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Thursday
3rd December, 1964

PARLIAMENTARY DEBATES

DEWAN RA'AYAT
(HOUSE OF REPRESENTATIVES)

OFFICIAL REPORT

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

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OLEH THOR BENG CHONG, A.M.N., PENCHETAK KERAJAAN
KUALA LUMPUR

1965

Harga: \$1

MALAYSIA

DEWAN RA'AYAT

(HOUSE OF REPRESENTATIVES)

Official Report

First Session of the Second Dewan Ra'ayat

Thursday, 3rd 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 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 Finance, ENCHE' TAN SIEW SIN, J.P. (Melaka Tengah).
- „ the Minister of Works, Posts and Telecommunications, DATO' V. T. SAMBANTHAN, P.M.N. (Sungai Siput).
- „ the Minister of Transport, DATO' HAJI SARDON BIN HAJI JUBIR, P.M.N. (Pontian Utara).
- „ the Minister of Agriculture and Co-operatives, ENCHE' MOHAMED KHIR JOHARI (Kedah Tengah).
- „ the Minister of Health, ENCHE' BAHAMAN BIN SAMSUDIN (Kuala Pilah).
- „ the Minister of Education, ENCHE' ABDUL RAHMAN BIN HAJI TALIB, P.J.K. (Kuantan).
- „ the Minister of Commerce and Industry, DR LIM SWEE AUN, J.P. (Larut Selatan).
- „ 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 without Portfolio, ENCHE' PETER LO SU YIN (Sabah).

- The Honourable 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, ENGKU MUHSEIN BIN ABDUL KADIR, J.M.N., S.M.T., P.J.K. (Trengganu Tengah).
- „ 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).
- „ WAN ABDUL RAHMAN BIN DATU TUANKU BUJANG (Sarawak).
- „ TUAN HAJI ABDUL RASHID BIN HAJI JAIS (Sabah).
- „ ENCHE' ABDUL RAUF BIN A. RAHMAN, K.M.N., P.J.K. (Krian Laut).
- „ ENCHE' ABDUL RAZAK BIN HAJI HUSSIN (Lipis).
- „ 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).
- „ ENCHE' ALI BIN HAJI AHMAD (Pontian Selatan).
- „ O.K.K. DATU ALIUDDIN BIN DATU HARUN, P.D.K. (Sabah).
- „ DR AWANG BIN HASSAN, S.M.J. (Muar 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 CHONG WEN, A.M.N. (Kluang Selatan).
- „ ENCHE' CHAN SEONG YOON (Setapak).
- „ ENCHE' CHAN SIANG SUN (Bentong).
- „ ENCHE' CHIA CHIN SHIN, A.B.S. (Sarawak).
- „ ENCHE' FRANCIS CHIA NYUK TONG (Sabah).
- „ ENCHE' CHIA THYE POH (Singapore).
- „ ENCHE' CHIN FOON (Ulu Kinta).
- „ ENCHE' C. V. DEVAN NAIR (Bungsar).
- „ ENCHE' EDWIN ANAK TANGKUN (Sarawak).
- „ TUAN SYED ESA BIN ALWEE, J.M.N., S.M.J., P.I.S. (Batu Pahat Dalam).
- „ DATIN FATIMAH BINTI HAJI ABDUL MAJID (Johor Bahru Timor).
- „ DATIN FATIMAH BINTI HAJI HASHIM, P.M.N. (Jitra-Padang Terap).

- The Honourable ENCHE' S. FAZUL RAHMAN, A.D.K. (Sabah).
- „ ENCHE' GANING BIN JANGKAT (Sabah).
- „ ENCHE' GEH CHONG KEAT, K.M.N. (Penang Utara).
- „ 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).
- „ ENCHE' IKHWAN ZAINI (Sarawak).
- „ ENCHE' IBRAHIM BIN ABDUL RAHMAN (Seberang Tengah).
- „ ENCHE' ISMAIL BIN IDRIS (Penang Selatan).
- „ DATO' SYED JA'AFAR BIN HASAN ALBAR, P.M.N. (Johor Tenggara).
- „ ENCHE' JEK YEUN THONG (Singapore).
- „ PENGHULU JINGGUT ANAK ATTAN, Q.M.C., A.B.S. (Sarawak).
- „ ENCHE' KADAM ANAK KIAI (Sarawak).
- „ ENCHE' KHOO PENG LOONG (Sarawak).
- „ ENCHE' KOW KEE SENG (Singapore).
- „ ENCHE' EDMUND LANGGU ANAK SAGA (Sarawak).
- „ ENCHE' LEE SAN CHOON, K.M.N. (Segamat Selatan).
- „ ENCHE' LIM HUAN BOON (Singapore).
- „ DATO' LIM KIM SAN, D.U.T., J.M.K., 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).
- „ ENCHE' JOSEPH DAVID MANJAJI (Sabah).
- „ DATO' DR HAJI MEGAT KHAS, D.P.M.P., J.P., P.J.K. (Kuala Kangsar).
- „ ENCHE' MOHAMED ASRI BIN HAJI MUDA, P.M.K. (Pasir Puteh).
- „ ORANG TUA MOHAMMAD DARA BIN LANGPAD (Sabah).
- „ 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. (Sungei Patani).
- „ WAN MOKHTAR BIN AHMAD (Kemaman).
- „ TUAN HAJI MOKHTAR BIN HAJI ISMAIL (Perlis Selatan).
- „ ENCHE' MUHAMMAD FAKHRUDDIN BIN HAJI ABDULLAH (Pasir Mas Hilir).

- The Honourable 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' 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).
- „ TUAN HAJI RAHMAT BIN HAJI DAUD, A.M.N. (Johor 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' D. R. SEENIVASAGAM (Ipoh).
- „ ENCHE' SIM BOON LIANG (Sarawak).
- „ ENCHE' SIOW LOONG HIN, P.J.K. (Seremban Barat).
- „ ENCHE' SNAWI BIN ISMAIL, P.J.K. (Seberang Selatan).
- „ ENCHE' SNG CHIN JOO (Sarawak).
- „ ENCHE' SULEIMAN BIN ALI (Dungun).
- „ PENGIRAN TAHIR PETRA (Sabah).
- „ 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' YEH PAO TZE (Sabah).
- „ ENCHE' YEOH TAT BENG (Bruas).
- „ ENCHE' STEPHEN YONG KUET TZE (Sarawak).
- „ TUAN HAJI ZAKARIA BIN HAJI MOHD. TAIB, P.J.K. (Langat).

ABSENT:

- The Honourable the Minister for Local Government and Housing,
ENCHE' KHAW KAI-BOH, P.J.K. (Ulu Selangor).
- „ the Minister of Lands and Mines, TUAN HAJI MOHD. GHAZALI BIN HAJI JAWI (Ulu Perak).

- The Honourable the Assistant Minister of Commerce and Industry,
 TUAN HAJI ABDUL KHALID BIN AWANG OSMAN (Kota Star Utara).
 „ ENCHE' ABDUL RAHIM ISHAK (Singapore).
 „ ENCHE' ABDUL SAMAD BIN GUL AHMAD MIANJI
 (Pasir Mas Hulu).
 „ DATO' ABDULLAH BIN ABDULRAHMAN, Dato' Bijaya di-Raja
 (Kuala Trengganu Selatan).
 „ CHE' AJIBAH BINTI ABOL (Sarawak).
 „ ENCHE' E. W. BARKER (Singapore).
 „ ENCHE' CHEN WING SUM (Damansara).
 „ DATU GANIE GILONG, P.D.K., J.P. (Sabah).
 „ DR GOH KENG SWEE (Singapore).
 „ ENCHE' HAMZAH BIN ALANG, A.M.N., P.J.K. (Kapar).
 „ ENCHE' STANLEY HO NYUN KHIU, A.D.K. (Sabah).
 „ ENCHE' KAM WOON WAH, J.P. (Sitiawan).
 „ DATU KHOO SIAK CHIEW, P.D.K. (Sabah).
 „ ENCHE' LEE KUAN YEW (Singapore).
 „ ENCHE' LEE SECK FUN (Tanjong Malim).
 „ 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' MOHD. ARIF SALLEH, A.D.K. (Sabah).
 „ ENCHE' ONG PANG BOON (Singapore).
 „ TUAN HAJI OTHMAN BIN ABDULLAH (Hilir Perak).
 „ ENCHE' OTHMAN BIN WOK (Singapore).
 „ ENCHE' S. RAJARATNAM (Singapore).
 „ ENCHE' S. P. SEENIVASAGAM (Menglembu).
 „ ENCHE' SOH AH TECK (Batu Pahat).
 „ DATU DONALD ALOYSIUS STEPHENS, P.D.K. (Sabah).
 „ ENCHE' TAN KEE GAK (Bandar Melaka).
 „ DR TOH CHIN CHYE (Singapore).
 „ ENCHE' TOH THEAM HOCK (Kampar).
 „ ENCHE' WEE TOON BOON (Singapore).
 „ ENCHE' YONG NYUK LIN (Singapore).

PRAYERS

(Mr Speaker *in the Chair*)

ORAL ANSWERS TO QUESTIONS

JALAN RAYA SUNGEI AYER TAWAR, SABAK BERNAM (PERAK)

1. Dato' Haji Mustafa bin Haji Abdul Jabar (Sabak Bernam) bertanya kepada Menteri Kerja Raya, Pos dan Talikom

ada-kah beliau sedar bahawa jalan raya Sungei Ayer Tawar yang sa-jauh lebeh kurang 15 batu itu pada masa ini belum lagi di-taroh batu, dan apabila musim hujan keadaan jalan itu sangat-lah burok, dan apabila musim panas jalan itu penoh dengan habok tanah merah. Jika sedar, ada-kah Kerajaan dapat memberi pengakuan bahawa jalan tersebut dapat di-taroh batu pada tahun 1965 ini untuk fa'edah 20,000 ra'ayat yang menggunakan jalan tersebut.

The Minister of Works, Posts and Telecommunications (Dato' V. T. Sambanthan): Tuan Yang di-Pertua, saya tidak ketahui yang mana satu jalan yang di-maksudkan oleh Ahli Yang Berhormat. Yang sa-benar-nya ada dua jalan dan satu daripadanya ia-lah jalan Sungei Ayer Tawar sendiri dan satu lagi jalan Sungei Ayer Tawar ka-Parit Baru. Kedua² jalan ini ada-lah dalam jagaan Kerajaan Negeri Selangor. Jalan Sungei Ayer Tawar itu telah pun di-sediakan dalam tahun 1963, tetapi peruntukan untuk menaruh batu di-atas jalan ini belum lagi di-adakan. Jalan Sungei Ayer Tawar ka-Parit Baru ada-lah ranchangan berpanjangan dan peruntukan sa-banyak lebeh kurang \$268,500 telah di-masokkan dalam Anggaran Kerajaan Negeri Selangor bagi tahun 1965 untuk projek ini.

Dato' Haji Mustafa bin Haji Abdul Jabar: Tuan Yang di-Pertua, oleh kerana Yang Berhormat Menteri yang berkenaan ta' bagitu faham mana satu yang saya maksudkan, suka saya memberi sedikit penerangan, bahawa yang saya maksudkan ia-lah jalan Sungei Ayer Tawar ya'ani daripada Sabak Bernam ka-Sungei Ayer Tawar dan jalan yang daripada Sungei Ayer Tawar ka-Parit Baru pada masa ini membubuhkan tanah merah pun belum lagi siap. Jadi, yang saya maksudkan sekarang ia-lah jalan Sungei Ayer Tawar yang sa-jauh 15 batu.

Dato' V. T. Sambanthan: Jalan ini di-dalam jagaan Kerajaan Negeri Selangor.

PEJABAT POS DI-PEKAN SUNGEI AYER TAWAR—MENGADAKAN

2. Dato' Haji Mustafa bin Haji Abdul Jabar bertanya kepada Menteri Kerja Raya, Pos dan Talikom ada-kah apa² ranchangan Kerajaan bagi mendirikan satu Pejabat Pos di-Pekan Sungei Ayer Tawar, satu pekan yang menjadi pusat kampong² yang di-sabelah barat Sabak Bernam yang mengandongi penduduk² lebeh kurang 15,000 orang, dan mengandongi enam buah kampong; jika ada boleh-kah Kerajaan memberi pengakuan ia-itu Pejabat ini akan didirikan dalam tahun 1965.

Dato' V. T. Sambanthan: Tuan Yang di-Pertua, dukachita saya menyatakan ia-itu sa-buah Pejabat Pos di-Pekan Sungai Ayer Tawar tidak boleh dibena dalam tahun 1965. Walau bagaimanapun projek untuk mengadakan sa-buah Pejabat Pos di-Pekan Sungei Ayer Tawar telah di-shorkan untuk dimasukkan ka-dalam Ranchangan Kemajuan Malaysia, 1966-70.

PERHUBONGAN TALIPON KUALA LUMPUR-SABAK BERNAM

3. Dato' Haji Mustafa bin Haji Abdul Jabar bertanya kepada Menteri Kerja Raya, Pos dan Talikom tidak-kah ada ranchangan Kerajaan mengadakan perhubungan talipon Kuala Lumpur ka-Sabak Bernam itu melalui jalan Kuala Selangor yang lebeh dekat, yang mana suara² boleh di-dapati dengan terang dan lebeh chepat lagi.

Dato' V. T. Sambanthan: Tuan Yang di-Pertua, penyelidekan² yang sentiasa di-jalankan menunjukkan bahawa panggilan talipon kepada dan daripada Sabak Bernam kebanyakan-nya melalui Telok Anson yang lebeh dekat daripada Kuala Selangor. Sabak Bernam adalah di-dalam kawasan Ibusawat² dan perhubungan daripada Kuala Lumpur ka-Sabak Bernam melalui jalan microwave ka-Ipoh dan sa-lepas itu melalui Telok Anson ka-Sabak Bernam. Alat² tambahan akan di-pasangkan pada akhir tahun ini dan ini bukan sahaja mengadakan lebeh serkit² (circuits) diantara Telok Anson dan Ipoh, tetapi membolehkan opereter² di-Kuala Lumpur memusing terus opereter² di-Telok Anson dan mereka pula memusing pelanggan² di-Sabak Bernam. Satu jalan, sa-lain daripada ini, daripada Kuala Lumpur ka-Sabak Bernam melalui Kuala Selangor dan Sungai Besar yang sudah di-adakan telah di-dapati tidak memuaskan seperti jalan yang melalui Ipoh dan juga mendatangkan kelewatan.

FORM III PUPILS IN NATIONAL-TYPE SCHOOLS

(Number in 1963, Number passed L.C.E., and Number promoted)

4. Enche' C. V. Devan Nair asks the Minister of Education to state how

many Form III pupils were there in National-Type Schools in 1963, how many of them passed the Lower Certificate of Education in 1963, and how many were promoted to Form IV in 1964.

The Minister of Education (Enche' Abdul Rahman bin Haji Talib): Tuan Yang di-Pertua, bilangan murid² Tingkatan III atau Form III di-Sekolah² Menengah Jenis Kebangsaan tahun 1963 ia-lah 27,451. Bilangan yang lulus L.C.E. dalam tahun 1963 ia-lah 19,672. Bilangan yang di-naikkan ka-Tingkatan IV tahun 1964 ia-lah 15,782.

PENUNTUT² TINGKATAN V DALAM SEKOLAH² KEBANG- SAAN DAN SEKOLAH² JENIS KEBANGSAAN

(Bilangan Pada 1963, Bilangan Yang Lulus F.M.C. Atau Cambridge School Certificate dan Bilangan Yang Di-Naikkan Tingkatan VI)

5. Enche' C. V. Devan Nair bertanya kepada Menteri Pelajaran:

- (i) berapa orang penuntut² Tingkatan V dalam Sekolah² Kebangsaan dalam tahun 1963, berapa orang yang lulus Peperiksaan Sijil Pelajaran Persekutuan atau Sijil Cambridge; dan berapa orang-kah yang di-terima masuk ka-Darjah² Tingkatan VI,
- (ii) berapa orang penuntut² Tingkatan V dalam Sekolah² Jenis Kebangsaan dalam tahun 1963, berapa orang yang lulus Peperiksaan Sijil Pelajaran Persekutuan atau Sijil Cambridge; dan berapa orang-kah yang telah di-terima masuk ka-Darjah² Tingkatan VI.

Enche' Abdul Rahman bin Haji Talib: Tuan Yang di-Pertua, bilangan murid² dalam Tingkatan V tahun 1963 ada-lah seperti berikut:

Sekolah Kebangsaan	...	775
Sekolah Jenis Kebangsaan	...	11,193
Bilangan yang lulus FMC (Inggeris) tahun 1963	...	5,679
Bilangan yang lulus FMC (Melayu) tahun 1963	...	588
Bilangan yang lulus Cambridge School Certificate	...	6,620

Bilangan yang di-naikkan kapada Higher School Certificate Classes atau Tingkatan VI ada-lah seperti berikut:

	Arts	Science
Bahasa pengantar Melayu	60	23
Bahasa pengantar Inggeris	795	891

Dr Tan Chee Khoon: Mr Speaker, Sir, I see that there are only 60 from the Arts stream and 23 from the Science stream. May I ask the Honourable Minister whether every effort will be made by the Government to see that more of these get into the Post School Certificate classes, in particular, those from the Science stream? The disparity seems to me to be self-evident. The disparity is so great that the Minister must be a very worried man if I were the Minister.

Enche' Abdul Rahman bin Haji Talib: Tuan Yang di-Pertua, bahasa pengantar Melayu ini di-mulakan hanya beberapa tahun yang lepas. Dan bilangan ini ia-lah bilangan kumpulan murid² yang pertama sa-kali yang melalui bahasa pengantar Melayu. Bilangan ini akan bertambah daripada sa-tahun ka-satuhun.

RECRUITMENT OF QUALIFIED PSYCHIATRISTS

6. Dr Tan Chee Khoon asks the Minister of Health to state whether any action has been taken to recruit qualified psychiatrists in view of the deplorable shortage of such specialists at the Central Mental Hospital, Tanjong Rambutan, where there is only one psychiatrist for over 4,000 patients and another at Tampoi for about 2,000 patients.

Enche' Bahaman bin Samsudin: Mr Speaker, Sir, psychiatrists are difficult to find. Among the many doctors from overseas who have applied for work in this country, no one is a qualified psychiatrist.

There are 5 psychiatrists in Malaya, 3 of whom are specialists and 2 clinical

specialists, and they are at present distributed as follows:

- (a) Central Mental Hospital,
Tanjong Rambutan ... 1
- (b) Tampoi Mental Hospital ... 2
- (c) Penang General Hospital ... 2

Action is under way to post one of the psychiatrists at Penang to the Central Mental Hospital, Tanjong Rambutan.

One medical officer is at present undergoing a course leading to Diploma in Psychiatric Medicine in the United Kingdom.

My Ministry will award scholarships regularly so that more psychiatrists will be available. But unfortunately local officers are not keen to take up psychiatry. In 1964, one award was proposed but no one was prepared to take it. In 1965, two awards will be made available, and I hope doctors will come forward to take these awards.

Dr Tan Chee Khoon: Mr Speaker, Sir, many times in the past I have urged the Government to give more study leave awards for psychiatry. I am very glad that the Minister now proposes to give two awards next year.

Mr Speaker, Sir, as regards the one that was not taken up this year, is the Minister aware that budding specialists not only in psychiatry but in other unpopular specialities like orthopedic surgery, public health, sometimes meet, despite what the Minister says, with many difficulties placed in their way? Will he make it easy for those who want to specialise in psychiatry? Every effort should be made to encourage them to do psychiatry the moment they finish their housemanship. Has any attempt ever been made to go and meet the young doctor, who has finished his housemanship, and say, "Look here, young man, psychiatry, after all, is a very good field in medicine"?

Tuan Haji Ahmad bin Saaid: Mr Speaker, Sir, on a point of order. Standing Order 24 (4) says: "A question shall not be made the pretext for a debate." The Honourable Member is making this question as a pretext for debate.

Dr Tan Chee Khoon: Mr Speaker, Sir, it is far for me to try and cross swords with the Minister of Health. I am merely asking him whether his Ministry is going into the root of the affair, i.e., going to meet the young doctor, as soon as he is qualified, and sell psychiatry to him, instead of most of his officers in the higher echelons sitting in air-conditioned rooms and expecting the young doctors. They are wondering where they are going to be posted.

Mr Speaker: The Honourable Member should confine his remarks to his supplementary question, please. (*Laughter*).

Enche' Bahaman bin Samsudin: This is a free country. There is no need for us to cajole anyone.

Dr Tan Chee Khoon: Mr Speaker, Sir, well, I agree with the Minister that this is a free country. Will the Minister give an assurance to this House that every effort will be made to persuade and sell this idea of psychiatry and other unpopular specialities to the young doctors?

Enche' Bahaman bin Samsudin: I have sold the idea to them by offering them awards. Circulars have been issued to them but still they are reluctant to come forward; they won't bite! (*Laughter*).

USE OF AMBULANCE AT DISTRICT HOSPITAL, SUNGEI BAKAP, PROVINCE WELLESLEY

7. Dr Tan Chee Khoon asks the Minister of Health to state the uses to which the ambulance at the District Hospital at Sungei Bakap, Province Wellesley, is put and the days on which it is really available for the collection of emergency cases, and whether the Minister would take steps to see that the ambulance is used for the purposes intended and not for the transport of material or for administrative purposes.

Enche' Bahaman bin Samsudin: The single ambulance at Sungei Bakap District Hospital is also used for the purposes of—

the conveyance between Sungei Bakap and Bukit Mertajam District Hospitals or

Penang General Hospital of patients referred for specialist treatment or consultation;

the conveyance of laboratory specimen to the branch Institute for Medical Research at Penang; and

the transport of drugs and stores when the ambulance returns empty from Penang.

The ambulance is available for conveyance of emergency cases, full time throughout, except during such periods on Tuesdays to Fridays when it goes to Bukit Mertajam or Penang for the purposes I have mentioned. However, during such periods, when the ambulance at Sungei Bakap Hospital is not available, an ambulance from Bukit Mertajam or Butterworth is always available should it be necessary to convey emergency cases in the Sungei Bakap area.

Every consideration will be given to the possibility of minimising the use of the ambulance for purposes other than the conveyance of patients.

Dr Tan Chee Khoon: Mr Speaker, Sir, is the Minister aware that the use of an ambulance for any other purpose other than that of conveying patients is a misuse of such a vehicle?

Is the Minister also aware that the absence of the ambulance on Tuesday to Friday, despite the alternative arrangements that have been made, has proved a great handicap to the Hospital concerned in that one will have to wait for an ambulance from Butterworth or Bukit Mertajam to come from long distances to convey urgent cases. In view of that, will the Minister give an undertaking that he will find other means to convey laboratory specimens or drugs and give the ambulance priority only for the conveyance of urgent cases.

Enche' Bahaman bin Samsudin: Mr Speaker, Sir, this is a measure for economy in this country, especially at the present time when we have to make the best use of the ambulance. The ambulance is convertible for use for other purposes as I have mentioned just now.

INQUIRY INTO DEATH OF ONE MANJI RANA AT MALACCA GENERAL HOSPITAL

8. Dr Tan Chee Khoon asks the Minister of Health to state whether he has ordered an inquiry into the allegations that a patient named Manji Rana died at the Malacca General Hospital because he was neglected and not even examined from 6.30 a.m. when he was brought to the Hospital in a serious condition till 2.40 p.m. when he died. If so, would the Minister state the result of the inquiry.

Enche' Bahaman bin Samsudin: Mr Speaker, Sir, a Committee has been appointed to enquire into the complaint. The findings of this Committee are awaited.

Dr Tan Chee Khoon: Mr Speaker, Sir, am I to understand that the Minister does not wish me to ask any question until the enquiry is completed? In that case, in fairness to the Minister concerned, I shall ask questions after the enquiry is completed. I do not think I should ask him embarrassing questions—perhaps at the next sitting of the House he will undertake to answer questions on this matter.

Enche' Bahaman bin Samsudin: He is right, Sir, and it is very kind of him to have thought of that. (*Laughter*).

SARAWAK POLICE FORCE

9. Abang Othman bin Haji Moasili asks the Minister of Home Affairs to state when the Government will bring the Sarawak Police Force into line with the Royal Malaysian Police Force as the Force in Sarawak is still known as the Sarawak Constabulary and is using uniforms of the colonial days.

The Minister of Home Affairs (Dato' Dr Ismail bin Dato' Haji Abdul Rahman): Sir, the Royal Malaysia Police Act 1963 provides *inter alia* that the components of the Royal Malaysia Police in the States of Malaya and each of the other States shall, until Parliament otherwise provides, be subject to the law applicable immediately before Malaysia Day. For this reason,

therefore, the expression "Constabulary" is the correct legal title of the Police Force in Sarawak.

As provided in the Sarawak Constabulary Ordinance, 1955, it is my intention that there should be introduced a single Police Act to replace the current four separate Police laws for four component Forces. This question is now being studied. Action is in hand to provide personnel of all the four components of the Royal Malaysia Police with cap badges, consisting of the crest of the Royal Malaysia Police, and to issue buttons of splendid design some time in 1965. Peak caps, as now used in the States of Malaya and Singapore, will also be issued in 1965 to replace the present head-dress in Sarawak and Sabah.

With regard to uniform, a start has been made to issue to recruits whilst in training in the Police Depot in Kuala Lumpur with uniforms in accordance with one common scale of issue and design.

Abang Othman bin Haji Moasili: Tuan Yang di-Pertua, soalan tambahan, dapat-kah Menteri Yang Berhormat memberi bayangan, ada-kah Pesuruh Jaya Polis Sarawak dalam masa dua tiga tahun kelak akan di-beri kapada pegawai tempatan?

Dato' Dr Ismail: Bukan soalan tambahan, itu soal lain.

BILL

THE SUPPLY BILL, 1965

Second Reading

Order read for resumption of debate on motion, "That the Bill be now read a second time" (2nd December, 1964).

Mr Speaker: I would like to remind the House that the continuation of yesterday's debate may carry on until 11.30 a.m. after which I think we will have to ask the Honourable Ministers to reply. Therefore, it is very important that Honourable Members should try and cut short their speeches as much as possible, say, to ten minutes each Member. I would also ask Honourable Members to pay special attention to the time so that as many Honourable

Members will be able to speak as possible.

Dr Mahathir bin Muhamad (Kota Star Selatan): Tuan Yang di-Pertua, saya tertarek benar dan menyokong anggaran belanjawan yang di-bentangkan oleh Yang Berhormat Menteri Kewangan, sebab untuk meninggikan lagi anggaran ini ada-lah kerana konfrantasi. Semua Ahli² Yang Berhormat mesti-lah bersetuju ia-itu kenaikan chukai dan belanja kerajaan untuk melawan konfrantasi ia-lah satu perkara yang patut di-sokong penoh. Tetapi di-dalam ucapan Yang Berhormat Menteri Kewangan, saya chuma kurang mendapat perhatian ia-lah tentang soal ekonomi dalam belanja pentadbiran kerajaan. Yang Berhormat Menteri telah menerangkan, umpamanya, belanja untuk Sekolah Aneka Jurusan yang di-kurangkan dari dua ratus million lebeh hingga sembilan puluh sahaja. Saya pun ingin menarek perhatian kapada bangunan kerajaan yang baharu yang lengkap dengan jentera hawa dingin, barangkali hawa dingin ini mustahak untuk bekerja lebeh giat, tetapi kalau betul, saya belum nampak bukti-nya. Yang saya nampak ia-lah Medical Leave lebeh dari biasa, oleh kerana pekerja² itu kena selsema, selalu bekerja dalam office yang baharu berhawa dingin. Saya ingin tahu berapa banyak dapat di-kurangkan belanja, jika tidak ada jentera hawa dingin dan cost of maintenance. Ini satu chontoh sahaja, saya boleh hetong beberapa perkara yang boleh di-kurangkan belanja, kalau-lah pegawai² di-ingatkan oleh Yang Berhormat Menteri, tentang berchermat dalam belanja.

Tuan Yang di-Pertua, saya ingin menegor sedikit berkenaan dengan Federal Establishment Office, yang menelan belanja sa-banyak 10½ million pada tahun 1965. Sa-telah mendengar banyak complain berkenaan dengan Jabatan ini, yang saya di-beritahu memegang begitu kuat kapada kitab "General Order" sa-hingga mendatangkan binasa kapada kerajaan dan pegawai²-nya. Saya tahu, apabila sa-suatu Ministry ingin berbuat apa² yang berfa'edah kalau di-kaji dengan sa-chara common sense kaki-tangan-nya,

Pejabat ini selalu-lah ada General Orders-nya yang tidak membenarkan perkara² itu di-lakukan. Jawapan-nya ada selalu di-mulut oleh pegawai² itu, ia-lah "Against the General Order". Umpama-nya, berkenaan dengan soal tangga gaji Hospital Assistant. Rundingan tentang perkara itu di-mulakan antara Kerajaan dengan CUEPAC. Sa-paroh jalan, Hospital Assistant Union telah menarek diri daripada CUEPAC, dan tidak mengakui sa-barang perjanjian yang di-buat antara Kerajaan dengan CUEPAC. Hospital Assistant Union meminta supaya tawaran tangga gaji itu di-buat dengan Union dan bukan dengan CUEPAC. Saya di-beritahu ia-itu Kementerian Kesihatan bersetuju, tetapi Federal Establishment Office menentang dengan alasan sa-barang perjanjian dengan Hospital Assistant Union, tidak sah, tidak lama lagi saya di-beritahu Hospital Assistant akan mengambil Strike ballot, dan kalau-lah ada huru-hara dalam Kementerian Kesihatan, yang patut memikul kesalahan ia-lah Federal Establishment Office. Saya juga menerima rayuan berkenaan dengan tambahan gaji, kenaikan pangkat dan sa-bagai-nya di-mana Jabatan ini terlibat. Saya berharap 10½ million yang kita akan beri kepada Pejabat ini, akan mendatangkan fa'edah bagi negara ini.

Kementerian Pelajaran seperti biasa akan menelan belanja yang besar, ini menunjukkan keberatan yang kita letakkan tentang menuntut ilmu, tetapi polisi pelajaran mesti-lah juga di-bentok supaya sesuai dengan tujuan perpaduan antara orang² aneka keturunan di-dalam Malaysia ini.

Kita dapati sekarang bahawa beberapa aliran sekolah yang berasaskan kepada keturunan murid². Dengan ada-nya aliran² ini, kita dapati budak² yang otak-nya maseh boleh di-bentok oleh environment-nya di-tahan daripada mengamalkan fahaman perpaduan. Budak² China di-Sekolah China, budak² Melayu di-Sekolah Melayu dan India di-Sekolah India dan sa-bagai-nya. Boleh jadi budak² ini akan besar, bukan sahaja tidak tahu adat dan kebudayaan kaum yang lain², tetapi dengan tidak tahu ber-

baik², melainkan dengan bangsa-nya sendiri.

Saya ingin bertanya, apa-kah sebab-nya yang sekolah² ini tidak di-integrate-kan? Apa-kah sebab-nya yang kita tidak boleh mengadakan multi-stream school di-mana semua bangsa, budak² ini boleh bergaul dan berchampur sa-kurang²-nya di-masa kelepasan. Bukan-kah ini akan membena perasaan perpaduan dan akan menguatkan pengertian di-antara kaum² di-Malaysia ini.

