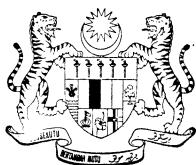


Volume III
No. 10



Friday
26th August, 1966

PARLIAMENTARY DEBATES

DEWAN RA'AYAT
(HOUSE OF REPRESENTATIVES)

OFFICIAL REPORT

THIRD SESSION OF THE SECOND PARLIAMENT
OF MALAYSIA

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MALAYSIA
DEWAN RA'AYAT
(HOUSE OF REPRESENTATIVES)

Official Report

Third Session of the Second Dewan Ra'ayat

Friday, 26th August, 1966

The House met at 9.30 o'clock a.m.

PRESENT:

- The Honourable Mr Speaker, DATO' CHIK MOHAMED YUSUF BIN SHEIKH ABDUL RAHMAN, S.P.M.P., J.P., Dato' Bendahara, Perak.
- „ the Prime Minister, Minister of Foreign Affairs and Minister of Culture, Youth and Sports, Y.T.M. TUNKU ABDUL RAHMAN PUTRA AL-HAJ, K.O.M. (Kuala Kedah).
- „ the Deputy Prime Minister, Minister of Defence and Minister of National and Rural Development, TUN HAJI ABDUL RAZAK BIN DATO' HUSSAIN, S.M.N. (Pekan).
- „ the Minister of Home Affairs and Minister of Justice, TUN DR ISMAIL BIN DATO' HAJI ABDUL RAHMAN, S.S.M., P.M.N. (Johor Timor).
- „ the Minister of Finance, TUAN TAN SIEW SIN, J.P. (Melaka Tengah).
- „ the Minister of Works, Posts and Telecommunications, TAN SRI V. T. SAMBANTHAN, P.M.N. (Sungei Siput).
- „ the Minister of Transport, TAN SRI HAJI SARDON BIN HAJI JUBIR, P.M.N. (Pontian Utara).
- „ the Minister of Health, TUAN BAHAMAN BIN SAMSUDIN (Kuala Pilah).
- „ the Minister of Commerce and Industry, DR LIM SWEE AUN, J.P. (Larut Selatan).
- „ the Minister for Welfare Services, TUAN HAJI ABDUL HAMID KHAN BIN HAJI SAKHAWAT ALI KHAN, J.M.N., J.P. (Batang Padang).
- „ the Minister for Local Government and Housing, TUAN KHAW KAI-BOH, P.J.K. (Ulu Selangor).
- „ the Minister of Labour, TUAN V. MANICKAVASAGAM, J.M.N., P.J.K. (Klang).
- „ the Minister of Information and Broadcasting, TUAN SENU BIN ABDUL RAHMAN (Kubang Pasu Barat).
- „ the Minister of Lands and Mines, TUAN ABDUL-RAHMAN BIN YA'KUB (Sarawak).
- „ the Assistant Minister without Portfolio, TUAN HAJI ABDUL KHALID BIN AWANG OSMAN (Kota Star Utara).

- The Honourable the Assistant Minister of National and Rural Development,
TUAN SULAIMAN BIN BULON (Bagan Datoh).
- „ the Assistant Minister of Culture, Youth and Sports, DATO' ENGKU MUHSEIN BIN ABDUL KADIR, J.M.N., S.M.T., P.J.K. (Trengganu Tengah).
- „ the Assistant Minister of Finance, DR NG KAM POH, J.P. (Teluk Anson).
- „ the Parliamentary Secretary to the Minister of Health,
TUAN IBRAHIM BIN ABDUL RAHMAN (Seberang Tengah).
- „ the Parliamentary Secretary to the Minister of Finance,
TUAN ALI BIN HAJI AHMAD (Pontian Selatan).
- „ the Parliamentary Secretary to the Deputy Prime Minister,
TUAN CHEN WING SUM (Damansara).
- „ TUAN ABDUL GHANI BIN ISHAK, A.M.N. (Melaka Utara).
- „ TUAN ABDUL KARIM BIN ABU, A.M.N. (Melaka Selatan).
- „ WAN ABDUL KADIR BIN ISMAIL, P.P.T. (Kuala Trengganu Utara).
- „ TUAN HAJI ABDUL RASHID BIN HAJI JAIS (Sabah).
- „ TUAN ABDUL SAMAD BIN GUL AHMAD MIANJI (Pasir Mas Hulu).
- „ TUAN HAJI ABDULLAH BIN HAJI MOHD. SALLEH, A.M.N., S.M.J., P.I.S. (Segamat Utara).
- „ TUAN HAJI ABU BAKAR BIN HAMZAH, J.P. (Bachok).
- „ TUAN HAJI AHMAD BIN ABDULLAH, S.M.K. (Kelantan Hilir).
- „ TUAN AHMAD BIN ARSHAD, A.M.N. (Muar Utara).
- „ TUAN HAJI AHMAD BIN SAAID, J.P. (Seberang Utara).
- „ PUAN AJIBAH BINTI ABOL (Sarawak).
- „ TUAN AZIZ BIN ISHAK (Muar Dalam).
- „ TUAN CHAN CHONG WEN, A.M.N. (Kluang Selatan).
- „ TUAN CHAN SEONG YOON (Setapak).
- „ TUAN CHAN SIANG SUN, A.M.N., P.J.K. (Bentong).
- „ TUAN CHEW BIOW CHUON, J.P. (Bruas).
- „ TUAN CHIA CHIN SHIN, A.B.S. (Sarawak).
- „ TUAN FRANCIS CHIA NYUK TONG (Sabah).
- „ TUAN CHIN FOON (Ulu Kinta).
- „ TUAN C. V. DEVAN NAIR (Bungsar).
- „ TUAN SYED ESA BIN ALWEE, J.M.N., S.M.J., P.I.S. (Batu Pahat Dalam).
- „ DATIN HAJAH FATIMAH BINTI HAJI ABDUL MAJID (Johor Bahru Timor).
- „ TAN SRI FATIMAH BINTI HAJI HASHIM, P.M.N. (Jitra-Padang Terap).
- „ TUAN S. FAZUL RAHMAN, A.D.K. (Sabah).
- „ TUAN GANING BIN JANGKAT (Sabah).
- „ TUAN GEH CHONG KEAT, K.M.N. (Penang Utara).
- „ TUAN HANAFI BIN MOHD. YUNUS, A.M.N., J.P. (Kulim Utara).
- „ TUAN HANAFIAH BIN HUSSAIN, A.M.N. (Jerai).

- The Honourable TUAN HARUN BIN ABDULLAH, A.M.N., J.P. (Baling).
- „ WAN HASSAN BIN WAN DAUD (Tumpat).
- „ TUAN STANLEY HO NGUN KHIU, A.D.K. (Sabah).
- „ TUAN HUSSEIN BIN TO' MUDA HASSAN, A.M.N. (Raub).
- „ DATO' HAJI HUSSEIN BIN MOHD. NOORDIN, D.P.M.P., A.M.N., P.J.K. (Parit).
- „ TUAN HUSSEIN BIN SULAIMAN (Ulu Kelantan).
- „ TUAN HAJI HUSSAIN RAHIMI BIN HAJI SAMAN, S.M.K. (Kota Bharu Hulu).
- „ TUAN ISMAIL BIN IDRIS (Penang Selatan).
- „ TAN SRI SYED JA'AFAR BIN HASAN ALBAR, P.M.N. (Johor Tenggara).
- „ TUAN KAM WOON WAH, J.P. (Sitiawan).
- „ TUAN KHOO PENG LOONG (Sarawak).
- „ TUAN LEE SECK FUN, K.M.N. (Tanjong Malim).
- „ TUAN AMADEUS MATHEW LEONG, A.D.K., J.P. (Sabah).
- „ DR LIM CHONG EU (Tanjong).
- „ TUAN LIM PEE HUNG, P.J.K. (Alor Star).
- „ DR MAHATHIR BIN MOHAMAD (Kota Star Selatan).
- „ TUAN T. MAHIMA SINGH, J.P. (Port Dickson).
- „ TUAN C. JOHN ONDU MAJAKIL (Sabah).
- „ DATO' DR HAJI MEGAT KHAS, D.P.M.P., J.P., P.J.K. (Kuala Kangsar).
- „ TUAN MOHD. ARIF SALLEH, A.D.K. (Sabah).
- „ DATO' HAJI MOHAMED ASRI BIN HAJI MUDA, S.P.M.K. (Pasir Puteh).
- „ ORANG TUA MOHAMMAD DARA BIN LANGPAD (Sabah).
- „ TUAN MOHAMED IDRIS BIN MATSIL, J.M.N., P.J.K., J.P. (Jelebu-Jempol).
- „ TUAN MOHD. TAHIR BIN ABDUL MAJID, S.M.S., P.J.K. (Kuala Langat).
- „ TUAN MOHAMED YUSOF BIN MAHMUD, A.M.N. (Temerloh).
- „ TUAN MOHD. ZAHIR BIN HAJI ISMAIL, J.M.N. (Sungai Patani).
- „ WAN MOKHTAR BIN AHMAD (Kemaman).
- „ TUAN HAJI MOKHTAR BIN HAJI ISMAIL (Perlis Selatan).
- „ TUAN MUHAMMAD FAKHRUDDIN BIN HAJI ABDULLAH (Pasir Mas Hilir).
- „ TUAN HAJI MUHAMMAD SU'AUT BIN HAJI MUHD. TAHIR, A.B.S. (Sarawak).
- „ TUN DATU MUSTAPHA BIN DATU HARUN, S.M.N., P.D.K. (Sabah).
- „ DATO' HAJI MUSTAPHA BIN HAJI ABDUL JABAR, D.P.M.S., A.M.N., J.P. (Sabak Bernam).
- „ TUAN MUSTAPHA BIN AHMAD (Tanah Merah).
- „ TUAN NG FAH YAM (Batu Gajah).
- „ TUAN ONG KEE HUI (Sarawak).
- „ TUAN HAJI OTHMAN BIN ABDULLAH (Hilir Perak).

- The Honourable TUAN OTHMAN BIN ABDULLAH, A.M.N. (Perlis Utara).
- „ TUAN HAJI RAHMAT BIN HAJI DAUD, A.M.N. (Johor Bahru Barat).
- „ TUAN RAMLI BIN OMAR (Krian Darat).
- „ TUAN HAJI REDZA BIN HAJI MOHD. SAID, P.J.K., J.P. (Rembau-Tampin).
- „ RAJA ROME BIN RAJA MA'AMOR, P.J.K., J.P. (Kuala Selangor).
- „ TUAN SEAH TENG NGIAB, P.I.S. (Muar Pantai).
- „ TUAN D. R. SEENIVASAGAM (Ipoh).
- „ DATO' S. P. SEENIVASAGAM, D.P.M.P., P.M.P., J.P. (Menglembu).
- „ TUAN SENAWI BIN ISMAIL, P.J.K. (Seberang Selatan).
- „ TUAN SOH AH TECK (Batu Pahat).
- „ TUAN SULEIMAN BIN ALI (Dungun).
- „ TUAN SULEIMAN BIN HAJI TAIB (Krian Laut).
- „ PENGIRAN TAHIR PETRA (Sabah).
- „ TUAN TAJUDIN BIN ALI, P.J.K. (Larut Utara).
- „ TUAN TAI KUAN YANG (Kulim-Bandar Bharu).
- „ TUAN TAMA WENG TINGGANG WAN (Sarawak).
- „ DR TAN CHEE KHOON (Batu).
- „ TUAN TAN CHENG BEE, J.P. (Bagan).
- „ TUAN TAN TOH HONG (Bukit Bintang).
- „ TUAN TOH THEAM HOCK (Kampar).
- „ TUAN STEPHEN YONG KUET TZE (Sarawak).
- „ TUAN HAJI ZAKARIA BIN HAJI MOHD. TAIB, P.J.K. (Langat).

ABSENT:

- The Honourable the Minister of Education, TUAN MOHAMED KHIR JOHARI (Kedah Tengah).
- „ the Minister for Sarawak Affairs, TAN SRI TEMENGGONG JUGAH ANAK BARIENG, P.M.N., P.D.K. (Sarawak).
- „ the Minister of Agriculture and Co-operatives, TUAN HAJI MOHD. GHAZALI BIN HAJI JAWI (Ulu Perak).
- „ the Assistant Minister of Education, TUAN LEE SIOK YEW, A.M.N., P.J.K. (Sepang).
- „ the Parliamentary Secretary to the Minister of Labour,
- „ TUAN LEE SAN CHOON, K.M.N (Segamat Selatan).
- „ TUAN ABDUL RAHMAN BIN HAJI TALIB, P.J.K. (Kuantan).
- „ WAN ABDUL RAHMAN BIN DATO' TUANKU BUJANG, A.B.S. (Sarawak).
- „ TUAN ABDUL RAZAK BIN HAJI HUSSAIN (Lipis).
- „ DATO' ABDULLAH BIN ABDULRAHMAN, S.M.T., Dato' Bijaya di-Raja (Kuala Trengganu Selatan).
- „ Y.A.M. TUNKU ABDULLAH IBNI AL-MARHUM TUANKU ABDUL RAHMAN, P.P.T. (Rawang).
- „ O. K. K. DATU ALIUDDIN BIN DATU HARUN, P.D.K. (Sabah).
- „ DR AWANG BIN HASSAN, S.M.J. (Muar Selatan).
- „ TUAN JONATHAN BANGAU ANAK RENANG, A.B.S. (Sarawak).

- The Honourable PENGARAH BANYANG ANAK JANTING, P.B.S. (Sarawak).
- „ TUAN D. A. DAGO ANAK RANDAN *alias* DAGOK ANAK RANDAN (Sarawak).
- „ TUAN EDWIN ANAK TANGKUN (Sarawak).
- „ DATU GANIE GILONG, P.D.K., J.P. (Sabah).
- „ TUAN HAJI HAMZAH BIN ALANG, A.M.N., P.J.K. (Kapar).
- „ TUAN IKHWAN ZAINI (Sarawak).
- „ PENGHULU JINGGUT ANAK ATTAN, Q.M.C., A.B.S. (Sarawak).
- „ TUAN KADAM ANAK KIAI (Sarawak).
- „ TUAN THOMAS KANA (Sarawak).
- „ TUAN EDMUND LANGGU ANAK SAGA (Sarawak).
- „ DATO' LING BENG SIEW, P.N.B.S. (Sarawak).
- „ TUAN LIM KEAN SIEW (Dato Kramat).
- „ TUAN PETER LO SU YIN (Sabah).
- „ TUAN JOSEPH DAVID MANJAJI (Sabah).
- „ TUAN MOHD. DAUD BIN ABDUL SAMAD (Besut).
- „ TAN SRI NIK AHMAD KAMIL, D.K., S.P.M.K., S.J.M.K., P.M.N., P.Y.G.P., Dato' Sri Setia Raja (Kota Bharu Hilir).
- „ TUAN QUEK KAI DONG, J.P. (Seremban Timor).
- „ TUAN SANDOM ANAK NYUAK, A.M.N. (Sarawak).
- „ TUAN SIM BOON LIANG, A.B.S. (Sarawak).
- „ TUAN SIOW LOONG HIN, P.J.K. (Seremban Barat).
- „ TUAN SNG CHIN JOO (Sarawak).
- „ TUAN TAN KEE GAK (Bandar Melaka).
- „ TUAN TAN TSAK YU (Sarawak).
- „ TUAN TIAH ENG BEE (Kluang Utara).
- „ TUAN YEH PAO TZE, A.M.N. (Sabah).

PRAYERS

(Mr Speaker *in the Chair*)

ORAL ANSWERS TO QUESTIONS

REVISION OF ELECTORAL ROLLS

1. Tuan C. V. Devan Nair (Bungsar) asks the Prime Minister when the annual revision of electoral registers will be held this year.

The Deputy Prime Minister (Tun Haji Abdul Razak): Mr Speaker, Sir, the electoral rolls will be revised from 1st September to 12th October, 1966.

IMPLEMENTATION OF DEVELOPMENT PROJECTS IN SABAH AND SARAWAK

2. Tuan C. V. Devan Nair asks the Minister of Finance with reference to his statements that the slow implementation of development projects in Sabah and Sarawak was due to officials lacking in administrative capacity who did not make full use of allotted funds, if he would clarify why action was not taken in time to remedy such administrative shortcomings and, if he would consider presenting a full report on the situation for the information of the House.

The Minister of Finance (Tuan Tan Siew Sin): Mr Speaker, Sir, I should

explain that my statement on this matter was made because of allegations that the Federal Government had not allocated sufficient funds to the States of East Malaysia, particularly for development purposes, and it was therefore necessary for me as Minister of Finance to rebut such allegations. The administrative machinery in East Malaysia is largely in the hands of the State Governments there, and there is very little that the Federal Government can do, except to advise them to improve their organisational and administrative machinery to cope with the new tempo of development. On our part we have sent several officers from West Malaysia to assist in this direction and we have also formulated a scheme to send workers to Sabah to relieve the acute shortage of such workers there. I, however, believe that the situation on the whole has improved and there should, therefore, be no cause for concern. Under these circumstances, it should not be necessary to implement the suggestion made by the Honourable Member.

Tuan Ong Kee Hui (Sarawak): Mr Speaker, Sir, would the Minister agree that perhaps his remarks may be correct in respect of Sabah, but it does not necessarily apply in the case of Sarawak where, in fact, in certain cases development is going so fast that funds are proving inadequate?

Tuan Tan Siew Sin: Mr Speaker, Sir, according to the information submitted to me, even in the case of Sarawak, that State has not been able to spend all the sums allocated it.

COLLECTION OF LEVY ON TELEPHONE CALLS BY SHOPKEEPERS

3. Tuan Haji Abu Bakar bin Hamzah (Bachok) asks the Minister of Finance to state:

- (a) whether he would relate about the "piggy bank" (peti duit) for "Tan Siew Sin" found by the Honourable Minister of Education as reported in the 24th July, 1966 issue of the *Utusan Melayu* (Sunday-*Utusan Zaman*).

- (b) the extent of the complaints made by telephone subscribers with regard to the tax levied on them; and

LOANS TO MALAYSIA FOR FIRST FIVE-YEAR MALAYSIA DEVELOP- MENT PLAN

- (c) the nations that have offered loans to Malaysia to date, in order to implement the First Five-Year Malaysia Development Plan and the amount of such loans granted by each nation.

Tuan Tan Siew Sin: Mr Speaker, Sir,

- (a) There is nothing to relate about the "piggy bank" which was the subject of a joke from my Honourable colleague, the Minister of Education, in his address at the opening ceremony of "Pasar Ria" held at the Day Training Centre in Kuala Lumpur as reported in a news item in the *Utusan Zaman* of 24th July, 1966.

To facilitate collection and with a view to ensuring that they themselves do not have to pay for the 10-cent levy on local telephone calls when such calls are made by members of the public, some shop-keepers, I am told, place piggy banks beside their telephone on their premises. It just happened that the Minister of Education stumbled across such a box in a coffee-shop with the words "It is for Tan Siew Sin" written on it. (*Laughter*). While it is apparent that the particular coffee-shop owner has a sense of humour, I must make it quite clear that the collection in the box does not in fact go into my pocket—how I wish it does!

Dr Tan Chee Khoon (Batu): It goes to the Treasury.

Tuan Tan Siew Sin: I hope so (*Laughter*). Anyway, I wish it did go into my pocket.

- (b) Complaints were received from a few individuals and associations in connection with the levy on

individual telephone calls. Unfortunately most of the complainants had no suggestion to offer to the Government regarding alternative sources of revenue. Where specific alternatives were received, these did not seem to be equitable.

- (c) I have informed the House earlier this week, in answer to a question from the Honourable Member for Batu, that my officials are holding negotiations with the representatives of countries which are members of the Consultative Group on Aid to Malaysia. As these negotiations are proceeding now, it would be premature for me to elaborate further. I will, however, inform the House when formal agreement is reached with such countries on assistance for the Malaysia Plan.

SIKAP KERAJAAN TERHADAP DUA KENYATAAN BERKENAAN DENGAN MASAALAH BAHASA KEBANGSAAN MENJADI BAHASA RASMI YANG TUNGGAL PADA TAHUN 1967

4. Tuan Haji Abu Bakar bin Hamzah bertanya kepada Menteri Pelajaran:

- (a) apa-kah sikap Kerajaan terhadap dua kenyataan yang agak bagitu bertentangan di-antara satu sama lain atas masalah Bahasa Kebangsaan yang akan menjadi bahasa rasmi yang tunggal dalam tahun 1967, sa-bagaimana yang tersiar dalam akhbar "*Sunday Times*" keluaran 31hb Julai, 1966.

PETEKAN—

- (1) by the Minister of Information and Broadcasting, Enche' Senu bin Abdul Rahman, at the opening of the National Language competition in Kuala Lumpur last night:

"MULTI - LINGUALISM cannot unite the various races in Malaysia. If it succeeds it will only be temporary. There can be no compromise over the question of Malay becoming the official language next year.

But the other languages will continue to have their place as provided in the Constitution. English as an international language will also occupy a special place in the country though it will cease to be an official language."

PETEKAN—

- (2) by the President of the Chinese Chamber of Commerce, Mr Soon Peng Yam at the closing ceremony of the two-month "Promote the Mother Tongue Education" campaign, at the chamber's auditorium yesterday:

"CHINESE school teachers and all those connected with Chinese education must set an example by sending their children to Chinese schools. Only then can they hope to convince others that mother tongue education is the best form of education for their children."

- (b) ada-kah Kerajaan yakin bahawa menganuti sistem pelajaran dengan berbagai² bahasa pengantar dapat melahirkan satu sistem pelajaran yang sama bagi menghasilkan pula satu bangsa yang bersatu di-Malaysia ini.

The Minister of Lands and Mines (Tuan Abdul-Rahman bin Ya'kub):

Tuan Yang di-Pertua, Ahli Yang Berhormat itu tentu-lah tahu dan kenal siapa dia Menteri Penerangan dan Penyiaran, dan siapa pula Enche' Soon Peng Yam. Jadi tentu-lah dia sedar bahawa keterangan yang telah dikeluarkan oleh Menteri Penerangan dan Penyiaran itu merupakan pendirian Kerajaan. Kerajaan tidak-lah dapat bertanggung-jawab pada apa juga kenyataan yang di-keluarkan oleh sa-siapa juga pun yang bukan termasuk di-dalam Juma'ah Menteri.

Tuan Haji Abu Bakar bin Hamzah:

Tuan Yang di-Pertua, soalan tambahan. Saya yang bertanya ini ia-lah kerana memandangkan kepada hampir-nya sangat masa perlaksanaan bahasa

kebangsaan itu. Jadi kalau-lah sa-kiranya benar, dan sudah benar, bahawa Kementerian kita tentu-lah tidak dapat bertanggung-jawab di-atas statement yang di-beri orang lain. Bagaimana pula pendapat Menteri kita di-dalam Dewan pada hari ini berkenaan dengan statement yang di-buat oleh Menteri juga ia-itu bahawa pada tahun 1967 ini bila bahasa Melayu itu di-laksanakan maka bahasa² yang lain itu akan tamat riwayat-nya. Jadi bagaimana pula kedudukan Kerajaan kita dengan statement ini.

Yang kedua, Tuan Yang di-Pertua, jawapan yang di-beri oleh Pemangku Menteri Pelajaran itu tidak pun menyentoh bahagian (b) daripada pertanyaannya saya ini, sa-olah² tidak dapat ma'alumat-kah untuk menjawab ini atau pun tidak menjawab begitu sahaja.

Tuan Abdul-Rahman bin Ya'kub: Riwayat bahasa² yang lain tidak-lah dapat hendak kita hapuskan oleh kerana Perlembagaan kita sendiri ada menerangkan masaalah ini. Dan perkara ini telah pun di-nyatakan bertalu² di-dalam Dewan ini. Mengenai (b) tadi saya sengaja tidak menjawab, Tuan Yang di-Pertua, kerana telah nyata sangat Ahli Yang Berhormat itu sendiri tahu apa dia Dasar Pelajaran Kerajaan. Pada awal lagi saya rasa tidak menghendaki jawapan lagi.

Tuan Haji Abu Bakar bin Hamzah: Soalan tambahan. Saya berpuas hati dengan kenyataan yang tegas begitu. Tetapi saya hendak tahu yang menjadi masaalah-nya sekarang ia-lah tegas-nya daripada pihak Kerajaan hendak menjalankan sa-suatu policy itu saya mengaku sama ada betul atau pun tidak betul, saya suka atau pun tidak suka. Tetapi saya puji ia-itu tegas. Tetapi ada Menteri² pula yang membuat kenyataan yang berlawanan dengan apa yang di-sebutkan di-dalam Dewan ini ia-itu kenyataan yang berlainan. Sapatut-nya kenyataan daripada sa-saorang Menteri yang sa-macam ini patut di-kesalkan dan saya sekarang ini, Tuan Yang di-Pertua, dengan menghormati Tuan Yang di-Pertua dengan sa-benar-nya saya menjabar Kerajaan sekarang ini supaya meng-

kondemkan statement yang sa-macam itu.

Tuan Abdul-Rahman bin Ya'kub: Statement apa, Tuan Yang di-Pertua?

Tuan Haji Abu Bakar bin Hamzah: Statement yang di-buat oleh sa-orang Menteri juga ia-itu *Utusan Melayu* 24hb Ogos, berkenaan

Tuan Abdul-Rahman bin Ya'kub: Menteri yang mana?

Tuan Haji Abu Bakar bin Hamzah: Sulaiman Bulon, jadi sa-orang Menteri sa-macam ini mengelirukan orang.

Tuan Abdul-Rahman bin Ya'kub: Jadi dia segan hendak sebut Enche' Sulaiman Bulon, dia ini selalu berkarat dengan Yang Berhormat Sulaiman Bulon, Tuan Yang di-Pertua (*Ketawa*). Kerajaan Perikatan memang sentiasa tegas dan tegap pendirian-nya, tidak macham PAS.

Tuan Haji Abu Bakar bin Hamzah: I challenge the Government—the Government endorses the statement or not?

Tuan Abdul-Rahman bin Ya'kub: Apa yang di-katakan dalam *Utusan Melayu* itu harus tidak merupakan apa yang telah di-katakan oleh Enche' Sulaiman Bulon yang sa-benar-nya (*Ketawa*).

APPOINTMENT OF MR MATHEW ABRAHAM AS CHAIRMAN OF THE INDUSTRIAL COURT

5. Dr Tan Chee Khoon asks the Minister of Labour if he is aware that:

- (a) the M.T.U.C. has protested over the appointment of Mr Mathew Abraham as Chairman of the Industrial Court;
- (b) there has been a complaint made to the Bar Council of Malaya over the conduct of Mr Mathew Abraham; and if so, to state the reason for the protest of the M.T.U.C.

The Minister of Labour (Tuan V. Manickavasagam): Mr Speaker, Sir, I am aware that the M.T.U.C. has protested over the proposal to appoint Mr Mathew Abraham as Chairman of

the Standing Industrial Court. I am not aware, however, that his conduct has been the subject of a complaint to the Bar Council. The M.T.U.C. has stated this complaint as one of the reasons for its protest against the appointment of Mr Abraham. The M.T.U.C.'s protest is based primarily on the fact that he is a practising barrister and that the M.T.U.C. was not consulted before he was appointed.

Dr Tan Chee Khoon: Mr Speaker, Sir, was the M.T.U.C.'s protest based solely on the fact that Mr Mathew Abraham was a practising lawyer at the time of his appointment, or, in voicing their protest, they also cited other reasons for their protest?

Tuan V. Manickavasagam: As I have stated just now one of the reasons was that there was a complaint with the Bar Council and the other that he is a practising lawyer.

Dr Tan Chee Khoon: Sir, I do not wish to appear to be tendentious, and I do not wish to pry into the secrets of the complaint to the Bar Council. What I wish to know is whether in their letter of protest to the Minister of Labour over the appointment of Mr Mathew Abraham—and here Mr Speaker, Sir, I wish to point out that I have nothing against Mr Mathew Abraham personally; I think both of us belong to the same church; so, there is nothing personal about that and I wish to merely reflect the views of the people in the trade union circles—it was stated that one of the reasons—I do not know whether in their letter of protest it has been made clear to the Minister of Labour—was that of the conduct of Mr Mathew Abraham over a certain case where he represented a certain client and subsequently left off.

Tuan V. Manickavasagam: Sir, I am not aware of any details, but they have said that there is a case with the Bar Council and that he is a practising lawyer; another complaint they made was that the M.T.U.C. was not consulted. Sir, I would like to make it quite clear here that I am not required to consult the M.T.U.C. or the Em-

ployers' Organisation in such an appointment.

Dr Tan Chee Khoon: Mr Speaker, Sir, I did not raise that issue. The Honourable the Minister himself brought it out. But Mr Speaker, Sir, it is regrettable that time and again in this House, and time and again outside this House, Ministers of the Government want to throw their weight around where there is absolutely no necessity. The Minister just told us that he is not obliged to consult. Surely, Mr Speaker, Sir, on an important issue like this, it would be advisable for the Minister to consult the M.T.U.C. The Ministry does not lose anything by it. On the other hand, if the Ministry does consult, it can get the co-operation of the M.T.U.C. Perhaps, in not consulting the M.T.U.C., the Minister does not think that it is necessary to get the co-operation of the M.T.U.C. over such an appointment or the working of the Industrial Court? (*Pause*). Mr Speaker, Sir, since the Honourable Minister does not wish to reply, may I frame the question slightly differently. He has told us that the conduct of Mr Mathew Abraham has been the subject of a complaint to the Bar Council. Supposing that complaint was upheld by the Bar Council, Mr Speaker, Sir, would the Minister reconsider his appointment?

Tuan V. Manickavasagam: Sir, then I will reconsider.

Dr Tan Chee Khoon: Thank you.

Tuan C. V. Devan Nair: Has the Minister attempted to satisfy the M.T.U.C. that whatever complaints they may have about Mr Mathew Abraham are without foundation? If he has made such an attempt and failed, would he consider that a basis for reconsidering the appointment, in view of the fact that the requirements of industrial justice require a person in that office who will have the confidence of all parties in a dispute?

Tuan V. Manickavasagam: Sir, after having received the letter from the M.T.U.C., I have had a discussion with

M.T.U.C. officials, and I have asked them if they could give me particulars or details. Unless I have detailed information, I cannot say whether the man has committed any crime. As such, I am unable at this juncture to say whether the appointment of Mr Mathew Abraham could be reconsidered at this stage.

Tuan C. V. Devan Nair: The Minister has not answered the second part of my question which is, would he agree that a person who holds this office of the Chairman of the Industrial Court should be one, who will enjoy the confidence of all parties—employers, trade unions and so on—and if the M.T.U.C. is not satisfied about this appointment would he reconsider his position?

Tuan V. Manickavasagam: Both the employers and the workers should have confidence in such an appointment, and I have asked the M.T.U.C. to give Mr Mathew Abraham every assistance in discharging his duties and to give him an opportunity to discharge his duties. We will wait and see. If they are not satisfied, I will reconsider.

PAYMENT OF ARREARS OF SALARY DUE TO JOURNALISTS OF THE "DAILY CITIZENS"

6. Tuan C. V. Devan Nair asks the Minister of Labour:

- (a) whether he is aware that journalists on the payroll of the *Daily Citizen* till its closure last February have yet to receive their salary arrears; and
- (b) what action has been taken by his Ministry to get the *Malayan Times* Ltd, the publisher of *Daily Citizen*, to pay the journalists their salary arrears.

Tuan V. Manickavasagam: Mr Speaker, Sir, I am not aware of any person employed by the *Daily Citizen* not having been paid his wages, but I am aware that some journalists employed by the *Malayan Times* have not received payments due to them. My Ministry is unable to pursue the question of these payments, as journalists are outside the

scope of the Employment Ordinance. However, my officers have acted on the cases of such persons as compositors and foremen and others to obtain their balance of wages. Some of the orders made in the Labour Code in respect of these have been satisfied. In the case of others, they are now being enforced in the appropriate Court.

Tuan Haji Abu Bakar bin Hamzah: Soalan tambahan, Tuan Yang di-Pertua, ada-kah Kerajaan sedar sa-jauh manakah kebenaran-nya dalam berita bahawa pekerja² di-dalam Lembaga Electric, ia-itu yang lebih daripada 1,300 orang yang daily-paid, selalu dikatakan tidak mendapat gaji-nya dengan terator.

Tuan V. Manickavasagam: Tuan Speaker, itu soalan yang lain.

Tuan C. V. Devan Nair: Mr Speaker, Sir, the Honourable Minister has suggested that nothing can be done in the case of journalists, because they are not covered by the Employment Ordinance. Is the Government suggesting that if journalists are exploited, or badly treated, or do not have their wages paid to them, then the Ministry of Labour will close an eye to the exploitation of journalists, that it is not interested in such exploitation, if it involves journalists?

