



PARLIAMENTARY DEBATES

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FEDERATION OF MALAYA

DEWAN RA'AYAT

(HOUSE OF REPRESENTATIVES)

Official Report

Fifth Session of the First Dewan Ra'ayat

Wednesday, 29th May, 1963

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

PRESENT:

- The Honourable Mr Speaker, DATO' HAJI MOHAMED NOAH BIN OMAR,
S.P.M.J., D.P.M.B., P.I.S., J.P.
- „ the Deputy Prime Minister, Minister of Defence and Minister
of Rural Development, TUN HAJI ABDUL RAZAK BIN DATO'
HUSSAIN, S.M.N. (Pekan).
- „ the Minister of Internal Security and Minister of the Interior,
DATO' DR ISMAIL BIN DATO' HAJI ABDUL RAHMAN, P.M.N.
(Johor Timor).
- „ the Minister of Finance, ENCHE' TAN SIEW SIN, J.P.
(Melaka Tengah).
- „ the Minister of Works, Posts and Telecommunications,
DATO' V. T. SAMBANTHAN, P.M.N. (Sungei Siput).
- „ the Minister of Transport, DATO' HAJI SARDON BIN HAJI JUBIR,
P.M.N. (Pontian Utara).
- „ the Minister of Labour and Social Welfare,
ENCHE' BAHAMAN BIN SAMSUDIN (Kuala Pilah).
- „ the Minister of Commerce and Industry,
DR LIM SWEE AUN, J.P. (Larut Selatan).
- „ the Minister of Education, TUAN HAJI ABDUL HAMID KHAN BIN
HAJI SAKHAWAT ALI KHAN, J.M.N., J.P. (Batang Padang).
- „ the Assistant Minister of the Interior,
ENCHE' CHEAH THEAM SWEE (Bukit Bintang).
- „ the Assistant Minister of Labour and Social Welfare,
ENCHE' V. MANICKAVASAGAM, J.M.N., P.J.K. (Klang).
- „ the Assistant Minister of Commerce and Industry,
TUAN HAJI ABDUL KHALID BIN AWANG OSMAN
(Kota Star Utara).
- „ the Assistant Minister of Information and Broadcasting,
ENCHE' MOHAMED ISMAIL BIN MOHAMED YUSOF (Jerai).
- „ ENCHE' ABDUL AZIZ BIN ISHAK (Kuala Langat).
- „ ENCHE' ABDUL GHANI BIN ISHAK, A.M.N. (Melaka Utara).
- „ ENCHE' ABDUL RAUF BIN A. RAHMAN, P.J.K. (Krian Laut).
- „ ENCHE' ABDUL RAZAK BIN HAJI HUSSIN (Lipis).
- „ ENCHE' ABDUL SAMAD BIN OSMAN (Sungei Patani).

- The Honourable TOH MUDA HAJI ABDULLAH BIN HAJI ABDUL RAOF
(Kuala Kangsar).
- .. TUAN HAJI ABDULLAH BIN MOHD. SALLEH, A.M.N., P.I.S.
(Segamat Utara).
- .. TUAN HAJI AHMAD BIN ABDULLAH (Kota Bharu Hilir).
- .. ENCHE' AHMAD BIN ARSHAD, A.M.N. (Muar Utara).
- .. ENCHE' AHMAD BIN MOHAMED SHAH, S.M.J.
(Johor Bahru Barat).
- .. TUAN HAJI AHMAD BIN SAAID (Seberang Utara).
- .. ENCHE' AHMAD BIN HAJI YUSOF, P.J.K. (Krian Darat).
- .. TUAN HAJI AZAHARI BIN HAJI IBRAHIM (Kubang Pasu Barat).
- .. ENCHE' AZIZ BIN ISHAK (Muar Dalam).
- .. ENCHE' CHAN CHONG WEN, A.M.N. (Kluang Selatan).
- .. ENCHE' CHAN SIANG SUN (Bentong).
- .. ENCHE' CHAN SWEE HO (Ulu Kinta).
- .. ENCHE' CHAN YOON ONN (Kampar).
- .. ENCHE' CHIN SEE YIN (Seremban Timor).
- .. ENCHE' GEH CHONG KEAT (Penang Utara).
- .. ENCHE' HAMZAH BIN ALANG, A.M.N. (Kapar).
- .. ENCHE' HANAFI BIN MOHD. YUNUS, A.M.N. (Kulim Utara).
- .. ENCHE' HARUN BIN ABDULLAH, A.M.N. (Baling).
- .. ENCHE' HARUN BIN PILUS (Trengganu Tengah).
- .. ENCHE' HASSAN BIN MANSOR (Melaka Selatan).
- .. ENCHE' HUSSEIN BIN TO' MUDA HASSAN (Raub).
- .. ENCHE' HUSSEIN BIN MOHD. NOORDIN, A.M.N., P.J.K. (Parit).
- .. TUAN HAJI HUSSAIN RAHIMI BIN HAJI SAMAN
(Kota Bharu Hulu).
- .. ENCHE' IBRAHIM BIN ABDUL RAHMAN (Seberang Tengah).
- .. ENCHE' ISMAIL BIN IDRIS (Penang Selatan).
- .. ENCHE' ISMAIL BIN HAJI KASSIM (Kuala Trengganu Selatan).
- .. ENCHE' KANG KOCK SENG (Batu Pahat).
- .. ENCHE' K. KARAM SINGH (Damansara).
- .. ENCHE' LEE SAN CHOON (Kluang Utara).
- .. ENCHE' LEE SECK FUN (Tanjong Malim).
- .. ENCHE' LEE SIOK YEW, A.M.N. (Sepang).
- .. ENCHE' LIM JOO KONG, J.P. (Alor Star).
- .. ENCHE' LIM KEAN SIEW (Dato Kramat).
- .. ENCHE' LIU YOONG PENG (Rawang).
- .. ENCHE' T. MAHIMA SINGH, J.P. (Port Dickson).
- .. ENCHE' MOHAMED BIN UJANG (Jelebu-Jempol).
- .. ENCHE' MOHAMED ABBAS BIN AHMAD (Hilir Perak).
- .. ENCHE' MOHAMED ASRI BIN HAJI MUDA (Pasir Puteh).
- .. ENCHE' MOHAMED NOR BIN MOHD. DAHAN (Ulu Perak).
- .. DATO' MOHAMED HANIFAH BIN HAJI ABDUL GHANI, P.J.K.
(Pasir Mas Hulu).
- .. TUAN HAJI MOKHTAR BIN HAJI ISMAIL (Perlis Selatan).

The Honourable NIK MAN BIN NIK MOHAMED (Pasir Mas Hilir).

- .. ENCHE' NG ANN TECK (Batu).
- .. ENCHE' OTHMAN BIN ABDULLAH (Tanah Merah).
- .. ENCHE' OTHMAN BIN ABDULLAH, A.M.N. (Perlis Utara).
- .. TUAN HAJI REDZA BIN HAJI MOHD. SAID (Rembau-Tampin).
- .. ENCHE' SEAH TENG NGIAB (Muar Pantai).
- .. ENCHE' S. P. SEENIVASAGAM (Menglembu).
- .. TUAN SYED ESA BIN ALWEE, J.M.N., S.M.J., P.I.S.
(Batu Pahat Dalam).
- .. TUAN SYED HASHIM BIN SYED AJAM, A.M.N., P.J.K.
(Sabak Bernam).
- .. TUAN SYED JA'AFAR BIN HASAN ALBAR, J.M.N.
(Johor Tenggara).
- .. ENCHE' TAJUDIN BIN ALI, P.J.K. (Larut Utara).
- .. ENCHE' TAN CHENG BEE, J.P. (Bagan).
- .. ENCHE' TAN PHOCK KIN (Tanjong).
- .. ENCHE' TAN TYE CHEK (Kulim-Bandar Bahru).
- .. TENGKU BESAR INDERA RAJA IBNI AL-MARHUM SULTAN
IBRAHIM, D.K., P.M.N. (Ulu Kelantan).
- .. ENCHE' TOO JOON HING (Telok Anson).
- .. ENCHE' V. VEERAPPEN (Seberang Selatan).
- .. WAN SULAIMAN BIN WAN TAM, P.J.K. (Kota Star Selatan).
- .. WAN YAHYA BIN HAJI WAN MOHAMED (Kemaman).
- .. ENCHE' YAHYA BIN HAJI AHMAD (Bagan Datoh).
- .. ENCHE' YONG WOO MING (Sitiawan).
- .. PUAN HAJJAH ZAIN BINTI SULAIMAN, J.M.N., P.I.S.
(Pontian Selatan).
- .. TUAN HAJI ZAKARIA BIN HAJI MOHD. TAIB (Langat).
- .. ENCHE' ZULKIFLEE BIN MUHAMMAD (Bachok).

ABSENT:

- The Honourable the Prime Minister, Minister of External Affairs and Minister of Information and Broadcasting, Y.T.M. TUNKU ABDUL RAHMAN PUTRA AL-HAJ, K.O.M. (Kuala Kedah).
- .. the Minister without Portfolio, DATO' SULEIMAN BIN DATO'
HAJI ABDUL RAHMAN, P.M.N. (Muar Selatan).
 - .. the Minister without Portfolio, DATO' ONG YOKE LIN, P.M.N.
(Ulu Selangor).
 - .. the Minister of Agriculture and Co-operatives,
ENCHE' MOHAMED KHIR BIN JOHARI (Kedah Tengah).
 - .. the Minister of Health, ENCHE' ABDUL RAHMAN BIN HAJI TALIB
(Kuantan).
 - .. ENCHE' AHMAD BOESTAMAM (Setapak).
 - .. DR BURHANUDDIN BIN MOHD. NOOR (Besut).
 - .. ENCHE' V. DAVID (Bungsar).
 - .. DATIN FATIMAH BINTI HAJI HASHIM, P.M.N.
(Jitra-Padang Terap).
 - .. TUAN HAJI HASAN ADLI BIN HAJI ARSHAD
(Kuala Trengganu Utara).

The Honourable TUAN HAJI HASSAN BIN HAJI AHMAD (Tumpat).

„ CHE' KHADIJAH BINTI MOHD. SIDEK (Dungun).

„ ENCHE' KHONG KOK YAT (Batu Gajah).

„ ENCHE' MOHAMED DAHARI BIN HAJI MOHD. ALI (Kuala Selangor).

„ ENCHE' MOHAMED YUSOF BIN MAHMUD, A.M.N. (Temerloh).

„ ENCHE' QUEK KAI DONG, J.P. (Seremban Barat).

„ ENCHE' D. R. SEENIVASAGAM (Ipoh).

„ ENCHE' TAN KEE GAK (Bandar Melaka).

„ DATO' TEOH CHZE CHONG, D.P.M.J., J.P. (Segamat Selatan).

„ WAN MUSTAPHA BIN HAJI ALI (Kelantan Hilir).

„ ENCHE' YEOH TAT BENG (Bruas).

IN ATTENDANCE:

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

PRAYERS

(Mr Speaker *in the Chair*)

BILLS

THE EMBLEMS AND NAMES (PREVENTION OF IMPROPER USE) BILL

Second Reading

The Deputy Prime Minister (Tun Haji Abdul Razak bin Dato' Hussain): Mr Speaker, Sir, I beg to move that a Bill intituled "an Act to prevent the improper use of certain emblems and names for professional and commercial purposes" be read a second time. This is a very short and simple Bill. In the past there were occasions when certain emblems, which were exclusively meant for use by the Federation Government, had been reproduced for commercial purposes. For instance, the first day covers produced in conjunction with the special issue of stamps for the First Anniversary of Merdeka showed in some cases the likeness of His Majesty together with the Communist emblem of the Dove of Peace. Again, there had been instances where pictorial representations of Their Majesties were printed on Hari Raya cards. It has not been possible to prevent these undesirable practices in the past because of the absence of any legislation to prevent emblems and photographs of Their Majesties the Yang di-Pertuan Agong and the Raja

Permaisuri Agong from being reproduced. Now, although for the present the provisions in the Bill relate to names and emblems contained in the Schedule to the Bill, there is provision under Clause 7 of the Bill for alteration and additions to be made if the need arises.

Sir, I beg to move.

The Minister of Finance (Enche' Tan Siew Sin): Sir, I beg to second the motion.

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 7 inclusive 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 SUPPLEMENTARY SUPPLY (1962 AND 1963) (No. 2) 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 sums out of the Consolidated Fund for additional expenditure for the service of the years 1962 and 1963 and to appropriate such sums for certain purpose” be read a second time.

This Bill seeks authority in regard to two separate sets of Supplementary Estimates, one for the year 1962 and one for 1963. A fourth supplement is required for 1962 while a second supplement is now required for 1963.

Clause 2 of the Bill seeks authority for additional expenditure of \$1,412,649 for the service of the year 1962, and this is itemised in the First Schedule of the Bill and also in the Supply Expenditure section of the Fourth Supplementary Estimates 1962 which is tabled as Command Paper No. 12 of 1963.

The original estimates approved by Parliament for 1962 amounted to \$1,039,000,000. Taking both the “supply” and “charged” expenditure into consideration, total estimated expenditure, including the three previous supplements and the present supplement which the House is now requested to approve, would amount to \$1,134,138,651. The actual total expenditure for 1962, however, amounted to \$1,072,450,000. Hence, not all the additional money of about \$95 million provided by way of supplementary provision has been expended. Actual expenditure, in fact, exceeded the original estimates by about \$33 million only.

Clause 3 of the Bill seeks authority to incur additional expenditure of \$80,858,555 in respect of the year 1963 as itemised in the Second Schedule of the Bill and also in the Second Supplementary Estimates, 1963, which are laid before the House as Command Paper No. 14 of 1963. The second document also discloses that a sum of \$6,035,022 consisting of “charged” expenditure is required, so that the total expenditure covered by the Second Supplementary Estimates, 1963, is really \$86,893,557. A sum of \$12,775,282 has already been provided from the Contingencies Fund to meet that urgent portion of the expenditure which now

requires to be recouped. In regard to supply expenditure, the biggest item is \$75,172,733 in respect of Head S. 15, Ministry of Defence, to meet expenditure resulting from the expansion of the Armed Forces. The House is aware that the rapid expansion of the Armed Forces has been forced on us by the tension which now exists. The next two fairly large items are \$1,221,436 required for Head S. 27—Broadcasting, to establish the Overseas Broadcast Service and \$1,551,413 for Head S. 29—Ministry of the Interior, to provide part of the funds for acquiring a piece of land adjacent to the Chin Woo Stadium for a public purpose.

As the details regarding the additional sums required are given in the Treasury memoranda on the two sets of estimates which have been tabled, it is not necessary for me to elaborate further on the other and smaller items. The Ministers concerned will no doubt explain their own items in greater detail during the Committee stage.

Sir, I beg to move.

Tun Haji Abdul Razak: Sir, I beg to second the motion.

Enche' Tan Phock Kin (Tanjong): Mr Speaker, Sir, in the course of introducing this Bill, the Honourable the Minister of Finance took great pains to explain to us the necessity of additional expenditure due to quite a number of circumstances. The biggest increase, however, it would be noted, is in regard to defence, and the Minister has taken great pains to explain to this House that this is necessary in view of the growing tension with our neighbours. However, Sir, we must appreciate whether this is a matter due to misunderstanding on our part, or that it is due to aggressiveness on the part of our neighbours. It has been pointed out in this House, during the course of the debate, that our neighbours are not entirely to be blamed and that as far as the Government is concerned, it has been at fault on a quite a number of occasions. In the course of the debate also, on the question of loan which we are seeking from the

British Government, I have pointed out that the British Government is unable to accommodate us to the full extent asked for by the Honourable Minister of Finance. What is of importance is that it has been pointed to us that even if we cannot get the requisite amount of money for our own defences, we need not worry should an emergency arise, because the British Government will be quite prepared, according to her treaty arrangements with us, to send forces to assist us. On this particular score, we must appreciate the fact that getting assistance is merely one thing but that creating fear on the part of our neighbours is another matter of importance. As the Government is quite aware, we in the Federation of Malaya can hardly afford to spend our money on armed forces; we won't have enough money even to enable our Five-Year Plan to be carried out, which is a very modest one and which, as pointed out by the Member for Kuala Langat, will only result in giving us a lower standard of living. Even that we find it difficult to sustain. On top of that, if we are going to spend large sums of money on our defences, it will make things even more difficult. However, I must point out that one of the things which we must remove is the fear on the part of our neighbours. Similarly, we say that we must have a strong defence force, because we fear our neighbours. So, on both sides it is that fear—we fear that they may attack us and they fear that we may attack them. So the solution to this lies in removing this fear, and I hope that in the course of the meeting of the Honourable Prime Minister and the President of the Republic of Indonesia, we can find a solution in removing this fear, so that both parties need not spend unnecessary money on having defence forces of this nature. As I pointed out, one of the most crucial points that brings distrust on the part of our neighbours is the fact that foreign troops will be stationed in Malaysia, obviously with foreign commanders. With troops of this nature present on the borders of Indonesia, surely we cannot expect the Indonesians not to be perturbed, and it is my sincere hope that a solution

can be found so that the resources of our country can be utilised more beneficially towards improving the living standards of our people.

As pointed out by the Honourable Minister of Finance, supplementary budgets are necessary because we could not envisage certain expenditure being incurred at the time when we were preparing our budget. But I must point out, Sir, that sometimes supplementary budgets are necessary because of Government extravagance, because of unnecessary spending on things that are by no means essential; and it may sometimes be due to the inefficiency of the Government in being unable to carry out certain projects with the personnel and with the funds allotted. On this I would like to refer to a few things which I think are relevant and which would give substance to my allegation.

Firstly, Sir, for the first time in the history of this Government, or perhaps it is unprecedented anywhere else for a Government to have no less than three Ministers without Portfolios; in other words, we are paying ministerial salaries to people who are not doing their work. It may be pointed out that Ministers without Portfolios may assist the present Ministers to carry out their duties, and they may have to do specialised work. But up to date we do not know what specialised work such Ministers without Portfolios are doing. We have one in Australia and, as far as I can see, he is so busy with his work as High Commissioner that I don't think that he has time for anything else, or perhaps his health does not permit him to do anything else. But there is another important issue: should portfolios be created as a sort of pension to Ministers who are not of good health? We are expending public funds. If we employ a Division I officer, or for that matter we employ anybody in the Government Service, the first concern of the Government is to have that person medically examined to see that he is fit; and if in the course of duty that person were to ask for leave now and again, he will then have to be sent to be examined again to see whether he is fit, and if he is

not fit, he will be medically boarded out. So, why should not the same criteria, if that criteria can be applied to Government servants, be applied to the Ministers since, after all, Ministers also derive money from the Crown? Furthermore, we have a Minister in America and another Minister without Portfolio here. It must be pointed out here, Sir, that the present Ministers are well known for their ability to handle many portfolios besides their own. The efficiency in handling them is well-known to the people of this country. How they handled the Health Ministry in dual capacity as Assistant Minister of Commerce and Industry as well as the Acting Minister of Health is well-known to us all. Similarly we have also seen similar activities of Ministers in other capacities. So I ask, Sir, whether all this is necessary. If the Ministers are in a position to handle all these jobs, then why is it necessary to have Ministers without Portfolios? It is understandable if you have one, but to have three is a matter which the Government must explain.

Secondly, I would like to speak on the question of unnecessary expenditure because of the fact that the Government is inefficient, and I give this not as a statement from me as a member of the Opposition—it is from a statement of one who is in the Government, who is a Minister. We read in the newspapers that when the former Minister of the Interior returned back in his capacity as High Commissioner, he mentioned the fact that he had to come back to get more staff. He had written so many letters to the Government but had received no reply, so much so that it was necessary for him in spite of his ill-health to rush home to Malaya to see the Government in person so as to get the necessary staff. So, Sir, here we have an example of unnecessary expenditure in air passage for the Minister. Here we have an example of inefficiency on the part of the Government, and it was uttered by none other a Minister without Portfolio himself. Had the Government been more efficient, had it attended to whatever queries that were being raised by the High Commis-

sioner in Australia, it would not have been necessary for him to return to Malaya, incurring all the unnecessary expenditure. This, Sir, is an example, and I say a very glaring example, of inefficiency on the part of the Government which incurred a waste of public money.

