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SPEECH BY THE DEPUTY PRIME MINISTER ON THE SECOND READING OF THE CONSTITUTION (AMENDMENT) BILL, AT THE DEWAN RAKYAT ON 29TH JANUARY, 1962

Mr Speaker, Sir,

I beg to move that a Bill intituled "An Act to amend the Constitution of the Federation" be read a second time.

Mr Speaker, Sir,

Hon'ble Members will recall that in moving the second reading of the Constitution (Amendment) Bill 1960 I stated then that the present constitution of the Federation was promulgated on the day we achieved independence and was the charter of our Nation and the framework within which the aims of our society and the aspirations of our people might be achieved through a democratic process based on the principles of parliamentary democracy. This is the principle which is enshrined in our Constitution in which we all strongly believe and which we are pledged to uphold and cherish. However, I also stated then that as conditions changed and as our young and newly independent Nation developed and matured and as we gained experience in the working of the Constitution, it was apparent that certain amendments were necessary to meet the changing needs of our people and our country. It is the duty of the Government to keep the working of our Constitution under constant review so that its provision, wherever necessary, can be adapted to our requirements and our needs.

As a result of this review the Government put forward certain amendments in the 1961 Constitution (Amendment) Bill which was duly approved by this House. In continuation of that review the Government now proposes further amendments to our Constitution as embodied in this Bill before the House. These amendments, Sir, have only been put forward after very careful consideration lasting more than a year and after considering the views of all sections of the community. Government fully realises that an amendment to our Constitution is a serious and solumn undertaking and that it is only after careful consideration and

having satisfied itself that it is in the true interest of our country and our people, the Government has decided to put forward these amendments.

These amendments deal with three important matters, first citizenship, second delimitation of constituencies and third Finance. Of these, the first two are perhaps the most important and ones which Honourable Members would wish to give a very close scrutiny. Other matters dealt with in the Bill are of much less importance and there is perhaps no need for me to dwell on them at great length.

Now, Sir, before turning to the specific provision of the Bill relating to citizenship, there are one or two general observations which I would like to make. The Constitution of the Federation was promulgated in 1957 and has thus been in operation for over four years. It is, I think, fair to say that the Citizenship provisions in the Constitution which were accepted after very careful consideration of the views of the various communities in this country, were designed on liberal lines. When we achieved independence in 1957, we were engaged in the supreme task of launching a newly independent country and it was our intention, the intension of the Alliance Government, that all persons of goodwill and good conduct and who have no other home but this country should become citizens after they qualify under the conditions laid down in the Constitution. I am sure, Sir, Honourable Members of this House, including Honourable Members of the Opposition, would agree that our Citizenship Provisions have been framed in a generous manner because it is our honest and sincere intention to bring together all persons who regard this country as their home and object of their loyalty as citizens so that we could build a strong, united and independent Nation. So generous has been our Citizenship policy that a number of people have acquired a status to which they have no right and already 1,400 people have been deprived of citizenship which they obtained by means of false representation. As Honourable Members are aware, when the extent of this state of affairs became known, Government decided to offer an Amnesty to those persons who had obtained citizenship improperly and they were permitted to surrender their certificates without penalty. This Amnesty period ran from July to December 1960 and some 12,000 people took advantage of the Government offer.

Therefore, Sir, under these circumstances, it was only right, proper and prudent that Government should re-examine our Citizenship Provisions to ascertain whether any loophole could not be tightened, so that in the interest of our country and in the interest of our people of all races who owe their loyalty to this country, people who have no right to be citizens and who obviously have no attachment to this country should not be allowed to become citizens. Therefore, in the light of all these occurences Government decided to re-examine and review our Citizenship requirements.

Now, the first amendment of importance relates to Clause 1 ***(b)*** of Article 14 of the Constitution. This Clause provides that every person born within the Federation on or after Merdeka Day is a citizen by operation of law. This basic principle, Sir, will remain untouched but the Government only proposes to have one minor modification to which I will refer in a moment. But, Sir, in the true interest of our country, it is the bounded duty to all of us, Members of this House in particular, of all Parties, to see that those who become citizens of our country in the future will be truly identified with this country and be prepared with all good faith and sincerity to play their part in the future development of this country. It is our duty to see that those who are given the inalienable right in our Constitution are people who will uphold and cherish our heritage and defend our country and all that it stands for with their lives.

