

Volume II
No. 20



Saturday
20th November, 1965

PARLIAMENTARY DEBATES

DEWAN RA'AYAT
(HOUSE OF REPRESENTATIVES)

OFFICIAL REPORT

CONTENTS

ORAL ANSWERS TO QUESTIONS [Col. 3189]

MOTION:

Adjournment of the House [Col. 3194]

BREACH OF PRIVILEGE OF THE HOUSE—

**COMPLAINT BY THE HONOURABLE MINISTER
OF HOME AFFAIRS [Col. 3194]**

BILL:

The Supply (1966) Bill [Col. 3196]

MALAYSIA

DEWAN RA'AYAT
(HOUSE OF REPRESENTATIVES)

Official Report

Second Session of the Second Dewan Ra'ayat

Saturday, 20th November, 1965

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 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. (Sungei Siput).
- „ the Minister of Transport, DATO' HAJI SARDON BIN HAJI JUBIR, P.M.N. (Pontian Utara).
- „ the Minister of Health, ENCHE' BAHAMAN BIN SAMSUDIN (Kuala Pilah).
- „ the Minister 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 Local Government and Housing, ENCHE' KHAW KAI-BOH, P.J.K. (Ulu Selangor).
- „ the Minister for Sarawak Affairs, DATO' TEMENGGONG JUGAH ANAK BARIENG, P.M.N., P.D.K. (Sarawak).
- „ the Minister of Labour, ENCHE' V. MANICKAVASAGAM, J.M.N., P.J.K. (Klang).
- „ the Minister of Information and Broadcasting, ENCHE' SENU BIN ABDUL RAHMAN (Kubang Pasu Barat).
- „ the Minister of Lands and Mines, ENCHE' ABDUL-RAHMAN BIN YA'KUB (Sarawak).
- „ the Assistant Minister of National and Rural Development, 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 Honourable the Assistant Minister of Finance, DR NG KAM POH, J.P.
(Telok Anson).

- „ the Parliamentary Secretary to the Minister of Health,
ENCHE' IBRAHIM BIN ABDUL RAHMAN (Seberang Tengah).
- „ the Parliamentary Secretary to the Minister of Labour,
ENCHE' LEE SAN CHOON, K.M.N. (Segamat Selatan).
- „ the Parliamentary Secretary to the Minister of Finance,
ENCHE' ALI BIN HAJI AHMAD (Pontian Selatan).
- „ the Parliamentary Secretary to the Deputy Prime Minister,
ENCHE' CHEN WING SUM (Damansara).
- „ 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 RAZAK BIN HAJI HUSSIN (Lipis).
- „ ENCHE' ABDUL SAMAD BIN GUL AHMAD MIANJI
(Pasir Mas Hulu).
- „ DATO' ABDULLAH BIN ABDULRAHMAN, Dato' Bijaya di-Raja
(Kuala Trengganu Selatan).
- „ TUAN HAJI ABDULLAH BIN HAJI MOHD. SALLEH, A.M.N., S.M.J.,
P.I.S. (Segamat Utara).
- „ ENCHE' ABU BAKAR BIN HAMZAH (Bachok).
- „ TUAN HAJI AHMAD BIN ABDULLAH (Kelantan Hilir).
- „ ENCHE' AHMAD BIN ARSHAD, A.M.N. (Muar Utara).
- „ TUAN HAJI AHMAD BIN SAAID, J.P. (Seberang Utara).
- „ CHE' AJIBAH BINTI ABOL (Sarawak).
- „ O. K. K. DATU ALIUDDIN BIN DATU HARUN, P.D.K. (Sabah).
- „ 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 SIANG SUN (Bentong).
- „ ENCHE' CHIA CHIN SHIN, A.B.S. (Sarawak).
- „ ENCHE' FRANCIS CHIA NYUK TONG (Sabah).
- „ ENCHE' CHIN FOON (Ulu Kinta).
- „ ENCHE' D. A. DAGO ANAK RANDEN *alias* DAGOK ANAK RANDAN
(Sarawak).
- „ 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 HAJJAH FATIMAH BINTI HAJI ABDUL MAJID
(Johore Bahru Timor).
- „ DATIN FATIMAH BINTI HAJI HASHIM, P.M.N.
(Jitra-Padang Terap).
- „ ENCHE' S. FAZUL RAHMAN, A.D.K. (Sabah).
- „ ENCHE' GANING BIN JANGKAT (Sabah).
- „ ENCHE' GEH CHONG KEAT, A.M.N. (Penang Utara).
- „ ENCHE' HANAFI BIN MOHD. YUNUS, A.M.N., J.P. (Kulim Utara).

- The Honourable ENCHE' HARUN BIN ABDULLAH, A.M.N. (Baling).
- .. WAN HASSAN BIN WAN DAUD (Tumpat).
- .. ENCHE' STANLEY HO NGUN KHIU, A.D.K. (Sabah).
- .. ENCHE' HUSSEIN BIN TO' MUDA HASSAN, A.M.N. (Raub).
- .. ENCHE' HUSSEIN BIN SULAIMAN (Ulu Kelantan).
- .. TUAN HAJI HUSSAIN RAHIMI BIN HAJI SAMAN
(Kota Bharu Hulu).
- .. ENCHE' IKHWAN ZAINI (Sarawak).
- .. PENGHULU JINGGUT ANAK ATTAN, Q.M.C., A.B.S. (Sarawak).
- .. ENCHE' KADAM ANAK KIAI (Sarawak).
- .. ENCHE' THOMAS KANA (Sarawak).
- .. ENCHE' KHOO PENG LOONG (Sarawak).
- .. DATO' KHOO SIAK CHIEW, P.D.K. (Sabah).
- .. ENCHE' LEE SECK FUN (Tanjong Malim).
- .. ENCHE' AMADEUS MATHEW LEONG, A.D.K., J.P. (Sabah).
- .. DR LIM CHONG EU (Tanjong).
- .. ENCHE' LIM KEAN SIEW (Dato Kramat).
- .. ENCHE' T. MAHIMA SINGH, J.P. (Port Dickson).
- .. ENCHE' JOSEPH DAVID MANJAI (Sabah).
- .. DATO' DR HAJI MEGAT KHAS, D.P.M.P., J.P., P.J.K.
(Kuala Kangsar).
- .. ENCHE' MOHD. ARIF SALLEH, A.D.K. (Sabah).
- .. DATO' 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).
- .. WAN MOKHTAR BIN AHMAD (Kemaman).
- .. TUAN HAJI MOKHTAR BIN HAJI ISMAIL (Perlis Selatan).
- .. ENCHE' MUHAMMAD FAKHRUDDIN BIN HAJI ABDULLAH
(Pasir Mas Hilir).
- .. TUAN HAJI MUHAMMAD SU'AUT BIN HAJI MUHD. TAHIR, A.B.S.
(Sarawak).
- .. DATO' HAJI MUSTAPHA BIN HAJI ABDUL JABAR, D.P.M.S., A.M.N.,
J.P. (Sabak Bernam).
- .. ENCHE' MUSTAPHA BIN AHMAD (Tanah Merah).
- .. DATO' NIK AHMAD KAMIL, D.K., S.P.M.K., S.J.M.K., P.M.N.,
P.Y.G.P., Dato' Sri Setia Raja (Kota Bharu Hilir).
- .. ENCHE' NG FAH YAM (Batu Gajah).
- .. ENCHE' ONG KEE HUI (Sarawak).
- .. TUAN HAJI OTHMAN BIN ABDULLAH (Hilir Perak).
- .. ENCHE' OTHMAN BIN ABDULLAH, A.M.N. (Perlis Utara).
- .. ENCHE' S. RAJARATNAM (Singapore).

The Honourable 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' SENAWI BIN ISMAIL, P.J.K. (Seberang Selatan).
- „ ENCHE' SNG CHIN JOO (Sarawak).
- „ ENCHE' SOH AH TECK (Batu Pahat).
- „ PENGIRAN TAHIR PETRA (Sabah).
- „ ENCHE' TAJUDDIN BIN ALI, P.J.K. (Larut Utara).
- „ ENCHE' TAI KUAN YANG (Kulim Bandar Bharu).
- „ ENCHE' TAMA WENG TINGGANG WAN (Sarawak).
- „ ENCHE' TAN CHENG BEE, J.P. (Bagan).
- „ ENCHE' TAN TOH HONG (Bukit Bintang).
- „ ENCHE' TAN TSAK YU (Sarawak).
- „ ENCHE' TIAH ENG BEE (Kluang Utara).
- „ ENCHE' WEE TOON BOON (Singapore).
- „ ENCHE' YEH PAO TZE (Sabah).
- „ ENCHE' STEPHEN YONG KUET TZE (Sarawak).
- „ TUAN HAJI ZAKARIA BIN HAJI MOHD. TAIB, P.J.K. (Langat).

ABSENT:

The Honourable 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 Education, ENCHE' MOHAMED KHIR JOHARI (Kedah Tengah).
- „ the Minister of Agriculture and Co-operatives, TUAN HAJI MOHD. GHAZALI BIN HAJI JAWI (Ulu Perak).
- „ the Assistant Minister without Portfolio,
„ TUAN HAJI ABDUL KHALID BIN AWANG OSMAN,
(Kota Star Utara).
- „ 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).
- „ ENCHE' ABDUL RAHMAN BIN HAJI TALIB, P.J.K. (Kuantan).
- „ ENCHE' ABDUL RAUF BIN A. RAHMAN, K.M.N., P.J.K.
(Krian Laut).

The Honourable Y.A.M. TUNKU ABDULLAH IBNI AL-MARHUM TUANKU ABDUL RAHMAN, P.P.T. (Rawang).

- „ DR AWANG BIN HASSAN, S.M.J. (Muar Selatan).
- „ ENCHE' CHAN CHONG WEN, A.M.N. (Kluang Selatan).
- „ ENCHE' CHAN SEONG YOON (Setapak).
- „ DATU GANIE GILONG, P.D.K., J.P. (Sabah).
- „ ENCHE' HAMZAH BIN ALANG, A.M.N., P.J.K. (Kapar).
- „ ENCHE' HANAFIAH BIN HUSSAIN, A.M.N. (Jerai).
- „ ENCHE' HUSSAIN BIN MOHD. NOORDIN, A.M.N., P.J.K. (Parit).
- „ ENCHE' ISMAIL BIN IDRIS (Penang Selatan).
- „ DATO' SYED JA'AFAR BIN HASAN ALBAR, P.M.N. (Johor Tenggara).
- „ ENCHE' KAM WOON WAH, J.P. (Sitiawan).
- „ ENCHE' EDMUND LANGGU ANAK SAGA (Sarawak).
- „ DATO' LING BENG SIEW, P.N.B.S. (Sarawak).
- „ ENCHE' LIM PEE HUNG, P.J.K. (Alor Star).
- „ DR MAHATHIR BIN MOHAMAD (Kota Star Selatan).
- „ ENCHE' MOHD. ZAHIR BIN HAJI ISMAIL, J.M.N. (Sungai Patani).
- „ ENCHE' QUEK KAI DONG, J.P. (Seremban Timor).
- „ DATO' S. P. SEENIVASAGAM, D.P.M.P., P.M.P., J.P. (Menglembu).
- „ ENCHE' SIOW LOONG HIN, P.J.K. (Seremban Barat).
- „ ENCHE' SULAIMAN BIN ALI (Dungun).
- „ DR TAN CHEE KHOON (Batu).
- „ ENCHE' TAN KEE GAK (Bandar Melaka).
- „ ENCHE' TOH THEAM HOCK (Kampar).
- „ ENCHE' YEOH TAT BENG (Bruas).

