wealth creation and its equitable distribution on the one hand and moral upliftment in order to create a more ethical and caring society on the other.

(5) Role of Parti Gerakan

Having identified what the dark forces are, what are we to do?

- i) Firstly, all Gerakan members of the government will continue to work hard to push for the formulation and implementation of policies that will enhance the economic

well-being and enrich the cultural and moral levels of all Malaysians. We will help see to the continued growth of the country in order that more jobs be created to provide productive employment to the many youths who will be continuously entering the labour market. In the execution of our duties, we will pay particular attention to the poor and disadvantaged from all communities in order that they may obtain their fair share of the fruits of development.

- ii) Next, I will direct all our elected representatives in all the legislatures to speak out on a wide range of economic and social issues, within the discipline and framework of the Barisan Nasional. These speeches of our Gerakan representatives will act as a rich source of views and information which hopefully will be taken into account by the policy formulators and implementors at the different levels. These speeches will, in particular, point out the deviations from the stated policy goals at the level of implementation. In other words, our Gerakan Senators, Members of Parliament and State Assemblymen will monitor the implementation of agreed policies such as the recently adopted National Development Policy (NDP) in order to ensure the containment, if not the total annihilation, of all forms of bureaucratic racism and religious bigotry.
- iii) Thirdly, all State Liaison Committees, divisional and branch committees of Parti Gerakan will monitor closely all activities of APU-DAP. Seminars will be conducted from time to time to inform members of the public of the dangers that will befall the country should APU-DAP come to power.
- iv) We will also publish a party newspaper to explain to the public our stand and position on the various issues. We

will at the same time expose the dangerous line pursued by APU-DAP, in particular the dire consequences to our country, should this line be allowed to transform into policy.

Through the first action, the economic welfare as well as the moral well-being of the vast majority will be promoted. This will enhance the confidence of Malaysians in the current political and socio-economic system which we in Parti Gerakan have so painstakingly helped to build. With such confidence, efforts by the opposition forces to lure them to support the alternative system based on the thoughts of the elites in PAS will be frustrated. This will be further reinforced by the other three measures that are aimed at uplifting the awareness of the public to the dangers of the PAS-led and DAP supported alternative system.

(6) Conclusion

You can thus see that there is a full political agenda in front of us. Its execution calls for total and unconditional commitment from all of us. We cannot afford to fail in this battle against APU-DAP for failure will mean the beginning of an era of ultra-conservatism with scant attention paid to economic development. Our living standards will fall. There will be misery, massive unemployment and the curtailment of liberty with discipline. For our sake and for the sake of our future generations, we must thus close ranks and implement to the full the political programme I have just outlined above. Only by doing so, will we be able to ensure the attainment of a just, mature, economically resilient, socially just and caring Malaysian society. Only then will we be able to achieve Vision 2020. We have, therefore, a heavy role to fulfill. So let us begin right away!

CHAPTER 3

ECONOMIC ISSUES

Introduction

A major portion of Saudara Dr. Lim's Presidential Addresses over 12 years has been devoted to a discussion of economic issues. Indeed, it is in the realm of economics that Saudara Dr. Lim has put forward many constructive ideas, suggestions and proposals. Among the issues raised include the important role played by small and medium-scale industries (SMIs) in the country's industrialization programme, the need to build up the country's stock of skilled manpower, the contribution of liberalization and deregulation towards creating a more attractive investment climate and entrepreneur-ship. Besides stressing on factors that promote the creation of wealth, such as the above, Saudara Dr. Lim, always mindful of the vision of a fair and just Malaysian society as laid down in the Party's Constitution by the founding fathers of the party, never fails to call for an equitable and just distribution of our country's wealth. Growth with distribution has long been his clarion call.

An interesting aspect of Saudara Dr. Lim's contribution in the field of economics, as readers will notice, is that many constraints and problems that are likely to impede economic progress have been identified by him way ahead of their occurrence. The accompanying solutions to these constraints and problems have likewise been put forward several years ahead.

It is also heartening to note that many government economic proposals and actions that have been subsequently adopted are in line with Parti Gerakan's views as put forth earlier through Saudara Dr. Lim. In this regard, Parti Gerakan feels justifiably proud to have played a productive and constructive role

(Editor).

1981

In his first Presidential address to the Party, Saudara Dr. Lim touched on two key economic issues viz economic diversification and the role of SMIs in the country's future industrial development. The diversification he referred to was that of horizontal diversification which, he claimed, was successfully pursued to the extent that primary commodity exports by 1981 have been well diversified. By then, the country has moved far and away from some of the problems associated with excessive dependence on one or two primary commodity exports - the case of mono or duo culture - that have long plagued many other developing countries. For the record, Party Gerakan played a key role in this process. Its then Deputy President, Saudara Paul Leong, held the important portfolio of Minister of Primary Industries.

Way back in 1981, Saudara Dr. Lim already realized the vast potential of SMIs in contributing to the industrial development of the country. Hence, his early call that much government efforts ought to go into nurturing a vibrant SMI sector. Within the party, the subject of SMIs is also dear to the hearts of the leadership. Saudara Soong Siew Hoong, the current Treasurer-General, has long played an active role in promoting SMIs both through the party as well as through his involvement in, among others, the Kuala Lumpur and Selangor Chinese Chamber of Commerce, the Associated Chinese of Commerce and Industry and the Federation of Malaysian Manufacturers (Editor).

Economic Diversification

The nation's economy has been growing at an impressive average rate of 8% per annum since 1969. The GDP has grown from RM9,636 million in 1969 to RM26,118 million in 1980. In 1969, total manufacturing output only accounted for 12.6% of the GDP. Last year, it has grown to 20%. Palm oil, which was only a minor produce in 1969, has now become a major export commodity surpassing tin which was traditionally the pillar in terms of export earnings. In 1969, the total export earnings of palm oil was only Rm 165.2 million ringgit. In 1980, it was RM2,817 million ringgit. In 1969, all our palm oil was exported as crude. Today, 97% of our crude palm oil are refined at home - a remarkable achievement by any standard. The national economy has thus been successfully diversified due to the economic policies of the successive Barisan Nasional Governments. With the new emphasis on industrialization, we can confidently look forward to even greater diversification of the country in the not too distant future.

Role of SMIs

In the process of industrialization, small and medium-sized firms play an important role in providing supportive services to the more established manufacturers. They provide employment and are a useful segment of the national economy. However, many of them are at the present moment unorganized, unregulated and a source of health, traffic and fire hazard. Such a state of affairs is due to the lack of land and other infrastructural facilities.

In order that these small and medium-sized firms can play their proper role in our country's industrial development, the Government should render every possible assistance such as providing them with land equipped with proper infrastructural facilities as well as financial and technological assistance. To

enable the objectives of the New Economic Policy to be realized, efforts to promote genuine joint-ventures amongst Malaysians of different ethnic origins should be stepped up so that all Malaysians will have equal opportunities to work and prosper together.

1982

In 1982, the major preoccupation of Saudara Dr. Lim's speech was with the recession that inflicted the world economy following from the second oil shock. Malaysia, being a trade dependent economy, was not spared the negative effects of this world-wide recession (Editor).

The Recession

Malaysia, like most countries in the world, has been engulfed in the general economic depression. Our major export commodities namely rubber, tin and timber products have been badly hit by declining demand. Our newly born manufacturing sector, notably electronics and textile industries, have also not been spared the ill-effects of the depression. In fact every economic endeavour in the country has slowed down. It is generally reckoned that the depression would only tail off by the middle of next year, with probably another 12 months for the national economy to recover. With such a long period of economic slowdown and stagnation, the Government should deploy every means that are available to stimulate the economy so as to enhance its resilience during the period of depression. The Government, being the major employer and investor, has wisely decided that all important development projects will be carried out as scheduled. In particular, all public housing developments will be carried out in full swing. All such development spending will at least cushion off the general slow down.

Measures To Stimulate Recovery

To stimulate investments, the Government may consider withholding corporate tax on profits that are deployed for reinvestment. To stimulate and sustain housing development, easy loans and credits should be granted to genuine house buyers of medium and low-cost houses. Generous tax incentives are to be granted to manufacturers utilizing mainly locally produced commodities such as rubber, tin, palm oil and timber. All such fiscal and monetary measures should be reinforced by efficient administration geared to rapid development with minimum red tape. In particular, all government agencies and departments should be instructed to help the private sector expedite development projects, big or small, be they housing, manufacturing, processing, transportation, or matters pertaining to land. For delays in administrative actions will inevitably frustrate investments, and dampen the investment climate.

1983

Several important issues were raised in 1983. The first was the much-vaunted New Economic Policy (NEP) that had by then undergone almost 12 years of implementation. Saudara Dr. Lim, in his 1983 Presidential speech, reviewed objectively the progress made under the NEP. Confident that the targets would be attained by 1990, the terminal year, and taking into account new socio-economic conditions that would prevail in the years after 1990, Saudara Dr. Lim called for a new set of economic policies to replace the NEP. For this purpose, he made the call (perhaps the first to do so), that dialogues, forums, seminars and discussions involving a broad cross-section of society should be held.

Besides the NEP, Saudara Dr. Lim also touched on the subject of privatization, a concept that was then just newly put

forward, his pet subject of SMIs which he dealt in some detail and the need to train more skilled blue-collar workers whose contribution to the process of industrialization must be accorded greater recognition (Editor).

NEP - Much Progress

We are now at the mid-point of the 4th Malaysia Plan under the New Economic Policy. Only seven years remain between now and 1990, the target year of the NEP. The NEP has two main objectives, namely, the restructuring of society and the eradication of poverty. These objectives were formulated in response to the socio-economic conditions and dictated by the political climate prevailing in the late 1960's.

Since the initiation of the NEP in 1970, the Malaysian society has undergone dramatic changes. Today, if we look around us, poverty has been significantly reduced. In terms of urbanization and occupational distribution pattern, rapid progress has been made towards greater ethnic balance. In terms of capital ownership and corporate control, the share of bumiputera participation has increased tremendously. Abundant opportunities have been made available to bumiputeras in all fields. The momentum of restructuring society has been accelerated as a result of these achievements. It is the general expectation that the final targets of the NEP will be attained or surpassed by 1990.

Lately, questions were raised as to whether the NEP with its present concept and strategies would be appropriate to the socio-economic environment that would have been evolved beyond 1990. Emphatically, what would be the concept and strategies that should be adopted for the next set of economic policies post-1990?

Post-1990 Development Strategy - New Socio-Economic Conditions

The socio-economic environment in 1990's will be radically different from that of the 1960's. Influences of the colonial past would have been erased. The current pace of industrialization would have gathered such momentum that by 1990, industrial output would equal to or surpass that of our traditional commodities. The transformation from an agricultural, rural economy to an industrial urban economy will give rise to many new problems, social and political, which call for new concepts and strategies. As a result of the rapid expansion and improvement of means of communication, our country will be more closely knitted.

With the emergence of such a socio-economic scenario, it is perhaps an opportune time to initiate discussions, dialogues and debates over concepts and strategies with a view to better our standard of living post-1990. Such discussions, dialogues and debates could be held in forums organized by political parties, academics and various commercial and industrial chambers and associations in the private sector. We believe that through such organized forums, problems would be clearly identified and made known to the masses, and that well defined concepts and strategies would emerge and be accepted by the masses.

Privatization - Conflict of Goals?

The concept of privatization has been proposed recently by the Government. The objectives, as we understand them, are to provide better and more efficient services, as well as to reduce the burden on the government. There are indeed ample examples where services provided by public agencies are far from satisfactory, besides being run at a great loss. However, we in Gerakan are rather bothered by a key question. Private enterprises are essentially profit-oriented. To what extent will the

provision of essential utilities and services to be run by private concerns bring benefit to the poor, especially those in the rural areas? Gerakan would like to urge the government to study the implications carefully and systematically before implementation.

Role of SMIs

Malaysia is now embarking on a programme of hastening the pace of industrialization. Central to this programme is the emphasis on the establishment of gigantic projects such as the heavy equipment industries and the petro-chemical industries. These capital-intensive industries are expected to play the role of "an engine" in accelerating the pace of industrialization. However, little emphasis has been placed on planning for the growth of small-size supportive industries.

There are numerous small factories already in existence in support of tin mining, plantation, and agro-based industries. These small factories, which have survived and prospered through sheer grit and enterprise, have been the traditional training ground for skilled technicians. Competition, improvisation and constant innovations have been the rule of the game.

Better Planning Needed

In the past, many of these small firms have been haphazardly located in many urban areas without basic infrastructural facilities. Consonant with the pace of industrialization, equal emphasis should be placed on planning and co-ordination for the growth of small-size industries. In some established cities and towns, the need for such planning, co-ordination and re-location has assumed some urgency.

We urge all state governments to plan and set up more industrial sites with basic infrastructural facilities as expeditiously

as possible in order to accommodate the expected expansion and growth of small-size industries. Land titles should be granted to those established small factories over their existing sites wherever possible, for security of land tenure will encourage modernization of the existing plants.

Call to Set Up an SMI Division

To this end, perhaps it would be appropriate to set up a Division within the Ministry of Trade and Industry to plan and co-ordinate, together with the state governments, the growth of small-size industries. Besides planning and co-ordination, this division should be equipped to provide technical advice and services to small entrepreneurs who wish to venture into industrial activities. Our financial institutions whose commercial practice has hitherto been to provide funds only to those with adequate collateral, must be properly motivated to provide funds for small-size industrial firms based on project viability and feasibility.

Blue-Collar Workers - the Backbone of Industrialization

No less important to the success of industrialization is the contribution made by our labour force. The discipline and productivity of labour is a crucial factor in determining the extent of our success in industrialization. Proper attitude towards manual labour and discipline in work must be systematically inculcated and trained from the very young, preferably in schools. Facilities and opportunities for up-grading vocational skills must be provided and made easily accessible to workers who wish to be better trained and equipped. The contribution by the workers towards the economic well-being of the nation should be accorded public recognition, thereby enhancing the dignity of the blue collar workers.

In 1984, the Malaysian economy continued to be plagued by problems caused in part by the prolonged world recession. This obviously caught the attention of Saudara Dr. Lim. Aside from highlighting these problems, he spoke in support of the swift response by the Barisan Nasional Government took in overcoming these problems. Saudara Dr. Lim also congratulated the government on its willingness to make public the findings of the 3 man Commission of Inquiry set up to investigate the infamous BMF scandal. The lack of sufficient places in local institutions of higher learning to satiate the ever-rising thirst for tertiary education was again raised. As a measure to overcome this problem, Saudara Dr. Lim suggested that perhaps the government ought to be more liberal in allowing the establishment of more private colleges which should in turn explore the possibility of embarking upon twinning programmes. Several years later, the BN Government did precisely this. Today, private sector participation in tertiary education is on the rise, thereby relieving much pressure from local institutions of higher learning, saving much foreign exchange and producing much needed skilled manpower for the country.

Finally, Saudara Dr. Lim expressed his concern over the over-zealous implementation of the NEP by bureaucrats. He claims that such zeal often leads to results deviating from the original intentions of the policy (Editor).

World Recession and the Need for Economic Restructuring

The world-wide recession that started in the late 1970's has proven to be unusually severe and prolonged. No doubt, recently, there are some hopeful signs that a general economic recovery by the OECD countries is underway, resulting in firmer prices for certain commodities. However, international trade remains weak and many structural problems still plague our world

economy. Chief among these problems are: the mounting financing debts of quite a number of developing countries, tight financial market conditions, and imbalance between the "have" and "have-not" nations in terms of trade and economic power in general. The "neocolonial" attitude of some advanced Western countries is manifested in their selfish protectionist policies against manufactured exports from developing countries. Their unwillingness to truly provide technology transfer to these countries has further weakened the prospect for economic growth for the developing countries.

These international economic trends do not augur well for a young and developing economy like ours, particularly so because of our traditional dependence on primary commodity exports and low-productivity agriculture. The fortuitous boom in primary commodity demand and prices in the second half of 1970's has in a way made us accustomed to a high level of expenditure and consumption, both in the public and private sectors. As a result, we were not well prepared to face the challenge of the sudden dip in the world economic fortune over the last few years.

Problems Faced by the Malaysian Economy

Our economy today is confronted with numerous problems culminating from the above factors. The world recession has seriously affected our primary commodity export volume and prices over 1981-1983. Our demand for imports, especially for various "invisibles" has been on the rise although our income has not been growing as fast. A serious balance of payment problem invariably resulted. The government has also incurred a huge deficit in its public finance. Our national debt to the outside world has skyrocketed over the years. And on top of all these, our over-extended civil service administration is showing signs of declining morale and efficiency due to various factors.

Quick Response from the Government

Nonetheless, it is a tribute to our Barisan Nasional leadership that we have been able to face up to these challenges with policy measures in a decisive, swift and firm manner. To cut the government budget deficits, our top leaders have come forward with the concepts of privatization and "Malaysia Incorporated". To stem the decline in discipline and efficiency in the public administration, our top leadership has launched a "leadership by example" campaign and stressed the need for a "clean, efficient and trustworthy" government. The Prime Minister's recent announcement that the BMF investigation will be made public and that actions will be taken against those found guilty, further underlines his commitment and firmness in ensuring a clean and trustworthy government.

Our Prime Minister has also spoken out in no uncertain terms against the protectionist, i.e. neocolonial attitudes of certain nations in various international forums. He has also worked tirelessly towards greater solidarity and cooperation among the developing countries in their bargain with the advanced countries. An Invisibles Trade Committee has been formed to formulate short and long-term measures to reduce our invisibles' trade deficits. To hasten the process of industrialization in order to diversify our economic base, our Deputy Prime Minister has also launched a new Industrial Master Plan Study aimed to provide a blue-print to guide our industrial development effort for the next 10 years. At the same time, the New Agricultural Policy has also been formulated to modernize our agricultural sector. These examples clearly demonstrate the concern and commitment of our top Barisan Nasional leaders towards solving our economic problems. We in GERAKAN stand ready to continue our support and active participation in this collective Barisan Nasional leadership.

Calls for the Establishment of More Private Institutions of Higher Learning

One major factor contributing to the invisible trade loss of our country is the severe drain of resources for financing Malaysian students studying overseas. Many of these students studying overseas would have preferred to study locally if there are places available for them in our local higher institutions of education. The government should therefore consider ways and means to stem this foreign exchange loss by creating more places in our local institutions of higher learning. However, the government itself is facing severe budget constraints. Therefore, GERAKAN welcomes the Prime Minister's recent proposal to allow the setting up of junior colleges in cooperation with foreign institutions to provide for the first two years of university education. In fact, we would like to recommend that private sector initiatives be mobilized on a large scale to create more higher educational places locally. This approach is in line with the general privatization policy of our government.

Achievements of the New Economic Policy

Since the initiation of NEP in 1970, our economy and society have undergone dramatic restructuring. In terms of capital ownership and corporate control, bumiputera participation has increased tremendously. Based on the findings of the research unit of our party's Economic Bureau, the bumiputera participation has already come very close to the 30% target of the NEP. We are thus confident that the targets would definitely be achieved by or even before 1990. In terms of urbanization and occupational distribution pattern, rapid progress has been made towards greater ethnic balance. In fact, the problem of inadequate representation of non-bumiputeras in the government and agricultural sector has now become an issue of concern. In terms of income, the gap between Bumiputeras and Mon-Bumiputeras as a whole has narrowed significantly, especially in the urban areas. In terms of

educational access, the rate of school enrollment among the different races has practically equalized among the younger generation; indeed, Malay youths now have the highest rate of school enrollment at the secondary and tertiary levels.

Over-zealous Implementation of the Restructuring Prong

The original principle of the NEP has been that of redistribution with growth, whereby in the process of restructuring no one community would suffer absolute loss for the upliftment of another community. Unfortunately, in the rapid push towards restructuring by the government, there have been many instances of over-zealous bureaucrats ignoring the above principles and pushing restructuring to the point of being unfair and unjust. A good example is the recruitment and promotional policies adopted by many government departments. Over-zealous implementation of restructuring without regards to meritocracy has undermined the morale of many able civil servants and the rapid change in administrative structure have sometimes led to chaos and disorientation. We in GERAKAN view this trend with great concern and stand ready to help the government to take concrete steps to arrest the trend before it becomes a real problem.

1985

In his Presidential Address in 1985, Saudara Dr. Lim continued to harp on the issue of the recession which was at its worst. For in that year, the country registered, negative real rate of growth. One interesting aspect of his speech was his fervent advocacy of greater nationalism in economic policy formulation. This could perhaps be the result of Saudara Dr. Lim's frustration with what he then described as the 'neo-colonial attitude' of shown by some developed countries which refuse to open up their markets to the exports, especially of manufactured goods, from developing

countries.

He once again raised the need for a new post-1990 development strategy to replace the NEP. He also reiterated his earlier call for the establishment of a forum for discussions on the post-1990 development strategy. In his 1985 speech, the form and functions of this forum were spelled out more concretely. To prepare itself for participation in this forum, Saudara Dr. Lim announced that apart from the National Economic Seminar organized a year earlier, Party Gerakan would also organize another seminar on New Villages in that year. Continuous monitoring of the progress attained under the NEP would also be undertaken by the party's Central Research Bureau headed by the then Youth Leader Dr. Koh Tsu Koon, who is currently Penang's Chief Minister (Editor).

Problems Faced by the Malaysian Economy

The world-wide recession that started in the beginning of the eighties has proven to be unduly severe and prolonged. This, coupled with overproduction, has left its adverse impact on the prices of our primary commodities. This in turn has badly affected not only our export earnings but also the economic position of our rubber smallholders, estate labourers and tin mine workers. We continue to face persistent deficits in both the current account of our country's balance of payments and our public sector's budget. These indicate a major structural weakness of continuous overspending by Malaysians. The protectionist measures adopted by the developed countries against manufactured imports from the developing countries, coupled with competition among the developing countries themselves for the sluggishly growing world market, have further added to our economic woes. The servicing of our debts is likely to take an increasing proportion of our export earnings. Meanwhile, the closure of tin mines and factories, especially those in the textile,

plywood and electronics industries, coupled with the return of Malaysian workers retrenched from Singapore, will worsen our unemployment situation.

Measures to Overcome these Problems

The economic problems that we confront are therefore many and mammoth. But it is, however, to the credit of our Barisan Nasional leaders that they have not only realized the danger signs early but have taken remedial measures in a firm and swift manner. To cut the public sector's deficit, our government leaders have slashed unessential development expenditure and have propounded the concept of privatization. Imports of both goods and services are being curtailed through continuous import substitution in an effort to curb the balance of payment deficit. A campaign to promote the spirit of "TO BE A MALAYSIAN AND BUY MALAYSIAN", which our party has called for in its last economic seminar, was also launched recently. To stimulate the private sector, which is expected to play a leading role in promoting our country's economic growth from now on, an investment fund of 1 billion ringgit was established by the Central Bank. Amendments have also been made to the country's investment rules, particularly those pertaining to foreign equity ownership, in a bid to stimulate a greater inflow of investment resources from abroad.

Calls for Greater Economic Nationalism

While Parti Gerakan supports the bulk of these measures, particularly those aimed at encouraging enterprise and hard work in the productive sectors, we feel it imperative to caution the government against too indiscriminate an encouragement of greater foreign participation in the Malaysian economy. Parti Gerakan would like to see the adoption of a much more self-reliant development strategy that aims at the attainment of greater self-sufficiency in basic goods such as food, shelter and education.

It is our view that the country has enough of private entrepreneurs, managers, skilled and unskilled workers, finance capital and even the technology to produce basic goods and services to satisfy the basic needs of a substantial majority of the Malaysian population. The problem is that of creating a climate and environment that is suitable and attractive to those locals who are willing, able and enterprising enough to invest and organize production. Inter-ethnic joint-ventures should be actively promoted. Just as importantly, there must be a massive transfer of income from the rich to the poor of all races through appropriate fiscal policies in order to create the effective demand for these basic goods. Of course, there are certain areas where we still lack the technical know-how to produce. It is in these areas that some foreign participation may be encouraged in the hope that technological transfer from foreigners to locals genuinely takes place.

Post-1990 Development Strategy

Recently, it was announced by some government leaders that a new National Economic Policy would be promulgated to replace the present New Economic Policy after 1990. Parti members would remember that at our own party's national economic seminar held last year, I called for the promulgation of such a new policy which would have as its underlying thrust the mobilization of resources to groups on the basis of their economic need rather than their racial origin. While free enterprise that allows maximum development of initiative and entrepreneurial talent should continue to be practised, it must at the same time be regulated to ensure that private interests do not conflict with social goals. The Bumiputera-non-Bumiputera dichotomy that permeated every facet of our life should be minimized with the government attacking the roots of poverty on a non-racial basis while at the same time vigorously promoting co-operative ventures among all major communities.