Berkenaan dengan Kementerian Kesihatan, saya ingin menarek perhatian dengan chara memikirkan yang ada kapada pegawai² di-dalam Kementerian ini. Saya yakin saya tidak salah, kalau saya katakan di-sini ia-itu fikiran mereka itu telah di-bekukan oleh penjajah dahulu. Umpama-nya berkenaan dengan syarat² pemilehan bidan². Oleh kerana syarat² bagi orang² di-Eropah menetapkan bagi budak² yang muda dan belum berumah tangga di-pileh menjadi Pelateh Bidan. Di-sini juga di-pileh anak² dara yang berumur 18 tahun. Budak² ini pula di-pileh dari pekan². Sa-lepas di-lateh budak² muda ini dari pekan, maka di-hantar ka-kampung². Kalau kita teringat yang kanak² selalu di-lahirkan di-antara pukul dua pagi sa-hingga pukul lima pagi, kita tentu faham, sebab apa, bidan² ta' mahu dan ta' dapat di-hantar ka-kampung², tetapi syarat² memilih bidan² ini ta' dapat di-tukarkan, kerana syarat² ini ada-lah berlebel "Made in England." Fikiran pegawai sudah beku dan keadaan di-sekeliling ta' berbekas di-otak mereka lagi, seperti mana General Order juga tidak boleh di-tukar—bagitu juga, walau bagaimana pun kurang fa'edah-nya syarat² dahulu, syarat² penjajah—ta' dapat di-tukar; biar kita ta' ada bidan, asalkan kita ada syarat² kita. Saya berharap chara fikiran yang kolot ini dapat di-hapuskan oleh Yang Berhormat Menteri Kesihatan yang akan mengarahkan perbelanjaan yang kita luluskan di-sini,

Tuan Yang di-Pertua, saya ingin menyentoh sedikit berkenaan dengan Ministry of Information and Broadcasting, ia-itu saya menarek perhatian

kapada satu surat dalam surat khabar yang bertanya, apa sebab Radio dan Taliveshen Malaysia mempertuankan orang² dari luar negeri? Sebab apakah orang² dari luar negeri di-panggil tuan? Ada-kah ini satu lagi dari bekas² zaman penjajah? Ada-kah ini berm'ana pegawai² Radio dan Taliveshen maseh berasa yang kita ini hamba dan orang² daripada luar negeri ia-lah tuan?

Tuan Yang di-Pertua, saya ingin menyentoh tentang Pejabat Town and Country Planning. Pegawai dalam pejabat ini bukan sahaja membuat plan dan atoran² yang lebeh sesuai di-Australia daripada di-Malaysia, tetapi plan² ini di-tahan sa-hingga dua tahun. Kalau semua di-tahan dua tahun, ini tidak akan menimbulkan perasaan churiga, tetapi kadang² sa-belum sahaja genap satu bulan, plan² ini di-luluskan. Saya ingin tahu, apa-kah sebab-nya satu plan mengambil satu bulan dan satu plan yang lebeh kurang samacham itu mengambil masa lebeh kurang sa-macham dua tahun. Tuan Yang di-Pertua, suggoh pun Anggaran Belanjawan Kerajaan Pusat ini tidak ada kena-mengena dengan Negeri² dalam Persekutuan, tetapi kita tahu Negeri² ada menerima bantuan daripada Kerajaan Pusat. Dari itu, patut juga kita di-sini tahu, sunggoh pun kita tidak dapat berbinchang apa-kah terjadi di-dalam Negeri² di-Persekutuan. Kita baharu² ini dengar tentang kekurangan wang Kerajaan Kelantan. Kita dengar yang perkara ini di-napikan dan juga tuduhan baharu dibuat dari pihak lain. Dalam huru-hara kewangan di-Kelantan ini, cherita jambatan sa-kali lagi timbul. Kalau-lah Rumah berbahagia ini mesti meluluskan grants bagi Negeri², patut-lah keterangan di-beri berkenaan dengan kedudukan yang sa-benar-nya di-negeri Kelantan ini. Kita patut-lah tahu, ada-kah sa-benar-nya perkara misappropriation yang kita dengar, kita patut-lah tahu apa-kah tindakan yang patut di-ambl dan apa-kah tindakan yang akan di-ambl.

Tuan Yang di-Pertua, confrontasi menjadi sebab kenaikan chukai, tetapi kenaikan tidak akan menjadi begitu

tinggi, jikalau development juga tidak berkehendakkan belanja yang banyak. Sa-bahagian besar dari development ini ia-lah development di-Sabah dan Sarawak. Negeri² ini ketinggalan di-belakang, oleh kerana policy penjajah British dahulu, yang chuma memerah kekayaan dengan tidak memberi keuntongan kapada negeri² Sarawak dan Sabah. Kita tahu, kita ada Perjanjian Pertahanan dengan British. Perjanjian ini ia-lah oleh kerana negeri kita kechil dan berkehendakkan kapada pertolongan tetapi di-samping mempertahankan negara kita, British juga dapat menjaga British interest di-negara ini. Bagi pandangan saya, patut-lah British memberi pertolongan yang lebeh banyak untuk pertahanan kita. Satakak yang saya tahu, pertolongan ini sangat sedikit. Mengikut siaran dalam akhbar pada hari kelmarin, sa-banyak \$48 million sahaja yang di-beri sa-hingga sekarang, dan baharu² ini saya mendengar pula yang Britain chuba menolak bebanan ini kapada Australia dan New Zealand. Kerajaan baharu British ia-lah Kerajaan yang sedar atas serba-serbi, terutama atas kesalahan chara² pekerjaan yang di-lakukan oleh Kerajaan British yang dahulu², kalau ini sa-benar, patut-lah Kerajaan British sekarang pikul lebeh banyak lagi dari beban pertahanan supaya Malaysia dapat menjalankan dengan lebeh giat lagi tentang development di-wilayah² yang di-aniaya oleh British ia-itu Sabah dan Sarawak.

Tuan Yang di-Pertua, berkenaan dengan soal Common Market, saya hairan kenapa Pulau Pinang maseh menjadi halangan. Orang² di-Pulau Pinang, terutama orang² yang berniaga, ada-lah hidup dengan mewah, kerana policy British dahulu. Barang² tidak dikenakan chukai dan orang² yang bergaji sama lebeh senang di-Pulau Pinang daripada di-daratan Malaysia. Perniagaan di-daratan saperti di-Alor Star—tempat saya, ta' dapat hidup, oleh kerana barang² yang murah daripada Pulau Pinang. Juga Kerajaan rugi bermillion ringgit kerana lari daripada hasil chukai. Ada-kah sesuai yang Pulau Pinang ini di-beri special privilege sa-hingga progress di-sabuah Malaysia tergendala.

Saya harap Yang Berhormat Menteri Kewangan dapat menimbangkan bukan sahaja perasaan orang² di-Pulau Pinang tetapi juga orang² yang sembilan setengah juta lebih lagi di-Malaysia, apabila memikirkan atas chukai dan belanjawan. Kalau orang² di-Pulau Pinang tidak mahu kapada chukai patut-lah peruntukan bagi Pulau Pinang itu dikurangkan.

Tuan Yang di-Pertua, soal separate assessment bagi isteri ada-lah menyentoh diri saya dan tidak patut-lah saya keluarkan di-sini. Tetapi saya shak ia-itu P.A.P. yang berchakap di atas soal ini dengan banyak-nya bukan-lah dengan kerana kasehan belas kapada Serangoon Garden Estate barangkali perasaan ini menyentoh kapada diri ahli² P.A.P. Singapura sendiri.

Tuan Yang di-Pertua, konfrantasi ia-lah sebab kenaikan chukai. Saya menyokong kenaikan ini kerana sabagai sa-orang yang sayangkan kapada negara sendiri, korban yang sa-macham ini menjadi korban yang rengan. Saya berharap Yang Berhormat Menteri Kewangan akan memegang tegoh kapada chukai² baharu yang di-buat oleh-nya. Kita tahu tentangan yang di-buat oleh P.A.P. ia-lah chuma kerana P.A.P. ingin membentok jenis baharu kapada orang² yang dahulu P.A.P. telah meaniayakan ia-itu white collar workers dan sa-bagai-nya. Juga P.A.P. yang sekarang di-sokong dan di-dukong oleh millioner nampak-nya berusaha untuk memelihara hak² orang kaya. Dari itu chubaan P.A.P. menggunakan Trade Union dan Chambers of Commerce dan juga jentera surat khabar luar negeri, patut-lah ditentang sa-habis² kuat. Belanjawan ini rengan di-pikul oleh orang² yang miskin dan belanjawan ini mesti-lah di-terima oleh semua orang dan diluluskan oleh Dewan ini, terima kaseh.

Enche' Ong Kee Hui (Sarawak): Mr Speaker, Sir, I shall be very brief as I only wish to deal with one point which, if I am not mistaken, has not been made by other speakers. Having arrived at the House only yesterday morning to participate in this Budget meeting, Mr Speaker, Sir, I did not have the benefit of hearing the Ho-

nourable Finance Minister's Budget speech, nor have I been able to follow very closely the observations made by many Honourable Members in the course of this debate. I, therefore, rise with some diffidence because so much has been said already, there is probably nothing new that I can contribute to the debate; but I feel that having just come from Sarawak, it is my duty to communciate to this House the grave concern with which the tax proposals of the Minsiter of Finance have been received by many people in Sarawak, such as the payroll tax, the turnover tax and the tax on crown corks, to mention only the more controversial items. While appreciating the Finance Minister's difficult task of finding more money to meet increased expenditure on defence, on the expanding social services and development, the general view held is that there are perhaps better and more equitable ways of raising this money if additional taxation is required—which I do not doubt. The fear expressed by various speakers that the tax proposals will fall more on the lower and middle income groups and will also have a very adverse effect on small marginal industries struggling for existence in the face of competition is shared by many people. These points have been very eloquently and adequately dealt with by previous speakers and I do not wish to repeat what has been said, nor do I wish to get involved in the cross fire between Singapore on the one hand and the mainland on the other in this debate.

The point I wish to make is that the unsophisticated people in the *ulu* will not understand the technicalities of the arguments on the economics or the politics involved in these controversies. They will judge things, Sir, by how it affects their pockets or their lives. I would therefore urge the Government to seriously consider the psychological impact of some of these tax proposals on a lot of unsophisticated people in the *ulu* who suddenly find that the cost of living has gone up and their lives are also affected in more ways than one. Will the revenue that will accrue compensate for the adverse reaction

that will result? To cite a simple case, for instance, a man in the *ulu* walking into the nearest bazaar and finding that he has to pay perhaps an additional five cents or more for his small luxury of a bottle of aerated water. To us who think in terms of dollars, this may sound trivial, but to those who count their cents this can have a very serious implication. I would in conclusion, Sir, in all sincerity urge the Government to reconsider these proposals in the light of the representations which have been made.

Enche' Geh Chong Keat (Penang Utara): Mr Speaker, Sir, I would like to compliment the Honourable Minister of Finance for his courage and fortitude in preparing this critical year's Budget. He does not expect any compliment for discharging his heavy responsibility in preparing this national Budget, especially during this critical period which our nation is facing, but he has the satisfaction of serving our nation and seeing that the need is being complied with. We must appreciate the problems of the Honourable Minister of Finance in exploring ways and means to raise funds to keep pace with our national progress and defence. Later in the debate, perhaps, we may come across requests from various States and constituencies for developments and facilities and the Ministers, of course, will just refer them to the Honourable Minister of Finance, and the Members making those requests can always judge by their gesture smiles.

Sir, we have to realise that all over the world the trend is towards an increase in the cost of Government and a certain amount of increase in taxation has been necessitated by the growth of the Government's national development programmes, the debts, the inflation; and we must not forget that for the seven years of Merdeka we have launched many crash programmes for rural development, education and many other progressive developments for uplifting the rural standard of living and rural economy. All these progressive improvements have won the admiration for our nation and for our Prime Minister from universal

visiting leaders. These universal compliments have, very unfortunately, also drawn the attention and interest of our neighbour, the only President for life under a guided democracy. Therefore, misfortune has fallen upon our country in the form of his determination to crush Malaysia in his confrontation, I am sure the National Solidarity Week has established our people's and our citizens' determination to withstand it. Therefore, expenditure for defence forms a large portion of the Budget.

Sir, many Members of this House have expressed their views, many of which are very constructive and responsible, and very fortunately, there were very few who have made very irresponsible comments. However, Sir, one can notice the concerted action of the P.A.P. in making personal attacks on the Honourable Minister of Finance, so much so that one has even tried to write an epitaph for the Honourable Minister of Finance.

Sir, we all know that it always hurts when one is pinched in the pocket, either by direct or indirect taxation. So, I would like to say that the structure of this taxation may not be very sound, and there may be some flaws and loopholes. Therefore, it has drawn some fear, some perplexity, and also a certain amount of dismay from the general public. The businessmen realise that high taxes are unavoidable to meet the country's defence and development costs, especially when our nation is presently facing an emergency because of Indonesian aggression, and that the Government must raise more revenue to meet these extraordinary requirements and commitments.

Sir, the public is very worried about the indirect taxation which can be passed on to the consumers in the lower income group. Hence, I would like to compliment the Minister of Commerce and Industry for his timely announcement in the Press that he and the Honourable Minister of Finance would take appropriate action against those opportunists who try to milk the consumers even though the duties for

the commodities have not been increased or affected. I would recommend that the Honourable Minister of Finance and the Honourable Minister of Commerce and Industry should jointly explore what positive action to be taken to prevent such a thing happening, because if it happens, it will always bring fear and adverse response from the public towards the Budget, thus allowing the Opposition to take political advantage over it at the expense of the Honourable Minister of Finance.

Sir, I wish also to convey the feelings of the business circle. The businessmen feel that there has been a violation of the universal principle that no man should be taxed more than once, and that he should not be taxed when he makes no profit out of his business. For example, a businessman may have a gross earning of about \$100,000 and yet suffers a loss and it would not be correct that he should be taxed and incur further losses as a result of him first being taxed when showing no profit.

Sir, the payroll tax of two per cent has drawn fear from the working class of exploitation by their employers, who have already contributed to the Employees Provident Fund, and many of them are still employing their staff in spite of running at a loss. In Penang, there are many firms which, though affected by confrontation, are still carrying on, just to maintain their goodwill and to give assistance to their faithful employees. This imposition may result in retrenchment and curb the future expansion programmes of companies and business houses and in turn may affect the employment of the working class. I most sincerely hope that when the Honourable Minister of Finance replies, he will direct his answer to these problems which affect the general public and the lower income group as a whole, in order to dispel their fear, rather than replying to the political questions raised by the Opposition, thereby allowing them to suit their political ends.

We know, Sir, that taxation in whatever form is always unpopular, but

let us hope that these new taxes on business concerns and indirect taxes which could be passed over to the consumers will not be permanent but treated as a "confrontation" tax that requires the extra effort of our citizens and people staying in this country.

Sir, I feel that I will be failing in my duty if I do not say something about the common market and the Penang free port, especially when I have been confronted by my own colleagues on this side of the House. Sir, I have already spoken about this subject in the previous House—the problems of Penang State, especially the Island of Penang, in our struggle to maintain the free port status. Sir, to understand the need of the people for maintaining the free port status of Penang Island is to understand the geographical position of the Island. I would not say, as my Honourable colleague for Kota Star Selatan had mentioned, that because we have benefited during the colonial days we must carry on enjoying it: in other words, we must not enjoy what our grandfathers have handed down to us.

Sir, much as we like the privilege extended to the Island, of Penang, we would not deny that the British were wrong when they established the free port of Penang 180 years ago. When we entered the Federation of Malaya the people of Penang were very concerned. Offhand I am not able to express the terms or conditions or views as expressed, or put forth, at that period, but I can say this: Sir, as a nation we have all enjoyed the progress. It is because that Malaya had been established as a unit that it would not be wrong to establish also an entrepot centre for trading, and it would not be wrong if the other part of Malaya, that is the Mainland, felt so strongly about Penang Island that it set up another port—the port of Port Swettenham. Sir, we do not grouse over this, but we are very concerned at the constant report made by the Chairman of the Common Market: he says that the common market will not affect the entrepot trade of Singapore or Penang; they should be able to carry out entrepot trade with a

free port zone well set up. Sir, with this statement and the invitation of the Honourable Minister of Finance to Penang Island to give up their free port status, I have to say that we in Penang Island welcome the invitation of the Honourable Minister of Finance but we would like him to understand that it must be a sincere and a kind invitation with all the programmes and plannings placed before us—we would not like the invitation to be one similar to that of the spider to the fly—"Come to my parlour", says the spider to the fly." Sir, to invite us you must first understand our problems. It is not just an invitation which we know, and there is some fear because we know that although Penang enjoys a free port status all applications for imports must be submitted to the Ministry of Commerce; thereby that is the beginning

Mr Speaker: Order, order. I thought we came to a gentlemen's agreement just now that the Honourable Member should confine his speech to not more than 15 minutes.

Enche' Geh Chong Keat: Since I have been made to speak about the free port status I have got to answer. I hope you will allow me the privilege, Sir.

Mr Speaker: But you have already spoken for 15 minutes.

Enche' Geh Chong Keat: Well, Sir, I will try to cut short my speech though the subject may be very important.

Sir, it would be wrong to compare Penang Island with Singapore. The Singapore Government had been planning many years back. They had planned to industrialise because of the enormous amount of unemployment and also because they had to cope with the ever exploding population problem. After industrialisation, of which they completed one section of their programme, they started to look for a common market. But, have we had such a programme for the Island of Penang? I am sorry to say that we do not have. In the State of Penang, very unfortunately, we are separated by a

channel, and though the channel may only be a mile but it makes a lot of difference between the Island and that portion of the Mainland i.e. Province Wellesley.

Sir, we have been made to understand, at one critical period, that we have got to decide either to industrialise that is Penang Island should industrialise, because of its good harbour, or to give up the industrialisation plan to Butterworth on the Mainland and concentrate on tourism and thereby retain the free port status of Penang Island. But, very unfortunately, all these programmes or plannings have gone haywire.

Sir, we would welcome the Honourable Minister of Finance to let us know whether he agrees to set aside a certain amount of money to help Penang to industrialise. Then, after the industrialisation, we will come in to join the common market.

Sir, to say that Penang has no place or no proper site for industrialisation would be wrong, because we know there are many acres of land that had been reclaimed and also that there is plenty of land from Jelutong right up to Glugor and also the land adjoining the newly-opened road between Ayer Itam and Relau. All these areas of land could be utilised for industrialisation. Sir, above all, I must say this: the businessmen, because of the pressure and the stronghold put upon them, have had no choice: it is Hobson's choice to them to join the common market. Among the residents of the Island of Penang there is fear and anxiety because of the extra cost of living. Though we in Penang may like to claim the privilege that Penang Island is a free port, as it had been handed down to us, we would like to say that we are prepared to join the common market on condition that you provide us with industrialisation, so that the people of Penang Island can get more jobs and employment and can raise their standard of living and income, so that the aggregate amount of incomes of their families may offset the extra burden that they have to carry when

they join the common market, or give up their free port status. Sir, that is the feeling of the people there, and it is not that they would like to go against the Central Government, or would like to claim this extra privilege—it is just a way of life to them. However, I hope the Honourable Minister of Finance can convince the people, and can convince them not only in words but by planning, positive planning, so that they will be prepared to give up the free port status of Penang Island. Perhaps, the Honourable Minister of Finance can initiate a body to study the economic planning of the Island of Penang and the possibility of industrialisation to that part of the State of Penang. Thank you, Sir.

Enche' Mustapha bin Ahmad (Tanah Merah): Tuan Yang di-Pertua, saya juga merasa sukachita dalam membahathkan Anggaran Belanjawan kita dalam tahun 1965 yang ada di-hadapan kita pada hari ini. Memang, Tuan Yang di-Pertua, Anggaran Belanjawan yang ada di-hadapan kita pada hari ini, bagitu-lah dia kesanggupan keadaan politik yang dapat kita permainkan pada tahun 1965 yang akan datang ini; walau bagaimana pun, Tuan Yang di-Pertua, kita tidak dapat menentukan, apa-kah di-dalam tahun 1965 yang akan kita hadapi ini tentang peristiwa² politik yang akan berlaku, sama ada di-dalam negeri kita sendiri, atau pun dari luar negeri. Sebab deficit yang bertambah lebeh banyak pada tahun 1965 ini tidak hanya sakadar confrontasi dari Indonesia samata². Saya perchaya itu ada-lah akibat daripada Pembangunan kita yang harus kita teruskan lagi untuk mencapai satu taraf negara yang benar² dapat hidup sa-bagai taraf-nya di-negara yang telah merdeka.

Tuan Yang di-Pertua, dengan sebab keperchayaan kita pada diri kita sendiri, dengan semangat yang tidak pernah hapus² dalam diri kita, bahawa chara negara kita mesti hidup dan kita mesti hidup dengan sebab semangat keperchayaan itu-lah saya rasa walau pun deficit-nya bertambah pada tahun ini, keperchayaan negara luar pada negara

kita tetap, dan orang lain ada-lah memperchayai Tanah Melayu dan Malaysia pada masa hadapan ada-lah sangat² mempunyai chahaya yang baik. Tuan Yang di-Pertua, walau pun demikian, sa-telah kita melihat bagaimana semangat² yang telah di-tunjokkan di-dalam Dewan ini, kita mahu sa-buah negara Malaysia yang aman dan ma'amor; kita mahu semua ra'ayat Malaysia menjadi ra'ayat yang hanya satu, berpadu dalam semua hal, tetapi kalau-lah maseh perkara itu ada hanya dalam tujuan tidak dapat di-laksanakan dengan baik, mungkin perkara itu akan menjadi harapan yang akan hanchor tidak berapa lama lagi.

Kalau kita tidak membentok satu system pelajaran yang dapat memberikan sama rata kepada semua pehak, kalau tidak dapat kita membentok sa-berapa lekas jurang antara yang ada dengan yang tidak ada supaya lebeh sempit dan lebeh dekat lagi, kalau tidak kita mengator chara² lain lagi yang ada dalam negara kita supaya dapat meharmonisekan semua bangsa dalam negeri ini, kita akan mengalamai sa-bagai negara yang dinamakan Cyprus itu. Ini-lah satu semangat yang rasa saya walau pun kami daripada party Islam sa-Tanah Melayu berlainan dengan party pehak Kerajaan tetapi semangat kami, kami mahu melihat Tanah Melayu atau pun Malaysia aman ma'amor, hidup ra'ayat-nya dengan sejahtera. Tetapi kami berharap-lah di-dalam pelaksanaan kita ini dan chara kita untuk mencapai tujuan kita itu benar² pehak Kerajaan berkorban, sanggup hanya untuk mendirikan negara baharu untuk negara Malaysia dan tidak payah lagi timbul semangat² yang ada satu pehak kepada satu pehak yang lain mahu dengan chara berfikir-nya sendiri. Kalau itu-lah chara-nya maka harapan daripada semua orang yang mahu kepada berlainan itu sendiri akan hanchor pada satu hari dan kita akan mengalamai sa-buah negara Cyprus yang kedua. Sakian-lah, Tuan Yang di-Pertua, saya mengharapakan dan saya berdo'a moga² semenjak daripada hari ini sampai masa hadapan mesti-lah kita hidup sa-bagai orang yang berpolitik tetapi kita

benar dalam perjuangan kita dan kita benar dengan diri kita sendiri, sialanlah, terimah kaseh.

Enche' Aziz bin Ishak (Muar Dalam): Tuan Yang di-Pertua, beberapa hari yang lalu rakan² saya telah banyak berchakap membidas party P.A.P. yang mana saya rasa ini sudah cukup memberikan kesedaran kepada party itu dan segala tembelangnya telah nampak dan nyata kepada ra'ayat negeri kita ini.

Sekarang saya suka hendak menegalehkan pandangan saya pula kepada Party Islam sa-Tanah Melayu dan saya sangat tertarek hati atas satu sikap yang telah di-terangkan oleh wakil daripada Bachok sa-malam ia itu berkehendakkan kita menyerang negara Indonesia. Saya sa-rupa tidak perchaya apa-kah perkataan ini benar² telah di-keluarkan oleh wakil itu kerana ini pada pandangan saya satu merbahaya yang sangat besar. Ini-lah sikap yang di-tunggu² oleh rijim Soekarno bagaimana yang di-katakan oleh rakan saya daripada Seberang sa-malam. Jadi sa-telah kita mengishtiharkan perang dan menyerang negeri mereka maka akan hilang-lah keperchayaan dunia kepada kita. Maka yang timbul Malaysia ini-lah yang bersalah. Segala perbuatan kita sa-lama ini untuk mempertahankan negara kita ini lenyap semua sa-kali. Jadi, jikalau bagini-lah, Tuan Yang di-Pertua, tidak sa-kali² saya menyangka bahawa Ahli Yang Berhormat daripada Bachok itu salah sa-orang ejen daripada Soekarno dan saya minta Menteri Keselamatan Dalam Negeri perhati²-lah sadikit hal ini.

Tuan Yang di-Pertua, saya juga hendak berchakap terhadap sikap party PAS—Party Islam sa-Tanah Melayu terhadap berkenaan dengan menentang dasar konfrantasi dan juga penerimaan-nya kepada dasar Kerajaan Pusat berkenaan dengan ranchangan pembangunan luar bandar. Atas soal ini, Tuan Yang di-Pertua, saya sa-orang merasa ragu² dan maseh belum dapat memberikan keyakinan sa-penoh-nya atau pun churiga atas sikap baharu oleh PAS itu kerana saya maseh ingat segala gerak laku beberapa orang

pemimpin party itu di-masa yang lalu khas-nya di-masa Dewan Parlimen kita yang pertama dahulu, ucapan dasar party-nya yang di-lafadzkan oleh ketua party-nya itu di-dalam Parlimen dahulu dari satu Sidang kepada satu Sidang Belanjawan, sa-telah saya meneliti segala ucapan² itu jika di-bandingkan dengan ucapan² ketua party itu hari ini, saya boleh-lah katakan perbezaan-nya boleh di-katakan antara bumi dengan langit.

Kalau dahulu ucapan ketua PAS itu dalam Parlimen boleh-lah di-katakan sangat chondong kepada kehendak² Soekarno umpama-nya tidak bersetuju dengan konsep Malaysia tetapi dia mahu Malaysia ini di-satukan menjadi Melayu Raya. Kemudian beliau juga tidak mahu tentera² asing di-negeri kita ini dan banyak perkara² lagi yang semua perkataan²-nya itu bagaimana perkataan² dan nada² yang di-lafadzkan oleh pemimpin Soekarno di-masa itu dan di-masa sekarang juga. Tetapi pada hari ini sa-telah pemimpin² PAS itu tidak dapat duduk lagi di-dalam Parlimen ini maka sikap itu segera telah di-tukar. Apa-kah party PAS ini menjalankan? Dasar mengikut dasar tuboh parti-nya atau pun mengikut kechenderongan sa-saorang pemimpin mereka itu, kerana sa-lama duduk dalam Parlimen ini semua sa-kali pemimpin ini dapati lain orang lain nafsu-nya, dasar party di-tolak ka-tepi, bagaimana yang kita dengar pada hari ini. Apa-kah agak-nya PAS sekarang sudah sedar segala sifat² angkoh pemimpin²-nya dahulu menyebabkan pengaruh-nya sudah merosot dan ra'ayat jelata Kelantan menderita dengan sebab² itu, kemudian daripada itu sa-telah mereka sedar maka ba' kata pepatah Melayu, "sesat di-hujung jalan kembali ka-pangkal jalan". Atau pun, Tuan Yang di-Pertua, sokongan tentangan kepada dasar konfrantasi itu pura² di-berikan kepada Kerajaan Pusat sebab mereka hendak melindungi tembelang dan telatah beberapa orang pemimpin mereka yang chenderong kepada negara tetangga yang menkonfrantasikan kita. Dengan tujuan supaya parti-nya tidak akan menerima nasib saperti anggota² Socialist Front

dan lain² lagi. Saya patut mengingatkan kepada Kerajaan Pusat kita, Tuan Yang di-Pertua, supaya berhati² di-dalam soal ini, kerana nampak-nya sa-telah mendengar kata² manis dari PAS, parti itu konon-nya sudah bertukar sikap maka dengan tidak ragu² lagi Kerajaan Pusat telah menyurahkan banyak peruntokan² kepada negeri Kelantan.

AN HONOURABLE MEMBER: (*rises*).

Enche' Aziz bin Ishak: Saya tidak benarkan, Tuan Yang di-Pertua, masa tidak ada. Saya penoh perchaya dan berharap wang yang di-keluarkan oleh Kerajaan Pusat kepada Kerajaan Kelantan itu bukan-lah bererti Kerajaan Pusat telah tertawan dengan pujok rayu dan kata² manis pemimpin PAS itu tetapi peruntokan itu di-churahkan ada-lah dengan hasrat yang jujur dan berseih untuk menolong ra'ayat Kelantan yang sa-lama ini tidak dapat merasai nikmat kemerdekaan yang mereka semua sama² memperjuangkan-nya. Kekechiwaan mereka itu hendak merasai nikmat yang dahulu-nya ada-lah benar² di-sebabkan sipat² keangkohan parti yang memerintah masa itu. Dan sekarang saya rasa mereka ra'ayat Kelantan tentu-lah telah sedar bagaimana kejujoran dan kebenaran Kerajaan Perikatan terhadap kepentingan ra'ayat jelata seluroh-nya. Dalam hal itu, Tuan Yang di-Pertua, saya sa-kali lagi menarek perhatian Kerajaan Pusat kita supaya berhati² di-dalam menimbangkan segala pemberian kerana saya takut bak kata pepatah Melayu "mulut di-suap pisang buntut di-kait onak".

Tuan Yang di-Pertua, sekarang saya suka mengalehkan pandangan saya sadikit kepada Ahli Yang Berhormat daripada Ipoh kerana sa-malam barangkali rakan saya daripada seberang sana, hari ini saya suka mengemukakan pendapat saya dari seberang sini pula berkenaan dengan berkehendakkan di-kaji sa-mula hak² istimewa orang² Melayu. Saya menyokong dengan sa-penoh-nya atas pendapat rakan² saya dari seberang sana, ia-itu dalam masa kita menghadapi anchaman² dari luar yang merunching ini dalam masa kita

hendak menchapai chita² menjadikan Malaysia ini aman dan ma'amor, maka soal ini jangan-lah di-ulang² atau pun di-ungkit² lagi. Ahli Yang Berhormat dari Ipoh mesti-lah sedar bahawa semua orang Melayu tidak ada negerinya yang lain daripada ini-lah bumi-nya yang kami pijak, dan ini-lah langit yang kami junjong, kami mahu hak² kami itu di-pelihara dengan sa-baik²-nya dan tetap tinggal dalam Perlembagaan negara kita ini, kerana ini-lah satu²-nya harapan kami bahawa bangsa Melayu dapat hidup bersama² atau pun dapat bersama² menikmati kebahagiaan hidup dalam tanah ayer-nya sendiri, yang berdaulat dan merdeka ini. Oleh yang demikian saya suka memberi amaran bagaimana amaran yang di-beri oleh rakan² saya kepada Ahli Yang Berhormat dari Ipoh, dan siapa juga, baik daripada kawan atau lawan yang berkehendakkan hak² istimewa orang Melayu yang ada sadikit dalam Perlembagaan itu lagi² di-usek dan di-tegor sa-lagi darah orang Melayu mengalir di-bumi Malaysia ini maka sa-lagi itu kami tidak akan membiarkan dan mendiamkan diri dan kami mengutok kehendak² ini dengan sa-kuat²-nya. Jika sa-kira-nya ada manusia² yang tidak senang atas hak² kami orang Melayu yang ada di-dalam Perlembagaan ini, maka dengan segala hormat-nya kami persilakan mereka itu keluar dan chari tempat dudok, diam di-negeri² yang sesuai dengan kehendak dan nafsu-nya itu. Saya berharap pehak Kerajaan tidak sa-kali² melayani akan desakan manusia yang sa-rupa ini, jika Kerajaan berkehendakkan Malaysia ini dapat kekal, ma'amor, aman dan damai.

