



PARLIAMENTARY DEBATES

DEWAN NEGARA (SENATE)

OFFICIAL REPORT

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FEDERATION OF MALAYA
DEWAN NEGARA (SENATE)
Official Report

Vol. II

Second Session of the First Dewan Negara

No. 11

Tuesday, 3rd January, 1961

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

PRESENT:

- The Honourable Mr. President (DATO' HAJI ABDUL RAHMAN BIN MOHAMED YASIN, S.P.M.J., P.I.S., J.P.) (Johore).
- „ the Minister of Justice (TUN LEONG YEW KOH, S.M.N.) (Appointed).
- „ TUAN HAJI ABBAS BIN HAJI MOHAMED (Trengganu).
- „ ENCHE' ABDUL HAMID BIN MAHMUD, J.M.N. (Appointed).
- „ ENCHE' AHMAD BIN SAID, A.M.N. (Perak).
- „ ENCHE' A. M. ABU BAKAR, J.M.N. (Appointed).
- „ ENCHE' ABDUL WAHAB BIN IDUS, P.J.K. (Negri Sembilan).
- „ ENCHE' AMALUDDIN BIN DARUS (Kelantan).
- „ ENCHE' CHAN KWONG HON, A.M.N., J.P. (Selangor).
- „ DATO' DR. CHEAH TOON LOK, J.M.N., J.P., Dato' Maha Kurnia (Appointed).
- „ ENCHE' J. E. S. CRAWFORD, J.M.N., J.P. (Appointed).
- „ ENCHE' DA ABDUL JALIL BIN HAJI AWANG (Trengganu).
- „ ENCHE' HASHIM BIN AWANG, J.P. (Penang).
- „ ENCHE' KOH KIM LENG (Malacca).
- „ DATO' LEE FOONG YEE, J.M.N., P.P.T., J.P. (Negri Sembilan).
- „ ENCHE' LIM HEE HONG, A.M.N. (Appointed).
- „ ENCHE' MOHD. SALLEH BIN MOHAMED ARIFF (Malacca).
- „ ENGKU MUHSEIN BIN ABDUL KADIR, J.M.N., P.J.K. (Appointed).
- „ ENCHE' S. P. S. NATHAN (Appointed).
- „ ENCHE' NIK HASSAN BIN HAJI NIK YAHYA, J.M.N. (Appointed).
- „ TUAN HAJI NIK MOHD. ADEEB BIN HAJI NIK MOHAMED (Kelantan).
- „ TOK PANGKU PANDAK HAMID BIN PUTEH JALI, P.J.K. (Appointed).
- „ RAJA RASTAM SHAHROME BIN RAJA SAID TAUPHY (Selangor).
- „ DATO' SHEIKH ABU BAKAR BIN YAHYA, D.P.M.J., P.I.S., J.P. (Johore).
- „ DATO' G. SHELLEY, P.M.N., J.P. (Appointed).

The Honourable TUAN SYED AHMAD BIN SYED MAHMUD SHAHABUDIN, J.M.N. (Kedah).

- „ ENCHE' T. H. TAN, J.M.N. (Appointed).
- „ DATO' E. E. C. THURASINGHAM, D.P.M.J., J.P. (Appointed).
- „ ENCHE' S. O. K. UBaidULLA (Appointed).
- „ ENCHE' WAN AHMAD BIN WAN DAUD, P.J.K., J.P. (Perlis).
- „ DATO' WAN IBRAHIM BIN WAN TANJONG, J.M.N., P.J.K., Orang Kaya Indera Maharaja Purba Jelai (Pahang).
- „ ENCHE' YAP KHEN VAN, A.M.N., J.P. (Pahang).
- „ ENCHE' YEOH KIAN TEIK (Perak).

ABSENT:

- The Honourable ENCHE' CHEAH SENG KHIM, J.P. (Penang).
- „ ENCHE' CHOO KOK LEONG (Appointed).
 - „ ENCHE' MOHAMED ZAHIR BIN HAJI ISMAIL (Kedah).
 - „ ENCHE' ATHI NAHAPPAN (Appointed).

IN ATTENDANCE:

- The Honourable the Deputy Prime Minister and Minister of Defence, TUN ABDUL RAZAK BIN DATO' HUSSAIN, S.M.N. (Pekan).
- „ the Assistant Minister of Commerce and Industry, ENCHE' CHEAH THEAM SWEE (Bukit Bintang).

