

**Jilid IV
No. 47**



**Hari Khamis
29hb Februari, 1968**

**PERBAHATHAN
PARLIMEN
DEWAN RA'AYAT YANG KEDUA
PENGKAL KEEMPAT
PENYATA RASMI**

KANDONGAN-NYA

**JAWAPAN² MULUT BAGI PERTANYAAN² [Ruangan
6889]**

RANG UNDANG²:

The Banking (Amendment) Bill, 1967 [Ruangan 6898]

**The Central Bank of Malaysia (Amendment) Bill, 1967
[Ruangan 6947]**

The Finance Act, 1968 [Ruangan 6949]

The Investment Incentives Bill [Ruangan 6958]

The Excise (Amendment) (No. 2) Bill [Ruangan 7015]

**Rang Undang² Badan Perundangan Sarawak (Peng-
gunaan Wang² Yang Di-pinjam Daripada Persekutuan)
[Ruangan 7016]**

Rang Undang² Benda² Radioaktif [Ruangan 7021]

**The National Land Code (Penang and Malacca Titles)
(Amendment) Bill [Ruangan 7024]**

UCHAPAN PENANGGOHAN:

Pilihanraya Umum Negeri Sarawak [Ruangan 7026]

MALAYSIA
DEWAN RA'AYAT YANG KEDUA
PENGGAL YANG KEEMPAT

Penyata Rasmi

Hari Khamis, 29hb Februari, 1968

Persidangan bermula pada pukul 10.00 pagi

YANG HADZIR:

- Yang Berhormat Tuan Yang di-Pertua, Y.B. DATO' CHIK MOHAMED YUSUF BIN SHEIKH ABDUL RAHMAN, S.P.M.P., J.P., Dato' Bendahara, Perak.
- „ Menteri Kewangan, Y.A.B. TUAN TAN SIEW SIN, S.S.M., J.P. (Melaka Tengah).
- „ Menteri Pengangkutan, Yang Berbahagia TAN SRI SARDON BIN HAJI JUBIR, P.M.N. (Pontian Utara).
- „ Menteri Perdagangan dan Perusahaan, DR LIM SWEE AUN, J.P. (Larut Selatan).
- „ Menteri Kerajaan Tempatan dan Perumahan, TUAN KHAW KAI-BOH, P.J.K. (Ulu Selangor).
- „ Menteri Hal Ehwal Sarawak, Yang Berbahagia TAN SRI TEMENGGONG JUGAH ANAK BARIENG, P.M.N., P.D.K. (Sarawak).
- „ Menteri Buroh, TUAN V. MANICKAVASAGAM, J.M.N., P.J.K. (Kelang).
- „ Menteri Hal Ehwal Tanah dan Galian dan Menteri Ke'adilan, DATO' HAJI ABDUL-RAHMAN BIN YA'KUB (Sarawak).
- „ Menteri Muda Kewangan, DR NG KAM POH, J.P. (Teluk Anson).
- „ Menteri Muda Hal Ehwal Dalam Negeri, TUAN HAMZAH BIN DATO' ABU SAMAH (Raub).
- „ Setia-usaha Parlimen kepada Menteri Kesihatan, TUAN IBRAHIM BIN ABDUL RAHMAN, J.M.N. (Seberang Tengah).
- „ Setia-usaha Parlimen kepada Menteri Buroh, TUAN LEE SAN CHOON, K.M.N. (Segamat Selatan).
- „ Setia-usaha Parlimen kepada Menteri Kewangan, TUAN ALI BIN HAJI AHMAD (Pontian Selatan).
- „ Setia-usaha Parlimen kepada Timbalan Perdana Menteri, TUAN CHEN WING SUM (Damansara).
- „ NIK ABDUL AZIZ BIN NIK MAT (Kelantan Hilir).
- „ 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).
- „ WAN ABDUL RAHMAN BIN DATU TUANKU BUJANG, A.B.S. (Sarawak).

Yang Berhormat DATO' ABDULLAH BIN ABDUL RAHMAN, 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).
- „ 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 AHMAD BIN ARSHAD, A.M.N. (Muar Utara).
- „ TUAN HAJI AHMAD BIN SA'AID, J.P. (Seberang Utara).
- „ TUAN RAFAEL ANCHETA, A.M.N. (Sabah).
- „ TUAN CHAN CHONG WEN, A.M.N. (Kluang Selatan).
- „ TUAN CHAN SEONG YOON (Setapak).
- „ TUAN CHAN SIANG SUN, P.J.K., (Bentong).
- „ TUAN CHEW BIOW CHUON, J.P. (Bruas).
- „ TUAN CHIN FOON (Ulu Kinta).
- „ TUAN D. A. DAGO ANAK RANDAN *alias* DAGOK ANAK RANDEN, A.M.N. (Sarawak).
- „ TUAN C. V. DEVAN NAIR (Bungsar).
- „ TUAN EDWIN ANAK TANGKUN (Sarawak).
- „ TUAN SYED ESA BIN ALWEE, J.M.N., S.M.J., P.I.S. (Batu Pahat Dalam).
- „ DATIN HAJJAH FATIMAH BINTI HAJI ABDUL MAJID (Johor Bahru Timor).
- „ TUAN GANING BIN JANGKAT (Sabah).
- „ TUAN GEH CHONG KEAT, K.M.N. (Penang Utara).
- „ TUAN HAJI HAMZAH BIN ALANG, A.M.N., P.J.K. (Kapar).
- „ TUAN HANAFI BIN MOHD. YUNUS, A.M.N., J.P. (Kulim Utara).
- „ TUAN HARUN BIN ABDULLAH, A.M.N., J.P. (Baling).
- „ WAN HASSAN BIN WAN DAUD (Tumpat).
- „ 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 Bahru Hulu).

Yang Amat Berbahagia TUN DR ISMAIL BIN DATO' HAJI ABDUL RAHMAN, S.S.M., P.M.N. (Johor Timor).

Yang Berhormat TUAN ISMAIL BIN IDRIS (Penang Selatan).

- „ PENGHULU JINGGUT ANAK ATTAN, K.M.N., Q.M.C., A.B.S. (Sarawak).
- „ TUAN KADAM ANAK KIAI (Sarawak).
- „ TUAN KAM WOON WAH, J.P. (Sitiawan).
- „ TUAN THOMAS KANA (Sarawak).
- „ TUAN LEE SECK FUN, K.M.N. (Tanjong Malim).
- „ DR LIM CHONG EU (Tanjong).

Yang Berhormat TUAN LIM PEE HUNG, P.J.K. (Alor Star).

- „ DR MAHATHIR BIN MOHAMAD (Kota Star Selatan).
- „ TUAN T. MAHIMA SINGH, J.M.N., J.P. (Port Dickson).
- „ DATO' DR HAJI MEGAT KHAS, D.P.M.P., J.P., P.J.K. (Kuala Kangsar).
- „ TUAN MOHD. DAUD BIN ABDUL SAMAD (Besut).
- „ 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 HAJI MOHAMED YUSOF BIN MAHMUD, A.M.N. (Temerloh).
- „ TUAN MOHD. ZAHIR BIN HAJI ISMAIL, J.M.N. (Sungei 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).
- „ 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 OTHMAN BIN ABDULLAH, A.M.N. (Perlis Utara).
- „ TUAN QUEK KAI DONG, J.P. (Seremban Timor).
- „ 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, S.M.J., P.I.S. (Muar Pantai).
- „ TUAN SIM BOON LIANG, A.B.S. (Sarawak).
- „ TUAN SIOW LOONG HIN, P.J.K. (Seremban Barat).
- „ TUAN SENAWI BIN ISMAIL, P.J.K. (Seberang Selatan).
- „ TUAN SÖH AH TECK (Batu Pahat).
- „ TUAN HAJI SULEIMAN BIN ALI (Dungun).
- „ TUAN SULEIMAN BIN HAJI TAIB (Krian Laut).
- „ TUAN TAJUDDIN BIN ALI, P.J.K. (Larut Utara).
- „ TUAN TAI KUAN YANG, A.M.N. (Kulim-Bandar Bharu).
- „ TUAN TAMA WENG TINGGANG WAN (Sarawak).
- „ DR TAN CHEE KHOON (Batu).
- „ TUAN TAN CHENG BEE, A.M.N., J.P. (Bagan).
- „ TUAN TAN TOH HONG (Bukit Bintang).
- „ TUAN TIAH ENG BEE (Kluang Utara).
- „ TENGGU ZAID BIN TENGGU AHMAD (Pasir Mas Hulu).

YANG TIADA HADHIR:

- Yang Berhormat Perdana Menteri dan Menteri Hal Ehwal Luar Negeri,
Y.T.M. TUNKU ABDUL RAHMAN PUTRA AL-HAJ, K.O.M.
(Kuala Kedah).
- „ Timbalan Perdana Menteri, Menteri Pertahanan, Menteri Hal
Ehwal Dalam Negeri dan Menteri Pembangunan Negara dan
Luar Bandar, Y.A.B. TUAN HAJI ABDUL RAZAK BIN DATO'
HUSSAIN, S.M.N. (Pekan).
- „ Menteri Kerja Raya, Pos dan Talikom,
Y.A.B. TUN V. T. SAMBANTHAN, S.S.M., P.M.N. (Sungai Siput).
- „ Menteri Pelajaran, TUAN MOHAMED KHIR JOHARI
(Kedah Tengah).
- „ Menteri Kesihatan, TUAN BAHAMAN BIN SHAMSUDIN
(Kuala Pilah).
- „ Menteri Kebajikan 'Am, TUAN HAJI ABDUL HAMID
KHAN BIN HAJI SAKHAWAT ALI KHAN, J.M.N., J.P.
(Batang Padang).
- „ Menteri Penerangan dan Penyiaran dan Menteri Kebudayaan,
Belia dan Sokan, TUAN SENU BIN ABDUL RAHMAN
(Kubang Pasu Barat).
- „ Menteri Pertanian dan Sharikat Kerjasama,
TUAN HAJI MOHD. GHAZALI BIN HAJI JAWI (Ulu Perak).
- „ Menteri Muda Ta' Bcrjabatan, TUAN HAJI ABDUL KHALID
BIN AWANG OSMAN (Kota Star Utara).
- „ Menteri Muda Kebudayaan, Belia dan Sokan,
ENGKU MUHSEIN BIN ABDUL KADIR, I.M.N., D.P.M.T., P.J.K.
(Trengganu Tengah).
- „ Menteri Muda Pelajaran, TUAN LEE SIOK YEW, AM.N., P.J.K.
(Sepang).
- „ TUAN ABDUL RAHMAN BIN HAJI TALIB, P.J.K. (Kuantan).
- „ TUAN HAJI ABDUL RASHID BIN HAJI JAIS (Sabah).
- „ TUAN ABDUL RAZAK BIN HAJI HUSSIN (Lipis).
- „ TUAN ABDUL TAIB BIN MAHMUD (Sarawak).
- „ PUAN AJIBAH BINTI ABOL (Sarawak).
- „ WAN ALWI BIN TUANKU IBRAHIM (Sarawak).
- „ DR AWANG BIN HASSAN, S.M.J. (Muar Selatan).
- „ TUAN AZIZ BIN ISHAK (Muar Dalam).
- „ TUAN JONATHAN BANGAU ANAK RENANG, A.B.S. (Sarawak).
- „ PENGARAH BANYANG ANAK JANTING, P.B.S. (Sarawak).
- „ TUAN CHIA CHIN SHIN, A.B.S. (Sarawak).
- „ TUAN FRANCIS CHIA NYUK TONG (Sabah).
- Yang Berbahagia TAN SRI FATIMAH BINTI HAJI HASHIM, P.M.N.
(Jitra-Padang Terap).
- Yang Berhormat TUAN S. FAZUL RAHMAN, A.D.K. (Sabah).
- „ DATO' GANIE GILONG, P.D.K., J.P. (Sabah).
- „ TUAN HANAFIAH BIN HUSSAIN, A.M.N. (Jerai).
- „ TUAN STANLEY HO NGUN KHIU, A.D.K. (Sabah).
- Yang Berbahagia TAN SRI SYED JA'AFAR BIN HASAN ALBAR, P.M.N.
(Johor Tenggara).

Yang Berhormat TUAN KHOO PENG LOONG (Sarawak).

- „ TUAN EDMUND LANGGU ANAK SAGA (Sarawak).
- „ TUAN AMADEUS MATHEW LEONG, A.D.K., J.P. (Sabah).
- „ TUAN LIM KEAN SIEW (Dato Kramat).
- „ DATO' LING BENG SIEW, P.N.B.S. (Sarawak).
- „ TUAN PETER LO SU YIN (Sabah).
- „ TUAN C. JOHN ONDU MAJAKIL (Sabah).
- „ TUAN JOSEPH DAVID MANJAJI (Sabah).
- „ TUAN MOHD. ARIF SALLEH, A.D.K. (Sabah).
- „ DATO' MOHAMED ASRI BIN HAJI MUDA, S.P.M.K. (Pasir Puteh).
- „ ORANG TUA MOHAMMAD DARA BIN LANGPAD (Sabah).

Yang Amat Berbahagia TUN DATU MUSTAPHA BIN DATU HARUN, S.M.N., P.D.K. (Sabah).

Yang Berbahagia 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).

Yang Berhormat TUAN ONG KEE HUI (Sarawak).

- „ TUAN HAJI OTHMAN BIN ABDULLAH (Hilir Perak).
- „ TUAN HAJI RAHMAT BIN HAJI DAUD, A.M.N. (Johor Bahru Barat).
- „ TUAN D. R. SEENIVASAGAM (Ipoh).
- „ DATO' S. P. SEENIVASAGAM, D.P.M.P., P.M.P., J.P. (Menglembu).
- „ TUAN SNG CHIN JOO (Sarawak).
- „ TUAN SULAIMAN BIN BULON, P.J.K. (Bagan Datoh).
- „ PENGIRAN TAHIR PETRA (Sabah).
- „ TUAN TAN KEE GAK (Bandar Melaka).
- „ TUAN TAN TSAK YU (Sarawak).
- „ TUAN TOH THEAM HOCK (Kampar).
- „ TUAN YEH PAO TZE, A.M.N. (Sabah).
- „ TUAN STEPHEN YONG KUET TZE (Sarawak).
- „ TUAN HAJI ZAKARIA BIN HAJI MOHD. TAIB, P.J.K. (Langat).

DO'A

(Tuan Yang di-Pertua *mempengerusi-*
kan Meshuarat)

JAWAPAN² MULUT BAGI PERTANYAAN²

LEMBAGA KEMAJUAN PERUSAHAAN PERSEKUTUAN—SENARAI KAKI-TANGAN KERJA

1. Tengku Zaid bin Tengku Ahmad (Pasir Mas Hulu) minta kepada Menteri Perdagangan dan Perusahaan memberi satu senarai penoh Kakitangan Kerja dalam Lembaga Kemajuan Perusahaan Persekutuan dengan menyata-

kan kelayakan, umor, pengalaman, taraf kera'ayatan dan gaji mereka.

Menteri Perdagangan dan Perusahaan (Dr Lim Swee Aun): Tuan Yang di-Pertua, jumlah kakitangan kerja, ia-itu Executive Staff di-Lembaga Kemajuan Perusahaan Persekutuan ia-lah 25 orang pegawai. Dua daripada mereka Pengarah dan Penolong kapada Pengarah ada-lah bangsa asing yang lain-nya warganegara Malaysia. 21 orang pegawai mempunyai kelulusan universiti, sa-orang pegawai M.C.S. bersara, sa-orang pegawai Sijil Persekolahan Tinggi, sa-orang pegawai Sijil Sekolah Seberang Laut, sa-orang pegawai kelulusan sekolah menengah.

Tiga orang pegawai telah bekerja dengan Kerajaan dan atau perusahaan lebih daripada 15 tahun, 17 orang pegawai telah bekerja dengan Kerajaan, dan atau perusahaan di-antara 5 sampai 10 tahun, 5 orang pegawai telah bekerja dengan Kerajaan atau perusahaan kurang dari 5 tahun.

15 orang pegawai berumur di-antara 20 sampai 30 tahun, 7 orang pegawai berumur di-antara 30 sampai 40 tahun, 2 orang pegawai berumur di-antara 40 sampai 50 tahun, sa-orang pegawai berumur lebih daripada 50 tahun.

Tangga-gaji ia-lah daripada \$532 sampai \$5,000 sa-bulan.

Tuan Haji Abu Bakar bin Hamzah (Bachok): Tuan Yang di-Pertua, siapakah yang mendapat gaji \$5,000 sa-bulan itu?

Dr Lim Swee Aun: Ini ia-lah dibayar kepada Director, sa-orang pakar yang datang daripada luar negeri.

Tuan Haji Abu Bakar bin Hamzah: Tuan Yang di-Pertua, dapat-kah di-beri faham lagi sa-kali, ia-itu saya bertanya pegawai apa-kah yang mendapat \$5,000 gaji mengikut tangga-gaji, ada pun expert yang kita minta daripada luar negeri itu barangkali kita boleh beri lebih, tetapi pegawai-nya.

Dr Lim Swee Aun: Ini expert pegawai juga, ini sa-orang yang mendapat \$5,000.

Tuan Haji Abu Bakar bin Hamzah: Jadi, Tuan Yang di-Pertua, ada-kah pegawai ini mendapat gaji yang paling tinggi sa-kali di-Malaysia mengikut tangga-gaji atau pun ada lagi pegawai yang gaji-nya \$5,000 lebih di-Malaysia.

Dr Lim Swee Aun: Ada yang lebih juga.

LEMBAGA KEMAJUAN PERUSAHAAN PERSEKUTUAN—SENARAI KAKI-TANGAN BUKAN KAKI-TANGAN KERJA

2. Tengku Zaid bin Tengku Ahmad minta kepada Menteri Perdagangan dan Perusahaan memberi satu senarai

penoh Kakitangan bukan Kakitangan Kerja dalam Lembaga Kemajuan Perusahaan Persekutuan menurut kaum.

Dr Lim Swee Aun: Tuan Yang di-Pertua, jumlah kakitangan dalam Lembaga Kemajuan Perusahaan Persekutuan yang bukan kakitangan kerja, *non-executive staff*, ia-lah 32 orang, semua-nya warganegara Malaysia. Mereka terdiri daripada pegawai kerani 11, penterjemah 1, Jurutrenkas 9, jurutaip 6, operator talipon 1, pemandu 1, pelayan pejabat 3.

M.I.D.F.L.—SENARAI KAKI-TANGAN KERJA

3. Tengku Zaid bin Tengku Ahmad minta kepada Menteri Perdagangan dan Perusahaan memberi satu senarai penoh Kakitangan Kerja dalam M.I.D.F.L. dengan menyatakan kelayakan, umur, pengalaman taraf kelayatan dan gaji mereka.

Dr Lim Swee Aun: Tuan Yang di-Pertua, Sharikat Permodalan Kemajuan Perusahaan Malaysia Berhad adalah sa-buah sharikat 'awam yang berhad sungguh pun Kerajaan telah membeli sa-banyak 10,000 saham. Tidak lazim-nya bagi sharikat 'awam yang berhad yang sa-umpama ini mengumumkan matalamat² sulit mengenai kelayakan, pengalaman dan gaji pegawai² kerja yang penting di-dalam sharikat-nya. Saya perchaya Ahli Yang Berhormat akan faham ada-lah tidak menjadi kebaikan kepada sharikat itu matalamat² saperti ini di-umumkan. Walau bagaimana pun suka saya menyatakan bahawa daripada 27 orang pegawai kerja atau pegawai profesional, 24 orang ia-lah warganegara Malaysia.

PENYIASATAN SUROHANJAYA MAJLIS BANDAR RAYA PERBANDARAN BANDAR DAN MAJLIS TEMPATAN—HASIL

4. Tuan Ahmad bin Arshad (Muar Utara) bertanya kepada Menteri Kerajaan Tempatan dan Perumahan:

(a) apa-kah hasil penyiasatan Surohanjaya Majlis Bandar Raya, Perbandaran, Bandaran, dan

Majlis Tempatan dan bila kertas putih mengenai-nya akan dikeluarkan;

- (b) ada-kah benar bahawa pilihan² raya majlis² tersebut akan diadakan pada tahun ini;
- (c) berapa jumlah majlis² tersebut yang telah di-ambil alih oleh Kerajaan² Negeri dan nyatakan sebab²-nya.

Menteri Kerajaan Tempatan dan Perumahan (Tuan Khaw Kai-Boh):

Tuan Yang di-Pertua, Surohanjaya Penyasat di-Raja bagi menyiasat perjalanan Penguasa² Tempatan, sa-bagaimana yang di-fahamkan, ada-lah diperengkat yang terakhir sekarang dalam usaha mereka bagi menyediakan laporan yang di-jangkakan akan mengemukakan laporan itu tidak lama lagi apabila selesai kelak. Oleh kerana Surohanjaya itu sa-buah badan yang bebas, maka tidak-lah wajar-nya bagi saya, atau pun pehak² Kerajaan memberi sa-barang arahan kapada-nya.

Berkenaan dengan soalan yang kedua, sa-bagaimana yang telah saya nyatakan tidak kurang dua kali dalam Dewan ini soal mengenai mengadakan pilihanraya bagi Penguasa² Tempatan itu hanya dapat di-putuskan sa-lepas sahaja penyata Surohanjaya di-Raja itu di-umumkan.

Soalan yang ketiga, Penguasa² Tempatan yang telah di-ambil alih kuasa pentadbiran-nya oleh Kerajaan² Negeri ada-lah seperti berikut:

Yang pertama Majlis Bandaran Seremban yang mana sa-buah Surohanjaya penyasat yang di-bentok untok-nya telah di-dapati ada berlaku salah tadbir dan amalan churang yang di-lakukan oleh Ahli² Majlis Meshuarat.

Yang kedua Majlis Bandar Raya George Town yang mana sa-buah Surohanjaya penyasat yang di-bentok untok-nya telah mendapati ada berlaku perbuatan² salah tadbir, amalan churang serta melanggar undang² yang telah di-lakukan oleh Ahli² Majlis Meshuarat dan pegawai² Majlis Bandar Raya ini.

Yang ketiga Majlis Bandaran Johor Bharu kerana terdapat tuduhan² salah tadbir dan amalan churang di-dalam Majlis itu.

Yang keempat Majlis Perbandaran Melaka dan Majlis Bandaran Batu Pahat di-sebabkan kedudukan kewangan-nya lemah, maka kedua² Penguasa² Tempatan ini tidak dapat menjalankan tugas² dan tanggungjawab²-nya dengan sa-penoh lagi. Dalam kedua² perkara ini Kerajaan Negeri tidak mempunyai jalan² yang lain lagi hanya mengambil alih kuasa pentadbiran-nya. Jika tidak berbuat demikian maka perkhidmatan² yang mustahak akan terganggu dan akibat-nya pembayar² chukai akan menderita.

Tuan Ahmad bin Arshad: Soalan tambahan, bagi jawapan (c) tadi adakah Kementerian ini berchadang hendak menyerahkan masalah tersebut kapada Badan Penchegah Rasuah untok melichinkan masalah amalan churang kewangan itu.

Tuan Khaw Kai-Boh: Tuan Yang di-Pertua, berkenaan soalan ini, Kementerian saya akan menunggu laporan daripada Surohanjaya Penyasat Penguasa² Tempatan.

Tuan Haji Abu Bakar bin Hamzah: Tuan Yang di-Pertua, jika saya tidak silap, Surohanjaya ini sudah lama sangat menjalankan tugas-nya, tetapi belum lagi menerbitkan laporan. Adakah di-masa Kerajaan menyerahkan penyasatan ini di-masokkan sama time factor di-dalam Terms of Reference kapada ini? Kalau tidak, 10 tahun lagi pun dia tidak siapkan.

Tuan Khaw Kai-Boh: Tuan Yang di-Pertua, Ahli Yang Berhormat ada salah faham berkenaan dengan perkara ini. Ini satu perkara yang mustahak. Laporan ini, sa-bagaimana yang saya telah terangkan tadi bahawa badan ini satu badan yang bebas, dan Kementerian saya tidak boleh beri arahan² bila laporan ini di-siapkan, tetapi saya mendapat tahu di-dalam satu dua bulan ini laporan ini boleh di-siapkan. Yang Teramat Mulia Perdana Menteri telah berjanji di-dalam Meshuarat ini, ia-itu

di-dalam satu dua hari ini hendak mengadakan satu meshuarat dengan Ahli² dari Parti Pembangkang dan lain² berkenaan dengan soal ini-lah. Di-dalam meshuarat itu Ahli Yang Berhormat boleh buat pertanyaan² berkenaan dengan soal ini.

Tuan Haji Abu Bakar bin Hamzah:

Tuan Yang di-Pertua, dari segi asas undang² di-ketika Badan Penyiasat Bebas ini menjalankan tugas-nya dan belum lagi memberi laporan apa-kah kita boleh membuat satu² meshuarat di-atas perkara itu?

Tuan Yang di-Pertua: Dia tidak kata belum lagi; barangkali sudah habis laporan itu di-beri baharu-lah meshuarat ini di-panggil.

Wan Abdul Kadir bin Ismail (Kuala Trengganu Utara): Tuan Yang di-Pertua, ada-kah pehak Kementerian menimbangkan untuk Kerajaan Negeri mengambil alih Majlis Bandaran Taiping, kerana sa-panjang yang saya tahu pentadbiran Majlis Bandaran Taiping selalu kelim kabut di-antara pehak yang menguasai Majlis itu ia-itu Ahli² bebas dan U.D.P.