Tuan Yang di-Pertua, satu lagi perkara yang saya hendak berchakap berkenaan dengan kenaikan chukai yang di-terangkan oleh Menteri Kewangan. Sa-malam saya telah membacha dalam surat khabar, *Utusan Melayu*, di-tulis dengan huruf besar, mengatakan ra'ayat gelisah dan mengeloh, amaran Menteri Kewangan tidak di-indahkan. Satu sahaja harapan saya, Tuan Yang di-Pertua, saya berharap kaum pemodal dalam negeri kita ini sa-bagaimana juga harapan Menteri Kewangan dalam amaran-nya

beberapa hari yang lalu supaya mereka jangan sa-kali² mengambil kesempatan dengan kenaikan ini mereka dengan tidak memikirkan kepentingan negara mereka, terus naikkan harga barang², walau pun perkara itu tidak ada kena-mengena dengan kenaikan yang ada pada hari ini. Tegas-nya peluang ini mereka gunakan, ba' kata pepatah Melayu, menanggok di-ayer yang keroh. Oleh itu, Tuan Yang di-Pertua, saya menguatkan lagi sa-bagaimana pendapat ramai supaya di-adakan kawalan atas harga barang keperluan hari². Bagitu juga kawalan atas semua jenis barang², sewa-menyewa dan sa-bagai-nya, dan hukuman hendak-lah di-beri dengan sa-berat-nya jika di-dapati mereka itu melanggar-nya.

Tuan Yang di-Pertua, ada satu perkara lagi yang saya hendak chakapkan dalam Dewan ini berkenaan dengan penggunaan Bahasa Kebangsaan, bagaimana yang telah di-ucapkan oleh Ahli Yang Berhormat dari Pasir Puteh yang mengatakan negeri-nya telah mengishtiharkan penggunaan sa-penoh-nya Bahasa Kebangsaan. Saya ada-lah memuji sikap itu (*Tepok*). Saya suka menyatakan ia-itu sa-bagaimana yang di-katakan oleh wakil itu, penggunaan Bahasa Kebangsaan yang di-jalankan itu ia-lah pada surat-menyurat, utus-mengutus, berchakap dan memulangkan surat² yang di-tulis di-dalam bahasa Inggeris. Maka hal ini juga telah di-buat oleh negeri² yang lain di-Tanah Melayu ini, khas-nya yang saya ketahui Kerajaan Negeri Johor sendiri, tetapi seliseh-nya antara Kerajaan Negeri Johor dengan PAS ini ia-lah hanya Kerajaan Negeri yang lain itu tidak mengishtiharkan sahaja bagaimana yang di-buat oleh Kerajaan PAS. Saya mengetahui sungguh pun PAS telah mengishtiharkan sikap-nya atas Bahasa Kebangsaan itu, tetapi atas penggunaan Bahasa Kebangsaan di-papan² tanda, di-kedai², dan jalan² dan lain²-nya, maseh belum berjalan lagi. Mengapa saya berani berkata demikian, kerana saya, tidak berapa minggu dahulu, pun pernah saya pergi ka-Kelantan.

Enche' Abdul Samad bin Gul Ahmad Mianji (Pasir Mas Hulu): Tuan Yang di-Pertua, Bahasa Kebangsaan

itu, pada 3 haribulan ini baharu di-ishtiharkan.

Enche' Abdul Aziz bin Ishak: Jadi saya harap kerana saya telah memuji sikap PAS ini, Kerajaan PAS di-Kelantan akan menjadi satu model kapada negeri² kita ini menunjukkan yang Kerajaan PAS di-negeri Kelantan itu betul² menggunakan Bahasa Kebangsaan dalam negeri-nya baik surat-menyurat yang telah di-buat-nya atau papan² tanda, tanda² jalan di-tukarkan kapada Bahasa Kebangsaan. Ini akan menjadi satu model kapada negeri² yang lain.

Jadi sekian-lah sahaja, Tuan Yang di-Pertua, terima kaseh.

AN HONOURABLE MEMBER: (*rises*).

Mr Speaker: Saya tidak mengizinkan. Sekarang terbuka jawapan² daripada Menteri².

Enche' Mohd. Daud bin Abdul Samad: (*rises*).

Mr Speaker: Saya tidak dapat mengizinkan lagi. Sekarang terbuka kapada Menteri² untuk menjawab.

Dato' Dr Ismail: Mr Speaker, Sir, I have much pleasure in informing the House that my intervention in this debate will be a very short one. In fact, the answers to the observations made by Honourable Members on my Ministries are so obvious that they require no answer. However, politicians being what they are, I have to take this opportunity to reply, because otherwise I would be accused of being guilty by default.

The Honourable Member for Ipoh touched on the question of citizenship by registration—he referred to Mr Lim Lian Geok's case. He stated that our citizenship law does not provide security or protection, and he quoted Mr Lim Lian Geok's case as an instance. He said that this man was not charged, nor tried, in open court and that only an inquiry in camera was held. He went on further to say that citizenship laws in this country were not satisfactory, because the Minister of Home Affairs could, by a stroke of the pen, revoke a person's citizenship, that if Government had

evidence that a person was disloyal to the country, then by all means charge him in open court; and that there should be citizenship laws which provide security.

Now, Sir, our citizenship laws are based on the United Kingdom citizenship laws, wherein matters relating to acquisition and deprivation of citizenship are vested in the executive branch of the Government. It is not true to say that our citizenship laws are as flimsy as has been suggested by the Honourable Member for Ipoh. If they are, then I would not have been bothered by the numerous applications by people from outside and inside the country asking to be registered as "citizens by registration". Those applications alone testify to the value that is put on "citizenship by registration" by the people of this country.

Sir, the Minister acts on the evidence available before him after due inquiry has been made by a committee consisting of three members—I am speaking, of course, on the question of deprivation. There is sufficient safeguard for everyone, because the Chairman is always a senior judicial and legal officer, and the person involved in the inquiry is entitled to have legal representation. The fact that the inquiry is not open to the public does not necessarily mean that there is no justice. So, Sir, that I think will dispel the false impression that the Honourable Member for Ipoh is trying to create in that I, as Minister of Home Affairs, by the stroke of the pen can revoke the citizenship of a person, who had acquired it by registration.

The next observation was made by the Honourable Member for Temerloh. He expressed the hope that the Special Branch would continue to make greater efforts to trace the source of supply of illegal arms used by secret societies. Public confidence can be gained, he said, if we succeeded in smashing the secret society menace. Now, Sir, the Criminal Investigation Department is directly responsible for the investigation of secret society activities. The Special Branch assists where necessary. There is no information to suggest that

any organised source of supply of illegal arms exists for the use of secret society members. There were some isolated cases, which were few and far between, limited only to individual persons. Every effort has been and is being taken to trace and arrest these individuals and subsequently bring them to book. Where there was information of individuals having illegal fire-arms for purposes only known to themselves, the Police had not spared any effort to prevent these individuals from furthering their criminal activities. Secret society activities are fairly well contained by the Police. Since the inception of the Prevention of Crimes Ordinance, No. 13 of 1959, in this Semenanjung Tanah Melayu, some 1,237 secret society thugs had been registered, and many others had been restricted under the Restricted Residence Enactment (Cap. 39); and in Singapore approximately 1,271 secret society thugs are under Police supervision orders and 644 under detention. It cannot be over-emphasised that the Police is doing everything legally possible to contain secret society activities and to smash their activities which call for ever more public co-operation by giving evidence about these activities to the Police, without which the Police cannot effectively function.

Ahli Yang Berhormat dari Johor Bahru Timor telah merayu ia-itu supaya baju hujan di-berikan kepada ahli² pasokan kawalan supaya kesihatan dia tidak terganggu, terutama sa-kali dalam musim hujan. Saya suka-lah memberitahu ia-itu baju hujan ini memang-lah satu daripada alatan yang di-beri—yang lain² termasuk-lah lampu suloh, tongkat, wisil dan lain² yang di-fikirkan mustahak di-perolehi oleh ahli² pasokan kawalan ini. Saya dukachita sedikit ia-itu oleh sebab terlambat memberi baju² hujan itu, wisil dan torch-light ini, tetapi tindakan telah diambil dan barang² ini akan di-beri dengan sa-berapa segera-nya pada tiap² Negeri.

Ahli Yang Berhormat tentu-lah mengerti ia-itu banyak barang² ini yang di-kehendaki dan tidak-lah dapat di-beli dengan sa-kali gus.

I think the last observation came from the Honourable Member for Krian Laut. Ahli Yang Berhormat dari Krian Laut meminta keterangan² ada atau tidak-nya anak² Melayu bekerja di-Pejabat Immigration. Beliau telah juga menyatakan ketakutan-nya, kalau² ada perkara² yang churang yang berlaku di-pejabat tersebut. Beliau juga telah meminta supaya di-ambil perhatian yang berat di-atas hal ini, dan beliau sa-terus-nya meminta supaya Ketua Pejabat ini di-ambil daripada orang Melayu.

Tuan Yang di-Pertua, untuk menjawab-nya, saya suka menyatakan bahawa saperti jabatan² Kerajaan yang lain dan Jabatan Immigration ada-lah di-penohi oleh warga negara Malaysia yang terdiri dari berbagai² bangsa dan tidak terhad kepada satu bangsa sahaja. Saya kurang mengerti, apa-kah yang di-takuti oleh Ahli Yang Berhormat itu dengan perkataan "Churang". Ini barangkali perkataan ini datang daripada Perak, atau dari Kedah, saya tidak tahu, tetapi perkataan "Churang" ini, kalau Ahli Yang Berhormat itu bermaksud ada-nya makan suap dalam pejabat ini, saya mempunyai keperchayaan yang penoh bahawa perkara yang sa-macam ini tentu-lah ada di-ambil perhatian dan di-ambil tindakan oleh polis. Kalau Ahli Yang Berhormat itu ada tahu tentang ada-nya perkara ini berlaku, Ahli Yang Berhormat itu boleh-lah berhubung dengan pehak polis dan juga dengan Pengarah Pengegah Rasuah.

Tentang hal Ketua Jabatan Immigration ini, saya suka menegaskan di-sini bahawa Kerajaan sendiri mengikut di-atas dasar siapa layak, dia-lah yang di-pilih dengan tidak memandang kepada bangsa dan ugama.

I am sorry, Mr Speaker, there is one more observation made, and that is by the Honourable Member for Melaka Selatan. Ahli Yang Berhormat ini telah menhadangkan kepada Kerajaan supaya ahli² pasokan kawalan kampung di-beri latehan dalam menggunakan senjata api dengan sa-beberapa segera-nya, dan dengan ini dapat-lah ahli² pasokan kawalan kampung itu menjadi pertolongan yang besar kepada pehak polis.

Bagi menjawab pertanyaan Ahli Yang Berhormat ini, suka saya menegaskan bahawa tugas yang sa-benarnya bagi pasokan kawalan kampung ini ada-lah berlaku sa-bagai mata dan telinga Kerajaan dan bukan-lah untuk memburu atau bertempor dengan penyusup² Indonesia yang bersenjata itu, walau bagaimana pun satu penyusunan yang lengkap berkenaan dengan pasokan kawalan ini sedang di-kaji oleh Kementerian saya dan soal yang di-bangkitkan itu akan di-kaji bersama² dengan beberapa segi yang lain.

Sir, as I have said, my observation is very short and I now finish with my reply.

The Minister of Works, Posts and Telecommunications (Dato' V. T. Sambanthan): Mr Speaker, Sir, an Honourable Member from Sarawak wanted to know certain details with regard to payments to elected councillors. For the States of Malaya the National Council for Local Government has under Article 95A of the Constitution formulated a policy that allowances within certain scales be paid to elected councillors of the various local authorities. As has been agreed in the Inter-Governmental Committee's Report and as provided in Section 43 of the Malaysia Act, Singapore and the Borneo States shall not be required to follow the policy formulated by the National Council for Local Government under Article 95A of the Constitution.

As the State of Sarawak has full authority over the Municipality of Housing and other local councils within the State which are on the State list, there will be no objection if the State decides to follow the policy already formulated and applicable to the States of Malaya.

The Malaysia Act also provides that with the concurrence of each State Assembly, the State of Sarawak can adopt all the clauses of Article 95A whereby she will be bound to follow all the policy decisions of the National Council for Local Government. The Minister responsible for Local Government has no statutory power over local

authorities in any State. However, any suggestion brought before the House can be communicated to the State concerned for consideration.

The Honourable Member for Temerloh stated that notices of termination of service have been served on a number of workers in Temerloh and he said that the time limit was too short. In fact, an indication was given to these workers i.e. a three months' notice that their services might be terminated. I have had representations made to me and we have looked into the whole matter. The position is that with the current financial difficulties we were not sure whether we will be able to continue with some of the works in that particular district. However, I am glad to inform the House that there is a possibility of finance being forthcoming and of our being able to give these workers further employment.

The Minister of Transport (Dato' Haji Sardon bin Haji Jubir): Mr Speaker, Sir, several Members of this House have referred to the prevalence of pirate or illegal taxis, both in the States of Malaya and Singapore. I appreciate the Honourable Members' concern over this problem but before I go further I should like to say that this is not just a road transport problem but is equally an economic and social problem which cannot be solved merely by repressive action or strict enforcement measures.

Pirate taxis exist, firstly, because it is so easy for any unemployed person in this country to buy a second-hand car on hire purchase terms and use it as a pirate taxi and compete successfully with licensed taxis because these pirate taxis pay so much less licence fees and insurance premium and are also not subject to periodical mechanical inspection by the Road Transport Department. However, the main reason why illegal taxis exist is because certain sections of the public continue to patronise them in spite of repeated warnings not to do so by the Police and Road Transport Departments as these vehicles are not insured to carry passengers for hire or reward and in case of an accident the injured party

can have no claim against the insurance company. In order to enable the public to differentiate easily a licensed taxi from a pirate taxi, the Road Transport Department recently introduced a new rule whereby all licensed taxis are required to be clearly marked on both sides of the vehicle. The public therefore cannot say that they could not tell a licensed taxi from a pirate taxi. In spite of this measure it would appear that pirate taxis are still enjoying good patronage.

Enforcement action against these pirate taxis has been rendered most difficult by the unwillingness of the public to co-operate with the Police in giving of evidence against the operator. Unless this co-operation is forthcoming there is not much that the authorities could do. Nevertheless to facilitate enforcement the Road Traffic Ordinance has been amended to give powers to a Police Officer to seize pirate taxis and it is hoped that armed with this additional power the Police will have more "teeth" in their campaign against illegal taxis. Similarly, the Singapore Road Traffic Ordinance is also being amended to provide the Police there with the same power to seize pirate taxis. For the information of the House 67 pirate taxis have been seized by Road Transport Officers between January and September, 1964, in the States of Malaya.

Some people also believe that if the number of licensed taxis was increased the number of pirate taxis would automatically be reduced. This belief has been proved to be wrong. In Singapore until a few years ago there was no limit to the number of licensed taxis. Anybody could apply and obtain a taxi licence and yet this did not have any effect at all on the number of pirate taxis operating in Singapore. Similarly, in the States of Malaya the number of licensed taxis has increased from 3,540 in 1958 to 4,200—just an increase of 660 taxis today—without any effect at all on the number of pirate taxis. It would be unwise to increase the number of licensed taxis any much further because the present number of licensed taxis has already reached saturation

point and many taxis have to compete fiercely among themselves to obtain fares in order to survive.

Ahli Yang Berhormat dari Temerloh telah menyatakan Undang² taxi atau kereta sewa ini terlampau keras sebab itu-lah banyak taxi² sapu atau taxi² yang tidak membayar chukai. Yang sa-benar-nya bagi pengetahuan Yang Berhormat, Undang² atau sharat² itu semenjak tahun 1958 telah pun di-longgarkan ia-itu kereta² sewa ini boleh mengambil passenger² atau penumpang² dari tempat taxi itu kepada tempat yang dia hendak pergi itu. Dengan ada kelonggaran Undang² ini, tidak juga akan mengurangkan taxi² sapu. Ini menunjukkan taxi² sapu ini bukan-lah sebab Undang²-nya atau kurang-nya kereta sewa tetapi yang sa-benar-nya seperti mana yang saya terangkan tadi, kerana kereta² sapu ini tidak kena membayar ansoran nyawa dan chukai² yang mahal seperti mana taxi² yang membayar chukai² yang di-kehendaki oleh Kerajaan.

Yang Berhormat itu juga menerangkan, oleh kerana lama mengeluarkan permit² taxi ini maka di-situ-lah yang menyebabkan banyak taxi² sapu. Yang sa-benar-nya, saya sa-bagai Menteri Pengangkutan telah mengambil tindakan yang mana dahulu-nya ada 10 kawasan Majlis Pelesen mengeluarkan kebenaran kereta² sewa ini, telah pun di-pinda sejak 1 haribulan April, 1964, kepada sa-buah sahaja Majlis Pelesen di-seluruh Tanah Melayu ini. Ini dengan tujuan hendak melaksanakan dan hendak menyatukan segala peratoran² supaya dapat di-jalankan dengan baik. Tetapi malang-nya walau pun kita sudah pinda Undang² itu, kita tidak-lah patut mesti menghapuskan hak² pehak yang memohon permit atau pun pemohon² kereta sewa yang tidak puas hati itu meminta ulang bichara. Maka kuasa pehak yang tidak puas hati yang meminta ulang bichara ini-lah yang menyebabkan lama, kerana sekarang, ulang bichara pergi kepada Menteri. Kalau ada sa-buah taxi yang hendak di-keluarkan kebenaran-nya dalam sa-buah kampung yang memohon ada 20 buah, tentu yang dapat sa-orang sahaja. Maka biasa-nya 19 orang yang

memohon yang tidak dapat itu akan menggunakan hak-nya meminta ulang bichara. Maka kena-lah membuat segala² rayuan 19 kali dan ini juga memakan belanja dan waktu. Saya fikir hak ulang bichara ini ada-lah hak ra'ayat di-dalam negeri yang berdemokrasi sa-bagaimana Malaysia ini, tidak-lah patut kita hendak hapuskan dengan hanya kerana lewat satu dua bulan sahaja. Maka saya memberi pengakuan kepada Yang Berhormat itu, bila ada lambat sedikit, tahu-lah bukan kami yang melambatkan tetapi kerana ulang bichara yang ada hak² itu kepada ra'ayat yang mahukan ke'adilan yang sa-benar²-nya.

Now, coming to the Honourable Member for Ipoh—usually he is not here—he alleged that the preference given to Malays in the grant of taxi licences has been the cause for the prevalence of pirate taxis. It is nonsense. For the information of the Honourable Member, I would like to say that once the Malay target percentage in a State, as fixed by law, has been achieved, all applicants, regardless of race, are treated solely on their merits. For his further information, I would like to say that as at 1st December, 1964, the position regarding the Malay taxi percentages in the States of Malaya is as follows.

Malacca has achieved the target on the 11th of April, 1958. In other words, anybody can apply and, on merit, they will be considered whether they will be granted taxi licences or not. In Perak, where the Honourable Member for Ipoh comes from, the target has been achieved since the 4th of March, 1959, and I do not see why he should complain about it. There is no discrimination, there is no delay there. In regard to Negri Sembilan

Dr Tan Chee Khoon: Sir, may I ask a question by way of clarification?

Dato' Haji Sardon: If it has connection with this, I do not mind giving him way.

Dr Tan Chee Khoon: Sir, am I to understand that it is the policy of the Government that when the target of the

quota system is reached, it is free for all and that everybody can apply and that every application is judged on its own merit irrespective of race, colour or creed?

Dato' Haji Sardon: Yes, that is the policy!

Dr Tan Chee Khoon: Thank you.

Dato' Haji Sardon: I am glad that you asked for clarification. (*Laughter*) Now, in regard to Negri Sembilan, the Malay percentage has been achieved on the 11th of April, 1959, Penang in June, 1959, Pahang in April, 1963 and in regard to Selangor—this is where I think the Member for Batu is concerned and he need not worry—it has been achieved in February, 1964. Now, Johore has just 1.87% more to complete the quota. In other words, out of the target of 47.97, it has achieved up to 46.1 now. For Kedah, the target is 67 and it has come up to 63. Perlis has a target of 78 and it has achieved about 68.7 and in regard to Kelantan—of course, the majority in Kelantan are Malays—it is 91.64 and it has come up to 84.21.

Now, from those statistics, it is quite clear, and I am proud of it, that the Alliance Government has done its level best to eliminate once and for all the imbalance of the economic position of the Malays in the road transport business as far as taxis are concerned; and this has been agreed to by all communities and by all parties concerned as has been stated in White Paper 17. I do not know the reason why the P.P.P. at every Budget meeting, harps on the old tune "We want to eliminate the Malay privileges, particularly in the road transport". However, I can assure them that as long as the people want the Alliance Government and as long as the Alliance Government is in power, we will be fair to everybody and we will still carry on the policies which will improve the economy of all those who carry on transport industries in Malaysia.

Enche' Yeoh Tat Beng (Bruas): Sir, on a point of clarification, can the Minister say whether Perak State has reached saturation?

Dato' Haji Sardon: In regard to Perak, the Malay target is 39.7 and it has been achieved since 4th March, 1959. (*To Enche' Yeoh Tat Beng*) Please take a note.

Sir, I just wish to say this in conclusion that the Alliance Government is doing its level best to help the Malays to come up in the road transport business with other communities who are, I understand from my statistics, holding not less than 90% of the whole transport industries.

The Prime Minister: Tuan Speaker, bagaimana perbahathan yang telah dijalankan pada mula tadi, banyak-lah perkara² yang telah di-sebutkan berkenaan dengan Kementerian saya. Jadi saya suka mengambil peluang ini menjawab soalan² itu, tetapi yang mana di-keluarkan pada pagi ini tidak dapat-lah lagi di-sediakan dan tidak-lah dapat saya hendak menjawab-nya. Berkenaan dengan perkara² yang telah di-sebutkan oleh sa-tengah² Ahli Yang Berhormat di-dalam Persidangan ini tidak payah-lah saya sebutkan lagi kerana Ahli² Yang Berhormat telah dikeluarkan perkara² itu. Kerana banyak sangat yang berchakap, maka kita tentu-lah mengambil masa yang panjang sa-kira-nya saya sebutkan tiap² perkara itu berkenaan dengan soal apa-kah perkara² yang patut di-jadikan asas berkenaan dengan Persidangan Afro-Asia, apa-kah chara² kita ini hendak masuk dalam Persidangan itu.

Jadi, Malaysia sekarang ini telah mengambil banyak lagi rundingan yang giat untok hendak hadir dalam Persidangan itu, kerana kita pandang bahawa sangat-lah mustahak bahawa Malaysia ini hadir dalam Persidangan itu, kerana dengan jalan itu dapat-lah kita menentang segala tuduhan² Indonesia yang di-hadapkan kepada kita. Jadi atas perhubungan kita ini bagaimana Ahli² Yang Berhormat mengetahui Yang Berhormat Timbalan Perdana Menteri sendiri telah pun baharu² ini pergi ka-negeri Middle East dan Africa Utara. Dalam pertemuan Timbalan Perdana Menteri dengan ketua² negeri² itu, kita berasa puas hati-lah sokongan yang di-dapati-nya itu. Daripada apa yang kita tahu, negeri² ini tentu akan

menyokong Kerajaan Malaysia untuk hadir dalam Persidangan itu. Di-dalam hal ini beberapa banyak lagi rombongan yang kita akan hantar ka-negeri² dalam Africa dan di-dalam Middle East. Jadi kehadiran kita dalam Persidangan itu berdasarkan atas kawasan di-situ, nampak-nya tidak-lah bagaimana Persidangan Non-Aligned dahulu itu mengatakan kita ini di-sifatkan sa-bagai Aligned.

Di-sini sa-bagai negeri yang merdeka yang telah di-terima oleh United Nations, tentu Persidangan itu akan menerima kita. Jika di-sebutkan soal konfrantasi di-kalangan Afro-Asia berkaitan dengan soal Israel, maka di-sini saya suka menyebutkan sa-tengah² Ahli di-dalam oposisi itu, mensifatkan bahawa kita ini telah mengi'tirafkan Israel itu sa-bagai negeri yang kita terima sa-bagai kawan. Walhal tidak begitu, yang sa-benar-nya Israel ini satu negeri yang telah sedia ada dalam United Nations masa kita ini masok. Sunggoh pun kita i'tirafkan ini, tetapi kita telah memberi tahu beberapa kali bahawa kita tidak akan berkawan, tidak akan ada satu² hubungan dengan Israel dan tiap² satu perkara yang Israel minta, baik pun dalam kalangan sport dan sukan dan apa² kalangan lagi, kita tidak menerima. Jadi, betul² menunjokkan kita ini memang berseteru dengan Israel.

Sa-lain daripada itu ta' payah-lah saya hendak menyebut tentang soal yang di-terbitkan oleh Ahli Yang Berhormat dari Pasir Puteh, tentang bantuan untuk melawan konfrantasi, ia-itu di-katakan soal Malaysia sendiri orang² kita yang dapat bantuan untuk melawan kerajaan sendiri itu ada-lah soal besar. Jadi, Amerika yang sa-benar-nya di-atas soal yang pertama soal memberi bantuan kepada Malaysia, perkara itu saya sendiri telah memberitahu apabila saya pergi ka-Amerika baharu² ini, saya telah mengadakan perundingan dan Amerika telah memberitahu dengan sa-chara terus terang berkenaan dengan confrantasi Indonesia—mereka tentu-lah tidak berkait. Ini ada-lah satu soal yang British ada berkait, kerana perjanjian kita yang ada dengan Kerajaan British, ia-itu Perjanjian Pertahanan.

Kita ini sa-buah negeri yang di-luar daripada SEATO. Jikalau kita masok dalam SEATO sudah tentu Amerika ini berdiri di-belakang kita, kerana ahli² SEATO itu telah berikat janji untuk menentang sa-bagaimana kita kata kominis. Oleh kerana kita ada-lah di-luar daripada perjanjian SEATO maka tanggungan menentang confrontasi Indonesia itu ia-lah tanggungan kita sendiri dengan di-bantu oleh Kerajaan British. Maka di-atas hal ini, kita telah berjalan terus dan kejayaan kita sa-bagaimana tuan² dan Ahli² Yang Berhormat sakalian telah pun tahu dan juga berkenaan dengan perkara itu, Amerika tidak memberi bantuan, sunggoh pun begitu sa-bagaimana yang di-beritakan mereka tidak jauh di-belakang kita dan ini sudah tentu, kalau nampak-nya kita ini telah pun terancham terok dan harus democracy kita ini akan hanchor, maka saya tidak ada rasa bimbang di-atas sokongan yang akan di-berikan oleh Amerika itu. Ahli² Yang Berhormat juga meminta saya jelaskan kepada ra'ayat, ada-kah Malaysia menentang kominis oleh sebab kekerasan dan kejahatan, atau pun kita ini menentang ideology, atau fahaman kominis. Kata-nya Islam bertentangan dan bermusohan dengan kominis. Jadi, Ahli Yang Berhormat itu berasa dukachita di-atas siaran Perdana Menteri kata-nya bahawa kita tidak menentang communism dari segi ideology, tetapi dari segi kekerasan-nya sahaja. PAS kata-nya menentang kominis segala²-nya. PAS tidak memerintah negeri ini, dia boleh-lah menentang sa-suka dia hendak menentang, tetapi bagi pehak kita ini susah sedikit, kerana kita ini ta' boleh berchampur dengan ideology orang² lain, kerana ideology tiap² satu orang, atau tiap² satu negeri kena-lah sesuai dengan ra'ayat² negeri itu, atau pendirian negeri itu, atau kehidupan negeri itu. Jadi, apabila mereka telah tentukan di-atas ideology yang mereka hendak ikut, kita ini yang dudok jauh, yang tidak kena-mengena pergi hendak menentang—ta' bersetuju. Jadi, hal itu tentu-lah kita kata tidak-lah berpatutan. Begitu-lah juga kalau kita ini Islam, orang lain—negeri lain memelok ugama lain, kita tidak berhak, sunggoh pun

kita menentang atas ugama itu, atau nampak-nya kita tidak sa-lari dengan ugama itu, kita hendak menentangkan mereka itu menerima ugama—itu pun ta' kena juga; itu hal² ideology—apa yang berkenaan dengan kita, apa yang baik pada kita, apa yang sesuai pada kita—itu-lah yang kita ikut. Jadi, ini-lah pendirian kita. Maka dengan kerana itu, bagaimana tentangan Indonesia terhadap pendirian kita itu, kita telah katakan ia-itu tidak ada asas langsung tentangan Indonesia itu, kerana kita berkawan dengan British, kerana kita buat perjanjian dengan British—Indonesia menentang sampai hendak hanchorkan kita ini. Jadi, ini semua kita kata tidak berasas, begitu juga kita ini tidak menentang kominis dengan kerana ideology-nya, kerana dia berhak memakai apa ideology yang dia suka, asalkan dia tidak mengachau kita, asalkan dia tidak chuba hendak mengancham negeri kita ini sa-bagaimana yang dia telah buat dahulu itu. Jadi, di-sebutkan juga di-atas kesanggupan British untuk membantu Malaysia ia-lah kata-nya makin kurang. Perjanjian Pertahanan mesti-lah di-kaji sa-kali lagi. Perjanjian mesti-lah diubah kapada bentok Commonwealth supaya sa-imbang dengan taraf dan kedaulatan Malaysia. Jadi kehendak Ahli Yang Berhormat itu supaya kita paksa British mengeluarkan wang ringgit, mengeluarkan segala² pertolongan, pendek-nya biar mereka itu berperang—kita duduk diam. Jadi, ini bukan taraf kemerdekaan, atau sa-sabuah negeri yang mengakui diri-nya merdeka dan bagi kita ini telah pun di-langgar, atau pun di-ancham oleh musuh, maka tanggungan kita ia-lah melawan dan menentang musuh² itu.

Bagi pehak sahabat kita ini apa yang telah di-janjikan, maka asal di-jalankan, di-sempurnakan perjanjian itu, bagi pehak kita patut-lah berpuas hati. Jadi, apa yang telah berlaku pada hari ini, British telah memberi bantuan sa-bagaimana yang di-janjikan di-dalam perjanjian itu dan bagi pehak kita, terpaksa-lah kita menentang musuh² kita dengan sa-boleh²-nya dan apa² juga sokongan yang lain, apa yang tersebut dalam perjanjian itu, mahu-lah kita ikhtiarkan dan chari sendiri. Maka

dengan kerana itu-lah Ahli² Yang Berhormat telah mendengar ia-itu pehak rombongan daripada Canada telah pun datang di-sini dan telah berunding dengan pehak Kementerian Pertahanan dan dalam perundingan itu telah di-bahathkan atas apa² perkara yang mereka boleh menghulorkan tangan untuk menolong kita di-dalam keadaan sekarang ini. Jadi, begitu-lah juga pehak Amerika, rombongan di-sana pun telah datang dan berunding dengan pehak pertahanan kita dan kita telah mengemukakan apa² benda yang patut di-dapati daripada mereka itu. Ini pendirian negeri yang berdaulat, negeri yang merdeka, kalau kita serahkan segala²-nya kapada tangan British, ini menunjukkan bahawa kita memang di-bawah ta'alok British

Enche' Mohamed Asri bin Haji Muda: Tuan Yang di-Pertua, maksud saya memberi pandangan itu bukan-lah kita hendak menyerahkan segala²-nya kapada British dan negara Commonwealth, bukan-lah kita hendak duduk diam sahaja—hendak biarkan orang² itu berperang. Maksud saya kemukakan itu biar-lah kita sendiri yang memperjuangkan, mempertahankan tanah ayer kita ini dan negeri² itu memberikan bantuan alat senjata dan kewangan—itu ada-lah berlainan sedikit dengan penjelasan.