Tuan V. Manickavasagam: Mr Speaker, Sir, there is nothing to stop these people from going to the Court. I would also like to state in this House, Sir, that I am reviewing the present Employment Ordinance so as to bring people like journalists and others within the scope of the Employment Ordinance.

Tuan C. V. Devan Nair: Sir, if the Honourable Minister is reviewing the Employment Ordinance to bring in people like journalists and so on, would he consider making it retrospective, in order to cover the journalists who suffer now, as this question of retrospectivity, Sir, the Government has employed it in the case of the Local Government Elections Bill. They have

made it retrospective to 1961. (Laughter).

Tuan V. Manickavasagam: Let me get the Bill first.

ADJOURNMENT *SINE DIE* (MOTION)

The Deputy Prime Minister (Tun Haji Abdul Razak): Mr Speaker, Sir, I beg to move:

That at its rising today the House shall stand adjourned *sine die*.

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

Dr Tan Chee Khoon: On a point of clarification, Sir: The Government has at this session been in the habit of chopping and changing the Order Paper that they have themselves prepared. Mr Speaker, Sir, I can see every justification for the Honourable Minister concerned wanting to defer the debate on the Central Bank of Malaysia (Amendment) Bill till this morning. Now, I am a little perturbed over the House standing adjourned *sine die* when the business is finished today, because, Sir, we have a long list of business; and if we are to complete all the business we may well have to sit till past midnight. Can we have an assurance from the Honourable Deputy Prime Minister that the motion standing in his name will get high priority; in other words, can we shift it a bit and perhaps we can debate it after the Central Bank of Malaysia (Amendment) Bill? Will the Government agree to it, because that is a very important thing and it should not go by default? If the Honourable the Deputy Prime Minister will agree to that, we in this House will have no qualms about the intentions of the Government.

Tun Haji Abdul Razak: It is not the intention of the Government to curtail the proceedings of this House. But looking at the remaining business, we should be able to complete it during the course of today and this evening. However, if it is found later this evening that it will not be possible to finish it, then the Government will certainly

re-consider this matter. The Government does not want to detain Honourable Members more than is necessary here, and I think if we carry out the business expeditiously and talk strictly to the point, we should be able to finish all the business today.

Dr Tan Chee Khoon: On a further point of clarification: After all, the motion by the Honourable Deputy Prime Minister is also Government business, and my request was, can we have a little change in the order of business and let it come after the debate on the Central Bank of Malaysia (Amendment) Bill?

Tun Haji Abdul Razak: Mr Speaker, Sir, we can re-consider this matter at the end of the Bill.

Question put, and agreed to.

Resolved,

That at its rising today the House shall stand adjourned *sine die*.

BILL

THE CENTRAL BANK OF MALAYSIA (AMENDMENT) BILL

Second Reading

The Minister of Finance (Tuan Tan Siew Sin): Mr Speaker, Sir, I beg to move—

“That a Bill intituled An Act to amend the Central Bank of Malaysia Ordinance, 1958” be read a second time.

Honourable Members are aware that Malayan currency is at present issued by the Board of Commissioners of Currency under the provisions of the Currency Agreement of 1960, the parties to which at present are Malaysia, Singapore and Brunei. Under this Agreement, which has legal effect in Malaysia by virtue of the Currency Act, 1960, specific provision is made for Malayan Currency to be issued by the Board at the exchange rate of the dollar for two shillings and four pence sterling, any alteration in such rate being subject to the unanimous agreement of the Governments participating in the Currency Agreement and subsequently to the consent of the legislative authorities of these Governments. Specific provision is also made

in the Currency Agreement for the convertibility of Malayan currency into sterling and vice versa on demand at the rate of one dollar for two shillings and four pence sterling.

The Currency Board will continue to issue currency up to 11th June, 1967, after which Bank Negara will take over the currency issuing functions of the existing Currency Board in Malaysia. As Honourable Members are now aware, both the Singapore and Brunei Governments have decided that they will issue their own currencies in their respective countries after this date.

The Central Bank of Malaysia Ordinance, 1958, under which Bank Negara Malaysia is established, provides for the Bank to be the currency issuing authority in Malaysia, but as long as the Currency Board continues to issue currency, the provisions in the Ordinance relating to this matter, viz., sections 18 to 27, which empower the Bank to issue currency, have been suspended.

Included in these suspended provisions of the Ordinance are specific provisions in terms similar to those provided in the existing Currency Agreement governing the exchange rate of the Malayan dollar and its convertibility into sterling and vice versa. The provisions in question are sections 19 and 21 of the Ordinance.

Section 19 provides for the Malaysian dollar to be issued by Bank Negara Malaysia to be fixed at the rate of 2s. 4d. sterling to the dollar and section 21 provides for the Malaysian dollar to be exchanged for sterling and vice versa in exactly the same way as the Malayan dollar is now dealt with by the Board of Commissioners of Currency under the terms of the Currency Agreement, 1960. Thus the rigidities of the Currency Board system linking the exchange rate of the currency to sterling at a fixed rate and making it obligatory for the currency to be convertible into sterling and vice versa on demand at the fixed rate are incorporated in sections 19 and 21 of the Central Bank of Malaysia Ordinance which was passed in 1958. Such rigidities are now out of line with

modern central banking legislation. They are a legacy of the colonial past, giving the unfortunate impression that the Malaysian dollar is directly tied to the currency of a foreign country and are not consistent with the sovereign status of an independent country.

It is proposed therefore to remedy this situation by amending sections 19 and 21 of the Central Bank of Malaysia Ordinance. It is the practice in the central banking legislation of most countries to express the parity or the exchange rate of their currency in terms of gold and to provide for a flexible method of varying that parity. In fact, it is a requirement of the International Monetary Fund that the parity of the currency of a member country should be expressed in terms of gold even in cases where the parity of that currency is legally expressed in terms of sterling or some other reserve currency.

The parity established in accordance with the Articles of Agreement of the International Monetary Fund for the Malayan dollar issued by the Board of Commissioners of Currency is 0.290299 grammes of fine gold, this being the exact gold equivalent of 2s. 4d. sterling. Thus, although the parity of the Malaysian dollar to be issued by Bank Negara Malaysia is to be legally expressed in terms of gold at 0.290299 grammes of fine gold, there will be no change in the rate of exchange in terms of sterling.

It is also modern practice to have more flexible provisions governing the issue of currency, in that the issuing authority is not limited to exchanging its currency for one particular foreign currency only as is the case with the Malayan dollar issued by the Currency Board and with the Malaysian dollar to be issued by Bank Negara under the existing provisions.

After consultations with the International Monetary Fund, it is proposed that sections 19 and 21 of the Central Bank of Malaysia Ordinance, 1958, should be amended as provided for in the Bill.

The proviso in the proposed amendment to section 21 relates to the provision in the Articles of Agreement of the International Monetary Fund, to which Malaysia subscribed, and conforms with the decisions of the Fund Board on the maintenance of stability in the exchange rate of the world's major currencies. According to the Fund's Articles of Agreement, the rate of exchange between the Malayan dollar and sterling should not vary beyond 1 per cent either side of the parity of the Malayan dollar as declared to the Fund. The Board of the Fund has also made a decision which provides that the rates of exchange between Malayan currency and currencies other than sterling should not vary beyond 2 per cent either side of the parity of the Malayan dollar. It is on the advice of the International Monetary Fund that the proviso is drafted in this way, so that if there should be any change in the decision of the International Monetary Fund on the margins either side of parity for the currencies of member countries, there would be no need for the proviso in the proposed new section 21 to be amended again.

The proposed amendments that I have referred to are embodied in sections 2 and 3 of the Bill before this House.

The opportunity is also being taken at the same time to make a number of minor amendments to sections 28 and 30 of the Ordinance. In sub-sections (b), (c), (d) and (e) of section 28 of the Ordinance, specific mention is made of assets such as notes and coins, bank balances, money at call, Treasury bills, bills of exchange and securities in or of the United Kingdom which the Central Bank may hold as external assets. In sub-section (o) of section 30, similar mention is made of securities of the Government of the United Kingdom which the Bank may purchase and sell. Consequent upon the proposed amendments to sections 19 and 21, it is proposed that specific mention of the United Kingdom should be deleted from sections 28 and 30. Such deletion would not prevent the Bank from holding United Kingdom securities, as

approval can be given by the Minister of Finance to enable the Bank to do so. These proposed amendments are embodied in section 4 and in the Schedule to the Bill.

I should emphasise to Honourable Members that the proposed amendments to section 19 would not in any way affect the existing parity of the Malayan dollar which is now issued by the Currency Board, nor would it affect the parity of the new Malaysian dollar when Bank Negara starts to issue currency. The proposed amendment to section 21 would also not affect the convertibility of Malayan currency now issued by the Currency Board or of Malaysian currency when issued by the Bank. In any case, as I have stated earlier, these two sections are not operative until June 1967 when Bank Negara Malaysia assumes currency issuing powers. The Government has deliberately chosen to introduce these amendments now so that there will be no misunderstanding of the Government's intention that there will be no change in the parity or the convertibility of the Malaysian dollar to be issued by Bank Negara. What these two amendments seek to do is to introduce a degree of flexibility into the otherwise rigid provisions of the Central Bank of Malaysia Ordinance when these particular sections are brought into force. I should also point out that the international monetary situation makes it imperative that our central banking legislation should be brought into line with progressive central banking legislation adopted by a great majority of countries which are members of the International Monetary Fund. In this connection, it may be of interest to Honourable Members to know that, for the same reason, the Jamaican Government has recently introduced a Bill in the Jamaican Parliament to amend the Bank of Jamaica Law, 1960, dealing with the determination of the parity of the Jamaican pound.

I have taken some pains to emphasise and reemphasise this point as it should be made abundantly clear that the Government has no intention, either now or in the foreseeable future, to alter

the existing parity of the Malaysian dollar. It has every intention of maintaining the strength and stability of a currency, which can be regarded as a hard currency by the most rigorous international standards, and the Government is determined to maintain this position, as we are well aware that our strong currency is a key factor in the maintenance of our economic and even our political stability.

The proposed amendments in the Bill before Honourable Members are designed to bring the Central Bank of Malaysia Ordinance, 1958 into line with central banking legislation in other countries, and should be regarded as such. In view of the importance of this matter and our anxiety to ensure that the reasons for this Bill are fully understood, Honourable Members will have noted that this Bill, when published last week, was accompanied by not only its usual explanatory statement but by a full Treasury statement explaining at length the reasons for our action. I need not, therefore, go into further details as I have already dealt adequately, both in this House and outside it, with the objects of this Bill.

Before I close, Sir, I might amplify what I have already said on the question of Malaysia and Singapore having two separate currencies after 12th June, 1967, in view of the widespread interest which this decision has given rise to. The original proposals conveyed to the Singapore Government provided for Bank Negara to continue to operate in Singapore and become the sole currency issuing authority in Singapore under the extension of jurisdiction clauses of the Central Bank of Malaysia Ordinance. Under these proposals, the Bank would exercise banking supervision in Singapore, act as the Singapore Government's agent under the Singapore Exchange Control Ordinance and be the banker and financial adviser to the Singapore Government. The Bank, that is, Bank Negara, would be responsible for monetary policy in Singapore to the same extent as in Malaysia and would consult the Singapore Minister for Finance on matters of policy in so far as they

affect Singapore in the same way that it consults the Malaysian Minister of Finance on matters affecting Malaysia. The currency to be issued by Bank Negara Malaysia in both countries would bear the same basic design and would be legal tender in both countries.

The original proposals provided for the Singapore operations of the Bank to be kept separate from the Malaysian operations and for the net profits of the Singapore part of the business to be paid to the Singapore Government. There would be central control and management of the external reserves arising from the Bank's operations in both Malaysia and Singapore. The Singapore Government would make a capital contribution towards the operations of the Bank and provision was made for the appointment of a Singapore Deputy Governor and for the representation of Singapore's interests on the Bank's Board of Directors.

Subsequently, and with the agreement of both the Minister of Finance, Malaysia and the Minister for Finance, Singapore, a request was made to the International Monetary Fund for expert advice on the technical aspects of the Bank's proposals. A Fund mission headed by the Director of the Central Banking Services of the Fund visited Malaysia and Singapore in November/December, 1965 and submitted a report in March, 1966 which commented favourably on the main principles and general framework of the Bank's proposals for the operation of a common currency and banking system between Malaysia and Singapore. To meet the Singapore Government's wishes, the original proposals were revised in certain fundamental respects to provide for the separate control and management of the reserves relating to the Singapore operations of the Bank. This would involve maintaining separate accounts for the Singapore operations and these separate accounts would be operated solely by the Singapore Deputy Governor.

The revised proposals were accepted by the Singapore Government as a

basis for detailed negotiations and this resulted in the draft Agreement being accepted by both Malaysian and Singapore officials for submission to their respective Governments for consideration. The Agreement provides for the establishment of a separate and distinct account in respect of the Bank's operations in Singapore under the direct control of the Deputy Governor of the Bank to be appointed for and by Singapore, so that no other person or authority would be able to dispose of the assets arising out of the Bank's operations in Singapore. The Agreement also provides that in the event of its termination, the whole of the assets and liabilities shown in the books of the Singapore sector of the Bank would "without further assurance or conveyance", using the exact words in the draft Agreement, be deemed to be transferred to its successor i.e. the successor of Bank Negara Malaysia, Singapura, from the date of termination.

The Singapore Finance Minister informed us when the two official negotiating teams had completed their draft Agreement, that he could not possibly recommend this draft Agreement for acceptance by his Cabinet unless it was provided that the Singapore sector of Bank Negara to be known as "Bank Negara Malaysia, Singapura" would be a separate legal entity, as only this arrangement could ensure that the assets relating to the Bank's operations in Singapore would be under the complete control and ownership of Singapore. In order to effect this, Mr Lim Kim San suggested that the Deputy Governor for Singapore should be incorporated as a "corporation sole" in order that the Singapore assets of the Bank may be vested in him and not in Bank Negara Malaysia.

It may be of interest to record that this new proposal by Singapore came when agreement had been reached much earlier on the fundamental principle that there should be one central bank for both Malaysia and Singapore and this proposal i.e. the latest proposal by Singapore, if agreed to, would be clearly contrary to this basic principle, because it would, in

effect, mean that not only would there be a joint central bank in practice, as provided for in the draft Agreement concluded by the two official sides, there would be two central banking organisations both in law and in practice.

Alternatively, Mr Lim Kim San suggested that the assets relating to the Bank's operations in Singapore should be vested in a third party like the Bank of England or the International Monetary Fund. In parenthesis, I should add that I have named the Bank of England first because they were named in this order in his letter to me. The main reason for this new proposal was Singapore's fear that in the event of termination of the Agreement, the Malaysian Government might not honour its undertaking to transfer "without further assurance or conveyance" the whole of the assets and liabilities shown in the books of the Bank Negara Malaysia, Singapura to its successor as from the date of termination. It should be noted that the undertaking contained in the draft Agreement was considered satisfactory by the officials of the Singapore negotiating team and by the I.M.F. officials, whose impartiality and international standing are beyond question, though not to the Singapore Minister for Finance.

On behalf of the Malaysian Government, I replied that this new proposal was not acceptable to us because such an arrangement would make the entire scheme unworkable from the very start. It was equivalent to having two central banks in charge of one currency. It was tantamount to having two captains on a ship and I have yet to hear anyone seriously suggesting that such an arrangement is workable.

If I may say so, the technical reasons for the break cannot be regarded as the fundamental reason. They were only a symptom of something which went much deeper. In the first place, what Singapore really wanted was a cast iron safeguard against a breach of the Agreement. This is equivalent to asking, for example, that not only should a law be

passed to provide for penalties for armed robbery, such a law should also provide for the prevention of armed robbery. It is one thing to provide penalties for the commission of an offence, it is clear that no law in the world can prevent an offence being committed. This is even truer of an international agreement for it is simply not possible to devise an international agreement whose provisions cannot be violated if one party decides not to honour its undertakings. In short, the only possible way to prevent a possible breach of such an agreement is to have no agreement at all. Singapore, in fact, recognised that this would be the effect of their latest proposal because it suggested that while Singapore would vest the assets pertaining to the Bank's operations in Singapore in the Bank of England or the International Monetary Fund, Malaysia could vest its share of similar assets in another institution which would clearly have to be a foreign central bank or an international institution like the International Monetary Fund. Under such circumstances, Bank Negara Malaysia could almost be discarded. This would clearly be a most humiliating position for our own Central Bank. In fact, I do not see how any self-respecting central bank could possibly accept such a humiliating position.

Secondly, both parties were faced with the basic difficulty of achieving a currency union without a political union. There are few things more unnatural than a currency union without a political union and as such, such a currency union, even if achieved, would not be easy to work. For example, with the best will in the world, the two Governments may find it necessary, when such a currency union is in force, to pursue entirely different financial and economic policies owing to pressures which they are willing or unable to control. If this were to happen, a break would be inevitable. Under such circumstances, the two Governments could really be compared to economic Siamese twins and no one can convince me that a Siamese twin existence is a satisfactory existence for two separate individuals,

however close they might wish to be to each other, rather than lament over a past which cannot be recalled. Let us look to the future and see what can be done to devise a *modus vivendi* for the changed circumstances which now face us.

In this connection, Sir, the Honourable Member for Batu made a valid point when he asked what would be the effect of separate currencies on, say, residents of Johore Bahru wishing to have financial dealings with Singapore residents on the other side of the Causeway, just a mile away, and *vice versa*. This question can also well be asked of business organisations and individuals in one country who have such dealings with business organisations and individuals in the other country. To facilitate such transactions, arrangements could be made for the currency of either country to be acceptable at par in the other. Such an arrangement would be similar to the one which operated among the countries which formerly constituted the West Indian currency area. It should also be possible to institute similar arrangements with the Brunei Government for the interchangeability of Malaysian and Brunei currencies, if such were considered necessary. As Bank Negara will not be issuing currency until 12th June, 1967, there should be sufficient time for arrangement of this nature, which in fact are quite simple, to be concluded between Bank Negara and the monetary authorities in both Singapore and Brunei when these are established. There should, therefore, be no cause for undue concern as such arrangements would minimise any difficulties that might arise from the issue of separate currencies.

If I can sum up, Sir, we accept that there are advantages in Malaysia and Singapore sharing a common currency, principally because such an arrangement would be convenient to business organisations and individuals who have financial transactions with both countries. As a result, over the years, a situation has developed where the economies of the two countries are

interwoven to some extent. That was why we went to such great lengths to try to maintain this link. At the same time, it is mischievous to exaggerate, as has been done in some quarters, the adverse consequences of a break which, in some ways, is understandable because it only reflects the changed relationship between the two countries. Under such circumstances, it is absurd to maintain that we cannot co-operate effectively in spite of having two separate currencies.

Sir, I beg to move. (*Applause*).

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

Dr Tan Chee Khoon: Mr Speaker, Sir, last Monday, when I asked the question on the split of the dollar, to say the least, the Minister of Finance was not at all helpful. Although, to be helpful to the Minister, he did not seek to lay the blame on Singapore, the burden of his replies was that this country had bent over backwards to accommodate Singapore; and one could sense, again, the attitude that this country took—that of a “big brother attitude”—in such negotiations. If that attitude was true, then one can understand why such negotiations, should fail. While, Mr Speaker, Sir, the Minister, on Monday, was not very helpful, today's *Straits Times*, headed “Dollar Split”, is more illuminating. It says here that Malaysia made strenuous efforts for agreement. I read:

“The ‘strenuous efforts’ which Malaysia made to reach agreement with Singapore on a common currency were outlined today in *Suara Malaysia*, the official publication of the Government.

It spoke of the two approaches made to the International Monetary Fund for technical assistance and prompt service provided.

Two senior and experienced I.M.F. officials advised both Governments during the detailed negotiations.

No fewer than eleven meetings were held in Kuala Lumpur and Singapore, several of them continuing to midnight and over week-ends.

The I.M.F. officials went away with the firm impression that both Governments would accept the draft agreement in view of the fact that their respective officials had already agreed to it.”

“Suara Malaysia adds:

“The undisputable fact is that the Malaysian Cabinet accepted the draft agreement apart from one minor reservation made by the Singapore team of officials on the question of nomenclature.

The Singapore Government has not accepted the draft agreement. Up to the time of writing, we do not know Singapore's reasons for this’ ”.

Mr Speaker, Sir, the statement just made by the Honourable Minister of Finance is certainly more elucidating, and I must congratulate the sober way in which the Minister of Finance presented the Malaysian case. But, sitting down here and listening very carefully to what the Minister of Finance has pointed out, one could sense, although he did not say it, the burden of his thesis, “We are right, you are wrong.” This is postulated by the official publication of the Malaysian Government, *Suara Malaysia*. Mr Speaker, Sir, such an attitude, if it did prevail and if it does represent the attitude of mind of the Malaysian Cabinet, is regrettable; and there is no reason why the negotiations broke down at the very last stage. We were told that the draft agreement was agreed to, when suddenly the Minister of Finance in Singapore had come out with two new proposals: one is to virtually have two Bank Negaras in fact, but we cover it up with a figure head at the top; and the other one, is that the external assets of the Singapore Government would be kept in British sterling.

Mr Speaker, Sir, we are now told today that that was the latest proposal of the Singapore Government, and that the Malaysian Government in its view has quite rightly rejected that fear. Now, Mr Speaker, Sir, in trying to examine these proposals a little further, I hope the Minister of Finance will not make the uncalled for remarks that he made last Monday—he included me at least—that I was looking after the interests of a country south of the Causeway. I did assure him that—I did not mention it though, in Shakespeare's Caesar “Et tu, Brute” (Thou too Brutus)—it was uncalled for for him to address that remark to me; it might be appropriate to address that remark to somebody else in this House (*Laughter*).

Tuan Tan Siew Sin: May I explain? I never mentioned the Honourable Member for Batu by name. I think I should say, if the cap fits him let him wear it. (*Laughter*).

Dr Tan Chee Khoon: Here, the cap certainly does not fit in Mr Speaker, Sir. I hold no brief for the Singapore Government. In times past, when the Prime Minister for Singapore was here, I have called him the "Master Showman and clown of them all". (*Laughter*). I hold no brief for Singapore Government and, if he were here today, I would still continue to fight the P.A.P. (*Laughter*).

Mr Speaker, Sir, one must try and examine the anxiety of the Singapore Government. Having been booted out of Malaysia in a space of 23½ hours—that is a traumatic shock and, perhaps, it will take more than a generation to erase—consequently, one can understand why the Singapore Government wants to have cast iron safeguards which the Honourable Minister of Finance says it is not possible to provide in law. Now, Mr Speaker, Sir

Tuan Senu bin Abdul Rahman: Sir, on a point of clarification, Singapore was not booted out of the Malaysia. It was at Singapore's request that the separation was made.

Dr Tan Chee Khoon: It is a matter of opinion, Mr Speaker, Sir.

Assistant Minister for Finance: (Dr Ng Kam Poh): Sir, according to Mr Lee Kuan Yew in his book "For the battle of Malaysian Malaysia"—if you read his book—he cannot be kicked out unless he so wishes. Look up the Constitution—Article 161 H.

Dr Tan Chee Khoon: I thank the Assistant Minister for the clarification, Mr Speaker, Sir. It reminds me of the statement made by the Honourable Deputy Prime Minister, when he told me that the Deputy Chief Education Adviser went to Paris, to UNESCO, with his consent. Now, faced with an alternative of either resigning or remaining in the service and go to

Paris, what chance has any civil servant got? But in this case, Mr Speaker, Sir, let me make it quite brief—let me call a spade a spade. Faced with the alternative of either going to jail, which the Socialist Front members have, Lee Kuan Yew chose the easier way out (*Laughter*) and decided not to remain in jail and went into his enclave in Singapore. (*Laughter*). I hope that this is enough clarification for the Assistant Minister for Finance (*Laughter*).

Now, Mr Speaker, Sir, as I said, being booted out of Singapore is a traumatic experience that Singaporeans for the next generation, at least, will find it very very difficult to erase and forget. Certainly, this applies to the present generation of leaders in Singapore. Consequently, one must understand their anxiety. The differences now, we are told, boil down to these two propositions: (i) that we should have virtually two Central Banks but superseded by a face-saving device which really has no legal entity; or (ii) to transfer Singapore's assets and leave them in pounds sterling. I really do not see why that should be too difficult.

Tuan Tan Siew Sin: On a point of clarification, Sir, it is not a question of leaving Singapore's external assets in the Bank of England. Singapore wanted the assets to be vested in the Bank of England. "Vested"—there is a big difference there.

Dr Tan Chee Khoon: I am glad for that clarification, Mr Speaker, Sir. Now, whatever it is, these are the two differences. Mr Speaker, Sir, despite all the difficulties that have gone on—I am glad that there has been no recrimination so far and I do not know tomorrow, after this statement, whether there will be any recriminations, but there are no recriminations—one would hope with the spirit that has gone into these long and arduous negotiations, we should carry it on a little further—and I do not see why we should not. Mr Speaker, Sir, the Minister of Finance has piously pointed out that we should try in future to find a *modus vivendi* to live harmoniously at

least where currencies are concerned. I would like to point out to him that if the *modus operandi* that has operated so far in these negotiations has stumbled over, what to me, at least, is still at a negotiating point, and cannot be accommodated by the Central Government, then I do not see how this pious hope of a *modus vivendi* in the future can hold good.

Now, Mr Speaker, Sir, one of the reasons adduced on Monday by the Minister of Finance is that time is pressing, we must give an answer to the manufacturers in London, we must place our order for currency in London, so that the notes will come out by the 12th of June, 1967. Mr Speaker, Sir, time is after all, in this instance, the tool in the hands of a man and not *vice versa*. After all, the Currency Agreement has been extended so many times.

Tuan Tan Siew Sin: Mr Speaker, Sir, what I said on Monday was this: firstly, that our printers in London have told us that they require this period of time to enable them to get the notes ready by 12th June, 1967. Secondly—and this an important factor—the Malaysian Government tried to get the Currency Board to allow the Board to issue currency beyond 12th June, 1967. We put forward a formal motion to this effect and that motion was turned down by the Currency Board. So, we could not get the extra time. It must be emphasised that without unanimity the Currency Board cannot continue for even one day longer. We failed to achieve that unanimity, and I do not want to name the Government which turned down the proposal.

Dr Tan Chee Khoon: Mr Speaker, Sir, I notice that the Honourable Minister of Finance in this instance is unusually very charitable (*Laughter*) in not naming the Government. As I said, this is again a matter that can be subject to negotiation. After all, this Government has changed many laws in this country at its whims and fancies, and why could not we hold on and extend this Currency Agreement,

subject to the other party so that instead of June 12th, 1967, we can do it in December 12th, 1967?

AN HONOURABLE MEMBER: It cannot be done!

Dr Tan Chee Khoon: We are told, Mr Speaker, Sir, that it cannot be done, but I hold the view all these being man-made laws it can be done with the agreement of both parties. Now, Mr Speaker, Sir

Tuan Tan Siew Sin: Mr Speaker, Sir, I do not think the Honourable Member for Batu is aware that there are three Governments which are participating in the Currency Agreement and, to get an extension of time, we require the unanimous consent of the three Governments. We were not able to get such unanimous consent. I think the Honourable Member for Batu will realise that I cannot dictate to foreign Governments. I am only the Finance Minister of Malaysia. (*Applause*).

Dr Tan Chee Khoon: I was just going to come to the question of Brunei, when the Honourable Minister interrupted me. (*Interruption*). I am not taking sides in this issue, Mr Speaker, Sir—I am not. The Minister has not told us anything about our difficulties, if any, with Brunei, why Brunei, again after long negotiations, has opted out of this Agreement. As I pointed out on Monday, Brunei's stakes in this are very little. I think it is only 0.75 per cent. Although Brunei is a very rich country and has lots of assets in London, in this common pool Brunei's stake is only 0.75 per cent, and I do not see why this Government has not tried to find—in many past sessions of the House, I have asked questions about this—a settlement on the common currency with the Brunei Government. Again, Mr Speaker, Sir, I do not know whether there is something seriously wrong; perhaps, on a par with this, Brunei also wants to have its own individual currency, superseded by something that really has no legal entity. I shall be very grateful, if the Minister of Finance will clarify when he replies.

Mr Speaker, Sir, the economic consequences of such a breakdown in our negotiations and the splitting of the dollar are very serious. And here, perhaps, I am not qualified to talk about high finance, about the banks, banking associations now coming into the fray—they have just now into the fray; they have kept a discreet silence all this time, but I see in the papers yesterday that they have come into the fray to ask the two Governments whether in effect both Governments have crossed the Rubicon.

Mr Speaker, Sir, I am more concerned with the common man, and, as has been pointed out by the Honourable Minister, every common man in this country is seriously concerned over these things. On the booting out of Singapore, the people in Kelantan say “Apa boleh buat, tidak apa”. But in this instance, if the common man goes to Singapore with his Malaysian dollar and if it is not at par with the Singapore dollar, or whatever new currency that they may have, then he runs into serious difficulties. And, Mr Speaker, Sir, who makes the money? It is the money changer, because the man has got to go to money changers, who change his money. The official rate is, let us say, one Malayan dollar to two dollars (Singapore)—I am not casting any aspersions on Singapore, but I am merely giving a *chontoh sahaja*; the money changer gives him short change and instead of one to two dollars he gives him one and three-quarter dollars.

The Minister of Commerce and Industry (Dr Lim Swee Aun): Did the Honourable Member say that one Malaysian dollar is equivalent to two Singapore dollars? (*Laughter*).

Dr Tan Chee Khoon: I am not saying that. I am just trying to illustrate Mr Speaker, Sir, how the common man suffers and the money changer benefits. Equally true it is, in the case of the big businesses. If I go to Singapore, perhaps, I carry only ten dollars and I suffer very little. (*Laughter*).

Dr Lim Swee Aun: When did you go to Singapore? (*Laughter*).

Dr Tan Chee Khoon: Mr Speaker, Sir, but if big businesses transfer sums of money—not the ten dollars that I have in my pocket—but if they transfer by the thousands, who benefit? The banking institutions, the big capitalists benefit. Consequently, it is paradoxical, in that while the banking interest are also protesting against this splitting of the dollar, they are the people who, despite all the inconveniences, are the people who would stand to benefit the most because, as everybody knows, the bankers demand their pound of flesh despite the fact that you may have a banking account with them fifty years or more.

Now, Mr Speaker, Sir, I wish to touch a little on the political consequences of such a splitting of the dollar. Now, way back, in 1961, the Tunku propounded the idea of Malaysia and after prolonged negotiations, and after both the principal protagonists of Malaysia going all over the country at the taxpayers expenses, and going over to London again at taxpayers money, they achieved political union with Singapore. Suddenly came this booting out, on the fateful day of August 9th, 1965. At that time, Mr Speaker, Sir, there were pious hopes again, platitudes expressed, and crocodile tears being shed in this House and outside this House, (*Laughter*), “Let us hope that this is not a permanent split; let us hope that in future the two people will come together for afterall, culturally, economically, financially, historically, geographically, we are all one and the same persons”. But what do we see today, Mr Speaker Sir? The dollar is split, the banking system is also split. Does this bring political union closer for the common man? The answer is an obvious “No”. And these, Mr Speaker, Sir, are the acts not of the common man but of the political leaders of both countries.

Now, Mr Speaker, Sir, I have the good fortune to attend a seminar organised by the University of Singapore Socialist Club, wherein the Member for Kota Star Selatan was also present, when we discussed the prospects of reunification and, without doubt, all the speakers opted for

reunification and the students were very concerned over this separation. I stand to be corrected, if the Member for Kota Star Selatan wants to correct me.

Dr Mahathir bin Mohamad (Kota Star Selatan): Mr Speaker, Sir, during my talk, I also asked about the costs that will have to be met by both sides, and it appeared quite obvious that while everybody wanted to reunite no one wanted to pay the costs.

Dr Tan Chee Khoon: Mr Speaker, Sir, in addition to us talking about costs, which the Honourable Member for Kota Star Selatan mentioned, he also pointed out, "You conform, you do this, you do that, before we can take you into the fold". He said that and I was present—and it was tape recorded. Now it looks to me that the same attitude is also taken by the Central Government over this question of a common currency. I submit, Mr Speaker, Sir, that since the separation, or the booting out of Singapore, the words and the deeds of the political leaders of both countries are the very exact opposite of what they piously say when they are in their saner moments.

