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# PARLIAMENTARY DEBATES

DEWAN RA'AYAT  
(HOUSE OF REPRESENTATIVES)

OFFICIAL REPORT

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ABSENT:

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„ ENCHE' AHMAD BOESTAMAM (Setapak).  
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„ ENCHE' TAN KEE GAK (Bandar Melaka).  
„ WAN MUSTAPHA BIN HAJI ALI (Kelantan Hillir).

IN ATTENDANCE:

The Honourable the Minister without Portfolio, ENCHE' KHAW KAI-BOH, P.J.K.

PRAYERS

(Mr. Speaker *in the Chair*)

ANNOUNCEMENT BY  
MR SPEAKER

MESSAGE FROM THE SENATE

**Mr Speaker:** Ahli<sup>2</sup> Yang Berhormat, saya hendak mema'alumkan saya telah menerima satu perutusan yang bertarikh 20hb Ogos, 1963, daripada Yang di-Pertua, Dewan Negara, berkenaan dengan perkara<sup>2</sup> yang tertentu yang telah di-hantar oleh Majlis ini minta di-persetujukan oleh Dewan Negara. Sekarang saya minta Setia-usaha Majlis ini supaya membachakan perutusan itu kapada Majlis ini.

(*The Clerk reads the message*)

“Mr. Speaker,

The Senate has agreed to the following Bill, without amendment:

A Bill to amend the Constitution of the Federation and, in connection therewith, the Interpretation and General Clauses Ordinance, 1948.

(Sd) DATO' HAJI ABDUL RAHMAN  
BIN MOHAMED YASIN,  
(*President*)”

BILLS

THE IMMIGRATION BILL

Second Reading

**The Deputy Prime Minister (Tun Haji Abdul Razak):** Mr Speaker, Sir, I beg to move that a Bill intituled “an Act to extend and adopt the Immigration Ordinance, 1959, for Malaysia, and to make additional provision with respect to entry to the States of Sabah and Sarawak”, be read a second time.

As Honourable Members are aware, since the day that the idea of Malaysia was conceived, the representatives of the Borneo States had made it clear that although they accepted the concept of Malaysia in principle, they considered it essential that in view of the small size of their population and the undeveloped nature of their territories, they should be protected against unrestricted movement of people into their territories.

They made their position clear in the Malaysia Solidarity Consultative Committee, 1961, and that Committee explained and discussed this question at length. That Committee came to the conclusion that, while recognising the need for these territories to achieve rapid progress and development which made it necessary to attract labour and technicians from outside, they considered that the territories themselves

should be in a position to determine the rate and the scope of their development, taking into account the population problems which such development might create as well as the desirability of keeping in step with the general trend of development of Malaysia as a whole. The people of the Borneo territories were anxious and nervous that by federating with the more advanced States in the present Federation of Malaya and Singapore, their future position in their own States should not in anyway be prejudiced. The Prime Minister, at one of the meetings of the Solidarity Consultative Committee, gave an assurance that there would be no unimpeded migration into the Borneo territories and that when Malaysia is established constitutional provisions whereby control of such movement would be effected, would be devised by constitutional experts. This assurance was very much welcomed in the Borneo territories and went a long way to calm their fears and anxieties.

When the Cobbold Commission went to ascertain the views of the Borneo territories on Malaysia, they also considered this matter very carefully. Representations were made by all sections of the community in the Borneo territories to the Cobbold Commission that they would not agree, under any circumstances, to allow unrestricted migration into their territories. Therefore, the Cobbold Commission in paragraph 148 (g) of its Report unanimously recommended that control over immigration into any part of Malaysia from outside should rest with the Central Government, subject to the proviso that such entry into Sabah and Sarawak should also require the approval of the State Government concerned, but that the Federal Government should guarantee unrestricted entry for purposes of employment of persons recruited by the State Government, except on grounds of security. In relation to the question of entry from any other Malaysian territory into Sabah and Sarawak, the Commission recommended that this should be subject to the control of the State concerned,

provided that the free movement of persons in the service of the Central Government was guaranteed.

Now, Sir, when the Inter-Governmental Committee was appointed by the Governments of U.K., Federation of Malaya, Sabah and Sarawak, representatives of this Committee went round to various parts of Sabah and Sarawak and met leaders of the people at various levels. In all these meetings, immigration was the subject which they invariably raised with the Committee. The people asked that they should have control over immigration.

Now, as a result of all this, the Inter-Governmental Committee which discussed and considered this matter very carefully had made the specific recommendations on this matter. The recommendations of the Inter-Governmental Committee are as follows:

- (a) immigration into Malaysia should remain on the Federal List, but legislation should be enacted by the Federal Parliament to ensure that entry into Sabah or Sarawak would require the approval of the State Government except in the cases mentioned below;
- (b) the Federal Constitution should be amended to enable the Federal Parliament to legislate to control the movement of persons between the existing Federation and a new State, or between new States on any ground, i.e., not merely by laws relating to security, public order, public health or the punishment of offenders;
- (c) the Federal Government should undertake to pass before Malaysia Day a law giving effect to these arrangements relating to immigration and coming into operation on Malaysia Day, the draft of which would be agreed by the Government of the Borneo States and scheduled to the formal agreement for the establishment of Malaysia;
- (d) the Federal Constitution should be amended to provide that this law may not be amended or repealed in its application to a

Borneo State without the concurrence of the Government of the State concerned;

(e) the Federal Constitution should be amended to provide that the provisions referred to in subparagraphs (b) and (d) may not be amended or repealed in their application to either of the Borneo States without the concurrence of the Government of the State concerned; and

(f) the law referred to in subparagraph (c) should contain provisions to secure that:

(i) any persons from outside Malaysia whose entry into a Borneo State the Government of that State considers it necessary for State purposes shall be given entry except in cases where the Federal Government, which will be consulted for this purpose, considers that it is desirable in the national interest that entry should be refused;

(ii) subject to Article 9 (1) and to sub-paragraph (iv) below, admission to a Borneo State will not be granted to any other person or class of persons, whether from inside or outside Malaysia, without the approval of the Government of the State concerned;

(iii) subject to Article 9 (1) and to sub-paragraph (iv) below, any person who is present in a Borneo State contrary to the provisions of subparagraph (ii) above or whose presence is otherwise unlawful, whom the Government of the State wishes to be removed from the State, shall be so removed;

(iv) the provisions outlined in sub-paragraphs (ii) and (iii) above do not apply to members or officers of the Federal Government or any person or class of persons whose temporary presence in the State the Federal Government, after consultation with

the State Government, considers it necessary in order to enable the Federal Government to carry out its constitutional and administrative responsibilities or any citizen who enters for the purpose of exercising his rights in connection with the functioning of parliamentary democracy in Malaysia or any part thereof, or any person who belongs to the State, i.e., who is a permanent resident of the State or who is a citizen of Malaysia on account of connection with the State; and

(v) no person who resides temporarily in the State in accordance with sub-paragraph (iv) shall by reason of such residence be deemed to belong to the State or to be a citizen of Malaysia on account of connection with the State for the purposes of that sub-paragraph.

This Bill before the House contains the recommendations of the Inter-Governmental Committee, as stated above, and is in the form of the draft agreed by the Governments of Sabah and Sarawak and scheduled to the formal agreement and gives effect to the establishment of Malaysia.

We have therefore accepted two principles in this Bill, as a result of prolonged negotiations between representatives of the two above territories and ourselves, and as I have said, in order to allay their fears and anxieties. First we accepted the principle that as the two territories have a small population in relation to their size, it is essential to provide them with protection against unrestricted movement of people from other parts of the Federation. Under section 6 of the Bill, the right to enter a Borneo State is therefore limited to particular classes of citizens. First, of course, there are those who belong to the State and they are defined in section 11. The second category consists of people, i.e., members of Federal or State Governments, judges, Federal officers, etc.,

and those people whose presence in the Borneo territories is necessary for the discharge of constitutional and administrative responsibilities of the Federal Government. Also, under section 7, those persons who are engaging in legitimate political activities also are entitled to enter the Borneo territories. Sir, in the interest of parliamentary democracy and in order to see that immigration control is not used to stifle political opposition, this section is inserted in the Bill.

Now under section 8, the Federal Government has the right, after consultation with the State authority, to override State power to veto a citizen's entry into the State where his entry is required to enable the Federal Government to carry out its responsibilities and this power is exercisable in relation to either individuals or in relation to classes of persons.

The other principle which we have also accepted is that the question of entry from outside the Federation into any of the Borneo States should rest with the Central Government and these powers are exercisable by the Controller in accordance with the directions given to him by the Minister. However, while the Central Government should have power over all entries from outside the Federation, we consider it is legitimate that we should assure the Borneo States that if they require people from outside for their own State purpose then we should not unduly restrict their requirements. The Borneo States are undeveloped and they will in future require, as we do here, assistance of experts and technicians from outside to carry out their development but the Central Government will have the power to refuse entry from outside the Federation for purposes of State Government if the Central Government considers desirable in the national interest that such entry should be refused. In other words, if the Central Government considers that the persons required by the Borneo State to assist them in the development can be found in other parts of Malaysia, then these persons should not be brought from outside, for example, if there was an application

for entry of labour from outside Malaysia and if it is found that no efforts had been made to recruit labour from other parts of Malaysia, the Central Government would then be in a position to say that such an entry from outside Malaysia would be against the national interest. Again, if there was an application for entry into the Borneo State for State purpose for a person who is considered a security risk, then it is open to the Central Government to refuse his entry. Sir, in all circumstances we consider these safeguards are reasonable and these are the safeguards which the State Government have asked because, as I have said, they have their fears and their anxieties in these initial years until they feel that they are one with us and the Central Government here in Kuala Lumpur is their Government.

The other parts of the Bill are of somewhat lesser significance. Part I is merely formal and deals with the extension of the present immigration laws of the Federation to Malaysia as a whole instead of the Federation of Malaya only as it now stands. The present laws of the new States are accordingly repealed. This change produces no significant effect since the present laws of the new States are very like and in some respects identical with the Federation law which is now being extended.

Part II of the Bill deals with the administration of immigration in the Borneo States. The special immigration control in the Borneo States will be administered by the same Federal officers as administering the overall control for Malaysia and is a matter for the Federal authority subject to special rights conferred on State authorities.

Now, section 5 of the Bill is the core of Part II. It gives the State authorities in a Borneo State (although immigration remains a Federal subject and is administered by Federal officers) the power to say that a person shall not be admitted to the State except on conditions acceptable to the State authorities and that persons not acceptable shall not be admitted, or if already present subject to removal

shall be removed. These powers are purely negative, and do not replace or cut down the powers of the federal authorities. The result is that a person's presence in a Borneo State (unless he has a right to be there) has to be acceptable to both the State and the Federal authorities. This is subject to certain exceptions in sections 8 and 9, which I have already referred to.

Accordingly the Controller in a Borneo State will have to work to instructions from the State authorities as well as from the Federal Minister. In order to make this effective, sub-section (2) provides that the Minister shall not allow an appeal from a decision of the Controller without the concurrence of the State authority, in any case where directions to the Controller from the State are in point; sub-section (3) provides that the Minister shall not grant exemptions from the immigration control without the concurrence of the State authority. There is a similar provision in sub-section (2) of section 4 to prevent regulations being used to defeat the powers of the State authorities—e.g., by not allowing to be attached to Passes, etc., for entry to the State the kind of conditions which the State authority may want to require under section 5. This section is, of course, subject to certain exceptions in sections 8 and 9.

*Section 10* is a temporary provision to give certain potential citizens in a Borneo State the same rights.

Section 11 defines those citizens who are to have a free right of entry into a Borneo State on the ground that they belong there. They are of two classes—first those who are at any time permanently resident there (or have been to a date two years or less previously) and secondly those whose right to citizenship depends on a connection with the State. The second class will consist of persons born in the Borneo State when the parents or one of them is permanently resident there; but it includes also those who are ordinarily resident in the State on Malaysia Day and who become citizens automatically on that day or register as citizens under the special provision in the Malaysia Bill.

Part III of the Bill deals with a number of matters, such as carrying of a passport or similar travel document and section 16 of that Part enables the Minister, by an order made before Malaysia Day, to make supplementary provision of a transitional nature.

It will be seen from the above recommendations that while it is agreed that immigration should be a Federal matter, the Borneo territories are allowed certain safeguards. Of course, there is no restriction to persons in the employment of the Federal Government to go to the Borneo territories and there is no restriction to the Federal Government to sending officers and others to the territories in the discharge of the Federal Government's constitutional and administrative responsibilities. There is also no objection to persons going to the Borneo territories to carry out legitimate political activities. But persons outside these categories will not be allowed to enter the Borneo territories without the consent of the Government of the State concerned, except the Federal Government has the final say in that the Federal Government could refuse the entry of any person to a Borneo State if it considers it is in the national interest to do so. It is agreed that it is not very desirable to have these restrictions of movement in what is virtually one independent sovereign State, but it should be appreciated that Malaysia is a Federation of States and that the new States of the Borneo territories decided to enter the Federation out of their own free will and we here to some extent must respect their wishes and must understand their fears and anxieties. Although the Borneo territories have had many common ties with us for generations, they have been separated constitutionally and administratively from the States of Malaya. They were under different administration and they were separated from us by thousands of miles of sea. It will take some time for them to realise after Malaysia that they belong to one country and one nation. It will take them some time to realise that Kuala Lumpur, which is the national

Capital, is their national Capital. It will take them some time to realise that the Central Government in a Federation is a Government established by all the constituent States and that they have a say in carrying out that Government. It is in fact their Government as much as it is ours. In the same way, in Malaya itself in 1948, when the present Federation started, some of the former unfederated Malay States, e.g., Kedah, Kelantan and Trengganu, found it difficult to reconcile to the fact that they are under one Central Government and that to all intents and purposes they belong to one country with other States. It is difficult for a man from such out of the way place as Alor Star to accept Kuala Lumpur as his national Capital. But times have changed all this. Now everyone of us in Malaya wherever we come from regard ourselves as members of one nation. In the same way, in the Borneo territories it is hoped that in the course of time when their representatives have sat with us in this House and their officers have worked with us in the Central Government and in the Federal Departments and they are represented in the highest body of governmental organisation, their fears and anxieties will fade away, but we have to give them time to do this. Therefore, it is necessary for us to have this legislation to allay their fears and anxieties and we hope that time may not be far distant when they themselves will agree to do away with some of the provisions of this legislation.

Sir, I beg to move.

**The Minister of Labour and Social Welfare (Enche' Bahaman bin Sam-sudin):** Sir, I beg to second the motion.

**Enche' S. P. Seenivasagam (Meng-lembu):** Mr Speaker, Sir, the concept of Malaysia as expounded by the Honourable Prime Minister, when he initiated the idea, was that it was going to be one united family, one happy family, where everybody was going to live as brothers and sisters. Today, the Honourable Deputy Prime Minister has admitted—even at this stage where the world is made to believe that the people of Sabah and

the people of Sarawak are clamouring to joint Malaysia—that nevertheless there are fears and there are anxieties. One significant statement which he has made is that it will take some time for them to realise that they belong to one race and to one nation. So, Sir, the Deputy Prime Minister admits that we are bringing these people into Malaysia, although they do not realise that they belong to one race, or that they are in the process of creating one nation.

This Bill, Sir, reflects the distrust which exists between peoples whom the Federation Government is trying to bring into Malaysia without a proper assessment of their desires. The Federation Government has sought and obtain the views of self-proclaimed leaders of those territories; and in order to put a blind, the Federation Government has introduced this Bill saying, "We are so concerned about their fears that we are giving them protection by this Ordinance." Now, how can you build a nation if, even before it is born, you concede that there is fear and distrust? You concede that the people are not prepared to come into Malaysia without conditions. They ask you for safeguards because, obviously, they do not trust you; and if they do not trust you, why do you want to take this step? Why not ask them to develop further until they are ready to realise that they are going to belong to one nation, and then bring them in?

Mr Speaker, Sir, there are very objectionable features in this Bill, and I would first of all like to refer to Clause 5. This Clause provides that citizens of Malaysia will not be able to move about freely without pass or travel document in so far as the Borneo territories are concerned. There, Sir, there is discrimination and there we are treated as foreigners in those territories.

Now, Clause 6—the purpose of this Clause is to exempt a certain group of persons from the restrictions imposed: e.g., a person who belongs to the Borneo State, a person who is a member of the Federal Government, a person who is a judge of the Federal Court, and so on.

Clause 7 says: "Sub-section (1) of section 6 shall not have effect in relation to a citizen of the Federation entering the Borneo State for the sole purpose of engaging in legitimate political activity;". Sir, I do not know who drafted this. No attempt has been made by the Honourable Deputy Prime Minister to explain what is "legitimate political activity". "Legitimate political activity" and "lawful political activity"—what is the difference? Why choose the word "legitimate"? We are used to the word "law"; and after all this Parliament deals with laws. So, why not use the word "lawful"? Is there anything sinister about this word "legitimate"? It is not a term that has been properly defined: why use that vague term? Why not say, "lawful political activity"? That would be much clearer. The Honourable Deputy Prime Minister has said, "people engaged in lawful political activities are entitled to enter the Borneo State"—is he correct? Supposing there is Malaysia tomorrow, supposing I am invited to address a public meeting on somebody else's platform, what have I got to do? Just buy a shipping ticket, or an air ticket, and cross over? Can I do that? Who is going to decide whether I am going there for legitimate political activities or not? The man who sells me the shipping ticket, the man who sells me the air ticket? How is this going to be implemented? Any man in Malaya can say, "I am going there for political activities; I want to study the political situation; I want to propagate my view"—or, do you restrict it to the President, the Vice-President and the Secretary-General of a political party? Surely, this is much too vague, and one would expect clarification of this very very doubtful protection for politicians.

Sir, I would invite the Honourable Deputy Prime Minister to explain how this is to operate, whether the day after Malaysia any political leader can go over to the Borneo State—to form a political party, for example. The significant thing is this: "The burden of proof that a person is entitled to enter the Borneo State under this section shall lie on him." Who is going to ask

him for the proof, and to whom is he going to furnish the proof? Is he going to be stopped at the airport in Borneo and asked, "Prove that you are coming here for political activities"? Is he supposed to give a draft of his speech, and is he supposed to carry a list of persons whom he is going to meet in the Borneo territory? This is obviously designed, as the Honourable Deputy Prime Minister has said, to create the impression that they are so anxious to nurture the Opposition, a healthy Opposition, when in fact there is no protection at all. So far as I can see, anybody can be turned away. They say, "Go and bring proof", and when you argue further, the men there would say, "We are not satisfied; you go and see the Minister"—by that time the meeting which you wanted to address would probably be over.

Sir, the fears expressed by the people of the Borneo State, according to the Deputy Prime Minister, I think, amounts to this—that they are afraid that immigrants will go to live there permanently and thus affect the standard of life of that country. If that is the only fear you are guarding against, why make all these restrictions? Why not say that people cannot go and settle there except on certain conditions? Why restrict people moving up and down even for a day or two?

Mr Speaker, Sir, this Bill is only a reflection of what I would term the fear which exists not only in the Borneo countries but also in the Alliance Party in this country—a fear directed against a certain community, that is the fear which has inspired this Bill; and the power to exclude a certain community is contained in Clause 5 (1) (a) which reads:

"In exercising his powers under the Immigration Ordinance, 1959, as a special law for a Borneo State the Controller shall comply with any directions given to him by the State authority, being directions—

(a) requiring him not to issue a Permit or Pass, or a specified description of Permit or Pass, to any specified person or class of persons, . . . ."

There it could be said that no permit is to be issued to a class of persons belonging to a certain race, and in that

way a whole race could be prohibited from entering the Borneo States.