Calls for the Formation of a National Consultative Council

As a component party of the Barisan Nasional, Parti Gerakan would like to contribute in a constructive manner to the formulation of the new National Economic Policy. In this regard, Parti Gerakan hopes that all component parties within the Barisan Nasional would be invited to participate in the deliberations on the basic thrust, strategy and direction of the new policy. Party Gerakan urges for the formation of a National Economic Policy Working Committee with full and meaningful participation by all component parties. We believe that the new National Economic Policy formed in this manner will reflect the wishes and aspirations of all races in Malaysia. This Working Committee should, in addition to helping to formulate the new National Economic Policy, monitor its implementation. Any deviations must be discussed by the Committee with a view to bringing them to a halt. This will also help minimize the outburst and counter-outburst that often arise over deviations in implementation, as have happened over the last 15 years.

Parti Gerakan urges the government to consult all sections of the Malaysian society in formulating the new National Economic Policy. The National Consultative Council should be revived for this purpose. Detailed strategies for the development of various sectors can be designed by this council through consultations with people from the various political, professional, business, consumer, employers and employees' organizations, all of which should be represented in this council. The views of both the Consultative Council and the Barisan Nasional's National Economic Policy Working Committee must then be considered seriously as vital inputs into the formulation of this new development strategy. This is one of the ways to ensure full and meaningful participation by a broad cross-section of the Malaysian society in the formulation of this new development strategy. Once this is attained, it will be much easier for the government to subsequently mobilize the resources, talent, skills and energy of

the Malaysian people, deemed so vital for the successful implementation of the new strategy that will hopefully bring the "greatest good to the greatest number".

Gerakan's Role in the Formulation of the Post 1990 Development Strategy

To prepare for the constructive role that we want to play, our party's Economic Research Bureau has begun monitoring progress of the present NEP. Their research findings will be used to analyse the economic changes that have been and will be taking place during the two decades between 1970-1990 and as a basis for the formulation of our party's detailed economic programme for 1990 and beyond. To address the immediate economic development needs and priorities of our country over the next 5 years before the ending of the NEP, our party will also be preparing a memorandum on the Fifth Malaysia Plan. Furthermore, since the problem of New Villages represents one major area of neglect in previous national 5-year plans, Perak Gerakan is currently doing a comprehensive research study into the problems of New Villages. These and other serious research efforts by our party go to show that we seek to diagnose problems in a serious, rational manner and to propose concrete, viable solutions in line with national interest, rather than empty-sloganeering and playing up emotional issues for short-term political gains.

1986

A major issue of concern in 1986 was the mounting debt problem faced by the Malaysian economy. This was due in part to the proliferation of public enterprises that, according to Saudara Dr. Lim, consume but not produce. He also expressed grave concern over the neglect of SMEs in the country's industrial development. Such neglect has led in part, to widening income

disparities. He was most critical over the ethnic biasedness in channelling resources to assist the poor when in fact the poor, irrespective of race, must be the privileged in jobs and education (Editor).

"Public enterprises consume but not produce".

National Economic Issues

We meet at a time when our country's economy is going through a very trying and challenging period. National income fell last year, the first since 1975. Our economy continues to face a serious resource constraint as is manifested by the huge savings-investment gap. The twin budgetary and balance of payments deficits continue to plague us, necessitating reliance on foreign borrowings that have already reached critical proportions.

Our country's agricultural sector is growing only moderately. Its output-mix is still heavily biased in favour of export crops, prices of most of which have plummeted because of the world recession and over-supply. Our manufacturing sector continues to be narrow-based, with its heavy reliance on electronics and textiles. Both these industries, which are export-oriented, are again subjected to the vagaries of the world market. Meanwhile, heavy reliance on imports, especially for services, have meant much loss of foreign exchange.

Since the implementation of the New Economic Policy (NEP) in 1970, many government agencies and public enterprises have been established. While these have gone a long way towards achieving the targets as laid down in the second objective of the NEP, the same cannot be said with regards to increasing the productive capacity of our national economy. In fact, many of them are fast becoming a drain on the rest of the economy. They consume, but not produce. They burden the country with heavy foreign loans which have often been inefficiently used, while the

repayment of these debts bleeds the economy. They mop up much of the scarce capital of the country at low interest rates, thereby crowding out the private sectors' capital needs and imposing higher interest costs on them.

On the other hand, the implementation of the second prong of the NEP has been carried out with zeal and even bias. This has meant a pre-occupation with wealth transfer, basically from the non-Malay rich to the Malay rich. And to attain this, quotas and regulatory controls have been imposed and monopolies, subsidies and preferences given to public enterprises and other selected individuals. The results of all these have been obvious. Over-regulation and biasedness in policy implementation, not to mention the ubiquitousness of public enterprises, have eroded the private sector's confidence in our economy. Genuine private sector investments have literally dried up, just when our economy needs it most.

Structural Weaknesses and Proposals to Overcome Them

Although the present economic slowdown has brought us problems, it is not, however, completely without benefits. At least, it has alerted us to the underlying structural weaknesses confronted by our economy.

In this regard, Parti Gerakan is glad to note that the government has of late recognized some of these problems and is taking concrete steps to overcome them. Review on the implementation of the NEP and measures to liberalize and deregulate the economy have already been taken with a view to creating a better investment atmosphere for both domestic and foreign investors alike. It is also beginning to diversify and strengthen our economic base through a concerned industrialization strategy as laid down in the recently released Industrial Master Plan.

Parti Gerakan, on its part, will continue to assist the government by playing a constructive role in economic policy formulation. Saudara-saudari will remember that our party first proposed a comprehensive set of policies pertaining to the macro-economic development of our country about two years ago. These were developed from the ideas put forward by our party members at a highly successful seminar held at that time. Since then, we have put forward our ideas through various memoranda on the various structural plans for the development of towns and cities, the Fifth Malaysia Plan and development of New Villages. Ideas on the development of New villages were again presented by party members at a seminar held in Ipoh last year. We do hope that the ideas and suggestions we have put forward will prove useful and that the government will consider them without bias and in the true co-operative and consultative spirit of the Barisan Nasional.

Problems at the Level of Implementation

Neglect of SMEs

It is the view of Parti Gerakan that while many of the government's economic policies may be sound, many weaknesses can be identified at the level of implementation. One such weakness is the tendency to concentrate benefits accruing from government projects in the hands of a few locals and foreigners. In the process, many medium and small-scale firms have been denied a chance to participate, when in fact their participation should be further encouraged as many of them are useful training grounds for entrepreneurship, management and skills. Parti Gerakan, therefore, calls upon the government to parcel out as many of its projects, whenever it is technically feasible, to as many medium and small scale firms as possible. This will help develop entrepreneurial talent, managerial expertise and labour skills, besides distributing the benefits accruing from government projects in a more equitable manner. Most importantly, the parcelling out of projects must be done without bias or favour in

order to enhance the government's clean, efficient and trustworthy image.

Calls for the Formation of a NECC

Parti Gerakan is of the view that our country requires a long-term strategic plan after 1990 to spearhead the country's socio-economic development into the 21st century. This plan should emphasize on the eradication of poverty irrespective of race, diversification through selective export-oriented and import-substitution industrialization and the creation of a conducive atmosphere, free from bureaucratic encumbrances, for private investment. Representatives from various community groups and experts should be consulted and mobilized in the formulation of this new National Economic Policy Plan (Editor).

"The poor must be the privileged in jobs and education"

The Poor Must be the Privileged in Jobs and Education

One of the most pressing issues that Malaysian face is the question of poverty. It is a general feeling among the people today that even in poverty there is discrimination on the basis of race or religion. This is morally indefensible. The GERAKAN's stand is that in the eradication of poverty, which includes job opportunities and education, the poor must be the "privileged", irrespective of race and creed. It is therefore the duty of GERAKAN as a multi-racial party to strive within the BARISAN NASIONAL to achieve the objective of eradicating poverty irrespective of race as a fundamental objective.

1987

Among Saudara Dr. Lim's 12 Presidential Speeches, the 1987 speech must count as one that devoted considerable attention to economic issues. This was in a sense unavoidable as many key problems emerged then that required careful and detailed analysis and resolution. The NEP was nearing the end of its 20 year implementation period; yet problem such as lack of Bumiputera entrepreneurship and bureaucratic racism remain largely unsolved. Meanwhile, unemployment, even among university graduates, was getting more serious despite signs of an economic turnaround in 1987. As if these were not enough, there was the Deposit-Taking Co-operatives (DTC) scandal that threatened to be explosive unless quickly resolved. All these issues caught the attention of Saudara Dr. Lim. In an attempt to help solve the DTC crisis, Saudara Dr. Lim, together with the assistance of Saudara Alex Lee, the then Deputy Minister of Agriculture, worked tirelessly for months in 1986 and 1987 to come up with a concrete proposal which was later submitted to the government for its consideration. All these and more are contained in the following excerpts (Editor).

"... the ingredients of entrepreneurship can only grow and flourish in the rough and tumble of competition rather than in the cocoon of state protectionism and patronage"

Beginning of a Turnaround

In my Presidential Address last year, I described and analysed to you the rather difficult economic problems facing our country then. I am pleased to inform you that, since then, there have been some positive signs of recovery. Commodity prices

have improved and the economy is expected to register a positive though still low rate of real growth this year. Despite these silver linings, however, the worse is yet to be over.

Unemployment is to-day a serious problem. It has become acute even among university graduates. Meanwhile, the stock of accumulated external debt has reached a critically high level while the country has to brace itself to face a prolonged period of low growth. We all know the problems. The people themselves have learnt the existence of economic problems through their own hard experience. But rather than moaning, the crucial question is, what is to be done?

Steps to Stimulate Recovery

More Relaxed Equity Rules and the New Investment Fund

To be sure, the Government has already taken many positive steps towards stimulating economic recovery. These include relaxing some of the conditions on ownership for foreign investors in a bid to stimulate foreign investment. The Government has also set up a New Investment Fund of RM1.2 billion while directing that the interest rate be lowered. The increased liquidity coupled with the lower cost of borrowing should help stimulate investment.

Need to Boost Confidence

But the key, in Parti Gerakan's view, is still the boosting of confidence of the investors, both local and foreign, in the long-term vitality of the Malaysian economy. For unless there are optimism and confidence, investors will not invest, even if there is an adequate supply of loadable funds at cheap rates. Parti Gerakan realizes that there is a limit to what the Government can do in this confidence-boosting exercise. But for a start, the Government must reassure all Malaysian investors, especially the

non-Bumiputera investors, that they all have a role to play and that their investments are as welcomed as the foreign ones.

Same Treatment for both Foreign and Local Investors

In this regard, Parti Gerakan would like to call upon the Government to grant the same relaxation to both existing and would-be Malaysian investors as has been granted to foreign investors. It will indeed be difficult to expect local investors to have the confidence and enthusiasm when the Government is seen to be treating the foreigners better than them.

NEP - Much Success

Of late, there have been calls from some quarters for the extension of the New Economic Policy (NEP), or a variant of it, beyond 1990. Parti Gerakan's view on whether the NEP should be extended beyond 1990 is well-known and well-documented. We prefer the adoption of a New National Economic Policy, under which there should be a shift of emphasis from restructuring of society to poverty eradication, irrespective of race. Parti Gerakan is of the firm view that the restructuring carried out since 1970 has been highly successful in that a class of Malay rich and a huge Malay middle-class have been successfully bred via the NEP. These classes have the financial capacity or the access to finance capital to partake of any business opportunities open to them.

Enhancement of Bumiputera Entrepreneurship - Competition rather than Protection

What they perhaps need are the ingredients of entrepreneurship - thrift, managerial skills, the ability to identify opportunities and most importantly, the willingness to undertake risks. It is our belief that such ingredients of entrepreneurship can

only grow and flourish well in the rough and tumble of competition rather than in the cocoon of state protectionism and patronage. Parti Gerakan is, therefore, of the view that state protectionism and patronage extended to Malay businessman should increasingly be reduced over time and that freer and more open competition should instead be practised. No doubt, we must ensure that the competition is fair and within ethical bounds.

"In poverty eradication, need should take precedence over race for poverty knows no racial barrier"

Need Over Race in Poverty Education

While restructuring has been eminently successful, the same cannot be said for poverty eradication. We have made progress, of course. But much more needs to be done. And in poverty eradication, need should take precedence over race for poverty knows no racial barrier. When poverty, irrespective of race, is eradicated, the foundation for national unity, which is after all the long-term aspiration of the NEP, will be firmly laid. It is only when the Government is seen to favour certain ethnic groups that others will feel frustrated and alienated. And frustrated persons are easy targets for manipulation and exploitation by groups out to fan racial sentiments.

Importance of Eradicating Poverty

Moreover, there is an added importance to the need to emphasize more on poverty eradication, irrespective of race, in future development strategies. As a result of the past emphasis on restructuring, which basically involves the transferring of wealth from the rich of one racial group to the rich of another racial group, the cleavage between rich and poor, even if it has not been

widened, has not been narrowed. This lays the foundation for a class conflict that can be a major threat to the stability of the nation. On the other hand, when massive resources are pumped into the upliftment of living standards of all poor groups, and if these groups do experience genuine improvement in their living standards, then the chances opened to elements out to exploit and fan both racial and class sentiments will be minimized. The urge to merge among all Malaysians will then become all the stronger. Parti Gerakan will continue to strive hard to speed up the attainment of this noble goal of national unity. We believe that this is a fundamental cornerstone in ensuring the stability of the Malaysian society.

Deviation at the Level of Implementation

Many obstacles, however, still lie on the path towards the attainment of this goal. One of the most obvious is bureaucratic racism that I have talked so much in the past, and in last year's ADC. Feedbacks from our state, divisional and branch leaders confirm the existence of bureaucrats who often choose to interpret and implement policies in an over-zealous, narrow, and racially distorted fashion. The consequences can be disastrous. Already, many Malaysians are feeling depressed, despondent and frustrated at the many bureaucrats who refuse to grant licences, stalls, land and even jobs to other races, all in the name of NEP, when in fact their actions are against the spirit of the NEP. Herein lies the divergence between the goals and intentions of policies and their implementation. Parti gerakan is of the view that a high powered Government committee must be set up to monitor the implementation of policies to ensure that they do not get distorted at the level of administrative implementation. For no matter how noble the aspirations and intentions of Government policies may be, these will remain frustrated and unrealized so long as the implementation deviates from what is intended.

Call for the Formation of NECC Once Again

On the subject of the NEP extension yet again, Parti Gerakan is of the view that this is too crucial a matter to be left to the purview of only one political party. Instead, a National Consultative Council on the NEP should be set up.

This council should comprise representatives from all major political parties, Chambers of Commerce, trade unions and other representative organizations. The first task of this Council should be to do a fair and objective evaluation of the NEP, i.e., to what extent the NEP has succeeded in eradicating poverty, irrespective of race, and in restructuring society. For this exercise, all Government departments, universities and independent private research organizations should avail all data on poverty eradication and restructuring, to this Council. This Council should co-opt economic experts to assist it in this assessment and evaluation. The results of this evaluation should then be published. On the basis of this evaluation, a new development strategy could be formulated for the next few decades.

Mutually Consistent Development Goals

Although it is difficult for me to map out now the direction of the new development strategy ahead of the evaluation, it is imperative for me to suggest that this new strategy should set out the long-term aspirations of the Malaysian society. These aspirations should constitute the vision or dream of ALL Malaysians. By their very nature, these aspirations are normally stated in very general terms and would not, therefore, serve as useful guides to policy actions. Hence, these long-term aspirations must be converted to medium-term objectives which must in turn be operationalized into short-run, tangible, targets. Unless this is done, aspirations will remain only as a dream, to be

shouted from time to time as a political slogan, but without any hope of realization.

However, changing aspirations to objectives and then to targets is not enough. It is important to ensure that the targets so formulated are consistent with the objectives, and that the objectives are consistent with the aspirations of all our people. Moreover, there should be constant monitoring and review and the political will to correct mistakes and to right the wrongs. Otherwise, implementation of the targets will not lead the country along the path towards the realization of our grand Malaysian dream - a united, stable Malaysian society.

It is also important to ensure that the hierarchy of development goals should reflect the wishes of ALL Malaysians. For in the ultimate analysis, a development strategy can only succeed if it can gain the support of the people. And such support will be forthcoming only if their wishes are incorporated as part of the goals of development.

Concern Over Unemployment - Matching Skills Output with Demand

I touched earlier about our party's concern over the growing seriousness of unemployment, including the growing problem of graduate unemployment. It may be true that unemployment has become more serious over the years because of the recession. But this may not be the whole story. Even if the economy picks up again, and we have no doubt it will, there is no guarantee that unemployment will be solved. This is simply because a mismatch between the skills acquired by the labour force and the skills required by the economy is likely to arise, unless the education policies are carefully coordinated with the changing economic realities.

With the passage of time, the Malaysian economy will be undergoing major structural changes. These will in turn change the pattern of demand for labour. For example, with growing industrialization, the demand for labour with vocational, technical and engineering skills is likely to increase while the demand for labour in the arts and social science is likely to decline. Given this likely change in the structure of demand for labour, both the Government and the private sector must help prepare for the change.

Correct Attitudes and Incentives

The Government ought to re-orientate the curriculum in schools and other educational institutes in order that the correct attitudes towards blue-collar jobs are inculcated in our students. As of now, Malaysian students still prefer a very academic to a vocational or technical education. This is understandable, as the country's administered structure of incentives still rewards a degree graduate more than a skilled technician, even though we may need the latter more as the economic structure changes. Hence, it is imperative that the structure of incentives be constantly monitored and managed by both the Government and the private sector to reflect changing needs. This, together with newer, healthier attitudes towards blue-collar jobs inculcated by our country's educational system should then reallocate human resources into new lines of training that are commensurate with the new economic structural changes. In short, manpower planning is a prerequisite for increased absorption of labour over time. Without realistic manpower planning and proper implementation, unemployment will remain a problem even when certain sectors are faced with labour shortage.

Deposit-Taking Co-Operatives' (DTC) Scandal - Gerakan's Basis for Resolution

The last important economic issue I would like to raise is that concerning the DTC crisis. As you all know, Parti Gerakan has always maintained a firm stand that the DTC problem should be resolved in a manner that safeguards the interest of the depositors, most of whom are low-income workers, farmers, small businessmen and housewives. However, rather than just paying lip-service or making emotional demands to gain political mileage, Parti Gerakan believes that the real solution lies in finding a concrete scheme that is financially viable and economically sound in order to ensure a full refund to the depositors. It is for this reason that Gerakan has set up a small technical committee on the 12th of December last year to study the problem. After months of quiet but serious efforts and after much consultation with the depositors' representatives, Bank Negara and the Finance Minister, the committee was able to come up with a viable proposal. The essence of this proposal is to raise \$1 billion of funds through the sale of government bonds. These funds will then be channelled to an Apex Cooperative Bank which will make the full refund to the depositors. The detailed scheme was submitted as a memorandum to the Finance Minister on the 16th May, 1987 and subsequently announced to the public on 21st of May, 1987. So far, the proposal has been well-received by the depositors, Bank Negara and the Ministry of Finance. Gerakan pledges to continue to fight resolutely for the solution of the DTC problem, using our proposal as the basis.

1988

By 1988, there were unmistakable signs that the much-awaited economic recovery has finally come. This, according to Saudara Dr. Lim, was in part due to the sound management of the economy by the leadership of the Barisan Nasional (BN). Realizing that some measures, while unpopular, were however

needed to overcome certain basic structural weaknesses of the economy, the BN leadership combined political will with administrative zeal in executing these measures.

In his 1988 speech to the ADC, Saudara Dr. Lim also felt it necessary to remind Malaysians of the need to avoid the mistakes of the past, such as overspending. The latter can be tempting, particularly with strong recovery.

He once again expressed strong support for the government's effort in liberalization, deregulation and privatization which are necessary in creating a more conducive investment environment. However, the latter must never be at the expense of social equity. He finally spelled out some of Gerakan's proposal for the post-1900 development strategy (Editor).

Economic Recovery

On the economic front, the country has gone through one of the worst recessions in her history. However, beginning this year, the economy has been experiencing an upturn. Commodity prices have recovered and improved, with some reaching new heights. Investments are pouring in. The public sector budget deficit has been reduced and so have public sector borrowings. These, coupled with prepayments of previously contracted loans, have helped to reduce our country's external debt.

Good Economic Management by the BN

This upturn is partly the result of a favourable external environment such as an improvement in the world commodity market, recovery and resurgence of the electronics industry, etc. However, due credit must be given to the sound economic management and firm measures taken by the Barisan Nasional government. In fact, some of the firm measures may not be all

that popular. However, if they are definitely good for the country in the long run, then it is the responsibility of the government to go ahead firmly but fairly.

We in GERAKAN believe that, if a policy or a measure is correct and good for the people in the long run, it will eventually be understood, appreciated and accepted. What is needed, however, is patient persuasion and positive public relations to explain to and convince the people of the rationale and benefits of certain policies, programmes and measures. There must also be constant contact with the people for frequent feedback. This is needed for continual review so that modifications can be made to policies that can then respond to changing conditions. In this way, policies can then better serve the interest of the people.

Equally important is the need to ensure that every government officer, in implementing a policy or a programme, not only fully understands its original spirit and objectives but must also practises fully the concept of "leadership by example". Government officers must be both responsible and responsive. Otherwise, a policy or programme with the best of intentions to upgrade people's livelihood and to promote unity may become distorted into an "obstacle course", creating hardships and frustration for the people and source of disunity.

A More Conducive Environment for Growth

We must learn from the difficulties we have gone through in the past few years. We must realize that we cannot depend solely upon external economic environment which is not likely to stay favourable all the time. We should, therefore, always be alert and prepare for the worst. In good times, we must save for the rainy days and not to overspend as we did in the late 70's. We must be prudent and particular. Above all, we must create and sustain an internal environment which is

conducive to rapid and dynamic economic growth and which is resilient and responsive to external changes. We must continue to increase productivity, to reduce costs, to upgrade quality and to improve our marketing techniques. Only in this way can we compete effectively in the international market.

Therefore, creating and sustaining such a socio-economic environment is of utmost importance to the country. In this respect, we are happy that the government has over the past two years responded positively to appeals and suggestions from different quarters including various representations from Gerakan by taking certain concrete steps towards deregulation and liberalization. Such steps have helped to reduce red-tapes and delays, thus restoring confidence and stimulating interest amongst both domestic and foreign investors.

Privatization

In this context, Gerakan also welcomes the government's privatization policy. After all it should not be the business of the government to be in business. The government should stimulate rather than stifle private business initiatives, complement rather than compete with the private sector. At the same time, neither should the business of the government be the government of business. In other words, the government can and should be actively pro-business but it should not actively meddle in the administration of any business nor should the government be influenced or dictated by any business interest. The government should remain the government of the people and for the people.

In this context, we feel that the government should establish a clear set of guidelines and criteria on what kinds of enterprise or service that are suitable and feasible for privatization, and those that should not, in the interest of the public, be privatized. This will ensure that social equity and social justice prevail in the midst of economic progress.

Moreover, in selecting the privatizing body, the emphasis must be on economic merit so that privatization will bring about greater economic efficiency and social effectiveness, rather than to perpetuate dependence on the government or to arouse any suspicion of nepotism and malpractices.

The NEP and the Post-1990 Policy

The one single most important factor influencing and indeed moulding the economic environment in Malaysia over the past 18 years has been the New Economic Policy (NEP). Although few right-thinking Malaysians would disagree strongly with the stated objectives of the NEP, there have been many complaints that narrow interpretation and over-zealous lopsided implementation of the NEP by some officers have tended to dampen entrepreneurial confidence and initiative, especially amongst the local non-Malay business community. We should therefore consolidate on the success of the NEP and also to review its shortcomings.

A New National Economic Policy to Replace the NEP

Gerakan maintains that in 1990 the NEP should be replaced by a National Economic Policy which concentrates on rapid economic growth and eradication of poverty, irrespective of race. The ultimate goal will be national unity within a context of prosperity and equality of opportunity for all. The restructuring prong should be deemphasized in view of the momentum generated which will ensure Malay participation in the corporate sector in time to come. More importantly, there is a need to minimize the divisive effects of the NEP and to encourage a sense of self-reliance and confidence amongst the Malay business community and a sense of fairness and belonging amongst the non-Malays. Should there be any need for restructuring, it must be seen that Malays are encouraged to go into the private sector

whereas non-Malay are encouraged to go into the public sector. Most important, we must not create amongst Malaysians a sense of social deprivation or 'miskin hati' syndrome.

Our basic position as outlined above remains unchanged. However, in order to take into account new trends and development in the world economy and the national economy, the party's Central Economic Bureau is again working on a number of papers documenting the present situation and detailing the party's position. This will be presented in another economic seminar scheduled for the first quarter of next year. The draft document will then be revised, based on the comments and criticisms received at the seminar. Views from various quarters, such as the chambers of commerce, employers' associations, trade unions, consumer bodies and academics will also be sought in the course of preparing these papers, which will constitute Gerakan's contribution for the development of the country into the 21st century.

On this issue, we are prepared to work closely with all the component parties of Barisan Nasional with the intention of arriving at a general consensus and a commonly acceptable programme for action. We therefore welcome the repeated assurances by the Deputy Prime Minister that all parties will be invited to present their views on the direction and content of the new policy. However, in view of the fact that 1990 is just barely over a year away, the process of consultation and preparation must start as soon as possible. There should not be any delay which may give rise to doubts about the sincerity of the top leadership.