Mr Speaker, Sir, none other than the Minister of Finance, in a speech to the Pan-Malayan Hokkien Association—this is just before the separation—warned Singapore of wanting to opt out. He warned Singapore of living in a sea of Malays. I think I am correct in saying that the Minister of Information and Broadcasting also warned Singapore of being the Israel of the East—rather, like Israel being the *pariah* amongst the Muslim countries in the Middle East, he warned Singapore of the implication, I gather, that Singapore will be the Israel of the East and will be hemmed in by hostile countries. And here I am not trying to

The Minister of Information and Broadcasting (Tuan Senu bin Abdul Rahman): On a point of clarification, my statement was based on the statement of Dr Toh Chin Chye, who was the first to mention Singapore being

in the middle of the Malay Archipelago. I just repeated his statement. If you do not believe, you just do some research into the statement of Dr Toh Chin Chye a few weeks ago.

Dr Tan Chee Khoon: Mr Speaker, Sir, I am not trying to take sides. I am merely trying to repeat what the Honourable Minister said—at least I read it in the papers; he warned Singapore of the danger of becoming the Israel of the East. Now, Mr Speaker, Sir, all these acts—and of course, there are serious implications when the Minister of Finance says, "A Customs Order signed on a piece of paper will do the trick"—all these things Mr Speaker, Sir, i.e. the separation, the splitting of the dollar, the division of the common banking system and all these utterances of the Ministers of both sides do not bring these two countries closer together and the regrettable part of it, Mr Speaker, Sir, is that the common man has no say in these things and probably does not want to quarrel with each other. I leave it to the Ministers of both countries, even at this stage, to find a *modus vivendi* for the future.

Now, Mr Speaker, Sir, the Treasury, in a statement issued on Tuesday, 16th August, 1966, on the severance of our ties from sterling currency stated *inter alia*:

"When Bank Negara issues Malaysian currency, its parity, though expressed in gold, would continue to be the equivalent of 2 shillings and 4 pence (sterling) to the Malaysian dollar and its convertibility into sterling and any other currencies would be maintained.

There is also a second amendment giving Bank Negara discretionary power to buy and sell Malaysian currency not only against sterling, but against gold or any other currency. The two new proposals will set free the rigidities of the Bank linking the exchange rate of the country to sterling and exchanging currency for sterling only. Such rigidities are the legacy of the colonial era and are not consistent with the sovereign status of an independent country."

The Minister of Finance just now, in his speech, also talked about these rigidities "which are the legacy of our colonial past." Now, Mr Speaker, Sir the Treasury statement has blamed the Central Bank of Malaysia Ordinance,

1958, as being the legacy of the colonial past, and I presume the Minister of Finance has also implied that. Mr Speaker, Sir, it seems to me that the Minister of Finance and the Treasury have got all these dates mixed up, and they are really a mixed up bunch of people at this moment.

This Bill, Mr Speaker, Sir, that we are trying to amend, reads, "An Act to amend the Central Bank of Malaysia Ordinance 1958", and I hope the Treasury "boys" and the Minister will remember that date—1958. This was passed in 1958 and Bank Negara was established on the 6th of January, 1959. I believe, Mr Speaker, Sir, that Malaya became independent on 31st August, 1957. Consequently, Mr Speaker, Sir, how can we blame our quondam political masters for these "legacies of the colonial past"? Did we get Great Britain to pass this Act in this House? It is the fashion, Mr Speaker, Sir, these days to blame our ex-colonial masters, but, Mr Speaker, Sir, in this instance, it is a travesty of truth on the part of the Treasury "boys" and on the part of the Minister of Finance—and here, I do not hold brief for our quondam colonial masters.

Mr Speaker, Sir, the fact is that in 1958 we were tied hands and feet to our quondam colonial masters, and this is shown clearly in the amendments sought by Section 4 of this Bill that we have today. All over this Bill, Mr Speaker, Sir, you can see "substitute 'United Kingdom' for this, that and the other." Now, who put in "United Kingdom" in the first place? It was the present Government in power who put all these things in, and the Members of Parliament, who participated in this Act, also put all these things in. Britain did not do it.

Now, Mr Speaker, Sir, we in the Socialist Front have always maintained that, while we may have achieved political freedom we are still economically

Tuan Abdul-Rahman bin Ya'kub:
Labour Party!

Dr Tan Chee Khoon: We are now in the Labour Party (*Laughter*). We, in

the then Socialist Front and now in the Labour Party, have always maintained that while Malaysia may have achieved political independence, we have yet to achieve economic *merdeka*. This piece of legislation is seeking to remove the relics of our colonial past, but these are not the relics of the colonial past. This is an Act that was passed by the Alliance Government, then in power in 1958, one year after we have achieved *Merdeka*. While we may want to believe that we are masters of our destiny, there is no doubt that sitting behind the driver is somebody else guiding where we should go.

Mr Speaker, Sir, then again, Section 28 of the Central Bank of Malaysia Ordinance, 1958, clearly shows the inadequacies of Bank Negara to purchase any currency other than £ (sterling). Again, you see, those days we hitched ourselves to no other currency but £ (sterling). Was it any necessity? We did it ourselves. Perhaps, we were ordered to do so—I do not know, Mr Speaker, Sir, but we did it. I was not a party to it then, but if I were a party to it then, I would have opposed it.

The Explanatory Statement that I have pointed out shows "the purpose of enabling the Bank to buy and sell Malaysian currency against gold or any other currency eligible for inclusion in the reserve of the external assets of the Bank." Mr Speaker, Sir, I believe that the external assets of Bank Negara totalled about \$1,200 million to \$1,300 million, and all of them are invested in London. But why should this be so, especially in view of the fact that the £ (sterling) is in great danger of being devalued? If they devalue their pound there, overnight a good deal of our reserves there will be wiped out—*habis*. Mr Speaker, Sir, I commend this terrifying thought to the Minister of Finance. Surely, Mr Speaker, Sir, it would be more prudent for us to diversify our foreign assets and not buy only sterling but also United States dollars, Deutschmark, francs, Yen, so that if there is devaluation in any one currency, the blow will not be so great to us. It is no

secret, Sir, that our external assets in London are in no small measure keeping the £ (sterling) afloat.

Mr Speaker, Sir, the *Straits Times* in its issue of August 17, 1966, has this headline—"Dollar to be pegged to gold". Mr Speaker, Sir, this Bill, however, says that the parity of gold of the Malaysian dollar will be equivalent to 0.290299 grams of fine gold. Now, it is regrettable that this Bill is slightly ambiguous and the speech by the Honourable Minister of Finance has not made it clearer. As it stands, if this headline "Dollar pegged to gold" is true, it means that the Malaysian dollar may well be pegged on to gold. Now, perhaps, Members of this House may know what are the serious consequences of pegging the dollar to gold. Mr Speaker, Sir, the price of gold is subject to fluctuations, and if the Malaysian dollar is to be pegged to it, it will mean that our Malaysian dollar too will be subject to fluctuations in conformity with the fluctuations of the price of gold. This means that the Malaysian dollar will be unstable, and this will drive away investors who are not speculators. Besides, pegging our dollar to gold may lead to speculation with speculators manipulating our currency for their benefit. All modern States had gone off the gold standard long ago, and I have not doubt that it is not the intention of the Minister of Finance to peg our dollar to gold, rather, I am sure, it is the intention of the Treasury and of the Minister of Finance that the Malaysian dollar is to be backed by gold and that it can be related to other currencies. Anyway, Mr Speaker, Sir, a clarification from the Minister of Finance to clear up this ambiguity will be very welcome to the business community.

Mr Speaker, Sir, one other thought on our external assets in London: I do agree with the Minister of Finance that our currency has the full backing by any standards and the most vigorous standards. It is not usual that I agree so fully with the Minister of Finance. At the moment, we have, I believe, 107% backing for our currency. This is far too high a backing.

Some countries have as low as 10% backing for their currency—I am not suggesting that we should do that. If we are really hard pressed to find funds for the First Malaysia Plan, then we can easily withdraw, say, \$300 million from our assets and the Malaysian dollar will not be the weaker for it. I see, Mr Speaker, Sir, the Minister of Commerce and Industry shaking his hands in disbelief. I can assure him that I have consulted the most reputable economists available, and they told me that this is the position: there is no necessity for having a 107% backing—on the other hand, I am not advocating that we should have a 10% backing; if you withdraw, say, \$300 million, and that means we have 80% backing, that is more than good because lots of countries, developed countries (not developing countries), who have industrialised, do not even have 80% backing for their currency. It will mean that if we do that, the Minister of Finance need not go about, bowl in hand, begging for grants on loans from the Capitals of Europe.

Mr Speaker, Sir, one concluding thought—the Minister of Finance, in his statement on Monday, stated that the business community must get used to the new circumstances and that they must adjust themselves. I agree with the Minister, Mr Speaker, Sir. None other than Tennyson himself said, "The old order changeth, giving way to the new". Mr Speaker, Sir, does this change mean that it will be for the better? Time only will tell.

Dr Mahathir bin Mohamad (Kota Star Selatan): Mr Speaker, Sir, the Bill before us is a simple and uncontroversial piece of legislation, that is, if we think of ourselves as Malaysians with a national identity and a will to independence. However, Sir, this minor piece of necessary legislation has raised a little storm in the business world which has, oddly enough, been made much of by a motley group of politicians. I cannot see how the Labour Party should be so concerned about the fate of the business community in Malaysia.

Dr Tan Chee Khoon: Sir, on a point of clarification—I am but reflecting some of the concern and anxieties of the business community. It is not for me to be their spokesman, nor do they want me to be their spokesman, Mr Speaker, Sir. What I am trying to reflect is the concern of the average man who may not know the implications of this splitting of the dollar.

Dr Mahathir bin Mohamad: Mr Speaker, Sir, I am quite sure that the economic expert that he consulted just now was a labourer—that was why he came up with some of his rare suggestions.

I would like to make a few comments on what the Honourable Member for Batu has said. His reference to Brutus, for example, accusing that the Minister was putting him on the same status as Brutus, as far as I can see, the Member for Batu has never been as friendly to the Minister of Finance as Brutus was to Caesar. So, the simile does not fit.

Dr Tan Chee Khoon: The Member for Kota Star Selatan probably has not read Shakespeare's Julius Caesar. If he had read it then he would know the meaning of what is written there—*Et tu Brute*.

Dr Mahathir bin Mohamad: Mr Speaker, Sir, maybe I do not understand that. The normal translation was, "Even, thou Brutus", and this refers to a man who was formerly a friend and a close associate of Caesar, if not his own adopted son; and the phrase therefore fits. But for an enemy it would have been the thing to do to stab somebody in the back, and you would not say "*Et tu Brute*" (Even thou Brutus) then.

As to his worry about the traumatic experience of Singapore after separation, he need not be so worried because, as we know, Singapore has always considered herself as a Republic peopled by very resilient people, who would be able to overcome almost anything, and I am quite sure they would be able to overcome this minor change in the currency system.

Now, Sir, I will go on with the theme of my talk. For some time past it has been realised by newly independent countries that the mere award of a certificate of independence by a metropolitan power does not mean true independence. The colonial power, through a powerful hold on the economic activities of an independent country, can and does exercise such an influence as to negate the achievement of political independence. With this realisation all newly independent countries have instituted measures to achieve economic independence as well. In some instances, this has led to dependence on a different power, but for most a suitable balance is maintained between different powers, so that no one country can be in a position to dictate terms on the strength of economic influence.

In the case of Malaya after independence, has always been this move to bolster political independence with economic independence. It can be seen that if Malaya was tied economically to British Singapore, she would in fact be under British influence.

The setting up of Malaysia with Singapore as a State within it abolished the need to sever economic ties with Singapore. Unfortunately, however, Singapore opted to leave Malaysia, because we are not as Malaysian as the Singaporeans wish us to be.

The question then arises as to whether we should be tied to Singapore economically after having been separated from her politically. Remembering that economic independence is as important as political independence, the problem that must face the Malaysian Government is how much can economic independence be sacrificed in the interests of expedience.

It is to the credit of Malaysia that she has striven more for economic expedience rather than economic independence. Indeed, it can be said that Malaysia has not only disregarded her economic independence but has actually stretched several points to accommodate Singapore's needs.

In the Malaysian Airways Agreement, for example, Malaysia allowed Singapore to have a share in her domestic flights, although there is no domestic flight in Singapore to share with Malaysia. The continued use of Singapore as a base for Malaysian Airways must mean a considerable loss to Malaysia in terms of jobs and money spent. Malaysia even acceded to the demand that the name of the Airways be changed in future. Economic expedience seems to have dictated the whole tenor of the Airways Agreement.

In the sawmill industry, Malaysian logs are still flowing into Singapore to provide the people of that Republic with jobs and profits, even though thousands of Malaysians are barred from earning a living in Singapore. On the other hand Malaysia has not barred Singaporeans from working in Malaysia and depriving Malaysians of jobs, because to do so would disrupt the economic links with Singapore. It can, therefore, be seen that Malaysia has done everything possible—has been very accommodating—on the question of economic links with Singapore. There is no reason to doubt that she would be equally accommodating on the question of common currency. The fact that today we are asked to approve changes in the Central Bank Ordinance must mean that the demands made by Singapore are so excessive as to make even Malaysia incapable of accommodating.

Malaysia, Sir, has been accused of adopting a "big brother" attitude towards Singapore. On the question of a common currency, the strength of which must depend largely on the reputation of the Malaysian dollar and the reserves we hold, we would be fully justified not only in playing the big brother but in actually dictating terms. But despite this we did not. We actually went through a great deal of trouble to negotiate. It is certainly not our fault, if negotiations failed.

Which country, Sir, would enter into an agreement with a country that frankly states that she has no faith in the documents signed? The schism

that separate accounts and separate assets would create in the Central Bank could only mean that while Singapore would like to benefit by the reputation of our dollar and the concurrent economic link, she would like to have nothing to do with us in the management of central bank affairs. It is, Sir, a plain case of what is yours is mine, but you keep clear of what is mine.

Having said all this, Sir, having shown how much Malaysia has tried to retain a common currency, let us return to the opponents of the split dollar within this country. In all the arguments put forward none has seriously suggested that the new system would be unworkable, or that it would cause serious losses to Malaysia.

The only reasons that get repeated time and again are loss of convenience and traditions. Now, convenience would, of course, be affected, but who are the people most affected? For Johore people going to Singapore, the inconvenience is no more than that of Kedah travellers going to Thailand. Being a peninsula, movements across borders are not so common in Malaysia. In other land-bound countries, this happens very frequently, but no one has suggested that because of this currencies should be common.

The other group whose convenience is really affected are the businesses which straddle both countries. Of these, the really big ones are the British import-export houses, which have always felt that because they control the economy of this country largely, history and politics must be moulded to suit them. This might have been possible in the days, when the advice of the British Adviser must be asked for and accepted. But Malaysia, although these firms who were until recently members of the F.M.S. Chamber of Commerce might not know it, is an independent sovereign nation. Malaysia, therefore, cannot always be thinking of the convenience of Guthrie's, Harrison and Crosfield, Borneo Company, etc.

I know that in saying this I am probably nudging these firms into

thinking of ways and means to prove how wrong we are, through some form of economic manipulation, but I know that the Government will not tolerate any such move. I would advise these firms not to make their position more untenable. We know that the split in the Malaysian dollar will not work to the disadvantage of Malaysia and we intend to see that it remains so.

As for Malaysian firms, which extend across the Causeway, it is time they think in terms of national interest sufficiently to put up with minor and temporary inconveniences. Once the new currency system becomes accepted and adjustments made, the inconvenience will be no more than every where else where international trade is carried out.

As for tradition, Sir, I cannot see how any Malaysian can insist on perpetuating something that smacks so much of a servile colonial status. Our colonial masters wanted the city comforts of Singapore and designed everything for this. The rail freight rate from Kota Bharu to Singapore, for example, was less than from Kota Bharu to Port Swettenham. Similarly, the common currency means money made in Malaysia will be spent in Singapore to give jobs, build houses and generally develop that Republic. Surely, such tradition is not worth perpetuating by Malaysians. I can excuse the British and the Singaporeans, but I cannot accept this of Malaysians.

Now, this brings me, Sir, to the fact of political separation. One year ago when separation between Malaysia and Singapore became a fact, there were some who thought that this was a hasty move which may be revised soon. However, it must be obvious from the diverging political courses of the two nations that this is not a temporary affair.

In Malaysia we have a completely different background and outlook. We are a true democracy, which follows accepted practices. We trust our civil and military services and do not try and keep tab of their loyalty by making Ministers mingle with them as officers. We trust our neighbours, even when

they do not trust us. We honour internal as well as international obligations. We do not act unilaterally. We do not always think of ourselves but we have always been accommodating.

All these things we do tend to emphasize our difference with the Republic. In other words, Sir, the reasons for separation have been added and multiplied since 9th August, 1965. There is, therefore, no ground now to think that this is a temporary affair. It is imperative, therefore, that the few Malaysian businessmen, who still fondly hope that Singapore would rejoin Malaysia, should cease from so hoping. They should think of themselves as Malaysians and work for the interest of other Malaysians, even if it means a slight loss and a temporary inconvenience to them.

We can try to accommodate our neighbours, but there is a limit to bending over backwards. With a neighbour who does not trust our honesty, we cannot always be thinking of their welfare. We must think of ourselves too.

The cessation of a common currency will mean a slight loss and an inconvenience. These, however, will be temporary. In the long run Malaysians must benefit, and as Malaysians we must give more thought to this.

Mr Speaker, Sir, as a Malaysian and as a representative of the people I must regard this Bill as a simple straightforward piece of legislation in keeping with our status as an Independent nation tied to nobody's apron strings. A country's currency is a national symbol. No independent country can allow it to be reduced to a mere business token.

Consequently this legislation must be supported by all Malaysians, and I can do no more than facilitate its passage through this House. Thank you. *(Applause)*.

Tuan Tajudin bin Ali (Larut Utara):

Tuan Yang di-Pertua, saya sokong Rang Undang² yang di-kemukakan oleh Yang Berhormat baharu² ini. Barang di-ingat, Tuan Yang di-Pertua, masa

Budget Meeting yang lalu ia-lah Budget bagi tahun 1965, saya telah menyatakan dengan tegas dalam ucapan Budget saya menyatakan bagi satu negeri kita ia-itu negeri yang merdeka dan berdaulat, mesti-lah berani berdiri di-atas kaki sendiri. Dan di-sini saya mengalu²kan langkah yang berani itu yang telah di-ambil oleh Menteri Kewangan kita dan bersama² dengan itu saya suka-lah mengambil kesempatan ini bagi pengundi² saya, Larut Utara, menyatakan betapa suka hati kami di-atas dua keistimewaan baharu² ini negara kita terima ia-itu yang pertamanya perdamaian yang telah tercapai di-Bangkok dan satu lagi memutuskan preferential Commonwealth treatment—ini-lah kedua² istimewa yang pengundi² saya ucapkan ribuan terima kaseh kepada Kerajaan kita.

Tuan Yang di-Pertua, dalam ucapan Budget saya, saya telah nyatakan kita telah bagi talak tiga kepada Singapura. Apa² perkara jangan kita hendak-nya ingatkan lagi di-atas hal ehwal Singapura. Barang di-ingat pepatah orang puteh berkata: "Charity begins at home"; kalau banyak perkara sangat kita beri² kepada Singapura kedudukan kita akan terancham. Ini saya beri ingatan yang tegas dan nyata kepada Kerajaan kita. Tuan Yang di-Pertua, satu kenyataan yang terang dan nyata di-sini saya minta, Tuan Yang di-Pertua, saya hendak bachakan, dan saya memberi ucapan sa-tinggi² terima kaseh dan tahniah kepada pegawai² daripada Menteri Kewangan menchari jalan dengan sa-daya upaya-nya hendak menghuraiikan satu masaalah bukan besar bagi ke-sempurnaan kedua buah negara itu. Saya minta kebenaran membacha-nya:

"In order to accommodate Singapore, however, the Malaysian Government agreed to postpone the issuing of currency by Bank Negara Malaysia for a whole year to June 1967, and its officials went through not less than 18 meetings in 10 months to try to reach agreement with Singapore. The International Monetary Fund sent two missions to advise and help us, and the last mission went away with a firm impression that both Governments would accept the draft agreement, in view of the fact that their respective officials have already agreed to it. It is unlikely that the I.M.F. would be prepared to send a third mission after all the trouble they took to explore this question from

every possible angle, especially when its advice has been rejected by the Singapore Government."

Jadi di-sini-lah saya ulangi sa-kali lagi, Tuan Yang di-Pertua, 18 meshuarat, dalam 10 bulan dan saya difahamkan satu meshuarat sampai tengah malam. Ini-lah keadaan Kerajaan kita demokrasi hendak berbaik² dengan jiran, tetapi apa balasan-nya? Jadi sakali lagi saya ingatkan kapada Kerajaan kita supaya berjaga², Tuan Yang di-Pertua, tiada faedah-nya kita mempunyai kemerdekaan kalau mata wang di-negara kita ini harga-nya rendah atau pun sa-balek-nya kita ada kemerdekaan dan perkara kewangan ia-itu keemasan nyawa kita itu kita tak tahu dudok-nya di-mana, tak tahu sunggoh-nya, umpama-nya, sekarang ini kita tak tahu berapa banyak duit kita lari ka-India, duit kita lari ka-lain, kita ta' ada control yang tegas dan nyata. Dengan ada-nya wang kita ini di-keluarkan baharu dan di-jaga², maka tak dapat tidak kita tahu-lah kekuatan kita di-mana dan kekuatan itu berfaedah dan besar ma'ana-nya kepada satu negara yang merdeka dan berdaulat.

Tuan Yang di-Pertua, saya telah menyatakan wang itu ia-lah emas dan bagi negara² mana dalam dunia ini di-jaga² wang itu dengan segala chemburu, saya fikir huruf "chemburu" ini tak berapa tegas—with all jealousy, tetapi kita terlampau mewah, terlampau senang sangat kita, kerana hendak berbaik² dengan kawan kita kadang² mendatangkan kerugian kapada negeri kita.

Tuan Yang di-Pertua, sampai hari ini pula saya dapat tahu perniagaan² kita, kekayaan kita, datang dan masok-nya menerusi Singapura. Ini berma'ana kerugian besar kapada negara kita dan saya mengambil kesempatan mengingatkan supaya mata wang kita itu akan berharga lebeh lagi. Saya meminta kapada Yang Berhormat Menteri Pengangkutan perhati²-lah mengadakan tempat pelabohan kita, saya tahu macham di-Johor Baharu pun boleh kita buat pelabohan, sa-belah Kota Bharu dan kalau tak nampak tempat lain, mengapa tidak negeri saya ia-itu di-Lumut? Kami akan beri kerja sama

yang penuh. Apabila kita ada pelabohan² itu, maka tak dapat tiada mata wang kita akan bertambah harga-nya lagi.

Tuan Yang di-Pertua, saya nampak Menteri Kewangan kita akan memulakan mengechap wang kita dan menyediakan-nya dalam pertengahan tahun depan dan saya tidak tahu mengapa hendak di-chap di-London juga. Kita tengok duit kita ini di-London juga di-chap oleh Thomas De La Rue Company Limited. Di-negeri kita kurangkah printing-nya? Mengapa kita tidak chap di-Jail Batu Gajah, di-Jail Taiping atau pun printers banyak lagi di-sini? Hendak ingat ka-London lagi. Mengapa begitu, saya hairan! Saya rasa kalau di-buat di-negeri kita ini lebih chepat lagi sa-tengah² macham note forgery chantek di-beri kesempatan kepada printing kita, saya rasa lebih baik lagi.

Tuan Yang di-Pertua, saya juga mengemukakan kepada Kerajaan memikirkan apabila hendak mengechap wang ini chap-lah, biar-lah warna wang itu bersemangat sedikit dan mengingatkan baharu² ini satu perkara sejarah sudah terjadi, macham perjanjian di-Bangkok dan sa-bagai-nya dan water mark-nya saya shorkan supaya water mark itu. Sekarang kita ada harimau, mengapa tidak buboh water mark pada gambar Yang Teramat Mulia Tunku Abdul Rahman kita. Ingatkan jasa-nya pada negara kita. Kita kata dia itu Bapa Kemerdekaan di-mana kita letakkan wang kita katakan \$50.00, pada \$10 kita letakkan water mark Yang Teramat Mulia Tun Haji Abdul Razak dan sa-bagai-nya. Harimau apa faedah-nya?

Akhir-nya sa-kali, Tuan Yang di-Pertua, saya ingat tidak-lah betul kenyataan daripada orang ramai menyatakan susah itu dan sa-bagai-nya untuk kita berniaga dan sa-bagai-nya. Wang kita, wang Malaysia kita ini, kama-pun laku, ka-Hongkong pun laku. Dalam Thailand kita terus-menerus kita boleh beli apa² barang dengan wang itu juga. Sa-kadarkan kita ada chukap jaminan emas-nya dalam Bank Negara kita tidak shak lagi wang kita di-mana² negara yang

berdekatan di-sini akan dapat layanan yang senang dan senang bagi segala orang yang hendak berniaga wang itu dan sa-bagai-nya.

Tuan Yang di-Pertua, di-atas layanan Kerajaan pada shor saya itu mengadakan mata wang yang berasingan, saya ucapkan sebanyak terima kasih dan di-sini saya hendak menyatakan bukan pula saya tahu secret Kerajaan—tidak pula begitu. Saya chuma memikirkan ini ia-lah mata wang bagi negara kita, satu negara yang telah merdeka dan berdaulat mengadakan bukan satu perkara yang novel mengadakan wang berseendirian bahkan patut masa-nya sudah tiba kita mengadakan wang berseendirian dan berasingan. Terima kasih.

Tuan D. R. Seenivasagam (Ipoh):

Mr Speaker, Sir, I would like to say a few words. Before I want to say what I have in mind, I must say that I cannot agree with the Honourable Member who spoke last—that our notes should be printed in this country. I think he thinks that currency notes are something like cinema tickets. I think they are more specialised than cinema tickets, for obvious reasons; and I shudder to think what will happen if we print currency notes in Malaya today. Perhaps, it will be possible at some later stage in this country's history.

Mr Speaker, Sir, that remark indicates to us how lightly Members are taking this question of a common currency with Singapore. Unless they are taking it so lightly, they will not make a remark of that nature. We have also the example of the Honourable Minister of Finance telling us how much pain and how much trouble that he and his delegation, I suppose, took to try and get a common currency with Singapore. We have heard that there were eighteen back-breaking meetings. So, it is obvious that both countries thought that a common currency was a desirable one. At the same time, we have the Member for Kota Star Selatan gloating over the fact that Malaysia is going to have a currency of her own and, as an independent nation, that is

the right thing—that is the sum total of what he said.

Mr Speaker, Sir, one thing predominates the whole of the breakdown of the negotiations with Singapore, and here I am not laying the fault at anybody's feet, but the outstanding feature was that Singapore did not trust the Malaysian Government. That is the basic outstanding fact. Therefore, one has to ask oneself, why did Singapore not choose to trust the Federation Government? Had they valid grounds to doubt the honesty or sincerity of this Government? Without being biased, I think the answer is that not only the Singapore Government but, perhaps, many Governments, in the future, will cease to trust the Federation Government—and the reason for Singapore being so cautious, and rightly so I think. I am not supporting the breakdown in the negotiations. If it is desirable that there should be common currency, and if it cannot be achieved, then that is the end to it. Let us make the best of what can be done in the future. But let us not try to say Singapore is this, that Singapore is the sole party to blame.

Memories are not so short. You tried to enslave a nation; you tried to impose on Singapore unequal treatment of Singapore citizens; you tried after bringing them into Malaysia, to bully and cow down the nation; you failed in that. That memory will last a generation and more in Singapore, and I do not think anybody can blame Singapore for wanting cast-iron guarantees on any agreements, on any negotiations, on any dealings with the Government of the Federation of Malaysia, as shown in Singapore during its short but interesting stay in Malaysia.

The Member for Kota Star Selatan said that the reunification of Singapore, or the break of Singapore, was not a temporary one. I quite agree with him. So long as Members of the calibre and the political beliefs of the Member for Kota Star Selatan sit in this House on the ruling party, there will be no reunifications of Singapore with Malaysia. But the day will come, may be ten years, may be twenty years, may

be a hundred years, but the day will come when reunification between Singapore and Malaysia will and must take place. People of one background, people of same cultures, people of same beliefs, will be reunified, but that will happen only when there is a new set up in this part of the world.

Tuan C. V. Devan Nair: It is a bit unfortunate, Sir, that the speakers, who succeeded the Honourable Minister for Finance, the last three but one, did not display the same intelligence and the restraint and moderation which the Minister himself had shown in his speech. I have in mind particularly the characteristically obscurantist approach of the Member for Kota Star Selatan and his friend, who spoke immediately after.

Sir, the Honourable Minister has given this House more details about the reasons for the breakdown in the negotiations for a common currency. It would have been much better, if these reasons had been divulged by both Governments long before this date, if only to give public opinion a chance to formulate itself on the basis of the facts, of the reasons, which led to the breakdown of these negotiations. On the face of it, the Honourable Minister has given a reasonable enough explanation of the Malaysian Government side, and after hearing him I would think that the Government of Singapore has certainly got some explanations to offer.

Sir, the main charge would appear to be that at a late stage of the negotiations, when everything seemed to be going fairly well, a spanner was thrown into the works. But I am glad, Sir, that by and large there was moderation and restraint in the expressions employed by the Honourable Minister, and it is clearly necessary that recriminations should be reduced to a minimum. The point, however, is this: we will hear more arguments from the Singapore counterpart of our Finance Minister, who is scheduled to speak to the Singapore Parliament this afternoon, but I would like to say that whatever arguments and excuses may be advanced by either Government to

justify its own particular stand in this matter, and to justify their common contribution to a common failure to achieve a common currency, neither Government has succeeded, or will succeed, in convincing intelligent public opinion in both countries that the decision to diverge on currency is not a retrogressive step and that by any logic or reasoning it can be presented as a step taken forward, a progressive one.

I think, Sir, the Honourable Minister himself will admit that large sections of people, who are intelligently interested in these matters, representatives of our trade, commerce, banks, have yet to be convinced that this decision will be workable, and is in the best interest of the trade, economy, and commerce of this country. There is no point, Sir, in telling us that, in spite of the divergence of the currency, Singapore and Malaysia can still co-operate. These professions of co-operation and continuing goodwill are less and less believed these days by the public. And to claim that continued co-operation is possible is like, for example, an unhappily married couple claiming that after their divorce they would continue to have the closest of relations and would continue to have mutually profitable intercourse. It just does not happen that way, Sir. A divorce must mean divergence and, in this instance, divergence of currency must sooner or later inevitably lead to a difference of values—divergence in the values of the two currencies—and that again is going to create complications for traders, businessmen, and the common people. What people of goodwill of both sides have to do must be to stop this drift and my appeal to the Governments, Sir, however reasonable the case they appear to have on the basis of what the Ministers have said, is to have another try, have another go, at preserving a common currency. When you have three partners, who are trying to live together for mutual advantage and benefit, if either partner, any one of the partners, were to insist that the accommodation must be made at the expense of the other two partners, then obviously agreement and accom-

modation will not be possible—and it is surely not beyond the ingenuity of the Governments of Malaysia, Singapore and Brunei, with the assistance of the International Monetary Fund, to discover a formula on the basis of which such mutual advantages and beneficial accommodation can be arrived at.

The Honourable Minister has suggested in a speech elsewhere that Malaysia can still have a viable economy, if it had a separate currency. Sir, the word “viable” can be stretched very far. President Soekarno of Indonesia still claims that he has a viable set-up. What we require, Sir, is not so much a viable economy but to ensure the highest possible rate of growth in this part of the world, and I do not see, Sir, how that can be achieved, if we are to diverge and continue to diverge.

Sir, coming to the intrinsic merits of this Bill, I must state as a loyal Malaysian that I welcome this Bill. I sincerely wish, Sir, that I could have done so without reservations, or qualifications, but the circumstances surrounding its birth and the timing of its arrival does give cause for apprehension.

The amending Bill, as has been explained, seeks to peg our dollar to gold instead of to the pound sterling—the currency of a foreign country. This is something which every former colonial territory aspires to do away with and, with the passage of this Bill into an Act, we need not have our currency varied in parity with changes in the English pound. In other words, when London catches financial cold, there need not be a dollar sneeze in Malaysia. Indeed, it might be said, Sir, that such a Bill is long overdue, as was suggested by the Honourable Member from Batu, and should have been introduced as long ago as 1959, when the Bank Negara Ordinance was originally drawn up—and it might be asked why was not this done then?