The Prime Minister: Ya, ada di-sebutkan begitu juga, tetapi saya hendak pendekkan sahaja. Jadi, pada perasaan saya di-atas apa yang tersebut itu begitu-lah juga, tetapi ta' apalah saya terima apa yang di-jelaskan oleh Ahli Yang Berhormat itu, dan di-sini saya ingatkan lagi, maka tanggungan kita hendak-lah kita usahakan untuk menentang musuh kita ini dengan sa-bberapa daya upaya-nya dan pehak mereka di-atas bantuan yang telah di-berikan kapada kita itu—saya nampak berpatutan dan memenohi dengan syarat² tersebut dan dalam perjanjian yang telah di-buat dengan British itu, jadi ada perkara² yang lain yang berbangkit di-dalam perbahathan ini ia-itu sa-orang Ahli Yang Berhormat di-katakan ia-itu berkenaan dengan hal pentadbiran—ada di-katakan, di-dapati yang temu-duga bagi mengambil pekerja² untuk mengang jawatan²

yang kosong, ada pegawai yang menjadi ahli temu-duga itu yang anti-bahasa kebangsaan dengan mengatakan tidak mustahak mengambil mereka yang berkelulusan dari sekolah kebangsaan, sebab bahasa kebangsaan tidak mustahak. Jikalau Ahli Yang Berhormat itu boleh beritahu kepada saya siapa-kah ahli, atau pegawai yang menjadi ahli temu-duga itu yang mengeluarkan perkataan yang samacham itu, saya mengaku saya akan mengambil tindakan atas ahli itu. (*Tepok*).

Jadi di-sebutkan juga, apa-kah tindakan yang telah di-ambil oleh Kerajaan Pusat bagi melaksanakan bahasa kebangsaan sa-bagai bahasa rasmi yang tunggal dalam tahun 1967. Perkara ini telah banyak di-keluarkan oleh Ahli² Yang Berhormat di-dalam Dewan ini. Di-atas kempen² yang telah di-jalankan beberapa tahun yang lepas menunjukkan bagaimana beratnya Kerajaan memandang di-atas menggunakan bahasa kebangsaan itu sa-bagai bahasa rasmi yang tunggal. Dan kita telah menjalankan, bagaimana Ahli² Yang Berhormat sendiri tahu, Minggu dan Bulan Bahasa Kebangsaan dan kita telah susun di-dalam pelajaran² di-sekolah² kebangsaan mengenai bahasa kebangsaan itu. Boleh di-katakan semua pelajar²—murid² daripada sekolah itu terpaksa kena belajar bahasa kebangsaan. Jadi mereka yang lulus daripada sekolah² kebangsaan dalam sedikit tahun lagi atau satu dua tahun lagi semua-nya boleh di-katakan pandai di-dalam bahasa kebangsaan.

Banyak Menteri² Kerajaan pun pada hari ini mengeluarkan sa-berapa daya upaya-nya surat² semua-nya di-dalam bahasa kebangsaan. Jadi tentang mana yang susah pada waktu ini ia-lah di-atas Shorthand—Stenographer. Mereka ini sedang belajar tetapi dalam Shorthand atau pun tulisan ringkas ini belum dapat lagi mereka itu pandai. Jadi dengan kerana itu ada-lah menjadi sedikit sukar di-atas hal itu tetapi pehak Kerajaan insha' Allah kita akan jalankan dengan sa-berapa usaha-nya supaya bahasa kebangsaan akan di-pakai pada tahun yang kita janjikan itu (*Tepok*). Sunggoh pun begitu tidak-

lah dapat kita hendak menggunakan dengan 100 peratus barangkali, kerana perkara yang umpama ini—perkara yang besar umpama ini kena-lah kita menjalankan dengan timbang menimbang juga. Tetapi bagi pehak kita tidak ada lain melainkan kita akan chuba dengan sa-berapa daya memakai juga bahasa kebangsaan itu sa-bagaimana yang kita telah sebutkan tadi. Jadi bagaimana saya katakan jikalau nampak tidak dapat hendak di-pakai 100 persen, 90 persen pun harus di-pakai.

Berkenaan dengan Undang² dalam Parlimen ini di-katakan hendak-lah di-gunakan dalam bahasa kebangsaan. Hal ini kita telah ambil timbangan dengan berat juga. Tetapi dengan kerana banyak juga perkataan² yang di-gunakan di-dalam Undang² itu terpaksa juga di-pakai dengan bahasa Inggeris, kerana tidak dapat kita hendak gantikan dengan bahasa kita ini. Saya nampak Undang² dalam bahasa Inggeris kena juga di-pakai sekarang ini tetapi kita akan chuba mengadakan di-dalam bahasa kebangsaan—menggunakan perkataan² itu di-dalam bahasa kebangsaan, perkataan² yang kita semua faham dalam bahasa Inggeris ini juga. Kerana saya ini biasa daripada mula bekerja di-Kedah ada-lah menggunakan bahasa kebangsaan di-dalam semua perkara baik pun di-dalam pentadbiran negeri atau pun di-dalam Mahkamah. Dan juga dengan kerana itu di-Kedah ini banyak ma'ana-nya perkataan² Inggeris yang kita semua faham kita pakai, seolah²-nya perkataan itu perkataan bahasa Melayu. Jadi jikalau sa-kira-nya kita timbang tidak menjadi salah dan tidak membangkitkan keritik, harus kita gunakan atoran itu. Kadang², perkataan² yang di-keluarkan dari Balai Pustaka ini, saya sendiri pun tidak berapa faham; macham terjemahan sparking plug di-katakan percheck api, kita tidak tahu, kita semua pakai sparking plug, battery sa-umpama-nya. Saya harap di-dalam terjemahan ini di-pakaikan-lah apa benda yang kita kenal. Kerana tiap² Undang² di-kehendaki memberi orang faham ma'ana-nya dalam Undang² itu. Jikalau kita pakai terjemahan perkataan² dari

Balai Pustaka yang kita sendiri tidak faham tidak-lah menjadi guna. Jadi kerana itu saya harap pada masa hadapan kita chuba sa-berapa daya menterjemahkan Undang² ini di-dalam bahasa kebangsaan dan juga kita keluarkan Undang² di-dalam bahasa Inggeris.

Ada juga dengan ada-nya keadaan kesusahan pada masa ini kata-nya adalah di-sebabkan timbul-nya pembentokan Malaysia. Hal ini saya ingat di-keluarkan oleh sa-orang dua Ahli Yang Berhormat. Saya akan gaulkan semua sa-kali perkataan yang di-keluarkan sa-umpama ini yang men-chabarkan Kerajaan mengishtiharkan perang terbuka terhadap Indonesia, saya akan sebutkan belakang kelak. Dan juga perkara berkenaan dengan Kerajaan harus menentukan dasar-nya soal Rhodesia Selatan. Hal ini saya dapat sebutkan sekarang ia-itu Kerajaan telah pun menentukan dasar-nya tentang hal ini. Perkara ini saya telah jawab kepada Perdana Menteri British yang mengatakan, kami menentang segala dasar perbezaan warna kulit. Dan kita menentang juga segala perchubahan untuk menubuhkan sa-buah Kerajaan yang tidak di-terima sokongan dari semua ra'ayat walau pun kulit putih atau hitam, hal ini kita telah menentukan sikap pendirian kita.

Dan juga ada di-sebutkan lagi soal keengganan Russia membayar yuran kepada pertubuhan Bangsa² Bersatu. Malaysia telah pun memberikan keterangan di-atas pendirian kita atas hal ini, mesti-lah tuntutan hutang itu tetapi biar-lah di-jalankan peratoran United Nations atas Russia sa-hingga dapat jalan yang lain atau ikhtiar yang lain untuk menyelesaikan hutang ini. Kerana kita tidak mahu-lah sa-boleh²-nya United Nations menjadi perpechahan dengan kerana perkara yuran. Jadi dengan kerana itu tuan² pun sedia ma'alum sekarang ini United Nations mengadakan persidangan tidak mahu mengambil tindakan yang keras dan saya harap soal ini dapat di-selesaikan.

Berkenaan dengan hak² istimewa orang Melayu; ada sa-orang Ahli Yang Berhormat telah mengatakan bahawa patut-lah kita mendirikan satu

Lembaga Jema'ah atau pun Jema'ah Menteri bagi menjaga dan membuat ranchangan² jangka panjang untuk hak istinewa orang² Melayu dan bumi putera Sabah dan Sarawak supaya satu masa kelak mereka meningkat naik sama dengan kemajuan bangsa bersatu. Maka saya suka memberi tahu bahawa Menteri Perdagangan dan Perusahaan sudah pun ada sa-buah bahagian khas untuk menyusunkan hal² kemajuan perniagaan orang² Melayu. Dan Kementerian ini telah pun berjalan dengan chergas atas perkara ini. Tetapi jikalau kita menubuhkan satu badan untuk menjaga hak² Melayu nampak-nya sa-olah² kita ini bukan-lah Wakil Ra'ayat jelata di-sini, sa-olah²-nya kita in macham Kerajaan Colony dahulu ia-itu bagi menjaga hal² negeri dengan tidak ambil pandang di-atas kedudukan orang² Melayu itu. Walhal kita ini boleh di-katakan wakil daripada ra'ayat dengan kerana itu-lah kita kena-lah memandang di-atas kedudukan kehidupan ra'ayat² Melayu ini.

Maka dengan kerana itu tiap² usaha kita yang di-jalankan pada hari ini saperti ranchangan Luar Bandar dan lain² ranchangan perniagaan dan semua-nya kita tolong, tetapi bagi pehak orang Melayu, kena-lah tolong diri mereka sendiri. Jangan-lah harapkan segala²-nya kepada Kerajaan buat itu dan ini, dan Kerajaan telah memberikan lesen dan berbagai² perkara lagi. Tahu² lesen² itu sudah hilang, timbul di-tangan orang lain. Jadi pening kepala Kerajaan memikirkan, tetapi kita buat latehan untuk hendak memberi ra'ayat Melayu sedar bagaimana perjalanan perniagaan dan lain² dan dengan latehan² itu, kita harap satu hari kelak boleh-lah menolongkan diri mereka sendiri dengan pertolongan yang di-beri oleh Kerajaan.

Jadi lagi satu chadangan yang saya nampak baik ia-itu di-chadangkan supaya di-adakan Tabong Derma Kebajikan Ahli² Parlimen. Kalau kematian ahli² Parlimen berlaku, boleh-lah wang ini di-gunakan. Wang untuk Tabong itu hendak-lah di-ambil daripada elaun M.P. Saya memang ber-setuju-lah sangat jangan M.P.² ini meminta tambah elaun, (*Ketawa*). Chadangan itu sangat baik, tetapi

jangan sudah suroh potong elaun, besok minta tambah pula lagi (*Ketawa*), dan kalau sudah di-potong jangan-lah kata susah hendak melaksanakan itu dan ini.

Tadi ada juga di-sebutkan berkenaan dengan bahasa kebangsaan yang di-beri layanan pada masa dahulu, kata-nya pada masa dahulu pada masa pemerintah Jepun, jika tahu bahasa Jepun boleh dapat gaji lebeh, jadi kita di-sini tidak beri gaji lebeh bagaimana di-buat pada masa pemerintah Jepun dahulu, kerana kita memerintah negeri kita sendiri. Tetapi ada yang di-beri elaun sa-banyak \$30 sa-bulan kapada Juru Trengkas dan bagitu juga kapada tiap² sa-orang kerani yang mahir bahasa kebangsaan yang di-gunakan membuat kerja dalam bahasa kebangsaan. Lagi satu perkara dalam peratoran Perkhidmatan Juru Trengkas, Pensionable Allowance sa-banyak \$50 sa-bulan ada-lah di-beri kapada Juru Trengkas Bahasa Inggeris yang lulus dalam Peperiksaan Kerajaan dalam bahasa kebangsaan.

In connection with service matters, an Honourable Member from Sarawak suggested that in the present emergency situation we should see to it that promotions in the various services should not be on a racial basis but on personal merits. According to the Honourable Member, during his short stay here in Kuala Lumpur, he heard complaints of officers having been promoted not on personal merits. I am sorry to say that I do not know whether the Honourable Member is referring to any particular Service or merely generalising, or whether he is referring to the Services in the States of Malaya. In any case, in the States of Malaya, in accordance with the service principles laid down in the General Orders, promotion is based on qualifications, merits and experience. Any allegation that promotion is based on racial origin, I can say here, is not true. An examination of the establishment lists of the Federal Services will show that merits and not racial origin have been the basis. This service principle has been adhered to very strictly by the independent Public Services Commission.

The Honourable Member also suggested that in the Constitution provision is made for the reservation of quotas in respect of the Public Service for Malays and that there is no such provision in the Constitution for Sarawak or Sabah. It may be politically expedient in the States of Malaya to have this provision, but such a provision should not be extended to the other States of Sabah and Sarawak. In reply to this question, I can do no better than to quote paragraph 29 of the Malaysia Report of the Inter-Governmental Committee of 1962 which states among other things:

"It was agreed that.

- (c) in the application of Article 153 to the Borneo States the Yang di-Pertuan Agong should continue to exercise his powers under the Article on the advice of the Federal Cabinet, but such advice shall only be given after consultation with the Chief Minister of the State concerned . . . "

It follows from here that this provision is not extended automatically to the States of Sabah and Sarawak. Nevertheless, where possible, the extension of this protection for the natives of the two States must be considered and must be applied where possible.

Satu perkara lagi yang di-bangkitkan oleh sa-orang Ahli Yang Berhormat berkenaan dengan gaji "Equal Pay for Women", gaji sama untuk wanita². Ini belum di-laksanakan oleh sebab Pihak Pekerja, Staff Side, belum lagi dapat menerima tawaran Kerajaan. Sa-balek-nya mereka telah membuat chadangan balas—Counter Proposal dan ini sedang di-kaji dengan halus-nya. Bagitu juga berkenaan dengan hal pentadbiran juga, satu pertanyaan soalan ini daripada Ahli Yang Berhormat itu juga, apa-kah sebab Kerajaan belum lagi melaksanakan tangga gaji baharu bagi Doktor² semua. Kata-nya Doktor² tetap sahaja yang telah di-tawarkan, Doktor² Sementara, Doktor² yang bekerja dalam contract dan Doktor² perempuan, bersuami, ada di-anggap lain dan tidak di-beri tangga gaji baharu ini. Di-sini saya suka memberi tahu tangga gaji baharu untuk Doktor² ia-lah untuk semua Doktor² termasuk Doktor²

Sementara, Doktor² dengan chara contract dan Doktor² perempuan juga.

Ini ada-lah satu soalan lagi berkenaan dengan, telah menyentoh, katanya tentang kenyataan yang mengatakan bahawa ada pegawai² dalam Khidmat Luar Negeri yang telah tidak di-naikkan pangkat, pada hal rakan² sejawat-nya di-dalam tingkatan yang sama dalam M.C.S. telah di-naikkan pangkat. Hal ini sungguh berlaku tetapi perkara ini di-dalam pemereksaan dan harus perubahan akan dijalankan tidak lama masa lagi.

Lagi satu soal di-dalam kenaikan pangkat Pegawai² M.C.S., jasa bakti—merit—kata-nya tidak di-timbang. Jadi ini menurut service principles, semua kenaikan pangkat ada-lah dijalankan oleh Surohanjaya Perkhidmatan Awam telah mengkaji syarat di-dalam General Orders Cap. A 38 dimana ada di-sebutkan bahawa kenaikan pangkat ada-lah berdasarkan kapada jasa baik. Jadi kelayakan, kelulusan, pengalaman dan kemahiran semua-nya di-timbangkan. Jadi hal itu Kerajaan boleh di-katakan serah kapada Surohanjaya Perkhidmatan Awam. Jadi ini di-katakan sa-bagai satu pertubuhan atau surohanjaya yang bebas. Jadi tidak-lah saya ingin menaruh bimbang bahawa apa yang di-sebutkan oleh pegawai itu atau apa yang di-bimbangkan oleh Pegawai itu tidak-lah berasas.

Now, Sir, with regard to matters affecting the External Affairs Ministry, it was alleged that we did not give thought to the Middle East countries and also to the African countries and that it was only after we had been confronted by Indonesia that we, all of a sudden, started to make move to win over the African countries and the Middle East countries. I do not think the Honourable Member has forgotten the fact that many of the African countries have just become independent. Even before they became independent, we were the only country, perhaps, in the whole wide world that took up the question of the apartheid in Africa; and we too were the first to start the campaign for the boycott of South Africa because of its apartheid policy.

Therefore, to suggest that we did not pay any attention to these African countries, to say the least, is not true, because we have supported them and our thoughts and our consideration for the feelings of the African people is clear. We have not set up diplomatic relations with these countries for the simple reason that we have not the means, nor the men, to man all these various Missions. Being a new country, we have got to take time and we have not got, as I said, the money. Now with the money that we have got to spend in order to defend our country against Indonesia, we have got less money to spend on these projects—Missions abroad. If you will, perhaps, look at what we have now i.e. in the whole of America, you will see that we have only one Mission, in the whole of Europe we have got three Missions—in London, in Paris and in Bonn, Germany—and for the whole of African countries we have got one Mission and in the Middle East, one Mission. If you look at it in its real perspective, you will see that it compares quite favourably with what we have in Africa. However, it is our intention to set up more Missions in the other African States, and that is receiving the attention of this Government, now.

We have also tried, as best as we could, to inform these States of the situation with regard to trouble with Indonesian. I took the opportunity to explain things to all the members of the African countries and other Commonwealth countries at the Commonwealth Prime Ministers Conference in London recently. Also, we have sent delegations from time to time to the other countries, and we have invited newspaper men from the Middle East and from the African countries to come here to see for themselves how things are in this country. Therefore, to say that we have not done enough, would be half truth. But to say that we have not set up Missions in all the countries, is a fact and, as I have said, the reason for that is that we have not got the means to do so now, but this matter is under consideration. We should have thought that most of these countries in Africa and in the Middle East would

have known about what is happening here without our having to explain to them all the time, because I have taken a lot of trouble to write to the Heads of these States everything that happens with regard to this confrontation. Then we would have thought on humanitarian ground that they would have no choice except to show sympathy for us, because we are the victim—it is Indonesia which is the aggressor. They cannot, of course, be so ignorant as not to take heed of what is happening in this part of the world, nor of the principle which forms the basis of the United Nations, which is to defend the right of countries to exist as free and independent countries.

Some Honourable Members, of course, are inclined to find fault with this Government, particularly the Members of the Opposition. One Honourable Member suggested that it was we who are to blame for all these troubles with Indonesian—because we have formed Malaysia, suggested the Honourable Member, we have provoked Indonesia into declaring this confrontation against us. The Honourable Member unfortunately had not given any thought to what I had said time and time again in this House. Indonesia's design on our territories is not new. It dates as far back as 1945 when, as I have stated before—and I repeat here—Soekarno had declared these territories of Malaysia as belonging to the Greater Indonesia or Indonesia Raya. According to him, this is part of Indonesia. After independence, they set up diplomatic relations with us, and they have never forgotten at any time the design they have with regard to us. Under the pretext of friendship, they set up their Embassy here. When their master spy, General Djatikusumo was here, he took a lot of trouble and he spent a lot of time and money to try and build up pro-Indonesian elements in this country. He had succeeded in doing quite a lot until there was this rupture between us and Indonesia. Again, in 1959, Soekarno declared his intention to take over these territories, and confrontation was brought to a head, in fact, when I denounced Chinese aggression in India; then he felt that he

could get the support of the communists and together they would succeed in crushing Malaysia, which they considered as an obstruction to the communist expansion and an obstruction to Indonesian "revolusi" as they call it. So because we were quick enough to bring this trouble to a head, in fact sooner than expected, Indonesia was not fully prepared to carry out the design. Nevertheless, she was forced to bring about this showdown and started an armed aggression or an armed confrontation against us, but all their attacks, because they had not been fully prepared, had not been quite successful. In fact, they had quite a severe loss and I would like to mention here the number of losses which they have suffered as a result of this confrontation: they have had 297 killed, 297 captured and 65 surrendered.

So the Honourable Member for Ipoh does not seem to be happy about things. But if he feels unhappy about things, Sir, we cannot force him, of course, to stay here; he can go when he wants to go, we will still remain here and I think we can be quite happy here without him (*Applause*). If he wants to stay here, he has got to take the good and the bad as a citizen of this country and not just take the good only and leave the bad to us. As a citizen of this country he has his responsibility and his duty as everyone of us, but to talk so loosely I think is no help to us. It only benefits the enemy.

We are in no doubt that confrontation has escalated into something more serious—it has become an armed conflict. Under the Geneva Convention in dealing with the question of the desirability or otherwise of declaring that there is an armed conflict between Malaysia and Indonesia, it is important for us to determine the hostile intention of the Indonesian Government, because we want to try as much as possible to prevent an outbreak of a fullscale war. We have got to go a little bit slowly in this matter. According to this Convention, the presence of elements for recognising the existence of a state of armed conflict does not by itself make it obligatory on one party alone to

accept a state of armed conflict until and unless the other party also regards the situation as such. So we took the proper course, which we thought some time early last month, when we approached the Indonesian Government through the Thai Government to state whether their aggression or their conflict amounts to or come within the meaning of the Geneva Convention. They have taken a lot of time to consider our note, but in the end, just recently, they have replied. They have replied to the effect that they are signatory to the Geneva Convention and that they would invite an international committee, the Red Cross, to ascertain the status of those captured Indonesian volunteers. What it means in effect is that they have admitted the fact that they have carried out an armed conflict against their neighbour and this is a matter which we will take up at the United Nations when it meets next time. On this matter too, the Honourable Member as a lawyer must know that we cannot rush matters until we have taken stock of all evidence and circumstances so that we can satisfy ourselves as to what proper course of action is best for us to take so that the world may know us for what we are—a civilised country which upholds all the principles of the United Nations. We cannot put ourselves in the position of our neighbour or act like a tribe of barbarians whose only thought is to disrupt peace and to destroy mankind. So we are in this respect willing and ready to face Indonesia, because, as I have said before, and I repeat it here, we are not fighting just to save ourselves but we are fighting for the right of small nations, such as we are, to survive.

Dr Tan Chee Khoon: Mr Speaker, Sir, on a point of clarification. Am I to understand from the statement of the Honourable Prime Minister that this question of whether we are in a state of armed conflict with Indonesia is still under consideration by the Alliance Government? If that is so, as we subscribe to the Geneva Convention, am I to understand that we will, what the Latins say *festina lente*, make haste slowly in this matter, because according to the newspaper reports there have

been people who have been sentenced to death both in the Bornean States and in Malaya and, as such, if those sentences are carried out, then I do not know whether it will conflict with this consideration by the Government, that the state of armed conflict is still under consideration. Can we have an assurance from the Government that pending clarification on this matter, the execution will be stayed?

The Prime Minister: Well, that is why it has been very difficult for me to be forthright on this matter. There is only one case that is on appeal. But the Cabinet is having the matter in hand and we hope that in a short time we will be able to clarify the position in respect of those Indonesians who are captured by us. But there are also the others who are guilty of acts of treason punishable with death and there are quite a number of those people who are Malaysians and these people do not come within the meaning of prisoners of war. In their case, there can be no question about what the penalty will be and I do not think there will be any stay of execution if they are found guilty of treason, guilty under the law which is in force in this country under this present state of Emergency. That much I can explain to the Honourable Member, but I could do no more. My position here is to explain as best as I could to the Honourable Members of this House who brought the subject of Indonesian prisoners of war in this House. All I can do is to explain in this way: that this is a matter which is under consideration and we will make sure that the person concerned will not suffer as a result of the time we have to take to consider their position.

The other Honourable Member also suggested that we are using the wealth of this country for nothing, he asked for whose purpose is this war being fought? In reply to him, I would say that the wealth of this country is going to be used to good purpose. As I said just now, it is not only spent to defend our right and our freedom, but to defend the right of other small nations who are similarly placed as ourselves. Whatever resources we devote for this

purpose are I consider money well spent. Posterity probably will remember what we do now as a glorious feat of valour accomplished by this young nation, Malaysia. There was a question raised in this House asking whether Malaysia was formed for anybody's prestige. I say, "No". It is not formed for anybody's prestige, or through anybody's stupidity—it was said that we who worked towards the formation of Malaysia are all stupid people. There were so many people involved, and I dare say that they are not all stupid. It was formed for a purpose, and the purpose is to free these people in the Borneo territories and in Singapore from the yoke of imperialism. Therefore, I say that he does not have to worry about it as he does not intend to do the fighting; there are many who will fight and who will give their all to safeguard Malaysia from the Indonesians.

It was also suggested by an Honourable Member in this House that we should make a counter attack on Indonesia, but I still maintain that a good defence is the best means of attack, and what we are doing has served our purpose; unless circumstances demand, I do not think we will do anything more than what we are doing today.

Another Honourable Member suggested that we should follow completely the so-called non-aligned politics or, to be more correct, we should follow the trend of some countries in Asia and Africa, to toe the Eastern or pro-Communist line. The line that we take is what I thought to be the best for the people in this country—that is to provide them with food, with clothing and with happiness. I know, and I think some of the Honourable Members are aware that some of the countries who follow blindly the Communist bloc have not fared very well, and I think we would rather live in this country than in the many countries that are on the other side. In some cases it may suit them to follow the Communist bloc but I am sure it won't suit us, because one thing I learnt in my meeting with Chin Peng, the Communist leader, is "Once a

Communist, always a Communist"—and the Communists will not tolerate any people who are opposed to their line of thought or to their ideology: they will never co-exist with these countries. Therefore, we know that if we work with the Communists, or we try to co-exist with the Communists, before we know where we are we will find that we will be completely swallowed up.

Dr Tan Chee Khoon: Mr Speaker, Sir, on a point of clarification. Do I understand the Prime Minister correctly, when he stated he had formed the opinion, "Once a Communist, always a Communist"? If that is so, Mr Speaker, Sir, is he aware that there are in this House itself people who have been former Communists? If so, what action does he propose to take against these people?

The Prime Minister: Well, in that case, he is not a Communist (*Laughter*), because at one time he thought he was—now he is not a real Communist (*Laughter*). With Chin Peng, to tell you the honest truth, he is a man from whom, I felt, I had received one of the lessons that will always be a treasure to me. I was so indebted to him that when I left him I had requested the then Government that whatever happens Chin Peng must not be executed if he is captured, but that he should be allowed to go where he wants to, because I felt that he had given me that lesson and he was the one honest Communist whom I met. (*Laughter*).

Now, the other question that was brought up was about the setting up of consular offices in this country. There has been a little bit of misunderstanding and confusion, I think, in the minds of Members in the fact that, as the Taiwan Government has set up a consular office here, we have recognised Taiwan. In fact, we have not. This is only a commercial representative of that country. Whatever it is, we all know that there has been a great deal of commercial activities between Taiwan and ourselves, and they had requested whether they could set up a commercial representative here. A commercial representative is a consular

officer, who is no more than a businessman representing his country here—and it does not mean that we should recognise Formosa just because he is here to facilitate the granting of visas and various other things for those who wish to visit Formosa. According to reports from various people who have visited Formosa, it is a very nice country. (*Laughter*). It has got many, many attractions (*Laughter*), and those who have gone there once have always indicated their desire to go there a hundred more times. (*Laughter*). And so what I could do for the benefit of these people, for the benefit of the businessmen, I had done i.e. permit the setting up of a consular official here—and I hope the Members from the Opposite Bench will also take advantage of this to visit Formosa: I am sure they will enjoy themselves. (*Laughter*). Because we have permitted a consular official from Formosa to be here, it has been suggested that we should also set up a Communist China mission here. That is a different matter. That is not a subject which I would like to entertain, because there are so much implications. As I said just now, the warning, the advice, that was given me by Chin Peng will always remain with me, and we know that any country whose ideology runs contrary to that of the Communists can never be tolerated or accepted by them.

Now, on the question of Communist China's admission into the United Nations, I had mentioned some years back that we would support Communist China's admission into the United Nations, but the price which they asked was a little bit too great. They had asked for the expulsion of Formosa from the United Nations. We could not accept that as a condition for their admission into the United Nations because it would be wrong to sacrifice the lives of 12 million people who now live in Formosa.

Sir, that is about all that I need mention in this House. There are many matters that had been brought up and some of them have not been handed in to me, but whatever I have left out I will try and reply to them through one of my colleagues, who has yet to reply

to the various observations made in this House. (*Applause*).

Mr Speaker: Ahli² Yang Berhormat, persidangan ini di-tempohkan hingga pukul 4.30 petang.

Sitting suspended at 1.00 p.m.

Sitting resumed at 4.30 p.m.

(Mr Speaker in the Chair)

EXEMPTED BUSINESS (Motion)

The Deputy Prime Minister (Tun Haji Abdul Razak): Mr Speaker, Sir, I beg to move,

That the proceedings of the Supply Bill, 1965, this day shall be exempted from the provisions of Standing Order 12 and that the House shall not adjourn until after completion of the aforesaid proceedings.

Enche' Tan Siew Sin: Sir, I beg to second the motion.

Question put, and agreed to.

Resolved,

That the proceedings of the Supply Bill, 1965, this day shall be exempted from the provisions of Standing Order 12 and that the House shall not adjourn until after completion of the aforesaid proceedings.

THE SUPPLY BILL, 1965

Second Reading

Debate resumed.

Tun Haji Abdul Razak: Tuan Yang di-Pertua, saya suka hendak menjawab beberapa perkara berkaitan dengan pertahanan, dan berkenaan dengan pembangunan negara dan luar bandar Yang Berhormat Menteri Muda akan menjawab-nya.

Sir, I would like, first, to reply to the Honourable Member for Batu. Unfortunately, the Honourable Member is not present in this House. The Honourable Member said that as we had to shoulder a considerable burden of defence of the country we should ask Britain, Australia, New Zealand and the United States to give better contribution for our defence. Well, Sir, we are now facing the threat to our security, our independence, and we feel that it is necessary for us to expand our Armed Forces so that we will be able

to defend ourselves adequately. The view of the Government is not for us to depend on others to defend ourselves. We must show that we have made all efforts to defend our country ourselves before we can expect others to help us. In any case, Sir, United Kingdom, Australia and New Zealand have assisted us and they have their troops here fighting in defence of our country and have also assisted us in equipment and also in the expansion of our Armed Forces. I am, however, very surprised to hear the suggestion from the Honourable Member for Batu that we should endeavour to get other countries to assist us in the defence of our country, because the Honourable Member and his colleagues have always been against the Defence Treaty we have with the United Kingdom subscribed by Australia and New Zealand. However, Sir, it is heartening to know that the Honourable Member has considerably improved his attitude since he has sat in this House and listened to the views from this side of the House.