As I have just stated, paragraph ***(b)*** of Clause I of Article 14 provides that a child born within the Federation on or after 31st August, 1957, is a citizen by operations of law. There are at present two exceptions to this i.e. a child of a foreign diplomat born in this country or a child of an alien born in any place under enemy occupation.

Clause 2 of the Bill subject to amendment in committee seeks to add a third category by providing that a person will not acquire citizenship by operation of law by reason of birth in the Federation, if at the time of the birth neither of his parent was a citizen or a permanent resident in this country. This amendment will not, of course, apply to persons bora in the Federation before the amendment comes into force. It will not prejudice rights already acquired, nor will it operate so as to render the child stateless.

Sir, it is only fair, in my view, that children of persons who have no right to be in this country and who have no attachment to the country should not have the right to become citizens by operation of law. After discussions with various interested people and in particular at the request of Members of the Malayan Chinese Association and the Malayan Indian Congress, I propose to move on amendment at the Committee stage to make this amendment clear and also to clarify the meaning of permanent residence. Under this amendment, any person on production of proof will be able to obtain a certificate from Government to show that he is permanendy resident, even if he is not in possession of any document issued under Federal Law to show that he had permission to reside permanently in the Federation. This provision will apply largely to people from Singapore who, at the moment are allowed free access to the Federation without being required to obtain a permit. I would also like to add that the possession of a red Identity Card will be accepted as evidence of permanent residence. It is not the intention of Government as can clearly be seen from past action to administer the law so as to cause difficulties to people who are genuinely resident in this country permanently. The intention of Government, as I have stated, is to stop those who have no attachment to the country from acquiring citizenship by the operation of law. I would also add that it is now proposed to amend Clause (2) (c) of the Bill in committee so that it will be clear that this provision will apply in respect of either parent. Consequently, a child bora within the Federation on or after the coming into force of the Bill will be a citizen by operation of law under Article 14 (1) ***(b)*** if either of his parents was, at the time of his birth, a citizen of the Federation or a permanent resident therein.

Clause 2 (3) of the Bill makes minor amendments relating to Article 14 (1) *(d)* of the Constitution. As there are no Malayan Consulates in Singapore, Sarawak, Brunei and North Borneo, provision is made for the registration of births in these territories to be made with the Federal Government. This amendment merely rectifies an omission in the existing Constitution.

Clause 3 of the Bill relates to Article 15 of the Constitution which refers to the acquisition of citizenship by registration by the wives and children of citizens. A woman married to a citizen is entitled under the existing Article 15 (1) to be registered as a

citizen, but the amendment will restrict this right to cases where the lady has lived continuously in the Federation for not less than two years, and intends to reside here permanently and is of good character. These amendments are to my mind fair and fully justified, but I can assure this House that there will be no difficulties in cases of genuine marriages, that is to say, for a Federal Citizen, who genuinely wants to get married outside and brings his wife to settle here permanently. There are special provisions in the Second Schedule to the Constitution as amended by Clause 27 (2) of the present Bill, regarding the calculations of the period of residence and cases will be dealt with sympathetically under these provisions. It will also be possible in genuine cases for a wife to obtain permit to live permanently in this country. The new Article 15 (2) will give discretionary power to register any minor child of a citizen as a citizen on application by his parent or guardian.

It is also proposed at the Committee Stage to introduce amendments to Clause 3 of the Bill to make clear that existing provisions of Article 15 (1) will continue to apply to any woman who married a citizen prior to the coming into operation of Clause 3 and that existing Article 15 (2) will continue to apply in respect of minor children of a person who was a citizen prior to the coming into operation of Clause 3. These amendments will make clear and that the amendments to Article 15 of the Constitution will only apply to cases taking place after the coming into force of the amendments.

Sir, Clause 4 proposes to introduce a new Article 15**A** which gives the Government discretionary power to register any minor as a citizen if there are special circumstances.

