

## OFFICIAL OPENING OF THE OIL PALM PROCESSING MILL AT JERANGAU, TRENGGANU ON 23 JUNE 1967

Yang Amat Berhormat Menteri Besar, Timbalan Pengerusi Lembaga Kemajuan, Tuan-tuan dan Puan-puan,

I am happy to be here today to open this, the very first oil palm mill that the F.L.D.A. has brought into operation.

This event marks, yet another milestone reached in the phased development and settlement of oil palm areas, and also a further step forward in our development programme.

As the Deputy Chairman has pointed out, this mill is the forerunner of many such mills that the F.L.D.A. is building, in order to provide the most efficient processing facilities for handling the crop of the small oil palm producers.

The oil that flows from the machinery of these mills will provide the economic life-blood of the small producers being settled on our land development schemes.

Just as the mills "press out" the oil from the fruit bunches, so my government is determined to "press on" with a vigorous programme of rural development of land settlement.

The integration of up-to-date husbandry techniques in planting with the latest processing techniques in the factory, will ensure that, not only is the maximum quantity of the crop produced, but also, that the quality of the final product is of the highest standard.

This reflects the fundamental change of approach that is taking place in the small producers' sector of the agricultural industry of our country.

The development of a dynamic rural sector must be based on progressive production, processing and marketing systems.

The Alliance government, through our agencies such as F.L.D.A. and M.A.R.A., will spare no effort in providing such systems so that our farmers of the future are able to avail themselves of the most modern of techniques.

However, to ensure success, the contribution by government must be matched by similar efforts on the part of the settlers involved.

In other words, the success or failure of any such land venture which is, in fact, *a joint venture* between the government and the farmers, depends on *both partners playing their full role*.

This mill is designed to reach an ultimate through-put of 28 tons of fresh fruit bunch per hour, and by 1976, 23,000 tons of oil will be produced by this factory each year. The extent to which these targets

are achieved will depend, to a large extent, *on the efficiency* with which the agricultural area is operated - this, in turn will be dependent on the combined efforts of the F.L.D.A. staff and you settlers.

The site work on the mill you see before you today, was commenced 18 months ago.

The planning and organisation required to reach this stage involved close team-work by a number of experts both from the public and private sectors of Malaysia and foreign countries.

Recent developments in the field of oil palm engineering indicate that in the near future an increasing proportion of the machinery components required in oil palm factories will be manufactured locally at lower cost than those that are currently imported.

Such development will both reduce capital expenditure and facilitate saving in foreign exchange.

Furthermore, they will provide a stimulus to the engineering interests of the industrial sector of our nation.

I wish to emphasise that this is but *another example* where progress in the agricultural sector can lead to development in the industrial sector.

I am pleased to find that this mill is being operated *entirely* by trained Malaysian engineers and technicians, and that settlers' sons are already being given practical training in a number of factory operations which will ultimately equip them for employment in a wide range of skilled occupations.

As you are aware, the development of the Jengka Triangle in Pahang is already under way, and within the next 10 years, approximately 100,000 acres will have been brought into agricultural production.

Five oil palm mills of even larger capacity than the one you see here today, will be required to process the fruit from the palm oil areas of Jengka, and approximately 10,000 settlers will be provided with a source of employment and income generating capacity far beyond that on which they currently exist.

The F.L.D.A. programme of development and settlement extends to all States in Western Malaysia that are willing to avail themselves of the opportunity for rural development that the Alliance government offers.

Indeed, you may think that the Jengka Triangle project is large, but, in fact, it accounts for approximately 1/3rd of the scheduled programme that the F.L.D.A. has as its provisional target during the next 10 years. The benefit from this form of rural development accrues to all levels of the nation.

The settlers concerned have their living standards raised to levels far above those that they were able to attain in the past.

The States in which this development takes place benefit considerably as a result of the increased level of economic activity generated through the provision of supplies and services required by these developed areas.

The nation as a whole benefits not only through *the revenue derived* from the exports of the agricultural produce of these areas, but through the "multiplier effect" that such an investment policy creates both at local and national level.

In conclusion, I would like to stress that the mill I am opening today is yet another *symbol* of the progressive approach that the Alliance Government had taken towards effective rural development during the 10 years since Merdeka.

The State of Trengganu has availed itself of the opportunities offered by the Alliance Government, and my one regret today, is that your neighbouring State of Kelantan appears to be reluctant to follow suit and derive the benefits that evolve from this form of rural development.

The F.L.D.A. will continue to open up new areas throughout Malaysia, and by doing so, provide the solid framework from which a progressive and knowledgeable agricultural community will evolve.

This is a joint venture between the Government and the people who elected it; let us march on together, confident in the knowledge that as a result of our combined efforts, we shall achieve even higher levels of prosperity than those we enjoy today.