Next, Sir, I would like to reply to the Honourable Member from Singapore, the Barisan Sosialis. The Honourable Member stated that the Malaysian Government had to go begging to the United States and Britain for protection, and that these nations were offering aid to Malaysia for their own interest and that by so doing this we will be turning this country into a battlefield. Well, Sir, this country is already a battlefield now, and we have to defend ourselves, and because there is aggression against us by a bigger and stronger nation we have a right to ask other nations to help us and the help we have obtained from friendly countries have been given without any conditions, and the help given will not affect our sovereignty or our independence. We have so far received aid from the United Kingdom, Australia, New Zealand and Canada and all this help has been without any conditions.

Now, Sir, I would like to add to the statement made by the Honourable Prime Minister this morning on the subject of our relationship with the

Middle-East and African States. As Honourable Members know, I have just come back from a visit to four important States of Africa, namely, the United Arab Republic, Morocco, Algeria and Tunisia. As the Honourable Prime Minister had explained, the Government had always endeavoured to maintain close and friendly relations with those countries in the Middle-East and in Africa. During the visit that I have had, I was extremely pleased with the manner in which I was welcomed in all the four States. The leaders of these countries gave me a sincere and warm welcome. I had the opportunity of meeting the Heads of States of these four countries and to explain to them the real facts about the situation in South-East Asia, the real facts about confrontation and aggression by Indonesia against us. The leaders of these countries showed understanding and anxiety, and they also expressed the wish that the present trouble would be settled peacefully. I have explained to them that we on our part are always ready and willing to find a peaceful settlement to this trouble. But what we cannot tolerate is the use of force by Indonesia against us—we cannot tolerate this sort of aggression against our territory. Whatever differences this country might have with another country, no country is justified to use force against another country. Indeed if force is tolerated, then no country can be safe nor would it be possible to maintain peace in this world. From the discussions I have had with the leaders of these countries, it is clear to me that the newly emerging African countries have understood our position and have understood our point of view. I am very grateful to the Governments of these four countries in the way they had received my delegation and for the welcome and hospitality that was extended to us. The three countries Morocco, Algeria and Tunisia have agreed to accept diplomatic relation from Malaysia. They have also stated that they would like to maintain close and friendly relations with us in the future.

Now, as the Honourable Prime Minister has stated, it is the intention

of our Government to maintain contact with these countries and to send missions to visit other countries in Africa. I had intended myself to visit other countries, but in view of the Budget meeting I had to get back to Kuala Lumpur. So it had not been possible for me to do so on this occasion.

We are also, as the Prime Minister has stated, considering establishing more Missions in Africa. Now, all these four countries I have visited, stated that they clearly understood that Malaysia is an independent and sovereign Asian nation. This completely belies Indonesian propaganda that we are a neo-colonialist country. I also made clear our position regarding the Afro-Asian Conference. It is generally agreed that the Afro-Asian Conference is geographical and not political and, therefore, any independent sovereign nation at the Afro-Asian region has a right to attend. This view, I feel, is now well understood in most countries in Africa.

Tuan Yang di-Pertua, saya suka hendak menjawab Ahli Yang Berhormat dari Pasir Puteh. Ahli Yang Berhormat itu ada berkata bahawa mustahak-lah kita mempunyai belanja sendiri dalam hal pertahanan negara kita. Dasar Kerajaan kita berkenaan dengan mempertahankan ia-lah kita bertanggung-jawab di-atas pertahanan negara kita. Tetapi kita ini negeri kecil, dan kalau kita hendak mempunyai tentera yang cukup untuk pertahanan dari serangan luar tentu-lah akan memakan belanja yang banyak dan kita sudah tentu tidak mampu hendak mengadakan belanja. Belanja kita kehendaki bukan sahaja untuk membeli senjata, membeli pakain², membeli kapal² dan kapal² terbang, belanja di-kehendaki kerana membayar gaji² dan allowance². Wang kerana membayar gaji ini-lah kita tidak dapat pinjam dari luar atau dapat bantuan dari luar. Akan tetapi sungguh pun begitu kita sedang mengambil langkah membesar dan meluaskan tentera² kita supaya kita dapat mengambil bahagian yang lebih luas lagi dalam pertahanan negara kita. Sungguh pun seperti saya katakan tadi, kita bertanggung-jawab penuh dalam

lapangan pertahanan tetapi kita sudah di-serang oleh negeri—sa-buah negeri luar; oleh itu terpaksa-lah kita minta bantuan daripada rakan² kita yang telah bersetuju hendak memberi bantuan. Ini biasa di-perbuat dan menjadi hak satu negeri di-serang seperti kita ini mendapat bantuan daripada mana² juga negeri yang suka hendak memberi bantuan untuk mempertahankan kemerdekaan dan kehormatan negara kita.

Tuan Yang di-Pertua, ada satu perkara Yang Teramat Mulia Tunku Perdana Menteri ketinggalan menjawab-nya pada pagi tadi, ia-itu pandangan daripada Ahli Yang Berhormat dari Kota Star Selatan yang mengatakan Perjawatan Malaysia, atau F.E.O., itu sangat memegang kuat kepada General Orders sa-hingga merosakkan kedudukan pegawai². Jadi, saya suka hendak terangkan bahawa menjadi tanggung-jawab kepada pegawai² Kerajaan menjalankan Undang² General Orders dan biasa-nya didalam General Orders kita tidak adalah discretion yang di-berikan kepada pegawai². Jadi, kalau kita dapati General Orders kita itu ketat mustahak-lah kita pinda, betulkan dan longgarkan. Jadi kita tidak boleh-lah bila adakan Undang² kita benarkan pegawai² menggunakan discretion, kalau di-longgarkan Undang² itu tentu-lah nanti mengechiwakan perjalanan pentadbiran Kerajaan.

Tuan Yang di-Pertua, bagi akhirnya, saya suka hendak menerangkan sedikit berkenaan dengan dasar Kerajaan hendak membaiki iktisad orang² Melayu dan juga ahli² bumiputera di-seluruh Malaysia ini. Seperti yang telah di-terangkan oleh Yang Teramat Mulia Tunku Perdana Menteri, Kerajaan mengadakan satu Secretariat di-Kementerian Perdagangan dan Perusahaan untuk mengawal hal ini dan ada di-tubuhkan satu Jawatan-kuasa Jema'ah Menteri yang Pengerusi-nya saya sendiri untuk menimbangkan dasar² yang patut bagi melaksanakan perkara ini. Saya suka menegaskan disini bahawa Kerajaan ada-lah mengambil berat di-atas perkara ini dan Kerajaan memikirkan ini-lah satu perkara yang penting, yang mustahak bahkan

ranchangan kemajuan Kerajaan akan berhasil dengan sa-penoh²-nya melainkan Kerajaan perchaya membaiki iktisad orang² Melayu dan juga anak² bumiputera yang dudok di-kampung² di-seluruh negara kita. Saya sukachita mendengarkan buah² fikiran yang di-datangkan oleh beberapa Ahli² Yang Berhormat di-atas perkara ini. Sungguh pun pada masa ini ada satu Secretariat dan juga ada satu Jawatan-kuasa Jema'ah Menteri yang menentukan dasar di-atas hal ini dan menyatukan langkah² yang di-ambil oleh Kementerian² dan Pejabat² Kerajaan, tetapi Kerajaan sedang menimbangkan satu chara yang lebeh tegas lagi untuk melaksanakan dasar ini. Saya telah berunding dengan rakan saya Yang Berhormat Menteri Perdagangan dan Perusahaan dan telah bersetuju bahawa patut-lah pelaksanaan di-atas perkara menolong orang² Melayu bumiputera membaiki iktisad itu di-selenggarakan oleh satu badan yang besendirian supaya langkah² perjalanan dengan lebeh tegas dan perasaan dapat mendatangkan hasil dengan sa-penoh²-nya (*Tepok*).

Saperti Ahli² Yang Berhormat mengetahui sekarang ada beberapa lembaga² yang bertanggung-jawab menjalankan ranchangan² kemajuan untuk ra'ayat saperti Lembaga Kemajuan Tanah yang bertanggung-jawab membuka tanah baharu dan saya berchadang hendak menubuhkan satu lembaga lagi Lembaga Pembinaan Tanah atau Land Rehabilitation Authority yang akan bertanggung-jawab menolong menjayakan tanah ra'ayat bukan sahaja tanah² baharu bahkan tanah² yang lama juga yang sedang di-punyai ra'ayat pada masa sekarang ini. Bagitu juga rakan saya Yang Berhormat Menteri Pertanian dan Sharikat Kerjasama sedang meranchangkan hendak menuboh satu Lembaga Pasaran yang akan bertanggung-jawab menolong ra'ayat dan juga pemodal² kecil untuk mendapatkan pasaran yang lebeh sempurna dengan barang² keluaran mereka itu. Dengan ada-nya lembaga² ini bermahana-lah RIDA atau pun Lembaga Kemajuan dan Perusahaan yang dahulu mempunyai berbagai² tanggong-jawab

dapat di-beri tugas yang baharu, ia itu tugas untuk menjalankan perusahaan² kecil, memberi latehan kapada orang yang hendak mengambil bahagian dalam perniagaan dan perusahaan dan memberi pinjaman untuk menjayakan perusahaan² mereka itu.

Saya harap dapat di-kemaskan kedudukan RIDA ini dan di-beri tugas yang baharu dan di-beri rupa dan nama yang baharu kapada RIDA ini, supaya dapat Lembaga ini menumpukan usaha dan tenaga bagi menolong orang² Melayu dan anak bumiputera untuk membaiki iktisad mereka itu (*Tepok*). Tidak dapat tiada pada fikiran Kerajaan satu ranchangan mustahak-lah di-adakan—ranchangan jangka pendek dan ranchangan jangka panjang supaya pelaksanaan dapat di-jalankan dengan lichin dan sempurna dari satu masa ka-satu masa. Perkara ini saperti kata Yang Teramat Mulia Tunku Perdana Menteri ada-lah satu perkara sukar hendak menchapai penghasilan-nya dengan memuaskan hati. Tetapi saya yakin dan perchaya jikalau perkara ini dapat di-ator dengan sempurna dan ada satu badan yang tertentu yang akan bertanggung-jawab di-atas hal ini dan ra'ayat yang berkaitan di-beri latehan, layanan dan pertolongan yang sa-patut-nya saya yakin dan perchaya kita akan mendapat kehasilan dalam lapangan iktisad anak negeri ini. Oleh itu saya berharap dan saya berseru supaya Ahli² Yang Berhormat dalam Dewan ini dan juga orang² Melayu, ahli² bumiputera dan juga orang² lain yang ada mempunyai buah fikiran dan pandangan dalam hal ini dapat memberi kerjasama dengan Kerajaan supaya bukan sahaja dapat di-adakan satu ranchangan yang tetap bahkan dapat di-adakan pelaksanaan yang terator dari satu masa ka-satu masa. Ini-lah dia-nya chadangan Kerajaan dalam lapangan ini dan saya harap chadangan ini dapat pandangan dan sokongan yang sempurna oleh seluruh ra'ayat negeri ini terutama orang² Melayu dan juga ahli² bumiputera di-Malaysia ini. Terima kaseh. (*Tepok*).

The Minister of Health (Enche' Bahaman bin Samsudin): Tuan Yang

di-Pertua, saya suka memberi penerangan terhadap beberapa soalan² dan permintaan² yang di-hadapkan pada Kementerian saya. Terlebih dahulu saya ucapkan terima kasih pada Ahli² Yang Berhormat yang telah memberikan beberapa shor² yang membena terhadap Kementerian saya. Shor² mereka itu telah di-ambil perhatian untuk di-timbangkan. Mana yang dapat saya jawab pada masa ini saya akan jawab.

Ahli Yang Berhormat daripada Johore Bharu Timor telah menyatakan bahawa ramai bilangan Merinyu Kesihatan telah meletakkan jawatannya oleh kerana tidak puas hati dengan tangga gaji sekarang ini dan beliau menyatakan bahawa memandang kepada tugas² mereka yang penting, perkara ini sangat²-lah mendukachitakan.

Saya suka menyatakan bahawa pindaan tangga gaji Merinyu Kesihatan telah di-tambah oleh Kerajaan, dan pada masa ini satu tangga gaji baharu yang lebih elok telah di-tawarkan oleh Kerajaan. Kementerian saya juga ada-lah mempertimbangkan chara² memperelokkan lagi sharat² perkhidmatan Merinyu Kesihatan itu.

Ahli Yang Berhormat itu juga telah menarek perhatian berkenaan dengan kekurangan doktor di-pusat² kesihatan, terutama sa-kali doktor gigi. Beliau menyatakan sa-kali pun banyak anak² negeri mempunyai kelayakan, tetapi oleh kerana tangga gaji yang tidak memuaskan, mereka enggan berkhidmat dengan kerajaan. Saya suka menyatakan bahawa kita semua ma'alum, tangga gaji doktor² perubatan dan juga doktor² gigi telah di-pinda dan diperbaiki baharu² ini ia-lah bertujuan supaya doktor² anak negeri tidak ragu² memberi perkhidmatan-nya kepada negara. Tambahan pula doktor² pada masa ini sangat kekurangan. Tuan² lebih ma'alum tentang pendapatan doktor private berlipat kali ganda daripada pendapatan menjadi doktor Kerajaan. Kementerian saya juga adalah sentiasa berikhtiar menambah bilangan doktor², sama ada dari dalam negeri atau daripada luar negeri untuk berkhidmat dengan Kerajaan.

Ahli Yang Berhormat dari Jitra telah menyatakan bahawa ia telah memberitahu tentang kenaikan gaji baharu ada-lah sa-mata² bagi pegawai perubatan dan doktor gigi yang berjawatan tetap, manakala pegawai² perubatan sa-chara kontrek dan sementara, tidak dapat kenaikan gaji. Berkenaan dengan perkara ini, Yang Amat Berhormat Tunku Perdana Menteri, telah memberi jawapan tadi.

Saya suka menambah bahawa urusan ini ada-lah sedang di-jalankan meminda surat² perjanjian kontrek mereka itu supaya membolehkan pembayaran dahulu tangga gaji baharu ini. Nyata-lah salah faham timbul, oleh kerana urusan tersebut mengambil masa sedikit.

Ahli Yang Berhormat dari Temerloh telah meminta pegawai perubatan Kementerian Kesihatan di-tukarkan dengan pegawai gigi, ini di-lakukan dan mereka berasa tidak puas hati, tetapi mereka di-tukarkan ka-tempat² yang terpenchil. Beliau menambah kata sa-kira-nya mereka juga menchuaikan tugas mereka itu, hendaklah tindakan di-ambil oleh kerana sangat² mustahak mereka itu berkhidmat dengan penoh ta'at setia supaya perkhidmatan mereka terjamin.

Suka saya mengesahkan memang-lah jadi dasar Kementerian saya menukarkan pegawai² dengan chara bergilir² supaya seberapa boleh peluang yang di-beri sama kepada mereka itu berkhidmat di-bandar² dan juga di-tempat² yang terpenchil, sa-kali pun begitu, di-sebabkan oleh beberapa sebab termasuklah keadaan kekurangan doktor yang di-hadapi pada masa sekarang ini. Dasar ini tidak-lah dapat di-jalankan dengan sapenoh-nya. Sa-lain daripada menitek beratkan mustahak-nya bagi mereka itu memberi perkhidmatan dengan penoh tanggung jawab dan tertib, Kementerian saya memang sedia mengambil tindakan yang tegas kepada mereka² yang nyata menchuaikan kewajipan-nya.

Ahli yang Berhormat dari Muar Utara telah berucap berkenaan Majlis Penasihat Kebangsaan dalam

Kementerian saya, dan meminta supaya sa-orang wakil Meshuarat Raja² dan sa-orang wakil daripada Jabatan Ugama di-lantek menjadi ahli, sebab² mustahak di-lantek kata Yang Berhormat itu, ia-lah supaya buah fikiran mereka itu boleh di-dapati, mithalnya dalam perkara mengkebumikan jenazah orang Melayu, ia-itu orang² Islam, dan juga mengkhatakan kanak². Shor² Yang Berhormat itu saya ambil perhatian dan akan di-beri pertimbangan yang sa-wajar-nya, sa-kali pun saya perchaya pada masa ini perkara² itu ada-lah di-lakukan dengan sempurna-nya, Yang Berhormat itu juga telah meminta supaya mengadakan Pembantu Rumah Sakit yang chukup bilangan-nya untuk menjalankan tugas mengkhatakan kanak². Kementerian saya memang kurang pegawai² sekarang ini, sa-kali pun bagitu, shor yang membena itu telah saya ambil ingatan dan akan dilaksanakan.

Ahli Yang Berhormat dari Seberang Utara telah menarek perhatian terhadap tuntutan Kesatuan Sakerja Pembantu² Rumah Sakit supaya kesatuan itu di-iktiraf dan di-terima mengambil bahagian dalam rundingan pindaan gaji Pembantu² Rumah Sakit.

Perkara pindaan gaji ini ia-lah dibawah urusan Whitley Council, dalam Jabatan Perdana Menteri dan Kementerian saya tidak mengambil bahagian dalam perundingan itu. Kita sedar beberapa kesulitan harus akan timbul sekira-nya perkara pindaan gaji itu di-rundingkan dengan lebeh daripada satu kesatuan sahaja yang harus berpendapatan berlainan. Sa-kali pun bagitu, suka saya menyatakan Kementerian saya telah menjalankan sa-genap ikhtiar supaya perkara ini dapat diselesaikan dengan segera.

Ahli Yang Berhormat dari Kota Star telah berchakap atas soal bidan² yang sangat muda yang tidak berumah tangga di-pilih oleh Kerajaan. Tuan Yang di-Pertua, saya sendiri dalam lawatan saya telah mendapati keadaan bagitu, dan kerana itu saya telah beri arahan supaya sa-berapa boleh-nya di-pilih bidan² yang tua sadikit dan ada berumah tangga dan daripada

kawasan² di-mana bidan² itu akan ditempatkan sa-telah berlateh. Dalam pilihan bidan² ini saya telah meminta Kerajaan Negeri mengambil bahagian dengan menghantar sa-orang wakil duduk dalam Jawatan-kuasa Pemilihan itu.

The Honourable Member for Tanjong stressed on the importance of the nation's health and the urgent need for more doctors, especially in the present situation of confrontation. I wish to assure the Honourable Member that, as I have repeatedly stated in public, my Ministry is making every endeavour to recruit more and more doctors, whether locally or from abroad.

The Honourable Member also suggested the establishment of a Medical Research Council and that of an Academy of Medicine in order to improve the standard and studies of medicine in this country. In this connection, I wish to state that it has always been our policy, having due regard to our special circumstances, to maintain and, wherever possible, improve the standard of medicine in this country. I wish to assure him that his suggestions will be given due consideration.

The Honourable Member alleged that Government does not seem to be aware of the facilities that were provided whereby our own local graduates can undertake post-graduate training at Singapore with the help of the experts from Australia. I wish to state here that Government is fully aware of the facilities provided and is making full use of such facilities. For example, in 1963, three Government doctors attended courses for the M.R.A.C.P. and the primary F.R.A.C.S. in Singapore.

The Honourable Member also drew attention to the need for a new ward block at the Penang General Hospital. I wish to assure the House that the needs not only of the Penang General Hospital but of all hospitals and areas in the country are always under constant review in my Ministry. Necessary measures to meet these needs on a

priority basis within our financial limitations will be taken.

The Honourable Member for Batu referred to the provisions for the Ministry of Health in the 1965 Estimates and suggested that the percentage increase is very small and insufficient to meet the Ministry's needs. Well, I am very grateful to him for making this suggestion. I, of course, would like very much to see that the Ministry of Health be given a bigger percentage increase for 1965. However, having regard to the present position and the various urgent priorities, I am happy to state that the Government has generously considered and provided for the needs of my Ministry in the 1965 estimates; especially in our present situation you just cannot have everything you want.

The Honourable Member also stated that during the last sitting of Parliament his allegation of shortage of drugs and other medical stores in the hospitals had been categorically denied by me, and that there was no shortage, but he went on to say that the Honourable Member for Telok Anson recently sent a telegram to me imploring assistance to remedy the shortage of drugs and medical stores in the Telok Anson Hospital. In this connection, Sir, I wish to repeat a statement, a press release, sent by my Ministry, namely, that adequate funds are available for the purchase of drugs and stores, but that it would seem, in the case of Perak, that there has been an unwise distribution of the sums made available. An investigation into the details of this unwise distribution is being undertaken. In regard to the telegram referred to, I am afraid the Honourable Member for Telok Anson has, rather unfortunately, made a mountain out of a mole hill. The temporary shortage of Telok Anson has been met. I can assure the House that there is an adequate supply of drugs available at any time in our stores. Thank You.

Dr Tan Chee Khoon: On a point of explanation, Sir. The Minister has said that there was an adequate supply

of drugs and medical stores in the stores. Well, that is entirely a different thing from having an adequate supply in the hospitals. He referred to a telegram and other press releases, but can we have an explanation of that? There is a little difference between adequate supply in the stores and adequate supply in the theatres and in the wards. There is a little difference which, perhaps, might have escaped the Honourable Minister.

Enche' Bahaman bin Samsudin: Mr Speaker, Sir, it is all a question of inter-arrangements in each State. If one hospital is short of any particular drug, it can ask from another hospital through the State Medical and Health Officer.

The Minister of Commerce and Industry (Dr Lim Swee Aun): Mr Speaker, Sir, the Honourable Member for Pasir Puteh quoted Professor Ungku Aziz in describing the reservation of shares in pioneer companies as a "Kachang Goreng Economy".

Sir, there seems to be a widespread misunderstanding as to what my Ministry is trying to do to assist in the Malay economy.

The Alliance Government is pledged to raise the economic level of the Malays as a whole. The work is divided amongst the various Ministries—sometimes the work of one Ministry overlaps the work of another in its effort to assist the Malays. Generally speaking, the Ministry of Rural Development and the Ministry of Agriculture and Co-operatives work towards raising the standard of living of the rural Malays. Land is given to the landless, productivity of the farmer, the fishermen is increased. Capital in the form of loans from RIDA are given, and co-operatives formed to assist in marketing and increasing the cash earnings of the Malays. These are some of the efforts to raise the Malay economy as a whole.

My Ministry, the Ministry of Commerce and Industry, is charged with the work of assisting the Malays to take greater participation in commerce.

and industry. Sir, this is only one section of the work of the Alliance Government in its overall effort to raise the economic position of the Malays.

As such, therefore, my Ministry endeavours to do its best to see that more and more Malays take part in trade, businesses and industries—needless to say, taking part in commerce and industry means capital participation, with the expectation of capital growth through profits. But first you must have the capital.

Where there is lack of capital, my Ministry tries to make it easier for the Malays to borrow such capital from RIDA, the Sharikat Kewangan or the banks.

As one of the means to collect capital, the Sharikat Permodalan Kebangsaan was formed so that a great number of Malays with small capital can usefully pool their resources for investment.

With the advent of industrial development, the formation of new pioneer companies gave my Ministry the wonderful opportunity to set aside or to reserve some of the shares for Malays so that they can participate in industry easier.

There are two types of pioneer companies—private and public. The reservation of shares in both these types of pioneer companies gives the Malay individuals with capital and the Malay investment companies the opportunity to choose where and how they can invest. We have now included the *Tabong Haji* as a Malay institution which can receive shares reserved by pioneer companies for Malay participation. In private companies the Malays can actively participate in the management of the firm if they so wish.

In this way, the Malay with capital can go into joint-venture with others who have the technical skills. In this way, not only can the Malay learn the problems of trade and industry but also feel that his capital is reasonably secure. In time, with capital

growth, he can then venture on his own.

As I have tried to explain, Sir, my Ministry is charged with assisting the Malay to take a more active part in commerce and industry. My Ministry is not wholly responsible for uplifting the economy of the Malays as a whole. This is the responsibility of the whole Government.

In the light of my explanation I therefore cannot understand why the reservation of shares for Malays in pioneer companies should be criticised by a section of Malays and described as a “Kachang Goreng Economy”.

Does it mean that the Malays should not buy shares and own shares in the newly emerging factories that will probably be the backbone of our economy in the future? Should they let these opportunities pass by? Does it mean that by reserving these shares, it will be detrimental to those Malays who wish to associate themselves with commerce and industry? I am glad that there are some Malays who do not think so. I am glad to note that even the Honourable Enche' Rahim Ishak of Singapore, of the so-called Socialist Peoples' Action Party, wants to create a Malay capitalist class, but, as he says, we must first create a rich Malay middle class. Sir, I believe that one of the ways that this can be achieved is through Malays buying shares in industrial companies.

May I take this opportunity to remind the Honourable Member for Pasir Puteh that it is not only the Central Government but also all State Governments, including the State of Kelantan, that they are equally responsible to raise the economic situation of the Malays. May I ask him what his P.M.I.P. Government has done for the Malays.

Sir, as you have just heard, the Honourable Deputy Prime Minister had stated that the Government proposes to establish a separate new body to be responsible for raising the economic level of the Malays.

Now, I come to the Honourable Member for Batu. In condemning our

industrialisation programmes, he asked the Honourable Prime Minister to set up a commission of inquiry. He claims that the pioneer industries have not benefited the country; instead they have cheated the people. He sees in the pioneer industries a means for "foreign capitalists to squeeze out local capital from our market". I am astounded at the great concern of the Honourable Member for Batu—a good socialist—over the fate of the local capitalists.

Dr Tan Chee Khoon: Sir, on a point of clarification. I did mention that I was not concerned over them. To me both foreign and local capitalists are the same. I am only posing this question to the Honourable Minister.

Dr Lim Swee Aun: Mr Speaker, Sir, on the one hand the Honourable Member condemns the local capitalists as blood suckers and exploiters of the peasants and workers; on the other hand, he condemns foreign capitalists for trying to squeeze local capitalists. The Honourable member for Batu must apparently be a person with a split personality like Dr Jekyll and Mr Hyde. (*Laughter*). Sir, he says he does not drink alcohol because he is a good Methodist as well as being allergic to alcohol. (*Laughter*). One wonders how much money he has invested in shares and how much property he owns. He can be a good socialist as well as a good capitalist one at the same time! (*Laughter*).

Dr Tan Chee Khoon: On a point of clarification—I do not take alcohol because I cannot afford that luxury.

Dr Lim Swee Aun: But you did admit that you are allergic to it? (*Laughter*). In any case, Sir, after listening to his tirade against industrialists, one can conclude that the Socialist Front intends to keep Malaysia a backward agricultural country. The Socialist Front is against our manufacture of consumer goods because he claims that it is cheaper to import than to manufacture such goods. In other words the Socialist Front prefers us to continue to sell raw commodities and import manufactured

goods because they are cheaper. Surely, the Honourable Member for Batu must know that because of the continued fall in prices of primary commodities we must take steps to diversify our economy. Our earnings from exports of primary commodities are not sufficient to pay for the increased cost of consumer and other manufactured goods that we must import. That is the problem of all developing and under-developed countries—how to earn more to pay for our imports.

The Honourable Member appears to be a widely-read scholar. He may have skipped through the report on the economic aspects of Malaysia by a Mission of the International Bank for Reconstruction and Development led by Governor Rueff in 1963. Now, in the chapter which deals with the economic promise of merger, besides agricultural expansion, it says in paragraph 30 on page 9:

"It is, however, in manufacturing that the greatest potential lies. On the basis of comparisons with other developing countries, it is difficult to avoid the conclusion that a rapid expansion of manufacturing is overdue in Malaysia."

The problem is "How?" The Socialist Front has always preached a plan of centrally-controlled economy, an economy that is monopolistic, an economy that will not countenance foreign investments. In the eyes of the Socialist Front any capital, foreign or local, must be nationalised. Yet the Honourable Member quoted Silcock and Fisk condemning the evils of monopoly. We, however, have faith in a free economy, where free competition and free price levels offer the consumers all freedom of choice. As we do not have the technical skills, the fastest way to industrialise is to attract foreign investors to start factories in Malaysia. Let us be honest with ourselves. The profit motive is still the strongest attraction for investment. The Honourable Member for Batu may have the greatest dedication for service to the people but at the same time in opening his private medical clinic the profit motive would surely not be absent. (*Laughter*). To stimulate a faster pace of industrialisation the pioneer status was introduced.

The Honourable Member for Batu criticised the pioneer legislation on grounds of excessive generosity and evil social effects. In support, he quoted from the World Bank Report of 1954. Sir, may I point out that that Report was written during the colonial era ten years ago. It is hardly relevant—ten years later—as a commentary on the policies of an independent nation which began to form its own independent policies three years after that Report was written. It is, perhaps, more appropriate, however, for me to recommend to the Honourable Member, and any other Honourable Members of similar persuasion, to read and study the whole of the Rueff Report written in July 1963, when attempting to broaden their understanding on the nature of Malaysia's economy and economic requirements.

What does the World Bank in 1963 say of the pioneer status policy in general? On page 32 it says:

"The Mission accordingly recommends that, in preparing the new legislation that will be required to harmonize pioneer industry policies, consideration be given to expanding the industrial coverage of the legislation and the scope of the concessions."

It is very clear that it recommends "expansion" and not "contraction" of the concessions so far given. Sir, this is a plain endorsement of the basic principles of the pioneer status idea.

Have pioneer industries brought about benefits to this country? Let me quote the Rueff Report again. In paragraph 82 on page 26, it is stated:

"The recent growth of the manufacturing sector appears to have been rapid, particularly in Malaya; the net value of output in Malaya probably rose by over 30% between 1959 and 1961, accompanied by a rise of around 26% in salaries and wages paid Employment in the sector rose by about 15% the establishment of pioneer firms playing a large part in this development."

How can the Honourable Member for Batu claim that pioneer industries have not brought any benefit to the country?

Dr Tan Chee Khoon: Mr Speaker, Sir, at the risk of interrupting the Honourable Minister, I wish to correct certain statements of his. Firstly, we are not against industrialisation or

diversification of the economy of this country as alleged by the Minister that I have said so. I said nothing of that sort. Secondly, we are only against the special treatment that is given to the pioneer industries. Thirdly, he said that we were against monopolistic enterprises. Yes, we are against the monopolistic enterprises in the private sector but not in the State sector.

Dr Lim Swee Aun: He wants to eat the cake and have it at the same time, Sir! In any case, in the last five years, a total of \$500 million have been committed in the form of paid-up and loan capital in pioneer projects. About \$200 million is local capital investment in the manufacturing sector. Up to the third quarter of this year, 248 companies have been granted pioneer status; slightly more than half of these companies are already in production. More than 18,000 people are already directly employed in these factories. More will be employed when the remaining factories are opened.

What about the indirect increase in employment as a result of the setting up of these pioneer factories? Take the plywood factories, for example. The demand for timber logs has found new employment for loggers in the forests. The increased transportation has found work for the drivers and the manual workers. The coir factory in Pontian has found new indirect labour for rural folk to go collecting coconut husks to feed the mills. These are but a few examples. The factories established so far may be described as producers of consumer goods. But they have a cumulative and multiplier effect. The finished products of one factory may become the raw materials of another factory. With the growth of industrialisation, there is also a growth in the demand for raw materials thus creating new agricultural products. The establishment of the sugar refinery has stimulated interests in the planting of sugar cane. The growing number of animal feed mills has created a demand for maize or jagong. These new demands have paved the way for diversification of our agricultural economy.