Clause 5 repeals Article 17 of the Constitution which relates to citizenship by registration of persons resident in this country since before Merdeka Day. Now, Sir, more than four years have now elapsed since Merdeka and it is thought that ample opportunity has been afforded to persons wishing to take advantage of this Article and Article 15 (2) to register themselves or their children as citizens. It was made clear at the time of promulgating the present Constitution that Article 17 was intended to be temporary and it is not considered reasonable that facilities such as these, which are not found in Constitutions of other countries,

should be made available indefinitely. It was intended to be temporary to enable persons who are permanently resident in this country at the time of Merdeka to obtain citizenship if they so wished. It is considered that the period of four years is more than ample for these people to apply for citizenship if they had wanted to do so. For the future if is considered appropriate that citizenship based upon residence only should be obtained by naturalization on the ground that those seeking this status have made their home in this country. Article 17 provides for a person to claim citizenship based on residence qualification and not birth. It has been alleged in some quarters that by deleting this Article the Alliance Government has broken its pledge to the people. This, Sir, is certainly not true. In its memorandum to the Reid Commission, the Alliance Party made clear the distinction between citizenship rights claim founded on birth and that founded by residence alone. As regards birth, Article 16 makes it clear that a person born in the Federation before Merdeka Day has a right to obtain citizenship if he has the required residential qualifications. But the Alliance Party also recommended that those "aliens" who have not been born in this country but resided here before and after the date of Independence should also be eligible to become citizens. Therefore, it is clear, that persons not bora in the country should only be eligible to become citizens by naturalization and that granting of citizenship should be at the discretion of the Government. Article 19 provides for citizenship by naturalization which is akin to the provision of Article 17. Therefore, Sir, no right has been taken away but only provisions which were intended to be temporary to provide facilities for a certain group of people to obtain citizenship after Merdeka. Parallel provision still exists in Article 19 and therefore, the right of persons resident but not born in this country to obtain citizenship is still available.

Honourable Members will observe that the repeal of Article 17 is expressed to be without prejudice to any application for registration made before the coming into operation of this repeal. The reason for this saving is, of course, that as between applicants who have the requisite qualifications for registration when the repeal comes into operation, it would be unfair to discriminate on the ground that one application may have been dealt with an another not. The two cases will have equal merit and it is due only to administrative difficulties that they will not be able to be dealt with simultaneously. I would also wish to add, Sir, that

after discussion with Members of the Alliance in this House and at the request of the Malayan Chinese Association and the Malayan Indian Congress it is intended to give a short period of grace before this Clause is put into effect to enable those who are eligible and who genuinely want to become citizens, but have not had opportunity to do so to apply to register as citizen under the present Article 17.

Sir, under Section 1 (c) of the Schedule to the Bill, it is intended to repeal Clause (4) of Article 18. It is clearly not conducive to Public good that a person who have acted in a manner prejudicial to the security of the country should be registered as a citizen and it is to this end that the presumption of good character contained in the existing Article 18 (4) is to be deleted. A person who has not been convicted of any criminal offence may nevertheless be a person of bad character and it is clearly undesirable that such person should be registered as a citizen.

Sir, I mentioned just now that persons who apply for citizenship by naturalization under Article 19 must have made this country their home. Clause 6 of the Bill therefore seeks to amend that article by requiring an applicant to have resided in the Federation for the year immediately preceeding the application.

Clause 7 of the Bill repeals Article 20 which provides special conditions for the naturalisation of members of the Armed Forces. In view of the fact that citizenship is a requirement on enlistment into the Armed Forces, this Article is no longer necessary and it is accordingly decided that it should be repealed.

Article 23 of the Constitution relates to renunciation of citizenship and Clause 8 of the Bill makes a minor amendment to this article. As the Constitution stands, a citizen cannot renounce his citizenship unless he is actually a citizen of another country. Certain foreign citizenship laws, however, debar an individual from becoming a citizen until any previous citizenship has been renounced, and this amendment is designed to facilitate that process.

Article 24 of the Constitution deals with deprivation of citizenship by reason of the acquisition of foreign citizenship or the exercise of foreign citizenship rights. Clause 9 makes certain amendments to that article. Under Article 24 (2) a person may be deprived of his citizenship if the Federal Government is

satisfied that he has at any time after Merdeka Day voluntarily claimed, and exercised, in a foreign country right available to him under the law of that country being rights accorded exclusively to its citizens, for this purpose the exercise of rights conferred on citizens of a Commonwealth country which are not available to other Commonwealth citizens is deemed by the existing Article 24 (3) to be the exercise in a foreign country of rights accorded exclusively to its citizens. The definition of "Commonwealth country" in Article 160 (2) does not however, except by special Act of Parliament, include Colonies, Protectorates, Protected States or other territories administered by the Government of a Commonwealth country. Such territories are, however, included in the definition of "part of the Commonwealth". In the context of Article 24 (2), there is no reason to distinguish between different territories within the Commonwealth and Article 24 (3) is therefore amended to include all such territories.