PRAYERS

(Mr Speaker *in the Chair*)

ORAL ANSWERS TO QUESTIONS

THE WORKERS HOUSING BILL

1. Enche' C. V. Devan Nair (Bungsar) asks the Minister of Labour to state the reasons for the considerable delay in presenting to Parliament the Workers (Minimum) Standards of Housing Act and the Regulations thereunder reported to have been finalised some time ago.

The Minister of Labour (Enche' V. Manickavasagam): Mr Speaker, Sir, I know that there has been some delay in presenting the Workers Housing Bill to this House. The Bill and the necessary Regulations have unfortunately taken a longer time to be finalised than I envisaged earlier, mainly due

to the necessity to tie up their provisions from every angle—health, engineering, building capacity and so on. Sir, I can assure this House that I am as anxious as the Honourable Member appears to be for this Bill to be finalised as early as possible.

Enche' C. V. Devan Nair: Is the delay perhaps due, among other things, to the fact that the Ministry has been engaged in consultations with the trade unions on this matter?

Enche' V. Manickavasagam: Sir, there is no confrontation as far as I am aware.

Enche' C. V. Devan Nair: Not confrontation! I said consultations with the trade unions.

Enche' V. Manickavasagam: We have had discussions and consultations with the trade unions and we have finalised the consultations with the trade unions concerned.

CONSUMERS' ASSOCIATION— FINANCIAL ASSISTANCE

2. Enche' C. V. Devan Nair asks the Minister of Commerce and Industry to state if he had now arranged to allocate funds to Consumers' Associations to enable these bodies to function effectively.

The Minister of Commerce and Industry (Dr Lim Swee Aun): Mr Speaker, Sir, the Government has agreed in principle to provide financial assistance to the Consumers' Association. When the Association is registered with the Registrar of Societies allocations will be arranged.

Enche' C. V. Devan Nair: May we know, Mr Speaker, Sir, when it is likely to be registered by the Registrar of Societies? I had the impression that the Registrar of Societies was only slow in registering political parties.

Dr Lim Swee Aun: I understand the Selangor Consumers' Association has been registered, but what we are waiting for is the registration of the National Consumers' Association.

CAUSEWAY BETWEEN PENANG ISLAND AND THE MAINLAND— CONSTRUCTION OF

3. Enche' C. V. Devan Nair asks the Minister of Works, Posts and Telecommunications to give details of any firm proposals which he may have received for the construction of a causeway between Penang and the Mainland.

The Minister of Works, Posts and Telecommunications (Dato' V. T. Sambanthan): Mr Speaker, Sir, as replied by me to a question by the Honourable Member for Batu, the concept of linking Penang to the mainland is a matter for investigation. No firm proposals have been received from any organisation for the manner in which Penang is to be connected with the mainland.

Dr Lim Chong Eu (Tanjong): Mr Speaker, Sir, may we have a reply from the Hon'ble the Minister of Works, Posts and Telecommunications whether, if such a project were carried out, it is a matter of Federal, or State, responsi-

bility, or it is going to be a matter of State and Federal responsibility.

Dato' V. T. Sambanthan: It could be either or both (*Laughter*).

Enche' Abu Bakar bin Hamzah (Bachok): Tuan Yang di-Pertua, saya hendak bertanya, ia-itu ada-kah projek hendak membuat jambatan ini—kalau hendak di-buat berasaskan kapada mustahak-nya jambatan itu kerana ada kaitan-nya dengan keretapi. Oleh sebab yang saya tahu, dalam Tanah Melayu ini, itu-lah satu station yang keretapi-nya tidak sampai, ia-itu di-Pulau Pinang. Ada station Penang, ada ticket-nya, tetapi keretapi tidak sampai. Ada-kah berasaskan itu yang di-buat.

Dato' V. T. Sambanthan: We have not looked into that possibility.

Dr Lim Chong Eu: Mr Speaker, Sir, the reply made by the Hon'ble Minister for Works, Posts and Telecommunications that it could be either or both, of course, creates the absolute image of the Alliance vacillating. When it comes to Penang, it says that it should be first a bridge, then it could be a bridge or a tunnel and now it is indefinite; then eventually when this matter was pressed in the State of Penang, it said that the initiative should come from the State of Penang. When we pressed the State Government, the State Government of Penang, which is also Alliance, said that it was a matter for the Federal Government. We would like very much more than the assuming reply from the Hon'ble Minister.

The Minister of Finance (Enche' Tan Siew Sin): Mr Speaker, Sir, there is no question of vacillation on the part of the Alliance Government. As I stated in my Budget speech three days ago, this matter will be looked into by a World Bank Mission which we hope will be here soon to look into the overall aspects of economic development in Penang in general; and until this mission has completed the survey and submitted its report, I think, it will be futile to engage in party controversy as the Hon'ble Member for Tanjong is trying to do.

Dr Lim Chong Eu: I was not trying to engage in party controversy. As a matter of fact, I have made very careful note over the statements made by the Hon'ble Finance Minister in his Budget speech and I shall deal with it in the proper time. This being question time, Sir, the Hon'ble Minister for Works, Posts and Telecommunications can well understand the impression left to the people in Penang when statements are made both ways. It might not be vacillation, but it might be what you call the two-step Alliance method—neither forward nor backward, but just sideways and the other ways. However, Sir, what I would like the Hon'ble the Minister to assure this House is that this question of the construction of a causeway, having been first mooted by the Hon'ble Prime Minister himself, is a matter which will be carried out vigorously—a popular term—after this mission has completed its report and within our life time.

Dato' V. T. Sambanthan: Sir, I thought the Hon'ble Member understood clearly both the answer I gave to the Hon'ble Member for Bachok as well as the answer I gave to the Member for Bungsar. In both of these, stress was laid on the work "investigation".

Enche' Abu Bakar bin Hamzah: Soal tambahan, Tuan Yang di-Pertua, saya bersetuju dan saya perchaya Kementerian kita akan membuat satu penyiasatan untuk mengadakan tambak di-antara Prai dengan Pulau Pinang, jika mustahak. Jadi, ketika dia membuat investigation itu, ada-kah Menteri kita ini akan memasukkan timbangan sama untuk hendak memberi wang kepada Kelantan sebab jambatan ini di-buat untuk Negeri Pulau Pinang? (*Pause*) Tuan Yang di-Pertua, ada-kah bahasa Melayu saya tidak betul, maka Menteri kita tidak menjawab; atau pun Menteri kita sudah marah sangat pada saya tidak beri saya berchakap hari ini?

Dato' V. T. Sambanthan: Betul.

Mr Speaker: Barangkali terkeluar.

MOTION

ADJOURNMENT OF THE HOUSE

Dato' Dr Ismail: Sir, I beg to move, "That notwithstanding the provisions of Standing Order No. 12, at its rising at 1 p.m. this day the House shall stand adjourned to the next sitting day."

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

Question put and agreed to,

Resolved,

That notwithstanding the provisions of Standing Order 12, at its rising at 1.00 p.m. this day, the House shall stand adjourned to the next sitting day.

BREACH OF PRIVILEGE OF THE HOUSE—COMPLAINT BY THE HONOURABLE MINISTER OF HOME AFFAIRS

Dato' Dr Ismail: Mr Speaker, Sir, I rise to bring to your notice a case of breach of privilege of the House by the Hon'ble Member from Sarawak, the Hon'ble Enche' Stephen Yong Kuet Tze on 18th November, 1965. He stated that Mr Justice Hepworth, who tried the case of the Hon'ble Enche' Abdul Rahman bin Hj. Talib, told him that his application for citizenship had not been considered or approved; and then again he said that this man, Mr Justice Hepworth, told this to him himself. But this is not true. I have here the transcript of the proceedings of the House. With your permission, Sir, I will have to refresh the Hon'ble Member's mind on the transcript.

This is what the Hon'ble Mr Stephen Yong said: "Sir, I am reliably informed, up to now, I understand, that his application has not been considered or approved." Then Sir, I got up and said that the Hon'ble Member's statement says that this particular judge's application for citizenship was delayed. I challenged that statement. Mr Stephen Yong Kuet Tze said that, "I have reliably been informed that this is so"; and then I challenged him again, Sir. I said, "I challenge the Hon'ble Member because he has no right to make a statement which is very specific, which is untrue. If he is uncertain, he

must not say it". Then the Hon'ble Enche' Stephen Yong said: "Sir, I am told by this man himself. I cannot say whether what he told me is true and then Mr Stephen Yong went on, quoting Mr Hepworth; he said that Mr Hepworth said, "My application has been delayed". Then the Hon'ble Member said, "How can I, as a member of Parliament, say that I cannot accept his word whether it is true or not." Then my colleague Enche' Abdul Rahman bin Yakub: asked this question: "Does he", I mean the Hon'ble Member, "accept it and believe that it was true. That is the very point". If he accepts that, he accepts the responsibility for the accuracy of statement of fact. Mr Stephen Yong replied: "I believe it, Sir, but I do not know whether I can say that it is actually true." Then Mr Stephen Yong later on went further and I challenged him again I said, "The Hon'ble Member has made a specific allegation which is a very serious one. If the Hon'ble Member makes that allegation he must be quite sure of his facts; otherwise he must withdraw what he has said". And this is what Mr Stephen Yong said: "If the Minister is really assuring us that in fact it is not correct then I am prepared to accept his word and withdraw it, but I like it to be known that I have made this statement not without any basis."

Then, Sir, in today's *Straits Times* there is a letter written by Mr Justice Hepworth himself. Now, I would like to read Mr Justice Hepworth's letter, Sir. The letter says:

"When listening to the report on the day's proceedings in Parliament given by Mr Ajit Singh after the News at 9.30 p.m. over *Radio Malaysia* this evening (November 18), I thought I heard Mr Ajit Singh say, firstly, that Mr Stephen Yong had said that the judge who tried the Rahman Talib case has, because of the result of the case, had his application for Federal citizenship deferred, and secondly, when pressed for the source of his (Mr Yong's) information, Mr Yong had said that the information came from the judge himself.

This is not the case. Assuming that I have correctly stated above what was said in the report over the radio, then the facts alleged in that report are wholly inaccurate. I was the judge who tried the Rahman Talib case and I became a Federal Citizen long before

I was asked by the Chief Justice to take up the case."

Sir, that was the letter in today's *Straits Times*, in which Mr Justice Hepworth had said that he had become a Federal citizen long before he was asked by the Chief Justice to take up the Rahman Talib's case.

Mr Speaker: The Honourable the Minister of Home Affairs had submitted a complaint of breach of privilege in respect of statements made by the Honourable Mr Stephen Yong, the Member from Sarawak, in this House. It is necessary for me to make a ruling as to whether there is a *prima facie* case of breach of privilege against Mr Yong before the complaint is transmitted to the Committee of Privileges for consideration. I will make my ruling known to this House on Monday morning.

BILL

THE SUPPLY (1966) BILL

Second Reading

Order read for resumption of debate on motion, "That the Bill be now read a second time" (17th November, 1965).

Enche' Lim Kean Siew (Dato Kramat): Mr Speaker, Sir, we have all, I am sure, heard with varying degrees of attention the Budget speech of the Honourable Minister of Finance delivered on Wednesday afternoon, and those who have had enough stamina, I suppose, must have listened, through the whole speech and those who have not, I am sure, must have gone home and read through the Budget speech for themselves, as I have done.