PRAYERS

(Mr. President *in the Chair*)

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

Mr President: Ahli² Yang Berhormat, satu keputusan telah di-terima daripada Dewan Ra'ayat berkenaan dengan Rang Undang² yang telah diluluskan oleh Dewan itu. Setia Usaha Majlis ini akan membachakan keputusan itu.

Whereupon, the Clerk read the following message dated 27th December, February, 1960:

“Mr. President,

The House of Representatives has passed the following Bills:

- (1) Bill to apply a sum out of the Consolidated Fund to the service of the year 1961, and to appropriate such sum for certain purposes;
- (2) Bill to make special provision for the grant of a pension to

Tengku Ampuan Jema'ah binti Raja Ahmad, the widow of His late Majesty Sultan Hisamuddin Alam Shah ibni Al-Marhum Sultan Ala'iddin Sulaiman Shah;

and transmit them to the Senate for its concurrence.”

ADJOURNMENT TO A LATER DAY

(Motion)

The Minister of Justice (Tun Leong Yew Koh): Sir, I beg to move,

That, notwithstanding the provisions of Standing Order 11 (2), at its rising today the House do stand adjourned to Thursday, 5th January, 1961, at 10 a.m.

Engku Muhsein bin Abdul Kadir: Tuan Yang di-Pertua, saya menyokong.

Question put, and agreed to.

Resolved,

That, notwithstanding the provisions of Standing Order 11 (2), at its rising today the House do stand adjourned to Thursday, 5th January, 1961, at 10 a.m.

BUSINESS OF THE SENATE

Tan Leong Yew Koh: Mr. President, Sir, I beg to give notice that the following Bills, which have been certified by Mr. Speaker as money Bills, be read a second time forthwith:

- (1) The Special Pension (Tengku Ampun Jema'ah binti Raja Ahmad) Bill;
- (2) The Supply (1961) Bill.

BILLS

THE PUBLIC AUTHORITIES (CONTROL OF BORROWING POWERS) BILL

Second Reading

Tan Leong Yew Koh: Mr. President, Sir, I beg to move that a Bill intituled "an Act to regulate the borrowing powers and guarantees of public authorities" be read a second time.

Engku Muhsein bin Abdul Kadir: Tuan Yang di-Pertua, saya menyokong.

The Deputy Prime Minister (Tun Abdul Razak): Mr. President, Sir, the purpose of the Public Authorities (Control of Borrowing Powers) Bill, 1961, is merely to enable the Federal Government to control the use of their borrowing powers by the public authorities, subject to agreement by the State Government concerned in case of authorities exercising powers vested in them by State law.

Now, Article III of the Constitution restricted the borrowing powers of the States in recognition of the need to establish a central co-ordinating authority over borrowing by public authorities in the Federation. It is, therefore, anomalous that certain financially autonomous public authorities, such as Municipalities and Local Councils, can exercise their borrowing powers without reference to the Federal Government. It is considered essential that the Federal Government should be in a position to control and co-ordinate borrowing by all public

authorities in the Federation and, therefore, this Bill has been introduced.

Initially, the provisions of the Bill will apply only to those authorities named in the Schedule, but under Clause 5 of the Bill, additional authorities may be included in the Schedule from time to time.

Sir, it may be considered that the Bill encroaches upon the executive powers of the States, but it should be recorded that the Bill has been agreed to by the National Finance Council, and Clause 4 of the Bill ensures that the State Governments concerned will be consulted by the Treasury before it exercises its powers.

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 Committee on the Bill.

Bill considered in Committee.

(Mr. President in the Chair)

Clauses 1 to 5 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 IMPORTATION OF YEN ORDINANCE (REPEAL) BILL

Second Reading

Tan Leong Yew Koh: Mr. President, Sir, I beg to move that a Bill intituled "an Act to repeal the Importation of Yen Ordinance" be read a second time.

Engku Muhsein: Tuan Yang di-Pertua, saya menyokong.

Tun Abdul Razak: Mr. President, Sir, this is a very short and simple Bill. The purpose is stated in the Explanatory Statement appended to the Bill. The Bill merely seeks to repeal the Importation of Yen Ordinance of the Straits Settlements enacted in 1898. Originally, this Ordinance was in force in Singapore, Penang and Malacca, but

in the case of Singapore it has been repealed by the Singapore Ordinance No. 8 of 1955; and, therefore, it only remains in force in the States of Penang and Malacca. Now, appropriate provisions already exist governing the import of coin generally in the Federation in the Coin (Import and Export) Ordinance No. 31 of 1957. Therefore, the provisions of the Ordinance, which was enacted in 1898, have become redundant and it is necessary to repeal them.