Tuan Khaw Kai-Boh: Tuan Yang di-Pertua, berkenaan soalan itu juga badan ini telah pereksa berkenaan dengan hal² di-dalam Majlis Tempatan ini. Soalan ini juga hendak-lah menunggu laporan dari badan ini. S selepas itu, Kementerian boleh mengambil tindakan berkenaan perkara ini.

Tuan Haji Abu Bakar bin Hamzah: Tuan Yang di-Pertua, ada-kah tersebut di-dalam undang² tuboh Majlis Perbandaran ini, jika satu² Majlis itu lemah dalam kewangan-nya maka Kerajaan Negeri boleh mengambil alih, atau pun sa-mata² ini sa-bagai satu perkara yang di-lakukan oleh kebijaksanaan negeri itu sendiri?

Tuan Khaw Kai-Boh: Tuan Yang di-Pertua, di-bawah Perlembagaan negeri kita, perkara ini ada di-bawah perintah Kerajaan Negeri sebab itu Kerajaan ini hendak ambil tanggung-jawab berkenaan hal ini dan juga menjaga faedah² ra'ayat di-dalam negeri itu, sebab itu-lah apabila satu Majlis

Tempatan tidak boleh menjalankan ranchangan²-nya dalam Majlis itu dan menjalankan tugas², mesti-lah Kerajaan Negeri mengambil tindakan dan menutupkan Majlis itu dan di-jalankan pentadbiran-nya sa-hingga sampai satu masa boleh di-buat satu laporan bagai-mana kita boleh selesaikan soalan ini, perkara yang susah di-dalam Majlis Tempatan itu mengikut keadaan² tempat itu.

Tuan Ahmad bin Arshad: Tuan Yang di-Pertua, bila mana Kerajaan Negeri hendak mengambil alih Majlis² Tempatan yang terlibat dalam masalah yang tersebut, dan ada-kah Kerajaan Negeri itu membuat perundingan dengan Kerajaan Pusat, khas-nya Kementerian ini?

Tuan Khaw Kai-Boh: Tuan Yang di-Pertua, di-dalam Perlembagaan negeri kita, kita ada satu Article 95 (A) dan di-bawah Article itu perkara ini ada berkenaan dengan faedah² ra'ayat Kerajaan Pusat dan Kerajaan Negeri mesti mengambil tanggung-jawab juga; sebab itu-lah perkara ini ada juga di-rundingkan dengan Kerajaan Negeri oleh Kerajaan Pusat.

BANTUAN DALAM PENTADBIRAN RANCHANGAN DI-BAWAH LEMBAGA KEMAJUAN TANAH PERSEKUTUAN

5. Tuan Ahmad bin Arshad bertanya kepada Menteri Kerajaan Tempatan dan Perumahan :

- (a) ada-kah Kementerian beliau membantu dalam pentadbiran ranchangan perumahan di-bawah Lembaga Kemajuan Tanah Persekutuan dan jika tidak, kenapa;
- (b) sa-takat ini, ada-kah apa² perundingan yang telah di-jalankan oleh Kementerian beliau dengan Kementerian Pembangunan Negara dan Luar Bandar tentang perkara ini.

Tuan Khaw Kai-Boh: Tuan Yang di-Pertua, Kementerian ini tidak menolong, atau pun membantu dalam pentadbiran ranchangan² perumahan yang di-bena oleh Lembaga Kemajuan Tanah Persekutuan (F.L.D.A.) sunggoh

pun Kementerian ini sa-bagaimana terma'alum dari nama-nya, sentiasa bersedia untuk berunding mengenai mana² aspek course dan teknik perumahan. Lembaga Kemajuan Tanah Persekutuan atau pun F.L.D.A. ia-lah sa-buah Badan berkanun yang di-amanahkan dengan tanggung-jawab mengadakan serta menguruskan Rancangan² Kemajuan Tanah untuk ra'ayat dan matlamat utama-nya ia-lah Kemajuan Tanah dan bukan-lah Kemajuan Perumahan. Oleh kerana Kemajuan Tanah ada-lah meliputi seluruh bidang kegiatan², termasuk juga pembukaan tanah baharu, penanaman getah, kelapa sawit dan lain² dan juga penyediaan rumah², bekalan ayer serta kemudahan² lain untuk penduduk, kontek dalam mana² perkara perumahan di-jalankan oleh Lembaga Kemajuan Tanah Persekutuan, atau F.L.D.A. berlainan daripada yang di-buat oleh Kementerian ini, yang menumpukan usaha-nya buat sementara waktu, pada perumahan harga murah untuk golongan berpendapatan kechil. Dengan pendek kata, projek² perumahan yang di-ranchangkan oleh Lembaga Kemajuan Tanah Persekutuan, atau F.L.D.A., ada-lah menjadi sa-bahagian yang sabati dengan ranchangan² kemajuan tanah-nya, dan oleh ini Lembaga Kemajuan Tanah Persekutuan-lah yang paling mengetahui bagaimana hendak melaksanakan serta menguruskan ranchangan² perumahan-nya bersama² dengan tugas-nya yang lain.

Berkenaan soalan yang kedua semua Kementerian bekerja rapat dan saling berunding antara satu sama lain, dibawah Kerajaan Pusat Perikatan, dan saperti saya telah nyatakan tadi, Kementerian ini juga sa-bagaimana terma'alum dari nama-nya, sentiasa bersedia menyumbangkan nasihat dan bantuan sa-perlu-nya, jikalau dan apabila di-minta, berthabitan dengan perumahan.

Tuan Ahmad bin Arshad: Tuan Yang di-Pertua, dalam soal rumah murah, saya ingin membuat soalan tambahan sa-bagaimana pengumuman yang di-buat oleh Yang Berhormat Menteri yang berkenaan ini bahawa rumah murah sekarang telah keku-

rangan wang. Jadi dengan kekurangan wang ini, apa-kah langkah mengatasi untuk dapatkan wang dan daripada sumber mana-kah wang itu di-dapati.

Tuan Khaw Kai-Boh: Tuan Yang di-Pertua, sampai masa sekarang estimate² berkenaan dengan ranchangan rumah murah kita dapati dari Kementerian Kewangan tetapi Kementerian saya ada-lah menchari mana² jalan di-dalam negeri² luar, boleh dapat wang pinjaman dan lain² untuk melaksanakan bagi ranchangan² rumah murah, oleh kerana di-dalam estimate tahunan ini sa-belum ada chukup bagi ranchangan² rumah murah, ada di-dalam masa dua tiga minggu negeri kita ada minta orang² yang pandai, expert berkenaan hal² ini. Tujuan kita tengok macham mana kita boleh dapat dasar yang baharu atau jalan yang baharu, boleh dapat wang lebeh untuk ranchangan² rumah murah.

RANG UNDANG²

THE BANKING (AMENDMENT) BILL, 1967

Bachan Kali Yang Kedua dan Ketiga

Menteri Kewangan (Tuan Tan Siew Sin) (*dengan izin*): Mr Speaker, Sir, I beg to move that a Bill intituled "An Act to amend the Banking Ordinance, 1958" be read a second time.

It has become apparent to both the Treasury and Bank Negara Malaysia that a number of amendments to the Banking Ordinance, 1958, are called for in the light of the experience gained in implementing this particular law during the last nine years. The operations of a few banks recently have also pointed to the need to strengthen the legislative framework within which licensed banks operate in Malaysia and the proposed amendments are designed to enable Bank Negara to tighten its supervision and control over such banks. I shall also be presenting separately to this House a number of amendments to the Central Bank of Malaysia Ordinance, 1958, for a similar purpose.

The underlying reasons for the proposed amendments to the Banking

Ordinance are set out in the explanatory statement. However, as Honourable Members may be aware, the Association of Banks in Malaysia has since made representations on them. I have carefully considered these representations and will deal in detail with the more important of them.

Clause 2 of the Bill is designed to ensure that the original intention of the capital requirement provisions of the law in respect of a foreign bank operating in Malaysia is fulfilled. Such a bank is required to bring in funds of at least \$2 million, but because of the present wording of the relevant provisions in the law, it is possible for a foreign bank to utilise its deposits or its borrowings in Malaysia for investment in approved assets of a value of at least \$2 million in this country and remit back the original \$2 million to its head office. The capital requirement provisions relating to such banks are now to be changed to require them to hold net assets in Malaysia, instead of approved assets, in order to ensure that these banks not only bring in a minimum amount of foreign capital into this country but retain it here.

Clause 4 is designed to meet the situation created by those domestic banks which appoint business advisers, who are neither directors nor employees of such banks. It cannot be denied that the business adviser has a certain amount of influence in the bank and, for all practical purposes, is fully identified with it. As such a business adviser, however, is neither a director nor an employee of the bank, the various provisions of the Banking Ordinance restricting loans and advances to directors and employees do not apply to him. A similar doubt exists as to whether a comprador employed by a foreign bank is an employee of that bank. It is necessary, therefore, that the provisions restricting loans and advances to employees of banks should be extended to cover the business adviser and the comprador, as well as other persons appointed by a bank to perform similar functions by whatever name called. The amendments proposed in clause 4 of the Bill are meant,

therefore, to extend the restrictions on loans and advances to employees of banks to cover such persons as well. I should add that in reply to a query raised by the Association of Banks in Malaysia, the Attorney-General's Department has confirmed that the proposed amendments would not cover professional persons like solicitors, auditors and doctors, whose services may be retained by banks.

Clause 5 deals with a very important problem that has arisen in recent years as a result of directors using the names of nominees to borrow money from their own banks for themselves. Although a provision exists in section 131 of the Companies Act, 1965, which requires directors of all companies, including banks, to make disclosures of their interest in connection with contracts with companies in which they are directors, it is considered necessary to introduce a specific disclosure clause in connection with advances in the Banking Ordinance itself and to provide for a heavier penalty in the event of non-disclosure. Clause 5 is designed to meet this need and will make it mandatory for bank directors to disclose to their boards of directors their interest in loans and advances made by their banks.

Clause 6 is designed to meet another situation that has arisen over the last few years in regard to loans and advances, both secured and unsecured, given by banks to their directors and to firms and companies in which such directors have an interest. It is essential that banks should be required to report to Bank Negara not only unsecured loans and advances to companies in which bank directors have an interest, but secured advances as well. The existing provisions in the law require the reporting of unsecured loans and advances only, and there have been occasions where loans and advances which were only partially secured were not reported. The proposed amendments to the Ordinance will now require banks to report to Bank Negara all loans and advances to certain categories of persons and organisations. As a result of the representations of the Association of Banks in Malaysia, I

intend to move a minor amendment during the Committee stage to include a provision for appeal to the Minister against any orders issued by Bank Negara Malaysia in the exercise of the powers granted to it under this clause.

It is also considered necessary that there should be some control over banks investing the funds of their shareholders in other companies. The Association of Banks, however, in its representations has claimed that there should be no restriction on the use by banks of their shareholders' funds for investment in shares, and that clause 7 of the Bill would fetter the banks in carrying on a branch of their legitimate business. I cannot accept this contention. Carried to its logical conclusion, the Association's contention that there should be no restriction on the use by banks of their shareholders' funds for investment would mean that the banks should be permitted to conduct their business without any share capital of their own and be entirely dependent on depositors' funds for their banking business. I would regard such a contention as thoroughly irresponsible.

When a group of people get together and subscribe capital towards the establishment of a bank whose business is to collect deposits from the public, the shareholders, in fact, should regard themselves as trustees of such public funds. That being so, their paramount responsibility is the safety of deposits held in trust for depositors, committing their shareholders' own funds as a guarantee for the proper discharge of that responsibility. Banks sometimes incur losses and shareholders' funds should be used to make good such losses. This must be the fundamental approach to the business of banking which is so unlike any other type of business enterprise in which only its own shareholders' funds are involved. In other words, the directors of an ordinary business enterprise take risks with the funds of their own shareholders, whereas bank directors can take risks with the funds of the public. I do not have to make the point that one of the most delightful things in the world is to gamble with somebody else's money. If you win, you gain

correspondingly. If you lose, you do not suffer, because you have only lost somebody else's money. Under such circumstances, it is imperative that the laws governing the conduct of banking business must be far stricter than that governing the conduct of any other kind of business.

Moreover, the experience of Bank Negara over the years has underlined the need to control the type and extent of a bank's investment in other companies and to ensure that a bank's capital is used primarily to strengthen its structure and organisation. I would like to give a few examples of the practices of some banks: one bank invested a very substantial proportion of its share capital in the shares of trading and other companies. Another bank which agreed to increase its paid-up capital, which was insufficient in relation to its network of branches and deposits, utilised practically the whole of this increase in capital in buying the shares of another company abroad. Yet another bank had an arrangement with another company to invest in the shares of the other company to the same extent as the other company invested in the shares of the bank thus increasing the capital of each without having to put in any additional funds at all. All these malpractices clearly demonstrate the need to control the type and extent of a bank's investment in other companies.

I have carefully considered the representations of the Association of Banks in Malaysia on this clause. While I agree that there may be a case for introducing a more flexible clause to allow banks in Malaysia to invest in shares of companies which are trustee securities, I consider that, at the same time, there should be provision in the Banking Ordinance to prohibit investments of the type referred to above. I therefore intend to move an amendment during the Committee stage by introducing a new clause 10A and deleting the present clause 7 to provide for the control by Bank Negara of investment by banks by regulation, in order to provide for a fair degree of flexibility in the control of such investments. I should explain that the purpose

of this clause is not to prevent banks from investing their shareholders' funds but to ensure that such investment does not weaken their financial structure.

As a further measure of control, Clause 8 of the Bill is designed to extend Bank Negara's jurisdiction to cover the subsidiaries of banks. Bank Negara's jurisdiction at present is limited to banks only, although under the Companies Act, 1965, an investigation of any company can be made on the direction of the Minister of Commerce and Industry under certain conditions and after a public proclamation by the Yang di-Pertuan Agong. As there is a very close relationship between the finance subsidiaries of banks and the banks themselves, and as the inspection provisions in the Companies Act, 1965, are not adequate for this purpose, it is felt that Bank Negara should be empowered to inspect the books and accounts of the subsidiaries of licensed banks. Clause 8 of the Bill proposes an amendment to the Ordinance whereby Bank Negara will be given such powers.

Clause 9 is designed to stop officers of banks from receiving commissions and gifts from the customers of such banks as a consideration for favours granted or to be granted. Such a practice should be curbed in the interest of the public which deposits money with banks, as a corrupt banker endangers the safety of such deposits by being prepared to grant risky overdraft which a prudent banker would not be prepared to do. As bankers make use of depositors' funds for their lending activities, it is considered that they should be prohibited from accepting commissions and gifts from customers of the bank and the new section 24A will take care of this question. However, it may sometimes be very difficult for bank managers to refuse to accept nominal gifts from their customers during festive occasions and as a result of the representations of the Association of Banks in Malaysia, I intend to move a minor amendment during the Committee stage to exempt gifts of nominal value received during festive occasions from the provisions of this clause.

In the existing law, there are no provisions for the punishment of directors and managers of licensed banks for failure to take reasonable steps to ensure compliance with the requirements of the Banking Ordinance. The new section 24B of the Ordinance is designed to ensure that directors and managers of banks exercise reasonable diligence in the discharge of their duties. As a result of the representations of the Association of Banks in Malaysia on this clause, I intend to move further amendments to this clause during the Committee stage, so that bank directors and managers who can prove that they have taken the necessary steps to ensure compliance with the provisions of the law will be absolved from blame. It is proposed, under Clause 10 of the Bill, to introduce provisions into the Ordinance whereby the Governor of Bank Negara Malaysia, with the concurrence of the Minister of Finance, may compound any offence by a bank under the Banking Ordinance.

There are other consequential amendments to the Ordinance which do not touch on matters of principle but the main amendments which I have referred to are all designed to ensure that banks operate in this country with the minimum of supervision, consonant with sound and stable banking so that depositors' funds are adequately safeguarded and the national interest duly served. I must emphasise that these amendments have become necessary in the light of the Central Bank's experience during the last nine years in promoting sound banking practice within the framework of the Banking Ordinance, 1958, and they arise out of the operations of a few banks. I know that many banks in Malaysia are very conscious of their responsibilities and have co-operated with the authorities in promoting a sound banking structure. There are, however, others who have not yet realised that, as bankers, their primary responsibility is to their depositors. They have yet to realise that forming a bank with the main idea of getting their hands on public money with which to gamble, so that they can get rich quickly and with practically no risk to

themselves, but with the maximum of risk to the members of the public who have entrusted them with their money, is tantamount, in so far as banking is concerned, to an act of criminal irresponsibility. The amendments proposed in this Bill would not have been necessary if this fundamental duty had been fulfilled by all banks in Malaysia. The Government has a duty to stop all malpractices in this vital segment of our economy and it will not hesitate, if this should prove necessary, to introduce further regulatory measures to ensure that banks in Malaysia operate on sound lines and that depositors' funds are adequately safeguarded.

Before I close, I would like to refer to some of the ill-informed criticism that has been levelled at this extremely important piece of legislation. It is clear that much of this criticism came from those who did not even bother to read, let alone digest, this Bill. It is ridiculous to suggest that the passing of this Bill into law will hinder legitimate trade or make it more difficult for the business community to finance its legitimate operations. Neither will this legislation hinder in any way the legitimate activities of any bank. I do agree, however, that the aim of this legislation is to protect innocent members of the public who have entrusted their money to banks from the rapacious fingers of some unscrupulous bank directors. In other words, this Bill is aimed at dishonest bank directors, not honest ones, and those with a clear conscience have nothing to fear from this law.

Furthermore, more than adequate time has been given to all concerned to study this Bill. This Bill and the Central Bank of Malaysia (Amendment) Bill got their first reading in this House on 13th November, 1967 and were published immediately thereafter. A period of 3½ months has, therefore, been provided for their study, and the very fact that the Association of Banks in Malaysia has had time to submit a lengthy memorandum to the Government on these Bills and to follow up this memorandum with exhaustive discussions with both the Governor of Bank Negara and myself, is an indication that adequate time has been given for these

Bills to be thoroughly studied by interested parties. The fact also that the memorandum submitted by the Association of Banks in Malaysia and the Government's subsequent discussions with it have resulted in amendments being proposed to this Bill, shows that the Government has taken due and full account of the representations made, and the Bill as proposed to be amended in Committee should, therefore, satisfy everybody except those with ulterior motives, and I think Honourable Members will agree with me that it is not my duty as Finance Minister to encourage these gentry.

Sir, I beg to move.

Menteri Pengangkutan (Tan Sri Haji Sardon bin Haji Jubir): Tuan Yang di-Pertua, saya menyokong usul ini.

Dr Tan Chee Khoo (Batu) (dengan izin): Mr Speaker, Sir, both the public and the banks in this country must, generally speaking, accept parts of the Amendment Bills now before the House, namely, the Amendment to the Banking Ordinance, 1958, and also the Amendment to the Central Bank of Malaysia Ordinance, 1958.

This country has seen how malpractices that the Honourable Minister of Finance has highlighted in his speech in a certain bank in this country were brought to light first in the *Economist* and then high-lighted by me in this House. Subsequently, oral questions were asked in this House and I made an adjournment speech on this subject as well.

I entirely agree with the Minister for Finance that confidence in banks is a very tender and fragile plant and we should nourish and nurture it carefully and should not do anything that may stunt its growth or even destroy it. But when the Government does not or has not done anything to stop such malpractices that were apparent to all in the banking business then it was time that persons like me should focus the glare of publicity on it, in the hope that the Minister of Finance will amend our Banking Ordinance to root out malpractices.

Here, if I may digress a little, the Minister for Finance has accused me in this House not once, but at least three times of wanting to destroy a certain bank. I say that it was a false accusation, for I do not, I repeat, I do not have shares in any bank nor do I move in such exalted banking circles, so that I can and have taken a detached view of such debates.

Next, I am the treasurer of a club known as the Socialist Club based in Kuala Lumpur, and we have two fixed deposits in the same bank in Kuala Lumpur. Now, if there is any intention on my part to destroy or damage that bank I would not, in the first instance, have put the money there. Then, when there was a small run on that bank, again, if I had any intention to harm that bank I would have withdrawn the two fixed deposits. I did nothing of that sort—in fact, recently I have just renewed those deposits for another six months. This will, I hope, show that the Minister of Finance is not incapable of making wild accusations himself.

Coming back to the Amendments before the House, it must be accepted that any legislation that provides for the greater protection of customers' deposits at banks must be welcomed by all. This is particularly so, when one sees that in this country since Merdeka, i.e., since 1957, so many banks have grown up like mushrooms, and it is no secret that most leading Alliance Party members have obtained lucrative positions as directors of banks and corporations.

In fact, any retiring Minister may well become a director or chairman of the board of directors of banks, thus assuming the direction and control of these banks and corporations. As these directors are relatively inexperienced in banking practices, it is imperative that there should be strict control not only to prevent but also to root out malpractices that may exist.

On the other hand, one should not swing to the other extreme, i.e., care should be taken to see that the Legislature should not impose rules and

regulations, which would seriously hamper the day-to-day working of banks. There should not be too many fetters or restrictions being placed on the banking business in Malaysia. By and large, I am glad to say that the banking business in Malaysia is conducted along efficient and honest lines—and I think the Honourable Minister knows that.

Mr Speaker, Sir, before I touch on the Bill before us to-day, I propose to comment on some aspects of banking in this country.

As I have stated before, since Merdeka both local and foreign banks have cropped up like mushrooms. The old and experienced staff have been spread out very thinly amongst the new banks and in some cases there has been crimping of staff. It is evident also that there is a serious shortage of experienced or even trained personnel. It is true that some banks have sent their employees abroad and they have come back after passing foreign banking examinations. Unfortunately, in the course of their studies abroad they had to study subjects which had little or no relevance to banking in Malaysia. As such it is imperative that both Bank Negara Malaysia and the Association of Banks in Malaysia should get together to *set up a Malaysian Institute of Bankers*, so that future bankers can be trained locally and what is more important they can be fully conversant with local banking practices.

Here, if an approach is made to the University of Malaya, it may be able to help out, but I must stress that I have no authority to speak on behalf of the University of Malaya. I was merely throwing out a suggestion to the Central Bank and to the Association of Banks in Malaysia. The University has just approved Chairs in Accounting, Industrial Relations and Public Administration; and, of course, these are all within the context of the Faculty of Economics and Administration. As such, they will be able to help out in the establishment of a Malaysian Institute of Bankers.

A better suggestion would be to establish a Department of Banking in the University of Malaya. This, of course, would obviate the necessity of establishing a Malaysian Institute of Banks run by the banks themselves and would have the added advantage of diversifying courses in the University. The snag where the University is concerned is simple—the shortage of funds and, with it, of personnel. But it should not be a problem where the banks are concerned, as I notice that there are about 40 banks in this country. If, on an average, each of them contribute \$100,000 they should be able to raise \$4 million without much difficulty for such a project. That should be sufficient not only for the capital expenditure but to endow a Chair in Banking and take care of the recurrent expenditure for the first few years. As one who has been intimately associated with the University of Malaya since its inception, I throw out this suggestion to Bank Negara Malaysia and the Association of Banks in Malaysia for their serious consideration. And if the Minister of Finance for good measure will not only give this proposal his blessing but also kick it off with a personal contribution, I am sure the project will be assured of a resounding success.

Mr Speaker, Sir, I have here with me the Annual Report for 1967 of a certain bank in Kuala Lumpur. With your permission, I shall quote a small excerpt from the Report of the Auditors to the members. I quote:

"In our opinion, the annexed Balance Sheet and Profit and Loss Account together with the annexed notes are full and fair and are properly drawn up in accordance with the provisions of the Companies Act 1965, with such modifications and exceptions as have been determined by Bank Negara Malaysia pursuant to sub-section (16) of section 169 and so as to give a true, correct and fair view of the state of affairs of the Bank at 30th June, 1967, and of its results for the year ended on that date."

Thus, Bank Negara has been used to conceal some discrepancies.

Mr Speaker, Sir, when this House passed the Companies Act in 1965, it was never intended that the sins of

omission or of commission of banks should be hidden under the sarong of Bank Negara.

On the previous page of this Report are Notes to the Accounts and in paragraph 6 are listed the subsidiary companies as at 30th June, 1967. Then, in paragraph 7 it is stated that no provision has been made in these accounts in respect of losses incurred by three subsidiary companies. Surely, all these losses in so far as they affect the parent company should be listed in the Statement of Accounts of the parent company and whatever modifications, or exceptions as have been determined by Bank Negara too, should be set out in the Notes to the Accounts, so that the shareholders and the depositors of the Bank can have a true picture of the stability of the bank. I gather that this is not the only bank that makes use of Section 169 subsection 16 of the Companies Act, 1965, to make modifications and exceptions to the report of their auditors.

If the Minister of Finance is sincere in his statement, and he has time and again in the course of his speech stated that the object of this Bill is to root out malpractices that may exist, then, he should plug up this legal loophole, or at least modify it so as to prevent banks in Malaysia from hiding under the sarong of Bank Negara Malaysia.

I shall now touch on the material clauses of the Amendment before us today. These amendments to the Banking Ordinance, 1958, remind me of the story of the man who cut his nose to spite his face. Furthermore, they are vague and uncertain and are likely to affect adversely the economy of the country and spark off a flight of capital to neighbouring countries, mainly to Singapore. This is in spite of the amendments to the amendments which have been made at the last moment.