The Honourable Member for Batu has scorned the value of import substitution. He says that we only manufacture what we used to import before, and that this is not real industrialisation. Little does he realise that by manufacturing consumer goods that we once imported, we are not only saving a considerable amount of foreign exchange, but we are also training people to acquire managerial and technical skills so as to fit them for the manufacture of more sophisticated goods later on. Not only have we been saving foreign exchange, our pioneer factories are already earning foreign exchange through exports of their manufactured goods. In 1961, 27 pioneer factories exported slightly over \$15 million worth of goods, which are as varied as animal feeds, cement admixture, batteries, paints and enamels, tooth paste, medical supplies, pharmaceutical supplies, crown corks, sulphuric acid, spun rayon yarn, electric cables, textiles, particle board, essences, metal containers, plastics, matches, metal louvre windows, condensed milk, tyres. Exports were shipped to 23 different countries with the United Kingdom, West Germany and Hong Kong leading, followed by Thailand, Denmark, the United States of America, Cambodia, Burma, Ceylon and fourteen other countries. Since 1961, our exports of manufactured and semi-manufactured goods have considerably increased, so much so that we now have a little trade dispute with the United Kingdom over the question of quota for textiles.

The Honourable Member for Batu has alleged that protective duties have been the cause of the higher prices of goods. One must realise that except for the United Kingdom, every other industrialised country has been able to successfully industrialise because of a protective tariff wall. This is necessary for the infant industries to survive against the competition of exports of industrialised countries. Sometimes these exports are sold cheaper abroad than at home. As I once said in this House, it is cheaper to buy a camera or a transistor, watch or "Arrow" shirt in Malaysia than in the country of

origin. Why? It is because the exporting countries want to earn foreign exchange and also to find markets for their surplus production capacity. In a sense goods manufactured in small volume by a developing country can sometimes not be cheaper than the imported article.

However, it is our policy to protect only those efficient factories whose products are up to standard and where we know competition from imported goods have not been fair.

In most cases where protection has been given, the manufacturers have undertaken not to increase their sale prices without prior consent of the Government. Such examples are tyres, enamel utensils, galvanised iron sheets and sugar. If consumers prefer to buy the imported equivalents, then they must pay a higher price. The choice is still with the consumer. In any case, Sir, protection is a temporary measure to launch our infant industries.

The Honourable Member from Batu has charged the Government of cheating the people by giving pioneer status to two factories producing the same product but belonging to the same company. He cited the case of Par Paint and Metal Box, who both have a plant each in Singapore and in the Federation.

Surely the Honourable Member is not so absent-minded a Socialist as to forget that Malaysia was only formed on the 16th September of 1963. Before that date, Singapore and the Federation of Malaya were two separate countries with two separate governments and both had different industrialisation programmes. Par Paint and Metal Box were thus given pioneer status by both these separate governments before Malaysia was formed. However, with the formation of Malaysia and with the recent passing of the Federal industrial Development Authority Bill a few days ago, industrial development policy has been centralised and such double issue of pioneer certificates to the same company producing the same product will not recur.

The Honourable Member has stated that pioneer status has caused foreign

capital to squeeze local capitalists out of the market. How gullible can the Honourable Member be? Surely he must know that the policy of the Government is to give pioneer status to joint-ventures of foreign and local capital. We do not believe in squeezing anybody out but the Socialist Front believes in squeezing everybody out through nationalisation.

The Honourable Member for Batu quoted Silcock and Fisk on the evils of monopoly and monopsony. We fully agree that there should be free competition—in fact, Sir, that is our policy of free enterprise. But let me quote the Rueff Report, paragraph 95, page 31—

“While this potential domestic market is substantial, it has become clear to the Mission that its size will be only just adequate to support efficient production in a number of important fields.”

In other words, the domestic market for a number of important products will be just large enough to support efficient production, just large enough for a very limited number of efficient sized plants to operate economically and perhaps in some fields only one. If we were to have industries in these fields able to compete with foreign competitors, without excessive tariff protection with higher prices to the consumer, these industries may have to be limited to very few companies. This is a fact of economics and engineering and cannot be brushed aside by careless oratory.

I assure this House that in these cases every effort is being made to avoid possible ill effects from these circumstances in the granting of pioneer certificates. In any case, Sir, there is no law to prevent another non-pioneer factory to be set up to manufacture the same product and, in fact, this has happened already.

The Honourable Member from Batu charged the Government of discrimination against the Federation of Malaya Fertilizer and Paper Industrial Co-operative Society Ltd in that it turned down their application to manufacture urea.

In 1960 the Government carefully studied the proposed urea factory

project and came to the conclusion that it was not economically feasible, i.e., the project would not be profitable and that there was a likelihood of the thousands of Malays losing their hard-earned capital.

From statistics, 90% of the 65,000 tons of nitrogenous fertilisers imported in 1960 was in the form of inorganic ammonium salts. Urea, also a nitrogenous fertiliser, was used in comparatively small amounts as it was not suitable as an all-purpose fertiliser. The Co-operative Society proposed to put up a urea plant with a capacity of 30,000 tons of urea a year although the market was considerably smaller. A plant of such a size, which is the smallest economic size, would involve a capital investment of \$30 million.

If there is no assured market for such large quantities of urea that will be manufactured, how can the project be viable? To borrow money to invest in a project that has doubtful marketing prospects is certainly a bad business proposition.

It was on these grounds that the Government advised the Co-operative Society to drop their project. Instead the Co-operative Society has agreed to take capital participation in the Chemical Company of Malaysia Ltd, a joint-venture with I.C.I. (Malaya) Ltd to manufacture ammonium nitrate and other mixed fertilisers which have an assured market in Malaysia. In the process of manufacturing fertilisers, the Chemical Company of Malaysia Ltd will draw the raw material, ammonia, a by-produce of oil refining, from Esso Standard Malaya Ltd. In this way, the capital of the Malay Co-operative Society is safely invested in a sound fertiliser manufacturing company.

How then has the Government discriminated against the Malay Co-operative Society? In fact, the Government has safeguarded the hard-earned money of the thousands of Malays from being lost in a doubtful project and instead has found for them a sound investment in the Chemical Company of Malaysia Ltd.

The Honourable Member from Batu and the Honourable Member from Seberang Selatan wanted to know why after nine long years the paper factory using padi straw as the raw material, proposed by the same Federation of Malaya Fertiliser and Paper Industrial Co-operative Society Ltd, had not yet materialised.

Sir, this is a very sensitive question, highly charged with emotion, but I will try to answer it as best as I can. There are several reasons why there is this delay. As Honourable Members are aware, paper can be made from wood, bamboo, sugar-cane bagasse, old cloth, wastepaper and padi straw. The problem is, can a factory making paper from padi straw alone be a viable proposition? And can the price of the finished product compete effectively with paper made from other raw materials? There is no question as to whether paper can be made out of padi straw. The question is the cost of production and whether it can compete in a highly competitive market.

As Honourable Members know, Malaysia is endowed with rich forests and we do know there are several species of soft wood that can be used to manufacture paper. Again, there is a great possibility of planting a species of pine on a large scale to produce paper pulp in Malaysia.

Then again, there have been successful experiments that have shown that it is economic to produce paper from rubber wood. This will bring great benefits to the nation.

In the light of these known facts, the Government has invited internationally known paper experts from abroad to come here to study the whole question of setting up a paper industry in Malaysia. Their reports on the making of paper out of padi straw have been studied very carefully by the Government.

I have visited the only factory in Taiwan using padi straw to make cardboard. They do not make paper out of padi straw. They have to add pulp from sugar-cane bagasse to make the different types of cardboard.

The only factory in Japan using padi straw also does not make paper. It only produces pulp for sale to other factories that make paper.

I am told there is one such factory in Thailand but this factory is using bamboo pulp in addition to padi straw. I am not able to say how successful the paper factory using rice straw is, in Egypt.

Sir, these are the only four factories in the whole world that I know of that are using rice straw as the raw material in the making of paper products. I am told that the factories in Japan, Taiwan and Thailand are finding it difficult to compete with other factories. To set up a small factory as proposed by the co-operative society will cost \$30 million. The co-operative society is already committed to proceed with building the factory using padi straw. A down payment for the machine has been made. If the co-operative society had the capital to proceed with the project there would have been no delay. Unfortunately it has not. Because of this our Prime Minister has promised financial support to the society.

My Ministry has therefore blocked all other applications to set up paper factories using other raw materials. This goes to show and to prove how sincere the Government is in seeing that the co-operative project should be launched first.

This, Sir, is the position as it is today. My Ministry is exploring ways and means how to salvage this project. I am in close touch with my colleague, the Minister of Agriculture and Co-operatives, on this matter and I am confident that a satisfactory solution could be found very soon.

Mr Speaker, Sir, you will see, therefore, that the Honourable Member for Batu has made unfounded charges against the Government. The Pioneer Industries Ordinance has been so successful and has brought so much benefit to the country that other developing countries in the world are copying our pattern.

In Jamaica, another newly independent country, they have even gone further. They have offered ten years tax holiday for the establishment of factories, and another five, making a total of 15 years tax holiday, if the factory is sited in a rural area or a depressed area.

Others have welcomed one hundred per cent foreign capital in the establishment of factories in the belief that this is a faster method of industrialisation. They see in Canada and Australia which adopted this system, the great benefits brought to those countries.

We, however, are treading the middle course. We insist on joint-ventures. We have succeeded in launching a fast pace in industrialisation.

In our handling of our industrial development programme, we have attracted favourable attention throughout the world—in both the developed and developing countries. We have earned the distinction of having one of the best investment climates in the world and despite confrontation, we are still continuing to receive applications for the setting up of factories in joint-venture in Malaysia.

Mr Speaker, Sir, we are indeed very happy to listen to the Honourable Member for Batu—we are democratic, we believe in giving all, particularly the Members of the Opposition, the right and the freedom to speak. But the more we listen to the Honourable Member for Batu the more we begin to wonder whether the Honourable Member has a logical mind.

Sir, take the case of his support for the further increase of duty on liquor. He stated that he was aware that the level had been reached when there was diminishing returns

Dr Tan Chee Khoon: Mr Speaker, Sir, I did not say that. To my mind, the law of diminishing returns has not been reached.

Dr Lim Swee Aun: Mr Speaker, Sir, may I refer you to Command Paper No. 40 of 1964, which I am sure the

Honourable Member must have studied. On page 7, under paragraph 2, Import Duties and Excise, the import duty on spirit in 1963 (Actual) was \$20.6 million, in 1964 it was \$20 million—a reduction of \$0.6 million. In respect of excise duty on spirit it was \$4.1 million in 1963, \$4 million in 1964—a reduction of \$0.1 million. He did mention that the level had been reached where there was diminishing returns from duty on liquor. Yet

Dr Tan Chee Khoon: Mr Speaker, Sir, on a point of clarification. The Minister persists in putting words in my mouth which I did not say. I reiterate, I do not consider that the law of diminishing returns has been reached despite the figures quoted by the Honourable Minister. Mr Speaker, Sir, I supported the proposal by the Honourable Member for Pasir Puteh that there should be a further tax on liquor.

Dr Lim Swee Aun: Be that as it may, Sir, these figures show that there is already diminishing returns and he supports it, despite the fact that there are facts, proved here in this paper, that there is diminishing returns.

Sir, although agreeing that 2+2 is 4, he still supports that 2+2 is equal to 3. I do not know what logic that may be, Sir, but apparently that seems to be the tenor of his argument.

Several Members of the Opposition, including the Members of the P.A.P., have expressed concern that the new turnover and payroll taxes will affect our industrial development programme. They have expressed fears that these new taxes may drive capital away.

Mr Speaker, Sir, what does this mean? Is this not an affirmation, an acknowledgment, that the present industrial development has been progressing successfully and has brought great benefit to the country?

Coming from the Opposition, this is a great tribute to Government's policy in introducing the pioneer industries programme. Deep in their hearts they know and they admit that

we have done a good job. They have acknowledged that these pioneer industries have brought benefit to the country and are now afraid that these new taxes may slow down the generation of further benefits.

We can assure them that they can allay their fears. We have a good investment climate and because of our policy of free private enterprise, factories will be built as long as there is profit to be made. These taxes are not so deterrent as nationalisation of capital. As long as there is profit to be made, factories will be built.

Sir, one Honourable Member claimed that certain factories discriminated against Malay labour in that Malays were paid \$3 a day whilst non-Malays were paid \$6 a day. I, myself, have visited many factories all over Malaysia and I cannot say that it is true that some Malays are paid \$3 a day. But it is also true that there are many non-Malays who are also paid \$3 a day. This is because they are apprentices

Enche' Ahmad bin Arshad: Tuan Yang di-Pertua, saya minta penjelasan. Berhubung dengan apa yang saya sebutkan dalam Dewan ini menganaktirikan buroh² Melayu, saya gemar merojokkan kepada Yang Berhormat Menteri dapat membaca berita akhbar *Utusan Melayu* yang keluar pada hari ini, tempat-nya Port Swettenham, ia-itu berhubung dengan pentadbiran baharu² ini, orang² Melayu hanya di-beri satu bulan 4 hari, orang² yang bukan Melayu di-beri peluang bekerja satu bulan 20 hari. Ini satu alasan yang menunjukkan perbezaan antara buroh Melayu dengan buroh yang bukan Melayu, terima kasih.

Dr Lim Swee Aun: Sir, as I said these are apprentices who are learning a trade in factories and damaging a fair amount of materials at the expense of the employers, but they are still paid whilst they learn. However, when they become skilled—this depends on how long they are able to learn: some take three months, some take longer—they are paid a higher rate of pay.

Now, in the case quoted by the Honourable Member just now, these Malays are given four days employment in a month and that non-Malays are given 20 days employment in a month. That possibly may be due to their various skills. Sir, in some factories I have found that the highest paid skilled labour are Malays. If the Honourable Members are interested they can visit one factory in Johore. In an Aluminium Utensil Factory there are several Malays who are paid higher than the non-Malays because they are more skilled in turning out the aluminium into utensils. Sir, the difference in wage is not due to race but according to the skill of the worker.

The Honourable Enche' Stephen Yong from Sarawak wanted to know why we do not sell more rubber to Communist countries, especially China, and what is the result of the Rubber Trade Mission.

The Honourable Member for Pontian Selatan would like the Government to sell our rubber and tin to the Afro-Asian countries and the Communist bloc and be less dependent on the United States market.

Sir, let me first take our policy on international trade. Except for South Africa—and now Indonesia—we trade with every country in the world regardless of its ideology. In 1963 we imported \$287.6 million worth of goods from China and exported to her only \$16.5 million. We buy in the cheapest market and sell in the highest market.

In the case of rubber and tin we must remember that these two primary commodities are raw industrial materials that are bought and used by industrialised countries. The more industrialised the countries the more rubber and tin they will buy. But it is also the industrialised countries that produce synthetic rubber that can be a substitute for natural rubber in many uses. However, we are fortunate that because of certain special qualities of natural rubber we are able to sell every pound of rubber and tin, and many like us are still developing countries. Therefore, our opportunities to find new markets in the Afro-Asian

countries are unlimited. However, we have been able to find markets of considerable size in Japan, India and the United Arab Republic.

With regard to the Communist bloc we have been able to continue selling rubber to them. In fact, this bloc forms one of our most important buyers. In 1963 the Communist countries bought 256,485 tons of rubber from us. This is equal to 21.9 per cent of our total export of rubber. Next to the United States the Communist bloc is our biggest buyer of rubber. At the end of 1963 a Malaysian Rubber Trade and Goodwill Mission visited Western Europe and the countries of the Eastern bloc, including Russia. The Mission established contacts with importers and users of natural rubber there, promoted goodwill and understanding, studied and discussed problems which would help to facilitate export of natural rubber to these countries. In the face of competition from synthetic rubber, we must promote sales and establish goodwill with buyers in every country.

Sir, the Honourable Member for Muar Utara remarked that the assistance given to Malay smallholders to replant is not satisfactory. On the other hand, he claimed that the assistance to non-Malays is such that it enables them to purchase estates which they then subdivide to obtain the benefits of Fund "B". Further, he stated that the response by Malay smallholders to replanting had not been good. He claimed that out of 7,000 acres replanted only 25 per cent of the area belongs to the Malays. This, he said, was because of the difficulties put in the way of Malay smallholders when they want to replant. He suggested that the Rubber Replanting Board take over all the rubber land owned by Malay smallholders and employ contractors to replant them and after six to seven years when the trees are tappable the Board should then hand back the replanted areas to the smallholders. Mr Speaker, Sir, may I categorically state, here and now, that there is no discrimination between the races in the matter of the rate of assistance

to replant rubber. All the estates, that is, those

Enche' Ahmad bin Arshad: Tuan Yang di-Pertua, untuk penjelasan. Saya hendak membetulkan apa yang di-chakapkan oleh Menteri Perdagangan dan Perusahaan, saya tidak menyebut sa-kali² ada perbezaan berhubung dengan bantuan menanam getah antara orang Melayu dengan orang yang bukan Melayu, tetapi perkembangan yang kita dapat orang yang bukan Melayu ada lebih banyak mengambil bahagian dalam perusahaan menanam getah sa-mula, jadi orang Melayu sangat kurang dengan sebab ada kesulitan² kepada mereka itu. Itulah apa yang saya chakapkan tempoh hari.

Dr Lim Swee Aun: Mr Speaker, Sir, all the estates, i.e., those owning more than 100 acres of rubber land, are assisted at the rate of \$400 per acre. In the case of smallholders, i.e., those owning less than 100 acres, they are entitled to the following rates of assistance:

- (i) \$750 per acre for all smallholders; and
- (ii) those who have less than five acres are given a total of \$800 per acre.

May I, however, point out that because many Malay smallholders own less than five acres, they, in fact, are eligible to the higher rate?

It is not true that out of 7,000 acres replanted, only 25% of this acreage belongs to the Malays. Figures kept by the Replanting Board for the period 1953 to 1963 show that of the total smallholdings replanted, 54% or 75,987 holdings belong to the Malays; 43% or 60,631 holdings belong to the Chinese and 3% or 2,552 holdings belong to others.

It is true that some people have bought estates of over 100 acres, subdivided them and replanted them under Fund "B". But I must point out that since 1st of January, 1960, legislation was introduced so that all subdivided lots, formerly forming part of an estate of over 100 acres, will only be admitted into the smallholders' replanting scheme

on the condition that an amount equal to what would have been the replanting cess at the rate of 4½ cents per pound of rubber produced during the period when the lot existed as an estate under Fund "A", will be deducted from the total grant payable under Fund "B" and paid into Fund "B". This condition has prevented such persons who subdivide estates from enjoying the best of two worlds.

I am glad that the Honourable Member has suggested that the Board should take over the old rubber holdings of Malay smallholders and replant for them. Sir, the Government has been studying this problem very closely and has not yet been able to find a satisfactory solution. Many Malays, with less than five acres of rubber land, find it difficult to replant because they have no alternative source of livelihood for the next five to six years when they must await the maturing of the newly replanted trees. Although they can get assistance to new plant in an equivalent area up to five acres with rubber, invariably the land available is many miles away from their kampong. The fringe alienation schemes is such an example and because of the economics and the human factor, such schemes have not been too successful. It is the view of economists that to uplift the economic situation of the rural people, the minimum acreage of rubber land that each family should own should be about eight acres plus two acres for other agricultural use. This recommended unit has been the basis of distribution of land to the landless under the F.L.D.A. Schemes.

The problem facing the Government is what are we going to do with all those small rubber holdings below five acres that are not economic because of their size and because of the existing old rubber. The Honourable Member has suggested that the Board should take over the replanting. I wonder what and how the people will react to this. Would they prefer to retain the small, uneconomic, units, or would they prefer a re-distribution of these rubber lands, so that each family can then own an economic area of eight

acres of rubber land and two of agricultural land?

These are the problems that are facing the Government, and we would welcome views and ideas as to how we can usefully and effectively assist the Malay smallholders.

Mr Speaker, Sir

Mr Speaker: As we have to continue the sitting from 6.30 onwards, let us have a short recess now.

The sitting is suspended for twenty minutes.

Sitting suspended at 6.05 p.m.

Sitting resumed at 6.30 p.m.

(Mr Speaker in the Chair)

Debate resumed.

Dr Lim Swee Aun: Mr Speaker, Sir, in the last few days there has been considerable concern expressed, both inside and outside this House, over the introduction of the turnover tax and the payroll tax. There have been fears that these two taxes would, in fact, be tax on capital.

Sir, there are very many businesses that make money through service and, to name a few, the professions—lawyers, the doctors, the dental surgeons, the dentists, the accountants, the secretaries and others. As for hotels, restaurants, coffee shops, cinemas, theatres, amusement parks, transport services, buses, taxis and lorries, the turnover tax in such cases should not be a tax on capital. In some businesses, however, where they deal in perishable goods, where there may be occasion to sell even below cost, I am prepared to concede that the turnover tax can be a tax on capital. But, Sir, to what extent, in the whole of our economy, will the turnover tax be a tax on capital? No one is in a position to make a firm statement, not until we have given this tax a chance to show up its faults.

The country today is faced with extinction. I say so, Sir, because if Soekarno is able to carry through his policy of "Crush Malaysia" there will

be no more free, independent Malaysia. We will then be a part of Indonesia Raya. What good, then, will be your estates, all your mines, all your factories, all your businesses and even all your money? In such a situation all of us who want to live in a free, democratic country must be prepared to defend our rights. Those who have strength should give strength; those who have money should give money. With the mounting expenditure of our country to defend the nation, I am sure there is no one here who will envy the Honourable Minister of Finance. He has been given the most unpleasant task of raising money. In all good faith he has proposed these new tax measures, measures of increasing income, in the belief that only those who can afford to pay will be asked to pay.

May I, therefore, appeal to all of you to allow these new measures to have a trial. If it is found that in some businesses it is, in fact, a tax on capital I have no doubt the Honourable Minister of Finance will himself amend such anomalies. Thank you, Sir.

The Minister of Education (Enche' Abdul Rahman bin Haji Talib): Tuan Yang di-Pertua, saya sungguh berasa dukachita yang perbahathan atas Rang Undang² Belanjawan, 1965, telah dijadikan "forum" perbahathan berkenaan dengan bahasa rasmi, bahasa penghantar di-Sekolah² Menengah dan bahasa yang di-gunakan dalam peperiksaan. Sa-patut-nya perbahathan ini di-tumpukan kepada dasar² kewangan (fiscal policy) dan dasar chukai baharu yang di-chadangkan oleh Kerajaan, tetapi malang-nya lebeh ramai Ahli² Yang Berhormat yang telah menumpu dan menunjol²kan maasalah Bahasa Rasmi dan dasar pelajaran.

Tuan Yang di-Pertua, kedua² masaalah itu ia-itu Bahasa Rasmi dan dasar Pelajaran ada-lah masaalah² yang telah di-selesaikan. Perkara² itu ada-lah perkara² yang sangat rumit dan yang boleh menimbulkan perselisihan faham di-antara kaum yang sa-patut-nya mesti di-elakkan dalam keadaan negara kita yang sedang terancham

oleh musoh daripada luar. Jadi oleh yang demikian dengan semangat perpaduan yang telah di-nyalakan dalam "Minggu Perpaduan Kebangsaan" baharu² ini mari-lah kita memaksa diri kita sendiri supaya jangan "menjolak sarang tebuhan" kerana akibat-nya akan mendatangkan satu mala petaka yang besar kepada negeri ini. Bahasa rasmi dan bahasa kebangsaan negara kita sudah pun di-tetapkan oleh Dewan yang bertuah apabila Dewan ini telah meluluskan dasar yang terkandung di-dalam Perlembagaan Malaysia ia-itu menjadikan bahasa Melayu sa-bagai bahasa kebangsaan yang tunggal bagi negara kita. Kita patut-lah mengambil ingatan bahawa tiap² sa-orang daripada kita sa-belum di-terima menjadi Ahli Dewan ini telah bersumpah hendak mempertahankan Perlembagaan negara kita. Kalau kita patoh kepada sumpah yang kita buat dan untok mengelakkan bukan sahaja diri kita tetapi juga keturunan yang akan datang daripada di-musnahkan, di-makan oleh sumpah, maka hendak-lah kita menjadikan Perlembagaan negara kita ini satu perkara suchi, murni dan jangan-lah hendak chuba di-chabul.

Tuan Yang di-Pertua, berhubong dengan dasar pelajaran, Dewan ini telah meluluskan satu dasar pelajaran kebangsaan di-dalam tahun 1956. Dasar itu di-bena atas tiga asas atau soal pokok. Asas yang pertama ia-lah dasar pelajaran yang dapat di-terima oleh sa-bahagian besar penduduk negeri ini dan memenohi kemahuan mereka serta menggalakkan kemajuan mereka sa-bagai satu bangsa di-dalam lapangan kebudayaan, mashakarat, ekonomi dan politik. Asas yang kedua ia-lah dasar hendak menjadikan bahasa Melayu bahasa kebangsaan negeri ini. Asas yang ketiga ia-lah dasar yang akan memelihara akan bahasa dan kebudayaan lain² bangsa yang diam dalam negeri ini. Maka dasar² pokok yang terkandung dalam Penyata Razak itu-lah yang di-laksanakan pada masa sekarang ini dan dengan lichin-nya perlaksanaan dasar itu menjadi bukti yang jelas dan nyata bahawa ia-itu dasar pelajaran kebangsaan kita telah memenohi kehendak ra'ayat negeri ini pada 'am-nya.

Saya berasa terkejut dengan pandangan dan pendapat yang dikeluarkan oleh Ahli Yang Berhormat daripada Tanjong, kerana saya tahu dasar dan asas yang saya sebutkan itu telah di-persetujukan oleh-nya sa-bagai Ahli Jawatan-Kuasa Pelajaran Tahun 1956. Pada ketika ini oleh kerana dia tidak lagi memimpin M.C.A., dia telah berubah sikap. Sikap-nya pada masa yang lampau berhubung dengan pelajaran dan bahasa ada-lah tegas ia-itu kedua²-nya tidak boleh di-pisahkan—education and language could not be divorced, dalam usaha hendak menubuhkan satu bangsa yang saling mengerti dan bersatu padu daripada berbagai² keturunan yang ada di-dalam negeri ini. Dia telah menanda tangani Penyata itu dan salah satu perkara yang di-tegaskan dalam paragraph 12 ada-lah berbunyi seperti berikut.

Oleh kerana agak-nya dia tidak dapat memahami bahasa kebangsaan biar-lah saya bachakan apa yang di-persetujukan oleh-nya dalam tahun 1956 dalam bahasa Inggeris:

"We believe further that the ultimate objective of educational policy of this country must be to bring together the children of all races under a national education system, in which the national language is the main medium of instruction".

Itu-lah yang telah di-persetujukan-nya dalam tahun 1956 tetapi pada masa sekarang dia telah berpaling tadah dan hendak membangkit²kan perkara ini sa-kali lagi. Dalam ucapan-nya, Ahli Yang Berhormat daripada Tanjong juga telah menyatakan keraguan-nya berhubung dengan bahasa peperiksaan. Dia berasa ragu² apabila bahasa kebangsaan di-jadikan bahasa rasmi yang tunggal di-negeri ini mulai tahun 1967, apa-kah bahasa peperiksaan yang di-gunakan di-sekolah²?

Tuan Yang di-Pertua, saya ingin menjelaskan untuk menghapuskan keraguan-nya dan keraguan penduduk² dalam negeri ini. Bahawa dalam paragraph 176 Education Review Committee Report ada menegaskan bahawa dasar menjadikan bahasa peperiksaan mengikut bahasa pengantar yang di-gunakan di-Seko-

lah² Menengah sudah pun di-tetapkan, dan Menteri Pelajaran ada-lah di-beri kuasa di-bawah section 120 Undang² Pelajaran Tahun 1961 menentukan bahawa peperiksaan yang akan di-gunakan mengikut keadaan² yang ada pada masa itu. Sa-bagai contoh-nya, kertas peperiksaan dalam mata pelajaran bahasa dan kesusteraan China di-buat di-dalam bahasa itu dan di-jawab di-dalam bahasa itu juga, kerana bahasa pengantar mata pelajaran itu di-sekolah², ia-lah bahasa China.

Satu lagi perkara yang di-ragu²kan oleh Ahli Yang Berhormat daripada Tanjong juga ia-lah darjah peralehan—remove class. Dia berasa bimbang dengan terbentok-nya system aneka jurusan (comprehensive school) maka darjah peralehan itu tidak dapat di-adakan. Tuan Yang di-Pertua, untuk menghilangkan keraguan-nya yang barangkali sengaja di-timbulkan untuk mengelirukan orang ramai, suka saya menjelaskan bahawa pindaan kapada Undang² Pelajaran yang baharu di-luluskan oleh Dewan ini hendak-lah di-bacha dengan merujuk-kan kapada Undang² Pelajaran yang asal. Section 2 Undang² Pelajaran tahun 1961 ada memberi tafsiran yang jelas berkenaan dengan national secondary school dan national-type secondary school. Dan di-dalam tafsiran itu untuk mengadakan kemudahan darjah peralehan atau remove class tidak di-mansokhkan. Tuan Yang di-Pertua, sa-takat itu-lah sahaja yang saya hendak menjawab tegoran² yang di-datangkan oleh Ahli Yang Berhormat daripada Tanjong.

Kemudian, Tuan Yang di-Pertua, sa-bagaimana biasa Ahli Yang Berhormat daripada Ipoh telah memainkan lagu lama-nya dalam Dewan ini. Politik yang di-tonjol²kan-nya ia-lah politik penjajah ia-itu politik untuk memecah belahkan penduduk² di-dalam negeri ini. Politik-nya itu harus boleh menjadi pertolongan yang besar kapada komunis dan juga musuh² yang hendak menghancurkan Malaysia pada masa sekarang. Tetapi politik yang di-mainkan-nya itu ia-lah politik yang basi dan lapok. Dan Malaysia ada-lah sa-buah negara yang bertuah

kerana ra'ayat negeri ini boleh memahamkan bahaya yang akan timbul bila mereka menyokong politik seperti itu dan dengan sebab itu sedikit demi sedikit pengaruh party Ahli Yang Berhormat daripada Ipoh itu telah merusut dan sa-bagai buktinya yang nyata wakil-nya dalam Dewan ini telah susut daripada 5 orang menjadi 2 orang. Kalau politik itu di-amalkan terus-menerus oleh party-nya maka saya hendak membuat telahan yang dia akan menggali lubang kubor-nya sendiri dan akhirnya bukan sahaja Ahli Yang Berhormat daripada Ipoh tetapi party-nya akan hapus dari muka bumi Malaysia ini (*Tepok*).

Tuan Yang di-Pertua, saya juga telah mengikuti dengan penoh minat dan menginsafi telatah politik P.A.P., di-dalam dan di-luar Dewan ini. Soal mulut yang di-hadapkan kapada saya oleh Ahli Yang Berhormat daripada P.A.P. atas masaalah Nanyang University, bertujuan hendak menarek sokongan penduduk² Singapura dan Malaya kapada parti-nya. Uchapan Yang Berhormat Enche' Lee Kuan Yew begitu juga hendak memancing golongan have-not dalam Malaya. Wakil Bangsar, di-dalam memberikan ucapan ka-atas perkara ini men-chuba mempengaruhi ahli² Trade Union Malaya. Peranan yang telah di-mainkan oleh Yang Berhormat Enche' Abdul Rahim Ishak pula ia-lah memujuk orang Melayu untuk memasuki parti P.A.P. Pendek-nya tidak ada satu golongan ra'ayat pun di-Malaya ini yang lepas daripada lengkungan supaya negeri ini masuk di-bawah perangkap P.A.P.