1989

Towards the end of 1988, the government announced the formation of the National Economic Consultative Council (NECC)

which comprised representatives from political parties, trade unions, chambers of commerce, academics and pressure groups. This Council began its deliberations at the beginning of 1989. Parti Gerakan was represented in this NECC by 5 delegates led by Saudara Kerk Choo Ting, Parti Gerakan's current Deputy President. The year 1989 and the following year were thus dominated by discussions on the direction of the post-1990 economic policy of the country. It was in this context that Saudara Dr. Lim spelt out, in his 1989 Presidential Address, the party's position on this post-1990 development strategy. Essentially, the party supports growth with distribution based on need but not creed. He also courageously called for the political will to remove, albeit in stages, the Bumiputera-Non-Bumiputera dichotomy. He also suggests the formation of a monitoring body to monitor the implementation of the new post-1990 development strategy in order to ensure that implementation conforms to the spirit of this new strategy (Editor).

Impressive Economic Growth

The Malaysian economy suffered a severe recession in 1985 when our economy experienced a negative growth rate. The export-dependent commodity-based economy of our country has subjected us to the vicissitudes of the economic fortunes of the developed nations. It is therefore heartening to note that our economy has now fully recovered, with the real GDP registering an impressive growth rate of 8.1 % in 1988. The swift and vigour in which we managed to turn around our economy has won international praise and admiration. This is largely attributed to the pragmatic and effective measures taken by the Barisan Nasional Government under the dynamic leadership of Y.A.B. Dato Seri Dr. Mahathir Mohamad. The Government has taken timely steps in liberalizing our economic policies and regulations, thereby attracting large inflows of foreign investments as well as greater participation by our own private sector. In fact, most indicators are pointing to a more bountiful Malaysian economy

during the coming decade if the present trends continue.

During the period of economic difficulties, Gerakan has initiated a process of consultation with the private sector, especially with experts and leaders in various fields, in order to seek possible solutions to the economic woes of the country. Leaders of Gerakan, jointly and individually, have presented several concrete economic proposals to the Government and business bodies. Our representatives in the various government set-ups at both the federal and state levels, particularly in Penang, have also been instrumental in encouraging greater foreign and local investments. Gerakan is proud that it has made some significant contributions to the nation's economy, helping to improve the people's livelihood and quality of life.

Formation of the National Economic Consultative Council

Saudara-saudari, 1990 will be a watershed year in the economic history of Malaysia with the completion of the Outline Perspective Plan (1970-1990) of the NEP. We are proud to note that the Government has responded to an appeal we have been making since our 1984 National Economic Seminar by setting up a National Economic Consultative council to deliberate on economic issues and to seek a national consensus on the future economic direction of our country for the 1990's and towards the year 2000.

Democratic consultation is always a tedious and trying process. This is especially so for a large body such as the NECC, with representatives from diverse social, economic, cultural and political backgrounds. Perspectives and opinions tend to be diverse and even divisive. The goings can at times be tough and rough. Therefore, it calls for a lot of perseverance, patience and tolerance on the part of all those involved. I am glad to note that Gerakan representatives in the NECC have been active, positive and constructive in channelling the views of the party and the

people in assessing past performance and in formulating major policy recommendations for the future.

"Just and equitable distribution of wealth and opportunities should be based on merit and need, but not creed"

Post-1990 Development Strategy:- Gerakan's Proposal

As most of you know, Gerakan has proposed a three-prong national economic policy for the 1990's. First, rapid yet broad-based, balanced and sustainable growth. Second, just and equitable distribution of wealth and opportunities based on merit and need, but not creed. Third, promotion of national unity and national consciousness. Basic to the three prongs is the development of our human and natural resources, with emphasis on suitable preservation of our environment to ensure a better quality of life for all Malaysians and for future generations.

Growth must be the primary thrust of our nation's future economic policy because of the urgent need to compete effectively with other nations in the world market. We must therefore stress efficiency and excellence, rather than ethnicity and expedience. Moreover, growth creates new wealth and greater opportunities for socio-economic advancement of the people as a whole and provides the necessary means for eradication of poverty and hence a more meaningful distribution of wealth. Otherwise, any distributional effort within a stagnant or sluggish economy tends to lead to vicious scrambling over the existing economic cake and hence friction, conflict and discontent.

Moreover, undue and unfair intervention by the government in a free-enterprise economy will not only stifle initiative and innovative potential but also create an unproductive "rentier class" that is dependent on government protection and

provision but unable to stand and compete on their own feet. Therefore any form of government assistance should be based strictly on need and not on communal or political considerations. The purpose should be to enhance the capability, confidence and competitiveness of disadvantaged and deprived groups, rather than to restrict or retard those who have been doing well and who can continue to contribute to the overall process of economic growth.

Institutionalization of Bumiputeraism

It cannot be denied that the implementation of the NEP over the past twenty years has created tremendous opportunities for the Malays and other indigenous people whose advancement in the field of share ownership, education, land development and the public services is an achievement indeed. At the same time, the booming economy of the 70's and the early 80's has also undeniably benefitted other Malaysians in general. However, one serious drawback of the NEP is the institutionalization of the Bumiputera-non-Bumiputera dichotomy which has become internalized in the policy and psychology of our people, making many of them obsessed with racial quotas and racial squabbles. This racial dichotomy, coupled with the woes of bureaucratic racism as practised by some members of the civil service and aggravated by the prevalence and predominance of racial politics, has been divisive and hence detrimental to national unity.

Political Will To Phase Out the Bumiputera-non-Bumiputera Dichotomy

Gerakan feels strongly that the government, and the nation as a whole, must be committed to the eventual phasing out of the Bumiputera-non-Bumiputera dichotomy and the quota system in a serious and systematic manner. The quota system should eventually be replaced by a system of distribution and allocation based on merit and socio-economic needs. We are convinced that our proposed system will more effectively and

justly cater and care for those who have been historically deprived, socially disadvantaged and economically handicapped, without creating a dependence mentality on the one hand and a sense of disenchantment on the other. The government must treat all our people as Malaysians so that they can think, act, interact, help one another and progress together as Malaysians.

Need to Set-Up a Monitoring Body

In view of the many deviations during the implementation of the NEP, Gerakan has also proposed the setting up of a Council on Economic Policy Implementation (CEPI) endowed with adequate power to oversee and monitor the proper and fair implementation of the post-1990 national economic policy. The CEPI can be supplemented by an ombudsman system and the setting up of Policy Accountability Committees in Parliament and State Legislative Assemblies, with provisions and powers similar to the existing Public Accounts Committees. We hope that this proposal of ours will also be favorably considered by the Government so as to avoid the controversies surrounding the implementation of the NEP.

"Undue and unfair intervention by the government in a free-enterprise economy will not only stifle initiative and innovative potential but also create an unproductive 'rentier class' that is dependent on government protection and provision but unable to stand and complete on their own feet"

1990

Malaysia entered the decade of the nineties with a much stronger economic performance. Rapid structural changes had by

then been experienced. What was amazing was the fact that rapid rates of growth were achieved without the concomitant scourge of inflation. This brilliant economic management of the BN Government won even the praise of the World Bank, the International Monetary Fund and other financial institutions, but not our opposition leaders. Saudara Dr. Lim in his 1990 address, once again praised the contribution of the BN Government, under the leadership of the Prime Minister, Dato Seri Dr. Mahathir Mohamad, to this sound economic performance.

He went on to relate the contributions made by Gerakan delegates to the formulation of the post-1990 National Development Strategy in the NECC. Gerakan delegates, he said, fought steadfastly for merit as the basis for realizing the full potential of Malaysia's productive resources and need, not creed or greed, as the basis for distribution of wealth and opportunities. Gerakan's relentless pursuit of the 'need and merit' approach won support from many in the NECC, including those who previously held firm to ethnic quotas as the basis for distribution.

Finally, Saudara Dr. Lim once again called upon the government to continue to uphold free enterprise and to spare no effort to cultivate true and genuine entrepreneurship, especially among the Bumiputeras (Editor).

A Booming Economy and A Better Life for All

We meet today at a time when our country's economy is booming. The economic growth rates achieved over the last two years were impressive. Unemployment is on its way down. Levels of consumption and investment spending are high and the government is providing the necessary stimulus for investment to be sustained over the coming years. What is even more striking is that, despite these firm signs of economic prosperity, the inflation rate has remained remarkably within control. Indeed, the

World Bank has identified Malaysia together with West Germany, Japan and Singapore as the only four booming economies in the world that have also managed to contain inflation. This is an envious achievement indeed.

Rapid Structural Changes

Meanwhile, the Malaysian economy has undergone rapid structural changes, a process which will continue in the future. The agricultural sector is no longer the dominant sector. The manufacturing sector has now taken over, with its output, as a percentage of our country's GDP, having surpassed that of agricultural output. Likewise, manufacturing output constitutes 54 percent of our country's export. There is also a concomitant shift in the country's employment pattern from agriculture to manufacturing. What is even more heartening is the fact that our country's manufacturing sector is becoming more and more broad-based. While electronic products and textiles are still dominant, other goods such as rubber-based and wood-based products, chemicals and transport equipment are fast gaining in importance. These changes are very much in line with the evolutionary process experienced by the developed economies. The indications are that the Malaysian economy will grow to be even more diversified and well-poised to withstand the vicissitudes of the international economy.

Sound Management

However, some opposition leaders, including those who have once held high offices in the government, have ridiculed the government. They claimed that these economic achievements have been entirely due to fortuitous circumstances and not because of the government's positive and realistic policy responses to the economic environment. Parti Gerakan disagrees. No doubt, during the period 1985-1986, our country's economy experienced

a downturn and was saddled with numerous problems. The country's foreign debt had by then soared to new heights, with debt servicing reaching an alarmingly high level. The public sector had become over-bloated due to massive expansion during 1978 to 1982, and was burdened with many non-performing public enterprises set up in the 70's. For these ills, the leader of the so-called opposition front must also bear a substantial portion of the responsibility. As a result, firms failed and unemployment worsened. The property and share markets were languishing in doldrums; the rate of economic growth was negative, the current account of our country's balance of payments was in the red, both consumption and investment spending were at low levels. The economy was engulfed in gloom and doom.

Since 1986, the Barisan Nasional Government under the dynamic leadership of Y.A.B. Dato' Seri Dr. Mahathir Bin Mohamad took numerous positive measures in response to what was a very serious economic downturn. These included liberalization on equity ownership, austerity measures to reduce the size of public spending and hence the public-sector borrowing requirement, privatization of state enterprises, deregulation, especially of the financial system, and conscious efforts at developing the services sector, especially tourism. Overall, private investment was given new impetus to be the engine of growth of the economy.

The results are here for all to see. The confidence of both local and foreign investors in the Malaysian economy has never been higher. Investments are pouring in. The public debt, especially its foreign component, has been slashed. Economic expansion is proceeding at an impressive rate. Jobs are aplenty. Income levels are rising. Besides manufacturing, sectors such as construction and general services are given a big boost. And with the Visit Malaysia Year, tourism is also booming. The people are clearly enjoying the fruits of the Barisan Nasional Government's realistic and responsible policy responses, as well as their own

positive and constructive efforts. And for all these, we are enjoying very high ratings from the IMF, the World Bank and other international financial institutions.

Continued Stability Vital

While we are sure that the government will continue with its efforts to promote growth, the people must also do their part to maintain social and political stability. Growth can only be sustained in a stable environment. In this regard, Parti Gerakan would like to call upon the people not to gamble with the future of the country. They should and must support the Barisan Nasional in order to further uplift the already high standard of living that we all currently enjoy. The Barisan Nasional has proven itself to be capable of performing well and of delivering the goods.

Economic Policy for the Future

As a responsible component party of the Barisan Nasional, we in the Gerakan would continue to contribute towards the task of building an economic system that is well-diversified, resilient, just and fair. We would continue to contribute ideas, to work hard and to monitor implementation of policies and programmes which have been agreed upon to ensure that there are no deviations from their original objectives.

In this respect, Gerakan has continued to play an active, positive and constructive role in the deliberations of the National Economic Consultative Council (NECC). Gerakan's representatives in the NECC held firm to the stand of the party that the economic policy for the future should place emphasis on sustained growth for all, through pro-active programmes to upgrade our country's competitiveness in the global economic arena. We advocate a fair and just society, through a system of

allocation and distribution based on merit and need, but not on creed or greed. Therefore, the racial quota system which has been divisive in its impact should be phased out and replaced by one based on socio-economic criteria guided by principles of fairness and justice with sincere and serious concern for national unity. With political stability and good management of the economy, Malaysia can be a land of growing opportunities for all Malaysians.

We believe that the economic boom in the past two years should convince all policy-makers of the viability and vitality of a deregulated economy. In spite of great progress achieved in equity participation amongst the Bumiputera Commercial and Industrial Community (BCIC), we have yet to cultivate a true entrepreneurial culture amongst the Bumiputera community. This should convince all of us that an over-protective policy obsessed with numerical quotas will not help to generate a true sense of confidence and spirit of self-reliance so crucial for the Bumiputeras to effectively compete not only within Malaysia but against the rest of the world. The emphasis should clearly be on the qualitative aspects of creating a basic entrepreneurial community and also in preparing all Malaysians to face the coming 21st century. Therefore, we advocate a more open, liberal, constructive and confident approach to the economic problems of the country.

1991

In 1991, the Second Outline Perspective Plan (OPP2)(1991-2000) was launched. This replaces the previous OPP1 (1971-1990). The major thrust of the OPP2 is that of growth with redistribution. Parti Gerakan, according to Saudara Dr. Lim in his 1991 Presidential Address, supports this noble goal of the country's new national development strategy. Indeed, equitable distribution is a necessary prerequisite for continued

stability which in turn is important for wealth creation. Thus those who advocate 'a growth only' strategy misses this crucial point and tends to sweep the key question of development for whom?' under the carpet.

In line with this, Saudara Dr. Lim expresses the party's concern over the worsening pattern of intra-Bumiputera income distribution. He calls for the adoption of urgent measures to correct this class imbalance within the bumiputera community. One such measure is the need to separate politics from business. "Just as much as commerce and industry should not be politicized, politics too must not be commercialized", he said in his 1991 address (Editor).

National Development Policy

The translation of Vision 2020 into medium range goals with appropriate strategies for their realization was recently effected with the release of our country's Second Outline Perspective Plan. The Second Outline Perspective Plan (OPP2), covering the period 1991-2000, has been formulated based on a policy which will be called the National Development Policy (NDP). While the NDP maintains the basic strategies of the previous New Economic Policy (NEP), it has several new dimensions. These will be to:

- a) shift the focus of the anti-poverty strategy towards eradication of hardcore poverty while at the same time reducing relative poverty;
- b) focus on employment and the rapid development of an active Bumiputera Commercial and Industrial Community (BCIC) as a more effective strategy to increase the meaningful participation of Bumiputeras in the modern sectors of the economy;

- c) rely more on the private sector to be involved in the restructuring objective by creating greater opportunities for its growth; and
- d) focus on human resource development as a fundamental requirement for achieving the objectives of growth and distribution.

Support for Growth with Equity

Parti Gerakan endorses the NDP's broad goals of growth with distribution for all Malaysians, for they are in accord with our party's ideology of social justice which calls for an equitable distribution of the continuously enlarging national wealth and ever-expanding economic opportunities between classes, races and regions. Such an equitable distribution is necessary for the attainment of political stability which in turn is a requirement for the generation of economic growth. Hence, an equitable distribution of the nation's wealth is a necessary pre-condition for the generation of economic growth. Without equitable distribution of wealth and opportunities, there will be no political and social stability. And without such stability, the wealth creation process will be jeopardized. Hence, those who advocate a growth only strategy for Malaysia will do well to bear this in mind. Parti Gerakan therefore fully supports the OPP2 in so far as it seeks to achieve these two noble and lofty goals. We are confident that the attainment of these goals over three perspective plan periods will lead to the creation of a united and confident Malaysia that is at the same time caring, economically just and equitable, progressive and prosperous, and in full possession of an economy that is competitive, dynamic, robust, resilient and socially just.

Worsening Intra-Bumiputera Income Distribution: Gerakan's Concern

In the light of the above, Parti Gerakan is rather concerned that while there has been overall progress in reducing income inequalities among all income groups, income disparities within the Bumiputera community are higher than among other ethnic groups. This clearly shows that the fruits of the past 20 years of development under the NEP have been appropriated in the main by the upper and middle strata of the Bumiputera community with not much trickling down to the lower strata. The NDP recognizes this as much and has promised to improve existing programmes to ensure that future benefits of development will be more equitably shared. Parti Gerakan fully supports this move to effect a more equitable distribution of income. However, such a move can only be effective if there is a separation of business from politics.

"Just as much as commerce and industry should not be politicized, politics too must not be commercialized"

Separation of Business from Politics

Just as much as commerce and industry should not be politicized, politics too must not be commercialized. Only then will the nation's bureaucracy be truly independent and autonomous of narrow sectoral vested interests while being a loyal instrument of the country's political executive and legislatures. Such autonomy is necessary to ensure that the bureaucracy will be committed towards the implementation of beneficial programmes approved by the political executive and legislature without having to be pressured into serving narrow sectional vested interests. Often, the serving of such interests leads to deviations in implementation and the appropriation of the lion's share of benefits by these interest groups.

1992

Two key issues touching on the economy were raised by Saudara Dr. Lim in his 1992 Presidential Address. One called on all Malaysians to continue to work hard towards achieving Vision 2020. The second cautioned them to be continuously vigilant against efforts, perpetrated by negative forces from within and without, that are aimed at weakening the country's determination to become a great, modern, industrialized and caring state. Often, such efforts are made under cover of such innocuous goals as promoting human rights, democracy and more effective environmental protection. But uncritical adoption of such programme can, according to Saudara Dr. Lim, erode our industrial competitiveness and ensnare us into perpetual economic backwardness (Editor).

Fifth Straight Year of Growth

We meet once again at a time when our economy is still growing in real terms at rates that are among the highest in the world. This means in turn that incomes are rising and jobs are aplenty. Inflation, though appearing initially to be menacing, has thus far been brought under control. Most indicators thus show our economy to be performing well and up to the mark. You might want to know that this is the fifth straight year that our country's economy has grown in real terms at rapid rates.

Sound Economic Management by the BN

But as I have stressed many times before, such good achievements have been due to the sound economic management of the Barisan Nasional government led by our dynamic Dato Seri Dr. Mahathir bin Mohamad and the great efforts put in by Malaysians from all strata of society. Without such sound and good macro-economic management as well as the support and

hard work put in by all Malaysians, the impressive economic achievements that we have attained so far would certainly not have come our way.

Be On Guard Against the Negative Forces of Destruction

While the Barisan Nasional government will continue to spare no effort at maintaining, if not further improving, our fine economic record, the people on their part must continue to work hard, remain united and be committed to the long-term goal of turning our nation into a modern, industrialized state that has sound ethical and moral values as envisioned in Vision 2020. At no time must they be distracted from this noble Vision, the attainment of which requires the single-mindedness of purpose of all Malaysians. They must always be vigilant against efforts aimed at weakening their resolve to make this nation into a great country for all. For, indeed, such negative and destructive efforts have and will continue to be made by certain quarters, both from within and outside the country.

What makes these efforts even more insidious is that they are often made under cover of promoting such innocuous goals as greater human rights, more democracy and more effective environmental protection. Unless we are alert and wary, indiscriminate adoption of programmes proposed under these efforts can certainly reduce our industrial competitiveness and ensnare us into perpetual economic backwardness. With the conclusion of the Cold War, political and ideological contradictions between nations on opposite sides of the political spectrum have now been replaced by economic conflicts, often between countries on the same side of the spectrum. Such conflicts occur not only among developed nations but also between developed and developing nations. One manifestation of such conflicts is the adoption by some developed nations of various forms of protectionism, including the use of non-tariff barriers, such as the resort to health scare. Such barriers are often applied

by the developed countries against developing country imports against which their own commodities are unable to compete. Needless to say, the erection of such barriers is aimed at reducing the share of commodities produced by developing countries in the markets of the developed countries.

APPENDIX 3.1

GERAKAN'S ROLE IN PENANG'S PAST ACHIEVEMENTS AND FUTURE DIRECTIONS

- speech: at 'Malam Gerakan' held in
Penang on 23 September 1989

Introduction

Twenty years ago, on May 9, 1969, the padang (open field) at the Esplanade where we now hold this grand dinner was packed to capacity. That was the eve of the 1969 General Election. All those who were concerned with the future of Penang, irrespective of race, sex and age gathered at this padang to attend the final political rally before election day. That night's political gathering has turned the Esplanade into the political Mecca of Penang. It is therefore significant that we are now holding this grand dinner at The Esplanade here again tonight, twenty years afterwards.

1969 - Penang in Economic Doldrums

Saudara-saudari, in 1969, Penang was suffering from severe economic stagnancy. Unemployment rate in the State reached a historical high of 16% of the labour force. The people of Penang were then living in poverty; they could tolerate no more the suffering.

At that time, Gerakan was born for barely a year. However, under the able leadership of Saudara Dr. Lim Chong Eu and other founder members of the party, Gerakan boldly put forward a conceptual plan for the development of Penang.

Gerakan's Economic Plan for Penang

The plan was embraced in the Gerakan's election manifesto for the 1969 General Election. We proposed to solve the unemployment problem of Penang by creating more jobs through industrialization. We promised the people of Penang to build a bridge to cross the channel and link the Penang Island with the mainland. We also promised the people that we would bring them better social amenities such as more water and electricity supply, better roads and bridges, better housing and hospital facilities, etc.

When Gerakan's election manifesto was announced, it sent shock waves through the whole state, and brought hope to the people of Penang, who were living in poverty and despair.

So on May 9, 1969, i.e. the eve of the 1969 General Election, tens of thousands of Penangites gathered at this padang to show their support for the Gerakan. The next day, they went to the polls and put 16 members of Party Gerakan into the state assembly. Subsequently Party Gerakan formed its first government in Penang.

Gerakan's Achievements

From that time onwards, Gerakan worked closely with other component parties of the Barisan Nasional and succeeded in transforming Penang from a stagnated economy into a prosperous state with industrialization as its thrust.

Over the past twenty years, the Barisan Nasional Government has attracted billions of ringgit in investments which resulted in more than 400 new factories, thereby creating more than 70,000 jobs. The industrialization programme has also indirectly created tens of thousands of jobs in other related fields. At present about 95% of the labour force in Penang are gainfully

employed. We have therefore fulfilled our pledge in 1969 to solve the unemployment problem in Penang.

In 1969, the Gerakan Government helped realize a new university in Penang that is specialized in Science and Technology. That is the Universiti Sains Malaysia. The establishment of this University not only provided the necessary manpower and technological support to the industrialization process, but also turned Penang into an education centre in the Northern Region.

The State Government is also committed to the development of the Malaysian culture. As a result the Pesta Pulau Pinang, Chingay, Dragon Boat competition and the Penang Marathon are so well developed that they have become festivals well known to the world.

The flourishing cultures of Penang together with its beautiful beaches and hill resorts and hotel facilities have made it a world class tourist destination.

In 1986, the longest bridge in Asia - the Penang bridge - was completed. It underlines the fact that the pledges made by Gerakan in the 1969 election manifesto were by and large fulfilled.

Looking to the Future

With these performances, Gerakan has proven that it is a party of action and not of mere words. There is no doubt that the Gerakan-led Penang Government has an outstanding track record in the past twenty years. However, this have not made us complacent. On the contrary, we have been constantly reviewing our past performances, learning from our past experiences and mistakes so as to provide better solutions to new problems which arise from time to time. Moreover, we also keep a close watch

on the fast changing world economy, especially developments in Asia and Southeast Asia in order to ensure that Penang could fully exploit its potential to bring about yet another golden era to its people.

The Asia-Pacific Era

The shifting of the world's economic power-house from Europe and United States to the Far East since the Second World War has ushered in the Asia-Pacific Era. At first, it was the Japanese who created a post-war economic miracle. Like Penang, Japan has no natural resources to fall back on. However, by putting its intelligent and hard working people to work on a set of common objectives, it has succeeded in transforming itself to become the most powerful economy in the world within a short span of 40 years.

In recent years, other countries on the Pacific rim, such as Korea, Taiwan, Hong Kong and Singapore have also achieved high growth rates in their respective economies. So successful was their industrialization drive that they are now called the Newly Industrialized Economies (NIEs). They have followed the Japanese example and have succeeded in marketing their products, such as automobiles, electronic appliances etc. all over the world.

Saudara-saudari, the genesis of the Asia Pacific era began with the emergence of Japan as a major economic power; it took shape after the rise of the little dragons. Now, with other Southeast Asian countries accelerating their rate of economic development, the Asia-Pacific Era is fast entering its third phase of rapid growth. It is under this kind of exciting international trend that we ask:- Where Do We Stand?

The answer is simple.