Clause 2

This amendment to section 4 of the Principal Act seeks to increase the net assets of foreign banks in Malaysia to \$2 million instead of the present qualification of \$2 million in immovable property and/or other approved

assets. It is well known that some foreign banks bring in a small amount of capital and then remit out of this country a fair bit of their capital from their profits. Hence, this amendment is a wise one, but I would be happier if the Minister of Finance were to raise this figure to \$3 million. For example, he has pointed out just now that some of these banks, after bringing in their capital and having got in money from their depositors, remit out their capital and then carry on business in this country purely out of the depositors' funds. That, of course, is entirely unsatisfactory and is against the interests of this country.

Clause 4

This is poorly worded as the Minister himself has admitted, because he had to go and seek the advice of the Attorney-General before coming to this House to say that it does not apply to professional people like doctors, lawyers and the like, who have work to do with banks. It restricts unsecured loans and facilities to persons to not more than six months remuneration. But it applies not only to officers and employees of banks, it also includes "other persons being persons receiving remuneration from such licensed bank". This is obviously designed, as the Minister has stated, to bring persons like the bank advisers and compradores within the ambit of the prohibition, but in doing so I am afraid the Minister for Finance has cast his net too wide and has roped in professional persons that I have mentioned, namely, doctors, lawyers, auditors, valuers, who may be retained by banks in a professional capacity. I am glad that the Minister has clarified that these people, according to an interpretation by the Attorney-General, are not included as "other persons being persons receiving remuneration for such licensed bank".

Clause 5

This clause is long overdue. It requires all directors of banks to declare to their boards their direct or indirect interest in connection with loans or advances granted to other banks. This is very important as the

question of conflicting interests may and often have arisen. Here the director who has connections with other companies with whom his bank has business dealings is obliged to disclose such interest to the board. The malpractices of the past could not have taken place, if this amendment had taken place much earlier than now. This amendment too will go a long way towards safeguarding the interest of depositors and shareholders and will, I am sure, be welcomed by all honest bankers.

Clause 6

As I have mentioned before, Bank Negara should not be too meddlesome and swing from one extreme to the other. This clause requires monthly returns, not later than fifteen days after the last day of each month, of a huge number of transactions most of which may not or will not be of interest to Bank Negara. The amount of paper work involved is out of all proportion to the information that can be gained and may well defeat the object of the amendment. It will increase manifold the capacity of Bank Negara to sift and find out what is going wrong and where. I do admit that such returns should be made but not at monthly intervals. Perhaps, in order to cut down paper work and for Bank Negara itself to make use of such returns, it would be sufficient that they should be made quarterly and not monthly as laid down in the amendment.

The original sub-section (2) seeks to invest the Central Bank with the power to issue orders to banks prohibiting them from granting advances to the detriment of the depositors. In the Principal Act the Central Bank advises the Minister who may, by order in writing, issue such orders. I am glad that the Minister has heeded the representations of the Association of Banks of Malaysia. It has now given the right of appeal to the Minister and that is what it should be.

Clause 7—

The crowning folly of these amendments was in Clause 7 which sought

to prevent banks from investing in shares of other companies without the prior consent in writing of Bank Negara Malaysia. However, this has now been amended or deleted. Though the amendment is better, it still may have the same effect unless the rules are carefully drawn up. It is a well-known fact that the tendency today is to allow even trust money to be invested in well established and sound companies because of better returns and higher dividends. The amendment to the English Trustees Investments Act was made with this object, and I know it has been followed by amendments to our own Trustee Ordinance. But, here, we may be preventing and restricting banks from investing in all companies.

Mr Speaker, Sir, in most advanced countries, where banks are more sophisticated than those in this country, there are Merchant Banks, Exchange Banks, etc. The former invests in stocks and shares of companies and the latter, as its name implies, confines its business to foreign exchange. But banking in Malaysia has not reached such a degree of specialisation, and surely it is part and parcel of the legitimate business of banks in Malaysia, particularly of local banks, to invest in stocks and shares of other companies.

One immediate effect of this original amendment would have been for the licensed bank incorporated outside this country to invest in the stocks and shares of companies incorporated outside the Federation. Thus, there will be a shift of capital, say, to Singapore. It will be seen that this amendment, apart from inducing a flight of business to outside this country, acts to the detriment of the locally incorporated bank, and surely that is not the intention of the Minister of Finance or of the Alliance Government as well.

Both the Minister of Finance and his colleague, the Minister of Commerce and Industry, have tried their best by way of incentives, tax rebates, etc., to attract foreign capital to this country, but by this amendment we are doing our best to induce a flight of capital from this country. This is cut-

ting one's nose to spite one's face with a vengeance.

This amendment too will work to the detriment of Malaysian incorporated banks, as it will encourage these banks to distribute their profits to shareholders rather than to accumulate them and thereby strengthening themselves and at the same time providing greater security for their depositors. Once again, I ask the Minister of Finance if it is not part of the business of banks to invest in companies and what is so objectionable about it?

Clause 7 is now deleted and in its place there will be a clause, Clause 10A, which will amend Section 29 of the Principal Act. It is now proposed to formulate regulations to provide for control by the Central Bank with respect to the acquisition or holding by a licensed bank of shares of any corporation or of immovable property or with respect to a licensed bank becoming a partner or proprietor of any firm, with unlimited liability. The Explanatory Note states that the insertion of Clause 10A is to provide flexibility in the control of investments by licensed banks. I fail to fathom the logic of this assertion. Surely, where there are no rules or regulations, then the banks have plenty of elbow room, but once you set up rules and regulations, then this flexibility is lost. However, let us hope that the Minister, in formulating these rules, will see to it that the banks are not put in a straight jacket and almost let Bank Negara run all the banks in this country.

Mr Speaker, Sir, the Minister, in the course of his speech, quite rightly stated that the banks should not gamble with money of depositors. He also stated that the money from shareholders should be used to cushion any losses that may be incurred by the banks. I entirely agree with him in this respect, but the Minister knows that there are many well established banks who not only have the money from the shareholders but who have, over the course of the years, by prudent banking, accumulated huge reserves, and surely if the banks wanted to make

use of these reserves, as apart from the money from depositors, then they should be allowed to invest such reserves in any business that they think fit.

Clause 8—

This Clause empowers Bank Negara Malaysia to investigate the affairs of the subsidiary companies of banks and to see that their subsidiary companies do not act against the national interest. It is a well known fact that some banks use the facilities of their branches to act as agents, for their subsidiary finance companies to subvert the rule of maximum interest. It is also a well known fact that finance subsidiaries of banks in Malaysia accept deposits from the public, but no prospectuses have been issued by these subsidiary companies. In view of what I have pointed out, why has not the Minister declared these finance companies as prescribed corporations?

Mr Speaker, Sir, I have here with me the Annual Report of a local bank for the year 1967. Its subsidiary finance corporation has lost, or is expected to lose, \$4,317,875 in diminution in value of investments. Again, the Profit and Loss Account for 1967 showed an adverse balance of \$3,390,952 as against \$76,084 for 1966. This very same subsidiary has also at the moment invested \$10,268,456 in unquoted shares, whereas this amount was \$7,532,946 for the previous year.

Furthermore, this local bank has nine subsidiaries, one of which is a printing company and four of which are located in Singapore. Thus, one can see the risk that a depositor of a finance company is exposed to. Such companies pose a similar danger that was posed by mushroom insurance companies, which swindled a great number of people before the Government stepped in at the instance of the Labour Party of Malaya. In view of the foregoing, the Government should exercise greater control over the subsidiaries of banks, and I shall be grateful, if at a later date, the Minister will bring in further amendments to this effect.

Clause 9—

In the Explanatory Note, it is explained that the new section 24A is to prohibit officers of banks from accepting commissions and gifts from customers of the banks. I am all for putting an end to corruption amongst officers of the banks. But even the Director of the Anti-Corruption Agency must realise that it is usual for clients to show their gratitude to those officers so long as there are no strings attached. To that extent, I am glad that there is an amendment to the proposed section 24A, namely, "other than a gift of nominal value received during festive occasions." Now, what does nominal value mean? Will half a dozen bottles of whisky constitute a breach of nominal value, or will, let us say, four bottles of whisky on a festive occasion constitute a breach of nominal value? I shall be very grateful for an interpretation of "nominal value" by the Minister of Finance. I can say without fear that often at Christmas and the Chinese New Year I have often been offered such gifts from my grateful patients, but is that a crime? The unfortunate part of it, where I am concerned, is that as a strict Methodist, I do not drink those gifts and have to invite my friends to drink them off for me. The Minister must distinguish between gifts given in appreciation for work done and gifts that are given in consideration of favours to be granted. However, bank officers must be relieved that they can now receive gifts of nominal value from grateful clients during festive occasions.

The new Section 24B, in its original form, makes a mockery of justice, for it makes a serious inroad into the legal principle that no person should be punished without proof of culpability. However, I am glad that the Minister has taken cognizance of the representation made to him by the Association of Banks in Malaysia and has amended this Section 24B.

Clause 10—

Finally, I come to Clause 10. Here, in the Explanatory Note, it is considered that the Governor of the Central Bank with the concurrence of the Minister,

should be empowered to compound any offence against the Ordinance. This is incomprehensible to me. As I have mentioned before, the proposed original new Section 24B, as laid down in this Bill makes a serious inroad into the administration of justice in that under it a person can be punished without proof of culpability.

Here, in Clause 10, the Minister has gone to the other extreme by giving himself and the Governor sweeping powers to compound any offences against the Ordinance. Why should the Governor be both judge, jury and prosecutor all rolled into one? Why should he be given such sweeping powers? If there is to be any bite in these amendments, then the Governor should not be given these powers to compound any offence against the Ordinance. Lest there be any misapprehension, I wish to make it quite clear that what I have said, or have to say, does not apply to the present incumbent of the office of Governor of Bank Negara.

The principle to compound offences is wrong. I say this because the greatest deterrent to any banker is not the amount of money that he can be fined by any court or by the Governor or by the Minister, but the greatest deterrent is a prison sentence—and only a court of law can impose a prison sentence on any offender against this Banking Ordinance. If you take that deterrent away, the banker may be tempted to commit an offence secure in the knowledge that the offence may be compounded by the Governor and all that he has to suffer is the payment of a fine to be imposed by the Governor. It is true that the Governor need not exercise the power that he possesses and refer the power to the court, but why provide the offender with such a loophole?

Bankers are, by and large, honest and wealthy people. But as in every profession there is the odd black sheep as the Minister himself has mentioned. The banker has the wealth to pay any fine whether imposed by a court of law or by the Governor but it is the fear of a prison sentence that

puts the fear of God into him. Hence, why bring in the Governor and the Minister in the administration of Justice?

I gather that the purpose of this power to the Governor, subject to the concurrence of the Minister to compound offences, is to enable the Governor to compound minor offences—that is, typing errors, etc. If that is the intention, and I can see merit in it, then why should it not be spelt out clearly?

In conclusion, Mr Speaker, Sir, in view of the grave deficiencies in this Bill, and this has been admitted by the Minister himself in that he has brought forth many amendments, I wish to notify the Minister that at the appropriate time of these proceedings I shall move reference back of this Bill to a Select Committee, and I do hope that the Minister will not block it.

Finally, Mr Speaker, Sir, I wish to quote a few of the Press comments on these two Bills and I do hope that the Minister will not castigate these Press opinions as, did I hear him say, “ill-informed opinions”. I quote from the *Eastern Sun* of the 23rd February, 1968. *Inter alia*, it states:

“What the Council of Banks in Malaysia fears is the interference in the management of banks by the Central Bank when the two amending Bills are passed. There are many aspects of banking business with which the Central Bank should not interfere, and one of which is the secrecy of a client's account. Unless the Government has reason to believe that certain banks are evading income tax or are involved in corrupt practices, it should not make it a rule to demand the scrutiny of all bank accounts.”;

this refers mainly to the amendment to the Central Bank Ordinance, 1958—

“Too much restriction should not be imposed on banks that they are forced to invest their funds abroad. Protection of the public should not be made detrimental to the banking business.”

Then again, in the *Straits Times* of the 19th February, 1968, the editorial reads:

“Sound banking practice is one thing. The straight jacket of the proposed amendments to the Malaysian Banking Ordinance is something else. The amendments offered on them by the Council of the Association of Banks no doubt will have the Government's earnest attention, particularly the opinion

that to give the Central Bank authority to control the investment of bank funds in industry would be a gross disservice to the national effort. It is a restriction which certainly would stimulate incorporation of companies outside Malaysia, including Singapore, the memorandum tartly adds, where they would count the support of foreign banks. It may be urged that the Central Bank would not withhold consent unreasonably—perhaps not, but it is an authority that the Central Bank should not have. If the object is to protect depositors' funds, it could be assured by restricting investment by the banks through the shareholders' own money, that is, their paid-up capital and reserves.

The use of the depositors' money would need approval. There are proposals which duplicate provisions in the Penal Code prohibiting officers and employees from accepting money for favours done and others whose value is not commensurate with the paper work involved or which would invite abuse.

The Bill needs to be completely re-examined. Its genuine purposes can be secured without potentially dangerous an extension of the Central Bank's powers."

Then, in another editorial dated 22nd February, 1968, the *Straits Times* has this to say:

"But is it necessary that the Central Bank should have the right to enquire into any and every private banker's deposits?"

It goes further to say:

"It is also seeking the right to approve or disapprove bank investments in company shares. These and other proposed major amendments to the banking legislation will increase substantially the Central Bank's statutory powers to the possible detriment of the role which a sound banking system now plays, an unquestionably willing and cordial trust, which in 1968 was rightly regarded as essential."

Then, Mr Speaker, Sir, in the *Straits Times* of 21st February 1968, there is a report of a speech by Senator T. H. Tan, the leader of the Alliance Party in the Senate. He suggested that the proposed amendment "should be strenuously opposed in the interests of the Nation."

Mr Speaker, Sir, in view of the widespread Press disapproval, in view of the disapproval by the Honourable Senator T. H. Tan, and in view of the fact that the Minister himself has brought, at his late stage, a number of amendments, I think this Bill, despite the time that has been given to us—and I admit that the time given has been adequate—it would be better for

Bank Negara Malaysia, the Minister and the bankers if this were to be sent to a Select Committee, where all the various facets of the disagreement with the extension of powers of Bank Negara will be examined once again and the Bill will be brought back to this House after an examination by the Select Committee. Thank you.

Tuan Yang di-Pertua: Persidangan ini di-tempohkan sa-lama 15 minit.

Persidangan di-tempohkan pada pukul 11.20 pagi.

Persidangan di-sambong sa-mula pada pukul 11.40 pagi.

Perbahathan di-sambong sa-mula.

Dr Lim Chong Eu (Tanjong) (*dengan izin*): Mr Speaker, Sir, I would like, first of all, to commend the Government for the manner whereby they have brought about this Banking (Amendment) Bill. As has already been indicated, the original Ordinance was in 1958 and this set of amendments have been presented to the House for three and a half months. So, not only the Members of this House but the general public has had sufficient time to comment on it, and the Honourable Minister has also had sufficient time to re-evaluate the comments that had been made upon the amending Bill, in subsequence to which we have now a sheaf of further amendments to the amendments.

Sir, I make this remark commending the manner in which this Bill has been brought forth with a little bit of regret, that one could only wish that the Government will give to the Constitution the same degree of deference as it does to the Banking Bill. We very seldom talk about the sanctity of the bank, but we talk about the sanctity of the Constitution in that we can make amendments to the Constitution overnight, whereas apparently it takes much, much more tender and solicitous care to push forward this amendment to the Banking Ordinance. Sir, with this preface I would like just briefly to touch on the Bill itself.

Sir, I feel that the Honourable Minister is fully aware of the necessity of

providing checks and balances in this Bill. He is, I think, fully aware also of the kind of fear that is naturally aroused by an extremely conservative section of our society and, therefore, in the course of his speech he had clearly indicated that the intention of the Bill is just to tighten the Bank Negara's supervision and control of the banks. However, Sir, I think he must fully appreciate too that there is apprehension throughout the business circles, particularly among banking circles, that this supervision and control will not really go to the extent of domination and dictation but also the question of crimping the development of the banking system in this country. Sir, the Honourable Minister, I think, expressed his awareness by stating at the end of his speech that only those who have anything to fear should really worry about the Bill but those who have nothing to fear should have nothing to worry over the provisions of this Bill. However, Sir, I do feel that there are little aspects of the Bill whereby further amendments, either now or subsequently, could be made in order to make things clearer and in order to make it sure that the intentions of Government are just those of tighter supervision and control. We on this side certainly recall the occasion when we brought a question to the House, and in deference to the Honourable Minister we did not pursue the question further, and I presume that much of the amendments provided in this Bill are the outcome of the run that took place last year.

Sir, I would like to touch on the question of the power provided to the Central Bank in Clause 4 of the Bill to look into the individual accounts in the banks and these will now be liable, if the amendment goes through, to enquiry by the Central Bank. I make this comment fully realising that the Minister must provide this power to the Central Bank, otherwise it cannot effectively carry out the provisions in Clause 4 for checking on the secured and unsecured accounts of directors and so on. However, Sir, I do hope that the Minister in his reply will stress that the secrecy that is required by the banks, and which has to be maintained in the

relationship between the banks and the ordinary depositors, will be respected to the full. Although it is provided for by Section 22 of the original Ordinance, I hope that the Honourable Minister will make this clear to the public as a whole. I wonder also whether it may not be a useful idea if the Government should consider, at some subsequent date, to put forward some amendments or some kind of balancing factor, so that prior to any examination of individual accounts, the Central Bank or the Governor may either have to get permission, via a court order, to do such examination or would have to get a warrant issued by the Minister himself. This kind of balance, to some extent, will ensure the Government's abiding with the concept of the necessary secrecy between banks and depositors and at the same time allow the Government, the Central Bank, the power to examine those individual accounts which the Government feels necessary where there is any need, or where there is any suspicion.

The general provision given in Clause 6 for checking of secured and unsecured accounts of directors either in the banks or in holdings of companies to which the banks have given advances are all, I think, perfectly clear. However, I do hope that the Honourable Minister will consider that although the powers that have now been given to the Central Bank are necessary, in order to effect the type of supervision which the Government envisages, the Government will also consider looking into the possibility of providing some way of appeal to the Minister, so that the entire function of the Central Bank will not just rest and end with the Central Bank that the Minister will still have some say in any kind of appeal.

The last point that I would like to touch on is the question of nominal gifts that is contained in the amendment to the amendment. I do feel that this is one of the occasions where second thought probably is not as purposeful as the original concept. The second thought and the proposed amendment to the amendment now qualifies the term "gift" to "nominal gifts" received during festive occasions and, like the

Honourable Member for Batu, I hope that the Honourable Minister will clarify this point and state clearly and exactly what "nominal gifts" mean. Furthermore, I do hope that the Government will look into this question of completely stopping this idea of giving gifts to responsible members in banks, so that the gifts that are not only given to directors or responsible officers of the bank but gifts that are given to close relatives and immediate relatives of the directors and of the officers of banks will also come under this same prohibition.

With these observations, I support the passage of this Bill and ask that the Government, however, should not delay all that long and as soon as possible, probably within a year or two, 18 months after the implementation of this Bill, should any difficulties arise, the Government should not be reluctant to look into bringing in further amendments to the Bill in accordance with the need and the immediate experiences of this change. It is agreed, Sir, that we should be conservative, but I think the Honourable Minister will agree with me that this new departure creates anxieties, and I think the Government should not be too reluctant to meet the wishes of the people in order to make our financing and banking system go through.

Tuan Haji Mohamed Yusof bin Mahmud (Temerloh): Tuan Yang di-Pertua, saya bangun memberi ucapan tahniah yang sa-tinggi²-nya kepada Yang Berhormat Menteri Kewangan kerana mengadakan satu Rang Undang² yang mengawal perusahaan perniagaan bank di-negara kita ini. Sa-putut-nya Rang Undang² ini telah lama di-laksanakan. Dalam saya memberi sokongan ini, ada satu dua perkara yang saya fikir bagi menguatkan mengapa Rang Undang² ini patut di-adakan. Terutama sa-kali, Tuan Yang di-Pertua, berkenaan dengan ra'ayat² yang bukan daripada warganegara negeri ini itu wang² yang datang dari luar negeri untuk di-investkan di-dalam bank ini dengan tujuan siasah, maka dengan ada-nya Rang Undang² ini, saya percaya-lah perkara² yang saperti ini dapat di-awasi. Kita telah

ada pengalaman pada masa pilehanraya yang telah lalu di-mana wang² yang datang daripada luar negeri telah digunakan untuk tujuan² siasah bagi menjadikan negara ini bagi tujuan² siasah mereka yang tidak di-ingini oleh negara ini. Saya memandang bahawa perkara ini sangat-lah berat.

Pada pengalaman saya, atau pendapat saya, pada satu masa lebih kurang tiga empat tahun dahulu banyak juga wang² daripada luar negeri saperti daripada Hong Kong di-bawa masuk ka-negeri kita ini. Tujuan-nya yang sa-benar tidak-lah di-ketahui, sama ada betul-kah atau tidak yang mereka² itu membawa modal² tersebut untuk di-tanam kepada negeri ini sama ada berkenaan dengan perusahaan atau perniagaan, tetapi sabalek-nya pula kita khuatir, oleh sebab anasir² yang tidak di-ingini daripada negeri ini akan mendapatkan bantuan² kewangan daripada luar negeri, maka dengan ada-nya Rang Undang² yang sa-macam ini, rasa saya dapat kita kawal atas perkara² ini.

Satu perkara lagi, Tuan Yang di-Pertua, berkenaan dengan unsecured overdraft. Ini rasa saya ada-lah satu perkara yang baik, sebab dengan ada-nya Rang Undang² yang sa-macam ini, maka saya khuatir kerana ada mereka², ia-itu pedagang² yang bukan daripada ra'ayat negeri ini yang menggunakan kaedah² unsecured overdraft ini yang akan merugikan negara kita. Sa-umpama-nya baharu² ini, saya tidak-lah hendak mencheritakan di-mana tempat itu terjadi, ia-itu sa-orang pedagang yang telah lama berniaga di-negara ini, tetapi dia telah membuat planning lebih kurang 10 tahun bagaimana hendak menggunakan unsecured overdraft ini dan dengan sebab itu boleh mengeluarkan wang² daripada negeri ini keluar dengan tidak dapat diambil balek dan tidak ada satu jalan yang boleh bank² ini mendapatkan balek wang² yang telah keluar itu. Maka dengan ada-nya chara kawalan yang sa-macam ini, dapat-lah Kerajaan mengawal bagi sa-saorang pedagang yang menggunakan tiga, tujuh dan lapan bank dengan unsecured overdraft-nya dan oleh sebab dia telah berniaga dengan begitu lama

dalam negeri ini, maka bank² ini memberi kepercayaan penuh kepada-nya dengan satu consignment barang² yang datang daripada luar di-mana dia mendapat overdraft tetapi dia mendapat overdraft daripada lapan bank dengan satu consignment daripada barang² tersebut. Jadi, ini satu penipuan yang patut dapat kita awasi dengan ada-nya Rang Undang² ini.

Satu perkara lagi, Tuan Yang di-Pertua, saya harap juga dengan ada-nya Rang Undang² ini, jangan-lah pula menyebabkan orang² kaya kita yang ada duit takut hendak menyimpan wang dalam bank ini pula, kerana dengan cara ini boleh mengurangkan orang ramai menyimpan wang dalam bank itu, kemungkinan bank itu tidak boleh berjalan, sebab dia takut ia-lah oleh kerana banyak orang² yang ada wang yang suka berniaga yang tidak suka perdagangan² itu di-ketahui oleh orang ramai, kemungkinan ini akan timbul dan ini akan menjadi kelam-kabut juga berkenaan dengan hal bank di-tanah ayer kita ini.

Saya rasa, fikiran² yang akan kita dapati pada satu masa kelak dapat-lah Yang Berhormat Menteri Kewangan ini memikirkan atas soal ini sa-telah kita menjalankan Rang Undang² ini, kemungkinan yang akan kita hadapi beberapa kesulitan yang tujuan asal-nya jangan-lah kita menjadikan perusahaan bank ini boleh menjadi kurang dan menyebabkan keadaan ekonomi negara kita merosot. Terima kasih.

Tun Tan Siew Sin (dengan izin): Mr Speaker, Sir, I am very grateful for the support which has generally been extended to this very important piece of legislation, and it is clear that Honourable Members of this House realise the importance of passing this Bill into law as speedily as possible. I shall now try to deal with the points which have been raised in the course of this debate.

The Honourable Member for Batu has suggested, and I must say it is a very constructive suggestion, that we should do what we can to increase the supply of trained banking personnel in this country. He suggested that for this purpose we might set up a Malaysian Institute of Bankers. I am

glad to tell him that in point of fact this matter is now under consideration by Bank Negara in conjunction with the Association of Banks in Malaysia. In fact, as early as August, 1967, Bank Negara proposed to the Association of Banks to set up a Committee to examine a proposal to establish an Institute of Bankers in Malaysia and a Training Centre for bank officers. Bank Negara has already acquired a suitable site for the Training Centre and a building is being planned. In the meantime, Bank Negara has, during the past three years, invited a number of officers from commercial banks to participate in training courses it conducts primarily for its own officers. It will, therefore, be seen, Sir, that we have already done something about the suggestion of the Honourable Member for Batu.