At this stage, Mr Speaker, Sir, when Malaysia itself is in the balance, there are many of us who believe that Malaysia is not coming about, our only hope is that the whole structure of Malaysia will collapse even before it comes into existence, and that at some time in the future, perhaps, a more enlightened Government would draft a new constitution to bring into being a Malaysia based on equality and justice.

**Enche' V. Veerappen:** Mr Speaker, Sir, I must congratulate the Honourable Deputy Prime Minister for his very moving and eloquent speech in trying to convince this House of the necessity for this legislation—the Immigration Bill. However, I must say that it is unfortunate that I am not convinced, and I am opposed to this Bill.

Mr Speaker, Sir, as I have pointed out, when the constitutional amendments were debated, that movement within one nation is an important ingredient for the building up of one nationality. Nevertheless, the Honourable Deputy Prime Minister has told us that this is introduced mainly because of the anxiety and fear of the people in those territories. Whether there is any good ground for those people to have such fear and anxiety is quite debatable, but the fact is that we have heard our leaders, especially the Alliance members, say that we are one people, we have been one for ages and ages but we have been separated by the colonialists, and now we are getting together; if that is so then these people should not have this fear and anxiety. Even if there should be this anxiety, I feel that this whole Bill is clumsy, and I agree with the Honourable Member for Menglembu that there are other considerations than the things that have been told us—there is something sinister in it. It is sinister in that it restricts the movement of people, people who are just going on visits; it even restricts, as you will see, the Speaker of this House from going there, because there is no provision. I wonder whether parliamentarians are entitled to go. Sir, within our own State,

within our own country, we have to get a permit to move about. It is contrary to things that happen throughout the world. We can see, for example, that in Europe any person can move within Europe, in countries in Europe, with just an identity card. Sir, with just an identity card you can move about . . . (AN HONOURABLE MEMBER: East Germany?) Mr Chairman, Sir, some one has mentioned East Germany. (*Laughter*).

**Mr Speaker:** Do not pay attention to that.

**Enche' V. Veerappen:** And under the Rome Treaty not only can one move about freely, but goods also can be moved about freely. Is that not true? It is definitely true that people can move about freely within Europe; there are so many countries in Europe and they are powerful countries, and people can move about freely.

Sir, let us take the Commonwealth Immigration Bill, which was debated very hotly in England in the British House of Commons. For hundreds of years Commonwealth citizens had free entry into England, and they could even settle there—and present immigration control is to restrict a certain class of persons only to avoid hardships to a certain class of people if they go into that country. Here it is wholesale.

Mr Speaker, Sir, if you look at Clause 6 (1), you will see that certain people are exempted. According to this Clause certain persons are exempted, or need not have permits to enter a Borneo State; for example, a person who belongs to the Borneo State; a member of the Federal Government, or of the Executive Council—here, I do not know who are the members of the Federal Government; and a judge of the High Court or of the Federal Court of Borneo.

Sir, our Honourable Deputy Prime Minister said the “judges”, but I say this restricts it to a judge of the Federal Court or a judge of the High Court in Borneo. It does not include a judge of our High Court here, or a judge of the High Court of Singapore—he has no right of entry—and members of any Commission or Council. Therefore, I

am right in saying that even our Speaker has no right of entry to the Borneo States.

**Mr Speaker:** Do not try to drag me into this. (*Laughter*).

**Enche' V. Veerappen:** Such an impartial person as the Speaker of a high body, a supreme body—Mr Speaker, Sir, you are the president of the supreme body in this country—has not the right of entry. It shows how ridiculous this whole Bill is. It has been stated that Members of Parliament have the right of entry, but there is no right of entry. I do not think so. I would give way if they would clarify that section.

Clause 7 says, “—for the sole purpose of engaging in legitimate political activity;—” but, if I am going on a pleasure visit, or if I am just going to see the people to find out how they live, how they work, can I go as a Member of Parliament—I am not a member of the Federal Government? Definitely I do not think so. (*Laughter*).

**AN HONOURABLE MEMBER:** Yes.

**Enche' V. Veerappen:** Yes? Then show me please. I give way.

**Mr Speaker:** Order, order, what is going on?

**Enche' V. Veerappen:** Another aspect of this, Sir, is that that Clause 5 gives the power to the State, but then it retains the power with the Minister—the Honourable Deputy Prime Minister has stated just now that the power of veto is with the Minister. Mr Chairman, Sir, this is contradictory in that while the Minister has power, yet he cannot act without the concurrence of the State Government. This divisibility of power, obviously, is bound to cause trouble, and a lot of friction will arise, just like in a home between a husband and wife where there is divisibility of power—you know, Sir, and we all know, how difficult it is to carry on happily in a home. (*Laughter*). Such being the case, how is the Minister responsible for immigration going to get round this provision in the law? The Minister, under Clause 5 (2), cannot override “where the Controller

takes any action in obedience or purported obedience to any directions given under sub-section (1),—”—that is by the State Authority—“When there is an appeal to the Minister against that action”, the Minister shall not allow the appeal without the concurrence of the State authority. Mr Speaker, Sir, see the ridiculousness! The State authority says that this person or this class of persons cannot enter; then that person appeals to the Minister; the Minister cannot decide and the Minister shall not allow an appeal unless that same authority which says “No” agrees now. So, there is no veto power. Even in Clause 8 (3) on the matter of giving power to the Minister to declare certain classes of people as having the right of entry to the Borneo States, it is stated:

“The Minister shall not give any notification to the Controller under sub-section (2) except after consultation with the State authority.”

So, in every respect, the State authority is the final authority and not the Minister—not the Federal Government.

**Tun Haji Abdul Razak:** Sir, on a point of clarification in regard to Clause 8 (3). This consultation is only to inform the State Government of the classes of persons to be admitted. The State Government has no right to veto this power. It is only for information, because they have got to keep a list of those people who are entering.

**Enche' V. Veerappen:** But it is after the consultation. Under Clause 5 (1) the Controller of Immigration in Borneo has to comply with the instructions given by the State authority. Another fact is this that the Honourable Deputy Prime Minister is not able to tell us whether this Bill is introduced to protect the economic interests of the people or the political interest of the people there. I am beginning to think that this is politics and not just economics. It is not an economic necessity, because I feel that we, in the Federation, have our identity cards—and this identification should be sufficient in case any of us should buy a plane ticket to go to the Borneo territories; and as soon as we land, immigration officers could give us a

card, and we fill up the card saying that we are going for a visit, for how many days, where we stay—and they could trace us, as we are not going to disappear into the long houses. (*Laughter*).

**Tun Haji Abdul Razak:** Sir, on the point of information before the Honourable Member becomes more confused—even without this restriction it is necessary to have an internal travel document to go to the Borneo territories because we are crossing international seas, and under international practice we must have a travel document, otherwise we will not be allowed to pass through international waters. Whatever it is, you cannot go to the Borneo territories with only an identity card.

**Enche' V. Veerappen:** I thank the Honourable Deputy Prime Minister for that clarification.

**Enche' Lim Kean Siew:** Mr Speaker, Sir, on a point of information surely the Honourable Deputy Prime Minister is confusing between an identity card and a passport. If we have a passport, we can cross any sea.

**Tun Haji Abdul Razak:** I think the Honourable Member is confused himself. I said "internal travel document". Passport is different from an internal travel document.

**Enche' V. Veerappen:** My last point, Mr Speaker, Sir, is that there is a certain amount of confusion over the word "federal". Just now also the Honourable Deputy Prime Minister referred to the "Federation". I take it, Mr Speaker, that the "Federation" after Malaysia would mean the Federation of Malaysia. I heard that the Director of Information has issued instruction not to refer to the Federation of Malaysia but just Malaysia. However, in our law—I think in the Malaysia Bill and in this Bill—we have stated Federation of Malaysia, or just the Federation, which I take it to mean the Federation of Malaysia; and I do not know why the Director of Information . . . . .

**Mr Speaker:** What has that got to do with this?

**Enche' V. Veerappen:** Clarification.

**Mr Speaker:** What clarification?

**Enche' V. Veerappen:** Clarification, as Federation is mentioned here, as to what constitutes the Federation. Is it the old Federation of Malaya, or the Federation of Malaysia? What is it that the Government wants officially? Is the Director's version official, or the thing said in the law of our country official? Thank you, Mr Speaker.

**Enche' Too Joon Hing (Telok Anson):** Mr Speaker, Sir, we have heard from the Deputy Prime Minister that this Bill was made necessary, because the people in the Bornean territories were afraid of the rapid development and the size of our population here, i.e., they are afraid because we are a more advanced State and a more advanced people than the people in those territories. Sir, we were given to understand by our Prime Minister that the objective of Malaysia itself is to help to bring prosperity and security to the people of all the States. Yet I cannot see how that objective can be attained, unless the people in this area are given a certain degree of freedom of movement into those territories. For example, take the case of the State of Kelantan in our country. Practically the whole of the State lands there are Malay reserves, and people find it difficult to go over there to develop. Therefore, the State of Kelantan—with due respect to the Pan-Malayan Islamic Party who is in control—is far backward as compared to the States on the West Coast. Therefore, unless the territories in Borneo adopt an "open door" method, I cannot see how we can help them to develop. Sir, we have to give those territories annually \$100 million for development. Yet our people are restricted from going there. But, on the other hand, the Singapore Government, which has agreed to give them a loan of \$150 million, has put conditions on that loan, and that is, in the case of projects financed by that loan, 50 per cent of the labour force is to be recruited from Singapore. Therefore, I think this Bill in no way benefits us at all, because it restricts our people from going there.

Sir, I do not wish to speak very much because so much has already been said. However, there is one final thing which I would like to ask the Minister to clarify, i.e., whether the people going over there require a travel permit. This permit, usually I think the passport, requires referees to verify an applicant's application at the present time. Sometimes applicants for passports find it difficult to get proper referees as required under the conditions of application for a passport. They have to get either doctors, members of a State Legislature or members of Parliament, etc. It is indeed very difficult for an ordinary man to find referees of such a category to verify for him; and I would suggest that this category of referees should be relaxed to that of an easier category of people to be approached, such as leaders of community or associations, so that these people would not find it very difficult to get referees to verify their applications. Sir, I would like the Minister to clarify this, because it would help a lot of people in getting their passports or travel documents.

**Enche' Zulkiflee bin Muhammad (Bachok):** Tuan Yang di-Pertua, hujah yang di-kemukakan oleh Timbalan Perdana Menteri bagi membolehkan Rang Undang<sup>2</sup> ini di-bawa ka-Dewan ini, bukan-lah kerana kapada pendapat Kerajaan bahawa perkara immigration ini patut dudok-nya di-tangan Kerajaan Negeri pada masa itu, tetapi hujah-nya ia-lah kerana kita menghargai dan memahami keadaan yang ada di-dalam negeri<sup>2</sup> Borneo itu ia-itu Sarawak dan Sabah dan kedua<sup>2</sup>-nya baharu hendak masok ka-dalam Malaysia dalam layanan saperti ini.

Tuan Yang di-Pertua, nyata-lah bahawa memberi kuasa immigration kapada Kerajaan Negeri saperti ini, ada-lah berlawanan dengan asas layanan<sup>2</sup> yang di-beri kapada Kerajaan Negeri saperti yang telah ada pada masa ini serta berlawanan juga dengan concept mewujudkan sa-buah Kerajaan Pusat yang kuat. Saya nampak bahawa sebab<sup>2</sup>-nya di-kemukakan chadangan saperti ini ia-lah kerana orang<sup>2</sup> di-daerah Borneo itu merasa khuatir akan masok-nya orang<sup>2</sup> dari negeri lain ka-

negeri<sup>2</sup> Borneo yang mana akan menyentoh kehidupan dan kemajuan mereka itu. Saya teringat pada satu masa sa-telah Penyata Surohanjaya Cobbold di-keluarkan, satu rombongan dari Borneo telah datang ka-Tanah Melayu dan saya telah sempat berjumpa dengan mereka itu serta berchakap<sup>2</sup> dengan mereka, dan saya dapat yang mereka itu mengatakan supaya kuasa immigration itu di-beri kepada mereka. Saya dengar daripada mereka itu bahawa yang di-takuti oleh mereka itu ia-lah satu kelas orang yang di-sebut-nya ia-lah orang<sup>2</sup> Singapura yang akan berpindah berama<sup>2</sup> dari Singapura ka-Borneo. Pada pendapat saya, ini-lah agak-nya sebab yang besar bagi di-kemukakan pindaan dan adoption bagi Immigration Ordinance yang di-kemukakan ini. Kalau itu-lah sahaja yang menjadi sebab-nya, maka saya fikir tidak-lah patut sa-buah Rang Undang<sup>2</sup> yang saperti ini di-kemukakan, sebab Rang Undang<sup>2</sup> saperti ini sa-lain daripada berlawanan dengan kehendak<sup>2</sup> Perlembagaan Persekutuan Tanah Melayu yang memberi kebebasan bergerak dalam Persekutuan Tanah Melayu, dan boleh jadi Persekutuan Malaysia, ia juga berlawanan dengan kehendak kehidupan bagi negeri<sup>2</sup> itu. Sa-patut-nya, Tuan Yang di-Pertua, sa-suatu undang<sup>2</sup> bagi restriction hendak-lah ada di-dalam-nya amalan restriction kapada gulongan yang kecil, tetapi Rang Undang<sup>2</sup> ini terbalek, sebab dia mengamalkan restriction kapada gulongan yang besar sedang kebebasan di-beri kapada gulongan yang kecil. Satu undang<sup>2</sup> bagi mengawal sa-suatu ia-lah perkechualian daripada undang<sup>2</sup> 'am. Maka perkechualian daripada undang<sup>2</sup> 'am hendak-lah di-asaskan bahawa semua bebas bergerak, melainkan orang<sup>2</sup> ini atau jenis<sup>2</sup> ini, tetapi Rang Undang<sup>2</sup> ini semua tidak boleh bergerak bebas, melainkan cheraian (a), (b), (c), (d) di-dalam Bab 6 dalam Rang Undang<sup>2</sup> ini. Satu keganjilan perundangan yang hanya dapat di-telan oleh mereka yang tidak memikirkan asas bagi perundangan yang sihat. Tuan Yang di-Pertua, berasaskan kapada itu ada baik-nya Rang Undang<sup>2</sup> ini di-fikirkan sa-mula oleh Kerajaan, dan kemukakan kapada Dewan ini satu undang<sup>2</sup>

yang menyatakan bahawa oleh kerana menghormati kekhuitaran dan kesangsian-nya bagi menerima beberapa kepentingan tempatan bagi orang yang maseh belum maju, maka undang<sup>2</sup> ini kita kemukakan supaya orang yang jenis ini tidak dapat di-benarkan pergi pindah ka-kawasan Borneo dengan mudah, melainkan dengan kebenaran Kerajaan Negeri.

Saya fikir itu ada-lah satu solution yang lebih baik di-kemukakan oleh Kerajaan kapada Parlimen ini daripada mengemukakan satu Rang Undang<sup>2</sup> yang mengumumkan manusia tidak boleh pergi ka-mana<sup>2</sup> dalam kawasan Borneo, melainkan manusia yang kecil bilangan-nya itu. Saya tidak-lah sampai bagitu jauh hendak menuduh Kerajaan ini mempunyai "sinister motive" atau sa-bagai-nya di-dalam mengemukakan Bab 7 yang ada di-dalam Rang Undang<sup>2</sup> ini. Tetapi, saya fikir elok benar-lah di-perhatikan oleh Kerajaan tentang "wording" yang ada dalam Bab 7 itu, sebab kalau kita melihat satu ayat ia-itu:

"Sub-section (1) of section 6 shall not have effect in relation to a citizen of the Federation entering the Borneo State for the sole purpose of engaging in legitimate political activity; but the burden of proof that a person is entitled to enter the Borneo State under this section shall lie on him."

"For the sole purpose" bukan-lah satu perkara yang senang. "Sole purpose" berhajat kapada batasan yang nyata sa-saorang pergi bagi dua maksud. Yang pertama, dia pergi ka-Borneo kerana hendak bersharah dalam politik, dan yang kedua dia sa-orang businessman. Bagaimana-kah dia hendak menjalankan ranchangan kerja<sup>2</sup> politik-nya yang apabila perkataan "sole" itu ada, maka dengan sendiri-nya Kerajaan Negeri dapat menahan-nya? Kata-nya pukul 4.00 tuan bersharah politik, pukul 3.00 tuan membuat transaction business. Kalau bagitu "it was not for the sole purpose of engaging in legitimate political activity". Keadaan yang seperti itu ada-lah menyempitkan. Itu-lah sebab-nya, maka saya kata pemikiran yang halus perlu di-dalam membuat undang<sup>2</sup> seperti ini, dan saya perchaya sa-lagi undang<sup>2</sup> ini berkeadaan seperti demikian, maka dengan asas

yang saya sebutkan tadi, saya tidak bersetuju dengan undang<sup>2</sup> ini.

**Tuan Haji Azahari bin Haji Ibrahim (Kubang Pasu Barat):** Tuan Yang di-Pertua, saya bangun menyokong Rang Undang<sup>2</sup> ini. Soal immigration sangat penting kapada satu<sup>2</sup> negara untuk mengawal kemasukan orang<sup>2</sup> luar kepada negara itu. Jadi dalam soal kita hendak membinchangkan Rang Undang<sup>2</sup> ini, maka patut-lah kita memikirkan ia-itu Kerajaan Persekutuan yang sedang mewujudkan Malaysia ini ada-lah dengan mempunyai perasaan tanggong-jawab dan memberi kerjasama kapada wilayah<sup>2</sup> yang hendak masok menjadi Persekutuan Malaysia. Jadi dengan keadaan yang macham ini, maka dapat-lah kita sekarang mengatakan satu Undang<sup>2</sup> Imigreshen bagi menjaga kepentingan negeri<sup>2</sup> seperti Sarawak dan Borneo yang mana negeri<sup>2</sup> itu berkehendakkan kapada satu kawalan yang rapi terhadap kemasukan orang<sup>2</sup> luar, bukan sahaja daripada luar Malaysia, bahkan orang<sup>2</sup> dalam Malaysia, sebab-nya ia-lah kita boleh memikirkan di atas kejadian<sup>2</sup> dan kedudukan<sup>2</sup> yang berlaku baharu<sup>2</sup> ini dalam wilayah<sup>2</sup> yang tersebut. Umpama-nya, manakala Rombongan Bangsa<sup>2</sup> Bersatu (United Nations) tiba di-sana untuk menyiasat hasrat ra'ayat wilayah itu, maka kita tahu ada beberapa gulongan yang mengadakan tunjuk perasaan dan sa-bagai-nya.

Maka di-sini dapat-lah kita mengerti ia-itu sa-kira-nya sa-suatu negeri, terutama sa-kali wilayah Borneo itu jika di-dedahkan kapada satu keadaan yang boleh membawa orang<sup>2</sup> luar masok dalam negeri itu, maka sudah tentu-lah negeri itu mempunyai kebimbangan terhadap kemasukan orang<sup>2</sup> yang hendak, bukan sahaja masok, bahkan membawa ideology atau pun fahaman<sup>2</sup> yang bertentangan dengan kehendak ra'ayat sa-bagaimana yang saya tahu ia-lah fahaman<sup>2</sup> kominis umpama-nya. Jadi dengan timbul perasaan macham ini-lah, maka saya fikir pehak Kerajaan wilayah Borneo itu berkehendakkan Kerajaan kita mengadakan satu undang<sup>2</sup> bagi mengawal kepentingan mereka.

