



# PARLIAMENTARY DEBATES

## DEWAN NEGARA (SENATE)

### OFFICIAL REPORT

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FEDERATION OF MALAYA  
**DEWAN NEGARA (SENATE)**  
*Official Report*

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Vol. V

Fifth Session of the First Dewan Negara

No. 4

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*Monday, 26th August, 1963*

*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. (Johor).
- „ The Minister without Portfolio, ENCHE' KHAW KAI-BOH, P.J.K. (Appointed).
- „ ENCHE' ABDUL RAHMAN BIN AHMAD (Perlis).
- „ ENCHE' ABDUL WAHAB BIN IDUS, P.J.K. (Negri Sembilan).
- „ ENCHE' AHMAD BIN SAID, A.M.N. (Perak).
- „ TUAN HAJI AHMAD BIN HAJI ABDULLAH, A.M.N. (Penang).
- „ CHE' AISHAH BINTI HAJI ABDUL GHANI (Appointed).
- „ ENCHE' CHAN KWONG-HON, A.M.N., S.M.S., J.P. (Selangor).
- „ ENCHE' CHEAH SENG KHIM, J.P. (Penang).
- „ DATO' DR CHEAH TOON LOK, J.M.N., J.P., Dato' Maha Kurnia (Appointed).
- „ ENCHE' CHOO KOK LEONG (Appointed).
- „ DATO' J. E. S. CRAWFORD, J.M.N., J.P., Dato' Kurnia Indera (Appointed).
- „ ENCHE' DA ABDUL JALIL BIN HAJI AWANG (Trengganu).
- „ ENCHE' HOH CHEE CHEONG, A.M.N., J.P. (Pahang).
- „ ENCHE' KOH KIM LENG (Melaka).
- „ DATO' LEE FOONG YEE, J.M.N., P.P.T., J.P. (Negri Sembilan).
- „ ENCHE' LIM HEE HONG, A.M.N. (Appointed).
- „ ENCHE' MOHAMED ADIB BIN OMAR (Trengganu).
- „ ENCHE' MOHAMED GHAZALI BIN JAWI (Appointed).
- „ ENCHE' MOHD. SALLEH BIN MOHAMED ARIFF (Melaka).
- „ ENGKU MUHSEIN BIN ABDUL KADIR, J.M.N., P.J.K. (Appointed).
- „ ENCHE' S. P. S. NATHAN (Appointed).
- „ NIK HASSAN BIN HAJI NIK YAHYA, J.M.N. (Appointed).
- „ TUAN HAJI NIK MOHAMED ADEEB BIN HAJI NIK MOHAMED (Kelantan).

- The Honourable 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. (Johor).
- „ DATO' G. SHELLEY, P.M.N., J.P. (Appointed).
- „ TUAN SYED AHMAD BIN SYED MAHMUD SHAHABUDIN, J.M.N. (Kedah).
- „ ENCHE' T. H. TAN, J.M.N. (Appointed).
- „ DATO' E. E. C. THURAISSINGHAM, D.P.M.J., J.P. (Appointed).
- „ ENCHE' S. O. K. UBaidULLA, J.M.N. (Appointed).
- „ WAN AHMAD BIN WAN DAUD, J.M.N., 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).

ABSENT:

- The Honourable ENCHE' AMALUDDIN BIN DARUS (Kelantan).
- „ ENCHE' MOHAMED ZAHIR BIN HAJI ISMAIL, J.M.N. (Kedah).
- „ ENCHE' ATHI NAHAPPAN (Appointed).
- „ ENCHE' YEOH KIAN TEIK (Perak).

IN ATTENDANCE:

- The Honourable the Minister of Finance, ENCHE' TAN SIEW SIN, J.P. (Melaka Tengah).
- „ 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 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).

PRAYERS

(Mr President *in the Chair*)

ANNOUNCEMENT BY  
MR PRESIDENT

MESSAGE FROM THE HOUSE  
OF REPRESENTATIVES

**Mr President:** Ahli<sup>2</sup> Yang Berhormat, saya suka memberitahu pada Majlis ini ia-itu saya telah menerima satu perutusan daripada Majlis Dewan Ra'ayat. Sekarang saya jemput Setia-usaha Majlis membachakan perutusan itu.

(*The Clerk reads the Message*)

“Mr President,

The House of Representatives has passed the following Bills:

- (1) 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 purposes;
- (2) to establish a Tariff Advisory Board for the purpose of giving the Federal Government advice in connection with the creation

- of a common market in Malaysia and the imposition and alteration of protective and other customs duties;
- (3) to apply a sum out of the Consolidated Fund to the service of the year ending on the thirty-first day of December, 1964;
  - (4) to authorise persons conferred with power to invest to make advance deposits in accordance with the provisions of the Loan (Local) Ordinance, 1959, and the Loan (Local) Act, 1961;
  - (5) to amend the Central Bank of Malaya Ordinance, 1958;
  - (6) to extend and adapt the Immigration Ordinance, 1959, for Malaysia, and to make additional provision with respect to entry into the States of Sabah and Sarawak;
  - (7) to provide for the remuneration of the judges of the Federal Court and of the High Courts in Malaya, in Borneo and in Singapore;
  - (8) to make provision for the ejection of persons unlawfully occupying any land used or to be used for the purposes of any Federation forces and to incorporate the United Kingdom Services' Lands Board;
  - (9) to establish a police force for Malaysia, and to make other provisions in relation thereto;
  - (10) to amend the Education Act, 1961, as regards the cost of religious instruction in assisted schools and as regards local contributions towards the cost of providing education, and to make further provision for financial assistance to Muslim institutions providing education;
  - (11) to amend the Merchant Shipping Ordinance, 1952, and transmits them to the Senate for its concurrence.

(Sd) DATO' HAJI MOHAMED NOAH  
BIN OMAR,  
*Speaker.*"

## BUSINESS OF THE SENATE

**Enche' Khaw Kai-Boh:** Mr President, Sir, I beg to give notice that I shall move the second and third readings of the following Bills today:

- (1) The Supplementary Supply (1962 and 1963) (No. 3) Bill
- (2) The Immigration Bill
- (3) The Tariff Advisory Board Bill
- (4) The Consolidated Fund (Expenditure on Account) Bill
- (5) The Loan (Advance Deposits) Bill
- (6) The Central Bank of Malaya (Amendment) Bill
- (7) The Judges' Remuneration Bill
- (8) The Services Lands Bill
- (9) The Royal Malaysia Police Bill
- (10) The Education (Amendment) Bill
- (11) The Merchant Shipping (Amendment) Bill.

**Mr President:** Ahli<sup>2</sup> Yang Berhormat, saya suka memberitahu kepada Majlis ini ia-itu satu daripada Rang Undang<sup>2</sup> ini, Immigration Bill, yang mana satu pindaan telah pun di-buat dalam Majlis Dewan Ra'ayat, pindaan tersebut telah di-hantar kepada semua Ahli<sup>2</sup> Dewan Negara yang ada di-sini. Majlis ini sekarang akan membincangkan Rang Undang<sup>2</sup> tersebut sebagaimana yang telah di-pinda oleh Majlis Dewan Ra'ayat.

Honourable Senators, I wish to inform the Senate that in respect of one of these Bills, the Immigration Bill, an amendment has been made in the Dewan Ra'ayat. This amendment has been circulated to all Honourable Senators and the Senate will consider this Bill as amended by the Dewan Ra'ayat.

## BILLS

### THE SUPPLEMENTARY SUPPLY (1962 and 1963) (No. 3) BILL

#### Second Reading

**The Minister without Portfolio (Enche' Khaw Kai-Boh):** Mr President, 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 purposes" be read a second time.

**Enche' T. H. Tan:** Sir, I beg to second the motion.

**The Minister of Finance (Enche' Tan Siew Sin):** Mr President, Sir, this Bill seeks approval for two separate sets of Supplementary Estimates, one for the year 1962 and one for 1963. A Fifth Supplement is required for 1962 while a Third Supplement is now required for 1963.

Clause 2 of the Bill seeks authority for additional expenditure of \$181,500 for the service of the year 1962 and this is shown in the First Schedule to the Bill and also in the Supply Expenditure section of the Fifth Supplementary Estimates, 1962 which have been circulated to Honourable Members.

The original estimates approved by Parliament for 1962 amounted to \$1,039 million, in round figures. Taking both the "Supply" and "Charged" estimated expenditure into consideration, the total, including the four previous Supplements and the present Supplement which the House is now requested to approve, will come to \$1,134 million. The actual total expenditure for 1962, however, amounted to \$1,072 million. Hence, not all the additional money of about \$95 million provided by way of supplementary estimates have been expended. The actual expenditure, in fact, exceeded the original estimates by about \$33 million only.

Clause 3 of the Bill seeks to incur additional expenditure of \$20,143,386 in respect of the year 1963 as itemised in the Second Schedule to the Bill and also in the Third Supplementary Estimates, 1963, have been circulated to Honourable Members. The second document shows that a sum of \$265,440 is required for "charged" expenditure so that the total expenditure covered by the Third Supplementary Estimates, 1963 is really \$20,408,826. A sum of over \$7 million has already been advanced from the Contingencies Fund to meet urgent

expenditures which now have to be recouped.

Of the \$20 million (in round figures) of additional funds required for 1963, a sum of more than \$6 million is required by the Ministry of Defence to pay for additional aircraft required for the expansion of the Air Force and also to complete the payment for a Twin Pioneer aircraft to replace the one which crashed in 1962.

Honourable Members will recall that at the last meeting of Parliament a Trust Fund entitled "The Royal Loans Trust Fund" was set up to enable the Government to give loans to Their Highnesses the Rulers for appropriate projects. It is now necessary to provide a sum of \$2½ million to enable the Trust Fund to operate, and this is included under Head S. 21—Contributions to Statutory Funds. Also under this Head is a further appropriation of \$10 million to the Contingencies Fund, which at present stands at \$15 million, and this will be just adequate for normal purposes. With the advent of Malaysia, there will certainly be an increase in the number of urgent and unforeseen items which will require to be paid for from the Contingencies Fund in the first instance, and I therefore consider it prudent to raise the total of the Fund to \$25 million.

The third large items of additional expenditure required for 1963 is in respect of Head 40 Sub-heads 17, 24, 27 (1) and 38 amounting to \$423,000 (in round figures) sought by the Police in order to provide the necessary clothing, arms and other equipment for the five Federal Police Reserve Units which have been raised to take on additional internal security commitments in Singapore. The fourth large item of additional expenditure required is in respect of the supplement to Head S. 14 Sub-head 28 "The New York World Fair". Honourable Members will recall that a token vote of \$10 was entered in the 1963 Estimates when this House approved the Government's intention to participate in the New York World Fair. The first year's rental of the site for the Federation Pavilion amounting to \$95,000 fell due

for payment in May this year. As an early payment had to be made, an advance from the Contingencies Fund has already been made to meet this payment.

As the details regarding the additional sums required are given in the Treasury memoranda on the two sets of Estimates which have been circulated to Honourable Members, it is not necessary for me to elaborate on the other items.

**Enche' T. H. Tan:** Mr President, Sir, I rise to support the Bill, but there is one point which I wish to call attention to, as, indeed, I had done on several occasions in the past. At the moment, all the advice we are receiving in respect of our Armed Forces, either in their building-up or in their equipment, comes from the British. I hope the Minister will agree with me that such advice is not necessarily unbiased, nor is it the best available in the world. This House would like to have an assurance that advice will be sought from other friendly countries as well.

**Nik Hassan bin Haji Nik Yahya:** Tuan Yang di-Pertua, saya menyokong Rang Undang<sup>2</sup> yang di-kemukakan ini, dan saya suka menyentuh sedikit dalam perkara Head S. 21, Contributions to Statutory Funds. Saya rasa satu daripada tabong yang di-tubuhkan oleh ra'ayat baharu<sup>2</sup> ini ia-itu "Tabong Perwira" yang di-namakan yang disokong kuat oleh Yang Berhormat Perdana Menteri kita sendiri dalam masa negeri ini menerima anchaman<sup>2</sup> daripada luar ada-lah merupakan satu tabong yang sangat baik dan telah di-sambut dengan sa-penoh-nya oleh ra'ayat seluruh negeri ini. Tabong ini telah mendapat sambutan, dan beratus ribu wang telah di-pungut, dan disimpan dalam Bank Negara. Saya rasa ada baik-nya bagi pehak Kerajaan menjadikan tabong ini satu tabong yang merupakan tabong Kerajaan supaya dapat Kerajaan memperbesar-kan lagi derma<sup>2</sup> dengan chara di-beri contribution oleh Kerajaan kepada tabong ini, dan dengan chara menjual setem dengan nama tabong ini dan juga dengan mengenakan apa<sup>2</sup> chara

kutipan yang boleh membanyakkan lagi wang kepada tabong derma perwira ini. Saya rasa semangat ra'ayat dalam memberi wang, memberi sokongan dan menumpahkan perasaan kepada tanggung-jawab negeri-nya patut-lah di-sambut oleh pehak Kerajaan dengan sa-penoh hati dan dengan chara sambutan yang sa-baik<sup>2</sup>-nya supaya tabong itu di-jadikan tabong yang di-anjorkan atau pun yang dirasmikan oleh Kerajaan, dan di-pimpin atau pun di-tadbir oleh sa-buah badan yang lebeh kemas lagi serta mempunyai kuasa<sup>2</sup> dalam menjalankan kerja supaya dapat-lah kita tunjukkan kepada ra'ayat seluruh-nya yang Kerajaan bersama<sup>2</sup> dengan ra'ayat dalam mempertahankan negara.

Jadi, itu-lah yang saya nampak satu daripada tabong yang patut di-susun oleh Kerajaan supaya menjadi, kata orang, tabong yang berperlembagaan betul supaya dapat Kerajaan bersama<sup>2</sup> memberi sumbangan kepada tabong itu. Ini-lah sahaja perkara yang saya dapat memberi pandangan saya kepada undang<sup>2</sup> ini.

**Dato' J. E. S. Crawford:** Mr President, Sir, I rise to support the Bill, but with reference to what the Honourable the Senator, Enche' T. H. Tan, has mentioned, this country has a Defence Treaty with the United Kingdom; and, therefore, Sir, I think it is probably reasonable to take advice from them rather than from some other countries, if you are in danger or in need of rescue. So, I think, that is the answer that if we take advice from Great Britain, since we have got a Defence Treaty with Great Britain, it is to her interest, to give us the best advice.

**Dato' Dr Cheah Toon Lok:** Mr President, Sir, I agree with the last speaker regarding arms from Great Britain, because we are a Commonwealth of Nations, and if we buy arms from other countries when we are short of ammunition to fill in with our arms, we cannot get the ammunition—although we might have the arms. So, if Great Britain thinks that the arms that we have are the best to be obtained in the world, I think we

should follow that advice, because we have got a Defence Treaty with Great Britain and the defence rests with Great Britain entirely, and I think it is up to them to tell us what type of arms to use.

Again, Sir, in this Bill, we are asked to pass an allocation for the Ministry of Health about \$20 only. I wish to draw attention of the Honourable Minister that about a few weeks ago there was an epidemic of Cholera in Haadyai which is nearly thirty to forty miles away from our border, and the type of virus, or the type of infection, was a very virulent type—the type we have not seen for a long time. And, so we have to form a committee—the Epidemic Prevention Committee—to be in operation to see that the epidemic does not spread to the Federation. As I was nominated by the Government to be the Chairman of that Committee, I presided at it and found that the Medical Department has not got a single cent to combat the epidemic. So, as the Executive Council was in session, I went in to ask for a grant, or a sum of money to start the ball rolling. The State Government gave us a grant. I hope that the Federal Government will take this into consideration and ask the Chief Medical and Health Officer what amount is required to control epidemic in that area, because it is important that we have some money set aside to control epidemics, as we all know that Cholera is endemic in Siam and also in certain parts of Malaya and that money is necessary. I believe our Health Officers and the staff have done a good job because the Cholera epidemic in Haadyai has now stopped, and we have given injections to all our people, to all our fishermen, to all our population in Kedah. There is not one case yet that has infiltrated into Kedah, and I think our thanks are due to the staff; and, I hope the Federal Government will give a grant to be set aside for the control of epidemic. Thank you, Sir. (*Applause*).

**Enche' T. H. Tan:** Mr President, Sir, I do not want to appear ungrateful to the British for their assistance . . .

**Enche' S. O. K. Ubaidulla:** Sir, he cannot speak a second time.

**Mr President:** Yes, you cannot speak for a second time, because we are not in Committee!

(*Enche' T. H. Tan resumes his seat*)

**Enche' S. O. K. Ubaidulla:** Sir, I have heard Senator Enche' T. H. Tan's speech which I consider as a sign of progressive thinking. I welcome such thinking. Enche' Tan did not advocate that advice should not be sought from Britain. He only said that similar advices should, if necessary, be sought from other friendly nations. He pointed out that they should be "friendly nations". Sir, we should not close our eyes and go to one source only in matters like defence. There is a good practice among merchants. One enters into a contract with another merchant to buy things. Till that contract is over, he must buy from that source only. Yet he compares prices outside to find out the trend of the market. These are all simple commercial practices, but in cases like national defence, the advice that was given by my friend, Senator Enche' T. H. Tan, I consider, is all the more understandable.

**Engku Muhsein bin Abdul Kadir:** Tuan Yang di-Pertua, sa-benar-nya apa yang hendak saya chakapkan telah di-ucapkan oleh Senator yang berchakap baharu sa-kejap tadi. Saya rasa dalam memberi fikiran dalam soal perbelanjaan pertahanan tentu-lah kita patut sangat berfikir chara baharu dan tidak-lah terikat dengan satu<sup>2</sup> chara saperti masalah yang telah di-berikan oleh sa-orang Senator sebelum Saudara S. O. K. Ubaidulla tadi, yang hanya memandang segala-nya dari segi terlampau ketinggalan masa. Bukan lagi fikiran itu sa-suai untok sa-buah negara Malaysia yang berdaulat dan bebas bagaimana kita agong<sup>2</sup>kan di-mana juga kita pergi dan dengar beberapa negeri yang mengatakan Malaya ini ada-lah negara patong yang terikat dengar berbagai<sup>2</sup> macham perikatan. Jadi, saya rasa fikiran yang telah di-berikan oleh Senator T. H. Tan itu benar<sup>2</sup> yang kita ini sa-buah negara yang bebas dan tidak terikat di-mana<sup>2</sup>

juga, apatah lagi tujuan kita bukan-lah hendak Kerajaan Inggeris atau tidak percaya kepada Kerajaan Inggeris, walau pun kita merasai dalam tahun 1941 dahulu Inggeris telah pechah amanah chabut meninggalkan kita dan kita dalam tanah ayer kita huruhara, tetapi saya rasa, tentu-lah dalam perjanjian pertahanan yang telah ada di-Britain dan perhubungan dengan Britain dengan begitu rapat, sekarang ini pula boleh di-katakan 100 peratus dari Britain sudah tentu-lah keutamaan kita berikan kepada Britain tetapi hendak-lah kita reservekan hak kita boleh mendengar dan boleh membeli kama<sup>2</sup> juga mengikut apa yang kita fikirkan patut dan sa-suai dengan kehendak<sup>2</sup> dan kepentingan<sup>2</sup> kita sendiri (*Tepok*).

**Enche' Tan Siew Sin:** Mr President, Sir, I have listened with very great interest to the remarks made by Honourable Members on the question of the buying policies of the Federation Government. I can assure those Honourable Members who have spoken that in buying the Government places the interests of Malaya first, last and all the time. It is not our policy at all to buy British goods irrespective of the quality of the goods. Although, generally speaking, it is the policy for us to buy in the cheapest market provided the quality is right, in the last analysis the interests of Malaya come before the interests of any other country. As an illustration of this, Honourable Members, I think, will know, if they look at the Treasury Memorandum that, in the case of the four helicopters, we have not, in fact, bought British helicopters, they are French helicopters. (*Applause*). That is an illustration of our policy that we are not dictated to by our advisers and that the final decision is made by the Government itself. I should, however, add that in regard to the defence equipment which has been agreed upon with the British in the recent negotiations in respect of Malaysia, the equipment will be British, because it will be provided by them free of charge (*Laughter*) and I think in that case there is nothing we can do about it.

**Enche' S. O. K. Ubaidulla:** There can be no policy about it!

**Enche' Tan Siew Sin:** My Honourable friend, Enche' Nik Hassan, has suggested that if this country should have to go to war, it should call upon the public to contribute generously to any funds that the Government may require. I can assure the Honourable Member that the Government would be very grateful for public support in case we go to war, but I do not think there is any likelihood of that at the moment. Anyway, we are grateful to him for his advice.