Clause 9 (3) of the Bill also introduces a new Clause (3**A**) into Article 24. This clause is intended to make it clear that for the purpose of deprivation under Article 24 (2), and under that clause as applied by Article 24 (3), voting in a political election in a place outside the Federation constitutes the exercise of a right available under the law of that place, whether the vote is cast in that place or outside it. But whether or not the exercise of a vote is a right exclusively accorded to the citizens of the place where the election is held i.e. whether by exercising it a Federal citizen imperils his citizenship—depends on whether the law of that place restricts the franchise to its own citizens. On the other hand, the new clause provides that, after a date to be appointed, application for, or the use of, a passport of another country will constitute the exercise of a right available under the law of that country exclusively to its citizens, and consequently will be a ground for deprivation.

Now, Clause 10 (2) of the Bill introduces a new clause in Article 25. The effect of this clause will be to render a citizen by registration under Article 17 or a citizen by naturalisation liable to be deprived of his citizenship if, without the approval of the Federal Government, he accepts any office or appointment under a foreign Government in any case where an oath of allegiance is required in respect of such appointment. An amendment to be moved in Committee will provide that this new provision will not have

retrospective operation or apply to act done before citizenship was acquired.

Clause 10 (3) of the Bill reduces from seven to five years the period of residence abroad which, unless the specified conditions are fulfilled, will render a citizen by registration under Article 17, or a citizen by naturalization, liable to deprivation. The intention of this amendment is clear. It is essential that citizens who obtained that status by registration or naturalisation should continue to maintain a close and genuine contact with this country.

Paragraph 3 of the Schedule of Minor and Consequential Amendments has the effect of deleting clause (3) of Article 26 of the Constitution. It will be recalled that this particular clause places a twelve months restriction on deprivation of citizenship granted by mistake. The existing prohibition of deprivation under Article 26, unless conducive to the public good is maintained by a new Article 26**B** (2) *(a)*.

Clause 11 introduces a new Article 26**A** which provides that where a child of a citizen has been registered under the new Article 15 (2) the child may, if still under the age of twenty one, be deprived of citizenship in the event of his parent renouncing or being deprived of that status. Under an amendment to be introduced, in Committee, the liability of a child to be deprived of citizenship under this clause will be limited to cases where the parent has renounced his citizenship or has been deprived under Article 24 (1) (Voluntary acquisation of other citizenship) or Article 26 (1) *(a)* (Citizenship obtain by fraud). From this, it is clear that the child will not be punished for the sins of the father. Clause 11 also inserts a new Article 26**B** which is designed to ensure that deprivation does not result in statelessness, and that it is confined to cases where continued citizenship would be contrary to the public good. An amendment to be moved in Committee will except from the provision as to statelessness deprivation under Article 26 (1) *(a)*. The result will be that deprivation resulting in statelessness will be prohibited except where the citizenship was obtained by fraud or misrepresentation.

I come now to Clause 26 which amends the oath of allegiance which new citizens are required to take. All citizens of the Federation owe allegiance to the Sovereign and this amendment is designed accordingly.

Clause 27 (1) and (3) of the Bill relate to section 4 of the Second Schedule to the Constitution, which enables the Minister to delegate his functions under the Constitution relating to citizenship. That section, as it stands, is defective in two respects. First it contains a verbal error ("of instead of "or"). Secondly, the power of delegation conferred by the existing section is unjustifiably wide. No order of deprivation of citizenship has ever been made except by the Minister personally; and the Government feels that the section ought in terms to be limited to matters of machinery only. Provision is made for the retrospective operation of any delegation made under this amendment within one month of its coming into force. The reason for this is that, although no delegation has ever been made of any of the vital functions of the Government under Part III of the Constitution, delegations have from time to time been made of purely administrative functions. Having regard to the verbal error I have already mentioned, and to the somewhat complicated history of the Second Schedule—at one time the registration authority was the Election Commission; later the Minister took over the administration as well as the substantial powers—it seems desirable to have a clear provision for validating former delegations, provided that they fall within the scope of the delegations which the Minister is now empowered to make.