Sir, this healthy development in our currency situation is undoubtedly laudable, and would certainly have been accepted without demur, if we

had not been subjected to the announcement of a most shocking severance of the ties that made our dollar, formerly known as the Straits dollar, the most stable exchange and storage medium in this part of the world. In fact, our dollar was so strong and so readily accepted by so many that it was a regional, if not a world trading currency. It must be the hope, Sir, of all Malaysians, with the passage of this Bill, that the new Malaysian dollar can continue to command the same respect and confidence enjoyed by its predecessor. Merely initially pegging our dollar to gold, and reserving to the Minister the power to vary parity at will, is not an act sufficient in itself to win that confidence and respect.

For over a century the economies of the territories which today comprise Malaysia—Malaya, Sabah and Sarawak,—and the economy of Singapore have been so interwoven that for all practical purposes, these territories were one as far as trade, commerce and industry were concerned, and our dollar was the symbol of this unity, both domestically and internationally. And this House, Sir, is being asked really to set into motion events that may well change the economic shape of this country and, possibly, of this region, and I believe, Sir, with all respect to the financial wizards in Kuala Lumpur and Singapore that none of them can see clearly into the future, beyond possibly tomorrow, or with a stretching of genius the day after tomorrow. From a country that prided itself on its dollar, from a country that had ample foreign reserves, we have become a country that has had to send our Minister for Finance around the world looking for loans and sometimes getting the cold shoulder. One would have thought, Sir, that with all these circumstances that these are clearly not propitious times to tear old ties and to launch a new dollar.

I would plead again, Sir, that it is clearly in our best interest and in the best interest of Singapore, and of Brunei even, at this late stage to try again to see whether a common dollar with Singapore and Brunei is possible. And I would urge that if it is honestly

felt that there is even the slightest glimmer of hope that a common dollar is at all possible, then this House should consider deferring the passage of this otherwise laudable Bill, intrinsically laudable, that empowers our Finance Minister to vary the parity of the dollar. I had suspected at one stage before the Minister's explanation that among other things the power sought by this Bill—the power to vary the parity of the dollar at will by an Act of this Parliament—was perhaps one of the things that made it impossible for agreement to be reached by the Governments of Malaysia, Singapore and Brunei.

The passage of this Bill would be the necessary prelude to the ending of the Currency Board now scheduled for June, 1967. I had wanted to ask the Honourable Minister of Finance to clarify this matter, and he has given some clarification, although he has not told us who exactly was responsible for the fact that the life of the Currency Board was not extended to December, 1967, as was suggested in the statement issued after the Currency Board meeting held on June 4th. Then, it was suggested in that statement that the life of the Currency Board should be extended to December, 1967. The need to meet the London printers' date line, I would submit with all respect, is surely among the lamest of excuses. Is it seriously contended that our London printers have the capacity to dictate the course of our economic future? I do not know, Sir, we still do not know, who was responsible, but whichever Government was responsible, for not agreeing to the extension of the life of the Currency Board for another six months, deserves to be criticised; for given another six months, patience and goodwill, a mutually acceptable currency agreement with Singapore and Brunei might have had time to emerge, and I think public opinion must demand of all three Governments as to why this failure occurred. Who was responsible?

Another cause for concern is the poor and inept way the various announcements from the Ministry of Finance were handled last week. As

far as the newspapers were concerned, last week was the Finance Minister's week. Sir, if co-operation between Malaysia and Singapore is the ideal that is being sought—and our Government still says it is, though fewer and fewer people, as I suggested, believe such professions from either the Singapore or Malaysian Governments—why not at least have announced the double taxation agreement at the end of last week instead of at the beginning of last week? The efficacy of the syrup, as the Assistant Minister of Finance who is a doctor knows—the efficacy of the syrup—lies in giving relief after the bitter pill—the bitterness of the medicine. But our financial doctors reverse the process. They give the syrup first and then follow it up with bitter doses of medicine.

Again, what has given concern to many is the fact that, having quite rightly decided to achieve full monetary independence of the pound sterling, the Minister immediately chose to announce the existence of a huge Budget deficit in our current account. Surely, Sir, this is hardly calculated in inspire confidence in the projected new Malaysian dollar both locally and abroad. This, I would submit, was a clear indication of poor planning, and if our timing and planning of our own currency—projected new currency—is to be as bad, then talk of retaining parity may be rendered meaningless.

Clause 3 of the Bill, amending Section 21 of the Principal Ordinance, provides that the Central Bank of Malaysia shall at its discretion buy and sell Malaysian currency against gold or other currency eligible for inclusion in the reserve of external assets specified under Section 28. This is a sensible provision, seeking as it does powers to enable diversification of our reserves, but I am sure that the Minister will agree that to do so now to any considerable extent would only rock the sterling boat and reduce, perhaps, the value of our reserves.

Next, Sir, it will be interesting to get the Honourable Minister to comment on the story published in the latest issue of the London Economist dated 20th

August, which suggests that our defence aid cut-off from the United Kingdom was not our only disappointment. The story suggests, and I quote:

"He (*that is, our Finance Minister, Mr Tan Siew Sin*) may like others before him have been rebuffed rightly in an attempt to get a guarantee on Malaysian sterling deposits in London."

Sir, we in Malaysia are getting used to foreign public opinion being better informed about our own affairs than our public opinion, but perhaps our Minister could throw some light on this matter. The story in the London Economist also says:

"Possibly the country has anyway been holding more of its foreign reserves in gold and less in sterling."

and it goes on to point out that our official statistics have recently been allowed to become *suspiciously* out of date. Sir, one may, of course, and should, take issue with the London Economist on this point, and it need not necessarily be in Malaysia's national interest to be up-to-date on such statistics. But equally, it might be contended whether we gain by creating suspicions and, perhaps, the Minister would care to say what he can say on this article in the Economist.

In conclusion, Sir, I hope that after the statements we have heard today from our Minister, and after the justification which will no doubt be advanced at the other side of the Causeway, public opinion in both territories will begin to exert itself. Rather than mournfully mooing like a lot of cows, those directly involved in our commerce, in our trade, and in our economy, had better do some swooping down like eagles on both Governments to do some judicious packing so that this disastrous drift to mutual disadvantage will be halted, and I hope that public opinion will take hold of this chance to make itself felt, to change the course of the destinies of the peoples in this part of the world, in this region, and to change the course at present adopted very unwisely by both Governments. I am much obliged, Sir.

Sitting suspended at 12 noon.

Sitting resumed at 4 p.m.

(Mr Speaker in the Chair)

ORDER OF BUSINESS

(Motion)

The Minister of Home Affairs (Tun Dr Ismail bin Dato' Haji Abdul Rahman): Mr Speaker, Sir, I beg to move,

That item No. 11 on the Order Paper for today shall be taken immediately after the item, the Central Bank of Malaysia (Amendment) Bill, has been passed by the House.

Tuan Tan Siew Sin: Sir, I beg to second the motion.

Question put, and agreed to.

Resolved,

That item No. 11 on the Order Paper for today shall be taken immediately after the item, the Central Bank of Malaysia (Amendment) Bill, has been passed by the House.

THE CENTRAL BANK OF MALAYSIA (AMENDMENT) BILL

Second Reading

Debate resumed.

Tun Dr Ismail: Mr Speaker, Sir, I think by now it is clear to the House and the public in Malaysia, after the lucid statement of my Honourable colleague, the Minister of Finance, the cause of the negotiations for the common currency and one central bank for Malaysia and Singapore, and also the reasons for the failure to reach agreement on these objectives. No doubt, as expected, Members of the Opposition, for various reasons, have demanded that negotiations be resumed in order to achieve these objectives. As politicians, we on this side of the House are not taken in by the reasons given by them.

The Honourable Member for Batu has always said that he speaks for the common man. He says that the splitting of the dollar would cause hardship for the common man. We, who are on this side of the House, know that the reasons underlining his desire to maintain a common currency is to see that

the Alliance and the P.A.P. Government keep on hammering at each other and, thereby, he hopes that we both would be discredited in the eyes of the public. When that happens he can foresee the Government of Singapore being formed by the Barisan Sosialis and the Government in Malaysia by the Socialist Front. When this happens, the Socialist Front would be successful in implementing the Communist strategy of destroying Malaysia and effecting the union of Singapore and Malaya. The Communists hope that when this happens Malaysia would fall into the Communist hands and which, of course, would be in the hands of the Socialist Front, and Singapore too would fall into the Communist hands, leaving of course Sabah and Sarawak to be the bargaining factor with Indonesia. That really, Sir, is the reason why we on this side of the House feel why the Honourable Member is so anxious that we should keep on negotiating for the common currency and one central bank.

Sir, some section of the people, especially the business sector, would agitate for the resumption of negotiation, in order to achieve the objectives of having one currency and one central bank. We have read arguments put forward by them, both in the news section and in the editorials of the newspapers. However, I would like the public to consider these factors very carefully: first, it must be admitted that in the foreseeable future—the Opposition may not agree with this, but we are quite confident of it—the Governments of Malaysia and Singapore are likely to be in the hands of the Alliance and the P.A.P. It is true, as the Honourable Members of the Opposition have stated, the separation of Singapore from Malaysia during the past year has resulted in a crisis of confidence between the two Governments. However, during this one year, we have begun to realise that if we want to co-operate, we must do so as two distinct independent countries with all the attributes of independence. I underline the fact, with all the attributes of independence, because during

this last one year we have not succeeded in co-operating, because we tried to do so on the old basis, whereby Singapore was one of the States of Malaysia. As a result of this, accusations were made that on every issue that we tried to discuss, the other side was trying to pull a fast one over the other. That is why all negotiations so far entered into between Singapore and Malaysia have ended in frustration. We believe that if we negotiate as two independent countries, with all the attributes of independence, we can get a measure of co-operation, which will benefit both our countries and our own people. That is why I believe that it is better for us to accept the fact that we cannot have one central bank, one currency, because this will not be compatible with the independence of the two countries.

I would rather prefer that we should suffer some degree of inconvenience, if by this we can get mutual co-operation between ourselves and Singapore. We must not forget that currency is one of the instruments of Government policy. It is better for both Singapore and Malaysia to have full control of their policy on currency and to work together to ensure the stability of their two countries, which are so intertwined with each other. This would generate better confidence in the currencies of both countries than if the two territories were to have one currency when, because of mutual suspicions, they cannot agree or refuse to agree on a common policy on currency. Thank you. (*Applause*).

Tuan Tan Toh Hong: Mr Speaker, Sir, from what I have heard this morning, the Honourable Members for Batu and Bungsar appeared to be still confused and hazy about the breakdown of the common currency talks. The Honourable Minister of Finance has explained at great length the issue of Malaysia and Singapore having two separate currencies and the position, to all of us, has now become very clear.

Sir, a final draft agreement on the future operations and jurisdiction of Bank Negara was agreed to by the top

officials of both the Singapore Government and the Malaysian Government after ceaseless efforts in thinking, in research, and after a series of 18 meetings in ten months. Here, Sir, I emphasise, that the final draft agreement was agreed to even by expert officials of the Singapore Government. It was also endorsed by the experts of the International Monetary Fund. As the Minister of Finance has stated, realising the closely interwoven economics of Malaysia and Singapore in the past, he spared no efforts in bending over backwards to see that a common currency is preserved.

I understand, Sir, he has recommended the final draft agreement to the Cabinet and the draft Agreement was adopted. It is clear, therefore, that only a lunatic would suggest that the fault for the breakdown lies with our Honourable Minister of Finance. Sir, commonsense will tell us that it takes two to agree to an agreement. If the Malaysian Government accepts the draft agreement, agreed to and submitted by not only the Malaysian officials but also Singapore officials, while the P.A.P. Government does not, then it is quite clear that there is not much point in going further.

Sir, rather than going further into what has happened, we should instead direct our attention to the future. We shall examine what must be done in the next 10 months before the 11th of June, 1967, when Bank Negara will take over the currency issuing functions of the present Currency Board. It is imperative that we must, at all costs, maintain confidence in the Malaysian dollar. For the last 60 years, Sir, the Malaysian currency has been strong and has gained the confidence of all. The question has now been asked, whether the new Malaysian currency will have this strength and this confidence. I, for one, believe that for many, many, years to come, our Malaysian currency will be just as strong, if not stronger, and will deserve the same degree of confidence as the present currency. And I have full confidence in our Treasury and Bank Negara to commence working on a policy of long-term

financial orientations in being a member of the hard currency gold parity community. As our reserves are strong, our balance of payments position good, our *per capita* income rising, and our economic growth potentials accelerating, the prospects for the future and for the strength of our dollar could hardly be termed bleak, and the viability of Malaysia as a financial and economic unit cannot be doubted. In the final analysis, the future lies in our hands in trying to get the best out of any circumstances.

Sir, regarding this problem of separate currencies, I would like to appeal to the Honourable Minister of Finance to use his good office to ensure that our traders trading between the two countries would not face undue and unnecessary difficulties in their transactions.

Mr Speaker, Sir, the Honourable Minister of Finance has explained very clearly in respect of the need of this Bill, the purpose of which is to introduce a degree of flexibility in our Malaysian dollar. This is indeed a wise and progressive move. If the pound sterling happens to be devalued, it is obligatory on the part of our Central Bank to exchange one Malaysian dollar for every 2s. 4d. which is not worth as much as before. Sir, this is an unsatisfactory situation, and I must congratulate the Treasury and the Bank Negara for having the wisdom to re-examine the operation of these clauses.

Now, that Malaysia, beyond all doubt, is a reality, guiding her own destiny, politically, economically and socially, there is all the more reason why we must not give the impression that our Malaysian dollar is tied to the apron string of a foreign currency. If the pound sterling were to be devalued, say like India, then we the people and the nation would suffer automatically a tremendous loss. Financial prudence demands that such rigid laws of ours must be changed. Just as we diversify our economy, we must also diversify our currency positions. It cannot be denied that the pressure on the pound sterling to be devalued is still very

strong, despite the drastic wage income policy of Mr Wilson. Sir, as I have suggested in the last parliamentary sessions, the earlier we operate a phased disposal of such sterling assets and securities and spread them over other more stable ones, the better it is for the strength and future of our dollar. After all, financial prudence demands that all our eggs should not be in one basket.

The present proposed amendments, therefore, to tie the existing parity of the Malaysian dollar in terms of gold rather than sterling, and to enable our Central Bank to buy and sell Malaysian currency against gold or against any other eligible currencies is most timely. Modern and contemporary economic thoughts favour such a move. Australia, the Philippines and many European and Asian countries link their currencies to gold. In fact, France went to the extreme of physically holding 86% of all French reserves in gold ingots. What do all these imply? Trust no foreign powers and reduce foreign influence in the country. Sir, the amendments before us are, therefore, appropriately consistent with our stand of a politically independent Malaysia guiding our own destiny.

Sir, I beg to support the Bill.

Tuan Abu Bakar bin Hamzah: Tuan Yang di-Pertua, dengan izin tuan, saya turut mengambil peluang berchakap sedikit berkenaan Rang Undang-undang² pindaan Central Bank of Malaysia Ordinance.

Tuan Yang di-Pertua, saya, pada dasar-nya, menyokong Kerajaan didalam Bill ini oleh kerana kalau Yang Berhormat Menteri kita ini maseh ingat lagi bahawa dalam dua kali Persidangan Belanjawan saya telah, bukan sahaja meminta tetapi, menuntut supaya Bank Negara kita ini chepat mengambil alih tugas kewangan ini, kerana sa-bagai sa-buah negara yang merdeka dan berdaulat masaalah Bank Negara, dengan mengeluarkan wang-nya sendiri, ada-lah masaalah pokok dan kita sudah-lah amat terlewat dalam menjalankan tugas ini.

Tuan Yang di-Pertua, walau pun kesemua orang memuji Kerajaan di-dalam mengemukakan Bill ini, tetapi satu perkara yang Kerajaan sendiri tentu rasa berat hendak menerima pujian² yang lebeh itu kerana kesilapan² yang saya pandang berlaku di-dalam Kerajaan dengan lambat-nya kita, Tuan Yang di-Pertua, memberikan kuasa kepada Bank Negara kita ini supaya dia dapat mengelola dengan sa-penoh-nya terhadap wang. Maka dapat-lah kita menjaga pertanda² jatoh-nya mata wang di-dalam negara kita. Pada masa ini Kerajaan tidak dapat hendak menapikan dengan mudah-nya bahawa mata wang kita sedang menuju kejatohan harga-nya. Ini ada-lah di-sebabkan oleh kerana kita mempunyai banyak perojek² pembangunan yang terpaksa kita mengeluarkan wang dan dengan demikian wang kita itu berada di-dalam lengkaran—circulation—yang ini boleh menyebabkan turun-nya mata wang kita. Apabila kita menjalankan tugas mengeluarkan mata wang menerusi Central Bank ini atau Bank Negara ini, maka dapat kita kumpulkan balek wang² yang di-dalam circulation itu sa-kurang-nya dengan jalan local loan dan apabila wang² itu balek ka-dalam Bank kita, maka dapat-lah kita mengelola, dan mengkonterol supaya wang² itu tidak banyak di-dalam lengkaran circulation.

Tuan Yang di-Pertua, saya pada mula-nya tersilap faham juga ia-itu saya menyangka bahawa Kerajaan tidak akan menjalankan kehendak Rang Undang² ini bila di-luluskan melainkan dengan satu syarat ia-itu kita dapat selesaikan satu perundingan dengan negeri Singapura atau pun Brunei supaya kita mengadakan wang bersama ia-itu common currency. Jadi, ini nampak-nya ada dari sa-belah pembangkang ini tetapi bukan dari sa-belah P.M.I.P. yang suka supaya perundingan itu di-buat terlebih dahulu sa-belum daripada kita menjalankan kehendak Bill ini.

Tuan Yang di-Pertua, saya perchaya bahawa keterangan yang di-beri oleh Yang Berhormat Menteri Dalam Negeri tadi bahawa Kerajaan kita, atau pun Malaysia sendiri, tidak-lah bergantung

kapada syarat² hasil daripada perundingan itu. Masaalah common currency tidak berbangkit di-dalam Rang Undang² kita dan tidak berbangkit di-dalam usaha² kita hendak menjalankan sa-buah Bank Negara yang boleh mengeluarkan mata wang sendiri, kalau-lah ada rundingan² kerana hendak mengadakan common currency di-antara Malaysia dengan Singapura dan juga dengan Brunei. Maka ini ada-lah satu kelanjutan daripada Kerajaan kita melibatkan diri ka-dalam perkara² yang tidak sa-mesti-nya dilakukan, dan saya perchaya pada dzahir-nya syarat² ini tidak di-pakai tetapi dengan desakan² business sectors. Saya perchaya rundingan ini akan dibawa oleh Menteri kita tidak lama lagi dan ini satu perkara yang melambatkan lagi usaha kita.

Tuan Yang di-Pertua, saya amat bimbang kalau masaalah common currency ini di-jadikan masaalah pokok di-dalam hendak menjalankan Rang Undang² ini, sebab kita sa-bagai sa-buah negara mempunyai kedudukan ekonomi yang sendiri dan Singapura juga mempunyai kedudukan ekonomi yang sendiri. Jadi, apabila kita mengamalkan common currency, berlainannya kedudukan ekonomi kita sudah tentu-lah akan menyebabkan berlainannya fahaman kita terhadap usaha² hendak control wang kita sendiri daripada sebab² dan tanda² yang menjatoh nilai harga-nya.

Business di-dalam negeri Singapura juga berlainan daripada di-dalam negeri kita, tetapi yang pelek-nya, Tuan Yang di-Pertua, apa-kah Malaysia sudah yakin dengan sa-penoh-nya bahawa dengan mengadakan mata wang betul² berasingan yang samacham ini, Malaysia dapat dudok di-atas kaki-nya sendiri, sebab bagaimana pula kita hendak menggunakan wang itu dengan Brunei dan Singapura di-dalam amalan sa-hari² pada hal wang yang berlainan dan perdagangan kita amat-lah rapat hubungan-nya dengan Singapura, dan Kerajaan sendiri pun barangkali tidak berani hendak menapikan dengan tegas bahawa salah satu daripada sebab-nya yang Kerajaan Malaysia tidak bertindak terhadap Singapura di-ketika Singapura hendak

berpechah itu ia-lah kerana takutkan kedudukan ekonomi dan business diantara Singapura dan Malaysia ini, kerana Singapura itu dengan sendirinya merupakan port of call bagi business dan susah juga bagi Malaysia ini hendak mengalehkan segala business dan trade-nya itu pergi ka-Port Swettenham.

Jadi, kalau kita mengadakan duit yang berasingan dan Singapura pula tidak mahu dengan mudah-nya menggunakan duit itu di-sini dan kita pula susah hendak gunakan di-sana dan saya rasa puchok² perniagaan di-Malaysia ini ada hubungan dengan rapat dengan Singapura, dengan yang demikian sa-kali lagi Menteri kita akan membawa beg pergi berunding lagi dan boleh jadi tidak berjaya lagi. Jadi saya tidak tahu sama ada rundingan awal yang di-buat itu menyentoh sampai kapada masaalah ini atau pun tidak.

Sa-lain daripada itu, saya nampak beberapa masaalah yang akan timbul apabila wang itu di-pechah dengan betul² bagitu, ia-itu masaalah business dan masaalah ekonomi dari segi—kalau saya pinjam perkataan Menteri Perdagangan—ia-itu external ekonomi kita ada hubungan yang rapat dengan Singapura. Saya tidak tahu apa-kah usaha² ini yang telah di-buat oleh Yang Berhormat Menteri Kewangan kita bagi menchegegah perkara² itu supaya jangan berlaku dan saya perchaya Menteri kita akan menjawab bahawa langkah² sudah di-ambil dan precaution² dan saving clause yang elok sudah di-buat, tetapi kalau itu-lah Menteri kita akan menjawab, saya akan kembali balek dalam Dewan ini dan akan mengemukakan perkara² yang berasaskan di-atas kenyataan itu.

Sa-lain daripada itu, tidak ada apa lagi, Tuan Yang di-Pertua, yang saya hendak berchakap dan saya ulangkan lagi terima kaseh saya kapada Kerajaan dan dukachita juga sebab terlalu lewat-nya mengemukakan Rang Undang² ini.

Tuan Ong Kee Hui: Mr Speaker, Sir, I rise not to sing aloud like my Honourable friend, the Member for Batu, but merely to voice the concern,

which is felt by my constituents in Sarawak over this latest development in the separation of our currency between Malaysia and Singapore.

As Honourable Members are aware, the separation of Singapore from Malaysia has caused considerable shock to people from where I come, particularly the trading community, because our economic ties are, perhaps, closer with Singapore than the other States in Malaysia. Although people living in Johore, for instance, may visit Singapore more frequently than people from Sarawak, nevertheless, our economic ties are closer. It is not only a question of trading with Singapore. It is also a question of our ties being occasioned by actual financing by merchants of Singapore of traders in Sarawak. Fortunately, due to a desire to co-operate and to disrupt as little as possible, the separation of Singapore up to now has not resulted in the people of Sarawak suffering as great a hardship as they had anticipated. However, Sir, this latest move to have two separate currencies has caused them considerable concern, because they naturally are afraid that with this latest development the actual separation of Singapore may affect them much more seriously and it is, therefore, re-assuring to hear from the Honourable Minister of Finance that although this is regarded now as an inevitable development, as a result of that separation, every possible step would be taken to ensure that a *modus vivendi* is found with Singapore, so that the economic repercussions of what has been brought about will be minimised. In speaking as one of the representatives from Sarawak, I would like to appeal to both sides to try and maintain the spirit of co-operation and to minimise by all ways possible this development.

Sir, I have nothing further to add, as other Honourable Members have dealt at length on the effect of this and have expressed various points of view. I think it is most important at this stage not to put the blame on one side or the other, but to try and find ways and means whereby the effect of this Act could be minimised.

Dr Lim Chong Eu: Mr Speaker, Sir, after the brief, succinct and menacing speech by the Honourable Minister of Home Affairs, it makes it rather difficult for any Member of the Opposition bench to participate in this debate, even though he may do so with the greatest of goodwill.

The House really appreciates that there is a great distinction between the political policies of the Member for Batu and the policies which my Party uphold. Nevertheless, Sir, if any Member of the Opposition, in trying to put forward any suggestion, such as "we should keep the door for negotiation open" and so on, is to be construed as posing sinister implications, it makes the debate rather difficult. With this preface, Sir, I would like immediately to go into my own assessment of this Bill.

Sir, first and foremost, I would like to try and deal with this Bill from the three major aspects which the Honourable Minister of Finance has himself introduced it: first, that the Bill seeks to do away with certain legacies of the colonial past; secondly, in so doing he referred to the adjustments that are to be made to the Central Bank of Malaysia, and then he referred to the question of what is now called the split of the dollar—the Singapore/Malaysia currency; and, lastly, he dealt with the question of the future. Accordingly, Sir, I would like to try and bring up our point of view in these three phases.

From the first phase, Sir, there is no question whatsoever that the Bill, as it stands, deserves all our support. The Bill *per se*, I think, has hitherto received no adverse comment from anyone in this House, and, if anything at all, it has been said that we, as an independent nation, could have probably introduced a similar legislation as long ago as 1958—that may as it be. Today it has come up, late as it is, and we should all support it.

Sir, from the point of view of the splitting of the currency, various Members of this House have tried to interject views, which I think are more

political, more emotional, than necessary in a simple, straightforward, financing Act of this type. Sir, once partition and separation took place on August the 9th, the division between Singapore and the Federation must inevitably lead to its present state. First of all, the political union, which was brought in on September 16, 1963, was disrupted. Then, the question of trade and common market presented difficulties, and today meet difficulties. It was inevitable, Sir, that in this meeting of this House, we should try to bring the act of separation to its final conclusion.

Earlier on in this session, we had to go through a constitutional amendment which removed every single trace of the word "Singapore" from the Constitution of Malaysia. Sir, it is inevitable, therefore, at this time that we now come to this question of separation of two currencies. Sir, if we accept the fact that today there is no common political union, there is no common market, and now no common currency, at least, Sir, with the same degree of restraint as the Honourable Minister of Finance presented the motion earlier today, we should try and assess the present situation with some degree of common sense.

Sir, I do not think myself that the splitting of the dollar into two will have all that dire consequences which some people would like to present it. Functionally or technically, I think, it is possible for us to have two banks of our own—our own central bank and the Singapore central bank—and two currencies, and in the words of the Honourable Minister of Finance to find some form or method of co-operating, or *modus vivendi*—a way of living together. However, Sir, what then causes this concern and this uncertainty? The Honourable Member for Bungsar has referred to the ineptness, the bad timing, the mishandling of the press, which has created a certain degree of disconsolation. However, Sir, I feel that at this stage we should try to analyse from the speech made by the Honourable Minister of Finance certain cogent reasons, which we should keep in mind.

Sir, I do not know at this stage who initiated the negotiations for the continuance of one currency; it might have been a matter of procedure, but negotiations obviously were carried out, 15 or 18 meetings were held, and it was obviously clear that until a very recent date even our Government felt that it was necessary and to the best interest, to have one currency and one central bank.

It was from this point of view therefore that, when we refer to the present situation of two central banks and two central currencies, we talk in terms of a breakdown in the negotiations and so forth and so on.

Sir, if we were to recall the manner whereby the Honourable Minister of Finance replied to a question touching on currency in the first day of this meeting—he indicated that two independent countries should have two independent currencies and there is no reason why they should not have it, and there is no reason why they cannot work together—it is quite clear, from the statement as such, that one would have expected—that the negotiations would be towards having two currencies. However, in actual fact we found that the negotiations were to try to preserve and to establish one currency. Sir, I think the Honourable Minister of Finance himself will agree that if, in fact, the negotiations had not broken down, and if negotiations had not come to the present stage, today, he would be happier and all of us would be happier, both in Malaysia as well as in the country across the Causeway, that we have one common currency and one central bank.

However, Sir, we did try to achieve what was probably impossible to achieve, although we came near to achieving it, we failed to achieve it. Sir, if it was, and if it still is, and if it will continue to remain a preferable objective to have one central bank and one currency, then under those circumstances we are accepting the present situation of two currencies, simply because things have developed as they have, and we have to accept facts.

Now, Sir, why is it that today, in this House, in the course of a debate on an Act to amend the Central Bank of Malaysia Ordinance, which virtually touches on the question of the establishment of the parity of the Malaysian dollar in terms of the equivalent gold and so on, we should now be talking and be worried over this question of two currencies? Sir, in any kind of negotiations, we go through phases of agreement, phases of disagreement, phases of violent disagreement and finally if we are

Mr Speaker: I must remind the Honourable Member that time is of the essence, and he should not repeat on facts that he has already said.

Dr Lim Chong Eu: Yes, Sir. Obviously, Sir, the negotiations, which were initiated to achieve one central bank and one common currency failed, and we presume that if negotiations were able to continue, there was a possibility, or there may no possibility, of coming to a conclusion. However, two factors have made it impossible for these negotiations to come to a happy conclusion. The first reason—I think it is the most cogent one—is the question of time. The Honourable Minister of Finance has indicated that it is necessary for us to get our orders in for the printing of the dollar at this time, otherwise we will never get it in time for June. That is a very strange reason, Sir, because, whereas we are now at last trying to break away from the legacy of control from Whitehall, we are being tied to a point determined not by the British Government but by a British Printer. That is to say, that the time factor of this negotiation is determined by just a printing organisation in Britain. The other factor Sir, of course, is that at this present moment, when the time is critical, both Governments find that their views are completely divergent. Sir, whatever it may be, I think it is best for the people in this country to accept the views that have been presented by the Honourable Minister of Finance, and accept the fact that these two currencies will have to be, and we shall carry on as best as we can.

The Honourable Minister of Finance in touching on the future has indicated that he has every intention to try, under these new circumstances of having two banks and two currencies, to get the two territories to work as closely as possible in areas of finance, economy and in commerce.

Sir, the point that I would like to raise is this: that it was quite clear that if everything were possible one bank and one currency would be preferable. And from the statements made by the Honourable Minister of Finance, it does indicate that if in some future date the situation would change, and tempers on both sides and the attitudes of both sides would change, the objective of having one common currency would still be a preferable one. Under those circumstances, I feel that at this stage we should exercise our common sense to this degree that we should not push recrimination to the extent that we will make it completely irrevocable for us in the future to achieve the objective which obviously we have failed to achieve at this stage.

Tuan Mohamed Yusof bin Mahmud (Temerloh): Tuan Yang di-Pertua, saya juga bangun untuk mengambil bahagian sadikit dalam perbahathan berkenaan mengadakan mata wang kita sendiri ini.

Dalam kenyataan² yang telah kita terima di-Dewan ini daripada Menteri Kewangan kita, maka saya mengambil peluang memberi sa-tinggi² tahniah kepada Menteri Kewangan yang telah berusaha dengan sa-daya upaya-nya untuk mendapat persetujuan daripada Kerajaan Singapura untuk mengadakan matawang bersatu antara tiga buah negeri ini.

Tuan Yang di-Pertua, pada pandangan saya, semenjak Singapura telah di-pisahkan daripada Malaysia untuk mendapat kerjasama dalam segala segi, pada pendapat saya, daripada berita² yang di-keluarkan dalam surat khabar maka perkara itu ta' mungkin boleh mendapat persetujuan.

Jadi, sungguh pun dalam keadaan yang sa-macam itu, tetapi Yang Ber-

hormat Menteri Kewangan kita, kerana untuk menjaga ketenteraman Tenggara Asia ini, berusaha sa-berapa daya upaya juga untuk menchari persetujuan. Jadi, saya rasa, apa yang kita dapat itu maka tindakan yang telah diambil oleh Menteri Kewangan ini sesuai sangat-lah sa-bagai jalan penyudah ia-itu kita sa-bagai Kerajaan yang merdeka dan berdaulat kita patut berdiri di-atas kaki kita sendiri dengan tidak lagi mahu tundok atau pun menyembah kepada negara lain untuk mendapat kerjasama untuk ketenteraman daerah negeri ini.

Jadi, dalam perkara ini, saya merasa hairan beberapa banyak daripada ahli pehak Pembangkang telah memberi fikiran-nya tidak bersetuju atas chadangan² yang di-bentangkan oleh Menteri Kewangan kita ini. Saya rasa kita boleh mendapat kedudukan yang baik kerana keadaan kewangan kita keras, kuat dan juga dalam perkara ini kita ada contoh sa-bagai negeri² barat dan negeri² Eropah tiap² negerinya ada matawang masing² yang tidak bergantung kepada negeri² jiran. Jika negeri² yang sa-macam itu boleh berdiri dengan sendiri tidak ada sebab yang kita di-sini mahu mengadakan satu sistem yang kita akan bergantung kepada Kerajaan² lain.