Question put, and agreed to.

Bill accordingly read a second time.

### Third Reading

**Enche' Khaw Kai-Boh:** Mr President, Sir, I beg to move that the Bill be now read a third time and passed.

**Enche' T. H. Tan:** Sir, I beg to second the motion.

Question put, and agreed to.

Bill accordingly read the third time and passed.

## THE IMMIGRATION BILL

### Second Reading

**Enche' Khaw Kai-Boh:** Mr President, Sir, I beg to move that a Bill intituled "An Act to extend and adapt the Immigration Ordinance, 1959, for Malaysia, and to make additional provision with respect to entry to the States of Sabah and Sarawak", be read a second time.

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

They made their position clear in the Malaysia Solidarity Consultative Committee, 1961, and that Committee explained and discussed this question

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

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

of security. In relation to the question of entry from any other Malaysian territory into Sabah and Sarawak, the Commission recommended that this should be subject to the control of the State concerned provided that the free movement of persons in the service of the Central Government was guaranteed.

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

The Inter-Governmental Committee discussed and considered this matter very carefully and made the following specific recommendations on this matter :

Firstly, immigration into Malaysia should remain on the Federal List, but legislation should be enacted by the Federal Parliament to ensure that entry into Sabah or Sarawak would require the approval of the State Government except in the cases mentioned below;

Secondly, the Federal Constitution should be amended to enable the Federal Parliament to legislate to control the movement of persons between the existing Federation and a new State or between new States on any ground i.e. not merely by laws relating to security, public order, public health or the punishment of offenders;

Thirdly, the Federal Government should undertake to pass before Malaysia Day a law giving effect to these arrangements relating to immigration and coming into operation on Malaysia Day, the draft of which would be agreed by the Governments of the Borneo States and scheduled to the formal agreement for the establishment of Malaysia;

Fourthly, the Federal Constitution should be amended to provide that this law may not be amended or repealed in its application to a Borneo State without the concurrence of the Government of the State concerned;

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

Lastly, the law referred to in sub-paragraph (c) should contain provisions to secure that—

- (i) any persons from outside Malaysia whose entry into a Borneo State the Government of that State considers is necessary for State purposes shall be given entry except in cases where the Federal Government, which will be consulted for this purpose, considers that it is desirable in the national interest that entry should be refused;
- (ii) subject to Article 9 (1) and to sub-paragraph (iv) below, admission to a Borneo State will not be granted to any other person or class of persons, whether from inside or outside Malaysia, without the approval of the Government of the State concerned;
- (iii) subject to Article 9 (1) and to sub-paragraph (iv) below, any person who is present in a Borneo State contrary to the provisions of sub-paragraph (ii) or whose presence is otherwise unlawful, whom the Government of the State wishes to be removed from the State, shall be removed;
- (iv) the provisions outlined in sub-paragraphs (ii) and (iii) above do not apply to members or officers of the Federal Government or any person or class of persons whose temporary

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

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

This Bill before the House is in the form of the draft agreed by the Governments of the Borneo States and scheduled to the formal agreement and gives effect to the recommendations of the Inter-Governmental Committee.

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

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

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

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

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

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

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

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

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

Accordingly the Controller in a Borneo State will have to work to instructions from the State authorities as well as from the federal Minister. In order to make this effective, sub-section (2) provides that the Minister shall not allow an appeal from a decision of the Controller without the concurrence of the State authority, in any case where directions to the Controller from the State are in point; sub-section (3) provides that the Minister shall not grant exemptions from the immigration control without the concurrence of the State authority. There is a similar provision in sub-section (2) of section 4 to prevent regulations being used to defeat the powers of the State authorities—e.g. by not allowing to be attached to Passes, etc. for entry to the State the kind of conditions which the State authority may want to require under section 5. This section is, of course, subject to certain exceptions in sections 8 and 9, which I have dealt with. I have also explained Sections 6 and 7, which are important.

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

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

day or register as citizens under the special provision in the Malaysia Bill.

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

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

country and one nation. It will take them some time to realise that Kuala Lumpur, which will be the national Capital, is their national Capital. It will take them some time to realise that the Central Government in a Federation is a Government established by all the constituent States and that they have a say in carrying on the Government. It is in fact their Government as much as it is ours. It is hoped that in the course of time when their representatives have sat with us in this House and their officers have worked with us in the Central Government and in the Federal Departments and they are represented in our highest body of governmental hierarchy, their fears and anxieties will fade away, but we have to give them time to do this. Therefore, it is necessary for us to have this legislation to allay their fears and anxieties and we hope that time may not be far distant when we can do away with some of the provisions of this legislation.

Sir, I beg to move.

**Enche' T. H. Tan:** Sir, I beg to second the motion.

**Enche' Da Abdul Jalil bin Haji Awang:** Tuan Yang di-Pertua, saya rasa Bill ini ada-lah membatas kemasyarakatan orang<sup>2</sup> dari Malaya ka-kawasan Borneo, sedang orang daripada kawasan Borneo tidak di-bataskan masuk Persekutuan Tanah Melayu. Tuan Yang di-Pertua, saya bimbang ia-itu kalau undang<sup>2</sup> ini di-adakan maka ia akan bertentangan dengan Perlembagaan Persekutuan Tanah Melayu kita yang mengakui kebebasan bergerak bagi ra'ayat-nya. Saya rasa kalau hanya-lah orang Borneo sahaja yang di-benarkan melawat Persekutuan Tanah Melayu, sedang ra'ayat dari Persekutuan Tanah Melayu tidak dapat melawat ka-Borneo, maka nyata-lah kebebasan itu tidak sa-imbangan.

Tuan Yang di-Pertua, dalam undang<sup>2</sup> ini membenarkan beberapa gulungan orang bagi melaksanakan pentadbiran atau pun bagi menjalankan tugas Kerajaan Federal dapat pergi ka-sana, tetapi bagi orang<sup>2</sup> Malaya tidak dapat buat begitu.

Tuan Yang di-Pertua, saya rasa orang Borneo sa-bagai anak yang terlampau di-kasehi, maka mereka diberi segala apa kehendak-nya. Tuan Yang di-Pertua, dalam Fasal 7 menyatak—

“... a citizen of the Federation entering the Borneo State for the sole purpose of engaging in legitimate political activity; . . .”  
Saya rasa “sole purpose of engaging in legitimate political activity” ada-lah satu ayat yang terlampau tegas, Tuan Yang di-Pertua. Mithal-nya, kalau sa-orang pergi ka-Borneo kerana engage dalam satu political activity sa-lama dua hari dan hendak dudok lagi tiga empat hari harus mereka itu tidak di-benarkan. Saya rasa ini tentu-lah tidak memberi kemudahan kepada mereka yang betul<sup>2</sup> hendak mengambil bahagian dalam political activity itu. sa-kian-lah, Tuan Yang di-Pertua, pandangan saya.

**Enche' T. H. Tan:** Mr President, Sir, I support the principles underlying the Bill before this House. The provisions of the Bill clearly show how open-heartedly we in Malaya are accepting the peoples of the Borneo territories, not merely as one of us, but indeed, even according to them, as privileged citizens. I hope that the Governments of the Borneo territories will bear the entry restrictions in mind when pressed to accept the Singapore P.A.P. Government's work brigade for projects to be financed out of the Singapore Government's \$100 million loan.

One other little point: I shall be grateful for information as to whether Members of Parliament and State Assemblymen in Malaya are regarded as Members of the Federal and State Governments who are given, under the Bill, freedom to enter Sabah and Sarawak. Afer all, Members of Parliament and State Assemblymen are part and parcel of Federal and State Legislatures.

**Nik Hassan bin Haji Nik Yahya:** Tuan Yang di-Pertua, saya hendak berchakap dua patah sahaja, ia-itu saya suka menerangkan kepada saudara kita yang mana menyatakan kita telah terlampau baik sangat kepada Sarawak dan Sabah saperti anak yang

di-sayangi. Saya suka terangkan kepada beliau kita memang sayang anak itu, kerana mereka itu ada-lah daripada satu rumpun, satu keturunan dan sa-darah, sa-daging, dengan kita yang harus menjadi kewajipan kita bagi menyayangi mereka sa-bagaimana yang di-kehendaki. Itu-lah jawapan saya kepada saudara pembangkang kita yang di-sabelah saya ini. Dan tentang kata beliau ada sekatan kepada orang Tanah Melayu pergi ka-Sarawak dan Borneo ia-itu tidak boleh dudok lebeh daripada dua tiga hari itu ada-lah satu gambaran yang salah. Kalau hendak menchampori perkara politik yang sihat dan tidak berchorak kominis, mengikut undang<sup>2</sup> ini, hendak dudok berapa hari pun boleh walau pun satu dua bulan. Saya rasa tidak menjadi kesalahan kalau politik itu sihat dan baik.

**Dato' J. E. S. Crawford:** Mr President, Sir, I rise to support the principles of the Bill and heartily endorse them, and I also wish to support the suggestion of Senator Enche' T. H. Tan. I personally do not think, Sir, that Members of Parliament or Members of the State Assemblies can be considered as Members of the Federal and State Governments. If that is so, Members of Parliament and State Assemblymen are prohibited without a pass from going to the Bornean territories, particularly Members of Parliament, Sir, who, in a democracy, are supposed to look after all these territories and yet are not permitted to enter certain of them. But, I notice, Sir, that under Section 8 (2):

"(2) The Minister shall from time to time notify the Controller of the persons or classes of persons whose entry into a Borneo State is required—"

If Members of Parliament are now not incorporated in this Bill to be allowed to go there, perhaps the Minister will consider them under Section 8 (2), Sir. Thank you.

**Dato' Dr Cheah Toon Lok:** Mr President, Sir, I agree with the principles of the Bill. The world always thinks of Borneo as a place from where the wild men came. But this Bill gives them the right of sovereignty. I agree that those who work for the good of the Federation should be given a

permit, or allowed to enter the State of Malaysia without a permit, especially Members of Parliament. In this respect, I agree entirely with the suggestion of the Honourable Enche' T. H. Tan that this should be done.

**Enche' Khaw Kai-Boh:** Honourable Senators, as regards the question why there should be one-way traffic from Borneo to other territories, instead of also free traffic from Malaya to Borneo, all I have to do is just to repeat that the whole principle of this Malaysia has been one of free association under free will, and that is why we are in a position to stand up all accusations of colonialism, or even neo-colonialism. Under those principles—and I repeat here again—in order to allay the fears and anxieties of the peoples of the Bornean territories, the necessary safeguards have to be brought in. As I have earlier stated there is nothing to prevent people from Malaya to enter Borneo territories to carry out constitutional and administrative responsibilities and to be engaged in legitimate political activities. I do not see any reason for the anxiety expressed by our Honourable friend in the Opposition, unless what he has in his mind is merely confined to illegitimate political activities.

As regards the point raised by the Honourable Senators, Enche' T. H. Tan, in connection with workers' brigade going to the Borneo territories, I am afraid I am not in a position to comment on that, except to say that if the Honourable Member has concrete evidence of labour being imported into those territories to carry out political activities—provided they are confined to legitimate political activities and do not infringe on the principles of bringing in political elements under the guise of labour—then no doubt the problem can be tackled both by the State and the Federal Governments, bearing in mind also that there are necessary safeguards in the hands of the Central Government—the power to refuse entry into any State in the national interest as well as from the point of security. I would also like to repeat that in order to upkeep parliamentary democracy,

there would be no hindrance to those in pursuance of such parliamentary democracy to enter into the Borneo territories in connection with their legitimate political activities. I can assure this House that as far as parliamentarians and State Assemblymen are concerned, I do not anticipate that there should be any difficulty as regards their entry into the Borneo territories. (*Applause*).

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr President *in the Chair*)

*Clauses 1 to 5* inclusive ordered to stand part of the Bill.

*Clause 6—*

**Dato' Sheikh Abu Bakar:** Mr President, Sir, I thank so much the Honourable Minister for his speech just now explaining the principles of this Bill. Here, I would like to seek a clarification and elucidation from him in regard to Clause 6 (1) which reads:

"(1) Subject to sub-section (2) and to sections 7 and 8, a citizen of the Federation shall not be entitled to enter a Borneo State without having obtained a Permit or Pass . . . ."

It seems, therefore, Sir, that, in my opinion, no Federation citizen will be allowed to enter the Borneo States unless he falls within the categories of (a), (b), (c) and (d) of this sub-section. It follows, therefore, that whereas a Bornean citizen can come into the Federation whenever he likes, it is not so in the case of a Federation citizen. In this respect, I would like to refer to paragraph 3 on page 14 of the Bill, the last line of which reads:

". . . and there is no control over entry into Malaya from a Borneo State."

What I mean to say, Sir, in spite of the introduction by the Honourable Minister just now, is that the time will come when the Federation of Malaya will be swamped with unwanted persons from the Borneo States. My question is this: what

security is there that our Federation of Malaya will not be a dumping ground for these people? If the Minister concerned will say how we are going to prevent the entry of this type of people to Malaya, then I will be satisfied—especially the words on page 14 rather puzzle me as to how we are going to prevent their entry.

**Dato' J. E. S. Crawford:** Mr Chairman, Sir, on a point of clarification, the Honourable Senator, Enche' T. H. Tan, did ask if Members of Parliament included members of the Federal Government. The Honourable Minister without Portfolio never actually answered that point. I wonder whether we could have a clarification on this.

**Enche' S. O. K. Ubaidulla:** Mr Chairman, Sir, with regard to the point raised by my friend, Honourable Dato' Sheikh Abu Bakar, may I very humbly and politely remind him that even today if a Head of Department of the Federation Government were to visit Johore State, he will have to seek permission from the Johore State Government to enter into that State. I would like to be challenged if I am wrong.

**Dato' Sheikh Abu Bakar:** But, Sir, I was talking about the Bornean States.

**Enche' S. O. K. Ubaidulla:** I am coming to that. Such practices have not hindered the progress of our country. Sir, the spirit with which we have given such concession to the Bornean people is to allay their fears. There will be a time when they themselves will come forward and say, "Our fears are baseless." Please come as many as you like. Until such time, the very people who have advocated some special privileges for the Malays, in order to allay their fears and to equalise their economic structure, should not today question such privileges, much less my friend, Enche' Da Abdul Jalil. Give the Borneo people some privileges now, and the time will come when they will find out that their fears are baseless. This is the spirit of all these special privileges that are being constituted in the Bill, Sir. (*Applause*).

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

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

The Mission appreciated that the establishment of a common market would be a complex process having regard to the different stages of economic development of the component States and the fiscal diversities resulting therefrom. They therefore recommended the establishment of an autonomous Tariff Board, advisory in character, to consider and make recommendations on the establishment and maintenance of a common market in Malaysia. The Federal Government has accepted this recommendation and

has undertaken in the Agreement with Singapore, which is published as Command Paper No. 27/63, to take steps to establish such a Tariff Advisory Board by law before Malaysia Day.

If the Board is to carry out its functions successfully and earn the confidence of the business community, it is essential that the Board should not only be knowledgeable, it should enjoy reasonable independence and be representative of the areas and interests affected by the establishment of the common market, and its enquiries and reports should receive full publicity. The Bill now before this House, which incorporates many of the suggestions made by the International Bank Mission, establishes such a Board. The Board will be a body corporate and will be financed by an annual grant provided by Parliament. It will be able to engage officers and servants which it considers necessary, subject only to approval of the terms and conditions of service by the Minister of Finance. The Board itself will consist of four full-time members and of between 8 and 20 part-time members, all of whom will be appointed by His Majesty the Yang di-Pertuan Agong.

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

The independence of the Board is achieved by the provision that no full-time member may be dismissed without the approval of the Dewan Ra'ayat. This will provide adequate publicity in the unfortunate event of

such a dismissal being considered necessary. Further, it is provided that the terms and conditions of service of full-time members of the Board cannot be altered to their disadvantage after their appointment.

The Board's enquiries must normally be held in public and clause 10 allows all interested parties to submit evidence to it. Nevertheless, it is appreciated that manufacturers and traders may not always wish to have the full facts regarding their costs and secret processes disclosed, and therefore provision is made in sub-clause 6 of clause 10 for evidence to be heard in camera, and such evidence need not be published if the Board considers publication not to be in the public interest or likely to have adverse effects on the legitimate interests of those giving it. Any member or servant of the Board who makes an unauthorised disclosure of such confidential information commits an offence under clause 15 (2) of the Bill. Manufacturers and others giving evidence can therefore rest assured that full and frank disclosure of their affairs, which will be essential to the effective functioning of the Board, should not damage their legitimate business interests.

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

The functions of the Board are set out in clauses 5 and 6 of the Bill, and the factors which the Board must take into account in making its recommendations to the Federal Government are set out in sub-clause 3 of clause 5. In view of the concern which has been expressed by industrialists and traders in the present Federation about the possible effects on their businesses

of the establishment of a common market with Singapore, I wish to draw the attention of Honourable Members to the provision that one of the objectives which the Board must always bear in mind is the need for a balanced industrial development throughout Malaysia. Clearly, an excessive concentration of industry in only a small area to the detriment of the remaining areas of the country would not be in the best interests of Malaysia as a whole, and it will be the policy of the Federal Government to take such steps as are necessary to achieve its purpose.

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

In clause 3 (3) of the Agreement between the Federation and Singapore Governments on common market and financial arrangements, it is provided that the Singapore Government shall have the right to require a delay of not

**Dato' Sheikh Abu Bakar:** Mr Chairman, Sir, I referred to page 14, which said that there is no control over entry into Malaya from a Borneo State, but that Malaysians cannot enter into a Borneo State without a pass, except such people as Members of Parliament. However, those people from the Borneo State can come freely into the Federation of Malaya.

**Nik Hassan bin Haji Nik Yahya:** Tuan Yang di-Pertua, saya suka hendak menerangkan kepada Yang Berhormat Dato' Sheikh Abu Bakar, masalah yang timbul di-hadapan kita pada hari ini ia-lah orang<sup>2</sup> di-Sarawak dan di-Sabah yang di-rasai takut oleh ra'ayat Malaya ini akan menchurah<sup>2</sup> masok ka-negeri ini dan menguasai ekonomi negeri ini apabila jadi-nya Malaysia ini. Perasaan takut ra'ayat Malaya daripada ra'ayat Sabah dan Sarawak datang ka-Malaya, ini tidak berbangkit kerana negeri Sabah dan Sarawak pada masa ini belum di-buka dan tidak chukup orang bekerja dan banyak lagi lapangan ekonomi yang boleh di-buka kerana tidak ada kakitangan yang hendak membuka-nya. Kita ini lebeh ramai daripada ra'ayat Sarawak dan Sabah. Jadi masalah takut ini tidak timbul, ini ada-lah satu perkara yang aneh juga. Sa-patut-nya takut ini timbul di-Sabah dan di-Sarawak kerana mereka ini sayangkan kepada bumi-nya takut hendak masok Malaysia ini, takut ra'ayat Malaya nanti masok ka-Sarawak dan Sabah beramai<sup>2</sup> dan overnumberedkan ra'ayat-nya dan menguasai dalam negeri dia, ini yang mereka takut. Untuk menghapuskan ketakutan ini-lah kita membebaskan mereka itu datang di-sini mempelajari hal di-sini supaya mengenali saudara-nya lebeh hampir, lebeh rapat lagi kerana mereka adalah sa-darah dan sa-daging dengan kita. Mereka ini bukan datang ka-negeri ini dengan mudah, mereka dudok jauh bukan dekat, mesti menyeberang lautan. Jadi kalau kita jadikan Malaysia biar-lah mereka ini datang selalu melihat bagaimana kemajuan yang kita buat di-sini. Melihat bagaimana baik hati ra'ayat Malaya, melihat bagaimana kita menjalakan kerja kita di-sini. Jadi dengan

bagitu-lah kita buat kebaikan kepada mereka maka baharu-lah mereka sedar kebaikan itu ada pada kita. Mereka baharu-lah merasa kepada ra'ayat Malaya ini yang satu rumpun, satu keturunan dan sa-darah sa-daging dengan mereka. Jadi perasaan ini-lah akan menguatkan lagi Malaysia ini. Perasaan ini-lah akan membena Kerajaan Malaysia yang kuat, yang kokoh, yang tidak boleh di-ancham oleh musuh<sup>2</sup> luar, ini-lah chara yang patut di-buat. Sa-bagaimana Yang Berhormat Menteri Yang Tidak Berjabatan berkata, kita hari ini berkewajipan menarek hati mereka bersatu dengan kita dengan semangat perpaduan yang kokoh. Barangkali Yang Berhormat Dato' Sheikh Abu Bakar telah mendengar Menteri Penerangan Indonesia Dr Roslan Abdul Ghani berkata, dia mahu Sarawak dudok di-bawah jajahan Indonesia. Orang Sarawak hingga party SUPP sendiri kata tidak mahu dudok di-bawah Indonesia dan benchikan Indonesia. Jadi kita mahu kayakan orang Sarawak ta'kan-lah dia hendak benchikan Malaya pula. Kita mahu perasaan kaseh, kita mahu mereka hampir dengan kita menjadi kewajipan kita-lah mengadakan; kata Menteri tadi wang boleh di-chari, ta' apa wang boleh chari asalkan mereka kaseh kepada kita, itu dia, sekian-lah terima kaseh.

