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**SPEECH BY  
THE DEPUTY PRIME MINISTER  
AT THE ELEVENTH ANNIVERSARY DINNER  
OF THE FEDERATION OF MALAYA TIMBER  
EXPORTERS ASSOCIATION AT SELANGOR CLUB,  
KUALA LUMPUR, ON 17TH AUGUST, 1966.**

Mr. President, ladies and gentlemen,

I am extremely happy to be your guest here tonight. I nearly went to the wrong place.

I understand the original place where you were going to have this dinner was the "Merlin Hotel", but perhaps because it is a stone building, and you are all members of the *timbers* industry, quite rightly and appropriately you changed the place to this well-established *timber* building, the Selangor Club.

As you know, in our present Malaysia Five year Development Plan, we have an effective, long term programme for exploiting existing forest areas, a programme which will contribute in significant measure to the generation of increased income and employment within our national economy.

Such exploitation, however, cannot be allowed to be excessive, as a portion of the country's forests must be reserved to avoid the danger of certain climatic changes, safeguard water supplies and soil fertility and prevent flooding and erosion.

A certain portion of forest land must be reserved for this purpose while the remainder will however be developed for the production of timber on a permanent basis or cleared for crop-production and livestock rearing.

The areas under forest which are required for these two main objects are now being classified into "protective" and "productive" reserves respectively.

A "forest reserves survey" is at present being carried out, so also, is a "land capability classification survey", and these two combined surveys will help to satisfactorily draw the dividing line between these two types of forests, *protective* and *productive*.

We have set aside no less than \$10 million in the Development Plan for Western Malaysia and \$2.4 million for Eastern Malaysia in order to increase activity in both these fields.

Included in the Malaysia Plan is a strong emphasis on *forest products utilisation research*, so that we can achieve the maximum national benefits from what your President recently referred to as "the third greatest industry of our country".

I realise that you, gentlemen, are all members of this *exporting association*, and I do not want to give the impression tonight that I belong to a rival association, but I think myself as a member of an *importers' association* and my main task in this respect is to *import* to both our rural and urban areas higher incomes and a higher standard of living so that our people can live a prosperous and happy life.

It is, therefore, my government's duty to consider the benefits of all our people and *not* one isolated group in any industry.

Therefore, my government must view the timber industry *as a whole* in relationship to our national aims of increasing the standard of living of our people, and, therefore, we must view the use of our forest reserves and consider how best we can increase the availability of both income and employment by stimulating more and more local industries from *original forest products*.

Because of the ambitious programmes of land development which we have been implementing over the last five years, the flow of timber from the forests has increased tremendously over the last few years, and I feel that at this juncture we are going through what might be regarded as a "gold rush" in *timber exploitation* and as happened with "gold rushes" in other countries in the past, there is much pressure from those who want to get rich overnight without much consideration on their part for the overall national interests and national economy.

This "gold rush" or "timber rush" *must be controlled* and both the private and public sectors of our economy must cooperate and co-ordinate together if we are not going to waste the *resources of* our forests.

We must make sure that *maximum utilisation* and *maximum employment* opportunities results from our government's policy with regard to this flourishing timber industry.

What is required is a *greater stimulus* to the *conversion of logs* into exportable products such as veneer plywood, hard board, etc. even attempt to fill the homes in other countries in the world with Malaysian made furniture!

There was, I admit, a slight misunderstanding on the ban of the exportation of logs, but it is our duty as government to sustain all aspects of the forest industry, and it is not logical to have our own timber exported to *such an extent without* ensuring first that our sawmills and factories are not idle because of over-exportation of our timber!

I do hope that in the very near future the new "timber export board" will soon be functioning efficiently, and will be able to contribute towards the complete co-ordination of timber and timber products export industry, and so achieve the best results for the benefits of all.

There is one other aspect, however, that I would like to stress tonight, and that is, with regard to the exploitation of our forests.

Because of this "timber rush" which I mentioned earlier, there is a tendency for all sorts of people, whether they have resources or the skill, to demand the issues of timber licences without either having the know-how or where-with-all to carry out *successful timber extration* operations, and this method of tackling the exploitation of timber piece-meal is detrimental both *to the industry* and the economy of the country.

We are living in a competitive world and to survive and to develop we have got to employ the best techniques and the best methods which exist in the world.

Small, badly managed companies or organisations engaged in timber exploitation *must* be encouraged to regroup into larger and more efficient organisations and touse the best and most up-to-date methods available. This does not in any way mean that we are cutting out the small man in favour of the big man; this does not mean that we are discriminating the "have-nots" against the "haves"; No.

What I visualise is the grouping together of all these small companies, small organisations on an integrated basis, each having their fair and just share of the profits and thus organising themselves into efficient, modern and up-to-date timber operator organisations of some substance.

To apply this policy M A R A are setting up in the very near future a National Timber Corporation, and I sincerely hope that all small and independent operators will see the logic of coming together and joining this larger and more efficient organisation so that not only they themselves can get the maximum benefits from our natural timber resources, but also the economy of the nation as a whole will also benefit.

Your President has mentioned that among you tonight are many familiar faces of these who boldly started their lives in the timber industry eighteen years ago and grew up with it.

I understand that some species of timber such as *teak*, live very long in the jungle up to the ripe old age of 120 years. Perhaps, you these familiar faces, with your close association with timber over the last 18 years have assimilated something from these logs you have been handling, and I hope you too would live the same ripe old age of the finest species of timber!

I would like to thank you once again for the kindness in inviting me here tonight and sincerely hope that your association will grow from strength to strength and play its important part in co-operating not only with the national timber industry export board, but also with my government.

Thank you.