Di-sini pula pada hari ini kita tidak mendengar bagaimana-kah pendirian Kerajaan Brunei. Daripada perkhabaran surat-khabar yang saya tahu, Kerajaan Brunei sendiri tidak sanggup mengadakan matawang bersama dengan kita. Jadi, dalam perkara ini bukan sahaja Kerajaan Singapura, Kerajaan Brunei juga terlibat. Jadi, saya rasa dalam perkara ini sudah sesuai-lah saya menyokong Menteri Kewangan dalam usaha ini, dan atas kesusahan² yang di-timbulkan oleh parti Pembangkang dari segi perniagaan, saya rasa ini tidak menjadi soal. Jika jiran kita mahu bekerjasama dengan kita maka tidak ada sebab perkara itu tidak boleh berjalan dengan lichen dan lachar.

Jadi, saya rasa mari-lah kita chuba berdiri atas kaki kita sendiri dan juga dengan sebab itu akan mendapat lebih tenterama dalam kewangan kita dan

kita tidak ragu² yang jiran atau negeri jiran kita boleh undermine atau boleh merosakkan pendirian kewangan negeri ini, sebab kita sudah berdiri di atas kaki kita sendiri.

Jadi, sa-kali lagi saya memberi tahniah yang sa-tinggi²-nya kepada Yang Berhormat Menteri Kewangan dalam usaha-nya itu dan pada penyudahannya kita akan berdiri atas kaki sendiri dan kita akan menang menghadap segala kesulitan² kita dengan kechergasan dan dengan chekap kita.

Tuan Ahmad bin Arshad: Tuan Yang di-Pertua, saya akan berchakap ringkas sahaja ia-itu saya mengalu²kan bagi kelulusan Rang Undang² Bank Negara ini dan menguchapkan tahniah kepada Kerajaan dengan mewujudkan matawang bersendirian.

Berhubung perasingan di-antara Brunei dan Singapura itu ada-lah sa-baik² menurut hemat saya. Saya berdiri chuma hendak memberi pandangan kepada Kerajaan berhubung dengan matawang baharu ini terhadap ra'ayat. Saya juga menyokong uasha membuat konterek menchipta matawang kita yang baharu ini di-buat di-negeri luar saperti kita membuat kad pengenalan, tetapi saya harap supaya perchetakan itu dapat jaminan yang kokoh, tegoh dan sempurna dan tidaklah matawang kita itu pada masa akan datang di-bochorkan oleh penchetak itu. Saya tidak setuju kira-nya di-buat dalam negeri kita ini sebab dengan ini akan lagi membangkitkan wang palsu dalam negeri ini.

Saya menarek perhatian Yang Berhormat Menteri ia-itu satu perkara supaya di-ambil langkah pada satu kumpulan manusia dalam negeri ini atau luar negeri ini yang membuat wang palsu yang di-sibarkan kepada ra'ayat dalam negeri ini. Saya harp di-ambil tindakan yang tegas. Kita baharu² ini telah mendengar di-Malaysia Timor telah di-sibarkan wang palsu ini kepada orang di-hulu² sana yang mereka tidak begitu mengenal hakikat yang sa-benar² wang. Mereka mengambil wang yang sa-benar dan mengambil mata benda orang itu dengan wang yang palsu. Perkara ini sangat men-

dukachitakan kita dalam masa perkembangan kita hendak mendapat matawang yang bersendirian.

Lagi satu perkara, Tuan Yang di-Pertua, saya ingin menyampaikan ada warga-negara kita ini yang suka menyimpan wang-nya di-bank luar negeri. Saya harap supaya di-adakan kawalan yang ketat. Sa-kira-nya di-dapati, kita minta warga-negara kita ini supaya dapat menarek balek wang²-nya itu di-simpan kembali dalam Bank Negara kita sendiri. Walau pun susah kita hendak mengenali, sebab ahli² yang mendaftarkan wang-nya, menyimpan wang-nya di-luar negeri, umpamanya, pada Bank Switzerland dengan menggunakan nombor, tetapi dengan kepintaran dan kebijaksanaan Kerajaan akan dapat mengikut jejak langkah warga-negara kita itu.

Satu perkara lagi dalam saat kita hendak menerima matawang baharu ini yang menyangsikan ra'ayat ia-itu ada gulongan yang mengambil kesempatan dengan mengatakan kurang nilai matawang kita. Natijah-nya ra'ayat ramai terburu² membeli emas, maka laris-lah pula pasaran emas. Hal ini saya minta supaya di-adakan penerangan yang meliputi melalui akhbar², melalui radio dan talivishen supaya dapat ra'ayat menerima dengan sempurna dan tegas atas masalah penukaran ini.

Tuan Yang di-Pertua, saya ucapkan selamat tinggal yang sa-lama ini matawang kita dengan menggunakan simbol ketua negara daripada penjajah, dan saya menguchapkan selamat datang gambar² atau simbol wang shilling yang kita akan keluarkan itu daripada ketua negara kita atau juga daripada simbol² yang berunsor Malaysia yang ada mempunyai riwayat.

Akhir-nya, saya harap di-teruskan wang satu sen, dua sen itu, dengan banyak, sebab kira-nya tidak di-banyakkan wang satu sen, dua sen itu, lagi sa-kali ahli² perniagaan ini mengambil peluang dan merugikan ra'ayat dan manakala mereka hendak menghembahkan satu barang yang di-beli hari² itu yang tidak ada wang dua sen, tiga sen, dia kata ta'apa,

tetapi dengan banyak matawang satu sen atau dua sen itu, dapat di-kembalikan kepada ra'ayat, daripada sedikit itu-lah yang menjadi banyak. Itu-lah sahaja perhatian saya berhubung dengan hal ini.

Tuan Abdul Karim bin Abu: Tuan Yang di-Pertua, dalam menyokong Rang Undang² ini saya suka juga mengambil bahagian berchakap sedikit. Saya memberi pujian kepada Menteri Kewangan dan Kabinet yang telah membuat keputusan hendak menggunakan matawang yang berasingan dengan Singapura. Kesabaran Menteri Kewangan ini patut di-beri pujian, kerana mengikut keterangan-nya tadi sudah beberapa kali berunding. Kalau-lah bagi pihak lain, umpama-nya, jadi Menteri sa-rupa dia itu, sudah lama kita pisahkan wang ini.

Tuan Yang di-Pertua, Singapura anak yang di-lahirkan oleh Malaysia. Sa-tahu saya kemerdekaan Singapura ini bagi pihak Kerajaan. P.A.P. tidak berhenti menchercha dan membuat beberapa helah bagi hendak membusukkan Kerajaan kita Malaysia. Jadi saya berpendapat bukan sahaja matawang mesti kita asingkan, bahkan segala hasil-mahhsul dalam negeri ini yang hendak di-bawa ka-luar negeri kita jangan lalu Singapura lagi. Apa sebab kita hendak pergi tolong Singapura?

Perkara yang sa-rupa ini saya berharap bagi pihak Kabinet memikirkan, walau pun beratus² juta wang kita keluarkan kerana membuat pelabohan sa-rupa Singapura, kita ada hak, ada daya, ada mampu membuat pelabohan yang sa-rupa dengan Singapura itu. Sa-tahu saya Singapura ini bergantung nyawa-nya hanya dengan pelabohan—itu sahaja. Kalau pelabohan kita sudah ada, saya perchaya suatu masa Singapura yang di-bawah pimpinan PAP Lee Kuan Yew itu, akan tundok kepada kita. Ini kita ashek beralah sahaja, beralah dengan tidak sudah². Jadi apa yang di-buat oleh Kerajaan Singapura pada hari ini itu-lah yang di-suarkan oleh pihak Pembangkang. Patut saya menasihatkan pihak Parti Pembangkang ini, bukan sahaja menasihatkan kepada

Kerajaan kita Malaysia tetapi pergilah dia menasihatkan kepada Kerajaan Singapura jangan melawan bapa—satu hari dia akan menderhaka dan saya berpendapat Kerajaan Singapura yang ada pada hari ini kalau di-buat dengan hitam putih macham mana pun dia akan koyakkan hitam putih itu.

Tuan Yang di-Pertua, Singapura telah merdeka sa-rupa dengan kita, jadi kita kena-lah memandang Singapura seperti negeri² lain yang telah merdeka di-sekeliling tanah ayer kita sendiri. Rakan kita, Kerajaan Siam sudah merdeka, dia merdeka, tetapi Singapura sudah merdeka, mengapa kita hendak berpakat, hendak berunding, dalam serba-serbi? Biar-lah dia menjalankan kemerdekaan dia, kita terus menjalankan kemerdekaan kita kerana kita ada 'azam yang kita boleh berdiri di-atas kaki kita sendiri. Saya tegaskan lagi, kita tidak boleh berpakat dengan Singapura kerana selalu Kerajaan Singapura yang di-bawah pemerentahan PAP ini seperti lidah biawak, berchabang, tidak boleh dipakai.

Akhir-nya, sa-kali lagi saya memintalah Parti Pembangkang yang berchakap begitu panjang tadi, pergilah ka-Singapura, berjumpa dan menasihatkan Kerajaan Singapura supaya membuat perundingan dengan kita. Kita, bagaimana yang di-terangkan oleh Menteri Kewangan ini, lembut gigi dengan lidah hendak beralah sa-bagai bapa, tetapi saya meminta Kerajaan jangan beralah lagi. buka pelabohan, perdagangan, hantarkan bersendiri—jangan melalui Singapura lagi.

Terima kaseh.

Tuan Haji Othman bin Abdullah (Hilir Perak): Tuan Yang di-Pertua, saya

Mr Speaker: Saya hendak tahu—hendak bangkang atau hendak menyokong. Kalau hendak menyokong sahaja tidak payah-lah, kerana masa kita tidak cukup.

Tuan Haji Othman bin Abdullah: Sadikit sahaja, Tuan Yang di-Pertua, sa-patut-nya Bill ini telah dapat kita kemukakan lima atau enam tahun

dahulu sa-telah kita mencapai kemerdekaan dua atau tiga tahun sa-sudahnya dan oleh kerana kita telah menjadi suatu negara yang merdeka dan berdaulat, bukan hanya sahaja kedaulatan kita itu terletak kepada Undang² atau Perlembagaan kita, tetapi sa-patut-nya ia-lah merupakan gambaran di-atas kemerdekaan kita itu yang digunakan oleh ra'ayat sa-tiap hari ia-itu mata wang dan rasa-nya dengan di-kemukakan Rang Undang² pada waktu ini ada-lah sudah terlambat daripada biasa-nya sa-kali pun dengan sebab² yang kita rasakan bahawa Singapura tidak dapat memberikan kerjasama-nya kepada kita bagi menggunakan mata wang yang sama. Tetapi bagi fahaman saya, Rang Undang² ini patut di-kemukakan lima enam tahun dahulu supaya menentukan bahawa kita ada-lah sa-buah negara yang berdaulat dan merdeka.

Tuan Yang di-Pertua, di-dalam kempen² pilihan raya yang telah kita lalui dua tiga kali, kita selalu mendengar daripada pehak² Pembangkang yang menyatakan bahawa kita ini tidak sempurna merdeka, kita tidak merdeka sa-ratus peratus, kemerdekaan kita tidak matang, kemerdekaan kita tidak masak, kemerdekaan kita sa-tengah masak, sa-tengah di-rebus dan bermacam² lagi. Benda yang menjadi alasan kepada pehak Pembangkang di-atas ketidak kemerdekaan kita itu maka di-tunjokkan-lah penggunaan mata wang yang maseh dituliskan di-situ British North Borneo, Brunei, begitu bagini, gambar begitu bagini, yang itu semua-nya ada-lah merupakan betapa kita tidak dapat mengkontrol kewangan kita di-atas negara kita dan di-atas nama negara kita sendiri. Maka pada faham saya, sudah patut, bukan sahaja kita bagi pehak Kerajaan ini memberikan sokongan yang kuat, tetapi pehak Pembangkang juga yang dahulu mengatakan bahawa kemerdekaan ini tidak sempurna, dia patut menyokong dan dia patut memberikan sokongan kepada kita di-atas mata wang kita ini.

Ada pun soal Singapura, sama ada kita bapa atau dia anak—Singapura tidak menganggap dia anak lagi, tetapi dia telah menganggap diri-nya Dato'

daripada seluruh di-kawasan Asia ini. Maka kerana itu bagi kita untuk berunding untuk bertimbang rasa dengan mereka sudah cukup, tetapi kita harus memandang ra'ayat kita yang lebeh banyak, yang lebeh besar jumlah-nya daripada ra'ayat Singapura yang hanya 1/3 daripada jumlah ra'ayat kita seluruh-nya. Kita tidak perlu memandang lebeh berat kepada Singapura, kita mesti perlu memandang lebeh berat kepada negara kita sendiri dan, kalau perlu, kita kachip Singapura itu menjadikan sandwich untuk kepentingan bangsa kita sendiri, untuk kepentingan negara kita sendiri, untuk kepentingan dan keutamaan kemerdekaan kita sendiri. Jadi soal-nya sekarang ini ia-lah soal hidup kita di-atas negara kita pula.

Berhubung dengan ini, saya berharap kepada Yang Berhormat Menteri Pengangkutan kita akan dapat membuka dan membuat projek², membesarkan pelabohan² yang lebeh besar lagi supaya semua pengeluaran hasil yang telah di-sebutkan oleh sahabat saya tadi dapat di-salurkan melalui pelabohan² kita dan amat memalukan kita, Tuan Yang di-Pertua, baharu² ini Singapura hendak menukarkan benda² yang hendak di-tukarkan dengan negara² kominis ia-lah getah sedangkan dia tidak mempunyai sa-batang pokok getah di-Singapura, dia akan menukarkan barang² mentah-nya daripada kayu² sedangkan dia tidak mempunyai sa-batang kayu balak pun di-Singapura, dia akan menukarkan bijeh timah sedangkan dia tidak mempunyai sa-buah lombong bijeh timah pun di-Singapura. Siapa-kah, jembalang manakah, yang hendak di-tukarkan-nya sa-bagai barang² mentah-nya ka-negara² kominis itu ia-lah di-ambil-nya daripada negara kita ini, di-ambil-nya melalui negeri kita yang merdeka dan berdaulat ini, kita mendapat tulang²-nya dan dia mendapat isi dan daging-nya. Sudah cukup masa-nya bagi kita untuk menentukan sikap kita sendiri dan pada faham saya Bill ini patut kita kemukakan lebeh awal dari ini, tetapi oleh kesabaran Yang Berhormat Menteri Kewangan maka sa'at-nya telah tiba sekarang untuk kita menerima mata wang kita sendiri. Terima kaseh.

Tuan Tan Siew Sin: Mr Speaker, Sir, in the first place, I would like to thank all the Honourable Members who have spoken and who have supported this Bill. I refer particularly to my Honourable friends from this side of the House, who have given the Government every support not only on this Bill but on the currency issue.

The Honourable Member for Batu has asked why it is not possible for the Government to re-open negotiations with Singapore. I have tried to explain, both earlier this morning and on Monday, that the difficulties are more real than the Honourable Members of the Opposition have seen fit to realise, or are willing to realise, that is, that the difficulties are enormous.

As I have already stated, we do not have very much time left in which to print our new currency notes, and it is not the fault of our printers in London that the time is so short. Honourable Members must appreciate that the amounts involved are so enormous that it must necessarily take time to print the notes, which we will require by the 12th of June, if Bank Negara is to take over the currency issuing functions by then. The reason why we have got to meet this date line is because the Currency Board has not been able to reach agreement to extend its currency issuing power beyond this date, and I tried to inform this House that this is not due to any lack of trying on the part of our Government. However, if one Government should say, "No", and that Government made it quite clear at the meeting of the Currency Board that it was not even prepared to discuss this matter, I hope Honourable Members on the other side of this House do not expect me, or any Member of our Government, to go down on our bended knees to ask this Government to reconsider its position. I mean, if the Honourable Members opposite are sincere in their declaration that they are loyal Malaysians, I hope they do not expect me as Finance Minister of Malaysia to go down and beg the Government, which is represented in the Currency Board, to reconsider its position in this matter, particularly, as I have

said already, we in Malaysia can go it alone on this matter of currency, or for that matter in many other respects.

The Honourable Member for Batu asked why, when this Ordinance was passed in 1959, Sections 19 and 21 were drafted in the way they were drafted. The answer is quite simple. In 1958 we still had the Currency Board system and it was felt then that from the practical standpoint there was no point in drafting it in a different way, because those Sections would, in any case, not be operative so long as the Currency Board system is in force. Now, the position is quite different. We will be issuing our own currency in less than a year's time and, therefore, this is clearly the appropriate time in which to make these changes in which, I think, all Honourable Members from both sides of the House would regard as appropriate.

Now, the Honourable Member for Batu also states that too high a proportion of our external reserves are in sterling. I am inclined to agree with him, but we must also remember that at the moment, as everybody knows, sterling is under very heavy pressure and any attempt to liquidate our sterling reserves, or to diversify, might increase the pressure and bring about the very thing we fear, namely, the devaluation of sterling.

Dr Tan Chee Khoon: On a point of clarification, Mr Speaker, Sir—I did mention that there was no reason why we should have all our external reserves in sterling, but I did not advocate an immediate withdrawal and thereby precipitating a crisis in the pound sterling leading to a devaluation—I did not advocate that.

Tuan Tan Siew Sin: But I should also add that we have over the years acquired external reserves in non-sterling currencies, but the present moment is, I think, not the best moment to accelerate the pace of diversification.

He also makes the remarkable statement that "pegging of our dollar to gold", as one of our newspapers

has put it, will result in greater insecurity. I must admit that I fail to understand his reasoning. You either express your currency in terms of gold, or you express it in some other currency. As the Honourable Member should know, there are only two reserve currencies in the world—the United States dollar and sterling. Well, if we agree that we should not express our currency in terms of sterling, then there are only two alternatives—literally there are only two alternatives—the United States dollar or gold. Although I agree that the United States dollar is stronger than sterling, even the United States dollar can some time, in the future, be revalued or devalued. But the one thing we are certain of is that, if the price of gold were to be changed, it cannot be revised downwards—it must be upwards, and therefore it must be clear that the safest way to express our currency is in terms of gold. This is nothing very exceptional, because that is the practice, which is not only favoured by the International Monetary Fund; it is a practice that is adopted by every progressive country in the world.

Dr Tan Chee Khoon: On a point of clarification—Does the Honourable Minister mean that we are going to the Gold Standard? This is not what I meant this morning. I said—that we should not go back to the Gold Standard—whether our currency is backed by gold equivalent to the pound's worth, is a different matter. I expressed the fear of what economists are afraid. There is no clarification from the Minister of Finance. We are going back to the Gold Standard where every modern country has gone off the Gold Standard.

Tuan Tan Siew Sin: Mr Speaker, Sir, I can give the assurance that we are not going on a gold standard. All we are doing is expressing our currency in terms of gold—and there is a terrific difference between that and going on a gold standard. We are not going on the gold standard.

The Honourable Member for Batu also expressed the view that the exter-

nal backing for our currency is too high. It is, of course, possible to have more than one point of view on this question, and some people may think that 107 per cent—at the moment the backing is 110 per cent—is too high. I think it is a bit too high. But one of the reasons why our currency has been so strong, so stable, and so sound is because everybody knows, the whole world knows, that the external backing, or the external cover, for our note issue is of the order of 110 per cent or thereabouts. I agree that in future years, in view of the acceleration of our Development Plan, we might not be able to afford this luxury. At the same time I should also sound a note of warning that, if the external cover for the note issue is eroded, or brought down too rapidly, there is the other danger that there could be a loss of confidence. And, as Honourable Members are aware, confidence, especially international monetary confidence, is a very fragile plant and, therefore, I think, we must proceed with considerable circumspection.

The Honourable Member for Larut Utara asked why we should print our notes in Britain and not print them in Malaysia. Note printing, I should say, is a very complex process. It is rather more complicated, let us say, than printing documents on ordinary paper; and although, I agree, it is technically possible to set up such a plant in this country, I think it should also be accepted that such a plant would not have enough business. The volume of business which we could possibly give it would clearly come from the Government, and that would not be sufficient to make such a plant economically viable or feasible. So, I think for the time being we will have to continue to print our notes in Britain.

The same Honourable Member also raised the matter of better note designs. I agree that we could have improved our recent designs but, here again, we are subject to this unanimity rule, in other words, unless all the participating Governments in the Currency Board agree, we cannot proceed. And Honourable Members might be interested to know that our experience has been that

it takes two years to get agreement on the note designs. So, Honourable Members will appreciate that even agreement on a note design is an extremely complicating procedure, when we have a Currency Board system.

The Honourable Member for Ipoh has stated that the basic and fundamental reason why we have not been able to reach agreement with Singapore is because we tried to enslave Singapore. He used rather violent language, and even went so far as to suggest that Singapore had good reason to distrust us. I must say that that speech should more appropriately come from a Singapore Member of Parliament, certainly not a Malaysian Member of Parliament. It is certainly a strange speech to have come from one who regards himself as a loyal Malaysian. In this respect, I could quote one or two of the significant paragraphs from the draft of the Agreement. For example, clauses 18 and 19 stipulate that the external cover for the note issue and the reserve of external assets cannot be varied without the consent of the Government of Singapore, and Honourable Members can judge from these 2 clauses alone that it took very great care to ensure that Singapore was adequately consulted on all major issues of financial and economic policy.

The Honourable Member for Bungsar, I think, has made a very apt comparison. He referred to the relations between Malaysia and Singapore as that of a married couple who have divorced themselves. I think that comparison is more apt than he realises. He is suggesting that this married couple, having divorced themselves should not continue to have the same banking account and share property in common. I think you do not have to be either an expert in matrimonial affairs or a financial expert to realise that that is unworkable, as once you are divorced you have sown the seeds of disaster and trouble. (*Laughter*) I think, the very example he quotes is an answer to his strictures.

He also asked me why a statement was not issued after the meeting of the

Currency Board stating why the parties concerned were not able to persuade the Currency Board to continue with its currency issuing functions after 12th June, 1967. In point of fact, when drafting the original Press statement, I did put in that the Government of So-and-So could not agree to extending this date, but the representative of that Government strongly objected to the inclusion of this particular paragraph—and so again as a result of unanimity rule, I had to give way.

He also referred to an article in the *Economist*—I have got a copy with me here too—and he asked whether it was true that when I was in London recently I was rebuffed in an attempt to get a guarantee on Malaysia's sterling deposits in London. I can state categorically that I never asked for such a guarantee. It may be of interest to Honourable Members to know that the *Economist*, which is a highly respected magazine issued in Britain and which has undoubted international standing, has this caption, "Much ado about what?" That means much ado about nothing, and this rather lengthy article referring to the very question we are discussing now—this particular ordinance on currency—is much ado about nothing. There is also a very simple explanation for the delay in publishing the statistics on Malaysia's gold and foreign exchange reserves. Referring to this delay in this article, which was quoted by the Honourable Member for Bungsar, I presume the reference is to the statistics published by the International Monetary Fund. The reason for this delay is a technical one and arises mainly from the formation of Malaysia and the subsequent separation of Singapore. These statistical problems are being sorted out and it is expected that a new series of statistics on the gold and foreign exchange reserves of Malaysia will be regularly published in International Financial Statistics by the end of this year. So, there is really no ulterior motive behind the delay in the publication of these statistics.

The Honourable Enche' Ong Kee Hui referred to the concern in Sarawak, particularly among the business community about this currency split. That

is something which is always puzzling. We hear a lot of uneasiness and concern but no one, either in the business community or outside it, has been able to pinpoint the cause of the uneasiness. What are they being uneasy about? What are the disadvantages which could ensue from a split currency? No one has yet been able to tell me, not even a banker, why it is bad for Malaysia and Singapore to have separate currencies. I believe there is a certain amount of inconvenience, but apart from that no one has yet been able to spell out the specific disadvantages which could possibly flow from our intended action. I mean, the reason that because of our close economic ties with Singapore, we must share a common currency with Singapore is not a valid one. As the Honourable Member himself is aware the States in Eastern Malaysia have close economic ties with Hongkong but no one has yet suggested that because of that both the Borneo States and Hongkong should have a common currency.

The Honourable Member for Hilir Perak suggests that we should process our own raw materials and export them from our own ports. That is a view which we on the Government benches share. I think that as time goes on we will have to process more and more of our own raw materials and ship more and more of our goods through our own ports. The Government is examining this matter very closely and actively, and I can assure Honourable Members in this House that we will speed up this process as much as possible. From the standpoint of the Treasury, the more we can expedite this process, the better for all concerned.

I entirely agree with the Honourable Members in this House who have spoken that we must now behave as two completely independent countries and that as time goes on we must process our raw materials and export them, so that in time to come we and Singapore can co-operate as two completely independent and separate units.

In conclusion, Sir, I would like to say once again that all the fears which have

been expressed on the separation of the currency are really for the most part groundless. Provided that we can reach agreement on what is known as the interchangeability of our currencies, provided there is good sense on both sides, I do not know of any reason at all why there should be any great inconvenience in the future as a result of our action.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr Speaker in the Chair)

Clauses 1 to 4 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.

MOTION

PERJANJIAN PERDAMAIAN DENGAN INDONESIA

Tun Haji Abdul Razak: Tuan Yang di-Pertua, sa-telah mendengar ucapan yang Teramat Mulia Tunku Perdana Menteri pada hari Ithnin yang lalu dan dengan permintaan Ahli² Dewan ini supaya Perjanjian Perdamaian di-antara Malaysia dan Indonesia dan ucapan Yang Teramat Mulia Tunku itu di-bahathkan, saya dengan sukacitanya membentangkan usul seperti yang terkandung dalam Atoran Urusan Meshuarat:

Bahawa Majlis ini dengan sa-penoh hati mengalu²kan Perjanjian yang terchapai untuk memulehkan perhubungan antara Malaysia dengan Republik Indonesia yang telah ditandatangani di-Jakarta pada 11 haribulan Ogos tahun 1966 antara Indonesia dengan Malaysia dan semoga Perjanjian Perdamaian itu menjadi asas perdamaian dan persahabatan yang kekal antara kedua buah negara itu.

Tuan Yang di-Pertua, terlebih dahulu, saya suka menerangkan di-sini tentang perkembangan² dalam perkara

ini dalam beberapa hari yang lalu. Dalam dua minggu yang lalu ra'ayat Malaysia telah menyaksikan permulaan sejarah yang baru dalam perhubungan antara kedua negara tetangga, ia-itu Indonesia dan Malaysia, satu sejarah yang mengandungi erti kata yang besar bagi keamanan dan ketenteraman di-seluruh Tenggara Asia. Perjanjian yang di-tanda tangani pada 11 hari-bulan Ogos, tahun 1966 itu, telah memulehkan sa-mula tali perhubungan dan persahabatan antara kedua ra'ayat berjiran, telah menamatkan konfrontasi dan permusohan dan menimbulkan suasana yang baik dan cherah bukan sahaja bagi ra'ayat Malaysia bahkan bagi ra'ayat Indonesia juga untuk menumpukan usaha dan tenaga mereka itu kepada soal² pembangunan, soal² ekonomi, sosial dan sakalian-nya bagi kemajuan kedua negara itu. Bahkan Perjanjian ini menimbulkan suasana yang baik dan cherah bagi seluruh Tenggara Asia untuk menjadi satu kawasan yang aman dan ma'mor dan satu kawasan yang sanggup dan lengkap untuk mempertahankan diri-nya dari anchaman² luar.

Tuan Yang di-Pertua, Perjanjian Perdamaian yang telah di-tanda tangani itu ada-lah hasil dari usaha, ketekunan dan keazaman kita di-Malaysia dalam beberapa tahun yang lalu. Yang Teramat Mulia Tunku Perdana Menteri sendiri telah pergi ka-berapa tempat—ka-Manila, ka-Bangkok, dan Tokyo, sa-bagai menchari penyelesaian dan keamanan yang kekal abadi, akan tetapi oleh sebab pada masa itu tidak ada keikhlasan dan kejujoran dari pehak pemerintah Indonesia pada masa itu, maka usaha kita tidak berhasil semua sa-kali. Pada masa itu sangat-lah terang bahawa segala perundingan itu bagi pemerintah Indonesia pada masa itu ada-lah chuma satu tektik dan masaalah sahaja untuk meneruskan konfrontasi-nya, bagi mengganyang dan menghanchorkan Malaysia di-samping itu di'ayah dan propaganda² yang di-lancarkan terhadap Malaysia sangat-lah giat dengan di-bantu oleh pehak Peking dan negara² yang bersimpati dengan-nya sa-hingga kita terpaksa berusaha me-

nerangkan kedudukan kita di-serata dunia terutama sa-kali di-negara² Afro-Asia.

Sa-lain daripada itu, kita terpaksa mengerah tenaga ra'ayat di-negara kita dengan di-bantu oleh tentera² Commonwealth untuk mempertahankan kemerdekaan dan kedaulatan negara kita daripada percherobohan. Akan tetapi perbuatan² yang dzalim dari PKI itu tidak tahan lama dan dari segi sejarah, boleh di-katakan chuma sa-kelip mata sahaja. Di-Indonesia sendiri telah berlaku rusohan² hebat yang di-anjorkan oleh pehak PKI dan di-hasut oleh pehak Peking. Akibat rusohan² itu beberapa orang Panglima² Tertinggi Indonesia, termasuk Genneral Yani, telah terkorban, akan tetapi ra'ayat Indonesia dan tentera national Indonesia yang chinta dan kasehkan kepada tanah ayer mereka itu telah bertindak dan pengkhianat² itu telah di-hapuskan dengan sa-berapa segera. Fahaman² kominis dan pergerakan² kominis telah di-kejamkan dan di-haramkan.

Tuan Yang di-Pertua, sa-kali lagi di-Tenggara Asia sejarah telah menjelaskan bahawa di-Malaysia, Indonesia serta Filipina, bahkan di-seluruh Tenggara Asia ini, fahaman kominis itu terkeluar dan tidak ada tempat-nya di-Tenggara Asia ini dan anti² kominis saperti konfrontasi yang bertujuan hendak memecah belahkan ra'ayat di-Tenggara Asia ini dan membawa ke-adaan kachau bilau, penderitaan dan sa-bagai-nya dengan tujuan supaya fahaman² kominis itu dapat berkembang, telah pun dapat di-hapuskan dan di-padamkan dengan sendiri-nya. Kekalahan gerakan kominis pada 30 September di-Indonesia itu ada-lah kekalahan yang besar ma'ana-nya bagi musoh kita dan boleh di-katakan menjadi kemenangan yang chemerlang bagi pehak yang baik dan bagi pehak masharakat Tenggara Asia.

Bagi kita di-Malaysia kekalahan gerakan 30 September itu, dan timbul-nya pemimpin² Indonesia yang jujur dan ikhlas yang sa-benar²-nya mementingkan negara dan keadaan ra'ayat, telah membuka jalan untuk menchari penyelesaian di-antara kita dengan Indonesia. Kita di-Malaysia memang

tidak berniat hendak bermusuh dengan ra'ayat Indonesia, kita hanya bermusuh dengan pehak yang hendak menghancurkan kita. Begitu juga ra'ayat Indonesia—mereka tidak hendak bermusuh dengan ra'ayat Malaysia, kerana mereka menolak dasar² yang membazir yang membuang wang ber-million² dan mengorbankan nyawa perajurit² kedua² buah negara.

Dengan timbul-nya pemimpin² baru di-dalam pemerintah Indonesia, seperti Jenderal Suharto dan di-sokong oleh Tuan Adam Malik dan Sultan Hamengku Buwono, chita² kita hendak menamatkan konfrontasi dan usaha² kita untuk menchari perdamaian ada-lah mendapat sambutan yang baik, perundingan dapat di-adakan dengan pemerintah baru Indonesia mula² dengan chara rahsia. Di-dalam perundingan² itu di-dapati ada keikhlasan di-antara kedua² pehak untuk menamatkan konfrontasi dan permusohan dan mengadakan perdamaian. Tidak dapat tiada sa-telah konfrontasi berjalan sa-lama tiga tahun, usaha² hendak menchari jalan penyelesaian tentu-lah tidak begitu senang, akan tetapi di-dalam perundingan² yang sulit itu telah di-dapati bahawa persetujuan boleh di-chapai di-atas dasar² bagi memulehkan perdamaian di-antara kedua negara, dasar² yang tidak menyentoh kedaulatan Malaysia, tidak menjatuhkan maruah atau kedudukan Indonesia. Dengan pengertian ini-lah rundingan telah dapat berjalan dan persetujuan telah dapat di-chapai.