Thirdly, Sir, I come to a thing which is well known to the people of this country and that is the craze of the Alliance Government for prestige. This is demonstrated by the desire to travel in big American cars and the craze for such things. I think it is a fallacy and it is well known that the Government appears to think that one's prestige is judged by the car one travels in. If today our financial position is such that we do not have to go abroad begging for assistance, if our financial resources are such that we are so rich that we can even lend to people abroad, then I would not have raised any objection to expenditure of this nature. But since it has been admitted by none other than the Minister of Finance that the coming years will be difficult years as far as our financial position is concerned, I think it is mere extravagance and mere irresponsibility on the part of the Government to incur expenditure for things of such nature. The Minister will, of course, point out that this is a very small item as compared with the total size of our budget, but I must say that savings in little things here and there will amount to quite a great deal, and one would expect that the Minister of Finance would be more prudent in such matters. However, Sir, it appears to us that he is not. He is only concerned with savings that will deprive the ra'ayat of this country of having a better life, whereas he is not concerned in having savings here and there which will give Ministers a more extravagant way of living. This can be seen throughout the supplementary budget not only produced in this House today but time and again, and it is my earnest hope that the Government will give very serious consideration to all these things. All these things mentioned by me can be remedied, but, however, the Government for some reason or other is reluctant to do so.

Enche' S. P. Seenivasagam (Menglembu): Mr Speaker, Sir, if a large sum of money had been asked for for the purpose of defence against possible invasion by Indonesia—and there is no reason why we should try to conceal who our potential enemies are, if money was asked for that purpose and if it was declared that invasion by Indonesia was imminent, then we would strongly support expenditure not only of \$75 million but much more than that. But it seems to me and it seems to most people, not in the Alliance, that this sum of money is asked for, not because of facing a threat from Indonesia, but because the Government needs to expand its armed forces to keep in subjugation the peoples of Singapore and the Borneo territories, who are going to be forced into the Federation of Malaysia. It is for that reason I say that this money is asked for ulterior purposes, and not for the purposes which the Government would have us believed. If an attack by Indonesia is imminent, then I would say that this country, this Government, is not in a position to build up sufficient strength within the forthcoming months to meet that invasion. It would have to depend entirely on foreign intervention, on intervention by the United States, by the British. Therefore, it is my view that this money is not asked primarily for the purpose of meeting foreign attack but that it is asked for for the purpose of keeping within and under the Government's yoke the people, who are being reluctantly brought into this Federation.

In Command Paper No. 15 of 1963, under Head S. 15, there appears the comment that one of the main projects involved in the present build-up is the 4th Federal Infantry Brigade for the Singapore area. Now, if the people of Singapore are coming in voluntarily, if they are going to be happy, if they are overjoyed at coming in, what is the need to prepare for the military occupation of the island of Singapore? Is that not sufficient evidence that this Government is terrified at the prospect of what is going to happen in Singapore? It is now negotiating with

somebody who has no more moral right to speak for the people of Singapore. It is trying to bring Singapore into the Federation as a result of a referendum based on a document which was left deliberately vague—Senator T. H. Tan had said that Lee Kuan Yew had asked the Federation to leave it vague, and presumably the Federation agreed to hoodwink the people of Singapore by leaving certain things vague.

Now, surely even at this late stage the Honourable the Prime Minister should let his conscience guide him. We are talking of people coming in voluntarily. Take the case of Brunei. Who are the people who represent the people of Brunei? Are they not the elected representatives, those who were elected at an election? All those people have opposed the entry of Brunei into the Federation and they are all under lock and key. And who purports now to speak for the people of Brunei—and without shame? We hear the Head of the State saying that the people of Brunei are coming voluntarily into this Federation. How could he say such a thing and profess to be a democrat?

I would now like to refer briefly to Command Paper No. 15 of 1963, Head S. 29, Ministry of the Interior, item 24, Expenses of Advisory Board. A sum of money is asked for to meet the payment of allowances and transport and travelling expenses of the Chairman of the Advisory Board. Now, I have pointed out before that this whole system of Advisory Board is a complete farce, that it is a denial of justice, that an accused person is not allowed to be present and his counsel is not allowed to be present when the Government presents its case. Where in the world other than in a dictatorship could you find that? A man is tried and enquired into in his absence; his lawyer has got to wait in another building; the detainee has got to wait in another building; the President of the Board or Chairman of the Board listens to what the Police has to say, listens to the secret witnesses produced by the Police and when all of them are sent back, then suddenly a 'phone call comes to the lawyer saying, "The

way is now clear. You can come with your client". That is a perfect disgrace to the administration of justice. I have raised that matter in this House before and we have had no denial of that. If that is going on, then I say, "Scrap this whole Advisory Board system. Lock up people as you like and tell them you will release them when you want to release them". There is no use of this farce.

Enche' Zulkiflee bin Muhammad

(Bachok): Tuan Yang di-Pertua, dalam Second Supplementary Estimates, 1963, yang di-kemukakan pada hari ini satu daripada perbelanjaan yang besar ialah untuk belanja pertahanan Persekutuan Tanah Melayu dengan tambahan \$75.1 juta. Saya tentu-lah memandang bahawa soal pertahanan ini ada-lah satu soal yang mustahak bagi sa-buah negara Persekutuan Tanah Melayu dan kita bersetuju supaya diperbesarkan pertahanan Persekutuan Tanah Melayu kita sekarang, chuma saya memandang bahawa jangan-lah hendak-nya Persekutuan Tanah Melayu ini terpaksa memikul beban perbelanjaan pertahanan sa-mata² kerana rancangan Malaysia sebab Kerajaan Persekutuan Tanah Melayu telah dapat mengechilkan belanja pertahanan-nya bukan kerana tentera, tetapi memandang yang perkara itu ada-lah lebeh besar dahulu sa-kira-nya dia berdiri sendiri, dan sekarang ini nyata bahawa pertahanan ini di-perbesarkan dengan tujuan hendak mempertahankan negeri ini, bukan sa-bagai Persekutuan Tanah Melayu sahaja tetapi juga sa-bagai Kerajaan Malaysia.

Tuan Yang di-Pertua, kita meluluskan perbelanjaan yang bagini besar dalam Parlimen Persekutuan Tanah Melayu yang kewangan-nya ada-lah berkehendakkan penjimatan, kalau di-jaga dan di-perhatikan perbelanjaan-nya. Oleh sebab yang demikian, saya ingin mengetahui daripada Kerajaan bagaimana-kah proportion atau pembahagian tanggungan belanja di-antara Kerajaan² yang lain yang ingin masok diri mereka dalam Malaysia bagi memikul belanja pertahanan. Sa-kira-nya mereka itu tidak sanggup memberi tanggong-jawab dan memberi sumbangan kewangan kepada perta-

hanan yang bagini besar, maka nyata-lah Kerajaan Persekutuan Tanah Melayu telah di-paksa bagi memikul satu perbelanjaan yang tidak mesti di-pikul-nya sendiri. Hal ini akan bertambah rumit apabila kita lihat kepichekan yang telah di-tunjukkan oleh Kerajaan yang hendak berchampur dengan Kerajaan Persekutuan Tanah Melayu dan saya sebutkan dengan khas-nya bahawa Kerajaan Singapura yang di-dalam soal kewangan ini ada-lah sentiasa menunjukkan belang-nya kapada kita bahawa mereka itu hendak mencherdekkkan diri dalam soal ini. Tuan Yang di-Pertua, sama ada soal pertahanan negeri ini dapat benar² merupakan pertahanan yang boleh dan berkesan bagi menentang musuh² dari luar ada-lah satu perkara yang tidak dapat di-tentukan oleh hanya perbelanjaan sa-banyak \$75 juta atau lebeh, tetapi yang mustahak ia-lah bahawa tentera² dalam negeri ini hendak-lah di-beri kapada orang² yang benar² sanggup memikul tanggong-jawab bagi mempertahankan negeri ini. Saya sebutkan demikian, Tuan Yang di-Pertua, sebab saya perhatikan pada masa² yang akhir² ini dalam soal ketenteraan ini telah di-longgarkan kapada orang² yang baharu sahaja mendapat kera'ayatan-nya dalam negeri ini. Oleh sebab itu, pada pendapat saya hendak-lah menjadi dasar Kerajaan bahawa pertahanan negeri ini hendak-lah di-beri kapada orang² yang sudah mendapat kera'ayatan-nya betul² ia-itu dengan tidak di-shak lagi sedikit pun kapada negeri ini. Sa-mata² berpegang kapada quota yang di-buat baharu² ini ia-itu tujuh puluh peratus di-beri kapada orang² Melayu dan tiga puluh peratus di-beri kapada orang² yang bukan Melayu dengan sa-mata² kerana hendak mengadakan racial balance dalam tentera tidak-lah chukup. Soal ini bukan balance atau perembangan di-dalam bilangan anggota² dan bilangan orang ramai di-negeri ini, tetapi hendak-lah di-adakan satu balance yang timbul dalam kesanggupan mereka mempertahankan negeri ini dengan jiwa yang penoh semangat.

Tuan Yang di-Pertua, musuh kita yang ada di-hadapan kita bukan-lah sa-mata² senjata, tetapi fahaman² yang

akan menyeludup dengan ada-nya orang² yang belum chukup keta'atan mereka itu di-benarkan dalam ketenteraan Persekutuan Tanah Melayu ini.

Satu daripada perbelanjaan yang telah di-minta dalam Dewan ini ia-lah perbelanjaan kepada Royal Federation of Malaya Police. Perbelanjaan yang di-kehendaki ini ada-lah tambahan kepada perbelanjaan² yang tertentu di-dalam polis. Tetapi, Tuan Yang di-Pertua, di-dalam Dewan ini kelmarin telah di-sebutkan oleh Yang Berhormat dari Pasir Mas Hulu bahawa Pasokan Polis ini hendak-lah di-beri pertimbangan yang sa-wajar-nya bagi membolehkan mereka itu memikul bebanan mereka yang lebeh besar seperti yang kita ketahui pada masa ini. Saya maseh merasa bahawa Kerajaan ini tidak chukup menimbangkan dan memberi layanan kepada anggota polis yang berjawatan rendah. Oleh sebab yang demikian, hal ini hendak-lah di-jadikan dasar bahawa siapa sahaja yang memikul kewajiban menjaga ketenteraman, keamanan dan pertahanan negeri ini hendak-lah di-beri layanan yang chukup supaya jangan ada rasa tidak puas hati di-kalangan mereka itu. Tidak-lah chukup Yang Berhormat Menteri Dalam Negeri bangun mengatakan seperti yang pernah di-katakan oleh Yang Berhormat Timbalan Perdana Menteri pada satu masa dahulu ia-itu tidak ada rungutan dan tidak ada rasa tidak puas hati di-kalangan mereka itu, sebab saya mengetahui bahawa perasaan itu ada, dan perkara ini tidak-lah boleh di-ketepikan dengan jawapan² itu. Oleh sebab itu hendak-lah Kerajaan Persekutuan Tanah Melayu menimbangkan dengan halus kedudukan mereka ini di-dalam keadaan kita berhajat kepada mengkokohkan pertahanan kita dalam negeri ini dan terhadap serangan dari luar.

Enche' Chin See Yin (Seremban Timor): Mr Speaker, Sir, on this Bill asking for a supplementary sum of money, just because of Malaysia, I think we are being a little extravagant to shoulder the entire responsibility on the question of defence by ourselves. I think the Government is asking a little too much. The Federation of

Malaya was once a very happy land, full of honey and sunshine, and our expenditure on defence and internal security is a matter of recurrent expenses. However, today, as a result of the formation of Malaysia, we have taken upon ourselves the defence of Malaysia which includes Singapore and the Borneo territories.

Sir, the formation of Malaysia, to my mind—I may be wrong—was the result of a whisper by somebody to the Prime Minister saying, "Look here, it is a very good thing if you will form Malaysia." I think this Malaysia is formed by somebody who was once interested in big business in India known as the East India Company. I think the formation of Malaysia will be done by a group of traders who are now forming the East Malaysia Company. If it is to the benefit of those traders, then the British Government should shoulder the defence of Malaysia.

According to a newspaper report, the Honourable the Minister of Finance, and the Honourable the Minister of Defence, have been to Britain to ask the British Government for \$200,000,000 to help in the defence, or a greater part of it. It was a matter of regret that they had not obtained that assistance. Naturally, Britain cannot give us financial help because she herself has to borrow money from the British bankers—and these British bankers are, in fact, well-known British traders. As I see it, there is a link between the East India Company and the East Malaysia Company which will soon be formed; though they may be different in names, they are from that group. It is important, therefore, that the British Government or the British people should be responsible for that sum of money.

Now, Sir, if you look at the Schedule, you will see that a lot of money will be required for the purchase of aircraft for the Air Force, vehicles for the Army, and ships for the Navy. We are small little island, dotted all over this part of the world, where the British Navy can come, and if they

have no time to do so, they can send a few ships to us rather than asking us to buy them. There is no reason for it. Afterall, they have the responsibility to look after the Borneo territories. But now that little whisper has gone into the ears of our Leader and we have to take over the responsibility, and surely they should not expect us to spend such a large sum of money. That large sum of money which we propose to spend could well be spent on education and development in this country. As I have just said, before Malaysia we are quite happy and devoting what little income we have got for education and development. Now it appears that everybody's pocket will be dug into for a little more money and, perhaps, in next year's budget we will see that taxes will be increased, and increased by a large amount. And who will be taxed? Those people in the lower income group—and they are the people who will suffer most—not the rich. The rich can afford it but not the poor. Now, Sir, is it worth it to spend a large sum of money in respect of the new nation called Malaysia, when the citizens in this country cannot go to the Borneo territories to trade or to seek employment? They can only go there with the authority of the Immigration Authority of the Borneo Government. Yet the Malayan people are told, "Look, if you do not give this money, there will be no happy Malaysia". Is it, in fact, a happy Malaysia, when we have got to tighten our belts just for the development of the Borneo territories to benefit the Borneo people? I am not trying to be selfish. I am trying to ask for a fair deal for the people whom we represent and who elected us to this Parliament.

Again, Sir, on the question of Malaysia, fear and suspicion have already existed. In one way it is right before us. Take the State of Singapore and the three territories of Borneo. In Singapore you have a population of approximately 1.7 million and you have allotted them only 15 seats, whereas in the case of the Borneo territories, with a population of 1.2 million people, you have given them approximately

48 seats. Where is the fairness? From that alone fear and suspicion are no doubt created in the minds of the people—and then the people in Borneo and the people in Singapore will say, "How funny this is. We are now in one territory, or in one Government called the Malaysian Government, and yet the defence of our States is now left in the hands of the Federation people. What are they up to? Are we partners, or are we their equals". Sir, this sort of thing does not make it right. We should be fair. First the British Government should be made to pay a greater sum. If there is a need to have more ships for our Navy, let the British Government give us a few. If we need more aircraft for defence, let us ask the British Government to give them to us. Afterall, who will benefit? The people who are known as the East Malaysia Company, etc., etc. (*Laughter*).

Sir, if that is the position, then I say that we are very extravagant in spending this money, which we can make use of for a better purpose to the benefit of the people of this country. Another point which I would like to raise is this—is there really an external threat? If there is, then let us spend not only \$200 million, but let us spend more than \$200 million for defence, if there is the need. But if there is no threat, what is the necessity for wasting this good money—money that can be well spent for education, for building more schools, and for developing more land?

When we come to the Committee Stage of the Bill, I will speak further regarding the purchase of vehicles. Thank you.

Enche' V. Veerappen (Seberang Selatan): Mr Speaker, Sir, I am very much surprised indeed at the provision in the Supplementary Supply Bill for the Rentals of Flats and Quarters for Federal Reserve Units in Singapore. I am indeed surprised what the functions of these Reserve Police are. But, anyway, we have read from the papers that our Reserve Units were used in Brunei, and that matter was argued here in this House, and I

thought that Singapore was just a jumping off ground. Now it appears in Singapore. If it is so, I am afraid that the Reserve Unit is to be stationed we have assumed responsibility for the policing of the State of Singapore. If that is so, is the Government trying to show us that the Government of Singapore is incapable of looking after its own internal security or its own Police matters. Besides, we only know that this Government has a representative on the Singapore Internal Security Council, and I think he is the Chairman. But does that give us the need to do the Police work for the Government of Singapore? I am sure this is not so, and I would like the Minister to explain to us how this can be done and the need for this. Besides, it appears, as also in the case of the Borneo territories, that before Malaysia is established, before we have even taken responsibility for these territories, we have already assumed . .

Dato' Dr Ismail: Sir, on a point of order—S.O. 37 (1). The Honourable Member is bringing a specific matter in the general debate on this Bill. I thought he could introduce this subject when we come to the Committee Stage. I am surprised that he is allowed to go on!

Mr Speaker: I have already been watching about this very carefully. The Honourable Member is saying something on the policy. That is why I have allowed him to speak—he is allowed to speak on the policy of any service, for which provision is made in this Bill.

Enche' V. Veerappen: I was speaking on the policy, Sir. (*Laughter*) As I have been saying just before I was interrupted, I am indeed surprised over the policy (*Laughter*) of the Minister. Actually, if Honourable Members will remember, I was going to say that we have already assumed responsibility for those areas before even Malaysia is established, before even the Agreement is signed. This is just like, what we call, having “pre-marital relationship”. (*Laughter*). I am also surprised as to the policy over the use of the Reserve Unit, because the Reserve

Unit appears to me to be the pressure group, “bully-boys”, of the Alliance Government. (*Laughter*). You would have noticed, Mr Speaker, Sir, the way the answer was given by the Minister of Internal Security to the question that I raised previously in regard to the use of the Reserve Unit in arresting indiscriminately people in Nibong Tebal. The Minister has spoiled the fair name of Nibong Tebal and has tried to justify the use of the Reserve Unit saying that the increase in crime

Mr Speaker: Order! Order! You should have made your statement during the debate on His Majesty's Speech and not now. You should not bring that up again.

Enche' V. Veerappen: As I was talking on the policy, I wanted to give just an example to show that the Reserve Unit was used as a pressure group.

Mr Speaker: I can allow you an example only!

Enche' V. Veerappen: That is only an example, Sir. (*Laughter*). As I was saying, the Reserve Unit was used indiscriminately, and the Minister tried to justify the use of the Reserve Unit by saying that there was an increase in crime. But this increase in crime was directly due to the misguided policy of the Government, in that suspected and would-be criminals are brought from all over Malaya and put into Nibong Tebal. (*Laughter*). I hope he will give the figures to show how many banishees have been sent to Nibong Tebal and such figure would show whether Nibong Tebal is a dirty place or not and whether his action was justified or not.

Enche' Chan Yoon Onn (Kampar): Mr Speaker, Sir, I wish to say something, while speaking on this Supplementary Bill, in regard to the defence expenditure which, I think, is unnecessary if the Government were to take the middle course. Increasing the defence forces means that we have to use plenty of man-power, machineries, not only to take care of our country but

also of places around Malaysia. I only suggest that if the Government would have known about this since after obtaining independence, Merdeka, it could have taken the middle course. I think all human beings will agree with me that the middle course is neutrality. If neutrality is declared, the next day our country will be saved of all expenses and there will be a time—I do not know when—when our country will not have to be in a doomsday, so that Malaya will enjoy for ever good prospects and friendly relations with whatever people or whatever countries we are in association with. That is all I wish to say.