Mr Speaker, Sir, the presentation of the Budget and the speech is always a momentous event and everyone concerned is interested in the Budget speech from various points of view—the businessman, from the point of view of business taxes, the salaried man, from the point of view of income taxes, the property people, the speculators, on the point of view of profit tax and surplus taxes, and the ordinary man, the poor man, the average wage earner, the farmer, the rubber tapper, the workers at the Railways and the various

Government departments, are interested as to whether or not the cost of living is going to rise as a result of proposals in the Budget speech. When we look at this Budget, one wonders immediately what is there in the Budget for the poor man, what is there in this Budget for the ordinary person.

According to the Honourable Minister of Finance, gross national product has increased, *per capita* income has increased, and a rosy picture of our economic situation is presented to the House. But how has it benefited the average taxi driver, the average motor-car driver, the employees in the various firms? When we begin to ask ourselves this question, one begins to see that this Budget as a budget aimed at wooing the big foreign investors and, in fact, it is a capitalist investment budget, a budget meant and aimed to get support from the capitalists, especially foreign capitalists. Here, we are immediately taken up by the statement of the Honourable Minister of Finance in his Budget speech, when he said "We have successfully wooed seventeen foreign countries to invest". Well, I do not know whether the word "wooed" is an appropriate term—I would have used the word "solicited". But then, of course, that is a matter of opinion. (Laughter).

Mr Speaker, Sir, it would appear that we have to ask ourselves these questions. If it is true that our economic situation is much better today than it was before, is it true? If it is true, how have the people benefited? And is it, as he puts it, one of the results of the Second Five-Year Plan for the States of Malaya? I will deal with these in detail. However, I think we may say at once that the taste of the pudding must lie in the eating of it. I mean, we must see in effect whether or not, in this last one year especially, the average person has gained in spite of the claim that the *per capita* income has increased from the sum of \$816 in 1962 to \$932 in 1965—that is to say, an increase of \$116 in three years, or some \$38 per year per person. To know this, one has to ask the ordinary housewife. Maybe the Hon'ble Minister of

Finance, sitting in the ivory tower of the Cabinet room, does not do shopping himself; maybe he is not aware of the various prices of the various commodities which the ordinary housewife has to buy—the price of sugar, the price of milk, the price of beef or pork, the price of rice, and so on—coffee too, and I believe the price of coffee has also gone up: perhaps he is not aware of it—and I do not do shopping myself. So, the best test of it is to ask the ordinary housewife, and I am sure that everyone, of us here will agree that the ordinary housewife has a lot to complain of here today. If the *per capita* income has, in fact increased, the cost of living has, in fact, increased. But I will deal with that in detail again afterwards.

Now, Mr Speaker, Sir, the other thing we want to know is whether according to the Honourable Minister of Finance, the gross national product—he kept referring to it as G.N.P.—has also increased from 7.6 per cent in 1964 to 8.5 per cent for the first eight months of 1965—I do not know how he has obtained those figures. But, nevertheless, assuming those figures are correct, which I doubt, we want to know what has happened to all this money. If someone in this country is earning all that money and has increased the *per capita* income, and the gross national product, how has the money been distributed? Who has taken all this money? If the answer is that profits have or are still being re-exported out of this country, then it is completely and entirely irrelevant as to whether or not gross national product has increased, or whether or not the country, to put in simpler terms, is earning more money, because the money earned is exported to foreign shareholders and to foreign firms. If that is true, then we must re-assess the whole policy of our industrial development plan and not by our status. We do not want to be like tribal chiefs who in the olden days used to meet the European traders and used to accept beads for necklaces, in order to allow them to dig up minerals from their country and export them to Europe—if that happens, although we may be

getting an increased income for the time being, in the long run we will be losing money. Then, again, most of our income, if we look at the Budget speech, comes from our natural resources, rubber, tin and timber being the major ones. Again I will deal with this in detail afterwards. If these are the 3 major resources of our revenue, we must not forget that tin especially is a wasting asset. You can dig tin out of the ground, but you can't put tin back into the ground. And if the majority of the owners of our tin mines are foreign firms, they are not going to allow us to change our policy; they are not going to allow us to prevent them from taking out the profits from tin; and if the majority, I understand about 60%, are owned by people from abroad, then 60% of the profits go abroad. We only get 40% of what is left of it.

Mr Speaker, Sir, the Budget speech we heard on Wednesday afternoon is, if I may call it, a master piece of lullabys. Little economic maxims join together into a patch work of lullabys; and it is in fact a series of "you pat my back" sentiments—"How good it is, and see how well I have done it; we must congratulate the Hon'ble Minister of Finance because his task is not an easy task". I do not envy his task. He is like the man who sits like a father in the house with a lot of naughty children coming up to him pulling his sleeves and says, "Pa, I want to buy a balloon today. Pa, I want to buy a lollipop today. Please give me money". He must find the money somehow, that grown-up children want to use.

Mr Speaker, Sir, he has presented so well a picture of rainbows in the sky without drawing our attention to the ominous clouds that are looming over the horizon. He says, for example, that in many respects 1965 has been a momentous year for Malaysia, that the principal targets, that is to say of the Second Year Plan, have been exceeded and, as a result the people of this country are enjoying a progressively higher standard of living—I doubt whether the average housewife will agree to that—and he goes on to

say that one can see the evidence of this everywhere one goes, whether in the towns or in the rural areas; and he said that in physical terms all the main sectors of economy have recorded growth and we have reached new heights of endeavour.

Mr Speaker, Sir, in order immediately to substantiate his picture, he says that the gross national product has shown a growth of 8.5%, that the long term prospects of tin is good—he does not say it is wasting but he says it is good, that advances have been made in the export of rubber—he did not say that it is only 2.2%, and that we can sell every pound of natural rubber produced, but we cannot produce enough of it; and he says that timber has increased its importance as a foreign exchange earner, and that he knows that production is 3.9% higher than the corresponding period of 1964, but he does not say, as he says later on, that now what we are left with are iron mines with a lower percentage of iron and therefore he has to review the question of tribute to the Government, in order to make our iron ore prices competitive in the world market.

Mr Speaker, Sir, the emphasis on the Budget is upon the manufacturing industry, and I will proceed to show how that this process itself is not sufficient and will certainly be not sufficient enough to meet with the growing population and the growing demands of our people. He says that he has obtained the services of a well-known industrial consultant from the United States to identify specific investment opportunities in the country, and he says that he hopes that soon we will be able to do a proper plan. Without going any further into this, I would like now immediately to say, do not forget that when foreign investors come to invest in our country, it is not for the love of the people of this country. They come here to make profits and they come here to make certain that they will take out their profits. This is nothing unusual. Mr Speaker, Sir, if we were to invest abroad say in England, or America, it will not be because of our love for the American or English people, it will be the

question of how much money we can get in return for our investment in England and America. So, if the business consultant comes, to advise us on our industries, he is not going to come to see how it will benefit the country, but how it will benefit the investors first. That is his primary aim. Therefore, I say that this American investment consultant who comes will be thinking from the capitalist investment point of view. He will be more interested, perhaps in capital intensive programmes rather than labour intensive programmes—in other words, to obtain the maximum out of the investment and to cut down labour cost as much as possible. Such investment, especially American investment, carries with it a “kiss of death” and, therefore, let us not woo such a suitor so strenuously.

Mr Speaker, Sir, before touching on the budget proposals in specific sections, we must first question ourselves as to whether or not these figures are the proper figures, and if these figures are sufficient for us to have a true picture of what is going on, and to see if these figures are sufficient for the Hon'ble Minister himself to tackle this problem properly. I have said that we must be able to know how the income is distributed, how much the profits are re-exported, and whether or not there is a sufficient distribution of wealth amongst the working class. But before we can do so, we must assume, that the figures are correct.

Now, I will deal specifically with one thing, the question of retail prices. The Minister states with complacency that there has been a drop in the retail price index between 1964 and 1965. Now, if I am wrong, I would like to be corrected immediately. He says that in the last one year there has been this fall of 1%. This is all very well, but we have had enough of

Enche' Tan Siew Sin: Mr Speaker, Sir, I wish to correct the Hon'ble Member's reading. Although I have not got the text, I think I said, “0.1%”. He should read my speech more carefully before he reveals its figures.

Enche' Lim Kean Siew: But, Mr Speaker, Sir, I am glad the Hon'ble Minister of Finance admits that the prices have declined: so long as it declines—I am not sure—whether it is 1% or .1%. Very well .1%. Of course, we have had enough of Government throwing impressive list of figures at us. Surely he must know that the housewife, who has found the price of rice, of sugar, of vegetables, steadily rising will certainly be not impressed by figures.

Dr Lim Swee Aun: Mr Speaker, Sir, sugar prices drop since. It has never risen. It has dropped from 45 cents to 35 cents.

Enche' Lim Kean Siew: Mr Speaker, Sir, what was the price of sugar before it was 45 cents?

Dr Lim Swee Aun: The price of sugar in 1962 went up to 90 cents, and had been steadily dropping since.

Enche' Lim Kean Siew: Mr Speaker, Sir, I am sure that is due to the words “rising price of world sugar”.

Dr Lim Swee Aun: You are right.

Enche' Lim Kean Siew: Yes, and I am sure if the price of sugar today in the world was higher you could not manufacture sugar lower today in Malaya, because you have to buy raw sugar from abroad.

Dr Lim Swee Aun: Quite right, too.

Enche' Lim Kean Siew: Therefore, Mr Speaker, Sir, if he quotes that the price of sugar has gone up, or down, certainly that is due to world prices and not due to his vision.

Dr Lim Swee Aun: The point is this: in his speech he has said that the price of sugar has been rising, that the housewife has been paying more for the price of sugar. I am correcting him on that point of fact—that it has dropped.

Enche' Lim Kean Siew: Mr Speaker, Sir, he has said rice, sugar, coffee, etc—let him deny that. I mean, let us just not pick up one little specific point and try to imagine that that is the whole picture.

Enche' Tan Siew Sin: The Hon'ble Member for Dato Kramat suggests that my figures are wrong. These figures are not my figures, they are figures which are scientifically calculated by recognised experts, according to recognised international standards. The Hon'ble Member suggests these figures are wrong—may I know the basis for that assumption? I mean, it is no use his telling us this, just because he feels that that statement will help him in his presentation of a particular line of thinking. I suggest that it will be far more useful if he can prove to me that those figures are wrong, and not just ask the House to accept his statement of belief.

Enche' Lim Kean Siew: May I now proceed, Mr Speaker, Sir, with my speech?

Mr Speaker, Sir, it is the test ultimately—as I said, the taste of the pudding is in its eating—on how the housewife finds whether the prices have gone up. Now, of course, we will be very interested in any case to know the sources of his retail price index. Frankly speaking, he should let us know how he has based his retail price index, because anybody can do anything with figures; it depends on how many per cent of each commodity you are going to buy in order to calculate the retail price index, and if you choose wrong goods for an index you certainly will get a different answer. And the Honourable Minister has asked me to prove my figures. Well, like him, I am not an economist, but I have in front of me a publication called the Quarterly Economic Review published in August 1965 by the Economist Intelligence Unit. The Economist Intelligence Unit is an international division, and it publishes these figures quarterly from London, and if I am not wrong, it is an internationally respected paper used by foreign or international investors. This August 1965 issue reviews the economy of Malaysia, Singapore and Brunei. At the inside cover it has a graph, which I think is the easiest to understand, and retail price index is given in this graph, and if the Honourable Minister would like to look at it, he may do so, from the

beginning of 1962 to the date-time of publication of course in middle of January 1965, the graph shows secular rises of the retail price index from 1962 to 1965, and the present position, is that it is roughly 2.5% beyond that of 1962, and, if he looks at the graph, every year for a few months there is a fall towards the end of the year, or towards the beginning of the year, and then it rises again, but there is no doubt that there is a secular rising price index, and that 1964 especially, shows a very sharp rise towards the end of the year. The graph, Mr Speaker, Sir, may be wrong, it may not give the whole picture of the economy of this country, but then the question that I am asking is this: Has a proper picture of the economic situation been presented in the Budget speech? (*Long pause*).

