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Wednesday
16th December, 1964

PARLIAMENTARY DEBATES

DEWAN RA'AYAT
(HOUSE OF REPRESENTATIVES)

OFFICIAL REPORT

**FIRST SESSION OF THE SECOND PARLIAMENT
OF MALAYSIA**

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MALAYSIA

DEWAN RA'AYAT

(HOUSE OF REPRESENTATIVES)

Official Report

First Session of the Second Dewan Ra'ayat

Wednesday, 16th December, 1964

The House met at Ten o'clock a.m.

PRESENT:

- The Honourable Mr Speaker, DATO' CHIK MOHAMED YUSUF BIN SHEIKH ABDUL RAHMAN, S.P.M.P., J.P., Dato' Bendahara, Perak.
- „ the Prime Minister, Minister of External Affairs and Minister of Culture, Youth and Sports, Y.T.M. TUNKU ABDUL RAHMAN PUTRA AL-HAJ, K.O.M. (Kuala Kedah).
- „ the Minister of Finance, ENCHE' TAN SIEW SIN, J.P. (Melaka Tengah).
- „ the Minister of Works, Posts and Telecommunications, DATO' V. T. SAMBANTHAN, P.M.N. (Sungei Siput).
- „ the Minister of Transport, DATO' HAJI SARDON BIN HAJI JUBIR, P.M.N. (Pontian Utara).
- „ the Minister of Health, ENCHE' BAHAMAN BIN SAMSUDIN (Kuala Pilah).
- „ the Minister for Welfare Services, TUAN HAJI ABDUL HAMID KHAN BIN HAJI SAKHAWAT ALI KHAN, J.M.N., J.P. (Batang Padang).
- „ the Minister for Sarawak Affairs, DATO' TEMENGGONG JUGAH ANAK BARIENG, P.M.N., P.D.K. (Sarawak).
- „ the Minister of Labour, ENCHE' V. MANICKAVASAGAM, J.M.N., P.J.K. (Klang).
- „ the Minister of Information and Broadcasting, ENCHE' SENU BIN ABDUL RAHMAN (Kubang Pasu Barat).
- „ the Minister of Lands and Mines, ENCHE' MOHAMED GHAZALI BIN HAJI JAWI (Ulu Perak).
- „ the Assistant Minister of Commerce and Industry, TUAN HAJI ABDUL KHALID BIN AWANG OSMAN (Kota Star Utara).
- „ the Assistant Minister of National and Rural Development and Assistant Minister of Justice, ENCHE' ABDUL-RAHMAN BIN YA'KUB (Sarawak).
- „ the Assistant Minister of Agriculture and Co-operatives, ENCHE' SULAIMAN BIN BULON (Bagan Datoh).
- „ the Assistant Minister of Culture, Youth and Sports, ENSKU MUHSEIN BIN ABDUL KADIR, J.M.N., S.M.T., P.J.K. (Trengganu Tengah).

The Honourable the Assistant Minister of Education, ENCHE' LEE SIOK YEW, A.M.N., P.J.K. (Sepang).

- „ ENCHE' ABDUL GHANI BIN ISHAK, A.M.N. (Melaka Utara).
- „ ENCHE' ABDUL KARIM BIN ABU, A.M.N. (Melaka Selatan).
- „ WAN ABDUL KADIR BIN ISMAIL, P.P.T. (Kuala Trengganu Utara).
- „ ENCHE' ABDUL RAHIM ISHAK (Singapore).
- „ ENCHE' ABDUL RAUF BIN A. RAHMAN, K.M.N., P.J.K. (Krian Laut).
- „ ENCHE' ABDUL RAZAK BIN HAJI HUSSIN (Lipis).
- „ ENCHE' ABDUL SAMAD BIN GUL AHMAD MIANJI (Pasir Mas Hulu).
- „ Y.A.M. TUNKU ABDULLAH IBNI AL-MARHUM TUANKU ABDUL RAHMAN, P.P.T. (Rawang).
- „ TUAN HAJI ABDULLAH BIN HAJI MOHD. SALLEH, A.M.N., S.M.J., P.I.S. (Segamat Utara).
- „ ENCHE' ABU BAKAR BIN HAMZAH (Bachok).
- „ TUAN HAJI AHMAD BIN ABDULLAH (Kelantan Hilir).
- „ ENCHE' AHMAD BIN ARSHAD, A.M.N. (Muar Utara).
- „ TUAN HAJI AHMAD BIN SAAID, J.P. (Seberang Utara).
- „ CHE' AJIBAH BINTI ABOL (Sarawak).
- „ ENCHE' ALI BIN HAJI AHMAD (Pontian Selatan).
- „ ENCHE' AZIZ BIN ISHAK (Muar Dalam).
- „ ENCHE' JONATHAN BANGAU ANAK RENANG, A.B.S. (Sarawak).
- „ PENGARAH BANYANG ANAK JANTING, P.B.S. (Sarawak).
- „ ENCHE' CHAN SEONG YOON (Setapak).
- „ ENCHE' CHAN SIANG SUN (Bentong).
- „ ENCHE' CHIN FOON (Ulu Kinta).
- „ ENCHE' C. V. DEVAN NAIR (Bungsar).
- „ ENCHE' EDWIN ANAK TANGKUN (Sarawak).
- „ DATIN FATIMAH BINTI HAJI ABDUL MAJID (Johore Bahru Timor).
- „ DATIN FATIMAH BINTI HAJI HASHIM, P.M.N. (Jitra-Padang Terap).
- „ ENCHE' GEH CHONG KEAT, K.M.N. (Penang Utara).
- „ DR GOH KENG SWEE (Singapore).
- „ ENCHE' HAMZAH BIN ALANG, A.M.N., P.J.K. (Kapar).
- „ ENCHE' HANAFI BIN MOHD. YUNUS, A.M.N., J.P. (Kulim Utara).
- „ ENCHE' HANAFIAH BIN HUSSAIN, A.M.N. (Jerai).
- „ ENCHE' HARUN BIN ABDULLAH, A.M.N. (Baling).
- „ WAN HASSAN BIN WAN DAUD (Tumpat).
- „ ENCHE' HUSSEIN BIN TO' MUDA HASSAN, A.M.N. (Raub).
- „ ENCHE' HUSSEIN BIN MOHD. NOORDIN, A.M.N., P.J.K. (Parit).
- „ ENCHE' HUSSEIN BIN SULAIMAN (Ulu Kelantan).
- „ TUAN HAJI HUSSAIN RAHIMI BIN HAJI SAMAN (Kota Bharu Hulu).

The Honourable ENCHE' IKHWAN ZAINI (Sarawak).

- „ ENCHE' IBRAHIM BIN ABDUL RAHMAN (Seberang Tengah).
- „ ENCHE' ISMAIL BIN IDRIS (Penang Selatan).
- „ ENCHE' JEK YEUN THONG (Singapore).
- „ PENGHULU JINGGUT ANAK ATTAN, Q.M.C. (Sarawak).
- „ ENCHE' KADAM ANAK KIAI (Sarawak).
- „ ENCHE' KAM WOON WAH, J.P. (Sitiawan).
- „ ENCHE' EDMUND LANGGU ANAK SAGA (Sarawak).
- „ ENCHE' LEE KUAN YEW (Singapore).
- „ ENCHE' LEE SAN CHOON, K.M.N. (Segamat Selatan).
- „ ENCHE' LEE SECK FUN (Tanjong Malim).
- „ ENCHE' LIM HUAN BOON (Singapore).
- „ DATO' LIM KIM SAN, D.U.T., D.J.M.K. (Singapore).
- „ ENCHE' LIM PEE HUNG, P.J.K. (Alor Star).
- „ DR MAHATHIR BIN MOHAMAD (Kota Star Selatan).
- „ ENCHE' T. MAHIMA SINGH, J.P. (Port Dickson).
- „ DATO' DR HAJI MEGAT KHAS, D.P.M.P., J.P., P.J.K. (Kuala Kangsar).
- „ ENCHE' MOHD. DAUD BIN ABDUL SAMAD (Besut).
- „ ENCHE' MOHAMED IDRIS BIN MATSIL, J.M.N., P.J.K., J.P. (Jelebu-Jempol).
- „ ENCHE' MOHD. TAHIR BIN ABDUL MAJID, S.M.S., P.J.K. (Kuala Langat).
- „ ENCHE' MOHAMED YUSOF BIN MAHMUD, A.M.N. (Temerloh).
- „ ENCHE' MOHD. ZAHIR BIN HAJI ISMAIL, J.M.N. (Sungai Patani).
- „ WAN MOKHTAR BIN AHMAD (Kemaman).
- „ TUAN HAJI MOKHTAR BIN HAJI ISMAIL (Perlis Selatan).
- „ ENCHE' MUHAMMAD FAKHRUDDIN BIN HAJI ABDULLAH (Pasir Mas Hilir).
- „ TUAN HAJI MUHAMMAD SU'AUT BIN HAJI MUHD. TAHIR, A.B.S. (Sarawak).
- „ DATO' HAJI MUSTAPHA BIN HAJI ABDUL JABAR, D.P.M.S., A.M.N., J.P. (Sabak Bernam).
- „ ENCHE' MUSTAPHA BIN AHMAD (Tanah Merah).
- „ DATO' NIK AHMAD KAMIL, D.K., S.P.M.K., S.J.M.K., P.M.N., P.Y.G.P., Dato' Sri Setia Raja (Kota Bharu Hilir).
- „ ENCHE' NG FAH YAM (Batu Gajah).
- „ DR NG KAM POH, J.P. (Telok Anson).
- „ ENCHE' ONG KEE HUI (Sarawak).
- „ ENCHE' ONG PANG BOON (Singapore).
- „ TUAN HAJI OTHMAN BIN ABDULLAH (Hilir Perak).
- „ ENCHE' OTHMAN BIN ABDULLAH, A.M.N. (Perlis Utara).
- „ ABANG OTHMAN BIN HAJI MOASILI, P.B.S. (Sarawak).
- „ ENCHE' QUEK KAI DONG, J.P. (Seremban Timor).
- „ ENCHE' S. RAJARATNAM (Singapore).

The Honourable	TUAN HAJI RAHMAT BIN HAJI DAUD, A.M.N. (Johore Bahru Barat).
„	ENCHE' RAMLI BIN OMAR (Krian Darat).
„	TUAN HAJI REDZA BIN HAJI MOHD. SAID, P.J.K., J.P. (Rembau-Tampin).
„	RAJA ROME BIN RAJA MA'AMOR, P.J.K., J.P. (Kuala Selangor).
„	ENCHE' SANDOM ANAK NYUAK (Sarawak).
„	ENCHE' SEAH TENG NGIAB, P.I.S. (Muar Pantai).
„	ENCHE' S. P. SEENIVASAGAM (Menglembu).
„	ENCHE' SIOW LOONG HIN, P.J.K. (Seremban Barat).
„	ENCHE' SNAWI BIN ISMAIL, P.J.K. (Seberang Selatan).
„	ENCHE' SNG CHIN JOO (Sarawak).
„	ENCHE' SOH AH TECK (Batu Pahat).
„	ENCHE' SULEIMAN BIN ALI (Dungun).
„	ENCHE' TAJUDIN BIN ALI, P.J.K. (Larut Utara).
„	ENCHE' TAI KUAN YANG (Kulim-Bandar Bharu).
„	ENCHE' TAMA WENG TINGGANG WAN (Sarawak).
„	DR TAN CHEE KHOON (Batu).
„	ENCHE' TAN CHENG BEE, J.P. (Bagan).
„	ENCHE' TAN TOH HONG (Bukit Bintang).
„	ENCHE' TAN TSAK YU (Sarawak).
„	ENCHE' TIAH ENG BEE (Kluang Utara).
„	PENGHULU FRANCIS UMPAU ANAK EMPAM (Sarawak).
„	ENCHE' YEOH TAT BENG (Bruas).
„	ENCHE' YONG NYUK LIN (Singapore).
„	TUAN HAJI ZAKARIA BIN HAJI MOHD. TAIB, P.J.K. (Langat).

ABSENT:

The Honourable	the Deputy Prime Minister, Minister of Defence, Minister of National and Rural Development, TUN HAJI ABDUL RAZAK BIN DATO' HUSSAIN, S.M.N. (Pekan).
„	the Minister of Home Affairs and Minister of Justice, DATO' DR ISMAIL BIN DATO' HAJI ABDUL RAHMAN, P.M.N. (Johor Timor).
„	the Minister of Agriculture and Co-operatives, ENCHE' MOHAMED KHIR JOHARI (Kedah Tengah).
„	the Minister of Commerce and Industry, DR LIM SWEE AUN, J.P. (Larut Selatan).
„	the Minister for Local Government and Housing, ENCHE' KHAW KAI-BOH, P.J.K. (Ulu Selangor).
„	the Minister without Portfolio, ENCHE' PETER LO SU YIN (Sabah).
„	WAN ABDUL RAHMAN BIN DATU TUANKU BUJANG (Sarawak).
„	ENCHE' ABDUL RAHMAN BIN HAJI TALIB, P.J.K. (Kuantan).
„	TUAN HAJI ABDUL RASHID BIN HAJI JAIS (Sabah).
„	DATO' ABDULLAH BIN ABDULRAHMAN, Dato' Bijaya di-Raja (Kuala Trengganu Selatan).

The Honourable O. K. K. DATU ALIUDDIN BIN DATU HARUN, P.D.K. (Sabah).

- „ DR AWANG BIN HASSAN, S.M.J. (Muar Selatan).
- „ ENCHE' E. W. BARKER (Singapore).
- „ ENCHE' CHAN CHONG WEN, A.M.N. (Kluang Selatan).
- „ ENCHE' CHEN WING SUM (Damansara).
- „ ENCHE' CHIA CHIN SHIN, A.B.S. (Sarawak).
- „ ENCHE' FRANCIS CHIA NYUK TONG (Sabah).
- „ ENCHE' CHIA THYE POH (Singapore).
- „ TUAN SYED ESA BIN ALWEE, J.M.N., S.M.J., P.I.S. (Batu Pahat Dalam).
- „ ENCHE' S. FAZUL RAHMAN, A.D.K. (Sabah).
- „ DATU GANIE GILONG, P.D.K., J.P. (Sabah).
- „ ENCHE' GANING BIN JANGKAT (Sabah).
- „ ENCHE' STANLEY HO NYUN KHIU, A.D.K. (Sabah).
- „ DATO' SYED JA'AFAR BIN HASAN ALBAR, P.M.N. (Johor Tenggara).
- „ ENCHE' KHOO PENG LOONG (Sarawak).
- „ DATO' KHOO SIAK CHIEW, P.D.K. (Sabah).
- „ ENCHE' KOW KEE SENG (Singapore).
- „ ENCHE' AMADEUS MATHEW LEONG, A.D.K., J.P. (Sabah).
- „ DATO' LING BENG SIEW, P.N.B.S. (Sarawak).
- „ DR LIM CHONG EU (Tanjong).
- „ ENCHE' LIM KEAN SIEW (Dato Kramat).
- „ ENCHE' JOSEPH DAVID MANJAJI (Sabah).
- „ ENCHE' MOHD. ARIF SALLEH, A.D.K. (Sabah).
- „ ENCHE' MOHAMED ASRI BIN HAJI MUDA, P.M.K. (Pasir Puteh).
- „ ORANG TUA MOHAMMAD DARA BIN LANGPAD (Sabah).
- „ ENCHE' OTHMAN BIN WOK (Singapore).
- „ ENCHE' D. R. SEENIVASAGAM (Ipoh).
- „ ENCHE' SIM BOON LIANG (Sarawak).
- „ DATU DONALD ALOYSIUS STEPHENS, P.D.K. (Sabah).
- „ PENGIRAN TAHIR PETRA (Sabah).
- „ ENCHE' TAN KEE GAK (Bandar Melaka).
- „ DR TOH CHIN CHYE (Singapore).
- „ ENCHE' TOH THEAM HOCK (Kampar).
- „ ENCHE' WEE TOON BOON (Singapore).
- „ ENCHE' YEH PAO TZE (Sabah).
- „ ENCHE' STEPHEN YONG KUET TZE (Sarawak).

PRAYERS

(Mr Speaker *in the Chair*)

House immediately resolved itself into Committee of Supply.

(Mr Speaker *in the Chair*)

BILL

THE SUPPLY BILL, 1965

Order read for resumed consideration in Committee of Supply (Eleventh Allotted Day).

SCHEDULE

Head S. 21—

Resumption of debate on amendment proposed—

That the sum to be allocated for Head S. 21 be reduced by \$1 in respect of Item (1) of Sub-head 1 (Dr Tan Chee Khoo).

The Deputy Prime Minister (Tun Haji Abdul Razak): Mr Chairman, Sir, I only wish to reply to a few points raised by the Honourable Member for Batu in his amendment in respect of our foreign policy. The Honourable Prime Minister will reply fully to him and to other Honourable Members and will also make a statement on our foreign policy.

First, Sir, I would like to explain our position regarding debates on matters of government policy. The Honourable Member for Batu has alleged that we have not given full opportunities for a full-scale debate on foreign policy in this House. Well, Sir, our practice has been that every year, twice a year, Honourable Members of this House have had full opportunity to debate on all aspects of government policy: once at the beginning of each session, in April, when His Majesty delivers the Royal Address the House is always given opportunity to debate fully on government policy, and again at the Budget session when there is always ample opportunity for Members of the Opposition, in particular, to debate, criticise and discuss government policy. It is true that we have not had a special debate on foreign policy in general, but there has not been any major change in our foreign policy. When there is a matter of importance, such as Confrontation and the Proclamation of Emergency, we always take the opportunity to make a statement to this House and give the House full opportunity to debate on the Government statement. So, we have consistently followed this practice, and I think, it is not right, nor is it fair, to say that the Government has not given Honourable Members of the Opposition opportunities to discuss, criticise and debate on Government policy, in particular on our foreign policy. In fact, we have given full and ample opportunities for Members of the Opposition to express their views on foreign policy—indeed, on all aspects of government policy.

Sir, one other matter that I wish to speak on is the allegation made by the Honourable Member for Batu that because of our foreign policy there

have been distrust and disfavour by the Afro-Asian nations. This statement, Sir, again is quite untrue. I have just come back, as Honourable Members are aware, from a visit to the North African countries and I was very touched by the warmth of welcome extended to me and my delegation by the leaders of all the four countries I visited—the United Arab Republic, Algeria, Tunisia and Morocco. They all went out of their way to make our stay in their countries pleasant and the leaders of those countries, President Nasser, President Ahmad Ben Bella, etc., listened to what I had to say fully and gave a fair hearing to our explanation of the situation in South-East Asia. Indeed, the leaders of all these four countries have shown understanding of our position. So, it is quite untrue to say that the Afro-Asian nations showed distrust and disfavour to our country. As Honourable Members know, the First Afro-Asian Conference was initiated by Indonesia and was held in Bandoeng. At the meeting of the Preparatory Committee it was stated quite clearly, and it was agreed, that Malaysia should be invited to attend this Afro-Asian Conference as soon as possible.

Dr Tan Chee Khoon: Mr Chairman, Sir, on a point of clarification—Malaysia at that time was yet to be born.

Tun Haji Abdul Razak: Well, I am not sure of the date, but I have got a copy of the communique here which says quite clearly that Malaysia should be invited as soon as possible. Of course, the host country, Indonesia, interpreted the communique differently—Indonesia interpreted it that as soon as she recognised Malaysia then Malaysia should be invited and that, I think, is what has happened at the First Afro-Asian Conference.

Now, Sir, the next Conference is due to be held in Algeria some time next year, although they have not firmly fixed the date. Most of the Afro-Asian nations now understand that, Malaysia is a sovereign and independent nation; and the leaders of the U.A.R. explained to me, when I was there, that the Afro-Asian Conference is geographical and

not political, and therefore any independent, sovereign nation in the Afro-Asian region has a right to attend this Conference. So, the position is quite clear, that whatever differences we have with Indonesia, or any other country, we have a right to attend this Afro-Asian Conference, because we are a sovereign, independent nation in the Afro-Asian region. Of course, the matter will be left to the Preparatory Committee to decide, but, I think, the principle is generally accepted by, if not all, most of the countries in the Afro-Asian region with the exception perhaps of Indonesia and a few others. So, we have, Sir, done everything possible to put our case and I think, as I have said, most of these countries in Afro-Asia now understand the position and there is a standing decision by the previous Preparatory Committee that we should be invited as soon as possible, and I think it is for the present Preparatory Committee to implement that decision and to extend to us the invitation when the time comes.

Sir, I would just like to say a few words on the Defence Treaty. The Members of the Opposition, in particular the Member for Batu, have not, I think, understood this Defence Treaty very clearly. I have explained to this House previously that under this Defence Treaty with the United Kingdom, we only agreed that the United Kingdom and other Commonwealth countries, Australia and New Zealand, should be allowed to station their troops in Malaya, now in Malaysia—that is all we agreed, but the deployment of the troops and the use of the bases that they are allowed to have in our country is a matter for us. I mean that they cannot use these bases except with our agreement, and this is clear under Article 8 of the Agreement. I think that if the Honourable Members will read that Article 8, they will understand that this Defence Treaty, as I have tried to explain to our friends in Africa, does not in any way prejudice our sovereignty and our independence. Any independent country has a right to enter into a defence agreement with another country to protect itself against external aggression, and

this is exactly what this Treaty does; that is to say, allow us to request Britain, Australia and New Zealand to come to our assistance in the event of external aggression. Of course, here it does contain the words “in the event of a threat to the preservation of peace or outbreak of hostility”. But, obviously, Sir, in the defence of the country, we have got to take defensive measures; we have got to have plans in case of outbreak of hostility. It is not right that only when we are attacked, only when foreign troops have already landed in our territory, we ask our friends for help. Obviously, we should have consultation with our friends in defence planning in respect of the event of any threat or outbreak of hostilities, and that is why we have those wordings in Article 8 of the Defence Treaty.

Now, Sir, I hope that this is clear to the Honourable Member and, as I said, I have tried to explain to our friends in Africa the position of our Defence Treaty with the United Kingdom. We are not the only country that has defence treaties with other countries—there are many countries. I think most countries now understand that a small nation, if she is to defend her independence and her sovereignty, has the right to have a defence treaty with another country, a bigger country, to defend herself. Indeed, as Honourable Members know, in face of the present confrontation by Indonesia, it will not be possible for us to defend ourselves adequately without the assistance of the Commonwealth forces here. We, as I have explained in the debate on Defence, never prepare ourselves for war or for defence against external aggression; we have only so far expanded our Armed Forces merely for the maintenance of law and order and for close defence of the country. We had to do this in order to preserve, to save our resources, our money, for economic and social development—unless, of course, the Honourable Member for Batu does not want the Commonwealth troops to assist us. Obviously, if we are not assisted, as at present in the defence of our country, President Soekarno and his regulars

and irregulars will just march into our country. Unless Honourable Members prefer that situation rather than defend our country against this clear and downright aggression, this Defence Treaty is necessary, and, as I have said, it does not in any way prejudice or affect our sovereignty and our independence.

That is all, Sir, I wish to say in this debate, and, as I said, the Honourable Prime Minister will make a full reply to the debate. (*Applause*).