Pada pendapat saya, Tuan Yang di-Pertua, manakala mendengar hujah<sup>2</sup> daripada pehak Pembangkang, saya dapatti mereka itu ta' suka kepada sekatan yang tertentu dalam Rang Undang<sup>2</sup> ini terhadap soal<sup>2</sup> tersebut dengan memberi beberapa chontoh, atau section<sup>2</sup> dalam Rang Undang<sup>2</sup> ini. Jadi kesimpulan-nya, kita memikirkan boleh-lah pehak Pembangkang itu mengadakan ia-itu dengan membebaskan kemasukan orang<sup>2</sup> yang ta' di-ingini itu kawilayah<sup>2</sup> tersebut.

Lagi satu perkara, Tuan Yang di-Pertua, kita dengar baharu<sup>2</sup> ini keterangan dari Yang Berhormat Timbalan Perdana Menteri yang mengatakan undang<sup>2</sup> ini ada dua bahagian ia-itu satu daripada tujuan-nya yang kita bentangkan dalam Rang Undang<sup>2</sup> ini ia-lah kerana kita hendak meluaskan undang<sup>2</sup> immigration kapada wilayah<sup>2</sup> lain juga, seperti Singapura dan termasuk juga wilayah<sup>2</sup> Borneo. Jadi, di-sini saya ingin-lah hendak menarek perhatian kapada pehak Kerajaan, terutama sa-kali tentang undang<sup>2</sup> yang kita adakan pada masa sekarang ini ia-itu yang di-amalkan oleh Kerajaan Persekutuan yang mana ini ada-lah undang<sup>2</sup> yang di-jadikan sa-bagai satu kawalan terhadap kemasukan orang<sup>2</sup> luar dari Persekutuan Tanah Melayu yang mana ada sekatan<sup>2</sup> di-pintu negeri, atau di-muka<sup>2</sup> negeri umpama-nya, kita adakan kawalan di-sempadan<sup>2</sup> negeri Siam, atau Thailand dengan Malaya, juga Pulau Pinang dengan lapangan<sup>2</sup> kapal terbang-nya. Jadi, kalau-lah kita hanya mengadakan undang<sup>2</sup> immigration ini sa-bagai kawalan yang saya sebutkan tadi, saya fikir ini tentu-lah ta' memadai dengan kerana pehak yang hendak masok pada satu<sup>2</sup> negeri itu dengan sa-chara menyeludupi, atau pun dengan chara haram, tentu-lah ta' dapat masok ka-negeri itu melalui pintu<sup>2</sup> yang ada mempunyai sekatan kerana pehak pegawai<sup>2</sup> di-situ ada kuasa-nya seperti yang ada di-dalam undang<sup>2</sup> immigration ini. Jadi kita berharap pada Kerajaan supaya di-adakan kawalan yang lebuh rapi di-perenggan<sup>2</sup> seperti perenggan, atau

sempadan di-antara Siam dengan Kedah, atau pun di-antara Siam dengan Persekutuan Tanah Melayu dengan chara mengadakan post tentera, atau pun pasukan keselamatan supaya orang<sup>2</sup> dari luar yang hendak masok ka-negeri ini melalui penyeludupan, atau pun dengan chara haram, dapat-lah di-kawal oleh pehak<sup>2</sup> tentera atau pun Polis Keselamatan; jadi ini-lah yang saya suka menarek perhatian Kerajaan ini. Dan juga baharu<sup>2</sup> ini mengikut apa yang telah di-reportkan, atau pun di-nyatakan oleh surat khabar ia-itu Jabatan Immigration sendiri telah memberi pengakuan ia-itu ada-nya penyeludupan dalam negeri ini dari orang<sup>2</sup> Indonesia yang masok di-Persekutuan Tanah Melayu melalui Pulau Pinang dengan chara haram dan orang<sup>2</sup> itu datang dengan tujuan hendak mengambil ubat, atau pun mendapatkan rawatan penyakit kusta. Jadi ini satu perkara yang patut menarek perhatian Kerajaan kita, kerana kita bimbang pada masa sekarang ini jiran<sup>2</sup> yang bersempadan dengan kita yang kita anggap sa-bagai sahabat, ada kemungkinan yang mereka itu menjadi musoh kita. Dengan sebab itu, patut-lah kita adakan kawalan yang lebuh rapi lagi, dan satu perkara lagi ia-lah berhubong dengan kawalan yang kita hendak adakan di-Singapura dan Rang Undang<sup>2</sup> ini akan memberi kuat-kuasa undang<sup>2</sup> immigration yang ada sekarang, di-Persekutuan Tanah Melayu akan berjalan kuat-kuasanya di-Singapura juga. Jadi tentang perkara ini saya juga mempunyai keimbangan, kalau-lah kita tidak adakan kawalan yang lebuh rapi lagi. Biar-lah saya menarek perhatian Dewan ini ia-itu sa-masa kita dudok di-dalam pemerentahan Jepun dahulu, pada masa itu negeri<sup>2</sup> Melayu ada-lah di-bawah kuasa penjajah yang di-pimpin oleh High Commissioner for the Malay States. Pada masa itu High Commissioner bagi Negeri<sup>2</sup> Melayu menjadi Governor bagi Negeri<sup>2</sup> Selat juga dengan kedudukan kuasa yang di-beri kepada-nya oleh pemerentahan pada masa itu, maka kita dapatti High Commissioner ini, kalau ta' salah saya, dia bernama Sir Shenton Thomas yang telah menjalan-

kan kuasa-nya dengan memasokkan beberapa banyak orang<sup>2</sup> luar melalui Singapura dan dengan kesan yang seperti itu, kita dapati negeri ini ada mempunyaï dua jenis ra'ayat, satu ra'ayat yang maseh lagi menumpukan ta'at setia-nya pada negeri asal-nya, dan satu lagi ra'ayat yang ingin hendak hidup dan menumpukan ta'at setia-nya pada negeri ini buat salama<sup>2</sup>-nya. Maka sekarang ini, Saya harap-lah perkara yang sa-macham itu ta' akan berlaku lagi di-Singapura kerana saya bimbang, barangkali dengan kemasokan orang<sup>2</sup> dengan chara yang saya sebutkan itu sa-bagai chontoh akan berlaku lagi manakala terwujud-nya Malaysia kelak, dan ada kemungkinan kemasokan orang<sup>2</sup> luar sa-chara haram yang seperti itu melalui Pulau Singapura, sebab kita tidak adakan kawalan yang tertentu bagi perjalanan, atau pun kemasokan, atau pun lalu-lintas di-antara Singapura dengan Persekutuan Tanah Melayu.

**Enche' Liu Yoong Peng (Rawang):**  
 Mr Chairman, Sir, just now the Honourable the Deputy Prime Minister raised the point that in order to travel to the high seas, there should be some form of permit. I wish to point out that if Malaysia is going to be one country, then the citizens travelling within the country should be free to do so. At present, if I travel from Kuala Lumpur to Penang by plane, I just go to the Malayan Airways, buy my ticket and go to Penang; in the same way, I can come back to Kuala Lumpur. I do not have to get a permit. So, I see no reason why the same procedure cannot be applied. For instance, if I want to travel to Sarawak or to Sabah, and I go by Malayan Airways, I am going from one of the States of Malaysia to another State of Malaysia. Therefore, I am not going to a foreign country. And, so far as the aircraft is concerned, if it is the aircraft of Malayan Airways, then the nationality of the aircraft is Malaysian and not a foreign country. So far as the air is concerned, the air over the high seas belongs to nobody, and so, it is under nobody's control. So I don't see

why the Honourable Deputy Prime Minister says that to travel through international waters one requires a permit. I don't quite see the point and I hope that, if the Deputy Prime Minister is satisfied that this type of travel is not subject to extra international requirements, the Government will allow any citizen to just buy his ticket from the Malayan Airways and go to the Borneo territories—just like that, no need to have any permit. I hope the Deputy Prime Minister can tell us whether he is prepared to do this.

The next point I wish to raise is the question of people migrating to the Borneo territories for the purpose of working there. I am aware that the Deputy Prime Minister comes from Pahang and that he has said to us time and again that he would welcome people from the other States of Malaya to go to Pahang. He has also said that the development of Pahang would benefit by the people who are willing to go there from the other States of Malaya. Therefore, if we take his argument to its logical conclusion, I am sure that with his power of persuasion he should be able to get the Ministers in the Bornean territories to see the matter in the same way as we do here.

**Dato' Mohamed Hanifah bin Haji Abdul Ghani (Pasir Mas Hulu):** Tuan Yang di-Pertua, saya bangun menentang Immigration Bill ini, kerana apabila di-kaji tiap<sup>2</sup> clause, maka kita dapati bahawa sangat-lah ganjil bentuk Malaysia ini kerana ra'ayat di-sekat untuk pergi ka-satu<sup>2</sup> wilayah. Umpama-nya, orang Federation ini tidak boleh pergi ka-wilayah Borneo, melainkan orang yang tertentu sa-bagaimana yang tersebut dalam Clauses 6 dan 7, itu pun melalui kebenaran pehak Immigration. Maka dengan penyelekan ini tidak-lah berma'ana penduduk Malaysia sa-bagai satu negara yang mempunyaï ra'ayat satu bahkan bersuku<sup>2</sup>.

Tuan Yang di-Pertua, alang-kah cherdek dan pintar-nya orang<sup>2</sup> di-Borneo, sebab mereka boleh masuk ka-Federation ini dan mereka boleh jadi ra'ayat Malaysia, tetapi kita tidak boleh pergi ka-wilayah<sup>2</sup> itu. Apa-kah

ma'ana-nya ini, Tuan Yang di-Pertua? Ini ma'ana-nya gergaji bermata dua. Mereka masok Malaysia dengan mendapat faedah yang tertentu. Maka kita di-sekat<sup>2</sup> dengan kawalan<sup>2</sup> yang tertentu. Saya memang-lah bersetuju dengan Yang Berhormat dari Kubang Pasu Barat yang menyatakan perlu-nya kawalan<sup>2</sup> yang keras di-adakan bagi negeri kita dari kemasukan orang<sup>2</sup> dari negeri luar. Saya bersetuju dalam perkara itu, Tuan Yang di-Pertua, kerana kita tidak berkehendakkan orang menyeludup masok dalam negeri kita ini, tetapi apa yang mendukachitakan saya ia-lah dalam negara kita sendiri kita di-kawal dan di-sekat<sup>2</sup>. Ini-lah sebab-nya, Tuan Yang di-Pertua, pehak Persatuan Islam sa-Tanah Melayu menentang Malaysia ini, kerana bentoknya tidak-lah saperti negara yang kita harapkan ia-itu ra'ayat mendapat faedah yang sama di-dalam negara Malaysia itu. Hatta sa-kira-nya "Abu Nawas" itu tentu-lah beliau ketawa melihat telatah pemimpin Tanah Melayu ini, sebab kalau berhadapan dengan pehak Pembangkang di-sini mereka menunjukkan belang dan tareng-nya, tetapi bila berunding dengan penganjor di-wilayah Borneo dan abang angkat-nya, penjajah, maka mereka menjadi kura<sup>2</sup> kepala-nya masok ka-dalam. Maka ini-lah sebab-nya, Tuan Yang di-Pertua, pehak Persatuan Islam sa-Tanah Melayu menentang Immigration Bill ini, kerana tidak sa-suai dengan bentuk Malaysia yang di-tujukan sa-benar<sup>2</sup>nya oleh ra'ayat dalam negeri ini.

**Enche' Mohamed bin Ujang (Jelebu-Jempol):** Tuan Yang di-Pertua . . . . .

**Mr Speaker:** Saya dapati ada Ahli<sup>2</sup> Yang Berhormat daripada pagi tadi berchakap di atas point itu juga berpusing<sup>2</sup>, belum ada satu point baharu di-keluarkan. Kalau tuan hendak berchakap point itu juga tolong rengkaskan sahaja.

**Enche' Mohamed bin Ujang (Jelebu-Jempol):** Tuan Yang di-Pertua, tatkala membahathkan Rang Undang<sup>2</sup> Immigration ini, kita patut-lah ingat ia-itu baharu<sup>2</sup> ini kita telah menerima dan meluluskan usul perjanjian Malaysia yang telah di-bahathkan di-Dewan ini

sa-lama empat hari dan Rang Undang<sup>2</sup> Immigration ini ada-lah sa-bahagian daripada perjanjian yang telah di-tanda tangani di-London dahulu. Jadi saya fikir, kalau-lah undang<sup>2</sup> immigration ini di-tolak, berm'aana-lah yang kita ini menolak Malaysia dan sa-terus-nya.

Tuan Yang di-Pertua, saya tadi tidak-lah berchadang hendak berchakap, tetapi oleh kerana ada satu chabaran yang di-keluarkan oleh Ahli Yang Berhormat dari Menglembu yang mengatakan ia-itu ia berharap supaya Malaysia ini gagal, dan dapat-lah satu parti lain memerentah negeri ini yang akan mengemukakan Rang Undang<sup>2</sup> yang sesuai yang di-kehendaki oleh ra'ayat negeri ini. Jadi, saya terperanjat besar, Tuan Yang di-Pertua, sebab chabaran itu datang-nya daripada satu parti yang pengaroh-nya di-Malaya ini makin lama makin merusot. Parti P.P.P. ini mengikut keputusan pilehan raya yang telah lalu, nampak-nya ta' ada tempat bagi parti-nya itu berkembang dalam Persekutuan Tanah Melayu yang ada sekarang ini, chuma pengaroh-nya itu di-Ipoh sahaja dan di-situ-lah had-nya.

Tuan Yang di-Pertua, soal yang kita hadapi sekarang ini, ada-kah kita hendak memerdekaan negeri<sup>2</sup> di-Borneo itu melalui Malaysia, atau tidak. Nampak-nya ada macham<sup>2</sup> hujah yang telah di-keluarkan ia-itu undang<sup>2</sup> immigration ini, ada yang mengatakan sa-bagai yang telah di-terangkan oleh Ahli Yang Berhormat yang telah berchakap terdahulu daripada saya, berat sa-belah, ada yang menguntungkan dan ada yang tidak menguntungkan di-Borneo itu. Sekarang ini ada dua soal sahaja, adakah kita hendak memerdekaan ra'ayat<sup>2</sup> di-Borneo itu sekarang atau tidak. Itu yang menjadi soal. Dalam pembukaan usul ini, Yang Berhormat Timbalan Perdana Menteri telah menerangkan dengan jelas-nya bahawa undang<sup>2</sup> immigration ini ada-lah hasil daripada perundingan yang bebas yang tidak di-pengarohi oleh sa-siapa ia-itu di-antara satu pehak dengan satu pehak yang lain. Jadi, kalau kita berunding, berunding-lah nama-nya, dan ini mesti-lah ada tolak ansor. Kalau kita berkehendakkan pehak itu sahaja, itu bukan berunding nama-nya. Jadi saya rasa

apa yang ada pada undang<sup>2</sup> yang dikemukakan sekarang ini ia-lah satu undang<sup>2</sup> yang chukup menasabah dari pada keadaan-nya yang ada sekarang ini.

Tuan Yang di-Pertua, saya sendiri memang-lah tidak bersetuju supaya sekatan yang di-adakan kapada ra'ayat Malaysia untuk pergi ka-sasuatu tempat di-Malaysia ini, tetapi mengikut keadaan sekarang ini sa-bagai yang saya katakan itu, patut-lah kita menerima-nya pada masa ini, kerana saya katakan peringkat ini, kalau hendak mengikut kehendak-nya sahaja, Malaysia ini ta' akan dapat di-ujudkan.

**The Minister of Internal Security and Minister of the Interior (Dato' Dr Ismail):** Mr Speaker, Sir, I did mention that the Borneo territories would like to be federated with us in the same way as the other States of the Federation with certain safeguards. This is one of the safeguards asked for by these people. Now, I think that the people in the Borneo territories have shown more political maturity than the Honourable Member for Menglembu for, at least, the people in the Borneo territories recognise that independence through Malaysia is better than to be under the colonial yoke.

Sir, the Honourable Member for Menglembu has suggested that these people should have waited until they are ready to be on equal terms with us before they join us and, therefore, gain their independence. The crux of the whole problem is whether we can build a united nation out of those territories in the future Malaysia, where the people are given equal opportunities when not all of them are able to avail themselves of the equal opportunities. Now, in order to avail themselves of the equal opportunities, one must give these people equal standard. I did mention the last time the good example drawn from the game of golf, whereby you handicap people according to their ability so that, to win a cup, a member with a handicap of 18 has as equal a chance as a member with a single handicap of doing so. Now, if we were to wait for everyone to be able to avail himself of the equal opportunities before a country can get independence, I am sure the

Federation of Malaya would still be a colony of Great Britain, because it is a well-known fact that the Malays in this country are behind the other races, who have become citizens of the country, in that they could not avail themselves of the opportunities that are in this country. However, when planning for independence for Malaya, the UMNO, the M.C.A., and the M.I.C. know that in independent Malaya the special position of the Malays should be perpetuated so as to allow the Malays to avail themselves of equal opportunities. If we had accepted the suggestion made by the Member for Menglembu, then I am sure that we would still never have independence in this country—that is to say to wait until the Malays are of equal standard to the other races before we get independence. In other words, Sir, he is indirectly encouraging all these colonies to wait until they are fit for independence. That, Sir, is a slogan that is always put forward by the colonial powers: they say that the people are not fit, to wait until they are ready, and then independence will be given to them. There is one thing which we have heard in the United Nations from those who fought for the freedom of the colonial people: they say that self-government is better than good government so long as it is not a colony. So, Sir, we can see from the argument put forward by the Member for Menglembu that he is less mature in politics than those people in Borneo.

Di atas tegoran dari Ahli Yang Berhormat dari parti PAS, di-sini saya berasa hairan, kerana mengikut pandangan, atau pun fahaman parti PAS itu ma'ana-nya chuma orang<sup>2</sup> yang mengikut parti PAS sahaja-lah yang boleh di-beri perlindongan, tetapi bagi orang<sup>2</sup> yang di-wilayah<sup>2</sup> Borneo sana ma'ana-nya sunggoh pun orang<sup>2</sup> itu patut di-beri perlindongan, tetapi kata-nya ta' usah di-beri kapada mereka itu. Sebab, kalau kita mengikut parti PAS atau policy PAS, selalu-nya di-dalam negeri yang merdeka ini, orang<sup>2</sup> Melayu terkebelakang dan tertindas dan apabila wilayah<sup>2</sup> di-Borneo itu ia-itu Sabah dan Sarawak meminta perlindungan ini supaya di-beri masa kapada mereka itu supaya jangan mereka itu terbenam,

jangan terkebelakang dalam Malaysia ini nanti, oh! mereka kata, ta' usah beri, ma'ana-nya kerana parti PAS itu hendak berkuasa di-sana nampak-nya, dan itu-lah sebab-nya saperti kata orang puteh, "policy dog in the manger."

Now, on the other point raised by the Honourable Member for Menglembu about the rights of politicians to enter the Borneo territories, or the States of Borneo. Sir, I am sure it is not beyond the ability of the politicians in this country, whether they are on the Opposition or on the Government bench, to prove that they are politicians going to the Borneo territories for legitimate political purposes. Of course, if some political parties try to do some subversive work in the Borneo territories, that is covered by the Internal Security Act which, as you know, is a preserve of the Central Government. So, I shall take care of that for you. Thank you very much. (*Laughter*).

**Enche' Liu Yoong Peng:** Sir, on a point of clarification about this aspect. What I am saying is that if I go to Penang, although it is still under your control, I can go free, but why is it that if I want to go to the Borneo territories I have to get a special permit? That is the point.