Enche' Ahmad bin Arshad (Muar Utara): Tuan Yang di-Pertua, saya ada-lah menyokong atas Rang Undang² yang telah di-bachakan oleh Yang Berhormat Menteri Kewangan tadi, tetapi saya chuma hendak menyentuh kepada peruntukan tambahan wang kerana pertahanan. Dalam hal ini, gemar saya mengucapkan tahniah serta mengalu²kan perkembalian Pasokan Khas Ashkar² kita dari Congo. Dengan pemergian, atau menjaga keamanan di-Congo di-bawah panji² Bangsa² Bersatu dapat mengharumkan Kerajaan Persekutuan. Sa-lain daripada itu, gemar saya mengucapkan tahniah kepada Yang Berhormat Menteri Pertahanan, kerana dengan chekap dan lichin-nya pentadbiran beliau bagi menghadapi dan mengatasi confrontasi yang di-buat oleh Kerajaan Indonesia itu dan dengan dapat segera membeli kapal² perunda di-lautan kawasan kita. Sa-lain daripada itu, saya gemar menarek perhatian Kementerian Pertahanan ini supaya menyelideki dan mengambil langkah yang tegas atas satu kejadian yang berlaku di-Johor Bahru di-khemah pertahanan ashkar kita di-batu 4 yang telah di-serang oleh kumpulan yang tidak bertanggung-jawab yang mana menyebabkan salah sa-orang ashkar private kita telah mendapat chedera dengan serangan itu. Jadi, saya harap-lah kejadian ini satu kejadian yang luar biasa, dan kita harap pada masa akan datang perkara yang sa-umpama ini tidak akan berlaku lagi pada ashkar kita dengan keadaan yang sa-demikian itu.

Tun Haji Abdul Razak: Mr Speaker, Sir, I am indeed very surprised that members of the Opposition should have objected to the supplementary provision for defence. At the last Budget meeting a number of Opposition members asked that our expenditure on defence should be increased, and they included the Honourable Member for Setapak, the leader of the Socialist Front. Now today we heard from the Member for Tanjong that he was against all this expenditure for defence, against the expansion of our armed forces. This, Sir, to my mind, is a clear example of the confusion of thought that always pervade the Socialist Front.

Sir, I have made it clear to this House on a number of occasions that it has always been the policy of the Alliance Government as far as possible to maintain the level of our defence expenditure low, compatible with the dignity and the security of our country. During the past 5½ years we have been able to maintain our defence expenditure at the level of 8 per cent of our total budget, and there are very, very few countries in the world indeed which are in the happy position as we are today. But, unfortunately, we have now, as a result of Malaysia, a much bigger area to cover and a much longer coastline to protect; and we have, therefore, to expand our defence forces to look after this area. I have also stated in this House that this proposal for the expansion of our defence forces is largely for the support of the internal security and support for the maintenance of law and order of our country. I would like the Honourable Members of the Opposition to understand that as an independent country we must be in a position to defend our sovereignty and our independence and we must have a certain number of defence forces for the maintenance of peace and order, and for the defence of our sovereignty and our independence. We cannot depend on any country to look after our own interests, particularly for our own internal security. That is why we have to have a certain number of defence forces, a number of regiments for

the armed forces, ships for our navy and also aircraft for our air force.

The Honourable Member for Tanjong said that by expanding our armed forces we create fear in the minds of our neighbours. As I said, we only want to maintain sufficient forces for the close defence of our territory. We have no aggressive intention. We have always said so. As a small country, our only wish is to live in peace with our neighbours, to be on the best friendly terms with our neighbours. But if our sovereignty and our independence are challenged, then we must take all possible measures to defend our country and our sovereignty. Honourable Members are fully aware that Indonesia has adopted this attitude of confrontation towards us—Indonesia has said that we are a security threat to Indonesia. We must take this attitude of Indonesia seriously, if we value our independence and value our sovereignty. Therefore, Sir, as the Minister of Defence responsible for the defence of this country, it is my duty to recommend to this House and to this country that we must have sufficient defence forces to defend our country in any eventuality. One Honourable Member spoke of neutrality. I do not know what he means by neutrality. Whatever policy we adopt externally, we must still have enough defence forces, firstly, to maintain law and order in our country, and secondly, to look after the close defence of our country. As a small nation, obviously we cannot hope to have sufficient forces to defend ourselves from external threat adequately, and no nation in the world can afford to do that except perhaps the United States and Soviet Russia. But as I said, as an independent nation, we must have enough defence forces for the maintenance of law and order in our country and for the protection of our coastline. This is the price which we must pay for independence and if we are not prepared for this, then we are not fit to be an independent nation. That I think, Sir, I must make clear to this House. The supplementary provisions that I am asking the House to approve are merely to expand our armed forces

for the bare necessity of assisting the Police in the maintenance of law and order and for the protection of our coastline. We have our Defence Treaty with the United Kingdom Government and in the event of an external situation, obviously the United Kingdom will come to our assistance. But we cannot ask the United Kingdom to patrol our territorial waters or to put down any rebellion that may take place in our country. These are all eventualities which we must be prepared for and as a responsible Government the Alliance Government must do all this and must maintain sufficient defence forces as well as Police forces for the internal security and for the maintenance of law and order. As I have said again, Sir, I would like to repeat, that we have no aggressive intentions. We, as a small nation, merely want to live in peace and on the best friendly terms with all countries, but if our sovereignty is threatened, then we shall take all measures to defend our country at whatever cost, and I think this is the right policy and this is the policy that the Alliance Government intends to follow.

Ahli Yang Berhormat dari Bachok ada berkata bahawa tidak patut-lah kita menanggung perbelanjaan pertahanan bagi negeri² yang akan masuk ka-dalam Malaysia. Jadi menurut perjanjian yang kita telah buat dengan Kerajaan British, dan juga dengan dua buah negeri yang kita telah putuskan dalam rundingan itu ia-itu Sabah dan Serawak soal pertahanan ia-lah soal kuasa Kerajaan Pusat, begitu juga dengan Singapura dan Brunei. Jadi dengan sebab itu-lah tanggung-jawab Kerajaan Pusat mengadakan tentera² untuk mempertahankan negara² ini.

Berkenaan dengan Sabah dan Serawak, kedua² negara itu akan masuk menjadi negara² Persekutuan dan kuasa hal² kewangan-nya ada-lah di-tangan Kerajaan Pusat, dan Kerajaan Pusat akan menentukan berapa banyak chukai² yang patut di-kenakan kepada penduduk² di-negara² itu seperti juga negara² yang lain di-Persekutuan Tanah Melayu. Berkenaan dengan Brunei dan Singapura belum-lah

dapat putusan lagi atas hal ini, tetapi nyata-lah bahawa Singapura dan juga Brunei patut-lah sa-bagai dua negara yang mempunyai wang sedikit sebanyak patut-lah memberi bantuan lebih sedikit kepada Kerajaan Pusat bagi belanja pertahanan negara. Oleh sebab perkara² ini maseh lagi belum putus maka tidak dapat-lah saya hendak sebutkan di-sini.

Sir, the Honourable Member for Tanjong also mentioned about the three Ministers without Portfolio in the Government, in that it is unnecessary for the Government to have so many Ministers without Portfolio. Sir, I think the Honourable Member for Tanjong needs some lessons on Parliamentary government, on the cabinet system of government. Obviously, in a cabinet system of government, it is necessary to have a number of Ministers—some holding portfolio, some holding more than one portfolio, and others without portfolio. Now, Sir, two of these Ministers are now holding appointments abroad, one as High Commissioner in Australia and the other as Ambassador in Washington. They, therefore, are no extra charge to the Government because they are filling posts which are already in the Estimates. Then, there is the other Minister without Portfolio, who is the Leader of our Senate, and this Minister from time to time is given duties by the Prime Minister in addition to his duty as the Leader of the Government in the Senate.

Further, Sir, the Honourable Member for Tanjong queried the return of our High Commissioner from Australia. It is our practice, and it is the practice in countries, which have ambassadors abroad or representatives abroad, for these representatives to return to the country from time to time for consultation. Our High Commissioner for Australia returned for the purpose of consultation with us on a number of matters, and his return was with the approval of the Government; and, naturally, on his return here he discussed with the Government a number of matters including, of course, staffing and other things. It is the practice, and in some countries I know

that they do have regular meetings of ambassadors from abroad with the officials, with the Ministers, in their respective country, so that the representatives from abroad are made to know the policies of the government, are briefed on what the latest government policies are; and I think it is necessary that this should be done. It is not only the High Commissioner for Australia but also other High Commissioners and Ambassadors will have to return to Malaya from time to time for consultation.

The Honourable Member for Tanjong referred to big American cars, and obviously he must be referring to the car to be purchased for the Prime Minister. The car to be purchased for the Prime Minister is of the same type as the present car that he now has, and it is necessary for the Prime Minister, as Leader of the Government, to have a car compatible with his dignity and his position, and the car that the Prime Minister is now having is, to my view, very modest indeed for a Prime Minister.

I think, Sir, that is all the various matters on Defence that Members of the Opposition brought up and I shall, of course, be speaking further when I introduce the various items on Defence in the committee stage.

The Minister of Internal Security (Dato' Dr Ismail): Mr Speaker, Sir, the Member for Menglembu chose to bring the principles of the Internal Security Act, of which the Advisory Board is a part, in the course of his intervention in the debate. Sir, I do not propose to debate this subject with him, but we all know the stand of the Government and the stand of his Party on this question of the Internal Security Act. I think we must agree to disagree on this subject.

He next referred to the proceedings of the Advisory Board as farcical, but in the next breath he complained of the inconvenience caused to the counsel who would like to appear before the Advisory Board. Now, evidently not all members of the learned profession consider the proceedings of

the Advisory Board as farcical, otherwise they would not appear before the Board. Now, Sir, if there are inconveniences caused to the members of the learned profession, if specific instances are brought to the attention of the Chairman of the Board, who himself is a former Judge and a member of the learned profession, I am sure he would not cause unnecessary inconvenience to any learned member appearing before the Advisory Board.

Enche' S. P. Seenivasagam: Mr Speaker, Sir, on a point of clarification I am afraid the Honourable Minister has got me completely wrong. It is not a question of inconvenience, it is a question of prohibiting counsel to be present when the Police give their evidence, prohibiting counsel and the detainee to be present.

Dato' Dr Ismail: Well, Sir, the procedure of the Advisory Board is determined by the Chairman of the Advisory Board and it is far for me to dictate to the Chairman of the Advisory Board how proceedings of the Advisory Board should be done, because he is a Judge he should know how to conduct the proceedings of an Advisory Board.

Now, Sir, allegations of a general nature, couched in whatever language in this House, do not amuse me at all.

Question put, and agreed to.

Bill accordingly read a second time.

House immediately resolved itself into Committee of Supply.

(Mr Speaker in the Chair)

FIRST SCHEDULE

Head S. 19—

Enche' Tan Siew Sin: Mr Chairman, Sir, there are four Sub-heads under this Head, and I shall deal with them one by one.

An additional sum of \$511,000 is required for Sub-head 10 to meet Crown Agents' expenses, as the amount of \$350,000 provided in the 1962 Estimates has proved insufficient. There are two reasons for this. Firstly, it is due to a change in procedure whereby

the charging of the 1/10 of 1 per cent commission on investments which previous to July, 1961, was charged to the investment accounts, is now charged to this vote. Secondly, there has been an increase of 50 per cent in the Crown Agents' Departmental Charges since September, 1962.

As for Sub-head 14—Expenses of Exchange, a token sum of \$10 was shown in the 1962 Estimates under this Sub-head as it was difficult to forecast the net effect of the variations in the rates of exchange arising from transactions between the Federation and foreign countries from time to time. It has now been confirmed that for the year 1962, there was a net loss of \$162,648 on account of such transactions.

With regard to Sub-head 26—Repayment of Previous Year's Revenue, an additional amount of \$39,000 is required for making repayments of sums received in past years which were over-collected or collected in error, and which have now to be refunded to the persons from whom they were collected. It is difficult to estimate in advance the amount of refunds to be made in any particular year. For this reason, the provision made for this purpose in 1962 has been found to be inadequate by the amount now required.

Lastly, an additional amount of \$700,000 is required to supplement Sub-head 31—Cost of Living Allowances on Pensions. There was an increase in the number of pensioners last year and as a result of this the voted provision in the 1962 Estimates was exceeded by the amount required.

Question put, and agreed to.

The sum of \$1,412,649 for Head S. 19 ordered to stand part of the First Schedule.

SECOND SCHEDULE

Head S. 7—

Tun Haji Abdul Razak: Mr Chairman, Sir, I beg to move that expenditure amounting to \$124,610 under Head S. 7 be approved.

Now, Sir, under Sub-head 27A, an amount of \$3,060 is requested as a

contribution towards the Dag Hammarskjöld Memorial Scholarship Fund. The United Nations Correspondents' Association, which is a well-known organisation and of high standing in the United Nations, has established a memorial scholarship fund called the Dag Hammarskjöld Memorial Scholarship Fund in memory of the late Secretary-General of the United Nations.

The object of the Fund is two-fold—to promote a wider knowledge of the United Nations in the profession of journalism and to knit closer ties with countries whose independence and advancement were the objects of Mr Dag Hammarskjöld's labour in the last years of his life. The Fund will establish annual scholarships for one or more young journalists, or students of journalism in countries in Asia, Africa or Latin America. They will report on United Nations operations as part of their studies at the graduate School of Journalism of Columbia University. The Fund is being financed by contributions from individual correspondent of the United Nations Correspondents' Association, from members of the United Nations Secretariat, from publishing houses all over the world, from philanthropic organisations and also from Governments. Therefore, it is considered appropriate for the Federation Government to contribute a small amount towards this Fund.

Now, Sir, I come to Sub-head 42—Renovation and Refurnishing of Istana Tetamu. The House has already been informed that the renovation and refurnishing of Istana Tetamu will be carried out in stages. Therefore, it has not been possible to estimate accurately the cost of this work and hence we have to bring up, from time to time, supplementary provisions to this House. On this occasion an additional sum of \$18,000 is requested.

Sub-head 43, Residency Motor-car—As I have explained, the sum is required for the purchase of a motor-car for the Prime Minister, and it is of the same type as the car that he is now having. Unfortunately, Sir, the

cost of the car has now increased by 40 per cent, and that is why the amount shown here is \$42,800.

Sub-head 48—Contribution towards erection of tomb for His late Majesty the second Yang di-Pertuan Agong—The Selangor Government has constructed a memorial tomb for His late Highness at a cost of \$34,000 and it is proposed that the Federation Government should contribute 50 per cent towards the cost of this tomb—and it is also proposed that a similar contribution be made for the construction of a royal tomb at Sri Menanti for His late Majesty the first Yang di-Pertuan Agong.

Sub-head 49—Renovation and Furnishing of Rumah Persekutuan, Penang—At the last meeting of this House, the House approved a provision of \$46,550 for the renovation and furnishing of Rumah Persekutuan, but as there was no time to carry out the renovation work on this building before the end of the year, only \$2,800 was spent out of the \$46,550 approved. Now, the amount required is therefore a reallocation of the sum already approved by the House to be spent this year.

Enche' Tan Phock Kin: Mr Chairman, Sir, I would like the Honourable the Deputy Prime Minister to enlighten this House as to the necessity of an expenditure for Rumah Persekutuan, Penang, amounting to \$43,750. It is stated here that Rumah Persekutuan, Penang, is for the use of Ministers and State guests during their visits to the Island. As far as State guests are concerned, it will definitely be for official purposes; but as far as Ministers are concerned, I do not see here whether the house is open to Ministers during their official visits to Penang, or even private visits to Penang—I do not see here whether the house can be utilised by them. It will be seen, therefore, that if it is necessary to have a house for such a purpose in Penang, why is it that such a house is not provided in other capitals—Ipoh, Seremban and places like that? It is a fact that whenever Ministers go to on public duty, in such places there are

Rest Houses and they usually stay in the Rest Houses. In Penang the State Government also run some sort of a Rest House, and I see no reason why Ministers cannot make use of such a place in the course of their duty. If Ministers want a better place for State guests, I would like to say that it has always been the practice in Penang that State guests are accommodated in the Residency, I mean by the Governor of Penang; or sometimes they have been put up at the Bel Retiro up in Penang Hill. Therefore, it appears to me that there is very little justification for the provision of this place, and I shall be very grateful if the Honourable Deputy Prime Minister can enlighten this House as to why this is considered essential.

Tun Haji Abdul Razak: Mr Chairman, Sir, I am indeed surprised at the considerable ignorance shown by the Honourable Member for Tanjong of his own place—Penang. In the first place, there is no Rest House in Penang, and I think it is unfair for the Governor of Penang to put up all State guests in the Residency. I think it is not compatible with his dignity as Governor to have everybody staying in his house.

As Honourable Members know, Penang is one of the prettiest spots of the country and State guests, coming to the Federation, normally ask to visit Penang. I think it is in the interests of the Socialist Front, who are looking after Penang Municipality, that they should have all these guests to visit Penang. Naturally, all these guests cannot be accommodated in the Residency, as I said, and it is necessary to have a house, a sort of Guest House, in Penang where State guests as well as Ministers and senior Government servants can stay. In other towns in the Federation, there are Rest Houses where the officers and Ministers can stay during their visits, but not in Penang. I think, it is not convenient sometimes for Ministers and senior Government officers to stay in hotels during the course of carrying out their official duties.

Enche' Tan Phock Kin: Mr Chairman, Sir, if the reasons given by the

Deputy Prime Minister are correct, then I have no hesitation in saying that I am wrong. However, Sir, the statement of the Deputy Prime Minister demonstrates very clearly that he is the person who is very ignorant about Penang, because in Penang the State Government runs a Rest House. But it does not call it a Rest House but it calls it a Chalet. It is well known that any Government officer can get accommodation there and, in fact, applications for accommodation can be made to the Public Works Department, I believe. So anyone who wants to stay there can always send in an application to the State Public Works Department to be accommodated there. In view of this explanation, I hope the Honourable Deputy Prime Minister will reconsider this matter.

Tun Haji Abdul Razak: Sir, I am afraid this Chalet, or whatever it is, is not known to us here. Probably it is a secret place known only to the Honourable Member! (*Laughter*).

Enche' Tan Phock Kin: For the information of the Honourable Deputy Prime Minister, the place is located in Jesselton Road, and I think quite a lot of Government servants have been staying there. It is run by the State Government from the State funds; and if the Honourable Deputy Prime Minister wants to stay there on his next visit to Penang, I think he can contact the State Government in Penang which can arrange for his accommodation.

Enche' Ibrahim bin Abdul Rahman: Tuan Yang di-Pertua, sa-bagai wakil Seberang Tengah yang saya tahu rumah yang di-katakan oleh Ahli Yang Berhormat itu bukan-lah Rest House, tetapi ia-lah rumah *mess*. (*Ketawa*).

Question put, and agreed to.

The sum of \$124,610 for Head S. 7 ordered to stand part of the Second Schedule.

Head S. 11—

Tun Haji Abdul Razak: Mr Chairman, Sir, I beg to move that expenditure amounting to \$24,700 under Head S. 11 be approved.

A sum of \$20,000 is required for the rental charges on the International Computing and Tabulating machines which are considered necessary for the use in the Department of Statistics, and a sum of \$4,700 is required for additional expenditure by the Statistics Department in preparation for the future surveys to be undertaken by the Department.

Question put, and agreed to.

The sum of \$24,700 for Head S. 11 ordered to stand part of the Second Schedule.

Head S. 13—

The Assistant Minister of Information and Broadcasting (Enche' Mohd. Ismail bin Mohd. Yusof): Mr Chairman, Sir, I beg to move that expenditure under Head S. 13, Ministry of Agriculture and Co-operatives, totalling \$52,500 stand part of the Schedule.

Sir, the Food and Agricultural Organisation of the United Nations, which launched the five-year "Freedom from Hunger Campaign in July, 1960, made a request to all member countries that are in the United Nations to participate in the Freedom from Hunger Stamp Plan. The F.A.O. also requested that a donation of 100,000 complete series of "Freedom from Hunger" stamps should be made to the F.A.O. for the international Hunger Campaign on behalf of the country. In keeping with the enhanced status of the Federation of Malaya in the eyes of the world, the Federation Government decided to donate 50,000 stamps each of the commemorative postage stamps of 25 cents, 30 cents and 50 cents, the total face value of which amounted to \$52,500.