Mr Speaker, Sir, I will now come to deal with the question of rubber.

Enche' Tan Siew Sin: The Hon'ble Member has taken the liberty of passing it on to me. May I try to explain the implications of this graph to him? It is true, Sir, that this graph shows that between 1962 and 1964, there was a slight rise of 4%—between 1962 and the end of 1963, there was a slight rise of 4% from just under 100 to 104; towards the end of 1963 it dipped again, but the point, Sir, is this, that within a period of ten years, the last decade, the cost of living indices in the States of Malaya, in particular, have fluctuated between 100 and 105, and this, for a period of ten years, I think, is proof of the remarkable stability of the cost of living in this country. It is not possible clearly for any country in the world to achieve a level of 100 for ten years, but the very fact that the fluctuations have been so slight, within a margin of two or three per cent over a decade, has proved the very point I have been trying to make. And I think I should advise the Honourable Member in future not to delve in subjects upon which he is not particularly conversant.

Enche' Lim Kean Siew: Mr Speaker, Sir, I do not want to go into the question of qualification, but if it is a

question of academic qualification, I do not think that the Honourable Minister is, in fact, the last person to challenge me. I may not have a degree in Economics, but it did not mean I did not study.

The other thing is this: I am glad the Honourable Minister of Finance has admitted now that there has been a steady secular rise since 1962 with seasonal fluctuations; and that is why, I have said, when you say there is a slight decline in the general level of retail prices in 1965 it is not giving a completely true picture, because the general trend has been the upward trend, not a double check. (*Interruption*) Mr Speaker, Sir, I thought the graph has made out very correctly that since 1962 there has been a steady, secular rise in the retail price index, and I do not think we can deny it. It is certainly above the 100 per cent level since 1962. Now, Mr Speaker, Sir, I would be very thankful if I am not interrupted again. I do not mind being interrupted to explain, Mr Speaker, Sir, certain points of view, but if it is going to come into a question of argument, he can of course answer me and produce other figures, if he wants to, later on. If I may, I will continue with my speech.

Now, Mr Speaker, Sir, the Honourable Minister of Finance has given figures to show that there has been an increase in the gross national product for the last year, and gross capital formation has been rising steadily. Unfortunately, we will find from his Budget speech that the major portion of income comes in fact from the primary produce of this country, that unfortunately, as he puts it, the manufacturing sector is still small, and that, in fact, the manufacturing sector accounts only for 9 per cent of the gross domestic products of the States of Malaya and 7 per cent of the total employment to be found in our country. Now, Mr Speaker, Sir, thus the pioneer firms represent only some 20 per cent of the manufacturing sector in terms of value added but only 12 per cent in terms of employment. Therefore, we can say that the pioneer status accounts for less than 2 per cent of the total national product, i.e., 9 per cent of 20

per cent; and as for labour, the manufacturing sector, he says, accounts for 12 per cent of 7 per cent. Now, 12 per cent of 7 per cent comes to less than 1 per cent. So, less than 1 per cent of our labour is absorbed by these pioneer firms, which accounts for less than 2 per cent of our national activity. Therefore, the main factor that we have to consider is, what is happening to our natural products, like our rubber and tin? Is it true that it can be said that the national income increase is as a result of planning in these sectors? So, let us then examine the figures of rubber in detail.

With regard to rubber, the Honourable Minister of Finance said that the Malaysian total production during 1965 is expected to reach a figure of 913,000 tons, an increase of 3.3 per cent compared with 1964; and the gross volume of rubber exports from the States of Malaya during the first 9 months of this year amounted to 645,500 tons, an increase of 2.3 per cent over the corresponding period of 1964; and that the total rubber exports from Malaysia are expected to reach 942,000 tons during 1965, an increase of 2.2 per cent only. So, in fact, the volume of exports from rubber is estimated to be 2.2 per cent. That is not sufficient in itself to say that the rise in the volume of exports has accounted for the rise of national income. In fact, the reason why there has been an increase in national income of Malaya is due to fortuitous reasons—Godsent—in the sudden rise over expected prices, due entirely to world situations outside of planning from the Government. In fact, if we want to say anything about the Government, we can only say this: that the reason he says for the drop in the percentage of consumption of natural rubber is due to the fact that we have not produced enough of rubber—we should have foreseen that, and of course more rubber shall be produced; but the rise of income is not due to planning at all. Rise of income has been due to the rise in world prices and this is the major thing we have to consider.

Now, as for tin industry, Mr Speaker, again the total output for tin in 1965

will amount to a little more than 3 per cent of the 1964 figures to reach a level of 62,000 tons, but—again, I quote him—the average price for 1965 will be \$700 per picul which would exceed the 1964 average by some 13 per cent. We all know that, and again our income has risen partly due to the sudden increase in world prices of tin. Now, this cannot be said to be from the planning of the Government, and the rise of 13% was again, in fact, a gift which is fortuitous to our national coffers.

Mr Speaker, Sir, what I have to say about the other sectors of our national produce in timber, rice and so on, would be the same as what I have said with regard to rubber and tin. Rising prices of rice, rising prices of timber and greater timbering licences given have been partly responsible for the rise of our national income. I wish to emphasise that this, however, is not due, as the Honourable Minister of Finance will have it, completely, or fully, to the successful conclusion of the Second Five-Year Plan for the States of Malaya. If anything, the Plan has only a small part to play with it. First of all, the Second Five-Year Plan is a five-year plan: rubber trees planted within these five years cannot be expected to give rubber until next year and the following years. The same thing applies to oil palm; oil palm takes 4½ years to grow; and as for tin, we must expect that its output will slowly fall, unless we find new tin-bearing areas.

Sitting suspended at 11.05 a.m.

Sitting resumed at 11.33 a.m.

(Mr Speaker in the Chair)

Enche' Lim Kean Siew: Mr Speaker, Sir, much play has been made on the need to develop the industrial sector, and I have already stated that, in fact, it plays such a small part in our national income that we begin to wonder that itself it is sufficient. However, assuming that the Honourable Minister of Finance is correct—that there must be a manufacturing sector, an industrial sector, which must be developed as quickly as possible—we

have next to ask ourselves this question: whether or not such a development is beneficial. I have already indicated just now that it is not beneficial, unless we have a properly planned economy and unless we can properly control the flight of capital. Mr Speaker, Sir, in dealing with this, we also have to deal with the position of Singapore, because Singapore is now a foreign country, and we must now find out how much of the money we earn from the industrial sector is exported. Generally speaking, I think we can say, firstly, that over 60 per cent of our tin and rubber is in foreign hands, either owned by the firms registered locally or otherwise. Therefore, we can expect that about half of the profits would flow out of Malaya. Secondly, in joint industrial firms, it may be stated that the majority of the total profits would flow out of our country, although certain net profits obtained in Malaya might be kept here.

Let us take the case of the sugar refinery. Sugar has to be imported by the Japanese firm, or under contract with the Japanese firm, using Japanese ships from abroad. The machinery is Japanese, and the plant itself is only a refinery plant. The profits of the refining of sugar itself, I understand, is something around 60 per cent to local firm and 40 per cent to foreign firm. This would be exactly the same position as in the case of certain cement factories—for example, the Tasek Cement Factory. I understand the majority of the Tasek Cement shares are held by a certain combine in Singapore. So, even in the manufacturing sector in joint enterprises, a large amount of the profits could be exported abroad, and there is nothing to prevent people, who make money here, from sending out the money.

The next point is, is the development of industries itself healthy to our economy under the present plan, or should we not have manufacturing plants which could take advantage of our raw products. For example, Mr Speaker Sir, there will be a lot of difference between a factory producing rubber tyres making use of our rubber and an assembly plant for cars.

Recently, when laying the foundation stone of the Mercedes car factory assembly plant in Petaling Jaya, I think, the Hon'ble Minister of Commerce and Industry spoke of the great leap forward we would achieve in manufacture of cars. Now, in the first place, such plants are not manufacturing plants. They do not manufacture anything, they are assembly plants, and most of the things to be assembled, say, in the Mercedes factory come from Germany, except perhaps only the tyres and the batteries—and as for the tyres, I understand, they would be produced in Dunlops and as for the batteries, I do not know where. So, in fact we give a certain amount of employment to our local people, but apart from that, profits obtained from the assembly plant could partly be exported out of our country. So, Mr Speaker, Sir, the investors abroad would concentrate certainly on capital intensive plants, not labour intensive plants.

The control of our economy by foreign hands is so powerful that Professor Silcock—for the benefit of the Minister of Finance, he was my Professor at one time, and was Professor of Economics in the University of Malaya—in his publications "The Political Economy of Independent Malaya" has this to say with regard to Malaya: "Its heavy dependence on exports would make it hard to check capital flight by exchange control measure. This makes it feel insecure. It has been persuaded that the maintenance and increase of its assets depends far more on the willingness of foreign capitalists to invest in Malaya than on almost any other aspects of economic policy. It would like to create a flock of small East Asian nations interested in attracting foreign capital for economic development, but unwilling to have their sovereignty abridged to fight communism internally and rely on external defence on the unwillingness of the West to let them fall into communist hands." Then he goes to say, "The agency houses which control rubber and tin, which control so much of Malaya's rubber, tin and trade, and Agency Houses are foreign

mostly, are therefore subjected to very little pressure to build up effective local management or control." Then he goes on to say "The trade of the Federation at present is almost entirely in the hands of the Chinese nearly all of whom have close families or clan relations with the Singapore merchant. Until a unified and effective economic sovereignty over both territories can be exercised virtually any control which is really worth evading will be evaded." And the Hon'ble Minister of Finance, in page 26 of this Budget Speech says "that there must be economic arrangement with Singapore and rapprochement is essential to economic union with Singapore, and that unless we can have integration, it is very difficult to have a healthy economy." Mr Speaker, Sir, nothing is truer than that. We all agree that the reunification of Singapore with Malaya is essential, especially for our trade and industry. Otherwise there will be a big out-flow of capital from Malaya into Singapore. Unless there is reunification of Singapore and Malaya, what will happen between Malaya and Singapore will be what happened between Canton and Hong Kong before the war. Before the war, Canton was the agriculture sector supplying food and raw produce to Hong Kong which became its metropolis and was responsible for its entrepot trade, an international trade. The position in Malaya is fast becoming that which we have found in Hong Kong and Canton. We will become primary producers of rubber, tin and timber, and 80% of our trade will be running towards Singapore and, therefore, Singapore will control our economy to such an extent that we will not be able to move freely—and this remark about Singapore applies equally with the investors from foreign countries. They come here, as I have said, to make money and to take away their money. Five years free of income tax has given a certain firm 120% profit in five years; and that firm at the moment is running its factory here in Petaling Jaya on profits obtained through pioneer status, and all it does is to package its product here which is sent to Malaya in loose forms. Very similar too, are the cigarette factories of Malaya

which get raw tobacco—they cut it up here—get the paper and get gum from overseas and roll cigarettes for us under different brands sometimes to flatter our ego, like the “PARLIMEN” cigarettes we are getting today for certain Members of Parliament.