Tuan Yang di-Pertua, saya tidak-lah hendak menyalahkan usaha yang di-jalankan oleh P.A.P. itu, kerana itu ada-lah hak mutlak tiap² sa-buah parti politik dalam negeri ini. Tetapi, apa yang saya mushkil chara mereka hendak mendapatkan sokongan itu dengan menggunakan sentiment perasaan perkauman. Satu aliran politik yang mesti kita hapuskan kalau kita sa-benar-nya jujur hendak menubuhkan satu bangsa Malaysia yang bersatu padu. Tektik yang di-jalankan oleh P.A.P., harus boleh mendatang-

kan keuntungan sementara kapada parti-nya, tetapi mereka hendak-lah insaf bahawa tektik itu-lah yang akan meruntuhkan chita² murni ra'ayat jelata ini untuk hidup dalam keadaan aman dan ma'mor. Oleh sebab itu seluroh ra'ayat negeri ini hendak-lah berwaspada dan menolak politik kotor yang di-tunjolkan oleh P.A.P. di-dalam Dewan ini.

Mr Speaker, Sir, I would now direct my replies to Honourable Members from Sarawak and Sabah. Quite a number of questions have been asked and a great deal of discussions have been centred around Central Government policy concerning education as applied to those States. Much of these discussions, which has often been critical of the Central Government, appears to be based on a misunderstanding of the position of education in those two States. I would therefore like to explain the position so as to clear up any misunderstanding that might still exist.

In the Constitution of Malaysia, Education is a Federal subject under Item (13) of List L of the Ninth Schedule except in the case of Singapore which has been granted complete autonomy. But despite this constitutional provision, it will be recalled that the Government of the former Federation of Malaya entered into an agreement with the then State Governments of Sabah and Sarawak to the effect that the present policy and system of administration of education in Sabah and Sarawak, including their present Ordinances, should be undisturbed and remain under the control of the Government of the States until that Government otherwise agrees *vide* page 7, paragraph 17 (a) of the Malaysia Report of the Inter-Governmental Committee, 1962.

It will be appreciated, therefore, Sir, that it would not be appropriate now for the Central Government to introduce changes of any kind unilaterally without the prior consent of the State Government concerned. Also as the agreement is that the system and policy on administration of education in Sabah and Sarawak should not be disturbed, the initiative,

I repeat the initiative, for the introduction of any changes both in policy and system ought really to be taken first by the State Governments themselves.

Furthermore, Sir, it should be stated here that the Central Government is already committed to the gradual development of a national system of education which will unify the various races of the country into a single and effective political entity. The educational policies of Sabah and Sarawak, on the other hand, are at present not on all fours with the policy of the Central Government. Unless therefore a way could be found whereby changes and modifications could be introduced to remove the existing anomalies and differences in a manner as to be acceptable both to the Central Government and to the State Governments of Sabah and Sarawak, the present policy and system of educational administration in the two States will have to continue to remain undisturbed. The Central Government is bound by its agreement solemnly undertaken before the formation of Malaysia and so will not under any circumstances break faith with that agreement. It has always been the practice of the Central Government to carry out faithfully any obligations undertaken by it and it has no intention now of departing from this practice. It is for this reason that it still continues to finance the educational programmes of Sabah and Sarawak from Federal funds although the policies in those two States differ greatly from that of the national policy.

As regards the comprehensive system of education, which is planned for introduction in the States of Malaya with effect from January, 1965, it must be said that this new system is designed to develop further the national policy on education and will not in any way nullify, modify or change it. It will, in fact, therefore represent a further important step in the same direction in which education in the States of Malaya have been moving forward about the past seven years, and so a system such as this

which has been fashioned to fit in with an existing policy cannot be introduced in either Sabah or Sarawak without at the same time introducing changes both in the structure and policy of education existing in those States. This will clearly not be in accordance with the agreement I referred to earlier. If, therefore, the State Governments concerned are prepared to accept the changes involved in their system and policy of education, then all obstacles will be removed and the Central Government would, subject to the availability of funds, consider implementing the new system uniformly throughout Malaysia.

The Assistant Minister of National and Rural Development (Enche' Abdul-Rahman bin Ya'akub): Tuan Yang di-Pertua, beberapa dari Ahli Yang Berhormat telah memberi pandangan berkenaan dengan hal Kementerian Pembangunan Luar Bandar dan juga Kementerian Tanah dan Galian. Kebanyakan daripada perhatian itu sa-benar-nya bukan atas asas² 'am, tetapi ada-lah menyentoh butir². Dengan hal yang demikian, saya tidak-lah berhajat di-tingkat ini hendak menjawab semua-nya. Dan juga kebanyakan tegoran² itu bukan kena-mengena dengan belanjawan yang di-binchangkan sekarang ini, tetapi ada-lah kena-mengena dengan belanjawan pembangunan. Bagaimana pun ada dua perkara yang hendak saya jawab dengan pendek sahaja, maka elok-lah saya selesai di-sini. Pertama sa-kali Ahli Yang Berhormat dari Kuala Trengganu Utara berkata bahawa peruntukan sa-banyak 3½ juta yang akan di-beri kapada RIDA itu ada-lah tidak menchukupi sa-kali untuk membantu orang² Melayu. Sini saya suka menerangkan Yang Berhormat itu salah faham, kerana peruntukan itu bukan untuk pinjaman kapada orang² Melayu yang hendak berniaga, tetapi ada-lah untuk pentadbiran sataiap hari dalam RIDA. Soalan bantuan untuk perniagaan dan lain² di-berikan pada RIDA akan termasuk di-dalam belanjawan pembangunan.

Satu perkara lagi, ia-itu Ahli Yang Berhormat dari Melaka Selatan telah

berkata, "Kenapa-kah baja yang di-beri kepada Ranchangan Tanah Pinggir itu chuma di-beri sa-lama empat tahun sahaja, pada hal baja yang di-beri kepada ranchangan di-bawah Lembaga Tanah Kemajuan itu di-beri sa-lama enam tahun?" Agak-nya Ahli Yang Berhormat itu tidak mengetahui bahawa baja yang di-beri kepada Ranchangan Tanah Pinggir itu adalah di-beri dengan perchuma, sabalek-nya baja yang di-beri kepada peserta² dalam Ranchangan F.L.D.A. sa-lama enam tahun itu di-hitong sa-bagai hutang. Jikalau-lah di-kehendaki bahawa baja yang di-beri kepada Ranchangan Tanah Pinggir ini disamakan seperti yang di-beri kepada Ranchangan F.L.D.A. harus juga peserta² dalam Ranchangan Tanah Pinggir itu tidak setuju, kerana sabagaimana yang saya katakan tadi mereka di-kehendaki membayar balek harga baja² itu.

Ahli Yang Berhormat dari Muar Utara telah menimbulkan soalan chukai tanah. Ini, pendek kata semua kita ketahui yang soalan tanah itu bukan-lah di-bawah kuasa Kerajaan Pusat, tetapi ada-lah di-bawah kuasa tiap² Kerajaan Negeri.

The Minister for Welfare Services (Tuan Haji Abdul Hamid Khan bin Haji Sakhawat Ali Khan): Tuan Yang di-Pertua, hanya dua tiga perkara sahaja yang telah di-bangkitkan oleh Ahli² Yang Berhormat dalam Dewan ini pada masa membahathkan belanjawan yang baharu sa-kejap tadi. Ahli Yang Berhormat dari Krian Laut telah menyatakan dan menarek perhatian Rumah ini di-atas kekurangan wang bagi bantuan 'am kepada orang² yang miskin dan menderita di-tempat-nya di-Krian.

Tuan Yang di-Pertua, saya suka menyatakan di-sini ia-itu bantuan 'am ada-lah satu bantuan yang di-beri dan di-peruntukkan oleh Kerajaan Negeri dan masalah bantuan ini sa-kira-nya ada kekurangan dalam satu² Negeri, molek-lah bagi Ahli Yang Berhormat ini supaya meminta sa-orang Ahli Dewan Undangan Negeri bagi negerinya itu membuat permohonan bagi negeri-nya supaya membuat peruntukan yang lebih lagi.

Ahli Yang Berhormat dari Pasir Puteh telah menyatakan baharu² ini, ia-itu saya ada mengatakan bahawa wang Lembaga Loteri Kebajikan Masharakat telah di-gunakan untuk keperluan² ugama. Ahli Yang Berhormat itu telah menyatakan bahawa ada-lah bertentangan dengan dasar kami untuk menggunakan wang² yang sa-umpama itu bagi keperluan ugama, tetapi tidak-lah menjadi tegahan kata-nya, jika wang² itu telah terlebih dahulu di-masokkan ka-dalam khazanah Kerajaan.

Tuan Yang di-Pertua, saya tidak tahu ucapan saya yang mana-kah yang di-maksudkan oleh Ahli Yang Berhormat itu, tetapi sa-kira-nya Ahli Yang Berhormat itu memerhatikan ucapan saya yang baharu ta' berapa lama dahulu di-buat di-Kuala Kangsar, ada-lah ucapan saya itu berbunyi di-antara lain² seperti berikut:

Lembaga Loteri ini telah di-tubuhkan dan di-jalankan mengikut Undang² Lembaga Loteri Kebajikan Masharakat Tahun 1950. Semenjak chabutan yang pertama telah diadakan pada 27hb June tahun 1951 hinggalah sampai sekarang ini, perkhidmatan² kebajikan masharakat di-Tanah Melayu ini telah menekmati bantuan² wang lebih daripada \$72,235,023. Saya suka juga menerangkan ia-itu semenjak Pindaan Undang² Loteri telah di-buat pada 1hb Julai tahun 1960, maka wang² yang di-perolehi daripada chabutan² loteri ini di-masokkan sa-bagai Khazanah Kerajaan Persekutuan Tanah Melayu.

Tuan Yang di-Pertua, dengan ini jelas-lah dan terang-lah ka-mana pergi wang itu dan ada-ah wang itu terlebih dahulu di-masokkan ka-dalam Khazanah Kerajaan.

Ahli Yang Berhormat dari Batu telah menegor tentang peruntukan wang yang di-katakan-nya kecil yang di-buat dalam Anggaran Perbelanjaan ini untuk perkhidmatan² kebajikan dan ketiadaan Ranchangan Bantuan 'Am, atau pun Ranchangan Kanak² Sekolah. Saya bimbang, Tuan Yang di-Pertua, Ahli Yang Berhormat itu tidak sedar tentang peruntukan yang sa-benar-nya di-buat untuk perkhidmatan² kebajikan. Mengikut Perlembagaan, Kebajikan Masharakat ada-lah menjadi tanggung jawab berasingan di-antara Kerajaan Pusat dan Kerajaan Negeri.

Peruntokan² yang di-tunjokkan dalam Anggaran Perbelanjaan ini ia-lah untok perkhidmatan² yang menjadi tanggung jawab Kerajaan Pusat dan anggaran ini tidak-lah memberi gambaran yang sa-benarnya, atau sa-penoh-nya jumlah yang di-untokkan bagi perkhidmatan² kebajikan seluruh negara.

Sa-lain daripada peruntokan ini Kerajaan² Negeri membelanjakan lebih kurang \$4 juta sa-tahun, dan sa-lain daripada itu pula \$12 juta lagi ada-lah di-untokkan daripada Tabong Wang Amanah Perkhidmatan Kebajikan Masharakat untok keperluan² kebajikan dan masharakat.

Kenyataan Yang Berhormat dari Batu itu yang menegor ketiadaan Ranchangan Bantuan 'Am, atau pun Ranchangan Perolehan Pertolongan Kanak² Sekolah ada-lah tidak benar. Lebih \$3.3 juta ada-lah di-belanjakan oleh Kerajaan² Negeri dan Pertubohan² Sukarela tiap² tahun untok bantuan 'am dan juga untok pertolongan kepada kanak² sekolah. Ini tidak termasuk bantuan² wang yang di-beri kepada mangsa² mala-petaka, saperti kebakaran api, kemarau dan sa-bagi-nya. Sekian.

'The Minister of Finance (Enche' Tan Siew Sin): Mr Speaker, Sir, in winding up this five-day debate, I intend to deal with only the major and controversial points which have emerged. A number of Honourable Members have offered useful and interesting suggestions, and these will be studied by the Government and given the consideration they deserve. I intend to deal with the less controversial issues first, reserving to the last the more important and controversial issues which have been raised in the course of this debate.

The Honourable Member for Pasir Puteh and the Honourable Member for Batu suggested that the Government should have raised a substantial amount of additional revenue by increasing the rates of duty payable on spirits and alcoholic liquors. Honourable Members of this House will have noted that both the Honourable Members in question admitted that they did not drink strong liquor and were therefore happy to see

these items heavily taxed. The Honourable Member for Batu suggested that the reason which would be given for not imposing additional taxation was the law of diminishing returns. Prudently, he did not give any specific reasons why this law would not relate to these two products but contented himself with vague generalisations on the habits of rich towkays.

At the end of 1962 the rate of duty on unmanufactured tobacco was raised from \$7.60 per lb to \$8.60 per lb full rate and from \$7.40 to \$8.40 preferential rate in the then Federation of Malaya. As a result of these increases the total amount of revenue received from import duty and excise on tobacco and tobacco products rose from \$105 million in 1962 to \$111 million in 1963, and the volume of imports of unmanufactured tobacco rose from 9.9 million pounds to 12.2 million pounds. Unfortunately, this trend has not been maintained and during the first seven months of 1964 the volume of imported unmanufactured tobacco has declined to only 4.1 million pounds. There was a sharp increase in the volume of imports in October, probably in anticipation of tax increases which did not occur, but total revenue from tobacco and cigarettes for the first ten months of 1964 is still lower than that during the corresponding period of 1963. Furthermore, it is significant that the Singapore Government requested that the rate of increase in duty on tobacco in Singapore be restricted to 60 cents a pound, although the rates of duty applicable there would hence be considerably lower than those in force in the States of Malaya. This request was submitted in order to protect the position of the manufacturers of the lower priced cigarettes.

Despite the fact that the Honourable Member for Batu considers that the existence of smuggling is a serious reflection on the efficiency of this Government he must be well aware that smuggling is a fact throughout the world, and the problem of prevention is particularly difficult in Malaysia owing to the existence of free port areas in Singapore and Penang Island, and

the open nature of the northern frontier. Indeed, how many people in this country can honestly say that they have not at some time or other gone to Penang or Singapore and purchased a shirt or similar dutiable article and failed to declare it to Customs on their return to the States of Malaya. Such smuggling could be reduced by ruthless examination of travellers by Customs but Honourable Members opposite would be amongst the first to complain of such vigorous action (*Laughter*). Smuggling, as I have said, exists in all countries, and the higher the rate of duty or the more restrictive the controls exercised by a government, the greater the incentive is for smuggling. The Honourable Member referred in particular to the question of gold. It is significant that there are no legal exports of gold from this country but there is a substantial export of gold ornaments which is made attractive by the very rigid controls exercised by the Government of a large neighbouring country, doubtless for good reasons, but these controls have resulted in a very high domestic price for gold in that country, which provides the incentive for the traffic in gold ornaments from Malaysia, and widespread smuggling from elsewhere. Any government must therefore recognise that very high duties give rise to smuggling. In the case of tobacco it would be a simple matter to raise the revenue from tobacco and tobacco manufactures by imposing a substantial excise on the actual manufacture of cigarettes. This, however, would be disadvantageous to the grower of home tobacco and the small manufacturer of cheap cigarettes, and any changes in the present structure of taxation must be considered carefully, as this Government wishes to preserve the employment now afforded by the many small domestic producers of cigarettes.

As regards an increase in the rates of duty applicable to spirits, the duties payable in respect of brandy, gin and whisky were raised substantially in the States of Malaya on 16th December, 1963. The amount of duty received during the first seven months of 1964 in respect of these items was in each

case less than one half of the revenue received in 1963. I appreciate that imports of spirits tend to be highest in the last quarter of the year, the reasons for which, I think, Honourable Members are probably well aware. Nevertheless, the figures indicate that the revenue this year is unlikely to be significantly higher than that received in 1963 for gin and brandy, and is likely to be lower than the amount received in 1963 in respect of whisky. It is significant that, in the case of gin, although the duty has been increased from \$37.50 to \$49.50 per gallon, the yield is not likely to be significantly higher in 1964 than it was in 1961. Whilst it may be true that the rich will continue to drink spirits regardless of the duty imposed this is not true of the less well off and those who consume the cheaper spirits are encouraged to patronise the moonshiner who continues to exist in this country, despite the vigorous campaign by the Preventive Division of the Royal Customs and Excise to stamp out this class of gentry.

In the case of beer and stout the volume of domestic consumption based on imports and retained domestic production has declined from 11 million gallons in 1951 to 9.1 million gallons in 1963. Furthermore, the new duty or excise payable on crown corks will mean that the total burden of tax on beer and stout will be increased by 60 cents per gallon, unless they are sold in cans.

I have no hesitation, therefore, in saying that the Honourable Member for Pasir Puteh is quite wrong in suggesting that an additional \$100 million could be obtained by increasing the rates of duty on alcoholic beverages and consider that the evidence available supports my belief that any further increases in the rates of duty are unlikely to produce substantial additional revenue. There could well be a net loss.

The Honourable Member for Temerloh suggested that withdrawals from the Employees Provident Fund should be made easier. The purpose of the Fund is to provide retirement benefits and this object will not be

achieved if withdrawals from the Fund are permitted in cases of temporary unemployment for whatever reason. The Government is considering the introduction of a scheme for the provision of sickness benefits which should alleviate many of the difficult cases which have occurred in the past.

I take this opportunity of mentioning that the rate of interest which will be credited to contributors' accounts will be 5½% for the year ending 31st December, 1964. Thus the rate of interest has been raised from the 2½% payable on closing balances in 1959 to 5½% on opening balances in 1964. Honourable Members will, I am sure, agree that this represents most satisfactory progress in the development of the Fund which will be of great benefit to members of the Fund.

The Honourable Member for Jerai suggested that every effort should be made to raise domestic rather than foreign loans. As the Honourable Member will note from Head C13—Charges on Account of Public Debt—the aggregate value of domestic funded loans outstanding is \$1,491 million, whereas the comparable figure for foreign loans is \$327 million which excludes loans raised abroad by statutory authorities. Domestic loans must provide the major source of funds for development and therefore consideration is being given to the issue of defence bonds and to improving the rate of interest payable by the Post Office Savings Bank on deposits. Nevertheless, it should be borne in mind that domestic loans do not increase the resources available within the economy whereas loans raised abroad increase the resources available for investment without curtailing current consumption. The cost of servicing existing foreign loans in relation to annual export earnings is very modest and there is plenty of scope for raising new foreign loans for economic projects and it is the Government's policy to raise such loans wherever the terms offered are reasonable.

The Honourable Member has also drawn attention to the volume of

savings generated by Muslims in order to finance their pilgrimage. It was for the purpose of providing a safe medium for such savings that the Muslim Pilgrims' Savings Corporation was established and the investment powers of the Board are very wide except that no investment may be made outside Malaysia without the Treasury's consent. The assets of the Fund are therefore available for the financing of development in Malaysia.

I would now like to make some reference to the changes of interest rates which took place last week. Following the Bank of England's announcement of an increase in its rate of discount from 5% to 7% p.a. with effect from 23rd November, interest rates in the United States and Canada have also been increased as from 24th November. Discount rates of United States banks were increased from 3½% to 4% p.a. and in Canada the Central Bank's discount rate has been increased from 4% to 4½% p.a. In the light of the rising trend in interest rates in the international market, it has been found necessary to increase interest rates in Malaysia in order to make it less attractive for funds to be switched abroad. A further reason for the increase in our interest rates arises from the need to dampen the expansion of bank credit particularly in view of the substantial increase in Government expenditure. As from 25th November, 1964 therefore the minimum bank lending rate has been increased from 6¼% to 7% p.a. As from that same date the maximum rate of interest payable by banks on fixed deposits has also been increased from 4% to 5% p.a. The Treasury Bill rate, which is kept in line with the fixed deposit rate, has been increased from 4% to 5% p.a. Honourable Members would have also noted that, arising from these changes, the Government proposes to pay 6% for the current long term loan. On the basis that this \$20 million loan is fully subscribed it will cost an additional \$100,000 under Public Debt.

The Prime Minister of Singapore has criticised the imposition of duty on fuel oils in Singapore on the ground

that it will make exports more difficult. This argument is equally valid against wage increases which constitute a much higher proportion of direct costs but the Honourable Member would surely not consider this an adequate ground for resisting demands for higher wages. As I stated in my Budget speech fuel costs are in most industries a small proportion of ex-factory costs, but in respect of fuel intensive industries, we are prepared to consider interim relief until such time as the case for a protective tariff is heard by the Tariff Advisory Board. I also invite the Honourable Member to provide details of the export markets which will be lost to Singapore as a result of these fuel duties.

The Prime Minister of Singapore also criticised the new duty on sugar, but a sugar refinery in Singapore is being built and will come into operation sometime in 1965. I do not believe that such a refinery could operate in Singapore without the establishment of a protective tariff or the grant of a *de facto* monopoly by means of restrictive quotas for imports, and an Honourable Member opposite has expressed the view that such monopolies are a capitalistic device for the exploitation of the masses. I draw his attention to the fact that this device is most prevalent in the State of Singapore. (*Applause*).

Lastly, the Singapore Government is an ardent supporter of the Malaysian common market. It is unrealistic to suggest that such a market will be formed except behind a Malaysian tariff wall having regard to the general level of costs in Malaysia and the imperative need to increase Government revenue. It is impracticable in view of the loss of revenue involved that harmonisation can be achieved by eliminating import duties in the rest of Malaysia rather than by imposing or increasing such duties in Singapore.

Let me now turn to criticisms levelled at the direct taxation proposals. Great play has been made of the proposal to reduce the top income tax rate for individuals in Singapore from 55% to 50%. It has been said that the Government is soft on the

millionaires. I made it clear in my Budget speech that the total loss in revenue involved, which can be estimated with some precision, is of the order of \$234,000, but one speaker went so far as to say—no doubt, purely for propaganda purposes, when truth is of no importance—that the loss will run into millions of dollars. I tried to explain in my Budget speech that in trying to harmonize four complex and different systems of taxation in one operation, inconsistencies are bound to occur. Both the Department of Inland Revenue and I, separately, have looked, in the course of the last few months, at various combinations and permutations and whatever we do, it was clear that inconsistencies would arise, most of which are directly attributable to disparity in the incidence of taxation in the existing tax structures of the four regions of Malaysia.

One example will serve to illustrate my point. The difficulty which we encountered in harmonizing the maximum rate for individuals was that Sarawak had a ceiling rate of only 10%. It will be conceded by any fair-minded person that this jump, as a first step, should be enough. We could, of course, have left the Singapore rate at 55%, but if we had done this, the P.A.P. would probably be the first to accuse the Central Government of discriminating against Singapore millionaires. In Sarawak, too, we encountered another difficulty of a different sort in dealing with the lowest income brackets. Here again, in order to harmonize in one operation, a substantial number of people, it may even run into thousands, will next year be paying far less tax than they ever paid before. From now on, however, it would be far easier to develop a more rational tax system, because from now on all the four regions of Malaysia will be starting from practically the same base.

It is, therefore, essential to look at the proposals as a whole and I think that from this standpoint we can justifiably claim that they are reasonable. It was made clear that even

though individuals in Singapore in the highest income brackets would have made an apparent gain, the gain may not be there at all on closer examination. Such an individual, next year, would have to pay payroll tax, probably turnover tax and capital gains tax if he has been speculating successfully in the stock market or in real estate. In fact, when you consider the tax proposals as a whole, he is far more likely to incur a net liability than a gain. One Honourable Member from the P.A.P. benches went so far as to say that the effect of the 5% reduction in the top rate in Singapore meant a saving of several hundred thousand dollars for Mr Tan Chin Tuan. I assume that "several" hundred thousand would mean at least four hundred thousand dollars. This means that the income of this gentleman amounts to a little over \$8 million per year and I trust that the Honourable Member has made his arithmetic available to the Inland Revenue Department in Singapore as their published reports do not indicate the existence of a taxpayer of this magnitude.

Enche' C. V. Devan Nair: On a point of information. The point I wanted to make was that Mr Tan Chin Tuan would not deny that he would receive as a result of the reduction of 5% from 55% to 50% a windfall bonus from the Minister of Finance, out of which this bank director would be able to offset the \$50,000 that he has contributed to the patriotic fund.

Enche' Tan Siew Sin: The Honourable Member has changed his tune somewhat. When he spoke earlier he said that Mr Tan Chin Tuan would save tax of the order of several hundred thousand dollars. I am glad that at least he has climbed down from his previous perch.

Enche' C. V. Devan Nair: Mr Speaker, Sir, I am sorry to interrupt. When I said several hundred thousand dollars, if the Minister of Finance chooses to put it at \$400,000, it is his mistake and not mine.

Enche' Tan Siew Sin: Mr Speaker, Sir, let us for the sake of argument

assume it is \$200,000. Even then, it would mean that Mr Tan Chin Tuan had an annual income of four million dollars and, as I have said, I do not think the records of the Department of Inland Revenue in Singapore contain an individual whose income is of this order. It cannot be one million dollars. I take it that "several" means more than one—at least two (*Laughter*).

AN HONOURABLE MEMBER: Normally more than two.

Enche' Tan Siew Sin: Honourable Members who are keen on raising all taxation by soaking the rich, and I heard no Opposition suggestions that anyone else should pay, may be interested in some figures concerning the much-discussed Singapore millionaires and what could be obtained from them in additional income tax.

If instead of harmonising the top rate of personal tax at 50% we had allowed a surcharge of 5% to remain in Singapore so that the top rate was 55%, the additional tax, based on the latest available Singapore income tax statistics, would be \$234,000. If we had increased the top rate which applies to chargeable income of more than \$100,000 to 75% the additional tax produced would be approximately \$1 million; if we increase the rate to 90%, the additional yield would be \$1 $\frac{3}{4}$ million, and if we confiscate the whole of the surplus above \$100,000 by charging a rate of 100% the theoretical yield would be about \$2 million but this obviously would not be worth the destructive impact caused. The idea that confiscatory rates can produce a higher tax yield is quite mistaken and this has been proved by practical experience in both socialist and right-wing countries. It does not take much imagination to realise that long before income tax rates reach confiscatory levels Singapore's millionaires would be seeking a friendlier tax climate in neighbouring countries such as Hongkong, Taiwan and Thailand.

I would like to quote the results of an experiment we did some years ago when we reduced the import duty rate

on fountain pens from 25% to 10%. We did this because we suspected that fountain pens being very small articles could so easily be slipped into the Principal Customs Area without payment of import duty and with far less risk of being caught. The reduction was effected in November, 1962. In that year the yield on fountain pens was \$66,000 while the yield for 1961 was \$71,000. In spite of the substantial reduction, however, the yield in 1963, i.e. the first full year of 10% duty, was \$89,000 and the yield for this year is likely to be of the same order, i.e. an increase of about 25% in spite of a reduction in duty of 15%. It does show that when rates are too high, a lower rate of duty could actually bring in more revenue. Examples can be provided by a number of countries where the yield of income tax has been greater after decreases in rates of tax and increases in reliefs. This has happened in the United Kingdom, in New Zealand and many other places. The U.S. Government recently introduced the most sweeping cuts in income tax and confidently expects income tax revenue at least to be maintained.

It is becoming increasingly well recognised that exceptionally high rates of income tax not only scare away the investment we need to start new industry and increase employment, such rates lead to the introduction of a pioneer industry we have no desire to encourage, namely, the tax avoidance industry. Tax avoidance flourishes in an atmosphere of widely differing tax rates and costs governments a colossal expenditure in legal personnel and voluminous anti-avoidance legislation which is always a step or two behind the efforts of the tax avoider. It is also increasingly recognised that lower and simpler direct taxes may often produce more revenue than confiscatory taxes.

The Singapore Prime Minister was particularly opposed to the removal of the tax privilege granted under Singapore income tax law which, as he put it, was designed to favour the lower middle class persons living in Serangoon Estate and also, as he was

honest enough to admit, himself and those of his Cabinet colleagues who have working wives.

I was not very clear whether in this context the Singapore Prime Minister was speaking on behalf of the have-nots or the haves, or indeed into which category he placed himself. He ought, perhaps, to be consistent about his defence of the have-nots and admit that in this particular case there was no question of any benefit to the have-nots. He admitted that the inhabitants of Serangoon Gardens were materially better off than those of Petaling Jaya because of this relief, but omitted to mention that the relief did nothing at all for the humbler working wife who went out to work and brought in remuneration not exceeding \$1,000 per year, and did very little where the remuneration did not greatly exceed \$1,000. The Singapore Prime Minister quoted percentages showing how materially the lower middle class in Singapore had benefited by these reliefs, the elimination of which resulted in alterations in the incidence of tax of the order of 293 per cent and 375 per cent in the examples he chose.

This particular relief was of considerable benefit not only to the lower middle class but also to the upper middle class, and especially to the richest taxpayers of all, provided they could contrive to have their wives made directors of companies or to obtain substantial professional earnings. For example, where the respective annual earnings of the spouses were \$5,000 each, the saving in tax was, I agree, only \$265; where the respective annual earnings of the spouses were \$10,000 each, the saving in tax was \$1,005; and where—and this is the interesting part—the respective annual earnings of the spouses were \$50,000 each, the saving in tax was no less than \$12,455 per annum, and this relief was given by a government which professed to be the champion of the have-nots (*Applause*). I do not wish to be personal, but I honestly hope that this attitude was not taken because a number of members of the Singapore Cabinet had

wives with substantial professional earnings.

The Singapore Prime Minister explained that his view of what was direct tax and what was indirect tax was different from our own view. This, of course, is partly a matter of opinion but I should perhaps inform him that there is a strong body of opinion which considers tax on company profits to be an indirect tax because in the long run increases are passed on to the consumers, although in the short run the increases in corporate tax have a depressing effect on corporate enterprise.

Another controversial issue is the Government's intention to harmonise the maximum rate of estate duty at 50%. I said in my Budget speech that this was a middle figure between the prevailing rates of 40% to 60% in the four regions of Malaysia. I quoted figures to show that even in the most advanced countries of the Western world, the rates were, in fact, very much lower for beneficiaries like widows and children. All of us agree that estates of deceased persons should pay their fair share to the revenue, but even the most advanced countries in the Western world feel that the rates should not be such as to amount to confiscation. Bearing in mind the difficulty of disposing of substantial assets in developing countries where the market is limited, it is worth noting that in those highly industrialised countries where the market is far larger and where substantial assets can be disposed of far more easily and where, in many cases, socialist administrations had been in power for many years, such rates are substantially lower.

It is also worthy of note that in certain developing countries such as Nigeria, Kenya, Uganda and Tanzania there is no estate duty at all and even in heavily taxed Japan the top rate of estate duty where the estate passes to a surviving spouse is 35%.

Further, it was also made clear that this concession again is more apparent than real. In return for this concession, we will aggregate the assets of

an estate which has assets in two or more of the four regions of Malaysia. The effect will almost inevitably be to produce a larger tax bill by bringing the estate into a higher tax bracket. Secondly, rates of interest on overdue duty will, in future, be increased in cases of wilful delay to 12% per annum against the existing rate of 6%. Thirdly, *inter vivos* gifts will be aggregated with the estate if made within five years of death. At the moment, the five-year rule applies only to Singapore. Fourthly, under certain circumstances, disposal of the assets of an estate would attract capital gains tax as well, i.e. would be liable to double taxation. It will, therefore, be noted that although a small concession has been given in one field, the screws have been tightened in four different places. I would suggest that even the wealthy in Malaysia have a right to a fair deal.