Penang:- Take-Off To Self-Sustaining Growth

Penang is strategically placed at the forefront of this third phase of growth and is in a position to reach for new heights in economic development. I dare say this because Penang is the pioneer in industrialization in this region. Over the past twenty years, Penang has laid down the necessary groundwork for another round of economic takeoff. Penang now has sound infrastructure which includes abundant supply of water and electricity, an efficient harbour, airport, highway and communication systems. Although Penang is small in terms of land area, we manage to maintain a sufficient land bank for future development, thanks to effective management of land by the State Government. Furthermore, the people of Penang has placed great emphasis on education. This has made the percentage of population with secondary and tertiary education in Penang far exceeding the respective national figures.

In other words, Penang is all set to move forward and become a new growth centre of the orient in the Asia-Pacific Era, provided that the people in Penang stay united to maintain the stability and continuity necessary for economic development.

Renewal of Mandate - First for the Jobs and Now for a Better Quality Life

It is at this historical juncture that Gerakan now seeks a renewal of mandate from the people of Penang.

I therefore would like to take this opportunity now to say to the people, and that is, Gerakan has a new vision and a new plan for the Penang State. What we have in mind is a Penang which is more prosperous, beautiful and harmonious than it is today. Penang shall become the centre of economic, transport, social, education and scientific activities in the Northern Region. We have been creating jobs in the past 20 years. We shall now

create not just more jobs, but better jobs for the people. What we have in mind is a society where the working men and women have the opportunities to enhance their productivities in order to increase their income and eventually to join the middle class.

With the strengthening of the purchasing power of the people, our petty traders and hawkers will have more business to do. Amongst them, the hard working ones will have the opportunities to own shops or even bigger business.

At the same time, the people of Penang will have better schools and better qualified teachers to educate our younger generation. We shall have better hospitals to look after the sick. We shall have no shortages of living quarters. we shall continue to have a more conducive social environment which encourages the cultural development of all communities and the eventual moulding of a Malaysian culture. In short, our commitment is to transform Penang into a more prosperous, beautiful and harmonious "Pearl of the Orient".

This is our vision. And we have already worked out a comprehensive development plan and have taken the necessary steps towards the realization of this vision. Fundamentally speaking, the success of our plan will be based on the continued rapid growth of the economy of the state. We shall gear the economic development of Penang in this direction based on diversification of the manufacturing sector and venturing into the area of higher technology. On the other hand we are also committed to the integration of small and medium industries into the mainstream so that they can benefit from the major foreign ventures. We shall embark on major land reclamation schemes in order to provide more land for the further development of the central district as well as housing and industrial schemes.

We shall take concrete steps in promoting Penang as a tourist attraction as well as an international convention centre.

We shall solve the housing problem through a multi-prong approach which includes the privatization of low cost housing projects.

Some of the strategies which I have just mentioned have already been started by the State Government under the leadership of Saudara Dr. Lim Chong Eu. For instance, in the field of industrialization, the state government has geared up its efforts to attract hi-tech industries to settle down in Penang and this effort has begun to bear fruit.

The tourism industry of Penang has undergone considerable improvement in recent years. I am confident that the "Visit Malaysia Year" which is to take place next year will bring great benefit to the tourism industry in Penang.

Continued Stability Vital

Saudara-saudari, generally speaking, economic development depends critically on stability in politics and continuity in the leadership. I would also take this opportunity to say to the people of Penang: Gerakan has prepared a group of able and dynamic leaders who work closely with Saudara Dr. Lim chong Eu to provide this continuity of leadership. I am confident that they are able to lead Penang to a more prosperous future.

The people of Penang had put Gerakan in power twenty years ago. Since then, Party Gerakan has, through its performances, proven that it is a party which delivers. I am therefore confident that the people of Penang will once again support Gerakan to lead them to the Asia Pacific era.

Finally, allow me to caution all Gerakan members especially those in Penang. Even though we have made considerable contribution in the past 20 years, we shall not depend on it to attract continued public support for us. Whether or not

the people do support us in the next general election depends largely on what we can further do for them in the future. Therefore, I would like to urge our party members to continue to be sincere, modest and hard working in order to provide better service and leadership to the people of Penang. It is with such attitudes and efforts that we may gain the full support from the people and strengthen our base in Penang.

APPENDIX 3.2

**Keynote Address Delivered
at the Opening of the National
Economic Seminar
Organized by the Economic Bureau, PGRM
on 21 June 1992 in Kuala Lumpur**

(I) Introduction

1. Saudara Saudari, allow me first to welcome all of you to this second national economic seminar organized by Parti Gerakan. I wish to extend a particularly warm welcome to our friends from the various component parties of the Barisan Nasional, Chambers of Commerce, guilds, associations, consumer and trade union movements, and would like, on behalf of Parti Gerakan, to thank them for their kind presence and support. I wish to thank, in particular, Dr. Noordin Sopiee, Director-General of the Institute of Strategic and International Studies (ISIS) for taking time of from his very tight and busy schedule to be present here this morning and to share his thoughts with us on the objectives, problems and challenges of Vision 2020. I am sure all of us present here this morning will have much to learn from Dr. Nordin's presentation, given that he has been so deeply involved in the many research and discussions preceeding the formulation of development policies in this country.

(II) Gerakan's Success

2. Saudara-saudari, the last time we met to discuss national economic issues was at our first National Economic Congress held in 1984. Then, the subject of discussion was on the objectives and orientation of the post-1990

National Development Strategy that will replace the New Economic Policy (NEP), whose expiry was due at the end of the eighties. Concerned that a development strategy that emphasizes growth with equity based on needs rather than ethnicity be in place to replace the NEP, Parti Gerakan decided then to mobilize its resources to formulate such a strategy six years ahead of schedule. We were clearly the first to show concern for a suitable replacement for the NEP. And we were the first to offer guidelines for such a replacement. This shows yet again that ours was a genuinely concerned and responsible political movement that has the well-being, in particular the future economic well-being of all Malaysians, at heart.

3. Out of that historic conference came our call to the government to liberalize, deregulate and to increase reliance on market forces as a mechanism for resource allocation so as to enhance Malaysia's industrial competitiveness. We exposed the flaws in official data presentation on the structure of corporate equity ownership by ethnicity. Above all, we exhorted the government to replace the distribution of economic opportunities and wealth based on ethnic quotas by the more just and efficient needs cum merit approach. We also appealed to the government then to convene a national consultative council that comprises representatives from a broad cross-section of the Malaysian society for the purpose of deliberating and formulating a new development policy that will replace the NEP.
4. Our appeal for consultations was positively answered when the government set up the National Economic Consultative Council (NECC) in January 1989. Over the next two years since the inception of the NECC, calls

were made by various bodies, including some political parties that had earlier fought for the continuation of ethnic quotas, to adopt the needs and merit approach, which was first propounded by Parti Gerakan, as the basis for wealth distribution.

Saudara-saudari, there is no better form of flattery and compliment for us than to see our ideas mouthed and adopted by others.

5. But more importantly, our ideas and proposals, which were accepted by a good section of the Malaysian community, have been incorporated as part of official policy. This can be seen in the objectives and direction of the new National Development Policy as spelled out in the Second Outline Perspective Plan 1991-2000, which are broadly in tandem with our proposals as contained in our party's document entitled 'The National Economic Policy - 1990 & Beyond' and our memorandum to the NECC. Parti Gerakan, therefore, has every reason to feel proud of its contribution to the formulation of this post - 1990 national development strategy which we are confident will bring faster growth, more jobs, greater equity and a better life for all in the decade of the nineties. Small though our representation in the government may be, our influence in the realm of economic decision-making is, as you can see, strong.

(III) Malaysia's Economic Success

6. Saudara-saudari, since 1987, the Malaysian economy has grown at rates that are among the highest in the world, with our growth rate in 1991 being the highest in the Asia-Pacific region.

As a result, there is now near full employment, with the country facing a problem that comes with success viz a shortage of labour in certain sectors of the economy. Living standards have improved with per capita income in current prices having increased from M\$3,630 in 1980 to \$6,781 in 1991. You may be interested to hear that by 1988, Malaysia's per capita GNP in 1985 US\$, although lower than that of South Korea based on exchange rates, was however, higher than that of this country when based on purchasing power parity. Thus, while Malaysia's per capita GNP in 1988 was 2000 in 1985 US\$ compared to South Korea's 2150 when based on exchange rate, her per capita GNP in the same year was 4950 in 1985 US\$ compared to South Korea's 4022 when based on purchasing power parity.

What is even more heartening is that our country's economy is expected to continue performing admirably this year. In the first quarter of this year, the Malaysian economy has already attained a rate of growth of 9.2 per cent. This makes the achievement of the projected rate of growth of 8.7 per cent for this year well on target.

7. The economic success of this country has thus been impressive, so much so that it has won kudos and praises from economic policy advisors in leading institutions throughout the world such as the World Bank, Asian Development Bank and the Economic and Social Commission for Asia and the Pacific (Escap). Our economic success is all the more commendable, especially when seen in the context of our social formation being multi-ethnic in terms of racial composition. Many other countries with such similar patterns of ethnic mix are busy tearing themselves asunder and are finding the satisfaction of basic economic needs to be even a problem, let alone dare dream of

prospering. So successful are we that even a team from the world-renowned Harvard Institute for International Development (HIID) is now here to collaborate with ISIS, headed by Dr. Nordin, in a joint-research project to study the ingredients of economic success in a multi-ethnic society.

8. I do not claim to know what all these ingredients are but political stability and favourable governmental policies must count as important factors. I will briefly deal with the latter first and share my thoughts with you on the former a little while later.

After the bitter experience of the 1985-86 economic recession, the Barisan Nasional government embarked upon a programme to enhance our country's competitiveness as a centre for industrial investment and export. Measures such as privatization, liberalization and deregulation, although launched even before the recession, were implemented with greater vigour. Investment incentives were streamlined and rationalized while certain previously restrictive policies relating to ownership structure were relaxed, provided certain conditions pertaining to export quotas were fulfilled. All these helped enhance Malaysia's industrial competitiveness which was further aided by the depreciation in the ringgit. This cheap ringgit regime also helped boost Malaysia's attractiveness as a tourist centre.

9. All these measures clearly yielded results. The manufacturing sector has consistently registered double digit growth over the last few years as a result of which the manufacturing sector has since 1987 been the largest single contributor to our country's GDP. This sector is expected to increase its contribution to the country's

GDP from 28.1 per cent in 1991 to 37.2 per cent by the year 2000. If realized, our country will be on course towards attaining the goal of a modern industrial state by the year 2020. The manufacturing sector has also been the single largest creator of jobs. Tourist arrivals have increased many fold resulting in the inflow of billions of ringgit of tourist receipts. In the midst of all these, we have not forgotten the one thing that we in the Barisan Nasional feel is vital for continued stability which in turn is an essential prerequisite for growth and development, viz an equitable distribution of benefits from growth between the various communities and income groups. This we have always done and will continue to do. Failure to do so will be one of the major factors that contributes to grave social grievances and the possibility of a Yugoslavian situation occurring here. This we must all prevent and avert at all costs.

10. Saudara-saudari, all these achievements are very fine but as the age-old adage goes, we must not rest on our laurels. This, I am sure, we won't and will not. And we can't, for as many of you are probably aware, the decade of the nineties and the first decade of the 21st century are full of problems and challenges. The world we live in is a dynamic one, characterized by rapid political, economic and technological changes. I need not elaborate on the political changes that have occurred in the international arena for I am sure all of you would have read of them or saw them in both the print and electronic media. But I want to add that some of these changes were just unthinkable not too long ago. And yet they have occurred. The same goes for technology. The technological frontier moves forward ever so fast that there is almost no limit as to what our world's scientific researchers will think of next. As much as all these changes pose problems to us, they create opportunities as

well. We must therefore be constantly on guard as to what these problems are and be alert as to the opportunities thrown up before us. We must then work towards overcoming these problems and grabbing our fair share of the opportunities so that we may claim our niche in the international market place. On the other hand, any slackening in our will and resolve to succeed will only bring grave economic consequences and even disaster that will in turn have a major negative impact on our country's social cohesion.

(IV) Current Trends

11. Allow me now to share some of my thoughts on what are some of these major economic trends occurring in the world today and their implications for Malaysia. The first obvious one is the tendency towards the formation of powerful economic blocs among nations in the same region. Some examples include the European Economic Union and the impending North American Free Trade Area. The fears that we have of these powerful blocs is the tendency towards diversion away from extra to intra-regional trade, their attractiveness as a centre for investment, especially to countries such as Japan which wants to set up production centres behind tariff walls, and their immense bargaining strength in international economic negotiations.
12. The international economic environment is becoming increasingly more and more competitive both for investment funds and markets. As you know, efforts to attract foreign capital from the developed countries and the newly industrialized economies are now made by almost all Third World Nations, including China, India, the whole of Indo-China and the whole of Eastern Europe. Not only are these countries hungry for foreign

capital, they want foreign markets as well. Thus, the international economy will only become more competitive and not less.

13. As I have said earlier, the world is and will be characterized by rapid technological changes which will have serious implications for the whole process of industrialization in developing countries, including our own. Some of the major technological advancements are and will be in the fields of biotechnology, advanced materials, renewable energy and environmentally cleaner technologies and micro-electronics. The latter is the most pervasive in the sense that it has the potential for application to a very large class of production problems and processes, as well as to the supply of a wide range of services. There are probably no sectors of modern industrial economies where the new information technologies (NITs) based on micro-electronics have not made significant inroads. Still, the possibilities for more profitable applications are far from exhausted with vast opportunities for further investments. In sum, Malaysia will be operating in a highly competitive world characterized by rapid shifts forward in the technological frontier.

(V) Components of A Successful Development Strategy

14. In the face of all these, what must we do next? I do not pretend to have all the answers but all the same, I will stick my neck out by suggesting a few for you to take up in a more detailed fashion later in the day. Overall, there is a need to further enhance our industrial competitiveness both as a centre for investment and export in order that we may be able to compete in an ever increasing competitive international environment. This fact is obvious but bears repeating all the same. But

again this begs the question of how.

15. My view is that the current liberal regime needs to be continued. The current broad macro-economic policy framework that emphasizes on maintaining price stability and greater reliance on a largely free market system that is export-oriented is basically correct and should be sustained, if not further strengthened. Here, the tools of liberalization that encourages entry of new firms into previously monopolistic industries; deregulation that removes constraints against competition and privatization that involves transfer of ownership of state-owned assets to the private sector should continue to be used for they ensure the expansion of our country's competitive economic order. However, defects in implementation, whenever detected, must be quickly rectified in order to win and sustain support for these measures. There is also a need to trim down the size of our bureaucracy whose efficiency must also be enhanced so that its capacity to identify, respond and overcome market failures can be further strengthened. In this regard, the government's recent moves to reduce the retirement age for civil servants and to link monetary rewards to performance under the recently introduced New Remuneration System are part of this effort at debureaucratization and motivating the public sector employees to even greater heights of achievement.
16. It is also important to ensure that contractual rules, particularly those related to doing business in this country, must be transparent, consistent and stable. In this regard, Parti Gerakan felt relieved that recent efforts by some quarters to change such rules mid-stream, especially those relating to the ownership of corporate equity, were thwarted by the Barisan Nasional's enlightened leadership. Of course, we played our part,

too. Rest assured that we will continue to resist such efforts because we are of the view that if such efforts are allowed to succeed, the damage to the entire investment climate will be incalculable.

17. There is also a need to ensure that the incentive structure adopted in both the public and private sectors in our country must be such that rewards are largely based on effort, industry and merit. This is already largely in place in the private sector and with recent efforts under the NRS, even this is being installed in the public sector. But we must continue to strengthen its essence for there is no better way to spur and motivate the country's workforce to attain ever higher levels of efficiency and productivity, a key ingredient of enhanced competitiveness, than to base rewards and promotions on effort and merit. Failure to have such an incentive structure in place and strengthened will lead to a decline in morale and productivity among the workers. Entrepreneurship will not be strengthened but rent-seeking will be. The cost in terms of failure to mobilize the productive energies of the entire workforce, stifling of innovativeness and the erosion of standards and quality, can indeed be immense.
18. Apart from these measures, enhancing Malaysia's technological capability is also very central to enhancing Malaysia's industrial competitiveness. This entails two key components: channelling increased resources towards human capital formation and strengthening our country's technological effort. I won't go into these in detail for Sdr. Kerk Choo Ting will be presenting a separate paper that will discuss these issues in some depth. But just let me draw your attention to how important it is for us to keep raising the quality of our country's stock of human resources. Studies have shown that only a small fraction

of labour productivity growth could be attributed to growth of capital per worker. An overwhelmingly large fraction, above 90 per cent, has been due to the advance of total factor productivity. Some part, if not, a significant part of this advance is due to the advancement of knowledge through education and training. There is therefore no mistaking that increased opportunities for education and training are key to any future economic success.

19. The Barisan Nasional government is well aware of this as well as the need to boost our country's technological efforts. We have already liberalized higher education, set up many more training institutes, restructure these institutes' curricula in order to enhance their supply responsiveness to the needs of industry and even passed the Human Resource Development Fund Act through Parliament last week. Of course, governmental efforts alone are not sufficient and these need to be complemented and supplemented by efforts from the private sector. Indeed, many recent moves by the government aimed at human capital formation and boosting technological efforts will come to no avail if they do not induce the right attitude and positive response of the private sector to training and education, particularly at the organizational level.
20. In this context, too, I wish to take this opportunity to call upon all Malaysians who have left for other countries to return and serve their motherland. We in Parti Gerakan well understood why they left but with recent and continuous moves at liberalization, be they in investment, commerce or even education, some of the reasons that have pushed them to leave have already been mitigated. I am confident that if we continue to perform the way we have, there will be a place under the Malaysian sun for

ALL.

21. We must also spare no effort to seek new investment opportunities as well as new markets for our products. Again, the Barisan Nasional government, especially our Prime Minister, Dato Seri Dr. Mahathir Mohamad, has led the way by strengthening our country's ties with other nations in the South through leading numerous trade and investment missions to these nations such as those in Latin America, Africa and recently Vietnam. Included in many of these missions are our country's leading businessmen who must now be quick to identify and grab new opportunities made available in these non-traditional markets. It is vital that we continuously seek to diversify our markets and seek new investment opportunities so that investment and export demand, two important components of our country's aggregate demand, can be maintained at a high level.
22. We must also constantly seek to strengthen efforts aimed at greater economic co-operation among members of Asean and among nations in the larger Asian context. We therefore support our government's efforts along with that of other Asean members, in the creation of AFTA, an Asean Free Trade Area. We also wholeheartedly support our Prime Minister's concept of an EAEC or East Asian Economic Caucus. With countries in many regions forging ever closer economic links, we will do well to take cognisance of this and be prepared to strengthen our own efforts at regional co-operation. This will ensure that we be able to talk on equal terms with others in international economic fora.

(VI) Attainment of Social Justice

23. Saudara-saudari, in our efforts to promote growth and generate rising incomes, we must not forget our commitment to that other equally important goal of greater social justice. Growth must thus always be accompanied by equity, for we cannot have one without the other. But some critics have criticized our recent efforts at greater marketization (reliance on market forces) as proof that we are currently being too pre-occupied with greater efficiency and growth to the point of neglecting equity. This cannot be further from the truth. In divestment, a popular technique used in privatization, we have always ensured that a significant proportion of the equity of newly privatized agencies are allotted to those who have applied for 1000 units only. This is in line with the government's efforts to promote a "share-owning democracy" so that more people will come to own shares in these newly privatized companies and to show concern over their economic performance. This is clearly superior to the concept of social ownership of the means of production under socialism. But still, I concede that this scheme can be further improved.
24. Here, I wish to suggest a Malaysian People's Share Programme. Under this programme, a significant proportion of the stock of privatized agencies are to be allocated to priority or target poverty groups such as poor fishermen, rubber smallholders, padi growers, plantation workers and urban workers who receive wages below a certain level a month. A further percentage share is to be allocated to employees of these agencies as is currently the practice. All who apply will be given on a pro-rata basis. Stockbroking firms must be prepared to deal in odd lots to ensure the success of the scheme.

Discount sales, payment by installments and low interest loans are to be made available to these low-income earners in order to assist them to buy these shares. Alternatively, shares can be acquired on behalf of these groups via co-operative societies or unit trusts.

This is merely a very rough outline of the scheme, which, needless to say, needs refinements, the drawing up of guidelines and the setting up of mechanisms to prevent abuse. But once problems related to this scheme can be thrashed out, divestment of this nature will lead to a diffusion rather than a concentration of economic power. The idea of a share-owning democracy will then be given substance and meaning and greater social justice attained.

25. Another key measure to effect the diffusion of economic power is through the promotion of small and medium scale industries (SMIs) which clearly have an important role to play in the social and economic progress of our nation. But successful promotion of SMIs requires that we know the factors that influence their success. There are 3 such major influences viz locational, process and market influences. Taking cognisance of these, there is a need to develop a comprehensive and well-integrated package of measures and incentives, both on the supply-side and on the demand side, in order to foster the growth of a vibrant SMI sector.
26. In developing such a comprehensive and well-integrated support package, careful consideration should be given to several aspects. First, the ever present temptation to create new organizational structures would have to be resisted, and existing institutions, suitably re-organized and reformed, should be utilized to extend support services and input to the SMIs. In that regard,

decentralized organizational structures should be used to reach out to the SMIs. Second, support measures should be extended only to deserving SMIs and not to those who are likely to waste resources. Third, promotional measures should be development-oriented rather than protective or restrictive. In a development-oriented approach, market structures that increase competitiveness, innovation and resilience are emphasized so that SMIs can become self-reliant and an effective source of competition for the large industries (LIs). Fourth, incentive measures should be direct, and use prices and markets as far as possible.

(VII) Importance of Political Stability

27. Finally, but no means the least important, the country's present political stability must be maintained at all times if we are to continue to grow and prosper. As I have said so many times before, and I stress it again now, we must never take this stability for granted. We need only look around us to learn that countries that were previously peaceful and stable are now wrecked by racial and religious strife and turmoil. Any a multi-ethnic and multi-religious society will always have its fair share of religious and ethnic contradictions, and Malaysia is no exception. These must be handled well if we are to contain the forces of religious and ethnic extremism and bigotry. The Barisan Nasional has indeed done very well in this regard. Unfortunately, such forces of religious extremism and bigotry are very much with us, and propagated with zeal by some opposition parties. They pose a constant threat to the forces of moderation as found in the Barisan Nasional. People from all races and religions must from now on rally behind the Barisan Nasional in order to strengthen and consolidate these forces of moderation. They must show in no uncertain

terms their disapproval of the forces of religious extremism. Saudara-saudari, all of you have a heavy responsibility of exposing the dangers posed by these forces of extremism and bigotry that are pushed with such vigour by some sections of the opposition. This is a task you must carry out now and with zeal and determination. You cannot and must not fail, for the consequences that befall our nation following from such failure will be extremely damaging.

28. As part of this campaign against religious extremism, we in the Barisan Nasional must show that we are committed to developing a society that is prosperous yet humane and ethical. We must and will spare no efforts in wiping out the moral decay and criminal commercial acts such as the recent large-scale stealing of public funds sent in as part of public subscription for shares floated in the Kuala Lumpur Stock Exchange. Only when we ourselves are committed to developing a society that is economically robust, morally strong and socially just will we succeed in our efforts to thwart and contain the forces of religious extremism and bigotry.

(VIII) Conclusion

29. It is on this note that I end my address to you this morning. I do hope you will have a very productive day-long exchange of views on the several important economic issues that have been put on to-day's agenda. I would like those responsible for organizing to day's seminar to pass on your views to me for submission to the relevant authorities. I would like to congratulate the Organizing Committee for organizing today's seminar. I now have great pleasure in declaring today's seminar open. Thank you.

CHAPTER 4

HUMAN RESOURCES DEVELOPMENT

Introduction

Education and training, particularly of skilled workers for industry, have always been a key subject in Parti Gerakan's political programme ever since Saudara Dr. Lim Keng Yaik assumed office as President of the party. Human resources development has thus been given prominence in many of his Presidential Addresses (1981, 1982, 1983, 1988, 1989, 1990, 1991 and 1992). As early as 1981, when he delivered his first Presidential Address, Saudara Dr. Lim already raised the need to accord greater recognition to blue collar workers. It is only through enhancing the status of these workers, for instance via administering higher wages, as well as through availing greater opportunities for educational advancement to them, will the correct signals be sent out and a greater response to the blue-collar vocation generated.

He has consistently maintained that human resources development, in particular technical and vocational education, is the key to Malaysia's successful industrialization drive. Saudara Dr. Lim's concern for the need to churn out more industrial workers with skills, coupled with his suggestion for a correct structure of incentives in order to attain this goal, have been proven correct subsequently. Today, industries are complaining of skills shortages, which if not overcome urgently, may prove to be a critical constraint holding back the country's move to a higher and more sophisticated stage of industrialization.