The Honourable Member for Batu also states that when there was a run on a certain bank last year, he did not withdraw his deposits and in point of fact he renewed his deposits with that bank. Further on in his speech, he quotes the case of a certain bank which he feels has done things which it should not do, or not done things which it should. I sincerely hope that the bank in which he has renewed his fixed deposits and the later bank to which he referred are not one and the same bank. If it is, it does show a rather strange logic on the part of the Honourable Member for Batu to say that he has got every confidence in the bank and then to bring out its alleged shortcoming in public and that sort of thing, as the Honourable Member for Batu well knows, will not do that bank any good. So, I hope he is not referring to one and the same bank in that speech.

He states that Clause 4 of the Bill is poorly drafted because it does not make clear that professional men like lawyers, doctors and auditors are in point of fact exempted from the provisions of this clause. I made it clear, Sir, in my speech that these professional persons are, in fact exempted and I do not see therefore how he can make his accusation stick that this is a poorly drafted clause when the Attorney-General has confirmed that

the clause, as drafted, is clear enough and does exclude the persons whom the Honourable Member for Batu feels, and rightly so, should be excluded.

I now come to Clause 6, and the Honourable Member for Batu suggested that it was unrealistic or impracticable to ask the banks to submit monthly returns, because there would be a huge number of transactions under this clause. All I can say is that, if the number of transactions is really large, then I think there is something seriously wrong with the bank, because that clause is designed to catch anomalies or irregularities, and if a bank were to submit a return in which a large number of items appear, then it does mean that this clause is overdue and is certainly, I think, appropriate; and if the number of returns is huge, then something will have to be done. I sincerely hope, for the sake of the banking system in this country, that the returns under this clause will be as few as possible. There is no question, therefore, of Bank Negara being swamped or overwhelmed with returns under this clause.

Then, he talks of Clause 7 which he describes as the crowning folly of this Bill. I beg to disagree with him, because this clause is in fact one of the most liberal in the entire banking world—and when I talk of the entire banking world, I do not mean the entire banking world of Malaysia—I mean the entire banking system of the world. He will probably be surprised to know that many developed countries in point of fact specifically prohibit their commercial banks from investing in any shares at all. I mean, they do not allow even one dollar's worth of investment on the part of commercial banks in the shares of ordinary companies, or for that matter, any company at all. And this prohibition is in fact found in the legislation of many developing countries. We in Malaysia are therefore extremely liberal in this respect in the sense that we do allow such investments but we say that such investments must be controlled. It is also not true to say or to suggest that the enactment of this clause will result in a shift of capital,

say, to Singapore, or for that matter any other foreign country. If because of this clause businessmen or bankers get their funds for such investment in a foreign country, then all I can say is "good luck to them". We in Malaysia certainly do not want this kind of business. It should also be made clear, Mr Speaker, Sir, that normally, and certainly in the past and I think this will also apply in the future, companies do not obtain their share capital from the banks. As the Honourable Member should know, when a company is formed, the normal course, the usual course, is for it to get its capital either from the Stock Exchange or the share market or from its own sources. But it is most unusual for a company, when starting operations, to get its equity or share capital from a commercial bank. The services or facilities of commercial banks are only resorted to when companies wish to increase or to augment their working capital, but certainly not their share capital. It is, therefore, not true to say that it is part of the business of banks to invest in companies. In fact, not so long ago. I had with me the senior executive of one of the largest banks in the whole world, and he was surprised that we in Malaysia allowed our commercial banks to make such investments. Needless to say, this is an American bank because American banks are the largest banks in the world. In the United States of America and in many other countries such investments are totally prohibited—totally and completely prohibited.

He asked about the case of banks with huge reserves which, he suggested, might be allowed to invest in other companies. I have made it clear in my speech that we do not seek to prohibit banks under this clause from investing at all. All we say is that we will allow such investment, but such investment will be subject to control by Bank Negara. In this connection I would add, Sir, that Bank Negara, or rather, the Treasury and Bank Negara, have agreed to consult the Association of Banks in Malaysia before drawing up the regulations under this clause, and the purpose of these regulations is to enable the banks to know before

hand what sort of shares they can invest in, and what sort of shares they cannot, and to what extent. It will therefore be seen that the amendment to be proposed at the Committee stage will to a large extent or go a very long way to meet the objections of the Association of Banks in Malaysia. I do not think we can go further than we have because, as I have said, our attitude in this respect in fact is one of the most liberal in the whole world, because other countries are much stricter than we are in this respect, even if this Clause is passed.

In fact, the Honourable Member for Batu, in the course of his speech, stated that the subsidiary of a certain bank invested in unquoted shares to the extent of \$10 million, and this really is the crux of the whole question. When I was discussing this matter with the representatives of the Association of Banks in Malaysia, I suggested that in so far as investment in shares quoted on the Stock Exchange was concerned, we would take a very forthcoming attitude and, to my horror and surprise, one banker stated that this was not good enough. The implication of this objection was obviously that banks should be allowed to invest not only in shares quoted on the Stock Exchange, they should be allowed to go well beyond that. That means that some banks in this country feel that they should be given an unfettered right to invest in even shady and doubtful shares. That, Sir, is an indication of the problems faced by the Treasury and Bank Negara in controlling commercial banks in this country. As I have said, some of them are not quite as responsible as they should be.

Coming to Clause 9, the Honourable Member has asked what "nominal value" means, and he quotes the case of half a dozen bottles of whisky. I think if you receive from a friend or even from a customer half a dozen bottles of whisky on the occasion of Chinese New Year or Hari Raya or Christmas Day, that would be allowable. I think we are quite reasonable people both in the Treasury and Bank Negara and will not regard that as corruption.

He also takes exception to Clause 10 where the Governor of Bank Negara, with the concurrence of the Minister of Finance, is empowered to compound any offence against the Ordinance, and he feels that the principle of allowing the compounding of such offences is wrong. I submit, Sir, that that is a very sound principle because such offences are normally committed not so much by the directors but by the bank itself, and it is clearly not possible to send a bank to jail—you can send a bank director to jail but not a bank to jail—and the principle of compounding the offence is to enable this matter to be settled quickly, expeditiously and without too much fuss; and I think that in so far as banking is concerned, there is considerable merit in this procedure. It will be noted that the Clause does provide that the compounding can be as much as the maximum of the fine allowed under the law.

He suggests that this Bill should be referred to a Select Committee. As I have stated already, this Bill has been before the public, including this House, for three and a half months. The people most concerned, i.e. the commercial banks themselves, have submitted a memorandum to me, they have had discussions with me and, as far as I know, the amendments which we propose to make in Committee have gone a long way to meet their objections; and, as far as I know, they are satisfied with what Government has done to meet them part of the way. I, therefore, see no point in referring this Bill to a Select Committee. In fact, he is the only speaker on the Opposition side who has made this suggestion. He will no doubt note that one of his colleagues, the Honourable Member for Tanjong, in fact, takes the opposite point of view and feels that this Bill should be passed into law as soon as possible.

The Honourable Member for Tanjong refers to the basic need to ensure secrecy in so far as individual accounts are concerned. This, of course, refers to the other Bill, the Central Bank of Malaysia (Amendment) Bill, and I will deal with that point when we come to

it, i.e., the next Bill on the Order Paper.

He also suggests that there should be a provision for appeal against the Governor's decisions. As he will have noted, in one clause we have provided for the petitioner to appeal to the Minister in case he disagrees with the decision of the Governor. I can assure the Honourable Member that the Treasury works very closely with Bank Negara and there is, in fact, a general power of supervision by the Minister over Bank Negara, because there is a clause in either the Central Bank of Malaysia Ordinance or the Banking Ordinance to the effect that the Minister of Finance can give general directions to the Governor of Bank Negara and such directions must be followed. So, I think that that point is well taken care of.

The Honourable Member for Batu also makes a plea that if this law is passed, as I hope it will be, and subsequent experience indicates that amendments are necessary, we will keep an open mind on this question. I can give him that assurance. I for one will be the first to agree that neither the Treasury nor Bank Negara has a monopoly of wisdom even in the banking field, and if at any time we feel that amendments are necessary in the light of experience, we shall certainly not hesitate to come back to this House and propose further amendments.

My Honourable friend from Temerloh refers to, I think, non-citizens being able to remit funds out of this country, funds which originally came from the commercial banks. This is a foreign exchange matter—it is not so much a banking matter, it is a foreign exchange matter. The Honourable Member will appreciate that we pursue a very liberal foreign exchange policy and it is not really possible to impose foreign exchange control in respect of certain categories of business without imperilling the whole principle of a liberal foreign exchange policy. This is a very big issue. Once foreign exchange control is imposed or once we tighten our foreign exchange procedures in the

matter of remission of funds overseas, I think it will be found that capital will be very shy and may not come to this country. This is a wider problem, and I do not think we can deal with this problem in a banking ordinance. Anyway, we are aware of this problem and where possible we will certainly do what we can to prevent ill-gotten gains—I think that is what he has in mind—from being remitted overseas in an attempt to evade the law. We are aware of this problem, but that is really a separate matter. Thank you very much.

Dr Tan Chee Khoon: Mr Speaker, Sir, may I under Standing Order 54 move that this Bill be referred to a Select Committee?

Tun Tan Siew Sin: Mr Speaker, Sir, I think the Bill must be read a second time before the Honourable Member can make his proposal, and I suggest that the Bill be read a second time first.

Usul di-kemuka bagi di-putuskan, dan di-setujukan.

Rang Undang² di-bachakan kali yang kedua.

MENYERAHKAN RANG UNDANG² KAPADA JAWATAN-KUASA PILEHAN

Dr Tan Chee Khoon: Mr Speaker, Sir, before the Bill is taken to its Committee Stage, I beg to move under Standing Order 54 that this Bill be referred to a Select Committee.

Tuan Edwin anak Tangkun (Sarawak): Tuan Yang di-Pertua, saya menyokong.

Usul di-kemuka bagi di-putuskan, dan tidak di-setujukan.

Jawatan-kuasa

Rang Undang² di-serahkan kepada Dewan sa-bagai Jawatan-kuasa.

Dewan bersidang sa-bagai Jawatan-kuasa.

Rang Undang² di-timbangan dalam Jawatan-kuasa.

(Tuan (Timbalan) Yang di-Pertua
mempengerusikan Jawatan-kuasa)

Fasal 1 hingga 5 di-perentahkan
menjadi sa-bahagian daripada Rang
Undang².

Fasal 6—

Tun Tan Siew Sin: Mr Chairman,
Sir, I beg to move that Clause 6 be
amended in the manner indicated in
the amendment list which has already
been circulated to all Honourable
Members. I need not go further into
the reasons for this proposal, as I
spoke at some length on this amend-
ment, which reads as follows, in the
course of my speech on the Second
Reading:

Clause 6: Insert immediately after sub-
section (2) of the proposed section 11 therein
the following—

“Provided that any bank which has been
issued with an order by the Central Bank
pursuant to this section, may appeal in
writing to the Minister, who may, as he
thinks fit, confirm, vary or revoke the order
of the Central Bank.”

Pindaan di-kemuka bagi di-putuskan,
dan di-setujukan.

Fasal 6 yang di-pinda di-perentahkan
menjadi sa-bahagian daripada Rang
Undang².

Fasal 7—

Tun Tan Siew Sin: Mr Chairman,
Sir, I beg to move the amendment
referred to in the amendment list which
has already been circulated to Honour-
able Members. The amendment is to
delete Clause 7. I have nothing to add
to my remarks on the reasons for this
amendment as I spoke at some length
on it in my speech on the Second
Reading.

Pindaan di-kemuka bagi di-putuskan,
dan di-setujukan.

Fasal 7 yang di-pinda di-perentahkan
menjadi sa-bahagian daripada Rang
Undang².

Fasal 8 di-perentahkan menjadi sa-
bahagian daripada Rang Undang².

Fasal 9—

Tun Tan Siew Sin: Mr Chairman,
Sir, I beg to move the amendment

specified in the amendment list which
has already been circulated to all
Honourable Members. The amendment
reads as follows:

Clause 9: (a) Insert immediately after the
word “gift” appearing in line 4 of the
proposed section 24A the following—

“(other than a gift of nominal value
received during festive occasions)”;

(b) Substitute for the proposed section 24B
the following—

“Penalties
on directors
and
managers.

24B. (1) Any person who, being a
director or manager of a licensed
bank—

(a) fails to take all reasonable
steps to secure compliance
by the bank with the require-
ments of this Ordinance and
of the Central Bank of
Malaysia Ordinance, 1958;
or

(b) fails to take all reasonable
steps to ensure the correct-
ness of any statement sub-
mitted under the provisions
of this Ordinance or of the
Central Bank of Malaysia
Ordinance, 1958,

shall, on conviction, be liable
to a fine not exceeding \$5,000
or to imprisonment for a term
not exceeding three years or to
both such fine and imprison-
ment.

(2) In any proceedings against
a person under sub-section (1)
it shall be a defence to prove
that he has reasonable grounds
to believe that another person
was charged with the duty of
securing compliance with the
requirements of those Ordi-
nances or with the duty of
ensuring that those statements
were accurate and that that
person was competent and in a
position to discharge that duty.

(3) A person shall not be
sentenced to imprisonment for
any offence under sub-section
(1) unless in the opinion of the
court, he committed the offence
wilfully.”.

Dr Lim Chong Eu (*dengan izin*):

Sir, I had already touched on this
question of nominal gifts. Sir, I feel
very strongly that this Clause 9 (a),
which is the proposed amendment,
should not be passed and incorporated
into this Bill by virtue of the fact that
either we have this amendment and an
appendix to qualify what exactly is
the meaning of “nominal gift”, or
unless the Minister tells us exactly

what he feels "nominal gift" is. I feel, Sir, that the original draft is a stricter and better one for control. Sir, in the reply by the Honourable Minister he accepted, for example, half a dozen bottles of whisky as a nominal gift. But would a dozen bottles of champagne be accepted, or would a Rolex watch be acceptable? And how many nominal gifts to any one person be acceptable? For example, if 1,000 people give 6 bottles of whisky, will that be a nominal gift? Or, if one person gives 6 bottles of whisky not only to the director but to every single one of his relatives, will that be equivalent to a nominal gift? By virtue of the fact of the difficulties arising out of this, I do hope that the Minister will accept in good faith that either he spells it out or he should be stricter and stick to the original purposes and the original draft.

Tun Tan Siew Sin: Mr Chairman, Sir, I am very glad to note that the Honourable Member for Tanjong thinks I am not strict enough. As he probably is aware, this amendment is really the result of a compromise between the Government and the Association of Banks in Malaysia, and I think it is a fair compromise, because we must admit that in human society gifts are exchanged on festive occasions, and it is only right to exempt, I think, such gifts from the provisions of this Clause. Otherwise we do get, I think, a very difficult situation.

As for defining with exactitude the expression "nominal gift", I think that is not so easy because there are obviously different circumstances, and I am sure that we can trust the Attorney-General and the people concerned to interpret this expression reasonably and sensibly. I think we need not go beyond that. I myself am not worried that there will be any ambiguity or any difficulty in interpreting this expression.

Pindaan di-kemuka bagi di-putuskan, dan di-setujukan.

Fasal 9 yang di-pinda di-perentahkan menjadi sa-bahagian daripada Rang Undang².

Fasal 10—

Tun Tan Siew Sin: Mr Chairman, Sir, I would like to move the amendment proposed in the amendment list which has already been circulated to all Honourable Members. The amendment reads:

Clause 10: Insert immediately after clause 10 the following—

"Amendment of section 29.

10A. Section 29 of the principle Ordinance is hereby amended by renumbering the existing section as sub-section (1) and adding thereafter the following sub-section (2)—

(2) Without prejudice to the generality of sub-section (1) regulations may be made under that sub-section to provide for control by the Central Bank with respect to the acquisition or holding by a licensed bank of shares of any corporation (as defined in the Companies Act, 1965), or of immovable property or with respect to a licensed bank becoming a partner or proprietor of any firm with unlimited liability."

Dr Tan Chee Khoon: Mr Chairman, Sir, just now the Minister, in his comments on Clause 7—and this Clause 10A is a replacement of Clause 7—has stated that he thought that this Government and this country has been very liberal in the participation of banks in the business life of this country to the extent of allowing the banks to acquire shares of companies which he stated in other countries is not allowed. Perhaps, the Minister and his backroom boys have not looked at one angle of this. But, before I go on to developing that theme, I wish to say that I entirely agree with him that banks should not gamble in shares that are not quoted on the stock exchange, certainly not with the money of depositors. I entirely agree with him on that point and if it is the purpose of this amendment to curb that type of, what I would say, unethical or malpractice, then I am all with it. But, perhaps, the Minister has not looked at it from a different angle. He knows very well that in this country some of the big business in this country belong to foreign firms. He knows also very well that for local industries to gain control or to buy such foreign

firms, it is not that easy for the private individual to buy such shares that may be on the market. Consequently, if the control of such big combines is to pass into local hands, one way would be for the banks with their vast resources—and I wish to stress here that I would consider money from its reserves as opposed to money from its depositors or even from that of shareholders—should legitimately be used to acquire shares in companies and therefore gain control of such companies instead of such companies being in the hands of foreigners. Just now, he stated also that he did not see why the money of banks should be used to set up local businesses. There, I entirely agree with him that this should not be so, that companies which are floated should not use the money of banks to establish themselves. What happens is that, to use his own words, where companies need extra capital to augment their working capital, then the companies would have to use the resources of banks rather than to go back to the shareholders for another call of capital. I do submit that on these two grounds, that the reserves of banks should be used to acquire control of foreign firms, that the reserves of banks should be used to augment the working capital of companies already formed, there are very good grounds for banks to participate in the business life of this country.

While we are on Clause 10, Mr Chairman, Sir, the Minister stated that he felt it was a very good working device for both the Governor and the Minister to compound offences. As I stated in my speech just now, if he were to compound minor offences, I am all with him. The snag is if this were used to compound major offences as it can under the law, then it will be a travesty of justice on the part of the Governor of Bank Negara or of the Minister to compound major offences and let the dishonest bankers get away from a prison sentence.

Tun Tan Siew Sin: Mr Chairman, Sir, we have not—when I say “we” I mean the Treasury and Bank Negara—forgotten that aspect of the matter brought up by the Honourable Member

for Batu, in that it is sometimes desirable to allow the commercial banks to finance the acquisition of shares of the large foreign companies—in fact, the Association of Banks does not allow us to forget this point—and we will provide for this very matter in our regulations. Perhaps the Honourable Member did not understand me completely. I tried to make it clear that we have already drafted regulations and these regulations will be discussed with the Association of Banks in Malaysia, whereby banks will be allowed automatically and without seeking the prior approval of the Governor of Bank Negara to invest in what we might call, the reputable shares of the bigger companies up to a certain extent of the issued capital and their reserves, and that provision will take care of the very point mentioned by the Honourable Member for Batu. I think he agrees with me on that. That will take care of his point.

In regard to the second point on the compounding of offences, I tried to make it clear that there may be occasions in future when it would be desirable, for example, to take a bank director to court. The Honourable Member should know that banks are very sensitive institutions and a court case with regard to banks is the surest way to start a run on the bank and, therefore, it may be desirable sometimes for these matters to be settled behind the scenes far from the public gaze, because there are occasions when we do not want to direct publicity to banks. This is one of the reasons why it is desirable that there should be provision for the compounding of offences.

Dr Tan Chee Khoo: On a point of clarification, Mr Chairman Sir. It is the intention of the Government to use this power to compound all offences, even of a criminal nature, which means that there will be this run on the bank that he talks of. Surely, it is not the intention of the Government to be a party to such malpractices?

Tun Tan Siew Sin: Mr Chairman, Sir, it is not possible for me to give an answer to such a hypothetical question.

We will have to judge each case on its merits. When the time comes, we will decide whether it is desirable to compound the offence or to take the matter to court.

Pindaan di-kemuka bagi di-putuskan, dan di-setujukan.

Fasal 10 yang di-pinda di-perentahkan menjadi sa-bahagian daripada Rang Undang².

Fasal 11 di-perentahkan menjadi sa-bahagian daripada Rang Undang².

Fasal 12—

Tun Tan Siew Sin: Mr Chairman, Sir, I beg to move the amendment proposed in the amendment list which has already been circulated to the Honourable Members. The Amendment reads:

Clause 12: Delete the word "or" appearing at the end thereof.

Pindaan di-kemuka bagi di-putuskan, dan di-setujukan.

Fasal 12, yang di-pinda di-perentahkan menjadi sa-bahagian daripada Rang Undang².

Rang Undang² di-laporkan dengan pindaan: di-bachakan kali yang ketiga dan di-luluskan.

THE CENTRAL BANK OF MALAYSIA (AMENDMENT) BILL, 1967

Bachaa Kali Yang Kedua dan Ketiga

Tun Tan Siew Sin (*dengan izin*): 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.

I have already presented to this House an Act to amend the Banking Ordinance, 1958, as part of the exercise to enable Bank Negara Malaysia to supervise and control banks in this country more adequately in the public interest. The Bill before this House to amend the Central Bank of Malaysia Ordinance, 1958, is complementary to the amendments to the Banking Ordinance which have already been approved.

Clause 2 of the Bill is designed to reduce the quorum required for meetings of the Board of Directors from five to four. This is purely a procedural matter designed to ensure that meetings of the Board may be held even though it may not be possible to collect at any one time more than four members of the Board.

The Association of Banks in Malaysia in its submissions on the proposed amendments has claimed that clause 3 of the Bill will extend the powers of Bank Negara Malaysia to matters which lie outside the objects of a central bank. Two of the principal objects of Bank Negara are:

"(a) to promote monetary stability and a sound financial structure; and

(b) to influence the credit situation to the advantage of Malaysia."

In pursuing these objectives, Bank Negara has been empowered to make recommendations to banks in respect of the rates of interest payable to or by banks and the rates of discount chargeable by banks. Although control over interest rates is an important instrument of Central Bank policy, it could be evaded by the banks concerned if the powers of recommendation of Bank Negara were to be limited to interest rates only. Commissions and other charges imposed by banks are also important forms of charges levied by banks which affect the cost of credit in the country, so that empowering Bank Negara to make recommendations to banks on commissions and charges cannot, by any means, be said to be against its objects.

Under existing conditions, commercial banks in Malaysia follow the rules of their Association in the conduct of their banking business. Changes in interest rates have been effected by way of changes in the rules of the Association. As rates of commission and other charges which banks impose on their customers are also included in the rules of the Association, Bank Negara should be empowered to make recommendations on these rates of commission and other charges through changes to the existing rules of the Association or by

introducing new rules if this should be necessary. As these rules will be observed by all banks alike, it is incorrect to suggest that Bank Negara in exercising the powers of recommendation conferred by this provision will need to be involved in the day to day affairs of any bank. Moreover, it is the practice of Bank Negara to consult the Association of Banks in Malaysia regarding changes in the rules, so that the views of the Association are always taken into consideration.

I understand that not so long ago the Association interpreted its rules on commission on letters of guarantee so as to benefit only the banks themselves and against the interests of not only their customers but also the country as a whole, and Bank Negara had great difficulty in dissuading the Association from such an interpretation. In another instance, one or two banks resorted to levying a service charge of 1% to 2% per annum as a lump sum over and above the interest rate charged to their customers and, here again, it was only after some difficulty that Bank Negara persuaded the banks concerned to cancel such charges, which distorted the interest rate structure. I therefore consider it essential in the public interest that Bank Negara should be empowered to make recommendations to banks on rates of commission and other charges payable to banks.

The proposed amendment in clause 4 is designed purely to remove any possibility of doubt as to the effect of section 44 of the Central Bank of Malaysia Ordinance and section 11 of the Banking Ordinance. While section 44 (1) of the Central Bank of Malaysia Ordinance prohibits Bank Negara from asking for information on any individual account in a licensed bank in Malaysia, section 11 (1) of the Banking Ordinance, on the other hand, requires all banks in Malaysia to furnish particulars of all unsecured advances granted to certain categories of borrowers to Bank Negara. As all banks in Malaysia will now be required to furnish particulars of all advances, both secured and unsecured, granted to certain categories of borrowers, the proposed

amendments to section 44 are designed to resolve the apparent conflict between these two provisions. I should add that under section 44 (2) of the Central Bank of Malaysia Ordinance, statistical information received from a bank is regarded as secret between that bank and the Central Bank.

Sir, I beg to move.

Menteri Muda Kewangan (Dr Ng Kam Poh): Tuan Yang di-Pertua, saya menyokong usul ini.

Dr Tan Chee Khoo (dengan izin): Mr Speaker, Sir, what I have said just now in my introductory remarks regarding the Banking (Amendment) Bill 1967, applies with equal cogency to the Bill before us today.

I think it would be true to say that the public and the banks would welcome and accept the need for such control and direction as is really necessary by the Central Bank of Malaysia, in order to carry out its objects. But the Central Bank of Malaysia should confine its activities as laid down in its objects and should certainly not exercise its functions in such a way as to hamper or encroach on the day to day running of banks that I have mentioned before. The Minister should strike a fine balance between the control that is necessary and yet not meddle with the management of banks. With these preliminary remarks let us now examine the bill before us today.

On the surface of it, the amendments sought for by the Minister are small and may even look innocuous to the uninitiated. However, the House should know that they are not that simple and that they can have far-reaching effects. The Central Bank of Malaysia (Amendment) Bill has only three material clauses.