The most compelling reason of all for making a small reduction in the top bracket is because the prevailing rates in Malaya and Singapore have not achieved their purpose. Even the Hon'ble Member for Batu has admitted that estate duty yields have remained static for many years and as I pointed out in my Budget speech, yields in some years have actually decreased in spite of increasing prosperity. The reason, of course, is quite simple. If you make the rates confiscatory, you compel transfers before death and the net result is that you lose more than you gain. Of course, if the principle is that you should cut your nose to spite your face, then I agree that those who have criticised this proposal are right.

If the theory is that capital in itself is a wicked thing, then I agree that the rates should be such as to amount to confiscation, but I suggest that the fact that rates at Malayan and Singapore levels have not prevailed even in those countries which have had socialist governments for many years shows that capital is not all that sinful. We appreciate that our socialist friends may not agree with us

here. It is an indication of the mentality of those who have spoken against this proposal that they go so far as to condemn the Government for proposing to raise the exemption limit from \$1,000 in Sarawak and \$10,000 in Malaya, Singapore and Sabah to \$25,000. In other words, these people think that there is virtue in poverty. They think it is wrong that a man who has only a small house and literally nothing else to leave to his wife and children should not be allowed to leave that small house to them intact. They would prefer that when the breadwinner in that family dies, the wife and children should have to sell that house in order to pay estate duty to the Government. In other words, as we on this side of the House have observed many times before, their idea of socialism is that everybody should be levelled down to the lowest level of poverty in order that all may share a common misery. We, on this side of the House, believe in a levelling up so that more and more will enjoy the fruits of a property owning democracy. (*Applause*). I would suggest, therefore, that they wait until they attain power and then they can put their theories into practice.

The Government has also been criticised for, of all things, the profits tax on the tin industry. The ground of criticism here is that it is not worth talking about as the yield would only be \$5 million a year. In the first place, I tried to make clear in my Budget Speech that this was by no means a firm estimate as the level of taxation had not yet been determined. I had deliberately given a conservative estimate as it is likely that the yield for 1965 will be based on accounts for the financial year ending in 1964, and in many important cases ending in March and June 1964. These accounting periods relate almost wholly to periods before the more dramatic rise in the price of tin. There is little doubt that the yield for a full year at present price levels would be far in excess of \$5 million. This was made clear in my speech and there is, therefore, no excuse for

distorting what I said then to mean that the tin industry will be asked only for a token contribution.

To be fair to the tin industry, it should be noted that tin has had downs as well as ups in prosperity. It was only a few years ago that a restriction scheme was in operation and many mines closed down. Even now no one can forecast with any certainty the future trend in tin prices. Even at present rates of taxation, without taking into account the proposed profits tax, export duty and income tax together account for well over 50% of pretax profits in the case of profitable mines, and in the case of marginal mines may take anything up to 90% or more. In framing the profits tax, we are avoiding any provisions which might hit the marginal mine or the working of low grade ground, and a good proportion of the industry is now in this category. At the same time, it should be borne in mind that if most of the profit from an industry is taken in tax when times are good, and a good deal even when times are bad, it is unlikely that much long-term investment will take place, and the industry will grind to a halt.

The Singapore Prime Minister made great play with the question of gifts by a rich man to his son made more than 5 years before death. In our Budget proposals we have increased the *inter-vivos* period from 3 years to 5 years so as to catch more of these *inter-vivos* gifts for estate duty. It is not usual to regard a gift as a disposal for the purpose of a capital gains tax but we have made a start in this direction by fixing the donee with the original price of the asset so that when he disposes of it himself he will pay capital gains tax on the full difference between the sale price and the original cost price. It would be somewhat unusual if an asset were passed from father to son from generation to generation to avoid capital gains tax. The sort of asset to which this might happen however is the family home and I have already stated that we will exclude residences from the scope of this tax.

It is interesting to note that the party—i.e. the Peoples' Action Party—which claims to champion the cause of the have-nots did not consider it fit, or should I say did not have the courage, to introduce a capital gains tax during the years when the P.A.P. Government had legislative powers to do so. (*Applause*). Yet when this Government goes a great deal further than the P.A.P. had managed to do, the Singapore Prime Minister thinks we have not plunged in deep enough in our attempt to tax capital gains. For his part, however, he was afraid to put even one toe in the water for fear that the ripples might alarm his so-called capitalist enemies, whom he both respected and feared, perhaps with good reason, too.

The most remarkable feature of this debate, however, is the fact that many critics from the opposite benches of this House have stated in one and the same breath that turnover tax will ruin many businesses and will also be passed on to the consumer without realizing perhaps, that these two arguments cancel each other out. If this tax could ruin a particular business, it obviously cannot be passed on to the consumer. If, on the other hand, it is passed on it will clearly not ruin the business in question. It is, however, inconceivable that this tax can have both effects at the same time. The Prime Minister of Singapore in particular, made great play of the argument that turnover tax is not a direct tax at all, it is an indirect tax which can be passed on to the consumer. To us on this side of the House, it is significant that the arguments advanced by him are exactly the same as those advanced by that section of the business community which seems to fear that it may have to absorb at least some of the tax itself.

It is common knowledge that turnover tax is a well-established method of raising revenue which is very widely used indeed but to listen to some of the critics talking one would imagine that such a tax was a drastic measure which was uniformly disastrous in its application. One newspaper went so

far as to call turnover tax a form of fiscal madness. Yet the same news paper admitted that in Norway the rate is 12%. It is interesting to note that turnover tax is levied in Argentina, Austria, Canada, France, Greece, Holland, Italy, Eire, Finland, India, Japan, Pakistan, Spain and West Germany, to name some of the numerous countries which impose this levy. In every case, the rate of levy is far higher than the $\frac{1}{2}$ % imposed by us. For example, in Italy and Germany there are multistage taxes with basic rates of 3.3% and 4% respectively, in Pakistan the rates are from 15% to 20%, in Japan from 5% to 30% and in Norway the country quoted in one newspaper editorial, the rates range from 11.11% to 40%. I think further comment on this aspect of the matter is superfluous.

The turnover tax has, as I have said, been criticised because it is a multistage tax, and being levied at several stages, will add to the final bill paid by the consumer at the end of the line.

The number of stages through which articles pass on their way from producer or importer to consumer may vary but even if there are as many as four stages the tax should only be 2% or slightly more.

Where the chain of distribution is inordinately long, it may be that the effect of the tax will be to encourage the removal of unnecessary middlemen. This will by no means be necessarily a bad thing for the consumer.

In the smaller businesses, for example, the grower and the seller of fresh vegetables, or the small retailer, it is likely that the exemption limit of \$36,000 per annum will serve to free them from any liability to tax.

I have been informed by the Inland Revenue Department that in many cases taxpayers showing turnover running into millions of dollars declared quite insignificant profits for income tax purposes. In fact, I sometimes feel that there are many people in this country who, to judge from their income tax returns, are able to live on love and fresh air.

I am aware that in some cases profit margins are very fine but it is also clear that in many cases profits have been grossly understated unless we are prepared to believe that a man turning over millions of dollars a year is content to live on no more than what he pays his own manager. It is this type of income tax evader who is now protesting against a turnover tax and, from his point of view, he is quite right. From the point of view of the Government, however, and from the point of view of honest taxpayer in this country, we are even more right and this is another reason why this tax is completely justified. In fact, it could well be that this tax could help us uncover many more cases of income tax evasion. It is quite clear that in many income tax returns the amount declared as purchases is inflated in varying degrees in order to reduce the profit of the corresponding year. In other cases, payrolls have also been known to be inflated for the same reason. With the introduction of these two new taxes, the evader should he practise this form of evasion will now, with a little cross-checking, be caught between two forces.

He will be caught in respect of his falsifying his purchases figure by the operation of the turnover tax and by the checking work done in connection with the payroll tax where he has padded his wage bill with fictitious wages.

Although certain points have been covered either in my Budget speech or the White Paper or in statements to the Press, I would like to clarify them again in my reply. I take this opportunity of mentioning that all the tax changes are explained at some length in the White Paper which has now been reprinted and is available to the public at 50 cents a copy. First then, there is the question of stockbrokers. Where the stockbroker merely obtains a commission on a transaction between a buyer and a seller only the commission will count as turnover for the purpose of the tax.

It has already been stated that exports are not subject to turnover tax

and that goods subject to export duty and certain other commodities exported in a raw state are not subject to turnover tax at any stage. This means that, for example, in the case of rubber, the grower, the dealer, the miller, the remiller and the exporter are all exempt but where the rubber is manufactured into tyres or tennis shoes the sales of the manufactured goods in Malaysia are subject to the tax but the exports are not. Similarly, tin is exempt at all stages but consumer goods which contain tin and which are sold in Malaysia will not be exempted.

Since exports in general are not taxable, it follows that the exports of the entrepot trade in the true sense of the word, that is where commodities are imported merely to be re-exported in virtually the same state, will be exempt.

As regards padi mills, these will be exempt where run by a co-operative society because we have exempted all co-operative societies from the tax. Further, the smallest privately-owned mills where the turnover does not exceed \$36,000 a year will be exempt under the general exemption granted to small businesses.

The Government has also been accused of levying the turnover tax without studying its impact. All I said in my Budget speech was that this tax was right in principle, though the initial rate should be low enough to make sure that it can be borne without hardship by all sections of commerce and industry. We promised to keep a careful watch on the incidence of this tax so that we may decide in future how it should be developed, if further development is considered necessary. As I mentioned in my Budget speech, the future development of the tax may be in the direction of the present proposed structure which does not preclude adjustment between different types of business within that structure. On the other hand, the ultimate development may well lie in the direction of a single stage tax. What we have to do, in the first place, however, is to establish the administrative and

statistical infrastructure of future development and this is what the present proposal and design have achieved. We have also provided that the really small retailer will not pay this tax as a result of the exemption limit of \$36,000 per annum, a point I referred to earlier. This means that many shopkeepers will not be subject to this levy.

The Opposition have come out very strongly against the payroll tax of 2% which, as I have pointed out, becomes a net tax of 1.2% where income tax is payable at 40% and 1% where tax is payable at 50%. This tax, we were told, was directed at labour and would lead to retrenchments, apparently on a wholesale scale.

Let us examine more closely the strictures which have been levelled against the payroll tax even though it is levied at a modest rate of only 2%. This is equivalent to a 2% rise in pay for employees. I wonder if there is any company, firm or business in this country which, if faced with a demand for a 2% rise in wages from its employees, could honestly say that accession to such a demand could put it out of business. How often have we seen employers, when threatened with a strike, agree to a wage increase far in excess of 2%. How often has this thing happened in the past

Enche' C. V. Devan Nair: Mr Speaker, Sir, on a point of clarification, and I am sorry to interrupt the Honourable Minister. The Honourable Minister will agree that wage claims, which amount to an increased 2% of the wage bill, may not cause considerable uneasiness amongst employers who have got only a small number of people on their payrolls, but he will surely agree that if an employer employs large numbers, say, 3,000 or 4,000 people on his payroll, and where a union makes wage claims, which mean an increase of 2% on the total wage bill for 3,000 or 4,000 employees, then it is quite a different matter; and the fear which some of us expressed is that in industrial undertakings, which are labour intensive, they do not employ, mind you, just five, ten or

fifteen but thousands; and those industries would be affected by this. As a trade unionist, Sir, I have made several claims for wage increases amounting to more than 2% in small undertakings, but when it comes to a very large undertaking—labour intensive—I would be very, very chary of making wage claims amounting to more than 2% of the total wages.

Enche' Tan Siew Sin: I would not have raised this point, Sir, previously, but since the Honourable Member for Bungsar has raised it, I would like to answer. Even the newspaper which criticised this tax as a form of "fiscal madness", has admitted that the payroll tax will bear most heavily on the rubber industry, because two-thirds of the cost of production of a pound of rubber consists of wages. Now, as far as the rubber industry is concerned, I probably have a little knowledge. I have been associated with this industry in the past and, perhaps, it is true to say that the interests of my family and myself in this industry are substantial. Yet, we have chosen to levy a payroll tax on the rubber industry, which will be the most hard hit, and I am prepared to bet with the Honourable Member for Bungsar that the rubber industry can stand this tax and it will not retrench. Time will show whether he is right or I am right.

Enche' C. V. Devan Nair: Sir, I really beg your pardon for interrupting. I will quite agree that in all probability the rubber industry will be able to stand this increase, because my own belief is that the enormous profits it had been making had not in effect been passed on to their employees. Let us take the fact that I mentioned in my speech. I referred not to the rubber industry but to the public transport undertakings. I might mention here about the public transport companies in Singapore. Let us take one company, the largest company, where it employs 3,500 employees. Its profits are marginal, practically non-existent, and its revenues are severely hit by the recent disturbances which took place in Singapore. Now, this company would have the diesel tax—by itself not large—the turnover tax and the

payroll tax—the payroll tax is 2% on 3,500; and I shall be most grateful, Mr Speaker, Sir, in any unrest which is going to develop, if the Honourable Minister will negotiate with the company for the union.

Enche' Tan Siew Sin: Mr Speaker, Sir, as I have said, the rubber industry is the industry which probably will be the most hard hit by this tax. If the rubber industry can stand the impact of this tax, I do not see any reason why any Singapore industry will not be able to stand the impact. May I suggest that the trouble, perhaps, with a certain number of Singapore industries is that they have been spoon fed in the past? Now for the first time, under a socialist Government, they have got to face the full force of equal competition. Is that why probably they are afraid? (*Applause*). I shall elaborate on this point later. (*Laughter*).

There are already signs that some firms propose to absorb the payroll tax without wholesale retrenchment of staff or in fact any retrenchment at all. The Chairman of Rothmans Pall Mall (Malaya) Ltd at the annual general meeting of that company stated in his address, as reported in the *Malayan Times* of Wednesday, that he thought that his Company would decide to absorb the additional burden resulting from the increase in tobacco duty in Singapore and the introduction of payroll tax. Moreover, I do not remember any such "ruin and retrenchment" arguments being used when the E.P.F. and C.P.F. schemes were introduced some years ago. These schemes, as far as the employer was concerned, amounted to a payroll tax and of course the rate of levy was 5%, not 2%. I am not aware of heavy retrenchments having followed the introduction of this scheme nor of arguments being put forward then that the tax would increase prices because employers would pass it on.

There are two differences between the present payroll tax and schemes like the E.P.F. in that the former would provide a contribution to general revenue and its impact is not restricted to the lower salary groups

but applies to the directors and executives of big companies as well. This, perhaps, is where the shoe pinches and it is interesting to see the self-styled voices of the down trodden masses aligning themselves with the voice of the big business in criticising this tax. (*Applause*).

Payroll tax is levied in Australia, Austria, Belgium, Chile, Argentina, Eire, Finland, France, West Germany, Holland, Italy, Japan, Mexico, New Zealand, Norway, Portugal, Spain and Switzerland, to name a number of the countries which have adopted this form of taxation. It will be noted also that I deliberately omitted some of the larger industrialised countries from this list, Hon'ble Members will be interested to know that in every case which I have quoted the rate of tax is more than 2%, in many cases far higher than 2%. For example in Austria and Belgium the levies amount to about 20% while in France the total sums payable by an employer total about 50% of the payroll.

Another argument levelled against these two taxes is that, in the last analysis, they would be passed on to the consumer. One has a shrewd suspicion that if this could be done, the howls of protest would not have been so loud. It is because the rates are too low to justify price increases, or because if price increases are resorted to, such a business would probably lose out as it would be undercut by its competitors, that we get these howls of rage. I suggest the real reason why these taxes are unpopular in some quarters is precisely because the effects cannot be passed on to the consumer and this belief is fortified by the fact that these protests have come from quarters which, in the past, have not been noted for their solicitous concern for the ordinary people of this country. The very fact that such protests have come from such quarters is evidence that the Government is absolutely right in what it has done. (*Applause*).

As I have already stated, the payroll tax will not be applied to that part of the payroll which consists of

pensions paid to retired employees. I understand that in certain cases, where unemployment has been caused by the disruption of business arising from confrontation, some employers have been paying unemployment benefits to employees who have been temporarily laid off. It is our intention to regard unemployment pay paid in such circumstances as similar to pensions and to exclude this also from the incidence of payroll tax.

Before I leave the subject of turn-over and payroll taxes, I would like to say that I would be the first to agree that it is possible that anomalies would appear in the incidence of these two taxes. This is why to play safe, we have made the rates extremely low. I have already said and I repeat that we will be vigilant for possible hardship and will keep an open mind and be prepared to adopt a flexible attitude in the administration of these new taxes. (*Applause*). We will welcome any constructive suggestions and representations which would help us to administer these taxes fairly. In fact, for the benefit of the Hon'ble Member for Bungsar, I would like to inform him that I will have already received by the end of this week a deputation from the Singapore Chambers of Commerce.

The P.A.P.'s contribution to producing more revenue from industry has been to distribute pioneer certificates rather in the manner of one distributing handbills to a whole series of highly capital-intensive industries in Singapore, in some cases where the applications had previously been rejected in Malaya.

Their ideas on how to raise new revenue are simple—leave Singapore alone and collect it all from the Malayan tin mines. They are even ready to work out figures for us on how much money we can collect.

The Honourable Members from the P.A.P. benches have expressed, in their usual fashion, a great moral concern for income redistribution. Redistribution, as we all know, means taking from those who have more and giving to those who have less. The idea of redis-

tribution, of course, applies not only to single individuals, but also to groups and states, as evidenced by the agreements regarding development assistance to the Borneo States.

I can only conclude that the Honourable Members from the P.A.P. benches, if they have any concern for consistency, would be forced to support a taxation programme bearing relatively heavier on Singapore than on the other States of Malaysia. This conclusion follows from the principle of taking more from those who have more, since per capita GNP in Singapore, estimated at \$1,440, is the highest in the country, standing 65% above the per capita level in the States of Malaya, 100% above the level in Sabah, and 140% above the level in Sarawak. Furthermore, the tax burden in relation to income per capita, is lower in Singapore than in the States of Malaya, and lower than the average burden for Malaysia as a whole. The opposition on the part of Singapore to the taxes which will be generating significant revenue in that State, combined with their enthusiasm for heavier taxes on the tin industry in the States of Malaya, sounds somewhat inconsistent with their claims for sincerity and concern over justice and fair distribution of the tax burden. After hearing a call for redistribution reiterated so often, and with such fervour, I think this House will have every right to expect a generous offer from the State of Singapore when the question of the apportionment of Federal revenue in Singapore is reviewed next year. (*Applause*). This House may well look forward to a reversal of the 40/60 proportions now in force, with the Have State of Singapore offering to take the 40%, so that 60% of Federal revenue in Singapore will accrue to the Federal Government to help finance its expenditures in the Have Not States.

As Malaysian Finance Minister, it is my duty to raise money in a balanced manner from Malaysia as a whole, so that each region bears a fair share, hence the stress throughout my Budget speech on tax harmonization.

I pointed out that in harmonizing there were bound to be a few curious

side effects because all harmonization could not be to the highest tax rates in all directions.

By far the largest increase in income tax is provided by Malaya. Singapore's contribution is modest and Singapore's inhabitants are still very much better off than those living in Malaya as far as the incidence of indirect taxation is concerned.

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 in effect is "Don't tax us, tax the Malayan tin miners!"

The most startling comment on the revenue proposals, in fact, has come from the P.A.P. benches led by the Singapore Prime Minister. Broadly, he has said that these proposals are regressive rather than progressive on the ground that they will hit the poor rather than those best able to bear them. This Party regards itself as a socialist party, i.e. its particular concern is for the poor. It is against the capitalist. Yet, this same Party, this champion of the poor, has been unjust to the contributors to the Central Provident Fund in Singapore, and let us remember that these are all wage earners in the lower income groups, in withholding what was legally, morally, and rightly, their due by crediting their contributions with only 2½% per annum when their investments yielded 5% or more. It needed the continual and constant prodding of a so-called right wing Government in the States of Malaya to bring this Party to its senses. It was only as a result of such prodding that it eventually returned an amount which bore some relation to the return on its investments. It is also noteworthy that this so-called socialist party gives pioneer status even to companies which are 100% foreign owned. (HONOURABLE MEMBERS: Shame.)

Enche' C. V. Devan Nair: Mr Speaker, Sir, perhaps there should be some clarification here. I think the Minister should not select his facts. He would agree, I think, there are probably two petroleum oil companies

in Singapore where this condition obtains and for the rest 60% or more of the capital is held by local capitalists.

Enche' Tan Siew Sin: I am glad the Honourable Member for Bungsar has admitted that there are at least two companies. (*Applause*).

Enche' C. V. Devan Nair: Mr Speaker, Sir, there may be special reasons for this and I have no doubt that the Honourable Minister of Finance from Singapore is more than capable of giving a more than adequate reply to that.

Enche' Tan Siew Sin: It is prepared to give a status—when I say "it", I mean the P.A.P. Government—which carries with it substantial tax concessions without any statutory obligation on the part of the company concerned to spend anything on factory or machinery. That is why I stated in my Budget speech that we will amend the Singapore Ordinance next year. (*Laughter*). I cannot think of even a right wing government in a highly industrialised country giving such one-sided concessions to companies, and foreign companies to boot, as admitted by the Honourable Member for Bungsar. It must be unparalleled in the history of a so-called socialist party in a developing country. It is clear that the so-called socialism of this Party is utter hypocrisy. (*Laughter*).

The Honourable Member for Kota Star Selatan touched on the financial position of the States of Malaya. In particular, he would like to know the position of Kelantan.

Kelantan unfortunately is now in serious financial difficulties and this situation would appear to have been brought about entirely by its own doing. We understand that until recently it had insufficient funds at its disposal to meet salaries and allowances and other liabilities for the month of November, 1964, and under such circumstances the Federal Government has been obliged to agree to its raising a loan in accordance with Article 111 (2) of the Constitution. (HONOURABLE MEMBERS: Shame.)

It has been the Federal Government's practice to advance to State Governments funds to meet the cost of financing Federal expenditure in the States but it would appear that Kelantan, because of its deficit, has made use of the Federal advance in meeting the State's commitments. The Federal Government is now actively looking into the matter. Recently the Federal Government has also had to make special arrangements for the payment of Federal liabilities incurred in Kelantan.

Although a large part of the debate on the Budget has been devoted to the new tax proposals, there were points raised which relate to policies determining expenditure on the appropriations of funds.

Here we have been subjected to the same clichés, the same juvenile nonsense from the so-called Left (*Laughter*) which the people of the States of Malaya have rejected repeatedly since 1955. To say that the Alliance Government has left the masses uncared for or neglected is to ignore the very large sums this Government has spent on rural development, the maintenance of a guaranteed minimum price for padi which has been supporting a major commodity produced by over 40,000 padi planters, the increase of over 90,000 in the number of children attending rural schools in the first three years of the present Five Year Plan, over 3,200 new classrooms constructed in the same period, nearly 250,000 acres replanted and new planted under the smallholders' Fund B, over 400 new midwives' clinics, over 4,000 families settled on over 63,000 acres of F.L.D.A. schemes, over 180,000 acres planted under other smallholders' alienation schemes, water supplies, electrification and so on. In short, to criticise this Government for neglect of the rural people is to deny ten years of improvement, vast expenditure on construction and social service programmes, and an internationally acknowledged record being studied by a constant stream of political leaders and economic planners from other newly developing countries.

This Government's rejection of the basic position put forward by the Opposition from the Left goes beyond a mere refutation of its errors of fact. This rejection is based on a fundamentally different analysis of the economic requirements of Malaysia at this stage of its development, and a different conclusion as to the most effective policies required to raise the incomes of the mass of farmers and rural and industrial workers.

As I have pointed out, the assertion that the Alliance Government has not been concerned with raising the living standards of the lower income sections of the population, is utter nonsense. But this Government *is*, in fact, *the* Government, and must therefore exercise responsibility in comparison with the Opposition which is free to criticise and theorize without being in danger of having to face the reality of actually governing Malaysia. Since this Government *is* the Government, it must make the difficult choice facing all governments in underdeveloped countries—the choice between policies aimed essentially at redistribution of what wealth the country already has, or policies aimed primarily at increasing the total of that wealth as rapidly as possible. True, redistribution and growth are compatible to a certain extent; and this Budget, with its increasingly progressive outlook on the tax side reflects, along with the Development Budget, our judgment as to how much redistribution can be safely attempted at present. The history of every successful developing country, however, has shown that premature or excessive redistribution of the pie, when it is still a small pie, results in limiting (if not retarding) the growth of the whole pie, with the ultimate effect that everyone's share is much smaller than it would have been if policies had concentrated on enlarging the economic pie in the first place.

Compared with most of the underdeveloped world, it is clear that Malaysia has done pretty well by its present set of economic institution. We are the first to admit that the progress achieved so far is inadequate. We must, of course, strive for very much higher

levels of income and welfare, but it does not follow that the most efficient method of reaching yet higher levels of income is to dismantle the economic institutions which have brought us a fair distance already. On the contrary, the intelligent course is to improve on the system already working well and help it to generate growth in income even greater than what has already been achieved. The Honourable Member for Batu often compares the situation in Malaysia with that of other countries when attempting to judge the merits of what he finds at home, and he shows an admirable willingness to learn from the experience of others and to consult the books of experts. In this connection my Honourable colleague the Minister of Commerce and Industry has mentioned that the Honourable Member for Batu sometimes probably reads the wrong books.

May I suggest that before offering Malaysia—I am now referring to the Honourable Member for Batu, who is not here—a socialist pick-me-up, a socialist prescription—as casually as he may offer one of his patients some tonic—that he compare the record of economic growth of those other Asian countries practising rampant capitalism, i.e. Japan, Taiwan, the Philippines and Thailand, with those countries following socialist or anti-capitalist policies, of which I shall mention only Indonesia?

Several Honourable Members felt that social service expenditures are insufficient, and expenditures on health, labour, social welfare and housing especially should be increased. The Alliance Government's achievement in this field compares very favourably with those in other and especially developing countries. Since the Alliance Government came into power, recurrent expenditure on education, health, labour and social welfare has been increased from \$140 million in 1955 to the \$407 million proposed for the States of Malaya alone as shown in the 1965 Estimates. This is almost a trebling of expenditure in ten years. It is true that primary emphasis has been given to education although expenditure on Medical and Health and on Social

Welfare has also more than doubled. This is as it should be. The Alliance Government is not unaware of social needs. The votes for social services in Sarawak and Sabah for 1964 and 1965 have also shown dramatic increases. It is, however, necessary to maintain a balance in the Government effort to provide more social services and to promote economic development which would enable a higher level of social services to be sustained.

In the course of the Budget debate it has been suggested by the Honourable Member for Pasir Puteh and the Honourable Member for Batu that adequate funds have not been provided to RIDA to carry out its programme of rural development. A comparison was also made that whilst Government has made available an interest free loan of \$37.5 million to M.I.D.F.L., RIDA has been starved of funds. Mr Speaker, Sir, possibly Honourable Members who have made these allegations are not aware of the actual position. Since 1957 a total of \$30,498,000 has been made available to RIDA in the form of annual subventions. In addition, under the First Five-Year Plan, a total of \$7.6 million was spent by the Authority for various items of development expenditure. Under the current Five-Year Plan a further sum of \$2.4 million has been provided for the Authority's loan programme and \$7.6 million as grants. Far from being starved of funds, RIDA in fact accumulated funds over the years, and as at September had a total of \$7.7 million in fixed deposits with commercial banks and Treasury Bills as follows:

Administration Fund ...	\$5.7 million
Industries Fund ...	0.5 million
Loan Programme ...	1.5 million

The above figures of finance for RIDA however, do not give a complete picture of the substantial sums of funds which have been channelled in recent years to the rural sector. In order to appreciate the extent and nature of Government assistance provided to cater for the many facets of rural needs, I should like to refer the Honourable Member for Batu to

page 7 of the Interim Review of Development in Malaya under the Second Five-Year Plan. It will be seen from the data on that page that the expenditure on major elements of rural development under the Second Five-Year Plan for the years 1961-62 alone amount to \$241,343,000 and the provision approved for 1963 accounted for a further \$163,361,000. I would also like to refer the Honourable Member to pages 7 to 9 of Command Paper No. 38 of 1964 being the Treasury Memorandum on the Development Estimates for 1965 which will give him an accurate summary of what Government has done for the rural areas. "There are none so blind as those who will not see".

It will help to put this entire Budget debate in perspective if we recall that no Honourable Member has questioned the basic arithmetic of the Federal Government's financial position in 1965. No Honourable Member has questioned the fact that revenue under the taxes and rates in force before 25th November would be virtually unchanged in 1965 in the face of sharply increasing requirements. No Honourable Member has suggested that this Government is being irresponsible in taking measures to restore what would otherwise be an alarming deficit and a dangerous rate of decline in the Government's accumulated assets. In short, the House has implicitly and explicitly voiced its agreement with this Government that the over-all financial position justifies and necessitates measures to raise additional revenue of the magnitudes I estimated in my speech.

I have already dealt with the criticisms made of specific aspects of the different taxes being debated. As I have shown, most of these individual criticisms do not stand up under close scrutiny. When viewed in the perspective of the over-all financial requirements at least implicitly accepted by the Opposition, the criticisms taken as a whole fall to the ground. The need for revenue to maintain this Government's policy of sound financial management and hard money is beyond debate. But have

Honourable Members who dislike the tax proposals any serious alternatives that can raise additional revenue of the magnitude required? Only three significant suggestions have been mentioned: more progressive income tax rates for the rich, more progressive taxation of the estates of deceased persons, and higher profits tax on tin. As I have shown, raising the top income tax rates to confiscatory levels would generate a relatively small amount of revenue in relation to our requirements. The same consideration applies even more strongly to the call for higher estate duties. As for tin, I have explained the reason for the limitations on the profits tax likely to be collected in 1965. I would finally draw attention to the fact that a substantial deficit will still remain after taking account of the revenue that will be generated by the new measures, and any additional revenue from the tin industry that might accrue beyond the \$5 million estimated for the profits tax for 1965 should be viewed as a welcome contribution towards reducing this deficit further and not as a substitute for the other revenue measures.

In conclusion, I would like this House to reflect on the significance of this 1965 Budget that is before us. This Budget reflects the Government's positive attitude to the fiscal and financial problems facing the Federal Government. The challenge of Indonesian aggression must be met by strengthening our security forces as well as by maintaining the development momentum we have achieved. The new tax proposals represent a realistic fiscal effort to meet the strain that is emerging, if we are to preserve the strength of our currency and the financial stability we have enjoyed. Much concern has been expressed over the effect of the new tax proposals on the health of the business community. It should be borne in mind that even after taking account of the additional revenue expected from these proposals, the excess of Federal Government expenditure over its total receipts will be larger in 1965 than it will be in 1964. The net effect of this larger deficit and of the continuing expansion in Federal

Government activity will be further to stimulate the pace of economic activity in Malaysia. The programmes of the Federal Government in the past few years have been one of the major contributing factors behind the increasingly buoyant business conditions. This Budget carries these programmes forward while preserving financial

stability, economic facts which far surpass, in their significance for the business community, the impact of the new taxes proposed. Thank you, Sir. (*Applause*).

Question put, and agreed to.

Bill accordingly read a second time.

Adjourned at 8.40 p.m.