

SPEECH BY THE DEPUTY PRIME MINISTER
ON GROUP SETTLEMENT AREAS BILL, 1960
AT DEWAN RAKYAT ON 27TH APRIL, 1960

Sir,

I beg to move that the Group Settlement Areas Bill 1960, be read a second time.

At the last Budget Meeting I explained to the House that it was my intention to bring to this House legislation which would put into effect some practical measure to speed up rural land development. As the House is by now aware, the Government places the highest emphasis on Land Development as a most important measure to improve the standard of living of the rural people. This is the Bill, Sir, which is not only a first step in unifying land legislation on a national scale but also in the reform of Land Office procedure.

However, before proceeding to explain the effects of this Bill, I wish to clear up one point which Hon'ble Members may not have fully appreciated. This Bill is a Federal law which is presented to Parliament under Article 76 (4) of the Constitution for the purpose of ensuring uniformity of law and policy with respect to group settlement and land tenure in Group Settlement areas. This Bill will apply to all States other than Penang and Malacca without further legislative action. Nevertheless, it will have no effect in any State unless the State Government itself, by administrative action, declares areas within which the provision of this Bill will apply. Now, Sir, let me briefly explain to the House the objects and purpose of this Bill. Although it has mostly been said outside and inside this country that we in this country enjoy the highest standard of living throughout Asia, we must at the same time admit that in general our rural areas have not shared the prosperity of the rest of the Country.

This is generally due to the mistake of past policy of Colonial administration and also the failure, not unusual in rural areas anywhere, for people in those areas to move with the times and to accept improved methods and techniques. The whole of this adds

up to an uneconomic use of land and to the attempt of too many people to live on pieces of land too small to support them at a proper standard of living. This situation is aggravated by the unprecedented growth in our population. Now, in order to solve this physical land problem and to alleviate this poverty in the rural areas, the Government has adopted a new policy. This policy is to **ensure—**

- (i) that future smallholdings when alienated shall be of an adequate size and thereafter shall be maintained at that size and not allowed to become fragmented into non-viable units;
- (ii) that existing smallholdings too small to support a family should, where possible, be brought up to an economic size.

The best contemporary agricultural opinion is that a basic economic unit sufficient to support a normal Malayan family in comfort and security is of the order of 8 acres. Of this area 6 acres should carry a proved primary product, let us say rubber, which will yield an assured income and the remaining 2 acres should be for mixed cultivation, fruit trees, vegetables, etc. largely for the consumption of the family itself. Where possible a further 2 acres of padi land would complete the unit but over very large areas there is of course no land available for this purpose.

There is nothing particularly new in this principle of economic holding of land. The Federal Land Development Authority has pioneered this policy with great success, but the principle does not find an expression in the present land codes of the Federation and there are no existing provisions of law which can enforce this pattern of development.

It is the above omissions, among others, which is desired to remedy in this Bill. Under it, economic holdings of a uniform size would be prescribed and then surveyed on the land prior to alienation. Such survey would of course be planned in large blocks wherever suitable areas of land **occurred**. It is necessary to cater both for those who are landless and for those who, while they already possess some land, do not own a sufficient area. Provisions would therefore be made for settlement areas of two types:

- (a) For the **landless**—large areas of 3,000 to 4,000 acres to be planned round a central village area. These would accommodate 400 or 500 families on 8 acre holdings.
- (b) For **others**—smaller areas fringing existing kampongs for the purpose of supplementing existing uneconomic holdings in those kampongs. In these areas the supplementary holdings would be of a smaller size, say 3 acres.

Members may observe that there is no essential difference between the first of the above types of settlement and the normal land development area, whether sponsored by a State Development Board or by the Federal Land Development Authority. The provisions of the Bill will indeed be used to facilitate alienation in land development schemes but they have also a wider application and will enable Land Authorities to take a new initiative in large-scale land development in circumstances where the Federal Land Development Authority does not operate.

