

**PEKELILING PENGARAH TANAH DAN GALIAN SELANGOR  
BILANGAN 3/1964**

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**PROSPECTING AND MINING IN MALAY RESERVATIONS  
AND MALAY PARTICIPATION IN THE MINING INDUSTRY**

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The state Government has confirmed the policy as laid down in National Land Council Paper No.10 subject to the following:-

“That the State Government will only entertain applications for mining from Malay Companies, Malay Co-operative Societies and Malay individuals in certain circumstances.”

2. The State Government has also accepted the policy to be followed in implementation of the National Land Council Paper No. 10 as laid down in ANNEXURE “A”.

3. In order to achieve a uniform policy throughout the State on this matter the Collectors of land Revenue are requested to strictly follow the accepted policy as laid down in ANNEXURE “A” . Previous instructions on this matter are hereby cancelled.

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**(HARUN BIN ARIFFIN)**  
PESURUHJAYA TANAH DAN GALIAN  
SELANGOR

PTG.SEL.0.1 (19)

KUALA LUMPUR  
22<sup>ND</sup> JULY 1964

Prospecting and Mining in Malay Reservations  
and Malay Participation in the Mining Industry

1. Policy

The agreed policy (National Land Council Paper No. 10/58) to be followed by the Federal and State Government is as follows:-

- (1) Scout prospecting of Malay Reservations should be carried out by the Mineral Investigation Drilling Unit, at the Federal Government's expense, and on a program to be determined by the Minister of Rural Development; (see para. 2(2)).
- (2) State Government should then select areas for which they will encourage applications for Prospecting Licenses and Mining Leases, by Malay individuals, companies or co-operative societies only;
- (3) An express condition should prohibit any transfer, assignment or sub-lease without the previous permission of the Ruler-in-Council;
- (4) That should Government capital be invested in an enterprise, there shall be one director nominated by Government concerned who shall be a Malay;
- (5) Acquisition, clearing, compensation for removal and the provision of replacement areas should be entirely a matter for the applicant, who shall receive no particular assistance from Government in this matter beyond that provided for all mining enterprises;
- (6) Shares in the company should be offered by the mining concern as part of the compensation payable, but that there should be no under persuasion on the company to offer them or no land owners to take them.

2. Prospecting – M.I.D.U.

- (1) A program for scout prospecting Malay Reservations in the States of Perak, Selangor And Pahang has received the approval of the Minister of Rural Development and drilling operations have already been completed on certain Malay Reservations in the States of Perak and Selangor. Results of this work are being analysed and full reports will be submitted in due course to the Minister of Rural Development who will in turn make recommendations to the State Governments regarding areas designated by the Mineral Investigation Drilling Unit as likely to be tin bearing.
- (2) Whilst para. 1(1) provides that scout prospecting of Malay Reservations should be carried out by the Mineral Investigation Drilling Unit, it is not intended that private enterprise should be denied the right to do this work. On the contrary, Malay private enterprise should be encouraged to carry out scout and close prospecting on both State and alienated land, as provided under the F.M.S. Mining Enactment, Cap. 147.

3. Prospecting and Mining in Malay Reservation – Legal Aspect.

(1) State Land

- (a) May prospected under a License to Prospect (F.M.S. Cap. 147 Sec. 49) or Permit to Prospect (Sec. 58). The former conveys a prior right to select an area and to receive a mining lease. The latter conveys no right to receive a mining lease.
- (b) The land may be alienated for mining purpose only to a Malay.

(2) Land Reserved for a Public Purpose.

- (a) May be prospected under a Permit to Prospect (Sec.58). Such a permit conveys no right to receive a mining lease.
- (b) The land may be alienated for mining purposes only to a Malay.
- (c) Excision from the 'reserve for a public purpose' necessary.

(3) Forest Reserve

- (a) May be prospected under a Forest Permit to Prospect. Such a permit conveys no right to receive a mining lease. (Cap.153).
- (b) The land may be alienated for mining purpose only to a Malay.
- (c) Excision from Forest Reserve necessary.

(4) Alienated Land

- (a) May be prospected by the proprietor, or any person holding the written consent of the proprietor (Sec.48). May also be prospected (with the consent in writing of the owner) in conjunction with State land under a License to Prospect (Sec. 49). The former conveys no right to receive a lease. The latter conveys a right to select an area and receive a mining lease.
- (b) The land may be alienated for mining purposes only to a Malay.
- (c) Surrender of the land title necessary.

(5) Alienated Land Held by Non-Malay

- (a) As for (4) (a) above
- (b) The land may be alienated for mining purpose to any person, Malay or Non-Malay.
- (c) Surrender of the land title

Only a very few such holdings exist The Attorney General, Federation of Malaya, has ruled that restrictions on transfer charge, lease or other disposal (F.M.S. Cap. 142 Sec. 7 and 8) do not apply to non-Malay holdings within a Malay Reservation (P.T.PTM.Sulit 14/58/(22) refers).

4. General

- (1) It is not the intention to excise land from Malay Reservations for mining purpose. Mining leases should be issued over selected areas and the land in question should remain within the Malay Reservations. In this respect it is pertinent to note that no State land or Malay holding within a Malay Reservation can be transferred, charged, leased or otherwise disposed of to any person not being a Malay (F.M.S. Cap. 142 Sec. 7 and 8). Thus a Malay mining company must have 100% of its shares held by Malays if it is to own land in a Malay Reservation. However, restrictions on the transfer, charge, lease or other disposal do not apply to non-Malay within a Malay Reservation.
- (2) Whilst Malay individuals, companies and co-operative societies should be encouraged to employ qualified Malay technical staff and Malay skilled and unskilled labour for prospecting and mining operations within Malay Reservations, there is no specific law prohibiting the employment of non- Malay personnel on contract, monthly or daily rates to carry out these tasks on behalf of the Malay employer.