Clause 27 (2) of the Bill amends section 20 of the Second Schedule which defines residence for the purpose of Part III of the Constitution. Under the proposed amendments, periods of service on Government duty outside this country will count for residence, but periods in which a person was not lawfully resident in the Federation, or was only temporarily resident under any pass or exemption order issued or made under the Immigration Ordinance, 1959, or was in lawful custody (other than in a mental hospital) in the Federation, may not be treated as residence for the purpose of obtaining citizenship under Part III. There is an important exception to this, to which I have already referred in connection with Article 15. The Minister is given power to allow time spent in the Federation under the authority of a temporary pass to count towards qualifying for citizenship.

Such then are the citizenship amendments contained in the Bill. I will only repeat what I said earlier, that these amendments have been proposed after four years experience of the working of the

Constitution. Honourable Members will agree that when it has been discovered that bogus citizens have been enrolling in thousands, the Government would clearly be failing in its duty if action was not taken to correct this state of affairs. We fully realise the importance of the citizenship issue in the context of present day Malaya, and in framing these amendments we have kept that principle very much in mind. In short, our object has been to make our citizenship procedure realistic; to place no hindrance on the bona fide applicant who is prepared to play his part in building the new Malaya, but at the same time to ensure that the stream of bogus citizens who have been acquiring that status during the last four years is obviated.

Sir, I will now deal with those parts of the Bill which relate to the delimitation of constituencies and connected matters. These are Clauses 14, 20, 22 and 31 of the Bill. Broadly, it is proposed to retain the existing number of 104 members of the House of Representatives and to lay it down that in future, the final authority for the delimitation of constituencies will be the Dewan Rakyat instead of the Election Commission.

The amendment in Clause 14 of the Bill proposes to retain the existing figure of 104 members for the Dewan Rakyat. This figure, as Honourable Members are aware was obtained by doubling the fifty-two constituencies created for the elections to the last Federal Legislative Council in 1955. It is considered that in view of the localities that have developed in relation to the existing constituencies since that time, there is merit for such retention. I am sure Honourable Members will agree with me that the present set up has worked very satisfactorily. Therefore, to alter these constituencies, reducing the total membership to 100, as at present required by the Constitution, would only invite administrative complications and also result in considerable expenditure and inconvenience.

Clauses 20, 22 and 31 relate to the procedure for altering the boundaries of constituencies. Under the present proposals, the Election Commission, after holding a review as the Constitution provides, will formulate provisional recommendations, framed in accordance with the principles set out in Part I of the new Thirteenth Schedule introduced by Clause 31. The recommendations will be published, and the Commission will revise them in the light of any representations received and submit them to the Prime

Minister. The results of the Commission's work will be laid before the House of Representatives, and unless the Commission have recommended no change the Prime Minister will lay a draft Order giving effect to the Commission's recommendations, with or without modifications. On the draft Order being approved by not less than half of the total number of members of the House, it will be submitted to His Majesty for the making of an Order in terms of the draft. The Order will not affect constituencies until the following General Election. The procedure for altering boundaries is based upon that adopted in the United Kingdom, by the House of Commons (Redistribution of Seats) Acts, 1949 and 1958 and I am sure Honourable Members will agree that the proper authority for deciding on the delimitation of constituencies is this House.

Honourable Members will observe that Section 2 of the new Thirteenth Schedule specifies certain general principles which, as far as possible, are to be taken into account in delimiting constituencies. These are known and accepted principles and were taken into account when delimiting the present constituencies. There is therefore no new principle which has been brought in. One of these principles is the weightage of rural constituencies for area. Basically, the number of electors in each constituency ought to be approximately equal except that, having regard to the greater difficulty of reaching electors in country districts and other disadvantages affecting rural constituencies, weightage for area may be given to rural constituencies to the extent that in certain instances rural constituencies may contain as little as half the number of electors in an urban constituency. This is not a new principle. It is to be found in the existing Constitution and is accepted in other countries. The percentage of weightage now suggested is that recommended in the Report of the Committee appointed in 1953 to examine the question of elections to the Federal Legislative Council. In other words, the purpose of this amendment is merely to permit the retention of the existing the constituencies and not to bring in any new principle.