The Minister of Finance (Enche' Tan Siew Sin): Mr Chairman, Sir, if I may, I would like to comment on the speech made by the Honourable Member from Singapore. Coming from the P.A.P. side of the Opposition Benches, if I may say so, it is a very revealing speech. As we all know, the P.A.P. is supposed to be non-communist, or it calls itself non-communist and pro-Malaysia, among other things. Now, the Honourable Member from Singapore in, a very revealing speech, in the course of his speech, delivered a rather blistering attack, in what we on this side of the House thought was bad taste, on a number of countries, two of which have missions in this country. In other words, the Honourable Member attacked the regimes which are now ruling South Vietnam and South Korea. Of course, everybody in this country is entitled to his own opinion as to whether a particular regime is desirable or not desirable for the people of the country. But I would suggest to the Honourable Member that that is a judgment which should be passed not by him but by the people of the countries concerned (*Applause*). That, Sir, however, is not the point of my speech. As I said previously, the P.A.P. is supposed to be non-communist and pro-Malaysia. Now, we also know, and I am sure the Honourable Members from the P.A.P. benches read the newspapers, that the Foreign Minister of China was lately in Jakarta, and I think it does not need very much perspicacity to guess what was the mission of the Chinese Foreign Minister in Jakarta. We also know that there is an organ of the Chinese Government in Singapore, namely, the

Bank of China. Unlike other banks, the Bank of China is openly, indisputably, an organ of the Communist Government in Peking. Although the P.A.P. is non-communist, at least allegedly non-communist, it openly tolerates an organ which is, without doubt, an organ of the Communist Government in Peking. I need hardly say that we must accept the P.A.P.'s word that it is non-communist, and presumably that thought has never entered into their heads. Yet the same party, the P.A.P., castigates the Governments of these two countries, South Vietnam and South Korea. Whatever the P.A.P. may think of them, at least they have been very friendly towards us; we have very cordial relations with them; and there is no doubt whatever that these two Governments are very much on the side of Malaysia. But the P.A.P. which is non-communist and pro-Malaysia, on the other hand, by a strange twist of logic, tolerates an organ of the Chinese Communist Government in Singapore; and, in fact, it is rather worried that the Central Government, on the assumption of certain powers, may close down this Bank. That, Sir, is a measure of what non-communism in the P.A.P. system of dialectics means.

I feel, Sir, that the P.A.P. could do a service to itself and to the people in this country, if it really defines what it means by "non-communism" and "pro-Malaysia". Do those terms mean that when it suits the P.A.P., it is pro-Malaysia, when it does not suit them, it is non-communist, or do they mean something else?

As I was listening to the speech of the Honourable Member from Singapore—and if, for example, I did not know that he was a member from a party which is regarded as non-communist—that speech could well have been uttered by someone, who is rather sympathetic towards communism. If I may say so, Sir, that speech had a very familiar ring. We have heard that speech before; it was from another quarter; and, as my Honourable friend the Minister of Internal Security has said, one almost felt that that was a replay of a very familiar

gramophone record. Those of us who listen to gramophones have heard something called "His Master's Voice" (*Laughter*), and although it might have been a coincidence, the fact that gramophone records are sometimes made by an organisation called "His Master's Voice" cannot be applied to the speech from the P.A.P. benches.

Dato' Nik Ahmad Kamil (Kota Bharu Hilir): Mr Chairman, Sir, I am prompted to rise to participate in this debate, if only to assist the House with certain of my thoughts in regard to the matter under review, which has now escalated into a debate on the foreign policy of this Government, from my own experience and knowledge as a humble servant of this Government when I was serving abroad in the Foreign Service. I do so because—and here I stand to be corrected—there is some concluding remark by the Honourable Member for Batu which would have led one to believe him, when he exhorted the Government to go into a huddle and decide on "what your policy is and tell your boys abroad." I felt a little bit hurt hearing that, because that would probably have led people to believe that in respect of our foreign policy our boys were left to grope in the dark.

The Honourable Member for Batu in opening his address on the debate amending the Estimates yesterday stated that the Government had more or less sort of blocked or aborted any attempt made in this House to debate foreign policy. The Honourable Deputy Prime Minister just now

Dr Tan Chee Khoon: On a point of clarification, Sir, I did not say that. I said that the Government had blocked any move by the Opposition to bring forth its own business—this is different from what the Honourable Member for Kota Bharu Hilir had said.

Dato' Nik Ahmad Kamil: I might have misheard the Honourable Member, Mr Chairman, Sir, and I do not write shorthand. But, I have got a little bit of experience in writing fairly fast longhand and my little note here says, "blocked and aborted efforts of Opposition on this matter", but as I said,

I stand to be corrected. Sir, I should like to inform the House that during my three years—not exactly three years, I only refer to three years—of my service as Ambassador for Malaya in Washington and Permanent Representative in the United Nations, I had been fed from time to time with records of debates in this House together with other instructions, which must certainly mean that this House must have been given the opportunity to debate this country's foreign policy. Perhaps, the Honourable Member for Batu, being a newly elected Member of the House, may not have been aware of this. For that matter, I am myself a very junior Member of this House, but because of my special position as an ex-officer of the Foreign Service and because of my interest in international affairs, I have kept myself fairly well in touch with what is happening at home and what is happening abroad. So, I feel that the country at large through their representatives have been given the opportunity to air their views regarding the foreign policy of this country.

One very strong remark made by the Honourable Member for Batu was when he said that the foreign policy of this Government had been vague, confused and contradictory—I hope I have got those three elements correct. Well, Mr Chairman, Sir, I do not know. I had never hesitated to carry out this Government's instructions during my tour of duty abroad which means, in my own mind, that I was perfectly certain that the Government had never at any moment been vague in all its instructions to me.

The policy of the Alliance Government, as conveyed to me, has always been to be friendly with everybody, especially with neighbours near us, and that we would like to make friends with countries who would support us and be friendly with us, and that we are one of the strongest supporters of the Charter of the United Nations and the Charter of Human Rights.

I believe most Honourable Members, who were Members of this House for many years past, must remember, and will certainly remember, that from

1957 our foreign policy has always been the pursuit of making certain that the cardinal principles to be friendly with everybody and to support the United Nations Charter and the Charter of Human Rights is followed.

We have, as Honourable Members will remember, given the strongest support to Indonesia in her claim to West Irian. Our Prime Minister took great pains personally to consult the various personalities concerned, in order to bring about an amicable settlement. We have fought South Africa's apartheid policy, because we felt that the policy of South Africa in respect of apartheid has always been against the principle and purposes of the Charter of Human Rights, and we have always given support in the struggle for independence of dependent nations. That has been our policy.

The Honourable Member for Batu, I hope, will now agree with me that we have not been at all vague in our foreign policy.

I believe there was another allegation, if I heard him correctly, that this Government professes to be neutral. The instructions which I used to receive in the past has never been that we here have claimed to be neutral on any issue of right or wrong. The Government cannot, I am sure, remain neutral when the question of aggression is involved, or the use of force of arms in order to achieve an objective. There are not many countries in the world now remaining neutral, according to the classic conception of the word "neutrality". Perhaps, Switzerland can still be regarded as one such, and to a lesser extent maybe Sweden. Take, for example, the other Scandinavian countries like Denmark and Norway. They regarded themselves as neutral nations before the war, but they gave up their neutrality, because they saw for themselves that even standing on neutralism did not save them from occupation and aggression. Further, we must remember that neutralism, or neutralisation of countries, is a very popular theme with the Peking and Moscow regimes. It is one of the key elements of Communist strategy and is the first

step towards forestalling resistance to Communist attacks.

There was also another interjection into the debate yesterday—that we are pro-West. Now, Sir, this word "pro-West", or "pro-this", "pro-that", has, I believe, been misunderstood. My understanding all along is that when we say that we are pro-West, it does not mean that we are hanging on to the tail of any Western government: when we say that we are pro-West, we are "*pro*" the method of government that certain countries in the West are adopting—that is government on the basis of parliamentary democracy; and that is my understanding when we say that we are pro-West.

Accordingly, it has always been my understanding that in our foreign policy, we pursue a policy which is neither pro-West nor pro-East.

There were doubts brought up yesterday that we were not keeping ourselves in touch with our Afro-Asian brothers. But from my own experience in the United Nations, Mr Chairman, Sir, we keep in very close contact with Representatives, Permanent Representatives, representing the Afro-Asian countries. We have what we call our "A.A. Group", or Afro-Asian Group, within the United Nations. It is an informal Group. When we meet, we air our views very frankly, very sincerely. We never take offence. I do concede that we have not established, as we should, many more Missions abroad. I well remember that during my time in Washington I had exhorted the Government to appoint one man to look after Washington and one man to take on the United Nations, but the reply I used to get was, "We lack personnel." Even if we can afford it financially, we have got to think that if we want to open a Mission, we have got to open it properly and not in a half-baked manner—not a half-baked Mission and not properly staffed. I believe that many of our Missions abroad are still suffering from the lack of the necessary number of staff. So, from that view I do agree and I do hope that the Government will see a way to open more Missions, especially

in West Africa and in East Africa. We have had an assurance now that Missions will be opened in the not distant future. In Morocco, Algeria, Tunis—I do not know what Government's intentions are—I would like to see that we have a Mission, or rather Embassy, in each of the territories mentioned. But, here again, the lack of personnel may not allow us to open separate Missions. To me personally, the recent decision by Government, as a result of a most successful visit of our Deputy Prime Minister to Africa, has given me great happiness.

I am sure that the Honourable the Prime Minister in winding up this debate will probably give a better explanation of our foreign policy to the House. However, as the last contribution to this morning's debate, I would like the House to feel that and to know that we have had, even during my time abroad, understanding and support from our Afro-Asian brothers. It is only because we have not had the opportunity to outrace certain countries, which are against us, that we may probably have jeopardised our position. Our country is respected abroad. We have established for ourselves a prestige abroad, a prestige which no other country in this region of the world can claim. But we have to do more, and I am sure our Government is alive to this position. Thank you.

Enche' S. Rajaratnam (Singapore): Mr Chairman, Sir, one thing I must say is that the Minister of Finance is inviting debate on an issue which is not quite relevant to the matter which is before us, because he has invited us to define what we mean by a non-communist party. I do not know whether you, Mr Chairman, Sir, would allow it; I would only be too happy to hold a long discourse on what we mean by a non-Communist democratic Socialist party, but as you would probably rule me out of order, all I can suggest is that we have produced the Tenth Anniversary Souvenir of our Party, which costs \$2 a copy before the turn-over tax comes into effect (*Laughter*). I would suggest that the Minister of Finance look into this very bulky literature, and if he finds anything

obscure some of my colleagues or myself will be glad to elucidate on the point of what we mean by a non-communist party.

Sir, the Minister of Finance made great play of the fact that, perhaps, we are not a non-communist party because we allow the Bank of China to operate in Singapore. Well, Sir, I do not know whether the Minister of Finance knows that by at least allowing the Bank of China to operate in Singapore both Malaya and Singapore do some \$280 million worth of trade every year as against the prospects of trade with Formosa, which at the moment, I understand, is not more than \$10 million; and by and large Formosa sells more to us than she buys from us. However, Sir, that is beside the point, but since the point was brought up I thought I might do a little bit of elucidation myself.

Sir, what is important is that for the first time this House has become aware of our foreign policy, and to that extent may I congratulate the Honourable Member for Batu, with whom I disagree in every other respect (*Laughter*), for having brought up the subject of foreign policy as a matter of considerable importance to merit debate, and this is a measure of how political life in this country has changed. In fact, Sir, I spent the last two or three days going through the proceedings in this Chamber since 1957, and foreign affairs formed a negligible part of the speeches and debates in this Chamber—and quite rightly so—because until confrontation we in Malaysia talked a great deal about our private squabbles—the world was Malaysia; Malaysia was the world—and perhaps that made for happier politics. But now we have suddenly become aware that the world is not Malaysia and that Malaysia is not the world, that we are living in a world which is not something which we can ignore. Prior to this, we have always worked on the assumption that if Malaysia minded its own business the world would leave us alone. But, since one or two years ago we have discovered that we have to live in a very turbulent world. We have to take cognizance of what is going on outside

Malaysia, because those forces which are at work around us perhaps can determine the eventual future of Malaysia more than we can determine our own future, and this in a way is a salutary awakening. It is like the shock with which a virgin discovers that life is real (*Laughter*), and we are political virgins now suddenly discovering that we are living in a world of thugs, of gentlemen who are not so polite, of gentlemen who have not got the right social manners, and we have got to learn to live with them. For this rude awakening, I think we have to thank President Soekarno, because he brought the realities of life home to us.

It is only since, perhaps, 1963 that we have suddenly become aware of one fact—that to live in South-East Asia as an independent, sovereign nation, we must first find friends. We have learnt that we are a small nation and that our diplomacy must be not that of a big power, but of a small power, a small chicken trying to avoid being trampled by elephants around us.

Sir, I disagree with the Honourable Member for Batu, when he said that our alliances with Western powers might lead us into trouble. The realities, Sir, are that we have to lean on friends, powerful friends; if the West is prepared, if their interest and our interest coincide on any particular issue at any time, then we must join up with them. To that extent the Alliance Government, at least in that respect, has been consistent about its allegiance to the Western powers—Britain, America, Canada, Australia and New Zealand, but where it erred was in confining its alliance only to the Western powers. However, I am happy to see that since then that shortcoming has been made good. For many years people have urged the Alliance Government to come closer to what is called the Afro-Asian group, and during the last one year or more we have taken that step of coming closer to the Afro-Asian group.

Now, Sir, I would like to suggest, and I hope there will be no attempt to misinterpret what I have to say, that as our diplomacy grows more mature, just as we have started off with the

Western alliance, we have moved the next step to winning friends in Afro-Asia, so we must even try to win and put across our point of view even in Communist countries. I think it is about time, Sir, we stop being like frightened maidens, who say, “Well, we must have nothing to do with anybody else, with any Communist country”. But, Sir, why not? The next step, explains our case, which is a good case—the case for Malaysia is a good case. Yugoslavia is a Communist country. But why not, as many other Afro-Asian countries have done, establish some sort of contact with Yugoslavia, and even with Iron Curtain countries? We have already taken the step of setting up, or sending out, trade missions to Iron Curtain countries. Well, why not go one step further and put across our political point of view, the case for Malaysia, to debunk the belief, whether deliberately held or mistakenly held, that Malaysia is a neo-colonialist plot? And this is necessary, Sir, for us, because, whether we like it or not, in this part of the world, in Asia in particular, Communist regimes are here to stay. They are around us, and they are part of the international political life. Their animosities, their strategies will influence the course of events in South-East Asia, in Malaysia; and to that extent we must now learn how to co-exist with Communist regimes, whether they are hostile or not, and learn to survive in this new kind of world—Communist and non-Communist world and anti-Communist world. Therefore, Sir, for us, for Malaysia, a small nation, the first thing to realise, to understand and grasp, is the fact that we are a small nation. Let us have no illusions that we are going to play a big role, be a big power, big influence in this part of the world, because there are bigger fishes and bigger sharks around us. So, first, we must accept the fact that we are a small country and that our genius lies in making a small but prosperous country. That is a contribution we can make, an influence which we can exert in South-East Asia, to show that here is a country, small though it is, with mixed communities, representing all the major races—in fact, Sir, throughout the

world. The three races combined represent the cultures and the history of more than half of humanity today. If we can show in Malaysia that we can work a democratic system, which has failed everywhere else, that we can do something else which even Western countries have not been able to resolve, even America and Britain, that despite the diversity of races we can create something which has never been done before—a harmonious society where three major races can work together to build a Malaysian society—that is a major contribution that Malaysia can make to world civilization. We cannot make a contribution by way of military prowess and so on, as Soekarno is trying to do, but this contribution we can make. Just as in the case of the Western civilization, the fore-runner, the pioneer of Western civilization, was a very small island called Athens—there philosophers just talked of ideas; in fact, Sir, eventually, we know, Athens was conquered by Spartans, who were, just like our friends across the seas, a militaristic group, but Sparta has vanished, Athens lives, and this Assembly is a part of Athens—similarly, I say, Sir, that we in Malaysia can make a major contribution to world civilization by doing what we are able to do. First, to run a good economy, a prosperous society, and show to the world that you can create a society, where three major races can live together in harmony as one. So, I think, we should bear in mind what we really are, what is our strength, what is our weakness; our strength is the potentiality to build a Malaysian nation of many races and our weakness is that we are not a great military power.

Now, Sir, the second thing is, as I said, that we must accept the fact that to survive in turbulent South-East Asia, we must win friends. We must rely militarily on the support of others. It is no use fooling ourselves that we are an independent nation and therefore, we cannot have bases—away with bases, and so on. I say that is foolishness. We must accept the fact that we cannot defend ourselves. Therefore, we accept help from any quarter so long as that help is towards achieving goals that we

want. There are times when those who give us help are working towards the same goal, and there are many countries in Asia, in Africa, and in South-East Asia, who may have common goals at certain times. All right, we join them, but where their goals deviate from ours we pull out.

The third necessary thing for a small nation is not to become involved in the big quarrels. Where power politics are involved and we become a pawn in power politics, whether of the East or of the West, then we are asking for trouble, because if we get involved in the big plans of the big powers and we become pawns of their instruments, then we are really putting ourselves in a position of opposition to another big power, and sooner or later we must come into trouble, because if the big power with whom we have allied ourselves and whom we have allowed to use us as pawns were to lose the battle, we also will lose the battle. So, therefore, for a small country, it is in a very delicate position of having friends and being friends for common objectives, but not becoming involved in the power politics of the big nations. And because I believe in this, Sir, I regret that the Alliance Government, having made these advances—to that extent, I think the Deputy Prime Minister should be congratulated for the work he has done in Africa in winning over nations which have been sceptical of Malaysia, but whom now through his visit, through his explanations and his diplomacy at least we have succeeded in winning more friends for the cause of Malaysia—there should be the recent news that at this very critical time, when the United Nations is debating the question of recognising China, we should commit what I think is a mistake in establishing a Consulate of Taiwan in Malaysia.

Sir, these questions in respect of China and Formosa have been left open for the best part of ten years. But now, suddenly, we have taken the decision to recognise Formosa, therefore, involving ourselves in the power politics of the Western nations as well as in Chinese politics because, Sir, recognition of Taiwan or Peking, outside of

the purview of the United Nations' decision, is to involve ourselves in Chinese politics. At least we ourselves in Malaysia had thought that the Alliance Government had followed the right policy by not recognising either Formosa or Peking, because of the possible impact it would have in Malaysia among the Chinese, because until the last ten years or so, the Chinese politics, or the politics of the Chinese in Malaysia, had been extensions of the politics of the Mainland—either you are pro-Peking or pro-Formosa. At least, during the last decade, by withdrawing this question of recognition of either Peking on our own, or Formosa, at least the Chinese in Malaysia have been isolated from involving themselves with Chinese politics. However, Sir, unfortunately, now that we have established a Consulate of Formosa here, there must be reactions in Malaysia: certain Chinese, especially those Chinese, who once upon a time were actively involved in Kuomintang politics, will now feel that their cause, which they were espousing and which they had abandoned because of our insistence that they should become loyal Malaysians, should forget China and forget Formosa, will be achieved, and now it is a victory for them.

It has been said, Sir, "Oh! This is a Consulate. There is no politics about it. It is purely to establish trade connections." First of all, what trade connections or trade relations should we have with Formosa? I understand, Sir, that even before the Consulate was established, Formosa's trade with Malaysia was a one-way trade—the Formosans were selling more than what we were prepared to sell them. So, there is no need to establish a Consulate. If you want to carry on trade with them, let us have a quiet trade mission outfit here, which can facilitate trade between Formosa and Malaysia.

Now, Sir, let us assume that we think it is purely for trade purposes. But I have here translations from Formosan papers which have made their own interpretation and have made propaganda capital out of the opening of their Consulate here. They have given their own interpretation of what this

means. We may think that it is purely for trade, but the Formosan regime has drawn other inferences and is saying so. May I, Sir, with your permission, quote some typical comments and news items from the papers of Formosa? First of all, I would like to quote a very significant remark from President Chiang Kai-Shek's *Double Ten* message for this year. We work on the assumption that Formosa's interest in Malaysia is purely trade. Let me quote, Sir, what President Chiang Kai-Shek has said—and it is published in the *Central Daily News*. After making an analysis of the conflict between Communism and anti-Communism, or what he believes the Free World, he goes on to say:

"All of us, descendants of the Yellow Emperor, both at home and overseas"—not just Formosa—"should unite as one under the national banner of the bright sun in the blue sky over the crimson ground."—those are the symbol of the Nationalist flag of Taiwan.

Sir, we may think that the Consulate is being established here for trade purposes, but President Chiang Kai-Shek does not think so. He is calling upon the overseas Chinese, as well as the Chinese in Formosa, to unite as one under the banner of the Kuomintang flag. Sir, I am just putting this forward to the Alliance Government to reconsider or, at least, to ask them to be on their guard. I do not think that we can do anything about all this, but we should be on our guard as to what could happen once we establish a Taiwan Consulate because they are going to exploit this to the full.

Again, Sir, on October 1st, the *United Daily News* and the *Central Daily News*, both Formosan papers, carried this news item, of which this is the translation:

"Taiwan's Foreign Minister, Shen Chan Huan, yesterday reported to the Parliament—that is in Formosa—"on his recent tour in Malaysia, the Philippines and Thailand. He said, 'We will be further strengthening our economic and cultural relations with Malaysia.'"

Sir, having said this very subtly to imply that this is a political commitment as well, he goes on to say:

"During a reception party held in Malaysia, the Foreign Minister reported—this is a report in Parliament, Sir—Malaysia's Prime Minister, Tunku Abdul Rahman, got up and

proposed a toast to President Chiang Kai-Shek of the Republic of China our great hero, from which we can see the high esteem the Tunku has for President Chiang."

Sir, they are out to exploit the situation. I do not believe our Prime Minister would have toasted Chiang Kai-Shek and acclaimed him a great hero. But from the point of view of the Formosan regime, they are in a desperate situation, they must do anything, and they will exploit this to their advantage, and we must accept that. Sir, though we say this is purely for trade, I quote another item from the *Central Daily News* of October 1st, 1964—we say that it is purely trade but I say, Sir, that there are political overtones—and the heading of this news item says, "T. H. Tan praises Taiwan's determination to fight Communism." It goes on:

"Mr T. H. Tan, Malaysia's Member of Parliament, today said that relations between the Republic of China and Malaysia are expected to be strengthened because the two countries are fighting against a common enemy."

It has nothing to do with trade; it is political and military, at least, in so far as this report is correct. I am not saying this is correct, but this is how the Formosan papers are presenting the issue. Mr Tan is again quoted further as saying:

"Malaysia is also determined to fight Communism—only that our scale is somewhat smaller. Under the leadership of President Chiang, the Republic of China has progressed tremendously."

Sir, what have all these got to do with trade?

Enche' Abu Bakar bin Hamzah (Bachok): Tuan Pengerusi, untuk penjelasan. Di-dalam keterangan saudara saya dari Singapura dia ini menerangkan hujah²-nya menunjukkan perhubungan dengan politik, tetapi dia tidak perchaya yang Perdana Menteri kita memberi toast dengan chara² mengagongkan Chiang Kai-Shek tetapi dia tidak menunjukkan hujah mengapa dia tidak perchaya, sa-patut-nya dia explain mengapa dia tidak perchaya itu.

Enche' S. Rajaratnam: Mr Chairman, Sir, I think it is not for me to answer

that. All I said was that this is how the Formosan papers are exploiting the situation to their political advantage.

Again, Sir, the *United Daily News* on November the 8th said, "Mr Tan Lark Sye, the founder of the Nanyang University in Singapore yesterday left Taipeh by air with his family after touring Taiwan, and on his return to Singapore Mr Tan praised the prosperity and progress made in Taiwan and encouraged his friends and relatives to visit Taiwan." Sir, I do not wish to quote too much, but I wish to make one last and rather pertinent quotation. They say it is purely trade, but the number of people who are going there—Ministers, Assistant Ministers and officials—all converging on Taiwan—is very large; I have got a whole sheaf of them. What is so interesting about Taiwan to establish a trade mission? (*Laughter*). Sir, one last quotation: "Among the foreign dignitaries who visited the Economic Exhibition"—this is from the Taiwan paper *Central Daily News* of November 8th, 1964, it is a Government and party paper—"yesterday were Mr & Mrs Ooi Thiam Siew, former Mayor of Penang in Malaysia." He is quoted as saying, "Mr Ooi Thiam Siew, the former Mayor of Penang, after seeing the exhibition, said, 'The many wonderful exhibits shown here are just what we Malaysians need. With the strengthening of trade ties, our relations will be even brought closer.' Malaysia has a lot to learn from the Republic of China." Socialist Front Mayor, Sir!