**Engku Muhsein bin Abdul Kadir:**

Untuk penerangan, Tuan Yang di-Pertua, kalau sa-kira-nya orang di-wilayah<sup>2</sup> Borneo sana datang ka-mari dan orang itu sudah berkhawin dia pula bekerja di-Kelantan dan khawin dua tiga orang lagi, boleh-kah isteri<sup>2</sup>-nya itu di-bawa balek ka-wilayah<sup>2</sup> Borneo sana? (*Ketawa*).

**Enche' Khaw Kai-Boh:** Honourable Senators, I think the fears expressed in this House by some Honourable Members are completely unfounded for various reasons. Firstly, as we know, both the Bornean territories are under-populated and under-developed and it is most unlikely to find members of the population there moving towards Malaya. Furthermore, the majority of the population in the Bornean territories consists of the indigenous people who have lived there for a long time

and, as far as I know, the Government in these two territories have difficulty even to try to move them out from where they are at present—in the jungle, well away from the urban areas. And one would imagine how they would react if we were even to ask them to come over to Malaya. So, on those grounds, I think the fears expressed in this House are quite unfounded.

Now, as regards the possibility of this country being swamped with unwanted persons, I am not quite sure of the definition of “unwanted” here as referred to by the Honourable Senator . . . . .

**Dato' Sheikh Abu Bakar bin Yahya:** Criminals.

**Enche' Khaw Kai-Boh:** I think, for criminals as well as undesirables, there are adequate provisions under the laws of the land to deal with such elements and prevent their entry into this country. I refer to the security laws as well as the restricted residence law and also under the existing provisions of the immigration law where we can, in fact, stop the entry of criminals as well as political undesirables from the Bornean territories into this country. In that aspect, I think the fears are quite unfounded.

As regards the question of passes and permits, I have been informed that the Sabah and Sarawak authorities need only to be informed; there is no need to seek specific permission. That is the position.

As to whether parliamentarians come under the term “member of Federal Government”, I cannot find any definition in the Ordinance itself. Probably the term “member of Federal Government” is confined to members of the Cabinet. But as I said earlier, parliamentarians come under the category of people who would proceed there on legitimate political activities in furtherance of parliamentary democracy; and again, I repeat my assurance to this House that parliamentarians in this House will not encounter any difficulty in getting into the Borneo territories. (*Applause*).

**Engku Muhsein:** Soal saya ia-lah tentang isteri-nya lebeh.

**Enche' Khaw Kai-Boh:** I am afraid I am not in a position to answer that question. (*Laughter*).

*Clause 6* ordered to stand part of the Bill.

*Clauses 7 to 12* inclusive ordered to stand part of the Bill.

*Clauses 13 to 16* 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 TARIFF ADVISORY BOARD BILL

### Second Reading

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

**Enche' T. H. Tan:** Sir, I beg to second the motion.

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

more than 12 months in the imposition in Singapore of any protective duty, if such duty would significantly prejudice its entrepot trade. If the Singapore Government exercises this right in respect of any protective duty which the Federal Government has decided to impose, there would be a serious risk that traders in Singapore would import excessive quantities of the goods in question in the awareness that an import duty on such goods would be imposed in Singapore after a lapse of 12 months.

It is provided therefore in sub-clause 7 of clause 6 of the Bill that where the Singapore Government has given notice that it is likely to require a delay in the imposition of a protective duty in Singapore, then the Board must consider and make recommendations on the steps which should be taken by the Federal Government to forestall the importation into Singapore of abnormal quantities of the goods concerned. This provision will secure full consideration of the measures necessary not only to prevent the avoidance of import duties by traders in Singapore, but also ensure that domestic manufacturers outside Singapore enjoy immediately the full benefits of any protective duty which may be imposed in the interests of manufacturers throughout Malaysia.

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

Singapore Government but thereafter Singapore must compensate the Federal Government for any revenue loss arising from its refusal to agree to the imposition of such duties.

Although it is most desirable that steady progress should be made in the harmonisation of revenue duties throughout Malaysia during the period ending 31st December, 1968, it is possible that harmonisation will not have been completed by that date. It has been agreed between the two Governments therefore that a review of the revenue duties in force at that time should be carried out, and it was also agreed that this review should be made by the Tariff Advisory Board as the Board will by then have obtained first-hand knowledge of trading conditions in Singapore, and the impact thereon of the application of the revenue duties imposed in the rest of Malaysia. I wish to stress, however, that this review of revenue duties by the Board will be a once and for all review and the Federal Government will have no further obligation to consult the Board on the imposition or variation of such duties, although it is at liberty to do so if it so desires.

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

has not been able to develop an entrepot trade of a size which would justify the maintenance of a special regime." The Mission then gives a brief description of the nature of the trade handled by this port and then goes on to say: "The Mission does not see any valid economic reason for maintaining the free port status of Labuan, and therefore recommends that the island be reincorporated in the Borneo customs area within a reasonable period."

Furthermore, it has been agreed that the common market should exclude goods and products whose principal terminal markets lie outside Malaysia. This will mean that the entrepot trade in certain primary products, including rubber, will continue in Penang and Singapore on the same basis as at present. Nevertheless, the Federal Government has undertaken in the agreement with Singapore to establish progressively a common market in Malaysia for all goods or products produced, manufactured, or assembled in significant quantities in Malaysia. This common market will include not only Singapore but Penang Island, and the implementation of this commitment must involve the gradual erosion of the free port status at present enjoyed by both.

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

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

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

Let us remember that, according to the Rueff Mission, Penang's only hope of economic salvation is to industrialise, as its entrepot trade is "faced with the prospect of slow growth or even a decline". In fact, I quoted these words of the Report at the beginning of my speech. Surely, this is a small price to pay for such monumental advantages. The price will barely affect the cost of living of even the humblest worker on Penang Island. It might,

however, affect to a small extent a certain section of the trading community, but even then, the effects would be marginal and temporary. It would most certainly affect the smugglers who take advantage of the proximity of this large free port area to the mainland to smuggle duty-free goods from one to the other and thus undercut the prices of legitimate importers in Province Wellesley to their detriment and to the detriment of the Government and the public of the Federation.

It certainly will not affect those who have a legitimate interest in the entrepot trade. If the transitional provisions which have been agreed for Singapore are applied to Penang, it should be possible for them to make the necessary adjustments over a period of time. Let us also remember that as time goes on this entrepot trade must inevitably become smaller and smaller as neighbouring countries develop their own ocean ports in an attempt to cut down costs, especially costs which result in the loss of valuable foreign exchange to another country. Let us also remember that a large part of Penang's entrepot trade, namely 70 per cent,—this figure is based on statistics for the first quarter of 1963—consists of trade in primary products like rubber, pepper, copra, arecanuts and tin ore, which in any case will not be affected at all by the proposed common market arrangements as it has been agreed that the trade in these products will be allowed to continue on the present basis.

I therefore appeal to the people of Penang Island not to be swayed by emotion, not to be swayed by appeals from interests who have taken an extremely shortsighted view or who are motivated by personal and, if I may say so, even selfish interests rather than the national interest or even the best interests of Penang Island itself. This is no time to take a parochial view, this is no time to take the view of the proverbial toad in the hole. If Singapore, which has a far larger entrepot trade intimately affecting the lives and livelihood of thousands upon thousands of small traders, could feel the oppo-

site, that is, its fate would be gradual economic strangulation without a common market, Penang Island surely has much less to fear. Singapore felt so strongly about the vital necessity of a common market for her that she was prepared to go without merger unless the Federal Government gave a legally binding commitment to establish a common market as rapidly as possible after Malaysia. She asked for this in spite of the enormous difficulties, for she knew that such a transition could cause serious economic dislocation to numerous traders and others dependent wholly or in part on the entrepot trade. She did this not because her Government was unmindful of the interests of Singapore, any newspaper reader would be aware that the Singapore Prime Minister was only too conscious of the interests of Singapore, she did this because her Government, and particularly her Finance Minister, who is an economist of considerable standing, fully realised that without a common market, Singapore's economic future was bleak. So it is with Penang, and I therefore hope that the people of Penang will, at this historic hour, be able to take a long and farsighted view, instead of being mesmerised by empty slogans coined by colonial traders in the days when this country was merely a dumping ground for the manufactured goods of the ruling Power. I can, however, give an assurance that there will be consultation with the State Government and with representatives of the trading community before Penang is brought into the Malaysian common market.

The time available for the preparation of this Bill has been extremely short as the agreement with Singapore was only signed in London on 9th July last. Further, it has not yet been possible to obtain the services of a suitable person to perform the duties of Chairman of the Tariff Advisory Board, and it must be regarded as probable, in the light of the experience gained in the actual functioning of the Board and the advice given by the Chairman of the Board, that amendments will have to be made to the

present Bill from time to time. Nevertheless, I am satisfied that the Bill provides a sound basis for the establishment of the Tariff Advisory Board, and should ensure that the numerous interests involved will receive every due consideration before decisions are taken in regard to the establishment of a common market in Malaysia.

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

**Enche' Cheah Seng Khim:** Mr President, Sir, I appreciate all that has been said by the Minister of Finance with regard to this Bill. I wish to inform Honourable Members of this House that half the State of Penang is already in the common market and the other half, which is the Island of Penang, is not yet in, but will soon be. I hold no brief for the smugglers of the Island of Penang. However, what I would like to say is that the ordinary man in the street will not see eye-to-eye with us in what has been said—by asking the whole Island of Penang to join in the common market so that the common man will benefit. As I see it, when the free port status is abolished, the common man has got to pay an extra dollar for his shirt and he has also to pay ten cents extra for his plate of *kuehtio* which now costs thirty cents. I do not challenge the figures produced by the Honourable Minister of Finance that an average person has got to spend \$20.80 extra per year. Assuming that there is a family of only five persons, the family's budget will increase by a sum of \$104. Well, I am sure many families cannot afford to spend the extra sum of \$104 per year.

Comparing the Island of Singapore with the Island of Penang, I wish to

say that the Island of Singapore is highly industrialised, whereas in Penang we cannot say that we have an industry that is functioning at all. In Province Wellesley, which is the other half of the Penang State, the State Government has been trying for the last three years to establish an industrial area there. But, up to date, not even a single factory is functioning. I do not think that the people of the Island of Penang should have the best of the three worlds out of these two worlds forever. But, what I am asking is that time should be given to them—time is the most important thing. I am also glad to hear the assurance by the Honourable Minister of Finance this morning that the State Government and people will be consulted when and if he intends to abolish the free port status.

I only hope that what I say today will be taken into consideration by the Honourable Minister of Finance, because it will lead to contentment—people are not happy to pay extra—at least if they are consulted or anything of that kind, and they will pay very gladly.

**Dato' Dr Cheah Toon Lok:** Mr President, Sir, this Bill is a wise and progressive legislation for Malaysia. It is now understood that it is only an Advisory Committee that is going to be brought into being, and it is not necessary that the Government should accept the recommendations of this Committee from time to time. The time may come when this legislation may become out of date and Government might change its view; and I agree with the Senator from Penang, Enche' Cheah Seng Khim, when he, in his very moderate speech, asked for consultation regarding this matter, which our Minister has agreed. It is not only the Socialist Government or the P.P.P. or the U.D.P. who are looking after the interests of the people. We are elected on the free vote of the people. We function in Penang as a government because the people there have elected us to power, and we, of course, accept that democracy is a government by the consent of the people, and our Minister has agreed to accept consultation with

the State Government and people interested in this matter. I agree that we will not only do our best for Malaysia but also we will look after the interests of the people of Penang. We are not so hardhearted that we want the average man, who gave the Alliance a vote, to suffer in this matter; we will do everything possible for him. In this Bill, too, our Minister has agreed—as in the case of Singapore—to give Penang five years' time to consider to adjust themselves into this common market issue. I think what the Minister has said is very considerate for the people of Penang, and it is up to the people of Penang to ask the common man in the street to accept our view, because as a government we are doing our best for the common man. Although the Minister has stated that the increase in the cost of living for a person is only \$20.80 per year, yet I feel that to some families this sum may be a great amount, but seeing the number of people visiting the pictures every day, I think this amount is very small indeed. (*Laughter*). The people could save their money on pictures. Every time I go to see pictures in Penang, the theatres are crowded and we have got to book days ahead in order to see a picture. I also agree with the Minister that although the common man has to suffer a bit, it is for the good of Malaysia that this has come into being.

I agree with the Senator who spoke last that Mak Mandin is a failure as far as the industrialised areas are concerned, but it is up to the people of Penang to persuade the industrialists to go to this area, and I hope that this will be done.

I hope, Sir, that the day will come when the people of Penang will accept the view of the Alliance Government that they should come into the common market, and I agree and accept the view-point of the Minister that time will be given to them—five years as stated in Clause 6, sub-clause (7), as in the case of Singapore. I agree also that they must be consulted in this matter so that the views of the Government of Penang and the

common man in the street should be taken into consideration, because the Alliance Government is a government of the people, for the people, by the people. We are not a Socialist government or a P.P.P. government or a U.D.P. government, who want to swallow the people up. We are a democratic Government and I think the people of Penang will accept the views presented by the Honourable Minister of Finance. Thank you. (*Applause*).

**Enche' S. O. K. Ubaidulla:** Mr President, Sir, what I am going to speak may appear to be cold porridge but still I would like to say these things so that the Honourable Minister of Finance and the Federation Government would know the anxiety that has been experienced by the commercial and industrial community of the Federation of Malaya.

Sir, when the common market talks were held in London and agreement was reached between the Federation and Singapore, there were a lot of suspicions in the minds of the merchants and industrialists in the Federation of Malaya. There were talks of Jurong in Singapore paling Petaling Jaya into insignificance. You can imagine how much such talks could have dismayed the people of the Federation who were hoping that Petaling Jaya, Tasek, and the industrial areas in Malacca and Johore Bahru were pillars of their industrial prosperity. Sir, it should not be forgotten that Singapore has been far too long prospering at the cost of the Federation. After Merdeka, the people in the Federation thought that they are going to enjoy their legitimate share of industrial prosperity as a result of Merdeka. If Malaysia is going to take away the achievement of such a hope, the people of the Federation have every reason to fear and feel terribly disappointed. The fear of the industrialists in the Federation was further aggravated by a report from London that Singapore got the best out of the bargain. Sir, the United Chambers of Commerce, a body which represents all the four leading Chambers of Commerce of Malaya, was long awaiting a

statement from the Government, with particular stress on the implications of the common market. As no statement came forth, the United Chambers of Commerce sought an interview with the Honourable Minister of Commerce and Industry, to seek various explanations and elucidations on the common market. We are happy and satisfied, Sir, to say that the discussions we had with the Honourable Minister of Commerce and Industry, and the speech which the Honourable Minister of Finance made in an Association, were able to allay a lot of our fears.

Finally, Sir, I would like to stress and emphatically voice again the legitimate desire of the merchants and industrialists of the Federation of Malaya. We request the Government that zoning in industry on population basis be made a permanent factor, so that industrial development can be achieved and employment opportunity can be equally available to all. In this respect, I would like to use the term that is being used for buildings—that is, package deal. Likewise, there must be an industrial package deal consistent with the population. Thank you, Sir.

**Dato' G. Shelley:** Mr President, Sir, in the last 20 years Penang has undergone many changes. Pre-war she was part of the Straits Settlements; after the war she became known as a Settlement; after Merdeka she became a State; and by the look of things, if she makes a wrong decision, she may well become a resettlement area.

Unfortunately, there are no statistics on which we can back our facts in support or otherwise of a free port area or non-free port area at Penang. From personal observations in recent years, I have seen a steady exodus of craftsmen and industries from the Island of Penang across the channel to the mainland. For instance, goldsmiths, for whose articles Penang is famed, have gone across to the mainland, to Butterworth in particular, in great numbers. In this way, the articles they have made are duty-free when marketed in the markets of the Federation. The same reason has brought about the transfer of such craftsmen

as saw millers, perfume makers and many other craftsmen of the lighter industries. With the building of the deep water wharves in Butterworth and the transfer of the railway terminal from Prai to Butterworth, the exodus of industries from Penang is bound to increase if she retains her free port status. By these transfers from Penang to Butterworth, the industries are able to resolve the problem of paying duty on the manufactured article.

To the average man, the expressions free port status, entrepot, common market and tariff board are very confusing terms when trying to resolve the future of Penang. In simple language, the problem, I think, is centered around the question of the duty payable on certain items of daily use. The average figure which a person in Penang will have to pay in the way of duty has been set at \$20 per annum. In the law of averages, we know that there is great variance between the minimum and the maximum. For those who have driven cars over a stretch of a distance of 100 or 150 miles, an average of 40 miles would mean that they travel at 65 miles at the greater speed and right down to about 15 miles at the lower speed, averaging 40 miles per hour. In the same way, the average of \$20 could be looked at. For instance, the question of a shirt was brought up—a person now pays \$1 less per shirt on the island. You don't buy shirts every week, or every month; you probably buy them once in six months. Duty-free purchases may have their attractions in a free port. The position would be ideal if the population of Penang was large enough for manufacturers to confine their business within the island and ignore the markets of the mainland. With free port status in Penang, the manufacturers in Penang will have to pay duty when marketing their goods on the mainland. It would not be very attractive for factories to be established in Penang when there is a population of some 300,000 people only.

It has been suggested that the tourist trade could maintain the economic growth of the Island of Penang. I

am not aware of any country in the world that exists solely on tourism. The exceptions may be little villages and hamlets, but not any big town. This, in fact, was the principle of the European Economic Community when it was formed. They sought a larger market to market their goods. To me, industrialisation and employment are synonymous—where there is one, there is the other. Unemployment, we all know, is an increasingly important problem in Malaya and no opportunity should be missed to reduce the figure of unemployment. In a comparatively small town like Butterworth with a population of some 45,000, there are today about 5,000 unemployed according to the statistics of the Labour Exchange. I am an employee of a fairly large industrial organisation and I have seen young men, able-bodied men, being paid off and thrown out to the streets without any prospects of employment. This is surely a waste of manpower, and if there is any opportunity that we can find to employ them, that opportunity should not be missed. In fact, I would say to the unemployed of Penang—where the question must be graver than in Butterworth—campaign for the industrialisation of the island, so that those who come after them will not suffer the plight of unemployment as they do (*Applause*). If Penang has not grown in industrialisation, there must be something wrong. She has all the facilities available, which industries in the Federation have not—for instance, excellent port facilities, good roads, and adequate availability of power—and there should be no reason why industries have not been developed as fast as they should have been. Perhaps, somebody will persuade the tycoons and the millionaires of Penang to put their money in industries. Some have said that a bridge across the channel would stimulate industrialisation, or, may be, a tunnel across the Channel. I suggest that these are factors which merit consideration. Traders have generally expressed support for keeping Penang a free port. This is not unnatural, because they have one foot in Penang and one foot on the mainland. They have houses on both sides

of the customs barrier. If business is not good enough on the Island of Penang, they just pack up and go to the mainland; they are not concerned with the unemployment plight of the residents of Penang. If I support the removal of the free port status of Penang, it is not because I am living on the other side of the customs barrier (*Laughter*) nor is it because of sour grapes, but because I focus more of my attention in this regard to unemployment rather than to anything else. (*Applause*).

**Enche' T. H. Tan:** Mr President, Sir, industrialists as a whole welcome this Bill, as it will provide the necessary machinery to ensure a sound and balanced development of industry in Malaysia. This is particularly necessary because, thus far, the Jurong industrial complex has been a big counter-attraction to the industrial estates in the Federation, largely on account of the free port status of Singapore and of the more favourable terms and conditions available there. In fact, but for their loyalty, Malayan industrialists would have gone to Jurong. I can see that political and labour conditions in Singapore are worrying factors, but investors who have chosen Jurong are hoping that these conditions will prove to be only transient.