Clause 2—

When the Ordinance was originally enacted in 1958, Section 8 (2) provided that the Board of Directors of the Central Bank should consist of the Governor, the Deputy Governor and five Directors. A quorum for meetings of the Board was then four Directors

under Section 13 (3). At the beginning of 1965, the Central Bank of Malaysia (Amendment and Extension) Act, 1965, amended Section 8 (2) of the Ordinance so that, in addition to the Governor and the Deputy Governor, the number of Directors would not be less than five and not more than eight. At the same time, Section 13 (3) was amended so that the quorum for a meeting of the Board was increased to five. The present amending Bill proposes to reduce the quorum for a meeting of the Board back to four again, but no reason is given for this reduction. It is to be noted again, however, that the proviso to Section 13 (3) of the Ordinance gives the Chairman a casting vote in the case of an equality of votes, and, as both the Governor and the Deputy Governor are Directors of the Bank, at a meeting of the Board at which only two other directors are present, it will be possible for a decision to be made on the votes of the Governor and the Deputy Governor together. With a quorum of five as at present, this is not possible. We can see that if the quorum is reduced to four then the Governor and his deputy can dominate the proceedings of the Central Bank of Malaysia. Surely, it is not the intention of the Minister to let them do so. Mr Speaker, Sir, if there is no merit in this quorum of five, why should the Minister way back in 1965 amend the original four to five, and today he seeks the permission of this House to bring it back to four again? Surely, the Minister and the Governor cannot change ideas on this vital matter of a quorum backwards and forwards in a matter of two-three years and, as such, I submit that there is no case for the quorum to be reduced to four.

Clause 3—

Clause 3 of the Bill empowers Bank Negara to prescribe the rate or amount of commission, but it does not say whether it shall be a maximum or a minimum. Presumably, it is to empower Bank Negara to impose restrictions and the Minister just now in his speech has stated the case for such restrictions. It is my opinion that such restrictions are not within the objects of the Central Bank as set out in Section 4 of the

Central Bank of Malaysia Ordinance, and the Minister has just now read the relevant clauses (c) and (d) of Section 4. The amendment would extend the powers of the Central Bank to matters outside its scope prescribed in (c) and (d) of Section 4 and may well be *ultra vires* these two provisions. Presumably, the Minister thinks that by virtue of Section 39 of the Principal Act, such recommendations are enforceable by a direction issued with the approval of the Minister. But it is clear that the Dewan Ra'ayat then, i.e., in 1958, when the Principal Act was passed, intended that the power to make such recommendations should be exercised within the limits of the prescribed objects of the Central Bank that I have indicated—that the Minister himself has read out. This limitation of the power of the Central Bank too is reflected in Section 37 of the Principal Act which permits the making of such recommendations only when the Central Bank is satisfied that the recommendations are for the purpose of giving effect to the Central Bank's object.

Another important matter is that the charges imposed by banks in Malaysia should not be out of line with those in Singapore. This is obvious, for if these charges in Malaysia are too high there would simply be a shift of business to Singapore. In simple terms, there would be a flight of business to Singapore and, surely, that is not the intention of this amendment. Already without this amendment there has been a shift of business to Singapore. Furthermore, in order for the Central Bank to make recommendations on charges and commissions, it would have to make detailed and comprehensive examinations of the operations and costs of the activities of the banks. I submit that the Central Bank has neither the staff to do this, and what is more important, this is not one of the proper functions of the Central Bank as laid down in Section 4 of the Principal Act, in particular (c) and (d).

Clause 4—(Invasion of the right of secrecy)—

As regards Clause 4, the explanation is that it is necessitated by the proposed

amendment to the Banking Ordinance. But this is a very serious invasion of the right of secrecy which an individual customer has been guaranteed by Section 22 of the Banking Ordinance, 1958. It reads: "Nothing in this Ordinance shall authorise the Minister to direct the Central Bank, or shall authorise the Central Bank, to enquire specifically into the affairs of the individual customer of a licensed bank." Further, Section 44 of the Central Bank of Malaysia Ordinance, 1958, expressly excludes information regarding any individual account. I quote: "The Central Bank may at any time for the purpose of carrying out its functions under this Ordinance require a bank to furnish such statistical information (other than information regarding any individual account in such bank) as the Bank may specify." The present amendment by deleting the sentence within brackets that I have quoted provides for the exact opposite. This will have serious consequences and will undermine public confidence in banks and may cause a flight of capital. Just now we heard the Member for Temerloh stressing on the importance of secrecy; the Member for Tanjong also stressed on the importance of secrecy.

I consider that this piece of legislation will have the effect of encouraging our people to keep their money in foreign banks which may be able to hold our country to ransom, or at least to dictate to us. Most of the Ministers should be aware how the "Gnomes of Zurich" were able to dictate to the Bank of England and how Swiss Banks has become so powerful. Perhaps many Alliance leaders themselves have accounts in Swiss Banks, because of the absolute secrecy they enjoy. As such, it would be absolute folly for Bank Negara to destroy this secrecy and the confidence. Besides, the Comptroller-General of Income Tax has already ample powers to examine the bank accounts of individuals. Must Bank Negara also have such powers? What if Bank Negara gets bloody minded against particular individuals?

One must remember that the staff of the Inland Revenue Department in investigating the accounts of an indi-

vidual has to swear to an oath of secrecy. Nowhere do I see such a precautionary measure either in the Principal Act or in the proposed amendment, although the Minister does say that this is so, but the Minister's words are only recorded in the proceedings of this House. The Act is what matters, and nowhere, I submit, in the Principal Act or in the proposed amendments is such a provision for secrecy. This amendment, I reiterate, will not only impair but also destroy public confidence in our banking system which has strictly maintained the doctrine of secrecy of a depositor's account. As one who has been taught to maintain my patient's secrets, I am aghast at this amendment.

Furthermore, I for one fail to see of what use it is that the Central Bank or its officers should have the power to pry into the individual accounts. Thus, how can my account, for example, be of such importance as to affect the workings of the Central Bank? In the explanatory note it is stated that this proposed amendment is necessitated by the amendment proposed for Section 11 of the Banking Ordinance, 1958, to remove any possible conflict. If that is the purpose of this amendment the proper thing would be to tidy up Section 11 of the Banking Ordinance of 1958 rather than have this proposed amendment which is obnoxious both to the depositors and to the banks. Furthermore, if it is thought necessary to investigate the accounts of directors and other employees of the banks, and I can see merit in this, why does the Minister not bring amendments to this effect instead of inflicting this obnoxious amendment on depositors as well?

Mr Speaker, Sir, in conclusion, in view of what I have said about the three clauses, i.e., Clauses 2, 3 and 4, I hope I have convinced this House that Clause 2 will increase the power of the Governor and his Deputy, Clause 3 is inconsistent with the objects of the Principal Act as contained in Section 4 of that Act, and Clause 4 is obnoxious as it destroys the secrecy between the depositors and the banks. If I have succeeded in doing this, then I call on

this House to throw out this Amendment.

Finally, Mr Speaker, Sir, with your permission I wish to read what the Press thinks of some of these amendments. This is from the editorial of the *Straits Times* of the 22nd February, 1968, "To its authority to recommend bank interest rates, which, with the concurrence of the Finance Minister, the Central Bank may direct banks to observe, the Central Bank is now seeking authority to fix other charges and commissions, an unfair and unnecessary interference in banking business, unless it is the Central Bank's intention practically to run all banks by remote control." Now, Mr Speaker, Sir, I have stated before that most of us, in fact all of us in this House, will agree with the Minister that he should see to it that malpractices that have occurred in the past should be rooted out and the malpractices that may occur in the future should be prevented, but that does not mean that we should give the Central Bank of Malaysia the power to run the banks in this country by remote control which these amendments seek to provide. Thank you.

Tuan (Timbalan) Yang di-Pertua: Meshuarat ini di-tempohkan hingga pukul 4.00 petang.

Persidangan di-tanggohkan pada pukul 1.00 tengah hari.

Persidangan di-sambong sa-mula pada pukul 4.00 petang.

(Tuan Yang di-Pertua *mempengerusikan Meshuarat*)

THE CENTRAL BANK OF MALAYSIA (AMENDMENT) BILL

Bachaaan Kali Yang Kedua dan Ketiga
Perbahathan di-sambong sa-mula.

Tun Tan Siew Sin (*dengan izin*): Mr Speaker, Sir, only one Honourable Member, namely the Honourable Member for Batu, spoke on this Bill and I shall reply to the points which have been raised by him, although he is not in the House at present.

He is not happy with Clause 2 of the Bill because he feels that there was no good reason for reducing the quorum from 5 to 4. It was true, Sir, that the quorum was increased from 4 to 5 in 1965 but the size of the Board of the Bank was increased from 7 to a maximum of 10. This increase in the number of members of the Board was meant to bring in new Board members from Singapore and East Malaysia as a result of the establishment of Malaysia. However, the new members have not been appointed to the Board, so that the Board remains at its original number of 7 including the Governor and the Deputy Governor. Under the circumstances, therefore, it was felt justifiable and reasonable to go back to the original number of 4 and I do not think anybody can suggest that a quorum of 4 out of a total strength of 7 is too low.

The Honourable Member for Batu also is of the view that it would be impracticable for the Central Bank to make the recommendations which are the subject of Clause 3 of the Bill because, he says, they will involve, too many recommendations, and so many banks are involved and so many transactions are involved. I do not think that he has got hold of the right end of the stick, because all that Bank Negara need to do is to make a recommendation, and not in respect of any individual bank, because the rule is that the Association of Banks in Malaysia makes rules for all the banks which are members of the Association and in the event of such a recommendation being made, that recommendation applies to all the banks. So, there is no question of this new proposal being impracticable or that it could only be implemented with a great deal of or with too much administrative work.

In regard to Clause 4 of the Bill, the Honourable Member suggested that this is a very serious evasion of the right of secrecy and that nowhere in any law relating to the subject are there precautionary measures to ensure that this rule of secrecy is not broken. He apparently is not aware that sub-section 2 of Section 44 provides that statistical information received from a bank under sub-section (1) of Section 44 shall be

regarded as secret between that bank and the Central Bank. Again, in Section 16 of the Central Bank of Malaysia Ordinance, it is provided that except for the purpose of the performance of his duties or the exercise of his functions or when lawfully required to do so by any court or under the provisions of any law, no director, officer, or employee of the Bank shall disclose to any person any information relating to the affairs of the Central Bank, or of a bank or of a customer of the Central Bank or of a bank which he has acquired in the performance of his duties or the exercise of his functions. It will, therefore, be observed that there are adequate safeguards to ensure that information gained under the provisions of this Clause is kept secret and will be kept secret as between the bank and the Central Bank.

Usul di-kemuka bagi di-putuskan, dan di-setujukan.

Rang Undang² di-bachakan kali yang kedua dan di-serahkan kepada Dewan sa-bagai Jawatan-kuasa.

Dewan bersidang sa-bagai Jawatan-kuasa.

Rang Undang² di-timbangkan dalam Jawatan-kuasa.

(Tuan Yang di-Pertua *mempengerusikan Jawatan-kuasa*)

Fasal² 1 hingga 4 di-perentahkan sa-bahagian daripada Rang Undang².

Rang Undang² di-laporkan dengan tidak ada pindaan: di-bachakan kali yang ketiga dan di-luluskan.

THE FINANCE ACT, 1968

Bachaaan Kali Yang Kedua dan Ketiga

Menteri Muda Kewangan (Dr Ng Kam Poh) (*dengan izin*): Mr Speaker, Sir, I beg to move that a Bill intituled "An Act to amend the laws relating to income tax in Sabah, Sarawak and West Malaysia and the law relating to supplementary income tax" be read a second time.

The purpose of this Bill is two-fold. One is to remove an anomaly in the administration of tin profits tax and the

other is to raise the exemption limit for development tax from \$500 to \$2,000 per annum.

With regard to tin profits tax the law as it stands now provides that only the person who has sold the tin concentrates produced will be allowed the standard profit deduction of \$100 per picul of tin metal derived from the tin concentrates sold in computing his profits for tin profits tax purposes. This gives rise to an anomalous position in that where a mine is worked on a tribute basis the person working the mine and paying the tribute, although he will be subject to tin profits tax, will not be eligible for the standard deduction since he has not sold the tin concentrates produced. On the other hand, the tributee who has not worked the mine but has the right by law to sell the tin concentrates produced is alone entitled to the full amount of the standard profit deduction. The proposed amendment seeks to remove this anomaly by giving the benefit of producing the tin metal in his standard profit deduction to every person responsible in capacity as an entrepreneur and not as a labour contractor in proportion to his share in the profits of the particular mining operations or his share in the proceeds of sale of the tin concentrates produced by those particular mining operations. The amendment also seeks to provide that the labour contractor will no longer be liable to tin profits tax since he is merely supplying the labour to work the mine on a contract basis. The proposed amendment will take effect for the year of assessment 1968 and subsequent years of assessment.

Honourable Members will recall that development tax was introduced in 1967 by amending the three separate Income Tax/Inland Revenue Ordinances of West Malaysia, Sabah and Sarawak. With the repeal of these Ordinances when the Income Tax Act, 1967, came into force the relevant provisions for the imposition of the tax have been consolidated into a single legislation and incorporated in the Supplementary Income Tax Act, 1967. Since the proposed amendment to raise the exemption limit from \$500 to \$2,000 per

annum is to have retrospective effect to 1st January, 1967, the Bill now before the House is seeking to amend not only the Supplementary Income Tax Act but also the repealed Ordinances as well. The Minister of Finance has already dealt at some length in his Budget Speech with the need to raise the exemption limit and I do not therefore propose to explain further on this matter.

Sir, I beg to move.

Setia-usaha Parlimen kepada Menteri Kewangan (Tuan Ali bin Haji Ahmad): Tuan Yang di-Pertua, saya menyokong.

Tuan Sim Boon Liang (Sarawak): Mr Speaker, Sir, I would touch on Clause 3 of this Bill through which the Honourable Minister of Finance seeks the approval of this House to amend the laws relating particularly to the development tax in Malaysia. Under this Clause, Sir, I understand that the exemption limit for an individual, who is not a partner in any partnership business, will be raised to \$2,000 a year. But, Sir, I would say that the exemption limit is too small. Sir, in the case of Sarawak, I would like to urge the Honourable Minister of Finance that the exemption limit for development tax should be raised to \$4,000 a year instead of \$2,000. There are three reasons: (1) because the cost of living in Sarawak is very high; (2) the small hawkers or small traders in Sarawak, who just only earn \$180 or a little more a month, which is still not enough to feed their families or to send their children to school, are asked to pay the development tax under Clause 3 of this Finance Bill and (3), Sir, the people in Sarawak still have not got the full measure of benefits in public services as those enjoyed in West Malaysia. Therefore, Sir, I earnestly suggest to the Honourable Minister of Finance that some sort of adjustment should be made for East Malaysia, particularly Sarawak, regarding paragraph (2) of Clause 3, in order to raise the exemption limit about which I have spoken just now; or, if possible, Sir, I would like to urge the Honourable Minister of Finance to abolish the development tax

in Sarawak for the time being until the State has caught up with the other States with the same full measure of benefit in public services.

Sir, regarding the small partnership businesses in Sarawak, I would like to take this opportunity to bring to the notice of the Honourable Minister of Finance the grievances of the small partnership businessmen. I have close contact with them. From my personal observation, I know that many of them have been asked to pay \$100 each on development tax whether their business is having a small profit of \$100 a year or not. Sir, there are many small partnership businesses in Sarawak. Now, I would like to take one small partnership business in my district as an example. Sir, this business has four partners with a small capital of \$4,000. They rented a small theatre to run a film show business, which was very dull due to the decline in prices of local products. At the end of that year, this film show business was making only a profit of about \$500 after deducting the theatre rent, film hire, Government entertainment duty and other expenses. At the beginning of the next year, after submitting the business profit returns, these four partners were asked to pay \$100 each for the so-called minimum development tax, i.e., the four of them had to pay \$400 for the tax out of a profit of \$500 from that business. Sir, is it fair to tax these people who have made so little profit? Therefore, Sir, I hope that the Honourable Minister of Finance will take this into his kind consideration and make some adjustment with regard to the small partnership businesses in Sarawak. Thank you, Sir.

Dr Lim Chong Eu (Tanjong) (dengan izin): Mr Speaker, Sir, I would like to participate in this debate and in so doing I just wish to continue to express our strong opposition to the development tax. Sir, we have consistently opposed this development tax right from the first when it was introduced in 1967 when we said that all the small traders—the barbers, the bicycle shopkeepers and every one else—will rue and curse the day when they voted for the Alliance symbol. This has produced

some effect to the extent that the Government has attempted to alleviate the situation somewhat by raising the amount from \$500 to \$2,000. Nevertheless, Sir, I still maintain that the development tax *per se* whether it is increased from \$2,000 to \$4,000 as has already been suggested by the Member from Sarawak, or even if it is increased from \$4,000 to \$5,000, by virtue of its historical connection with the turnover tax, the development tax will still be an unpopular tax, and we have to strongly oppose the imposition of the development tax, and I ask the Government to consider withdrawing it completely.

Dr Ng Kam Poh (*dengan izin*): Mr Speaker, Sir, I can quite understand that the Honourable Member for Tanjong is opposing this tax by saying that this tax is very unpopular. No one inside this House, or outside this House, will regard any tax measure as a popular measure. It is a fact of life that when anybody's pocket is being touched upon he will oppose. But tax we must and tax we will have to, otherwise how are we going to run this Government and to have development in this country? This is a basic fact of life, and I hope the Opposition Members will come up with constructive criticisms saying that they do not like this tax, that this tax will bring in, say, \$15 million, they will give some other form of tax that is popular according to them to give \$15 million in this House. But they have not done so, Mr Speaker, Sir. They just merely criticise and say that it is unpopular. Mr Speaker, Sir, every tax is unpopular. Nobody likes to pay money. I do not like too, but I will have to pay my income tax. I believe that in Malaysia taxation is not as high as in many, many countries in the world, taking for example £0.19.6 is being taxed out of the pound in U.K.—of course, I concede that it is a developed country.

In reply to the Honourable Member from Sarawak concerning small partners and small partnerships, Mr Speaker, Sir, "partnership" means that the partners draw a certain amount of pay or allowance out of the partnership. By drawing an allowance out

of this partnership, thereby their profit is reduced to a margin of non-existent or no profit at all, but the profit has been taken out because of the allowance or pay from the partnership business. That is why we cannot exempt partnerships from development tax, and each and everyone has to pay \$100. This is a fact, and I am sure the Honourable Member from Sarawak will not oppose me because this is what partnership is meant.

He raised three very interesting points that the cost of living is high in Sarawak, that the hawkers there have to pay the tax if they earn \$180 and that Sarawak has not the full measure of benefits. I will reply to them one by one. Firstly, the cost of living in Sarawak in the towns are not very much higher than in the towns in West Malaysia. So, let us not have this belief that Sarawak is a very, very poor, under-nourished country, so that they cannot afford to pay the tax. Secondly, if the high cost of living is so high in Sarawak, the hawkers can easily earn more than \$180 a month and they can probably earn \$300 to \$400 a month if the high cost of living is such as stated by the Honourable Member from Sarawak. Thirdly, on the question of full measure of benefits, he knows full well that the development expenditure *per capita* in West Malaysia is only \$64 whereas it is \$67 in Sarawak and Sabah. In fact, they are having the best of both worlds as the Minister of Finance has said. I do not think it is very fair on the part of the people in West Malaysia to give so much concession to the people of East Malaysia, who are having the best of both worlds, as well as wanting the abolishment of the development tax.

Usul di-kemuka bagi di-putuskan, dan di-setujukan.

Rang Undang² di-bachakan kali yang kedua dan di-serahkan kepada Dewan sa-bagai Jawatan-kuasa.

Dewan bersidang sa-bagai Jawatan-kuasa.

Rang Undang² di-timbangan dalam Jawatan-kuasa.

(Tuan Yang di-Pertua *mempengerusikan Meshuarat Jawatan-kuasa*)

Fasal² 1, 2 dan 3—

Dr Lim Chong Eu (*dengan izin*): Mr Chairman, Sir, I take this opportunity to rebut some of the statements that were made by the Honourable Assistant Minister, because I would still maintain that Clause 3 in regard to the tax exemption being raised from \$500 to \$2,000 is inadequate. The very least that we could suggest to the Government is to raise the level from \$2,000 to \$4,000 as has been proposed, that is to say, on an average of about \$350 a month. Sir, they earn, let us say, \$2,000 a year, or about \$150 a month, and there are numbers of people who make that income and who are subject to the development tax; and this is a very poor section of the community, because frequently those who are subject to tax have to carry very many other heads within their families and support them; hence the level of \$2,000 for the payee of the tax is not a good index.

Sir, the point that I would like to rebut the Honourable Assistant Minister is that we have been unconstructive. We had tried very hard to indicate that if it were only a matter of \$15 million savings in order to do away with the development tax, the Government could very well do that by really pruning hard on its own expenditure. For example, during the course of the debate on the Budget, I have indicated that the Treasury should very well cut down \$770,000 over for increased expenditure for handling increased taxes. Sir, it is this type of expenditure which makes the people, who have to suffer most, feel that this kind of tax is unpopular, and I do hope that the Minister will consider at some subsequent date to increase this level from \$2,000 to \$4,000 and, if possible, even to eliminate the whole of the development tax.

Dr Ng Kam Poh: Mr Chairman, Sir, though somewhat eloquent, the Honourable Member has got the wrong end of the stick because representation sent to us from all over the country

when I say “all over”, I mean all over—has been for \$2,000—it has not been for \$4,000. And his suggestion, constructive as he says, that we should eliminate \$770,000 because we have more taxes, we have got to have more staff, is incomprehensible because we need to have the staff to work. But this \$770,000 is to produce \$15,000,000; surely there is a wide gap of difference—of about \$14,250,000 or roughly of that order. So, I do not see how his so-called constructive suggestion that a reduction of \$770,000 would in a way affect the development tax of \$15,000,000. That is not constructive enough. What he should say is that we should produce a tax which is popular, according to him, in this country to produce \$15,000,000 in lieu of the development tax. Then I am sure the Government will be only too willing to abolish this development tax. That is constructive suggestion from the Opposition benches—not this type. Mr Chairman, Sir, I am afraid our opinions differ. One man’s meat is another man’s poison.

Dr Lim Chong Eu: Sir, with your permission, I would like to take this opportunity, in Committee Stage, to explain further. I think the Honourable Assistant Minister has quite clearly painted a wrong picture, because it is quite clear that two representations—one from Sarawak and the other one from Penang—indicated that the level of \$2,000 is not adequate and that it should be \$4,000; and unless we are going to be abolished into the region of limbo, I feel that our representation in this House is a valid one and the Government certainly cannot use the word “all”; it must at least include “all except two” for the purposes of today. (*Ketawa*).

Sir, the other factor is this. I indicated that the Treasury itself can begin to cut down and make an effort to save—on this question of the classic example of Parkinson’s Law in that when you increase more taxes you have to employ more staff; and in this particular case for this particular Budget, the Treasury has to spend \$770,000—I admit it is a long cry from

\$15,000,000—but the Treasury's expenditure on the annual Budget, I think, is less than 10 per cent of the total Budget expenditure of all the other Departments of the Government; and if the Treasury sets this example, you will collect not \$770,000 from all the departments, you have savings coming very well close to \$15,000,000. That is all I ask of the Government, that the Government, as it expects the people to bear the burden, should also really get down to the business of keeping down expenditure, so that we will not have to be presented with unpopular taxes.

Dr Ng Kam Poh: Mr Chairman, Sir, here again the Member for Tanjong is speaking on a somewhat different matter. The Treasury as I have always told him, and I am still telling him, has always been very stringent and very careful in its expenditure, but, somehow or other, it does not penetrate—not through my fault surely, because I have been repeating it so often. He says, "You must listen to the two representations from this House". What I mentioned was representation made to the Minister from the lower income groups from all over Malaysia—not representations from this House. As Opposition Members it is their duty to oppose. How they oppose it is up to them—whether it be on estimates, or legal matter. Right or wrong, they have to oppose—otherwise, he will not be sitting there after 1969. He probably will lose. So, he has to oppose. I can understand that. Mr Chairman, Sir, you too can understand that. (*Ketawa*).

The Honourable Member from Sarawak—I do not know he is from which constituency—I suppose he represents part of Sarawak—might also lose. At least, for the Honourable Member for Tanjong, if he does not oppose he might not be returned. So, I can understand what he is saying now. He might say "\$5,000" or "\$6,000" or even "abolish the tax". What I am saying is this: if you can give us a constructive, or an alternative tax—whether it is popular or unpopular it is up to him—to give \$15,000,000 as

income to the Government, I am sure the Minister of Finance and the Treasury would be only too happy to accept his suggestion. Thank you, Sir.

Tuan Geh Chong Keat: Untuk penjelasan, Tuan Pengerusi, saya minta izin berucap dalam bahasa Inggeris.

Tuan Yang di-Pertua: Penjelasan apa!

Tuan Geh Chong Keat: Sebab jawapan daripada Menteri Muda.

Tuan Yang di-Pertua: Itu tadi patut di-jawab.

Tuan Geh Chong Keat: Sekarang dia baharu sahaja beri jawapan.

Tuan Yang di-Pertua: Itu sudah habis-lah.

Fasal² 1 hingga 3 di-perentahkan menjadi sa-bahagian daripada Rang Undang².