He has also been a staunch supporter of the country's vernacular educational system, claiming that both Chinese and Tamil media education have made immense contribution to the country's stock of human resources. His strong support for vernacular education was reinforced early in his Party's

Presidency by the entry into the party of a group of Chinese educationists comprising Saudara Kerk Choo Ting, Saudara Dr. Koh Tsu Koon, Saudara Ong Tin Kim and Saudara Dr. Kang Chin Seng. The entry of this group into the political arena through the vehicle of Parti Gerakan was motivated primarily by a desire on the part of the body they represent, viz the Tung Chiao Chung, to defend the character of Chinese and Tamil media schools from being changed following from the implementation of the controversial New Primary School Curriculum (KBSR) introduced in 1982. It is to the credit of Saudara Dr. Lim's political skills and acumen that he was able to convince the then party leadership of the importance of the party being used as a platform to continue the struggle for the cause of vernacular education. In the event, such a struggle did bear fruit. Those aspects of the KBSR found controversial and wanting were later removed, thus restoring the confidence of concerned citizens to the fact that the character of Chinese and Tamil primary schools will not be changed.

To boost this confidence even further, Saudara Dr. Lim has also called for the removal of Clause 21(2) from the Educational Act in his 1988 Presidential Address. To what extent Saudara Dr. Lim's effort on this have been successful will only be known when the New Educational Act is released to the public, perhaps sometime later this year.

Other key thrusts of his views on human resources development include the importance of learning Mandarin and English, apart from Bahasa Malaysia, to prepare our young for the Asia-Pacific era, the removal of university admission quotas on the basis of race and its substitution by merit.

A recurrent theme of Saudara Dr. Lim's address on human resources development is his call to the government to encourage the participation of the private sector in tertiary education. Various forms of such participation have been

suggested. These range from twinning programme to public-private sector joint-ventures. He has also called for the removal of as many administrative barriers to entry by the private sector as possible, save the need to ensure high academic standard. Parti Gerakan, in particular Saudara Dr. Lim to whom education is dear to his heart, must feel encouraged by the fact that the Barisan Nasional government has today liberalized and privatized partially higher education. Numerous colleges offering various types of academic, professional, sub-professional, technical and vocational courses through twinning and other programmes have since the mid-eighties been established (Editor).

We reproduce below excerpts from Saudara Dr. Lim's Presidential Addresses that touch on human resources development

1981

Up-Grading of the Blue-Collar Profession

The process of structural transformation of the Malaysian economy, has led to an influx of population from rural to urban areas. As this transformation proceeds, it is also expected that workers will increasingly play a more significant role in the development of the economy.

Parti Gerakan considers that one effective way to resolve poverty is to assure our people of an equitable income from their labour. Such basic equitable income must be sufficient to provide for the basic necessities of life, namely food, shelter, clothing, communications, health services and education for their children.

The emphasis of the Government's policy has hitherto been on procurement and incentives for investment in resource-based industries. Very little emphasis has been placed on incentives for the betterment of workers in terms of raising their

productivity and skill. Perhaps, it is opportune to consider introducing a comprehensive labour policy to provide for a minimum wage, more incentives facilities for training for the workers, in anticipation of further industrialization. Such a policy would in the long run create a healthy, productive and disciplined work force. The contribution by the workers to the economic well-being of the nation would thus be accorded proper recognition and the dignity of the blue collar profession would thus be enhanced.

Need to Stress More on Vocational and Technical Education

Education is an investment in the future. Vast amounts of money have already been spent on education. In the recent budget, 8.5% of the GDP has been set aside for education. In the early 1960's, there was only 1 university. Today, we have 5 universities with campuses spread out all over the country. As a vast majority of our younger generation have gone through secondary education, demand for tertiary education has increased tremendously. Such growth in demand will definitely be sustained as the country becomes more affluent. There is, therefore, a need to establish more colleges and universities to cater for such demand. Emphasis should be placed on establishing more technical and vocational institutions to equip our school leavers with technological knowledge and skills.

In providing more places in the existing institutions of higher learning, especially for technical and vocational courses at professional and sub-professional levels, the Government could look into the possibility of providing off-campus courses for those who have the ability and ambition to learn but are handicapped by finance or time. The Government could also look into the possibility of encouraging and assisting the private sector in establishing and expanding commercial and technical institutes to conduct courses for the training of appropriate skills required by

the industries. Such encouragement and assistance will complement and supplement Government's efforts in the training of human resources for national development.

1982

The New Primary School Curriculum

Since Merdeka, the country has made tremendous progress in education in terms of expansion of educational opportunities and facilities at all levels. We are now concentrating on qualitative improvement. The introduction of the New Primary School Curriculum (KBSR) was intended as an important step in that direction. However, the KBSR has aroused heated controversy and uneasiness early this year, particularly among the Malaysian Chinese community, because of certain problems and discrepancies regarding the medium of instruction and contents. We welcome the repeated assurances given by Y.A.B. the Prime Minister that KBSR would not change the medium and nature of Chinese and Tamil primary schools. We also welcome the steps taken subsequently by the Ministry of Education to rectify the situation. We urge the Ministry to continue paying special attention to problems arising out of the implementation of KBSR in all types of schools, especially schools in the rural areas, new villages, rubber estates and other deprived areas.

Tertiary Education - More Opportunities Needed

Despite the rapid expansion in higher education in the past decade, social demand for tertiary education remains very high. In addition, it is obvious that the country needs even more professional and skilled manpower for rapid socio-economic development in the future. The government should, therefore, further expand the existing institutions of higher learning in the country. We also urge the government to actively encourage and

harness efforts from the private sector to contribute to the development of higher education in the country, including the establishment of private universities and colleges. To overcome the shortage of middle-level manpower, attention should be given to the supply and quality of technical and commercial education at the post secondary level. Moreover, we feel that in order to reduce the phenomenon of polarization and to promote a sense of unity, the government should consider phasing out the use of racial quotas in university admissions. Indeed, merit and the family's socio-economic background should be used as criteria for admission in an attempt to promote the twin objectives of efficiency and equality.

1983

Shortage of Teachers for Vernacular Primary Schools

It is our conviction that the present system of primary education using different media of instruction should not only be maintained but also be further strengthened. While we are relieved that the controversy in 1982 regarding the language medium for certain subjects in the new 3M curriculum for Chinese and Tamil primary schools has been largely resolved, we are very concerned about the possible adverse effects of shortage of teachers and funds on the implementation of the new curriculum affecting all schools. The problem is especially acute in many congested urban schools, and the ill-equipped schools in plantation and out-lying rural areas. The Government should, therefore, train more teachers particularly for the Chinese and Tamil primary schools where the problem of shortage of teachers is more serious. Temporary teachers should be absorbed into the permanent establishment. Moreover, more funds should be allocated and in a fair manner to all schools for the implementation of the new curriculum. Primary education is one area that should not be affected by the budget cut. This is because primary education is too important for the well-being of

our future generations.

Need to Expand Higher Education Opportunities

In tertiary education, demand still far exceeds the availability of places in local institutions. Consequently, as many as 70,000 of our students are currently studying overseas - some under government sponsorship, others on their own. Most of these students studying overseas would have preferred to study locally if there are places available for them at local Institutes of Higher Learning. The Government should therefore consider ways and means to create more places locally. Specifically, Gerakan urges the government to expand the existing institutions and to encourage the establishment of private institutions such as vocational schools and technical colleges, including public-private "joint ventures". This will not only save a great portion of the loss in foreign exchange but will also prevent uprooting many of our youngsters in their tender and formative age.

1988

Quality and Equality of Education

Related to the NEP is the issue of education. Gerakan considers education not only as an important form of investment in human resources for socio-economic development but also as an instrument for social equality. Therefore, Gerakan has fully supported the government's effort in democratization of education, especially in deprived areas for disadvantaged groups. It is part and parcel of our commitment to eradicate poverty and to fight for greater equality.

"We believe that, in education, quality and equality are not mutually exclusive. We need not sacrifice quality for the sake of equality, nor do we need to abandon equality in order to achieve quality"

However, we believe that, in education, quality and equality are not mutually exclusive. We need not sacrifice quality for the sake of equality, nor do we need to abandon equality in order to achieve quality. Our basic concept is that more allocations for quality basic education at the pre-school, primary and lower-secondary levels must be provided by the Government to lay a strong foundation for basic literary and arithmetic skills amongst all our young children. Without these basic skills, there will be no quality nor equality.

Mobilizing Private Sector Resources

At the upper secondary, post-secondary and tertiary levels, the resources and efforts of the private sector and of the international academic community must be further harnessed to supplement and complement public-sector resources - again to provide quality education for more and more students. Greater access to higher education brings about greater equality in education at the higher level. The setting-up of more private colleges, therefore, is in itself a process of democratization of education.

Seeking to Remove Clause 21(2)

Education also needs to be depoliticized so that its potential as an instrument for mutual understanding, mutual respect and unity can be developed to the fullest for the benefit of the nation as a whole. In this connection, Gerakan has since 1982

worked very hard to try to resolve many of the controversial and sensitive issues in education. It was Gerakan which initiated discussions in late 1982 among top BN leadership on amendments to the Education Act, in particular the controversial clause 21(2). We approached this issue from a larger Malaysian perspective based on educational ground and social factors. We have been encouraged by some positive responses, although a final complete solution has yet to be reached.

1989

Brains and Not Grains

In the economic world of today, the most valuable capital is human capital. We have seen how nations with little or no natural resources, such as Japan, Korea and Taiwan, managed to achieve a very high level of socio-economic progress. Therefore the "strategic commodity" basic to competition amongst nations today is no longer grains but brains. We in Gerakan therefore fully support our Prime Minister's proposal at the Non-Aligned Conference recently for the setting up of academic centres of excellence amongst nations of the South to train our brains and to prevent brain drain to the North. We would also like to propose that we should not only try to prevent brain drain, but we must take positive and active measures to attract brains into our country, especially the many talented and skilled Malaysians presently working overseas, who are able and willing to contribute to our nation-building process.

"We have seen how nations with little or no natural resources, such as Japan, Korea and Taiwan, managed to achieve a very high level of socio-economic progress. Therefore, the 'strategic commodity' basic to competition amongst nations today is no longer grains but brains"

Importance of Learning Other Languages

The rapid industrialization and internationalization of our economy and the dawning of the Asia-Pacific era have posed new challenges to Malaysians. There is an urgent need to review our education system so that our younger generations can be equipped with the necessary knowledge, skills and attitudes to face these challenges, and to exploit and create new opportunities. In this regard, besides the emphasis on science and technology, our education system must also pay particular attention to the effective teaching of languages other than Bahasa Malaysia which has become well-established beyond any doubt as our national language. The export orientation of our economy necessitates the learning of major international languages, especially the English Language, in order to facilitate business communication, information and technological transfer. The rise of the Far Eastern economies has also underscored the importance of learning the Chinese language which should be encouraged amongst all our people without any xenophobic sensitivities or chauvinistic sentiments.

Malaysia's success in the development of primary and secondary education could only be paralleled by few in the developing world. However, this has generated increasing demand for tertiary education. Therefore, Gerakan urges the Government to adopt an even more liberal education policy and

encourage the setting up of more private colleges. There should also be greater emphasis on the training of skilled technicians and para-professionals instead of the mere provision of conventional, academic-oriented post-secondary education. This new orientation is crucial to ensure the success of our country's industrialization programme by supplying the required manpower.

1991

Human Resources Development - A Key Competitive Weapon

I wish to refer to a major challenge that Parti Gerakan regards as being critical and must be overcome over the next decade if we are to attain Vision 2020. This major challenge facing the Malaysian economy is increasing global competition. This is where Malaysia, on its part, has to maintain its competitiveness by increasing productivity through improving the skills of its workers. This calls for enhanced attention towards education and training so that we can keep up with technological progress and global competition. Unless we do so, we will lose out in this global competition and be forced to accept relatively lower standards of living. We must face up to the reality that human resources development will be the key factor in determining who becomes rich or remains rich in the 21st century. It is the key strategic competitive weapon for individuals, firms and countries. Here, we can certainly look East and learn from Japan where economic success has been due in no small measure to its huge investments on human resources development. This stress on human resources development is also reflected in the organizational structure of the firm where the second most important person after the Chief Executive Officer is the Vice-President in charge of human resources. This is unlike the United States where the second most important person is the Finance Director.

Correct Mix of Skills

While it is abundantly clear that Malaysia ought to accelerate its human resource development programme, and this is acknowledged by our country's National Development Plan (NDP), we must be clear as to what sort of skills to develop. For unless we develop the right mix of skills that will match the needs of development, a mismatch between skills possessed by the workforce and skills required by industry may arise. Knowing what sort of skills to develop is of course difficult. But one thing is certain - educational development must take account of shifts in technology. If our concern is with inventing new products, then we need to worry only about the education of the top 25 per cent of the population. But if our concern is more with mastering process technologies, then the educational system will need to shift from being elitist to one that is more concerned with educating the bottom half of the population. In other words, there is a need to re-orientate our educational system to make it more broad-based so that we can produce a huge core of skilled work force to man the process technologies. This will be crucial to our country's development if we are to achieve the Vision of 2020.

Correct Incentive Structure

To substantiate what I mean, allow me to refer to one aspect of our country's human resources development. As you are all aware, manufacturing expansion is expected to be one of the two major sources of growth for our country over the next decade, services being the other. The pattern of expansion of the manufacturing sector is in turn expected to need a strong pool of engineers, technicians and artisans to support this expansion. While supply of both is short, the situation is far worse in the case of technicians and artisans. This means that engineers often have to double as technicians, which is clearly a gross misuse of a critical human resource. To overcome this problem, several steps

need to be undertaken urgently. Firstly, both the quantity and quality of locally-trained engineers must be increased quickly. Secondly, there is a real need to shift the emphasis and focus of our secondary school system from being too academic to being more vocational-oriented in order to produce a sizeable number of technicians. But this is likely to meet with social resistance on account of the fact that technicians occupy a relatively lower social status and drawing relatively lower salaries. This resistance is largely an incentive and attitudinal problem though they are closely related. The perception that technicians occupy low social status is due to the distorted incentive structure which rewards skills not based on market need but rather are administered on the basis of paper qualifications. This distorted incentive structure has led to persistent high demands for tertiary academic education but relatively lesser demand by students for vocational training which in fact is often despised, even though the demand for the output of vocational institutes by the industry will become substantial. To overcome this problem, Parti Gerakan would like to suggest that the whole incentive structure be reformed such that it will provide greater inducements to technicians and other blue-collar type workers. Although the high demand for technicians is already reflected in shifts in demand and supply forces in the labour market and that wages for such skilled workers have been on the rise, but this change in trend needs to be accelerated. This is where the public sector can set the lead through its wage reforms.

More Night Classes

Finally, greater opportunities must be made available to blue-collar workers for further education, perhaps up to polytechnic or even university level. This, besides the incentive structure, will help to correct the present biased and unhealthy attitude towards the technicians and artisans. Here, Parti Gerakan agrees that the government ought to encourage our local universities and polytechnics to offer night courses. This should

be supplemented by similar evening courses offered by private colleges and institutions. Parti Gerakan is also happy to hear that the government is planning to set up an Open University. This is really a great idea that deserves the support of all. It represents a cost-effective way of further democratizing tertiary education though we hope that the planners of this university will give some thought to the country's development needs when planning and designing the curricula.

1992

Enhancing Technological Capability

As you are all aware, Malaysia is currently pushing its industrialization effort on to a higher and more sophisticated level. To succeed in this endeavour requires that Malaysia's technological capability be enhanced. This in turn entails two key ingredients: channelling increased resources towards human capital formation and strengthening our country's technological effort. I do not wish to delve into these at length. However, I feel it imperative to draw your attention to how important it is for us to keep raising the quality of our country's stock of human resources. Studies have shown that only a small fraction of labour productivity growth could be attributed to growth of capital per worker. An overwhelmingly large fraction, above 90 per cent, has been due to the advance of total factor productivity. Some part, if not a significant part of this advance, is due to the advancement of knowledge through education and training. There is therefore no mistaking that increased opportunities for education and training are key to any future economic success.

The Barisan Nasional government is well aware of this as well as the need to boost our country's technological efforts. We have already liberalized higher education, set up many more training institutes, restructure these institutes' curricula in order to enhance their supply responsiveness to the needs of the industry

and even passed the Human Resources Development Fund Act through Parliament recently. Of course, governmental efforts alone are not sufficient and these need to be complemented and supplemented by efforts from the private sector. Indeed, many recent moves by the government aimed at human capital formation and boosting technological efforts will come to no avail if they do not induce the right attitude and positive response of the private sector to training and education, particularly at the organizational level.

Greater Private Sector Participation in Education

But such an attitude can, however, only be induced via the adoption of a more liberal, democratic and sympathetic stance by the Ministry of Education towards those who wish to participate in the provision of more higher education opportunities. Aside from quality which must be monitored to ensure the highest of standard, the Ministry must not put other unnecessary barriers to entry into the field of private education. Parti Gerakan would like, therefore, to exhort the bureaucrats not to deter the entry of suppliers into private higher education, although high product quality must be ensured, in order to avail to many more Malaysians the opportunity to further their studies. At the same time, our party would also like to urge the private sector to take up the call of the government to participate even more actively in the provision of higher education.

Support for Southern College and TAR College

In line with this, Parti Gerakan supports the efforts of our friends in the MCA in further expanding Kolej Tunku Abdul Rahman (TAR College) so that many more bright young people may be availed opportunities in tertiary education. To show our support for this effort of the MCA, I would like to announce that Parti Gerakan will donate a sum of RM500,000 to the Kolej Tunku Abdul Rahman Fund. We also recognize and appreciate

the contribution of the non-profit Southern College in Johore in training more technicians and professional staff who are desperately needed by the nation. Therefore, Parti Gerakan would like to donate RM500,000 towards its building fund. These contributions of ours show that component parties in the Barisan Nasional viz MCA and Gerakan, not only talk but also act to bring higher educational opportunities to the doorsteps of many Malaysians. I hereby challenge the DAP to do likewise. Instead of just being consistently negative and destructive, the DAP should act to enhance educational opportunities to many more Malaysians.

CHAPTER 5

SOCIAL ISSUES

Introduction

Although political and economic issues have dominated Saudara Dr. Lim's Presidential Speeches, issues of social importance have not escaped his notice either. Hence, Saudara Dr. Lim has expressed the party's stand on a wide range of other social issues such as national unity, language, culture, religion, corruption, role of women and youth in development, housing and even foreign relations in his various Presidential Addresses. Among these, national unity has been brought up relatively more often as it is of great concern to all Malaysians. It is on this subject, too, that Parti Gerakan would like to think it can make useful contributions through selling its non-communal, multi-racial Malaysian line. For it is only via this approach that all Malaysians will be inculcated with the Malaysian consciousness and only with this, will they think and act as Malaysians. Only then will they perceive of things in a truly Malaysian fashion that is devoid of ethnic colouring.

On all other issues, Saudara Dr. Lim has been guided by Parti Gerakan's vision of a clean, corrupt-free Malaysian society where its citizens are rewarded for hard work, willingness to take risks and initiative. Describing corruption as an ugly aspect of capitalism, Saudara Dr. Lim feels that unless this scourge is removed, a wrong signal, that one can make good money in double-quick time through corrupt means rather than through hard work and initiative, will be sent. This can be highly damaging to the Malaysian economy which can only grow and prosper via honest productive labour and entrepreneurship. In the realm of culture, language and religion, Malaysians must be granted freedom to learn, speak and write languages other than Bahasa Malaysia and to practise their own cultures and religion. For it

is neither healthy nor realistic to constraint cultural development by rigidly specifying its content and form. On the contrary, our rich and diverse cultures should be encouraged to grow, to interchange and to evolve in as natural an environment as possible, based on the spirit of mutual respect and understanding (Editor).

(1) NATIONAL UNITY

1981

Some Progress Towards National Unity

It is almost twenty five years since the attainment of Merdeka. During this period, it cannot be denied that there has been some progress in evolving a national consciousness and identity, and in building an integrated national community. To many, such progress may seem painfully slow, but I can assure them that the colonial socio-economic barriers segregating our various communities are being slowly but surely dismantled.

"There is always the lurking danger that vested interest groups may attempt to distort issues and make them communal so as to advance their own political or commercial interests"

Opportunistic Racism

We, in Gerakan, are fully committed to the pursuit of Malaysian Unity through social evolution and economic progress as envisaged in the NEP so as to attain ultimately a fair and just society for all. We are conscious of the many cross-currents that exist today. However, vociferous demands by any particular section or community in excess of the NEP targets must be

resolutely resisted. There is always the lurking danger that vested interest groups may attempt to distort issues and make them communal so as to advance their own political or commercial interests. All Malaysians, irrespective of their ethnic origins, must steadfastly resist the reactionary appeal of sectional and communal chauvinism, and resolutely march forward in the direction of Malaysian Unity.

Revamp of the National Unity Board

Gerakan has always maintained that all issues that affect the political stability and socio-economic well-being of the nation are national issues and must be resolved through national effort. Particular problems confronted by a particular community must invariably affect the nation as a whole. No communal issues as such could be resolved in isolation. Such problems must be tackled and resolved with national effort in the interest of the nation. In order to ensure that issues are clearly perceived in their right perspective, it is imperative that our scholars and students of Social Science be mobilized to research and analyse problems confronting contemporary Malaysian society rationally and dispassionately. In this respect, Parti Gerakan strongly urges the Government to revamp the National Unity Board with functions to research, study and recommend ways and means of achieving national integration through socio-economic development, with particular regard to the solution of poverty and the reduction of the gap between the haves and have-nots.

1982

As we celebrate 25 years of Merdeka this year, it is appropriate to evaluate the progress made in evolving a national consciousness and identity and in building an integrated and united national community. Although we have made progress, the level of national unity thus far attained is far from ideal. Parti Gerakan

is fully committed to the pursuit of Malaysian unity through social evolution and economic progress, so as to attain ultimately a fair and just society for all. All Malaysians, including Gerakan members, irrespective of their ethnic origins, must steadfastly resist the reactionary appeal of sectional and communal chauvinism, and resolutely march forward in the direction of Malaysian Unity. In this respect, Parti Gerakan Rakyat Malaysia urges the Barisan Nasional to create a Barisan Nasional Youth Movement so as to afford youths from the component parties of the Barisan Nasional an extra avenue to come together, to exchange views, create greater understanding, discuss and formulate ways and means to quicken and strengthen national unity.

1983

National unity is a pre-requisite to national vigilance against external threats. Without unity and solidarity, we cannot successfully defend our national sovereignty and our way of life. Therefore, more conscious efforts must be made towards fostering solidarity amongst our various ethnic groups. Problems and issues that affect one particular community must invariably affect the whole nation, and therefore, cannot be tackled in isolation. It follows therefrom that in the formulation and implementation of national policies, the legitimate rights and interests of each and every group are considered and protected and any bias must be corrected and eliminated.

"Problems and issues that affect one particular community must invariably affect the whole nation, and therefore, cannot be tackled in isolation. It follows therefrom that in the formulation and implementation of national policies, the legitimate rights and interests of each and every group are considered and protected and any bias must be corrected and eliminated"

1984

More Open Dialogues on the Issue

The problem of racial polarization has recently been openly acknowledged by the top leadership of our government. Our Deputy Prime Minister, Y.A.B. Dato Musa, in particular, has voiced his concern recently with the intention of generating constructive discussion towards resolving the problem. As national unity has always been the prime objective of GERAKAN's political program, we wholeheartedly support the call for more open-minded, sincere and constructive dialogues on the issue of racial polarization, especially among the leaders and intellectuals in our society.

Root Causes

The root causes of racial polarization are many. First, there was the legacy of colonial "divide and rule" practices. This set the stage for communal politicking which still prevails today. The gross imbalance in the economic structure of our country among ethnic groups on the eve of independence has understandably caused feelings of frustration and alienation on the part of the initially disadvantaged ethnic group. It is precisely to

overcome this imbalance that the New Economic Policy was launched in 1970. Since then, however, the rapid progress of NEP restructuring, exacerbated by excesses in implementation on the part of some over-zealous bureaucrats, has generated fears and frustration on the part of the other ethnic groups. The dichotomy between Bumiputeras and non-Bumiputeras has heightened ethnic consciousness and mistrust.

No Bumiputera - Non-Bumiputera Dichotomy after 1990

We in GERAKAN believe that the excesses in the implementation of NEP restructuring must be curbed. We also wish to reiterate our call for the replacement of the present NEP with a new National Economic Policy after 1990 that emphasizes economic growth and poverty eradication, irrespective of race. With the successful removal of economic imbalance among ethnic groups by or even before 1990, the bumiputera - non-bumiputera distinction should no longer be used after 1990. Instead, all citizens of the country should just be known as Malaysians.

Condemnation of Religious Extremism

Religion, language and education have always been sensitive topics in a multiracial society which, if not handled properly, will aggravate racial polarization. One recent phenomenon is the spread of Islamic extremism which has lately taken on a serious dimension in our country. Among other things, some extremists are trying to overthrow our present form of government with its basis on parliamentary democracy and our present system of economic development. Here, once again, both Dr. Mahathir and Dato Musa Hitam, as leaders of UMNO, have shown decisiveness and firmness in dealing with the matter.

We in GERAKAN view with great concern the impact such extremist development has on the political stability and national unity of our society. We, therefore, give our full support

to the UMNO leadership in their fight against extremism. We would also like to urge all members of our society, especially the non-Malays, to try to understand the root cause of the problem and to understand the difficulties faced by our Muslim brothers. Only then can we find a good way to channel the energies of religious fervor for constructive purposes.