In supporting this Bill, I would like to make an appeal for speedy Government decisions on the recommendations of the future Tariff Advisory Board. Having myself served on the existing Tariff Advisory Committee in the Federation, I am aware of the need for such speedier decisions. The Bill before the House, Sir, is the outcome of the Malaysia Agreement, and what I am going to say may sound strange, but, nevertheless, I am going to speak up for the industrialists of Singapore. I would again, Sir, refer to Annexure "J" to the Malaysia Agreement, which sets out the powers reserved to the Central Government. The attention of the people of Singapore should be clearly drawn to this. At the same time it is necessary to assure the people of Singapore that, while the Central Government has overriding powers

over the State Government of Singapore, they will get a fair deal from the Central Government, in case they should have any doubt, because of the propaganda that is being drummed into their ears.

**Nik Hassan bin Haji Nik Yahya:** Tuan Yang di-Pertua, dalam mengalu<sup>2</sup>-kan Rang Undang<sup>2</sup> yang di-bentangkan oleh Yang Berhormat Menteri Yang Tidak Berjabatan dan di-huraikan oleh Yang Berhormat Menteri Kewangan kita, saya suka memberi pendapat saya di-dalam beberapa perkara mengenai hal berkenaan dengan perlindungan yang harus di-beri dan penubuhan sa-buah badan yang disebutkan dalam undang<sup>2</sup> ini bagi menyempurnakan perjanjian yang di-perbuat di-antara Kerajaan Persekutuan Tanah Melayu dengan Kerajaan Singapura sa-telah di-bentok Malaysia. Sa-belum itu saya berharap supaya penduduk dan ra'ayat di-Pulau Pinang akan menyambut langkah Kerajaan melaksanakan perjanjian ini dan saya berharap ra'ayat Pulau Pinang dengan perasaan Malaysia-nya akan tidak berasa ragu<sup>2</sup> menerima undang<sup>2</sup> ini, dan sa-kira-nya kena membayar lebeh pun dengan perasaan Malaysia mereka sanggup membayar dengan bayaran yang lebeh dalam perbelanjaan hari<sup>2</sup> mereka supaya kita dalam Malaysia ini tanggung-jawab bersama, hidup bersama dan keadaan baik bersama.

Saya suka memberi pandangan kepada perkara Rang Undang<sup>2</sup> Lembaga Penasihat Chukai ini supaya dalam melaksanakan undang<sup>2</sup> ini biarlah badan ini akan merupai sa-buah badan yang mengandongi berbagai ahli daripada berbagai pehak yang dapat menjaga berbagai perkara yang harus di-perlindungi. Lembaga Penasihat Chukai yang ada pada hari ini saya tidak tahu berapa banyak ahli-nya daripada orang<sup>2</sup> yang mempunyai kilang<sup>2</sup> yang besar dalam negeri ini, tetapi saya rasa ada baik-nya bagi pehak Kerajaan memandang berat dan mengambil perhatian yang berat supaya ahli lembaga ini bukan terdiri daripada orang<sup>2</sup> yang mempunyai kilang besar sahaja tetapi terdiri daripada beberapa orang yang mempunyai fikiran dan pendapat yang boleh menasihatkan

Kerajaan dalam perkara menyelamatkan keadaan perusahaan, bukan sahaja perusahaan besar tetapi juga perusahaan kecil.

Saya rasa, badan ini harus juga mempunyai ahli<sup>2</sup> daripada orang Melayu yang sa-harus-nya dapat memberikan pandangan dan fikiran mengenai perusahaan<sup>2</sup> dan keselamatan perusahaan kecil yang ada di-tangan orang<sup>2</sup> Melayu kita yang di-sa-belah Pantai Timor dan di-Pantai Barat, yang mana perusahaan<sup>2</sup> kecil ini harus di-perlindungan, harus di-ambil perhatian oleh ahli<sup>2</sup> lembaga itu. Kalau sa-kira-nya Ahli Lembaga ini terdiri chuma daripada Industrialist yang disebutkan Kapitalist besar<sup>2</sup> ini sahaja, maka perhatian dan pandangan dan nasihat mereka itu tentu-lah akan terhenderong atau pun akan terpengaruh, kalau untok menjaga kepentingan<sup>2</sup> perusahaan besar sahaja. Manakala perusahaan<sup>2</sup> kecil akan di-tinggalkan akan tersingkir dan akan menerima nasib<sup>2</sup> yang burok sa-bagaimana pernah berlaku di-dalam negeri ini. Di-dalam Tanah Melayu ini saya suka menunjokkan satu chontoh bagaimana perusahaan kecil telah menemui maut, dan mendapat berbagai<sup>2</sup> kesusahan dan halangan sa-bagaimana tuan<sup>2</sup> sedia ma'alom bagaimana berlaku kesusahan di-antara ahli<sup>2</sup> yang memelihara ayam di-Tanah Melayu ini, yang mengeluarkan telur kepada Persekutuan Tanah Melayu ini, tetapi dengan kerana telur di-Singapura itu dengan menchurah<sup>2</sup> masuk ka-Tanah Melayu ini, maka orang<sup>2</sup> yang memelihara ayam di-Tanah Melayu ini yang terdiri daripada perusahaan<sup>2</sup> kecil umpama-nya atau pun ahli<sup>2</sup> yang berternak kecil itu menemui ajal. Untok menyelamatkan ini Kerajaan chuba menahan telur yang datang dari Singapura masuk ka-Tanah Melayu, tetapi Kerajaan Singapura pula menahan sayor daripada Tanah Melayu ini masuk ka-Singapura, sa-hingga berbangkit satu pergadohan yang besar yang mana sayor<sup>2</sup> di-Tanah Melayu ini tidak dapat di-jual di-sana. Timbul satu masaalah yang tegang yang mana terpaksa Kerajaan Persekutuan ini berunding dengan Kerajaan Singapura. Jadi, ini satu perkara sa-bagai chontoh

kalau sa-kira-nya perhatian tidak diberikan kepada perusahaan<sup>2</sup> kecil ini, maka mereka itu akan menemui kesusahannya, maka kesusahannya ini bukan satu orang, bahkan beratus<sup>2</sup> dan beribu<sup>2</sup> orang, jadi, kalau sa-kira-nya kita ketepikan perusahaan kecil ini maka akan susah-lah mereka itu, jadi, perusahaan kecil biasa-nya tidak ada di-Pe'aling Jaya, biasa-nya perusahaan di-Petaling Jaya itu, perusahaan kilang<sup>2</sup> yang beratus<sup>2</sup> ringgit, tetapi perusahaan kecil ini dia ada di-merata<sup>2</sup> tempat, dia ada di-Kuala Lumpur, dia ada di-Kedah, dia ada di-Perak dan dia ada di-seluruh Tanah Melayu ini yang memakai pekerja<sup>2</sup> yang ramai, umpama-nya saya katakan kilang kecil pembatek di-Kelantan, tidak kurang daripada dua tiga ribu pekerja<sup>2</sup> yang mencari makan yang mengharapkan kepada pekerjaan<sup>2</sup> pembatek, tetapi apabila pembatek<sup>2</sup> ini meminta Kerajaan supaya menahan batek<sup>2</sup> dari luar negeri masuk, Kerajaan tidak dapat bertindak kerana memikirkan berbagai<sup>2</sup> nasihat, barangkali saya katakan berbagai<sup>2</sup> nasihat yang di-beri oleh treasury, yang di-beri oleh Tariff Advisory Board, kerana lembaga ini terdiri daripada ahli<sup>2</sup> kapitalis, ia-itu ahli<sup>2</sup> perusahaan yang besar<sup>2</sup>, jadi mereka ini tidak memandangkan perusahaan kecil yang ada di-kampong<sup>2</sup> yang memakai beribu<sup>2</sup> pekerja<sup>2</sup>; jadi, mereka tidak mengambil berat sehingga sampai tiga empat tahun mereka ini bertempok menangis, tetapi tidak di-hiraukan, apabila hendak digugat bagaimana menahan kain<sup>2</sup> itu masuk ka-Tanah Melayu ini, maka di-fikirkan ada satu kaedah pula, sa-kira-nya hendak di-kenakan cukai yang lebeh ada satu technical reason, hendak membezakan kain batek Tanah Melayu ini dengan kain batek luar itu, susah hendak di-bezakan, kata treasury itu, susah-nya hendak di-bezakan buatan dia itu, hendak di-katakan printed batek-kah, atau Malaya batek-kah, jadi, batek luar negeri ini boleh mengganggu. Saya rasa perkara kesusahannya itu boleh di-buat, sa-kira-nya ada kemahuan yang kuat daripada lembaga itu, atau kemahuan daripada Kerajaan. Tetapi, oleh kerana kemahuan itu tidak ada mempunyai perasaan yang kuat, perhatian yang berat

kapada perusahaan<sup>2</sup> kecil ini, maka tuntutan<sup>2</sup> mereka shor<sup>2</sup> yang di-keluarkan oleh mereka itu di-tinggalkan, ada di-dalam akhbar sahaja dan tertinggal begitu sahaja. Ini-lah saya katakan Ahli Lembaga ini harus-nya hendaklah mempunyai orang<sup>2</sup> yang akan dapat mewakili banyak gulongan<sup>2</sup> yang kecil juga, supaya dapat memberi perhatian dan pandangan kepada perusahaan kecil. Terutama sa-kali manakala Undang<sup>2</sup> itu berjalan, apabila undang<sup>2</sup> itu berjalan mengikut undang<sup>2</sup> itu chara bulanan undang<sup>2</sup> ini berjalan, enam bulan sudah, Lembaga ini akan mengadakan satu rekod atau satu penyata yang akan di-sampaikan kepada Kerajaan, dan dalam penyata itu akan di-susunkan senarai barang<sup>2</sup> yang harus terkandung di-dalam penyata itu, dan Kerajaan harus menentukan cukai yang lebeh, atau pun di-kurangkan cukai dan sa-bagainya. Jadi, saya rasa ini ada-lah satu perkara yang harus akan di-kerjakan oleh lembaga itu, dan kira-nya lembaga itu tidak ada orang<sup>2</sup> yang sabenar mewakili daripada gulongan<sup>2</sup> perusahaan yang kecil itu, perniagaan kecil itu sudah tentu-lah nasib mereka itu akan menemui nasib yang burok.

Satu perkara lagi yang saya suka hendak menarek pandangan Kerajaan, manakala melaksanakan undang<sup>2</sup> ini supaya mengambil perhatian yang berat tentang chara lembaga itu menjalankan pekerjaannya, umpama-nya badan lembaga itu sa-harus-nya menjalankan chara yang lebeh kemas lagi, lebeh kemas daripada yang ada hari ini. Itu-lah sebab-nya saya katakan sa-kira-nya dapat orang<sup>2</sup> yang dudok di-dalam lembaga itu biar-lah mereka bebas daripada kepentingan diri, sunggoh pun daripada tuntutan<sup>2</sup> itu dapat kita katakan sa-orang ahli itu hendak menjadi lembaga hendaklah lebeh dahulu mendapat persetujuan daripada Menteri. Sa-kira-nya mereka ini ada interest atau pun ada kilang-nya sendiri, umpama-nya sa-orang ahli lembaga itu tidak akan menjadi ahli lembaga melainkan sa-telah mendapat kebenaran daripada Menteri. Jadi, saya rasa berkenaan dengan kebenaran Menteri dalam melantekkan ahli sa-harus-nya di-chermatkan, kerana dalam

perkara menentukan cukai, mengenai cukai yang lebeh itu ada-lah satu perkara yang sangat besar ma'ana-nya, sa-orang director dalam sa-suatu kilang apabila dia dudok menjadi ahli dalam lembaga itu, dia akan tahu serba sadikit rahsia di-dalam lembaga itu, umpama-nya cukai manchis akan di-naikkan lebeh daripada yang ada. Jadi, kalau dia itu sa-orang daripada ahli lembaga, tentu-lah dia mengetahui lebeh dahulu sa-belum daripada Kerajaan mengishtiharkan.

Jadi ini menjadi kebetulan bagi sa-orang ahli Lembaga yang tahu kilang-nya akan menjadi kaya dan menjadi besar kira-nya dia menyimpan barang<sup>2</sup> untok di-jualkan dengan harga yang mahal. Dia hendak-lah memilih antara dua mahu kilang-nya mati atau mahu kilang-nya hidup. Ini satu masalah yang menjadi kesusahan kapada ahli Lembaga itu sendiri manakala dia di-lantek menjadi ahli Lembaga itu daripada orang yang ada interest dalam kilang<sup>2</sup> yang besar dalam Persekutuan Tanah Melayu ini. Apa yang kita mahu ia-lah nasehat<sup>2</sup> daripada orang<sup>2</sup> yang menjadi ahli di-dalam perusahaan, di-dalam perniagaan dan kalau boleh ahli<sup>2</sup> itu menasehatkan kita itu supaya jauh daripada memberi kekayaan dan pasaran dan kesenangan kapada diri-nya dan kilang-nya sendiri.

Satu perkara yang di-sebutkan daripada Undang<sup>2</sup> ini ia-lah berkenaan dengan kenaikan cukai. Kata Menteri yang berkenaan, mengikut Undang<sup>2</sup> ini kira-nya kita hendak menaikkan cukai hendak-lah kita berunding dengan Kerajaan Singapura dahulu dan sa-kira-nya Kerajaan Singapura telah benarkan baharu-lah dapat kita jalankan. Kira-nya Kerajaan kita dapat membenarkan, Kerajaan Singapura hendak-lah membayar karugian kapada Kerajaan Tanah Melayu. Ini ada-lah satu langkah yang baik saya rasa jalan keluar bagi menyelesaikan masaalah orang<sup>2</sup> Melayu kita.

Saya berharap dalam menjalankan kerja sa-telah kita tubuhkan Common Market itu kita harap Kerajaan Singapura tidak akan menyusahkan kita terutama-nya dalam perkara memilih Pengerusi bagi Lembaga itu kerana

dalam Undang<sup>2</sup> ini ada menyebutkan kalau hendak memilih Pengerusi itu hendak-lah kita mendapat persetujuan daripada Kerajaan Singapura. Dan persetujuan itu bukan sahaja dengan chara berunding tetapi rundingan dengan chara kuat-nya, mesti-lah dapat kelulusan dan kebenaran daripada Kerajaan Singapura. Jadi saya harap dalam perkara memilih Pengerusi ini biar-lah kita melantek orang<sup>2</sup> yang benar<sup>2</sup> mempunyai kedudukan yang baik dan dapat menjaga kepentingan perniagaan di-negeri Malaysia ini.

Dan saya ulangi supaya di-dalam perkara menjaga interest atau pun kepentingan perusahaan ini biar-lah kita memandang kepentingan perusahaan<sup>2</sup> yang kecil yang ada di-tangan anak negeri ini. Sa-kali lagi saya menyeru dan saya minta supaya Menteri yang berkenaan dalam memilih ahli<sup>2</sup> Lembaga ini berchermat-lah supaya dapat kesemua gulungan khas-nya orang<sup>2</sup> Melayu yang telah lemah di-dalam segala segi, di-dalam segi suara yang ada di-dalam Tanah Melayu ini. Umpama-nya badan<sup>2</sup> Kerajaan saperti Lembaga<sup>2</sup> yang telah di-tubuhkan oleh Kerajaan itu biar-lah ada orang<sup>2</sup> Melayu di-dalam-nya yang dapat menyuarakan perusahaan<sup>2</sup> kecil, perniagaan<sup>2</sup> kecil yang ada di-tangan orang Melayu itu supaya tidak-lah terancham dan mati bagitu sahaja. Saya harap pandangan saya ini akan mendapat perhatian yang sawajar-nya daripada pehak Kerajaan, sekian-lah terima kaseh.

**Enche' Tan Siew Sin:** Mr President, Sir, I am indeed very grateful for the many expressions of support for this Bill which have come from so many sides in this House. I am also very grateful for the many suggestions—if I may say so, they are constructive suggestions—which have been offered to the Government in connection with this Bill.

My Honourable friend, Enche' Cheah Seng Khim, has suggested that although strictly on its merits this Bill does deserve support, it may not appear so attractive to the ordinary man in the street. My Honourable friend, Dato' Shelley, has answered him very ably indeed, and I think I probably have got

very little more to add. As Dato' Shelley has pointed out, we must look at this Bill as a whole. The argument which has recently been advanced against this Bill, that the benefits of industrialisation on Penang Island are not so obvious, because she has not been able to industrialise in the past, falls down, when it is remembered that it will not be possible to industrialise when there is no protection whatsoever. We must remember that Penang has a population of only about 350,000 and it is clearly not possible for any industry to establish itself successfully on the Island, because, firstly, of its very small domestic market, and secondly it would have no protection whatsoever. Even countries like the United States of America and the highly industrialised countries of Europe do not find it possible to protect their industries except behind a very high tariff wall, and under such circumstances it is inconceivable that any manufacturer in his right senses would ever dream of—establishing a plant or factory in Penang Island under present conditions—and that is the real answer to the argument that Penang cannot industrialise in the future because she has not been able to industrialise in the past. We in the Treasury and officials of the Ministry of Commerce and Industry have regularly received from manufacturers on Penang Island pleas for duty-free entry to the Principal Customs Area, and we have had to turn down these pleas because we have told them that they cannot have the best of both worlds—keep their free port status and at the same time gain free access to the Principal Customs Area. I have no doubt that if Penang Island were to come into the Malaysian common market, the Federal Government could help the State Government to establish free zones and bonded warehouses on Penang Island itself—I have no doubt of this and under such circumstances, and with the co-operation of the State Government, Penang Island would in course of time be able to establish quite a number of very good industries which would, as Dato' Shelley has said, help in its unemployment problem. The argument also that the payment of \$20.80 per

head per year on the average amounts to \$100 per family per year for an average family of five, is not a very good argument because, as Dato' Shelly has pointed out, that is an average. I have no doubt that many families in the lower income group pay less than that, and the other point which we should remember is that this process of loss of the free port status is a gradual one. It is not the intention of the Federal Government to abolish the free port status of Penang at one fell swoop, the process will be gradual. As in the case of Singapore, it would be spread over a period of so many years and, therefore, the impact even in regard to the necessity to pay more import duties on consumer goods will be a gradual one; and provided it is done in this way, I think the visible effects on even the humblest worker on Penang Island should be very slight indeed.

My Honourable friend Enche' Ubaidulla referred to the fear of manufacturers in the present Federation that they would suffer distinct disadvantages, as the Federation is now a high tariff area, compared with manufacturers in Singapore. As I have made clear, not only in this House but on previous occasions in the past, these disadvantages could be offset by the powers given to the Government to impose a production tax and to take any other measures necessary to equalise the advantages, both direct and indirect, to producers or manufacturers in low tariff areas as compared with those disadvantages suffered by manufacturers in high tariff areas, like the former Federation. In this respect, the Government has adequate powers, as Honourable Members will note from the Bill and also from a perusal of Annex J to the Malaysia Agreement. For example, it is provided in Part II of the Annex to Annex J that certificates granted by Singapore would be subject to approval by the Federal Minister of Finance, and there are other powers in the Annex which would give the Federal Government enough powers to ensure that there is equality in this respect. I can also give an undertaking that the Federal Government will not

hesitate to use these powers, not because it wants to be harsh on manufacturers in Singapore, but to ensure that there is an equality of burden, as I tried to point out in my speech. Neither will the Federal Government use these powers to give undue advantages to manufacturers in the former Federation, because it is essential that the Federal Government should be fair and impartial to all the constituent States of Malaysia.

As my Honourable friend Dato' Shelley pointed out, the very fact that there has been an exodus from Penang Island to the mainland in recent years, is proof that Penang is suffering a slow economic decline as a result of being unable to industrialise, having to depend entirely on its entrepot trade and latterly on its tourist trade. In this connection, I could say it would be possible—I think I can't give any specific undertaking at the moment—for the Federal Government to make arrangements for the tourists in Penang Island to obtain their purchases duty-free provided they are genuine tourists. This is a matter which can certainly be looked into.

My Honourable friend Enche' T. H. Tan has appealed to the Government to ensure that the Tariff Advisory Board will make speedy decisions in the future. I agree with him that it is essential that whatever the decisions may be, they should be speedily made and speedily communicated to the respective applicants and we will certainly bear this point in mind. As I have indicated previously, it will be the intention of the Federal Government to use its considerable powers in this regard to ensure that there is fair treatment as between manufacturers both in the former Federation and those in Singapore. I do not think that he need have any misgivings on this score. That is the reason why we have insisted on considerable powers, so that we will be able to dispense justice impartially and equally.