I must remind members that the Federal Land Development Authority depends upon loan funds and cannot alone cope with the vast problems of providing land for all those who are clamouring for it. The Federal Land Development Authority has a particular role in sponsoring development in remote areas and where settlers are exceedingly poor if not destitute, but this Government believes there is scope for other methods also which do not lean so heavily upon public assistance.

The development of our rural resources in the past depended very largely on the initiative and energy of individual settlers. That a pioneering spirit still survives is shown by the flood of land applications which has overwhelmed all land offices in the Federation and this Government is confident that there are many who are not entirely without resources would be prepared to develop new lands—particularly if land could be made available reasonably near to their family homes. However, these applicants could not perhaps develop so much as 8 acres nor carry through the work as rapidly as our circumstances require or at least could not do these things without assistance. This then is the central purpose of this Bill—to provide in the simplest and most effective way a means by which individual initiative can be assisted and guided by a minimum degree of Government subsidy and supervision.

It is the intention of this Government that, with the co-operation of the State Governments; this assistance shall be provided within Group Settlement Areas in three forms:

First, by waiver for a period of all the usual Government charges, viz. premium, survey and other fees and by relief from any burden of rent until the land is in bearing.

Secondly, by felling and clearing the area at the public charge and by provision of planting material, fertiliser and other agricultural aid.

Thirdly, by provision of access roads and where possible of water supplies, electricity and other services as part of the normal rural development programme.

If I may be permitted to make a comparison with the commercial undertakings, the Government will set up in business to sell cleared surveyed sites by "hire-purchase methods". Basically settlers will be relieved of all expense other than that of finding their food and lodging and in return will pay by instalment or in the form of an enhanced rent once they are receiving an income from the developed land. I do not wish at this stage to make any statement as to the precise terms which can be granted since my Hon'ble friend and colleague the Minister of Finance is at this moment still carrying out an examination of these proposals, but I can assure this House that the hire purchase terms will be as generous as we can make them and that the "easy payments" will be such as not to impose a strain upon the settler.

To sum up: Under this Bill it will be possible to plan large-scale block alienation of land in holding of a uniform economic size, specifically for the landless and for those whose holdings are inadequate, and to sponsor this development by a straightforward system of subsidy at the time when it is most required against later repayment at a time when repayment imposes no burden. For the information of Hon'ble Members I will rapidly point to those sections of the Bill which are relevant in these respects:

Section 7 provides for economic holdings of uniform size to be fixed.

Sections 14, 15 and 16 require that there shall be one single proprietor for a holding and prohibit the subletting, sub-division or fragmentation of the holding in any circumstances.

Section 17 requires the planting of specific crops only and the full cultivation of every holding.

Sections 9, 13 and 20 provide for the waiver of charges, the initial clearing of land and the recoument of the costs of these and of the agricultural materials provided, by a subsequent enhanced rent known as "consolidated annual charge".

Section 19 provides that settlers will not be considered unless they are virtually landless i.e. owning less than 2 acres except in cases where it is desired to supplement un-economic holdings.

Hon'ble Members will observe that Section 19 of the Bill provides that only citizens may be accepted as settlers within the Group Settlement Areas. I do not think it is necessary for me to put any defence on this proposition as it is the considered view of the Government that we cannot spend public funds for those who are not citizens of this country.

I would like to explain in greater detail Section 16 of the Bill which prohibits, upon death of a holder, the distribution of a holding among a number of beneficiaries. It will be necessary for the beneficiary to agree that the interests in the land should be assigned to a single holder, and, in default of such assignment, the Collector has the right to sell the holding and dispose of the proceeds. At first sight this may appear to be some infringement of Malay custom or of Islamic law, but I have been advised by a religious authority that as this property is subject to condition before it is transmitted on the death of the holder, there is no such conflict or infringement of Islamic law. The settler only accepts the land subject to these conditions and therefore the property passes upon his death subject to the conditions.