Sukachita saya menambah di-sini bahawa usaha untuk menchari perdamaian itu telah di-jalankan oleh pehak Menteri Luar Indonesia, Tuan Adam Malik, dan juga oleh pehak tentera, bahkan oleh pehak KOGAM, ia-itu Kommando yang di-tugaskan oleh President Soekarno untuk meng-ganyang Malaysia. Untuk meyakinkan Kerajaan dan ra'ayat Malaysia, pehak tentera Indonesia sudi melupakan perkara² yang sudah oleh sebab berkehendakkan perdamaian. Jenderal Suharto telah menghantarkan pegawai² tentera dari KOGAM untuk melawat Malaysia dan berjumpa dengan pemimpin² Malaysia pada 27 haribulan Mei,

tahun 1966. Lawatan ini, saperti Ahli² Yang Berhormat sedia ma'alum, telah menimbulkan suasana yang sangat baik dan besar guna-nya dan dengan suasana ini-lah telah melichinkan perundingan di-antara Tuan Adam Malik dan saya sendiri pada hujung bulan Mei, di-Bangkok dan perundingan itu-lah telah mendapat penyelesaian yang mu'tamad.

Tuan Yang di-Pertua, perundingan di-Bangkok itu telah di-jalankan dengan sempurna dalam keadaan suasana yang ikhlas dan mesra. Perundingan itu berlainan daripada perundingan² yang telah di-jalankan terlebih dahulu daripada itu. Dalam perundingan di-Bangkok pada kali ini, kedua belah pehak telah menchapai persetujuan hendak menchari penyelesaian dan perdamaian, bukan hendak menchari helah dan tektik sahaja. Begitu jugalah kedua² pehak mengerti tentang kedudukan satu sama lain. Dengan sebab itu-lah perundingan di-Bangkok itu telah berjaya dan persetujuan di-Bangkok itu telah pun terchapai dengan ada-nya perjanjian yang telah di-tanda tangani di-Jakarta pada 11 haribulan Ogos itu.

Tuan Yang di-Pertua, saya suka di-sini menchatitkan dalam rekod Dewan ini bahawa sambutan kapada rombongan kita yang pergi ka-Jakarta sangat-lah baik dan meriah di-mana² sahaja rombongan kita dan saya pergi, pehak pegawai² dan ahli² tentera Indonesia dan juga ra'ayat Indonesia seluroh-nya telah memberi sambutan yang mesra, sa-olah² menyambut kembali saudara yang telah hilang beberapa lama. Oleh itu saya suka mengambil peluang ini merakamkan dalam Dewan ini ucapan ribuan terima kasih kita kapada pemerintah dan ra'ayat Indonesia seluroh-nya atas kehormatan yang telah di-beri kapada rombongan kita itu.

Tuan Yang di-Pertua, saya suka juga menyatakan bahawa kita di-Malaysia pada 12 haribulan Ogos, 1966 yang lalu telah dapat menyambut rombongan Tuan Adam Malik. Sambutan yang di-beri oleh ra'ayat Malaysia kapada rombongan Indonesia itu adalah sangat baik dan hangat yang

menunjukkan hasrat kita di-Malaysia ini nyata hendak hidup rukun damai dan baik² dengan negara jiran kita, Indonesia. Saya harap sambutan yang meriah terhadap rombongan Indonesia itu dan keikhlasan dan kemesraan yang kita tunjukkan kepada mereka itu akan dapat menggambarkan bahawa kita di-Malaysia tidak ragu² lagi untuk melupakan perkara² yang tidak baik dan pertikaian² yang lalu pada masa yang sudah².

Tuan Yang di-Pertua, apa-kah ma'ana-nya Perjanjian yang telah diadakan dengan Indonesia itu? Saperti yang saya telah sebutkan tadi, formula yang telah di-chapai itu berdasarkan atas satu pengertian bahawa kedaulatan Malaysia tidak tersentuh dan kedudukan atau maruah Indonesia tidak di-jatuhkan dan saperti yang telah disebutkan, Perjanjian ini ada-lah kemenangan bagi kedua² pihak ia-itu Indonesia dan Malaysia.

Dalam Fasal 1 dalam Perjanjian ini, Malaysia telah memberi pengakuan bahawa ra'ayat Sabah dan Sarawak di-beri peluang sa-kali lagi, menerusi pilihan raya dan mengikut chara demokrasi, untuk membaharui ketetapan mereka hendak dudok dalam Malaysia. Perkara ini tidak-lah menyentuh kedaulatan Malaysia, hanya memberi peluang kepada ra'ayat Sabah dan Sarawak untuk menjelaskan sa-kali lagi perasaan mereka yang kuat dan berkubar² itu untuk menchapai kemerdekaan melalui Malaysia dan bersama² dengan ra'ayat di-negeri² lain dalam Malaysia. Saya yakin dan percaya keamanan dan persahabatan dengan negara jiran kita, ra'ayat Sabah dan Sarawak, tidak akan keberatan hendak melaksanakan tugas mereka itu.

Fasal yang kedua, Perjanjian Indonesia dan Malaysia ini menyatakan perhubungan diplomatik akan segera di-adakan dan wakil² kedua negara akan di-pertukarkan dengan segera, saperti yang telah di-terangkan oleh Yang Teramat Mulia Tunku Perdana Menteri kita. Kita tidak-lah hendak mengadakan perhubungan diplomatik dengan terburu² kerana kedua² negara yang telah menghadapi permusohan

sa-lama 3 tahun itu tentu-lah banyak masalaah² yang terpaksa di-atasi sa-belum dapat di-adakan perhubungan diplomatik. Pengiktirafan memang sudah ada sebab kita telah membuat perjanjian antara kedua negara. Perhubungan diplomatik terpulang-lah kepada kedua² negara menentukan bila² masa sahaja yang di-fikirkan patut dan menasabah. Ini ada-lah hak sa-suatu negara yang merdeka dan berdaulat. Perhubungan diplomatik tidak boleh di-buat di-antara kedua negara melainkan sa-telah mendapat persetujuan dari dua² belah pihak.

Fasal yang ketiga-lah soal yang penting sa-kali bagi Malaysia. Perkara yang mustahak yang kita kehendaki ia-lah konfrantasi dan permusohan itu di-tamatkan—ini-lah terkandung di-dalam fasal yang ketiga. Dan konfrantasi yang kita alami hampir² 3 tahun itu sudah-lah tamat dan dengan ini keamanan puleh sa-mula bukan sahaja di-antara kedua² negara bahkan diseluruh Tenggara Asia juga.

Tuan Yang di-Pertua, saya suka juga mengambil kesempatan di-sini menerangkan bahawa Perjanjian yang kita telah tanda tangani dengan Indonesia itu ada-lah hasil daripada perhubungan sa-chara langsung atau direct contact antara kedua² negara itu. Ini ada-lah merupakan satu peristiwa yang istimewa, yang patut menjadi tauladan kepada negara² lain di-dunia ini jika negara² itu hendak menamatkan permusohan atau perselisihan atau pertikaian di-antara satu sama lain. Dengan chara mengadakan perhubungan sa-chara langsung ada-lah memudahkan usaha² untuk menghapuskan segala pertikaian di-dunia ini. Walau pun begitu, kita menguchapkan banyak² terima kaseh kepada negara² sahabat kita, terutama sa-kali kepada Kerajaan Thailand dan Kerajaan Jepun kerana pembesar² kedua² buah negara tersebut itu telah bersungguh² dari mula-nya lagi untuk menchari ikhtiar bagi mendamaikan Indonesia dengan Malaysia.

Tuan Yang di-Pertua, saperti saya telah sebutkan tadi, Perjanjian Perdamaian telah di-chapai dengan Indonesia ini ia-lah hasil daripada dorongan

semangat ra'ayat Malaysia dan juga ra'ayat Indonesia yang mementingkan penghidupan yang ma'amor dan untuk hendak mencapai kemajuan dan penghidupan yang lebeh sempurna lagi. Sejarah telah menentukan bahawa anasir² kominis yang chuba hendak memecah belahkan ra'ayat dan membawa kekacauan, permusohan, adalah tidak sasuai dengan kehendak ra'ayat. Oleh itu mana² pehak yang chuba hendak menentang kehendak dan hasrat dan menentang titek sejarah, mereka itu akan terhapus dengan sendiri-nya.

Saya telah sebutkan tadi bahawa dengan Perjanjian Perdamaian ini kita telah membuka satu sejarah baharu dan sejarah ini ada-lah mengandungi dua lapisan, lapisan yang pertama ia-lah untuk memulehkan perhubungan baik di-antara kita dengan jiran kita, Indonesia. Ini termasuk-lah perhubungan dan kerjasama yang sa-penoh²-nya. Langkah yang pertama bagi kita ia-lah untuk mendapatkan kerjasama supaya menghapuskan anasir² kominis dan lain² di-kawasan sempadan Indonesia dan Malaysia supaya keamanan yang kita chita²kan itu dapat memberi erti kata yang sa-benar-nya. Kita harap dapat menchegeh anasir² yang boleh merosakkan suasana dan perhubungan baik di-antara dua negara itu. Begitu juga kita harap dapat memulehkan perhubungan kita dalam lapangan perdagangan, telecommunication dan lain² juga untuk kepentingan dan faedah bersama.

Dalam Fasal yang kedua ada-lah menyentoh pernanan kita yang mesti di-hadapi untuk kepentingan Tenggara Asia. Kita di-Malaysia mengetahui dan juga, saperti peristiwa yang telah berlaku di-Indonesia, bahawa ada pehak musuh² kita, anasir² kominis, yang bersedia hendak menanam beneh² kekacauan di-Tenggara Asia ini. Oleh itu sangat-lah mustahak kita di-Tenggara Asia ini bekerjasama dan bantu-membantu di-antara satu dengan lain untuk menchegeh anasir² itu. Masa-nya telah sampai bagi seluroh negara² Tenggara Asia sanggup bersama² menjamin untong nasib mereka sendiri. Masa-nya sudah-lah sampai bagi masharakat Tenggara

Asia ini sanggup menunjukkan gagah berani dan kebijaksanaan mereka itu. Anasir² dari luar yang boleh merosakkan keamanan dan ketenteraman dan kemajuan negara² di-wilayah ini hendak-lah di-tolak sama sa-kali. Oleh sebab itu, bagi Malaysia dan bagi seluroh Tenggara Asia, peranan Indonesia dan kesanggupan Indonesia sa-bagai sa-buah negara yang terbesar untuk memainkan peranan ada-lah mustahak sa-kali. Kita berkehendakkan Indonesia yang kuat dan ma'mor dan sanggup mengambil peranan yang utama bagi menghadapi anasir² dan musuh² kita bersama di-Tenggara Asia ini.

Tuan Yang di-Pertua, saya suka mengambil kesempatan di-sini, dengan tamat-nya konfrantasi, untuk mengucapkan ribuan terima kasih kepada Kerajaan dan ra'ayat British dan negara² Commonwealth dan lain², saperti Australia, New Zealand dan Canada, yang telah sudi memberi bantuan mempertahankan kedaulatan negara kita dalam masa kita di-ancham. Begitu juga saya suka mendzahirkan perasaan terhutang budi pada Kerajaan Thailand dan Jepun dan negeri² yang lain yang telah bersunggo² menchari penyelesaian antara kita dengan Indonesia. Dan kepada tentera² kita dan pasukan keselamatan yang telah mempertahankan negara kita dan telah menunjukkan keberanian dan ketegasan mereka itu dalam mempertahankan negara kita, saya ucapkan banyak² terima kasih di-atas jasa² dan pengorbanan mereka itu yang tidak kita akan melupakan. Begitu juga-lah kepada pegawai² Kerajaan yang sama² memikul beban konfrantasi, saya ucapkan terima kasih.

Sa-terus-nya kepada semua lapisan ra'ayat di-negeri kita ini daripada berbagai² keturunan yang telah berdiri dengan kuat dan tegoh dan ta'at-nya di-belakang Kerajaan untuk menghadapi konfrantasi itu. Begitu juga-lah saya ucapkan banyak² terima kasih kepada semua pehak Ahli² Dewan ini dan semua ra'ayat jelata di-negara kita ini yang telah menyambut perdamaian ini dengan penoh keshukoran dan dengan meriah-nya. Kejayaan yang

telah di-chapai itu ada-lah di-sebabkan oleh keikhlasan di-antara kedua pehak. Pehak Kerajaan kita, rakan² saya dan pegawai² kita bersunggo² berikhtiar menchari dasar² dan chara² pengertian yang boleh di-persetujuan oleh kedua² pehak.

Tuan Yang di-Pertua, sekarang marilah kita berdo'a moga² sejarah baharu di-Tenggara Asia ini akan menjamin keamanan yang kekal dan akan membawa zaman yang bahagia, zaman yang chemerlang kepada negara² di-Tenggara Asia. (*Tepok*).

Mr Speaker: Ahli² Yang Berhormat soal ini sekarang terbuka untuk di-bahath, jika suka.

Tuan Haji Othman bin Abdullah (Hilir Perak): Tuan Yang di-Pertua, saya bangun untuk bersama² meng-ucapkan tahniah dan shukor kepada Allah di-atas terchapai-nya satu perjanjian yang telah di-tandatangani di-Jakarta pada 11 haribulan Ogos yang lalu oleh dua belah pehak, ia-itu Kerajaan Indonesia dan Kerajaan Malaysia, yang telah melalui tiga tahun sejarah permusuhan yang tidak tahu hujung kepala-nya.

Shukor kepada Tuhan atas limpah dan hidayat Tuhan kepada dua buah negara ini dan kepada pemimpin²-nya, terutama sa-kali kita harus menchatitikan di-dalam Dewan ini ucapan tahniah yang sa-tinggi²-nya kepada Yang Amat Berhormat Tun Abdul Razak dan Dr Adam Malik yang telah bersunggo² bagi melahirkan sa-hingga terchapai-nya perdamaian di-antara dua buah negara ini.

Sa-telah perjanjian 11 haribulan itu di-tandatangani, lima hari sa-sudah-nya, satu rombongan wartawan telah berlepas ka-Jakarta dan pada hari ini, tengah hari ini, saya telah dapat kembali lagi ka-tanah ayer. Patut saya menyatakan pada Dewan ini bahawa sambutan hangat di-atas penanda-tangani pada 11 haribulan Ogos di-Jakarta itu maseh membayangkan dengan menggembirakan hati, terutama kami daripada empat orang wartawan yang telah di-utuskan untuk menghadziri Hari Perayaan Kemerde-

kaan Indonesia pada 17 haribulan Ogos yang lalu dan yang demikian, kami telah dapat meninjau dan kami telah di-beri layanan yang meriah sa-bagai sa-orang sahabat dan saudara yang telah lama di-pisahkan oleh confrantasi.

Tuan Yang di-Pertua, gambar² kegembiraan di-mana rombongan Malaysia yang di-ketua² oleh Yang Amat Berhormat Tun Abdul Razak maseh membayangkan kegembiraan ra'ayat Indonesia seluroh-nya, bukan satu dua orang, tetapi boleh di-katakan seluroh-nya, sa-hingga kami telah di-bawa bertemu dengan Ketua Dewan Perwakilan Ra'ayat, serta juga Wakil Ketua M.P.R.S.—Majlis Permeshuratan Ra'ayat Sementara di-mana mereka menyatakan harapan yang tinggi, kehormatan yang sunggo²-nya kepada Yang Amat Berhormat Tun dan juga kapada Yang Teramat Mulia Tunku Perdana Menteri Malaysia, yang kedua²-nya ini-lah tokoh, kata mereka, tokoh perdamaian yang sa-benar²-nya dan ta' dapat bertolak ansor dengan anasir² communist yang hendak mengachau negara kita ini (*Tepok*).

Sa-malam saya telah dapat meng-hadziri, melihat Persidangan Dewan Perwakilan Ra'ayat itu bersidang dan telah dapat menemui Ketua Dewan Perwakilan Ra'ayat Sementara Indonesia dan beliau memberikan salam hormat dan kaseh sayang kapada Yang Amat Berhormat Tun dan Tunku serta mengharapakan supaya Dewan ini dapat menghantar misi² (mission) Parlimen, kata mereka itu, ka-Indonesia untuk bertukar² pandangan dari Anggota² Parlimen di-antara dua buah negara ini. Ini-lah yang penting, kata mereka, daripada Wakil² Ra'ayat, daripada Perwakilan Ra'ayat, ini-lah yang akan dapat menyatakan kembali semangat ra'ayat yang telah lama terpesah ini dan soal betapa lama-nya hendak di-hubungkan dari sudut diplomacy itu, terserah-lah kapada kepentingan² mereka.

Sa-telah Yang Teramat Mulia Tunku membuat satu jawapan, atau pun membuat ucapan di-dalam Dewan ini tentang lambat-nya, mung-kin atas pemulehan penukaran Duta

di-antara Malaysia dengan Indonesia itu, mereka sangat menghormati pendapat itu dan membenarkan.

Yang Berhormat Dr Adam Malik sendiri menyatakan pendapat Yang Berhormat Perdana Menteri itu benar dan kami akui bahawa soal² yang harus di-uruskan daripada beberapa segi, tetapi yang penting-nya ia-lah ra'ayat dengan ra'ayat.

Tuan Yang di-Petua, sa-telah kami—saya sendiri—dapat melihat kedudukan di-Indonesia 10 hari lama-nya dan telah dapat melihat juga sa-bagaimana reaksi, atau pun tindakan² balas daripada perdamaian ini, maka Indonesia mengharapkan dengan di-tandatangani Perjanjian Jakarta pada 11 Ogos ini akan merupakan pintu yang terbuka bagi memulehkan perkara² yang sa-lama ini telah lumpoh di-Indonesia sendiri. Harapan mereka tidak lain supaya dapat mengsa-imbangkan kembali ekonomi dan kemasharakatan mereka yang telah di-umbang-ambingkan oleh faham communist di-Indonesia. Mereka sedar dan mereka mengaku sendiri bahawa musuh yang sa-benar-nya bukan-lah Malaysia, tetapi musuh mereka ia-lah P.K.I. dan kata orang sana hormas, hormasi; kaki-tangan² atau pun tali² barut-nya yang telah men-chuba menghalang persaudaraan di-antara dua bangsa yang sa-rumpun ini.

Tuan Yang di-Pertua, oleh kerana begitu besar sa-kali minat ra'ayat Indonesia terhadap Perjanjian 11 Ogos di-Jakarta itu, maka pada 20 haribulan ini tamat, hanchor-lah nama Kogam, telah di-putusan oleh General Nasution serta President Soekarno sendiri dan ta' ada lagi Kogam dan Kogam telah di-gantikan dengan Koti, ia-itu Komando Operasi Yang Tertinggi bagi Indonesia. Tugas-nya ia-lah menyelesaikan revolusi serta mengekalkan perdamaian di-antara dua buah negara sa-belah sini. Jadi, ta' ada-lah lagi Kogam, dan ini saya telah dapat bertemu dengan khusus-nya dengan General Nasution yang menyatakan dengan tegas-nya bahawa ini ada-lah kemenangan bagi kedua² bangsa yang sama² mempunyai chita² dan hendak membangunkan

di-negara ini dengan mempunyai satu musuh yang sama, ia-itu kominis yang hendak memerintah dan menjelajah di-negara kita Asia Tenggara ini.

Saya telah bertanya kepada mereka tentang bagaimana kedudukan orang² Tiong Hua, atau orang² China di-Indonesia yang banyak soal² yang timbul bahawa orang² Tiong Hua di-Indonesia itu di-paksa dan di-seksa. Mereka telah menjawab bahawa orang² China yang ada di-Indonesia terbahagi kepada dua. Yang pertama orang² China yang menjadi warga negara Indonesia yang ta'at setia-nya tidak berbelah bagi kepada negara ini dan mereka ini ada-lah orang² yang menolong pemerintah Indonesia dan memberi ta'at setia-nya yang tidak berbelah bagi kepada negara Indone-sia. Dan yang kedua ia-lah orang² Tiong Hua yang ta'at setia-nya maseh di-gantungkan kepada Peking dan menjadi tali barut P.R.T. kata orang di-sana, ia-itu Pemerintah Ra'ayat Tiongkok yang menjadi halangan yang besar kepada hidup yang damai di-negara itu. Jadi, tidak-lah benar pemerintah Indonesia menekan orang² Tiong Hua di-Indonesia. Apa yang mereka itu chuba menghalang ia-lah gerakan² subversive daripada yang bukan ra'ayat Indonesia itu sendiri. Sebab itu mereka minta supaya perkara ini jelas supaya jangan ada di-antara orang² Tiong Hua yang ada di-negara kita ini, baik ra'ayat Malaysia atau yang bukan ra'ayat Malaysia, memahami daripada sudut yang tidak betul atas kedudukan orang² Tiong Hua di-Indonesia itu.

Tuan Yang di-Pertua, sa-bagaimana yang saya telah katakan tadi gejala² tentang kehormatan terhadap negara dan bangsa serta Kerajaan Malaysia ini oleh Indonesia sa-telah Perjanjian 11hb Ogos itu di-tanda-tangani, ada-lah merupakan satu penghormatan yang maha tinggi sa-kali kepada bangsa dan ra'ayat Malaysia sendiri. Tuan Yang di-Pertua, mungkin kita ber-shukor dan kita berasa megah oleh kerana sa-telah saya tanyakan kepada Menteri Penerangan Indonesia sendiri berapa orang-kah daripada tentera Malaysia yang telah tertawan oleh

pehak Indonesia, mereka telah menjawab tidak sa-orang pun, dan bagi kami menyatakan bagaimana perjanjian atau chakapan yang telah dikeluarkan oleh Perdana Menteri kami sa-telah selesai sa-suatu perundingan itu, maka orang² yang tertawan itu akan segera dapat di-uruskan dan dikembalikan kepada keluarga mereka di-Indonesia. Itu terserah di-atas perundingan dua belah pihak sa-telah penanda-tangan 11hb Ogos itu.

Tuan Yang di-Pertua, saya tidak hendak berchakap panjang di-sini, tetapi saya amat berasa gembira sekali dan bertuah dapat pergi mewakili Malaysia ini ka-perayaan 17hb Ogos di-Jakarta dan telah di-bekali oleh pemimpin² kita kepada saya supaya bersabar dan bertenang apakala mendengar sa-suatu yang boleh menyakitkan telinga agak sedikit, dan Ahli² Yang Berhormat kita di-sini pun tahu reaksi yang telah timbul daripada ucapan² yang di-keluarkan oleh President, dan akhir-nya beberapa korban telah gugor.

Tuan Yang di-Pertua, dengan sebab amanah yang di-beri oleh Yang Amat Berhormat Tun kepada saya supaya berhati² dan bersikap melihat dan mendengar sahaja apa yang berlaku, maka kami lepaskan soal ini kepada mereka. Tetapi apa yang saya rasakan ra'ayat Indonesia sendiri serta yang disebutkan nama²-nya saperti General Nasution, saperti Sultan Hamengku Buwono saperti Adam Malik dan yang lain² ada-lah mereka yang jujur saperti mana yang telah di-katakan oleh Yang Amat Berhormat Tun, mereka sunggoh² benar² ikhlas dan jujur bagi memulehkan perdamaian, dan bukan sahaja memulehkan perdamaian tetapi akan mengekalkan perdamaian itu sampai bila² sa-kali pun.

Tuan Yang di-Pertua, oleh kerana 4 orang wartawan telah di-undang menjadi tetamu kepada Kerajaan Indonesia pada perayaan baharu² ini, maka saya membawa surat daripada Persatuan Wartawan Indonesia di-sana agar kira-nya dengan murah hati Kerajaan Malaysia dapat mengundang mereka itu menghadhiri pula pada hari kemerdekaan Malaysia pada 31hb Ogos, 1966 ini di-Kuala Lumpur, dan

mereka telah menyatakan kepada saya, dan surat-nya ada dalam saku saya ini hendak di-sampaikan kepada Yang Amat Berhormat Tun untuk mengundang mereka itu dalam perayaan kita yang akan datang ini.

Dua perkara yang saya nampak mustahak kita laksanakan sekarang ini, yang pertama mengundang mereka itu datang ka-mari dan yang kedua ialah penukaran Ahli² Parlimen di-antara dua buah negara ini lawat-melawat.

Tuan Yang di-Pertua, akhir-nya oleh kerana mereka itu ingin benar hendak menunjukkan kaseh sayang-nya kepada Malaysia, walau pun saya sa-bagai wartawan sahaja dan sa-bagai Anggota Parlimen, mereka telah membekalkan saya pulang dengan empat gulong filem dalam lawatan² wartawan², yang di-minta-nya supaya dapat di-siarkan melalui Talivishen Malaysia dan saya harap filem² ini akan dapat saya serahkan kepada Yang Berhormat Menteri Penerangan dalam satu dua hari ini.

Demikian-lah pandangan Kerajaan Indonesia terhadap Malaysia sekarang, bagaimana penghargaan dan kaseh sayang mereka kepada kita serta mereka itu telah menyatakan pada pagi tadi jam 8 tolong-lah sampaikan salam hormat dan kaseh sayang kami kepada Perwakilan Ra'ayat Malaysia yang sedang bersidang sekarang, terutamanya kepada Tunku, kata mereka, dan Pa' Tun Abdul Razak.

Demikian-lah, Tuan Yang di-Pertua, saya menyokong supaya kita memberi sa-penoh² tahniah dan mengalu²kan perjanjian yang di-chapai untuk memulehkan perhubungan antara Malaysia dan Republik Indonesia yang telah ditandatangani pada 11hb Ogos, 1966, di-antara dua buah negara ini, dan kita harapkan supaya kekal dan abadi (*Tepok*).

Tuan D. R. Seenivasagam (Ipoh): Mr Speaker, Sir, the Djakarta Agreement, or the Agreement signed in Djakarta, came after several years of armed conflict with Indonesia. When this armed conflict with Indonesia

commenced, a number of laws, proclamations, and regulations were passed in this country, which affect the daily lives and the daily movements of Malaysians. They were passed, I take it, as of necessity, as in all countries where a state of emergency exists. If there has been a true settlement with Indonesia, and if that true settlement is to have significance to the Malaysian people as a whole, then one of the first things that we, as a Parliament, must do is to revoke the obviously oppressive and suppressive laws, which became necessary on an outbreak of armed conflict, and restore to the Malaysian people the fundamental right, the fundamental liberties of association, movement and meeting in this country. If peace is to have meaning, then the restoration of those fundamental liberties must be done, and done immediately, otherwise a settlement with Indonesia, or the peace treaty signed will be a meaningless piece of paper so far as Malaysians and their daily life are concerned. Therefore, the first thing I ask is, will this Government consider seriously revoking such legislation which is no longer necessary, but which was passed and the reason given when they were passed was that there was confrontation and armed conflict with Indonesia. If that is done, then this treaty could have meaning.

Now, when the Honourable Deputy Prime Minister went to Djakarta, I was indeed very happy to see that the members of the delegation consisted of Honourable Ministers and others of different racial origin, because they were going as a Malaysian delegation, representing the peoples of Malaysia to bring about what could have been—I say what could have been—a very happy event to this country, and in fact it is confirmed by saying that this is an agreement to normalise relations between Malaysia and the Republic of Indonesia. But Mr Speaker, Sir, very soon the hope of the peoples of Malaysia was shattered, when we read the *Straits Times* of the 12th, the day following the signing of this treaty in this country, that Dr Adam Malik, on behalf of Indonesia, stated words to this effect: "Victory for the people of the Malay

race". The Honourable Deputy Prime Minister is quoted in the *Straits Times* as saying words to this effect: "A settlement of peace between people of the same race".

Tun Haji Abdul Razak: I was misquoted. I have my speech written and fully recorded. I did not say that.

Tuan D. R. Seenivasagam: I am very grateful to the Honourable Deputy Prime Minister for saying that he did not say so, but that is the trouble in this country. A statement of a serious nature like that is printed in a reputable newspaper as the *Straits Times*, and it is not correct. It is a pity that it was not corrected, because it certainly gave rise to speculations and it gave confirmation of the fears and suspicions of certain sections of the Malaysian people. However, even if the Deputy Prime Minister did not say that—and I certainly accept his words without hesitation that he did not say so—the hope has again been shattered, with respect to the Honourable Prime Minister, by his address to this House a few days back. I am again reading from the *Straits Times* and, if I am wrong, I hope I will be corrected straightaway. This is in quotation, page 20, *Straits Times* of the 23rd of August: he says, "What makes us happy is that people of the same race will no longer quarrel with each other." Mr Speaker, Sir, is this a peace treaty between the Malaysians and Indonesians, or is it a peace treaty between the Malays of Malaysia and the Indonesians of the same race as the Malays of Malaysia? I am not trying to rub anything in, but allegations have been made that Opposition parties have been festering, have been needling the idea that peace with Indonesia will mean suppression of the non-Malays in this country?

Mr Speaker, Sir, I for one do not believe that peace with Indonesia will have any effect on suppression of non-Malays, because it is my confirmed opinion that the suppression of non-Malays has reached saturation point in this country, and it can go no further. Therefore, peace with Indonesia, or no peace with Indonesia, the position is the same. Mr Speaker, Sir, but it has

been said that the Opposition has been needling these things. Now, when peace with Indonesia was imminent, of course, certain Malaysians did ask themselves, "What is going to happen? This is blood brotherhood—going to give us more difficulties? This is blood brotherhood going to give us troubles?" Then you got statements of this nature: "Peace between people of the same race. People of the same race, God willing, shall not fight again." What has happened to the Malaysians? What has happened to the Malaysians of non-Malay origin, who died in this battle with Indonesia? What is the National Monument doing there? Is it the National Monument for the Malaysian people, or is it a National Monument for Malaysian people of a certain race only? When Dr Adam Malik came to Kuala Lumpur, who formed the Guard of Honour? Not the Federation Regiment—the Malay Regiment. When we saw the Film Negara presentation of the delegation that went to Indonesia, how many times did we see in that film the Honourable Minister of Works, Posts and Telecommunications? How many times? At least the Honourable Finance Minister was seen on a few occasions (*Laughter*). (*Interruption*) Mr Speaker, Sir, small points—yes, but circumstantial points one mounting on the other. A long string of circumstantial points giving confirmation to the fear that there will be a *Maphilindo* unless steps are taken to stop *Maphilindo*. And here I think I am right: perhaps, the nation will be grateful that the Honourable Prime Minister has said that there is no intention, at least at the moment, of any *Maphilindo* or extension on those lines.

Mr Speaker, Sir, the peace with Indonesia is, however, a shaky one—very shaky indeed—and this peace treaty is no final settlement of the problems with Indonesia, and this is apparent if you read Article 1, of the Agreement itself, because there is a pre-requisite, a condition attached, which must be fulfilled by the Malaysian Government: "The Government of Malaysia in order to resolve the problems between the two countries arising out of the formation of

Malaysia . . ." Therefore, the problem which arose from the formation of Malaysia was in Sabah and Sarawak because they came into Malaysia. And what is the solution Article 1 gives? Article 1 gives the solution: it says that an election shall be held where the people will have an opportunity to reaffirm. An opportunity to reaffirm is also an opportunity to deny, or to refuse, what has previously been, perhaps, agreed to.

Mr Speaker, Sir, what will be the position assuming—and it is not a ridiculous assumption—that the elections go the way other than expected by this Government? In other words, what will happen if the people of Sarawak and Borneo say, "We don't want to be in Malaysia." Does it mean the fall of the Central Government? Does it mean that the Central Government will say, "All right, we amputate Borneo and Sarawak"? What will be the final settlement under Article 1 of this treaty? On what basis are we going to assess the wishes of the people of Borneo and Sarawak? Is it on the total number of votes polled by what are called anti-Malaysia parties, or is it going to be on the number of seats won? On what basis, on what terms, is Indonesia prepared to accept that as an answer to the problems created by Sabah and Sarawak entering Malaysia?

Mr Speaker, Sir, I was glad to read the Honourable Prime Minister said that he would welcome anti-Malaysia parties entering the contest in the election, which obviously will be held next year. But that conflicts with the statement made by the Honourable Prime Minister some time back after his return from East Malaysia, when he said that anybody who advocates the breakup of Malaysia may have to be dealt with under the Internal Security law; and in fact the words were very blunt—they will have to be locked up, they will have to be arrested, if they advocate the break-up of Malaysia. If it was a qualified statement—advocate the break-up of Malaysia by unlawful means—I would agree, but there was no qualification . . .

The Prime Minister: Mr Speaker, Sir, of course, the Honourable Member

mentioned this out of the context of my speech. I mean, I have been old and experienced enough as the leader of this country to know what to say, when to say and how to say it. I am not likely to suggest that anybody who said, "I don't agree with Malaysia" should be locked up. The intention, and the way I had explained it, could not be sufficiently elaborated in the columns of the papers for the Honourable Member to understand it fully. If he likes he can accompany me on one of my visits. What I did say was this: that anybody who does any act contrary to the term of the Constitution so as to topple the Government by force of arm, then this particular person will be dealt with in accordance with the laws and regulations which are in force under the Emergency today. That is what I did say.