Enche' Geh Chong Keat: Sir, I think the Member from Singapore is trying to introduce into this House the squabble that they have between the P.A.P. and Mr Ooi Thiam Siew, the former Mayor of the City of Georgetown. I suggest that he leave it outside this House and they can fight among themselves outside this House (*Laughter*).

Enche' S. Rajaratnam: I do not know whether he would like me to introduce members of his party into this debate—I have got a whole list of them here.

Enche' Geh Chong Keat: As I said, this is a squabble between the P.A.P. and Mr Ooi Thiam Siew, the former Mayor of the City of Georgetown. That is their private quarrel. Let that not be brought into this House.

Enche' C. V. Devan Nair: All right, then let us confine ourselves to the activities of Mr T. H. Tan.

Enche' S. Rajaratnam: I do not know why he should get heated up if the Socialist Front and the P.A.P. squabble. I thought they would be quite happy to see us quarrelling. Anyway, Sir . . .

Enche' Tan Toh Hong: Why not we debate on the P.A.P. Secretary-General's visit to Moscow, rather than Mr T. H. Tan's visit to Formosa?

Mr Chairman: May I point out that if it is on a point of order you might interrupt, but not on a point of explanation. Let him finish his speech.

Enche' S. Rajaratnam: Anyway, Sir, it is most interesting that we have M.C.A. Senators, Government Ministers, officials, agricultural experts, and even an Ex-Socialist Front Mayor, all visiting Taiwan. What is so attractive? All I know is that that place produces camphor. Whether it has any other tourist attractions, of which we hear nothing about, I do not know (*Laughter*). But obviously there is considerable attraction to get these people purely to open a small trade office in Malaysia.

Mr Chairman: I would like to point out to the Honourable Member that he should avoid this kind of debate. Come to the point all the time.

Enche' S. Rajaratnam: Anyway, Sir, I shall not take too much of your time. Having made my point that by establishing a Consulate here we are really undoing the good work that the Deputy Prime Minister did when he went to Afro-Asian countries trying to win them over by showing that we are not the stooges of Western powers, I would say that now suddenly you tie yourself up with a regime which, as you know, Sir, even the majority of

the members of the United Nations have decided is a regime on its last legs. We ourselves are not advocating that we should be anti-Formosa. Let us have trade relations—I have no objections to it. If there are bright Formosans who can help us out, that is okay; but I suggest, Sir, that the Government should be more cautious about who visits Formosa and what the Formosans do here. Thank you very much.

Enche' S. P. Seenivasagam (Menglembu): Mr Chairman, Sir, I agree that it should be the policy of the Government to try and win as much African support as possible for our cause against Indonesia. But it seems to me that there is a tendency in certain quarters to exaggerate and overestimate the importance of this support.

Mr Chairman, Sir, we have done everything possible, I should say, culminating with the last visit of the Deputy Prime Minister to the African States to present our case to them, but I am rather pessimistic about reports that the Deputy Prime Minister's visit has in any way changed the minds of these African States. The Honourable the Deputy Prime Minister returned to this country and he stated that he was quite pleased about the results of his visit. But I ask, what are the results of the visit? Has there been a single African State which has reversed its previous policy as a result of this visit? Has there been a single African State which has issued a statement following the visit of the Honourable the Deputy Prime Minister stating that it gives its support to Malaysia? I have searched and I have found no statement issued by any African State which has been visited by the Honourable the Deputy Prime Minister. We must, therefore, reconcile ourselves to the fact that in so far as the African States are concerned, it is unlikely that in the near future they are going to reverse their present policies. I think we have to face the fact that, in so far as Malaysia is concerned, it is outside the Comity, outside the group, of the African nations, because there is a tendency

in these African States to regard Soekarno as a liberator of South-East Asia, to regard him as the hero who has thrown out the colonialists from South-East Asia and I do not think that anything we do or say is going to make any African State hostile to Soekarno, let alone bring hostility towards Soekarno. I do not think that in the near future we can expect any African State to come out openly in support of Malaysia; and I think I stand on firm ground when I say that, because, as I pointed out, so far we have had only unilateral statements, statements from our side, that the Africans have been nice to us, that the Africans have sympathy for us—but that does not mean that they support us against Indonesia. It is all very well for the African leaders to say, when we go there, “Oh, we are sorry that you are having troubles. We hope you will be able to solve your troubles. If there is anything we can do about it, please let us know”. That is about all that has happened so far.

Now, let us take one instance: the occasion of the Honourable Deputy Prime Minister's visit to Cairo. Members of this House will recollect that the President of Mali had visited Indonesia. He was entertained by Soekarno, and there the President of Mali declared that Indonesia would crush Malaysia and that victory would come to Indonesia. And what happened when the Honourable Deputy Prime Minister went to Cairo? His visit coincided with the banquet given in honour of the President of Mali, who had openly declared himself on the side of Indonesia against Malaysia. The Honourable Deputy Prime Minister was invited to attend that dinner in honour of the President of Mali who sides with Soekarno against Malaysia, and I have read in a certain newspaper in Malaya that that was a signal honour conferred on our Deputy Prime Minister. I should have considered it a downright insult that our Deputy Prime Minister had to sit at the same table with a man who has openly declared that Indonesia is going to crush Malaysia and that Indonesia will crush Malaysia.

Now, as I said, I do not discourage movements to establish or gain African support but, to me, it seems at the moment, at any rate, futile. We must not mistake the manifestations of courtesy and hospitality to us when we visit the African States; we must not interpret that courtesy and hospitality as open support for us. It would be wrong to create such an impression. In fact, in proclaiming this growing African support for Malaysia, I feel we are blowing a balloon, a balloon which, if we continue to blow further, is going to burst, because sooner or later Soekarno will call upon these African States to declare—and I feel they will declare—and whatever their declaration may be, it will not be a declaration of support for Malaysia against Indonesia. Friendly, yes; sympathy, yes; but as for support against Soekarno, we have received no such assurances as yet.

Now, quite frankly, I do not think it hurts us very much if we are not accepted by these African States as belonging to their group, as belonging to their club, because a lot of things go on in these States with which we cannot possibly agree. The sort of democracy practised in these new African States is not the sort of democracy we know and which we want in this country. Therefore, we are certainly not members of their club. They can be friendly with us. We welcome their friendship, but let us not identify ourselves completely with this so-called Afro-Asian group, the so-called group which professes to protect democracy in Asia. But if we look at the internal conditions of those States, does any one of those States have the sort of democracy which we want in this country? Do we want a democracy like Ghana where the Chief Justice is sacked because he gives a judgment which President Nkrumah does not like? Do we want a democracy like Kenya, where there is one party government or one party state? Therefore, let us not create the impression that we approve the constitutions and the practices in these countries and that we will adopt their systems just to become a member of their exclusive group.

Now, it may not be fashionable for me to say so. The fashion these days appears to be that if you are an Asian country you must join the so-called Afro-Asian group, otherwise you are an outcast. Whether it is fashionable or not, we have got to face the facts. Now, not as a matter of choice

Mr Speaker: I do not like to interrupt, but I have to point out to the Honourable Member that the debate is for reducing the sum stated in Head S. 21, sub-head 1, item (1) by \$1. Do not let your speech develop into a debate on foreign policy too much. You may touch on it in passing only.

Enche' S. P. Seenivasagam: I assume the Honourable Member for Batu wants the \$1 cut to show that he has no confidence in the foreign policy of the Minister, and that involves our relationship with the African States. In fact, I have abandoned that point and I was going on to a new point just now, Sir.

I would therefore advocate, not as a matter of choice but as a matter of prudence, that in the present context of confrontation with Indonesia we must be dictated by the exigencies of the situation. I suggest that the Government, while not abandoning its efforts to make friends with the African States, should direct its energies more to securing effective relationships, and obtaining effective assurances from the Western powers in ensuring that they will come to our military aid when the time comes, if such a time ever comes. With all the support of Africa we will not survive in the event of an armed conflict with Indonesia, if we do not have the military support of the Western powers. That is a fact which we must face whether we like it or not. Therefore, if we have to spend time, if we have to spend money, if we have to send our men abroad, let us send them to places, to countries whose assistance we stand in need of. As for moral support, let the whole world give its moral support to us, but still we will not survive without military support from the Western powers. Therefore, whether it is fashionable or not, I say,

let us proceed to secure what we want and let us not waste time trying to win the support of those who are not going to give us their support in any way; when I say "support" I mean "active support" and not "lip service".

Enche' Tan Toh Hong (Bukit Bintang): Mr Chairman, Sir, I would like to refer to the \$1 cut of the Honourable Member for Batu and his doubt on our foreign policy in reference to non-alignment and co-existence, a policy which the Honourable Member claims to be contradictory and vague. It is obvious, Sir, that the Socialist Front is still as confused as ever on our stand and objectives underlined in our policy on foreign relations.

Sir, to understand our foreign policy, it is necessary for me to recapitulate very briefly our national objectives. Time and again, the Alliance has stated that our primary aim is to continue to improve the wellbeing of our people and our nation, economically and socially, and the most supreme of all our objectives is our aim to ensure our national survival. If one accepts these two objectives, then our foreign relations become as clear as crystal; it is either that the Socialist Front refuse to accept these aims or that they themselves do not know the mechanics and complexities of international relations.

Sir, Malaysia is a small country with a population of only ten million depending on trade and export for their wellbeing. And ever since the Alliance undertook the role of national leadership, all the energies, all our efforts and our resources are channeled into peaceful use. For this small country, our contribution towards the world civilisation—the East, the West and the third force—towards the reduction of the increasing gap between the rich nations and the poorer nations, between the world's "haves" and the "have-nots" is that we have achieved our social experiment, an experiment by the Alliance Government that transformed a dormant colonial economy into a dynamic, thriving nation in a short time and in a manner that has captured the admiration of all newly emerging countries. Upon the awakening of

national and political consciousness in Malaya, and now in Malaysia, we have added substance and strength. Here is a brethren of the Afro-Asian countries that has made it—that is our contribution. Here is a small newly-independent nation, Malaysia, pursuing its own independent, friendly, foreign policy which has arrived at a state of dynamic equilibrium. This equilibrium will continue to accelerate at an ever-increasing rate so long as the Alliance Government is in power.

Mr Chairman, Sir, this social experiment cannot be realised, if our Honourable the Prime Minister and Minister of External Affairs has not had the wisdom and foresight to insist on our long-term peaceful development rather than military might, when he became our national leader a decade ago. It is because we cannot spare our manpower and resources for military might that we have to find a way to ensure that our sovereignty is effectively protected in case of full-scale aggression against us. Our Honourable Minister of External Affairs, therefore, as far back as 1957, concluded a bilateral defence treaty with the United Kingdom. It is only a bilateral defence treaty known as the Mutual Defence Agreement, which the Honourable the Deputy Prime Minister has explained very clearly. The end result is that the wisdom and the foresight of our Honourable the Prime Minister, unmatched by anyone present here, is now paying us very handsome dividends. Because we have this bilateral defence treaty, which is mutual and purely defensive in nature, the Socialist Front is entirely mistaken to imply that we are not non-aligned, and that we do not uphold the principles of co-existence.

Sir, our concept of co-existence has nothing to do with the Communist's concept of co-existence. Our concept is logically the democratic principles of human dignity, tolerance, the right of self-determination and national independence—in short, very similar to the concept of Malaysia.

In fact, we reject, and reject in no uncertain terms, the Communist type of co-existence. To the Communists,

their idea of co-existence is to promote forces fighting for socialism. In addition, according to Krushchev, Communist-type co-existence—quoting his words—“facilitates the activities of the Communist parties”. There should be no doubt as to the Alliance Government's policy of non-alignment and of democratic co-existence.

In fact, if the Socialist Front takes the trouble to make a critical appraisal of international events, they will be the first to admit that we are more non-aligned than some of the countries that attended the recent Cairo Conference. Is it not true that Cuba, a so-called non-aligned country which attended the Conference, is also a member of the Communist bloc? The Alliance Government does not belong to any power blocs, because we see no future for ourselves to be caught up with international power conflicts of the East and the West. This policy has been reflected throughout the past nine years and it is very mischievous for the Honourable Member from Singapore, Enche' Rajaratnam, to instil doubt we are involved in this international power conflict. Sir, this becomes clear if the Socialist Front remembers that we have not entered into any military treaty that is multi-lateral in nature, and any military treaty that is collective in nature as to give it the connotation of being part of a power bloc. We are not a member of SEATO, of CENTO, or of the ANZUS Pact. Let it be made clear once and for all that we pursue an independent foreign policy, subservient to no one, except the will of our people. This is no empty declaration of non-alignment, because the acid test lies in our past performances. Let me enumerate some of our past actions in international affairs.

The Honourable the Prime Minister and Minister of External Affairs is the first leader of any non-aligned country who openly condemned the blatant invasion of India by Communist China. In 1959, Malaysia condemned Russia when she sent troops and tanks

Dr Tan Chee Khoon: On a point of clarification, Mr Speaker, Sir. In 1959 Malaysia was not in existence.

Enche' Tan Toh Hong: Malaya, since the Alliance Government was in power in Malaya, which is part of Malaysia now. Anyway, Sir, in 1959, the Alliance Government condemned Russia when she sent troops and tanks to violate the territorial integrity of Hungary.

In 1960, the world was amazed by the unprecedented move of the Honourable the Prime Minister to expel South Africa from the Commonwealth of Nations for her colonial, repressive apartheid policy. Sir, under present conditions, what is most deplorable, most sad, is that by bringing Singapore into the fold of Malaysia, the P.A.P. Government still persists in condoning South Africa, in condoning the repressive acts against the oppressed. If the Honourable Mr Lee Kuan Yew still pretends to claim social justice, concern for the oppressed, and if he still pretends to be a so-called champion of the have-nots, I demand that the P.A.P. boycott South African goods now and stop trading with South Africa. I demand that the Honourable Mr Lee Kuan Yew follow the good and wise example of our Honourable Prime Minister of Malaysia and of the Alliance Government. If there were any distrust by our African brothers, as alleged by the Honourable Member for Batu, then such distrust is certainly not brought about by the Alliance Government. Where the fault lies is clear for all to see. Coming back, Sir, to past performances, when in the United Nations, we joined forces with our Afro-Asian brothers to deplore the Portuguese repressive measures in Angola. There is no doubt whatsoever in our firm conviction of the five principles of "Panchsheel"—I think that is how it is pronounced in Hindustani—which define the concept of peace through

Dr Tan Chee Khoon: For the information of the Honourable Member concerned, I think it is "Panchasila".

Enche' Tan Toh Hong: Anyway, Sir, I am using a Hindustani word and if he will bear with me, he will become very clear as to why I call it "Panchsheel"—it defines the concept of peace through non-alignment and neutrality.

Again, for the benefit of the Honourable Member for Batu, I would mention briefly these five principles, which were propounded by that great Asian statesman, the late Mr Nehru, and not anyone else. That is why I followed the Hindustani spelling. The five principles are:

- (1) Mutual respect for territorial rights and sovereignty.
- (2) Non-aggression.
- (3) Non-interference in internal affairs of another nation.
- (4) Equality and mutual benefit.
- (5) Peaceful co-existence.

Mr Chairman, Sir, in this very spirit of Nehru's Panchsheel, Soekarno has broken every one of those golden rules of non-alignment. He does so openly and blatantly. He has even declared in the United Nations that he has the right to use military force to encroach upon our sovereignty so as to interfere politically in the internal affairs of Malaysia. Thank God, this is rejected, and rejected in no uncertain terms, by the United Nations and similarly by the recent Cairo Conference.

Sir, the Cairo Conference of Afro-Asian countries have seen through . . .

Enche' S. P. Seenivasagam: Mr Chairman, Sir, on a point of order. I would submit that the speaker is entirely irrelevant. He is bringing up matters that have nothing to do with the motion to cut \$1. He is reviewing Soekarno's policy, he is reviewing the United Nations policy, and he is reviewing the Panchasila.

Mr Chairman: I ask you not to go too much out of the way!

Enche' Tan Toh Hong: Yes, Sir. The one-dollar cut is a vote of no confidence or indictment against the Alliance Government in its foreign policies, and I am trying to defend those foreign policies which, I think, the people of Malaysia know, are right ones. Only some unfortunate Members who sit on the other side of the House will still have to be convinced.

Sir, the Cairo Conference of Afro-Asian countries has seen through

Soekarno and has the wisdom to take away the make-up, rouge, powder and lipstick of Soekarno to expose his aggressive designs. It is about time that the Afro-Asian bloc reject this irresponsible man.

I appeal to the Socialist Front to be realistic and not to be carried away by their own confused propaganda. So long as aggressors exist in this world, the great issue of war or peace remains paramount. And I further appeal to the Socialist Front that for the sake of our children, if not for ourselves, please do not be blinded by the Soekarno brand of "neutrality". To people like Soekarno, their version of neutrality and non-alignment is only a political weapon meant for their own selfish ends. It is a dangerous weapon whereby they play the East against the West and *vice versa* so as to secure the greatest benefit from both. Thus the world saw the unique situation that while the Communist bloc gave sedulous support to Soekarno in the West New Guinea issue, the Kennedy Administration also worked in the same direction by pressing the Netherlands to concede.

It is very tempting, Sir, for Soekarno with his irresponsibility to think that he can play the Great-Power game. But by riding the tiger, this mad man has plunged his country, Indonesia, right into the dangerous shoals of Communist infiltration and domination. Sir, he can never stop the expansion of Communism in Indonesia. I understand that the Communists have even meddled with his kidneys (*Laughter*) and the result, I believe, is a swollen leg.

The irony of it all is that, despite massive help from Russia and America, Soekarno did not bring any material benefits to the Indonesian people. Instead of meeting the rising pressure of the Indonesian *ra'ayat* for a better life, all he has brought is national ruin and degeneracy. In this respect, Sir

Mr Chairman: I would like to point out to the Honourable Member that we are not concerned with Soekarno's country here!

Enche' Tan Toh Hong: Yes, Sir, I am concluding on that now, and I am coming back to our Malaysian policy on foreign affairs.

Therefore, I would like to appeal to the present American Administration not to be misled by Soekarno but, instead, to match their foresight with that of the American Senators, who said "To Hell with Soekarno". As for our own action, given the need to preserve peace, we can only travel along the paths of existing international realities. In the international context, and in the face of imperialistic militant aggression by Soekarno and the Partai Komunis Indonesia, our path should be the one between Non-Alignment and No-Strings-Attached Aids given by friendly countries whose political orientation is domestically acceptable to us and strategically tenable.

Thank you for your patience, Sir.

Dr Mahathir bin Mohamad (Kota Star Selatan): Mr Chairman, Sir, when the Member for Batu tries to get this House to express no confidence in the Minister of External Affairs by his attempt to reduce the token vote by one dollar, I believe the Member is within his rights, but whether there is in fact

Dr Tan Chee Khoon: Sir, I hate to interrupt my medical colleague. My intention was not to express a vote of no confidence. My intention was to focus attention, and I said very clearly that I only wanted to focus attention. That I have succeeded beyond measure, I think, might be embarrassing to you, Sir, because time is running short and we are still on my amendment.

Mr Chairman: I am afraid when you make a proposal for such a cut, you are expressing no confidence.

Dr Mahathir: Thank you, Mr Chairman, Sir. That saves me the need to explain further as to why he tries to reduce the vote by one dollar. However, I would like to say that there is, in fact, no dissatisfaction with our foreign policy sufficient to justify this move made by him. Mr Chairman, Sir, our foreign policy like any other foreign policy of any nation, democratic or

otherwise, cannot be made to satisfy every group and every individual. The important thing is whether our foreign policy has the support of the majority of the people in this country. Sir, I submit that it has, and I challenge the Opposition to prove that it has not. There are only two ways wherein the foreign policy of any Government can run counter to the wishes of the people. It can do so, firstly, if it is not a popularly elected Government, or it can do so if a popularly elected Government were to veer away from the promises it made before and during elections. I have no doubt that not one member of the Opposition would dare to stand up and say that the Alliance Government is not a popularly elected Government. During the course of the Elections, the people of this country were subjected to the full blast of propaganda from the Socialist Front, from the P.A.P., from the P.P.P. and what have you.

Enche' S. P. Seenivasagam: Sir, on a point of clarification, the radio and television were denied to the Opposition!

Dr Mahathir: Those facilities will be given to you the moment you get into power! Anyway, Sir, the fact that the Alliance has been returned to power with an even greater majority, implies that the people have confidence in the Alliance Government and that the Alliance Government is, in fact, the popularly elected Government of this country.

The other things, Sir, is that the Opposition might wonder whether this Government had in fact veered away from its declared policies, especially in the matter of foreign affairs. In the matter of foreign affairs, everyone knows that we have been very consistent. We have stated our views since 1957, before the 1959 elections and before the 1964 elections, and we have been continuing with this same policy. That, in fact, is the point which the Opposition is so much against. They say we are continuing a policy which is not compatible with our present relationships in foreign affairs. So, in the face of this, I cannot see how anyone could rise in this House

and try, on the strength of his backing probably in his one small constituency, to imply that the foreign policy of this country does not have the sanction or the support of the people of this country by trying to move a motion of no confidence in this House. By the criteria I have illustrated, our foreign policy is, in fact, the approved policy of the vast majority of the people in this country. To attempt to go against this policy is to attempt to impose the will of a minority in the affairs of this country—an attitude which I think is totally undemocratic.

Sir, I would like, however, to answer some of the charges relating to our attitude towards the Afro-Asian bloc. Anyone who has studied our foreign policy, and our foreign relations, must be able to see that we have always identified ourselves with the Afro-Asian aspirations and inclinations. Since Malaya became independent in 1957, we have taken full control of our foreign policy. We have insisted on remaining uncommitted in the power struggle between the East and the West. In our decisions, we have always been moved by our own needs. It is true that we have often supported the West. But every time we do this, the dominant factor has always been our own interest. Long before the West reconciled itself to the integration of West Irian with Indonesia, we had voiced our support for the Indonesian claim. True, we differed in the manner that this claim should be pushed through. Essentially peaceful, we preferred a negotiated settlement even at the risk of Indonesian displeasure. But we were consistent even though the West did not care for our viewpoint. In the case of South Africa, it was our attitude which pushed South Africa out of the Commonwealth and made her a *pariah* among the nations. It is no secret that Britain was far from pleased, but we stuck to our guns. However, if our reputation on the question of South Africa is blemished now, it is certainly not the Central Government's fault. The blame lies with the State Government of Singapore. Our present posture in relation to Afro-Asia politics is clearer than

ever. We are seeking our proper place among the nations of Afro-Asia. We subscribe to the Bandoeng Resolutions and in our affairs we have stuck to these resolutions to the letter.

As to the role of our former Ambassador to Cairo, about whom the member for Batu made comment, I would say that the Ambassador to Cairo did a very good job indeed. He was accredited to Cairo and we now know how the United Arab Republic has come out in favour of us and has always been on our side. As to the supposed failure of the Ambassador to get us into the Afro-Asian group, may I point out that there is no Afro-Asian Secretariat in Cairo for our Ambassador in Cairo to work upon.