"... we strongly feel that the right of existence of mother-tongue based schools should not be questioned and made a scapegoat for causing racial polarization"

Against Forced Integration

The issue of education too is often very controversial. Some quarters have recently suggested that the existence of Chinese and Tamil primary schools is responsible for causing racial polarization in our country. We in GERAKAN do not share this view. On the contrary, we strongly feel that the right of existence of mother-tongue based schools should not be questioned and made a scapegoat for causing racial polarization. As we have elaborated in our Party Memorandum on National Culture last year, the basis of national unity and racial harmony cannot be that of forced integration, whereby a citizen of one ethnic origin has to give up his or her own heritage and to conform to the cultural patterns of another. Such forced integration will on the contrary further heighten tension and frustration.

1986

We all agree that there has been a steep rise in the practice of bureaucratic bias over the past several years. Policies, even when sound in terms of objectives and approach, get distorted at the implementation level by some parochial and racial-

mind ed bureaucrats. Unless this practice is stopped, division along racial lines will continue unabated. Parti Gerakan is, of course, concerned about this unhealthy development and would, therefore, like to contribute to its abatement. Hence, we would establish a high level National Unity Task Force to monitor all such deviations made along racial lines at the level of implementation. This Task Force will not hesitate to report the name of officers involved to the relevant authorities for disciplinary action to be taken.

(2) HOUSING

1981

Simultaneous with the rapid advancement of our national economy are changes that have taken place in our social and political environment. Throughout the last decade, there has been a constant migration of people from rural to urban areas. Many new villages and kampongs on the fringes of cities and towns have been expanded, modernised and integrated with the developed centres. A result of such rapid migration and urbanization has been an acute shortage of housing, especially for those in the lower and middle income groups.

It is quite clear that the demand for housing still outstrips supply. Past Government's efforts to increase the supply of housing have been found to be inadequate. Many people have not benefitted from the Government's housing schemes either because housing stocks have been increased at the wrong places or the access to housing has been difficult due to complicated application and distribution procedures.

Housing problems comprise not only the availability of houses but also a host of other problems such as accessibility, amenities, employment opportunities, health and education facilities in the vicinity of the new housing areas. By merely increasing the housing stock may not, therefore, adequately resolve the housing problem as such. Housing policy must,

therefore, comprise multi-dimensional features covering social, economic, educational and environmental solutions. Parti Gerakan hopes that the Government will spare no effort in fulfilling its housing targets under the Fourth Malaysia Plan (1981-1985).

(3) CORRUPTION

"In the long term, we can only fight corruption through proper education of the public, especially those of the young. Civic consciousness and discipline should be constantly instilled into our children in schools and at home so that our future citizens will not only shy away from corruption but will also abhor and actively fight corruption. Such attitudes and practices will then become a Malaysian way of life"

1981

The successive Government's plans to implement the New Economic Policy of redressing economic imbalance, eradicating poverty and generally to create a just and equitable society are vulnerable to the machinations of the selfish and greedy through corruption in the public and private sectors. It is of the utmost importance that the government fights this social disease in order to reduce wastage and increase efficiency.

To ensure success, the fight must involve both the Government and the people. Efforts by the Government alone to eliminate corruption are not enough. It must be backed by a determined populace to report corruption and bribery. Without proper evidence provided voluntarily by the public, it is often impossible for Government agencies, which work within the

confines of the law, to effect conviction of the corrupt.

In the long term, we can only fight corruption through proper education of the public, especially those of the young. Civic consciousness and discipline should be constantly instilled into our children in schools and at home so that our future citizens will not only shy away from corruption but will also abhor and actively fight corruption. Such attitudes and practices will then become a Malaysian way of life.

1986

White-Collar Crimes

Over the past one year, we have witnessed how greed and the lack of morality among a very small group of businessmen have led to cynicism and a crisis of confidence among the people. Corruption among corporate leaders such as is manifested in the by-now infamous BMF scandal, outright swindling by unlicensed deposit-taking companies and stock market manipulation represent, what even the most ardent supporters of capitalism would agree, the ugly aspects of the system.

It is Parti Gerakan's firm and principled stand that these ugly aspects must be wiped out quick. We must punish the corrupt, the swindlers and the stock market manipulators.

We must make sure that the system rewards only those who are honest and diligent. If people who are involved in corruption, swindling and share market manipulation are allowed to go off unpunished, then cynicism and the confidence crisis will continue to prevail. On the other hand, if the government acts with alacrity against them, irrespective of their social and political positions, then faith and confidence in our present social system will be restored. This is an urgent task that our government must address itself to, especially since we have promised the rakyat an

administration that is "cekap, bersih dan amanah".

(4) YOUTH

1981

Generasi Rakyat Baru

We have a very young population - over 70% are below the age of 35 years. A great majority of these young people were born after Merdeka and all of them have gone through primary education. Being young, they are inclined to be idealistic, outward-looking and easily adaptable to the changing environment. Hence, old norms and values based on feudalistic practices and beliefs are being discarded.

Political slogans, which were used so effectively in the past to influence voters at the polls, could hardly stir the imagination of these young voters. They are better informed and hard-headed. Political parties and politicians are being judged not only on what they pledge, but more importantly, on what they can deliver, and how they conduct themselves both publicly and privately. In other words, politicians are expected to be more disciplined and purposeful in conducting themselves.

(5) FOREIGN RELATIONS

1983

Recently, our country has worked closely with our ASEAN partners and other allied and friendly states towards the creation of the Kampuchean Coalition Government. Questions have been raised as to why a small nation like ours should lend support towards the creation of a foreign government. The Kampuchean issue is the result of military expansion by a super-

power which harbours a design to dominate countries in South-East Asia. Such a design has become an imminent threat to the security of the ASEAN countries in general, and that of Thailand and Malaysia in particular. It is necessary for our party leaders at all levels to be aware of such an imminent threat in order that they may be able to exhort our countrymen to be more vigilant against such an external threat.

(6) CULTURE

"Malaysians should consider the diversity of cultures that exists in our beloved country as an asset and a source of strength for the nation; one of the tenets embodied in the Rukunegara"

1983

Malaysia - A Multi-Cultural Society

In the realm of culture, we feel encouraged by the government's readiness to receive and consider various memoranda submitted by different cultural organizations. We hope that this will be the beginning of a new and positive approach to the sensitive issue of culture. I am happy to announce that our party has already submitted a memorandum on culture to the Ministry of Culture, Youth and Sports. Our position on culture is consistent with the Federal Constitution, the Rukunegara and Gerakan's constitution. We are of the opinion that the reality of a multi-racial and multi-cultural Malaysian nation must be accepted and respected. Malaysians should consider the diversity of cultures that exists in our beloved country as 'an asset and a source of strength for the nation', one of the tenets embodied in the Rukunegara.

Freedom of Cultural Development

Culture is a living and dynamic thing, constantly developing and evolving. It is neither realistic nor healthy to constrain cultural development by rigidly specifying its content and form. Therefore, while we treasure and preserve our fine traditions, we should also encourage our rich and diverse cultures to grow, to inter-change and to evolve in as natural an environment as possible, based on the spirit of mutual respect and understanding. At the same time, we should also be open and ready to learn from others, East or West. Taking such an approach, we are confident that a vibrant and unique Malaysian culture will eventually emerge - a culture comprising diverse ethnic cultures and traditions, which all Malaysians can be proud of.

(7) LANGUAGE

1983

Multi-Linguilism

Related to culture is the issue of language and education. We, in Gerakan, have consistently supported and propagated the use of Bahasa Malaysia as the common and official language of the nation. At the same time, we defend the basic right of every community to freely learn and use its own language in schools and for other than official purposes. These two positions are mutually compatible and complementary in the context of Malaysian political realities. The promotion and use of a common language will facilitate mutual understanding which in turn will enable the people to accept and respect the complexities of a multi-racial society. Therefore, the learning of different languages should also be viewed as "an asset and a source of strength to the nation", and not as a liability and burden.

(8) ROLE OF WOMEN

A large proportion of our population belongs to the "youth" category of ages between 18 to 40, about half of whom are female. Even if we merely talk about women's traditional role as wives and mothers, the contributions by women to society have been quite tremendous, to say the least. Such a traditional role is fast changing in Malaysia where, for example, there are more female teachers than male teachers, especially at the primary level. Female students in institutions of higher learning now account for over 40% of the student population. However, women are still not active in many fields, one of which is politics. All along, Gerakan has upheld the principle of equality between men and women. That is why we did not distinguish between male and female party members, as a woman stands an equal opportunity with a man to become Gerakan President. However, we also realize that to mobilize women more effectively, an organized Wanita movement is necessary. Hence, in November last year, we launched Wanita Gerakan which is presently being organized at grassroots level.

(9) NEW VILLAGES

As a responsible political party, GERAKAN has always taken a keen interest in socio-economic issues that affect the lives of Malaysians, especially those in disadvantaged positions. It is our belief that the key to understanding the many complex socio-economic problems confronting our nation lies in serious, objective analysis of their root causes and not mere political sloganeering. At the same time, solutions towards such problems must also be formulated within a political, ideological framework that recognizes the multi-ethnic realities of the country.

One of the most serious problems confronting our country today is the New Village problem. Ever since their creation 35 years ago, many of these 'New Villages' have suffered from

numerous socio-economic problems. These problems have worsened over the years due to continuous neglect by both the Federal and State Governments. Although the majority of these new village residents are Chinese, the problems are in reality ones of basic human settlement and economic development needs rather than ethnic interests. It is indeed unfortunate that a racially-based attitude on the part of the government has left these residents out of the mainstream of national socio-economic development for so many years.

About 15 years ago, I have personally tried to forge a movement to solve the problems of New Villages within the larger context of a political reform movement within the Chinese community. In the event, entrenched political interests and the limitation of a racially-based movement aborted my attempts. Nevertheless, the experience I gained in the process - I have visited practically every new village in the country - has heightened my awareness of the plights of the new villages and increased my resolve that their problems must be solved through a genuine, non-racial Malaysian approach.

The time for another concerted, renewed effort to tackle the problems of new villages is long overdue. I have therefore directed the party's State Liaison Committee of Perak GERAKAN, in collaboration with the party's economic research bureau, to conduct a thorough research into the existing conditions and problems of new villages as well as to prepare a comprehensive masterplan for their solutions.

(Foreward to the book Into the Mainstream of Development - Gerakan's Analysis and Proposals on New Villages, May 1986).

CHAPTER 6

PARTI GERAKAN - CONSCIENCE OF THE BARISAN

I. PARTI GERAKAN

Introduction

This final chapter presents Saudara Dr. Lim's views and opinions on various aspects of the party and its position and role within the Barisan Nasional. Party affairs must feature prominently in Saudara Dr. Lim's Presidential Addresses, especially since these have been presented at the party's annual delegates conferences where it is clearly the responsibility of the Party President to comment on problems like intra-party squabbles as well as to present a programme for the expansion of membership, infrastructure and ideology of the party to the grassroot leaders. So much has happened during Saudara Dr. Lim's 13 years' tenure as President of Parti Gerakan that there is much to say on this.

To begin with, membership has expanded several fold. This occurred in 2 major waves. The first involved the entry of Dato Michael Chen and his thousands of supporters from the MCA into the party shortly after his defeat by Dato Lee San Choon for the Presidency of the MCA in the early eighties. This was followed a year later by the entry of a group of Chinese educationists, more popularly known by their Chinese acronym the Tung Chiao Chung group, and their supporters. It is the considered opinion of many observers that the latter wave brought many intellectuals into the party. This helped beef up the party's ideological section in later years.

Dato Michael Chen's stay in the party was, however, only a short one. Not long after his entry, he took on Saudara Dr. Lim Keng Yaik for the Presidency of the Party in the 1984

party elections but was defeated. He left to rejoin the MCA several years later. Dato Michael Chen's resignation did not trigger the massive exodus that was initially feared. Only a small fraction of the many supporters he brought in left along with him.

The rapid expansion in the membership of the party during Saudara Dr. Lim's tenure was paralleled by an impressive expansion in the party's infrastructure. Two states, Penang and Perak, have their own party HQs and many more are planning to build their own. The latter includes Trengganu, Negeri Sembilan and Johore. Penang will soon be moving into an even bigger premise of its own. But the most impressive of this physical expansion is the planned construction of a 25 storey Central Headquarters for the national party in Kuala Lumpur. Launched as one of 5 major projects in 1992, the party HQ is scheduled to be completed by 1995.

Organizationally, too, the party has been considerably strengthened. Branches have been set up in a majority of areas corresponding to state constituencies while divisions have likewise been established in most areas corresponding to parliamentary constituencies.

But more important than the physical expansion and organization of the party is its ideological expansion. Ever since Saudara Dr. Lim assumed office as Gerakan's President, he has always made in-depth analysis and discussions on various issues his utmost priority. This can be seen in the numerous position papers and memoranda prepared and submitted by the party to the various agencies and authorities. These include:

- *Comments on the Kuala Lumpur Draft Structure Plan (1982);*
- *Memorandum on Culture (1983);*

- *The National Economic Policy - 1990 and Beyond (1984);*
- *Into the Mainstream of Development - Gerakan's Analysis and Proposals on New Villages (1986) and*
- *From NEP to NDP - Onward with the Journey Towards Vision 2020 (1992).*

One memorandum opposing the closure of pig farming in Malacca and another presenting the views of the party on the National Agriculture Policy (1992-2010) were also prepared and presented to the relevant authorities. Numerous workshops and seminars on various themes and dialogues with various religious groups and educational groups have been organized and held throughout Saudara Dr. Lim's tenure. In such ideological propagating work, Saudara Dr. Lim has been assisted by Saudara Chan Choong Tak, our party's Secretary-General, the Educational Bureau headed by Saudara Ong Tin Kim and the Central Research Bureau headed by Dr. Koh Tsu Koon.

Saudara Dr. Lim's term of office is not without problems, however. Aside from the need to fight for greater representation in the legislatures at both state and federal levels and municipal and district councils in a bid to satisfy the grassroots' desire for a greater voice for the party, he has to contend with the perennial problem of presenting a balance between multi-racialism in form and substance to the public. More specifically, Indian members have always felt aggrieved that as a minority, they have not been given a significant role to play, thereby compromising on the party's professed multi-racial line. They have always lamented the fact that their representation in the party's decision-making bodies like the Central Committee and the Central Working Committee at both the national and state levels has been woefully inadequate. Likewise, their chances of being nominated for representative and executive office in the government have also

been very limited. However, given Gerakan's meagre allocation in relation to the numerous contenders for office both within the party and the government, Saudara Dr. Lim is unfortunately not given much room to manoeuvre. All the same, he took the bold decision in 1990 to nominate Saudara Dominic Puthucheary to be the party's candidate in the safe Parliamentary seat of Nibong Tebal in Penang in a move to appease the Indian members of the party and more importantly, to lend greater credence to the image that Parti Gerakan is indeed multi-racial and not just in form but in substance as well. For Saudara Dominic Puthucheary is no ordinary man. He was a former trade unionist and an active member of the People's Action Party and later the Barisan Sosialis in Singapore in the fifties and early sixties. More important than all these, he is a Malaysian nationalist that is deeply imbued with the ideals of a non-racial multi-ethnic Malaysia. With such experience and credentials, Saudara Dr. Lim rightly reckoned that Saudara Dominic has much to contribute to the ideological development of the party's Malaysian line.

The decade of the nineties will indeed be a very challenging period for the party. The party must thus brace itself to meet the many challenges that are likely to emerge - a more competitive political environment, a more informed and demanding electorate, the unfolding of religious forces, changing political norms and expectations that come with the impact of greater industrialization on social stratification, etc. These require an improvement in the quality of leadership and a consolidation of the party's strength. For this, Saudara Dr. Lim launched the party's 5 major projects to be implemented in the remaining decade of the nineties. These are:

- i) construction of the new Party HQ in Kuala Lumpur;*
- ii) a massive membership recruitment drive;*
- iii) leadership training;*

- iv) *the launching of a book scheme under which books are to be distributed to deserving students and*
- v) *a Study Loan Scheme for deserving children of party members.*

Finally, Saudara Dr. Lim has always fought for Parti Gerakan to be given greater recognition in the Barisan Nasional and for this coalition to practise greater intra-Barisan democracy through more frequent meetings to discuss national policies. The former has in a way been achieved. Gerakan's representation in both the legislative and executive branches at all levels has increased. In terms of protocol, Saudara Dr. Lim is recognized as a very senior member of the Malaysian cabinet (Editor).

1981

Rapid Expansion and Transformation

Lately, Gerakan has undergone a rapid transformation and expansion. We have steadily but surely become a national political force with grassroots' support throughout the length and breadth of Peninsular Malaysia. The membership of the Gerakan has been steadily growing continuously and its organization has also been developing to the extent that the party is now able to reach out effectively to the masses throughout Malaysia. This increase in strength of the party will enable us to play our part more effectively and more vigorously within the Barisan Nasional.

Such rapid expansion and transformation are the result of changing political attitudes. Political patronage and gimmicks can no longer command support, least of all, respect. Competition in a democracy like ours will inevitably result in discarding the political dead-wood. For in the final analysis, the verdict rests entirely and absolutely with the people. Any party that fails to carry the masses must eventually be eliminated by the masses.

No Materials Gains From Joining Gerakan

Members of the public who choose to join our movement are fully aware that there is no material benefit, nor any position, to be gained. We have often publicly stated in no uncertain terms that those who wish to be members of Gerakan are expected to make a lot of personal sacrifices, for the cause of our political beliefs. I have no doubt at all that the majority of our members, old and new, are prepared to dedicate themselves to bringing about Gerakan's ideals and objectives.

The Gerakan is a party with firm principles and definite objectives. Only those who completely subscribe to a Malaysian political philosophy and who are fully committed to the task of creating a fair and just society for all have been accepted into the party fold. The party, in expanding its membership, must be careful in sustaining its political integrity which is becoming the hallmark of the Gerakan. The Gerakan has no place for extremists, chauvinists and opportunists.

To be an effective political movement, we have to strengthen our structure and organization so that we can move forward in unison. Gerakan members have proven themselves to be dedicated and disciplined. Gerakan representatives in all levels of Government have proven themselves to be clean, honest and efficient. This is something we are very proud of, and this has provided the greatest impetus for the surge, which has gradually been built up, to join Gerakan.

Parti Gerakan and the Barisan Nasional

The Gerakan has always believed in working with other component parties in the Barisan Nasional in order to enhance the coalition's stability and increase its strength. We are confident that there are now many members within the Gerakan who can

effectively represent the people. We also firmly believe that representatives of the people must be selected from amongst those within the leadership of the Barisan Nasional who are best able to work with and for the people. Gerakan's objective is to place the most suitable of its members at the disposal of the Barisan Nasional for selection as candidates.

Together with other fraternal parties in the Barisan Nasional, the Gerakan will work to secure the national objectives of building a united Malaysian nation and creating a fair and just Malaysian Society. The Gerakan is confident that under Y.A.B Dato Seri Dr. Mahathir and his leadership, we can, we must and we will create more wealth and distribute such new wealth equitably to all Malaysians. We shall continue to instill discipline among our members. Within the context of the Barisan Nasional, we shall spare no effort to pursue our objective of creating a truly just, equitable and united Malaysian nation.

1982

Accountability of the Leadership

I take this opportunity to welcome all delegates who have come to this meeting from far and near. This is a very important event for the party for we gather here today to review our performance. The leadership of the party collectively as well as individually have to account for their actions or their omission to act. It is this democratic process of accountability that will prevent the party leadership from deviating from the ideals and objectives of the party.

Success in the 1982 General Election

I also want to thank those members who had worked so hard in ensuring the success of our candidates in the April General Election. Our party achieved 80% success in its 7 Parliamentary

and 18 State seats contested. The most note-worthy of all was that we achieved 100% success in our eight State seats in Penang and one each in Selangor, Johore and Pahang. To the successful candidates, I would like to congratulate them and wish them success in carrying out their duties in a clean, efficient and trustworthy manner. I also want to thank all voters for the mandate they have entrusted Gerakan and the Barisan Nasional.

Tribute to Saudara Dr. Lim Chong Eu

Most of you will recall that in the 1969 General Elections, Gerakan won an absolute majority in Penang. However, due to circumstances prevailing at that time and the necessity to minimize politicking and concentrate efforts in nation building, the Gerakan decided to form a coalition Government with the then Alliance in 1970. As a result, the party had a split which shook it to its foundation. Despite this set-back, our former President, Saudara Dr. Lim Chong Eu ably and firmly led the party through the crisis. We decided then to consolidate by playing our role in running the Penang State Government. Through Dr. Lim's leadership and administrative skills, Penang has developed by leaps and bounds.

Gerakan, having consolidated in Penang in the early 70's, began to expand in Perak, Selangor and Negeri Sembilan in 1974. The party took a decision in early 1981 to embark on an expansion exercise through an open-door policy. In that year alone, we increased our membership 5 fold and doubled the number of our branches. We have since established ourselves firmly in all the States in Peninsula Malaysia.

Calls for Greater Recognition to be Given to Parti Gerakan

In the last general election (1982), we were, though for the first time, given a State seat each to contest in Negeri Sembilan, Malacca, Johore and Pahang. Our seat allocation in

Penang was, however, reduced from eleven to only eight. Such unfair and disproportionate allocation of seats caused wide-spread dissatisfaction in the party's rank and file, especially in Penang.

We have entered into the Barisan Nasional as an equal partner since its inception more than 8 years ago. Since then, we have diligently adhered to the letter and spirit of the concept of the Barisan Nasional. Despite our immense efforts to strengthen our party and our total commitment to the concept of the Barisan Nasional, we have not been accorded the recognition we deserve. With the exception of Penang and Perak, we have practically no representation in all the local Government councils in all the other States. We, therefore, hope that the leadership of the Barisan Nasional will carefully study and review the question of seat allocations for future elections and to accord us proper recognition at the various district and local council levels.

"To the Gerakan members, to be a Malaysian does not mean that one must become any less a member of his ethnic community, but that over and above his own heritage, he must resolutely strive to understand the sensitivities and aspirations of the other ethnic communities and together blend and integrate into a Malaysian society"

Expectations of Gerakan

The Gerakan is a party with firm principles and definite objectives. Only those who can accept our total commitment to a Malaysian political philosophy and are fully committed to the task of creating a just and equitable society for all have been accepted into the party fold. The party in expanding its membership has carefully sustained its political integrity. We

adhere firmly to the policy of quality in political dedication and not quantity of members. There is no limit to the number of supporters the party will seek to gather around us. We consider that membership in the Gerakan is a privilege and not a right. The most important attribute that we demand from every single member is that he is completely Malaysian in his commitment to serve the people and the nation.

Members of Gerakan come from various ethnic groups, from all walks of life and different religious beliefs. They are bound together to work for an integrated society in which the various patterns of ethnic heritage, linguistic and cultural backgrounds are woven into a Malaysian way of life and a Malaysian identity. To the Gerakan members, to be a Malaysian does not mean that one must become any less a member of his ethnic community, but that over and above his own heritage he must resolutely strive to understand the sensitivities and aspirations of the other ethnic communities and together blend and integrate into a Malaysian society. They are bound together to work against any unfairness and injustice in their resolution to strive for a fair and just society for all.

On Party Elections

This has been an election year for the party. Not only had we to fight the general elections in April but also since January, our branches, divisions and state liaison committees had to conduct elections to elect new office bearers for the next two years. As usual, elections for office bearers have generated a lot of heat between contesting candidates. Here, I would like to quote the advice given by Y.A.B. Dato Seri Dr. Mahathir bin Mohamed to the UMNO general assembly:-

"Remember that winning and losing are merely individual perceptions. From the point of view of the party's cause, there are no losers. All are winners because our cause is one and the same. Not for one moment should we forget that elections and the practice of democracy are processes aimed at strengthening the party, not fights to see who will emerge champion. Every member who upholds the ideals and the struggle of the party and the principles of our democracy, irrespective of his position, is a champion. If the party leader has made a mistake there is a time and procedure for correcting him or changing the leadership. If a provision in the constitution is faulty, there is a time and procedure for amending the constitution".

Need to Strengthen Discipline

The strength of the Gerakan is dependant upon the discipline of each and every member. This is through strict adherence to the party's objectives as dictated by the party's constitution. Efforts will be spent in inculcating our membership with the ideals and objectives of the party. The party leadership has been liberal with its disciplinary actions. This does not mean that the party leadership is weak and is incapable of administering disciplinary actions. With the unity of the party in mind, the leadership has tried to solve problems by convincing all members concerned to put party interest before self-interest. This unity of purpose has been the strength of the Gerakan in the past and will be the strength of the Gerakan in the future.