**Mr Chairman:** That point can be replied by the Mover. I think it is time to suspend the Sitting.

*Sitting suspended at 11.42 a.m.*

*Sitting resumed at 12 noon.*

(*Mr Speaker in the Chair*)

*Debate resumed.*

**Tun Haji Abdul Razak:** Mr Speaker, Sir, my Honourable colleague the Minister of Internal Security has adequately replied to the criticisms made by the Opposition on this Bill. In fact, there is not much of a criticism from the Opposition except on this one point—that is, they object to this Bill because they feel that it is against the principle of a united nation. As I said, when introducing this Bill, we on this side of the House feel that certain

provisions of this Bill are not very desirable, but in order to allay the fears and anxieties of the people of the Borneo territories we have to have these provisions. However, I would like to make it clear to this House that the Immigration Department will be a Federal Department, and the Federal Government will see to it that immigration to these territories will be administered in such a way as to cause no unnecessary inconvenience to the people wanting to travel to those territories. I am sure the people of Sabah and Sarawak will have no objection to people going on travels to those territories. What they fear is people going to stay there, to work there and take away certain jobs that are meant for their own people there. We know very well that, as the Honourable Member for Rawang so kindly stated, I have often said that we welcome the people to come to my home State of Pahang, but in spite of that very few people from the West, from Kuala Lumpur in particular, will venture to go to the East Coast to settle there. It will be the same way in the case of the Borneo territories. The Borneo territories are being separated from us by thousands of miles, and it will be difficult to get people here to go and settle in those territories, even if they are allowed to do so. The only question is the question of the employment of labour, and that as I have indicated is this: if there is not sufficient labour from the Borneo territories themselves, it is quite obvious that they will have to find labour from the other parts of Malaysia—and the Federal Government has the power to stop the import of labour from outside Malaysia if labour is available within Malaysia.

The other point which I wish to explain is the question of having travel documents. I think Members of the Opposition are under a misconception on this point as saying that they can travel about without a travel document. But, as I said just now in regard to the Borneo territories that whatever happens, if we have not this Immigration Bill, we shall have to have internal travel documents, because we will be

crossing international waters and the practice is that we must have international travel documents.

The Honourable Member for Telok Anson has raised the question of referees for getting travel documents and passes. Sir, I can assure him that no such referee or recommendation will be required for applicants for internal travel documents and no recommendation would be necessary. If the applicant is a *bona fide* applicant his application will generally be approved.

Yang Berhormat dari Bachok ada bertanya berkenaan dengan Fasal 7 ia-itu "sole purpose of engaging in legitimate political activity". Jadi dalam Fasal 7 itu kalau sa-saorang hendak pergi ka-Sabah dan Sarawak kerana hendak menjalankan pekerjaan politik dia ada hak atau entitle to go, tetapi kalau kerana tujuan yang lain terpaksa-lah dia mendapat kebenaran menurut fasal<sup>2</sup> yang lain dalam Rang Undang<sup>2</sup> ini. Jadi, seperti saya telah terangkan tadi Pejabat Imigresen itu ada-lah pejabat Federal. Jadi, Kerajaan Persekutuan akan memerhatikan dalam menjalankan fasal<sup>2</sup> dalam Rang Undang<sup>2</sup> ini supaya tidak akan memberi kesusahan kapada orang<sup>2</sup> yang hendak pergi ka-wilayah Sabah dan Sarawak. Dan bagi pehak Kerajaan sana pun saya fikir dan saya mengetahui mereka itu tidak hendak menggalang orang<sup>2</sup> di-sini, sekarang ini pun, pergi ka-sana kerana me'awat dan kerana hendak duduk sementara. Yang mereka itu tidak berkehendakkan ialah orang dari tempat lain datang duduk berlama<sup>2</sup> di-sana dan membuat atau mengambil pekerjaan yang dikehendaki oleh penduduk di-sana, akan tetapi jika tidak ada penduduk di-sana yang hendak menjadi kuli atau membuat pekerjaan yang lain umpamanya tentu-lah orang itu akan di-bawa daripada negeri<sup>2</sup> yang lain dalam Malaysia kelak. Jadi, seperti yang saya sebutkan tadi tidak ada galangan sa-macham itu dalam Rang Undang<sup>2</sup> ini. Biasa-nya payah bagi orang<sup>2</sup> Tanah Melayu, terutama sa-kali orang dari bandar hendak pergi ka-tempat seperti Sabah dan Sarawak itu. Kita boleh perhatikan di-Persekutuan Tanah

Melayu ini orang<sup>2</sup> Pantai Barat yang di-bandar<sup>2</sup> susah hendak pindah ka-Pantai Timor kerana mereka itu biasa dengan keadaan yang senang dan kemudahan<sup>2</sup> hidup di-bandar.

Jadi, jika kita pandang Rang Undang<sup>2</sup> ini dengan fikiran yang tenang, saya fikir tentu perkara<sup>2</sup> itu tidak akan menjadi kesusahan yang amat sangat kapada kita di-Tanah Melayu ini, kerana seperti yang saya katakan tadi kalau kita hendak pergi melawat ka-sana tidak ada apa<sup>2</sup> galangan, chuma mesti ada "internal travel document", itu macham mana pun kita mesti ada, ia-itu di-kehendaki taroh "chop internal travel document" membenarkan kita melawat Sabah atau Sarawak. Saya fikir itu sahaja pandangan Ahli<sup>2</sup> Yang Berhormat dalam perkara ini yang patut saya jawab.

Question put, and agreed to.

Bill accordingly read a second time and committed to a Committee of the whole House.

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr Speaker *in the Chair*)

*Clauses 1 to 4—*

**Enche' V. David (Bungsar):** Mr Chairman, Sir, I oppose clauses 1 to 4 on grounds that it is the firm belief of my Party that the purpose of this Bill and its intention are sinister in character. Sir, a few days ago, the Minister of Internal Security did say that people could move about in the Bornean territories on legitimate purpose, but he is not an unbiased authority to decide what is legitimate and what is illegitimate. Persons going in the usual manner to the Bornean territories can be considered as for the purpose of subversive activities. So, therefore, I feel strongly that this Bill and the contents of the clauses, as stated, are sinister and with ulterior intention.

*Clauses 1 to 4 ordered to stand part of the Bill.*

*Clauses 5 to 8—*

**Enche' V. Veerappen:** Mr Chairman, Sir, clause 6 (1) says that no citizen

of the Federation of Malaya shall be entitled to enter a Borneo State without a Permit or a Pass. Just now the Honourable Deputy Prime Minister corrected me saying that this was necessary because the persons were travelling through international waters and a travel document was essential, and I swallowed the whole thing. But Mr Chairman, Sir, if it is necessary for other citizens to have a permit or travel document, then how is it that those who are mentioned in this category need not have a permit or a travel document. Do they not come under the same international law? I would like a clarification.

**Tun Haji Abdul Razak:** Mr Chairman, Sir, clause 14 (1) says that the Minister shall make arrangements for the issue to citizens of travel document to travel within the Federation.

**Enche' Zulkiflee bin Muhammad:** Tuan Pengurus, saya maseh ingin mendapat penjelasan daripada Timbalan Perdana Menteri berkenaan dengan clause 7 ini. Saya maseh merasa bahawa perkataan "sole" yang ada di-dalam clause 7 ini akan membolehkan sama ada Kerajaan Negeri Borneo, atau pun pehak immigration di-Persekutuan ini menyekat perjalanan legitimate political activity sa-kira-nya di-dapati sa-saorang itu melakukan sa-suatu yang lain, seperti perniagaan, atau menziarah dan sa-bagai-nya di-dalam kawasan<sup>2</sup> Borneo itu di-samping political activity-nya.

Tuan Pengurus, kawasan Borneo itu ada-lah satu kawasan yang jauh dari-pada Persekutuan Tanah Melayu ini, dan kalau kita pergi ka-Borneo sa-mata<sup>2</sup> dengan sole purpose of engaging in legitimate political activity, boleh jadi kurang mengambil untung dari pehak kita yang pergi dengan baik di-sana. Jadi, dengan maksud itu, saya fikir kalau Kerajaan dapat menimbangkan dengan halus-nya, maka ta' ada-lah bahaya-nya sa-kira-nya di-sebutkan :

"shall not have effect in relation to a citizen of the Federation entering the Borneo State for the sole purpose of engaging in legitimate political activity;"

Kalau di-katakan umpama-nya ini akan menyusahkan, sebab ada orang<sup>2</sup> yang

akan menggunakan, oleh sebab tidak ada perkataan "sole" yang menggunakan perjalanan di-sana bagi maksud subversive dan sa-bagai-nya, maka kita tahu bahawa undang<sup>2</sup> ini tidak membatalkan, bahkan mengekalkan undang<sup>2</sup> yang asal bagi kuasa immigration yang ada pada Federal Government untuk menchegah kemasukan sa-siapa pun di-dalam sa-suatu tempat bagi maksud yang berlawanan dengan kepentingan national. Jadi, saya rasa Timbalan Perdana Menteri akan dapat memberi hujah-nya yang kuat tentang perkataan "sole" ini yang boleh di-salah-gunakan.

**Tun Haji Abdul Razak:** Tuan Pengurus, tentang perkataan "sole", ini adalah mustahak di-adakan di-sini, kerana kalau tidak nanti, sa-saorang yang hendak pergi ka-sana akan mendapat hak masuk ka-wilayah<sup>2</sup> Borneo itu walau pun kerana hendak menjalankan pekerjaan subversive dan dia akan membuat pekerjaan<sup>2</sup> yang lain juga dan ini bukan sebab kita takut yang orang ini pergi bermiaga atau buat pekerjaan<sup>2</sup> yang lain. Jadi, kalau pergi di-sana, dia buat pekerjaan<sup>2</sup> yang lain, tentu-lah dia berkehendakkan kebenaran menurut sharat<sup>2</sup> yang lain. Clause tujuh ini hanya-lah memberi hak kepada orang yang hendak menjalankan legitimate political activity. Jadi, kita tentu-lah ta' hendak orang itu menggunakan hak legitimate political activity ini berselindong dengan tujuan<sup>2</sup> yang lain, itu sudah tepat-lah ta' betul dengan maksud undang<sup>2</sup> ini.

**Enche' Zulkiflee bin Muhammad:** Tuan Pengurus, keterangan yang ditunjukkan oleh Timbalan Perdana Menteri itu menyebabkan saya meminta satu assurance daripada beliau di-dalam Dewan ini yang mengatakan bahawa jurisdiction yang hendak di-jalankan kerja<sup>2</sup> bagi legitimate political activity ini tidak akan berjalan daripada pergi ka-kawasan Borneo, kalau sa-kira-nya dia pergi itu ada pula maksud lain yang ringan yang tidak berlawanan dengan kepentingan negeri Sarawak dan Sabah di-dalam labour dan business umpama-nya, maka kata-lah saya sendiri, saya pun sa-memang berniat hendak pergi ka-Borneo itu—I cannot say that I will go there for the sole

purpose of legitimate political activity. Saya hendak melawat ka-Borneo kerana hendak mengkaji peristiwa kehidupan mereka itu, dan boleh jadi for educational purpose or for social purpose. Jadi, melainkan kalau Timbalan Perdana Menteri dapat memberikan assurance maka bahawa itu tidak merosakkan perkataan sole purpose itu; saya rasa undang<sup>2</sup> ini akan tetap merbahaya kepada orang<sup>2</sup> itu.

**Tun Haji Abdul Razak:** Tuan Pengerusi, saya fikir kalau sa-saorang yang hendak pergi ka-sana kerana pekerjaan politik dan juga hendak melawat bagitu bagini, saya fikir itu tidak menjadi halangan, tetapi clause 7 ini ia-lah memberi hak. Jadi, kalau kita hendak buat pekerjaan lain daripada pekerjaan politik, itu kena-lah kita memberitahu, barangkali dengan pehak immigration kalau hendak melawat di-sana. Saperti yang saya katakan tadi ini tentu-lah tidak ada galangan bagi sa-saorang itu hendak melawat di-sana, umpama-nya hendak pergi berjumpa dengan orang<sup>2</sup> di-sana, atau hendak bersosial, itu sa-memang tidak ada galangan, tetapi kita tidak boleh menda'wa sa-bagai hak. Kita hanya-lah boleh menda'wa sa-bagai hak, kalau kita hendak menjalankan pekerjaan bagi parti politik, dan saperti yang disebutkan di-sini ia-lah legitimate political activity. Saperti yang saya katakan tadi, saya fikir tidak-lah ada kesukaran bagi orang<sup>2</sup> yang hendak melawat ka-wilayah<sup>2</sup> Borneo itu, melainkan ada tujuan ta' baik, atau pun dengan tujuan hendak dudok di-sana berkekalan hendak buat kerja, itu barangkali, di-larang oleh Kerajaan<sup>2</sup> sana, tetapi kalau hendak melawat pergi ka-sana, umpama-nya hendak pergi sosial, atau hendak pergi melihat negeri<sup>2</sup> sana, saya fikir itu tidak ada kesukaran.

*Clauses 5 to 8* ordered to stand part of the Bill.

*Clauses 9 to 12* ordered to stand part of the Bill.

*Clauses 13 to 16* ordered to stand part of the Bill.

*Schedule—*

**Tun Haji Abdul Razak:** Sir, I beg to move a slight amendment to the

Schedule. At the end of paragraph 6 to add "and accordingly in subsection (1) of section 20 for the reference 'paragraph (a), (b) or (c)' there shall be substituted the reference 'paragraph (a), (b), (c) or (d)'." I have circulated an amendment slip to the effect to Honourable Members and I have also given the explanation therein.

(EXPLANATION: Section 19 (1) of the Immigration Ordinance, 1959, forbids anybody to board or leave a newly arrived vessel before clearance by an immigration officer, and section 20 (1) forbids the master to allow anybody to do so: both are subject to the exceptions in section 19 (1) (a) to (c). The new exception made in section 19 (1) by adding paragraph (d) for consular officers has to be made also in section 20 (1) by changing the cross-reference to section 19 (1) (a) to (c) into a reference to section 19 (1) (a) to (d).)

Question put, and agreed to.

Schedule, as amended, ordered to stand part of the Bill.

Bill reported with amendment: read the third time and passed.

### THE CONSOLIDATED FUND (EXPENDITURE ON ACCOUNT) BILL

#### Second Reading

**The Minister of Finance (Enche' Tan Siew Sin):** Mr Speaker, Sir, I beg to move that a Bill intituled "An Act to apply a sum out of the Consolidated Fund to the service of the year ending on the 31st day of December, 1964" be read a second time.

In accordance with the practice which has been followed for the past few years, this Bill is proposed in order to provide transitional authority for Government expenditure for the first two months of 1964, as it is possible that the annual Supply Bill will not have passed through both Houses and received the Royal Assent by the beginning of the new financial year.

This year I am introducing the Bill earlier than usual, as in consequence of the formation of Malaysia there will

be an unusually large volume of business to occupy both this House and the Government from now until the end of the year. I am sure Honourable Members, like myself, will feel happier in the knowledge that the comparatively brief but important legislation contained in the Bill is safely through and that the expenditure requirements of Federal Departments in the new States of Malaysia as well as in existing States have been duly provided for.

It will be noted that in the Schedule to the Bill the provision made for Singapore, Sabah and Sarawak is in the form of only a one-line Head for each since we are not yet in a position to show the individual amounts required by the respective Federal Departments in these States. These requirements will of course be fully detailed in the Estimates which will be laid before the House in due course, together with the Supply Bill, and expenditure in 1964 will be governed by such Estimates in the normal manner.

Sir, I beg to move.

**The Minister of Commerce and Industry (Dr Lim Swee Aun):** Sir, I beg to second the motion.

**Enche' Liu Yoong Peng:** Mr Speaker, Sir, this Consolidated Fund (Expenditure on Account) Bill is presented because the Government thinks that they may not have the time to pass the Supply Bill by the end of this year. Sir, I think there is a big difference in getting the Supply Bill passed before the year is out and passing this Bill now, because when we pass the Supply Bill we will have ample opportunities to study all the details connected with the allocation of the money in the Supply Bill. However, here we only see a very simple Bill of three sheets of paper and under that we have, "Parliament . . . . . \$375,000", and so forth, but we do not see the details as to how this money is going to be spent. That is one point. Another point is that there are a number of jobs and things which require to be done by the Government and which are pending because there is no money allocated for those things in the 1963

Supply Bill. Therefore, those works cannot go ahead and the people who are to do the work cannot be engaged to do the work.

**Enche' Tan Siew Sin:** Mr Speaker, Sir, I rise on a point of order, under Standing Order 68A, which reads as follows—

"On the second reading of a Bill introduced (under paragraph (a) of Article 102 of the Constitution)—(that is, Expenditure on Account Bill)—to authorise expenditure for part of the year, the debate shall not extend to matters of Government policy and administration nor to the purposes for which the sums included in the Bill are required to be expended."

I think the Honourable Member should be aware after four years in this House that he will have ample opportunity to debate the Estimates in due course and this is not the occasion for such a debate.

**Mr Speaker:** It has been the practice for the last three years to give an advance in case we cannot pass the Supply Bill before the end of the year. Of course, you will have an opportunity to debate the Estimates when we debate the Supply Bill.

**Enche' Liu Yoong Peng:** I am not debating the Supply Bill, since there is no Supply Bill before the House; and since I do not know the details, how can I debate the Supply Bill? I am merely saying that the substituting of this Bill for the Supply Bill is not going to give us an opportunity to find out things for ourselves, and that although in the past years there has been this practice, this year, even more than before, it looks as if there is a possibility of the Supply Bill not being introduced before the end of the year. So there is, I think, a danger here—that is to say, some of the works that will be carried out in the beginning of next year will have been carried out under the money provided herein without the Parliament having known exactly what it is all about. That is the danger here, which I think is not a very healthy sign.

**Enche' Tan Phock Kin (Tanjong):** Mr Speaker, Sir, I would like to say a few words on the submission of the Bill at this time of the year—we are quite

aware that Bills of this nature are being submitted out of necessity—because the Minister of Finance, due to some reason or other, is unable to tell us before the end of the year how much money is required for the various Departments. It may be due to incompetency on his part, it may be due to genuine causes, such as shortage of staff, or it may be due to inability to reach a decision as to exactly how much money is required for each specific Department. But we feel, however difficult it is, that it is the duty of the Minister concerned to have a good try at it, and only to come to the House when he finds that it is difficult, if not impossible, to produce a Supply Bill before the end of the year. As it is, there are still many months before the end of the year, and to adopt this Bill without questioning him will, perhaps, create the impression that as Minister of Finance he can do what he likes in this House and that nobody has the courage to challenge him. I am telling him here, Sir, that in previous years we have agreed to it—the year before we have agreed to it—but it was not brought up at this time of the year; and it is perhaps due to the fact that nobody had raised any objection before that he is trying to do what he likes. I feel, Sir, that this is a genuine objection, and as the Minister of Finance it is his duty, as far as possible, to try to produce a Supply Bill to us before the end of the year, and not to take the easy way out by introducing a Bill of this nature and to take his own sweet time to put forward the Supply Bill before this House.

**Enche' Tan Siew Sin:** Mr Speaker, Sir, I will deal first with the Honourable Member for Rawang. He was so brilliant that he actually stated that this Bill would be a substitute—he did use the word—for the Supply Bill. I must say that I am amazed by that statement because, after four years in this House, he does not even know that we have been doing this year after year. This is not a substitute for the Supply Bill at all. So much for the brilliance of the Honourable Member for Rawang.

**Enche' Liu Yoong Peng:** Mr Speaker, Sir, if you will allow me: I mean that

it is substituting for our discussion at the moment—and not that it is going to substitute forever. I hope he can understand that.

**Enche' Tan Siew Sin:** Mr Speaker, Sir, the Honourable Member used the words "substitute for the Supply Bill". It is no use trying to get out of it and to make out that he is not as ignorant as he is.