On non-alignment our attitude is even clearer. We associated ourselves wholly with the spirit to the recent Cairo Conference. We aligned ourselves with no one in the cold war. We do not side with the East or the West. We weigh every situation on its merits and decide for ourselves as to whom we should support. But when our own country's security is in danger and we face the need to ask for help, it is not our fault if we accept what is offered to us. Indonesia, as we all know, is being directly aided by the Communists and it is only natural that those who are opposed to the Communists would come to our help. This does not mean that we are now part of the Western bloc.

On the question of Israel, which members of the P.M.I.P. invariably raise in this House, I think our attitude is most correct. Israel, as everyone knows, was created by the United Nations, that is to say, it was given an international personality and a territory which is to be called Israel. But in forming Israel the United Nations also passed a resolution calling upon that Government to allow the Arab refugees back into Israel. We recognise the existence of the State of Israel, but we do not recognise the Government of Israel. We do not recognise that Government and we have no one accredited to that Government simply because that Government has not carried out the resolution passed by the

United Nations. Now, had Israel carried out the resolution passed by the U.N., it would mean that the Arab refugees, who had been cruelly thrown out of their countries, could be brought back and given the right that they should have in Israel, and should this situation be brought back to normal—should the Arab refugees be back in their own country—then Israel would in time become not a Jewish country but an Arab country and, as such, it will be acceptable to the Arab countries in that area. This, in fact, is our attitude, and our attitude in fact is the attitude of the Arab countries in that area, and I do not see how anyone could criticise us in our relation to Israel, when our relation in fact conforms to the relation with Israel advocated by the United Arab Republic and the other members of the Arab League.

The other points which have been raised by the Honourable Member for Batu I believe have been sufficiently clarified, and it should be obvious that there has been no need to try and castigate the Minister of Foreign Affairs by trying to reduce the token vote by one dollar. In fact, there is no need for this debate on foreign affairs, because there is really no dissatisfaction by the large majority of the people in this country with our conduct of our foreign affairs.

Enche' Lee Kuan Yew (Singapore): Mr Chairman, Sir, foreign affairs, like so many other subjects in Malaysia, becomes an entirely different matter before and after confrontation. Pre-confrontation, particularly in the good old days of the Federation of Malaya, external affairs was the gentle game of playing at being independent—diplomatic parties, embassies abroad, flags, etc.—and it helps the sensation of freedom and greatness. It is a singularly fortunate position to be able to view foreign affairs from that singularly secure position, and there are still a few countries in the world for whom foreign affairs means a sensation of independence—Trinidad and Tobago, Jamaica and Malta; but as the realities of life bear upon us, the realities of living with a big and

rapacious neighbour, the happy days when our Prime Minister was trying to help solve the West Irian crisis seem so completely unreal. It is difficult to imagine, Sir, how it was in those days that we were unable to fathom where we would be in just a matter of three to four years—from 1958, 1959, 1960. We also supported the liberation of West Irian. I went to Jakarta in 1960 and appended my signature to a document with their First Minister—one of the biggest mistakes we ever did, because had they not solved the West Irian question, today we would be living in peace. So, we learn that some problems in the world can never be solved, and perhaps there would be less problems created, if some of them were left unsolved.

Today, post-confrontation, external affairs means to Malaysia literally a matter of life and death. Isolation from the growing body of Afro-Asian opinion and identification with the imperialist and colonialist nations must in the end mean death. For us life must mean a growing closer of identification and association with the hopes and aspirations and political attitudes of the growing band of Afro-Asian and Latin American countries—people exerting their rights not just to the sensation of freedom but to the realities of independence in an international community.

In many ways, Mr Chairman, Sir, external affairs is an extension of domestic affairs. To put it in another way, what we say and what we do in the field of foreign politics is so often the external manifestations of our domestic politics, our internal hopes and fears; and so it is that the embassies that were established in Kuala Lumpur pre-Malaysia, and the embassies that we established abroad pre-Malaysia, reflected the affinity and identification of political attitudes and political premises.

We were with Saudi Arabia—one of the first embassies to be set up in Kuala Lumpur. It has a king and it has a strongly entrenched society after a traditional pattern. But even Saudi Arabia now find it very useful

to get closer to President Nasser, because they realise that the chances of their keeping their oil wealth from more grasping hands require their identification with this new force. They also must share in expressing their belief, their affirmations, in the policies of a more egalitarian world. So it was with Indonesia: their external politics was just an extension of their domestic problems. For five to six years Indonesia lived on nothing but West Irian—and very skillfully too. They built up this image of themselves as anti-colonialists, neutral between the conflicts of two power blocs, non-aligned, believing in *Panchasila*, and so on. Their external efforts were designed to keep their internal situation viable, and the moment they achieved that objective they had to get somebody or something to put in its place—that is where we are. We are now acting as the internal cement for what are basically fissiparous forces in Indonesia. The problem now for us is how do we negate the deleterious effects of being the factor made use of by Indonesia for their own internal politics.

Sir, I suggest that, however uncritical it was for us to have set up embassies in South Korea and South Vietnam, the time has come for us to re-assess our international posture. Can you, on the one hand, tell the Afro-Asians, “We are with you, we share your hopes and aspirations” and yet say that we cannot afford, internationally, an embassy in Addis Ababa where now thirty-six African nations are in permanent representation—we cannot afford it; we are a poor, small nation, but we can afford to have an embassy in Seoul, a very important place, Sir, where *ginseng* comes from, and that no doubt helps the health and virility of many of the M.C.A. Members opposite. (*Laughter*). But can we really expect them to take us seriously when we say, “Yes, we love to have diplomatic relations with you, but we cannot afford it?” If we cannot have an embassy, at least a legation in Algiers. These are the big and important centres of international opinion; people flock and foregather there, all of them,

the Eastern bloc, the Western bloc—and some of the biggest delegations from both the Americans and the Russians are on the African continent—and the Chinese too.

May I, Mr Speaker, Sir, just as a matter of interest, run through the protocol list of our embassies abroad. I am not quite sure how the protocol was arrived at. I would like to believe that this was purely done on the basis of first come first place, historical development, I mean.

First, London (quite right, so it must be), next Washington, (rightly so; they buy our rubber and are an important factor in South East Asia), New York third, and Canberra fourth (I think, wise, and it showed foresight that even in those early days we thought the Australians could be our friends), and then as an after thought New Delhi (Now, Sir, I am glad New Delhi took precedence over Jakarta) and then we have all these Embassies set up in the halcyon days of pre-confrontation: Tokyo—where President Soekarno often sojourns, Paris (Now, Sir, I am not saying the French are not an important people; they are, and they have got one of the greatest of elder statesmen in the world; but if Paris, why not Addis Ababa?), then Karachi, Bangkok, Cairo, Bonn, Saigon and now slowly Rangoon; and I hope later on the neighbours, who really matter to us, whether we like them or we don't like them, Ceylon, Cambodia. I am not saying that we should not have allowed the other nations not to have come in. However, I think a re-appraisal of our attitude is necessary. Pre-confrontation we could afford to say, "Out with all the Communists" the Russians, Yugoslavs, the Titoists, they are all Communists. Post-confrontation, I think, there are different kinds of Communists and some could be useful to us. I notice the facts of life made us sent a rubber mission to Russia and Poland recently. They are today the biggest single group of buyers of our rubber. I am not suggesting that we should invite the Communists here, but I think our international posture could reflect a little more subtlety to exploit the very

differences between them which can help us. The Indonesians do this with extremely great skill and dexterity, and I think it is not beyond the capacity of our Ministry of External Affairs to play upon the nuances of emphasis and attitudes between the hard Leninist line and the peaceful co-existence Khrushchev line. Everywhere that we have been abroad, in international conferences, Moshi, Algiers, there was a clear distinction in attitudes between the hard Leninist groups who were anti us, whatever the reasons, and the Russians and others with the Russians who were prepared to listen and be convinced, who wanted to listen because they were also looking for friends in their other fight.

Sir, I am not saying that the Government should dilute the purity of its anti-Communist approach. I do not think any nation in Asia could have been more positively anti-Communist than Pakistan. It has a constitution which starts off that the State is based on God and Islam. But Islam notwithstanding, President Ayub has very skilfully moved into a position, where he has ensured that the Indians will not be able to move on Kashmir without repercussions on their northern borders. These are the facts of life. I am not passing judgment on the morality or a—morality of Pakistani attitudes, but I think we all know that they have, for diverse domestic reasons—Pakistani reasons—taken a more neutral stand *vis-a-vis* Malaysia, because they were also looking for friends, who are now confronting us at Afro-Asian gatherings—to isolate their immediate domestic problem, the Indian pressure on the Kashmir dispute.

Sir, Malaysia can be presented to the world in one of two ways. One, and I commend this for the consideration of the Honourable the Prime Minister, that it is a nation which emerged as a result of British decolonisation, that we fought for our freedom and achieved it, have the right to preserve it, and the right to invoke the help of friends who are prepared and willing to ensure our survival, and enlist the sympathy of

those who, whilst not in a position to extend us material help can nevertheless sympathise with our being associated with European powers in our self-defence. The second is the presentation which the Indonesians are trying to project to the world, that this is a stooge arrangement, a neo-colonialist plot, that in fact this is not the expression of the will of the people, that the government has been rigged up by the British administration before it handed over powers to a stooge regime and that the intention of the British was really to preserve their economic and military interests, worse, that we are in fact part of the anti-Communist chain of bases stretching from South Korea, Japan, Okinawa, South Vietnam, Thailand and then Malaysia. Presented in that light, sympathies may waver.

I am not suggesting for one moment that we consider ourselves in that light. But I think we must be alive to the fact that Indonesian propaganda effort is directed to this purpose and the reason why they have failed so far is that on the actual contact with neutral non-aligned leaders they have found this to be untrue, that, in fact, Malaysia is the assertion of the will of the peoples of this region. We emerged out of the British colonial territories they once held in sway in South East Asia.

We cannot lose by meeting them and knowing them, and I see no surer way of convincing them than by getting them to visit us. If they cannot, then we will have to visit them. And I think two opportunities were lost recently. One, President Tsiranana of Malagasi, who went through to the Philippines, who is very close in his views on international affairs to that of the Honourable Prime Minister. The President of the Philippines went out of his way, after a visit to Washington for President Kennedy's burial, to drop in at Malagasi and got this visit arranged. He agreed in principle to visit us, probably at the same time as he was going to the Philippines. It is true that we had no representation there, neither has he representation here, but I think some effort should have been made, because

no better argument than for them to come and see us for what we are. Similarly, recently, the President of Mali went to Jakarta. He had also agreed in principle to accept an invitation to visit us. People do not want to force themselves upon us, unless they feel sure that they are welcome, and I think we ought to make it clear to them that they are welcome. In that way we cannot lose, but to leave it to the chance encounter is to throw away important cards which we have, and the best card we have to play on the Afro-Asian table is Malaysia as it is, compared and contracted with Indonesia—no better argument why Malaysia deserves to be supported and deserves to survive, deserves to be left in peace. Any man visiting Jakarta, it should be made known to him there is a warm welcome awaiting him in Kuala Lumpur. We cannot lose.

Finally, Mr Chairman, Sir, I would like to congratulate the Prime Minister and his Deputy for having made a much greater effort, in the past year, in getting across a more attractive image of our young nation, that we are friends not only with the South Koreans and the South Vietnamese, but also with all those who believe that independent countries, no matter how small they are, have a right to be left in peace and a right to choose their own form of government, that by this posture of having embassies in Seoul and South Vietnam, we are serving notice on the world that we believe that if your neighbour is a Communist, he has no right either by subversion or by military might to overcome you. I think it is a very useful posture, because it may well be that as the battle lines are re-arranged in the course of the next decade, we may find ourselves eventually in as uncomfortable a position as the South Vietnamese and the South Koreans. Sir, I would not like to be misunderstood that I am suggesting that we close down our embassies. What I am saying is, having made that stand, we should also let it be known that we would prefer to have forms of government far more liberal, far more democratic, far more tolerant than the regimes in

Korea or South Vietnam, but such a tolerant democratic regime is only possible when your neighbour leaves you in peace. And, on that note, I hope the Honourable Prime Minister will find it possible, in spite of the stringencies of his budget, to make a better effort on the African continent in the coming year. We not only want to say they are friends, but we want to give a demonstration that our sentiments are with them.

Dr Tan Chee Khoon: Tuan Pengerusi, saya bangun untuk . . .

The Prime Minister: Is the Honourable Member going to reply? Could I wind up since it concerns my Ministry?

Dr Tan Chee Khoon: But I have the prerogative to wind up the debate since I moved the amendment.

Mr Chairman: Yes. You will have the chance of winding up.

The Prime Minister: The Honourable Member has the right to wind up, but I have got to wind up for my side. (*Laughter*). Many things have been said which require my reply, and so I would like to take this opportunity to reply to the Honourable Member who made this proposal.

In the first place, he has suggested that the motion which he has brought up in this House might be thought as an offence against me. I can tell the Honourable Mover of the motion that I do not take this as an offence at all. He wants to cut my pay by one dollar, but in fact, I am not even paid a cent as the Minister of External Affairs, (*Laughter*) and I do it really for the love of the job—I think it would be quite truthful to say that I like this job such a lot that I am willing to do it without any pay. So, the proposal to cut my pay is a waste of time.

The Honourable Member takes the opportunity to air his views on matters of foreign policy and in that aspect I take cognizance of his motion. I am doing it, as I said, for the love of the job, and I am happy to do it. I consider the policy, which we have been following all these years, as the right

policy, and we have made a success of it. Our standing in this world, I think, is quite high, as has been said by quite a number of Honourable Members here. I think the Opposition does not like the company with whom we mix and the world in which we live today. To the Opposition Members from the Socialist Front, the world they would like us to live in is the world in which there may be mob—and that is, perhaps, the Eastern world, or the Eastern bloc. However, this is well understood. Nevertheless, I say that what we are doing now is quite in keeping with our policy. In this respect, I do not suppose that the fact that we mix up with our friends, should cause very much concern to the Honourable Member, because in this world there are many other small countries, similarly placed as ourselves, who also have the right and the freedom to choose their friends. For that reason, we find that countries closeby to us have thought it better to be linked up with the communist world—and in that respect I think they have a right to choose their friends, and I do not think we should criticise them for that, because each country in this world, each small country, has to think of the ways and means to preserve its existence; and one of the means that we feel would preserve our existence, guarantee our independence and sovereignty, is to mix with the world who are sincerely interested in our existence, and for that reason we have more or less identified ourselves with, what we call, the western world and with the neutral countries.

They say they want us to be more friendly, to get more involved in the Afro-Asian politics. Well, I am not saying that we are not doing all that, but it is not quite possible to mix with all the Afro-Asian countries; some of them have thrown in their lot with the Communist countries and some of them live very much their own existence without indicating any feeling that they want to get mixed up with the countries in this part of Asia. But as the member from Menglumbu has quite rightly said, we should not really make too much of that. We should not,

for instance, go on our bended knees to ask to be welcomed by all these friends; we should not in fact sacrifice our prestige and dignity in order to be welcomed into the fold of some of these countries. We have got to be, I think, a little more independent and we have got to be a little bit more dignified. After all, we are a sovereign independent country ourselves. But our foreign policy really shows quite clearly that we support freedom and we support democracy and so we work with any and every country which agrees with those principles. In my humble opinion, the confusion which the Honourable Member from Batu mentioned exists more in his imagination than in fact. If he had devoted perhaps a little bit more time to the study of our foreign relations, he would have found that we have been very consistent throughout in our foreign policy. We have set up diplomatic relations with nearly 25 countries and these countries are from Europe and Asia and we have found out that having relations with these countries has been of great help to us.

The Honourable Prime Minister of Singapore suggested that we should make more friends, the right friends according to his views, and that we should not give too much thought to those friends that don't matter. But I say that our capacity to make friends is inexhaustible. What is exhaustible is our resources, resources in money, resources in manpower, and because of that, we have not been able to set up our missions in some of the countries with which we want to set up diplomatic relations. In the same way, you will find that there is not even one mission in this country from the black African countries. I presume it is for the same reason, i.e., they have not got the men and they have not got the money. From Africa we have got only one mission here at the moment, that of the United Arab Republic. But all the same, it has been our desire that in time, with the expansion of our Ministry, with the ability to get more men and perhaps with the ability to get more money without being severely criticised for it, we might be able to

set up diplomatic relations with all these countries which the Honourable Prime Minister of Singapore has suggested.

So in pursuing our independent policy, we are guided by our national aspirations and our needs within the framework of the promotion and maintenance of world peace, good relations with all countries who believe in democracy and in the policy of live and let live. We were the first country, perhaps you might remember, that entered into an agreement with Indonesia, an agreement of friendship, an agreement by which both countries agreed to work in the interests of peace and in the interests of friendship; and latterly at Manila we agreed to work for the common good of this region of Asia—the Maphilindo which has been mentioned. One aspect of it is the agreement by Indonesia and the Philippines to abide by the findings of the Secretary-General of the United Nations. When it came to the time to abide by it, they refused because the decision happened to go against them. So it is only after the territories of Singapore, Sarawak and Sabah had agreed to join us, and join us of their own accord, that the Indonesians have decided to turn against us. And with that, unfortunately, we had to break off diplomatic relations with them and also with our other friend and partner in ASA, the Philippines. After the breaking up of diplomatic relations and after the confrontation, Indonesia then decided to turn every country in Europe and in Africa against us and they worked hard to prevent us from being admitted into the non-aligned bloc and into the Afro-Asian Conference which will be held next year in Algeria.

I would like to mention here for the benefit of the Honourable Members and for the information of those who do not know that in October 1962, the President of Indonesia wrote to us and asked us to co-sponsor and support their claim for the holding of an Afro-Asian Conference in Indonesia. We were unable to support their claim, because the first Afro-Asian Conference was held in Bandoeng. So we thought

it would be only right and proper that other countries, such as those in Africa, should be given the privilege of holding this Afro-Asian Conference; if not Africa, at least another Asian country. But for Indonesia to hold the Afro-Asian Conference twice was in our mind not quite correct. So, if we were then important enough for them to invite us to co-sponsor this move to hold the Afro-Asian Conference in Indonesia, then I suppose we should be in the eyes of the world important enough to be admitted into this Afro-Asian Conference which is going to be held in Algeria. For Indonesia to do all this work to block our entry is a mischievous act, an act done by an enemy, an enemy not of Malaysia but I consider it as the enemy of all the free countries of the world. Just because they are in dispute with us, they consider that we have no right to be present at the Afro-Asian Conference. If the Afro-Asian Conference is going to mean anything, if it is going to assess the opinions and views of the Afro-Asian countries in respect of world affairs, then by right, without going on our bended knees, we should be admitted into this Conference. No country has any right to deny us admission into this Conference, because we are a member of the United Nations and we are an independent and free Asian country (*Applause*).

Some members perhaps suggested that these Afro-Asian countries are neutral. I would say that in all respects we too are neutral. The only time when we are not neutral is when we have reason to oppose the aggression of one power against another, and that is only right and for that reason the United Nations has come into being.

Now, the Honourable Member from Singapore has criticised our foreign policy on the ground that we are unfriendly to the African countries, or less friendly towards these countries. I have explained that we have tried to be friendly, for the last thing we would like to do is to go on our bended knees and ask to be welcomed (*Applause*). If the Honourable Member cares to look into the facts, he will have found that

we were the first, the very first, to take up the fight against the iniquity and injustice of apartheid (*Applause*), and we were the first to get South Africa expelled from the Commonwealth. We were the first to carry out the boycott of South African goods (*Applause*). However, while we had adhered strictly to the policy, unfortunately, our friends in Singapore, to our horror and disgust, had allowed South African goods to flow into its own gateway; and in the same way we were astounded and horrified to find out, after the creation of Malaysia, that there had been in Singapore a South African Trade Commission. Well, this, I think, is not quite right. For one to come out now to suggest that we should go all out to make ourselves presentable to the Afro-Asian countries, to make ourselves welcome to the Afro-Asian countries, while at the same time to allow the greatest enemy of Asian and African people to set up their Trade Commission here, to allow their goods to come in here, while the rest of the Afro-Asian countries have banned all these goods, is not quite the right thing to do. Therefore, how can we reconcile this matter in this august Assembly—the Singapore representative talk rather glibly about our relations with the Afro-Asian countries when behind our back this is being done?

Enche' Lee Kuan Yew: On a point of information, Sir—Do I understand from the tenor of the Prime Minister's speech that he intends to stop the export of about \$57 million worth of Federation goods to South Africa?

The Prime Minister: Well, I think our first concern, our first consideration, should be our loyalty to this nation and to the cause which this nation has espoused (*Applause*), and not the question of the millions of dollars which flow in as a result of allowing such South African goods to come in. When it happened

Enche' Lee Kuan Yew: Mr Speaker, Sir, on a point of clarification—I think the Honourable Prime Minister may not have understood me. I think this export of \$50-odd million is for exports from Malaya and not from Singapore.

Dr Ng Kam Poh (Teluk Anson): Mr Speaker, Sir, on a point of clarification. We only export; we do not import. They both export and import. (*Applause*) (SOME HONOURABLE MEMBERS: Hear! Hear!) That is the difference.

As for Sabah and Sarawak, Mr Speaker, Sir, they are in the Alliance. (*Addressing Bornean Members*) I am sure that they will co-operate with us. The P.A.P. is in the Opposition however loyal it may claim to be (*Laughter*).

The Prime Minister: Honourable Mr Speaker, Sir, I will not say any more on that, because it is bound to create a little bit of hot discussion, and so I go on. I thank my Honourable friend from my side who has spoken quite frankly about this.

Now, the Singapore Member has also referred to our representatives abroad as being politically discredited, or that discredited politicians are being sent abroad. According to him, it is wrong for us to use them as our representatives, and so I would like to tell the Honourable Member of this House that the so-called discredited politicians have done extremely good work, both in Germany and in Australia (*Applause*) and because of their good work our prestige in these two countries have risen pretty high. They are very, very popular with members of the diplomatic circles. As a result of their good work, I would like to remind Honourable Members that Australia has gone all out to help us in our trouble with Indonesia and they have sent us not only planes but men and arms as well. For the same reason, I think Germany has also made a very generous offer in terms of a cash loan to help us over our difficulties as a result of the Indonesian confrontation. I say that this is due in a very large measure to the friendship and goodwill that these countries bear towards us—and this is no doubt due to the good work put in by these so-called discredited politicians. I quite well understand the P.A.P.'s objection to these two gentlemen, because the P.A.P. happens to be in the Opposition. As far as I know from them, as far as they are con-

cerned, according to them, there is no love lost.

The Honourable Member also commented on the establishment here of a consulate by Taiwan. I am afraid there has been quite a lot of misunderstanding about this consulate. He made it out as if it were a recognition of Taiwan, or as if it were a diplomatic mission. That is not so. The consulate is set up for the purpose of facilitating travel and business dealings with them.

The Honourable Member from Singapore also made quite a big thing of visits by members of this Government, by people from this country, to Taiwan. As far as I am concerned, there is nothing wrong in anybody visiting any country, so long as that country opens its door to such visits. Why should it be wrong to visit Taiwan any more than it is to visit Japan? (AN HONOURABLE MEMBER: Moscow?) Well, to visit Moscow, I think, is wrong (*Laughter*). After all, this is a free country and everybody has a right to choose. Whatever attraction there is in Taiwan I have not the privilege to visit Taiwan, and so I do not know. One day, when I have a little time, I will find out from some of my colleagues, who have visited Taiwan, and if the attraction is nice, if the country is nice, the climate is good, I may, in my old age, perhaps take a little holiday there. But let us not make this a matter of debate in this House.

So, what we have done, as I said, in the setting up of consular relationship with Taiwan is not intended to create the K.M.T. feeling here, because those who are KMTs and have become rather involved in it, whatever we do we cannot help to eradicate that K.M.T. feeling from them—in the same way we cannot do anything to eradicate the communist feeling from some of the people here. They are entitled to their thoughts; they are entitled to their political ideologies. But what we are doing is for the convenience of the people of this country who wish to travel to that country.