My Honourable friend, Enche' Nik Hassan, has urged the Government to take great care in choosing the members of the Board, and he has particularly warned us to be careful to

ensure that in any proceedings vested interests do not gain a predominant position. I should like to refer my Honourable friend and members of this House to sub-clause (7) of Clause 8, which reads as follows:

"No member of the Board shall take any part in the proceedings of a committee or sub-committee on any matter in which he has to his knowledge any direct or indirect pecuniary interest, unless he has declared that interest to the committee or sub-committee, as the case may be."

This provision should ensure that members of the Board who may have a particular financial interest in a particular application would have to declare their interest in any proceedings on the matter in question, and I think that is a reasonable and adequate safeguard.

He also urged the Government on the need to protect small industries, especially those on the East Coast. We certainly agree with him and also agree with him that small industries are not only desirable but they can be very efficient. I know, for example, that the match factory in his own home State is as efficient as any factory on the West Coast. The Government will certainly try its very best to ensure that small industries, particularly those on the East Coast, get a fair deal in so far as the composition of the Tariff Advisory Board is concerned. He refers to the batik industry and he says that the Treasury has not given that industry a fair deal. As far as I know, there is an import duty of 25 per cent on imported batiks and the Government is also helping the industry by providing cheap cloth. I am told that there is some difficulty in identifying various kinds of batik and that is probably the difficulty about which he complains. Nevertheless, if he is not satisfied with the matter, he can always write to me and I shall be pleased to look into it again.

My Honourable friend, Engku Muhsein pointed out also the dangers of not protecting small industries, because he reminded us of the unfortunate "chicken and egg" war—as the newspapers called it—which occurred some time ago between Singapore and ourselves. That, I can say, is not

likely to happen again, because after Malaysia the Federal Government will have adequate powers in the matter of Customs duties to prevent a repetition of that unfortunate incident.

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 17* inclusive ordered to stand part of the Bill.

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

### THE CONSOLIDATED FUND (EXPENDITURE ON ACCOUNT) BILL, 1963

#### Second Reading

**Enche' Khaw Kai-Boh:** 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 ending on the 31st day of December, 1964" be read a second time.

**Enche' Lim Hee Hong:** Mr President, Sir, I beg to second the motion.

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

The Bill is introduced earlier than usual this year, as in consequence of the formation of Malaysia there will be an unusually large volume of business to occupy both this House and the Government from now until the end of the year. I am sure Honourable Members, like myself, will feel happier in the knowledge that the comparatively brief but important legislation contained in the Bill is safely through and that the expenditure

requirements of Federal Departments in the new States of Malaysia as well as in existing States have been duly provided for.

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

**Nik Hassan bin Haji Nik Yahya:** Tuan Yang di-Pertua, saya hendak bertanya sahaja kepada Yang Berhormat Menteri Kewangan ia-itu ada-kah benar pehak Treasury hari ini membuat kesusahan untuk memberi wang kepada RIDA sa-bagaimana yang saya telah di-beritahu oleh pehak Pejabat RIDA? Jadi RIDA ini dudok di-bawah Kementerian Luar Bandar. Pada hari ini RIDA telah menahan dan tidak mengeluarkan pinjaman kepada pemohon<sup>2</sup> yang di-buat oleh orang Melayu dalam masa yang kemudian ini, dan alasan yang di-beri mengikut sa-tahu saya ia-lah kerana Treasury tidak mahu memberi wang kepada Pejabat RIDA untuk bantuan kepada orang Melayu di-dalam perniagaan dan per-usahaan. Banyak orang Melayu telah menerima jawapan daripada RIDA menyatakan tidak dapat mengeluarkan pinjaman biasa yang telah dan pernah di-beri kepada orang Melayu itu. Jadi kalau sa-kira-nya benar-lah perkara itu, saya chukup-lah dukachita, dan saya minta supaya Yang Berhormat Menteri Kewangan, kalau dapat menambah bantuan kepada RIDA itu supaya dapat di-beri bantuan kepada ahli perniagaan dan perusahaan Melayu sa-bagaimana tujuan Kerajaan hendak menambah kemajuan dan meletakkan orang Melayu pada taraf yang sama dengan lain kaum.

Saya rasa RIDA ini satu badan yang menjadi alat untuk melaksanakan pekerjaan ini.

Jadi, saya harap perkara ini menjadi satu perkara yang patut di-pandang berat oleh Kementerian yang berkenaan, dan sa-kira-nya dapat dalam perbelanjaan ini kalau ada wang yang tidak cukup, saya minta Yang Berhormat Menteri Kewangan tambah biar banyak supaya dapat RIDA menjalankan kerja, dan tidak menyalahkan Kerajaan, menyalahkan Menteri dan menyalahkan Kementerian yang berkenaan. Saya minta biar-lah pekerjaan hendak menolong dan membena orang Melayu dapat kita jalankan dengan sempurna.

Saya suka memberitahu, Tuan Yang di-Pertua, di-negeri<sup>2</sup> lain di-dalam pekerjaan hendak menolong anak tempatan atau anak asli yang lemah itu mereka pernah mengeluarkan belanja yang besar. Mereka bebas dan mereka tidak menghiraukan apa yang akan berlaku asalkan dapat melaksanakan tujuan Kerajaan. Tetapi bagi kita, berbagai halangan. Saya suka sebutkan di-sini pehak Pejabat Odit pun berbagai query dan Public Account Committee yang mana ahli daripada pehak Pembangkang yang melaong<sup>2</sup>-kan hendak menolong orang Melayu mereka sendiri menyusahkan dengan membuat query bermacam<sup>2</sup> kepada pekerjaan yang di-buat oleh RIDA. Jadi saya dukachita perkara ini berlaku, dan saya harap perkara ini tidak akan berlaku. Saya rasa mustahak bagi pehak RIDA ini menjalankan kerja-nya dengan lichen dengan tidak di-ganggu oleh Treasury, Pejabat Odit atau oleh sa-siapa, kerana tujuan kita satu, ia-itu hendak meletakkan orang Melayu pada taraf yang sama dengan lain kaum dengan mengikut chara yang baik dan terator. Jangan bangkitkan perasaan marah orang Melayu kepada pehak Kerajaan dan kepada pehak Kementerian dengan sebab yang sa-umpama itu. Ini-lah saya memberi amaran kepada Kerajaan dan kepada Kementerian yang berkenaan supaya mengambil perhatian yang berat. Sa-kian-lah sahaja, Tuan Yang di-Pertua.

**Enche' Tan Siew Sin:** Mr President, Sir, under the Standing Orders this Bill should not be made an occasion for a budget debate. This Bill only

requests an advance for two months' expenditure for 1964, and under the Standing Orders, Honourable Members are not supposed to touch on these items at all.

**Dato' Sheikh Abu Bakar bin Yahya:** Yang Berhormat Dato' Yang di-Pertua, saya bangun mengambil kesempatan sedikit ia-itu menyokong Rang Undang<sup>2</sup> yang di-bentangkan dalam Dewan ini dan saya menyokong segala lapdzan yang telah di-butirkan oleh Yang Berhormat Menteri Kewangan dalam Rang Undang<sup>2</sup> ini tadi. Memang-lah sa-patut-nya Rang Undang<sup>2</sup> berkenaan dengan perbelanjaan pada tahun hadapan itu di-segerakan oleh Kerajaan, sebab pada lazim-nya saperti negeri saya Johor Baharu kerap kali juga estimates yang hendak di-perbelanjakan pada tahun hadapan itu terlewat sedikit di-luluskan oleh Kerajaan. Maka dengan sebab kelewatan ini warrant yang membenarkan perbelanjaan itu terlewat juga dihantar kepada Treasury . . . .

**Mr President:** Perkara itu tidak boleh di-bahathkan. Usul yang ada di-hadapan Majlis ini ia-lah Rang Undang<sup>2</sup> Kumpulan Wang Negara.

Question put, and agreed to.

Bill accordingly read a second time.

#### Third Reading

**Enche' Khaw Kai-Boh:** Mr President, Sir, I beg to move that the Bill be now read a third time and passed.

**Enche' Lim Hee Hong:** Sir, I beg to second the motion.

Question put, and agreed to.

Bill accordingly read the third time, and passed.

*Sitting suspended at 1.00 p.m.*

*Sitting resumed at 2.30 p.m.*

(Mr President in the Chair)

### STATEMENT BY THE MINISTER OF FINANCE (FUNDS FOR RIDA)

**Enche' Tan Siew Sin:** Mr President, Sir, I would like to have your permission to make a statement in answer to a query by my Honourable friend,

Enche' Nik Hassan, as, unfortunately I was not able to make such a statement before the closure of the second reading of the Bill.

**Mr President:** Permission granted.

**Enche' Tan Siew Sin:** Mr President, Sir, I would like to inform my Honourable friend that it is not strictly correct to say that the Treasury was not co-operative in the matter of giving financial assistance to RIDA. The position was that a number of cases which came to our notice showed that the funds made available for those projects perhaps could have been more usefully employed in other ways, and the Treasury, therefore, got into consultation with the Ministry of Rural Development, and as a result of that, it was suggested that it might perhaps be desirable for a survey, or review, of RIDA activities to be undertaken before further funds were released. That was the position up to the time I knew about it, but I can assure the Honourable Member that there was no intention on the part of the Government to deprive RIDA of funds because we know that RIDA performs a very useful service, but the Honourable Member will appreciate that it is essential that public funds should be employed in the best possible manner and that there should be no unnecessary waste.

## BILLS

### THE LOAN (ADVANCE DEPOSITS) BILL

#### Second Reading

**Enche' Khaw Kai-Boh:** Mr President, Sir, I beg to move that a Bill intituled "An Act to authorise persons conferred with power to invest to make advance deposits in accordance with the provisions of the Loan (Local) Ordinance, 1959, and the Loan (Local) Act, 1961" be read a second time.

**Enche' Abdul Wahab bin Idus:** Tuan Yang di-Pertua, saya menyokong.

**Enche' Tan Siew Sin:** Mr President, Sir, Honourable Members are aware that under Section 16 (1) of the Loan (Local) Ordinance, 1959 and under Section 14 (1) of the Loan (Local)

Act, 1961, the Minister of Finance is authorised to accept advance deposits pending the issue of a loan by the Federation Government. Statutory authorities are major subscribers to Government loans but they are not in most cases empowered to invest in advance deposits. Furthermore, advance deposits are not investments within the terms of the Trustee Ordinance, 1949. Advance deposits being securities of the Federation Government are, however, clearly suitable for investment by statutory authorities and trustees, and the purpose of this Bill is to enable them to invest in such deposits.

This Bill provides for the amendment of Section 16 of the Loan (Local) Ordinance, 1959 and Section 14 of the Loan (Local) Act, 1961 so that a trustee or person conferred with the power to invest is authorised to make advance deposits in accordance with the provisions of that Ordinance and Act respectively.

Before I sit down, I would like to point out a typographical error which has crept into the Explanatory Statement inserted at the end of the Bill. The words "Trustee Investment Ordinance, 1949" occurring in line 9 thereof should read "Trustee Ordinance, 1949".

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 3* inclusive ordered to stand part of the Bill.

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

### THE CENTRAL BANK OF MALAYA (AMENDMENT) BILL

#### Second Reading

**Enche' Khaw Kai-Boh:** Mr President, Sir, I beg to move that a Bill intituled "An Act to amend the Central Bank

of Malaya Ordinance, 1958" be read a second time.

**Enche' Abdul Wahab:** Tuan Yang di-Pertua, saya menyokong.

**Enche' Tan Siew Sin:** Mr President, Sir, Bank Negara will become the Central Bank of Malaysia after the establishment of Malaysia, and as the principal financial agent for the Federal Government, I feel that it is desirable for the Bank to have borrowing powers in order to enable it to fulfil its proper functions. The borrowing powers proposed are unrestricted as it is necessary to ensure that the powers are adequate to meet the varying circumstances in which loans may need to be raised in the future. Furthermore, the Bank will normally be acting on behalf of the Federal Government in the exercise of these borrowing powers, and close liaison between the Bank and the Treasury is ensured by the fact that the Secretary to the Treasury is a member of the Board of the Bank.

Honourable Members may consider that, in the circumstances, it would be preferable for the Government itself to raise the loans required, particularly foreign loans. The Federation's own experience in the matter of raising foreign loans has been that certain lenders, in particular banks in foreign countries, sometimes prefer to make loans to the Central Bank rather than to the Government of another country. Secondly, it is not uncommon for Central Banks to arrange lines of credit between themselves thus providing a valuable means of augmenting the foreign exchange available to their respective countries. I consider, therefore, that the borrowing powers proposed for Bank Negara will provide a useful means whereby the foreign exchange available to Malaysia could be increased, should this prove to be desirable at any time.

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 JUDGES' REMUNERATION BILL

### Second Reading

**Enche' Khaw Kai-Boh:** Mr President, Sir, I beg to move that a Bill intituled "an Act to provide for the remuneration of the judges of the Federal Court and of the High Courts in Malaya, in Borneo and in Singapore" be now read a second time.

As the House is aware, when we debated the Malaysia Bill, it was decided to establish new separate courts for Malaysia, that is, the Federal Court and three High Courts—one for the Federation of Malaya, one for Singapore and one for the Borneo territories. In view of this, it is now necessary to introduce this Bill to make provision for payment of remuneration for judges of these courts, and the proposed remuneration are set out in the Schedule to this Bill.

The post of Lord President of the Federal Court is new and it is considered appropriate, in view of the importance of the post and the dignity of the office, that he should receive an annual pensionable salary of \$36,000 plus the various allowances and privileges as enumerated in the Schedule. In the same way, it is necessary to provide for the salary of the Chief Justice of the High Court in Malaya, and he is to receive an annual salary of \$33,240. As regards the Chief Justices of Singapore and the Borneo territories, there is no change in their remunerations, and they will continue to receive such pensionable and non-pensionable allowances and privileges as they now receive. It is not considered necessary to itemise these allowances and show under the Schedule. Also, in the same way, the Judges of the Borneo territories, Singapore as well as Malaya will continue to receive the same rates of pay as they are receiving now before Malaysia Day.

In view of the different rates of salaries, allowances, etc. payable to these Judges in the different States of Malaysia, it will be necessary to review the rates of remuneration at an early date after Malaysia. As this is not a controversial Bill, I hope the House will approve this Bill without much debate.

Mr President, Sir, I beg to move.

**Enche' Abdul Wahab bin Idus:** 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 3* inclusive ordered to stand part of the Bill.

*Schedule—*

**Dato' Sheikh Abu Bakar bin Yahya:** Mr President, Sir, I do not want to debate on the Schedule, as was stated by the Honourable Minister just now, but I would like to be informed on a very small question, that is to say, why the Federation Judges only were given Entertainment Allowances, while Judges of our new friends—Singapore, Borneo and Sarawak—were not given Entertainment Allowances? At least from the last column I saw only “dash and blank”. After all I suppose judges are human beings and they must entertain also. I remember when I was a junior magistrate in Johore Bahru years ago, I used to go to the house of Judges, and when they entertained occasionally magistrates and lawyers are always invited, but we never discussed pending cases, of course. I would like to be informed of this omission by the Minister concerned.

**Enche' Khaw Kai-Boh:** Mr Chairman, Sir, the allowances for judges in Singapore and the Borneo territories will be as what they are receiving before Malaysia Day, i.e. what they are receiving at present. These allowances have not been included in the Schedule,

because to have included the allowances in the Schedule would not produce any real comparison with the allowances for judges in the Kuala Lumpur courts, because even for the latter the Schedule does not include the whole remuneration. I think I would like to assure the House that the judges in Singapore and the Borneo territories will continue to draw all the allowances that are being drawn at present, and they are comparable with the allowances within the Schedule for those whose allowances have been indicated in the Schedule. I do not know whether the Honourable Member wants me to give details, but if the Honourable Member wants details, I will provide him with details after the meeting of the House.

*Schedule* ordered to stand part of the Bill.

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

## THE SERVICES LANDS BILL

### Second Reading

**Enche' Khaw Kai-Boh:** Mr President, Sir, I beg to move that a Bill intituled “an Act to make provision for the ejection of persons unlawfully occupying any land used or to be used for the purposes of any Federation forces and to incorporate the United Kingdom Services' Lands Board” be read a second time.

Sir, Clause 2 of the Bill sets out the procedure for the removal of unlawful occupants of lands used or to be used for the purposes of any Federation forces. This provision is desirable in the interests of defence and security, as the ordinary civil process for the eviction of unlawful occupants of land, other than State land, is too lengthy and cumbersome for dealing with squatters on lands required for use by the Armed Forces.

Briefly, the procedure proposed in this Bill gives authority to a Magistrate's Court to require, by warrant, any Police Officer to dispossess and remove from such lands any unlawful occupants and to take possession of the land together with all crops grown thereon and all buildings and other immovable property upon and affixed

to the land, on being satisfied with the truth of the information received by the Court from the Federal Commissioner of Lands.

Clause 3 merely implements Section 6 of Annex IV of the Defence Agreement on an undertaking given by the Federation Government to enact legislation which will permit the United Kingdom Services authorities through their representative to hold interest in land and which, with that object, will also provide for the incorporation of a representative of the Services authorities.

Sir, I beg to move.

**Enche' Lim Hee Hong:** Sir, I beg to second the motion.

**Dato' Sheikh Abu Bakar bin Yahya:** Yang Berhormat Dato' Yang di-Pertua, saya mengambil peluang di-sini menyokong Rang Undang-undang ini di-atas segala lafadz yang telah di-butirkan oleh Yang Berhormat Menteri yang berkenaan tadi. Ini memang-lah satu undang-undang yang menasabah di-adakan oleh Kementerian Pertahanan supaya sa-belum dapat tanah<sup>2</sup> yang telah di-duduki oleh penduduk<sup>2</sup> itu dengan jalan haram. Saya dapat ketahu<sup>i</sup> juga ia-itu dalam negeri Johor saya sana, ada undang-undang berkenaan dengan Undang-Undang Tanah ini, dan jika sa-kira-nya penduduk<sup>2</sup> itu dudok dengan jalan haram, maka amat-lah sukar-nya bagi Pejabat Tanah itu hendak mendapatkan tanah itu balek. Tambahan pula, mereka itu selalu dudok di-atas tanah Kerajaan itu dengan membuat rumah<sup>2</sup> yang di-katakan dalam bahasa Inggeris immovable property, yang tidak senang kita hendak mendapatkan tanah itu sa-mula. Dan juga undang-undang tanah di-sana, kita boleh lihat sa-umpama-nya pada petang hari tanah itu tanah lapang dengan tidak ada apa<sup>2</sup> benda pun, tetapi pada ka-esokan hari-nya telah terdiri sa-buah rumah, dan ini amat-lah sukar, saperti yang telah saya sebutkan tadi bagi Pejabat Tanah hendak mendapatkan tanah<sup>2</sup> itu balek, melainkan dengan procedure, atau pun dengan perjalanan mahkamah. Sa-balek-nya pula, perjalanan mahkamah itu mengambil masa, kadang<sup>2</sup> sampai enam bulan, kadang<sup>2</sup> sampai sa-tahun lebeh dahulu daripada Kerajaan itu

mendapatkan tanah<sup>2</sup> itu yang di-duduki oleh mereka dengan jalan haram.

Dengan yang demikian, saya berpendapat jika sa-kira-nya undang-undang ini dapat juga di-peradakan di-tiap<sup>2</sup> Pejabat Tanah, bukan sahaja dalam negeri Johor bahkan juga dalam Persekutuan Tanah Melayu. Maka inilah yang sa-baik<sup>2</sup>-nya; supaya kita ya'ani Kerajaan senang mendapatkan tanah<sup>2</sup> dari mereka yang menduduki tanah<sup>2</sup> itu dengan jalan haram.

Saya menyokong Rang Undang-undang ini.

**Raja Rastam Shahrome bin Raja Said Tauphy:** Tuan Yang di-Pertua, saya juga bangun menyokong Rang Undang-undang ini, tetapi untuk mengelakkan dari kesusahan orang<sup>2</sup> yang dudok di-situ, saya fikir elok-lah Kerajaan menchari tanah<sup>2</sup> lain dahulu sa-belum di-halau orang<sup>2</sup> itu; itu pun saya fikir lambat juga, kerana ini ada-lah satu perkara yang menjadi kesusahan kapada penduduk<sup>2</sup> itu. Kalau kita tidak sediakan tempat<sup>2</sup> bagi mereka itu dan dengan serta-merta kita suroh mereka itu punggah segala beg baggage-nya dalam masa itu juga, saya fikir ini sangat-lah susah pada orang<sup>2</sup> yang dudok di-situ. Itu-lah sahaja pandangan saya dalam perkara ini. Terima kaseh.