With regard to the Honourable Member for Tanjong, as usual, he runs true to form. There is nothing extraordinary about this Bill, because he himself admits that we have done it year after year. The very fact that this Bill is put before this House does not in any way mean that the Supply Bill will not be debated in this House before the end of the year. It is merely a precautionary measure to ensure that if things do not turn out as anticipated there will be something to fall back on. Another reason for introducing this Bill earlier than usual is that the next meeting of this House will probably be the Budget Meeting, and the reason why we will not be able to hold a meeting in between is, as Honourable Members are aware, that the next meeting of this House will be a meeting of the Malaysian Dewan Ra'ayat and the present Chamber cannot accommodate 55 additional Members. So, we have got to take precautions although we are, as a matter of course, trying to put the Budget through this House before the end of the year.

Question put, and agreed to.

Bill accordingly read a second time and committed to a Committee of the whole House.

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(*Mr Speaker in the Chair*).

*Clauses 1 and 2* ordered to stand part of the Bill.

*Schedule* ordered to stand part of the Bill.

Bill reported without amendment: read the third time and passed.

## THE TARIFF ADVISORY BOARD BILL

### Second Reading

**Enche' Tan Siew Sin:** Mr Speaker, Sir, I beg to move that a Bill intituled "an Act to establish a Tariff Advisory Board for the purpose of giving the Federal Government advice in connection with the creation of a common market in Malaysia and the imposition and alteration of protective and other customs duties", be read a second time.

What could probably be the most important economic advantage of Malaysia is the opportunity of accelerated industrial development as a result of the creation of a larger domestic market. Nevertheless, the economies of the component units of Malaysia differ widely from heavily populated and largely urban Singapore to sparsely populated and primarily agricultural Sarawak. Furthermore, there are correspondingly wide variations in the tariff structures of the various parts of Malaysia, the Federation of Malaya having an elaborate tariff structure yielding a substantial revenue, whereas the whole of Singapore is a free port area, although duties are payable on tobacco, alcoholic beverages, petroleum products, soap and paints.

The problems of economic integration and the development of the economic potential of the larger market resulting from Malaysia will therefore be a difficult task. For this reason, the Governments of the Federation and Singapore requested the International Bank for Reconstruction and Development to send a mission to Malaya to report and make recommendations on the economic aspects of merger. The Report of this Mission, headed by Prof. Jacques Rueff, was published last month. The Mission concluded that the urgent need for a growth of the economy adequate to cope with the rapid increase of population could not be met by an expansion of the traditional industries, that is, rubber and tin, and that the entrepot trade of Singapore and Penang could not achieve the necessary rate of expansion. I quote from their Report:

"The entrepot trade of Singapore and Penang is also faced with the prospect of slow growth or even a decline."

The Mission therefore considered that a common market should be established as soon as practicable in order to ensure an adequate rate of economic growth. They considered that a common market would also provide greater opportunities for domestic agriculture by expanding the market for vegetables, fruits, maize, fish and livestock products, apart from an expansion of the manufacturing sector of the economy itself. They considered that the greatest potential for expansion lay in this sector, as manufacturing still forms a relatively small part of the economy of the States which will form Malaysia.

The Mission appreciated that the establishment of a common market would be a complex process having regard to the different stages of economic development of the component States and the fiscal diversities resulting therefrom. They, therefore, recommended the establishment of an autonomous Tariff Board, advisory in character, to consider and make recommendations on the establishment and maintenance of a common market in Malaysia. The Federal Government has accepted this recommendation and has undertaken in the Agreement with Singapore, which is published as Command Paper No. 27/63, to take steps to establish such a Tariff Advisory Board by law before Malaysia Day.

If the Board is to carry out its functions successfully and earn the confidence of the business community, it is essential that the Board should not only be knowledgeable, but it should enjoy reasonable independence and be representative of the areas and interests affected by the establishment of the common market, and its enquiries and reports should receive full publicity. The Bill now before this House, which incorporates many of the suggestions made by the International Bank Mission, establishes such a Board.

The Board will be a body corporate and will be financed by an annual grant

provided by Parliament. It will be able to engage officers and servants which it considers necessary, subject only to approval of the terms and conditions of service by the Minister of Finance. The Board itself will consist of four full-time members and of between 8 and 20 part-time members, all of whom will be appointed by His Majesty the Yang di-Pertuan Agong.

During the first five years after Malaysia is established, the Chairman of the Board can only be appointed with the concurrence of the Singapore Government. Furthermore, one Deputy Chairman will be nominated by Singapore and one Deputy Chairman nominated jointly by the Governments of Sabah and Sarawak. These provisions have been made in order to ensure that due account is taken of the vital interests of these three States. Nevertheless, I consider that the success of the Board will depend on its sound judgment in regard to the best interests of Malaysia as a whole rather than by the advocacy of regional interests.

The independence of the Board is achieved by the provision that no full-time member may be dismissed without the approval of this House. This will provide adequate publicity in the unfortunate event of such a dismissal being considered necessary. Further, it is provided that the terms and conditions of service of full-time members of the Board cannot be altered to their disadvantage after their appointment.

The Board's enquiries must normally be held in public and clause 10 allows all interested parties to submit evidence to it. Nevertheless, it is appreciated that manufacturers and traders may not always wish to have the full facts regarding their costs and secret processes disclosed, and therefore provision is made in sub-clause 6 of clause 10 for evidence to be heard in camera, and such evidence need not be published if the Board considers publication not to be in the public interest or likely to have adverse effects on the legitimate interests of those giving it. Any member or servant of the Board who makes an unauthorised disclosure of such confidential informa-

tion commits an offence under clause 15 (2) of the Bill. Manufacturers and others giving evidence can therefore rest assured that full and frank disclosure of their affairs, which will be essential to the effective functioning of the Board, should not damage their legitimate business interests.

The Board will be an advisory one as changes in customs duties and related matters must be a matter for decision by the Federal Government, subject where necessary to the approval of this House. Nevertheless, in clause 11 of the Bill, it is provided that the Minister must publish every report by the Board together with the Government's decision thereon within six months of its receipt, unless publication is not in the public interest. This House and the public will therefore be kept fully informed of the activities of the Board.

The functions of the Board are set out in clauses 5 and 6 of the Bill and the factors which the Board must take into account in making its recommendations to the Federal Government are set out in sub-clause 3 of clause 5. In view of the concern which has been expressed by industrialists and traders in the present Federation about the possible effects on their businesses of the establishment of a common market with Singapore, I wish to draw the attention of Honourable Members to the provision that one of the objectives which the Board must always bear in mind is the need for a balanced industrial development throughout Malaysia. Clearly, an excessive concentration of industry in only a small area to the detriment of the remaining areas of the country would not be in the best interests of Malaysia as a whole, and it will be the policy of the Federal Government to take such steps as are necessary to achieve its purpose.

In view of the wide differences in the tariffs at present in force in the different States of Malaysia, manufacturers and producers in low tariff areas would enjoy a comparative advantage as compared with those in high tariff areas unless action is taken to equalise throughout the Federation

the fiscal burden borne by all manufacturers and producers. It has been provided therefore in sub-clause 5 of clause 6 that the Board must make recommendations to offset the advantages, both direct and indirect, enjoyed by manufacturers in low tariff areas, either by means of a production tax or in any other manner which they consider suitable. It will be the policy of the Federal Government to ensure that manufacturers of similar products throughout Malaysia should be equally treated as regards both the direct and indirect impact of import duties on their costs of manufacture, or that, where the burden differs, other measures will be taken to equalize the burden. The task which the Tariff Advisory Board must perform in this regard will be a difficult one, but an equitable solution is essential if the different parts of Malaya are to be treated fairly, one with another, until such time as a uniform schedule of import duties is applicable throughout all States.

In paragraph 3 (3) of the Agreement between the Federation and Singapore Governments on common market and financial arrangements, it is provided that the Singapore Government shall have the right to require a delay of not more than 12 months in the imposition in Singapore of any protective duty, if such duty would significantly prejudice its entrepot trade. If the Singapore Government exercises this right in respect of any protective duty which the Federal Government has decided to impose, there would be a serious risk that traders in Singapore would import excessive quantities of the goods in question in the awareness that an import duty on such goods would be imposed in Singapore after a lapse of 12 months.

It is provided therefore, Sir, in sub-clause 7 of clause 6 of the Bill that where the Singapore Government has given notice that it is likely to require a delay in the imposition of a protective duty in Singapore, then the Board must consider and make recommendations on the steps which should be taken by the Federal Government to forestall the importation into Singa-

pore of abnormal quantities of the goods concerned. This provision will secure full consideration of the measures necessary not only to prevent the avoidance of import duties by traders in Singapore, but also ensure that domestic manufacturers outside Singapore enjoy immediately the full benefits of any protective duty which may be imposed in the interests of manufacturers throughout Malaysia.

The functions of the Tariff Advisory Board are related principally to the establishment of a common market and the establishment and maintenance of a common external tariff of protective duties. The Board will not normally be concerned with the level of revenue duties which will be the responsibility of the Federal Government. Nevertheless, it is provided in clause 7 of the Bill that the Board is to carry out a review of the revenue duties chargeable in Malaysia before the end of 1968 with a view to harmonising the duties in force by the end of that year. This provision has been made in view of para. 4 (4) of the Agreement between the Federation of Malaya and Singapore. During the first five years after the establishment of Malaysia, no new revenue duties can be imposed in Singapore without the consent of the Singapore Government but thereafter Singapore must compensate the Federal Government for any revenue loss arising from its refusal to agree to the imposition of such duties.

Although it is most desirable that steady progress should be made in the harmonisation of revenue duties throughout Malaysia during the period ending 31st December, 1968, it is possible that harmonisation will not have been completed by that date. It has been agreed between the two Governments therefore that a review of the revenue duties in force at that time should be carried out, and it was also agreed that this review should be made by the Tariff Advisory Board as the Board will by then have obtained first-hand knowledge of trading conditions in Singapore, and the impact thereon of the application of the revenue duties imposed in the rest of

Malaysia. I wish to stress, however, that this review of revenue duties by the Board will be a once and for all review and the Federal Government will have no further obligation to consult the Board on the imposition or variation of such duties, although it is at liberty to do so if it so desires.

Honourable Members will also note that in sub-clause 3 of clause 5 the Board is obliged to report on the effect of any recommendations made by it on the entrepot trade of Singapore, Penang and Labuan. It will be the policy of the Federal Government to take all measures necessary for the preservation of the entrepot trade, particularly in Penang and Singapore. Consideration will have to be given to the creation of a free port zone both in Singapore and in Penang, and the provision of bonded warehouses and other customs facilities necessary to ensure the continuance of the entrepot trade in these States. The future of the free port of Labuan will require separate examination. It is significant, however, that the Rueff Mission had this to say on the subject:

"On the basis of the data collected and of the information submitted by the officials and traders concerned, the Mission has come to the conclusion that Labuan has not been able to develop an entrepot trade of a size which would justify the maintenance of a special regime."

The Mission then gives a brief description of the nature of the trade handled by this port and then goes on to say:

"The Mission does not see any valid economic reason for maintaining the free port status of Labuan, and therefore recommends that the island be reincorporated in the Borneo customs area within a reasonable period."

Furthermore, it has been agreed that the common market should exclude goods and products whose principal terminal markets lie outside Malaysia. This will mean that the entrepot trade in certain primary products, including rubber, will continue in Penang and Singapore on the same basis as at present. Nevertheless, the Federal Government has undertaken in the agreement with Singapore to establish progressively a common market in

Malaysia for all goods or products produced, manufactured, or assembled in significant quantities in Malaysia. This common market will include not only Singapore but Penang Island, and the implementation of this commitment must involve the gradual erosion of the free port status at present enjoyed by both.

Already, the growth of manufacturing industry in the Federation has caused serious difficulties in Customs administration, as a result of increased incentives to smuggling which is made easy by the adjacent free port areas of Penang Island and Singapore. As the range of manufactures grows this problem will become acute. I have on a number of occasions in the past drawn the attention of traders in Penang to the fact that they cannot expect their present position to continue indefinitely and now that the Government is committed to the progressive establishment of a common market throughout Malaysia, they must take steps to adjust themselves to the new situation which will arise from the imposition of an increasing range of protective duties both on Penang Island and in Singapore.

The Government is aware that a section of the population of Penang Island appears to have some misgivings about the wisdom of including Penang Island within the proposed common market, one result of which could be the loss of its free port status. In this connection, we must remember that the primary purpose of the free port status is the protection of its entrepot trade. If satisfactory safeguards can be provided to ensure that this trade is not adversely affected by Penang's inclusion in the common market, it is the view of the Federal Government, and I am sure that this is a view in which all sensible and right thinking people both on Penang Island and on the mainland will concur, that the transition from free port to common market would enable Penang to have the best of both worlds. She would be able to continue and even develop her entrepot trade, if this is at all possible, and at the same time to industrialise herself by reason of having

gained free access to the Malaysian common market and the much larger market which such a status would necessarily obtain for her.

In such a case, Penang's only loss would be the inability of the Island's population to obtain duty-free consumer goods. It has been estimated that this concession costs the Federal Government about \$7.28 million a year. As the total population of Penang Island is about 350,000, the loss of this concession means that, on an average, the resident of Penang Island will have to give up \$20.80 per year or \$1.73 per month in return for both the preservation of the entrepot trade and the opportunity to industrialise successfully.

Let us remember that, according to the Rueff Mission, Penang's only hope of economic salvation is to industrialise, as its entrepot trade is "faced with the prospect of slow growth or even a decline". In fact, I quoted these words of the Report at the beginning of my speech. Surely, this is a small price to pay for such monumental advantages. The price will barely affect the cost of living of even the humblest worker on Penang Island. It might, however, affect to a small extent a certain section of the trading community, but even then, the effects would be marginal and temporary. It would most certainly affect the smugglers who take advantage of the proximity of this large free port area to the mainland to smuggle duty-free goods from one to the other and thus undercut the prices of legitimate importers in Province Wellesley to their detriment and to the detriment of the Government and the public of the Federation.

It certainly will not affect those who have a legitimate interest in the entrepot trade. If the transitional provisions which have been agreed for Singapore are applied to Penang, it should be possible for them to make the necessary adjustments over a period of time. Let us also remember that as time goes on this entrepot trade must inevitably become smaller and smaller as neighbouring countries develop their own ocean ports in an attempt to cut down

costs, especially costs which result in the loss of valuable foreign exchange to another country. Let us also remember that a large part of Penang's entrepot trade, namely 70 per cent,—this figure is based on statistics for the first quarter of 1963—consists of trade in primary products like rubber, pepper copra, arecanuts and tin ore, which in any case will not be affected at all by the proposed common market arrangements as it has been agreed that the trade in these products will be allowed to continue on the present basis.

I therefore appeal to the people of Penang Island not to be swayed by emotion, not to be swayed by appeals from interests who have taken an extremely shortsighted view or who are motivated by personal and, if I may say so, even selfish interests rather than the national interest or even the best interests of Penang Island itself. This is no time to take a parochial view, this is no time to take the view of the proverbial toad in the hole. If Singapore, which has a far larger entrepot trade intimately affecting the lives and livelihood of thousands upon thousands of small traders, could feel the opposite, that is, its fate would be gradual economic strangulation without a common market Penang Island surely has much less to fear. Singapore felt so strongly about the vital necessity of a common market for her that she was prepared to go without merger unless the Federal Government gave a legally binding commitment to establish a common market as rapidly as possible after Malaysia. She asked for this in spite of the enormous difficulties, for she knew that such a transition could cause serious economic dislocation to numerous traders and others dependent wholly or in part on the entrepot trade. She did this not because her Government was unmindful of the interests of Singapore, any newspaper reader would be aware that the Singapore Prime Minister was only too conscious of the interests of Singapore, she did this because her Government, and particularly her Finance Minister, who is an economist of considerable standing, fully realised that without a common market, Singapore's economic future

was bleak. So it is with Penang, and I therefore hope that the people of Penang will, at this historic hour, be able to take a long and farsighted view, instead of being mesmerised by empty slogans coined by colonial traders in the days when this country was merely a dumping ground for the manufactured goods of the ruling Power. I can, however, give an assurance that there will be consultation with the State Government and with representatives of the trading community before Penang is brought into the Malaysian common market.

The time available for the preparation of this Bill has been extremely short as the agreement with Singapore was only signed in London on 9th July last. Further, it has not yet been possible to obtain the services of a suitable person to perform the duties of Chairman of the Tariff Advisory Board, and it must be regarded as probable, in the light of the experience gained in the actual functioning of the Board and the advice given by the Chairman of the Board, that amendments will have to be made to the present Bill from time to time. Nevertheless, I am satisfied that the Bill provides a sound basis for the establishment of the Tariff Advisory Board, and should ensure that the numerous interests involved will receive every due consideration before decisions are taken in regard to the establishment of a common market in Malaysia.

The Bill before the House today is really the foundation upon which we hope to build a Malaysian common market. The Government believes that this foundation should be a strong and enduring one. In course of time there should arise from it an industrial structure which should be the economic fulfilment of the political venture which we have called Malaysia. Provided we build wisely and well, there is no reason why this consummation should not become a reality instead of being only the dream it is today.

Sir, I beg to move.

**The Minister of Commerce and Industry (Dr Lim Swee Aun):** Sir, I beg to second the motion.

**Mr Speaker:** The question is that the Bill be now read a second time.

The House is suspended until 4.30 p.m.

*Sitting suspended at 1 p.m.*

*Sitting resumed at 4.30 p.m.*

*(Mr Speaker in the Chair)*

### THE TARIFF ADVISORY BOARD BILL

#### Second Reading

*Debate resumed.*

**Enche' Liu Yoong Peng:** Mr Speaker, Sir, I am not going to speak much on this subject now, because I have spoken quite a lot about it already. Moreover, the Honourable Member for Tanjong also is going to speak and thus there is no need for me to cover everything at this stage.

Sir, to begin with, I wish to reply to a remark made by the Honourable Minister of Finance. The Honourable Minister used the analogy of the proverbial frog . . . (AN HONOURABLE MEMBER: Toad). Well, Sir, I am afraid I have to say that we cannot use the analogy of the frog or toad for Singapore. I am quite prepared to compromise with him and say "amphibious creature of oceanic characteristics" and that it is used to the open sea and fresh air; and if the Minister of Finance intends to put this creature under his newly devised synthetic coconut shell, then I think he should not blame it for feeling the pinch of the new synthetic atmosphere. I refer to what he said—that there will be an erosion of the free port status in Singapore. So far as Penang is concerned, I leave it to my Honourable friend the Member for Tanjong.

Since there is going to be this erosion of the free port status, some people in this free port area are going to suffer for it: and regarding the remedy that the Government is going to devise to save the entrepot trade of Singapore—of course, I appreciate the difference between free port and entrepot trade—to preserve the entrepot trade, the Minister of Finance has mentioned that there will be a free zone. From

what I understand, the places in Singapore that are likely to go under the free zone, one of the most precious areas maybe Blakang Mati. I am afraid that the name "Blakang Mati" means "Died Thereafter", if my understanding of the National language is correct. So, since our Malayan Minister of Finance thinks that the Singapore Minister of Finance is an economist of such considerable standing, then I think, if the Singapore Government thinks that it will be able to give new life to Blakang Mati, the place should be re-named as "*Baharu Beranak oleh Goh Keng Swee*" (*Laughter*), so that there may be a new start. But whatever it may be, I am afraid that the Government would have to put in a lot of money to construct the place—and even then the traders in Singapore will have to suffer very much for the inconvenience because of transport difficulties and so forth. As I said, I am not going to theorise and speak much on this matter. Therefore, I can only hit here and there a little bit.