Rang Undang² di-laporkan dengan tidak ada pindaan: di-bachakan kali yang ketiga dan di-luluskan.

THE INVESTMENT INCENTIVES BILL

Bachaaan Kali Yang Kedua dan Ketiga

Menteri Perdagangan dan Perusahaan (Dr Lim Swee Aun) (*dengan izin*): Mr Speaker, Sir, I beg to move that the Bill, "The Investment Incentives Bill" be now read a second time.

Our immediate objectives are to provide greater employment opportunities for our increasing population to widen and strengthen the base of our economy, to diversify the sources of our foreign exchange earnings and increase our export income. The Investment Incentives Bill is one of the measures towards achieving these objectives. The Bill provides for a variety of incentives to induce a greater and more rapid flow of investments not only in manufacturing and agricultural based industries but also other enterprises and to encourage the expansion of exports in manufactures.

This Bill is based on the recommendations of a Committee appointed

by the Government under the Chairmanship of my Permanent Secretary, Raja Tan Sri Mohar. The Committee, in formulating their recommendations, reviewed the adequacy of existing incentives. They examined the various incentives provided by countries within and outside our region and they took into consideration responsible opinions and suggestions submitted from individuals and related organizations in the country. As a result of their review and study, the Committee have recommended improvements to existing incentives and the introduction of new ones and for convenience and ease of reference these incentives should as far as practicable, be embodied in a single legislation.

Much care and thought have, therefore, gone into the designing of the Bill. It takes cognizance of the need to spread development throughout this country, particularly to the less developed areas. It also lays emphasis on encouraging the maximum employment of labour and use of local raw materials and the maximum conservation and net increase in foreign exchange earnings.

This Bill is very technical and to assist the House I shall try to explain in the simplest possible terms the main provisions of the Bill and where appropriate the comparison with existing provisions.

The provisions of the Investment Incentives Bill, Mr Speaker, Sir, will extend throughout Malaysia and will be retrospective as from 1st January, 1968.

Part I of the Bill deals with definitions and I would like to draw the attention of this House to the new definition of "Industry" which now includes any kind of commercial undertaking and not confined to manufacturing only as in the existing Ordinance.

Part II of the Bill deals with pioneer status. With the wider definition of "Industry", pioneer status can now be given to non-manufacturing industries.

The procedure laid down under Chapter I relating to the declaration of pioneer industry and product, the application and the granting of pioneer certificate, its amendment and cancellation are the same as in the existing legislation. Section 3 (1) (b) is new and specifically states that a product or industry may be declared pioneer if it is to be manufactured for exports or the industry would contribute to the economic development of Malaysia.

Chapter 2 of Part II provides for tax relief for companies granted pioneer status. A number of important modifications have been made to improve upon the existing provisions. Like the existing legislation, a two-year tax relief will be granted to companies that are declared pioneer. There will be no minimum amount of investment level required to attain the initial two years of tax relief. Extensions of tax relief will be granted as follows:

- (i) if by the end of the third year of production the companies have incurred fixed capital expenditure of not less than \$250,000, the pioneer period will be extended by one year to three years;
- (ii) if by the end of the fourth year of production the companies have incurred fixed capital expenditure of not less than \$500,000, the pioneer period will be extended by one year to four years;
- (iii) if by the end of the fifth year of production the companies have incurred fixed capital expenditure of not less than \$1 million, the pioneer period will be extended by one more year to five years.

This provision is an improvement upon the existing legislation in that it gives industrialists one extra year in which to incur expenditure to qualify for extensions of pioneer status. Under the existing legislation pioneer companies have to incur their qualifying expenditure before the end of their existing tax relief period. Under the new Act extensions can be granted as long as the qualifying expenditure is incurred during the year in which extension of pioneer status is sought.

In addition to the five years tax relief which firms can be granted for attaining qualifying fixed capital expenditure levels, extensions of a further three years are provided for under Section 14, thus bringing the possible maximum up to eight years of tax relief. In this respect one-year extension of tax relief period will be given for firms meeting each of the following provisions, designed to create a balanced development throughout the country by encouraging the expansion of industry in underdeveloped areas and the greater use of Malaysian raw materials:

- (i) if they establish factories in an area declared as a development area by the Government;
- (ii) if they manufacture a product or establish an industry declared as a priority product or industry;
- (iii) if they incorporate into their products the percentage of Malaysian content specified by Government.

The other important modification is in respect of capital allowances. For a pioneer company, the amount of capital allowances allowed for the first year of assessment after its tax relief period will be calculated on the aggregate of the capital expenditure it incurred during the tax relief period. This has given rise to an anomaly. A pioneer company which suffer losses every year throughout its relief period will be placed in a worse-off position than a non-pioneer company in similar position. To correct this anomaly, Section 18 of the present Bill provides that where a pioneer company incurs losses throughout its tax relief period capital allowances will be notionally aggregated, as if it is not a pioneer company, and the total amount carried forward and allowed as a deduction for the post pioneer period.

In view of pressure on Government revenue and having regard to the total incentives granted, the Minister may, under Section 20, impose a condition in the pioneer status to safeguard against pioneer companies enjoying exempt profits grossly out of proportion to their invested capital.

The other important modification is in regard to exempt dividends. Under Section 22 of the Bill the provision for exempt dividends of pioneer companies has been extended to include dividends in the hands of shareholders of companies which own shares in pioneer companies. This liberalizes the existing restriction whereby only dividends paid by holding companies are exempt in the hands of the shareholders.

Section 23 of the Bill incorporates the present exemption from payroll tax granted to pioneer companies. Previously the exemption was granted under separate legislative provisions.

As in the existing legislation this new Bill provides for pioneer firms which incur losses during their tax relief period to offset the nett loss incurred during the pioneer relief period against profits of the post-pioneer period.

Chapter 3 introduces a new form of tax incentives called "Investment Tax Credit" to be given to approved projects which are not considered suitable for grant of pioneer status.

The rate of Investment Tax Credit given will not be less than 25% of the capital expenditure incurred on a factory plant or machinery for the approved project.

If the approved company has set up its factory in—

- (i) a development area; or
- (ii) produces priority product or products; or
- (iii) incorporates the required percentage of Malaysian content,

an additional Investment Tax Credit of 5% will be given for each of the three conditions fulfilled in the basis period.

The Investment Tax Credit is given only once for the year of assessment in the basis period in which the expenditure is incurred and such capital expenditure must be incurred within five years from the beginning of the basis period in which the project is approved, that is to say, if the capital expenditure is incurred in the sixth year, it will not qualify for an Investment Tax Credit.

Where an Investment Tax Credit is given for the year of assessment an amount equal to the credit will be exempt from tax for that year. But, where because of a loss or an insufficiency of income the credit cannot be fully utilised, any credit not so utilised can be carried forward to the first year of assessment for which there is profit, and so on for subsequent years until the whole amount of the credit is given.

Dividends paid out of income exempt from tax by virtue of the grant on Investment Tax Credit are exempt in the hands of shareholders and tax at source will not be deducted from dividends paid out.

The Investment Tax Credit will be of particular advantage to a company as it is already assured of a tax credit which it can use as and when a profit is made. Under the pioneer status the concession ceases at the end of the tax relief period whether or not the company makes a profit or loss during that period. A company, however, has the choice of either being granted pioneer status or investment tax credit, whichever in its assessment, is to its advantage. The Investment Tax Credit is, in fact, an introduction of a type of "Credit Card" system in tax relief, whereby it can always carry the amount of tax credit until it is fully utilised.

Part III of the Bill provides a range of export incentives for enterprising manufacturers who wish to export their products.

The first of these relates to deductions for certain out-goings and expenses for the promotion of exports. The rules governing these deductions are set out in the Schedule to this Bill. Every company that wishes to avail itself of these export promotion incentives will have to obtain a certificate of approval from the Minister of Finance. Under the provisions of the Schedule any expenses incurred by the approved company for export promotion will be allowed as a deduction. Such expenses will include overseas advertising expenses paid to persons not resident in Malaysia, expenses attributable to free samples for customers outside Malaysia, expenses incurred in conducting export

market research and such other related expenses. These deductions will be allowed in addition to those already provided for, under the provisions of the Income Tax Act of 1967.

Pioneer companies will have a special privilege under the Schedule. All deductions which have been allowed under this Schedule and which are incurred during a pioneer company's tax relief period can be carried forward and the aggregate of this will be allowed as deductions in the post-tax relief period.

Another new export incentive takes the form of an accelerated depreciation allowance in respect of capital expenditure incurred in acquiring plant or equipment to modernise production techniques in existing or newly set up factories. This incentive takes cognizance of the fact that in order to compete successfully in export markets, firms have to use efficient and up-to-date machines.

Only approved resident companies will be entitled to obtain accelerated depreciation and in order to qualify for it these companies must export more than 20% by value of its total production. Exporters of primary commodities and companies enjoying pioneer status or investment tax credit, however, will not qualify.

The rate of accelerated depreciation given is 40% per annum. This would mean that more than 90% of the initial outlay will be written off in (5) years which compares very favourably with the 20 or more years under the normal rates of allowances.

A further incentive introduced is the export allowance. A non-resident company does not qualify for such allowance and exports of primary commodities are excluded. The allowance is related to the increase in exports, the extent of wages paid in respect of employees whose basic wage does not exceed \$500 per month and to the amount of Malaysian materials purchased for use in the manufacture of products for export. The scheme is therefore intended:

- (i) to encourage exports of manufactured products;

- (ii) to induce more liberal use of Malaysian materials, thereby maximising net foreign exchange savings; and
- (iii) to induce maximum employment of labour of the type which is in abundant supply in the country.

A "resident company" is defined under the principal Act as a company, the control and management of which is exercised in Malaysia, that is to say, the Directors' meetings, formulation of policies and management of the company are carried out in Malaysia.

A "non-resident company" means a company, the control and management of which are exercised abroad.

Broadly, the scheme allows an extra deduction for income tax purposes of 20 cents for every dollar of expenses incurred in wages and purchases of Malaysian materials during the basis period. The amount of the allowance is calculated in the following manner:

- (i) The average export sales of manufactured products for the three preceding basis periods are initially calculated;
- (ii) Determine the excess of the export sales of manufactured products for the current basis period over the average export sales for the three preceding years; and
- (iii) Apply the following formula:

$$\frac{\text{Excess of Export Sales as determined} \times 20 \text{ cents}}{\text{Total Gross Sales for Basic Period}}$$

The Bill further incorporates the existing provisions for the refund of an appropriate proportion of payroll tax paid by a manufacturer in the production of an export product or products. This relief is granted only to companies and in respect of products registered for the purpose with the Ministry of Commerce and Industry. To qualify for the relief such companies must export more than 20% by value of the total production of the registered product. The amount of refund in payroll tax is calculated in the proportion of the value of the export sales of the registered product to the total sales of the company for the year.

Part IV of the Bill deals with supplemental provisions relating to:

- (i) power of entry by authorised officers for checking premises and records in pursuance of the Act;
- (ii) power of the Minister to make rules for facilitating the operation of the Act.

With the coming into force of the Investment Incentives Act which will operate for the whole of Malaysia the following legislations will be repealed:

- (i) The Pioneer Industries (Relief from Income Tax) Ordinance 1956 of Sabah; and
- (ii) The Pioneer Industries (Relief from Income Tax) Ordinance 1958 of West Malaysia.

Under the transitional provisions, however, it is provided that the existing Pioneer Industries (Relief from Income Tax) Ordinance of Sabah and West Malaysia will continue to apply to pioneer companies in existence on 1st January, 1968, and these companies will in addition be eligible for the benefits introduced under the new Bill. In effect, it means that the existing pioneer companies will also qualify for:

- (a) Extensions of tax relief periods by up to 3 more years if the conditions for such extensions as mentioned earlier are fulfilled;
- (b) National capital allowances to be aggregated and allowed in the post-pioneer period as explained earlier.

The companies which have applied for pioneer status and have been approved in principle before the 1st January, 1968, will, when granted pioneer certificates, be regarded as having been approved under the repealed Ordinances. These companies will, therefore, be in the same position as pioneer companies approved before the 1st of January, 1968.

My colleague, the Minister of Finance, will be presenting for approval of the House at this Session, an amendment to the Excise Act to provide a drawback of excise duty paid on components produced in Malaysia and used in the manufacture of export

products. The full drawback of excise duty and customs duties are additional aids to manufacturers in developing their exports.

Mr Speaker, Sir, I hope that I have managed to explain sufficiently clearly to Honourable Members the technical provisions of the Bill. The Government fully appreciates that the incentives provided in the Bill are liberal and involve Government in fairly substantial losses in revenue. But if we are to attract and compete for foreign investments and skills and to participate effectively in export markets, we have to bear some sacrifices. We hope, in addition to the favourable climate for investments that we have created, the expanding market potentials both in terms of increase in population and purchasing power that this country offers, investors, both foreign and local, will find the variety of incentives provided in the Bill further incentives for investing in Malaysia. This Bill is evident proof of the desire and determination of the Government to push ahead with industrialisation and diversification of the country's economy.

Having regard to the objectives and purposes of this Bill, I am confident that it will receive the full support of the House, including the Members of the Opposition.

As soon as this Bill was read the first time, it has been found necessary to make two minor amendments to Clauses 3 and 4 of the Schedule. These amendments have been circulated to Honourable Members and I hope they have had the opportunity to read them. I will formally move these amendments to be made in the Committee stage. Thank you.

Dr Ng Kam Poh: Tuan Yang di-Pertua, saya menyokong usul ini.

Tuan Tan Toh Hong (Bukit Bintang): Tuan Yang di-Pertua, saya bangun untuk memberi sokongan saya yang penoh kepada Rang Undang² Galakan Pelaburan yang sekarang di-bentang di-Rumah yang mulia ini. Ini ada-lah satu asas yang baik bagi negara kita dalam ranchangan perusahaan-nya kerana pada kali yang pertama-nya kita ada

beberapa galakan untuk perusahaan yang di-satukan dalam satu undang². Ini ada-lah satu tapak kemajuan ka-hadapan kalau di-bandingkan dengan taraf perintis (kelepasan daripada chukai pendapatan) yang telah di-kemukakan di-negeri² Persekutuan Tanah Melayu pada tahun 1958 dan dari satu masa ka-samasa telah di-pinda yang mana sa-hingga hari ini hanya memberi chukai pendapatan perchuma untuk membenar sharikat² taraf perintis sa-hingga 5 tahun. Ini patut di-bangkitkan dahulu lagi.

Sa-lain daripada kebebasan daripada chukai pendapatan, Rang Undang² ini juga akan memberi galakan² yang lain kepada perusahaan sa-chara (susutan di-perchepat) elaan pembangunan dan bantuan eksepot yang sangat mustahak bagi perkembangan perusahaan tempatan sa-chara pesat. Mengikut pengalaman dari beberapa negeri bahawa maju dan subor sa-sabuah perusahaan tidak tertanggung kepada satu faktor sahaja saperti kebebasan daripada chukai pendapatan, tetapi juga bergantung kepada penyatuan beberapa galakan², atau pun galakan² lain untuk menyesuaikan beberapa perusahaan. Bolehlah di-katakan bahawa peruntokan pada galakan² ini akan memberi modal yang benar dalam perusahaan kilang dan ini akan menggalakkan perkembangan lagi dalam beberapa tahun yang akan datang.

Tuan Yang di-Pertua, peruntokan bantuan eksepot ada-lah kena pada tempat-nya bagi perusahaan² tempatan hendaklah memberikan kita pertukaran wang asing bagi negara kita. Penubohan perusahaan² eksepot sangatlah mustahak bagi perkembangan ekonomi kita sekarang ini oleh sebab kedudukan baki pembayaran kita merosot oleh sebab jatuh-nya harga getah. Jikalau negara ini berjaya menubuhkan sa-buah perusahaan² eksepot yang lichin, maka baki pembayaran kita boleh di-perbetulkan dan ekonomi kita tegoh.

Ada-lah menggumbirakan Rang Undang² ini di-kemukakan walau bagaimana pun saya harap ia-itu galakan² ini di-laksanakan sa-berapa chepat yang boleh dengan lichin-nya,

jikalau kita hendak mencapai kemajuan perusahaan yang chepat di-negeri ini. Kita tahu bahawa bahagian kilang hanya sa-gulungan kecil ekonomi negara kita pada masa ini dan mempunyai banyak peluang untuk berkembang. Oleh itu ada-lah sungguh mustahak bagi Kerajaan kita menguatkuasakan peruntukan Rang Undang² ini dengan sa-beberapa segera yang boleh. Saya telah pun berchakap berkenaan dengan perkara ini dahulu dan saya akan ulangi lagi dengan harapan bahawa chara² tadbiran lama akan di-kurangkan. Jikalau entrepreneurs terbuka memenohi borang² yang panjang dan menunggu beberapa lama untuk mendapat keputusan yang akan di-buat sama ada mereka berhak menerima galakan, atau tidak, maka saya khuatir ini akan menjadi satu halangan dalam mengembangkan perusahaan kita. Saya mengambil kesempatan di-sini untuk menggesa Kerajaan supaya mengurangkan tadbir sa-chara lama dan memberi kesenangan pada permintaan galakan untuk faedah umum perkembangan perusahaan di-Malaysia. Sa-lain daripada itu saya suka juga menggesa Kerajaan supaya menubuhkan sa-buah Jawatan-kuasa antara Kementerian² yang berkuasa penoh membuat keputusan untuk mengurangkan pentadbiran chara lama dan kelambatan. Jawatan-kuasa ini berpandu kepada kechergasan akan menyelamatkan masa dan tenaga yang mana pada masa ini tersekat kepada tulis-menulis di-antara penanam² modal dengan Kementerian Perusahaan, Perbendaharaan, Pejabat² Chukai Pendapatan dan Kastam dan sa-balek-nya.

Federal Industrial Development Authority (F.I.D.A.) telah pun di-tubuhkan dan saya faham pejabat ini ada mempunyai banyak kaki-tangan pegawai² yang kanan; tidak-lah menjadi salah kalau di-sebutkan bahawa F.I.D.A. dengan kerjasama dari pihak Kementerian² Kerajaan boleh memperchepatkan lagi kerja-nya dalam bentuk pertubohan yang ada sekarang.

Jumlah perkembangan perusahaan negeri ini ada-lah baik, tetapi tidak dynamic dan perusahaan kilang tempatan hanya memberi 10 peratus kepada pendapatan negara. Jikalau

ekonomi kita hendak di-perteguhkan dengan berani rancangan² Kerajaan hendak-lah dengan sa-chara apa jalan pun menggalak penubohan perusahaan². Ini ada-lah mustahak untuk memberi Malaysia publisiti dalam hal pelaburan bukan sahaja kepada penanam² modal tempatan bahkan juga kepada seluruh dunia.

F.I.D.A. telah di-tubuhkan untuk menasihati Kerajaan apa-kah perusahaan² yang baik di-Malaysia. Saya harap ia-nya akan selalu memberi tahu kepada orang ramai menerusi penerangan-nya dalam semua bahasa, ia-itu apa-kah perusahaan² yang berfaedah untuk di-tubuhkan—bahasa² seperti Bahasa Kebangsaan, China, Tamil, Inggeris, Peranchis, Jerman, Jepun dan lain² yang mustahak dalam dunia Penanam Modal Antarabangsa.

Ada beberapa banyak saudagar² yang suka menubuhkan perusahaan², tetapi mereka tidak tahu bagaimana hendak menjalankan-nya. Dan kita patut mengaku, ia-itu ada-lah payah sedikit untuk mengambil keputusan mana perusahaan yang baik untuk menanam modal. F.I.D.A. hendak-lah menolong saudagar² ini yang suka hendak menanam modal, tetapi tidak tahu segi² teknik (technical expertise). Jikalau F.I.D.A. menemui saudagar² ini, saya perchaya bahawa beberapa banyak lagi kilang akan di-tubuhkan di-seluruh negara kita.

Tuan Yang di-Pertua, perusahaan ada-lah satu perkara yang baik dan kita semua bersetuju tentang ini. Tetapi ini juga bermaana bahawa wang asing dan keuntungan akan keluar daripada negeri ini, kerana barang² jentera terpaksa di-impotkan. Oleh yang demikian; saya menggesa Kerajaan untuk menggalakkan pengeluaran barang² tempatan seperti jentera² kecil. Sa-lain itu Kerajaan patut-lah menggalakkan penubohan beberapa perusahaan menggunakan barang² tempatan. Ini ada-lah mustahak dalam usaha pembangunan negara kita dan ia bukan sahaja menambahkan pendapatan dan pekerjaan kepada penduduk² di-luar bandar bahkan ia juga menambah pertukaran wang asing dan meninggikan lagi kekayaan negara kita. Oleh sebab itu jikalau kita banyak menggunakan

barang² mentah tempatan ia-nya akan membawa faedah kepada negara dan ra'ayat² kita.

Tuan Yang di-Pertua, dengan sukacita-nya saya menyokong Rang Undang² ini. Terima kaseh.

Tuan Haji Ahmad bin Saaid (Seberang Utara): Tuan Yang di-Pertua, saya memberi sokongan yang penoh atas Rang Undang² Galakan Pelabohan ini dan saya mengalu²kan kenyataan daripada Yang Berhormat Menteri Perdagangan dan Perusahaan pada masa beliau membentangkan Rang Undang² ini.

Saya mengambil peluang mengucapkan sa-tinggi² tahniah kepada Yang Berhormat Menteri yang telah pun mengadakan satu Rang Undang² yang agak saya akan memberi lebih galakan lagi kepada orang² yang ingin hendak mendirikan kilang² perusahaan di-dalam negara kita ini. Disamping itu, Tuan Yang di-Pertua, saya ingin-lah menarik perhatian Yang Berhormat Menteri pada masa kita hendak memberi galakan kepada pemodal² luar negeri, jangan-lah pula tertinggal, atau pun kita rengan²kan tanggung-jawab terhadap pemodal² di-dalam negara kita ini. Kalau kita hendak memberi keistimewaan kepada pemodal² daripada luar negeri, saya fikir patut di-beri lebih keistimewaan pula kepada pemodal² daripada tempatan kita sendiri. Jangan-lah sa-mata² kita mengharapkan modal itu daripada luar negeri, bahkan sa-bagaimana yang saya telah sebutkan, modal dalam negeri kita ini pun, jikalau kita hendak kumpulkan, kita akan dapat beratus² juta ringgit, tetapi dengan syarat-nya kilang perusahaan yang akan di-dirikan itu pada pendapatan umum memberi faedah keuntungan kepada orang² yang ingin hendak masuk dalam lapangan perusahaan dan perniagaan. Sa-bagaimana yang di-terangkan oleh Yang Berhormat Menteri perusahaan² yang di-dirikan di-dalam negara kita ini dengan modal daripada orang² dalam negeri ini, nampak-nya, tidak ada satu kelonggaran. Oleh yang demikian, saya mengshorkan supaya Yang Berhormat Menteri ini menimbangkan kepada pemodal² daripada dalam negeri kita ini kita berikan juga

keistimewaan, atau perkecualian daripada di-kenakan cukai pendapatan dengan chara beransor². Mithal-nya, pada tahun yang pertama kita kechualikan daripada bayaran cukai pendapatan terus. Tahun yang kedua kita kenakan dia bayar 8%; tahun yang ketiga 16%, tahun yang keempat 24% tahun yang kelima 32% dan tahun yang keenam 40% sa-bagaimana yang kita kenakan cukai pendapatan kepada sa-barang perusahaan² dalam negara kita ini. Dengan ini akan membolehkan perusahaan² daripada modal tempatan lebih di-galakkan lagi untuk mendirikan perusahaan² mereka di-dalam negara kita ini.

Perkara yang kedua, Tuan Yang di-Pertua, ia-lah mengenai modal taraf perintis yang kita akan kenakan ia-itu sa-bagaimana biasa kalau-lah modal daripada negara kita sendiri 51%, modal daripada luar yang dikehendaki 49%. Saya berhadap modal 51% itu yang hendak di-kutip daripada pemodal² dalam negara kita ini patut-lah di-buka dengan sa-luas²-nya sa-bagaimana baharu² ini kita dapat tahu ia-itu MARA telah pun dapat buat satu peratoran supaya orang² bumiputra yang ingin memasoki dalam lapangan perusahaan dengan menanam modal, maka MARA memegang saham² bagi pihak bumiputra dan selama dua tahun tidak boleh di-tukarkan nama atau di-jual. Ini ada-lah satu chara yang baik dan saya harap modal yang di-untukkan untuk dalam negara kita ini beberapa peratus daripada 51% itu di-untukkan sa-banyak 20% mithal-nya untuk bumiputra supaya dapat MARA memegang saham² ini dan dapat berunding dengan Yang Berhormat Menteri supaya ditanamkan modal di-mana perusahaan dengan taraf perintis akan di-laksanakan di-negara kita ini supaya sama² mengambil bahagian yang saya fikir boleh menyesuaikan dan untuk mendapatkan modal. Saya telah mengshorkan perkara ini supaya pihak Kementerian ini mengadakan satu jabatan yang di-namakan Jabatan Penguasa atau pun Trust Bond ia-itu jabatan ini menjual bond perusahaan kepada siapa juga yang ingin hendak menanam modal dan di-beri akuan bahawa orang yang membeli bond perusahaan

ini akan di-beri jaminan membayar sagu hati atau pun faedah, atau pun bonus sa-banyak yang di-kenakan oleh bank dalam perkara kita menyimpan wang tetap. Dengan sa-chara yang samacham ini dapat-lah tiap² lapisan ra'ayat membeli bond itu dan daripada wang kumpulan itu boleh-lah di-jadikan modal untuk mendirikan beberapa banyak lagi perusahaan² dalam negara kita ini yang di-fikirkan bersesuaian dan boleh mengeluarkan hasil² yang dapat di-ekspotkan ka-luar negeri. Saya berharap Menteri akan timbang di-atas shor saya ini supaya dapat kita mengumpulkan lebeh banyak lagi modal daripada dalam negara kita sendiri.