The "Freedom from Hunger" stamp issue was planned by the F.A.O. as part of the observation of the "Freedom from Hunger Week" launched on 21st March, 1963, in order to bring about an immediate comprehension of the problem of world hunger, thereby creating a practicable possibility for all countries, including those with cash resources, to participate quite extensively in a concrete gesture on interna-

tional solidarity towards tackling the problem of world hunger. By issuing the special "Freedom from Hunger" stamps in more than one hundred countries, a massive gesture of goodwill towards the less-fortunate of the world has thus been demonstrated, and these stamps without any doubt have made an important psychological contribution in the fight against world hunger.

The "Freedom from Hunger Campaign" is directed at the alleviation and eventual elimination of hunger, including malnutrition throughout the world. The world-wide problem of hunger and malnutrition involves a complexity of factors, but in the final analysis they relate to the problem of raising the level of agricultural productivity.

Question put, and agreed to.

The sum of \$52,500 for Head S. 13 ordered to stand part of the Second Schedule.

Head S. 14—

The Minister of Commerce and Industry (Dr Lim Swee Aun): Mr Chairman, Sir, I beg to move that a sum of \$255,854 for Head S. 14 stand part of the Schedule.

Sir, the sum is required for a new Sub-head 29—Handing-over of Government Rice Mills, Perak, to the Federation Government. There are three Government rice mills situated at Telok Anson, Bagan Serai and Parit Buntar, and until the end of 1962 they were administered and controlled by a Board of Directors on behalf of the Government of Perak. The mills at Bagan Serai and Parit Buntar were out of commission for many years whilst that at Telok Anson continued to operate. The Chief Valuation Officer of the Federal Treasury inspected the properties of the mills in August 1961 and valued them at \$496,860. Legal authorities and the Auditor-General ruled that these mills and their properties belonged to the Federal Government since they were established from Federated Malay States funds at a time when the Perak State Government had no financial autonomy. After

prolonged discussions between the Federal Government and the State Government it was finally agreed that the Perak Government alienate to the Federal Government the land under the control of the three mills; that the Perak Government arrange with the Board of Directors of the Mills to hand over the administration and control of the mills to the Trade Division of the Ministry of Commerce and Industry on the 1st of January, 1963; that the Perak Government arrange with the Board of Directors of the mills to transfer all assets and liabilities as at 31st December, 1962, to the Trade Division of the Ministry of Commerce and Industry; that the Federal Government arrange to pay the Government of the State of Perak the sum of \$255,854 due by the mills to the State Government, since that amount was advanced from State revenue; that the Trade Division take over the staff employed by the Board of Directors of these three mills as at 31st December, 1962. Sir, this sum of \$255,854 is the result of these negotiations to take over the three mills.

Question put, and agreed to.

The sum of \$255,854 for Head S. 14 ordered to stand part of the Schedule.

Head S. 15—

Tun Haji Abdul Razak: Mr Chairman, Sir, I beg to move that a sum amounting to \$75,172,733 for Head S. 15 stand part of the Schedule.

Sir, as I explained when answering the questions raised by Honourable Members in the general debate on this Supplementary Supply Bill, these supplementary provisions are required for the expansion of our armed forces specifically on account of Malaysia. The provision for which I am now seeking the approval of this House does not cover the full expansion of the armed forces but only a part of it and I shall, therefore, have to come to the House from time to time for additional expenditure. I would also like to explain to the House that plans for the expansion of the armed forces to cater for the defence requirements of Malaysia have already been drawn

up, but it is necessary for these plans to be carried out in phases and, in fact, what I am now asking this House to approve is the provision for the first phase of such expansion.

As stated in the Treasury Memorandum, the main projects involved in the present build-up are as follows:

- (i) the expansion of the Singapore Military Forces to form a Brigade for the Singapore area;
- (ii) an increase in the number of ships for the Royal Malaysian Navy;
- (iii) an increase in the number and types of planes for the Royal Malaysian Air Force and the establishment of a training school for the Air Force;
- (iv) the purchase of the necessary equipment for all these projects.

Without going into any great detail, or taking up too much time of this House. I wish to give Honourable Members some indications of what these projects entail. For the Army, there will be an extra battalion in the Royal Malay Regiment (the Eighth Battalion), a Reconnaissance Squadron, a Brigade Headquarters on the Island of Singapore, the expansion of the Federation Military College for the training of officers, and also the expansion of the Recruiting Training Depot to increase the output of men, and also the formation of certain new units and the expansion of existing ones to provide increased logistic support to the expanded armed forces. Honourable Members will also recall that I mentioned in this House some time ago that our contingent in the Congo was being withdrawn. This withdrawal has now been completed and, with the withdrawal, we have set up a Brigade Headquarters (now temporarily at Bentong) for the purpose of providing a balanced command structure of the Federation Army for the whole of the Federation of Malaya. The Brigade Headquarters in Singapore will therefore be the Fourth Brigade Headquarters, to cover the Singapore area.

The Royal Malaysian Navy will be expanded by the addition of a Frigate,

a Coastal Minesweeper and four Fast Patrol Craft of the same design as those at present under construction in the United Kingdom. The first of these additional ships should arrive in Malaya during the latter part of this year. It is also intended to establish a small maintenance and logistic base in North Borneo some time this year to support our patrol craft operating in the Borneo waters after the formation of Malaysia. It is also intended to establish a new Logistics and Base Technical and Repair Organisation at Woodlands in Singapore, alongside the existing barracks of the Royal Malayan Navy, later this year. A firm of consultants has already been appointed to prepare detailed plans for the development of the main Dockyard Base of the Royal Malayan Navy in Singapore, and construction work on a jetty there is expected to start early next year.

The Royal Malayan Air Force will also shortly be supplied with four Handley Page Dart Herald medium transport aircraft, eight Alouette Helicopters, two De Havilland Heron medium range Communication aircraft, and six Hunting Provost training aircraft. It is also proposed to construct an additional hangar and an Equipment Dépôt at the Royal Malayan Air Force Station, Kuala Lumpur. It is necessary to have these medium range transport aircraft for the transport of members of our armed forces in case of an emergency in any part of Malaysia. A Technical Training School will also be set up in the British Army Barracks at Kinrara which have now been taken over by the Federation Government.

As I have said, this expansion is only the first phase. We have made no provision for additional troops required for the Borneo territories. It is also necessary that we shall have to obtain external assistance for part of our expenditure for armed forces, because unless it is done it will be a very heavy commitment to our country. All this expansion of the armed forces is necessary, as I have said, in view of Malaysia; and in view of the confrontation attitude adopted by Indonesia,

it is necessary for us to have a balanced force of Army, Navy and Air Force sufficient to support the internal security of our country and also for the close defence of our territory.

Sir, I beg to move.

Enche' S. P. Seenivasagam: Mr Chairman, Sir, on the question of the Fourth Federal Infantry Brigade for the Singapore area, I fail to understand why it is necessary to form such a Brigade in the Federation and send it across the Causeway to Singapore. I assume that is the intention. If I am correct there, then surely it is an insult to the people of Singapore.

Tun Haji Abdul Razak: Mr Chairman, Sir, on a point of information, I would like to explain that this Brigade will consist of two battalions of the Singapore Regiment—one has already been formed and the other is in the course of being formed and it will be completed soon—and it is necessary to have an additional battalion from here, as a matter of urgency, in order to complete the Brigade, which is necessary for the support of internal security in Singapore.

Enche' S. P. Seenivasagam: May I ask whether it is a new Brigade which is going to be formed in the Federation and sent over to Singapore?

Tun Haji Abdul Razak: No, it is establishing a Brigade Headquarters consisting of the existing Singapore Regiment plus an additional battalion to make up into a Brigade. It is the existing Brigade in Singapore that is being established there.

Enche' S. P. Seenivasagam: I don't quite understand it (*Laughter*). But one assumes that when more money is asked for it means that it is going to be expanded, and the point that worries me is that, is it going to be expanded by the enlistment of Singapore citizens or by the inclusion of Federal citizens? I wonder whether that could be answered?

Tun Haji Abdul Razak: Well, Sir, I have explained that there is already a brigade in Singapore, manned partly

by the Singapore Regiment and partly by British troops. With the establishment of Malaysia, naturally, the brigade will have to be manned by troops from Malaysia and that brigade will consist of two battalions of the Singapore Regiment which consists of citizens from Singapore. But, nevertheless, we will have to have another battalion, which we are forming now, as an additional battalion to complete this brigade, because it is necessary to have the minimum of a brigade to support the internal security of Singapore the moment Malaysia is established.

Enche' S. P. Seenivasagam: Again it is not clear whether this additional—whatever it is called—is going to consist of Federation citizens or not.

Tun Haji Abdul Razak: The additional battalion, Sir, will be a battalion from the Federation Armed Forces.

Enche' S. P. Seenivasagam: Exactly that is the point I was coming to. I wonder why it is necessary to send members of the Federation Armed Forces to form a battalion for Singapore. Surely, there are enough citizens in Singapore who could be recruited to form a new battalion! I mention this because I feel that this is part of the general policy of the Alliance Government that in view of the fact that Singapore is coming in, not of its own free will, but through political trickery and manœuvres, I feel that the Alliance Government now feels that it must have some of its own men from the Federation to keep the people of Singapore under control. And feeling that that is the motive of the Alliance Government, I think this expenditure should not be approved by this House.

Tuan Haji Ahmad bin Abdullah (Kota Bharu Hilir): Tuan Pengerusi, saya hendak berchakap sedikit dibawah Head S. 15 No. (iv)—The purchase of equipment for the Army, ships and patrol craft for the Navy and planes and helicopters for the Air Force. Dahulu pernah saya bangkitkan dalam Rumah ini tentang soal membeli kapal² dan alat² senjata dan lain² lagi untuk pertahanan negara. Sa-bagaimana yang kita telah ketahui bahawa

sa-nya Kerajaan memberi pertim-bangan, atau keutamaan yang lebih besar kepada kesenangan pegawai² dalam sa-sabuah kapal, katakan-lah kapal² untuk mempertahankan negara bagi tanah ayer kita ini yang di-lengkapkan dengan bilek² sejok. Nampak-nya dasar Kerajaan ini apabila hendak membeli senjata² tidak-lah di-pandang di-atas faedah² yang lebih besar yang boleh di-chapai dengan wang² yang di-belanjakan tadi untuk membeli sa-suatu senjata yang boleh mempertahankan negara, chuma yang Kerajaan pentingkan ia-lah kesenangan bagi pegawai² yang dudok di-dalam kapal itu. Ini satu perkara yang saya berharap kepada Kerajaan supaya pada masa akan datang wang² itu akan digunakan untuk membeli senjata² yang betul² dapat menjalankan tugas²-nya yang sangat penting itu.

Yang kedua, Tuan Pengerusi, tentang soal kapal² terbang. Sa-bagaimana yang saya mendapat tahu bahawa sa-nya sangat-lah sedikit bilangan pegawai² Melayu yang dapat bekerja sa-bagai pemandu² kapal terbang, kerana sa-bagaimana laporan² yang telah saya bacha, atau pun mendengar bahawa sa-nya satu golongan yang kecil sekali di-berikan peluang² tersebut kepada pemandu² orang Melayu, sedangkan kebanyakan pemandu² kapal terbang itu ada-lah terdiri daripada bangsa² orang yang bukan Melayu.

Saya fikir, Tuan Pengerusi, yang sa-elok-nya bagi Kerajaan tat kala menjalankan satu dasar untuk memper-tahankan tanah ayer kita ini, hendak-lah peluang² itu di-berikan kepada orang² yang Kerajaan telah yakin sa-ratus peratus dapat menjalankan tugas²-nya, serta ta'at setia-nya kepada negeri ini yang tidak berbelah bagi. Jangan-lah di-beri peluang itu kepada orang² yang Kerajaan sendiri tidak yakin dan perchaya bahawa sa-nya mereka itu akan menumpahkan ta'at setia-nya kepada tanah ayer kita ini sa-ratus peratus.

Enche' Zulkiflee bin Muhammad (Bachok): Tuan Pengerusi, tadi Yang Berhormat Timbalan Perdana Menteri sa-laku Menteri Pertahanan telah berchakap berkenaan dengan pertahanan

negeri dengan perbelanjaan pertahanan-nya. Sa-belum perbelanjaan \$75 juta ringgit lebeh ini di-luluskan oleh Dewan ini, perlu-lah kita mengkaji terlebih dahulu bagaimana commitment Kerajaan terhadap pertahanan negeri ini seperti yang telah di-sebutkan bahawa di-dalam kewajipan pertahanan, menurut di-dalam Perlembagaan ia-lah kepada Kerajaan Pusat dan boleh jadi di-dalam susunan yang di-buat oleh Jawatan-Kuasa Antara Kerajaan berkenaan dengan hal ini telah menyatakan ia-itu di-dalam negara Malaysia yang di-anjorkan itu, Kerajaan Pusat-lah yang akan memikul bebanan ini. Yang menjadi masaalah kepada saya ia-lah, Kerajaan Pusat yang akan memikul perbelanjaan ini ia-lah Kerajaan Pusat Malaysia, bukan Kerajaan Pusat Persekutuan Tanah Melayu, atau ada-kah di-fahamkan oleh Yang Berhormat Timbalan Perdana Menteri bahawa Kerajaan Persekutuan Tanah Melayu ini-lah yang melagakkan diri-nya sebagai Kerajaan Pusat Malaysia, sedangkan Kerajaan² yang lain itu ada-lah sa-bagai Kerajaan² yang kecil yang di-satukan dalam Malaysia kelak. Pada pendapat saya lebeh molek, jika Kerajaan Persekutuan Tanah Melayu sekarang ini di-dalam hendak membelanjakan persediaan² berhubung dengan pertahanan, lebeh molek-lah di-chari satu jalan yang perbelanjaan itu di-anggap sa-bagai pendahuluan kepada perbelanjaan pertahanan bagi sa-buah Kerajaan Pusat yang akan di-ujudkan pada masa akan datang yang akan dinamakan Kerajaan Pusat Malaysia itu sendiri. Sebab, Tuan Pengerusi, memikul bebanan itu sendiri ada-lah satu tanggung-jawab yang akan di-pikul oleh Kerajaan Persekutuan Tanah Melayu yang akan menjadi sa-bahagian daripada Kerajaan Malaysia, dan juga kita mengaku bahawa pertahanan tidak di-buat dalam satu malam, atau satu bulan, tetapi sa-balek-nya kalau sa-buah Kerajaan yang besar yang hendak di-buat, terpaksa-lah di-buat dari sekarang dan terpaksa-lah Kerajaan itu sendiri memikul-nya. Itu dapat kita terima, tetapi menerima bebanan bagi pertahanan itu yang Kerajaan Pusat itu ia-lah Kerajaan Pusat Persekutuan Tanah Melayu, rasa saya itu tidak betul. Hal ini bertambah rumit

apabila di-bayangkan oleh Yang Berhormat Timbalan Perdana Menteri ia-itu hanya soal negeri² Borneo sahaja, sebab di-dalam rundingan² dengan negeri² Brunei dan Singapura maseh belum dapat di-tentukan, walau pun ada keinginan dan harapan² seperti yang di-sebutkan oleh Yang Berhormat Timbalan Perdana Menteri bahawa sa-patut-nya Kerajaan Brunei dan Inggeris itu memikul perbelanjaan ini. Ini akan berhadapan dengan keinginan Lee Kuan Yew yang sengaja hendak mengelakkan bebanan yang banyak itu. Jadi, sa-belum melulus perbelanjaan ini, patut-lah Kerajaan Persekutuan Tanah Melayu ini menegaskan bahawa perbelanjaan yang sa-banyak 75 juta ringgit lebeh itu ada-lah pendahuluan daripada Kerajaan Persekutuan Tanah Melayu kepada Kerajaan Pusat Malaysia, dan dengan yang demikian ada-lah proportion yang akan di-tentukan kepada perbelanjaan yang akan di-tanggung oleh tiap² unit yang akan masuk ka-dalam ranchangan Malaysia itu ada-lah di-tentukan dengan perundingan, atau perbahathan yang akan datang, dengan yang demikian baharu-lah dapat di-terima oleh Kerajaan ini.

Enche' Geh Chong Keat (Penang Utara): Mr Chairman, Sir, I would like to say a few words in reply to the previous speaker from the PMIP—I believe he is the Member for Kota Bharu Hilir. Sir, it is wrong for him to assume that the security and defence of the country must lie in the hands of the Malays alone—and he implied that they are loyal and can be trusted. I would like to inform him that we, who are Malaysians comprising of various nationalities, are *Warga Negara Persekutuan*. (*Applause*). In time to come, to claim this heritage, we are prepared to offer our lives and the lives of our children to protect and defend this nation of ours, as we did during the time when the Japanese invaded this country. (*Applause*). I am sure that all Malaysians, irrespective of whatever nationality, will join me in telling the Member for Kota Bharu Hilir that we are as loyal as any other citizens of this country, and we will defend to the last this heritage. Thank you. (*Applause*).

Enche' Zulkiflee bin Muhammad: Tuan Pengerusi, tidak-lah menjadi hairan kapada saya naik semangat yang di-tunjokkan oleh Ahli Yang Berhormat yang berchakap dahulu daripada saya ini. Orang yang shak kapada keta'atan-nya kapada sa-sabuah negeri sahaja yang sampai berbueh² ayer lior-nya hendak menunjokkan bahawa dia ta'at. Perkara keta'atan ini, Tuan Pengerusi, ada-lah satu perkara yang tidak mempunyai satu sekatan yang dapat di-tunjokkan dari luar, tetapi ia berhajatkan kapada perasaan yang mendalam yang ada pada jiwa raga orang² yang mengaku diri-nya ta'at kapada negeri ini. Saya terkejut apabila saya tengok merah muka Ahli Yang Berhormat itu sa-olah² perkara ini ada-lah satu perkara yang di-kehendaki-nya benar supaya di-perbahathkan dalam Dewan ini. Ahli Yang Berhormat dari Kota Bharu Hilir tadi telah menyebutkan kehendak dan hajat-nya supaya di-dalam masa-alah pertahanan negeri ini hendak-lah di-perhatikan. Soal keta'atan yang tidak berbelah bahagi bagi negeri ini tentu-lah orang Melayu lebeh ta'at kapada negeri ini daripada sa-siapa pun—ta' usah-lah sa-siapa hendak bertempok dalam Dewan ini—dan hendak menunjokkan merah muka dengan tidak berfasal!

Perkara yang saperti ini perlu di-chadangkan kapada Yang Berhormat Menteri Pertahanan supaya berhati² dan chermat dalam perkara ini dapat di-lakukan. Dan sa-bagai satu rungutan dari beberapa pihak bahawa di-dalam soal pemandu² kapal terbang di-dapati orang² Melayu tidak banyak yang mendapat jawatan itu.

Tuan Pengerusi, kalau Ahli Yang Berhormat itu hendak membahathkan soal ta'at setia itu, pihak PAS ini tidak datang ka-sini dengan perasaan takutkan dia, PAS bersedia bukan sahaja membahathkan, tetapi menghadap sa-barang musoh yang chuba hendak menunjokkan kegagahan-nya di-dalam Dewan ini dan di-luar Dewan ini (*Tepok*). Shor

Mr Chairman: Order. Saya minta-lah masaalah keta'atan ini tidak menjadi satu soal dalam perbahathan ini.

Enche' Zulkiflee bin Muhammad: Saya chuma hendak menerangkan perkara ini timbul kerana ada di-dapati di-dalam pemilehan kapada pemandu² kapal terbang amat sedikit bilangan orang² Melayu itu di-terima dan diberikan oleh Kerajaan.

Soal keta'atan itu timbul ia-lah Ahli Yang Berhormat itu-lah yang menimbulkan, dan kalau sa-siapa mahu bertepok, kami sanggup menari—itu sahaja, Tuan Pengerusi, bila sahaja.

Enche' S. P. Seenivasagam: Mr Chairman, Sir, a very substantial sum of money is provided for defence, and I have no doubt that in accordance with the declared policy of the Alliance Government, the money would be used to have in this country a powerful defence unit consisting of all the loyal elements of this country—loyal elements from the Chinese, Indians, and from the Malays. I say that the Malays are loyal to this country, the Indian citizens are loyal and the Chinese citizens are loyal, but there are members of a certain political party who must always be watched: I refer to the PMIP whose ultimate objective is to make Malaya part of Indonesia so that they as agents of Soekarno will rule this country. (*Applause*).