Leadership Changes

In any political process, leadership changes are inevitable. The strength of any party is dependent on the ability of its leadership to adapt to changes. In this respect, we have to emulate our beloved Nasional Advisor, Saudara Dr. Lim Chong Eu who so successfully ensured a smooth transition when he relinquished his position as President of the Party in 1980. This should be an example for other leaders to follow. Those who by age or any other reason are unable to lead anymore, have not only the responsibility to prepare continuity in leadership, but to relinquish their posts when the time approaches. This does not mean that younger members should go around criticizing older leaders, generally causing an air of suspicion and bad faith in their haste to ascend to positions. There must be dignity in this process of handing over. If there are choices to be made then let us make our democratic choices in a mature fashion. The party requires this mature approach to changes of leadership and members are required to follow closely party constitutional procedures in guiding them through this process of change.

Improving the Party's Infrastructure

As the party is expanding quite rapidly, the administrative infrastructure seems to be lagging behind. There is, therefore, an urgent need to build up and strengthen such infrastructural facilities at the branch, divisional and state levels so as to ensure frequent and close communications and efficient administration. At the headquarters level, the party has outgrown its present rented premises. We are looking for new premises for our headquarters and we hope that in the coming year, we will be able to move into a new premise of our own with adequate space for the employment of additional full-time party officials. These are some of the intended changes required in order to strengthen the party organization.

1983

Pemuda Gerakan

This year shall see the formation of Pemuda Gerakan, the objective of which is to mobilize youths to participate in our party. The party has grown nationwide and it has become necessary for us to have an organized youth movement which can cater to the interests of young party members, promote healthy activities and more importantly provide a training ground for future leadership at all levels. Through Pemuda Gerakan our young leaders can also carry out joint activities and hold dialogues with other Barisan Nasional component parties to promote better understanding and lay a solid foundation for the future. I, therefore, call upon leaders and members of the party to give full support to both the Wanita and Pemuda Gerakan. In order to co-ordinate both the Pemuda and Wanita Gerakan within the party, it has become necessary for the party's constitution to be amended. The Legal Bureau of the Central Committee has worked out the necessary amendments which would be brought up at this conference for adoption. With both the Pemuda and Wanita movements properly organized, Gerakan will be better poised to play a more active role in the politics of the country nationwide.

Membership Drive

We have experienced a very rapid expansion in the last 2 years. Currently, we are embarking on an expansion exercise to increase our membership to the target figure of 250,000 by the end of 1985. It has become necessary to consolidate, with members showing more self-discipline and purpose in order to unite the party. There is also a need to inculcate new members with proper knowledge of Gerakan's struggle. Although the objectives of the party are clearly defined in the Party's

constitution, there are still some members whose conduct and utterances have caused some confusion in the party, thereby misrepresenting the party at large. Let me reiterate categorically once and for all, that Gerakan is a multi-racial party. We shall not entertain any idea of merging ourselves with any political party that claims to represent the interests of only one racial group. However, we are ready to cooperate with such parties for the sake of national interest.

Gerakan To Prepare Position Papers Based on the Malaysian Line

The various Bureaus of the Central Committee will be preparing literature on our Party's stand on various issues confronting our nation. We had already prepared position papers on two issues, namely the KLFT Master Plan and National Culture which have been printed into booklets for distribution. Through joint meetings of the Central Working Committee and the various Bureaus, the Party will be preparing more position papers on education, economics, labour etc. which will enable members as well as the public to understand better our party's struggle and our stand on various issues. These papers are prepared, based on our party's multi-racial thinking. These will then be used to launch our party's objective of getting Malaysians to think and act as Malaysians.

Call to Minimize Racial Politicking

In order to maximize our effort of serving the people, Gerakan will work closer together with other component parties of the Barisan Nasional. We are committed to the Barisan Nasional's objective of creating a united, fair, just and equitable Malaysian nation. Under the leadership of Y.A.B. Dato Seri Dr. Mahathir Mohamed, the tempo of reforms and changes has hastened. In order to keep pace with such reforms and changes, the demand for closer relationship and more concerted efforts within Barisan Nasional is greater than ever before. "Leadership

by Example" dictates that leaders of the component parties at all levels must not only work closely together but must also be seen to be working closely together in fostering a united Malaysia. To this end, we urge that all leaders of the component parties at all levels refrain from harping on sensitive issues which can divide the nation. Instead, we should harness our energies in building a united country. We wish to reiterate that any problem that affects one community invariably affects the nation as a whole, and must therefore be tackled and resolved as a national problem.

1984

Gerakan - A Malaysian Party for All Malaysians

GERAKAN has a very important role to play, particularly in the decade of the 80's. We have made a good start in the past four years with achievements on several fronts. These achievements represent the realization of certain goals which were formulated in 1980 as the first phase of a long-term overall plan for the party. This long-term overall plan is to build up GERAKAN into a genuine Malaysian party for all Malaysians.

Rapid Expansion

The party has progressed quantitatively and qualitatively. Over the past four years, its membership has expanded six-fold to 140,000. There are now branches and divisions covering the entire Peninsula, even in remote areas. Many fine leaders and young professionals have joined the party and are now working hard to strengthen the party's ideological position. The Wanita and Pemuda sections have been set up.

Gerakan's Achievements

In the 1982 general elections, we retained control of the Penang State Government, scoring an unprecedented 100% victory in all state seats contested. We established our beachheads in many other states, especially in Johor and Pahang, where GERAKAN entered the state assemblies for the first time. We also managed to increase our representation in the government by having obtained the additional posts of a Parliamentary Secretary and the Chairmanship of Port Klang Authority.

We succeeded in setting up many party premises, especially in Perak and Penang where we now have our own party HQ buildings. To improve the party's administration, the full-time central HQ staff have been increased from 2 to 15. Our financial position has also improved and we are now able to provide full-time executive secretaries for many states.

More importantly, in the past two years, we have expressed our views constructively, cogently and convincingly on issues such as the 3M controversy, KL and Johor Baru Master plans, national culture, signboard regulations, constituency delineation, Fourth Malaysia Plan Mid-Term Review and the N.E.P., Papan, etc. The voices of the people have thus been communicated effectively to the country's highest authorities. There have been some encouraging responses and results.

In terms of publication and publicity, we have produced the party organ on a regular basis, as well as many books explaining our party's position on crucial issues confronting the nation. We have also strengthened our ties with fraternal parties, especially the multi-racial parties in Sabah and Sarawak. We went all out to help Barisan Nasional, in particular SUPP, to secure its victory in last year's Sarawak State elections.

Future Programmes for Gerakan

Consolidation

Our achievements in the past four years have enhanced our party's image in the public's eye. All GERAKAN members should feel proud but not complacent. These achievements are solid foundations upon which we can build for a better future. Future programmes are therefore extensions of what we have laid down. We see the next few years as a period of consolidation amidst expansion. The effectiveness and efficiency of our organization at various levels are to be further improved. We shall recruit more young professionals and intellectuals from amongst all races in order to improve the quality of the party leadership at all levels.

Intensifying Political Education

We should continue to intensify our political education of members and the people in order to spread to them and convince them of the correctness and viability of the Malaysian line as against the communal approach. We should be even more active in pursuing research and presenting constructive views on major national issues and policies and their implementation in order to enunciate and enrich our party's political ideology.

Reorganization of the Party

Soon after this party election, we shall set about reorganizing our branches and divisions, in accordance with the new constituency boundaries. We shall then strengthen our organization in preparation for the coming general elections. In particular, we shall assist our leaders in Penang to formulate GERAKAN's 15-year plan which will propel Penang into the 21st Century based upon our ideal of a fair and just Malaysian society. We shall also continue to strengthen our ties with fraternal parties

and other progressive organizations, especially those with similar ideological lines. This is to increase allies and support for our political line and struggle.

In conclusion, I would like to urge all party members to stay calm in going through the democratic process of elections. I would also like to urge them to stay united after the elections in order to face the many challenges ahead.

1985

Parti Gerakan dan Penang

It is not without meaning and significance that Parti Gerakan's Annual Delegates' Conference (ADC) this year is held in Penang. As you all know, Penang is indeed dear to the hearts of all members of Parti Gerakan. For it is here that we, under the able leadership of our elder statesman, Saudara Dr. Lim Chong Eu, have been playing a leading role in the running of the state government for a record 16 years. This dynamic leadership, coupled with the close co-operation and support of other Barisan component parties as well as the support of the Federal Government, has contributed to the rapid development of this Pearl of the Orient.

Rapid Development in Penang:- Gerakan's Contribution

As you all recall, our party came to power in Penang state in the late 1960s against a background of economic doldrums and high unemployment, particularly following "confrontation" and the withdrawal of the Free Port status. Our party-led State Government, true to its election pledge, immediately launched a comprehensive programme of economic recovery. The programme included the introduction of Free Trade Zones and the emphasis upon developing the manufacturing sector, tourism

promotion, urban revitalization and new town development. In the span of 16 years, we can proudly claim to have successfully transformed Penang into a leading economic growth centre in Malaysia today.

Meanwhile, the State Government also relentlessly pursued a programme of providing civil social amenities such as housing to the ever expanding industrial work force and infrastructural facilities to the growing base of industrial and commercial investment. The latter has culminated in the completion of the Penang Bridge that spans a distance of 13.5 kilometres, the longest in Asia and the third longest in the world. It is indeed fitting that our Party's ADC should be held at a time that coincides with the opening of the bridge to public use. It is a living testimony of the contribution that Gerakan has made to the development of Penang and of the strong bonds of friendship and co-operation that have been built up between the Federal and State Governments.

Gerakan's Master Plan for the Development of Penang

Although we have achieved much in Penang, we do not believe in resting on our laurels. Already, our Penang leaders have started planning for the social and economic uptake of Penang into the 21st century. This includes, among others, the continuous provision of all basic infrastructure, social amenities, particularly housing, and the creation of jobs that will cater to the future needs of Penangites. A huge reclamation project, which will provide reclaimed land in the area north of the Bridge entry at Batu Uban up to the Church Street pier for the development of a major commercial centre, will also be launched. This project, called the Central District Development Project (codenamed CDD21), will, once completed, place Penang as a major trade and commercial centre in Northern Peninsular Malaysia, with the capability to serve the entire Asean region.

Meanwhile, our Party's Central Economic Research Bureau, in collaboration with our party leaders in Penang, is working out a new blue print for the development of Penang till the year 2000. This master plan for the development of Penang will be ready by next year and will form the major part of our party's manifesto for the people of Penang. It will hopefully mark the beginning of a new chapter in the development of Penang, just as the fulfillment of all our election pledges over the last 16 years, marks the close of an earlier chapter.

With our election pledges to the Penangites fulfilled and our strategy for the future development of Penang having been mapped out, we stand poised to reassume the political leadership of Penang. We are confident that the Barisan Nasional leadership will accede to our justified claim for the sustained leadership of the Penang State Government, for they know that we have exercised this leadership thus far in a just and fair manner, in consonance with our Malaysian line. To the people of Penang, Parti Gerakan calls upon them to continue their support for the Gerakan and the Barisan Nasional. We in Parti Gerakan would like to impress upon them that our party's excellent track record in running the Penang State Government over the past 16 years will be continued into the future.

Greater Consolidation

Our party conducted elections at all levels last year. Contests for posts at all these levels were indeed keen but we are proud that we were able to pull through with the party being more consolidated. This was clearly because of the party leaders' firm commitment to democracy and fair play. After the elections, we immediately closed ranks among all who have shown that they are firmly committed and loyal to Parti Gerakan's ideology. We have since also begun concentrating on the many urgent and pressing tasks confronting the party.

Since early this year, our party has begun reorganizing its branches and divisions in line with the recently redelineated electoral boundaries at both the State and Parliamentary levels. This is a necessary exercise that will prepare the party's organization for the next General Elections. Progress in reorganization is satisfactory. The verified membership lists for these reconstituted branches and divisions will form the basis for our party's branch and divisional elections scheduled for the beginning of 1986.

Voice of the People

Meanwhile, our party has continued to voice the people's aspirations on major urban structure plans affecting their lives. Since the submission of our party's views on the Kuala Lumpur Structure Plan two years ago, we have continued to submit further such views on the Johore Baru, Ipoh and Klang Structure Plans. Our views have not only been well-received by the public but also by the planners themselves who regard our submissions as serious documents that are well-researched rather than emotional platitudes and allegations.

Serious Research Work

Since the holding of our last major National Economic Seminar in August last year, our Party's Central Economic Research Bureau has continued its excellent work of conducting research and preparing memoranda on major issues of national interests. Currently, research into the conditions of New Villages is being carried out and it is hoped that these research findings will be submitted for discussion at a National New Village seminar to be organized by the Perak Gerakan in October this year. A memorandum containing proposals to overcome some of the problems of New Villages will be prepared at the end of this seminar for submission to the relevant authorities.

Parti Gerakan is also monitoring progress on the NEP with a view to coming out with concrete proposals on rectifying past development problems for the forthcoming Fifth Malaysia Plan (1986-1990). Another major economic seminar, this time to be organized by our Youth section, will be held, once the findings on the NEP have been completed. This is expected to be held in December this year. The Seminar will also present for discussion our party's views on the new National Economic Policy.

These and other serious research work will lay the foundation for our party's stance and programs in politics, economics, education and culture. They can be further refined and sharpened, through continuous discussions and dialogues, at seminars, workshops and meetings at all levels of the party, into a coherent and well co-ordinated programme reflecting Parti Gerakan's ideology.

Commitment to the Party's Ideology

It is to this ideology that we must all commit and dedicate ourselves. Only when we have such a commitment, will we have genuine unity among our party members. Only then will our level of political consciousness be raised to a high level. Only then will political opportunism be weeded out and the attempted building up of patron-client relationship or the indulgence in money politics within our party be stamped out.

In the effort of inculcating our membership with the party's ideology, the maximum understanding and support from all leaders and members is indeed required. I therefore call upon all party leaders and members to work hard towards this grand common goal. Let us not deviate from these tasks by indulging in activities that can unnecessarily disrupt and unsettle the serious mood of the bulk of our party's leaders and members.

The issues that confront our country today are many and pressing. They require our urgent attention. We have to think hard about how to contribute to the solution of the country's manifold problems. We call upon all serious like-minded people to come forward to use the party as a vehicle to pursue their struggle for justice and fairplay.

Many such people have indeed joined us. They include academicians, professionals, educationalists, trade unionists, workers, farmers and many others. With such talent and a huge reservoir of grassroots support, our party can and should now enter into a new phase of consolidation where the development and implementation of the party's line in politics, economics, education and culture should take precedence over all else. This will place us in a position to play a more meaningful and effective role in the affairs of the country.

1986

In 1986, Parti Gerakan held its ADC ahead of the country's seventh General Election. As was with the country's previous 3 elections after 1969, the issue of seat allocation among component parties within the Barisan Nasional has always been hotly debated and contested. Much wrangling over allocation, especially between the Gerakan and MCA, has always taken place. This is to be expected, given the zero-sum game nature of seat allocation. With Gerakan and MCA wanting more seats at both the state and parliamentary levels, such "fights" between the two parties are bound to occur, for one party can only gain at the expense of the other. But in 1986, Parti Gerakan felt particularly upset over news that it would not be allocated any newly created parliamentary seats though it would be given 2 more out of the existing seats. To add insult to injury, these seats happen to be opposition strongholds. Already aggrieved over the declining allocation of seats at the state level in Penang, Gerakan's power

base, culminating in the 8-8 saga in 1982, both the rank and file were visibly frustrated over what they perceive to be unfair treatment of Parti Gerakan by the leadership of BN. Calls were made to the leaders to press for a fairer distribution at the national level and for more state seats in Penang for the 1986 General Elections, failing which Parti Gerakan ought to consider options other than contesting under the Barisan Nasional banner. It was in this context that Saudara Dr. Lim made what appeared to be a strong speech on seat allocation in that part of his 1986 speech touching on the party in order to reflect the sentiments of the party's rank and file (Editor).

Approach of Parti Gerakan

As a responsible political party, GERAKAN has always stood for a political ideology that stresses economic development, democratic participation and social justice, and national unity through a multi-racial or Malaysian approach. We believe that this is the most suitable political framework for the country in view of its complex socio-economic, multi-ethnic reality. Moreover, the party has always sought to serve the people by putting our ideology in practice through playing a constructive role rather than through empty sloganeering. We have also accepted the need for power sharing and consensus in the formulation of national policies.

Commitment to the Barisan Nasional

It is for the above-mentioned reasons that GERAKAN became one of the founder members of the Barisan Nasional in the belief that the basic principles of the Barisan Nasional and the Rukunegara will help minimize communal politicking and create a united Malaysian society that is fair and just to all. Similarly, we have been fully supportive of the Barisan Nasional's pledge to

install an efficient, trustworthy and clean government. We have always sought to have more frequent mutual consultation of all component parties within the Barisan so as to ensure that the views and aspirations of all Malaysians are taken into account in all major government policy decisions. We have constantly monitored the implementation of the Government's development objectives so as to provide feedback for progressive reform. We have also tried our best to practise our political ideals and to be committed to the Barisan Nasional concept through our leadership role in running the Penang State Government and our participation in the Federal Government.

Contribution through Penang's Development

Looking back, we can be justifiably proud of our contribution all these years. Under our political leadership, Penang State has evolved from a relatively poor state to be one of the most prosperous, modernized and industrialized state in the country. The GERAKAN leadership of the government in Penang has enjoyed continuous popular support from the people of Penang as evidenced by the results of the last 3 general elections.

Constructive Proposals by Gerakan

Our contributions at the Federal Government level and in other state governments have also been commendable, despite the severely limited scope accorded us. We have come forth with many constructive proposals on national policies and issues, such as the National Economic Policy, National Culture, National Educational Policy, various urban structure plans, New Village development, etc. We have suggested the revamping of the National Unity Board to make it more effective, greater intra-Barisan Nasional democracy through more frequent Supreme Council meetings in the spirit of "Musyawarah", formation of a consultative council on the national economic policy after 1990

etc. Some of these proposals have been taken up but others have still remain unresolved. We have also helped to solve effectively many problems. e.g. the 3M controversy, the Integrated School controversy, the Papan issue, the Bukit Cina issue, relocation of small industries in KLFT, etc.

Deeply Disturbed Over Limited Government Representation

Because of our good track record as mentioned above, we are confident we can do even more for the nation and the people. We want to do more, and the people expect us to do more. Moreover, we have also grown in political strength manifold over the past few years. However, despite our good track record and our growing strength, our party's representation in the Barisan Nasional government has remained limited, constrained as it were by the process of politicking and the "zero-sum" situation in seat allocation amongst component parties. As a result of this limited representation, we have not been as effective as we could be, given our potential and good intentions. This restriction, coupled with the lack of adequate consultations within the Barisan Nasional, has deeply disturbed and concerned our party members at all levels.

Unfair Seat Allocation

Of particular concern to us is the case of Penang where our leadership role of the Barisan Nasional state government has been exemplary and our electoral performance has been illustrious. And yet the number of seats allocated to us has been steadily reduced, first in the 1978 elections and then in the 1982 elections. As a result, it is only natural that our party members, especially those in Penang, have been feeling very indignant and adamant about the issue of seat allocation.

Given such a background, I felt that it was my responsibility to articulate the concern and feelings of the grassroots and the leadership over this issue. It is in this context that I made a suggestion that if an amicable solution could not be reached, perhaps the component parties should be allowed to use their own symbols in a "free for all" competition, but within the Barisan Nasional, as has been practised in Sabah and Sarawak. And I said that Gerakan was ready to do so.

Unfortunately, my suggestion was quoted out of context and blown out of proportion until it appeared that Gerakan had already decided to leave the Barisan Nasional over the issue of seat allocation. Further misunderstanding arose with a reported statement of the Prime Minister in Kedah which, as it turned out, was also quoted out of context. This was further complicated by a temporary breakdown in communication, until the Prime Minister and I managed to meet and clarify to each other. So by the time the Barisan Nasional Supreme Council met on 5th June, 1986, the misunderstanding was cleared.

The party leadership will continue to press for a fair deal in the allocation of seats, just as we will continue to play our role as the voice of conscience in the Barisan Nasional over important national issues. I am hopeful that our role will be given due recognition. I want to assure you that the leadership is vigilant and determined to ensure that Gerakan not only survives and gets a fair deal but continues to grow under even the most adverse conditions. So I would like to ask you to leave this matter of seats to the Central Committee to decide.

Although there may have been some confusion among some members over the past few weeks, I am confident that this episode had united our party members more than ever before. If anything, the concern and love of the party members for the party as well as your commitment to the party's ideology and stand were shown beyond any doubt during this episode. The party

leadership and I, in particular, were truly impressed and moved.

In fact, in spite of the rather volatile political scene in our country over this last one year, I am proud to say that our party has stood united and is now more consolidated than ever ideologically and organizationally. The party as a whole has achieved a higher level of political maturity.

Reorganization of the Party

Organizationally, our party has grown from strength to strength. Our total membership has increased significantly over the last year. At the same time, in line with the redelineation of electoral boundaries at both the state and parliamentary levels, our party has successfully completed the reorganization of our party branches and divisions. Subsequently, all the branches, divisions and state liaison committees of our party have also completed their elections in a smooth and disciplined manner. The grassroot leaders that have emerged from these party elections are a blending of the old and new as befits a dynamic, growing party. Many new and capable leaders have come forward to take up positions in the various party organs to work alongside, and be guided by, the older and more experienced leaders. This dynamism augurs well for the future of the party.

Parti Gerakan - Conscience of the Barisan

Ideologically, our party has continued to voice the people's aspiration through our representatives in the government. We have consistently applied our party's ideological beliefs through concrete stance and programs in politics, economics, education and culture. In line with our commitment for an "efficient, trustworthy and clean government", we have consistently called for actions to punish all who are found guilty in the BMF scandal. In line with our belief in democracy, we have consistently supported the right of the Sabah people to a

democratically elected government.

In line with our multi-racial approach, we have carried out a detailed study and formulated a comprehensive plan for solving the problems of New Villages that stresses social justice and national integration. And in line with our belief in economic development through creative free enterprise and productive activities, we have consistently pushed for economic liberalization, progressive industrialization while speaking out against public sector wastes and unproductive corporate manipulations.

For the Ideologically Committed

In the final analysis, it is through commitment to principled ideological stands such as these that our party can hope to achieve unity of purpose internally as well as to win the allegiance and trust of the people externally. The party is not built around individuals, but rather on the fundamental ideology that the party collectively stands for. Those who are only interested in working towards their own positions and power will have no place in our party. On the other hand, all those who share our ideological commitments are welcome to take roles in the party that are commensurate with their ability to contribute.

In this regard, we need to continue to strengthen the understanding of our party's ideology among our party members. It is only when our own party members have thoroughly grasped and are committed to the party's ideology can we be effective in winning over others to our side.

Leadership Training

In addition to inculcating political consciousness and ideological commitment, our party leaders will also need to emphasize the training of other skills and qualities among our members such as analytical and problem-solving skills, democratic

work style, etc. The days of empty sloganeering and politicking are over. What we need today are people who can deliver the goods. Having expanded our ranks rapidly in recent years, we must now consolidate and intensify our internal training programs for our rank and file so as to bring out the highest qualities in them.

Importance of Grassroot Support

Overall, I am happy with the progress that the party has made so far in its ideological and organizational consolidation work, although much remains to be done. While the exact date of the General Election has yet to be announced, our party is ever ready to face the challenge. In every constituency where we hope to contest, there has been no shortage of suitable candidates. Our final selection of candidates will be based ultimately on their ability and commitment to serve the people and to uphold the party's ideology. When the time comes, I am confident that our party members will be mature enough to set aside whatever personal allegiances and place party interests above self. While stressing the importance of the quality of our candidates, we must not, however, forget that it is upon the strength of their grassroot support that victory can be achieved.

1987

"Gerakan's struggle is for the committed, not the waverers; for the strong-willed, not the weak-hearted; for the principled, not the opportunists"

Aim of ADCs

We are all gathered here once again for our ADC. This meeting is a forum for the representatives of the grassroots to give

feedback to the leadership and to review and evaluate the policies and actions of their leaders who are thus required to be accountable to the party's rank and file. This year's ADC has an added purpose -- the party's triennial central elections. This is a democratic tradition which we all in Parti Gerakan must truly be proud of, all the more so because despite intense recurrent competition for posts, the party has always emerged strong and united. This speaks well of the candidates and the delegates, all of whom have so far displayed a high level of discipline and maturity.

Performance in the 1986 General Election

As you know, our party contested the 7th General Elections held in August last year, as a component of the BN. At the state level, we managed to win 9 out of 11 seats in Penang, a truly commendable performance, considering the wave of anti-establishment feeling in the urban areas against the Barisan Nasional. In the event, we are still a dominant force in the Penang State Government, with our National Adviser, Saudara Dr. Lim Chong Eu, continuing at its helm for a record 5th term spanning a total of 18 years. We have every confidence that he will continue to lead Penang for many more years to come as his services and experience are very much needed by Penang and the nation at large, especially in such difficult times.

However, outside of Penang, our performance at the state level reflected the urban dissent, and we met with success in only 4 out of 11 seats. In the Parliamentary election, we won 5 out of 9 seats allotted to us nation-wide, with victories in 4 out of 5 seats outside Penang. These results notwithstanding, we are aware and mindful of the dissatisfaction and frustration so clearly expressed by the urban voters.