I will now deal with amendments proposed to financial provisions of the Constitution. Clause 12 seeks to amend Article 35 (1) of the Constitution which at present requires Parliament by law to provide a Civil List of the Yang Dipertuan Agong and also a Civil List of the Raja Permaisuri Agong. It would appear inappropriate to have two Civil Lists and it has in fact been the practice for the

provision for the Raja Permaisuri Agong to be included in the Civil List of the Yang Dipertuan Agong. The amendments now provides for a single Civil List which will include provision for the Raja Permaisuri Agong.

The next financial amendment is in Clause 17 which I will take together with Clause 19 later. In the meantime I will deal with Clause 18. Article 99 (1) of the Constitution at present requires the Yang Dipertuan Agong in respect of every financial year to cause to be laid before the House of Parliament a statement of the estimated receipts and expenditure of the Federation for that year and, unless Parliament in respect of any year otherwise provides, that statement shall be so laid before the commencement of that financial year. It may well happen, as in the case of the Budget for this year, that it is not practicable or convenient for the Budget debate to begin before the beginning of the year to which the Budget relates. In such a case it would still be necessary for the Estimates of Expenditure to be laid on the Table before the beginning of the year, since otherwise Ministries and Departments would have no basis for their operations after 31st December. It would clearly be undesirable, however, for the Revenue Estimates to be made public before the Minister of Finance had announced any proposed changes in the tax structure in his Budget Speech. The first part of Clause 18 therefore makes it possible for the publication of the Revenue Estimates to be delayed until after the beginning of the new financial year.

The second part of Clause 18 seeks to add another paragraph to Clause (3) of Article 99, which specifies the categories of payments for which provision does not have to be included in the annual Estimates, namely, payments from the proceeds of loans raised for specific purposes and from trust monies. The trust funds with which the existing paragraph ***(b)*** of Clause (3) of this Article is obviously intended to deal are monies of which the Federation is not the beneficial owner but which it has received subject to a trust. The suggested new paragraph (c) would cover the case of Government monies appropriated to statutory trust funds in accordance with the procedure laid down by Section 10 of the Financial Procedure Ordinance, 1957.

I will now deal with Clauses 17 and 19. Under the existing provision of the Constitution, State Governments are entitled to impose royalty on minerals mined within their borders and the

Federal Government is entitled to impose export duties thereon. It is clearly inequitable that any mine should have to pay both royalty and export duty on the same product or that the same product should pay different rates of royalty depending upon the State in which it is situated. Experience has shown that it is not always easy to obtain agreement between the States and the Federal Government on the rate of taxation to be imposed on any particular mineral or the share of such taxation which should be retained by the Federal Government and the State Government concerned respectively. To overcome this difficulty it has been decided to amend Article 110 of the Constitution so as to enable Parliament to legislate on the proportion of export duty which is to be paid by the Federal Government to the States in respect of each mineral and the conditions to which such assignment shall be subject. The proposed paragraph (3**A)** of Article 110 gives the necessary power whilst at the same time recognising that the individual States have a valid claim to a share of the revenue derived from any mineral mined within their respective borders.

As Parliament will provide for the States to receive a fair proportion of the export duty on minerals, it follows that the States power to impose royalties or similar charges should also be subject to such limitations as Parliament see fit to impose. Such limitations can be imposed in future by virtue of the proposed paragraph (3**B)** of Article 110 of the Constitution. One of the main objectives of amending Article 110 is to ensure uniformity of treatment of mines throughout the Federation. It has been decided therefore that Clause (4) of Article 76 of the Constitution should be amended so as to enable Parliament to legislate on the terms of mining leases. By virtue of such legislation Parliament would be able to ensure not only the uniformity of mining leases throughout the country but also that excessive burdens are not placed on individual mines by the insertion of high rates of premium and other onerous conditions in the terms of individual leases.

The House should know that the States have been receiving the proceeds of the 10 percent ad valorem export duty on iron ore ever since the beginning of 1956. Nearly all the past duty has been paid over, but there are a few cases where the exact amounts have not yet been varified; the payments in these cases will be made as soon as we know the figures. These past payments have been extra statutory, though the States may well think them nonetheless

beneficial for that. The present amendment to Article 110 is not retrospective; obviously, it could not have been made retrospective to a time before Merdeka Day. I, therefore, invite the House, in passing the clause, to give an implied sanction to the payment to the States of these past duties. The assignment of this revenue to States has undoubtedly been beneficial in promoting the States' co-operation in the spectacular development of the iron ore industry in recent years.