Tuan D. R. Seenivasagam: I thank the Honourable Prime Minister for the clarification, but the written word was certainly not that, and we, who have not got the opportunities to move with the Honourable Prime Minister so often, can only go by the written word, and the written word leaves out an important qualification such as that; I would expect at least somebody in the Department to immediately clarify that matter, because it seems certainly odd that anybody who advocates a break-up of Malaysia will be arrested under the security laws. And that was the written word, and those who do not know this clarification, the people who do not know this clarification, will say, "Well, this is a terrific state of affairs." And now we are asked, "Anybody who is anti-Malaysia, we welcome you to contest the elections." Is that going to be a free and democratic election with that fear hanging over their heads? I am glad it has been clarified today, and I hope that clarification will reach far and wide.

Mr Speaker, Sir, until confrontation was on, I think even the most hostile people, hostile to the Opposition, will agree that we of the Opposition have toned down the domestic issues in this country which we raised before confrontation started: for example,

equality, racial equality, all these matters were toned down, and nobody spoke about them until confrontation was over. Now that confrontation is over, we intend to restart our campaign for domestic rights of Malaysians in this country. And I address this to the Member for Kota Star Selatan in particular: if he advocates that Opposition Members who raise racial points should be locked up, I ask him to try and do it. I dare him to try and do it. I dare him and challenge him to repeat outside this House that we are raising racial feelings sufficient to be locked up under the Internal Security laws; and if he is brave enough to do that outside, we will fix a time, date, and place, and I assure him that he will land up in court, because an allegation of a criminal offence, or an offence against the laws of a country is a slander, if it is by word, and a libel if it is in writing. But I do not think I should waste time, because the Honourable Minister for Internal Security quite rightly replied and said, "You do not lock up people, because they raised racial issues; you lock them up if they offend the laws of the country." So, I would not waste time and I would not waste breath trying to answer him any more.

Mr Speaker, Sir, in this country, confrontation has ended. The people are happy—there is no doubt about that; but let us see that that happiness is not short-lived. Let us see that that happiness will continue and that this Government will take away all the legislation which have brought hardships to the people, will remove increased taxation which was imposed expressly because there was confrontation. Let us hope that this Government will see its way to remove hardships imposed on the people, where they asked the people to sacrifice, because there was confrontation. Let us not use as an excuse the age-old excuse of subversion, possible subversion, communistic, Opposition is communistic, and therefore we must be on guard all the time.

Mr Speaker, Sir, the Malaysian people, according to the Prime Minister, had undergone, and had successfully undergone, the test of loyalty. I

remember, about six years ago in this House, when the question of equality of peoples was raised, the Honourable Deputy Prime Minister said, "Well, the people must prove their loyalty before they speak of equality." Today we have the answer that the loyalty test has been undergone, and the loyalty test has been successfully undergone. I hope words said will be remembered and will be carried out.

Mr Speaker, Sir, the Honourable Deputy Prime Minister will be in Ipoh tomorrow to inform the people of the good news of the end of confrontation. I was particularly happy that the Police approved a permit to the Peoples' Progressive Party to hold a public meeting tonight, and I hope that is an indication that in future there will be no discrimination as between political parties or leaders of political parties applying for permits to hold meetings in public places, because in the past there has been discrimination, and if that discrimination continues then this peace treaty is just a piece of paper. But I am glad to say that, at least on this occasion, there was no discrimination, and I only hope that in the future, when the Opposition applies for permits to hold public meetings in public places, they will similarly be approved with the speed and efficiency with which the application of the P.P.P. was approved on this particular occasion. However, that meeting had to be cancelled due to unavoidable circumstances (*Laughter*).

Mr Speaker, Sir, whilst I do not and cannot reasonably oppose this Motion, I say that this Motion could have more meaning and more significance, if the racial attitude adopted in this matter of Malay race and the Malay race only having peace with Indonesia should never have been brought into this issue; it should never have been indicated to the peoples of Malaysia, because you are insulting the non-Malay Malaysians of Malaysia, and I hope that doubt will be dispelled here and now in this House, so that it will be circulated far and wide throughout this country and the world.

Tuan C. John Ondu Majakil (Sabah): Dato' Yang di-Pertua, saya juga ingin mengambil bahagian sedikit untuk menyokong usul yang di-pohonkan oleh Yang Amat Berhormat Timbalan Perdana Menteri kita, Tun Haji Abdul Razak, dan perkataan² yang dikeluarkan oleh Yang Teramat Mulia Perdana Menteri, Tunku Abdul Rahman, berkenaan menandatangani perjanjian untuk menghapuskan persefahaman faham di-antara kedua negara, Malaysia dengan Indonesia.

Di-sini juga, Dato' Yang di-Pertua, saya ingin menambah kata ia-itu ra'ayat seluruh Sabah sangat bergembira kerana dapat melihat tamat-nya konfrontasi yang sangat dahshat itu. Anchaman² yang mana kita telah ketahui dan alami itu bukan-lah mendatangkan sa-suatu faedah bagi meninggikan taraf hidup, mengamankan serta mempunyai perdamaian di-antara kedua² negara Malaysia dengan Indonesia dan ra'ayat sa-luruh-nya, bahkan yang mana semua kita tahu dan merasai sudah di-bawah kekacauan, kekejaman, pergaduhan dan sa-bagai-nya yang tidak di-kehendaki oleh seluruh ra'ayat di-kedua² negara itu.

Oleh kerana yang demikian, Dato' Yang di-Pertua, di-sini saya sa-bagai sa-orang daripada Wakil² ra'ayat sa-luruh Sabah ia-itu di-perintah oleh pemerintah Perikatan, menguchapkan sa-tinggi² tahniah kepada Yang Amat Berhormat Timbalan Perdana Menteri kita, Tun Abdul Razak dan Menteri Hal Ehwal Luar Indonesia, Tuan Adam Malik, kerana bersabar hati dan kebijaksanaan dengan chara diplomasi mengambil keputusan² untuk menamatkan konfrantasi itu. Ra'ayat seluruh Sabah yang sa-benar²-nya, saya ulangi sa-kali lagi, sangat-lah bergembira dan bersukachita mengenai penandatanganan untuk berdamai yang telah di-adakan di-Jakarta pada 11hb Ogos tahun ini yang baru² itu.

Dato' Yang di-Pertua, berkenaan penggal yang pertama dalam perjanjian Perdamaian yang telah di-tandatangani itu ada menyatakan ra'ayat Sabah dan Sarawak di-kehendaki menentukan adakah mereka suka hendak dudok di-dalam Malaysia dalam pilihan raya

yang akan datang menurut Perlembagaan Negeri Sarawak dan Sabah. Di-sini saya, Dato' Yang di-Pertua, memberi jaminan ia-itu ra'ayat Sabah tetap bersetuju tinggal kekal di-dalam Malaysia (*Tepok*).

Saya juga menyokong dengan sa-penoh-nya ucapan yang telah di-lapadzkan oleh Yang Berhormat Ketua Menteri Sabah, Enche' Peter Lo, kerana beliau bersetuju pengi'tirapan itu sangat-lah terator, Dato' Yang di-Pertua, untuk ra'ayat di-seluruh Sabah. Oleh kerana ini-lah, Dato' Yang di-Pertua, saya fikir ra'ayat Sabah berhak penoh dengan chara demokrasi di-beri peluang mengeratkan pendirian mereka di-dalam Malaysia. Penandatanganan Perjanjian Perdamaian itu ada-lah memboktikan, ia-itu pemerintah Malaysia yakin dan sangat menchintai demokrasi yang berparlimen. Pemerintah Malaysia tidak gentar menunjukkan kepada seluruh dunia, ia-itu pemerintah-nya sangat yakin dan menchintai demokrasi yang berparlimen.

Saya perchaya, yang mana ra'ayat seluruh Sabah, dengan tidak lagi berbelah bagi, akan terus tinggal kekal di-dalam Malaysia. Saya juga perchaya dan yakin dengan sa-penoh-nya, ia-itu Pemerintah Malaysia juga penoh harapan agar pemerintah Indonesia berkehendak menghormati apa juga keputusan² mengenai langkah² yang akan di-ambil oleh ra'ayat seluruh Sabah, di-masa akan datang. Sekian sahaja-lah ucapan saya, Dato' Yang di-Pertua, terima kaseh.

Puan Ajibah binti Abol (Sarawak): Tuan Yang di-Pertua, saya bangun ini ia-lah untuk mengalu²kan Usul yang di-bawa oleh Timbalan Perdana Menteri tadi ia-itu berkenaan dengan Perjanjian Perdamaian. Yang amat bershukor dengan Perjanjian ini ia-lah kami di-Sarawak, kerana dudok-nya dan letak-nya pertarongan konfrantasi itu ia-lah di-Sarawak. Tetapi, sungguh pun begitu, kami telah menderita dengan konfrantasi itu, maka kami juga pada masa itu dapat menjalankan kemajuan² di-negara kami. Kami singkirkan penderitaan yang ada dengan apa yang telah di-'alami oleh kami, seperti perjalanan² kemajuan yang

telah ada di-Sarawak ia-lah Pembangunan Luar Bandar, pelajaran, kesehatan dan lain².

Dari itu, kami menguchapkan sa-tinggi² tahniah kepada Yang Amat Berhormat Timbalan Perdana Menteri yang telah berjaya menandatangani Perjanjian itu dengan Dr Adam Malik, Menteri Luar Indonesia. Kami, di-Sarawak, sa-bagaimana yang telah di-tegaskan oleh Parti² Pembangkang, kata-nya sa-bahagian kechil sahaja ra'ayat² itu menyokong Malaysia. Tuan Yang di-Pertua, sa-benar-nya sa-bahagian yang kechil sahaja yang anti-Malaysia itu ada di-Sarawak. Mereka itu sa-benar²-nya ia-lah subversive kominis yang ada di-Sarawak, bukan-nya mereka ra'ayat Sarawak yang sa-benar²-nya.

Dr Tan Chee Khoon: Untuk penjelasan, Tuan Yang di-Pertua, kalau sa-kira-nya Parti² Pembangkang yang di-katakan oleh Yang Berhormat itu subversive dan kominis, mengapa anggota² parti tersebut tidak di-tahan oleh Kerajaan Pusat?

Puan Ajibah binti Abol: Tuan Yang di-Pertua, sa-banyak yang saya ketahui, yang banyak kena tangkap di-Sarawak itu, yang di-masokkan ka-dalam penjara ia-lah daripada anggota² Parti Pembangkang di-Sarawak (*Tepok*). Tuan Yang di-Pertua

Tuan Stephen Yong Kuet Tze: Did the Honourable Member say that the members that are detained are the members of the Opposition Party? I think she should withdraw the statement.

Puan Ajibah binti Abol: Tuan Yang di-Pertua, saya ta' menetapkan dan menentukan satu² parti. Yang saya tegaskan di-sini ia-lah Parti² Pembangkang, ada di-antara-nya, Tuan Yang di-Pertua. Tuan Yang di-Pertua, bagi kami dari Parti Perikatan, juga bagi mereka ra'ayat Sarawak yang chinta kepada Malaysia, kami berikrar, hidup atau mati walau bagaimana pun penderitaan yang di-hadapi oleh kami, maka kami tetap dudok dalam Malaysia. (*Tepok*).

Mr Speaker: Persidangan ini ditempohkan.

Sitting suspended at 6.40 p.m.

Sitting resumed at 6.55 p.m.

(Mr Speaker in the Chair)

SITTING OF THE HOUSE

(Motion)

Tuan Tan Siew Sin: Mr Speaker, Sir, I beg to move:

That the resolution adopted this morning for the House to adjourn *sine die* at its rising today be revoked and that notwithstanding the provisions of Standing Order 12, there shall be a sitting of the House tomorrow, Saturday, 27th August, commencing at 10.00 a.m.

The effect of this Motion, Sir, is that the House shall meet tomorrow. The reason is obvious in that it is clear that we cannot finish the business on the Order Paper unless we sit till a very late hour tonight, and I think it is preferable that the House shall sit tomorrow instead.

Tan Sri V. T. Sambanthan: Sir, I beg to second the motion.

Question put, and agreed to.

Resolved,

That the resolution adopted this morning for the House to adjourn *sine die* at its rising today be revoked and that notwithstanding the provisions of Standing Order 12, there shall be a sitting of the House tomorrow, Saturday, 27th August, commencing at 10.00 a.m.

MOTION

PERJANJIAN PERDAMAIAN DENGAN INDONESIA

Debate resumed.

Tuan Mohd. Arif Salleh (Sabah): Tuan Yang di-Pertua, saya sa-bagai sa-orang wakil dari Sabah dan juga sa-bagai sa-orang Ahli Parti Perikatan Sabah, menyokong dengan penoh-nya usul yang di-kemukakan oleh Yang Amat Berhormat Timbalan Perdana Menteri.

Di-sini saya suka mengambil kesempatan, bagi pehak ra'ayat Sabah seluroh-nya, mengucapkan tahniah

kapada Yang Berhormat Tun Abdul Razak serta rakan²-nya yang telah berjaya membawa keamanan kapada Malaysia. Saya juga mengucapkan tahniah kapada Yang Terutama Dr Adam Malik atas kerjasama dan kebijaksanaan beliau membawa Indonesia berdamai dengan Malaysia. Bagi kami ra'ayat Sabah, penyelesaian sengketa antara kita dengan Indonesia, ada-lah satu rahmat yang membawa kebahagiaan kapada negara kita yang kita kasehi.

Kami di-Sabah akan mengadakan pilihan raya di-dalam tahun hadapan dan tidak shak lagi seluroh ra'ayat Sabah akan membaharuⁱ hasrat mereka terhadap Malaysia. Kami akan timbul atau tenggelam bersama² dengan Malaysia yang ma'amor dan maju. Hidup Malaysia (*Tepok*).

Dr Tan Chee Khoon: Mr Speaker, Sir, I think it was in 1939 that Mr Neville Chamberlain, when he returned from Munich, waved a piece of paper when his aircraft landed and said, "This document will bring us peace for our time." Mr Speaker, Sir, it is true that the Honourable Deputy Prime Minister, when he returned from Jakarta, did not wave this piece of paper and say "This Agreement will normalise relations between Malaysia and the Republic of Indonesia, and will bring peace for our generation." Mr Speaker, Sir, we have heard, and we all know, the fate of the Munich Agreement which was torn up a few months later.

Mr Speaker, Sir, the Honourable Member for Ipoh just now stated that this new found peace and this Agreement is very shaky. Now, I do not wish to be a prophet of doom or to be a Jonah: all that I will say is that, although this Agreement has ended confrontation, there are still many more problems to be solved, one of which is that of this tendentious question of the determination of the wishes of the people of the Borneo States. I think the *Straits Times* of yesterday reported, when I asked why diplomatic relations would not be set up quickly with Malaysia that Dr Adam Malik stated

that the country had no money to re-open diplomatic relations with Malaysia. One does not need to be a diplomat to note the diplomatic way in which the Foreign Minister of Indonesia has side-stepped this question of re-opening of diplomatic relations with Indonesia. I, myself, feel that although this Agreement has undoubtedly eased tension in this part of the world, there are many problems more to be solved before we can say truly that this document has brought peace to this region of Asia.

Mr Speaker, Sir, today I wish to point out to this House, as I have pointed out many a time, that my Party, the Labour Party of Malaya, stands vindicated. Many a time in the past, the then Socialist Front, and now the Labour Party of Malaya, had advocated two things: we had advocated that we should leave no stone unturned to find a negotiated peace with Indonesia: we also stated that we should find some formula to satisfy the Indonesians about this vexed question of the determination of the wishes of the people of the Borneo States. Now, Mr Speaker, Sir, we had the courage in the past, when it was not fashionable, when public opinion was against such a proposition, to propound these two proposals. I well remember the time when I was a tenderfoot in this House, perhaps, having been roughed up so often down here. When I first propounded these two stands of my Party in the debate on His Majesty's Speech in May 1964, many voices in this House called my Party and I, "Traitor, Voice of Indonesia" and the like. Today, Mr Speaker, Sir, I say that my Party in this House and to the country, "We stand vindicated for what we have advocated", and I am glad that what we have advocated the Alliance Government has accepted. For, Mr Speaker, Sir, despite all the explanation by the Honourable Prime Minister and the Honourable Deputy Prime Minister over this interpretation of the reaffirmation of the fate of the Borneo people to remain in Malaysia, it is but a sugar-coated and fact-saving device of both Governments to overcome the question of the ascertainment of the

wishes of the people of the Borneo States.

Now, Mr Speaker, Sir, it is right and proper that this House and this country should thank the Honourable Deputy Prime Minister for the hard work that he has put in to achieve this agreement with Indonesia. But I regret to say that the effusive way that praises have been heaped on him must be, I think, embarrassing to him at times, and also the way that the mass media of Government has gone out of their way to build up the personality cult is rather disturbing to anyone, who believes in a parliamentary form of democracy. In a parliamentary democracy, you do not want to build up a personality cult; you will leave it to the totalitarian countries, in particular the communists. In a parliamentary democracy, we accept the leaders as they are, and if they have performed well for the country, there are ways and means of rewarding such leaders; but the abnormal way, shall I say, in which the Government mass media have gone out of its way to build up the Deputy Prime Minister—I think, perhaps in days to come he may well find it embarrassing—certainly does not bode well for democracy in this country.

Mr Speaker, Sir, the Honourable Member for Ipoh has voiced the uncertainty and fears of the non-Malays in this country. None other than the Honourable Prime Minister has also stated that there is no foundation for this uneasiness of the non-Malays. However, Mr Speaker, Sir, while the Government would like to say that there is no truth in whatever rumours that have gone round, the Member for Kota Star Selatan has taken on himself to say that these rumours emanated from this side of the House and we are responsible for it—I do not know whether "this side of the House" includes the P.M.I.P. or not. Nevertheless, I wish to say that we are in no way responsible for whatever rumours that may be going round.

Mr Speaker, Sir, I believe about a month ago, when the Bangkok Accord was published, a distinguished visitor in this country. I happened to meet him

and I asked him, "You have been going round this country; you have met leaders; you have met the man in the street; what do you think of this Bangkok Accord?" He told me point blank, "I sense a spirit of uneasiness amongst the people. I cannot explain why. I will ask the Government leaders to explain. Now, Mr Speaker, Sir, this sensing of the uneasiness and uncertainty amongst the non-Malays did not—this report—comes not from a local citizen. It came from one who had come from abroad, who was totally ignorant of local conditions and he sensed it at once. Mr Speaker, Sir, (*Interruption*). What is the reason for this uneasiness Mr Speaker, Sir? The Member for Ipoh has mentioned some of them and I do not want to go over what he has stated. I only will say that any emphasis on blood ties with the Indonesians, and then you couple this blood ties with *satu bahasa, satu bangsa, satu agama*, then no amount of work that the mass media can do, or will do, can reduce or remove this uneasiness on the part of the non-Malays. I do hope that when the Government leaders want to dispel this uneasiness, let them play down or do not talk about blood ties, about *satu bahasa, satu bangsa dan satu agama*, because if we are all to be Malaysians, why emphasise on blood ties, why emphasise on race, colour or creed?

Now, Mr Speaker, Sir, the Member for Ipoh has also stated that he is glad that the Honourable Prime Minister has rejected Maphilindo out of hand as being racist in concept. I notice that there is a move to enlarge ASA to a greater *Maphilindo*, whatever that may be, but I wish to say, Mr Speaker, Sir, that any agreement, or any association in this area of the world based on race, will be opposed by the Labour Party of Malaya. We do not believe and do not think on racist lines. I notice all this talk about friendship for our neighbours and all that, and I wonder how this can be achieved, if we cannot find agreement with our nearest neighbour south of the Causeway.

Now, Mr Speaker, Sir, coming to this question of elections in the Bornean

States, we can now see how things are manipulated. Time and again, the leaders of Sarawak have pointed out that they will under no circumstances hold their elections before 1968, as provided for in their Constitution. Even after the Djakarta Agreement was signed, when the Honourable the Deputy Prime Minister announced that there would be elections held, the Chief—I cannot call him Chief Minister, because that again is in dispute—and some of the leaders of Sarawak stated that they would not hold elections. But now, I suppose, when the whip is cracked from the centre, the people there say that they will hold elections.

Now, Mr Speaker, Sir, of course, if they hold both State and General Elections simultaneously—and I have it on good authority that they cannot hold elections in 1967, because practically nothing has been done, despite what the Honourable Minister of Lands and Mines told us last night—and supposing elections were held in 1968 (both State and Federal), then in 1969 this House is dissolved, it means that we will have to hold Federal elections again in Sarawak and Sabah. Mr Speaker, Sir, one way of obviating such a necessity would be to dissolve this House much earlier, and then let us go back to the country. The Alliance has gone and trumpeted loud and bold that they have the support of the country. I challenge them, Mr Speaker, to go back to the country and seek a mandate for peace from the country. They have challenged me, Mr Speaker, Sir, now I say, for synchronisation with the elections in Sabah and Sarawak, the Central Government will dissolve this House and we will go to the country simultaneously, and then we will see—the results will be very illuminating.

Mr Speaker, Sir, the Member for Ipoh has pointed out that as a result of confrontation, the Government then has passed many suppressive and repressive laws in the name of the preservation of the security of this country. My party, the Labour Party of Malaya, when in July 1964, the Emergency Regulations were passed, my Party was persuaded,

I will admit, by me to support the Emergency Regulations then. But I then told the Central Government quite clearly that these laws should be repealed as soon as confrontation was over. Mr Speaker, Sir, I believe, the Government then also promised us that the Emergency Regulations would be repealed. Mr Speaker, Sir, the trade union movement is more than perturbed over the repressive laws on the trade union movement, and I now ask the Central Government to repeal the repressive laws passed in the name of the preservation of this country.

Then there is the question of local elections. None other than the Honourable Prime Minister in March last year stood up one day, morning, in this House and stated, "We will postpone local elections because of confrontation". Then, Mr Speaker, Sir, he categorically promised us that the local elections will be held once confrontation is over. Now, Mr Speaker, Sir, I am realistic enough to note that there are many inadequacies in our present system of local government as has been revealed to the Athi Nahappan Commission. I hope the Central Government will not make use of that as an excuse to postpone local elections in this country. If necessary, the Athi Nahappan Commission should be asked to complete its work as early as possible, so that local elections can be held, and the voice of the people will be expressed.

Finally, Mr Speaker, Sir, I wish to say this: Let us hope that the Alliance Government will use this Agreement, as has been pointed out by the Member for Ipoh, not only to devote whatever money that can be saved for the economic projects and the betterment of the people of this country but also to see that whatever cake there is, it should be distributed to all and sundry without distinction of race, colour or creed. Thank you.

Dr Mahathir bin Mohamad (Kota Star Selatan): Mr Speaker, Sir, I rise to congratulate the Government on the success of the negotiations which were

carried out by the Architect of Peace—the Honourable Deputy Prime Minister. I think this is one of the best examples of negotiation carried out by responsible people, who have the welfare of their own people at heart as well as the need to see that this area is freed from tension.

Sir, negotiation has been carried out directly and the initiative has been mainly with our Government as well as that of the Indonesians. The Labour Party, Sir, would like to claim that negotiation as a method for settling peace between Indonesia and Malaysia is a suggestion of their own, but when the Alliance Government rejected further negotiations before, it was because there was no possibility of any success, as the Government in Indonesia was at that time influenced by the communists whose stand on the matter of confrontation was very clear. It was only after the people of Indonesia rose in defiance of the communists and got rid of the communist influence in their Government that we saw an opportunity of success in negotiation. It is, therefore, wrong to say that the Alliance Government refuses to use negotiation as a means of attaining peace. Negotiation would have been futile had it been started at a time when the Government of Indonesia had clearly indicated that it was not interested in ending confrontation.

Now, Sir, this negotiation which ended in peace between Indonesia and Malaysia is in fact a peace between people of the same race, who speak the same language and profess the same religious. The Indonesians are not only Indonesians of Malay origin but they are also Indonesians of Chinese origin, who have opted to become Indonesians. There are also Indonesians in Indonesia who are not Muslims but also Christians and Hindus, as we have in this country Malaysians who are Muslims, Christians and Hindus. And the language which they speak in Indonesia is also the same language that we have adopted for this country. It is, therefore, not wrong to say that this peace between Indonesia and Malaysia is a coming together again of people of the

same race professing the same religions and having the same language. I do not see why the Honourable Member for Batu is so very annoyed that we should mention this at a time when we felt we had triumphed in our endeavour.

Now, Sir, I would like to say a few words about what the Member for Ipoh has said. He suggested that with the end of confrontation, there would be a move to suppress the non-Malays in this country, and he cited as evidence certain phrases uttered by some people in the heat of the moment. But, we know that in this country there has never been any evidence of suppression of people of non-Malay origin. Before confrontation, there was a peace treaty between Indonesia and Malaysia, but at that time there was no evidence that the non-Malays were suppressed. Indeed, if we were to go by the figures which I presented to this House three days ago, we can see quite clearly that there has been no suppression of the non-Malays, but that on the other hand the Malays have tolerated a situation in which they hold very little of the wealth and the positions in this country. So, it is completely wrong to say that with the ending of confrontation the Malays, together with the Indonesians, will suppress the non-Malays in this country. There has been no evidence and the Government has expressed no such intention. I do hope that the Honourable Member for Ipoh will accept the assurance given by the Prime Minister himself, and also that of other Members of the Cabinet as assurances which are worthy of being given serious consideration.

There is another matter, Sir, and that is he challenged me saying that I should repeat certain things I said in this House outside this House. Now, Sir, the very idea of having privileges in this House is to permit Members to mention certain things which they should not mention outside the House, and when I said certain things the other day I did so, because I knew full well that if I said it outside the House I would probably be dragged to court. That is why I chose to say it within this House.

Mr. Speaker, Sir, with the ending of confrontation and peace between Indonesia, there is hope that South-East Asia will experience a more claim period during which the new countries will be able to settle down and attend to the economic needs of the region and to the upliftment of the people. In this connection, Sir, we notice that the A.S.A. Ministers the other day have initiated a move to bring about peace in Vietnam. This is a laudable move, but there has been a statement in the Press which literally accuses those Asian countries who have not responded to this appeal as siding with the communists. Now, since Malaysia is associated with this peace move by A.S.A., and since we have only just concluded a peace treaty with Indonesia, it may well be construed by Indonesia that Indonesia's lack of response to the call by A.S.A. is evidence that she is on the side of the communists. I do hope, Sir, that this is not the feeling that we have in this country, and on this matter I would be very happy to hear some clarification by the Honourable Deputy Prime Minister. Thank you, Mr Speaker, Sir.

Tuan Stephen Yong Kuet Tze: Mr Speaker, Sir, in spite of what the Alliance Member from Sarawak may say about the conditions in Sarawak, the Member who never had gone through the mill to face the electorate and professing to speak for Sarawak, dare he say that we on this side of the House have not always maintained that there should be peace and friendship between Indonesia and Malaysia? Now, that the Agreement has been signed, we naturally expect normal relation to follow. Although the Prime Minister has said that we should forget the past, I think we should also analyse the cause of the so-called confrontation. It came about because of the establishment of Malaysia with Sarawak, Sabah and Singapore, and Sarawak, while still a British colony, was brought in as a State of this Malaysia Federation. Rightly or wrongly, Indonesians regarded this as a conspiracy between Britain and Malaya and a threat to their security. Britain, however, told the people of

Sarawak that they had to be in Malaysia, otherwise they would be swallowed up. Naturally, we do not wish to be swallowed up, and the people there were prepared to accept independence through Malaysia.

Confrontation now is over. There was no defeat of one by the other, militarily speaking, and, therefore, the earlier talk of Indonesia having territorial ambition of Malaysia, which we heard so much before, has now proved to be nothing but speculation of a sort which is meant to drag Sarawak into Malaysia.

The Honourable Prime Minister on Monday mentioned about the national feeling displayed by the people of Sarawak during confrontation. It would be more accurate to describe this feeling as a reaction of the people of Sarawak as a display of a strong feeling of nationalism—that is Sarawak nationalism. So long as confrontation posed as a threat to the territorial integrity of Sarawak, the people of Sarawak would resist.

Sir, we are proud of our Sarawak identity—povincialism or call it what you may—but does the Central Government appreciate this point? Malaysia, Sir, has been established for three years. For the first year, perhaps, we can say there was teething trouble, but since then we have found that there is a lack of cohesion in the administration of Departments which come under the Federal list of subjects. There is also a seeming lack of efficiency. Let us take this for example, Sir, it has been a usual occurrence for letters to remain unanswered and matters not attended to for a very long time; it may be the result of too much centralisation or it may be the inherent weakness of this present form of Federation.

This complaint, Sir, takes second place, when one finds from time to time the undue and uncalled for interference by Kuala Lumpur with the State Government. The constitutional crisis in Sarawak is a case in point. Why was it necessary for the Members of Council Negri of Sarawak to be sent for in twos and threes as I was informed, in the name of the Prime

Minister to come to Kuala Lumpur to deal with the question of the Chief Ministership, which should have been done in Kuching? There is a National Alliance Council in Sarawak, and it should have been that body to resolve the constitutional matter and not anybody in Kuala Lumpur. And why was it necessary for the Minister of Home Affairs taking with him a retinue, among others the Inspector-General of Police, the Attorney-General, to accompany these Members of Council Negri back to Sarawak—and they appeared to be kept in *communicado* in Sarawak in the *Astana*? Sir, all these appeared to be coercion, and all these were resented to very much by the people of Sarawak. The Government cannot say that it is an internal matter of the Alliance Party, because it involves the political life of the people. Too much interference of this sort, Sir, made the people in Sarawak feel that they have no effective say in their own political life—matters concerning themselves—and that the status they are having is no more than that of a colonial people—The Minister of Home Affairs

Mr Speaker: Order, order. How long are you going to take?

Tuan Stephen Yong Kuet Tze: Very short, Sir—only a few minutes. The Minister of Home Affairs talked of internal trouble—and he, of course, based it on individual comments. I say, however, that if the Central Government should choose to overlook the natural aspiration of the people in Sarawak to have full say in their political life and behave in a way like a big brother with a big stick, there would be trouble—communist or no communist, Sir, we welcome peace, but let not the Central Government overlook the political aspiration of the people of Sarawak.

Dato' Mohd. Asri bin Haji Muda: (*Bangun*).

Mr Speaker: (*kapada Dato' Asri*). Barangkali sa-kejap boleh-lah, sebab hendak balas balek chakap itu. Dalam lima minit boleh-lah

Dato' Haji Mohamed Asri bin Haji

Muda: Ia-lah. Tuan Yang di-Pertua, saya berchakap bagi pehak diri saya dan bagi pehak parti saya, sama²-lah mengambil kesempatan dalam perbahathan atas usul ini mengalu²kan Perjanjian yang terchapai untuk memulehkan perdamaian antara negara kita Malaysia dengan Indonesia yang telah di-tandatangani di-Jakarta pada 11 haribulan ini. Alu²an yang saya berikan ini ia-lah kerana kita sentiasa mengharapakan supaya perdamaian dan persahabatan antara kedua buah negara ini akan terjalin kembali sa-telah tiga tahun kita berpisah. Dan di-atas asas chinta kapada perdamaian dan persahabatan yang sejati maka Perjanjian Perdamaian yang telah di-tandatangani di-Jakarta pada 11 Ogos yang baru lalu, ada-lah menjadi suatu perkara yang sangat² kita mengharapakan atau satu perkara yang patut-lah mendapat sanjongan daripada semua pehak.

Akan tetapi satu perkara, Tuan Yang di-Pertua, yang saya hendak sebutkan ini supaya Perjanjian Perdamaian itu bukan sahaja akan dapat melahirkan perdamaian yang kekal abadi, akan tetapi juga akan dapat menjadi asas yang tegoh bagi mewujudkan chita² Maphilindo di-mana chita² ini telah diterima bersama oleh tiga pemimpin negara pada masa pertemuan di-Manila yang di-adakan lama sa-belum konfrantasi itu berjalan. Dan dengan tidak payah menerangkan tentang apakah Maphilindo dan apa-kah faedah² atau kepentingan² atau sebab² musabab yang mesti chita² Maphilindo itu diwujudkan sa-berapa segera yang boleh, maka saya menyarankan-lah kapada pehak Perdana Menteri supaya mengambil daya utama bagi mengadakan kembali pertemuan tiga pemimpin negara ini, ia-itu-lah Malaysia, Indonesia dan Philipina bagi membincangkan chara² bagi mewujudkan chita² Maphilindo ini, dan chara² bagi perlaksanaan Maphilindo ini.