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. President *in the Chair*)

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

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

THE PINEAPPLE INDUSTRY (AMENDMENT) BILL

Second Reading

Tun Leong Yew Koh: Sir, I beg to move that a Bill intituled an Act to amend the Pineapple Industry Ordinance, 1957, be read a second time.

Engku Muhsein: Tuan Yang di-Pertua saya menyokong.

The Assistant Minister of Commerce and Industry, (Enche' Cheah Theam Swee): Mr. President, Sir, the purpose of the Bill is to give effect to the decisions of the Government as set out in paragraphs 24, 25 and 26 of the Statement on Government's future policy on the Pineapple Industry contained in White Paper No. 19 of 1960 tabled at the June meeting of this House.

Sir, the proposed amendments deal with the reorganisation of the Malayan Pineapple Industry Board, the revision of its functions and the abolition of the post of Chief Executive Officer.

At present, the Board comprises a Chairman appointed jointly by the Yang di-Pertuan Agong and the Yang di-Pertuan Negara, a representative of the Government of Singapore, three representatives of the Federation Government, two representatives of State Governments and ten representatives of the canning, exporting and growing sections of the industry, as stated in the White Paper. Sir, experience has proved that the Board with a total of 17 members, is too large and unwieldy to work effectively. Accordingly, it has been decided to reconstitute the Board to comprise the following:

- (a) a Chairman, to be appointed jointly by the Yang di-Pertuan Agong and the Yang di-Pertuan Negara of the State of Singapore;
- (b) two members to represent the Government of the Federation to be appointed by the Minister;
- (c) one member to represent, and be appointed by the Government of the State of Singapore;
- (d) one member to represent registered canners to be appointed by the representative association of the canning branch of the pineapple industry;
- (e) one member to represent small-growers to be appointed by the Minister; and
- (f) the State Agricultural Officer, Johore.

Sir, as regards the functions of the Board, the main effect of the proposed amendments would be to provide for the collection of statistics relating to the industry, and the administration of the cess fund as the primary function of the Board.

The third amendment seeks to delete the reference to the office of Chief Executive Officer and to indicate, instead, that the Board may employ such staff as it considers necessary.

The other amendments are purely consequential and involve no matters of substance or principle. It is the

intention that when the new Board is set up, it should examine the existing legislation and the Regulations made thereunder and consider whether further amendments are necessary or desirable in order to reorganise the industry on the lines indicated in the Government's White Paper.

Sir, I would like to add that there is a parallel legislation in Singapore. The Government of Singapore has been consulted and has indicated its intention of taking the same action on its side.

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. President *in the Chair*)

Clauses 1 to 12 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 SPECIAL PENSION (TENGKU AMPUAN JEMA'AH BINTI RAJA AHMAD) BILL

Second Reading

Tun Leong Yew Koh: Mr. President, Sir, I beg to move that a Bill intituled "An Act to make special provision for the grant of a pension to Tengku Ampuan Jema'ah binti Raja Ahmad, the widow of His late Majesty Sultan Hisamuddin Alam Shah ibni Al-Marhum Sultan Ala'iddin Sulaiman Shah" be read a second time.

Sir, when I moved the Special Pension (Her Highness Tunku Puan Besar Kurshiah) Bill in this House in August last year I mentioned that the payment of a pension to a former Permaisuri Agong who is widowed during the tenure of her office is not provided in the Constitution and that each case will be considered on its

own merits. The case of Tengku Ampuan Jema'ah, the widow of His late Majesty Sultan Hisamuddin Alam Shah has been carefully considered and the Government feels that it would be fitting for the Federation Government to provide her with some pension to enable her to maintain her dignity and prestige as our former Raja Permaisuri Agong and as a token of our appreciation of her services to our country and in loving memory of our late Yang di-Pertuan Agong. In view of her short tenure of office as Raja Permaisuri Agong and that she was not installed, it is considered that a pension of \$1,000 per month would be a reasonable sum to pay Tengku Ampuan Jema'ah during her lifetime. It is understood that the Selangor Government also proposes to make provision to her maintenance in her capacity as the former Tengku Ampuan of Selangor. I have no doubt that this Bill will have the full support of this House.

I beg to move.

Engku Muhsein: Tuan Yang di-Pertua, saya menyokong.

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. President *in the Chair*)

Clauses 1 to 4—

Dato' Dr. Cheah Toon Lok: Mr. President, Sir, may I know whether this pension is subject to income tax or not?