**Wan Ahmad bin Wan Daud:** Tuan Yang di-Pertua, di-dalam negeri Perlis dan negeri<sup>2</sup> lain juga, saya mendapat tahu banyak pegawai<sup>2</sup> di-Pejabat Tanah yang memegang tugas di-atas undang-undang ini, di-atas Bill yang kita sedang binchangkan sekarang ini. Pada fikiran saya, elok-lah pegawai<sup>2</sup> di-Pejabat<sup>2</sup> Tanah, Penghulu<sup>2</sup> atau Ketua<sup>2</sup> Kawasan itu menjaga dahulu siapa<sup>2</sup> yang hendak menggunakan tanah<sup>2</sup> Kerajaan dengan tidak mendapat kebenaran terlebih dahulu ia-itu mereka yang hendak mendirikan rumah, atau pun hendak buat apa pun, mereka itu hendak-lah di-tahan dengan sa-chepat mungkin, kerana yang selalu-nya berlaku dalam perkara ini ia-itu di-negeri Perlis dan negeri<sup>2</sup> lain juga, ia-lah ra'ayat<sup>2</sup> yang bodoh, ra'ayat<sup>2</sup> yang buta huruf yang mereka itu pergi di-situ hendak buat rumah, dan di-tanam-nya-lah pokok<sup>2</sup>, kemudian apabila sudah siap, pokok<sup>2</sup> pun sudah naik besar, maka baharu-lah datang perintah hendak menghalau

orang<sup>2</sup> itu daripada duduk di-situ. Perkara yang sa-macham ini, jikalau terkena pada diri kita sendiri pun, saya fikir tentu-lah kita berasa susah sedikit.

Saya berharap dan meminta pada Kerajaan, jikalau bersetuju dengan pendapat saya ini supaya di-ambil ingatan, ia-itu hendak-lah tanah<sup>2</sup> Kerajaan itu, sa-belum sa-siapa yang mendapat kebenaran sa-waktu dia mula<sup>2</sup> hendak pergi di-tempat itu sama ada dia membawa kayu-kah, hendak menebang pokok-kah, dia hendak-lah di-tahan sa-belum terdiri-nya rumah itu, di-katakan kepada-nya yang dia tiada boleh mendirikan rumah di-atas tanah itu, kerana tiada kebenaran. Jika dia sudah dirikan rumah baharu, Kerajaan suroh pindah, jikalau Kerajaan akan memberi tanah pada orang itu, neschaya-lah akan rosak hati-nya dan tentu-lah ada banyak rungutan yang datang dari orang itu. Kadang<sup>2</sup> di-tempat itu ta' sesuai dengan dia, kerana kata-nya jauh bagi anak-nya hendak pergi ka-sekolah, belanja ta' chukop dan macham<sup>2</sup> lagi. Oleh sebab itu, saya berharap supaya dari mula lagi Kerajaan jangan-lah beri dia tempoh tanah itu, daripada kita hendak halau, atau hendak suroh dia pindah kemudian.

**Enche' Khaw Kai-Boh:** Mr President, Sir, in connection with the suggestion made by the Honourable Dato' Sheikh Abu Bakar that such powers should also be given to the Land Officers, I would like to state that it was because of the inadequate powers under the Land Code that it was necessary to seek these powers in order to enable unlawful occupants to be ejected from land to be used for defence purposes in the interest of national security, and whether these powers can be granted to the Land Officers would be a thing to be considered by the respective Ministries. I would certainly convey the Honourable Senator's request to them through the appropriate channel.

As regards the request by another Honourable Member, that the Government should advise people as early as possible before they start using the land unlawfully, I can assure this House that everything possible would be done by the Government. But, on

the other hand, it would be more appropriate for the Assemblymen and Senators who are on the ground to draw the attention of the people as far as possible and at the same time draw the attention of the Government so that adequate warning can be given to prospective unlawful occupants of land in order to avoid hardship. As far as hardship is concerned, the House can be assured that the powers under this Bill will only be exercised in circumstances for the interests of the State.

Question put, and agreed too.

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 3—*

**Dato' Sheikh Abu Bakar bin Yahya:** Honourable Dato' President, Sir, I am very happy to hear the words of the Honourable Minister just now—that everything will be taken care of when the land is dispossessed from the occupier. In this case, I would like to refer, if I may, Sir, to Section 2 (3) of the Bill—fourth line—which reads:

“ . . . to dispossess and remove from the land the person aforesaid, and on behalf of the Federal Lands Commissioner to take possession of the land together with all crops growing thereon and all buildings and other immovable property . . . ”

Sir, I am an Alliance Member—not a Member of the Opposition (*Laughter*)—but still I would like to seek certain clarification on this point. After you dispossess the occupant of the land, his property, what will happen to the property? I shall make myself more explicit, Sir. The Honourable Minister said just now that a magistrate would take procedure in Court to remove the immovable property and all the crops belonging to the defendant. But, then in the procedure of the court, so far as I understand it, if immovable property or crops are removed, or anything movable are removed, the procedure is to sell the property, and then whatever is due to the creditor is paid to him,

and the balance is returned back to the judgment debtor. But, in this case, if the properties are removed, Sir, what will happen to them? That is what I want to know.

**Enche' Khaw Kai-Boh:** Mr Chairman, Sir, it is necessary in provisions of this nature to provide all the necessary powers for the Government to expedite the carrying out of the necessary actions to evict the unlawful occupants and to avoid any delay. Hence the very overall nature of the provisions in Section 2 (3). This House can be assured that the execution of these powers will be tampered with mercy, and no doubt the Ministry in charge in carrying out such execution will take into consideration all the circumstances and the needs of the people. I think this House can have the assurance in that direction.

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

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

## THE ROYAL MALAYSIA POLICE BILL

### Second Reading

**Enche' Khaw Kai-Boh:** Mr President, Sir, I beg to move that a Bill intituled, "An Act to establish a police force for Malaysia, and make other provision in relation thereto" be now read a second time.

Part II of the Malaysia Bill which has been presented to this House, provides for the establishment of Malaysia to comprise the States of the Federation of Malaya, the Borneo States of Sabah and Sarawak and the State of Singapore. It has been agreed that internal security should be the responsibility of the Federal Government of Malaysia. It therefore becomes necessary that a unified police force for Malaysia should be established with effect from Malaysia Day. Hence, this Malaysia Police Bill.

Hon'ble Members will note that the word "Royal" is used in the title of this Bill. It may be recalled that as a result of its gallant service during the Emergency, His Majesty the Yang di-

Pertuan Agong conferred upon the Federation Police in 1958 the title "Royal" and the force is now known as Royal Federation of Malaya Police. Since the Federation force will be the largest component of the unified police force, it was considered appropriate that the honour which they have been enjoying should be conferred on the new force which they will join. I am sure this House will share my pleasure to learn that His Majesty the Yang di-Pertuan Agong has graciously approved to confer the title "Royal" upon this unified police force. (*Applause*).

As this House is well aware, the various police establishments in the territories forming Malaysia have a long and varied history of their own. In so far as Malaya is concerned, Hon'ble Members may recall that the Malay Annals record the establishment of a Police Station in Malacca as early as 1480. Suffice it to say that the Royal Federation of Malaya Police, as what we know it today, being responsible for the policing of the Federation of Malaya, is a fine example of progress from small beginnings made in the dim past.

And now a word or two in so far as the relationship or co-operation between these police forces that will form the unified Police force.

We are glad to say that since the last three or four decades there has been fairly close practical relationship between the various police establishments that will form the unified police force for Malaysia. Records exist to indicate that 38 years ago, arrangements were made for Borneo policemen to be given training at the Police Depôt in Kuala Lumpur, and the closest liaison and co-operation has always been effected between the State of Singapore and the States of Malaya. We also have records to indicate that men and officers from Sarawak have also attended various courses of instruction in Malaya previously, and are currently attending courses here. We are glad to say that these small links of recent years are now going to be formally cemented in the establishment of the unified police force.

Turning to the Malaysia Police Bill itself, *Section 2* which deals with the constitution of this new force, provides as mentioned in the explanatory statement at the end of the Bill that this force will replace the separate police forces in the countries forming Malaysia, i.e., the Royal Federation of Malaya Police, the Singapore Police Force, the North Borneo Police Force and the Sarawak constabulary. The unified force will, however, comprise components in the States of Malaya and each of the new States joining the Federation. These components will, for the time being, remain subject to the law now applicable to the existing forces (subject to any necessary modifications under the Malaysia Act and to the introduction by amendment of the police regulations of uniform terms of service for new recruits).

*Section 3* provides the functions of the unified police force, which are the same as those currently exercised by these respective forces.

*Section 4* provides the manner in which this new force will be controlled and directed.

Sub-section (1) of *Section 4* provides that the force shall be under the command of an Inspector-General of Police and for this purpose he shall have all the powers conferred on the Commissioner of Police.

Sub-sections (2) and (3) of *Section 4* provide that the control of each of the component forces will continue to remain with the respective Commissioners of Police subject to the orders and direction of the Inspector-General of Police.

Sub-section (4) of *Section 4* makes provision under which the functions of the Inspector-General could be carried out or performed by police officers not lower than the rank of Assistant Commissioner. This sub-section also provides the manner in which his functions may be discharged by a Commissioner in the event of his absence from Malaysia or of his incapacity.

Sub-section (5) of *Section 4* makes provision in similar manner for the functions of a Commissioner of Police

to be carried out or discharged by police officers not lower than the rank of Superintendents. It also provides that his functions may also be discharged by a Deputy Commissioner. These delegations are necessary in a disciplined force.

*Section 5* provides how the unified force shall be formed.

Sub-section (1) of *Section 5* provides for members of the present Federation Police to become members of the new force in the component in the States of Malaya. Members of the other police forces will be transferred or seconded to the Federal Police under the Malaysia Act or under the State Constitution.

Sub-section (2) of *Section 5* provides for them to do so in the component corresponding to their old force.

A word of explanation here on the terms and conditions of service of service personnel in the police forces is necessary to dispel the fears of those who are not quite sure as to how this change of service will affect them:

- (a) Personnel at present serving in the Royal Federation of Malaya Police, will automatically on Malaysia Day become members of the unified police force;
- (b) Personnel at present serving in the Singapore Police will become members of the Federal service. They too will be given an option and that is a choice of becoming fully transferable throughout Malaysia; or of remaining in their present force, i.e., to continue serving in the State of Singapore as at present constituted;
- (c) Personnel at present serving in the North Borneo Police Force and the Sarawak Constabulary will on Malaysia Day be seconded to the unified police service.

They will have two options:

- (i) to opt to transfer to the Federal Service; and
- (ii) to opt to become fully transferable throughout Malaysia.

- (d) Personnel recruited on or after Malaysia Day will be recruited to the Royal Malaysia Police and will be transferable throughout Malaysia.

What I have just said only gives the general principles to be applied to police personnel of the various forces forming the unified police force. Detailed terms and conditions of option covering transferability and secondment are now being actively examined and it is hoped that these will be ready fairly shortly, at least, before Malaysia Day.

In brief, however, serving personnel in the various forces will on Malaysia Day remain on their present terms and conditions of service. A person who becomes a member of the unified police force—

- (a) will be employed on terms and conditions not less favourable than those applicable to him immediately before Malaysia Day;
- (b) unless and until he elects to the contrary will not be liable to be transferred without his consent to any force outside his present force.

The intention of course is that the establishment of the unified police service will be achieved with the minimum possible disruption of the existing forces, but common standards, administrative methods and procedure will be introduced wherever they appear to be desirable in the interests of efficiency and economy.

I am sure this House will agree that the necessity for the healthy policing of our territories needs no emphasising. In this context it is not inappropriate for me to read the quotation taken from a treatise on the subject of the Police of the Metropolis in London by Patrick Colquhoun, J.P., in 1796. It says:

“Next to the blessings which a Nation derives from an excellent Constitution and system of general Laws, are those advantages which result from a well regulated and energetic plan of police conducted and enforced with Purity, Activity, Vigilance and Discretion.”

I am confident that the good faith and loyalty of our Policemen, together with the watchdog of considered public opinion can only result in the long term objective of the Royal Malaysia Police which will be to win the full confidence of all citizens of Malaysia.

Sir, I beg to move.

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

**Enche' Da Abdul Jalil bin Haji Awang:** Tuan Yang di-Pertua, Royal Malaysian Police Force akan di-pimpin oleh sa-orang yang berpangkat Inspector-General of Police tetapi didalam Bill ini tidak pula dinyatakan bahawa Inspector-General of Police ini akan terdiri daripada sa-orang ra'ayat negeri ini. Saya bimbang, Tuan Yang di-Pertua, kalau-lah jawatan ini akan di-berikan kepada orang yang tidak menjadi ra'ayat negeri ini. Tuan Yang di-Pertua, dalam Undang<sup>2</sup> yang lain semua-nya ada di-sebutkan pegawai<sup>2</sup> tinggi itu semua-nya di-beri kepada ra'ayat negeri ini, chuma di-dalam Undang<sup>2</sup> Royal Malaysian Police ini sahaja yang tidak di-sebutkan bahawa jawatan ini akan di-berikan kepada ra'ayat negeri ini. Tuan Yang di-Pertua, saya rasa tentu-lah pegawai<sup>2</sup> yang sekarang ini memegang jawatan tinggi seperti Commissioner of Police dapat memegang jawatan ini. Dan tidak-lah saya rasa mustahak chita<sup>2</sup> untok menimbangkan sa-orang yang bukan menjadi ra'ayat negeri ini menjawat jawatan yang begitu tinggi kerana dasar Malayisation kita itu harus-lah di-teruskan.

Tuan Yang di-Pertua, saya mendapat tahu bahawa kata-nya sa-orang bekas Commissioner of Police yang sekarang telah bersara dan telah pun menerima sagu hati dalam Malayisation akan memegang jawatan ini. Maka saya bimbang, Tuan Yang di-Pertua, peluang bagi anak negeri ini untok mendapatkan jawatan ini tidak akan ada lagi. Tuan Yang di-Pertua, kalau-lah Kerajaan betul<sup>2</sup> hendak menjalankan Malayisation maka mustahak-lah jawatan ini di-berikan kepada anak negeri ini.

Lagi satu perkara yang saya rasa perlu juga saya sebutkan di-sini ia-itu saya mendapat tahu bahawa gaji

- (d) Personnel recruited on or after Malaysia Day will be recruited to the Royal Malaysia Police and will be transferable throughout Malaysia.

What I have just said only gives the general principles to be applied to police personnel of the various forces forming the unified police force. Detailed terms and conditions of option covering transferability and secondment are now being actively examined and it is hoped that these will be ready fairly shortly, at least, before Malaysia Day.

In brief, however, serving personnel in the various forces will on Malaysia Day remain on their present terms and conditions of service. A person who becomes a member of the unified police force—

- (a) will be employed on terms and conditions not less favourable than those applicable to him immediately before Malaysia Day;
- (b) unless and until he elects to the contrary will not be liable to be transferred without his consent to any force outside his present force.

The intention of course is that the establishment of the unified police service will be achieved with the minimum possible disruption of the existing forces, but common standards, administrative methods and procedure will be introduced wherever they appear to be desirable in the interests of efficiency and economy.

I am sure this House will agree that the necessity for the healthy policing of our territories needs no emphasising. In this context it is not inappropriate for me to read the quotation taken from a treatise on the subject of the Police of the Metropolis in London by Patrick Colquhoun, J.P., in 1796. It says:

“Next to the blessings which a Nation derives from an excellent Constitution and system of general Laws, are those advantages which result from a well regulated and energetic plan of police conducted and enforced with Purity, Activity, Vigilance and Discretion.”

I am confident that the good faith and loyalty of our Policemen, together with the watchdog of considered public opinion can only result in the long term objective of the Royal Malaysia Police which will be to win the full confidence of all citizens of Malaysia.

Sir, I beg to move.

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

**Enche' Da Abdul Jalil bin Haji Awang:** Tuan Yang di-Pertua, Royal Malaysian Police Force akan di-pimpin oleh sa-orang yang berpangkat Inspector-General of Police tetapi didalam Bill ini tidak pula di-nyatakan bahawa Inspector-General of Police ini akan terdiri daripada sa-orang ra'ayat negeri ini. Saya bimbang, Tuan Yang di-Pertua, kalau-lah jawatan ini akan di-berikan kepada orang yang tidak menjadi ra'ayat negeri ini. Tuan Yang di-Pertua, dalam Undang<sup>2</sup> yang lain semua-nya ada di-sebutkan pegawai<sup>2</sup> tinggi itu semua-nya di-beri kepada ra'ayat negeri ini, chuma di-dalam Undang<sup>2</sup> Royal Malaysian Police ini sahaja yang tidak di-sebutkan bahawa jawatan ini akan di-berikan kepada ra'ayat negeri ini. Tuan Yang di-Pertua, saya rasa tentu-lah pegawai<sup>2</sup> yang sekarang ini memegang jawatan tinggi seperti Commissioner of Police dapat memegang jawatan ini. Dan tidak-lah saya rasa mustahak chita<sup>2</sup> untuk menimbangkan sa-orang yang bukan menjadi ra'ayat negeri ini menjawat jawatan yang bagitu tinggi kerana dasar Malayanisation kita itu harus-lah di-teruskan.

Tuan Yang di-Pertua, saya mendapat tahu bahawa kata-nya sa-orang bekas Commissioner of Police yang sekarang telah bersara dan telah pun menerima sagu hati dalam Malayanisation akan memegang jawatan ini. Maka saya bimbang, Tuan Yang di-Pertua, peluang bagi anak negeri ini untuk mendapatkan jawatan ini tidak akan ada lagi. Tuan Yang di-Pertua, kalau-lah Kerajaan betul<sup>2</sup> hendak menjalankan Malayanisation maka mustahak-lah jawatan ini di-berikan kepada anak negeri ini.

Lagi satu perkara yang saya rasa perlu juga saya sebutkan di-sini ia-itu saya mendapat tahu bahawa gaji

Turning to the Malaysia Police Bill itself, *Section 2* which deals with the constitution of this new force, provides as mentioned in the explanatory statement at the end of the Bill that this force will replace the separate police forces in the countries forming Malaysia, i.e., the Royal Federation of Malaya Police, the Singapore Police Force, the North Borneo Police Force and the Sarawak constabulary. The unified force will, however, comprise components in the States of Malaya and each of the new States joining the Federation. These components will, for the time being, remain subject to the law now applicable to the existing forces (subject to any necessary modifications under the Malaysia Act and to the introduction by amendment of the police regulations of uniform terms of service for new recruits).

*Section 3* provides the functions of the unified police force, which are the same as those currently exercised by these respective forces.

*Section 4* provides the manner in which this new force will be controlled and directed.

Sub-section (1) of *Section 4* provides that the force shall be under the command of an Inspector-General of Police and for this purpose he shall have all the powers conferred on the Commissioner of Police.

Sub-sections (2) and (3) of *Section 4* provide that the control of each of the component forces will continue to remain with the respective Commissioners of Police subject to the orders and direction of the Inspector-General of Police.

Sub-section (4) of *Section 4* makes provision under which the functions of the Inspector-General could be carried out or performed by police officers not lower than the rank of Assistant Commissioner. This sub-section also provides the manner in which his functions may be discharged by a Commissioner in the event of his absence from Malaysia or of his incapacity.

Sub-section (5) of *Section 4* makes provision in similar manner for the functions of a Commissioner of Police

to be carried out or discharged by police officers not lower than the rank of Superintendents. It also provides that his functions may also be discharged by a Deputy Commissioner. These delegations are necessary in a disciplined force.

*Section 5* provides how the unified force shall be formed.

Sub-section (1) of *Section 5* provides for members of the present Federation Police to become members of the new force in the component in the States of Malaya. Members of the other police forces will be transferred or seconded to the Federal Police under the Malaysia Act or under the State Constitution.

Sub-section (2) of *Section 5* provides for them to do so in the component corresponding to their old force.

A word of explanation here on the terms and conditions of service of service personnel in the police forces is necessary to dispel the fears of those who are not quite sure as to how this change of service will affect them:

- (a) Personnel at present serving in the Royal Federation of Malaya Police, will automatically on Malaysia Day become members of the unified police force;
- (b) Personnel at present serving in the Singapore Police will become members of the Federal service. They too will be given an option and that is a choice of becoming fully transferable throughout Malaysia; or of remaining in their present force, i.e., to continue serving in the State of Singapore as at present constituted;
- (c) Personnel at present serving in the North Borneo Police Force and the Sarawak Constabulary will on Malaysia Day be seconded to the unified police service.