As a responsible political party, we will continue to work hard at all levels to represent the people's interests and

aspirations, and to combat the sources of such frustration, dissatisfaction and unhappiness. We will strive hard over the next few years to help create more jobs through the establishment of more small and medium size industries, increase educational opportunities, eliminate racism and promote religious and cultural tolerance in the public sector. We will do all these, not so much because we want to win votes in the next elections, but because we believe it is the right thing to do.

Parti Gerakan's Struggle is Long-Term Struggle

Political struggle is a long-term process. We are in politics not because we want money, position, status or prestige but because we believe in our ideology and want to serve the people. To do so effectively, we of course need an organizational vehicle in the form of a political party. A political party in turn should be a grouping of ideologically like-minded people who can work together as a team and slog to attain the political ideals they have set out to achieve. In struggle, there will be ups and downs but come what may, we should never waver or compromise on our commonly agreed principles. We must always stand firm and have unshakeable faith in our ideals. We must bring together wisdom and collective effort and subscribe to the principle of collective leadership with collective responsibility. Only then will a struggle succeed in the long-run.

I reiterate all these because some quarters seem to think that the success or failure of our struggle hinges on electoral performance in one term. This is not a correct view. The success of our struggle hinges on our commitment to win over the hearts and minds of all Malaysians to our cause and our readiness to work together at all times. There is no short-cut. There is only one way and this is the long, strenuous and sometimes turbulent path of struggle along which we shall encounter many obstacles, and even hazards. This is the road for the committed, not the waverers; for the strong-willed, not the weak-hearted; for

the principled, not the opportunists. I am confident that most of us present to-day are ready for and already on this path of struggle that will, no doubt, be long and arduous but meaningful. This is why we are in politics. That is why we are in Gerakan.

1989

Penang's Development - Gerakan's Brilliant Role

20 years ago, Gerakan was given the mandate by the people of Penang to lead the State out of economic stagnation. We are proud to say that, by and large, Gerakan has delivered what it pledged. Unlike other states, Penang has no natural resources to rely on. Penang's only asset is a pool of diligent manpower who are willing to learn new skills and to work hard for the betterment of their own economic well-being. Together with the cooperation of the people, the Barisan Nasional Government in Penang led by our Saudara Dr. Lim Chong Eu has turned Penang from a stagnant economy with a high unemployment rate, into a dynamic industrial State with sound infrastructure and about full employment. In fact, Penang is one of the very few States that have achieved the targets as stipulated under the Fifth Malaysia Plan. I am sure that the Barisan Nasional State Government will continue to bring progress and stability to the people of Penang.

The emergence of the Asia-Pacific Era has given new opportunities as well as challenges to the people of Penang. In the past two years, Penang has received huge investments from a wide spectrum of foreign and local investors. More is expected, especially from the Far Eastern economies. The influx of foreign investments to Penang is a vivid testimony to the confidence and faith in the State Government of Penang and in the Federal Government headed by our Prime Minister. We are confident that at the rate Penang is growing, it will contribute greatly towards the success of Malaysia's industrialization programme as we

march into the 21st Century.

The next General Election is around the corner. Gerakan is now ready to seek a renewal of mandate from the people, especially in Penang. The people of Penang will be faced with a choice between stability and uncertainty, between continued prosperity and disruption of growth. I am confident that having supported the Gerakan-led Penang Government for the past twenty years, the people of Penang will continue to support the Gerakan and the Barisan Nasional in the next General Election. They will support continuity, stability, prosperity and unity.

New Team

On our part, Parti Gerakan is committed to providing this continuity in order to bring further stability and sustained progress to the State of Penang. The party will present a team of capable and suitable leaders in Penang who will work closely with Saudara Dr. Lim Chong Eu in providing this continuity. We will announce the composition of this team at the appropriate time.

Whilst preparing to enhance our base in Penang, we are also strengthening our presence in other States. It is with this in mind that we have stepped up our political training programme. By the next General Election, we will have our core of political activists and propagandists strategically placed in all the States to ensure success for our candidates as well as the victory of all other Barisan Nasional candidates.

1990

DAP's Tanjung 2

We all have heard of DAP's Tanjung 2, which represents a desperate bid by the DAP's Secretary General to be the next

Chief Minister of Penang. But we in Parti Gerakan will fight tooth and nail to ensure that the DAP's plans will be foiled yet again, as they have been foiled before. Our greatest weapon in our political fight against the DAP is the economic success achieved by the Penang State Government led by Saudara Dr. Lim Chong Eu over the last twenty-one years.

Economic Woes in 1969

When Parti Gerakan first came to power in Penang way back in 1969, the island state was in the throes of a very severe recession. Penang had by then lost her free port status. Commerce, the mainstay of her economy, was thus crippled. With no natural resources and industries, Penang faced the real danger of becoming a sleepy hollow. Unemployment soared to a record 14 percent of the labour force. Of the economic future, then, there was nothing but despondency, despair and pessimism among Penangites.

Magical Transformation

Today, exactly 21 years later, the transformation is almost magical. From an economy based in part on rural agriculture and the rest on commerce, Penang has been transformed into a modern industrial state. More than one-third of the state's GDP is now made up of manufacturing output. Unemployment has been reduced to about 5 percent of the labour force. In fact, Penang currently has a problem opposite to that faced in 1969. It is facing a labour shortage! Commerce is thriving again, with restaurants and hotels doing booming business. Infrastructural development is proceeding at a hectic pace to ensure that there are no infrastructural bottlenecks to industrial development. Already, some of these infrastructural projects have been completed and are standing out today as

important landmarks. Two obvious ones are the Penang Bridge and KOMTAR. Housing started by both the private and public sectors has increased many fold. In short, Penang stands out as a model industrial state that is well-equipped with infrastructure and other supporting services.

Solid Achievements of the Gerakan Versus Empty Sloganeering of the DAP

The hectic pace of development and the structural transformation that have taken place in Penang over the last twenty one years have been due to the correct development strategy adopted by the Barisan Nasional Government in Penang led by Saudara Dr. Lim Chong Eu and the strong support and cooperation given by the people of Penang. We have no doubt that the people of Penang will continue to support the Gerakan in the forthcoming General Elections in order to ensure that the rapid pace of development that has raised the standard of living of Penangites many fold will be continued and sustained into the future. We are confident that the voters in Penang will reject the DAP which raises issues that the DAP leaders themselves know they cannot resolve. This is because many of these issues are federal matters that can only be resolved at the federal level. Even some state matters can only be resolved with help from the Federal Government but that would require close federal-state relations. The people of Penang knows that in order to benefit, it would be better for the future State Government to have close relations with the Federal Government. The economic strength and growth of Penang lie not within itself but in its inter-relationship with adjacent states and with the rest of the Malaysian economy. In this respect, Parti Gerakan has planned to lead Penang to meet the challenges and demands of the nineties and into the 21st century. On the other hand, the DAP has only embarked on empty sloganeering. Gerakan knows. We have done it before and will continue to serve the people in Penang.

Saudara Dr. Lim Keng Yaik - A Fourth Term in Office

I thank Party members for their confidence in electing me as the President again for a fourth term. It has been a pleasure for myself in these last 10 years in having the privilege of leading the party, as party members in general have been disciplined, united and very helpful. The party is more united today as has been shown through the smoothness of the elections at every level of the party organization, whether it be at branches, divisions, state level or for both the Youth and the Wanita Movements. I urge party members to continue the discipline shown and be united in purpose in building up the party.

1991

The 1990 General Election

Parti Gerakan performed credibly in the 1990 General Election. We managed to retain all our 5 Parliamentary seats, though at the state level we managed to win only 11 seats for a net overall loss of two compared to 1986. The net loss of two seats was suffered in Penang. However, the seven seats that we won enabled the Barisan Nasional to maintain its minority and to continue controlling the Penang State Government. Parti Gerakan would like to thank Barisan Nasional leaders, especially those from UMNO, for upkeeping the Barisan Nasional spirit in naming Dr. Koh Tsu Koon as the Chief Minister of Penang.

Tribute to Saudara Dr. Lim Chong Eu

Our ability to retain a majority of the seats in Penang, thus foiling the dream of Mr. Lim Kit Siang, was due in no small measure to the leadership provided by our much respected leader and founder member, Saudara Dr. Lim Chong Eu. Despite his

age, and true to the spirit of a good soldier, he led our party into what was to be a difficult war. While he fell in battle, our party survived the war and emerged victorious. For his sacrifices, I would like, on behalf of all members of Parti Gerakan, to offer our heartfelt thanks to him. His unselfish attitude in sacrificing himself for the larger interests of the party has touched our hearts. I do hope Saudara Dr. Lim 's spirit of nation before party and party before self will be emulated by all in our party, irrespective of rank.

Tribute to The Other Senior Party Stalwarts

I would like to take this opportunity to place on record our appreciation to yet another old party faithful and stalwart, Saudara Khoo Kay Por. Saudara Khoo has been with us since the very inception of our party. Like Saudara Dr. Lim, he too has rendered his services to the party with distinction. But for them and the many other comrades who have stuck with the party through thick and thin, Parti Gerakan would not have remained in power in Penang today. Lest you forget, this is the 22nd straight year our party has been at the helm of the state administration in Penang. This is certainly no mean achievement. For this, we have a lot to thank Saudara Dr. Lim, Saudara Khoo and the many other comrades who have fought and struggled along with them and some of whom are still with us today, struggling to achieve the lofty ideals of Parti Gerakan.

Countering the Falsehoods of the Opposition

We have a considerable amount of political work to do. We must equip ourselves with political knowledge and understanding to counter the falsehoods spread by the opposition. Malaysia has so successfully built up itself politically, socially and economically that it is now the envy of both the developed as well as many developing countries. We are being quoted as a fine example of political maturity with rapid economic development.

Many developing countries are aspiring to emulate our performance. This has all been achieved through the dynamism and farsightedness of the Barisan Nasional leadership, especially that of Y.A.B. Dato Sri Dr. Mahathir Mohamad. In order to maintain this and to provide continued stability and progress, we must at all cost stop the irresponsible politicking of the opposition. We must be prepared to explain at length to the people on the cost to the nation if we foolishly allow ourselves to be misled by them.

1992

Preparations for the Next General Election

As you all know, the General Election is only about three years away. The previous general election was a tough one for us but with unity, dedication and commitment of our members, we managed to perform satisfactorily. We managed to retain control of political power in Penang, thus foiling once again DAP's Tanjung 2 project. Be that as it may, we should still look back and learn from our mistakes and weaknesses, though, what is of even greater importance is that we should look forward to the next General Election. We should set for ourselves the goal of retaining all the seats that we have won and recapturing all the seats that we have lost. This is a difficult but not an impossible task. What is needed is party unity, hard work and commitment of our members.

I would like, therefore, to urge all of you to return to your respective divisions and branches after this conference to begin the job of preparing for the next general election now. Services to constituents must be stepped up, both in terms of quantity and quality. Seminars, workshops and courses must be conducted from time to time at all levels to instil greater awareness and consciousness of current political, social and economic issues to our members so that they will be better able

to counter the propaganda of the opposition DAP and to correct whatever distortions the public may have of governmental policies. All these we must do and more if we are to succeed in our mission.

The Party's Long-Term Programme

The above are short-term measures aimed at strengthening the party's machinery in facing the next General Election. To strengthen the party in the longer run so that we may be better prepared to meet the challenges of the future, I would like now to unveil to you our party's long-term political programme. This programme, to be implemented over the remaining years of this century, will be launched next year in conjunction with our party's 25th Anniversary. The objectives of this plan to the year 2000 are:

- a) to strengthen the party in terms of organization;
- b) to enhance the efficiency of the party's administration and improve the effectiveness of our party's service, publicity and election machinery, in order to broaden its influence amongst members of the public.

5 Major Projects: The New Party HQ

As part of this programme, five major projects will be launched. The first is the construction of the new party headquarters in Kuala Lumpur. I am pleased to inform you that plans for the construction of this new headquarters are currently being finalized. A draft plan is in fact ready and will be unveiled to party members at our Malam Gerakan gathering tonight. Hopefully, our 24th Annual Delegates Conference will be held in our new party Headquarters.

Massive Membership Drive

The second project is the launching of a massive membership drive. To facilitate this drive, sub-branches corresponding to polling districts will be set-up in numerous constituencies throughout the country. A certain portion of the new members will also be identified for the purpose of training them to be cadres. This should strengthen our party's organizational machinery in facing the next and future General Elections.

National Training Centre

We propose next to establish a national training centre in Kuala Lumpur as our third project. Under this scheme, specially selected cadres will be given intensive courses to instil in them greater awareness and knowledge about current issues and our party's affairs, especially its ideological pursuits, in order that they may be better equipped to take on the DAP in the ideological battle for the hearts and minds of Malaysians.

Book Scheme

The fourth project is the launching of Gerakan's Book Scheme. This will involve members at all levels raising funds for the worthy cause of acquiring and distributing books to Malaysian students, especially the poor and needy.

Study Loan Scheme

Finally, a Study Loan Scheme for children of Gerakan members will be launched in the not too distant future. Realizing that the costs of higher education, both at home and abroad, have escalated and that many party members are now finding it increasingly difficult to support their children, this scheme aims

to ameliorate the situation by providing loans to bright and clever but financially poor children of deserving Gerakan members. Hopefully many more children of our party members will be able to pursue their higher education as a result of the implementation of this scheme.

These five projects have been approved by the central committee and are due for implementation at the beginning of 1993, after the details have been explained to leaders at the branch, division and state levels. I am confident that with the implementation of these projects, our party's machinery will be better organized, strengthened and streamlined to better serve the rakyat and nation.

II. BARISAN NASIONAL

1984

Spirit of "Musyawarah" Within Barisan Nasional

The political process of a country determines the course of its social evolution and development. This is particularly so in a multi-racial society like Malaysia. While it is a fact that politics tends to be conducted along communal lines, Malaysia has also been practising coalition politics, first in the form of the Alliance, then the Barisan Nasional. The basic underlying principle behind the Barisan Nasional formula is to ensure that government policies take into account the interests of all communities through mutual consultation. This formula for collective government leadership has proven viable for Malaysia over the last few years.

We in GERAKAN strongly urge that the spirit of "Musyawarah" (consultation) should be further strengthened and practised by all component members of the Barisan Nasional in the future. In particular, we strongly feel that the Barisan Nasional Supreme Council should meet more regularly, say at

least once a month. Any important policy decision should be thoroughly discussed at the council before presentation to the Cabinet and Parliament. In this way, intra-Barisan Nasional democracy can be truly said to be practised.

1985

MCA's Internal Bickerings:- Gerakan To Play a Bigger Role?

Over the past 19 months, the Malaysian Chinese Association (MCA), a component party of the Barisan Nasional, has been faced with its own internal problem. The problem was so serious that the Barisan Nasional was worried and concerned over the serious implications this internal party problem would have on the stability of the Barisan Nasional and the country as a whole. Under the circumstances, the Barisan Nasional Supreme Council was obliged to discuss the MCA problem at its last meeting. As you all know, this meeting granted a request from the MCA representatives that they be given 3 months to settle their problem, failing which they would voluntarily opt out of the Barisan Nasional. In response to this event, I did say that Parti Gerakan may have to assume a heavier political responsibility and a wider role with regards to the aspirations and legitimate interests of Malaysians of Chinese origin. We have been working actively among Malaysians of Chinese origin and are, therefore, particularly aware of their socio-economic and political problems. We are also glad to note from our active involvement, that an increasing number of Malaysians of Chinese origin have come to accept our Malaysian line. This shows that struggling for the legitimate rights of Malaysians of Chinese origin and Malaysians of other ethnic origins is seen by many as being very much in consonance with our Party's Malaysian line. This struggle, of course, is part and parcel of Parti Gerakan's effort in contributing towards the task of nation-building and of building unity among all Malaysians.

Calls for Greater Intra-Barisan Democracy

Malaysia achieved her independence in 1957 through the close interaction between the people of all races and of all levels of livelihood. Ever since independence, we have been enjoying political stability, initially under the Alliance and now the Barisan Nasional. The basic principle underlying the Barisan is to build national unity under the principles of Rukunegara, with a view to minimizing racial polarization and to creating a Malaysian society that is just and fair to all. In the light of the above, we are of the opinion that it is important for the Barisan Nasional to have frequent mutual consultation of all parties in order to take into account the views of all communities in major policy decisions. We in the Gerakan have always advocated, and will continue to advocate, that the spirit of "Musyawarah" be further strengthened and practised by all component members of the Barisan Nasional. In particular, we strongly feel that the Barisan Nasional Supreme Council should meet more regularly, say at least once a month. Any important policy decision should be thoroughly discussed at the council before presentation to the Cabinet and Parliament. In this way, intra-Barisan Nasional democracy can be truly said to be practised and our participation within the coalition can then be truly productive and meaningful. The various component parties will then be better able to explain government policies to the rakyat at large, thus weeding out opportunistic politicking.



Honoured by community leaders from Chemor, Perak on the occasion of Dr. Lim's appointment as Senator and Minister with Special Functions in 1971.



Visiting a new village in the early '70s.



Dr. Lim with other leaders of the MCA's Reform Movement.



Perak MCA's Reform Movement meeting.



Dr. Lim with well-known Hong Kong film star Andy Lau Tak Wah.



Dr. Lim with well-known Hong Kong martial arts expert and actor Kwang Tuck Hing.



At the Cairns Group Ministerial Meeting in Argentina, 1988.



Addressing the Cairns Group Ministerial Meeting.



Dr. Lim, the soccer enthusiast,



Dr. Lim presenting prizes at a sports meet.



His Majesty The Late Sultan of Perak with Dr. Lim, Tan Sri Ramli Ngah Talib and Dato Rais Yatim.



Having a chat with Saudara Soong Siew Hoong, Parti Gerakan's Treasurer-General.



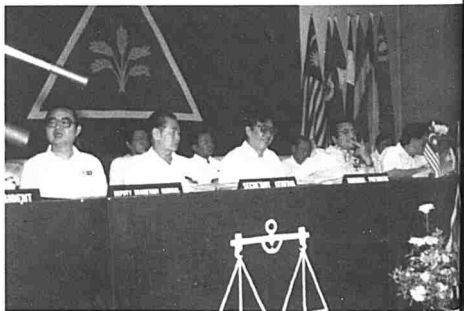
Dr. Lim addressing a party seminar – all seem so amused.



Receiving a souvenir from Saudara Kerk Choo Ting, Deputy President of Parti Gerakan.



Dr. Lim in a pensive mood.



With YAB Dato Seri Dr. Mahathir Mohamad and other party leaders at the opening of the party's ADC in 1982.



Dr. Lim declaring open a party seminar.



Dr. Lim helping out in the by-election for the Jerlun State Constituency, Kedah in 1991.



Accompanying His Majesty the Emperor of Japan to Port...



Dr. Lim on one of his many visits to a school in his constituency.



Attending to constituents' problems.



Declaring open a school building in Pantai Remis, 1992.



Speaking at the Opening of the Gerakan State Liaison Assembly, Malacca, 1993.



Dr. Lim presenting a souvenir to YAB Dr. Mahathir Mohamad at Gerakan's Chinese New Year Open House in Kuala Lumpur.



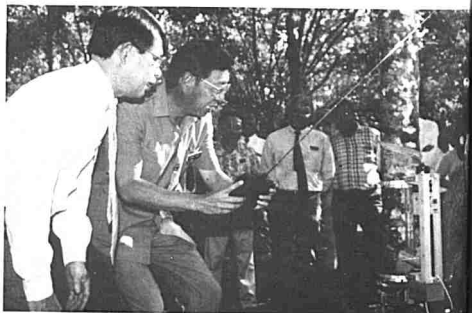
Dr. Lim with the Prime Minister, Datin Seri Dr. Siti Hasmah and Saudara Chan Choong Tak.



Chairing a meeting of the Wushu Federation of Malaysia.



Accompanying Chinese Premier Li Peng to Porim.



Dr. Lim testing out a rubber tapping machine at a RRIM experimental plantation.



Driving around the plantation.



Launching the Malaysian World Trade Furniture Expo 1992.



Thumbs up for the motor
engine run on palm-oil



Dr. Lim with the founder members of Parti Gerakan in 1989.



Dr. Lim leading the Barisan Nasional team in Bruas to the nomination centre in 1990.



Welcoming His Majesty the Yang Di Pertuan Agong to the Ministry of Primary Industries, 1991.



Speaking at the Opening of a Seminar for Local Councillors organized by Perak PGRM in 1991.



Together with Saudara Dr. Lim Chong Eu at the Sungai Pinang Branch Dinner in Penang, 1990.



Dr. Lim enjoying his lunch with residents of a kampong in Bruas.



Visiting an estate in Bruas.



Chairing a Central Committee Meeting of the Party.



Addressing a dinner party for a thousand people in Bruas, 1990.



Dr. Lim welcomed by monks at a Buddhist Temple in Tumpat, Kelantan.



Praying at a temple in Bruas.



With Hj Fadhil Noor, Tengku Razaleigh, Dr. M.K. Rajakumar and Lim Kit Siang at a seminar on the post-NEP Development Strategy, 1989.



At the Ground-Breaking Ceremony of Parti Gerakan's Branch in Dungun.



Chatting with the MB of Johore, Saudara Kerk Choo Ting and the late Dato Tang Peng Koon of the MCA.



Dr. Lim addressing the rakyat.



Declaring open an extension to the SRJK (C) Khuen Hean, Kampong Changkat Keruing, Ayer Tawar.



Dr. Lim welcomed by estate workers.



Visiting a rattan factory.



Visiting a wet market in Bruas with his Political Secretary,
Saudara Dr. Kang Chin Seng.



At the party's brain-storming session for the Central Committee members in January 1991.



With Dato Seri Dr. Ling Liong Sik and Mr. Lim Ah Lek from the MCA at the party's Chinese New Year Open House.



Welcoming the Chinese Ambassador to Malaysia.



Getting a feel of the problems faced by the fishermen in Pantai Remis.



Dr. Lim at a meet-the-people session.



Trying out South Indian cuisine with local Indian community leaders in Bruas.



Dr. Lim presenting gifts to the poor.



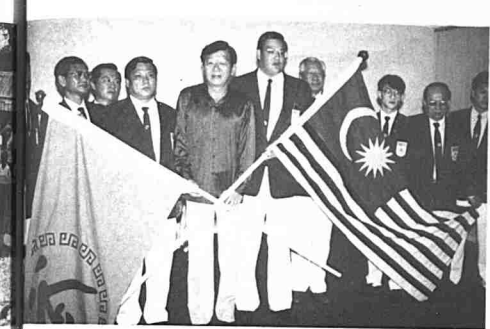
Dr. Lim at another dialogue session in Bruas.



On his regular rounds in Bruas to learn about his constituents' problems.



Visiting a woodbased factory with Saudara Yang Chow Thye, Chairman, Parti Gerakan Trengganu, 1992.



Leading a Wushu delegation to China.



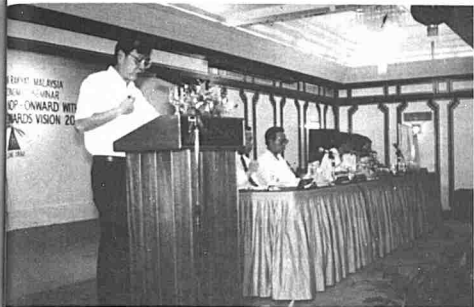
With the Menteri Besar of Negeri Sembilan and Saudara Woo Siak Chee, Chairman, Parti Gerakan Negeri Sembilan, 1992.



Dr. Lim receiving Mr. Deng Pu Fang, son of Deng Xiao Peng.



Welcoming Tan Sri Lim Geok Chan, President, Federation of Chinese Assembly Halls.



Declaring open the national economic seminar of Parti Gerakan in 1992.



Chatting over tea with participants at the national economic seminar.



Dr. Lim stressing a point at the party's ADC in 1990.



With Saudara Dr. Goon Swee Fook, Saudara Soong Siew Hoong, Saudara Kerk Choo Ting, Saudara Chan Choong Tak and Saudara Alex Lee at the party's brain-storming session in 1991.



Lighting a string of firecrackers at a temple in Ayer Tawar.



Dr. Lim entertaining the crowd in Bruas.



Preparing for the 1990 General Election.



At the BN's Election Operations Room in Bruas.



Visiting the computer centre in a school in Bruas.



Opening the Annual Meeting of Parti Gerakan's State Liaison Assembly,
Selangor in 1990.



Sharing a light moment with the pressmen.



At a Chinese New Year Gathering in Johore with Tan Sri Muhyiddin, MB of Johore, Saudara Khoo Chee Wat and Saudara Kerk Choo Ting, 1993.



Dr. Lim greeted by a lion dance upon arrival at a Chinese New Year gathering in Sungai Besi, Kuala Lumpur.



At a meeting with Christian leaders.



Presenting gifts to the Muslim poor in Bruas.



Dr. Lim launching the reconstruction of an old Indian temple in Bruas.



Gerakan's contribution to the 'Tung Chiao Chung' Administrative Centre.



Presenting mandarin oranges to little children.