Tun Abdul Razak: Mr. President, Sir, as far as I know it is, like any other pension, subject to income tax, but I would like to get this matter verified in the Treasury.

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

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

THE SUPPLY BILL, 1961

Second Reading

Tun Leong Yew Koh: Mr. President, Sir, I beg to move that a Bill intituled "An Act to apply a sum out of the Consolidated Fund to the service of the year 1961 and to appropriate such sum for certain purposes" be read a second time.

Engku Muhsein: Tuan Yang di-Pertua, saya menyokong.

Tun Abdul Razak: Mr. President, Sir, owing to the absence of my honourable friend and colleague the Minister of Finance due to indisposition, there has, therefore, fallen upon me the honour of explaining the annual Supply Bill to this House.

Honourable Members will be aware that the Government's financial proposal for the year 1961 has already been presented to the Lower House and has been passed, and in his speech to the Lower House my honourable colleague, the Minister of Finance, has stated clearly the Government's financial and fiscal policy for the year 1961, and I believe copies of the speech have already been circulated to the Honourable Members of this House. I do not, therefore, wish to take the time of this House by repeating what has already been stated in that speech. However, I should like to draw the attention of the Honourable Members to some of the main features in that speech.

Honourable Members probably are aware that last year there was what is known at the time as the tide of economic recovery throughout the world and that tide continued to flow strongly for the first part of 1960. But, unfortunately, the price of rubber began to fall and it has, in recent weeks, been fairly constant at a very much lower level. The outturn of revenue for the year, however, was considerably above the estimated figure. The surplus on the year's working at the end of 1959 was \$52.9 million. I expect, Sir, that when the accounts for 1960 are finalised they will show another large surplus.

At one stage this was estimated at \$168 million but it may not now be quite so high as that. It is unlikely, moreover, that such good results can be expected in 1961.

Generally speaking, there has been some falling off in the economic expansion of some of the countries which consume our products, and while future trends are difficult to determine with certainty, there has been a halt—and we hope only a temporary one—to the rising tide of prosperity lately. Now the United States, in particular, has been having its difficulties, whilst the motor car industry in the United Kingdom has been badly affected. As a result, some falling off in the amount of money spent by these two countries on raw materials is to be expected and it may be that that will have some effect on our sales of rubber and, perhaps, other commodities too. Nevertheless, after allowing for these possibilities, the Government has felt able to budget for a surplus of \$36 million on current account after making provision for contribution of \$24 million from revenue to the Development Fund.

Last year, Sir, in the course of his Budget Speech, my honourable colleague, the Minister of Finance, stated that he was paying particular attention to the improvement of Treasury control in order to cut out wasteful expenditure. Now, some progress has been made in this direction, and one change made is the designation under each Head of Estimates of a Controlling Officer who will be ultimately responsible for the expenditure under that Head and for other financial matters connected with the service for which the Head provides. These Officers are, of course, subject to control of their Ministers with regard to the policies for which the funds under their charge are expended. The Officers themselves are responsible, however, for ensuring that, in carrying out these policies, the money allotted to their Departments is spent in the most economical way and in accordance with any instructions issued by the Treasury.

The new system does not introduce any basic change compared from past practice, but I feel that it should have the effect of bringing back home to all the officials the precise fields of their financial responsibilities and should enable the Treasury to exercise closer supervision over the expenditure of public funds.

Sir, the Estimates which this House is asked to consider refer only to the recurrent expenditure of the Government. Development Expenditure is dealt with separately. However, our development plans will naturally affect the size of the recurrent estimates. The Second Five Year Development Plan is now in an advanced stage of preparation, and it is already known that it will make a considerably large call upon our resources. It needs a large amount of personnel and plan to carry it out; and in many cases when the work is completed, a larger staff is required to maintain and operate the capital asset created. In the expectation that this would be necessary, the amount of expenditure provided for is considerably in excess

of that for previous years. Now the fact must be faced that our recurrent costs are bound to increase, however carefully expenditure is watched. It is considerations such as these which led to the proposal to increase receipts from taxes in good time for both our main export products. These taxes, which are already known to the Honourable Members, have been labelled by the Press as "prosperity taxes" and that is what they actually are. The burden will fall only when there is ability to pay, and these resources will then be available to meet our commitments when times are not so good.

ADJOURNMENT

(Motion)

Tun Leong Yew Koh: Mr. President, Sir, I beg to move that the House do now adjourn.

Engku Muhsein: Tuan Yang di-Pertua, saya menyokong.

Question put, and agreed to.

Adjourned at 10.42 a.m.