I heard what was said in this House about the visit of the Minister of External Affairs from Taiwan—it was

said that when he returned I drank a toast to the President, Chiang Kai-shek. I think I might have done that—to be quite truthful he is one of the leaders in this world whose memory will be perpetuated after his death. After all, whatever he is today, he has done so much for his own country and for his own people.

I consider the attack on Vietnam and Korea is rather unfair. I think those countries, including ourselves, have suffered as a result of militant communism. We have common problems with them. It is logical, therefore, for countries with common problems to have common sympathy for one another. So, I think it should be in our interest to make friends with them and, I think, I take great pleasure in calling these countries our very, very good friends.

Now, on the question of Afro-Asian feeling towards us, or rather the African countries feeling towards us, I had only the possible fortune, the opportunity, to meet them at the Commonwealth Prime Ministers' Conference. There were opinions expressed one way or the other, but if the Honourable Member would refer to the Press communique issued after the Conference, he would find that all these countries, whether they are from Africa or from Asia, really expressed support for us.

Then, there is another matter which Honourable Members are rather inclined to forget, and that is that we have given support—a lot of support—to the Arab countries. I mentioned it during Question Time but some Honourable Members seemed to revel in misunderstanding and so decided not to hear what I had to say then. We had given help in many things to the Arab countries. We had given financial help to refugees, who were victims of flood, victims of aggression, or victims of action of Israel. As a result, we have received quite a lot of support from the Arab countries. The Honourable Member from Menglembu, I think, has suggested that the visit of our Deputy Prime Minister had not really achieved the result that it was suggested to be. I, personally, think it was a success. I think it was a success, because

of the attack made on Egypt by the Indonesian newspaper. If it had not been a success, the Indonesian paper would have said so, but instead they attacked the United Arab Republic.

Now, on the question of the Defence Treaty, my colleagues have enlightened the House in respect of this matter, but let me stress here that this Treaty has been a sore point with Communist China and with Indonesia. You may well understand the reason for it, because without this Treaty we would have been overrun by these two countries a long, long time ago. Of course, this Treaty can be revoked, as has been explained by my colleague the Honourable the Deputy Prime Minister—any time at the will of either party. However, in the interests of this country and in the interests of the people of this country and their welfare and their security, as long as the Alliance Party is in power, this Treaty will be honoured in the observance for the well-being and security, as I say, of the people here in this country.

In connection with the Defence Treaty we have with Britain too, it was suggested by the Honourable Member from Kelantan Hilir that because we have a Treaty with Britain we are bound to be despised by some countries in the world as being less independent—so he said—and that British bases are here to perpetuate British influence in this part of the world. According to the Honourable Member's argument, then all those countries that have relations or have foreign armies in their countries are less dependent in the eyes of the world. But, let me quote just a few countries for the benefit of Honourable Members, and let me see whether they are less independent or fully independent, because they happen to have foreign troops in their respective country. One of them is England—wherever you go, you find American troops there; and the other one is France—I do not know whether it is independent just because they happen to have NATO troops there. Further, you get Canada, you get Philippines, you get Thailand, you get Japan, and you get Germany. I can cite so many countries, but I think it

is going to take a little bit of the time of this House if I were to mention them all. Let me inform the Honourable Member that we are no less dependent just because we agree to have British bases here. We do so for our own benefit, for our own purpose, and we can terminate that Treaty at any time we want to.

The Honourable Mover of this motion has charged the Alliance Party for being tyrants just because of our majority. Our majority is not due to our work but due to the faith and confidence which the people of this country have in us. Let me tell the Honourable Member that the last thing we would want to do is to abuse this majority, or abuse our position as the Party in power. We pay heed to every constructive opinion that has been put forward in this House from time to time. I have been asked whether before the end of this Session we would deal with all the motions that have been carried forward from one Session of Parliament to another. Let me tell you that it is not our fault that these motions have not been dealt with. It is because the Members have been so enthusiastic in dealing with the motions before them that they have forgotten that there are other motions that have to be dealt with—and I do not think that in this matter the Members of the Opposition is any less to be blamed for it. However, there has been reserved a day for these motions, and now I hope you will not take up so much time. On foreign relations so much has been said today that perhaps you might think of withdrawing that motion and save the time of this House in having to come up with all this again. If we allow any period of time for any particular motion, the enthusiastic Members of this House, who felt they are not paid just to keep mum, they all would like to have their say—naturally enough, for after all they represent their people and they would like to have their say in this House; and that is how this debate has been going on and on for a long time. So, if we take so much time over the Budget, I think the meeting of this House will never end,

when the time comes for us all to go for a little holiday. So to suggest that we are tyrants because we did not deal with the motions before this House is, to say the least, rather unfair.

On the subject of our non-admission to non-aligned countries, this, I may say, is the work of the Indonesians. If you will study the Cairo criteria adopted at a conference, it will be seen that this country comes within the meaning of “non-aligned”. We are not unduly worried because their declaration took notice of our position when it stated—I would just read one line because we have not got much time:

“States must abstain from all use of threat or force directed against the territorial integrity and political independence of other States. A situation brought about by the threat or use of force shall not be recognised. And, in particular, the established frontiers of States shall be inviolable. Accordingly, every State must abstain from interfering in the affairs of other States, whether openly or insidiously, or by means of subversion and the various forms of political, economic and military pressure. Frontier dispute should be settled by peaceful means.”

It is because of this declaration that Soekarno left the Conference in a huff.

Lastly—I would like to finish with this as I do not want to have to continue with this—the Honourable Member has charged that during the nine years of our Government in power there has not been any full dress debate on foreign policy. I realise that the Honourable Member has been here for this year only and so he did not know what took place before. Let me tell him, however, that there had been debates—many times in this House. In 1962, we had a very long debate as a result of the Brunei rebellion; then again, we had debates on foreign affairs from time to time; and, therefore, it is not right to say that we have never had debates on foreign affairs. Every year in the Speech from the Throne, His Majesty had a say on foreign matters which in itself invites debates from the Members of the House. Therefore, to say that in nine years the Alliance had not afforded an opportunity for a full debate on foreign policy is, to say the

least, unjustified. I would ask the Honourable Member really to check his facts before making statements like that in this House.

Finally, Sir, I do not think I can deal any more with this matter, but I would like to thank Honourable Members of this House, Members of our Party, who have defended our policy very well indeed, either in English or in Malay. (*Applause*).

Mr Speaker: When this House convenes again at 4.30 p.m. I shall ask the Honourable Member for Batu to make his reply, and then put the question to the House. The sitting is suspended till 4.30 p.m.

Sitting suspended at 1 p.m.

Sitting resumed at 4 p.m.

(*Mr Speaker in the Chair*)

House immediately resolved itself into Committee of Supply.

Debate resumed.

Dr Tan Chee Khoon (Batu): Tuan Pengerusi, saya bangun untuk menjawab tuduhan² kepada saya. Tuan Pengerusi, pada malam tadi ada beberapa Ahli² Yang Berhormat dari Partai Perikatan yang telah menudoh saya, ada sa-orang berkata Partai saya ia-itu Partai Socialist Front Ra'ayat Malaya ia-lah sa-buah partai yang kominis dan lagi sa-orang Ahli Yang Berhormat ada memanggil saya Suara Indonesia, Suara Jakarta, di-Dewan Yang Berhormat ini dan beliau ada memanggil juga, kalau saya tidak salah, 3 kali beliau ada memanggil saya kepala batu.

Tuan Pengerusi, jika mereka hendak menyerang saya sa-chara personal, saya hendak-lah memberi tahu kepada mereka, di-kawasan saya ia-lah Kawasan Batu, ada sa-buah batu giling dan di-sana-lah ada banyak alat² batu dan walau pun saya sa-orang kepala batu, saya boleh membaling batu.

Tuan Pengerusi, sekarang saya meminta keizinan Tuan Pengerusi, untuk membuat ucapan saya dalam bahasa Inggeris.

Mr Chairman, Sir, in this House, a friend of mine has said that I often serve as a lightning-conductor, that whenever I open my loud mouth like Cassius Clay, the new heavy-weight champion, I seem to attract lightning and that I simply generate heat. Even then, Mr Chairman, Sir, what I said last evening did not justify the avalanche of abuse that was heaped upon me. Sir, I do know that in politics one must take the smooth with the rough. As I have stated early in my very first speech, I am not exactly a political virgin, and I do not think that all of us in this House, when standing up to put forward our case, will strictly adhere to Queensberry rules. Many in this House have adopted Siamese-style boxing where one uses one's hands and legs. Sir, be that as it may, the abusive language used last evening was most uncalled for, and I shall treat the abusive language and the accusations with the contempt that they deserve—I shall not reply to them. However, Mr Chairman, Sir, I wish to state that my Christian name is David and, like the David in the biblical story, I am capable of using a sling and to use that to *membaling batu*.

Mr Chairman, Sir, in contrast with the speeches from the Alliance back-benchers last evening and night, I am very happy to say that the speakers this morning, almost all of them and, in particular, the Government front-benchers who participated in the debate, took a very objective attitude and presented the Government's case in a very sober, calm and dignified manner. In particular, I also wish to congratulate the Honourable Member for Kota Bahru Hilir for the dignified way in which he has presented it. There was no need, when putting forward your case, to indulge in calling names and in mud-slinging. I have been sent by the people of Batu to this House not to indulge in these antics, and that is why, as I have said, I do not propose to reply to the abuse last evening.

I propose now to touch very briefly on some of the points raised by the speakers this morning. The Honourable

Deputy Prime Minister stated that there was no necessity for me to cause so much *kachau*, that there was no necessity for this one-dollar cut and that I could have had my say while the King's Speech was being debated and during the Budget debate. I beg to submit that at these two occasions although one could bring up any theme that one wants to develop, these are not exactly the appropriate times for bringing up specific issues, like the foreign affairs. In the course of the King's Speech, he dwells through the whole gambit of Government and if one pays attention to only one particular aspect like the foreign affairs, one cannot go very far and to criticise that a lot of people want to have their say. As for the Budget Speech, although it provides for the fact that one could say anything about the Government, I also submit that that is not an appropriate occasion for touching on specific subjects like defence, economic policy, foreign affairs, because the Minister of Finance presents his Budget and we in this House should, as far as possible, confine ourselves to the financial aspects of his Speech; otherwise, when he comes to reply, he rubs his hands with glee and says, "There is no need for me to say anything because all the Members of this House have had their say in all topics under the sun except on finance; consequently, there is no need for me to reply." You will agree that foreign affairs have nothing to do with finance except that we need a financier for our Missions abroad. So, Mr Chairman, Sir, I do submit that these two occasions, the Royal Address and the Budget Speech, cannot be used by Members on either side of the House as an occasion to debate specific issues, and it is for this purpose that I have proposed this cut of one dollar—not to have a full-scale debate but to focus attention on it—in the hope that the Government in future will of its own accord bring forth to this House specific issues for debate.

Mr Chairman, Sir, the Deputy Prime Minister has also stated that his mission to North Africa has been a tremendous success. No doubt, the

Government would like to have us believe that it is so. The member from Menglembu has said that there have been unilateral statements on the success of this trip and that there has been no declaration of success on the other side. Be that as it may, Mr Chairman, Sir, the success or failure of this mission is yet to be seen. The junketing across the African continent by the Honourable the Prime Minister of Singapore was also proclaimed to be a success—everybody said it was a success—but if it was a success, how come we were not invited to the Conference of the Non-aligned Nations at Cairo? I hope the Deputy Prime Minister's visit has been a success and that we will be able to follow it up, but whether it is a success or not will be judged on whether we will be invited to the next conference at Algiers.

Mr Chairman, Sir, the member for Bukit Bintang, who is not here this afternoon, stated that the Alliance foreign policy—I do not know whether he has authority to say it—is founded on the twin pillars of democratic co-existence and non-alignment. If I am wrong, he could correct me—but unfortunately he is not here this evening. Now, the Honourable Member for Bukit Bintang says that the Alliance foreign policy is founded on democratic co-existence and non-alignment. If that is so, I submit, what is the difference between my advocating co-existence and non-alignment in this House? I do not see the difference, that is, if the Honourable Member for Bukit Bintang has authority to speak on behalf of the Government, I leave it to the Government to decide.

Mr Chairman, Sir, much play has been made about South Vietnam and South Korea. I have stated what are the fears of quite a large number of us. Despite our diplomatic relations with South Vietnam, it is well known that all is not well in South Vietnam. Otherwise there would not be such massive injections of American aid, both military and financial. But despite all this aid, we see the Vietcong advancing closer and closer to Saigon and the South Vietnam regime appears to be tottering and may well cease to

exist in the very near future. Mr Chairman, Sir, what I objected to in our mutual Defence Treaty with Great Britain is the clause "for the preservation of peace in South-East Asia". Britain might invoke that clause to prop us such a regime and if we do not re-think about that Defence Treaty, then we willy-nilly may well be drawn into a global war which we have nothing to do with. South Vietnam is so far away from this country. That is why I said in my speech that this treaty should not be used for propping up corrupt, inefficient regimes that do not have the popular support of the people and it may involve us in situations which we do not envisage.

Mr Chairman, Sir, the Prime Minister of Singapore has asked the Government for a reappraisal of our foreign policy in the light of confrontation, and that is a thing that I heartily agree with. We should have, what he calls, this new posture. We have proclaimed that Malaysia is not a neo-colonialist plot and we are an independent nation. That is all right if we proclaim loud and wide. But we should consider, as the Prime Minister of Singapore stated, going and selling this idea not only to the Afro-Asian group but also to what he calls the iron curtain countries—and he singled out Yugoslavia in particular—and I would say that if we are prepared to send a trade mission to Yugoslavia, to Rumania, to Poland and to Russia itself to sell rubber, why can't we send a mission to them and explain our point of view. That does not mean that we approve of the Communist regimes, but it may help to create the new posture that the Prime Minister of Singapore postulated.

The Singapore Government has been castigated time and again, I think quite rightly, for their trade with South Africa. But it is of significance that the Prime Minister of Singapore stated that that trade amounted to \$57 million and that most of it came from the Federation. Now, if the Central Government is really earnest about its anti-apartheid policy, then why should not the Central Government take steps to see that this trade does not flow south of the Causeway? It is very simple as the

Finance Minister will vouch for. It is very simple.

The Minister of Finance (Enche' Tan Siew Sin): Mr Chairman, Sir, may I rise on a point of clarification? I think the Honourable Member from Batu is not probably fully conversant with the facts, but since my Honourable friend the Minister of Commerce and Industry is not here, I might say a word or two. It is correct, as has been stated by the Honourable Member from Bukit Bintang, that the States of Malaya do export to South Africa. We do so merely because it suits us—I mean, it obviously pays us to sell to South Africa, but, and this is the operative part of the exercise, we do not allow South African imports into the States of Malaya while Singapore does, and I think there is a whale of a difference between the two attitudes.

Enche' Abdul Rahim Ishak (Singapore): On a point of clarification . . .

Mr Chairman: The Minister of Finance has just clarified.

Enche' Abdul Rahim Ishak: On a further clarification on his clarification. Mr Chairman, Sir, the member for Telok Anson this morning used I think a little bit of histrionics to show that Singapore imported South African goods, which is correct, and the Minister of Finance has just admitted that the States in Malaya had exported to the tune of \$57 million a year to South Africa. But, of course, both of them are trying to show that there is morally no difference. I will tell them what the difference morally is. The \$57 million worth of exports go into, among other things, the production of rubber tyres used by South African armoured cars to suppress the black Africans in South Africa, whereas probably the importation of fruits, oranges and such things, go towards the food of the workers in Singapore and Malaya. This is for the knowledge of the member for Telok Anson who, incidentally, I understand is a doctor. That is the moral difference.

Dr Tan Chee Khoon: Mr Chairman, Sir, it looks again that, like last evening, I might get caught between

two fires (*Laughter*). I have no wish to be in the middle when two giants fight. There you are! We have this clarification that while they are willing to trade with the devil, they are not willing to buy and they justify their stand. Much the same way, as the Minister of Finance knows, without the support of the Communist countries which import our rubber, the world price of rubber will probably fall to 40 cents a pound. That is a well-known fact of life that we must face: unless we get the support of Communist countries in our sale of rubber, we will be in a very bad shape and this Budget may not reach even \$1,000 million.

Mr Chairman, Sir, may I now come to comment very briefly on the speech made by the Honourable Prime Minister; what is more, I must thank him for the assurance that he will, in this current session, give the Opposition at least one day—the last day, I suppose, of this session—to debate my three motions. I am very glad that the Government had at last thought it fit to give the Opposition some time to discuss private motions. For the benefit of the Government benches, I shall not make use of all the three motions standing in my name, but I shall only want to discuss that on Kuala Lumpur, and I shall withdraw the other two motions. I do hope that the Government will continue to take cognizance of the fact that we on this side of the House also can, and wish, to bring matters before this House and that we come here not only to discuss matters pertaining to the Government but also to discuss those matters pertaining to what our electorate would like us to bring to the notice of this House.

Mr Chairman, Sir, the Honourable Prime Minister also made a great play of this \$1 cut. I think he was, perhaps, a little hurt that I have proposed this cut, but he knows very well that there is nothing personal about it. He knows very well, and I hope Honourable Members of this House also know very well, that there is nothing personal in that \$1 cut. It is merely a parliamentary device for me to take the floor and

have a chance to have a say, otherwise I may not well have a chance to have my say on foreign affairs in this country.

Mr Chairman, Sir, the Honourable Prime Minister also stated that full time has been given to Members of this House to debate on anything they like, and he brought in particularly these two occasions: the Royal Address and the Budget Session. I have already, I hope, disproved that motion that we can discuss and debate specific issues during the Royal Address and the Budget Session. I think these two occasions are not appropriate for us to debate specific issues.

Mr Chairman, Sir, the Honourable Prime Minister also stated that foreign affairs have been debated on many occasions during the last Parliament. But none other than the Honourable Member from Singapore had stated that he had read through the parliamentary proceedings since 1959 and had found very little reference to any debate on foreign policy during the last five years. Mr Chairman, Sir, I have a complete set of proceedings from 1952, since the F.M.S. days, though I have not caught up with 1959 yet—I am slowly starting with 1952 and 1953—and I must confess that now there has been no reference to any foreign affairs matters. So, I think my amendment to propose this cut to focus attention on foreign affairs is more than amply justified, in view of the fact that so much time has been spent on it and that so many other speakers also would want to speak on it.

Finally, Mr Chairman, Sir, it is astounding that the Honourable Prime Minister has stated that he admitted that he had toasted to President Chiang Kai-Shek during a dinner that he had with the Foreign Minister of Formosa. Mr Chairman, Sir, this House will recollect that during, I think, the October session of the House I asked the Honourable Prime Minister a question on the visit of the Foreign Minister of Formosa and the Honourable Prime Minister then, with a calm face, blandly told me that it was just a social visit: he had a dinner and there was nothing else. Now we know

that there was this toasting that might put us in a different light when the matter reaches the ears of the Afro-Asian nations. Mr Chairman, Sir, this is a thing that, perhaps, the Alliance Government itself is not aware of the repercussions—the Honourable Member from Singapore has already blared it forth, loud and bold, that our Honourable Prime Minister had toasted to the health of the Foreign Minister and to the health of President Chiang Kai-Shek and that our Honourable Prime Minister has today stated that he had wished the President of Formosa long life and good health. Mr Chairman, Sir,

Enche' Tan Siew Sin: Mr Chairman, Sir, may I clarify? (*Mr Chairman assents*). The Honourable Member for Batu should get it straight that this visit of the Foreign Minister of Formosa was an unofficial visit and that the function which was held was an unofficial function; so I do not think the Honourable Member should read more into it.

Dr Tan Chee Khoon: Mr Chairman, Sir, nowhere did I say that it was an official visit. I only stated what the Honourable Prime Minister himself had stated. But be that as it may, I do not wish to take much more of the time of this House. I think that in making this move of a cut of \$1 in the token salary of the Honourable Minister of External Affairs the proceedings that ensued had more than justified my request. Thank you.

Amendment put, and negatived.

Heads S. 21 and S. 22—

Mr Chairman: I now propose the question that the sum of \$10,472,585 for Head S. 21, Ministry of External Affairs, stand part of the Schedule.

The Assistant Minister of Youth, Culture and Sports (Engku Muhsein bin Abdul Kadir): (*Rises*).

Dr Ng Kam Poh: (*Rises*).

Mr Chairman: In view of the time left, do you wish to talk on this?

Dr Ng Kam Poh: I will only take a few minutes. I wish to speak on the sub-

stantive motion. Mr Chairman, Sir, during the debate

Dr Tan Chee Khoon: On a point of order, I thought the Honourable Prime Minister was going to wind up for the Government and that I was going to wind up on my own motion. I do not see how the Honourable Member for Telok Anson should take over that role.

Mr Chairman: (*To Dr Ng Kam Poh*) I am afraid because of the time left I think it is better to let the reply come from the Minister. We have only half-an-hour left.

Dr Ng Kam Poh: I will only take half-an-hour, I promise you, Mr Chairman, Sir.

Mr Chariman: Will you please sit down?

(*Dr Ng Kam Poh resumes his seat*).

The Assistant Minister of Culture, Youth and Sports (Engku Muhsein bin Abdul Kadir): Dato' Pengerusi, dengan izin Dato', saya mohon supaya S. 21—Kementerian Luar Negeri berjumlah \$10,472,585 dan S. 22—Urusan Haji berjumlah \$192,082 menjadi sa-bahagian daripada Jadual.

Dalam memperkatakan S. 21 peruntukan sa-banyak \$10,472,585 ini di-mana Dato' Pengerusi dan Ahli² Yang Berhormat pesti sedar kedudukan politik dunia ada-lah membawa akibat kepada kepentingan negeri ini serta dasar² luar negeri-nya sa-hingga Malaysia perlu, bukan sahaja memperhibatkan kegiatan² diplomatik-nya, tetapi perlu menyebarkan usaha² diplomatik kepada negeri² yang belum ada perwakilan. Ini di-sebabkan oleh dasar pencherobohan yang di-jalankan oleh Indonesia.

Perlu juga di-nyatakan di-sini, walau pun Kerajaan kita telah menjalankan dasar terbaik², tetapi Indonesia kian melanjutkan permusohan-nya terhadap Malaysia hingga melakukan pencherobohan sa-chara terang² terhadap negeri ini. Jadi, sudah sa-wajar-nya-lah tindakan yang tegas di-ambil untuk menchegeh pencherobohan terhadap kedaulatan negara dan usaha² untuk memechah-belahkan perpaduan negara.

Dalam keadaan ini, usaha yang pertama dan penting yang perlu di-ambil ialah lapangan pertahanan. Usaha² dan ranchangan² pertahanan yang di-bayangkan ini telah di-bentangkan kepada Dewan ini oleh Yang Berhormat Menteri Pertahanan, tetapi usaha² mempertahankan kedaulatan negara Malaysia tidak-lah terletak semata² di-atas pertahanan tentera sahaja. Banyak yang perlu di-jalankan di-dalam lapangan diplomacy supaya dasar muhibbah dan terbaik² yang di-ikuti oleh Malaysia dapat di-fahami oleh berbagai² negara di-dunia ini, dan tujuan² yang sa-benar-nya di-sabalek dasar pencherobohan negara tetangga kita itu dapat di-buka. Oleh itu Kerajaan telah menyertai berbagai² persidangan serta juga menghantar rombongan² muhibbah ka-negara² dimana Malaysia belum lagi mengadakan hubungan² diplomatik.