Sir, there are a few points which I want to raise at this juncture. The first one is regarding this Bill. As we see in this Bill, Clause 1 (1) reads, "This Act may be cited as the Tariff Advisory Board Act, 1963". As I have pointed out, the word "advisory" means that the Board will not have the final decision over the matter of tariff. According to Annex "J" of the Malaysian Agreement, that is to say the Agreement between the Governments of the Federation of Malaya and Singapore on the common market and the financial arrangements under Section 2, sub-section (3) of this Agreement, it is stated:

"The Board shall sit in public to receive evidence except where the Board deems it necessary to receive evidence *in camera*. Within six months after their receipt the Federal Government shall publish the reports and recommendations of the Board other than those of which publication is not in the public interest."

I wish to emphasise this part regarding "other than those of which publication is not in the public interest." Well, Sir, I suppose that, since the Board is advisory in character, the Board will not be in a position to decide what is

to the public interest or not in the public interest. It may recommend, but it cannot make a final decision over this matter. So, the question of whether the publication of the report is in the public interest or not falls into the hands of the Federal Government. As I have pointed out, we may be able to respect the views of the economic experts, but when political decisions are made, we are not quite sure whether they will be made in the interest of national economy. Therefore, I hope that the Federal Government will place national interests before political interests, or capitalist interests, or sectional interests, when deciding this matter. If the Board is of the view that its report should be published, then I hope the Federal Government will not lightly consider that it should not be published.

Another matter about this Bill, which I want to point out, is in regard to Clause 3 (5)—it reads:

"Subject to the provisions of this section, the terms and conditions of service of whole-time members of the Board and of persons appointed to act temporarily in place of a whole-time member shall be such as the Ministry may determine."

I want to seek clarification on what is meant by "the terms and conditions of service", and whether the terms and conditions of service of each member of the Board are to be different, that is whether the terms and conditions of service are to differ from member to member. If so, apart from the question of remuneration, what I want to know is whether the nature of their findings, or the power of each of the members to find out certain things, is going to be different according to the person. And, here, we see that it is the Minister who is going to determine. I think it is correct for me to say that the Minister normally has the right to decide on such matters, but nevertheless, I hope that whoever the Minister shall be, he will decide it according to strictly impartial standards.

The other matters which are also of importance are the size of the free zone in Singapore and the tariffs. So far as the tariffs are concerned, there are different types of tariffs—protective and revenue tariffs. The differences with

which this sort of thing can be applied, and where the goods are not put in the free zone area, there may be the possibility of temporary importation through ceasure or a refund of these duties under a drawback procedure. All these, I think, can help to ease the difficulties of the free zone, and all these are the matters which, I think, need consideration in the future. As I said, I am not going to speak long, and, therefore, I thank the Chairman.

**Enche' Ismail bin Idris (Penang Selatan):** Tuan Speaker, di-dalam uchapan Yang Berhormat Menteri yang membawa usul bagi Rang Undang<sup>2</sup> Tariff Advisory Board ini antara lain ada perkataan<sup>2</sup> yang walau pun pada pendapat saya perkara itu tidak menjadi gadoh kapada saya, tetapi oleh kerana saya sa-bagai salah sa-orang pendudok yang datang dari Pulau Pinang tentu ada merasa terkena sadikit sa-banyak pada orang<sup>2</sup> Pulau Pinang, tetapi walau macham mana pun itu tidak-lah menjadi hal kapada saya, dan saya hanya hendak menyatakan di-sini ia-itu apakala Rang Undang<sup>2</sup> ini telah menjadi undang<sup>2</sup>, maka tamat-lah riwayat Pulau Pinang itu sa-bagai sa-buah pulau yang mendapat layanan yang istimewa dalam Persekutuan Tanah Melayu ini. Pendudok<sup>2</sup> Pulau Pinang bukan sahaja yang harus merasa kechiwa dan kesusahan, bahkan juga ada orang<sup>2</sup> dari utara Malaya yang saya perchaya tentu akan kurang pergi ka-Pulau Pinang apakala Rang Undang<sup>2</sup> ini berjalan kuat-kuasa-nya nanti.

Tuan Speaker, mengikut Rang Undang<sup>2</sup> ini, sa-buah badan akan di-tubohkan yang bernama Tariff Advisory Board yang mana satu daripada tanggong jawab badan ini ia-lah untuk menilai dan menentukan barang<sup>2</sup> yang mana patut di-chukai. Saya rasa tentu-lah dalam badan ini ada terdiri daripada pakar<sup>2</sup> yang di-dalam-nya tentu-lah ada tahu-menahu dalam hal ehwal ekonomi bagi negeri ini. Jadi, pada fikiran saya, ada baik-nya sa-kira-nya Jawatan-kuasa ini, atau pun badan ini dapat di-beri juga satu kuasa untuk membuat recommendations, atau pun pandangan<sup>2</sup> kapada Kerajaan supaya apakala

waktu menilaikan chukai<sup>2</sup> dan barang<sup>2</sup> yang tertentu, maka sudah tentu-lah keadaan di-tempat itu sadikit sa-banyak-nya akan merusot dari segi ekonomi, dan patut-lah Jawatan-Kuasa itu di-beri kuasa untuk menimbangkan bagaimana hendak mengatasi ekonomi di-tempat itu sa-masa dia membuat nilai atas barang<sup>2</sup> itu, kerana dalam Rang Undang<sup>2</sup> ini ta' ada di-sebutkan dan kalau dapat di-ikhtiaran oleh Menteri yang bertanggong jawab, saya rasa itu ada lebih baik-nya pada pandangan saya dari segi Pulau Pinang. Oleh sebab saya datang dari Pulau Pinang, maka saya akan tumpukan uchapan saya ini banyak mengenai Pulau Pinang. Di-dalam Bab 6 pechahan (7) mengatakan—

"Where within five years from the coming into operation of this Act the Board propose to recommend the imposition of a protective duty in Singapore on any goods or products, and the Government of Singapore has notified the Board that it may wish in the interests of the entrepot trade to have the imposition of the duty postponed, the Board shall consider and, if they see fit, make recommendations as to the steps that should be taken to prevent the importation into Singapore of abnormal quantities of the goods or products before the duty is imposed."

Di-sini maksud saya ada-lah dalam lengkongan lima tahun apakala kuat-kuasa undang<sup>2</sup> ini di-jalankan, maka boleh jadi di-Pulau Pinang juga perkara ini akan di-jalankan. Di-Singapura, Tuan Speaker, pada pendapat saya tidak menjadi hal kalau kuat-kuasa undang<sup>2</sup> ini di-jalankan, kerana di-Singapura kedudokan-nya ada lebih baik daripada Pulau Pinang dari segi perusahaan dan sa-bagai-nya. Maksud saya, Tuan Yang di-Pertua, di-Pulau Pinang tidak ada langsung perusahaan yang besar, yang mana sa-kira-nya di-dalam masa lima tahun ini chukai akan di-kenakan mengikut recommendation ini, maka tentu-lah banyak daripada pekerjaan<sup>2</sup> yang ada dalam soal ini akan terlibat, kerana penganggoran harus berlaku. Jadi apa yang saya maksudkan supaya Menteri yang bertanggong-jawab rengangkan (relax) daripada masa yang di-tentukan itu. Mudah<sup>2</sup>an dalam masa di-rengangkan itu dapat-lah pendudok di-Pulau Pinang khas-nya menentukan nasib-nya, sama ada mereka menchari lain

pekerjaan untuk mata pencharian masing<sup>2</sup>.

Di-dalam uchapan Yang Berhormat Menteri Kewangan tadi telah mengshorkan supaya Pulau Pinang mendirikan beberapa banyak perusahaan. Saya uchapkan banyak terima kaseh sa-kira-nya Kerajaan dapat memberi kemudahan untuk mendirikan tempat<sup>2</sup> perusahaan di-Pulau Pinang. Tetapi satu soal harus berlaku, ia-itu Pulau Pinang sa-bagaimana, Tuan Speaker, tahu sa-buah pulau yang 8 batu lebar-nya dan 15 batu panjang-nya dan pendudok-nya lebuh kurang 350,000 tentu-lah tidak ada tempat yang besar untuk hendak di-gunakan bagi perusahaan yang di-sebutkan oleh Menteri tadi. Walau macham mana pun kalau Kerajaan boleh memberi satu jaminan kapada Kerajaan Negeri, umpama-nya, menguntokkan wang membeli tanah yang ada sadikit sa-banyak di-bukit<sup>2</sup> itu supaya tanah itu dapat di-untokkan tempat perusahaan. Itu-lah satu jalan yang saya nampak sa-kira-nya Kerajaan hendak menggalakkan perusahaan di-Pulau Pinang.

Satu lagi perkara yang besar yang saya suka hendak menarek perhatian, Tuan Speaker, ia-lah sa-kira-nya Pulau Pinang di-masokkan dalam Common Market tentu-lah di-adakan perenggan yang mana barang<sup>2</sup> itu di-muat atau pun di-letakkan, saperti dalam pelabuhan Tanjung hingga hari ini banyak tempat yang mana kaki-tangan boleh bekerja di-mana juga pantai biasa di-letakkan barang<sup>2</sup>, tetapi apakala kuat-kuasa undang<sup>2</sup> ini di-jalankan tentu akan di-adakan satu tempat di-mana akan di-letakkan barang<sup>2</sup> itu. Jadi tempat ini sa-kira-nya Menteri yang bertanggong-jawab memberi peluang lebarkan sadikit tempat<sup>2</sup> itu, maka kemudahan untuk pekerja<sup>2</sup> menurunkan barang<sup>2</sup> itu ada lebuh baik lagi.

Satu perkara saya telah chatit sa-masa Yang Berhormat Menteri mengemukakan usul ini tadi ia-itu apabila kuat-kuasa undang<sup>2</sup> ini di-jalankan kemasukan getah di-Pulau Pinang tidak akan di-kenakan chukai. Ini satu perkara yang menyenangkan Pulau Pinang. Sa-lain daripada itu,

Tuan Speaker, ada lagi dua perusahaan yang besar juga di-Pulau Pinang ia-itu perusahaan masak bijeh timah dan membuat minyak kelapa. Kalau sa-kira-nya kedua<sup>2</sup> perusahaan ini dapat di-kechualikan daripada chukai seperti getah itu alang-kah baik-nya kapada pendudok dan ekonomi Pulau Pinang itu. Saya harap kapada Menteri supaya menimbangkan kapada soal yang saya bangkitkan tadi, dan atas nama ra'ayat Pulau Pinang saya suka demi kepentingan nasional menyokong Rang Undang<sup>2</sup> ini.

**Enche' Geh Chong Keat (Penang Utara):** Mr Speaker, Sir, I rise to support the Bill. However, I would like to put forth the views of the residents on Penang Island, and in particular my constituents in Penang Utara, as regards the relevant clauses pertaining to the entrepot trade of Penang Island and the free port status or free zone area, especially clause 5, sub-clause (3).

Most of the businessmen in Penang are daily discussing the Island's future, as to whether the island will be permitted to retain her free port status in the light of the imminent establishment of Malaysia, and the new arrangement which has been agreed to for the Island of Singapore as a component of this new and wider partnership of Malaysia.

The majority of the 400,000 residents of Penang Island—mostly clerks, approximately 20,000 labourers, wage earners and petty traders, who solely depend upon the entrepot trade and tourism for their living—are deeply worried as to whether Penang Island would be included in the Principal Customs Area or not with the formation of Malaysia and the Federal Government's intention to form a Common Market in Malaysia. The general feeling show signs of fear and uncertainty, and if the Principal Customs Area is extended to Penang Island just with a stroke of the pen—as had happened on 1st September, 1957, to the State of Malacca and Province Wellesley, which is part of the State of Penang—most of the people who have business on the island will suffer hardship and even go

bankrupt. There was some worry a few years back when the rubber tax was imposed on rubber despatched to Penang, and the people felt at that time that it was the thin end of the wedge. However, due to the co-operation and kind assistance of the Honourable Minister of Finance the situation had been eased.

Sir, most of the residents are interested in the statement made by the Minister of Finance on the 11th July at Kuala Lumpur on his return from the Malaysia Talks in London, and they are filled with a ray of hope. The Minister of Finance had expressed that whilst the Federation Government has the authority to impose its decision—that is the extension of the Principal Customs Area to cover the whole of Penang Island—it had not chosen to do so, but would leave the problem for the people of Penang Island to decide, whether to come into the Principal Customs Area, or to remain *status quo*. However, the moments of joy were dashed by the contradictory statement of the Chief Minister, Penang—and such contradiction, naturally, caused a certain amount of alarm.

Mr Speaker, Sir, we know that Singapore has asked for the creation of a common market after Malaysia, because she realises that with her growing population, she cannot wholly depend upon her entrepot trade to find employment for her people. So, as an alternative she started to industrialise—and on a very large scale too—with the sole purpose of creating employment. Therefore, it is very natural for her to ask for a common market, while at the same time retaining her entrepot trade with safeguards. Following Singapore's arrangements, resulting in the conversion of the island of Blakang Mati and a portion of the Telok Ayer Basin into free zone areas, for the purpose of promoting Singapore's entrepot trade, therefore, relatively it is not too much to work on the same basis that the whole of Penang Island be considered as a free zone area in the case of the State of Penang. In fact, the Rueff Report recommended the establishment of free port zones as the only practical solution, for the preservation and

healthy growth of these two free port facilities outside the Customs Area, and which offer all the advantages, which they enjoy today and indirectly pass on to neighbouring States in the Customs Area.

Without detracting from the overall soundness of the Rueff Report, we would say that it assumes an identity of interests between Penang and Singapore which does not exist. Penang is put together with Singapore by reason of similar conditions, under which the entrepot trade is conducted. But, while it is intended that this entrepot trade is safeguarded, the contraction of the free port area, which is the whole island area, into free zones does not affect both in the same manner. Singapore's loss in this respect, is more than compensated for by a considerably expanded tariff free market for her products. Penang Island, even the State of Penang, does not have a single industrial base.

In Penang Island conditions are entirely different. The State of Penang is separated by a narrow channel, with Province Wellesley embodied with the mainland, and Penang Island separated from the mainland of Malaya. The State Government of Penang, in her State economic planning, has made plans to suit its geographical position—that is, the mainland within the Principal Customs Area enjoys the industrialisation planning and Penang Island, to devote or concentrate on tourism. This planning has virtually given birth to the Mak Manding Industrialisation Scheme—the \$40 million project involving the construction of a six-berth ocean wharf at Butterworth, and developments to provide additional capacity for growth in traffic, projected to arise from completion of the highway connecting Butterworth with Kota Bharu on the East Coast.

If the Principal Customs Area and the common market is to extend to the whole Island of Penang, which has no industrial planning available, it is going to be very difficult for her 400,000 residents. Therefore, as you can understand, if Penang Island has not been, and is not, geared or prepared for industrialisation, how can she participate in the forthcoming common

market? Therefore, if the Principal Customs Area and the common market were to extend to Penang Island, there must be an alternative, and provisions made for the over-growing population to find a living; otherwise, this is like ringing the death knell of Penang Island and reverting it into a sleeping hollow of fishing villages.

Anyway, Sir, we are very grateful to the Federal Government, as up to this day, it has allowed the Penang residents to retain whatever little they have—that is the continuance of the free port status of over twenty years and withstanding the last threat some five years back. I am sure that the Federal Government and the Honourable Minister of Finance will give consideration to our appeal and forgive us for clinging tenaciously, through the years to the conviction that—taking all the advantages and disadvantages into consideration—there should be no change to these old conditions and thus boost up our resources, to make Penang, the San Francisco of Malaysia: and that would be possible with the opening up of the Isthmus of Kra canal. As we have heard and read, an international team has been sent there, to carry out a survey of the site for the cutting of the canal. There might be some differences of opinion on the question that due to current action in the Indian Ocean and the South China Sea, the opening of the Isthmus of Kra is not possible. However, canals are man-made and with the advancement in engineering, it is quite possible, though Singapore might say, that there is no threat in the opening of the Isthmus of Kra canal.

Sir, we in Penang feel that with Malaysia, with the common market, and with the support of the Federation Government on industrialisation planning on the Island of Penang, there is still hope that Penang will take her proper place, as she has in former years. We are the gateway to Malaysia—and in that Penang shall become the San Francisco of Malaysia. The residents of Penang Island are grateful to the Minister of Finance for his great concern over our trade, our economic progress, and the free port status. Besides his explana-

tions and projections into Penang Island's future prospect by joining the Customs Area, during his visits to Penang Island and the many occasions in this House, he has taken the opportunity to tell us and to advise us, as to, what is good for the residents of Penang Island—for that we are grateful. However, I regret his, being not able to understand our feelings and our problems, as they are too complex. With Malaysia it would be just the right time to discuss the Malaysian economic aspect in regard to Penang Island with the Chamber of Commerce and others—and, perhaps, with his persuasive power to explain the position and to dispel the fear and distrust, resulting in Penang Island joining the Principal Customs Area with reasonable concessions.

It is apparent that the 400,000 residents of Penang Island, may accept the wisdom and sound advice of the Honourable Minister of Finance, on the trend of national economy with happy Malaysia and on the apparent provision to industrialise Penang Island, with developments to the existing port facilities and the preparation of the rural areas for industrialisation. In order to achieve the maximum effect, the Federal Government must give support to co-ordinate and improve, the present economic planning of Penang Island. Therefore, I appeal to the Federal Government not to extend the Principal Customs Area forcibly to the Island of Penang, but to wait until, she is in a position to industrialise and the people there feel—in these days of progress—confident that Penang Island will take her place, in the coming industrialisation centre and is ready to participate in the common market. When she is ready, the creation of the common market in Penang Island must be done gradually and she must be given terms no worse than those given to Singapore.

I must specially make myself clear, that I am not making a demand—and neither are the residents of Penang Island making a demand on the Government—or attacking the decision of the Honourable Minister of Finance. I am only appealing on behalf of the people of Penang Island. The industrialisation of Penang Island must cover

a period of fifteen to twenty years, as Penang Island has to start from scratch and she has to tackle various essential industrialisation problems. From experience of the Mak Mandin Scheme which has been launched, it has taken her nearly three years to prepare the site and will take some more time to get ready to produce. So, even though Penang Island has started industrialisation, it will take her three years approximately for the preparation of the site, another three years to build the factories, and finally it will be somewhere around seven or ten years before she can really start to produce and contribute towards the common market. If the Principal Customs Area and the common market are extended to Penang Island under these terms, then the 400,000 residents would not have to worry, but to hope that the choice they make is with far-reaching projection on providing employment for the ever-growing population and economic advancement of Penang Island as a whole.

**Enche' Tan Phock Kin:** Mr Speaker, Sir, if you want an example of hypocrisy (*Laughter*) then we have it in the speech of the Honourable Member for Penang Utara. I fail to understand him, and I fail to see what he was driving at. I wonder whether he was speaking for the people of Penang, or for the people of his own constituency. I thought that a person like him should have the courage of his conviction, and he should come to this House and tell the Minister in no uncertain terms how his constituency feels about it, and not to do it in such a haphazard manner as to give the impression of hypocrisy.

The Honourable Member for Penang Utara mentioned that the people of Penang were very grateful to the Honourable Minister of Finance, when the Minister made a speech to the effect that Penang would not be included in the common market unless the people of Penang agreed to it. Then, he went on to say that this view-point was more or less contradicted by a statement from the Honourable the Chief Minister of Penang, who felt that the State Government of Penang could

decide for the people of Penang. The Honourable Member seems to be very concerned about this, and in this respect, I think, he agrees with us in the Opposition that the view-point of the people can only be determined by the people themselves and not by the people who claim to represent them—and here I am in common grounds with the Honourable Member for Penang Utara. I agree with him that an important measure like this should only be introduced when the people of that territory agrees to it.