They will have two options:

- (i) to opt to transfer to the Federal Service; and
- (ii) to opt to become fully transferable throughout Malaysia.

the terms of service in that they joined the force to serve Singapore only; hence the need to offer them the option to serve throughout Malaysia. It is, therefore, not a privilege. Personnel at present serving in the North Borneo Police Force and the Sarawak Constabulary will on Malaysia Day be seconded to the unified police service. They will have two options, as I have said earlier in moving the Bill: firstly, they will have the option to transfer to the Federal Service, and, secondly, to opt to become fully transferable throughout Malaysia. Personnel recruited on or after Malaysia Day will be recruited in to the Royal Malaysian Police and will be transferable throughout Malaysia.

We are not aware of the various allegations made by the Honourable Enche' T. H. Tan, but the Ministry of Internal Security will make the necessary inquiries. As answer to the further question, the answer is "Yes" and these officers, the aggrieved persons, can channel their cases to the Police Service Commission and all the cases will then be looked into by the Commission.

In connection with the point raised by the Honourable Dato' Kurnia Indera, all I can say is, if the Honourable Member will let me have the specific cases in question, I shall certainly pass to the Ministry of Internal Security to have the complaints looked into. But, also, I would say this: obviously, with a large territory to be covered by the police force in this country, you cannot have policemen at the doorstep just by pressing a button, particularly with the very long distance to be covered. But I think I can assure this House that it is the duty of every police officer to be at the point of complaint as soon as possible after receipt of the information, and I am quite sure that there must be extenuating circumstances in the case or cases referred to by the Honourable Member; and as I have said earlier, if the Honourable Member will let me have the details, I can assure him that all his complaints will be looked into.

**Dato' J. E. S. Crawford:** On a point of clarification. In no way did I reflect

on the Police Force. I agree it is a matter of finance on the question as to the number of vehicles available, Sir.

**Enche' Khaw Kai-Boh:** I wish you had raised this before the Finance Minister left this House. (*Laughter*).

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.

*Clauses 1 to 5 inclusive ordered to stand part of the Bill.*

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

## THE EDUCATION (AMENDMENT) BILL

### Second Reading

**Enche' Khaw Kai-Boh:** Mr President, Sir, I beg to move that a Bill intituled "an Act to amend the Education Act, 1961, as regards the cost of religious instruction in assisted schools and as regards local contributions towards the cost of providing education, and to make further provision for financial assistance to Muslim institutions providing education" be now read a second time.

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

**The Minister of Education (Tuan Haji Abdul Hamid Khan):** Mr President, Sir, the explanatory statement to the Bill sets out the general purposes of the proposed amendment.

I will now explain in greater detail the reason why it is necessary to amend the provisions of the Education Act, 1961. The provisions of this Bill relate to the cost of Islamic religious instruction in assisted schools as well as to Federal contribution to non-government religious schools and to local contributions towards the cost of education.

Under Section 37 (2) of the Education Act, 1961, the Government of the Federation shall contribute towards the cost of Islamic religious instruction in

pegawai<sup>2</sup> police di-Singapura itu lebih tinggi daripada gaji pegawai<sup>2</sup> police di-sini, maka patut-lah juga Kerajaan menimbangkan gaji<sup>2</sup> bagi pasokan police kita di-sini supaya di-naikkan gaji-nya sama seperti pegawai<sup>2</sup> police di-Singapura itu. Sekian sahaja, Tuan Yang di-Pertua.

**Enche' T. H. Tan:** Mr President, Sir, in principle I support this Bill, the object of which is to create a single police force for the whole of Malaysia. I have no doubt that with the Royal Federation Police as its backbone, the Royal Malaysia Police will be equally effective as a law enforcing body for maintaining peace and order. The Royal Federation Police enjoy, as we all know, a very high reputation for discipline and integrity. However, Sir, a special provision in the Malaysia Act, which gives members of the Singapore Police Force the right not to be transferred outside Singapore without their consent, raises the question as to why such a privilege is given. No similar provision is expressly made in respect of the Borneo territories. I am not querying the provision as the Malaysia Act has already been passed by this House unanimously, but I hope the Minister concerned will give us the necessary explanation beyond what we have heard. I take it that members of the component Police units in the Federation of Malaya, Sabah and Sarawak are transferable.

Mr President, Sir, while on this subject I would like to hear from the Minister concerned whether it is true that in Singapore, especially in recent months, a number of Police Officers have received accelerated promotions in a manner unheard of in the history of the service. One gets the impression that high places are being assured for blue-eyed boys before Malaysia Day. There is also a case, I am told, of an officer receiving the very reverse treatment, namely, that of being politely told to apply for his pension before Malaysia Day, apparently because the powers that be no longer liked his face, or he was espied one day visiting the Station Hotel in Singapore. May this House be told whether the future Inspector-General of Police will look

into all these matters, as indeed he must if the Police Force of the territories are to be integrated. I hope there will be facilities for officers unjustly by-passed or unfairly treated to have their cases heard in the interest of justice.

**Dato' J. E. S. Crawford:** Mr President, Sir, I rise to support the Bill, which I think is an excellent one. But I wonder if the Minister can give us an assurance that when the Royal Malaysia Police Force is formed, it would also become really mobile, because at present, Sir, even in the Federation of Malaya Police, if you ring up for a policeman for a special job—say, when you are being murdered or robbed—they say: "Sorry, Sir, there is only one Land Rover and it is out." I wonder if the Minister will see that the new force is truly mobile.

**Enche' Khaw Kai-Boh:** Mr President, Sir, I will first deal with the point raised by the Honourable Da Abdul Jalil in connection with the appointment of the first Inspector-General of Police. Before I say anything, I would like to assure Members of this House that this Government has been committed to the Malayanisation policy—a policy which this Government will not deviate from and will carry it out as soon as circumstances permit and as soon as materials are available to fill those appointments. As regards this appointment, I can say that the appointment will be a transitional one. Further, bearing in mind also that we have the various levels of responsibility which have to be carried out at the same time in view of the expansion of the force, I would say that as soon as personnel of Malaysian citizenship are available, necessary steps will be taken to have a Malaysian citizen appointed Inspector-General of Police.

As regards to points raised by the Honourable Enche' T. H. Tan, the Singapore Police will be brought in to form a single unified police service together with the other police forces and thereby they will become members of such a unified service. However, on principle of service, they should not be compelled to serve outside Singapore as this will not be in accordance with

assisted primary schools in the form of a capitation grant, payable at such rate as may be determined by the Minister after consultation with the National Finance Council, in respect of each pupil professing the Islamic religion attending the school and receiving religious instruction. As it is not the intention that the contribution by the Federal Government shall cover the whole cost of the religious instruction in assisted primary schools, Section 37 (1) provides that the rest of the cost shall be defrayed from moneys provided by the legislature of the State in which the schools are situate. There has been legal objection to the provisions of this section as it would be *ultra vires* the Constitution to compel a State to provide moneys to meet the cost of Islamic religious education. With the appropriate amendment to Article 12 (2) of the Constitution, however, State Governments may, if they so wish, provide financial aid for the instruction of Islamic religion in schools within their respective States.

The present system whereby the Federal contribution towards the cost of Islamic religious instruction is based on the capitation grant is not very satisfactory, as the salaries of religious teachers vary from State to State. Therefore, it is likely that in some States, the cost of Islamic religious instruction is met entirely from this grant alone, whereas in others, the grant so given may amount to less than half of the actual expenditure incurred. Therefore, it is now proposed to amend Section 37 (1) and 37 (2) so as to provide that the Federal Government will only contribute towards the cost of Islamic religious instruction in assisted primary schools a sum equal to half the total cost of instruction based on the actual cost of such instruction during the preceding year. The other half will have to be met by the States. This system of providing only one half the total cost of Islamic religious instruction in a State is consistent with the letter and spirit of paragraphs 294 and 295 of the Report of the Education Review Committee, 1960, which read as follows:

"294. As already mentioned the average cost of Muslim religious instruction per pupil

varies from State to State but our Consultative Committee on Islamic Religious Instruction, after careful investigation, has calculated that for the purpose of assessing the grant a figure of \$14 per pupil per annum would be a reasonable one.

"295. We, therefore, recommend that the Federal Government should contribute to the cost of teachers for religious instruction in assisted primary schools at a *per capita* rate of \$7 per annum for all Muslim pupils in these schools. Arrangements to meet the balance of the cost of religious instruction in these schools would be the responsibility of State Governments. We wish to make it clear that the grant from the Federal Government should be made on the condition that it be used only for the purpose intended, i.e., towards the cost of religious instruction under section 49 (of the Education Ordinance, 1957), and not for any other purpose."

In regard to assisted secondary schools, the cost of Islamic religious instruction in these schools will continue to be defrayed from moneys provided by the Federation Government under Section 37 (3) of the Education Act, 1961.

A new clause has also been inserted in the Bill so as to enable the Minister of Education to disregard claims from a State relating to cost of religious instruction which are considered unreasonable.

In addition to the contribution towards the cost of Islamic religious instruction in assisted schools in the Federation, the Federal Government had also been giving financial aid to non-government Muslim religious schools in the Federation since 1959, as a result of the recommendations made in the Report of the Committee considering Government aid to non-government Religious Schools, 1956. As no Federal law has been passed in respect of aid of this nature, it is now found necessary that a clause authorising this contribution by the Federal Government should be included in this Bill. The new clause will not only regularise future grants but will also validate past contributions. For 1963, it is expected that this aid would amount to \$540,000.

Now I come to the provisions of the Bill which relate to local contributions towards the cost of providing education. Under section 105 of the Education Act, 1961, the Minister may,

towards meeting the expenses of the provision of education under the Act, require State Authorities or rating authorities or both to make such contributions which are recoverable as a debt due to the Federal Government. In the opinion of the law officers, this section is unconstitutional as it purports to impose on the State Government a direct obligation to contribute towards the cost of education which is a Federal matter. In this Bill, the objectionable part of the existing section 105, whereby the Federal Government may call on the State Government for contributions towards the cost of education, has, therefore, been removed. Instead, direct Federal rates would be imposed on local authorities as well as areas outside the jurisdiction of local authorities. In short, each State, for the purpose of education rates, is divided into two areas, namely (i) local authority areas and (ii) other areas. The latter includes local councils. Though local councils are autonomous bodies, they have not been included in the first category as administrative difficulties in collecting rates direct from these councils, which number a few hundred and are scattered all over the country, would be considerable. In the proposed amendment, the State Governments will merely act as "agents" for the Federal Government in collecting and forwarding the rates from areas which are outside local authority areas.

Though no rates have been collected by the Federal Government under section 105 of the Education Act, yet some States and Local Authorities have been collecting rates under the Education Ordinance, 1957, which had already been repealed on 1st January, 1962. It is, therefore, necessary to incorporate a clause into this Bill so as to validate the rates collected since 1st January, 1962. The Bill also provides that rates collected since the repeal of the Education Ordinance, 1957, with the exception of such rates as the rating authorities have decided before 1st August, 1963, to refund or to credit to the accounts of the rate-payers concerned, shall be paid to the Minister of Education and shall be held in trust for and shall be applied for the purposes of education within the

areas of such authority under section 132 of the Education Act, 1961.

**Dato' G. Shelley:** Mr President, Sir, as a matter of principle, I am opposing the Bill. My vote on this Bill is a dissenting "No". I will explain my vote.

To ascertain the implications of the Bill it is necessary to refer to the Education Act of 1961. In Clause 36 of the Act there is provision for instruction in Islamic religion in assisted schools. Clause 37 of the Act sets out the manner in which the cost of Islamic instructions shall be defrayed. Sub-section (1) of the Clause provides for the cost of Islamic instructions in assisted primary schools to be defrayed from monies provided by the Legislatures of the States. In sub-section (2) of the same Clause the Federation Government is committed to make a contribution to the State Legislatures towards the cost of these instructions.

The point I wish to emphasise is that in both cases the cost of Islamic instructions is defrayed from indirect taxation. Islam being established as the State Religion in the Constitution of the Federation of Malaya, these two provisions are within the compass of the Constitution, especially, as I have said before, money will be provided from the general revenue of both State and Federal funds.

The Bill before the House seeks to amend the Education Act of 1961 as regards the cost of religious instructions in assisted schools. Sub-section (2) of the amended Bill differentiates assisted primary schools from assisted secondary schools regarding the cost of providing Islamic religious instructions. In sub-section (2) provision is made for one-half of the cost of Islamic religious instructions in any assisted primary schools to be met by the Federal Government.

In sub-section (3) of the Education Act of 1961, Clause 37, the entire cost of Islamic instructions in any assisted secondary schools is to be paid by the Federal Government. Again, I stress the principle of indirect taxation, which reconciles with the Constitution of the Federation. It is with regard to the manner in which payments for the

other half of the cost of providing Islamic religious instructions in primary assisted schools that I take issue.

Clause 4, sub-section (2) provides, I quote:

"Towards meeting the expenses in any year of the provision of education under the Education Act, 1961, there shall be raised by means of a rate on immovable property such sum as the Minister may determine. . . ."

The cost of providing Islamic religious instructions in assisted primary schools is part and parcel of the expenses referred to in this Clause. This provision, in effect, means that ratepayers shall be making a direct contribution towards the cost of Islamic religious instructions in primary assisted schools. The operative word, Sir, is "direct".

I will now refer to the Constitution of the Federation of Malaya, Article 11, sub-clause (2), which reads, and I quote:

"No person shall be compelled to pay any tax the proceeds of which are specially allocated in whole or in part for the purpose of a religion other than his own."

The wording of the Article is clear. It is concise, and it is deliberate. It is an apparent misinterpretation of the word "direct", which offends the Catholic religion, particularly. I cannot speak knowledgeably as to the sentiments of other Christian denominations. The amended Bill before the House violates the laws of the Constitution.

**Nik Hassan bin Haji Nik Yahya:** Tuan Yang di-Pertua, Rang Undang<sup>2</sup> yang di-bawa dalam Dewan ini pada hari ini ia-lah sa-buah Rang Undang<sup>2</sup> yang telah juga di-luluskan oleh Dewan Ra'ayat, dan di-angkatkan ka-Dewan ini bagi mendapat kelulusan Dewan ini. Supaya Rang Undang<sup>2</sup> ini menjadi Undang<sup>2</sup> dan di-jalankan dengan mengikut Perlembagaan Persekutuan yang kita sama<sup>2</sup> menjaga dan mengawal-nya supaya hendak kita ini menjadi selamat dan berjalan dengan atoran sa-bagai sa-buah Kerajaan yang demokrasi yang baik. Saya rasa bangkangan daripada Senator itu juga sahabat saya Dato' Shelley itu ada-lah satu perkara yang mengejutkan saya, dan juga rakan<sup>2</sup> saya yang ada di-dalam Dewan ini, kerana kita tidak

sangka ada salah faham berkenaan dengan perlembagaan dan berkenaan dengan Undang<sup>2</sup> ini. Bagi saya Undang<sup>2</sup> ini tidak menyalahi dengan Perlembagaan yang ada ini. Kalau Undang<sup>2</sup> ini menyalahi dengan Perlembagaan ini sudah sa-patut-lah Undang<sup>2</sup> ini tidak dapat di-bawa ka-dalam Dewan Parlimen atau pun Dewan Ra'ayat kerana tidak di-susun oleh pakar Undang<sup>2</sup> bagi mengatorkan Undang<sup>2</sup> dari semenjak ada-nya negeri kita ini. Kalau Undang<sup>2</sup> ini berlainan dengan Perlembagaan, berma'ana-nya pakar<sup>2</sup> Undang<sup>2</sup> yang kita adakan dalam negeri ini tidak ada guna-nya. Baik-lah mereka itu menentukan dahulu ada-kah pakar Undang<sup>2</sup> yang ada itu belum dapat menjalankan kerja-nya atau pun Dato' kita ini lebeh daripada pakar Undang<sup>2</sup> yang ada dalam negeri kita ini. Kalau Dato' Shelley ini mempunyai pengetahuan Undang<sup>2</sup> yang lebeh daripada pakar Undang<sup>2</sup> yang ada ini, saya rasa lebeh baik kita tukarkan sahaja Dato' Shelley kita menjadi pakar Undang<sup>2</sup> untuk menyusun Undang<sup>2</sup> yang ada itu.

Sa-lain daripada itu, saya berharap bangkangan yang datang daripada Dato' Shelley ini bukan bangkangan yang datang daripada penganut<sup>2</sup> ugama Christian seluruh-nya. Saya berharap orang<sup>2</sup> yang berugama Christian yang ada di-dalam Tanah Melayu ini menguchapkan sa-tinggi<sup>2</sup> terima kaseh kapada pemimpin<sup>2</sup> dan Perdana Menteri kita dan kapada Perlembagaan yang ada itu dan kapada kebaikan<sup>2</sup> yang telah di-buat oleh Kerajaan Perikatan dan Kerajaan yang ada hari ini. Saya rasa apa yang di-beri dan apa yang di-timbangkan penganut<sup>2</sup> ugama Christian yang ada di-dalam Tanah Melayu ini ada-lah chukup bagi mereka bebas menjalankan ugama mereka, mengembangkan ugama mereka dengan tidak di-usek oleh pehak pemerintah ini. Saya rasa kita harus melihat bagaimana besar-nya sekolah<sup>2</sup> missionary Christian itu, sekolah<sup>2</sup> yang di-buat oleh penganut<sup>2</sup> ugama Christian dengan di-bantu pula oleh wang<sup>2</sup> daripada Lembaga Loteri anjoran Kerajaan. Berapa banyak wang yang telah di-bantu dan di-churahkan bagi membelanjakan sekolah<sup>2</sup> itu. Manakala

Kerajaan ini mengetahui dengan terang dan jelas di-sekolah<sup>2</sup> itu ia-lah sekolah<sup>2</sup> mengembangkan agama Christian. Tetapi bagi Kerajaan bagi pemimpin Kerajaan yang ada hari ini kita tidak menyentoh, kita tidak merosakkan pekerjaan mereka, bahkan bantuan daripada Lembaga Loteri Kebajikan itu di-berikan kepada mereka itu dengan tujuan mengembangkan perjalanan mereka dan tidak menyentoh kebaikan mereka itu. Jadi, kita harus berkata di-dalam Dewan ini patut-lah penganut<sup>2</sup> agama Christian itu semua-nya memberi satu ucapan terima kasih kepada Kerajaan, mengucapkan shukur kepada Tuhan yang Kerajaan memberi kebebasan beragama, bergerak mengembangkan agama Christian itu tidak di-sentoh oleh apa<sup>2</sup> Undang<sup>2</sup> bahkan di-jamin oleh Perlembagaan Persekutuan ini, supaya mereka itu bebas. Saya katakan bahawa patut penganut<sup>2</sup> agama Christian itu mengucapkan terima kasih kepada Kerajaan kerana saya melihat sekolah<sup>2</sup> agama Christian itu lebeh besar daripada sekolah<sup>2</sup> agama Islam itu sendiri, dan kalau tuan<sup>2</sup> melawat ka-sekolah<sup>2</sup> agama Islam, tuan<sup>2</sup> akan meleleh ayer mata bagaimana kedudukan sekolah<sup>2</sup> agama Islam, bagaimana dahshat-nya kehidupan sekolah<sup>2</sup> agama Islam itu. Tuan<sup>2</sup> boleh melihat dan boleh bertanya kepada guru<sup>2</sup> sekolah agama Islam berapa-kah gaji mereka itu dengan \$30 dan \$40 sahaja, dan sa-tengah-nya tidak di-bayar gaji langsung untuk mengajar sekolah<sup>2</sup> agama Islam itu.