Tuan Haji Ahmad bin Abdullah: *Rises.*

Mr Chairman: Saya telah terangkan tadi ia-itu masaalah ta'at setia atas sa-siapa juga ra'ayat dalam negeri ini tidak-lah menjadi satu masaalah dalam perbahathan peruntukan yang ada dihadapan Majlis ini. Itu yang saya hendak ingatkan—jaga sedikit—not a point at issue. Kalau hendak berchakap pendek, saya benar.

Tuan Haji Ahmad bin Abdullah: Tuan Pengerusi, masaalah yang saya timbulkan tadi ia-lah kerana ada per-khabaran yang mengatakan chuma satu bilangan yang kecil sahaja yang diberi peluang kapada orang² Melayu untok menjadi pemandu² kapal terbang. Ini-lah masaalah yang saya bangkitkan tadi. Saya harapkan kapada Kerajaan supaya di-banyakkan bilangan

orang Melayu, kerana ta'at setia mereka kepada negeri ini tidak ada shak lagi.

Ada pun perkara yang di-timbulkan oleh wakil dari Menglembu mengatakan PMIP chuba hendak menjadi wakil negara Indonesia atau pun sa-bagai gulongan sayap yang kelima. Ini satu tuduhan yang tidak payah saya jawab di-sini. Perkara yang saya suka hendak mengingatkan kepada wakil yang tersebut ia-itu jangan pula dia menjadi sayap yang kelima untuk negara China atau Kominis China. Kami sa-bagaimana yang di-terangkan oleh wakil dari Bachok datang di-sini ia-lah untuk membahathkan apa juga perkara dan memberi apa juga pandangan atau mengkeritik yang membeni (constructive criticism). Dan ada pun perkara perkauman tidak berbangkit sama sa-kali, tetapi PPP yang selalu membangkitkan perkara perkauman, kerana itu telah menjadi satu polisi mereka itu supaya dapat "memanching dalam ayer yang keroh".

Tun Haji Abdul Razak: Tuan Pengerusi, saya sangat dukachita oleh sebab perbahathan dalam pertahanan ini telah berbangkit soal ta'at setia dan soal puak² atau communalism. Saya suka terangkan bagi pehak Kerajaan ini berkenaan dengan mengambil ahli² masuk tentera², baik tentera² laut, darat dan udara jawatan² itu ada-lah terbuka kepada semua ra'ayat Persekutuan Tanah Melayu. Dan kita mesti-lah sifatkan ra'ayat Persekutuan Tanah Melayu itu daripada semua bangsa ta'at kepada negeri ini, melainkan kita ada dalil yang tertentu yang menunjokkan sa-saorang itu tidak ta'at setia kepada negeri ini. Dasar ini mesti kita ikut, ia-itu dasar yang 'adil, benar dan berpatutan. Dalam hal mengambil ahli² dan pegawai² tentera pehak Kerajaan ada menentukan bilangan² satu² bangsa itu, dan pertama sa-kali bagi orang² Melayu ada-lah di-beri keutamaan dalam hal masuk tentera ini. Akan tetapi dalam tentera udara sangat-lah kurang bilangan orang² Melayu yang minta masuk menjadi pegawai², pilot², dan kebanyakan daripada mereka itu tidak mempunyai kelayakan yang di-kehendaki. Jadi dengan sebab itu-lah pada masa ini bilangan-nya ada-lah

kecil, tetapi tidak-lah begitu kecil dibandingkan dengan bangsa² asing. Kerajaan ada-lah berharap bilangan orang² Melayu dalam hal tentera udara dapat di-tambah dari satu masa kasatu masa, dan berharap benar kepada pemuda² Melayu yang mempunyai kelulusan dan kelayakan² yang di-kehendaki menjadi pemandu² kapal terbang dan sa-bagai-nya akan meminta masuk berkhidmat dalam tentera ini.

Berkenaan dengan Ahli Yang Berhormat dari Kota Bharu Hilir ada menyebutkan hal bilek sejok. Saya fikir dia telah kerap kali menyebutkan tentang bilek sejok ini, ta' tahu-lah apa fasal dia gadoh sangat bilek sejok ini ada di-dalam kapal² laut tentera kita. Soal bilek sejok ini, bukan lagi menjadi luxury kata orang, tetapi necessity dalam keadaan negara kita pada masa ini, sebab di-fikirkan hawa di-sini bukan sahaja untuk kesenangan, bahkan kebaikan bagi pegawai² bagi menjalankan pekerjaan², patut-lah di-adakan bilek sejok dalam pejabat² dan juga termasuk-lah dalam kapal² perang. Jadi, ini menurut kemajuan yang kita sedang chapai pada hari ini.

Ahli Yang Berhormat dari Bachok ada menyoal berkenaan dengan perbelanjaan pertahanan ini, dan kata-nya patut-lah di-bagi advance dahulu, kerana Kerajaan Malaysia belum ditubuhkan lagi. Saya fikir Ahli Yang Berhormat dari Bachok ada silap faham di-atas kedudukan Kerajaan Pusat. Apabila tertubuh Malaysia, Kerajaan Persekutuan yang ada sekarang ini akan menjadi Kerajaan Malaysia, dan kita harap Dewan Ra'ayat yang ada sekarang ini akan menjadi Dewan Ra'ayat bagi seluroh Malaysia, akan tetapi wakil² daripada negara² itu akan dudok juga di-Dewan ini bersama² dengan kita ia-itu dalam Dewan Ra'ayat dan Dewan Negara, dan Kerajaan Perikatan berharap wakil² daripada negeri² itu akan dapat juga dudok dalam Jema'ah Menteri, dan juga dapat bekerjasama dengan kita bagi menjalankan pentadbiran untuk Malaysia. Jadi dengan sebab itu, maka mustahak-lah Kerajaan Pusat ini menanggung perbelanjaan² bagi perkara² yang telah di-tentukan menjadi tanggungan Kerajaan Pusat, dan apabila

tertuboh-nya Malaysia, ada-lah ditentukan hasil yang akan menjadi kepada negeri yang masok Malaysia itu ia-itu hasil bagi Persekutuan hak Persekutuan, dan hasil bagi negeri hak negeri. Jadi, daripada hasil hak Persekutuan itu, Kerajaan Pusat akan menggunakan wang itu untuk membelanjakan perkara² yang menjadi tanggung-jawab Kerajaan Pusat termasuk-lah pertahanan. Jadi, dalam hal ini, kita kena-lah mengadakan perediaan pada masa sekarang ini, kerana pada 31 haribulan Ogos kelak, kita akan bertanggung-jawab dalam hal pertahanan, dan mustahak-lah kita mempunyai tentera² bagi kita hendak menanggung kewajiban yang telah ditentukan kepada kita.

Mr Chairman, Sir, I find it very difficult to convince the Honourable Member for Menglembu. I think he has got a somewhat distorted mind and so it is difficult for anyone to convince him. I have explained very clearly that there is already a Brigade in Singapore consisting of the Singapore Regiment and the British Regiment. It is necessary for us to have a Brigade on the 31st of August, 1963, and, therefore, as we have only two battalions of Singapore Regiments, this Brigade will have to be supplemented by a battalion of the Federation Regiment. Once Malaysia is established, we shall have armed forces for the whole Malaysia, and the citizens of Malaysia will have a right to serve in all our armed forces. I think the position is quite clear. There is no question of our Government forcing Malaysia on the people of Singapore—that has been made clear; the Singapore Government held a referendum and it is clear that the majority of the people of Singapore have voted for Malaysia, and this question does not arise anymore. But what we want to do is to provide adequate defence for Singapore, particularly in support of internal security in Singapore on the day when Malaysia is established—the 31st of August. That is all that is envisaged. To me it is all quite clear. Of course, if one refuses to understand, it is very difficult for anyone to make him understand. (*Applause*).

Question put, and agreed to.

The sum of \$75,172,733 for Head S. 15 ordered to stand part of the Second Schedule.

House resumes.

Mr Speaker: I propose to suspend the sitting for fifteen minutes.

Sitting suspended at 12.15 p.m.

Sitting resumed at 12.32 p.m.

(Mr Speaker in the Chair)

THE SUPPLEMENTARY SUPPLY (1962 AND 1963) (No. 2) Bill

House immediately resolved itself into Committee of Supply.

(Mr Speaker in the Chair)

Head S. 17—

Enche' Mohamed Ismail bin Mohamed Yusof: Mr Chairman, Sir, I beg to move that Head 17, Ministry of External Affairs, Sub-heads 2 to 42, as shown in Command Paper No. 14 of 1963, stand part of the Schedule. As set out in Treasury Memorandum on the Second Supplementary Supply Estimates of Expenditure, Command Paper No. 15 of 1963, explanation is given in respect of groups of expenditures. It is convenient for me to deal with them in the order as set out, and I shall elaborate on the explanation already given in the Treasury Memorandum as may be considered necessary. *Item 13 of Treasury Memorandum, Command Paper No. 15 of 1963.*

Included in this item are proposed expenditures under Sub-heads 2, 8, 9, 10 (2), 10A, 10B, 28 and 31, amounting to \$79,488. As stated in the Treasury Memorandum, the additional provision is required for the establishment of an expanded Research Branch in the Ministry. Although research has been undertaken within the Ministry of External Affairs, recent developments in international affairs affecting the Federation of Malaya have necessitated the need to intensify this aspect of the Ministry's activity. For this reason a greatly expanded Research Branch is being established.

Under Sub-head 2—Administration— a provision of \$6,000 is sought to meet the cost of newspapers, telegrams, telephones, uniforms and incidental expenses for this Branch. In addition to this, it is also necessary to provide for purchase and printing of stationery at \$3,000 under Sub-head 9.

In order to provide for its effective operation, it is envisaged that officers from the expanded Research Branch will have to be sent on training overseas. Thus under Sub-head 10A a provision of \$25,000 is sought. Also in this connection, outfit allowance of \$5,000 under Sub-head 8 will have to be provided for payment under existing regulations to these officers when they are sent on training.

It is also necessary to provide for a motor car for this Research Branch and a provision of \$4,700 is sought under Sub-head 31. A provision of \$20,000 for Transport and Travelling is also sought under Sub-head 10 to meet the cost of transport and travelling of officers.

Expansion of the Branch will necessitate the purchase of new office furniture and equipment estimated to amount to \$15,088 as is requested under Sub-head 28. Honourable Members will note from Command Paper No. 14 of 1963 that against Sub-head 28 a total provision of \$21,148 is sought. I should point out that this amount includes the \$15,088 that I have referred to for office furniture and equipment for the Research Branch as well as a sum of \$6,060 which is the cost of the installation of a PABX switch board in the Embassy in Djakarta. I shall explain this later when I come to item 14 of the Treasury Memorandum.

Item 14 of the Treasury Memorandum—The Embassy in Djakarta has been operating without a PABX switch board. As Honourable Members are no doubt aware of the facilities provided by and advantages derived from the use of the PABX system, I do not wish to take Honourable Members' time to elaborate on the technical aspects of the machine. As stated in the Treasury Memorandum the cost of the installation of this machine is

\$6,060 and authority for its expenditure is sought under Sub-head 28 for \$6,060.

Item 15: Detailed explanation has already been given in the Treasury Memorandum for the provision sought of \$3,000 under Sub-head 31A. I need only add that the Federation of Malaya as a member of the United Nations is bound to participate in the scientific projects under the auspices of the United Nations. This project is being organised by the International Council of Scientific Unions with the support of the International Advisory Council on Marine Sciences of the United Nations Educational Scientific and Cultural Organisation.

Enche' V. Veerappen: Mr Chairman, on a point of order—Standing Order 13 (1). I am afraid we do not have a quorum.

(Division bell rung. 26 Members present: Proceedings continue.)

Enche' Mohamed Ismail bin Mohamed Yusof: Item 16: The token provision sought of \$10 under Sub-head 31B is to meet the cost of the replacement of soft furnishings for the residence of the Permanent Secretary for External Affairs. The original items of furnishings, which were purchased in early 1958, are already completely worn out and their replacement is necessary. The items comprise cushion covers, curtains and drapes for the house. As it is possible to find savings to meet the expenditure of \$2,700 only a token sum of \$10 is sought under this Sub-head.

Item 17: The expenditure under Sub-head 33A is sought to cover the cost of the Federation of Malaya's participation in the ASA Foreign Ministers' Conference held in Manila from 2nd to 4th April, 1963. The expenditure includes the cost of air fares for the delegation led by the Honourable the Prime Minister in his capacity as Minister of External Affairs, hotel accommodation, subsistence allowance, in accordance with the approved rates as well as entertainment. The composition of the Federa-

tion delegation, as Honourable Members may already be aware, was as follows:

The Honourable the Prime Minister,
The Honourable the Minister of Agriculture,
The Permanent Secretary, Ministry of External Affairs,
The Ambassador in Manila,
The Secretary for Commerce and Industry,
The Director of Information,
The Principal Assistant Secretary, Treasury,
The Secretary of the National Secretariat of ASA,
The Under-Secretary, Economic Planning Unit, Prime Minister's Department, and
The Second Secretary, Federation of Malaya Embassy, Manila.

Next I come to Item 18 of the Treasury Memorandum. A provision consisting of \$8,230 under Sub-head 39, \$5,390 under Sub-head 41A and \$8,820 under Sub-head 41B, totalling \$22,440 is required in connection with the moving of the Permanent Mission of the Federation of Malaya to the United Nations in New York to a new and more spacious office. Honourable Members who had attended the United Nations General Assembly, or had visited the Office of the Permanent Mission in New York, will be much aware of the need for more spacious office accommodation. The old office was rather congested, and more office space is needed particularly when the establishment of the Mission has been expanded.

Finally, I come to Item 19 of the Treasury Memorandum. On a long-standing invitation of the Government of the United States of America, the Deputy Prime Minister could finally proceed on a visit to that country during the first half of this month. As he was already going to the American Continents, opportunity was also taken to accept the kind invitation of the United States Government to visit their country. The provision of \$47,700 is therefore sought to cover expenses incurred on this visit for the Honourable Deputy Prime Minister and his Party. For the information of Honourable Members, the following comprised the Honourable Deputy Prime Minister's party:

- (i) The Honourable the Deputy Prime Minister,

- (ii) Deputy Secretary, Economic Planning Unit,

- (iii) Under-Secretary, Economic Planning Unit,

- and (iv) Private Secretary to the Deputy Prime Minister.

Sir, I beg to move.

Question put, and agreed to.

The sum of \$184,198 for Head S. 17 ordered to stand part of the Second Schedule.

Head S. 20—

Dr Lim Swee Aun: Mr Chairman, Sir, a sum of \$6,350 is required to meet expenses incurred in connection with a visit made by a United Kingdom Treasury official to Malaya at the invitation of the Federation Government. This visit was for the purpose of having informal discussions with our own officials on the financial implications of Malaysia.

Enche' Zulkiflee bin Muhammad: Tuan Pengerusi, saya hairan kenapa perbelanjaan ini mesti di-bayar oleh Kerajaan Persekutuan Tanah Melayu? Ini ada-lah perbelanjaan United Kingdom Treasury Official patut-nya di-bayar oleh United Kingdom walau pun kita jemput dia. Dia sa-buah Kerajaan yang besar tentu dia boleh bayar. Kita pun sa-lama hari ini pergi ka-negeri orang, orang tidak bayar belanja kita. Jadi saya suka hendak mendengar keterangan daripada Pemangku Menteri Kewangan.

Dr Lim Swee Aun: The U.K. Treasury official came at our invitation and, therefore, as host we should pay this.

Question put, and agreed to.

The sum of \$6,350 for Head S. 20 ordered to stand part of the Second Schedule.

Head S. 21—

Dr Lim Swee Aun: Mr Chairman, Sir, an additional sum of \$500,000 is required to supplement the present appropriation of \$1,000,000 standing to the credit of the Miscellaneous Advance Account of the Statutory Funds. Any expenditure made from this Head will be recoverable as it is only

an advance. Past experience has shown that the present amount is no longer adequate to meet advances from this Trust Fund.

Question put, and agreed to.

The sum of \$500,000 for Head S. 21 ordered to stand part of the Second Schedule.

Heads S. 27 and S. 66—

Enche' Mohamed Ismail bin Mohamed Yusof: Mr Chairman, Sir, I seek your permission to move both Head S. 27 Broadcasting and Head S. 66 Department of Television together, as they come under the same Ministry of Information and Broadcasting.

Head S. 27—Broadcasting—

In moving Head S. 27—Broadcasting—seeking funds for the Overseas Broadcasting Service, I should mention that plans for such a service were considered immediately after Merdeka, but not until early this year was it considered necessary to establish such a Service.

All nations recognise the need for an effective Overseas Broadcasting Service for publicity as well as for the purpose of explaining the role and stand-point of each of the country in the present highly competitive world of international politics. The present Radio Malaya Service is inadequate to handle the overseas broadcasting. Hence the necessity for the creation of another branch of the Service for this purpose. The Voice of Malaya was inaugurated by Government in February this year on a crash-programme basis but this is unsatisfactory. Therefore, an Overseas Broadcasting Service using multiple transmitters is essential if we are to effectively put across Malaya's views and opinions in regard to keeping the world in touch with events in Malaya, to express Malaya's stand on Asian and international affairs and Malaya's participation in the international field. The secondary object is to educate and better inform listeners in other countries as to our way of life and purpose, economic background, arts and culture, general progress, development and achievement. Special programmes, therefore, must be tailored

for this purpose and be broadcast directionally through not one but several transmitters of sufficient power.

At the moment we have a limited Overseas Service which broadcasts in the following languages:

Indonesian

English

Chinese.

I am happy to say that reports received from listeners in this region of the world and as far as New Zealand and Australia have proved to be very encouraging.

It will be noticed that under Personal Emoluments which amounts to \$323,431, only those posts considered as essential are asked for (and these are trained and experienced staff) in order to ensure that the Service would operate satisfactorily. Similarly, with O.C.A.R. amounting to \$233,000 and O.C.S.E. which amounts to \$665,005.

Head S. 66—Department of Television—

As Honourable Members will recollect, at the last Budget Meeting, I mentioned the decision of Government to create a new Department—the Department of Television—but I did not then ask for the required provisions as preliminary discussions were going on between the Ministry, the Treasury and the Federation Establishment Office.

A sum of \$953,560 is now required for the following:

P.E.	\$450,000
O.C.A.R.	346,740
O.C.S.E.	156,820

in order to set up the new Department. This is for the 1st Phase of the operation and it is hoped that the transmission would begin by the end of this year.

Honourable Members would have noted that the provision provided for most of the posts are not for the full year but phased very gradually as and when necessary. The sum of \$953,560 is therefore the minimum required.

Sir, I beg to move that Head S. 27 and Head S. 66 totalling \$2,174,996 be approved.

Enche' Aziz bin Ishak (Muar Dalam): Tuan Pengerusi, saya suka hendak berchakap berkenaan dengan ranchangan television yang di-jalankan oleh Kerajaan kita. Oleh sebab ranchangan mengadakan siaran television ini akan dapat menambahkan hasil negara dan memberikan hiburan sa-chara moden di-dalam negeri kita ini setanding dengan negara² yang berkemajuan maka di-dalam sa-buah negara yang muda ini, Tuan Pengerusi, pada pendapat saya sangat-lah patut pehak yang mengelokkan ranchangan siaran ini mengatorkan ranchangan² yang sa-suai dengan negara kita yang muda ini. Kerana, Tuan Pengerusi, apa yang telah kita lihat ranchangan hari² yang di-buat oleh pehak Singapura di-dalam television-nya yang pada pendapat saya tidak-lah memberi kesan yang baik kapada seluroh ra'ayat kerana banyak sangat menunjukkan gambar² cowboy dan tidak sedikit pun mengandongi pelajaran yang membena. Oleh yang demikian saya berharap ranchangan siaran harian di-dalam negeri kita ini nanti hendak-lah mempunyai taraf yang tinggi mutu-nya dengan memperbanyakkan hiburan² yang mengandongi pelajaran yang membawa kebaikan kapada seluroh ra'ayat negeri kita ini. Kerana apa yang kita ketahui kebanyakan yang suka menuntun television itu ia-lah kanak² yang sedang menuntut. Dan juga kita ketahui bahawa ibu-bapa mereka tidak berapa suka hendak memileki peti television ini kerana mereka itu takut kalau² anak mereka tidak dapat mengulangi pelajaran-nya di-waktu malam. Itu harus dapat di-timbangkan oleh pehak pengelola television ini supaya dapat mengatorkan ranchangan² yang sa-suai dengan keadaan bagaimana yang saya katakan tadi.