Saya berasa dukachita juga apakala mendengar Perdana Menteri kita, sa-waktu memberikan ulasan atas terchapai-nya persetujuan di-Bangkok antara Timbalan Perdana Menteri dengan Menteri Luar Indonesia, Per-

dana Menteri kita telah mengatakan bahawa soal Maphilindo itu kita biar-kan begitu sahaja dan mari kita perluaskan A.S.A. Saya rasa kenyataan saperti ini ia-lah kenyataan yang hendak melarikan diri daripada hakikat dan kenyataan. Soal menimbulkan perkara perluasan A.S.A. dengan soal mewujudkan Maphilindo ada-lah soal yang berlainan kedudukan-nya. Sebab itu-lah saya tidak hairan kalau pehak Indonesia sendiri memberi sambutan yang begitu dingin terhadap chita² pengeluaran A.S.A.

Tuan Yang di-Pertua, sa-lain daripada soal itu, saya suka juga-lah membangkitkan perkara kandungan yang terkandung dalam Perjanjian itu sendiri. Ia-itu-lah, mengikut pandangan saya, yang boleh menyegerakan terchapai-nya persetujuan ini ia-lah adanya satu butir yang begitu penting dan mustahak yang terkandung dalam Perjanjian yang telah di-tandatangani di-Djakarta itu ia-lah soal persetujuan hendak mengadakan satu Pemilihan Umum atau Pungutan Suara atau apa sahaja istilah yang di-pakai bagi negeri Sabah dan Sarawak. Berdasarkan kapada persetujuan daripada Malaysia ini-lah menyebabkan Indonesia dapat menerima dengan baik, dan dengan demikian Perjanjian Damai itu dapat di-tandatangani.

Soal yang timbul sekarang ini ia-lah bagaimana-kah chara-nya terbentuk soal Pungutan Suara atau Pemilihan Umum, Pilehan Raya, yang akan dilakukan di-Sabah dan Sarawak? Dalam tanya jawab yang di-timbulkan pagi sa-malam, di-Rumah yang mulia ini, kekeliruan² yang nyata telah lahir daripada kenyataan yang di-berikan oleh Perdana Menteri kita sendiri, ia-itu, bahawa Pilehan Raya atau Pemilihan Umum itu bukan-lah sifat-nya sa-bagai Referendum atau Pungutan Suara untuk menentukan hasrat daripada ra'ayat Sabah dan Sarawak, sama ada hendak kapada Malaysia atau pun tidak. Kerana, mengikut keyakinan Kerajaan kita, bahawa hasil² yang terchapai dari Pilehan Raya Majlis² Tempatan, dari Penyata yang telah di-buat oleh Surohanjaya Cobbold, dari penyiasatan yang di-lakukan oleh Surohanjaya² daripada Bangsa² Bersatu, telah chukup

membuktikan kehendak² mereka itu. Chuma, ini persetujuan yang di-berikan di-Djakarta itu, di-atas kandungan Perjanjian itu ia-lah sa-mata² untuk mengulangi kemahuan ra'ayat Sabah dan Sarawak itu menyertai Malaysia.

Saya teringat-lah kapada satu kenyataan yang di-berikan oleh Timbalan Perdana Menteri kita kapada wartawan di-Djakarta, di-mana di-siarkan sa-chara besaran² di-dalam Radio dan juga dalam Talivishen Malaysia sendiri. Manakala timbul persoalan daripada wartawan di-Djakarta, Yang Berhormat Timbalan Perdana Menteri telah menyatakan bahawa di-dalam Pemilihan Umum yang akan di-lakukan dengan sa-berapa segera mungkin di-Sabah dan Sarawak itu, soal kemahuan ra'ayat untuk menyertai Malaysia atau tidak, ada-lah menjadi maudzu' yang terpenting yang akan di-kemukakan sa-bagai satu perkara yang terpenting. Jadi, ini-lah satu perkara. Kita terpaksa hendak memisahkan pengertian tentang Pemilihan Umum atau Pilihan Raya itu. Apa-kah Pilihan Raya itu, atau Pemilihan Umum itu, sifat-nya sa-bagai Pilihan Raya yang biasa di-lakukan di-dalam negeri demokrasi, ia-itu-lah Pilihan Raya saperti yang kita telah tempoh pada tahun 1964.

Mr Speaker: Masa, masa; tadi saya katakan lima minit. Jadi, ini sudah sapuluh minit. Jadi, itu-lah pendekkan sedikit.

Dato' Mohamed Asri: Tuan Yang di-Pertua, oleh kerana sa-belah saya ini ta' ada pernah berchakap lagi, Tuan Yang di-Pertua

Mr Speaker: Banyak, sudah berchakap. Saya tahu, saya yang jaga.

Dato' Mohamed Asri: Dalam masalah ini?

Mr Speaker: Sila pendekkan sedikit.

Dato' Mohamed Asri: Ia, insha' Allah, saya akan chuba, Tuan Yang di-Pertua.

Mr Speaker: Besok kita na' habis. Mula² hari ini; ta' jadi hari ini—besok; besok pun ta' jadi—lusa.

Dato' Mohamed Asri: Itu bukan soal saya. Saya ta' mengemukakan masalah ini.

Mr Speaker: Saya tahu bukan soal Ahli Yang Berhormat. Tetapi, Rumah ini, Persidangan ini, dalam tangan saya.

Dato' Mohamed Asri: Ia-lah, kalau saya berchakap tadi, sudah habis barangkali. Jadi, Tuan Yang di-Pertua, kalau-lah Pilihan Raya itu merupakan Pilihan Raya biasa saperti yang kita lakukan dalam tahun 1964, dan mungkin tahun 1969 ini, maka kenapa terpaksa di-sebutkan dalam Perjanjian itu akan di-adakan sa-berapa chepat mungkin—sa-berapa segera yang boleh? Sebab, kalau Pilihan Raya, mesti-lah di-tentukan oleh peratoran² yang tertentu. Kalau Pilihan Raya itu akan menempoh tempoh antara satu dengan satu-nya, lima tahun, maka kalau di-segerakan dalam tahun 1967, mungkin pada tahun itu—lima tahun akan datang akan berlainan tempoh atau masa Pilihan Raya antara Malaysia Timor dengan Malaysia Barat. Sa-patut-nya Pilihan Raya itu di-adakan pada sa'at yang bersamaan, sa-kurang²-nya.

Tetapi, oleh kerana hendak menchapaikan satu perjanjian saperti ini, dan hendak mengambil satu pengertian yang bersama tentang kemahuan ra'ayat di-Sabah dan di-Sarawak untuk menyertai Malaysia, maka pihak Malaysia telah memberi satu pengakuan sa-chara gagah²an tentang hendak mengadakan Pemilihan Umum sa-berapa segera yang boleh. Maka boleh-lah di-tafsirkan pula, bahawa Pemilihan Umum itu atau Pilihan Raya itu tidak sa-bagai Pilihan Raya biasa. Tetapi, suatu Pemilihan Umum atau Pungutan Suara yang khusus mengenai soal kemahuan ra'ayat Sabah dan Sarawak untuk menyertai Malaysia atau pun tidak. Inilah soal-nya, Tuan Yang di-Pertua.

Kenyataan Perdana Menteri yang di-berikan pada pagi kelmarin itu ada-lah satu kenyataan yang akan meragu²-kan, bukan sahaja dalam Rumah yang mulia ini atau kapada Ahli² dalam Dewan ini, tetapi mungkin akan meragukan pula kapada pihak Indonesia sendiri, tentang soal bagaimana kejujuran kita menghadapi masalah

Pemilihan Umum atau Pilihan Raya yang menjadi pokok perjanjian yang terkandung di-dalam Perjanjian yang di-chapai di-Bangkok dan di-tandatangani di-Djakarta baharu² ini. Mudahah², kalau soal penyelesaian ini akan dapat di-chapai dengan baik, kita akan dapat-lah menjadikan Perjanjian ini dan pelaksanaan batu asas yang kokoh kepada perdamaian kekal abadi dan menjadikan batu asas yang kokoh pula kepada terlaksana-nya atau terbentuk-nya chita² Maphilindo.

Mr Speaker: Time is up. The Deputy Prime Minister has to reply.

Dr Lim Chong Eu: *Rises.*

Mr Speaker: Time is up. The Deputy Prime Minister has to reply, and then I have to put the Question to the House.

Tuan C. V. Devan Nair: Sir, the Government has asked that this session be extended till tomorrow in order to give us time.

Mr Speaker: I will not allow a single Opposition Member to have a say—not a single one.

Tuan C. V. Devan Nair: But we wanted to speak on this, and I think it is very valuable.

Tun Haji Abdul Razak: Sir, give a few minutes to each Member to speak. We can spare the time.

Mr Speaker: Few minutes each.

Dr Lim Chong Eu: Mr Speaker, Sir, it would have taken me much longer than a few minutes to participate in a very important debate on this very important Agreement. However, in view of the exigencies of time, and to meet the public engagements of Members of the Front Benches of the Government, I shall try to cut down my speech, but I do crave the indulgence of the Honourable Ministers if in cutting down my time, I go to the point more directly than I usually do. And, therefore, if they feel a little bit hurt and their dinners a little bit spoilt, Sir, it is not because of my usual accommodation, but simply because of the lack of time.

Sir, we would wish very much to be able to fully support in this House the Motion standing in the name of the Deputy Prime Minister, because without any doubt everyone in this country as well as in South East Asia would only wish to see peace and friendship restored between ourselves and Indonesia and that would be a corner-stone of peace and friendship in South East Asia. However, Sir, we cannot associate ourselves with the Motion as it stands, because of the words "whole-heartedly" and "enduring." Too often, Sir, we have seen the Government presenting White Papers of this nature and asking us to accord them everytime our support for little endeavours that they have made towards securing peace. Every little endeavour made towards securing peace in this area is to be lauded, but not lauded to the sky. We have been given, for example, the Manila Agreement and we were asked in this House, not myself in particular, to support the Manila Agreement, the concept of Maphilindo, as the acme of South-east Asian diplomacy. And that went into three years of confrontation! Now we are presented with a paper, Sir, and we are again asked to give whole-hearted support, and I cannot in all sincerity do so, although in fact in achieving this Agreement, the Honourable Deputy Prime Minister has, in fact, carried out almost word for word the injunctions of the elections manifesto of my Party, the United Democratic Party.

HONOURABLE MEMBERS: No!

Dr Lim Chong Eu: Oh, yes, Sir. I will read it to you. That is why I said it will take some time. (*Laughter*).

AN HONOURABLE MEMBER: Why do you want to claim credit?

Dr Lim Chong Eu: Sir, if I have very little time and have to be heckled by the Ministers who are not engaged at dinner parties . . .

Mr Speaker: Will the Honourable Member be as brief as possible?

Dr Lim Chong Eu: Sir, I am very brief.

Mr Speaker: Do not read anything from that. Just mention it and then vote against. (*Laughter*).

Dr Lim Chong Eu: It is not my intention to vote against the motion. It is my intention to indicate why I cannot support it and to abstain from voting. That is why it will take some time to go on fighting.

Mr Speaker: I am sorry. The debate must be closed today, otherwise it will go on and on, and then the Honourable Member himself will not only be here, will not be in Kuala Lumpur.

Dr Lim Chong Eu: I had made arrangements and I had to re-make my arrangements.

Mr Speaker: There you are! Whose fault is it?

Dr Lim Chong Eu: I do not know, Sir. The Government made it very difficult for us. (*Laughter*). Sir, however, I am trying to be very brief.

The Honourable Deputy Prime Minister himself has said that the success of this Agreement indicated the success of direct negotiation. In 1964 we suggested to the Government that the way to solve this problem of confrontation was not to go to Manila, Tokyo, Bangkok, London, Washington, but to go over to Jakarta and solve it—by direct negotiation. We were told that it was bunkum. At that time, I remember, Sir, the Honourable Prime Minister himself said “As long as Soekarno is in power, we cannot solve this problem.” I remember that, and the rest of the country remembers that. Soekarno is still in power.

HONOURABLE MEMBERS: No!

Dr Lim Chong Eu: So, I wonder, Sir, whether in fact this Agreement is valid. (*Interruption*). Sir, I am trying to be brief, but there you are—interruptions. (*Laughter*).

Mr Speaker: Will the Honourable Member carry on, please?

Dr Lim Chong Eu: The other point which we suggested was that one of the ways to solve confrontation, and one

of the ways to solve the problem of Malaysia, was to allow the people of Sabah and Sarawak the right to express their desire to remain or to get out of Malaysia by means of general elections—Article 5 of our Manifesto (*Laughter*). (*Interruption*). If our Government had paid heed to the voice of the people in this country and not been forced to sign this Agreement we would feel much happier.

The other point is much more cogent reasoning. In Article 3 of this Agreement, Sir, we have been forced to admit: “The Government of Malaysia and the Government of the Republic of Indonesia agree that in view of the above, hostile acts between the two countries shall cease forthwith”. In so far as I understand the situation of confrontation, hostile acts have been carried out against Malaysia and against the Malaysian people. I know of no instance of an hostile act being carried out by us against Indonesia. Under those circumstances, the wording of this Article, to some extent, I think, already derogates the position which Malaysia held before the signing of the Agreement. We were the aggrieved party in the confrontation; we were attacked and our people suffered loss of lives, loss of property. This Agreement admittedly brings temporary peace and friendship—not enduring. Even they have not used the words “end of confrontation” because, it uses the word “normalise” although in the translation of the speech of the Honourable Deputy Prime Minister the word “normalise” has been equated with the word “end of confrontation”. Although the Honourable Deputy Prime Minister in his speech did suggest that the ending of confrontation must further be equated later on with the establishment of diplomatic relations.

Sir, therefore, it is clear that the signing of this Agreement in front of us as a piece of paper and an agreement, which will pave the way to eventual peace and friendship between Malaysia and Indonesia is a paper worth considering, but for us to subscribe to the Motion, as it stands, requires us thoroughly to re-examine the situation. I have very much more

to talk but I am taking your injunction and stopping as soon as I can, but just a little more, Sir.

Mr Speaker: How long, more.

Dr Lim Chong Eu: Just a little bit more on a very vital point. As I understand it, Sir, peace between two nations must mean that it shall bring understanding and goodwill between two nations, between government and government; it should also ensure that there shall be peace prevailing within the two nations. Sir, what is happening in Indonesia today is their own business to some extent, but the Agreement has hardly led on to a situation which we could say is peace in Indonesia. With regard to ourselves, we would like to reserve our whole-hearted welcoming to this Agreement until we see the future functioning of the Government following the signing of this Agreement. We want to see whether the Government implements, when it implements, and how it implements this question of free democratic general elections in Sabah and Sarawak. We want to see whether the Government lives up to its purpose, of making confrontation, or the end of confrontation, meaningful to the people of this country. For the last three years, the people in this country have suffered, particularly the people in the Port of Penang have suffered, the Island of Penang have suffered grievously. We want to see whether, with this normalisation of relationship between our country and Indonesia, Government will do away with the emergency laws, return to us the democratic right of elections in local councils; we want to see whether trade across the Causeway will be normalised; we want to see whether the Government will review its imposition of taxes, and so on.

Sir, it is very unfortunate for us in the very short time left in this debate—I wish I could have taken more time and be less blunt—to indicate to the Government that, much as we support the idea and concept of working for peace and friendship with Indonesia and ourselves, this Agreement, Sir, is not indicative of and may not give us

the enduring peace and friendship which we really look for, and under those circumstances we cannot wholeheartedly support the Motion.

EXEMPTED BUSINESS

(Motion)

Tun Haji Abdul Razak: Mr Speaker, Sir, I would like to move the following motion, in order to give time for Members of the Opposition to speak, viz:

That notwithstanding the provisions of Standing Order 12 (1) this House shall not adjourn until 8.30 p.m. this evening.

Tuan Tan Siew Sin: Sir, I beg to second the motion.

Question put, and agreed to.

Resolved,

That notwithstanding the provisions of Standing Order 12 (1) this House shall not adjourn until 8.30 p.m. this evening.

MOTION

PERJANJIAN PERDAMAIAN DENGAN INDONESIA

Debate resumed.

Tuan C. V. Devan Nair: Mr Speaker, Sir, might I suggest that the Ministers can go for their dinner parties because we do have a quorum. The Deputy Prime Minister will have, of course, to bear with us.

Mr Speaker: If the Honourable Member will keep to the subject and not bring in extraneous matters, I think he will achieve more results. (*Laughter*).

Tuan C. V. Devan Nair: Mr Speaker, Sir, I have been rankling under some heart burn, because first of all, this morning we were told that the House was going to adjourn *sine die* at its rising today and we made plans for tomorrow; and now it is going on till tomorrow. I am really upset.

Mr Speaker: I suppose that is the lot of all Honourable Members of Parliament!

Tuan C. V. Devan Nair: It need not be, if the Government were a bit more

sensible about these matters. But, nevertheless, Sir, I shall be brief, so that the Honourable Deputy Prime Minister may have more time than I will. First of all, let it be said that the D.A.P. welcomes this Agreement—I am sorry, welcome this—what do you call it?

Dr Lim Chong Eu: Normalisation.

Tuan C. V. Devan Nair: Normalisation (*Laughter*)—that was the word—in relations. Unlike other political parties like the Labour Party and the Socialist Front before them, we have always stood by the Government's stand in opposing confrontation, and I personally have had the privilege of upholding Malaysia's cause abroad on several occasions. But in this normalisation of relations, there is an ironical symbolism about what has happened today, for instance, that we should be discussing the normalisation of relations with Indonesia immediately after this House has been discussing and approving the abnormalisation of relations with Singapore. (*Laughter*). That, Sir, is an ironical symbolism about which outsiders, I believe, will comment upon, because one confrontation has ended and another confrontation seems to begin. (*Interruption*) I would suggest to the Member for Johore Tenggara that if he wants to give his Deputy Prime Minister ample time to reply, the less he says the better.

Sir, I hope that this normalisation of relations will lead to normalisation of certain conditions in this country. Various regulations, restrictions, had been imposed in the name of confrontation, on the excuse of Indonesian confrontation, Emergency Regulations relating to the trade unions, the abolition of Local Council elections, again, on the ground of confrontation, security and so on, and certain other restrictions which just escape me at the moment, but there have been a whole lot of restrictions, regulations, which have been imposed in the name of confrontation—I remember now; no rallies for Opposition parties—again, because of confrontation! So, let us have with this normalisation of relations with Indonesia a simultaneous

normalisation of conditions within this country.

However, Sir, I want to impress this on the Government, Sir, and this will be the burthen of the D.A.P.'s stand now and in the coming months. Sir, I do not want to be accused of imputing anything but the proper motives to the present administration in Indonesia, as it would be irresponsible for any Opposition leader to impute motives, improper motives, to the leaders of the Government of Indonesia. But let us not succumb to the euphoria which befell the Alliance benches, when the ending of confrontation was announced, in that things are not going to be all that static, assured, and stable in Indonesia. Things can go wrong. Peace between nations is not everlasting. The whole of human history is evidence, is witness to the fact, testifies to the fact, that no peace is everlasting; things can go wrong. There may be forces in Indonesia itself, who have not given up President Soekarno's ambition—and, please, I qualify myself again that these remarks are not aimed at the present Indonesian administration; there will be elements who may come up in future in Indonesia, who will still subscribe to Soekarno's version of "Indonesia Raya" in which we are all absorbed willy-nilly, and such empire builders are not entirely eliminated. So, I hope that our leaders, and the Alliance Government and Cabinet, will not allow themselves to completely succumb to this euphoria of everlasting brotherhood. Let us have proper relations with Indonesia, friendly relations, but let us also watch for God's sake and for our sake which is more important than God's sake, because He is able to look after Himself. The serious doubt is as to whether we will be able to look after ourselves. The situation in this part of the world is dynamic—just two minutes more, Sir, though the profundity of what I am trying to say cannot be expressed or concentrated in just two minutes, but I do hope that I can put across to the Government benches this: do not let us succumb completely to this euphoria; we welcome the end of this confrontation; we hope peaceful relations can be

strengthened and extended; but for the sake of the people of this country, for our own stability, let us be sober and realistic. There are "Talleyrands" and "Machiavellis" in Indonesia. We may think that we are making rings round them, but the chances may be that they are making rings round us, and let there be no occasion given for any external forces, outside this country, to subvert the basis of our nation, our administration, our loyalties. I hope, Sir, that that message, brief as it is, has gone in, and on that basis I do welcome the ending of confrontation and the normalisation of relations.

Tun Haji Abdul Razak: Mr Speaker, Sir, in rising to wind up this debate, I would like first to reply to those Honourable Members of the Opposition, who are in this Chamber to listen to what I have to say. Sir, I must say that I am greatly surprised at the attitude shown by the Members of the Opposition over this peace treaty with Indonesia. When we were having confrontation with Indonesia, it was a Member of the Opposition who shouted out that we should make peace with Indonesia. Now that we have peace, it was a Member of the Opposition again who said that this peace will not be lasting and this peace is not all that good, and all that. At least, Sir, I must give credit to the Honourable Member for Bungsar

Dr Lim Chong Eu: Sir, on a point of clarification, does that endorse the Alliance propaganda that there should be peace with dignity and honour?

Tun Haji Abdul Razak: Mr Speaker, Sir, I am surprised at the Honourable Member for Tanjong. When he was with us some years back, I had some respect for him. Now, since he left us he has definitely gone down, and he had the audacity to claim that this peace treaty was initiated by his Party. If his Party has any respect or dignity, they should, at least, know what they are doing and claim for what they are doing, not what other people are doing.

Dr Lim Chong Eu: On a point of clarification, Sir. We did not initiate it—we stimulated it.

Tun Haji Abdul Razak: Sir, I suggest for the Honourable Member for Tanjong's sake, that he should leave his present company and find some other company for his own improvement. (*Laughter*).

Sir, the Honourable Member for Bungsar, at least supported this normalisation of relations between Malaysia and Indonesia, or the peace treaty, and I have said that I congratulate him for his good sense. Of course, we all know, Sir, that in this uncertain and fast moving world, we cannot guarantee that anything can be permanent, let alone relation between countries, but we hope and pray that as we all wish to have peace that this peace arrangement we have with Indonesia will be everlasting.

Sir, the Honourable Member for Ipoh spoke at length and suggested that, since we have now signed a peace treaty and that confrontation is over, we should dispense with all the regulations causing, what he said, hardships to the people—emergency regulations and restrictions and what not. I would like to explain, Sir. There are two aspects to this question. First, with confrontation we had to deal with the enemies, enemy agents, their saboteurs and what not, and then at the same time we had the communists with their agents who, during the period of confrontation, did intensify their activities to stir up trouble in this country. So, we had to deal with these two elements. Although, with the ending of confrontation, the first elements are now out of the way, we still have the communists and their agents and, as Honourable Members know or should know, in East Malaysia and Sarawak there are still enemy agents, communist terrorists, who are out to stir up trouble and to cause chaos and disturbance in this country, and also there are still enemies, communists, on the Thai border. So, it is necessary for this Government to have these emergency powers under the Internal Security Act to deal with these enemy agents. We hope that with the ending of confrontation these communists, who are still in our midst, would give themselves up; and if they do give themselves up,

then it will be possible for us to have real peace. But until these communists do give themselves up, obviously, we have to take necessary measures to maintain the security of this country and to safeguard the interests of our people.

Sir, the Honourable Member for Ipoh alleged that the Honourable Prime Minister made a statement that rather disturbed him. He said that the Prime Minister said in his speech that, "What makes us happy is that people of the same race would no longer quarrel." This is not the first time that the Honourable Prime Minister made the statement, because this is a statement of fact, because the Indonesian people and the people of the Malay race in this country are of the same origin. But Honourable Members should know—and I think the country knows it well—the view of the Prime Minister—his policy: he has spent his life in trying to unite the people of all races of this country. It is for this reason that we formed the Alliance. The Prime Minister has always stated, whenever he made a public speech, that the people of this country, all races, should unite and that there should not be any discrimination against any particular group of people or race, in this country. I think everybody knows how fair-minded the Prime Minister is, and I think no one would listen to the Honourable Member for Ipoh, when he said that this peace with Indonesia would mean discrimination against the Malaysians of non-Malay race.

Sir, the Honourable Member for Ipoh has also said that we cannot discriminate any more against non-Malays, because we have already reached the saturation point. Well, Sir, everybody knows, and I think most of the people in this country know, that in this country (Malaysia) people of all races live in complete harmony and unity and understanding, and there is a place for everyone. It is no good for anyone to bring up this sort of thing, because the majority of the people know, and in all these years they have supported the Alliance, because they know that the Alliance

is fair and just and always serve the people of this country, whatever races they belong to.

Also, Sir, some Honourable Member spoke about restrictions and the holding of elections and all that to the local councils. I would wish to say that it is the Government's earnest intention to try and bring real peace to this country and, with the ending of confrontation, as I said, I hope that we would be able to clear up the remnants of the communist terrorists, so that we will have real peace and be able to do away with a number of restrictions that we may have to impose for the sake of security and to safeguard the interests of the people of this country.

Sir, the Honourable Member for Batu has said that there is uneasiness among the non-Malays, because of this talk about "*Satu Bahasa, Satu Bangsa, dan Satu Agama*." Well, Sir, in all these years as I said, the people in this country know how fair we have been, and we have always stated that it is our policy to strengthen the harmony, goodwill, among the people in this country, so that ultimately we will be able to form one united nation, so that the people of various races no longer regard themselves as Malays, Chinese, or Indians, but as citizens of Malaysia. This has always been our policy, and we will continue to uphold this policy whatever the Opposition may say.

Sir, on the question of elections in Sabah and Sarawak, as stated in the Agreement, we have agreed to request the people of Sabah and Sarawak to reaffirm their wish to remain in Malaysia as soon as practicable. Sabah proposes to hold elections in March next year, and I hope to have discussion with the Chief Minister and the Government of Sarawak very soon, in order to prepare for elections to be held in Sarawak some time next year. Of course, the actual date will be a matter for the Sarawak Government to decide and, obviously, we must carry out a part of our Agreement with Indonesia and, as I said in my speech just now, it would not be difficult for the people of Sabah and Sarawak to undertake this task, because they have shown previously that they would like to

remain in Malaysia, that they have supported Malaysia, and I think it would not be difficult for them to reaffirm their wish in the general elections which we hope to hold very soon.

Tuan Yang di-Pertua, saya ucapkan banyak² terima kasih kepada Ahli² Yang Berhormat yang menyokong Perjanjian Perdamaian yang telah di-perbuat dengan Indonesia itu. Saperti saya kata tadi, kita berharap Perjanjian ini akan kekal dan nyata-lah bahawa Ketua² Kerajaan Indonesia yang ada sekarang ini ada-lah sabenar²nya ikhlas berkehendakkan perjanjian, berkehendakkan perdamaian dengan kita sendiri. Saperti kata Ahli Yang Berhormat dari Hilir Perak yang baharu sahaja balek dari Indonesia, ra'ayat Indonesia telah menunjukkan keikhlasan yang mereka itu berkehendakkan perdamaian dan persahabatan dengan Malaysia.

Tuan Yang di-Pertua, Ahli Yang Berhormat dari Pasir Puteh ada bertanya apa-kah chara-nya hendak menentukan atau pun membaharui hasrat ra'ayat di-Sabah dan Sarawak. Perkara ini ia-lah akan di-jalankan melalui Pilihan Raya Umum (General Election) biasa dan dalam General Election itu akan di-adakan masalah ini sabagai satu *issue* dalam Pilihan Raya. Ini telah-lah di-terangkan dalam rundingan dengan pihak Indonesia dan saya fikir tidak ada-lah apa² selisih faham di-atas hal ini. Jadi yang di-kehendaki itu ia-lah dalam Pilihan Raya, ra'ayat Sabah dan Sarawak menentukan yang mereka itu bersetuju hendak dudok dalam Malaysia saperti yang ada sekarang ini.

Berkenaan dengan perhubungan kita dengan Indonesia dan juga negara² lain di-Tenggara Asia ini, saya telah terangkan tadi bahawa dasar kita ia-lah hendak mengadakan perhubungan baik dengan negara² di-Tenggara Asia. Saya telah terangkan ia-itu perdamaian dengan Indonesia ini telah membuka sejarah yang baharu dengan dua lapisan, satu, perdamaian dan persahabatan dengan Indonesia dan yang kedua-nya kita harap persahabatan dan perhubungan baik dengan negara² di-Tenggara Asia. Jadi yang mustahak-

nya kita hendak ia-lah perhubungan baik di-antara kita dengan negara² di-Tenggara Asia ini—ta⁷ susah apa nama sa-kali pun—yang kita kehendak ia-lah perhubungan baik. Jadi, saya perchaya ketua² Indonesia sekarang faham atas hal ini dan kita akan chuba adakan kerjasama di-antara Thailand, Filipina, Indonesia dan Malaysia dan juga negara² lain yang ada di-sini di-Tenggara Asia yang suka hendak bekerjasama. Kita berkehendakkan kerjasama kerana kita ada musuh² yang tertentu yang telah chuba hendak memecah-belahkan ra'ayat di-Tenggara Asia dan yang chuba merosakkan masyarakat di-Tenggara Asia. Jadi hanya-lah dengan kita dapat mengadakan kerjasama dan perhubungan baik di-antara negara² di-sini dapat kita mempertahankan kedaulatan negara kita dan mempertahankan kehidupan dan masyarakat di-Tenggara Asia. Jadi, itu-lah dasar kita. Yang kita hendak, saya kata, ia-lah persahabatan dan kerjasama dengan apa chara-nya. Kita harap kita akan dapat jalankan persahabatan dan kerjasama.

Tuan Yang di-Pertua, Ahli Yang Berhormat dari Kota Star Selatan ada menyebutkan berkenaan dengan chadangan kita bersama² dengan Thailand dan juga Filipina untok hendak meminta negara² Asia ini bersama² dengan kita supaya mendesak Kerajaan Vietnam Selatan dan juga Kerajaan Vietnam Utara supaya mereka itu dapat datang kepada bilek perundingan dan dapat selesaikan pertelengkahan mereka itu, sebab kita fikirkan peperangan yang ada di-Vietnam itu ada-lah akan membahayakan keselamatan di-Tenggara Asia ini dan boleh merosakkan bukan sahaja keamanan bahkan kemajuan² yang kita sedang jalankan. Jadi, tujuan kita ia-lah meminta negara² ini supaya bersama² dengan kita. Kita tidak memaksa mereka itu dan perkara ini bukan kita jalankan melalui ASA. ASA ia-lah pertubuhan bagi lapangan iktisad, masyarakat dan juga kebudayaan. Ini ia-lah lapangan siasah, jadi perkara ini di-buat luar daripada ASA. Kita hanya-lah berunding dan bersetuju hendak meminta negeri² lain di-Asia ini supaya bekerjasama dalam lapangan ini, sama ada mereka

itu suka atau tidak bekerjasama, itu terpulang kepada mereka itu. Kita tidak-lah memaksa mereka itu.

Saya sendiri belum-lah dapat membaca dengan penoh-nya ucapan yang di-perbuat oleh Menteri Luar Thailand, Tun Thanat Koman, tetapi saya perchaya perkara yang telah di-setujukan ia-lah supaya di-adakan kerjasama dengan negara² di-Asia ini bagi mendesak Kerajaan Hanoi dan juga di-Saigon supaya datang berunding dan selesaikan perselisihan-nya dengan chara perundingan, dengan itu kita harap dapat tamatkan pertelengkahan yang sedang berlaku di-Vietnam itu.

Jadi, Tuan Yang di-Pertua, saya fikir itu sahaja pandangan² yang saya suka hendak jawab dan sa-kali lagi saya ucapkan berbanyak terima kaseh kepada Ahli² Yang Berhormat sakanian yang telah memberi sokongan kepada Perjanjian Perdamaian ini. Dan saya berharap dengan sokongan ini akan menunjukkan lagi kepada ra'ayat Indonesia dan dunia seluroh-

nya bahawa kita di-Malaysia ini daripada semua bangsa dan daripada semua pehak ada-lah sa-benar²-nya berkehendakkan kepada keamanan dan bersedia hendak melaksanakan Perjanjian ini dengan sa-beberapa daya upaya supaya dapat keamanan yang kita telah chapai itu kekal, bukan sahaja kita berharap dengan ada-nya perdamaian dengan Indonesia ini akan dapat kita menguatkan lagi kerjasama di-antara negara² dalam Asia ini. Sakanian-lah sahaja, Tuan Yang di-Pertua. (*Tepok*).

Question put, and agreed to. (*Tepok*).

Resolved,

"Bahawa Majlis ini dengan sa-penoh hati mengalu²kan Perjanjian yang terchapai untuk memuleh perhubungan antara Malaysia dengan Republik Indonesia yang di-tandatangani di-Djakarta pada 11hb Ogos, 1966, antara Indonesia dengan Malaysia dan berharap semua Perjanjian ini menjadi asas perdamaian dan persahabatan yang kekal antara kedua² buah negeri ini."

Adjourned at 8.26 p.m.