Tuan Yang di-Pertua, patut-kah mereka ini di-biarkan begitu sahaja? Kalau kita bandingkan lagi bagaimana mereka itu sa-tengah hari bekerja dan sa-tengah hari mengajar, patut-lah sekolah<sup>2</sup> itu bochor, runtoh tidak siapa yang memperdulikan. Ini harus satu perkara yang mesti di-pandang dan di-teliti bukan sahaja oleh Kerajaan bahkan oleh seluroh agama yang ada di-dalam Tanah Melayu ini, oleh seluroh penganut<sup>2</sup> agama yang ada di-dalam dunia ini untuk bersahabat dengan baik, untuk bertimbang rasa, apa agama jua, itu-lah tujuan-nya. Jadi, dengan timbang rasa itu ada dari pehak<sup>2</sup> penganut agama Christian

maka timbang rasa yang sama juga ada pada penganut<sup>2</sup> agama Islam. Kita di-suroh menghormati agama<sup>2</sup> dan kita tidak mahu satu<sup>2</sup> pergaduhan agama. Di-dalam Tanah Melayu ini kita tidak mahu ada-nya perpechahan, kita mahu persefahaman, kita mahu tolak ansor dan perasaan persaudaraan, perasaan Kebangsaan Malaysia. Jadi, saya rasa dengan bangkangan ini datang daripada Dato' Shelley, ini ada-lah dari perasaan-nya yang tidak senang memandang usaha<sup>2</sup> Kerajaan untuk menampong keburokan yang ada bagi mengembangkan agama Islam dalam negeri ini. Perlembagaan telah mengatakannya agama Islam itu sa-bagai Agama Rasmi, wang Kerajaan boleh membelanjakan untuk agama Islam, hasil yang datang dari agama mana, itu tidak menjadi soal, wang Kerajaan boleh di-belanjakan untuk agama Islam.

Jadi kalau ada perasaan sakit hati terhadap agama Islam harap-lah simpan baik<sup>2</sup> perasaan itu dan pandanglah timbang rasa kepada kebaikan yang telah di-buat kepada agama Christian, sekian sahaja, terima kasih.

**Dato' J. E. S. Crawford:** Mr President, Sir, I rise as a Member of this House, professing the Christian religion, to unreservedly support this Bill. (*Applause*). Agama Islam is a State religion; therefore, it is the duty of the Federal Government to give every aid to this religion. Thank you, Sir. (*Applause*).

**Enche' S. O. K. Ubaidulla:** Mr President, Sir, I am one who has lived and worked with Dato' Shelley for a very long time. I have known him for his very broad views and general outlook in life. Today I was really shocked to see the line of approach he was taking. He, of course, was quoting the relevant Federation Agreement and the Education Bill and when he came to Clause 11, sub-clause (2) of the Federation Agreement, he said that he was against the direct manner in which the money is being collected. Of course, I would like to say that he did not make out his case when he said "the direct manner in which the money is being collected". It is up to

the Ministry to give a reply. But the very heartbreaking thing that I heard coming out of his mouth was that as a Catholic he opposes it, and he cannot speak for others. Sir, this is highly regrettable. I do not know why Dato' Shelley has chosen the words "as a Catholic" in opposing it, and not as a Senator.

Sir, this is a country which is blessed with harmony and which is the envy of many people and many nations of the world. Whenever we talk of religion, we must be very careful. After all, Government is asking for \$560,000. If the Government has asked for it wrongly, he has every right to point out, "Well, the Constitution does not provide for it in this manner and you are wrong in doing it." If I were to tell you the privileges that the Catholic religion and Catholic institutions are getting in this country, Sir, you will not be able to get up before six o'clock this evening (*Laughter*). I know that, and we all know that. We all want them to have it.

Sir, once I have been to the Honourable Minister of Education to beg from him for a little extra for an Islamic institution in addition to the 50 per cent which the Government had declared that any educational institution would get. I said: "Would you give a little more because the people concerned could not raise the money?" He was like a "stone cut from alabaster." He did not move. He is a Muslim, and I knew he had just performed his *haj* pilgrimage then. But the strictness with which he was guiding his principle had really shocked all those people who went to see him. I know—I will not mention to which religion they belonged—that some institutions have received 90 per cent contribution from his Ministry. I can prove it. I can prove that some institutions have received even 99 per cent. (*Hear, hear!*).

AN HONOURABLE MEMBER: Was it a Muslim institution?

**Enche' S. O. K. Ubaidulla:** No, it was not a Muslim institution. Yet, as a Minister, he did justice. Though as a person I did not like him that day, but

as a member of the public I admired him because he was carrying out his duty.

Sir, I am really very, very sorry. I have been in this Legislative Council for 14 years. Never in a day in this manner have I heard "one protesting as a Catholic". This is one of the saddest days I have come across.

**Tuan Haji Ahmad bin Haji Abdullah:** Tuan Yang di-Pertua, saya bangun menyokong sa-penoh<sup>2</sup>-nya apa yang di-bawa oleh Yang Berhormat Menteri ini. Sa-benar-nya saya tidak hendak berchakap banyak dalam Dewan ini tetapi oleh sebab yang membawa saya berchakap di-dalam Dewan ini kerana ada satu perkara yang di-sentoh. Itu bukan-lah perkara kecil tetapi besar. Pada hal apa yang di-bentangkan dalam Dewan ini bukanlah sa-bahagian besar yang mendatangkan keberatan atau menyusahkan tetapi sa-bahagian kecil mengenai perkara<sup>2</sup> berkaitan dengan pelajaran agama Islam. Saya bimbang satu sahaja dalam Persekutuan Tanah Melayu, orang Melayu khas-nya. Perkara<sup>2</sup> yang di-sentoh terhadap kebangsaan-nya ta' membawa kapada maut tetapi perkara yang membawa maut ia-lah perkara agama-nya sendiri yang sa-memang Persekutuan Tanah Melayu telah pun merasmikan agama Islam menjadi agama-nya bukan dalam Perlembagaan ini sahaja tetapi dahulu daripada ini juga. Sa-patut-nya; tetapi bukan-lah sa-bagai hendak menyekat, hendak menghalang agama<sup>2</sup> yang lain sebab dalam Islam tidak hendak menyekat agama<sup>2</sup> lain. Jadi dengan ada-nya apa yang di-bawa dalam Dewan ini sa-patut-nya orang<sup>2</sup> yang bukan beragama Islam dan satu daripada-nya saya menguchapkan terima kaseh kapada Ahli Yang Berhormat itu memberikan sokongan tadi dia bukan daripada orang Islam. Dan saya takut kalau<sup>2</sup> perkara ini di-tentang harus perkara yang tidak di-ingini akan mengikuti di-belakang dan pada akhirnya akan merosakkan Persekutuan Tanah Melayu ini. Ada daripada puak<sup>2</sup> yang sedang menanti yang sa-memangnya Ahli<sup>2</sup> Yang Berhormat tidak tahu maka sebab itu-lah saya sendiri sa-bagai Ahli Dewan yang mengetahui

menyatakan hal ini. Jadi, Tuan Yang di-Pertua, kalau hendak di-lanjutkan lagi ucapan saya ini harus akan berbangkit satu perkara yang tidak diinginkan, ada-kah kehendak orang<sup>2</sup> ugama Kristian supaya di-kutok sa-bagaimana apa yang telah berlaku dalam negeri<sup>2</sup> lain. Dalam Tanah Melayu kita tahu dan saya sudah katakan tadi dalam hal ugama, jangan-lah chuba<sup>2</sup> hendak menentang. Tuan Yang di-Pertua, sekian-lah dan saya minta ma'af kalau saya terkasar.

**Enche' T. H. Tan:** Mr President, Sir, as a member of this House and more particularly as a Buddhist, and on behalf of fellow Buddhists throughout Malaysia, it gives me the greatest pleasure to express my support to the Bill before us today (*Applause*). I will not deal with the subject of freedom of religion as guaranteed to us, to all the peoples of Malaya, irrespective of our race or creed. I would like to say that so far as Buddhists in this country are concerned, we would like other religions, particularly the official religion of our country, to receive every help and assistance such as the Government is giving to religions other than Muslim. I entirely agree with the last two speakers that the Muslim religion deserves every help and assistance, and I urge this House to pass this Bill without further debate. Mr President, Sir, religion is a very delicate subject and let us not introduce it as an issue into the politics of our country.

**Enche' Cheah Seng Khim:** Mr President, Sir, I rise to support this Bill. Our Honourable Prime Minister has showed us a very good example. He has agreed to use his good offices to ask other countries to help the Buddhists in South Vietnam. I think it is time for all the citizens in Malaya to follow his very lofty ideal about religion and we too must forget religion when we are in this House. Thank you, Sir.

**Tuan Haji Abdul Hamid Khan bin Haji Sakhawat Ali Khan:** Tuan Yang di-Pertua, saya berasa hairan-lah satu perkara yang saya ta' sangka<sup>2</sup> akan timbul daripada sahabat saya

yang lama daripada masa Federal Council dahulu lagi, sa-orang yang saya pandang yang fikiran-nya luas pada masa itu, tetapi pada hari ini saya nampak fikiran-nya sangat sempit, daripada luas, sudah begitu luas, kemudian sudah jadi begitu sempit sehingga ta' dapat lalu satu fikiran pun. Saya ucapkan ribuan terima kaseh kepada Ahli<sup>2</sup> Yang Berhormat yang lain, termasuk juga Ahli<sup>2</sup> Yang Berhormat yang bukan beragama Islam yang ada perasaan yang di-katakan dalam bahasa Inggeris: "Toleration in regard to religious matters", ia-itu memandang luas berkenaan dengan ugama<sup>2</sup>, dan ini ada-lah satu ajaran Islam yang bukan sahaja memandang luas kepada ugama<sup>2</sup> lain, akan tetapi di-hormati dan menghormati Nabi<sup>2</sup> daripada ugama lain termasuk-lah Nabi Isa yang beliau itu mengatakan Nabinya. Ini juga di-hormati oleh ugama daripada penganut<sup>2</sup> ugama Islam, dan saya berasa hairan betul, hairan mendengar ucapan-nya yang begitu mengejut sa-kali. Boleh jadi, ucapannya yang sa-umpama ini datang-nya daripada salah faham, salah pengertian, akan tetapi saya ta' sangka sa-orang yang bagini bijak boleh salah mengerti dalam satu soal, dan juga menutup mata-nya daripada perkara yang sekarang ini sedang berlaku di-Vietnam Selatan ia-itu pertemporan berkenaan dengan ugama Budha, ia-itu di-antara penganut<sup>2</sup> ugama Budha dengan ugama Christian termasuk Catholic (*Tepok*). Jadi, saya berharaplah ucapan<sup>2</sup> yang sa-umpama ini, sa-kira-nya ada perasaan sempit yang samacham ini, jangan-lah di-bawa supaya menjadi mudharat kepada keamanan yang ada dalam negeri ini. Kita sedia ma'alum ia-itu Kerajaan Persekutuan Tanah Melayu amat-lah bertimbang rasa di-atas soal ini, sa-bagaimana yang telah di-nyatakan oleh beberapa orang Ahli<sup>2</sup> Yang Berhormat yang telah berchakap tadi ia-itu sekolah<sup>2</sup> yang di-jalankan oleh Penyiar<sup>2</sup> Ugama Christian (Catholic Mission Schools) termasuk ugama beliau itu juga di-mana mereka ini ada mendapat bantuan daripada Kerajaan yang saya sendiri meluluskan-nya yang kadang<sup>2</sup> lebeh daripada 50 peratus pada satu masa, dan ada yang 50 peratus, dan

ada yang kurang juga. Jikalau-lah beliau ini menentang oleh kerana ini ada-lah berlawanan dengan fahaman, atau conscience-nya, orang<sup>2</sup> daripada agama Islam pun boleh menentang daripada conscion mereka itu pula, agar wang ini jangan di-beri kepada sekolah agama yang sa-umpama itu (*Tepok*). Tetapi, kita yang memelok agama Islam ini ada-lah memandang luas, dan oleh sebab itu, kita berharaplah timbang rasa yang kita berikan itu kepada orang<sup>2</sup> yang menganut agama lain, ia-itu agama Catholic khas-nya, supaya memberikan timbang rasa-nya itu supaya dapat kita dudok dengan aman, damai dan tenteram, dan jangan-lah perkara yang sa-umpama ini akan menjadi satu perkara yang burok kepada penduduk<sup>2</sup> negeri ini.

Untuk menyenangkan hati beliau ini, saya suka menyatakan ia-itu wang hanya akan di-kutip daripada education rate dalam negeri<sup>2</sup> ini, sa-kira-nya keadaan berkehendakkan, itu bukan samesti-nya di-kutip apabila undang<sup>2</sup> ini di-luluskan—akan tetapi, apabila dipandang mustahak, baharu-lah kita meminta keizinan daripada Duli Yang Maha Mulia Seri Paduka Baginda Yang di-Pertuan Agong untuk mengutip-nya, bukan sa-mesti-nya di-kutip asalkan di-luluskan undang<sup>2</sup> ini. Kuasa itu ada pada Menteri Pelajaran dan Menteri Pelajaran itu akan memandang kepada segi keadaan wang negara pada satu<sup>2</sup> masa, maka baharu-lah di-minta persetujuan dari Duli Yang Maha Mulia Seri Paduka Baginda Yang di-Pertuan Agong untuk membenarkan-nya, kemudian baharu-lah di-jalankan undang<sup>2</sup> ini, dan juga wang ini bukan-lah di-khaskan digunakan untuk pelajaran agama Islam semua-nya, atau pun sa-paroh daripadanya. Wang ini akan di-masokkan sa-telah di-kutip ka-dalam Consolidated Fund's general revenue of the Federation Government. Jadi, apabila di-keluarkan untuk pelajaran agama maka di-keluarkan-lah daripada Consolidated Fund. Saya fikir, ini tidaklah salah daripada conscion beliau itu sendiri, jika kutipan ini di-gunakan untuk agama Islam, sa-kira-nya beliau ini memandang daripada segi itu sendiri.

Oleh kerana masa sudah lewat, saya tidak berhajat hendak berchakap panjang di-atas soal ini, akan tetapi saya menguchapkan ribuan terima kaseh kepada tuan<sup>2</sup> yang telah menyokong Rang Undang<sup>2</sup> ini, yang saya nampak sa-lain daripada Ahli Yang Berhormat yang beragama Catholic itu, maka yang lain-nya ada-lah menyokong.

**Dato' G. Shelley:** Mr President, Sir, on a point of clarification. The last few words of the Minister when he said that the funds would be put into the Consolidated Fund and allocations would be made from the Consolidated Fund make it an entirely different matter now. That meets with no objection from me. But Clause 4 says that this fund will be specifically used for a certain purpose. So, if the statement by the Minister is correct, then the whole thing is acceptable.

**Tuan Haji Abdul Hamid Khan bin Haji Sakhawat Ali Khan:** Tuan Yang di-Pertua, sa-bagai penerangan lanjut saya suka menyatakan wang yang akan di-kutip di-bawah undang<sup>2</sup> ini pada masa yang ka-hadapan akan di-masokkan ka-dalam Consolidated Fund, tetapi yang telah di-kutip sa-belum undang<sup>2</sup> ini di-luluskan ada-lah di-masokkan dalam Trust Account bagi satu<sup>2</sup> negeri untuk di-gunakan dari segi pelajaran.

**Dato' Dr Cheah Toon Lok:** Mr President, Sir, as president of the Kedah Buddhist Association, I have great pleasure in supporting this Bill, because in Malaya there are so many Buddhist temples and wats. Our Prime Minister has been very generous to us and allowed us funds to build our temples and wats in Kedah.

I am only anxious about the teachers of religion, because, as the Minister has said, religion will be a State matter and the States will be the agents of the Federal Government. I hope that the teachers will be properly paid, because most of the religious teachers are very poorly paid in the States. I think they should come under the unified salary scheme, so that we will get the best teachers to teach religion.

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 5—*

**Dato' G. Shelley:** Mr Chairman, Sir, in speaking on the principles of the Bill, I stressed on Clause 4. The Minister made, a very important statement, and if he will confirm that statement, there will be a very happy ending to this issue. I quite realise that religion is a dynamite issue, but in all consciousness I had to make that speech, and I did expect to hear fireworks after that. But, as I say, it does offend, and if the Minister will repeat the statement that this money will go into the Consolidated Fund, I am sure there will be no objection from the House, and certainly the whole matter will be very, very nicely settled.

**Tuan Haji Abdul Hamid Khan bin Haji Sakhawat Ali Khan:** Tuan Yang di-Pertua, jika tuan itu tidak faham bahasa Melayu dengan sa-benar-nya, saya chakap dalam bahasa Inggeris— In regard to the collection made prior to the passing of this amendment bill, all the money will be paid into a trust account. But future collections which will be payable will be paid into the Consolidated Fund of the Federation.

Jadi kalau dalam bahasa Inggeris pun tidak erti, saya pun susah-lah. Saya harap beliau itu sekarang ini faham.

*Clauses 1 to 5 inclusive ordered to stand part of the Bill.*

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

## EXEMPTED BUSINESS

(Motion)

**Enche' Khaw Kai-Boh:** Mr President, Sir, I beg to move,

That notwithstanding the provisions of Standing Order 11, the Senate shall not adjourn today until consideration of the business on the Order Paper for today has been completed.

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

Question put, and agreed to.

Resolved,

That notwithstanding the provisions of Standing Order 11, the Senate shall not adjourn today until consideration of the business on the Order Paper for today has been completed.

## BILL

### THE MERCHANT SHIPPING (AMENDMENT) BILL

#### Second Reading

**Enche' Khaw Kai-Boh:** Mr President, Sir, I beg to move that a Bill intituled, "an Act to amend the Merchant Shipping Ordinance, 1952" be read a second time.

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

**The Minister of Transport (Dato' Haji Sardon bin Haji Jubir):** Sir, in March, 1960 a meeting was held in Labuan which was attended by the Directors of Marine of British North Borneo, Sarawak, Brunei, Singapore and the Federation of Malaya. The meeting among other things agreed that there should be a unification of trade limits and manning scales. Consequent upon this agreement, the Borneo territories and Singapore have already made the necessary amendments to their legislations.

Clause 2 of the Bill provides new definitions of "certificated officers," "home-trade voyage," and "local-trade voyage."

Clause 3 of the Bill will discontinue the existing provision whereby a foreign-going ship under 100 tons is required to have at least one mate of foreign-going ship or a first-class gunner besides the master. At present, there are different requirements for officers in respect of a home-trade ship of under and over 100 tons. But with this amendment there will be uniformity in the manning scales in respect of every home-trade ship when going to sea from any place in the Federation, irrespective of the tonnage; that is, the ship will be manned by duly certificated officers, namely, master of

home-trade ship, mate of home-trade ship, second-class engineer and first-class engine driver.

Clause 3 of the Bill would also permit duly certificated officers to man a local-trade ship of under and over 1,000 gross tons; under or over 1,000 brake horse-power, if it is motor ship; over 25 tons but under 100 gross tons, if it is a mechanically propelled ship which plies within 30 miles of a port; and under 25 gross tons in respect of a mechanically propelled ship plying within the Federation's territorial waters.

Clause 4 of the Bill provides that a mechanically-propelled vessel of over 1 gross ton, but less than 25 gross tons, plying at any port within the Federation for any purpose of trade or business be manned by a steersman and if the vessel exceeds 25 gross tons there must also be a steersman and a third-class engine driver.

Sir, with these amendments our local men who are duly certificated will be able to handle bigger ships and thus providing similar opportunities with those given in the Bornean territories and Singapore. My Ministry has received requests from local marine unions for the implementation of the agreement reached in Labuan. The amendments could have been made much earlier but unfortunately due to more urgent and unforeseen matters they could not be finalised at an earlier date. The amendments are of a technical nature and opportunity has also been taken to effect some minor amendments as mentioned in the schedule to the Bill. They are now urgently required and cannot be put off for inclusion in the new legislation relating to merchant shipping applicable to all the Malaysian territories which will have to be introduced after the establishment of Malaysia. The reason is that the new legislation is not likely to be promulgated for quite some time. There will also be consequential amendments to the Subsidiary Legislation in respect of the examination for Certificate of Competency and Efficiency Rules.

**Dato' G. Shelley:** Mr President, Sir, I support the Bill. In Clause 3 there is a provision for the substitution of new Section 71, and I notice in subsections (d) and (e) of this Section that provision is made for steamships and that there is nothing mentioned about motor-driven ships, whereas in new Section 72, which refers to local-trade ships, there is provision for both steamships and motorships. Is this deliberate?

**Dato' Haji Sardon:** Mr President, Sir, as I have already mentioned in my address just now, these are all technical points. My Director of Marine, who is an expert on this matter, in conjunction with the Legal Draftsman, has already checked up all the terms and the use of these steamships and propelled vessels, that are covered in every definition.

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 6 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.

## ADJOURNMENT *SINE DIE*

(Motion)

**Enche' Khaw Kai-Boh:** Mr President, Sir, I beg to move,

That the Senate do now adjourn *sine die*.

**Engku Muhsein:** Tuan yang di-Pertua, saya menyokong.

Question put, and agreed to.

Resolved,

That the Senate do now adjourn *sine die*.

*Adjourned at 4.40 p.m.*