Enche' Mohamed Ismail bin Mohamed Yusof: Tuan Pengerusi, itu samemang-lah di-dalam perhatian Jabatan Television dan juga Kementerian saya berkenaan dengan ranchangan² yang akan di-adakan mengenai television itu. Saya suka mengingatkan kapada Ahli Yang Berhormat dari Muar Dalam dan kapada Dewan ini bahawa menjalankan ranchangan television itu chukup-lah memakan belanja yang

banyak; jadi soal mengadakan gambar² cowboy dan sa-bagai-nya samumpama di-Singapura bukan sahaja di-jalankan di-Singapura bahkan boleh di-katakan di-mana² tempat pun yang ada television kebanyakan-nya menunjukkan gambar². Kalau hendak ditunjokkan life broadcast atau pun menggambarkan terus dari stage kapada studio akan memakan belanja yang banyak; sunggoh pun begitu samemang-lah soal ranchangan television ini ada-lah di-dalam perhatian Kementerian saya.

Question put, and agreed to.

The sums of \$1,221,436 for Head S. 27 and \$953,560 for Head S. 66 ordered to stand part of the Second Schedule.

Heads S. 29, S. 33 and S. 36—

The Assistant Minister of the Interior (Enche' Cheah Theam Swee): Mr Chairman, Sir, can I have your permission to take Heads S. 29, S. 33 and S. 36 at one rising as they all come under one Ministry?

Mr Chairman: Yes.

Enche' Cheah Theam Swee: Sir, I beg to move that the sums of \$1,565,881 for Head S. 29, \$3,788 for Head S. 33 and \$102,050 for Head S. 36 be approved.

Sir, the explanation in each case, and the Sub-heads thereto, is set out clearly in the Treasury Memorandum tabled as Command Paper No. 15 of 1963, with which I presume Honourable Members are familiar. Therefore, I do not wish to burden this House with a speech that might be repetitious. If Honourable Members wish to seek clarification—if at all there is any—I shall be happy to enlighten the House. I, therefore, would like to adopt the explanation in the Treasury Memorandum in seeking the approval.

Sir, I beg to move.

Enche' S. P. Seenivasagam: Mr Chairman, Sir, I would like to avail myself of the offer made by the Honourable Assistant Minister to clarify, and I would seek a clarification in regard to Head S. 29, item 24, Expenses of Advisory Board. Now, this money is obviously provided to ensure

that the Chairman of the Advisory Board should travel from place to place to discharge his duties efficiently. This morning the Honourable the Minister of Internal Security cut a very, very sorry figure indeed when he was fumbling for a reply to me. It was quite obvious that he did not know the subject and that he was just trying to say something, because he was obliged to say. My complaint this morning was that the proceedings of this Board were such that it did not do substantial justice in the sense that the detained person was not allowed to be present when his accusers were brought before the tribunal and neither was his counsel allowed to be present when his accusers were brought before the Commission of Enquiry. I suggested that that was a denial of natural justice. What happens is that the detained person and his lawyer are asked to stay away from the building; after the presiding officer records all the evidence, then . . .

Enche' Cheah Theam Swee: Mr Chairman, Sir, I think the Honourable Member is debating on the general principles rather than on the specific provision.

Mr Chairman: Since there is a provision for that, he can speak on that.

Enche' S. P. Seenivasagam: Both the lawyer and the detainee are not allowed to be present. I suggested that that was a denial of natural justice. This matter had been raised in this House before. At that time I think the Honourable Assistant Minister of Rural Development, who was acting temporarily for the Honourable Tun Leong Yew Koh, promised that this matter would be looked into; and obviously he, not being interested in this Ministry, did not bother about it after the House adjourned. I suggest that this matter be now looked into seriously, because it is fantastic that though a man is supposed to have a fair trial he is not allowed to be present when his accusers are there.

Mr Chairman: It is one o'clock now. The sitting is suspended till 4.30 this afternoon.

Sitting suspended at 1.00 p.m.

Sitting resumed at 4.30 p.m.

(Mr Speaker in the Chair)

House immediately resolved itself into Committee of Supply.

(Mr Speaker in the Chair)

THE SUPPLEMENTARY SUPPLY (1962 AND 1963) (No. 2) BILL

Debate in Committee of Supply resumed.

SECOND SCHEDULE—

Heads S. 29, S. 33 and S. 36—

Enche' Cheah Theam Swee: Mr Chairman, Sir, under these three Heads under the Ministry of the Interior only the Honourable Member for Menglembu took the liberty to speak under Head 29, Sub-head 6A and, even though he referred to this subhead, he did not actually make any specific reference to the expenditure asked for therein. Such being the case, I must take it that he agrees with that provision. But, however, he took the liberty of taking another bite at the cherry with regard to what he raised this morning, that is, in respect of the proceedings under the Advisory Board on detained persons under the Internal Security Act. Mr Chairman, Sir, by the way he presented his arguments and his allegations to this House, one would have thought that the Advisory Board was functioning in such a way as if counsels were being locked in a room, detainees were being questioned in another room and the whole thing was in a mess. Sir, that is far from being the truth. Representations under the proceedings of the Internal Security Act are governed by the Internal Security (Detained Persons) Advisory Board Rules, 1960, and there the provisions are set out in very clear and concise terms as to how the proceedings should be carried out and how representations can be made to the Advisory Board and we find in the provisions that there is no question of any discrimination with regard to the debarring of counsels representing detained persons. The provisions even go so far that where a detained person does not desire to

appear in person, he can even authorise his counsel to appear on his behalf. Sir, I must say that if this is not a provision whereby the system of natural justice is allowed, then I do not know where the Honourable Member for Menglembu got his information from. I would, for the sake of completeness, just repeat what the Honourable Minister of Internal Security and Interior said this morning: that we do not accept and we do not believe in general and wild accusations. But if the Honourable Member for Menglembu is not able to point out a specific case—which I say he cannot—then we must submit that his allegations are false.

Question put, and agreed to.

The sums of \$1,565,881 for Head S. 29; \$3,788 for Head S. 33; and \$102,050 for Head S. 36 ordered to stand part of the Schedule.

Heads S. 39 and S. 40—

Dato' Dr Ismail: Mr Chairman, Sir, with your permission I would like to take Heads S. 39 and S. 40 together. Sir, I beg to move that a sum of \$7,000 for Head S. 39 and a sum of \$620,000 for Head S. 40 stand part of the Schedule.

Head 39, Sub-head 33—Roads and Airfields:

Supplementary provision approved in October 1962, included a sum of \$5,000 for the construction of a low-water jetty at Kuala Rui, Upper Perak, for use by boats in the Border Security Area. When detailed plans and specifications of the projects were drawn up it was estimated by the State Engineer, Perak, that the project would cost \$7,000. However, in view of inclement weather and the possibility of floods, it was not possible to commence work and the project had to be deferred. By then it was too late to include the requirement in the 1963 Estimates. A supplement of \$7,000 is now required.

Construction of a low-water jetty at Kuala Rui is essential and will result in considerable economy being effected in the operation of the Boat Pool

based at Grik. It will also ensure the safety of the boats which are now Government property. In the past most of the boats were hired from contractors.

Head 40, Sub-head 23A—Rental of Flats and Quarters for Federal Reserve Units in Singapore:

It has been agreed that from the date upon which Malaysia is established the Central Government will be responsible for internal security. Insofar as it covers Singapore, five Federal Reserve Units will be required to augment the Singapore Police for public order duty in Singapore.

To meet this requirement the necessary strength has been raised and two Units of such personnel have already been sent to Singapore in order to familiarise themselves with Singapore and to train with their colleagues in the Singapore Police.

It is the intention to establish permanent bases for these men, but for the time being provisional accommodation has been provided by the renting of 720 units of Singapore Housing Development Board flats for members of the rank and file and for the use as offices and 26 quarters for the officers.

Sub-head 36—Office Furniture and Equipment for Federal Reserve Units in Singapore:

The provisional accommodation rented for the Federal Reserve Units is unfurnished accommodation and the Government has therefore had to provide furniture for the bachelor members of the rank and file, the officers, and also office furniture and equipment.

A supplement of \$620,000 is required under this Head.

Question put, and agreed to.

The sum of \$7,000 for Head S. 39 and \$620,000 for Head S. 40 ordered to stand part of the Schedule.

Head S. 50—

The Assistant Minister of Commerce and Industry (Tuan Haji Abdul Khalid): Tuan Pengerusi, saya menhadangkan

supaya wang sa-banyak \$56,875 di-bawah Head S. 50—Commissioner of Lands di-jadikan sa-bahagian daripada Jadual.

Ranchangan Penyelesaian Tanah Perlis ini ada-lah di-kehendaki di-jalankan berasingan daripada Pejabat Tanah Perlis dengan tujuan hendak membolehkan ranchangan itu menyempurnakan tujuan dan dasar asal-nya dengan sa-berapa chepat dan chekap yang boleh. Tujuan mengadakan ranchangan ini sa-bagaimana Ahli² Yang Berhormat harus ma'alum ia-lah bukan sahaja hendak memperbaiki susunan pentadbiran negeri Perlis, tetapi juga ia-lah kerana hendak menjalankan pentadbiran negeri itu di-atas asas yang sempurna dan baik. Tujuan ini ada-lah berkehendakkan Kerajaan menggantikan geran² yang lama sa-banyak 28,000 dengan geran² yang baharu. Sa-terus-nya pula masalah mendudoki Tanah Kerajaan dengan sa-chara haram di-Perlis harus juga di-beri perhatian yang teliti.

Berasingan Ranchangan Penyelesaian Tanah Perlis ini daripada Pejabat Tanah Perlis ada-lah di-laksanakan mengikut pengalaman² yang telah di-dapati di-Kelantan yang mana ranchangan sa-rupa itu telah pun dan sedang di-laksanakan dengan jaya-nya.

Tuan Pengerusi, saya menchadangkan.

Question put, and agreed to.

The sum of \$56,875 for Head S. 50 ordered to stand part of the Schedule.

Head S. 65—

The Minister of Works, Posts and Telecommunications (Dato' V. T. Sambanthan): Sir, this relates to the paneling of the Library and Reading Room of the International Telecommunications Union Headquarters with Malayan timber and plywood. I feel sure, Members will consider this a laudable objective.

Question put, and agreed to.

The sum of \$7,000 for Head S. 65 ordered to stand part of the Second Schedule.

Clauses 1 to 3 ordered to stand part of the Bill.

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

THE PORT AUTHORITIES BILL

Second Reading

The Minister of Transport (Dato' Haji Sardon bin Haji Jubir): Mr Speaker, Sir, I beg to move that a Bill intituled "an Act to provide for the establishment of port authorities, for the functions of such authorities and for matters connected therewith" be read a second time.

Sir, the Bill seeks to provide in the first instance for the establishment of Port Swettenham Authority on 1st July, 1963, and for the establishment of other Port authorities in respect of new ports.

You will recollect that one of the recommendations in the Report of the Railway Economics Commission, which was presented to this House in June last year as Command Paper No. 15 of 1962, was that Port Swettenham should be administered by a Port Authority completely divorced from the Railway Administration. In the light of this recommendation a Working Party was set up in April 1961 "to make recommendations regarding the future status and administration of Port Swettenham as a separate Authority". Amongst other matters the Working Party recommended that there should be established for Port Swettenham a separate autonomous authority on the same lines as the Penang Port Commission and governed by similar legislation. Hence, we have this Bill which follows the Penang Port Commission Ordinance, 1955, but the provisions are flexible so as to meet the varying requirements of different ports. The Bill is not intended to apply to the Penang Port Commission and the Penang Port Commission Ordinance, 1955, will remain in force after the passing of this Bill.

The date 1st July, 1963, has been chosen for the establishment of Port Swettenham Authority not only to enable it to function as a separate

authority from the Railway Administration from that date but also to enable it to make necessary separate preparations for the proper operation of the four new berths in the North Klang Straits which are due to be completed before the end of the year.

The transitional provisions contained in Part VIII of the Bill apply to Port Swettenham Authority. These provisions concern principally the transfer of staff and undertakings which include lands and other movable or immovable property from the Railway Administration to the Port Swettenham Authority. They provide for the transfer of officers and servants of the Malayan Railway Administration on terms and conditions of service not less favourable than those attached to their services immediately before 1st July, 1963, and for the continuance of benefits under the pension schemes and provident funds which transferred staff have previously enjoyed.

Financially, the mechanics of separation do not present undue difficulties, since for many years now, in anticipation of the eventual separation of the port from the Railway Administration, the port accounts have been detached from those of the Railway; separate statements of accounts and separate reserves and provisions are maintained, annual estimates for the port are shown separately in the "consolidated" estimates of the Railway Administration.

Provision is being made for the new Port Swettenham Authority to take over cash and certain assets and liabilities on 1st July, 1963, to operate mainly on a cash basis from 1st July to 31st December, 1963, and to draw up account for that period. The Railway will produce a joint balance sheet on 31st December, 1963. The remaining assets and liabilities will be transferred to the new Port Swettenham Authority by the first day of January, 1964. All expenditure on behalf of the new Port Swettenham Authority on or after 1st July, 1963, would be paid by the Authority; such expenditure will include salaries, wages, civil, mechanical, and electrical maintenance, railway traffic operating, expenditure on special

services from revenue, capital from revenue, renewals, Betterment and Development Reserves and liabilities. Thus the separation of Port Swettenham from the Malayan Railway Administration is mainly a financial and administrative task and does not involve operating difficulties.

The new Port Swettenham Authority is required to maintain, or to provide for the maintenance of adequate and efficient port services and facilities; to co-ordinate the activities of the port; to promote the improvement and development and to execute works. In brief the Authority would have to provide its own engineering, accounting, administrative services, and in addition, to make its own provision for future development of the port.

For the purpose of advising the Authority, provisions are contained in the Bill for the appointment of a Port Consultative Committee, similar to the Penang Port Commission Consultative Committee, consisting of the Chairman, the General Manager and such other persons representing the providers and users of the port services. As provided in Clause 7 (6), the Authority should consult this Committee on matters related to any substantial alteration in the charges or scales of charges prescribed by the Authority, any major scheme relating to the expansion or development of the port, and others.

The Government may under Clause 6 of the Bill provide the Port Swettenham Authority or any other authority to which this Bill subsequently applies with such sums as may be determined by the Dewan Ra'ayat for its working capital. At the present time, it is not the intention to provide working capital for the Port Swettenham Authority, which is expected to be able to provide its working capital from its reserves and provisions.

With the passage of the Bill so much of the provisions of the Railway Ordinance, 1948, as relating to Port Swettenham will cease to have effect.

There has been a suggestion from certain quarters that the Port Swettenham Authority should be given another name. We have considered

this proposal and have decided that the name Port Swettenham Authority should remain for the reason that it is not only a continuance of its present name but it is a name already known throughout the world and that it will be convenient to apply the name to both the existing port and the new port in the North Klang Straits.

I believe there will be general agreement that the establishment of the new Port Swettenham Authority, with duties laid upon it, will go far towards promoting the efficient operation and the development of the port in the best interest of Port Swettenham and of the Federation.

Sir, I beg to move.

Enche' Cheah Theam Swee: Sir, I beg to second the motion.

Enche' Tan Phock Kin (Tanjong): Mr Speaker, Sir, I must say that I support the establishment of a separate port authority for Port Swettenham. However, I do like to ask the Honourable Minister of Transport a few questions on the provisions of the Bill itself. The Minister took great pains to tell us that the Bill as such differed very little from the Penang Port Commission Ordinance but that there was a slight departure to give it more flexibility. However, Sir, I do like to point out that the whole idea of establishing a separate authority, a statutory authority, is to give that authority a certain amount of autonomy; and from the Bill itself, it appears to me that though the authority is established as an independent authority with autonomy, we find that the Minister of Transport is being given quite a great deal of power. I am sorry to say that in the course of his speech, no explanation was given as to why the Minister should be given so much power.

Sir, if we look at the original Penang Port Commission Ordinance, we will appreciate that as far as the original Ordinance is concerned, there is only the Penang Port Commission comprising of various people who were nominated. It says here:

"The Commission shall consist of—

- (i) a Chairman, who shall be appointed by the High Commissioner in Council

and shall hold office during his pleasure;

- (ii) two *ex-officio* members, namely—

- (a) the Director of Marine; and
- (b) the Settlement Secretary;

- (iii) two official members, of whom—

- (a) one shall be a person holding office of emolument in the service of the Federal Government, to be appointed by the High Commissioner in Council; and
- (b) one shall be an officer of the Malayan Railway Administration to be appointed by the High Commissioner in Council on nomination of the General Manager, Malayan Railway;

- (iv) nine unofficial members, to be appointed by the High Commissioner in Council of whom—

- (a) one shall be a Member of the Settlement Council nominated by that Council;
- (b) two shall be persons appearing to the High Commissioner to be qualified as having knowledge, respectively, of ocean shipping and of coastal shipping;
- (c) five shall be persons nominated respectively by the Councillors of the Municipality of George Town, the Penang Chamber of Commerce, the Penang Chinese Chamber of Commerce, the Indian Chamber of Commerce, Penang, and the Penang Lighter Owners' Association; . . .

However, Sir, this was later amended, I think, to make a provision similar to the one we have here in which, apart from the General Manager and the other five members, or not less than seven members, to be appointed by the Minister himself, there was no statement as to who these people should be; no specific mention as to what their qualifications should be; and on the top of that we have an advisory committee which is also similarly appointed.

So, Sir, we have here a case in which almost the majority of the members of the Commission is appointed by the Minister concerned without specifically stating who those people should be. Under the circumstances, it is natural that the Minister can wield quite a great influence in the Authority itself. Further, on the top

of that Clause 3 (4) of the Bill says:

"The Minister may give to the authority directions of a general nature, not inconsistent with the provisions of this Act, as to the exercise of the functions of the authority."

So, here we have another section which gives the Minister further power. Had the Ministers of the Alliance Government acted strictly in accordance with the terms of the Bill, Members of the Opposition would not have objected, or would not have queried as to why Ministers are allowed to have so much powers in regard to an Authority which is supposed to be autonomous. In the past, Sir, we have seen that in every case statutory corporations are being used not for the purpose of appointing people, who are best qualified to serve in these statutory authorities, but are being used to provide rewards for political services rendered to the Party in power. I am sorry to say here, Sir, that as far as qualifications are concerned nothing is said as to qualifications or experience—qualifications with regard to knowledge of port business, of the transport industry as such—but merely qualifications to the effect that one is not a bankrupt or that one is not of unsound mind. In other words, an illiterate person, who may not know how to read and write, can even serve in this Commission. I will not be surprised if there should be such a person, who has rendered political service to the Alliance, and he is appointed to serve on this Commission. As a result of this, those of us who have served in such statutory authorities, or people who have served in such statutory authorities, usually in the course of conversation, do mention that Mr So-and-So who has been appointed never uttered a word at a meeting, or knows nothing about the procedure in the various statutory bodies. Is the Minister really interested in establishing an autonomous body, is he really interested in establishing an autonomous Authority the members of which could really contribute towards making the Port a real success, or is he interested merely in filling up the Authority with members who have

rendered political service? I must say here, Sir, that the activities or the record of the Honourable Minister of Transport do not speak very well for himself. We have seen his activities in the Penang Port Commission; we have seen, perhaps due to pressure from the Honourable Minister of Transport, that appointments to senior positions in the Port Commission are made without advertisements, or without informing anybody in the country that it has proposed to make appointment to a senior position. So, here, Sir, having had such an experience of the Minister, I am afraid that we will not be doing our duty in this House, if we do not stand up to protest and to expose the attempt to give the Minister powers to use political pressure on statutory authorities.