Mr Speaker, Sir, with regard to this industrial sector, I would end up by saying that it is the pioneer status that has given monopolies. We have a monopolistic situation. You have a sugar factory, nobody else can produce sugar unless its production is safeguarded or the sugar factory is safeguarded. The same thing happens with tyres, batteries, and so on. Whilst I am not questioning the question of pioneer status, I want to ask the Government one question. Would it not be better for the Government to share with the foreign firms in these pioneer industries? By sharing, the profits that go to this factory would go to the Government, and the Government can distribute this wealth, and Government can also make certain the time period given for foreign investors. If the Government can guarantee, for example, that the foreign investor will get his capital plus so many per cent profits in so many years, it could be quite possible to set up new factories and take over the factories in a few years' time, without hurting the foreign investors and without allowing small group of capitalists to profit. Now, the gross national product of our country has increased, but has it gone into the pockets of the average person, or has it gone into the pockets of a few, say, about 20 or 30 people living in Kuala Lumpur and its surrounds, working with foreign firm by holding shares in companies floated for this purposes of exploitation? The money is not going into the pockets of the people. It is going into the pockets of a few persons—and a lot of it is being taken out again. Do we want this to continue?

Mr Speaker, Sir, one of the most important things of development is to provide employment. According to the Hon'ble Minister of Finance, he says that at the moment, without going into the details of the Budget, there are

approximately about 50% of both sexes unemployed for six months and more than 30% unemployed for more than one year. When it was published that in certain parts of Russia or Siberia, there was supposed to have been 20% of unemployment, hence the horror, when the American unemployment figures went beyond 5%, hence the horror, here is clear admission that the situation has not changed from last year to this year. It is exactly the same and pilot schemes show 50% unemployment for six months, and 30% unemployed for more than one year. Pilot scheme in 1957, taken on Penang Island, shows 60% unemployed between 20 and 30—or under employed, and 40% unemployed between the ages of 16 and 20. The figures, in other words, from 1957 until 1965 is roughly the same. There has been no improvement, and it is stated that we must deal with it quickly, but unfortunately, we need \$18,000 gross fixed investment, in order to provide per job, and therefore we need some \$1,200 million this year and \$1,200 million over in subsequent years to deal with the growing numbers of children coming out of schools. Now, this is true if the Hon'ble Minister of Finance looks at labour employment through the eyes of industrial capitalists: but this is not true in labour intensive development in the rural areas, and we have not got this much money to give this amount of jobs to find so many jobs for the unemployed that is coming out of schools. He gives the figure of 100,000. Unfortunately, Mr Speaker, Sir, I disagree with that figure. We have managed to get the figure of 100,000 this year coming out of schools, but extending the compulsory education of school children for a further three years—in other words, children who should have left school this year and last year have been allowed to continue for another three years in schools, so that they do not need to come out this year to find employment—is only postponing the evil day.

Mr Speaker, Sir, I would like to deal now with the special problems of Penang Island. The problem of Penang

Island is yet another example of lack of central planning to deal with specific questions. Measures taken by the Government in 9th October this year with regards to goods manufactured in the Common Customs Areas, we are told, do not apply to goods manufactured in Penang, and this is because they don't see why the people of Penang should have the benefit of a free port and also the advantage of this Common Customs Area controls. According to the words of the Hon'ble Minister of Finance, Penang Island presents, in his own words, both a problem and challenge as to what should be the eventual role of the projected Malaysian Customs Area, and he has stated that he has gone to obtain impartial and expert advice on this question and he has, therefore, asked the World Bank to send a team of experts to study the economic problems of Penang and to formulate for the consideration of the Central and State Governments a long term economic plan for Penang, which would fit the national pattern. And he says that he himself personally in his recent visit to Washington approached the World Bank to have this survey done in the not too distant future. He further says that it is clear that the State Government and the people of Penang have to make up their minds soon on what they want and this decision should not be a difficult one to make and that Penang unemployment is becoming increasingly serious.

Mr Speaker, Sir, Annexure J to create a Common Customs Market came into effect on 16th September, 1963—over two years ago, and the Hon'ble Minister of Finance says that he himself personally has got to go to the World Bank two years after the formation of the Common Market to get a team of experts to come out to Penang to find out what should be done to Penang—and he says the Penang Government must and the people of Penang must make up their minds soon as to what should be done.

Mr Speaker, Sir, in view of this statement, I am surprised that Ministers should have gone to take part in the by-election at Ayer Itam. If they feel

so strongly about the State Government of Penang, they should not have gone there to help the Alliance candidate to swell the ranks of the lotus eaters in our State Government. For the last two years, the State Government has been asleep. Until today no specific plans have been provided. This statement of the Hon'ble Minister of Finance is one of the severest indictments that I have come across on the ability of the State Government of Penang to manage the affairs of Penang. In view of this indictment, the Government of the State of Penang might see fit to resign.

Singapore withdrew from Malaysia on the 9th August, 1965; September, October, November—in three months it had already laid alternative proposals as to what should be done with the economy of Singapore. They have laid new plans and they have executed plans. For the last two years, what has the State Government of Penang done? The State Government of Penang has stated time and time again that they are going to investigate into this problem and they should come to a decision, and until today they have come to no decision whatsoever.

Mr Speaker, Sir, even on the question of a tunnel, or bridge, or causeway, the proposals have been flung to the newspapers to be printed, as if words mean nothing at all. There is a lot of difference between a tunnel, a bridge and a causeway. When the team of experts, American Trade Delegation, in fact, came to Penang, it was said that they had come to study the feasibility of erecting a causeway over the channel of Penang by the State Government. These people were nothing more than salesmen of heavy industrial goods. What do they know about the causeway? And the problems of the causeway and rightly when they said "Goodbye" to Penang, they said that they had not come to decide on the feasibility or otherwise—but they have said that if we want to build a causeway, they will supply us the machinery. And yet they were treated as if they were experts, and if that is what is meant by experts, then please ask those

experts to stay at home in America, don't come here.

Mr Speaker, Sir, again, I notice nothing in this Budget about the proposed project of the University of Penang. The State Government has been talking of a university project for Penang. It once zoned one area at Bukit Glugor and, then, suddenly lifted that project in that area, which had changed hands in the meantime, and zoned another area for a proposed University. No provisions were made in the Budget. Obviously the Central Government does not consider the proposal of the State Government to be anything more than a political gimmick to win elections with. It is true Penang is suffering. It is true that Penang is in a special situation. We must deal with Penang as a special situation. It is no use to tell people of Penang, "You have a free port. Now, if you want us to help you get yourself out of the free port status". It is just like telling a man, "Look, I do not like your colour. You better change your colour before I will help you." He was born that colour—how can you ask him to change it? Penang grew as a free port; and it was very surprising that the Honourable the Prime Minister has made statements in public. I do not know whether it is because he was highly emotional or not again, but he said it quite categorically, "Now that Singapore is out, we will develop Penang as an entrepot port. We will assure Penang people of its free port status". Then, the Honourable the Minister of Finance dialled to Penang and said: "Oh, you know, I am sorry, but you better make up your minds and until you make up your minds we do not know what to do with you." Then he goes again to Penang and the people discussed with him the problems of the industrialisation of Penang Island; and he said—no doubt rhetorically; I am sure he was not serious; he couldn't be serious, because it was such a foolish remark—"If you want a bridge, you better have a hundred factories first and we will give you a bridge." Have you ever heard of such a statement? If you want to get

married, you better have children first, (*Laughter*) otherwise we won't consider your marriage. (*Laughter*).

Now, Mr Speaker, Sir, I would propose this in this House very seriously to be considered by the Minister of Finance in view of the desperate position of Penang. Firstly, Penang should be declared a special area, not as a foreign territory. As a special area, the products from Penang shall not be considered as imports from any foreign territory, even though it is not in the common market. Secondly, Singapore should not be taken as an example for Penang. Singapore has no area in the Customs Area. Penang has a Customs Area, that is Province Wellesley—that is already in the Customs Area—and the Island itself. Thirdly, the entrepot trade of Singapore cannot be used as a comparison when it comes to Penang. Singapore's entrepot trade is very big; it can survive with a bonded area. But Penang with a bonded area cannot survive, because they cannot roll their capital. Trade is not big enough, and any purchase of goods to be put into the bonded area would mean tying up of capital and a loss of interest, which the people of Penang cannot afford. Again, manufacturer must be encouraged in Penang on the following proposals.

Firstly, goods manufactured in Penang, sent to the Mainland, shall not be taxed as finished products but shall be taxed upon their raw materials. In other words, the tax on shirts should be the tax on the cloth that is used to manufacture the shirts. This would put Penang manufacturers in the same position, on par, with the people of the Mainland, except that, perhaps, maybe labour costs might be a bit cheaper because it is a free port. But this is a little concession which we can give to the people of Penang Island, if we want it to survive and be a viable part of Malaysia.

All goods manufactured in Penang which had to be exported to foreign countries, such as East African countries, Ceylon, and so on, shall, if any duty is paid on the raw material, have an immediate "kick back" of such duty.

In other words, the duties to be repaid to the manufacturer, when the manufacture is for export. I understand, a Japanese firm wanted to make nylon fishing nets, but because of these difficulties of selling to the Mainland and exporting, they have changed their minds. But should we have this "kick back" immediately for the Penang people with a definite assurance, plus a taxation only on raw materials for goods to be exported into the Federation, I am sure we can encourage the development of Penang immediately as an industrial area. We don't even have to bother about a bridge or a causeway. Forget about the bridge and the causeway for the time being—that is a long-term project. Frankly, a causeway cannot be built because of the strong tides in the channel, and also because it will cut the port into two—the south channel and the north channel; and ships coming from the south to enter the port may have to come down by the north, which is something very inconvenient. A tunnel, I understand, would be too deep and there are a lot of cables. But this is a matter of long-term project, as I have said.

What is the purpose of a tunnel, what is the purpose of a causeway, what is the purpose of a bridge? To get goods across quickly, and to facilitate transport service. Very well, forget it. Let us consider the ferry services. What is the ferry doing between 12.30 at night and 6.30 in the morning? Nothing. The ferry is absolutely free. The Customs close their gates or their offices at about five in the afternoon. People wanting to send their goods to the Mainland have to wait till the next morning before they can do so. Now, we can facilitate this early. Goods can be sent between twelve at midnight to six o'clock in the morning at special reduced rates if they are manufactured goods. Customs shall be opened to deal with such kind of trade to and from Penang Island. This would mean that transport can run along the Mainland of Malaya in the middle of the night, when it is free of traffic, and therefore use our roads at night and relieve congestion from Penang, which

starts as soon as the Customs gates are opened at 8.30 in the morning—and from 8.30 to 11 the roads are congested. Only in this way can we assist Penang. And also by allowing Penang to maintain a free port, goods which Penang intend to send to the Mainland must be treated as special cases. What is happening is that goods sent from Penang, and taxed according to Penang prices, as soon as they reach the shops of Penang, people buying in Penang have to pay duty according to Penang shop prices. This has made it difficult for Penang to buy goods from abroad to supply North Malaya and many North Malayan merchants have come to Kuala Lumpur to buy those goods, because they are imported in bulk and the Customs declaration is lower. So we must consider that where goods are to be re-exported, they should be given special treatment.