Di-dalam Jawapan Bertulis kepada satu soalan, Yang Teramat Mulia Perdana Menteri telah membayangkan bahawa ranchangan² sekarang sedang di-ator untuk menubuhkan beberapa perwakilan diplomatik di-Africa, sedangkan hal ini tidak ada di-bayangkan dalam Anggaran Perbelanjaan bagi Kementerian Luar Negeri untuk tahun 1965 ini. Sa-benar-nya, berbagai² persediaan telah di-ambil dan peruntukan ini kelak akan di-minta dari Dewan ini sa-sudah sahaja persediaan di-selesaikan. Pendek-nya, Tuan Pengerusi, dalam dua tahun yang lalu Kementerian Luar Negeri terpaksa menambah berbagai² ranchangan bagi menchegeh segala² kesulitan yang timbul daripada keadaan² ini. Peruntukan kewangan tambahan terpaksa di-buat. Walau pun begitu, sesuai dengan dasar Kerajaan, perhatian yang berat sentiasa di-ambil bagi mengecilkan perbelanjaan. Peruntukan yang di-minta oleh Kementerian Luar Negeri telah di-buat bersesuaian dengan apa yang telah di-nyatakan oleh Yang Berhormat Menteri Kewangan di-dalam Uchapan Belanjawan berkenaan dengan dasar berdikit².

Supaya lebih jelas saya akan membentangkan sebab² perbelanjaan itu mengikut tiga bahagian perbelanjaan, ia-itu Gaji, Lain² Perbelanjaan Ber-

ulang Tiap² Tahun dan Perbelanjaan Khas dengan membuat perbandingan di-antara peruntukan bagi tahun 1965 dengan peruntukan yang telah di-bentangkan bagi tahun 1964.

Berkenaan dengan Gaji.

Perbelanjaan yang di-anggarkan untuk Gaji bagi tahun 1965 berjumlah \$5,861,325 berbanding dengan \$5,431,683 untuk tahun 1964, ia-itu tambahan perbelanjaan sa-banyak \$429,642. Bertambah-nya peruntukan ini ada-lah di-sebabkan oleh pembentokan Bahagian Penyelidikan di-Kementerian ini. Sa-bagaimana yang di-jelaskan, peruntukan bagi Bahagian Penyelidikan ini sahaja, Pechahan-kepala 1, Butiran (68) sampai (78) (halaman 282 sampai 283) berjumlah \$333,459. Sa-bagaimana yang telah di-nyatakan tadi, ranchangan dan tindakan diplomatik bagi Kerajaan ini telah bertambah² sejak dua tahun yang lalu. Saya telah menunjokkan tadi, oleh kerana kedudukan antara-bangsa yang membawa akibat kepada negeri ini, Kerajaan terpaksa mengambil bahagian di-dalam berbagai² meshuarat antara-bangsa, baik berkenaan dengan kepentingan negara mahu pun berkenaan dengan perkara² yang berhubung dengan teras² dasar luar negeri yang di-pegang oleh Malaysia. Untuk menyediakan Kerajaan ini dalam usaha menchampori berbagai meshuarat itu serta berbagai usaha diplomatik dari Kementerian ini ada-lah sewajar-nya perlu sa-kali bahawa penyelidekan yang sesuai di-buat berkenaan dengan berbagai² perkara. Hingga kini usaha penyelidekan itu telah di-buat oleh pegawai² di-samping pekerjaan hari² mereka di-lapangan diplomacy. Pekerjaan bagini memada² pada masa Malaysia tidak banyak menghadhiri persidangan antara-bangsa, tetapi di-sebabkan kesebukan sekarang pegawai² yang menjalankan pekerjaan diplomacy sa-hari² tidak-lah dapat membuat apa² penyelidekan yang mendalam berkenaan dengan berbagai² perkara antara-bangsa. Oleh itu penting sa-kali Kerajaan menubuhkan alat² yang sesuai bagi Penyelidikan Politik dan Bahagian Penyelidikan sa-bagaimana yang saya katakan tadi telah pun di-tubuhkan.

Lain² perkara tambahan di-dalam Gaji ada-lah di-sebabkan oleh menaikkan pangkat serta mengadakan beberapa jawatan bagi memperkuatkan kedudukan pentadbiran sekarang. Di-bawah ini di-bentangkan perkara² yang bertambah serta kepentingan²-nya.

Akibat bertambah ranchangan, maka pekerjaan di-Bahagian Politik telah berlipat ganda baik jumlah atau tanggung-jawab-nya sa-hingga pegawai² pada tahun itu tidak dapat memberi khidmat² sa-penoh-nya. Ada-lah tidak boleh bagi sa-suatu Bahagian yang bertanggung-jawab bagi perkara² yang besar dalam kedudukan "complex" yang berlaku di-dunia hari ini dan di-uruskan sa-penoh-nya oleh satu Ketua Penolong Setia-usaha. Tidak perlu di-tegaskan benar tentang keperluan penting bagi memperkuatkan Bahagian Politik. Jadi perlu sa-kali Bahagian Politik di-bahagi kepada dua bahagian dengan di-uruskan oleh Ketua² Penolong Setia-usaha—kedua²-nya Tingkatan-tertinggi "F" tidak-lah lagi satu, ia-itu penambahan satu jawatan Ketua Penolong Setia-usaha (Politik) di-bawah Butiran (i). Oleh kerana sebab² bagini, maka beberapa jawatan tambahan perlu di-adakan, ia-itu—2 Penolong Setia-usaha di-bawah Butiran (10), 3 Pegawai Kerja di-bawah Butiran (15) dan 4 Juru-trengkas di-bawah Butiran (27) Butiran kecil (ii) dari Pechahan-kepala 1.

Satu jawatan tambahan untuk Pegawai Kerja Kanan, Butiran (13) ada-lah di-ranchangkan untuk tahun 1965 bagi mengawasi berbagai masalah yang berhubung dengan perkhidmatan dan pentadbiran umum-nya yang kini sedang bertambah akibat dari banyak-nya pekerjaan pentadbiran dan lain² pekerjaan di-Pejabat Besar, 3 jawatan tambahan bagi kerani G.C.S. Butiran (28) Pechahan (ii) telah dimasukkan untuk tahun 1965.

Lain² Perbelanjaan, Berulang Tiap² Tahun.

Kini tiba-lah saya kepada Butiran di-bawah Perbelanjaan, Berulang Tiap² Tahun. Penambahan seluroh-nya bagi peruntukan tahun 1965 berbanding dengan peruntukan yang telah di-

luluskan bagi tahun 1964 ada-lah berjumlah \$570,000. Pada dasar-nya tambahan ini ada-lah terdiri daripada:

(a) Pechahan-kepala 2, Pentadbiran, lebeh kurang ...	\$384,000
(b) Pechahan-kepala 17, Bahagian Singapura, lebeh kurang	6,300
(c) Pechahan-kepala 21, Pentadbiran (Perwakilan seberang laut), lebeh kurang ...	67,000
(d) Pechahan-kepala 25, Sewa dan Chukai (Perwakilan seberang laut), lebeh kurang	111,000

Tambahan Berjumlah ... \$568,300

Pechahan-kepala 2, Pentadbiran.

Akibat daripada bertambah²-nya usaha² diplomatic tentu sa-kali perbelanjaan bagi mengirim surat² diplomatik dari Kementerian ka-Perwakilan Seberang Laut kita bertambah. Bagitu juga, akibat daripada kedudukan dunia yang berubah dengan chepat-nya perbelanjaan bagi taligeram pun meningkat naik supaya Perwakilan kita di-Seberang Laut akan dapat di-beri dengan sa-chepat-nya ma'lumat² berkenaan dengan dasar Kerajaan terhadap perkara² yang timbul. Kedua² butiran ini telah menyebabkan bertambah perbelanjaan sa-jumlah \$380,000 di-bawah Pechahan-kepala 2, berkenaan dengan Pentadbiran.

Pechahan-kepala 17, Pengangkutan (Bahagian Singapura).

Pejabat Chawangan Singapura di-tubuhkan pada Hari Malaysia untuk menjadi perhubungan dan mengendalikan perkara consular serta wakil² perdagangan di-Singapura. Perhubungan Chawangan Singapura di-perlukan mengikut chara² diplomacy menemui berbagai² orang kenamaan serta perwakilan² luar negeri yang melawat negara itu. Ada-lah nyata sa-lepas pengalaman sa-tahun bahawa perbelanjaan pengangkutan untuk menjalankan perkara² ini ada-lah lebeh tinggi daripada peruntukan yang telah di-luluskan pada tahun 1964 berjumlah \$11,660. Pengajian telah di-buat dan berdasarkan kepada pengalaman ada-lah di-ranchangkan bahawa peruntukan bagi tahun 1965 sa-mesti-nya di-tambah jadi \$17,932.

Pechahan-kepala 21, Pentadbiran (Perwakilan Seberang Laut).

Penambahan lebeh kurang berjumlah \$67,000 di-kehendaki bagi tahun 1965. Sebab yang besar bagi penambahan di-bawah Pechahan Kepala Seberang Laut ini ia-lah bagi perbelanjaan runchit berjumlah \$7,000 dan bagi perbelanjaan taligeram \$60,000. Saya telah menyebutkan tentang penambahan perbelanjaan bagi taligeram pada Pechahan-kepala 2 tadi. Sa-harus-nya saya mengatakan bahawa Pechahan-kepala 2 berkenaan dengan peruntukan perbelanjaan yang telah di-buat oleh Kementerian untuk menghantar taligeram kepada Perwakilan di-Seberang Laut, sedangkan Kepala 21 Butiran (4) ada-lah berkenaan dengan peruntukan perbelanjaan bagi Perwakilan di-Seberang Laut pula menghantar taligeram kembali kepada Kementerian ini. Rasa-nya tidak perlu penjelasan yang lebeh lanjut tentang perkara ini.

Akhir-nya, Lain² Perbelanjaan, Berulang Tiap² Tahun, Pechahan-kepala 25 Sewa dan Chukai, tambahan berjumlah \$111,000 ada-lah di-perlukan bagi tahun 1965. Penambahan di-dalam peruntukan bagi Sewa dan Chukai ada-lah memenohi perbelanjaan bagi sewa serta tempat kediaman bagi Duta² Besar dan pegawai² untuk dua Perwakilan baharu di-Rangoon dan Seoul yang telah di-tubuhkan pada awal tahun 1964.

Sunggoh pun Perwakilan itu di-tubuhkan pada tahun ini tidak-lah ada peruntukan yang telah di-masokkan di-dalam Anggaran Perbelanjaan bagi tahun 1964 bagi perbelanjaan tempat kediaman dan pejabat kedua² Perwakilan itu.

Perbelanjaan Khas: Sekarang sam-pai-lah saya kepada Perbelanjaan Khas. Perkara² yang penting di-dalam perbelanjaan di-bawah Pechahan-kepala 35 ia-lah perkakas dan kelengkapan pejabat dan Pechahan Kepala 40 Mesin Saifer. Peruntukan tambahan di-gunakan bagi membeli alat² perkakas pejabat sa-laras dengan bertambah-nya jumlah pegawai² di-Kementerian. Oleh kerana itu peruntukan bagi mesin taip perlu

di-tambah di-bawah Pechahan-kepala 36. Peruntukan tambahan juga di-minta untuk membeli mesin saifer supaya perhubungan taligeram tentang perkara² sulit dapat di-lancharkan dengan lebeh chepat dan lebeh selamat.

Lain² perkara di-bawah Perbelanjaan Khas ternyata menunjukkan perbelanjaan yang kurang berbanding dengan peruntukan perbelanjaan untuk tahun 1964. Ada-lah sukar sa-kali untuk memberi ma'alumat² yang lebeh panjang berkenaan dengan perbelanjaan ini tetapi perkara² ini boleh di-dapati jika Ahli² Yang Berhormat inginkan-nya.

Berkenaan dengan Kepala S. 22—Urusan Haji. Peruntukan sa-banyak \$192,082 ia-lah saperti mana yang telah di-tegaskan, dasar Kerajaan ia-lah untuk memberi kemudahan² dan layanan baik bagi mereka yang menu-naikan fardhu haji ka-Mekah tiap² tahun. Oleh sebab ini-lah maka keseluruhan daripada tambahan sajumlah \$42,000 telah di-kemukakan untuk tahun 1965.

Di-bawah Pechahan-kepala 1 Butiran (12)—Elaun Luar Negeri kepada Pesuruhjaya Haji dan Ahli² Rombongan Perubatan dan Penerangan ka-Mekah dan Bayaran Tempat. Tambahan peruntukan \$1,500 di-minta untuk tahun 1965 bagi perkhidmatan 3 pegawai tambahan dalam Rombongan Perubatan ia-itu Jururawat, Pembantu Hospital dan Attendent Hospital. Untuk 1965 Rombongan Perubatan akan terdiri 2 Doctor, 2 Penolong Hospital, 3 Jururawat dan 2 Attendent Hospital untuk membaiki perkhidmatan dan pengelolaan perubatan kepada jema'ah haji.

Di-bawah Pechahan-kepala 8—Klinik Berkereta. Peruntukan sa-banyak \$15,000 termasuk membeli sa-buah kereta perubatan yang akan memudahkan kerja ahli² rombongan perubatan Jema'ah Haji yang sakit yang diam berjauhan daripada tempat perubatan. Ini akan memberi kemudahan untuk mereka kelak. Oleh sebab peruntukan Klinik Berkereta di-adakan, maka mesti pula di-gajikan sa-orang driver. Di-bawah Kepala 1 Butiran (15) di-adakan untuk tahun 1965 dan peruntukan tambahan sa-banyak \$1,600

ada-lah di-chadangkan pada tahun 1965, makanan ringan dan ubat akan di-beri kepada orang sakit, jika ia sakit. Kerja² yang bertambah ini kelak pasti memerlukan tukang masak. Jadi di-bawah Pechahan 1 Butiran (17), satu jawatan tukang masak bagi tahun 1965 dan peruntukan bagi gaji-nya ada-lah berganda dari tahun 1964.

Pechahan-kepala 1—Perbelanjaan Urusan Haji. Di-bawah Pechahan kepala ini perbelanjaan untuk perchi-takan dan iklan, perbelanjaan runchit, api, kuasa letrik dan ayer untuk Pejabat Pesurohaya Haji, bekalan perubatan, bayaran talipon dan taligeram serta pakaian seragam. Satu rancangan untuk memperbaiki kemudahan perubatan dengan tambahan 15 lagi katil² akan di-sediakan akibat dari pem-besaran bilek sakit. Ini mengakibatkan bertambah perbelanjaan berulang bagi kain chadar, tikar, tilam dan lain² serta bekalan perubatan. Ini semua sesuai dengan keputusan untuk memberikan sedikit makanan pada orang sakit di-bilek sakit berdasarkan kepada chadangan doctor. Perubatan—Peruntukan Tambahan ada-lah di-perlukan sa-banyak \$6,000 bagi tahun 1965 berbanding dengan peruntukan yang telah di-luluskan bagi tahun 1964.

Pechahan-kepala 4—Sewa Tempat Kediaman. Dengan bertambah-nya pegawai² Rombongan Perubatan, tempat kediaman juga akan di-adakan di-Mekah, Jedah, Madina dan Arfah. Jadi perbelanjaan tambahan juga di-sedia-kan bagi Pechahan-kepala 4—Sewa untuk Tempat Kediaman bagi tahun 1965. Di-samping itu kemudahan² yang lebih baik melalui penerangan² kepada Jema'ah Haji akan di-adakan. Mesin duplicator serta mesin taip akan di-beli di-bawah Pechahan-kepala 6—Perkakas dan Kelengkapan Pejabat. Peruntukan sa-banyak \$980 di-sediakan untuk tahun 1965 bagi alat² perkakas pejabat.

Akibat daripada bertambah besar-nya bilek sakit dari 20 ka-35 katil², maka wang tambahan di-sediakan bagi membeli satu peti sejok, satu penyejok ayer, 3 meja kelinik, satu tempat ayer batu dan 2 kipas meja. Semua-nya berjumlah \$2,590 di-bawah Pechahan-

kepala 7—Perkakas² dan Kelengkapan Bilek Sakit.

Akhir-nya peruntukan sa-banyak \$8,000 termasuk di-bawah Pechahan-kepala 9—Kereta Motor. Untuk membeli sa-buah kereta yang akan menggantikan kereta lama yang telah di-beli pada tahun 1957 yang kini telah tua dan ternyata tidak menguntungkan lagi untuk di-gunakan. Sa-bagaimana yang telah di-bentangkan pada awal² ucapan saya tadi, Kerajaan sentiasa berusaha untuk memberi kemudahan yang lebih baik bagi Jema'ah² Haji yang pergi ka-Mekah pada tiap² tahun, dengan tidak ada perkecualian lang-song. Tambahan peruntukan kewangan yang di-minta bagi tahun 1965 ada-lah bersangkut paut dengan pembaikan dan kemudahan bagi Jema'ah Haji.

Sa-belum saya akhiri, saya ingin memberi jaminan kepada Dewan ini bahawa kemudahan² sewajar-nya bagi Jema'ah Haji akan di-jalankan di-mana yang boleh serta memberi sa-penoh perkhidmatan terhadap kebajikan dan kebaikan orang² haji.

Dato' Pengerusi, saya mengusulkan kedua² S. 21 dan S. 22 ini menjadi sa-bahagian daripada Jadual.

Mr Chairman: Ahli² Yang Berhormat sudah sedia ma'alum ia-itu masa kita ini sudah suntok sangat. Jadi ada Jadual di-hadapan mengatakan pukul 5.30, ada pula lagi sa-orang hendak berchakap lagi, jadi barangkali dalam 10 minit, ada apa² yang mustahak sangat, sila-lah.

Dr Ng Kam Poh (Teluk Anson): Mr Chairman, Sir, I thank you for giving me this opportunity to make a very, very short speech today to answer the various questions and policies set out by the Opposition.

To start with, I shall leave the PAS, or the P.M.I.P. severely alone to the UMNO—I do not want to deal with them at all, because the UMNO can tackle them.

As for the Member of the P.P.P., i.e., the Member for Menglembu, his speech was definitely in line with the Alliance policy to a certain extent, but he goes on further to say that his policy is a

pro-West policy. However, we are pro-West only where parliamentary democracy is concerned, and we identify ourselves together with the Afro-Asian group. We are not in any bloc, but we do identify ourselves with the Afro-Asian group. That is in answer to the P.P.P.

Now, Mr Chairman, Sir, as for the Socialist Front

Engku Muhsein: Mr Chairman, Sir, may I know under what Sub-head is the Honourable Member talking now?

Dr Ng Kam Poh: Under items starting from (112) and so on.

Mr Chairman: Page please?

Dr Ng Kam Poh: Pages Nos. 285, 286, 287, 289 and so on.

Mr Chairman: I did not quite catch the numbers of the pages please?

Dr Ng Kam Poh: Starting from page 285 of the Estimates—Washington, New York, Canberra, New Delhi, Madras, Jakarta, Medan, Tokyo, then Paris and so on (*Laughter*).

The Defence Treaty between our Government and that of Great Britain has been criticised in that we allow Britain to use this country as a base to protect British interests in the whole of South-East Asia, or to keep the peace in South-East Asia—particularly by the Honourable Member for Batu. Of course, I never have had the privilege of addressing him in the House, because he is never here when I sometimes make a speech. He says that this Treaty will allow British troops from here to be used in Saigon in case there is a world war. However, the British interests in this area, Sir, with the creation of Malaysia, is only limited to Hongkong. There are no British interests anywhere else in this area. So, if Communist China were to take over Hongkong, the British bases in Singapore are of no value—and it takes only 24 hours or less to take over Hongkong. So that argument is baseless, Sir. Coming to his argument that we are subservient and so on, I can only conclude by saying that he has not acquainted himself with the Defence

Treaty that we have between Great Britain and ourselves.

The Honourable Member for Batu has advocated a policy of peaceful co-existence. Sir, you can only co-exist with somebody who is your friend. You cannot co-exist

Enche' Abdul Samad bin Gul Ahmad Mianji (Pasir Mas Hulu): Pagi tadi perbahathan itu sudah habis.

Dr Ng Kam Poh: Mr Chairman, Sir, is he speaking on a point of clarification or on a point of order?

Mr Chairman: Well, I would like to remind Honourable Members that those points have already been touched upon by the Honourable the Prime Minister.

Dr Ng Kam Poh: I will not repeat them, Sir. I will only say that there can only be co-existence between two neighbours, if one would not bully the other. If only the Honourable Member for Batu will speak to his elder brother, or whatever he calls him, Bung Karno, not to confront us, then we can co-exist. Co-existence is only possible if you respect your neighbour.

Now, most important of all, we shall come to the Honourable Members from Singapore. What they have said is most interesting. They have propounded the theory of non-alignment; in other words, we should move towards non-alignment.

Enche' Abdul Samad: Yang Berhormat itu merugikan masa Dewan. Benda itu sudah habis. Tidak guna dibahathkan lagi.

Dr Ng Kam Poh: This is in reply to them, Sir. Please do not disturb (*Laughter*). You will have your time later on.

According to the Minister of Culture, there are lots of people going to Taiwan. If he will have a peek at his files, I am sure that he will see that I have never been to Taiwan.

Engku Muhsein bin Abdul Kadir: Which Minister of Culture are you referring to?

Dr Ng Kam Poh: The Minister of Culture from Singapore—I am sorry. He is the one who has said that he has

proof that so many people have been to Taiwan and that Taiwan is a scenic territory with beautiful scenery and lovely flora and fauna and other attractions. Sir, I have never been to Taiwan, and so if he will look into his files, I am sure that he will agree with me that I have never been to Taiwan.

AN HONOURABLE MEMBER: Do you intend to go there?

Dr Ng Kam Poh: I hope to go there some day as a tourist (*Laughter*). They have made so much fuss about the little Consulate for trade in Kuala Lumpur, but won't say anything about the Bank of China in Singapore. Now, Sir, they have mentioned Chinese chauvinism, Kuomintang, and so on and so forth. I do agree with them that there should not be any chauvinism at all. However, Sir, with the Bank of China in Singapore, surely we are not blind to the fact that this sort of thing is promoting chauvinism orientated towards Communist China. It is simple. They give credit to Chinese businessmen and from that they can influence the thoughts and minds of the Chinese in Singapore and Malaya. That, Sir, is a fact. I should think that the Bank of China in Singapore is far more dangerous than a small Consulate here in Kuala Lumpur. If they do not want the Chinese to be orientated to the Kuomintang, then they should not have Chinese orientated towards the Peoples' Republic of China. Let us have only Chinese who are pro-Malaysia.

Now, I come to the question of the Malaysia's stand towards South Africa's apartheid policy. The Honourable Member from Singapore, Enche' Rahim Ishak—he is the Parliamentary Secretary to the Minister of Education, I think—is a bit confused, Sir. Since he left Taiping and went over to Singapore, he is a bit confused (*Laughter*). He is from Taiping, and I am from Taiping too. Actually, the figure he stated was \$57 million. It is not \$57 million; it is only \$33 million—I think the Finance Minister of Singapore will bear me out on that—correct me if I am wrong. This \$33 million is in respect of the export of rubber and other commodities

to South Africa, and he says that they are going to make tyres with the rubber for their tanks and kill the people. We agree with him. But if we do not sell rubber to them, somebody else will. They can buy synthetic rubber from New York, or they can buy rubber from some other country or through an indirect source. However, Singapore does not ban imports. The excuse that the Honourable Finance Minister of Singapore, who is sitting here opposite me, Sir, made, is that they decided to do it in June last year and later in August last year, because they could not get fish meal—that is a very, very lame excuse. They can get it from Japan.

Dr Goh Keng Swee (Singapore): May I ask the Honourable Member whether Sabah and Sarawak are not importing South African goods?

Dr Ng Kam Poh: I have answered this question this morning, Sir. Sabah and Sarawak are in the Alliance. We can ask each other and we can co-operate. You, however loyal you say you are, are dragging your little feet where apartheid is concerned. That is a fact. Don't give lame excuses where this fish meal is concerned. It won't hold water.