I shall be very grateful if the Honourable Minister of Transport can explain to this House in more detail as to the idea of having statutory authorities, the idea of autonomous bodies. Will the Honourable Minister enlighten us that as far as the matter of directions is concerned, which he is empowered to do, what exactly is meant by such directions? Does it mean that he can use pressure or direct the Authority even on day-to-day administration? Does it mean that he can direct the Authority to appoint whoever he feels should be appointed to senior positions in the Authority? Why is such a clause necessary? If, after all, the Commission or the Authority can only act within the terms of this Bill, where is the necessity for the Minister to have such powers? This I fail to appreciate, and I hope the Minister concerned will enlighten this House as to why such powers are necessary.

Secondly, on the question of appointments, will the Minister concerned kindly inform us as to his criteria of making such appointments, because he should have some ideas by now as to the class of persons who should be appointed? We do not want to give the Minister power to appoint whoever he likes. On the question of qualifications,

will he set out certain minimum qualifications for people to serve in this statutory body?

Thirdly, on the question of appointments, will he give us an assurance that as far as appointments are concerned, politics will not come into consideration?

Sir, another aspect of the Bill, which I would like the Minister to consider is the question of policy with regard to bankers. Time and again we have heard the Honourable Minister of Finance stating in this House that the Bank Negara is supposed to be the bankers for the Government. This is a statutory authority and, as far as possible, we would like to see that statutory authorities—if the Bank Negara is going to be a real success—should also open an account with the Bank Negara. Why should the Bill say nothing about it? The Bill is silent and it merely says that, “The authority may open a current account with any bank approved by the Minister of Finance.” Why should it be not stated that the bank should be the Bank Negara? I would like the Honourable Minister to enlighten this House whether there are any special reasons for not mentioning Bank Negara here.

On the question of audit, again, it is stated here that, “The accounts of the authority shall be audited by an auditor or auditors to be appointed annually by the Minister.” I think the Minister will agree with me that under normal circumstances, accounts of statutory authorities should preferably be audited by the Auditor-General of the Federation. Why is it that in this particular instance, it is not mentioned specifically? Why should the Minister be given discretion as to which auditors should be appointed?

Finally, Sir, on the question of allowance for members, nothing is stated here, but the Bill merely says that, “There shall be paid out of the fund to members of the authority, or to such of those members as the Minister may determine, such allowances as he may determine.” I see no reason why specific sums of money or specific rates of remuneration should not be stated here in the Bill—and I think it is the

duty of this House to say whether remuneration given is fair and reasonable. If no sum is mentioned, there is no basis for us to judge as to whether such sums are reasonable or otherwise.

Enche' Liu Yoong Peng (Rawang): Mr Speaker, Sir, I stand up here not to oppose this Bill. As my colleague has pointed out, it is good to have a Port Authority if it serves well. But I want to point out a matter with regard to the establishment of this authority, and that is that in the past all along Port Swettenham port had been run by the Railway Administration and it has been known that the reason why in the last two years the Railway Administration did not run into a big deficit was due to the fact that Port Swettenham made more profits. Therefore, if in the future the management of the Port Swettenham port is taken over by this new authority, then how is the Malayan Railway Administration not going to run into very big deficits. So, while we are considering this problem of setting up a new port authority, I think the Minister at the same time should find ways and means to see that the Railway Administration will not run into a big deficit when the port is taken away from it; otherwise the Railway Administration will be in very deep water, while at present the Administration is quite all right. I hope the Minister can tell us what measures he is going to take to see that after the new port authority is set up the Railway Administration can also be run on a sound financial footing.

Enche' Tan Siew Sin: Mr Speaker, Sir, I presume the Honourable Member for Tanjong was referring just now to Clause 8 (5) which says that “the authority may open a current account with any bank approved by the Minister of Finance” and perhaps to sub-clause (6) which says that money may be deposited in any bank approved by the Minister of Finance. Honourable Members will not that these two sub-clauses have provided rather widely so as to enable the port authorities to have some measure of discretion, and if the Honourable Member for Tanjong had chosen to think a little

more deeply, which is perhaps a bit difficult for him to do, he would have realised that it is essential for the port authority—after all it is largely a commercial undertaking—to have a bank account near its place of operation. You must remember that the main port authority will probably be at Port Swettenham and even if it is desirable to have an account with Bank Negara, there is no branch of Bank Negara at Port Swettenham. Bank Negara is empowered to take commercial accounts, but it does not do so as a matter of policy. The wording of this Bill does not prevent an account being opened in Bank Negara if it is desirable to do so.

Enche' Tan Phock Kin: On a point of clarification, if it is the desire to have a local bank account for the purposes of day to day operations surely that can be stated in the Bill.

Enche' Ismail bin Idris (Penang Selatan): Tuan Yang di-Pertua, saya suka hendak membetulkan sedikit ucapan Yang Berhormat wakil dari Tanjong berkenaan dengan pengambilan orang² bekerja oleh Port Commission. Mengikut Undang² Penang Port Commission pekerja² yang bergaji \$500.00 ka-atas ada-lah di-sifatkan sa-bagai Senior Officer. Dalam pengambilan pekerja² itu ada sa-buah Jawatan-Kuasa ia-itu Establishment Committee dan Establishment ini-lah bertanggung-jawab untuk bertemu duga dan mengambil orang² itu. Hanya saya tahu Secretary atau Setia-Usaha sahaja apakala di-kemukakan oleh Establishment Committee ini kepada Menteri yang bertanggung-jawab untuk menerima-nya. Tetapi sa-lain dari itu ada-lah kewajipan dan tanggung-jawab Establishment Committee ini untuk mengemukakan dengan Commission seluruh-nya. Itu-lah sahaja ucapan saya untuk membaiki atau membetulkan apa² yang di-katakan oleh Yang Berhormat tadi.

Dato' Haji Sardon bin Haji Jubir: Mr Speaker, Sir, I think the Honourable Member for Tanjong was probably in this House when the Penang Port Commission Ordinance

was amended—the new one, not the old one. I think just now he was quoting from the old Ordinance. Mr Speaker, Sir, I would like to make it clear that when we establish a port authority we will see that the national interests come first; and the Minister of Transport is not such a person, as the Honourable Member figures, that he would appoint even an illiterate man to be a member of this authority because of his political work. I challenge him on that: I will not do that and none of the Alliance Ministers will do that. I would like to tell the Honourable Member this: please don't underrate our intelligence. Mr Speaker, Sir, my predecessor has always had consultations with business houses, Chambers of Commerce and so on on the appointment of at least five and not more than seven members under the new Penang Port Commission Ordinance in order to ensure that people with wide experience in business, shipping and so on can be appointed, who will contribute a lot to the discussions at the meetings of the authority. Whether it is the Penang Port Commission or the Port Swettenham Authority we will recommend only such people to the Government to be appointed; we would not recommend anybody just because he is an UMNO man or he is an Alliance man—none of the sort. I can give you an assurance on that. We will appoint the best men to run the ports, especially Port Swettenham. We are proud of the Port Swettenham Port and we have got four new berthes there. We have put up a record and everybody in this House will appreciate that we should give credit to the present Board of Port Swettenham which, despite the fact that it has been running the port with so many handicaps, has put up a very good record and put up a very good show. Now we are establishing this Authority and surely with the coming into being of this Authority, work will be done smoother and more efficient. If the Member for Tanjong has got any suggestions, please write direct to me. If you have got any man whom you think to be the best man, nominate

him; but I cannot guarantee that your nominee will be appointed. At least you can suggest.

Sir, the Minister of Transport,—whoever is going to be the Minister of Transport—does not ask for more powers. The Minister is only directly concerned with the policy, and to help the Authority to improve the port as they go on. If the Minister is not given the power to direct in matters of policy, then the Penang Port Commission will have one policy, the Port Swettenham Authority will have another policy and soon when we set up a Port in Malacca there will be another policy, and there will be confusion. All this will not be in the national interest. Therefore, we have to give the Minister of Transport the power to co-ordinate policies for the benefit of the national interests, and the power given in this particular Bill is nothing more than what is given in the Penang Port Commission Ordinance, except that in this Bill the Minister is given the power to set up and gazette the establishment of any other future port authorities. We are looking ahead, for instance, to the setting up of a port at Malacca, which is under consideration. It will also ease the pressure of work by not having to refer every now and then to this House to get a Bill passed which again will delay matters. We would like to improve our ports as early as possible. As a result of that, power is given to the Minister responsible with the idea that in case any of the other small ports would like to be improved and would like to have their own port authority, then they can refer to the Ministry of Transport and we will look into the matter and set up the rules and regulations whereby we will be in a position to allow them to have their own authority to run the port.

I am sure the Member for Tanjong is aware of the running of the Penang Port Commission. So far, I have not heard of any complaints. If he has any complaints, would he please communicate to me, suggesting how to improve the Penang Port Commission. If he has a complaint, I would request him to

communicate it to me, and at the same time also to put up suggestions on the establishment of this Port Swettenham Authority.

As far as the Member for Rawang is concerned, I am glad that he is concerned with the Railway, but I can assure him, and I mentioned it just now in my speech—perhaps I spoke a little bit too fast—that at the present time it is not the intention to provide working capital for the Port Swettenham Authority, which expects to be able to provide its working capital from its resources and provisions. In the early part of my speech I said that it was anticipated that Port Swettenham would have its own authority and, therefore, the Railway was far-sighted enough to have separate statements of accounts and whatever revenue and whatever expenditure for the Port is put aside and put into reserve. In other words, as far as the Railway is concerned, it has kept separate accounts, with the result that we can do the work faster in separating these two authorities. We hope that the Honourable Member for Rawang will support the Bill when it comes to this House to make the Railway Authority into a corporation aggregate, and it is hoped to do so by the 1st January, 1964, in order to enable it to be put on an efficient working condition, and thus to make the Railway Administration more efficient as a commercial establishment. I am sure the Honourable Member for Rawang is satisfied with my explanation and assurance.

Enche' Liu Yoong Peng: On a point of clarification. I am not asking whether they have been keeping separate accounts efficiently, or whether the accounts will run into deficit in respect of the Railway Administration. Of course, the Minister says that the Railway Administration and the Port Authority will be more efficient. I certainly hope that it will be so; it is too early for us to say whether it will be so now, but we will have a chance to see about it in the future, I hope.

Dato' Haji Sardon: Thank you.

Question put, and agreed to.

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

House immediately resolves itself into a Committee on the Bill.

(Mr Speaker in the chair)

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

Clause 3—

Enche' Tan Phock Kin: Mr Chairman, Sir, in view of the explanation by the Honourable Minister of Transport that, as far as he is concerned, he will not interfere with the running of the Port on any other matters except on policy, will he himself agree to an amendment of clause 3 (4) by adding the words "with regard to policy"? With this amendment the clause will read: "The Minister may give to the authority directions of a general nature with regard to policy, not inconsistent with the provisions of this Act, as to the exercise of the functions of the authority." If he is really sincere about it, I think he will be agreeable.

Dato' Haji Sardon: Sir, I thought my Honourable friend the Member for Tanjong has already been given an assurance and he can rest assured. If you want to put in the words "with regard to policy", you must put them everywhere. Surely, Ministers in charge of all Departments are dealing with policy matter only, not the administration. It is, as can be seen, the same text that is used in the Penang Port Commission, and I think it has never been abused.

Enche' Tan Phock Kin: However, Sir, I have stated very clearly in this House that the reason why I have suggested this is not motivated by anything else but by the actual carrying out of functions in the past. I did make a few allegations with regard to the running of the Penang Port Commission which were not replied to—and here again I was given an assurance that everything was going on very well and all that. However, if it is really the intention, then there should be no quarrel whatsoever with a simple amendment of this sort, and I see no

reason why the Minister should object to this amendment.

Clause 3 ordered to stand part of the Bill.

Clauses 4 to 59 ordered to stand part of the Bill.

First Schedule ordered to stand part of the Bill.

Second Schedule ordered to stand part of the Bill.

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

THE EXTERNAL LOANS BILL

Second Reading

Enche' Tan Siew Sin: Mr Speaker, Sir, I beg to move that a Bill intituled

"an Act to authorise the raising of loans outside the Federation to provide sums required for the purposes of the Development Fund or for the repayment or amortisation of external loans, and to make general provision with respect to external loans."

be read a second time.

Prior to independence, the only external loans raised by the Federation were raised in the United Kingdom. Such loans were authorised by Loan Ordinances and were raised subject to the provisions of the General Loan and Stock Ordinance, 1949, and the Government Trustee Securities Ordinance, which was re-enacted in 1957. The nature of such legislation was dictated largely by the need to obtain trustee status for Federation loans in the United Kingdom and this involved meeting the requirements of the Colonial Stock Acts. This is no longer necessary in view of the amendments made to United Kingdom legislation.

Furthermore, with the increased rate of development now being undertaken by the Government it has become essential to raise external loans in countries other than the United Kingdom. It is necessary therefore to enact new legislation which will authorise the raising of loans in any country outside the Federation, and which will provide a general framework for the raising of such loans. This is the

purpose of the Bill now being considered by this House.

The Bill authorises the Minister of Finance to raise loans which in the aggregate will not exceed \$300,000,000 for the purposes of the Development Fund and on such terms as he considers suitable. The terms on which loans will be raised can only be decided at the time each loan is raised, but I wish to emphasise that no expenditure of the funds received by way of loan can take place without the approval of this House in accordance with the provisions of the Development Fund Ordinance. It may also be desirable to re-finance existing foreign loans rather than to repay them at maturity, and therefore provision is made for loans to be raised for the repayment or amortization of loans raised outside the Federation under the provisions of any Federal law.

The Bill contains the necessary provisions for raising and managing loans, including the terms of issue. These provisions are in a flexible form with a view to making the Act applicable to loans raised in different countries and to loans that may be raised under later legislation. In previous loan legislation, detailed provision was made for administrative matters such as sinking funds, etc., but in this Act, in order to retain flexibility, such matters will be dealt with by deed to be prepared at the time each loan is issued.

Loans raised under the provisions of the Act will not be subject to either the General Loan and Stock Ordinance, 1949, or the Government Trustee Ordinance, 1957, and certain sections of the former which are no longer required are repealed. It is not considered desirable that these Ordinances should be repealed entirely as existing external sterling loans have been raised subject to their provisions, and to alter the initial conditions on which the loans were raised may well have an adverse effect on confidence amongst investors at a time when the Federation is hoping to raise new external loans.

I shall be moving three minor amendments to Clauses 2, 4, and 5 of the Bill during Committee. The amendments are of a technical and drafting nature only.

Sir, I beg to move.

Tun Haji Abdul Razak: Sir, I beg to second the motion.

Enche' Liu Yoong Peng: Sir, on the question of borrowing money from other countries, I think the Government is now becoming increasingly too much dependent on borrowing from them. As the Deputy Prime Minister has pointed out, it is because of Malaysia that defence expenditure is going to be increased, although the Minister of Finance did explain that the loans are not for defence but for development. Anyway, I think it amounts to the same thing, because if more money had to be spent on defence, then less money can be obtained from revenue for development, with the result that, in order to have more development, money must come from outside, from somewhere else—not from revenue. Sir, I think the way for us to remedy the situation is not just by borrowing—and keep on borrowing. Some solution should be found. I would suggest that, firstly the Government should maintain peaceful relations with neighbouring countries, so that we do not have to provide too much expenditure for defence; secondly, we should not allow money to run out of the country too easily—as it is now. I think, Malaya is like a broken basket, where you put in water and the water disappears somehow.

Sir, when foreign investors invest in this country, as soon as they make a profit, they take the profit back to their own countries. That is not “ploughing-back” as the Minister of Commerce and Industry has pointed out—and I am glad that he did point it out. Sir, there should be more of this “ploughing-back” of profits into the country for industrial development and other purposes, and the sooner Government does something about it, in the form of legislation, the better it would be—that is, to insist that

foreign investors cannot take away too much profits from this country. Further, in relation to this, there is also question of the balance of trade. I think, if the Minister of Finance is very sincere, he will have to admit that there is a considerable amount of money that is being taken back by foreign capitalists to their countries, and also there is quite an amount of money which we spend on buying foreign goods. After taking into consideration all these and the amount we make from selling goods to other people, we do not have a favourable balance of payments in Malaya, and every year the balance is more and more not to our favour. How is the Government to remedy this situation? As I said, the answer is for the Government to increase our exports to other countries and cut out a lot of unnecessary import trade into this country. From country to country, we should insist that the balance of trade should not be too much to our disfavour, and then we will be in a better position. Most important of all, we should increase our exports to other countries but, as I said, we are not doing our best. Only the other day the High Commissioner for Australia said that there was no Trade Commissioner in Sydney for quite some time; and yet every day in Malaya we see that Australia is putting up very good advertisements of their commercial products, and they also put up an exhibition—and even one of their Deputy Trade Commissioners went to some shops to do salesmanship on the spot. Whereas in the case of Malaya we do not have a Trade Commissioner in Australia for quite some time. This is merely an example, and there is quite a lot more to comment on with respect to what effort the Government has really made towards increasing the sale of our products in other countries. Yesterday, Sir, the Minister of Commerce and Industry was complacent when he said that Opposition parties might have agreed with his trade policy. I am afraid I cannot agree with him here.

In conclusion, Sir, I would say that we should try to be at peace with other countries in order to cut down defence

expenditure; we should not allow foreign capitalists to take away too much profit from the country; we should try to expand trade; and we should cut down the importation of luxury goods into this country. If we do all these, then our financial position will be much better, and we do not have to rely on foreign loans which are actually a burden for our future generations. Sir, if we do not earn enough to meet the present demand of the population, we will only increase our burden of loans; and if we cannot repay them, the future generations will suffer. May be the Alliance is not going to be in power and thus leave the work to other people?

Enche' Mohd. Asri bin Haji Muda (Pasir Puteh): Tuan Yang di-Pertua, sekarang ini kita akan membenarkan Yang Berhormat Menteri Kewangan untuk mendapatkan pinjaman wang yang akan menjadikan jumlah pinjaman wang kepada angka yang lebih besar daripada sekarang ini dan mungkin menyebabkan melibatkan kewangan negara pada masa akan datang untuk membayar balek wang pinjaman itu sama ada bayaran pokok atau pun bayaran interest itu sendiri. Sa-benarnya, Tuan Yang di-Pertua, meminjam wang luar negeri untuk pekerjaan pembangunan negeri ini ada-lah satu perkara yang sedikit sa-banyak boleh di-pertanggung-jawabkan, tetapi mestilah melalui satu kaedah atau chara yang boleh menjamin bahawa pinjaman wang untuk membena negara itu dilaksanakan dengan chara dan kaedah yang benar² dapat menghasilkan kebangkitan ekonomi dalam negeri ini. Mengikut keterangan Yang Berhormat Menteri Kewangan wang itu akan digunakan untuk membangunkan negara pada masa akan datang, tetapi saya suka-lah memberikan perhatian sedikit bahawa pembanaan negara yang dimaksudkan itu hendak-lah di-ambil perhatian oleh Kerajaan sekarang ini supaya jangan-lah wang² kegunaan negara itu di-gunakan bagi project² yang sa-mata² bersifat hendak berlagak sombong atau bermegah².