Now, Mr Speaker, Sir, we also suggest that if we want to develop Penang, it must also be developed as a cultural and an educational centre. Unless this is done, Penang itself cannot survive as a free port. Penang is recognised to be the most beautiful part of Malaysia. It has been called by one of the travel agencies as the "Pearl of the Orient". But how are we making use of it? The beaches are littered, and there are no agricultural facilities. The last time when the Honourable Deputy Prime Minister went to Penang he said: "I will spend \$200,000 on a mosque up Penang Hill." Why spend \$200,000 on a mosque up Penang Hill, when the \$200,000 can better be spent towards a university project? And as regards this university project, why do we have to have new buildings? We can have a different type of university educational system in Penang. It need not be a residential college. We can take over all houses which are now tumbling, falling into ruins, converting them into lecture halls. Lectures can be also made public. We can make use of the Rediffusion and the Radio services to give lectures in public. Students coming to the University of Penang need not live in residential colleges. They can live as lodgers with the people of Penang, and

in that way you can augment the income of the people living in Penang.

Now, Mr Speaker, Sir, I have to touch very briefly on the February 13th demonstrations. I want to touch on it because many people, owing to the declaration of a curfew, felt that there must have been something very wrong in Kuala Lumpur. I wish to state that no one was arrested or charged with violence; no one was convicted with unlawfully demonstrating. Most of the people who were arrested were released; a few who were convicted pleaded guilty to not having an assembly Police licence. The seven people who were charged with being in possession of dangerous weapons belonged to the M.C.A. Youths; charges against them were later withdrawn, because those offensive weapons were found to be building tools.

On the night of February 12, we had a special meeting which finished at 11.20 and we informed Radio Malaysia and everybody concerned, the authorities concerned, that we had cancelled our demonstration, which was only to have been a meeting at Chin Woo Stadium led by a march to Sulaiman Court for a public rally. That was all. Nothing else. Just a march from Chin Woo Stadium to Sulaiman Court. But we cancelled that, because Police licence was withdrawn. Instead we decided to hold meetings in five or six Branches in Kuala Lumpur, after which the leaders were to come to Headquarters for further instructions as to how to disperse. The meeting was finished at 11.20. The person responsible to inform the Branches was Tan Kai Hee. He was arrested at 2.30 that night, after having been followed by Police from the Police Headquarters, and no proper order could be given. That morning, Party members assembled outside Headquarters to find out what to do. The Police imposed a riot precaution, blocked certain parts of the town and prevented access of ingress into some party branches. So, with so many thousands people in Kuala Lumpur, what did you expect them to do? Go up by balloon? Disappear into thin air? Of course, not. They came to the headquarters to find out what to do. Riot

measures were introduced. The crowds were agitated and the boys started to scatter in many positions. It is noteworthy to remember that the incident first started with the police firing tear gas at the Party headquarters. After that crowds began to move, and all the arrests carried out for demonstration was after the incident at Kuala Lumpur headquarters. That is all I wish to say about this.

Mr Speaker, Sir, with regard to the question of the Ministry of Local Government, I am very glad and, I must express our great appreciation and gratitude for the Cabinet to set up a special committee to supervise the negotiations with K. C. Boon and Cheah on this particular pre-fabricated housing, and I am

The Assistant Minister of Finance (Dr Ng Kam Poh): On a point of clarification, Mr Speaker, Sir, the Cabinet I think, has not set up a special committee. The Committee was already in existence before to negotiate concerning Cabinet matters. I think the Honourable Minister for Housing will be able to clarify.

The Minister for Local Government and Housing (Enche' Khaw Kai-Boh): Mr Speaker, Sir, on a point of clarification. I think it is unfortunate that the wrong impression has been created by the headlines in the front page of the *Straits Times* this morning in respect of which, I understand, the Honourable Deputy Prime Minister is making corrections. What the Honourable Deputy Prime Minister said yesterday was merely to emphasise that negotiations are still pending and that when the terms and conditions are finalised, these will be submitted by this negotiating committee, consisting of officials, to the Cabinet Committee chaired by the Honourable Minister of Finance. This Cabinet Committee was set up as far back as June, 1965, for this very simple reason: although the Federal Commissioner had the right under the Municipal Ordinance, to award contracts without tender, nevertheless because of the magnitude of the undertaking and the introduction of a pilot project of this type of industrial housing, I, as Minister of Local Government and Housing,

being responsible for the Federal Capital, intervened and directed that a paper be submitted to the Cabinet for the Cabinet's directions, and as a result of this paper, the Cabinet appointed a Cabinet Committee consisting of 3 Ministers

Enche' Lim Kean Siew: Mr Speaker, Sir, since he is on a point of clarification—this is not a point of order—I have given way for him to clarify and not to make a speech, because we have no time.

Enche' Khaw Kai-Boh: All I want to say is that the public should not be further misled that this Committee has been appointed by Tun Razak as a result of the debate—it is nothing of that kind. It was appointed as far back as June, 1965.

Enche' Lim Kean Siew: Mr Speaker, Sir, I am glad for the clarification and I am sure we are all glad for the clarification. We are certainly very glad that at least the Committee is going to look into this matter and, finally, give its approval. That is what it meant, I think. I don't think I have misunderstood him. Nevertheless, I am very glad that the Cabinet has seen fit to issue such a statement. I don't know how many times the Committee has met on other matters, but at least we know now that in this matter final approval has to be obtained from the special Committee.

Mr Speaker, Sir, on this matter I hope that the Honourable Minister for Local Government will not use such words as "guttersnipe" in future.

Enche' Khaw Kai-Boh: On a point of clarification, Mr Speaker, Sir; I never referred to the Honourable Members as guttersnipes. All I mean to say is that if Members should resort to character assassination, which I hope the Members would not, this House, especially the Opposition bench, would be reduced to a haunt of guttersnipes in this Honourable House. I never said that Honourable Members are guttersnipes. But, if they, of course, resort to those tactics, they will reduce this House to that state. But if the cap fits, wear it.

Enche' Lim Kean Siew: Mr Speaker, Sir, "guttersnipe" in plural is also "guttersnipes", not "guttersnipes". (Laughter).

Fortunately, he has clarified the position again, because I gathered from his statement that people thought that he was accusing us of tactics which, in fact, would make guttersnipe of us all—in any case, it is rather unparliamentary language, and I do not think he would like me to refer this House as an assembly of civil rats, for example—and I am sure he takes great objection to it. This matter arose out of a question from my Honourable friend for Batu and further supplementary questions arose from his clarification which took half an hour, unfortunately. If he does not want us to question too much, in future, perhaps he would restrict his language and make it shorter. (Laughter).

Mr Speaker, Sir, the Budget, in short, is designed to encourage foreign investments. It has no plan whatsoever for rural development and development of labour intensive schemes, which form the major part of our national income. It talks of our gross national product and we do not know how the figures are obtained and an increase in *per capita* income. But, in fact, Mr Speaker, Sir, the Budget proposals withdraw Capital Gains Tax and reduces Turnover Tax. Turnover Tax, I wish to state quite clearly, was wrong; it should never have been introduced. We are a commercial country; you have turnover tax, you slow down business; Singapore profits, that is all. Capital Gains Tax has been abolished I believe, for the simple reason that if you have Capital Gains Tax, people might invest in Singapore. Or is it because that Government does not want to hurt its friends. But peculiarly Payroll Tax remains. Why? Payroll Tax will depress the income of the workers. The employers, who wish to pay income tax, or to pay payroll tax, will come to an arrangement with the workers that they should get less pay so that he can take that extra pay to pay for the payroll tax or can reduce labour. Again, introduction of fees for telephone calls of over 100 a month, it is going to hit

indiscriminately the average person, not the big business. The same thing with car tax. How many big people have big cars? Less than one per cent. of the country. The 1,200 c.c., the 1,500 c.c. car, 1,900 c.c. car, is the car that belongs to the average income group.

These are the people you are hitting. So, you are hitting the poor people with telephones, you are hitting the average income group people by increase of car taxes, letting off the capitalists with the removal of Capital Gains Tax. This Budget is, as I said, a Budget to woo foreign investment without proper control and, in fact, it is not a Budget to assist the average person.

Thank you.

Enche' D. R. Seenivasagam (Ipoh): Mr Speaker, Sir, the debate on the Budget proposals throws open a wide range of subjects to this House for debate, and it is only proper that as much of the economic policies and the political theories of the Party in power should be discussed in this debate, and discussed as fully as possible.

May I start off on the note left by my friend the Hon'ble Member for Dato Kramat on the question of the Ministry of Housing, in particular prefabrication. It was unfortunate that the Parliament in Malaysia, which is supposed to be a democratic Parliament, heard words such as "guttersnipe" in this House. The Honourable Minister of Housing explained that what he meant was that if the Opposition resorted to character assassination, then they would sink themselves to the level of guttersnipe. Mr Speaker, Sir, if that is all that the Honourable Minister said, there could be no objection. But there was a specific charge, and a specific allegation, that the Opposition did, in fact, resort to character assassination, which, therefore, brings it into this: that the Hon'ble Minister did say that the Opposition were guttersnipe. I wonder how the Hon'ble Minister will feel if I say he is a gutter rat. I am sure nobody in this House, nor outside this Parliament, likes language of that sort, and that brings me to the question of the estimates for

Parliament and the maintenance of parliamentary democracy.

Mr Speaker, Sir, we are in this House to say what we think is right, to substantiate it by facts, if there are in fact facts to substantiate it. We are here to guard ourselves against saying things without a basis or without a foundation, and I think the matter of the discussions which take place in this House are important, because our Estimates and our Budget, which we are now discussing, provide estimates for the maintenance of this Parliament for the people of Malaysia. Mr Speaker, Sir, there was really no dispute, and I put this as an example so that, when the estimates are passed, we will know that our money for the maintenance of Parliament is being usefully used: I put this as an example, the argument, the apparent argument, on the question of prefabrication and now famous, or always famous, Boon and Cheah or Cheah and Boon. There was really no conflict of opinion on the facts. All that the Opposition said, as far as I can go and if I am wrong I will be corrected by my friends here and by, I hope, my friends opposite, was that a representative of Cheah and Boon was in the same cities as official representatives from the Government. But the Hon'ble Minister . . .

Enche' Khaw Kai-Boh: On a point of clarification, have we got to go over all that again, because I have replied lengthily? If the Hon'ble Member was not here to listen to what I said, this House should not be inflicted with all this all over again.

Enche' D. R. Seenivasagam: I think I have the liberty to do so. If it is an infliction, there is always the coffee lounge (*Laughter*). All that we said was that the representative of Cheah and Boon was in the same cities at the same time as official representatives of the Government. The Hon'ble Minister replied—and I heard that over Radio Singapore and Radio Malaysia at the same time—and he said, "What is wrong if they were there at the same time?" Therefore, it is admitted as a fact that they were there at the same time. And the Hon'ble Minister went

further and said that not only they, but other contractors were there at the same time. Mr Speaker, Sir, therefore, on the facts there was no dispute and there was no need for tempers to be lost. The only dispute was this. At least, I from the Opposition—and here I do not think I am speaking for all—at least I from the Opposition put a certain construction on that in my own mind. The other side put another construction on those facts. But they are facts, which can be constructed in different ways. I concede, it may be that your side of the construction may be correct; my side of the construction may be incorrect—or it may be the other way round. Therefore, Mr Speaker, Sir, I suggest that where Members of the Opposition say things based on facts, and on facts admitted by the other side, then I think it is not gutter-sniping, if there is such a word, but they are facts on which I say the Government, if it has the stature of our friendly neighbour Singapore, would order a parliamentary enquiry or a commission of enquiry to be set up immediately in this matter, and I ask for that commission of enquiry, because there are things which we as Honourable parliamentarians would not like to say under cover of privilege, but which we would possibly be able to say in a parliamentary enquiry. Mr Speaker, Sir, that leaves me completed on the question of housing for the moment.