I trust that the House will now have a fair understanding of the first of my objects here today, i.e. to show what the effect of the Bill on actual rural development will be, and I now turn to my second object which is to show the aspects in which the present land office procedures are reformed by this Bill.

I said above that the Land Offices are inundated with applications. That this is so is primarily due to the chaos created by the war and occupation and to the diversion of effort owing to the Emergency. Nevertheless, some blame must be attached to the unnecessarily cumbersome procedures required under the existing laws, and the proposals which I have advanced above and which will depend for their success upon the effectiveness of the Land Offices might well founder upon this same rock of outmoded methods and unnecessarily complex procedure. Members will wish to know in what way these procedures are to be altered but I will not take up too much time on this matter since the processes involved and the labour which will be saved are matters of detail and questions for the organisation expert rather than the policy-maker.

Briefly then I bring to the attention of Hon'ble Members that:

- (1) the proceeds of **pre-survey** will relieve Land Offices of the process known as "Settlement", the preparation of detailed requisitions for survey and the subsequent process of final settlement;
- (2) the fixing of a uniform size of holding will make unnecessary the calculation of individual liabilities in the way of Government charges and rents: each holder will pay precisely the same as every other in a single consolidated charge for the holding;
- (3) the introduction, by section 12, of a new "Register of Holdings" to supersede what is known as the "**A.A. Register**" and of the new procedure for assignment of rights provided in Section 24, will relieve Land Offices of a considerable burden in the writing and re-writing of registers;
- (4) the new concept of a "holding" which may comprise more than one parcel of land but which nevertheless is held by one short and simple entry in the register dispenses of the practical and legal difficulties of what is known as "tied title";

- (5) the clear and unequivocal statement in Parts III and IV of this Bill of the conditions and obligations upon the holder, relieves both officers and land owners of the burden of endorsing and checking particular express conditions on title;
- (6) the exceedingly simple and direct method of re-entry of land for breach of condition is substituted for a complex and time-wasting process in the existing law.

I need say no more of this aspect of the Bill but before concluding I wish to return to the matter which I mentioned in my opening remarks, that is, the manner in which a State Government may avail itself of the provisions of this Bill. Under Sections 3 and 4 a Ruler in Council may in his discretion declare either of two kinds of area by *Gazette Notificaiton*, namely a "designated area" and a "group settlement area". The purpose of declaring the second will, I think, now be clear: within any declared Group Settlement Area the provisions of this Bill will automatically apply and will prevail over the provisions of the State land law in any point upon which there is conflict.

The purpose of a designated area is, however, less easy to perceive and Section 3 should be read in conjunction with the provisions of Part VI. Section 30 in that Part provides for a summary procedure for the eviction from State land of any unauthorised person. This procedure goes very far beyond that provided in any State Land Code and may be made use of by any State which declares a tract of undeveloped State land to be designated area.

In this way a simple and expeditious method is provided for clearing away unauthorised occupants or preventing the growth of isolated settlements in remote areas where for security reasons it is desirable to prohibit residence.

Now, Sir, as I said, this Bill is intended to provide practical measure by which land development can be speeded up. As I have stated on a number of occasions in the House previously, Land Offices in various States are inundated with applications and the demand for land is increasing. It is therefore necessary to devise a new procedure by which land alienation and development could be speeded up so that we shall be able to satisfy the demands of our people for land and by so doing will be able to give our

people in the rural areas a standard of living higher than they have earned before. I trust that knowing the importance and purpose of this Bill and the urgency of its implementation, the House will give its blessing to this Bill. This Bill, as I said, is an enabling Bill and it will be for the State Government to apply its provisions. The Bill has been considered in the National Land Council and it has been agreed by the State Government concerned.

I therefore ask that we should avoid any unnecessary amendments to this Bill as any amendment will need prior agreement of the State Government. This Bill does not serve any purpose unless the States agree to implement its provisions.

Sir, I beg to move.