Enche' S. Rajaratnam: On a point of clarification—does the Honourable Member mean that if we join the Alliance we can trade with South Africa?

Dr Ng Kam Poh: We do not want you (*Laughter*). We do not want you—forget it (*Laughter*).

We leave the fish meal aside now and come to other questions. The question of Mr Tan Lark Sye was brought up by the Minister of Culture of Singapore. He says that Mr Tan Lark Sye has been to Taiwan and that this is chauvinism—again chauvinism. Mr Chairman, Sir, Singapore has deprived Mr Tan Lark Sye of his citizenship saying that he is a pro-Communist. Now, he goes to Taiwan and they say he is bad because he is Kuomintang. What is he? Is he a pro-Communist or is he a Kuomintang?

Enche' S. Rajaratnam: On a point of clarification—I think his citizenship was deprived on security grounds.

Dr Ng Kam Poh: Oh, on security grounds! Very ably put. Very nicely put, I should say (*Laughter*). So he is not pro-Communist, but on security ground.

Enche' S. Rajaratnam: On a point of information—security is a joint matter between the Singapore Government and the Central Government.

Dr Ng Kam Poh: That was before Malaysia.

Mr Chairman: I would like to point out to the Honourable Member that the time is now 5.30 p.m.

Dr Ng Kam Poh: I would not take very long, Sir. I shall wind up. There is nothing sinister about our chaps going to Taiwan. There is nothing sinister about it at all. They go there, because, as they say, there are many attractions there. But sometimes I wonder why some of the members of the P.A.P. go to places like Moscow, Belgrade and Peking. Is that not a fact? Do they deny it? Why then all this fuss? We go to Taiwan; we go to Japan. You can go anywhere you like provided you have a mission. What is your mission then? We know for sure that the Prime Minister of Singapore paid a visit to Moscow in 1963 and later to Belgrade. Do you deny that?

Dr Goh Keng Swee: Is the Honourable Member aware that the Malaysian Government sent an official delegation to Moscow recently? It was a rubber trade mission.

Dr Ng Kam Poh: Oh, yes! We go for trade; we do not go there for a small chitchat (*Laughter*). That is the difference between you and me (*Laughter*). And we also know of his self-confessed association with the Communists.

Now, Sir, I will end up very shortly. Those who sleep with the Communists, something always rubs on to them. You cannot escape from that fact, Sir. If you can live with the Communists, if you can think like them and yet get yourself totally away from Communism, I

disagree—such a person does really exist.

Finally, Sir, I have only one other point.

Mr Chairman: I must point out to the Honourable Member that he must be quick, because he has already exceeded five minutes.

Dr Ng Kam Poh: Yes, Sir. Let me have another fifteen seconds! (*Mr Chairman assents*) Sir, they praised the success of the Prime Minister of Singapore's visit to the Afro-Asian countries. He visited several African and three Asian Commonwealth countries, but still there was no evidence of success until our Tunku went over there, followed by our Deputy Prime Minister's visit to dispel the idea that Malaysia is a neo-colonist plot.

Finally, I quote what the Prime Minister of Singapore had said in Brussels:

".....that the democratic socialist leaders have come and gone. Communist leaders in Asia when they come into power stay in. This was the case of the Chinese Peoples' Republic, North Korea and North Vietnam."

Now, I cannot understand from his quotation what he actually means. Is he pro-Communist, or is he a so-called democratic socialist? That is all I want to ask, Sir. Thank you very much.

Tuan Haji Ahmad bin Saaid (Seberang Utara): Tuan Pengerusi, Peratoran Tetap 40, Kandongan (1), kerana peruntukan bagi Kementerian ini sudah pun di-bahathkan dengan panjang lebar dan untuk menjimatkan masa serta juga mengelakkan daripada berulang² berchakap dalam Majlis ini, oleh itu dengan kuat-kuasa Peratoran Tetap ini, saya mengambil peluang menchadangkan ia-itu masaalah ini di-putuskan sekarang.

Mr Chairman: Elok sangat-lah, saya fikir pun sudah sampai masa-nya.

Question put, and agreed to.

The sum of \$10,472,585 for Head S. 21 and the sum of \$192,082 for Head S. 22 ordered to stand part of the Schedule.

Heads S. 23 to S. 31—

The Minister of Finance (Enche' Tan Siew Sin): Mr Chairman, Sir, the various Departmental Estimates that come under the portfolio of the Minister of Finance appear under Head S. 23 to Head 31. Sir, it is my normal practice to seek your permission to take all these Heads together, as they appear in the Schedule to the Supply Bill in that sequence. If you have no objection, Sir, I propose to do likewise on this occasion.

Head S. 23, Treasury—

Beginning with Head S. 23, which concerns the Treasury itself, there are no changes which are very significant, apart from the few increases in the establishment arising from the additional duties and responsibilities that have fallen to the lot of the Treasury. The small increases, however, relate mainly to the staff in the junior grades.

With regard to Other Charges Annually Recurrent, there are also very few changes of any significance; small increases have been incorporated in the provision for administration, printing and stationery, and transport and travelling under Sub-heads 2, 9 and 11 respectively. These increases have been made necessary in part by the proposal to establish a regional office in Penang for the Valuation Division.

With regard to Other Charges Special Expenditure, an increase of about \$114,000 is sought under Sub-head 17 for the purchase of office furniture and equipment. This amount is required for the purchase of accounting and receipting machines, as the accounts of Federal Departments in Singapore, Sarawak and Sabah will have to be processed by the Accounts Division of the Federal Treasury with effect from 1st January, 1965. The existing equipment available is fully utilised in the processing of accounts of the Federal Departments in the States of Malaya, and additional equipment is thus necessary.

Head S. 24, Treasury General Services—

Head S. 24 is a new Head of expenditure for Treasury General

Services for the purpose of presentation only. The provision for these Services was previously shown under a Treasury Head. As already explained in the Treasury Memorandum on the Estimates of Ordinary Expenditure for 1965 (Command Paper 36 of 1964), this has been considered desirable in that the provision involved is comparatively large and the expenditure is not particularly related to the administration of the Treasury as such. Many of the sub-heads also incorporate provisions which originally appeared in the Sarawak and Sabah Estimates of Federal Expenditure.

Sir, I would like to touch briefly on the sub-heads which show increases of any significance.

*Sub-head 3—*Expenditure under Sub-head 3 is in respect of compensation arising from claims made on the Government. Whilst the estimate is based on actual expenditure on this account averaged over the previous years, the actual expenditure to be incurred will, of course, depend on the number of claims that are made and are met.

*Sub-head 5—*An increase in the amount provided as contributions to local authorities in aid of rates is necessary to keep pace with the increase in the number of Federal Government buildings in local authority areas. A further factor is that it is now possible to evaluate the amount of such contribution more closely as the Valuation Division of the Treasury has been actively engaged in this task.

*Sub-head 7—*Sub-head 7 which provides for cost of living allowances on pensions shows an increase to the extent that payments in respect of pensioners in Singapore, Sarawak and Sabah have to be catered for, in addition to the States of Malaya. As pension liability is a Federal responsibility, these have now been consolidated under one sub-head.

*Sub-head 20—*Sub-head 20 for the provision of road grants to Municipalities has been increased as there have been increases in the mileage of roads in various Municipal areas which are eligible for such grants. The provision

entered for 1965 is based on the current year's expenditure on this account.

Where special expenditure under this Head is concerned, it will be noted that there is increased provision shown under Sub-head 32 for disturbance grants to officers on termination of temporary transfer from the British Civil Service. This is not a new provision, as a number of such officers from the British Civil Service have been serving in this country in various capacities for some time now, and are eligible under their terms of service for disturbance grants when they return to their Home Service. It is expected that a fair number of them will have completed their periods of temporary service in this country in 1965, and adequate provision has to be made for the payment of such disturbance grants to them at that time.

Head S. 25—Contributions to Statutory Funds—

The various provisions under Head S. 25 cover contributions to various funds which have been established for the proper accounting and disbursement of monies that have been set aside for specific purposes. It was not found necessary, at the time when these Estimates were prepared, to provide for increased contributions to these various funds for 1965.

Head S. 26—Royal Customs and Excise—

Turning to Head S. 26 covering the Royal Customs and Excise Department, an overall increase shown under this Head includes provision for the establishment of a Malaysian Headquarters, and additional provision in respect of personal emoluments, because of a revision of salary scales in respect of certain grades of staff in the Customs Service. A small increase in the establishment is also provided for.

The main increases under Other Charges Annually Recurrent are in Sub-heads 6 and 8 for rent and transport respectively. Additional provision for rent charges is necessary for staff quarters, warehouses and office accommodation on the Jurong industrial

site. An increase for transport and travelling is for the intensification of operations against smuggling.

Although it has been found possible to reduce the overall provision for special expenditure under this Head, an increased allocation has been provided under Sub-head 15 for the purchase of machines and equipment, so that the Department may be better able to discharge its duties and responsibilities.

Head S. 27—Trade and Customs, Borneo States—

Head S. 27 covers both the States of Sarawak and Sabah but does not reflect any significant increases in the overall amounts required for the running of these Federal Departments in the Borneo States.

Head S. 28—Comptroller-General of Inland Revenue—

As in the case of the Royal Customs and Excise Department, it has also been found necessary for a certain amount of reorganisation to be effected where the office of the Comptroller-General of Inland Revenue is concerned, as this office now becomes the Malaysian Headquarters for the various Departments of Inland Revenue. Proposals for further reorganisation are now being studied in the Treasury, but the provision under Head S. 28 reflects those changes which have already been made. A slight increase in the number of supporting staff for the Comptroller-General has been provided for under this Head.

Head S. 29—Inland Revenue—

The overall expenditure under Head S. 29 shows an increase of about \$387,000. This is accounted for in part by the fact that recent general revisions in pay for clerical and Pass Degree services have also affected staff in this Department. A new grade of officer to be known as Tax Assistants is to be recruited for this Department to ensure that its functions as a revenue collecting agency are adequately maintained. There have also been a few establishment changes in the Estate Duty Division of the Department.

The Department has been able to obtain the services of a number of Colombo Plan personnel for specialised work, and for training permanent Malaysian staff in such work. Expenses for this purpose have been provided under Sub-head 13 for Other Charges Special Expenditure under this Head.

Head S. 30—Inland Revenue, Borneo States—

Provision is made under Head S. 30 for the Federal Departments of Inland Revenue in Sarawak and Sabah, but there are no items of special significance for individual mention. The increased overall provision of about \$93,000 for these two Departments represents the normal expansion activities of these offices.

Head S. 31—Exchange Control, Singapore—

This is the last Head under the portfolio of the Minister of Finance, and relates to exchange control work in Singapore. Here again, there are no items of significance for special mention as the provision is for the normal commitments of this particular office.

Dr Goh Keng Swee (Singapore): Mr Chairman, Sir, Malaysia has now a year's experience as an independent nation, a year in which we have had to face hostility from our neighbour in the form of armed aggression, propaganda offensive, and economic blockade. The position of any Finance Minister in this situation must surely be an unenviable one—he is faced with the need to obtain funds for increasing the defence expenditure. This increase in funds has to be obtained in an economy which is affected by economic confrontation of Indonesia. It is, of course, true that the Malaysian economy as a whole stands robust and sound. The impact of Indonesian trade blockade is unevenly distributed, the main sufferers being the trading centres and ports of Malaysia—Singapore, Penang, Port Swettenham and, to a lesser extent, the ports in Sabah and Sarawak. The main impact, of course, has been on Singapore which carried on more than 80 per cent of the previous Malaysian trade with Indonesia. Now, I make this point not as a special plea for a

privileged position for Singapore but merely to state an obvious matter of fact.

Now, in ordinary circumstances, the fiscal policy of a government has to take into account two basic factors. The first, to preserve the strength of the currency by ensuring that expenditures are met either out of current taxation, or from loans which represent a claim on real resources, that is to say that the financing of expenditures does not produce an inflationary effect within the country and weaken its currency, as could be produced, for instance, by credit creation through borrowings from the Central Bank. The second basic element is to ensure that economic growth is not retarded by excessive taxation, or the wrong type of taxation, which depresses confidence or incentives to enterprise. In the case of Malaysia, we are a new nation, having celebrated our first birthday only recently. As such, a new set of considerations would apply which will not be of relevance in the case of old-established nations, and this is the political impact of new taxes. While none will dispute the need to raise increased sums of money, it is important that everyone should be convinced that the incidence of the new taxes is fairly distributed. By fair distribution, I mean both the impact between the poor and the rich, and the impact as between the component States of Malaysia. It is only when all citizens accept, or most citizens accept, that there is justice and fair play in the incidence of these new taxes that the taxation policy of the Government can be considered to be a sound one. Where there are grounds to believe that the incidence has not been fair and just, then the taxation policy of the Government must produce results which are undesirable and inimical to national unity.

Now, a great deal has been said by critics of the various tax proposals that the burden has been distributed unfairly between the rich and the poor; in particular, the two controversial taxes—the turnover tax and the payroll tax—have been under severe criticism. I believe these taxes to be regressive in their incidence and their introduction at

this time is unfortunate. However, I do not wish to repeat the arguments on the inequitable incidence of these taxes as between the economic classes, as by now they are familiar to all members of the House. I wish to say something on the territorial distribution on the incidence of these new taxes.

The Honourable Minister, in winding up the debate on the Budget Speech, laid down the principle that all States of Malaysia should make their fair contribution. This principle will surely be supported by all right thinking persons. However, the Minister had implied that Singapore is unwilling to pay its fair contribution to the Federal coffers. If I may quote him, he singled out my Party for severe condemnation, and I quote:

"Yet the P.A.P. in their first test of how sincere is their desire to be a fully participating member of Malaysia have failed lamentably. Their proposal is in effect, 'Don't tax us, tax the Malayan tin miners!'"

I will deal at a later stage with the subject of Malayan tin miners.

First, I want to get the facts right as to how much Singapore tax-payers contribute to the new tax increases. I shall, for the most part, make use of the Minister's own calculations on the yield of these new taxes in arriving at my estimates. The Minister expects that the new taxes would yield \$147 million for the whole of Malaysia. How much of this money comes from the pockets of the taxpayers in Singapore? My estimates show that 39.8% of the total yield of new taxes will be paid by Singapore taxpayers. Considering that Singapore's population is only 17% of the total population of Malaysia, the strictures of the Minister on Singapore's attitude and contribution are somewhat incongruous. The figures are as follows:

The harmonization of import duties, to which I have agreed, will yield \$38.7 million, and this is made up as follows:

Sugar	...	...	\$15.9 million
Sugar confectionery	...	1.6	"
Chocolates	...	0.8	"
Wines and liquors	...	0.4	"
Tobaccos and cigarettes	...	4.5	"
Diesel and fuel oil	...	14.6	"
Imported aerated water	...	0.9	"
Total	...	38.7	million

I may mention, before going on to the other taxes, that the yield of these agreed taxes is already 26.3% of the total additional tax yields. Therefore, if a test of sincerity is applied which is based on willingness to pay taxes, far from failing lamentably, I would say that we have passed with an uncomfortably high degree of performance.

As regards the other taxes, there are changes to the income tax rates. So far as they affect Singapore, my estimate is that the additional taxes which married couples in Singapore will have to pay will come to about \$2 million while the multi-millionaires, on the other hand, will have to pay about half a million dollars less and, therefore, the increase in the income tax yield will be about \$1.5 million. The turnover tax of Singapore and Malaysia has been estimated by the Minister at \$45 million. Probably, one-third of this will be raised in Singapore as it is a trading and commercial centre. But I will take a smaller estimate of one-fourth, and this will come to \$13.3 million. As regards the payroll tax, fairly firm estimates can be reached from the Central Provident Fund records, and this will yield about \$7 million. So, the total tax yield in Singapore from these new and additional taxation proposals is \$58.5 million, which is 39.8% of the \$147 million, which the Minister expects his new taxation proposals to yield. It is, therefore, not surprising that the Minister's proposals have created major consternations in Singapore among employers and employees, among merchants, industrialists and trade unions. Even in normal circumstances, a taxation increase of this magnitude will be a difficult dose to swallow.

If we take into account that Singapore has borne the main brunt of Indonesian economic confrontation, and if we consider the depressing effects of the two recent civil disturbances on business, then there is little to wonder at the sharp reaction to these taxes, for those who have suffered most have been asked to contribute the most. The Honourable Minister may say that his Treasury will not get the whole of the \$58.5 million to be paid by the Singapore taxpayers but only 40% of it and

therefore Singapore's contribution is not disproportionate to its total population. But this argument is not strictly valid for, if the whole of the Federal revenue in Singapore were to accrue to the Federal Treasury, as would be the case if Singapore's status in Malaysia were to be identical with Penang, Malacca or other States, then the Federal Treasury will have to bear the full cost of education, health and other social services which are now being paid by the State Government; and, of course, Singapore will also have considerably more than fifteen seats in this Parliament.

Now, be that as it may, the second point I want to develop is that there is no financial necessity to introduce these two controversial taxes—the turnover and payroll taxes. I am certain that the Minister has grossly under-estimated the yield of the general revenue for 1965. This is not, of course, the first time he has under-estimated tax yields—revenue for the current year has been under-estimated by \$59 million, and revenue for 1963 had been under-estimated by \$128 million—and this is from the Minister's own statement in paragraphs 49 and 45 of his Budget Speech. Now, for 1965, it is likely that the under-estimation of revenue will be \$100 million or more. There are several reasons to expect this result. First, the yield of some of the new taxes, such as the capital gains tax, has not been taken into account, probably because of difficulties of making estimates of yields. A more important reason is the very large under-estimate in the yield of income tax. The Inland Revenue Department has apparently not allowed for the substantial increases in revenue which will flow into its coffers under the normal operation of the 40% company tax on the tin industry. My colleague, Dato' Lim Kim San, has made this point, and it has not been rebutted by the Minister in his reply, nor has he denied that the \$5 million entered for the special tax on tin is likely to prove a very gross under-estimate of the yield.

Sir, the real fact is that the financial position of the Malaysian Government is considerably stronger than that made out by the Minister. It is completely

unnecessary, in my view, to proceed with such hasty measures as the two controversial taxes, for the revenue under-estimates will be substantially larger than the expected yields of these two taxes. No financial calamity would overtake the nation, if the Government were to take a second look at these taxes, study their implications in more detail and introduce them in the next Budget, if a thorough examination reveals that no adverse effects will follow. It is not sufficient to argue that since the rates are low anyway, it does not really matter if the critics are right or wrong. Nor do I think the Minister is correct in saying, of these taxes, that since the rates are small they cannot be passed on to the consumer. The Government, of course, can press on, regardless of the expressions of anxiety which have arisen throughout the length and breadth of Malaysia, but it would be a matter for regret if the Government did so, for this would reflect an insensitivity to public opinion which has revealed itself in quite unmistakable terms. Thank you.

Tuan Haji Ahmad bin Abdullah (Kelantan Hilir): Tuan Pengerusi, saya mengambil sedikit sahaja ia-itu dimuka 326, S. 24 Pechahan-kepala 6—Bantuan kapada Perbelanjaan Kawalan Pertukaran Wang kapada Bank Negara. Tuan Pengerusi, Bank Negara sudah lama terdiri dan satu daripada tugasnya yang besar ia-lah untuk mengawal exchange atau pun wang Foreign Exchange dan lain² lagi, dan ini satu perkara yang sangat mustahak untuk kebaikan ekonomi negara. Tetapi, di sini chuma saya fikir satu daripada tugas² Bank Negara yang sangat penting ia-lah tiga perkara, satu daripada-nya ia-lah mengeluarkan wang kita sendiri. Tetapi nampak-nya sampai sekarang ini walhal kita telah menchapai kemerdekaan sejak daripada tahun 1957, dan Bank Negara telah pun lama didirikan tetapi satu tugas yang sangat mustahak bagi Central Bank untuk mengeluarkan wang kita sendiri maseh hingga sampai sekarang ini belum lagi dapat di-jalankan. Oleh sebab yang demikian saya menhadangkan kapada Menteri Yang Berhormat supaya langkah² hendak-lah di-adakan dengan

sa-berapa segera untuk di-jalankan ka-arah itu, kerana kita tahu sa-lagi wang kita itu di-keluarkan oleh bangsa asing maka sa-lama itu-lah control atau pun kawalan ka-atas volume of currency ia-itu banyak wang keluar itu tidak dapat-lah di-jalankan dengan chukup jaya-nya kerana bukan-lah kita yang mengeluarkan wang itu. Sunggoh pun kita ada mempunyai langkah² dan tugas² yang lain lagi yang dapat mengawal wang negara tetapi tugas mengeluarkan wang kita sendiri ada-lah sangat² mustahak. Oleh sebab yang demikian, saya menhadangkan kepada Yang Berhormat Menteri supaya langkah ini hendak-lah di-segerakan.

Satu perkara yang saya suka hendak menyebutkan lagi ia-lah Bank of China yang maseh juga lagi berjalan di-Singapura. Saya fikir perkara ini tidak-lah sesuai dengan polisi Kerajaan kita terhadap dari segi kedudukan Malaysia kerana Kerajaan Pusat sendiri membubarkan Bank of China di-dalam Tanah Melayu kita. Oleh sebab Singapura itu satu bahagian daripada Tanah Melayu ini atau pun Malaysia, maka hendak-lah langkah di-ambil supaya Bank of China itu di-tutup di-Singapura sana sa-bagaimana telah di-tutup di-Tanah Melayu kita ini. Dengan yang demikian tidak-lah ada polisi di-Tanah Melayu ini berlain² atau pun berlawanan dengan polisi yang berjalan di-Singapura. Bahkan, Tuan Pengerusi, yang kita tahu Bank of China ini ia-lah Bank Kerajaan Peking ia-itu Kerajaan Kominis. Maka dengan ada-nya Bank of China di-Singapura, maka dapat-lah Kerajaan Peking menjalankan pergerakan² yang halus melalui Bank of China ini untuk membaiki kedudukannya di-dalam Tanah Melayu ini sama ada dari segi ekonomi mahu pun dari segi politik.

Sekarang saya suka hendak mengambil bahagian sedikit juga lagi pada muka 329 ia-itu Kumpulan Wang Pemberian untuk Perkhidmatan Masharakat dan Kebajikan (Grants for Social and Welfare Services Trust Fund). Tuan Pengerusi, Lottery Board tidak-lah mengemukakan financial report-nya di-dalam Rumah yang berbahagia ini walhal kita tahu pertubohan² yang lain² saperti F.L.D.A. dan lain² lagi itu men-

tablekan atau mengeluarkan financial report-nya di-dalam Rumah yang berbahagia ini. Kerana oleh sebab ada-lah wang loteri ini ada-lah wang negara—wang ra'ayat yang berpuluh² juta ringgit bahkan boleh saya katakan beratus² juta ringgit yang bersangkutan paut dengan wang loteri ini tetapi ra'ayat tidak tahu bagaimana-kah account wang ini telah di-jalankan. Bahkan kita ada dengar rayuan² dan dengong² yang telah di-sebutkan oleh orang ramai bahawasa-nya ada-lah ejen² yang menjualkan tiket² loteri ini telah menggunakan wang ringgit ini di-dalam perkara yang tersebut. Bahkan mereka itu telah melambatkan mengirim wang ini balek kepada Lottery Board dan mereka itu telah mengambil masa tiga, empat bulan lama-nya untuk mengirim wang itu, dan di-dalam tempoh yang tersebut mereka itu telah dapat menggunakan wang yang tersebut. Oleh sebab yang demikian supaya ra'ayat tahu di-atas kedudukan wang ini maka saya menhadangkan kepada Menteri Yang Berhormat supaya di-keluarkan-lah account atau pun kira² yang bersangkutan paut dengan Lottery Board ini kepada Rumah yang mulia ini supaya dapat-lah kita Wakil Ra'ayat sakalian yang dudok dalam Rumah ini tahu selok belok-nya tentang perkara kira² wang loteri yang telah di-jalankan ini dari satu masa ka-satu masa.