I now refer to the speech by the Hon'ble Minister of Finance, paragraph 2:

"In many respects 1965 has been a momentous year for Malaysia. The painful decision taken on 9th August last to separate Singapore from Malaysia has achieved the desired result, namely, the elimination of political tension, though the separation itself could have far-reaching economic consequences."

Mr Speaker, Sir, is it suggested that, after Singapore separated from Malaysia, there is no political tension, or there is a considerable easing of political tension in Malaysia? Anybody who thinks so is living in a fool's paradise. What is happening in Malaysia today is this: that by a series of laws, Emergency laws and otherwise, personal

liberties, the fundamental rights enshrined in the Constitution of our country, are being steadily, and not so slowly now, completely scrapped and the Malaysian subject is being stripped of the rights conferred on him by the Constitution of this land for which he gave his support to politicians to form Malaysia.

Mr Speaker, Sir, I have made this statement saying that the separation of Singapore from Malaysia has not eased political tension. Before Singapore came into Malaysia, there was political tension—political tension on constitutional issues. Those political tensions came into sharper focus after Singapore joined Malaysia. Mr Speaker, Sir, since the Honourable Minister of Finance has thought fit to say that with the exclusion of Singapore political tension has been eliminated in this country, let me tell him a few facts, which will show not only to him, I hope, but to all those who are of similar mind, that there is no easing of political tension in Malaysia. Mr Speaker, Sir, Singapore has been declared and is, in fact, a friendly nation and it is my theory that so long as Singapore is declared and is in fact a friendly nation, the Malaysian people can draw inspiration from Singapore and the leaders of Singapore, and I will continue to draw inspiration from Singapore and the leaders of Singapore.

Dr Ng Kam Poh: Definitely!

Enche' D. R. Seenivasagam: Go back, is it?

Dr Ng Kam Poh: Definitely.

Enche' D. R. Seenivasagam: Definitely, yes. But it is unfortunate that although it is definite, my loyalty is to Malaysia and I intend to remain in Malaysia. But of course, Singapore boys—if I may use that word with respect to them—are different. It is no use Malaysians going over to Singapore, because you cannot become Ministers there and you cannot become Ambassadors, because they are not so easily taken up; and you see, they are incorruptible. Therefore, any Malaysian who thinks he can get a favour

by walking over to Singapore better think twice. The other way round seems to be quite simple.

Singapore came into the Federation with leaders, who were dedicated to the Malaysian cause. They tried for two years to convince by speech, by reason, and by logic that only a Malaysian outlook with a Malaysian programme could sustain and preserve the Malaysia that was there. It, of course, became obvious to all that logic and common sense would not prevail with the Alliance Government, at any rate for the moment.

When that became obvious, when the Alliance Government knew that only a Malaysian Malaysia would be acceptable to Singapore, a partner of Malaysia, the alternative to the Alliance Government was to get rid of Singapore. Not so much merely Singapore itself, Singapore itself was perhaps of no concern to the Federation Government, they could deal with it, but what was of concern to the Alliance Government was this. That the sincere logic of the arguments put up by those who propagate "Malaysian Malaysia" was gaining momentum in our Malayan society itself. That in every village, and in every town, and in every kampong bordering the villages and towns, people were beginning to think; they were beginning to ask themselves if in Singapore improvements can go on without this division, without this discrimination, why not in our Malaya? The same thing be done. People were asking themselves, is there something then that Singapore has, which our elected majority leaders have not thought of or have not thought fit to give to the Malayan, as distinct—I use the word Malayan—from the Malaysian people at that time? Mr Speaker, Sir, that is what worried the Alliance Government, that is what impelled them to get rid of Singapore, and I think it is the height of impertinence for the Hon'ble Minister of Finance to put in words and in writing that political tension has been eliminated, because political tension has been heightened after Singapore was, as we say, booted out of Malaysia. It has been heightened for this very reason, that

the Malaysian people know that with Singapore inside they were in a stronger position to demand their rights and privileges in this land. The disappearance of Singapore from Malaysia has renewed redoubled, the determination of the Malayan people to establish in this country a "Malaysian Malaysia". The result of that determination was Ayer Itam. I hope, and I think that hope should come true, another outward sign of that determination—an abhorrence of the Alliance policies—will be shown at Seremban in the constituency of Rahang. I look at my friend from Dato Kramat here—it does not matter to whom it goes, so long as it does not go to the Alliance party, that is what we stand for today—and same here as Dato Kramat, I say that the actions of the Alliance of suppression and oppression and denial of fundamental rights is doing one thing good for this nation—it is bringing together all forces that went to preserve democracy in this country, and for that I think we will thank you—the more and more you go on suppressing and oppressing. Mr Speaker, Sir, I said that the Alliance Government was suppressing and oppressing by legislation, by words of threats, and by several other somewhat unnoticeable but at the same time dangerous methods. Now, the Solidarity Convention was a combination of the P.A.P., the P.P.P., S.U.P.P., the Machinda, who joined together on the basis of fighting for a Malaysian Malaysia.

Mr Speaker, Sir, it is an established principle of a democracy that political parties should be given freedom—indeed, not for political parties alone but the individual citizen should also be given complete and absolute freedom within the law—to propagate beliefs within the democracy. Mr Speaker, Sir, the Solidarity Convention held its first public rally in Penang. It was a tremendous success, attended by thousands upon thousands of persons. The Police after consultation with Kuala Lumpur issued a permit for that rally. There was no disturbance of any sort whatsoever. The only condition was that it should be within an enclosed building. Anyway, it was allowed at the Stadium

at Penang. Mr Speaker, Sir, having seen those reactions at Penang, when the Solidarity Convention wanted to meet at Ipoh, first thing we were told is, get an enclosed building. We asked for the stadium, well the stadium was not under Municipal control, it comes under State control and the answer given was—I consider it a ridiculous answer, “We do not like politics in our stadium”.

Good enough, but we managed to get a place all right. In Penang, of course, we were fortunate, as the Socialist Front controls the stadium. Mr Speaker, Sir, anyway we got a place better than the stadium—the hall of the Jubilee Hall—completely free for the use of the Solidarity Convention. No reply was given to our application. They could find no hitch with the application, because the application was made by me. We waited and waited, without any response. Arrangements were made, and finally I had to send a telegram—in fact two telegrams. The next day we got a reply “Application refused”, no explanation, no reason whatsoever given—“I have been directed to refuse your application for a public rally”. Mr Speaker, Sir, that is political victimisation—one hundred per cent political victimisation of opposition parties.

It had been common practice before the Solidarity Convention came into being for political parties to hold public meetings within enclosed places. I hope that the Minister in charge will be able to tell this House, why the application at Ipoh was refused, what are the reasons for the refusals. What is the policy for which we are passing these Estimates on which the Government works as far as public meetings are concerned. Mr Speaker, Sir, but the Convention does not die by the refusal of a police permit. All that is required was a little more expenditure, to be confined to those invited, and therefore, it would not be a public meeting and the Convention spent that money and the Convention did invite specified guests to a tea party, now known familiarly in Ipoh as the “Boston Tea Party”, where leaders like Mr Devan Nair and others addressed those invited

at a private function of the Solidarity Convention. But, Mr Speaker, Sir, the principle is this: how far do you think you can get by trying to suppress the Opposition? For how long do you think you can keep people of this nation ignorant of the true situation in Malaysia? How long do you think that the people are going to keep quiet?

I say, not for long; I say they have started to ask questions; they have started to act; but we are fortunate that in Malaya our people are a lawful people, and they will act only in a lawful manner, as we tell them that it is only by lawful means that we can overthrow this Government of this country, and it is my intention, and the intention of all those who follow me, be they small in number or large in number, to overthrow by democratic process this Government of this land.

Mr Speaker, Sir, also in the speech of the Hon'ble Minister of Finance, it has been referred that the statements of the Prime Minister of Singapore are not conducive to good relationship between the two nations. To that my answer is this: If you say something nasty, you are going to get something nasty back. Remember that you are not dealing with a split up Opposition as you were dealing in Malaysia before. You are dealing with a free and independent nation, a proud people of Singapore; and what you say about their leader, you will get back in double-fold. And then we should not say, that it is not conducive of good relationship between the two countries. It is of course the hope and prayer of all of us, and all in Singapore, that our two nations will be on the best of terms and the best of friends. But that must be reciprocal. Mr Speaker, Sir, when Indonesia started her confrontation the Hon'ble Prime Minister announced that local elections will be suspended. It received the support of all sections of this House, because it was reasonably possible that elections, if they were held, could cause a good ground for Indonesian saboteurs and infiltrators. Subsequently, at the same time it was announced that public rallies would not be allowed, that public meetings in enclosed buildings

could be permitted. Mr Speaker, Sir, the Peoples' Progressive Party of Malaya applied for a public meeting on the Padang at Ipoh. It was refused by the Police on security grounds which I take it means that they were convinced Indonesian sympathisers and saboteurs could cause trouble in an open space. We made no whisper, we made no murmur, we accepted that decision as in keeping with the Federal policy. I ask this question, Mr Speaker, Sir, how did the Police Department in Malaysia allow solidarity rallies a few weeks back in open places throughout this country, in the same spaces, where Opposition parties were refused permission on the ground of security risks. Is it not a fact, Mr Speaker, Sir, I ask, that if the Indonesians want to create trouble they will create trouble for you more than they will create trouble for other people? Is it not a fact that the Indonesian aggression, or Indonesian interference, is aimed at destroying the Government more than anybody else? Do we not, then, come to the position, where it is so abundantly and blatantly clear that the Alliance Party hopes through their machines in Government, through their resources in Government, to use to full advantage their position, where they are allowed to propagate their policies and their beliefs to the people of this country, and at the same time to refuse Opposition parties that same permission to propagate their policies and their beliefs and expose the failings, shortcomings and misdemeanours of those in power in this country? I say, Mr Speaker, Sir, that matters of this sort should be brought up not only to the attention of the Malaysian people but to the attention of the free world, so that the free world will be under no mask, under no veil, and will be under no misconception that in Malaysia democracy is a flower which is nurtured and which is growing and will continue to grow. To that end, Mr Speaker, Sir, the Solidarity Convention group of Opposition is taking steps, is in the process of preparing, almost completing, a memorandum to the United Nations; and it is hoped that the team will go to the United Nations

to put before the United Nations appropriate committees and request—whether we would get it or not is another matter—an audience with the appropriate persons, so that the world body, of which we are a member, can condemn such ghastly actions on the part of this Government.

Mr Speaker, Sir, when the question of China's entry into the United Nations came up, Singapore voted in favour, Malaysia voted against. It is, I say, a crying shame, and an everlasting shame, that Malaysia voted against the entry of Free China into the United Nations. I think it conflicts, to a great degree, with pronouncements made by various Ministers, Honourable Ministers, from time to time. The vote of Malaysia would not have altered the situation either way, because for the entry of China into the United Nations a two-thirds majority is required. It is not the question of whether that one vote would have altered the situation or not. It is a question of where Malaysia stands. It is a question how far is Malaysia prepared to go on this matter, which again is a matter of logic and commonsense. With China in the United Nations, you have hope of world peace. With China out of the United Nations, she is not bound by any actions, or any observations, of the United Nations; and I am sure it is the hope of the Malaysian people that our representatives at the United Nations will take a more realistic stand, and a more honourable stand, when the matter of China comes up time and again in the United Nations.