Yang ketiga, Tuan Yang di-Pertua, saya telah melihat dan meneliti Bill ini dan saya tidak nampak ada satu syarat yang saya fikir chukup perlu dan penting di-adakan di-dalam Rang Undang² ini, ia-itu mengenai harga pengeluaran benda yang di-keluarkan oleh kilang perusahaan itu. Mithal-nya satu kilang di-dirikan di-dalam negara kita ini hendak mengeluarkan kata-lah guni jute di-Butterworth pada masa sekarang ini guni itu berharga 50 sen satu guni. Manakala hendak di-dirikan mesti-lah di-sharatkan pada masa sa-belum kilang itu mengeluarkan, maka harga guni itu 50 sen, dia mesti jual tidak boleh lebeh daripada 50 sen. Ini akan menentukan bahawa dia tidak akan boleh dapat lebeh keuntungan daripada yang berpatutan. Sa-bagaimana kita sedia ma'alum perkara ini beberapa kali telah di-bawa ka-dalam Dewan ini mengenai harga gula yang dahulu-nya 25 sen sa-kali sekarang sudah jadi 33 sen, naik sampai 8 sen; harga tepong bagitu juga 20 sen sudah naik sampai 25 sen; harga besi waja yang di-buat oleh Malayawata sekarang ini, dahulu-nya di-impot ka-dalam negeri ini \$200 satu tan, sekarang saya di-beritahu sudah naik sampai \$300 satu tan. Jadi ini adalah satu chara yang tidak menasabah, dan saya berharap di-sharatkan dalam undang² ini supaya tidak boleh menaikkan barang² kegunaan ramai dengan sa-wenang²-nya untuk mendapatkan satu keuntungan yang ter-lebeh daripada yang berpatutan. Saya berharap juga supaya Kementerian ini

berusaha menyekatkan kemasokan barang² yang akan bertanding dengan barang² keluaran daripada kilang² perusahaan yang kita akan dirikan, sebab saya sendiri tahu dalam negara kita ini ada beberapa kilang buat ubat nyamok, tetapi oleh kerana tekanan daripada ubat nyamok ini yang di-impot ka-dalam negara kita ini, pada satu masa sa-hingga kilang di-Mak Mandin itu di-tutup sa-hingga lebeh daripada enam bulan. Ini akan menjadi satu petunjok kepada kita supaya dapat kita awasi jangan di-masokkan barang² bertandingan dengan barang² keluaran negara kita sa-hingga terpaksa perusahaan² kita ini di-tutup.

Yang ketiga saya berharap supaya di-sharatkan di-dalam undang² atau pun sa-chara peratoran kepada orang² yang hendak mendirikan kilang taraf perintis ini supaya mereka Malaysianise, atau pun tiap² pekerja² daripada ka-bawah itu tidak bagitu penting sangat ia-itu skilled labour—orang² yang mahir mesti-lah di-warganegarakan dalam satu masa yang di-tentukan, kata-lah lima tahun mithal-nya, ataupun sa-puluh tahun dan manakala sampai masa itu, maka sa-kalian pekerja² di-dalam kilang itu sudah di-warganegarakan, dan dengan di-sharatkan bahawa warganegara akan di-hantar keluar untuk berlateh, atau pun untuk bekerja di-bawah orang yang kanan sa-kali di-dalam fektori atau kilang perusahaan itu sa-bagai understudy sa-hingga dapat dia mengambil aleh jawatan² yang penting dalam sharikat² perkilangan yang saya sebutkan itu. Saya berharap-lah kepada Yang Berhormat Menteri supaya menimbangkan di-atas shor dan pandangan saya ini. Dan mengenai satu perkechualian daripada bayar daftar gaji atau pay-roll manakala di-dapati kilang itu menggunakan bahan keluaran negeri kita ini dan mengekspotkan lebeh daripada 20 peratus daripada barang² keluaran-nya sa-hingga di-beri perkechualian ini sa-hingga 8 tahun. Ini pun saya sokong supaya dengan chara ini kita memberi galakan yang lebeh lagi kepada perusahaan² untuk menggunakan bahan² keluaran negara kita ini sa-bagaimana yang saya sebutkan berkali² mengenai getah, kelapa sawit, kelapa, kayu yang kita

ada dalam negeri ini, bijeh timah, bijeh besi, banyak daripada bahan² di-dalam negara kita ini dapat kita jadikan barang² kegunaan dan dapat di-ekspotkan. Dan saya mengshorkan lagi sakali sa-bagaimana yang di-sebutkan oleh Yang Berhormat Menteri dalam keterangan-nya tadi, orang² yang telah mengeksportkan barang² 20 peratus akan di-kechualikan daripada membayar daftar gaji. Apa yang saya fikir yang lebih sesuai lagi, barang² yang kita akan ekspotkan itu kita kurangkan harga-nya 20 peratus daripada harga pasaran yang di-kenakan di-dalam negara kita ini, dengan chara yang macham itu dapat kita bertanding dengan pasaran dunia yang mengeluarkan barang² yang sa-macham dengan keluaran daripada negara kita ini; biar-lah kita saperti kata Yang Berhormat tadi kita ikat perut sadikit—we must sacrifice, baik kita boleh sacrifice dengan sharat kita dapat mengeksportkan beberapa banyak barang² perbuatan daripada negara kita ini dan dapat pertukaran wang masok ka-dalam negara kita.

Yang kedua-nya, kita dapat memberi pekerjaan kepada orang² yang menganggor, dan yang ketiga, kita dapat membaiki kedudukan ekonomi kita. Sekian-lah, Tuan Yang di-Pertua, terima kaseh.

Tuan Geh Chong Keat (Pulau Pinang Utara): Tuan Yang di-Pertua, saya mohon izin berucap dalam bahasa Inggeris, tetapi sa-belum-nya, Tuan Yang di-Pertua, saya memberikan sa-tinggi² tahniah kepada Menteri kita, sebab Act ini di-buat ia-lah untuk menggalakkan ranchangan pembangunan perusahaan dan lain² usaha perniagaan dalam Malaysia bagi memajukan ekspot dan bagi maksud² yang bersangkutan dengan-nya. Saya ada mendengar ucapan Menteri kita atas laporan dan kemajuan di-dalam Kementerian Perdagangan dan Perusahaan dan saya juga memberi pujian, tetapi saya hendak memberi tahu kepada Menteri kita ini ia-itu kesusahan² di-dalam kemajuan perdagangan dan perusahaan di-dalam negeri kita. Berkenaan dengan perkara ini saya ada dengar industrialists, orang² pengusaha perdagangan luar

negeri ada menunjukkan interest—suka hati mereka di-atas perusahaan di-dalam negeri ini, tetapi ada banyak terdapat red tape (tali merah) di-dalam pekerjaan itu. Sebab tetamu² dari luar negeri apabila mereka sampai di-negera kita ini, di-Kuala Lumpur, ada berhubung dengan Kementerian di-atas perkara perdagangan, tetapi mereka di-tolak dari satu pejabat kasatu pejabat, dan sa-lama 10 hari mereka sampai di-sini, orang² ini telah putus harapan. Itu-lah sebab saya minta Menteri kita menjaga, bila kita memberi pujian bagitu, juga kita mesti jaga supaya polisi di-dalam Kementerian kita ini jangan-lah di-laksanakan saperti pagar makan padi. Memang-lah pegawai² atas yang bersangkutan menolong kita di-dalam memajukan perkara ini, tetapi oleh sebab terdapat red tape dan lain² lagi maka perkara ini ada tersangkut sadikit. Dengan sebab itu kita minta-lah Kementerian kita mesti-lah mengawasi atas perkara ini.

Mr Speaker, Sir, in supporting the Government's call for additional incentives for the manufacturing enterprises and other commercial enterprises, I must request for safeguards with persistency on the demand for higher standards for the finished commodities and products with precautionary measures against the exploitation of consumers. The Government must be fully on the lookout for motivation by industrialists towards amalgamation of similar products which may result in a monopolistic control and manipulation of prices. The Government must act as a balance against any monopolistic amalgamation on essential items such as rubber tyres, flour, cement, sugar and other products that may have adverse financial effects on the public and promote healthy commercial competitions for cheaper and better quality commodities as the industries or factories progress. Very often we have requested the Minister's attention for the reduction of retail prices of certain commodities—for example, motor car tyres, sugar and cement—and the Minister's reply usually was that the retail price set was inevitable, that it was derived

from the world market price and that the production cost was closely scrutinized by the Ministry's representatives and they felt that the price was fair. But, then, I would like to draw the Minister's attention to business manoeuvring. Perhaps the Minister is aware, for example, in regard to flour, that in Singapore, they are selling flour at around \$6.50 and the C.I.F. price is around \$6.20; and the wheat grain was purchased from the same Australian Wheat Board and other boards. The market price of flour here is about \$8 and we know that the production cost is somewhere around \$5.50. So why this extra cost that the Minister and his advisers say is justifiable? Perhaps, the cement factories, or the flour factories, have another establishment within their organisation or another interested part of that organisation by establishing an agency in Hong Kong or Singapore outside Malaysia? This factory will buy from the agency which will purchase from the Board and the agency will bill the factory direct, therefore resulting in extra charges, such as commissions. So, the profits were derived without income tax or other taxes. This is a gross profit which the consumers in Malaysia have to pay.

I am sure, Mr Speaker, Sir, that the price of flour today is very high at \$8 per bag of 50 pounds. Now if we take into consideration the low cost of rubber, which is causing rubber tappers and countryside people hardships, we must force the price of flour to come down. The Minister will say that it is impossible, but we know it is quite possible—it is quite possible by increased production. If the two factories could not produce, we get a third factory to produce. I am sure we will force the price down to \$6 or even to \$5.80 per bag. The Minister may have other reasons to consider, but I feel that it is worthwhile to consider this matter at this juncture, when the price of rubber is at a low level—the lowest is yet to come.

Sir, we have quite often read the warnings of both the Honourable Minister of Finance and the Honourable Minister of Commerce and Industry to manufacturers to keep down

their selling price, but the public experience has been an upward surge instead. Therefore, I request for a strict vigilance on the production costs and for a fair and just marketing price, so that the consumers and the general public need not fear being exploited with "passed-on" taxes—and thus encourage people to buy more Malaysian products. I am sure the Minister is quite aware the excise duty which has been recently imposed has also added to the consumers' purchase price.

Sir, the public has often heard the manufacturers state that they have been operating under very trying conditions with heavy tax loads and have appealed for Government protection. Yet they could afford to declare very handsome bonuses to their directors during their short establishment which are much beyond the expectation of any of our Honourable Ministers—bonuses or gratuities for their loyal and faithful service to our nation which has taken up a very great part of the prime of their lives. Sir, we can see that such bonuses warrant the Minister's attention in respect of the profits and costs of production of such factories.

Sir, the public feel that they must appeal to and rely on the Government and her faithful officers for protection. Since the industrialists appeal to the Government for protection, I feel that it is quite justifiable that the consumers and the people too must protest and appeal to the Government because of the increase of the high cost of living due to buying more local products and other restrictions. Sir, in such a case we must ensure that the high prices and sacrifices made by them in accepting low quality products will not be in vain—and the people make sacrifices in supporting our country's policy for the sake of prosperity of the Nation. So, their appeal to the Honourable Minister of Commerce and Industry must not be lost in the wilderness. Terima kasih.

Tuan Tajudin bin Ali (Larut Utara):

Tuan Yang di-Pertua, saya bangun menyokong satu Rang Undang² yang telah di-majukan oleh Yang Berhormat Menteri yang bernama Galakan Pelaburan. Tuan Yang di-Pertua, patut-lah

kita bertanya diri kita sendiri fasal apakah Undang² ini di-majukan. Di-kalangan kita Undang² saperti ini memang sudah ada, chuma ini tambahan sahaja; kalau buku sudah ada di-tangan, buku sudah berkulit lama, kita tukarkan kulit-nya dan isi-nya di-tambah sana sadikit dan di-tambah sini sadikit sahaja. Itu sahaja pandangan saya, Tuan Yang di-Pertua, tetapi pada fikiran saya chara² kita mentadbirkan perindasterian dalam negara kita yang muda ini jauh daripada memuaskan hati kita. Mahu-kah kita tengok, Tuan Yang di-Pertua, di-sana kilang besar, asap-nya naik ka-langit, merosakkan pemandangan kita semua, tetapi barang² yang di-keluarkan oleh fekteri² ini ada-lah mahal.

Saya suka menegaskan di-sini, Tuan Yang di-Pertua, ia-itu semua kaum capitalist saya tidak perchaya, sama ada orang puteh, Amerika atau pun Jepun; saya memang tidak perchaya, kerana mereka itu datang ka-negeri kita ini dengan tujuan yang tidak lain ia-itu satu sahaja—menchari jalan untuk membuat duit dengan sa-berapa daya upaya-nya, yang boleh dan duit itu akan di-bawa balek ka-negeri mereka.

Satu chontoh-nya, Tuan Yang di-Pertua, saperti Kilang Malayawata. Saya rasa 99% daripada perkakas² jentera dan perkakas² lain-nya termasuk technician-nya ada-lah datang daripada negeri Jepun. Apa yang kita untong, ia-lah mendapat satu dua orang director yang terdiri dari orang² Malaysia, tetapi harga barang terlalu mahal, berlebeh²an. Ini-kah yang kita kehen-daki?

Tuan Yang di-Pertua, pada fikiran saya, ini ada-lah perkara benar kalau kita berkehendakkan wang, umpama-nya satu² saham di-jual dalam market kita ini, tiap² kali kalau di-kehendakkan \$10 juta, Tuan Yang di-Pertua, empat kali ganda akan di-keluarkan daripada modal tempatan, kalau hendakkan modal.

Tuan Yang di-Pertua, barangkali saya fikir apa yang di-buat oleh Singapura, kita mesti lawan Singapura. Kalau ini-lah hasrat kita, kita tidak dapat lawan Singapura, umpama-nya, Tuan Yang di-Pertua, chara² yang saya telah

nyatakan tadi, mentadbirkan perniagaan kita, perusahaan kita, jauh daripada memuaskan.

Satu chontoh umpama-nya kayu kayan. Kita eksepetkan kayu kayan ka-luar negeri. Apabila barang itu datang umpama-nya satu tan kayu kita keluar-kan dengan harga \$130 maka datang balek sa-mula sa-buah kerusi yang tidak sampai 18 kati berat-nye dengan harga sa-banyak \$136 dan kita boleh tengok di-Talivishen Malaysia sendiri yang baharu² ini di-bawa daripada Ottawa sana berharga sa-banyak \$136 bagi sa-buah kerusi sahaja. Jadi, saya menitek-beratkan perkara ini, Tuan Yang di-Pertua, mengapa tidak kita fikirkan bagi membuat barang itu *finished product* dalam negeri kita ini, mengapa kita menghantar kayu keluar, bijeh timah kita keluar, getah kita keluar? Saya telah menyatakan sa-malam bahawa kita kena-lah paksa orang² estate ini dikeluarkan capital; mereka memang pandai menanam getah, kita mesti menggunakan getah ini sa-bagai *finished product* dalam negeri kita ini sa-kurang²-nya 70%. Kita berkawan dengan kaum capitalist, Tuan Yang di-Pertua, kalau kita lembut², kepala kita akan di-pulas, di-pusingkan-nya pada sa-tiap masa.

Tuan Yang di-Pertua, kalau kita ingat *employment*, berapa orang dapat kerja apabila satu fekteri siap, berapa orang, capital-nya hampir² 10 tahun kita memberi galakan macham ini, Tuan Yang di-Pertua, chuma \$200 juta sahaja yang datang. Petang ini sahaja saya dengar Yang Berhormat Menteri Muda Kewangan kata, ini senang sahaja. Denmark menolong kita \$13 juta dengan tiada satu sen pun interest. Jadi, ini-lah sumber² kewangan yang kita boleh dapat, Tuan Yang di-Pertua. Saya shorkan kapada Yang Berhormat Menteri supaya perkara ini kita mesti-lah berjaga², fikir dan halus, kerana chara² kita mentadbirkan perindasterian ini sangat² tidak betul.

Saya shorkan kapada Yang Berhormat Menteri supaya melawat mana² negeri dalam dunia ini dan kita hendak-lah tegak, umpama-nya, kilang getah yang besar di-sini, kita boleh mengata-kan: "Aku adakan kemudahan², kamu hendak tanah, aku bagi—di-tepi laut,

dekat Petaling Jaya, di-Kamunting; kita boleh beri segala kemudahan, kita beri perlindungan; capital 100%, kamu keluarkan—50%, lama-kelamaan dengan chara pakatan mesti beri pada Kerajaan.” Ini kita boleh buat, fasal kemudahan kita telah beri dan dengan jalan control, kita pegang mereka itu sunggoh², baharu-lah kita dapat kepuasan perjalanan yang baik untuk faedah negara dan ra’ayat kita. Kita tidak payah mengeluarkan modal satu sen pun, Tuan Yang di-Pertua, saya ulang sa-kali lagi, kita berikan kemudahan², perlindungan, umpama-nya capilai bagi satu perindasterian berharga \$20 juta, kamu keluarkan \$20 juta itu; dan kita boleh mengatakan bahawa, “Aku kuat, senang tidak susah pun, kalau kamu tidak masuk pun, aku tidak mati, kerana tidak makan. Tengok, sa-bagai satu chontoh di-Batu Tiga, sa-buah Kilang Motor Volvo, saya telah nyatakan baharu² ini bahawa 100% di-bawa daripada Sweden, sampai volvo tube pun di-bawa daripada Sweden. Tuan Yang di-Pertua, saya rasa sa-belum kita membuat kesalahan yang lebeh besar lagi, kita mesti-lah berfikir bersunggoh² di-atas jurusan ini.

Berkenaan atas hal ehwal membuat kira², mereka tentu-lah menjalankan chara²-nya kerana satu kalau di-beli-nya dengan hanya \$10 di-katakan \$30 siapa dapat tahu; tidak akan Yang Berhormat Menteri Kewangan dapat pereksa kita tidak akan dapat bertanding dengan capitalist ini. Chuma kita dapat pegang ia-lah undang² dalam negara kita ini, kita jangan *relax* sa-kali² kepada pehak capitalist ini. Kalau kita biarkan, lama-kelamaan kedudukan Kerajaan kita pun akan terancham. Pepatah Melayu mengatakan, Tuan Yang di-Pertua, berkenaan dengan hal capitalist ini, “lulus jarum, lulus-lah kelindan”. Memang kita tahu mereka ini ia-lah kaum yang terbesar sa-kali dengan kekuasaan wang, mereka boleh buat bermacam², tidak ada satu fakteri pun lepas didirikan di-dalam tanah ayer kita ini yang memberi faedah kepada kita. Saya perhatikan, Tuan Yang di-Pertua, bukan-lah pula saya hendak puji Singapura, tetapi chara mereka menjalankan hal ehwal perindasterian ini, kita ada-lah tewas. Kita mesti-lah

mengaku tewas, baharu-lah kita boleh dapat ka-hadapan, dan mereka itu bersunggoh² dengan jalan ini. Saya telah katakan di-dalam Dewan yang mulia ini, Tuan Yang di-Pertua, Singapura tidak mempunyai dua pokok getah sa-kali pun, tidak ada sa-kati bijeh, tetapi boleh mentadbirkan perindasterain ini, kita mesti-lah mengaku di-mana kita tewas, di-mana kita boleh dapat mempelajari daripada mereka itu.

Jadi perkara² ini, saya perhatikan sangat-lah tidak memuaskan hati kita, sampai spoke basikal itu pun datang daripada negeri Jepun, bukan-nya datang daripada factory, tetapi datang daripada Assembly Plant; semua perkara ini memberi faedah kepada mereka, Tuan Yang di-Pertua, sa-lain daripada mendapat keuntungan yang berlipat ganda, saya rasa kalau satu indastri di-letakkan di-negeri kita ini dengan harga \$10 juta, dalam tempoh lapan tahun ini yang kita berikan perlindungan, mereka itu akan mendapat keuntungan empat lima kali ganda, kalau di-tanam-nya modal \$10 juta, akan mendapat untong sampai \$50 juta. Ini duit siapa? Duit ra’ayat jelata kita. Penghabisan-nya sa-kali, saya shor dengan kuat-nya dan meminta kepada Yang Berhormat Menteri, ia sa-orang yang cherdek dan pandai dalam kalangan perniagaan, saya rasa payah kita hendak lawan dia, bertengkar pun kita tidak boleh menang dengan dia—Saya tahu. Jadi kalau dia hendak buat, saya rasa boleh. Saya shorkan supaya jangan kita benarkan mana² fakteri yang baharu dalam tanah ayer kita ini, melainkan dengan champor tangan dari Kerajaan ia-itu 50 peratus dan 50 peratus lagi daripada pehak yang akan menegakkan fakteri itu dengan technical know how dan sa-bagai-nya dan 50 peratus itu pun datang daripada pehak dia sendiri.

Jadi pehak Kerajaan kita tidak berat, tidak ada keluar wang satu sen pun; kita chuma mengadakan perlindungan, kemudahan². Dengan jalan ini harga barang² kita boleh kawal, kira² dia boleh kita kawal, satu machine harga-nya katakan \$10,000 dia tidak boleh letak \$30,000; ini kita mana tahu, tam-bahan pula kira² ma’alum-lah kira²,

Tuan Yang di-Pertua. Jadi, ini-lah, kalau tidak, kita sudah rosak, tetapi rosak-nya jauh lagi. Saya harap sangat supaya perkara ini kita perketatkan sungguh²; jadi, kalau ada kemudahan² yang baik, kita katakan kita hantar Menteri Buroh untuk memereksa satu faktori. Bila masa Yang Berhormat Menteri itu pergi, dia sambut dengan segala hormat-nya pergi memereksa ka-satu faktori itu; apabila balek sahaja Menteri Buroh maka di-mulakan perkara yang lama balek. Dengan buku² rekod yang lama, dia pun balek dengan chara² capitalist; ini langsung tidak menguntongkan siapa² pun terutama sa-kali ra'ayat jelata.

Rakan² saya sa-belah ini telah menyatakan sa-belum ada faktori harga tepong pada masa dahulu ia-lah 15 sen, sekarang sudah naik 25 sen; siapa hendak bayar? Tuan tentu dapat bayar, saya dapat bayar, tetapi ra'ayat jelata akan menderita. Besi, Ahli Yang Berhormat dari Tanjong menyatakan, itu perkara benar, oh! kita terok, beri kita terok sampai bongkok kita hendak terok di-tekan oleh pihak capitalist, baharu kita hendak bangkit, tidak upaya kita, sa-kali kita bongkok, itu-lah yang akhir dan penghabisan sa-kali bagi kita. Saya harap kepada Yang Berhormat Menteri sungguh pun kita luluskan Rang Undang² ini, hendak-lah kita buat pentadbiran satu chara supaya kaum capitalist mana² sa-kali pun kita ikat tangan-nya, ikat kaki-nya, baharu-lah masuk ka-dalam tanah ayer kita. Kalau tidak, jangan kita benarkan. Terima kaseh.

Tuan Mohd. Zahir bin Haji Ismail:

Tuan Yang di-Pertua, tiap² negara yang baharu pembangunan berkehendakkan satu Undang² seperti yang di-hadapan kita ini supaya negara itu boleh mengadakan indastri² dan faktori² untuk mema'amorkan negara itu.

Sungguh pun negara kita, sa-bahagian yang terbesar, kena bergantung kepada pertanian sa-bagai asas dan daya kita untuk menempatkan negara kita di-atas satu kedudukan yang tetap, tetapi disamping itu jangan kita lupa, penduduk² di-bandar² berkehendakkan kilang² atau faktori² untuk bekerja menchari nafkah. Sa-lain dari itu,

kanak² daripada petani² yang tanah bendang mereka tidak lagi menjadi economic holding, terpaksa meninggalkan kampung halaman mereka dan datang ka-bandar² untuk bekerja di-dalam kilang².

Kita berharap Kerajaan menggalakkan penanam modal bukan-nya sahaja di-daerah Kuala Lumpur atau Petaling Jaya sahaja. Saya sedar di-atas kerumitan² hendak menggalakkan faktori² di-pekan² kecil—soal buroh, transpot atau pun pengangkutan atau orang² yang mahir ada-lah menjadi faktor yang penting yang menyusahkan mengadakan kilang² di-pekan² lain. Akan tetapi kita berharap Kerajaan jangan, dengan mata yang terbuka, mengikuti kesilapan² di-lain tempat², umpama-nya, pada masa dahulu, faktori yang di-bukakan di-London sahaja. Yang demikian menjadi-lah pembahagian penduduk² tidak sa-imbang. Di-London sahaja sudah dekat 9 million penduduk² berbanding dengan tempat² lain yang lebeh jauh kekurangan penduduk². Baharu² sahaja Kerajaan British menggalakkan faktori² di-tempat lain, seperti di-Birmingham, Glasgow dan Wales. Kita takut barangkali, jika perkara ini tidak di-kawal dari awal, Kuala Lumpur pada masa hadapan pun akan menjadi London yang lepas.