I must point out to the Honourable Minister of Finance that in 1957 on the proclamation of Merdeka, Province Wellesley was brought into the customs area, but Penang was excluded. There must be some very special considerations that led the Government to do that and I submit here, Sir, that the conditions prevailing at that time were no different from the conditions prevailing in Penang at this particular instance—circumstances have not changed in the few years after Merdeka, to quote the words of the Honourable Member for Penang Utara. Absolutely nothing is being done to industrialise Penang Island, and even the scheme that has been started now in Province Wellesley finds very little response from industrialists. So, the problem of Penang Island is indeed a very real one—it is a real one. If the Honourable the Minister of Finance will take the trouble to analyse the position in Penang to find out how many people in Penang rely on trade—which is only possible if Penang is in the free market area, or has free port status—then he will not jump, as he did just now, into the conclusion by saying that Penang is going to benefit tremendously as a result of joining the common market. He said “a little sacrifice on the part of the citizens of Penang for a much greater gain”, and by that he means greater industrialisation which will provide more jobs and more wealth for Penang. The Honourable Minister of Finance must appreciate that the State of Penang comprises Penang Island and Province Wellesley. So, any desire to assist Penang on the part of the Honourable Minister of Finance can

easily be done by encouraging industrialisation in Province Wellesley. Revenue derived from that will go to the State Government of Penang.

As far as the Island of Penang is concerned, the Honourable Minister must realise that as regards the population in the Island, particularly in the town area, the majority of them are shopkeepers, and that the shops are able to carry on is because the people from the Federation and the people from various places go to Penang for no other reason than to shop, as they can buy things very cheaply from the shops in Penang—and this type of business has given employment to the bulk of the population in George Town. If you take away the free port status, then I am afraid that the majority of these shops will have to close down, because they will not be able to sustain their business, if they are going to rely entirely on purchases from people in Penang Island.

The Honourable Minister of Finance pointed out just now that from the point of view of revenue the Federation was losing as much as \$7.28 million a year with regard to such goods. I must point out that goods of this nature consumed in Penang are not consumed solely by the people of Penang. People in other parts of the Federation do go to Penang and purchase duty-free goods from Penang island and this benefit or concession is not gained by the population of Penang itself. We must realise that this is one of the most important economic activities of the people in George Town itself, and I would ask the Minister concerned, what is going to happen to the livelihood not only of the employees but of the entrepreneurs who carry on all this business in Penang Island? All this will have a growing effect, because from the moment people are unemployed they will have less and less purchasing power and the overall tendency will be for the country as a whole to suffer. We cannot look at it purely from the point of view of Penang as such.

Another aspect of the problem which we must consider very seriously

is this: we must not think, basing on the argument of the Minister, that if the whole of Malaysia were to come under a customs union, then the benefits of the free port status will not be lost. He even went to the extent of arguing that from the point of view of smuggling and things like that, it will not take place if Penang were to remain in the customs area. We must realise that there is always an alternative; neighbouring countries, if they find that it is of benefit to them, can establish a free port nearby. For example, a free port can be established in the Isthmus of Kra, as suggested by the Honourable Member for Penang Utara, or perhaps in neighbouring Sumatra. From that aspect, whatever trade that is going on in Penang Island can be taken over by a foreign country and this will destroy the argument of the Honourable Minister concerned. We feel, Sir—and, in fact, it is the feeling of the people of Penang—that the most logical solution to the problem will be for the whole of Penang Island to retain its free port status. By so doing, Penang need not fear that it will not derive advantages from a free market, because Penang can always industrialise, and industrialise in Province Wellesley. So, Penang will be able to derive the benefits.

The Honourable Minister suggested that if Penang were to come into the common market, Penang will enjoy the best of the two worlds. But I am suggesting to him that if Penang is going to enjoy the best of the two worlds, Penang Island must remain as a free port and it is only by so doing that Penang can enjoy the best of the two worlds. So, if we do that, then Penang Island will be able to continue to enjoy its present status and I believe that, in the light of the common market, the position of Penang will perhaps improve tremendously because another aspect of trade in Penang, which the Honourable Minister did not point out to members of this House, is that there are quite a few trading concerns marketing goods with a view to selling them to the mainland. For example, spare parts and things like that. It is obvious from the point

of view of business that it is no use for a merchant in the customs area to store up a lot of goods, because, apart from the capital paid for the goods concerned, they have to pay an additional tax, perhaps 20 per cent., perhaps 30 per cent. So the cost of storing such goods is very much more than, say, in the case of a firm in the free port area. So firms in a free port area can afford to import more goods in readiness to supply to places in the customs area whenever they need it. So, if Penang were to be brought into the customs area, this particular type of business will also have to close down, because no longer will they be able to carry on as it will be of no benefit to them at all in spite of whatever skill they may have acquired in the course of a few generations in trading in this particular line of business. So, you see, Sir, it is clear that Penang Island—as distinct from the State of Penang—is bound to suffer should its free port status be taken away.

What concerns us most is this: that the Federation has committed itself into a common market without first of all consulting the people of Penang. I think this is a breach of faith, because even when Penang joined the Federation of Malaya on the proclamation of Merdeka, the Government at that time saw fit to retain Penang's free port status. So you see, Sir, this opposition from the people of Penang is by no means an opposition from sectional interests, or an opposition from Opposition political parties. It is a spontaneous and overall opposition from the people of Penang as such, because they know that if the free port status is taken away from them, they will suffer from dire economic repercussions. Unlike the Honourable Member for Penang Utara, who has seen fit to come crawling to the Honourable Minister of Finance and say, "Please, I appeal to you, consider this.", I will have this to say to the Minister of Finance.

**Enche' Geh Chong Keat:** Mr Speaker, Sir, on a point of clarification, I think, it is very unbecoming for the Honourable Member for Tanjong to use the

words "to come crawling". I will not be surprised that he will say that I am begging. Knowing the Members of the Opposition as I do, it is very difficult for the Member for Tanjong to join our cause. I think that the Member for Tanjong is taking the opportunity to sow seeds of dissension between the Honourable Minister of Finance and myself. (*Laughter*). As we know, the Opposition always starts by agreeing to disagree, no matter what the Government backbenchers say. I am sure that the Member for Tanjong in putting up his case is trying to ridicule me and to play a bit of politics. With this clarification, Mr Speaker, Sir, I hope the Honourable Member for Tanjong will play his part as the people of Penang Island expect him to do as the representative for Tanjong—and I am playing my part.

**Mr Speaker:** The clarification is very long. You can only make a brief explanation—not a long one; otherwise, it will become a second speech. (*Laughter*).

**Enche' Geh Chong Keat:** Thank you, Sir. I am speaking as an elected representative of Penang Utara, and if I may go further I am also the Chairman of the Penang Island Rural District Council, except for the three-mile radius city of George Town, which is only an appendix of the Island of Penang. If he wants to talk politics, I am also the Honorary Secretary of the Penang M.C.A.

**Mr Speaker:** (*To Enche' Tan Phock Kin*) Proceed.

**Enche' Tan Phock Kin:** Mr Speaker, Sir, it is very interesting to hear the Honourable Member for Penang Utara, because by his speech he has exposed more and more his hypocrisy. He has mentioned that I am trying to drive a wedge between him and the Minister of Finance, but from his performance today, I think the Minister of Finance will definitely congratulate him, because in his effort to put forward . . . .

**Enche' Geh Chong Keat:** Mr Speaker, Sir, on a point of clarification—is that double-talk he is talking now? (*Laughter*).

**Enche' Tan Phock Kin:** Well, Sir, if the Honourable Member will listen to what I have to say . . . .

**Mr Speaker:** Order, order. Do not be sarcastic in your remarks. (*Laughter*).

**Enche' Tan Phock Kin:** As I was saying, Sir, the Honourable Minister will compliment him for putting a good case badly, because the case for the people of Penang is indeed a very serious one, and the feeling of the people of Penang is such that we cannot ignore it. In a democracy, we must always take into consideration the feeling of the people, and I can say that in Penang Island the feeling is so strong that the people will not come to the Honourable the Minister of Finance and appeal to him as the Honourable Member for Penang Utara has suggested. The feeling is so strong that the people will demand . . . .

**Enche' Geh Chong Keat:** Mr Speaker, Sir, on a point of order—the Honourable Member for Tanjong is imputing that the people of Penang Island have no decency.

**Mr Speaker:** No, no. He is quite in order. Proceed.

**Enche' Tan Phock Kin:** I am afraid that the Member for Penang Utara . . . .

**Mr Speaker:** No comment on my order. Proceed with your comments on the provisions of the Bill.

**Enche' Tan Phock Kin:** The same statement was made by the Honourable Member, and I cannot just continue my speech without replying to some of the remarks made by him. The Honourable Member for Penang Utara is trying to create a false impression—firstly, of the seriousness of the matter, and, secondly, of the feeling of the people of Penang. I think this will have a very important bearing on the decision of the Government as to what course of action it will take with regard to this particular matter. I feel that I will be failing in my duty, if I do not put forward clearly and specifically the sentiments and the feeling of the people of Penang Island, particularly because the Honourable Member for Penang Utara has chosen to distort the

viewpoints of the people of Penang and to distort their feeling. Mr Speaker, Sir, this is a matter of life and death to a lot of people resident in Penang Island; and if their livelihood is being threatened, it is natural, whether the Honourable Member for Penang Utara chooses to say it is decent or otherwise, they will not do anything to demand that the Government shall not introduce measures that will destroy their livelihood without first consulting them. I think it is a very important matter that no democratic Government will act without first getting the consent of the people. I feel, Sir, in the light of my explanation, that the matter can be borne out by an investigation on the part of the Government—that is whether the state of affairs as stated is true or otherwise, whether the people of Penang are up in arms against this new measure. If the speech of the Honourable Minister of Finance were to be published, his utterances in this House today were to be published, I feel sure that the people of Penang will be even more hostile.

The Honourable Member for Penang Utara has mentioned the fact that the persuasiveness of the Honourable Minister of Finance may do the trick of getting the people of Penang to agree. However, I am afraid that his persuasiveness today does not by any means succeed in persuading the Member of Penang Utara. Then, how can he hope to persuade the people of Penang Island? The Member for Penang Utara is of the same Party and for political reasons will have to stand in support of his colleague, but in spite the Honourable Member . . . .

**Enche' Geh Chong Keat:** Mr Speaker, Sir, on a point of clarification.

**Mr Speaker:** (*To Enche' Tan Phock Kin*) Do you want to give way?

**Enche' Tan Phock Kin:** I think he is becoming a nuisance. (*Laughter*).

**Mr Speaker:** I am not asking for your comment whether he is a nuisance or not, but whether you want to give way or not.

**Enche' Tan Phock Kin:** No, Sir.

**Mr Speaker:** Please proceed.

**Enche' Tan Phock Kin:** The Honourable Minister of Finance has in his speech today brought up the matter of Penang at great length. He has tried to tell this House in no uncertain terms of the advantages that the people of Penang will derive as a result of joining the common market. He has even gone to the extent of criticising and condemning people, who do not agree with his views. The Honourable Member for Penang Utara describes that speech as a persuasive speech—and he considers the Honourable Minister of Finance to be a person of great persuasiveness. Nevertheless, in spite of all his persuasiveness, Sir, the Minister cannot even persuade his own member. So, how can he persuade the people of Penang?

Sir, coming to the other aspects of this common market, one of the reasons brought up by the Honourable Minister of Finance is that in view of our desire to diversify, in view of our desire to improve the standard of living of the people in this country, we must have a common market—a common market is a "must" in our economic structure. I say here, Sir, that I do agree with him to some extent. But with regard to the standard of living of our people, I must say it is not dependent solely on a common market. The standard of living of the people of any country is dependent more on the manner in which our national wealth is being distributed rather than the production of more national wealth. So, if the Government is still going to pursue its old policy of making the rich richer, a common market, in spite of all these benefits, will still not benefit the ordinary people of this country.

Sir, I feel that the Government has taken a great deal of trouble to mislead the people all the time. Whenever it tries to introduce any new measure, it will always say that this new measure is going to improve the living standard of the people in this country. But to what extent is this true? Is the introduction of a common market really going to do this, unless the other economic measures are being applied? We can see, as far as this Government is concerned, that time and again it has introduced measures not so much

as to make the national income more equitably distributed, but to make it more inequitably distributed. I would like to point out to him the question of income tax in regard to exemption for owners of houses. Now that Singapore has come into Malaysia, and with the Singapore income tax structure being quite different—it has an upper limit for house owners—what does the Honourable Minister propose to do about it? Does he propose to bring Singapore into line and thereby make the distribution of income even more inequitable, or is he going to admit that he has made an error and will follow the example of Singapore? These are matters of very great importance. We on this side of the House cannot agree with the Government that it is its desire to really improve the standard of living of the people. Measures introduced by the Government are measures introduced to benefit sectional interests. We know that the Alliance as a Government represents certain sectional interests, and that all along in every policy enunciated by the Government in every field—in transport, in every field of commerce and industry—measures are made, policies are made or designed, to enrich the rich—in other words, to make the rich richer. And, as long as this policy remains unchanged, we feel that all this talk of assisting or improving the standard of living of the people is merely a farce.

**Tuan Haji Ahmad bin Saaid (Seberang Utara):** Tuan Yang di-Pertua, saya ingin mengambil bahagian sadikit dalam masaalah Rang Undang<sup>2</sup> yang ada di-hadapan kita ini. Saya datang daripada Seberang Perai. Seberang Perai ada-lah sa-buah kawasan dalam Negeri Pulau Pinang. Jadi, kami ini kalau adalah chara hendak menjadikan Pulau Pinang itu sa-bagai satu kawasan kastam, maka dengan ini akan mendatangkan beberapa banyak kemudahan dan kesenangan bagi orang<sup>2</sup> yang tinggal di Seberang Perai khas-nya berkenaan dengan lalu-lintas yang menggunakan firi. Pada masa sekarang ini, penumpang<sup>2</sup> firi itu manakala hendak menyeberang, mereka itu selalu akan dipereksa oleh pegawai<sup>2</sup> kastam, mereka

juga kena menyerahkan barang<sup>2</sup> mereka serta menunjukkan barang<sup>2</sup> itu kapada pegawai<sup>2</sup> kastam, dan bagitu juga bungkusan<sup>2</sup>-nya di-buka, dan ini menyebabkan sa-tengah daripada-nya bertengkar dengan pegawai<sup>2</sup> kastam di-situ. Apabila di-tanya, ini beli berapa? Kata-nya \$10. Saya ta' perchaya, kata pegawai kastam itu, ini harga-nya \$20. Dengan sebab yang demikian selalu-lah ada pertengkaran dan pergaduhan. Jadi, kalau Pulau Pinang itu di-jadikan kawasan kastam, kechualи sa-bahagian kecil sahaja, tentu-lah akan mendatangkan kesenangan kapada semua orang<sup>2</sup> yang datang dari seluorh Tanah Melayu ini. Dari segi kepentingan kebangsaan, saya menyokong penoh di atas Rang Undang<sup>2</sup> ini yang menjadikan Pulau Pinang ini masokkan dalam Common Market, kerana penduduk<sup>2</sup> di-negeri Pulau Pinang itu sendiri, mengikut ke'adilan tentu anggap 'adil, sebab di-dalam Pulau Pinang orang<sup>2</sup> terlepas daripada kena chukai, tetapi di-Seberang Perai dalam negeri Pulau Pinang, orang<sup>2</sup> di-situ di-kenakan chukai. Dan juga kalau-lah hendak di-beri peluang terus-menerus kapada orang<sup>2</sup> Pulau Pinang, maka kami di-Seberang Perai pun manakala di-adakan pelabuhan dalam nanti, harus akan bertindak mendesak Kerajaan supaya menjadikan Seberang Perai itu bebas daripada kastam.

Jadi, saya berharap kapada pehak<sup>2</sup> yang berada di-Pulau Pinang itu supaya bertimbang rasa sadikit kapada orang<sup>2</sup> yang tinggal di-Seberang Perai sana. Mengikut tafsiran, atau pun ma'ana free port status pada pandangan Ahli Yang Berhormat dari Tanjung itu adalah mengelirukan sadikit. Mengikut tafsiran yang sa-benar free port, Tuan Yang di-Pertua, seperti mana yang terkandong dalam Report of Penang Customs Duties Working Party, No. 51 tahun 1956 ada mengatakan:

"Free Port or Zone—An isolated, enclosed and policed area in or adjacent to a port of entry without resident population other than the staff necessary for discharging and loading ships, supplying fuel and ships' stores, and storing goods and re-shipping them by land or water; it is an area within which goods may be landed, stored, mixed, blended, repacked, manufactured, and re-shipped without Customs intervention, but it is subject equally with adjacent regions to

all laws relating to public health, inspection of vessels, postal services, labour conditions, immigration and, in short, everything except Customs."

Jadi mengikut istilah free port ini ber-kenaan dengan Pulau Pinang hendak di-jadikan pelabuhan bebas daripada kawasan kastam ada-lah berlawanan dengan tafsiran sa-bagaimana yang di-sebut dalam "MacCall Dictionary". Jadi saya berharap supaya pehak sa-belah sana bertimbang rasa dan terima-lah ranchangan hendak di-jadikan Common Market itu. Satu perkara lagi, Tuan Yang di-Pertua, laporan 51/56 ini telah di-kaji dengan halus, mengikut majority recommendation 5 orang ber-setuju di-jadikan Pulau Pinang itu kawasan kastam, 4 orang tidak ber-setuju. Jadi mengikut peratoran biasa semenjak tahun 1956 dahulu patut di-laksanakan. Oleh sebab ada perkara<sup>2</sup> yang tertentu telah di-tanggohkan sa-hingga timbul sa-mula hal itu pada masa sekarang ini.

Mengenai churiga yang di-sebutkan oleh Yang Berhormat dari Tanjung yang mengatakan orang di-Pulau Pinang ia-itu orang<sup>2</sup> bermiaga harus menutup kedai dan perusahaan-nya. Ini ada-lah tuduhan yang sangat<sup>2</sup> tidak patut, kerana di-Pulau Singapura penduduk yang sa-ramai 1,600,000 orang, Kerajaan Singapura berani mengistiharkan atau menerima dasar Common Market. Oleh sebab yang demikian saya tidak nampak dasar ini patut di-tolak, kerana di-Singapura maseh banyak peniaga kecil mereka tidak gentar dan takut. Maka di atas dasar kepentingan nasional mereka sanggup menerima dan masok dalam Common Market.

**Enche' Ahmad bin Arshad (Muar Utara):** Tuan Yang di-Pertua, saya berchakap ini tidak bawa cherita Pulau Pinang. Saya chuma mengalu<sup>2</sup>kan dan menyokong Rang Undang<sup>2</sup> Lembaga Penasihat Chukai. Sa-telah mengikuti atas uchapan yang di-beri oleh Yang Berhormat Menteri Kewangan pada pagi tadi, saya nampak bahawa Bill ini mustahak di-luluskan. Saya chuma hendak menyentoh, Tuan Yang di-Pertua, dalam uchapan Yang Berhormat Menteri Kewangan ia-itu ber-hubung dengan penyeludupan barang<sup>2</sup>

yang di-larikan daripada chukai. Masa yang akhir<sup>2</sup> ini kita dapat mengikuti bahawa beberapa kesusahan dan ketakutan yang di-hadapi oleh Pegawai Kastam waktu menjalankan tugas-nya. Maka dengan sebab itu saya ingin mengutarakan satu shor supaya di-timbangkan dan di-terima oleh Lembaga Penasihat Chukai itu yang pada himah saya ada hubongan-nya atas Bill ini, ia-itu di-bolehkan Pegawai Kastam menggunakan senjata api (pistol) waktu menjalankan tugas pada tempat yang tertentu dan keadaan yang tertentu.