Enche' Yong Nyuk Lin (Singapore): Mr Chairman, Sir, I should like to begin by first thanking you for having very kindly extended the time for the debate on this Ministry when representatives of the Opposition parties called on you during the tea-break, and disturbed you unfortunately, and put forward their case for more time to debate on this important Ministry. As this has come to pass, I should like to take advantage of the situation to comment on what had been said by my previous colleagues in regard to the new taxes—that there would, perhaps, be a gross under-estimation of the estimates of revenue for next year, and this has been estimated by my colleagues to be as high as \$100 million and the estimated revenue of the two controversial taxes, i.e., the turnover tax and the payroll tax, would only

come to \$66 million. In other words, if there is a closer control of the present taxes, it may be possible for the Honourable Minister of Finance to defer implementation of these two controversial taxes which have rocked the country, not only in Singapore where it has its greatest effect, but throughout the States of Malaysia.

I would like to say that his proposed revision of the present taxes, like income tax and estate duty, through the so-called harmonisation, by reducing, say, the rate of income tax at 55 per cent for the highest income group—to be brought down to 50 per cent—on the plea of harmonisation, is something which appears to be illogical because, on the one hand, he says he wants to find more income, and this income is already in the pockets of his Inland Revenue Department, and yet he would prefer to bring it down. So, my contention is that the rates of taxes that have been imposed should be allowed to carry on; and if it is for harmonisation, then we must let the other States come up to the level that has existed in Singapore rather than to bring down the highest income group from 55 per cent to 50 per cent and allow those best able to carry the burden of taxation the so-called relief when the rest of the population, especially those less able to bear the additional taxes, to have those taxes imposed on them. Likewise, Sir, on this question of estate duty, why tinker around with a formula, which is already existing in Malaya and Singapore, where the highest rate of estate duty is 60 per cent to bring it down to 50 per cent? Here I would say that from the figures for revenue in Command Paper No. 39 of 1964, if we turn to page 8, it is interesting to recall that the estimated estate duty for a very rich Malaya is only placed at \$7 million, whereas in Singapore the estimated revenue for estate duty is given as \$6 million. Now, Sir, Singapore is only a trading centre, whereas in Malaya there are large rubber estates and large tin mines. The population of Singapore at 1.8 million is only a quarter of the population of Malaya; and I am sure that there are very many wealthy

families with large assets, be it rubber estates or tin mines, out of which our Honourable Minister would be able to collect adequate revenue by maintaining the present rate of estate duty, instead of bringing it down at the highest level of 60 per cent to 50 per cent. So much for the old taxes.

Sir, I think the question that has been worrying Ministers of Finance, in order to get more revenue, has always been this question of catching the large number of those who have been evading income tax. It is a problem which, I think, is a reasonable one and a fair one, and I would like to help the Honourable Minister of Finance where I can, considering the fact that this new capital gains tax is, to me, an answer, because, Sir, everyone is probably aware of the fact that in the good old days of gangsterism in Chicago there was a well-known gangster who was called Al Capone. The Police had great difficulty in catching him on charges which could be proved by the Police, but in the end the United States Government got this man on the question of evasion of tax. So, if there had been tax evasion in the past, with the introduction of the capital gains tax you will get your man. So, I say, Sir, that he has found a formula, but he is not exploiting this particular formula to the full when he suggested that there should be a capital gains tax of 20 per cent at the standard rate, and benefits should be allowed for those who have had their assets for a much longer period of time—such as, if the assets had been purchased three years ago, then the tax would be 15 per cent; if held for four years, it would be down to 10 per cent or one-half of the standard rate; if held five years ago, it would be still lower at 5 per cent; and anyone who was fortunate to have had his assets ten years ago, he will not have to pay capital gains tax. I put it to the Honourable Minister of Finance then that if he would use his capital gains tax and stick to 20 per cent, regardless of time, he will get his man.

Then, of course, there is this question of the new tax, the Excess Profits Tax, shall we say, on the tin mining industry. This has been touched upon

by my other colleague who had already indicated that the Minister's estimate of \$5 million is a gross under-estimate, because the figures are available to all and we estimate that the capital gain within recent years has been to the tune of hundreds of millions of dollars and it is a question of at what per cent you really want to tax it for Government revenue. Therefore, Sir, there is not really that great urgency to launch forth into the two controversial taxes of which the impact is a little unknown to the Minister for Finance, but which have caused enough of concern everywhere as to give serious thought for reconsideration.

I agree that it has been the worry of the Ministers of Finance, both in the Central Parliament and in Singapore, as to how income tax evaders could be got at. But, Sir, he has supplied an answer, and it is a question of only whether he would or should really exploit it to the full. Perhaps, Sir, more work should be done to chase up on them. I will, therefore, come back again to this question of income tax that, even on present figures, he seemed to be able to extract more income tax out of Singapore per head of population than Malaya has been able to do per head of population at present. According to the Paper submitted to this House, Command Paper No. 39 of 1964, the estimated revenue for income tax for Malaya is put at \$237 million, whereas for Singapore the estimate is put at \$91.9 million. This means to say that the estimated income tax revenue from Malaya is something like three times that applicable to Singapore; but the population of Malaya is four times that of Singapore. So, there appears to be more leakage, shall we say, in Malaya than in Singapore.

Dr Ng Kam Poh: On a point of clarification: the standard of living in Singapore is about double that of the standard of living in Malaya. We have poor *ra'ayats*, but they (Singapore) have a thriving business concern, *entrepot*. They make a lot of money and; they should be taxed more. Don't talk about tin taxes. They say, "Tin taxes, tax Malaya, do not tax Singapore". That is wrong (*Laughter*).

Enche' Yong Nyuk Lin: That is exactly what I have been trying to suggest. Tax more of those who can pay, and don't bring down the tax rate of the highest income group. But it does not make sense when you want more money and yet you say bring down the rate of income tax. That is the tragedy, Sir. They are caught with their argument. They want more tax and yet they say, "It is too hard on them, so let us bring down the tax rate." That is where it just does not make sense. It is so illogical that we have made great pains, Sir, to try to suggest to the Honourable Minister that his estimates of revenue are grossly under-estimated; as for his desire, which is a correct one too, to stop income tax evasion, there is this formula, except that he is half-hearted about it, so much so that those who have had the assets which are 10 years old need not pay any tax to Government which, in our view, is illogical; if the asset has gained in value because of general prosperity throughout the country, there is no reason why a portion of that should not be handed over to the Government, so that the Government will be in a position to provide better social services for the community as a whole.

Enche' Mohamed Yusof bin Mahmud (Temerloh): Tuan Pengerusi, saya hendak berchakap sedikit berkenaan dengan Crown Agents Expenses didalam muka surat 326, peruntokan-nya sa-banyak \$1 juta.

Tuan Pengerusi, saya memandang Perbelanjaan Crown Agents ini satu perbelanjaan yang sangat besar oleh sebab pada masa ini di-negara kita boleh di-katakan barang² yang mustahak bagi keperluan negara kita telah kita adakan dalam negeri kita sendiri dan juga kita memandang di-sekeliling negara² kita boleh mendapat perkhidmatan yang di-jalankan oleh Crown Agents ini tidak payah lagi, ia-itu kita sendiri boleh mengelolakan ia-itu pejabat² yang ada di-tanah ayer ini boleh menyempurnakan. Jadi, saya fikir perbelanjaan yang \$1 juta ini tentu-lah besar yang mana boleh di-hapuskan dan di-selenggarakan oleh segala perkhidmatan yang ada dalam negeri kita

ini, sebab barang² yang di-kehendaki di-selenggarakan oleh keperluan negara kita telah banyak ada dalam negeri kita, ia-itu kita ada banyak factory, factory kertas akan timbul, furniture ada banyak di-sini dan barang² yang murah datang dari Jepun pun ada di-sini. Jadi, saya fikir perbelanjaan sa-banyak itu patut-lah di-timbangkan dan kalau boleh di-hapuskan.

Sa-perkara lagi berkenaan dengan Elaun Belanja Hidup atas Penchen di-muka surat 326 juga peruntukan-nya \$8 juta lebih. Tuan Pengerusi, saya harap dapat di-timbangkan ia-itu elaun ini di-tambah bagi pegawai² kita yang telah bersara, terutama sa-kali pegawai² yang bersara dalam masa 10 tahun ka-atas dahulu, oleh sebab masa itu pegawai² yang bersara ini mendapat elaun sara yang sangat rendah dan juga memandang barang² keperluan hidup yang naik meningkat harga-nya. Patut-lah di-timbangkan soal menaikkan sara hidup kepada pegawai² kita yang telah bersara.

Sa-lain daripada itu berkenaan dengan Inland Revenue di-bawah S. 29 di-muka surat 343. Saya hendak berchakap berkenaan dengan Pegawai Hasil Dalam Negeri. Saya chuma hendak mendapat supaya pegawai ini bertambah giat lagi menjalankan kerjanya mendapatkan lagi wang bagi tabong negara yang, saya pandang, walau pun tidak berapa besar, tetapi besar ma'ana-nya kapada kutipan wang ia-itu segala bayaran rasip (receipt) yang di-beri kapada orang yang membeli barang mesti-lah di-tetapkan, dikenakan setem sa-bagaimana undang², tetapi pada masa ini kalau kita beli barang² di-mana² kedai pun yang berharga \$50.00 atau \$100.00 maseh lagi setem tidak di-lekatkan kapada rasip itu. Banyak kejadian yang sa-macham ini. Saya rasa kalau pegawai ini chekap menjalankan kerja, kita akan mendapat wang lagi daripada hasil rasip atas bayaran \$20.00 ka-atas.

Bagitu juga, Tuan Pengerusi, banyak lagi di-tanah ayer kita ini orang yang tidak bayar chukai pendapatan. Kita tahu banyak orang yang berselerak di-tanah ayer kita yang memileki harta kebun getah 20 ekar ka-atas, tetapi

banyak mereka ini tidak bayar chukai pendapatan. Jadi kalau kita hendak mengenakan chukai sa-patut-nya-lah mereka yang sa-macham itu di-kenakan chukai. Saya harap pejabat ini akan dapat menyelidek. Saya rasa tidak-lah susah menyelidek-nya sebab daripada rekod yang ada di-dalam Pejabat² Daerah kita dapat tahu siapa-kah yang memileki harta yang boleh di-kenakan chukai. Kita tahu kebanyakan mereka itu terlepas daripada chukai pendapatan. Saya fikir dua tiga perkara ini kalau dapat di-jalankan oleh pegawai itu dengan lancar kita akan dapat wang banyak untok faedah negara kita.

Enche' Lee Seck Fun (Tanjong Malim): Mr Chairman, Sir, I wish to touch on Head S. 23, Organisation and Methods Division, Malaya. Previously, the Town Council in Tanjong Malim had been catering for the stamping of Agreements and Statutory Declarations—we have a Court House and staff in Tanjong Malim; but now the Statutory Declarations can only be stamped in Slim River, and if we want to have an Agreement stamped, we have to travel to Slim River which is about, by the new road, 13½ miles and, by the old road, 21 miles. There are several small towns around Tanjong Malim, and the poor people there are facing a lot of difficulties in drawing up Agreements and in having all these Agreements stamped because they have to travel as far as Slim River to get them stamped. Since we have a Court House and the staff in Tanjong Malim, who had been doing this job previously on behalf of the Treasury, I appeal to the Minister concerned and, in particular, to this Division, to consider revising these services offered to the people around this area.

Tuan Haji Ahmad bin Saaid: Tuan Pengerusi, saya ingin berchakap atas Kepala S. 26—Customs and Excise. Ada satu perkara yang dalam pengetahuan Yang Berhormat Menteri Kewangan yang sangat menjadi² di-Butterworth dan di-sa-panjang pantai Seberang Prai, sa-belah barat, mengenai perlarian chukai. Perkara ini ada-lah satu masaalah yang sangat rumit, kerana pehak² yang menjalankan

urusan melarikan cukai, mengadakan satu kumpulan dengan memberi upah kepada orang² kampung supaya menangkap penjahat² untuk melarikan cukai. Ini ada-lah satu perkara yang sangat² rumit. Saya shorkan kepada Yang Berhormat Menteri untuk hendak mengurangkan perkara perlarian cukai ini, di-beri sagu hati atau hadiah kepada orang² kampung supaya menangkap atau pun memberi tahu kepada pehak Kastam, sa-kira-nya berlaku perlarian cukai dengan pendaratan perahu² yang menggunakan outboat motors, kebanyakan-nya daripada Pulau Pinang, boleh di-katakan. Jadi dengan ada-nya menambahkan sagu hati atau memberi hadiah yang banyak kepada orang kampung, maka dapatlah di-kurangkan perkara perlarian cukai ini. Orang² yang menjalankan urusan ini sangat-lah bebas dan sangat-lah bermaharajalela sa-hingga didalam bandar pun mereka itu dengan tidak pedulikan sa-siapa pun, menjalankan kerja. Baharu² ini di-depan Rumah Sakit Butterworth sendiri dinaikkan barang² sa-hingga Pegawai² Kastam terpaksa menembak orang² ini dan sa-tengah-nya dapat melarikan diri. Jadi dalam taksiran, bagaimana yang di-terangkan oleh Menteri, perlarian cukai ini lebih kurang sa-tahun sa-banyak \$10 juta. Ini ada-lah wang yang banyak. Saya ingat moleklah dengan shor saya ini di-beri sagu hati atau hadiah yang besar kepada orang² yang dapat menghapuskan atau menolong Kerajaan menghapuskan satu pasokan perlarian cukai ini.

Sekian-lah sahaja, Tuan Pengerusi, terima kaseh.

Enche' Tan Siew Sin: Mr Chairman, Sir, I would like to say that I do appreciate the speech made by the Finance Minister of Singapore. Unlike many other speeches coming from the Opposition side of the House, that was a coherent and balanced speech which confined itself to the economic merits or demerits of our tax proposals. I shall, therefore, respond to his comments in the spirit in which they were delivered.

I think, if I understand the Finance Minister of Singapore correctly, the

main gist of his argument is that the financial position of the Central Government is so strong that these taxes are largely unnecessary—in particular, the turnover and payroll taxes. In this connection, I must admit, I do not quite agree with him. If he had studied my Budget Speech carefully, he would have noticed that the deficit on current and capital account for 1965, assuming that no changes were made in taxation, would be of the order of \$534 million—I have not got my figures here, but I think that figure is correct. Now, the deficit of \$534 million is a terrifying deficit even for a Finance Minister who is incorrigibly optimistic, and I suggest that for the Central Government of Malaysia to accept a deficit of this order would be tantamount to follies. It is, therefore, not correct, as Dr Goh has stated, that the financial position of the Central Government is so strong that it need not bother about initiating proposals which would raise substantial additional revenue in 1965.

Sir, he also states that I have grossly under-estimated the yield from the profits tax on tin. When one of his colleagues—I think the Honourable Dato Lim Kim San—spoke in the course of the Budget debate, he also made the same point, and I pointed out to him then that although the figure of \$5 million, which was the expected yield from the profits tax in 1965, would be greatly increased in 1966, for 1965 it was not an unreasonable figure, though I readily admit that it is possible that the yield would be higher than \$5 million. The reason I gave was this. The assessment for 1965 would clearly be based on the accounts of companies whose financial years ended in 1964. I think that is accepted by the Opposition. Now, as the Opposition also knows, most of these major companies, or the companies which make substantial profits in the tin industry, are companies which have dredges and, again, these are very largely sterling companies. These companies, or at least a majority of them, have financial years which end between March and June, 1964 and it will be readily appreciated that up to June, 1964 the

price of tin had not risen to the levels it has reached now. I think that point is very important and if we bear that point in mind, it will be readily seen that it was not unduly pessimistic on my part to have quoted a figure of \$5 million as the yield for 1964. But if Honourable Members had read my Budget speech carefully, they would have noticed that in my next line, literally in my next line, I did concede that for 1966, provided that tin prices remained at the present level for a full year—or not even at the present level, but the level they stood two weeks ago, for a full year—the yield would be much higher than \$5 million. But I still maintain that the figure of \$5 million for 1965 is not an unreasonable figure bearing in mind the imponderable factors with which we have to contend.

The other general observation which I would like to make on the tin industry is this: let us not forget that it is indisputable that the output of the tin industry in Malaysia is declining regardless of price; secondly, this decline has been taking place over a period of years; thirdly, even at the present price levels the marginal mines which are coming into production as a direct result of the present high price levels will clearly not contribute much, if at all, to this profits tax; and lastly, and this point I think is of considerable importance, Honourable Members who are conversant with the tin industry will have noticed that lately the price has slipped down considerably again. We can make our guesses as to why the price has slipped down, but I think largely this is due to the fear of the industry that the General Services Administration of the United States would be releasing more tin than originally envisaged as a result of what they feel is the excessive price ruling in the Industry—I think my Honourable friend the Minister of Commerce and Industry will confirm that. That bears out our point, i.e., the tin price is very unpredictable. It is subject to very wide fluctuations in prices and hence I think it would be imprudent for any government to rely on or to feel that the present high prices could be maintained

for an indefinite period of time. But as I have said before, the 1965 yield of profits tax must obviously be based on the 1964 outturn and that, in turn, would reflect much lower prices than had been prevailing in the last two or three months.

The Finance Minister of Singapore—and I think this point was also made by the Honourable Enche' Yong Nyuk Lin—stated that yields from income tax have also been under-estimated. There I disagree with them, because we have estimated as closely as we possibly can. I agree that estimation under such circumstances is largely a matter of guess work—he could be right, we could be right on this side of the House—but as far as we are concerned, I think we have taken care to give as realistic an estimate as possible. Certainly, the experience of the last few years does not encourage us in the belief that the under-estimation, if any, is very excessive.

The Honourable Dr Goh Keng Swee also asked us why we did not give a yield for the capital gains tax. I think he himself supplied the answer, because that is a tax which will only be levied when a speculator who has bought, say, in 1964 or 1963 sells either in 1965 or 1966 or whatever year it is. It is clearly impossible under those circumstances even to make a wild guess as to the yield. It is very much a matter of luck whether you get "X" dollars in one year and "Y" dollars in another year, because the tax will only be applied when a person feels that he would reap a large profit by selling what he bought earlier at a lower price. It is clearly impossible under those circumstances to estimate the yield and therefore we have taken the realistic course of not giving any yield at all. I think Honourable members of the P.A.P. benches will admit that even they in our position will not hazard a guess as to the yield of a tax of this nature.

I think the Honourable Dr Goh Keng Swee also said that Singapore will provide between 39% to 40% of the additional yield from the new tax proposals. I must say he has taken care to do some arithmetic and I admit that

that arithmetic is correct, but I would like to say that this imposition, if I may use the word, is a fair one. As I have pointed out when replying to the debate on the second reading of the Bill, the *per capita* income of Singapore is double that of the States of Malaya, but that was not the main reason. Honourable Members from Singapore must remember that a large part of the increased yield will come from the new import duties which, after all, were imposed with the concurrence of the Government of Singapore and that, of course, has made up a large part of the 39% referred to by Dr Goh. That, of course, has got its advantages and I think the Singapore Members are aware of that, because the additional yields which we will get from these new proposals will also benefit Singapore as a result of the 60%/40% financial arrangement which the Central Government has reached with Singapore and 60% of this additional yield will go to Singapore. Therefore, I think the Singapore Government should thank the Central Government for having given them this additional revenue while carrying the odium on its own shoulders.

An Honourable Member from Singapore also takes the Central Government to task for reducing the personal rate for income tax in Singapore from 55% to 50%. I dealt at very considerable length with this point in my Budget speech and again when replying to the debate on the second reading and, therefore, I shall not bore Honourable Members with another long explanation as to why it was necessary for us to do this.

Another Honourable Member from the P.A.P. benches also asked why the yield from estate duty in the States of Malaya should be only \$7 million a year—I think that was the figure he gave—compared to \$6 million a year from Singapore. In fact, those figures really bear out the point which this Government has been trying to make all the time, and that is that if the rates are too high, they defeat their very object, because Honourable Members opposite know as well as we do that that can only lead to avoidance and avoidance

in this matter is not all that difficult. I do not have to tell the Honourable Members opposite how it can be done, because this practice is as widespread here as anywhere else where the rates are high, if not confiscatory.

This particular Honourable Member also asked the Government why we have made a differentiation in the application of capital gains tax, in the sense that capital gains on pre-Budget acquisitions are subject to this graduated scale of charges, whereas capital gains made on post-Budget assets will not have the benefit of this graduated scale. The reason, of course, is simple. It is a very fundamental axiom of taxation that it should not be retrospective. If, for example, this Government were to introduce legislation to the effect that profits made in 1963 were to be taxable, I am sure there will be an even bigger hue and cry than the one with which we have been regaled lately—that this Government is iniquitous, it is doing something which no other civilised country in the world is doing. We have made this differentiation, because we feel that it is fair that taxation should not be retrospective. That is the sole reason why we have made a differentiation between pre-Budget and post-Budget acquisitions in the matter of capital gains tax.

The Honourable Member for Kelantan Hilir has asked whether it would be possible to table the Lotteries Board accounts in Parliament. It is true that these accounts are not laid before the Dewan Ra'ayat, but I should also add that the results of the draw are published in the *Gazette*. If today the Honourable Member feels, and other Honourable Members feel the same way, that the Lotteries Board accounts should be tabled in Parliament, we can look into it, but I obviously cannot give an answer at this stage to them. There may be reasons why special treatment should be given to this, because this is a statutory authority and, as far as I know, it is not the rule for accounts of this nature to be tabled in Parliament.

The Honourable Member also referred to the position of the Bank of China in Singapore. As Honourable

Members are aware, this subject will come up later in the course of the session when I shall be introducing two Bills, one of which will deal with this very situation. I might suggest, and I think it would be more appropriate that we should make a statement on the position at that time.

The Honourable Member for Kelantan Hilir also referred to our currency arrangements. I believe that he does support the stand of the Government that the time has now arrived for the Bank Negara to take over the currency issuing functions of the Currency Board. Steps are already in hand and, as Honourable Members know, this House has already passed a resolution to enable the Government to implement this policy.

Other Honourable Members, the Honourable Members for Temerloh, Tanjong Malim and Seberang Utara, have made a number of points. They have also suggested what they felt were omissions which should be rectified. I can assure them that we will certainly study what they have said very carefully, and if we feel they can be acceded to, they will be certainly given the consideration they deserve.

Question put, and agreed to.

That the sums of:

\$3,210,055 for Head S. 23,

\$23,957,345 for Head S. 24,

\$62,300,000 for Head S. 25,

\$10,915,061 for Head S. 26,

\$3,116,744 for Head S. 27,

\$172,790 for Head S. 28,

\$4,738,649 for Head S. 29,

\$830,942 for Head S. 30 and

\$199,510 for Head S. 31

ordered to stand part of the Schedule.

House resumed.

(Mr Speaker in the Chair)

Mr Speaker: Honourable Members, I have to report that the Committee of Supply on the Supply Bill, 1965, has progressed up to Head S. 31 of the Schedule.

ADJOURNMENT

(Motion)

Enche' Tan Siew Sin: Mr Speaker, Sir, in view of the fact that we are running ahead of time, and I think the Minister of Health is not in the Chamber, I beg to move that the proceedings in the Committee of Supply this day be deferred and that this House do now adjourn.

Dato' Haji Sardon: Sir, I beg to second the motion.

Question put, and agreed to.

Adjourned at 6.57 p.m.