Tuan Yang di-Pertua, ada dua sebab orang yang berhutang itu, satu sifat

manusia yang berhutang, dia membeli pakaian, baik pun membeli basikal dan pakaian yang chantek² atau pun membeli untuk keperluan keluarga-nya. Ada satu lagi bentok manusia yang meminjam duit di-gunakan duit itu sebagai modal untuk membangkitkan ekonomi itu sendiri atau untuk di-perniagakan seperti membuka kedai, membuka kilang dan sa-bagai-nya dan wang pinjaman itu dapat di-bayar daripada hasil keuntungan yang di-perniagakan-nya itu. Demikian-lah saya maksudkan bagi pembenaan negara kita, Tuan Yang di-Pertua, supaya wang itu di-gunakan untuk kebangkitan ekonomi benar² dapat menjamin suatu kedudukan yang tertentu dan tidak-lah di-lakukan lebih $\frac{3}{4}$ daripada kerja² pembenaan negeri itu dengan sifat bermegah². Barangkali pada masa yang akan datang boleh-lah Yang Berhormat Menteri Kewangan dan ahli² Jema'ah Menteri sekarang ini memikirkan chara bagaimana wang itu dapat di-gunakan. Banyak negeri² manakala mereka dapat mencapai kemerdekaan mereka juga telah meminjam wang dan boleh di-katakan 100 per cent pinjaman wang itu di-gunakan sa-bagai modal untuk membangunkan Industry dan perusahaan² kilang dan sa-bagai-nya yang kemudian daripada itu dapat di-bayar balek sa-bagaimana yang di-lakukan oleh India dan negara² lain. Jadi, Tuan Yang di-Pertua, dapat-lah dengan chara yang demikian walau pun banyak sekali pun meminjam wang di-luar negeri itu akan dapat mendatangkan hasil yang banyak. Kerana pinjaman yang tidak mendatangkan hasil bagi membangunkan ekonomi yang tidak merupakan Industry atau perdagangan dan perusahaan tidak-lah memberi faedah yang banyak bagi kebangkitan ekonomi negara.

Sa-lain daripada itu, Tuan Yang di-Pertua, di-dalam kita hendak meminjam duit itu satu perkara yang mustahak yang mesti hendak di-ingati ia-itu jangan-lah salah tempat, yang boleh mengikat politik International pada masa yang akan datang. Jangan-lah kita berkehendakkan wang menyebabkan sa-hingga terpaksa politik luar negeri terganggu baik sa-chara lansong

atau pun dengan sa-chara tidak lansong. Ada-lah lebih baik dan mustahak sa-kira-nya pinjaman itu di-lakukan daripada badan² International yang tidak mempunyai kepentingan politik, sa-chara demikian sahaja-lah yang dapat menjamin kedudukan pinjaman kita itu tidak melibatkan kedudukan politik negara kita dan bagi negeri itu sendiri. Sa-belum daripada saya dudok saya teringat Yang Berhormat dari Johor Tenggara beruchap baharu² ini kata-nya berhutang itu telah menjadi penyakit kapada manusia . . .

Tuan Syed Ja'afar bin Hasan Albar (Johor Tenggara): Tuan Yang di-Pertua, saya hendak membetulkan kesilapan Ahli Yang Berhormat itu, mengikut Standing Order 35 (4) . . .

Mr Speaker: Itu apa ada kena-mengena dengan itu? Dudok dahulu! Di-dalam Majlis ini hanya sa-kali sahaja Yang Berhormat itu boleh berchakap, tetapi jika dia hendak memberi keterangan, baharu boleh saya benar-kan. Sekarang saya hendak bertanya, ada-kah hendak on a point of order atau apa?

Tuan Syed Ja'afar bin Hasan Albar: Standing Order 35 (4).

Mr Speaker: Please proceed!

Enche' Mohamed Asri bin Haji Muda: Tuan Yang di-Pertua, Ahli Yang Berhormat dari Johore Tenggara pernah berkata bahawa berhutang sudah menjadi ta' biat manusia semenjak manusia ini ada dalam dunia. Jadi kalau berchakap memang senang, Tuan Yang di-Pertua, tetapi saya tidak fikir Dato' Adam dahulu pernah berhutang dengan Nenek Hawa. Jadi pehak kami soal negara hendak berhutang dengan luar negeri memang perkara ada sebab² yang lain. Tetapi biar-lah hutang itu di-gunakan kapada kaedah yang benar² dapat menjamin bagi negara dan ra'ayat negeri ini.

Enche' Tan Phock Kin: Mr Speaker, Sir, members of the Government backbenches when they heard the Honourable Minister of Finance speaking just now would have complimented the Honourable Minister

of Finance for the manner in which he introduced this Bill, but they should appreciate the very grave financial position of the Government. He has created the impression as if this is quite a normal thing, that it is simply seeking the permission of this House to enable the Government to borrow money from external sources to the tune of \$300 million—and almost casually he has told this House that it is to assist in our development projects. He made no mention of the immediate necessity of it. He has created the impression that he may not even use the provisions of this Bill in the immediate future.

However, Sir, the truth of the fact is that the Government is desperately in need of loans. It cannot get loans from local sources and it is trying to get them from external sources, and a very good indication of the anxiety of the Government to get loans from abroad is the provision in Section, Part II; and I regret to say that the Minister of Finance in the course of his speech made no mention at all with regard to this special provision, which says that—

“Sub-section (2) shall authorise the Minister to include among the terms and conditions of any external loan provisions for exempting from income tax or other taxes the interest on an external loan or for exempting from exchange control the debt charges or any description of debt charges in respect of an external loan;”.

I submit, Sir, that this is an indication of the desperate need of the Government for loans, so much so that it goes to the extent of even exempting such interests from income tax. We must realise that the rate of interest then will tell a false story as to how much interest we pay on such loans. It may be said that we are paying only 4 per cent. due to the generosity of the Government of such and such a place, but we fail to take into consideration that the 4 per cent. is exempt from income tax. So, by comparison with other loans raised, the interest rate is very much higher. In recent loans from our own people we may have had to pay a certain rate of interest, but in return we are getting income tax from them from the interests paid on

these loans. So you see, Sir, it is clear from these examples that the Government is desperately in need of money. Why is it so? We have just embarked on a Five-Year Development Plan. Calculations for the various projects in the Five-Year Plan were made, but we never envisaged that we need such large loans from external sources. As a result of it, in considering our Five-Year Plan we have embarked on a great deal of non-productive developments, developments which will not give us any return whatsoever. We have embarked on prestige projects of various nature. Had the Minister concerned, or the Government, considered seriously all these when the Second Five-Year Development Plan was put forward, it would have acted more wisely and less extravagantly. I remember that when the Five-Year Development Plan was put forward we pointed out in this House that a plan for a long period must be very conservative and that we must make sure that under any circumstances we will be able to carry out every project. The most we got from the Minister concerned was a sneering laughter. He was very confident that the price of rubber will remain at that level. However, Sir, events have shown very clearly that this is not so and circumstances today are such that the Minister will have to go crawling for loans. As pointed out, the errors of the Minister of Finance and the errors of the present Government will have to be paid for by posterity. The Minister has made no attempt to tell us that since the Alliance Government came into power what is the rate of increase in the national debt of our country. The more debts we incur the more interest we have to pay, and with our present commitments I fail to see how those monies are going to be raised. There were talks of no taxation for the Borneo territories for the initial period to welcome them into Malaysia; there were talks, various talks, of not raising taxation—perhaps as a preparation for the elections; but where is the money going to come from? The Minister is silent on this, though he admits that we have no money, and the easiest solution is to go for loans. The Minister

himself appreciates that as far as this country is concerned—and he has told this to the House—we have reserves in the form of sterling securities in the United Kingdom. We, in this House, have advocated time and again that the Central Bank should as soon as possible take over the function of a note issuing authority and thereby we can make use of our reserves, and our reserves can be transferred back from the United Kingdom. However, we were told that we could not do that until the formation of Malaysia, that there will be merger and all that. And now that there is going to be merger, I regret to say that we have not heard a word from the Minister of Finance with regard to what action the Central Bank proposes to take on the question of note issue. How much reserve are we reserving for our sterling securities? Can the sterling securities be utilised more fruitfully at home, if we are in need of funds for our development projects? These are questions which the Minister concerned must enlighten this House. We admit we do not know and it is for the Minister to tell us. The only reason the Minister had when this question was brought up some time ago was the question of confidence. On the one hand, he was telling us that people in foreign countries were so confident of us that they were quite prepared to lend us money, whilst on the other hand he said that if we were to be our own note issuing authority the people might not have that confidence in us. Whatever it is, it is still the Alliance Government, and if the people do not have confidence, then the Alliance Government should not boast of their achievements and the confidence they command overseas. The confidence they have is because of the sterling securities, not because of the Government. This statement from the Alliance Government, from the Minister of Finance, is an open admission of this fact. It is as clear as day-light. So here, Sir, we have this very serious state of affairs as far as the financial position of this country is concerned, and an honest Government should tell the people so. It is no use trying to hide the facts from them in view of the coming elections; it is no

use trying to run away from the facts. An honest Government will face realities and shoulder them with the responsibility that is expected of it. A Government that is unable to do that is not worthy to carry on. The independence we have is a heritage which we all obtained for ourselves, and I feel that it should be the duty of every Government to carry out its responsibilities and not, because of impending crisis, to hide the facts from the people, trying to tell the people that everything is all right, while at the same time it knows that everything is not all right. I hope that the Honourable Minister of Finance, in the course of this debate will clarify to this House as to why it is necessary to obtain further loans and whether in the light of the present circumstances he felt that had all the full facts been known to him before the Five-Year Development Plan was put before the House, he would have deleted a lot of the non-productive and non-essential projects. I appeal to him to be honest to this House and to be honest to himself. Being a very prudent man he should be able to differentiate between what is of beneficial interest to the country and what projects are not beneficial to the country; and I hope that he will not merely, as he has done before, evade the whole issue and introduce irrelevant matters into the debate.

Enche' Tan Siew Sin: Mr Speaker, Sir, before I reply to the points which have been raised by the three speakers who have spoken, it might perhaps be useful if I give a little bit of background history for the education of the Honourable Members, who have spoken, and particularly that of the Honourable Member for Tanjong. He seems to have an unrivalled capacity for twisting facts and I hope, perhaps, we can be charitable and credit it to ignorance rather than to a deliberate intention to deceive. The Honourable Member for Tanjong, I think, remembers that we have such a thing called the Second Five-Year Development Plan, and he would probably recall that when this Plan was submitted to this House and considered by it, it was approved with acclamation—and if I

am not mistaken this particular Honourable Member, the Honourable Member for Tanjong, I think, criticised the Government on the ground that we did not go far enough. Now, one of the essential ingredients of this Plan is that it provides for external loans to the tune of \$535 million—and in fact the success of the Plan depends in part on our ability to raise this quantum of external loans in order to finance the Plan in full. Now, so far our total external debt is of the order of about \$400 million or a little more—I cannot remember the exact figure, but it is roughly \$400 million. It will, therefore, readily be seen that we are still below our target of \$535 million. I, therefore, find it rather strange that the Honourable Member for Tanjong, who in one breath castigated the Government for not going far enough in its objectives in regard to the Five-Year Plan, should now criticise the Government for exactly the opposite reason—that it is trying its very best to implement the Second Five-Year Plan by raising the level of external loans to the level envisaged in the Plan. I think I can hardly say more for the mental dexterity of the Honourable Member for Tanjong.

I should make it clear that these loans are designed to be commercial loans, and they will be raised in the commercial markets of the main financial centres of the world—London, perhaps later on New York, and some other major European capitals. If Honourable Members will bear in mind that these loans will be strictly commercial loans, they will realise that these loans will not be forthcoming unless the lenders, who are private individuals, the ordinary men and women, are satisfied that these loans are safe—that means in due course both the capital and interest; in particular the capital, will be repaid. If these loans are to be subjected to that kind of scrutiny, they are not likely to be forthcoming unless the prospective lenders are satisfied that the country concerned is sound, that the policies pursued by the Government are sound and reasonable,

and last, but not the least, that these loans will be repaid in due course and in good money. That, I think, will take care of the advice—and I think it is very good advice—given to us by the Honourable Member for Pasir Puteh who, alone among the three speakers, spoke at least constructively. He advises us to ensure that if we do manage to raise loans we should put them to good use. I think we can give that assurance quite readily because, as I have stated in this House on many occasions in the past, the broad policy of the Government is to allocate roughly between 70 and 75 per cent of its available development funds to economic projects and the remaining amount is to be allocated to social services, Government projects, and the like. If we stick to that formula, I think we need have no fears that money raised by means of external loans will not be usefully spent, in the sense that they will eventually lead to more revenue and increased national income, thus enhancing our productive capacity and our economic strength. The very fact that these loans are commercial loans will also dispose of the other piece of advice given by the Honourable Member for Pasir Puteh—that we should ensure that these loans are not subject to political conditions or political strings. If they were Government loans, there might be a slight danger of that, but if they are commercial loans raised on a businesslike basis, I think the Honourable Member for Pasir Puteh will appreciate that this question is not likely to arise.

Sir, I think what I have said will serve as a reply to the Honourable Member for Rawang, who has suggested that the main purpose of these loans was to provide for greatly increased expenditure on defence necessitated by Malaysia. If, as I have said previously, we were to try to raise loans for purposes like defence, he will find, as I have found, that Wall Street and the City of London, and the financiers there will be ten times tougher even than the Member for Tanjong. As I have stated in this House on previous occasions, it is not at all easy to raise loans on a

commercial basis. It is one thing to get Government-to-Government loans because they may be given on the basis of political considerations. But if you want to raise a loan on your own credit in a foreign market—and this particularly applies to under-developed countries in Asia and Africa—you have got to give not only economic but also good political reasons, that you are likely to ensure political stability before you have a sporting chance even of making a start. And if we succeed in this endeavour, I think we will have achieved something very unique, because we will then be the only country in the whole of Asia and Africa, apart from Japan, which has succeeded in raising a commercial loan in the major capital markets of the world, and that is really a feather in our cap.

The Honourable Member for Tanjong has asked how we have done since independence. Unfortunately, he does not do very much home-work; otherwise he would have discovered that we certainly have increased our external reserves since independence, at one stage to \$400 million, and I think I am right in saying that we are the only country in Asia and Africa which has achieved this. This, I think, is very important and very significant indeed!

The prize contribution to this debate was made by the Honourable Member for Rawang. He tried to tell us that if we raised loans, that was bad for our balance of payments. While I was listening to him, I wondered whether he knew what the term “balance of payments” really meant, and I have little doubt that he has never seen balance of payments figures. If you have a loan or you manage to get a loan overseas, the amount of that loans, that figures, is added to your balance of payments, not subtracted from it.

Enche' Liu Yoong Peng: Sir, on a point of explanation—I did not say that the loan has any thing to do directly with the balance of payments. I was talking of trade, not loan, when I referred to the balance of payments.

Enche' Tan Siew Sin: The logic of the Honourable Member for Rawang is even more admirable, because he was

attacking us for our temerity in trying to raise loans, and he coupled it with what he called “our deteriorating position in our balance of payments”—and now he tells us that there is no connection whatsoever between the two.

The Honourable Member also tells us that we should increase our exports in order to improve our economic position. That, I think, is the only coherent statement made throughout the course of his speech. However, at the same time, again, he and his colleagues on the Socialist Front bench have always criticised us whenever we tried to promote matters which don't help in the industrialisation of this country. I mean that, although we have enough, probably a fair amount of capital and technical know-how, the only way to industrialise rapidly is to give a fair deal to foreign investors, so that they can provide us with the technical know-how for rapid industrialisation, and we also have to consider bringing in external capital not only in the form of equity but also in the form of loans. And I am sure that if we pursued that policy vigorously, in order to make a significant impact on the economic position of this country, the first people to criticise us would be Honourable Members of the Socialist Front.

Enche' Tan Phock Kin: Sir I am afraid the Honourable Minister of Finance

Mr Speaker: You must ask for my permission before you speak, because we are not in Committee and you have no right to speak any more. But if you want to raise a point of clarification, I can allow that.

Enche' Tan Phock Kin: Can I seek a clarification, Sir?

Mr Speaker: Yes, but not very long!

Enche' Tan Phock Kin: The Honourable Minister of Finance has forgotten to give a reply with regard to sterling reserves. I wonder whether he cannot do so, or whether he is unwilling to do so.

Enche' Tan Siew Sin: Sir, I cannot remember what he said about sterling reserves. Can he repeat it?

Enche' Tan Phock Kin: Sir, in the course of the debate, I mentioned something about the Central Bank being made the note-issuing authority. With the present arrangements, the country is having some sterling reserves in the United Kingdom in accordance with the agreement with the Currency Commissioners. In that respect, I ask the Minister as to when the Central Bank will become the note-issuing authority, because in the course of the debate, we were told that we would have to wait until after merger; and as merger is coming now, I would like to know whether the Minister has any plans with regard to this or whether he still thinks it is too early.

Enche' Tan Siew Sin: Mr Speaker, Sir, I have known that the Honourable Member never read what he should read before he spoke. I am now beginning to realise that he cannot hear when he has got ears to hear. If he will refer to my Budget Speech made in December 1961, he will notice that I made a point then that with the coming into being of Malaysia the question of the Central Bank taking over the note-issuing authority will be settled automatically, and for this reason the five territories, which are now participating in the Currency Agreement, should also be the five territories which will form the new Federation of Malaysia, in which case the question of the Central Bank taking over the note issue would be a very simple matter. I think the answer is clear and conclusive enough.

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)

Clause 1 ordered to stand part of the Bill.

Clause 2—

Enche' Tan Siew Sin: Mr Chairman, Sir, I beg to move the following amend-

ment as specified in the Amendment Slip which has been circulated to Honourable Members:

Leave out in sub-section (3) the words "they are raised", and insert "when the amount to be raised is determined".

This amendment is required as there may be an alteration in exchange rates between the time when the terms of the loan are decided upon and the actual date of issue of the loan. The application of the limit of \$300 million in such circumstances could result in a position whereby the loan could not be issued in accordance with the provisions of the prospectus without exceeding the limit. This is clearly undesirable, and the amendment now proposed would prevent such a situation arising.

Question put, and agreed to.

Clause 2, as amended, ordered to stand part of the Bill.

Clause 3 ordered to stand part of the Bill.

Clause 4—

Enche' Tan Siew Sin: Mr Chairman, Sir, I beg to move the following two amendments which have been specified in the Amendment Slip circulated to Honourable Members:—

- (a) Leave out in subsection (2) the words "the Minister may determine", and insert "may be determined by or with the authority of the Minister".
- (b) Leave out in subsection (4) the words from "exempting" in the third line to "loan" in the fourth line and insert "exemption from taxes".

I shall deal with the first amendment, that is the one in regard to sub-clause (2), first. It is the practice for Commonwealth Governments issuing loans in London, to appoint loan agents who can agree to variations in the terms on which the loans are to be issued as it is sometimes necessary to agree to minor variations in the terms of the loans as a result of movement in the market. The amendment now proposed will enable the Minister of Finance to appoint a loan agent who

can be authorised to agree to last-minute changes in the terms on which loans are issued.

The second amendment is to sub-Clause (4) of Clause 4. This amendment will enable the Minister to examine not only the interests on but the principals of the loans from any tax imposed by the Federation Government. Although there is no tax on capital or capital gains at present in the Federation, it is considered desirable that provision should be made for exempting the principal of any loan from Federation taxation should the Minister of Finance consider this to be desirable and should such a tax be introduced in future. Question put, and agreed to.

Clause 4, as amended, ordered to stand part of the Bill.

Clause 5—

Enche' Tan Siew Sin: Mr Chairman, Sir, I beg to move the following two amendments specified in the Amendment Slip which has been circulated to Honourable Member:—

(a) Leave out in paragraph (b) the words "or regulate".

(b) Insert in paragraph (e) after the word "with" in the first line the words "or without requiring".

With regard to the first proposed amendment, that is the one in respect

of paragraph (b), it is necessary in order to make it clear that the Minister may authorise the Registrar by deed to regulate the management of the loans and on all matters arising in connection therewith. Provision for this has, in fact, been made in paragraph (f) of Clause 5, lower down.

With regard to the second amendment, that is the one in respect of paragraph (e), this is proposed in order to make it clear that the Minister may provide in the deed for certain matters to be variable without requiring a meeting of stockholders. This will enable minor administrative procedures to be varied at the discretion of the Minister of Finance should provision for such variation be made in the terms of the deed.

Question put, and agreed to.

Clause 5, as amended, ordered to stand part of the Bill.

Clauses 6 and 7 ordered to stand part of the Bill.

Schedule ordered to stand part of the Bill.

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

Mr Speaker: Time is now 6.30 p.m. The House is now adjourned to 10.00 o'clock tomorrow morning.

Adjourned at 6.30 p.m.