Mr Speaker, Sir, on the question of Rhodesia, I think England stands condemned for her light-hearted action in the present crisis. I think Malaysia should go further than the statement issued by the Honourable Prime Minister, for which we gave great credit to this Government. However, I think the Government should go further to the length of other countries and say that our men, our armies, whatever there is of it, are the resources of the United Nations, if they so require them, or any power that requires them, on the Rhodesian issue. Other nations have done it. I

cannot see why we should not do it. I do hope that our Ministers will clearly state that stand in this House and out of this House when the matter is raised.

Mr Speaker, Sir, we have heard a lot in the last few days about legal matters—payment of \$88,323 for litigation. Mr Speaker, Sir, in our Estimates, we again have votes for the Judiciary, Legal Department, and again, the question of retainers and fees will come in. Mr Speaker, Sir, it is of vital importance that nobody in this House, or outside this House, or indeed Ministers themselves should ever be under the false impression of how monies are paid out to Government servants, who are fortunately or unfortunately litigated. There is only one legal method, properly legal method, by which money is paid out. Before that person litigates he gets the permission of the Treasury. If a private counsel, or practitioner, is engaged he must get a certificate, or that private practitioner must be authorised by the Attorney-General, or his representative, to act in that particular case. Then and then only, under the Public Authorities (Protection) Ordinance, I think, can money be lawfully and legally paid out to the person who litigates. In other words, the prerequisite is permission to engage counsel—a certificate from the proper authority that you can get or engage counsel for this particular case. Now, it is very unfortunate, that I am personally involved in this matter, and so I cannot talk much on this. But, one question comes out—Where is that certificate for the \$88,323 from the Attorney-General, Federation of Malaysia? Where is that certificate? If that certificate is not there, then the Honourable Prime Minister's statement that it was paid out and reference to public authorities and Government servants is all just a mask, because that does not apply where the certificate does not exist. The only way you can pay out money is by a Cabinet decision, as in this case. If they say on "sympathetic ground"—good. But don't ever try to say that it is legally and morally right, because it is legally and morally wrong, and everybody

sitting in this House—in the gallery, and on the Ministerial benches—knows it is morally and legally wrong but, perhaps, sympathetically, on grounds of sympathy, it might be right. If you say that, we agree. But don't try to pull a fast one! Where is such certificate from the Attorney-General, Federation of Malaysia? If it exists, I will not open my mouth again on that subject. If it does not, you will hear much more of it after certain events have taken place.

Mr Speaker, Sir, the Honourable Prime Minister, at Ipoh, made a sensational statement just after Singapore left Malaysia, or went out of Malaysia, where he—and here, I think, it is under the question of votes for Education—came up and said, "I am going to make some concessions"—these are not his actual words, only the substance of what he said, "I am going to make concessions on the question of the language issue".

Mr Speaker, Sir, immediately leaders of my Party were glad, because we thought the major portion of our battle had been won. We gave a statement congratulating the Honourable Prime Minister for making that statement, congratulating all the Alliance and saying, "Please, tell us what is this concession so that we can tell our supporters"—no more quarrelling, we were very happy with the concession. Months have passed, no reply. We heard the Honourable Minister telling us in this House. "You just wait: when the time comes, I will tell you what the concession is." Mr Speaker, Sir, I say if there are concessions, if you have them in mind put them up now, so that this heated issue, this burning issue, this flaming issue can be put to rest. It is you who said it, Mr Speaker, Sir. It is you and when I say "you", I don't mean any individual, I mean the Government. It is you who said that this issue should never be brought up and that bringing up this issue is likely to cause communal trouble in this country. If you have a solution, why don't you give it to us? Why don't you save the country from possible communal trouble? You want to keep it up

your sleeves, or in your pocket? For what purpose? Mr Speaker, Sir, I say this: because there is no compromise which you are prepared to give which will be acceptable to the people. I say that you, the Government, is trying to bluff those who are demanding status for their language in this country, because otherwise there is no logical or excusable reason why you cannot disclose it to the people at this time. Mr Speaker, Sir, I, therefore, in this Budget Estimates call upon those responsible to tell the nation what is the compromise that you have, so that the people can study the compromise plan, if indeed there is one. After all 1967 is not far away. Let us, therefore, have the time to study it, the time to accept it, if we want to accept it; otherwise it is mere words without any substance. Mr Speaker, Sir, it has very frequently been the habit of Honourable Ministers, who also come under these Estimates, because there are allowances for Ministers, to stand up in this House and say "We became politicians only to serve the people of this nation". I think that was said by the Honourable the Minister of Local Government and Housing—if I am wrong, I will be corrected. He was convinced that all Ministers came into this House with the sole object of serving the people. Mr Speaker, Sir, we, from the Opposition, came into politics to serve the people, if we could get into power, if we couldn't get into power to see that those who got into power ran the country properly. We have sacrificed a great deal, so have several Cabinet Ministers and several Members of this House. Struck my eye, the Honourable Member from Kuala Kangsar, I know he had sacrificed a lot in time, in money, but let nobody say that every Member of the Cabinet became a politician to serve only the people of this country. That is too sweeping a statement! Well, I know of at least one Cabinet Minister, who did not become a politician only to serve the people of this country. He became a politician because it was necessary to become a politician for many purposes, but certainly not solely for the purpose of serving the people of this country. I will take that no

further, Mr Speaker, Sir, unless somebody else stands up and repeat that all Cabinet Ministers became Cabinet Ministers, or politicians, with only one object—to serve the people of this country. That I will not stand for, because I know it is not true.

Mr Speaker, Sir, the Judiciary in this country is a judiciary which has been for generations under British rule, independent, highly respected, in which the people have the fullest confidence. Mr Speaker, Sir, that independence of the judiciary must be maintained at all costs, and I use the words "all costs" both in respect of administration and all costs in respect of money as well, because if our Judiciary is not properly paid—and when I say Judiciary I do not mean only Judges or Magistrates, I mean all those connected with the Courts—if they are not properly remunerated then the standard of the judiciary will surely be lowered, and it is not necessary for us to go much further. Get the statistics of the number of resignations from the Legal Department, from the Magistracy, from the Public Prosecutors' side. Ipoh today has, I think, three Public Prosecutors, who have left the service and are now going to open up private practice. What is the reason? You just ask them yourselves. They have only one reason—they do not get enough salary on which to maintain themselves with the dignity or propriety that you expect a judicial officer, or those connected with the judiciary, to maintain themselves. What has the Alliance Government done for the last so many years on this question? It is not a new problem; it is a problem which has existed from the word "Go". Nothing has been done. There has been no revision; there has been no move to a solution. How then do you expect Magistrates, Presidents, Public Prosecutors, to carry out their duties properly or efficiently in the future? How do you expect in the first place to get sufficient people to cover your Courts in this country? You don't have it to such an extent that there is a move now to ask private practitioners if they will do voluntary service by sitting as Magistrates whenever required to clear

up the back-log. Is that the way the Judiciary is going to be run, or are you not going to make an alternative arrangement, whereby you can attract more people into the judiciary? My friend sitting there, Honourable Member from Kuala Trengganu, I think it is, was he not in the judiciary but he left it? I am sure he is a person who wants to serve the nation, and the best way he can serve the nation is to be a Magistrate. Well, he chose to leave it. I am sure his reasons are valid reasons, because it is ridiculous to expect a Barrister-at-Law to work for the salary that this Government expected my friend to work; and of course there is an over-riding desire I am sure on his part to serve the nation and those are the reasons why . . .

Dato' Abdullah bin Abdul Rahman: Mr Speaker, I didn't resign because I considered the salary was not sufficient.

Enche' D. R. Seenivasagam: I just put it up, Sir. All right, I withdraw that. Mr Speaker, Sir, it is a matter of very great concern to those connected with the Judiciary and those who appear before the judiciary.

Mr Speaker, Sir, in Ipoh the people are waiting anxiously, very, very anxiously, for a new hospital. I have the greatest confidence in our Minister of Health that he will get us a hospital, and that he will get it for us as quickly as possible. But I ask the Ministry to consider very seriously some immediate steps for congestion in our hospital at Ipoh. Mr Speaker, Sir, the Estimates are for Health, but it is necessary that the question of the Ipoh overcrowding must be considered immediately, because dozens of people walk into my place saying, "I can't get admission although my private doctor asked me to get admitted and the hospital agrees that I should get admitted." It is no blame of the Local Authority there. It is no blame of anybody, but it is the question of somebody paying more attention to an Opposition held down, and I think that is where it is necessary that the Ministry should give us every support in that area.

Mr Speaker, Sir, the Police were given a lot of bouquets in this House—I think it was yesterday—for the good work they are doing in catching gangsters, extortioners, kidnappers. All that is very true, and I will be the last person to stand up here and say that the Police are not good, but I will be the first person to stand up here and say that there are policemen who are not good in the Police Force; and I think every Member of this House, who is elected, will have experience of that. There are policemen, who go round this country at their whims and fancies dragging people out of their houses, locking them up for 24 hours, and then telling them to go home. There are such cases and those cases are happening in Kuala Lumpur town today. They are happening—now let nobody say that it happened today, because when I said "today", I mean it is happening in this period. Mr Speaker, Sir, is the Honourable the Minister not aware that such things are happening? I myself know this in my legal practice. I have myself prosecuted police officers, who have punched and walloped civilians, who by no stretch of imagination can be gangsters, extortioners or kidnappers. Peaceful Indian citizens drinking a pint of toddy at a toddy shop may be a bit drunk but I ask, what police officer has the power to go and wallop that man just because he is a bit tipsy? That police officer was duly summoned to court and duly dealt with by the courts. Therefore, Mr Speaker, Sir, let us not say everything is a bouquet for the police, because you can give them bouquets when they deserve it, but you condemn them when they deserve condemnation as well. Mr Speaker, Sir, on this question of the Police, it is of vital importance to us, on the question of dealing with applications of various types, that it is one of the requirements that an application for a public licence should be sent in within a specified number of days notice. When we send in those requirements, is it not tomfoolery for the Police to wait till the 11th hour, one day before your meeting, to inform you whether your permit is approved or not approved? This happened only last week in

Seremban at the by-election. At the by-elections dates are fixed with the Police, and still they won't tell you whether your permit is approved or not till one day before your election rally. Is that not victimisation? Is that not an attempt by this Government to deprive facilities for the holding of rallies, the propagating of views which are necessary hostile to yours? May I ask the Honourable the Minister, what explanations he can give us for this fact—that applications were not replied until one day before the organised function. I would like an answer from the Honourable the Minister.

Mr Speaker, Sir, Local Government and Housing is coming in a lot at this meeting, and I am thankful to the Honourable the Minister for making it clear that it is not the intention of the Government to scrap Locally Elected Councils. But I say that his statement conflicts with the written word, the written word of the terms of reference—and here the whole nation is obliged to the *Straits Times* because they took the Honourable Minister to task several times on this question of local govern-

ment. I would like the Honourable Minister to clarify in the clearest possible terms at a later stage, the following questions:

(1) Do the terms of reference of the Commission of Enquiry authorise that Enquiry to recommend the total abolition of elected Local Councils?

(2) Does the Honourable the Minister's statement in the newspapers, saying that it is not the intention of the Government to abolish Local Councils, which means all these Councils put together; and here I emphasize the Honourable Minister never said Local Elected Councils—he said “not the intention of the Government to abolish Local Councils”. I ask the Honourable Minister categorically to state in this House that it is not the intention of the Government to abolish elected Councils—and I emphasize the words “elected Councils.”

Mr Speaker: It is now one o'clock. The House is now adjourned till 10 a.m. on Monday, 22nd November, 1965.

House adjourned at 1 p.m.