Should the House approve the present amendment proposed to Article 110 of the Constitution the Government proposes to introduce immediately a Bill to authorise the assignment in future to the States of such proportion of the proceeds of the export duty on iron ore as is considered equitable.

The Bill which we have before us contains several other proposals for amendment; there are only two of them which require any time to explain.

First, Clause 16. In our Constitution, as in many others, it is fundamental that the financial initiative should rest with the Government. Accordingly, Article 67 provides that Bills and amendments making provision for taxation, expenditure and other financial matters can only be introduced or moved by a Minister. But as the Article stands it is not clear what is meant by "making provision". If, for example, a Bill provides for establishing a new Government service, which will enevitably involve expenditure, is that a Bill making provision for Expenditure? This amendment proposed by Clause 16 will make it clear that Article 67 covers both direct and indirect financial consequences. But the Government realises that it would be wrong to go too far and to prevent any amendment being moved by a private member if it had any financial consequences, however remote. To avoid this, Clause 16 is drafted so that Article 67 will only operate if the Minister of Finance signifies that the Bill or amendment has financial effects which are not merely incidental and insubstantial.

Next, Sir, I turn to Clause 24. The House will remember that as the Constitution stands Article 2 enables new States to be brought into the Federation by an ordinary Federal law, that is a law passed by a simple majority of this house; and under Article 159 (4) (6) the same majority suffices for consequential

amendments of the Constitution necessitated by a law under Article 2. The Government is advised that the wording of Article 2 and 159, in their present form, does not quite fit the amendments which be required on the establishment of the Federation of Greater Malaysia. Clause 24 will give the necessary flexibility, both at the initial stage and thereafter.

The remaining Clauses of the Bill can be dealt with very shortly. Clause 13 clarifies the law as to the formal exercise of the executive power of the Federation, and will relieve His Majesty of a number of administrative acts, many of them trivial, which can properly be done by the Cabinet or by a Minister acting under Cabinet authority. Clause 15 aims at unifying the staffs of the two Houses of Parliament, with obvious advantages from the point of view of recruitment. Clauses 21 and 23 are no more than clarification of the law relating to the terms of office of the Judges and of members of the Elections Commission. Clause 28 brings the compulsory provisions of State Constitutions into line with the amended Federal Constitution and with current practice. Clause 30 fills a gap in the application to the Constitution of the statutory rules of interpretation. Clauses 1 and 33 govern the timing of the changes we are making, and Clauses 32 and 34 and the Schedule contain a number of consequential amendments.

Such then is the Bill which the Government invites the House to debate and to read a second time. I do not wish to minimise the importance of some of the changes we propose. But as I have already said they are put forward after long and anxious deliberations. We have realised all along that it would be easy enough for men of ill will to misrepresent our proposals. That we cannot help. We believe, however, that the great majority of the people of this country will not be misled. These matters are not always easy to understand at first sight. Some genuine doubts have been expressed. The amendments to the Bill which we have put forward, and which you, Sir, will allow us to discuss at a later stage, are designed to allay these doubts. As I have said in the beginning and I repeat it again, that these amendments have been put forward as a result of very careful consideration in the light of experience gained in the working of the Constitution for the last four years. These amendments have not brought any new principle nor have we departed from the principles enshrined in our Constitution. However, we are a young nation and our Constitution was

promulgated on the day we achieved independence. Obviously it is our duty to see that our Constitution works well and in the true interest of our country and in particular satisfies the needs, aims and aspiration of our people. It was never intended that the Constitution once promulgated should not be amended. But the provisions for amending the Constitution are clearly designed so as to be neither so difficult as to produce frustration nor so easy as to weaken seriously the safeguards which the Constitution provide. For this reason the amendments to the Constitution must obtain the support on the second and third reading of 2/3 of the Members at each of the Houses of Parliament. It is, Sir, after due consideration in the interest of our young country and young nation and with the sole object of maintaining a stable and United Nation that the Government has decided to put these amendments to the House. Therefore, this Bill before the House, Sir, is fully within the spirit of the Constitution which we promulgated four years ago and contain such changes—and only such changes—as are needed for the peace, progress and stability of our country and our people and it is in that spirit that I commend this Bill to the House. Sir, I beg to move.