Kita juga mengetahui bahawa Jabatan Kastam Persekutuan Tanah Melayu telah menjalankan satu gerakan untok menghapuskan penyeludupan itu. Pasukan penyeludup itu bukan sahaja menggunakan motobot yang laju, tetapi kadang<sup>2</sup> mereka ada menggunakan senjata api. Jadi atas bab ini saya memberi-lah alasan<sup>2</sup>-nya ia-itu dengan ada-nya pegawai itu membawa senjata api sa-kurang<sup>2</sup>nya kita dapat menjaga keselamatan pegawai kita dan dapat menyelamatkan barang<sup>2</sup> yang di-larikan oleh pasukan penyeludup itu.

Menurut apa yang saya tahu sa-orang Pegawai Kastam telah meninggal dunia dengan sebab menjalankan tugas-nya di-laut Pahang. Barangkali orang yang menyeludup itu ada membawa senjata api. Pada faham saya kalau pegawai itu membawa senjata api, mungkin nyawa-nya selamat daripada di-bunuh oleh orang yang tidak bertanggong-jawab itu.

Sa-lain daripada itu, Pegawai Kastam pernah menemui orang yang masuk ka-Tanah Melayu dengan chara haram dan kadang<sup>2</sup> mereka itu membawa senjata. Jadi saya memahamkan sa-kira-nya pegawai kita di-bekalkan senjata yang sa-umpama itu akan mendatangkan keuntungan dari segi ke-wangan negeri kita. Pada menghapuskan kejadian yang haram yang merugikan berjuta ringgit kalau dalam keadaan takut dengan sebab mereka tidak bersenjata api tentu tidak boleh diselamatkan. Saya uchapkan terima kaseh kapada orang ramai yang telah memberi kerja-sama kapada Jabatan Kastam dalam soal ini.

**Enche' Tan Siew Sin:** Mr Speaker, Sir, I am very grateful on behalf of the Government for the expressions of support for this Bill which have come from two Honourable Members. I refer, of course, to the speeches made by my Honourable friends the Member for Seberang Utara and the Member for Muar Utara, and in referring to the speech of the Honourable Member for Muar Utara I might probably deal with the point which has been raised by him, namely, the desirability of arming customs officers in order that they may be better able to carry out their duties. The Government is fully conscious of the hazards which face revenue officers in the performance of their duties and this matter has in fact been given very serious consideration by the head of the Customs Department, and I can assure the Honourable Member that everything will be done to ensure that these officers will be able to carry out their duties and will be able to do so with the minimum of risk to life and limb. I think I need not go further, but I can assure the Honourable Member that the Government is aware that it is very essential from every point of view that these officers should feel secure in the performance of their duties.

I can appreciate, Sir, the misgivings of the Honourable Members who have spoken on this measure and who come from Penang. I think that is understandable. But I also submit that if we look at the facts coldly and dispassionately, then the reason for alarm is much less obvious. The Honourable Member for Tanjung in particular suggests that there is no reason to make a change now when Penang has enjoyed its free port status for so long, and he bases this contention on his reasoning that circumstances have not changed. I beg to differ from him and I do not intend to quote reams of figures, because I think this is a problem which is very well known in this House, but I would quote one very material set of figures which will show, as Rueff has so rightly pointed out, that the entrepot trade of Penang is not only stagnant it faces a real risk of decline. For example, exports for the first quarter—

and this refers to the entrepot trade—of 1962 amounted to \$15.6 million. Exports for the first quarter of 1963 amounted to only \$6.4 million. That means a drop of 250 per cent. Figures like these indicate all too clearly and all too ominously that the economic future of Penang is indeed bleak unless she joins the Malaysian common market. This is not only my opinion, Sir, it is the considered opinion of a team of economic experts of international fame, who have arrived at this conclusion after a very thorough study of conditions in Penang. They have arrived at this conclusion after personally visiting Penang and studying conditions there on the spot. It is, therefore, difficult to understand how the Federal Government can be charged with coming to this conclusion without very careful thought and without taking into consideration the particular needs of Penang Island itself. Perhaps, it would be useful to the House if I were to give a broad picture of how we intend to bring this common market into operation.

Sir, if Honourable Members had taken the trouble to study this Bill, and I am sure many have, they will find therein that, even in the case of Singapore, we have provided five to twelve years for transitional arrangements in that territory, so that it would be able to adjust itself to the new position; in the case of Penang, it would clearly be necessary to make similar arrangements in order to enable the traders, who depend on the entrepot trade, to adjust themselves to the new conditions, and that is why we have agreed to a minimum period of five years in the case of Singapore. I would emphasise the word "minimum", because it is felt that it may not be possible to make the necessary adjustments within the period of five years, and if we are prepared to make this concession to Singapore, I have no doubt that a similar concession could be given to Penang, so that the risk of unemployment, the risk of economic dislocation, would be reduced to the very minimum. I think, Sir, every fair-minded person would agree that the difficulties which Penang is likely to

face in the event of its being included in the Malaysian common market are far less than the difficulties which would be faced by Singapore. As I have tried to point out in my speech, the entrepot trade of Penang is only a fraction of the entrepot trade of Singapore. In the case of Singapore, you literally get thousands upon thousands of traders, not only wholesalers and large importers, but also small businessmen, who would be ruined unless care was taken to ensure that in the transition from free port to common market, adequate arrangements were made for them to shift or to change to other means of livelihood. However, in the case of Penang, it is very much less because, as I have said, the figures of the entrepot trade of Penang have shown a decline, but even in its heyday Penang's entrepot trade cannot by any stretch of the imagination be compared in magnitude to that of Singapore. We should also remember that we will not impose this common market on Penang straightaway. What would obviously happen would be that the Tariff Board would recommend that certain products should be brought into the first list which we hope to publish in about twelve months from today. That first list will contain a number of products which we think can be produced here, or are already produced here, and Penang would be asked to agree that this list should be regarded as a common market product list, and when we have got the first list, we will go on the second list. It is clear that this list cannot be rushed, because before you can even produce a list you have got to take various factors into consideration. You will have to find out whether it would be possible in fact for this list to be included in the common market list, and before the Board makes a recommendation, I have no doubt, bearing in mind the composition of the Board, they will take all relevant factors into consideration. It is, therefore, quite clear that this common market will be brought into force gradually, and this will also have an added advantage in that it will cause the minimum of economic dislocation to the people most vitally concerned.

The Honourable Member for Rawang has asked why is it that the Tariff Advisory Board is only advisory. As I tried to point out in my speech, tariffs are very much a matter for the Government, and it is clearly undesirable that the Board should be allowed powers of fixing tariffs, which in effect means the power to tax—and I think even the Honourable Member for Rawang will agree that that is a power which can hardly be surrendered by any self-respecting Government. He made the point that it could be dangerous for the Government to have the final decision on the recommendations of the Board, because of the possibility that the Government in coming to a decision might place undue emphasis on the political factor. I think his anxiety is probably understandable—I do not blame him—if he judges us by the standards to which the Socialist Front is addicted. But I suggest that if he were to look at it from our point of view, it would be quite safe, whether the Minister of Finance is myself or anybody else in my Party.

The Honourable Member for Penang Selatan made a very constructive speech. He asks that the Tariff Advisory Board should make recommendations in order to ensure that the entrepot trade of Penang is safeguarded. If Honourable Members will look at sub-clause (3) of clause 5, page 3 of the Bill, paragraph (b), they will observe the following words:

"(3) The Board shall in considering any matter take into account and report to the Federal Government on the effect of their recommendations on the following:

(b) the interests of the entrepot trade of Singapore, Penang and Labuan;"

It should, therefore, be clear to everybody that the Board in coming to its recommendations must take into account the interests of the entrepot trade at Penang, and that means what it says. It must make its recommendation in such a way that those interests will not suffer at all.

The Honourable Member for Penang Selatan also made the point that it was difficult to industrialise Penang, because there is not sufficient land

there, and that even if land were available the State Government might not be able to provide the cash for industrialisation. I am slightly more optimistic than the Honourable Member, because I feel that there is land for industrialisation in Penang, if we look hard for it. Of course, there are rubber estates which are really firewood estates, and I have no doubt that there are other pieces of land available which can be turned into industrial estates. As for the financial resources which would be required to develop an industrial site, my Honourable colleague, the Minister of Commerce and Industry, would I am sure be too happy to consider applications from Penang for funds to develop industrial estates there. He has got enough funds for the purpose, and if they are not enough I am sure the Cabinet will be glad to approve a little bit more for the sake of Penang.

The Honourable Member for Penang Utara suggested that Penang would go bankrupt, if it were brought into the Principal Customs Area. In view of what I have said, I think the opposite will be the case. The possibility of bankruptcy would be increased if Penang were not brought into the common market arrangements eventually, and I think the reverse would be the case if it were brought into the common market, because it will be industrialised successfully.

The Honourable Member for Tanjong has argued that there is no reason to think that Penang could be industrialised successfully, because it has been unable to do so in the past. The reason is obvious. It is hardly feasible for a manufacturer to start to operate on Penang Island, because he has got to face the full blast of imports from every country on this planet, and without the benefit of tariff protection I cannot believe any manufacturer, in his right senses would ever dream of proceeding on those lines.

There is also the other side of the picture which, unfortunately has not been brought up in this debate. Both my colleague the Honourable Minister of Commerce and Industry and I

receive from time to time—in fact, it is rather with regular monotony—applications or petitions or appeals from manufacturers on Penang Island, namely those *mee hoon* manufacturers, candle and joss-stick manufacturers, biscuit manufacturers, gold and silver smiths, canneries—asking for free entry into the Principal Customs Area. We in the Federal Government, naturally, have to tell them that they cannot have the best of both worlds, that is, they cannot have their cake and eat it. If the manufacturers on Penang Island want to obtain duty-free entry into the Principal Customs Area, they have to join the Principal Customs Area.

There is also the other point which we should bear in mind and that is there can not only be a common market in manufactured goods. There can be a common market in agricultural products; and if Penang were to join the Malaysian common market, the poultry farmers, the pig rearers and those who work on the land, would benefit because they would then be able to have the benefit of a much larger market. We must remember that the market of Penang Island itself is such a minute market that, as I have said, no manufacturers would ever dream of operating there without any tariff protection whatsoever, and that is clearly the reason why it has not been possible in the past to industrialise Penang or dream of industrialising Penang.

The Honourable Member for Penang Utara has also suggested that the whole of Penang Island should be made a free zone. I cannot believe that he expects me to take his suggestion seriously, because that would obviously be tantamount to saying that the *status quo* should remain. As I have stated already, I do not think the conditions in Penang are different in kind from that of Singapore, although there is a difference in degree, but if any comparison is to be made, it is pretty obvious that it is far easier for Penang to join the common market without economic dislocation than it would be in the case of Singapore. He has also made

the plea that the Federal Government might help Penang in economic planning, and I have no doubt that that is one request we can accede to very readily.

The Honourable Member for Tanjong, of course, gets on his favourite theme. He at last reluctantly admitted that there was some sense in having a common market, although he argued that any prosperity resulting therefrom would go to those who really should not have been benefited, that is, the rich would be made richer. There are two points of view on this score, and I think the Honourable Member will realise that we agree to disagree on this point. That is all, and I wish again to thank this House for the support it has given to this very important measure. (*Applause*).

Question put, and agreed to.

Bill accordingly read a second time and committed to a Committee of the whole House.

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(*Mr Speaker in the Chair*)

*Clauses 1 to 10* inclusive ordered to stand part of the Bill.

*Clauses 11 to 17*—

**Enche' Tan Phock Kin:** Mr Chairman, Sir, I rise to seek clarification with regard to clause 11 pertaining to the report of the Board on reviews, etc. Under clause 11 (2), it is stated here:

“(2) The Minister shall, not later than six months after receiving a report under this section, publish the report together with the decision of the Federal Government with respect to the recommendations contained therein, . . . .”

According to the Rueff Report, it was recommended that the period for the publication of the report of the Board should not be later than three months, but in the Bill it is stated “not later than six months”. May I have an explanation why there is this departure from the recommendation? The second point on which I would like the Minister to give some clarification is with

regard to recommendations with which the Government may not agree. The provisions in the Bill is that it would be published, but there was a suggestion in the report that certain recommendations should be put before Parliament. I would like to know whether the Minister is in agreement with that recommendation; and if so, why no provision has been made in the Bill for that purpose?

**Enche' Tan Siew Sin:** Mr Chairman, Sir, it is of course true that we have not accepted all the recommendations of the Rueff Report. It is also true that we have accepted many of their recommendations. The reason, Sir, why we have not accepted this particular recommendation and increased the period from three to six months is because we felt that there might be occasions when it would not be possible for a variety of reasons for the Government to come to a decision within a period of three months.

Honourable Members must also remember that these tariff changes could have very far-reaching consequences. They would affect not only the particular industry directly concerned, they could also affect indirectly many other industries and even the national economy itself, and there might be cases, in future, when the Government for reasons such as these may want a longer time to come to a decision. But I can assure the House that it is not the intention of the Government to delay a decision unless it cannot be avoided. We naturally would like to come to a decision as soon as possible, and this period of six months would give us some latitude in case it is found necessary to take a longer time to come to a decision. In coming to a decision, the Government would naturally publish the reasons why it came to a particular decision, and in cases where it did not agree with or accept a recommendation of the Board, Parliament would no doubt be told of the reasons for the Government's decision. I hope that answers the point raised by the Honourable Member.

**Mr Chairman:** Are you satisfied with that answer?

**Enche' Tan Phock Kin:** On this question of extending the period of three months to six months, I thought that to any reasonable person—and apparently even the Commission thought so—three months would be a reasonable time. It is stated here "three months after receiving the Report". So, after receiving the report, the Government will have three months to consider it, and I see no reason why the three months should be extended to six months, because any Government, with any degree of efficiency, surely can come to a decision on an important matter within three months. This is an important matter. A recommendation has been made, and there is no reason for this dilly-dallying. I see no reason why another three months should be added, because the Mission making the enquiry is not a Mission of ordinary people, but a Mission of experts—as the Honourable Minister stated just now, it is a Mission of experts: and experts when they write down three months, they must have considered whether it should be four, or it should be three, or it should be two, or should be six. I feel that the Mission must have considered very exhaustively this period and decided that three months should be the period. I am afraid that I cannot agree at all with the explanation given by the Honourable Minister of Finance, unless if he were to tell us, as far as this is concerned, that his Ministry is incompetent, perhaps, to carry out the work and reach a decision within the period—I mean that on the point of view of efficiency, perhaps, his Ministry or perhaps his Government cannot be considered as efficient as any other Government.

On the other question of reference to Parliament, I would like to refer the Honourable Minister to this particular paragraph of the recommendation, which says:

"The Mission also recommends, following the practice of other governments which have found it advisable to state publicly and, in certain cases, to Parliament, their reasons why, in specific instances, they have not seen their way to apply the recommendations submitted by their Advisory Board."

What I would like the Minister to clarify is whether he agrees with this recommendation because, as far as I can see from the Bill, there is no specific provision to the effect that with regard to certain cases, it shall be referred specifically to Parliament; and if there is no specific provision, may I know the reason why?

**Enche' Tan Siew Sin:** Mr Chairman, Sir, whatever is not in the Bill and does not coincide with the recommendations of the Rueff Report is obviously not acceptable to us, and it is a matter of opinion as to whether we are right or whether Rueff is right. I do not wish to get into an argument with the Honourable Member for Tanjong, but I would like to make one small point, and that is, this period of six months was agreed to by the Singapore Minister of Finance and I think the Honourable Member for Tanjong will agree that he is not an easy man to please, at least in so far as I am concerned.

**Enche' Tan Phock Kin:** I am afraid that the Minister of Finance is not answering my question at all. He is merely trying to evade the whole issue, because as far as the recommendation with regard to the tabling of reports in Parliament is concerned, it is a very significant provision because it will focus public attention on matters which a non-political body—like the Tariff Advisory Board recommended and with which the Government saw fit to disagree. The Honourable Minister of Finance merely states, "Well, there are provisions with which we disagree", and he feels that he is not obliged to tell us why. I feel that in debating this Bill and in agreeing or otherwise with certain provisions of this Bill we must know the reasons. If we take all the trouble and all the expense of appointing a Commission to make an enquiry into certain problems, and the Commission makes certain recommendations and we disagree with the recommendations, then surely we are obliged—even without members of the Opposition asking—to explain matters in fairness to the cause of the debate. I think it should be the duty of the Honourable

Minister of Finance to tell this House why in such respects he departed from the recommendations, and the fact that he is unable to do so gives ground for suspicion that the Government may act purely on political grounds as distinct from economic grounds, because the Commission will make recommendations based purely on economic principles as enunciated in the report. If the Government is going to depart from any recommendation, then it is quite true that it is obliged to state so in the report which will be publicly published. But I would like to know why is it that they cannot agree to provisions being made in the Bill for matters in which they disagree with the recommendations of the Advisory Board to be put to Parliament. In that respect, I cannot get a satisfactory answer, and in view of that, it appears obvious that the Minister of Finance is trying to avoid public attention on such matters.

**Dr Lim Swee Aun:** Under clause 11 (2) it is very clearly stated that—

"The Minister shall, not later than six months after receiving a report under this section, publish the report together with the decision of the Federal Government . . .".

So, where is the statement that he is not going to publish it? Again, under Clause 12 (2) it is stated that the report—that means the report by the Tariff Advisory Board—will be tabled in the House. That meets all the requirements, Sir.

**Enche' Tan Phock Kin:** I am afraid that the Honourable Minister of Commerce and Industry either did not listen to me just now, or perhaps he is ignorant of the recommendation, which I feel a Minister like him should know. He should know this book upside down, because . . .

**Dr Lim Swee Aun:** We do.

**Enche' Tan Phock Kin:** . . . because in the book it is stated very clearly—and I read it out to the Minister of Finance—that there are two aspects. Publishing is only one aspect of it; the other aspect is to refer the matter to Parliament and I am asking a question on that particular aspect.

**Tuan Haji Ahmad bin Saaid:** On a point of clarification. Has any Government got to agree to any recommendation made by a Select Committee or any other Committee? We are not bound to agree to that.

**Enche' Tan Phock Kin:** I agree with the Honourable Member. I said very clearly just now that the Government is not obliged to agree. I never said that the Government should agree. What I am saying is that if the Government disagrees, then the Minister of Finance is obliged to tell this House the reasons why the Government disagrees. It is as simple as that, and I am afraid the Honourable Minister of Finance failed just now in this particular respect.

**Enche' Liu Yoong Peng:** I rise to seek a clarification on Clause 17 (1), the fourth and fifth sub-paragraphs of which read as follows:

“‘protective duty’ means a customs import duty which is levied in respect of a class of goods or products which are or are to be produced or manufactured and used or consumed in Malaysia in significant quantities, or are used or consumed in the production or manufacture in Malaysia of goods or products of such a class, or are of a description providing a substitute for or alternative to goods or products of such a class;”

“‘revenue duty’ means any customs import duty which is not a protective duty.”

Sir, I would like to know what is the criteria which is going to differentiate “protective duty” and “revenue duty” in certain respects. Here it is stated that protective duty is to protect products produced in significant quantities, and maybe revenue duty is to protect products produced not in significant quantities. In that case, where some goods are produced not in significant quantities in our country there may be customs import duty imposed camouflaged as revenue duty and in fact it may be for the sake of the protection of some particular small industry. If that is the case, what is the use of having a differentiation between protective duty and revenue duty?

**Mr Chairman:** Order, order, the time is up. House resumes.

*House resumed.*

**Mr Speaker:** Honourable Members, I have to report to the House that the Committee has considered up to Clause 10 of the Bill before the House. Consideration of the other clauses will resume tomorrow. The House is adjourned to 10 o'clock a.m. tomorrow.

*Adjourned at 6.30 p.m.*