Di-Petaling Jaya, saya dapati banyak orang² dari tempat² lain di-Malaysia Barat yang datang bekerja di-situ. Pegawai² Kerajaan sudah tentu banyak di-situ, kerana Kuala Lumpur telah pun menjadi Ibu Kota. Orang² lain yang bekerja di-kilang² pun banyak, sungguh pun kita jarang melihat orang Pulau Pinang yang suka hendak pindah keluar dari Pulau Pinang mereka yang sangat endah itu, tetapi oleh sebab keadaan yang memaksakan, kita dapati banyak orang² Pulau Pinang yang berpindah datang ka-Kuala Lumpur, atau ka-Petaling Jaya. Orang² datang ka-situ bekerja di-kilang², dan orang² lain datang pula kerana peluang telah pun terbuka untuk menjual barang², atau bekerja lain² seperti tukang gunting, tukang jahit, penjual rempah chabai, atau sa-umpama-nya.

Jika Kuala Lumpur dan Petaling Jaya telah banyak penduduk² daripada

sa-patut-nya dan tidak sa-imbang pembahagian penduduk² dengan lain² tempat, maka bahaya-nya ada-lah banyak, baik pun dari segi iktisad dan juga dari segi siasah, sa-lain daripada bahaya asap saperti London pada masa sekarang ini. Itu-lah kita berharap muga² Kerajaan, walau pun pada mula-nya ada kerumitan², berikhtiar dengan bersungguh²-nya mengadakan faktori² di-pekang² saperti Taiping, Alor Star, Kuantan, Kota Bharu dan sa-bagai-nya. Hendak-lah di-bukakan kawasan² industri di-lain² tempat saperti kawasan Mak Mandin di-Province Wellesley itu. Untuk memberi galakan di-lain² tempat ini, hendak-lah Kerajaan memberi segala pertolongan² tambah lagi kepada pembuka² kilang². Saperti hendak-lah di-adakan tanah² yang siap untuk mereka itu menjalankan pekerjaan mereka. Tanah ini hendak-nya telah di-tukar syarat kepada perniagaan. Paip² ayer dan bekalan api hendak-lah boleh di-sambungkan dengan segera.

Kita tidak boleh menapikan bahawa satu faktor yang menakutkan mana² ahli perniagaan untuk membuka kilang² baharu, ia-lah soal tanah. Ada kala-nya mereka terpaksa menunggu bukan sahaja berbulan², tetapi bertahun² untuk mendapat kebenaran mengubah syarat tanah itu dari, umpama-nya, syarat pertanian kepada syarat perniagaan.

Majlis² Bandaran pula mengambil masa yang tidak kurang lama-nya untuk meluluskan satu² *layout plan* dan plan bangunan² yang hendak di-bena itu. Pejabat Ukor pula mengambil masa yang panjang untuk mengukur dan membuat geran² baharu. Oleh sebab keadaan lambat ini-lah, maka timbullah perasaan churiga², was² dan takut hendak menanam modal itu. Mereka yang mempunyai wang tentu-lah tidak mahu menunggu begitu lama di-dalam keadaan yang tidak tentu, untuk melaborkan modal mereka ka-dalam mana² satu kilang. Tambahan pula jika mereka terpaksa membayar faedah² kepada Bank². Sa-lain dari itu jangan pula kita lupa banyak daripada penanam² modal itu berkehendakkan pertolongan daripada bank² ini untuk mendapat wang yang menjadi sa-bahagian dari-

pada modal mereka, atau pun dari lain² financer. Dan bank² ini tentu-lah tidak dapat meluluskan apa² pinjaman, melainkan sa-telah sakalian persediaan² saperti tapak kilang dan bangunan kilang itu telah sempurna di-atorkan. Hasil-nya company² yang mempunyai modal yang siap² bersedia sahaja, saperti company² di-luar negeri, yang berani menanamkan modal mereka itu di-sini. Itu-lah sebab-nya patut Kerajaan menyiapkan tapak² perniagaan itu dan memberi segala pertolongan² yang boleh untuk menanam² modal itu menjalankan perniagaan mereka dengan segera.

Tuan Yang di-Pertua, di-dalam sa-tengah² Negeri ada tanah² Simpanan Melayu dan Customery Land. Ini adalah menjadi satu faktor yang besar yang menghalangkan daripada tertumbuh-nya kilang² industri² di-pekang² patut di-bangunkan industri² itu. Tidak patut Kementerian Perdagangan memberi sebab ada-lah perkara² yang saya sebutkan ini ia-lah kuasa Negeri, atau pun State matter. Saya berharap Kementerian berurusan dengan Kerajaan² Negeri itu supaya perkara ini boleh diperbaiki demi untuk kema'amoran negara. Saya tidak perchaya mana² Kerajaan Negeri itu akan membangkang apa² tindakan yang memberi faedah kepada ra'ayat.

Tanah² di-dalam Simpanan Melayu dan juga Tanah² Customery, jika tidak di-developkan, maka tidak akan memberi faedah bukan sahaja kepada negara, tetapi juga kepada bumiputra itu sendiri. Oleh yang demikian tidaklah boleh Kerajaan Negeri itu dirundingkan supaya mereka itu memperbaiki undang² untuk membolehkan mana² kompeni yang ahli² saham-nya tidak kurang daripada sakalian² peratus terdiri dari bumiputra, maka kompeni itu boleh di-anggap sa-bagai bumiputra dan tanah itu boleh di-tukar jual kepada kompeni itu?

Tuan Yang di-Pertua, tanah² Simpanan Melayu atau Customery Land tidak boleh di-pindahkan milek kepada kompeni² berhad atau corporation walau pun 100% ahli²-nya itu terdiri daripada bumiputra. Ini di-sebabkan kompeni² itu bukan-nya manusia yang

mempunyai agama, atau adat resam seperti ta'arif yang di-kehendaki di-dalam undang² itu. Demi dari segi perniagaan bumiputra maka Undang² Simpanan Melayu atau Customery Land harus-lah di-kaji. Ini sangat-lah mustahak kerana lazim-nya satu² perniagaan itu sa-belum di-jalankan hendak-lah di-jalankan dengan chara berhad, sama ada private atau public limited company.

Tuan Yang di-Pertua, akhir-nya saya merojok kepada Sekshen 5 (1) (e), Bill ini yang membolehkan Menteri memberi taraf perintis sa-telah ia berpuas hati di-atas orang² yang di-chadangkan menjadi Pengarah Sharikat yang di-chadangkan itu dan kepada perihal orang² yang di-chadang hendak di-tawarkan supaya menjanjikan modal share, atau apa² bahagian-nya.

Sekshen ini membolehkan Menteri menetapkan berapa banyak sher dari warganegara, atau local participation, atau berapa banyak saham² yang patut di-utokkan kepada bumiputra.

Kita sedar bahawa sa-nya ada saham² bumiputra di-dalam sharikat² yang lepas sa-telah pun di-jual kepada bumiputra, maka saham itu di-jual dengan chara speculation kepada orang² yang bukan bumiputra. Ada kala-nya orang² yang bukan bumiputra meminjamkan nama daripada orang² bumiputra untuk membuat permintaan, atau permohonan kepada saham² dan lepas di-dapati-nya saham² itu, maka di-tukarkan kepada nama-nya sendiri atau pun di-jualkan-nya kepada lain orang. Akhir-nya bumiputra itu tidak ada sedikit pun hak atau interest di-dalam mana² sharikat itu.

Tuan Yang di-Pertua, Yang Berhormat Menteri barangkali dan telah pun bertalu² mengatakan apa yang boleh ia perbuat, jikalau sa-kira-nya perkara ini berlaku. Tuan Yang di-Pertua, saya suka mengshorkan untuk pertimbangan Menteri itu supaya saham² bumiputra itu di-chapkan dengan chap Saham bumiputra dan di-adakan sharat², di-tengah saham² itu di-jual kepada lain orang daripada bumiputra, dan di-adakan sharat² lagi yang menegahkan orang² daripada membuat apa² surat perjanjian atau Power of Attorney yang

mengubahkan hak² atau interest di-dalam share itu kepada lain² orang dan mensharakatkan tiap² perjanjian atau Power of Attorney itu ada-lah tidak mempunyai kuat-kuasa undang² atau unenforceable oleh mana² Mahkamah.

Tuan Yang di-Pertua, sharat² ini boleh di-buat di-dalam undang² ini. Jika tidak pun di-dalam meshuarat ini, meshuarat pada masa yang akan datang pun boleh, jika chadangan ini ada-lah di-fikirkan sesuai.

Pada fikiran saya dengan chara ini boleh kita mengekalkan saham bumi-putra itu di-dalam tangan bumiputra, sunggoh pun share ini jika di-kenakan sharat² yang saya sebutkan tadi, akan menjadi murah dan daripada share² yang lain², tetapi faedah-nya atau interest-nya atau keuntongan-nya ada-lah kekal di-dalam tangan bumiputra seperti kehendak dasar Kerajaan pada masa sekarang ini.

Niat kita bukan-lah saham² ini untuk di-speculatekan. Itu pun jika ada mana² bumiputra yang hendak berniaga dengan di-speculatekan harga saham² itu, maka mereka boleh membeli yang baki 90 peratus sher² yang di-pelawakan jual kepada orang² yang bukan bumiputra itu.

Tuan Yang di-Pertua, sa-kian-lah, terima kaseh.

Tuan Yang di-Pertua: Persidangan di-tempohkan sa-lama 15 minit.

Persidangan di-tempohkan pada pukul 6.12 petang.

Persidangan di-sambong sa-mula pada pukul 6.35 petang.

(Tuan (Timbalan) Yang di-Pertua
mempengerusikan Meshuarat)

Perbahathan di-sambong samula.

Tuan Kam Woon Wah (Sitiawan)
(dengan izin): Sir, I agree that it is a good principle to have incentives to draw money from foreign countries, or from foreigners, to help our developing country in the search for industrialisation. Sir, within the recent past, there have been quite a few companies which have been established here with pioneer

certificates, and we find that all of them are doing very well. However, Sir, there is a point which worries most of us—that is some time after they have been operating in this country, they throw their shares open to our Malaysian public. Sir, the point is that we have no control over the capital or the quoted price of capital of these foreign companies: for instance, a company comes in here and applies for a pioneer certificate and says, “Well, my company is worth \$2 million because I pay so much for my machinery and etc., etc.”, and after some time this company throws open its shares to our public. Now, first of all, we must be sure that this machinery is really worth \$2 million; otherwise, if it is \$1 million or \$½ million and then they jack up the price to \$2 million and then throw 50 per cent of the \$2 million open to the public, they immediately make \$1 million. So, I feel that is a very clever move, amounting to a fraud on our Malaysian public who are share hungry. Any shares today, if thrown open to the public are over subscribed—and yet we are not sure whether this company is really worth that figure.

Sir, another point is that—the Honourable Minister of course, can explain—with the establishment of these companies why we are still paying higher prices for certain goods. Although this has been explained, it has not satisfied all of us, because the people in this country can compare our prices, say, with Singapore. For instances, a sugar company in Singapore may be importing its raw materials, say, from Australia and similarly a sugar company in Malaysia may be importing the same raw materials from Australia, yet our price here is higher than in Singapore.

Therefore, I hope the Honourable Minister will look into these two points, especially the first point—that in respect of any company with pioneer status, before it throws its shares open to the public, there must be an enquiry as to the value of its shares, its capital cost of the goods, etc., otherwise these people, the foreigners who come here, will take

the money and leave the country, leaving some shares to our people who will have to carry the baby for ever.

Dr Lim Chong Eu (*dengan izin*): Mr Speaker, Sir, when the Honourable Minister of Commerce and Industry ended his introduction by saying that this very generous Bill will receive the support of the whole House including the Opposition, I thought that he was very confident of his own base. But from the speeches that we have heard, I think he was appealing to us rather to bolster up his own courage in presenting this Bill. However, Sir, we can quite honestly give him the support he seeks with certain modifications and qualifications.

Sir, I feel that the crux of the whole matter is contained in one statement made by the Honourable Minister, namely, that although we are providing these very generous terms for incentives the Minister and the Government anticipate that initially this Government and the country will lose revenue because of the provisions for exemption, and he asks us to make this sacrifice in order to ensure a more rapid industrialisation.

Sir, whilst we are not exactly told to what extent the loss of revenues will amount to, we can be certain that this will mean added burdens to the general taxpayer in the forthcoming year. Further, Sir, we are not really given any real clue as to how long we will have to sustain the sacrifice before these investment returns will begin to be productive of more per capita income to the worker and the earner in this country. I mean Government will very likely come back to us in a matter of years and say that the G.N.P. has gone up. But, Sir, we have sufficiently stated that that is not a good enough programme for the country.

Certainly, Sir, we support this Bill because it is better, a much better way of trying to gear up our national development rather than going around with a begging bowl to the “Aid-Malaysia-Club” and from that point of view the Minister can have our support. However, Sir, I hope the

Minister will take it in good faith that our criticisms of this Bill are made not in any way to carp on what has been obviously a well-thought-out and well-planned Bill, made after years of careful scrutiny by an Advisory Committee headed by so distinguished an economist as the Chairman of the Committee.

However, I think we can begin to look at the problems from the very first part of the Bill, namely, in Clause 2, on the definition of the word "industry". Sir, "industry" includes any kind of commercial undertaking. From this point of view, I think that the Government, whilst attempting to provide new and greater incentives for investments to come has, at the same time, not clearly tried to shoulder the exact or specific type of industrial development or the programme of industrial development that we would like to have. Sir, I suggest that the Government could very well look into trying to define these "incentives" along certain channels. One of the most important points which I think has been touched upon by several other Members, who spoke earlier, is that incentives should be given—if necessary we could call them "special incentives"—by virtue of the fact that I think certain grades of incentives are given to industries which export more and which use more of our local materials and more of local products. So, Sir, the Government could grade these incentives, first and foremost particularly for that industry using the term "industry" as defined, which involves capitalisation of a nature which not only makes the industry residentially based but also makes the industry nationally and locally controlled. It has been mentioned that more than 50% of the capital holdings should come from Malaysia itself and from Malaysians. Sir, there is an advantage in providing these incentives, because very frequently, particularly in large industrial investments, foreign investors are not only interested in holding and making the profits as is generally thought of, but they are thinking in terms of capitalisation and capital development and they are, therefore, very keen to

not only invest and make the profit, but very often foreign investors are quite willing even to leave for some years their profits, because of the increased capital value of their holdings. An indication was made by the last speaker to the fact that the local share values themselves go up. Sir, under those circumstances, the foreign investors frequently would like to have real control over their investments, and I think, Sir, it is a good gesture on the part of the Government to encourage the development of truly Malaysian industries to give added incentives for investments or industries which are controlled financially, capital-wise, by local investors.

Sir, there is another type of industry which I think the Government can very well look into. I would not say that the Government is not completely unaware of it. However, I feel that rather than using the "big stick" as suggested by my Honourable friend, the Member for Penang Utara, and squeezing and forcing prices down, the Government could use this occasion of using the "carrot" to try encourage foreign investments in a type of industry which Government considers basic and essential for the future development of the industrial complex of the nation as a whole. For example, Sir, there are very few investors from abroad who would be keen to help finance and invest in the manufacture of machine tools. Sir, machine tools are one of the basic needs for further development of industries in the future of our country, and I think this type of fundamental essential industries could be given a priority status with added incentives.

Sir, basic heavy industries which involve fundamental chemical products like chlorate, chlorine, and so on, are again industries which suffer heavily under competition. Also, foreign investors may very often be controlled by their own governments when investing locally. It is this type of basic industries which leads on to the further development of industries in the country to which, I think, the Government should direct its attention by drawing up a priority list of essential industries.

Another type of industry I think which the Government could very well look into and provide incentives, very much in the same nature as it provides, vis-a-vis, the industries utilising locally produced materials and products, is the kind of industry which involves the utilisation of a far larger amount of labour in relation to the capital—I mean, the labour-intensive type of industry. Sir, I think one of the difficulties the Government has is with modern automation and modern machinery. The absolutely modern industries which come in are very frequently capital-intensive, but they really do not require that much labour and so they are not labour-productive from that point of view. Although I think the Government has always borne that in mind, I think the formula for the ratio and proportion between capital and labour production should also be borne in mind as an incentive.

A further point, Sir, is the modernisation of established, traditional industries. Sir, we have, for example in Penang a very beautiful and very charming historical industry, producing what is called “Dragon’s Blood”. “Dragon’s Blood” is a product which comes from a local brush and it is collected for generations by one small family and it is exported exclusively to one group of manufacturers. However, Sir, the systems and methods of production have been traditional over a hundred years and they have remained as primitive as ever. I am quite sure that industries of this type should be given a chance to meet modern challenges and provided with these incentives, if they can prove that in the process of modernising they can bring better capital by just putting themselves in a position where they can compete with other sources of this same product.

Sir, the last kind of industry which I would like to touch upon is the type of investment which involves co-operative holdings, the type of investment which will foster the development of what the Government has so frequently touched upon but which has not really made much impact in spite of ten years of Alliance’s management and administration—namely, the development of cottage industries. There-

fore, if we now have a definition of an industry on such a wide basis as commercial undertakings, I am sure it would be beneficial to the people in the rural areas without having the need for them to try and use the word “bumiputra” as an open sesame to the Ministry of Commerce and Industry. I hope the Government could direct the development of an industry on this cottage basis. This type of industry usually is not very highly profitable and this type of industry has got to be much more carefully nurtured, and I think incentives of this type could be especially directed to this kind of co-operative.

Another type of co-operative, I think, which the Government can well take into account in “looking forward to the future” and I think the Minister himself in the course of this long Session of Parliament did indicate the necessity of thinking in terms of establishing multi-purpose factories for small-holders. I think in order to allow rubber small-holders to compete with the much more advanced industries, the question of co-operative factories for producing multi-purpose grades and types of rubber can be encouraged. I think the Government should give special consideration and special incentives for this type of co-operative industry.

Sir, with this remark, I would like to close and I hope that the new Bill will help somewhat to bolster up the economy of our country. However, Sir, I certainly will qualify my support and wait for the actual production or resultant benefits before I will give it full commendation, and I am certain the Honourable Minister himself will be only too happy if he were certain of the future. But I certainly wish him good luck in response, otherwise just like a begging bowl it might be broken before it gets started.

Wan Abdul Kadir bin Ismail (Kuala Trengganu Utara): Tuan Yang di-Pertua, saya bangun bagi menyokong Rang Undang² yang di-namakan dalam bahasa Kebangsaan, Rang Undang² Galakan Pelaburan, dan saya berchakap dengan menggunakan kepala dan otak saya dan tidak menggunakan hati

dan nafsu saya sa-bagaimana pernah saya di-tudoh di-dalam Dewan ini pada hari sa-malam. Tuan Yang di-Pertua, jikalau saya berchakap dengan menggunakan hati dan nafsu saya, saya boleh bawa dalam Dewan ini berpuluh² tulisan di-dalam surat khabar *Utusan Melayu* yang pernah di-puji pada hari sa-malam dalam Dewan ini yang mengutok Kementerian Perdagangan dan Perusahaan ini. Saya berharap bahawa penghargaan Yang Berhormat Menteri Perdagangan dan Perusahaan kapada *Utusan Melayu* akan merupakan penghargaan yang bahawa beliau akan sentiasa menghargai segala tulisan dalam *Utusan Melayu* dan bukan-nya hanya sa-kerat² sahaja saperti yang di-bacha oleh Yang Berhormat Menteri itu pada hari sa-malam pada tempat² yang menyedapkan hati-nya sahaja dan saya harap segala tulisan dalam *Utusan Melayu* yang pada masa ini telah mendapat pujian dan di-sanjong oleh Yang Berhormat Menteri ini akan menjadi panduan kapada-nya terutama dalam mengendalikan Kementerian-nya—Kementerian Perdagangan dan Perusahaan.

Tuan Yang di-Pertua, saya berchakap menggunakan kepala dan otak saya, Tuan Yang di-Pertua, tetapi saya berchakap dari hati saya sendiri dengan menggunakan hati, erti-nya dengan penoh kejujoran dan saya tidak pernah berchakap menurut nafsu dan tidak menggunakan kejujoran, atau berselindung di-sa-balek perkara yang tidak berapa betul.

Tuan Yang di-Pertua, perkara yang pertama yang saya hendak menarek perhatian tentang Rang Undang² ini ialah tentang susunan kata² dalam Bahasa Kebangsaan-nya. Sa-kali lagi saya berjumpa dengan Rang Undang² yang masa ini di-buat dalam Bahasa Kebangsaan sa-bagai original dan dalam bahasa Inggeris sa-bagai terjemahan. Saya sendiri terasa hairan atau tidak bagitu faham dengan tajok Undang² ini dalam Bahasa Kebangsaan. Rang Undang² Galakan Pelaburan, saya tidak tahu bagaimana Pejabat Undang² menggubal perkataan ini, kerana bila saya mendengar perkataan pelaburan, saya teringat kapada satu pepatah Melayu yang mengata-

kan, “pelabor habis, Palembang tidak kalah” dan maana pelabor ia-lah peluru. Kalau di-sebut pelabor, erti-nya peluru, kalau pelaburan pula saya tengok dalam bahasa Inggeris-nya investment.

Perkataan investment ini kita gunakan sekarang dalam bahasa Melayu yang standard ia-lah penanaman modal—senang dan mudah di-faham dan di-gunakan hari². Saya tidak tahu kenapa Undang² ini menggunakan perkataan “pelaburan” yang mengingatkan kita kapada peluru dan kapada pepatah, “pelabor habis, Palembang tidak kalah”. Saya berharap sa-kali lagi, Tuan Yang di-Pertua, dalam pada menggubal Undang² ini supaya bahasa Melayu yang senang di-faham yang standard di-gunakan dengan tidak payah mereka perkataan² yang tidak pernah di-gunakan oleh orang.

Tuan Yang di-Pertua, Rang Undang² Galakan Penanaman Modal ini ada-lah satu undang² yang sangat perlu kapada pembangunan negara kita pada masa ini, dan Rang Undang² ini di-alu²kan oleh seluroh lapisan ra'ayat dan saya perchaya di-alu²kan juga oleh penanaman modal dari luar negeri.

Satu perkara yang saya suka hendak menarek perhatian dalam perkara perlaksanaan undang² ini kelak ia-lah bahawa satu kawalan yang chukup patut di-laksanakan dalam menarek penanaman² modal dari luar itu bagi menanam modal di-dalam negara kita ini. Dan saya rasa perkara yang pertama sa-kali yang harus menjadi syarat kapada penanaman modal dari luar itu ia-lah mesti ada penyertaan modal² dalam negeri dan saya merasa sa-baik-nya-lah syarat² 51 peratus modal dalam negeri dalam tiap² perusahaan yang hendak di-dirikan di-negara kita ini di-jalankan dari sekarang sampai pada masa yang akan datang, kerana ini-lah satu jaminan bagi menjaga keselamatan ekonomi kita di-masa hadapan.

Sharat 51 peratus modal tempatan ini tidak boleh, saya rasa kita longgar-kan. Satu perkara lagi dalam menjalankan kawalan ini patut-lah pehak Kerajaan dan terutama pehak Kementerian Perdagangan dan Perusahaan

ini dapat memberi nasihat yang patut di-terima oleh penanaman² modal dari luar itu bagi jenis² perusahaan yang hendak di-dirikan di-dalam negara kita ini.

Satu perusahaan yang saya rasa patut pehak Kementerian ini menggalakkan pemodal² dari luar ia-lah dengan mengadakan perusahaan bagi memperoses dan mengeluarkan hasil² tanaman di-Malaysia ini. Kita banyak hasil tanaman yang patut di-dirikan industri² bagi memproses kapada barang² pengeluaran yang boleh digunakan di-dalam negeri dan di-luar negeri; dan banyak jenis² hasil tanaman kita ini yang boleh di-proses, yang boleh di-jadikan *product* yang sangat berguna di-dalam berbagai² lapangan. Dan saya perchaya dengan chara bagini, maka negara kita Malaysia sa-bagai sa-buah negara tanaman tidak dapat tidak kita mengelakkan daripada berlaku-nya perkara ini; sa-bagai sa-buah negara tanaman kita perlu perbesarkan dari sa-masa kasamasa dan kira² dalam 60 atau 65 peratus atau lebih daripada hasil kita ini terbit daripada tanaman. Maka dengan sebab itu, saya rasa patut-lah nasihat Kementerian ini di-beri, atau kalau dapat di-pujuk perusahaan² dari luar ini bagi membuka perusahaan untuk memproses hasil² tanaman kita di-Malaysia ini yang berbagai² chorak dan berbagai rupa itu. Saya suka juga mengshorkan, jikalau boleh sa-tengah² perusahaan yang hendak di-dirikan di-dalam negara ini, kalau perlu, biar-lah ada penyertaan modal Kerajaan dalam sa-tengah² perusahaan yang penting dan saya rasa langkah Kerajaan dan Kementerian Perdagangan memasokkan modal Kerajaan dalam perusahaan besi waja Malayawata, satu langkah yang patut di-puji, kerana perusahaan besi waja perusahaan berat yang perlu di-kawal dan ada suara Kerajaan di-dalam-nya, oleh sebab itu sa-barang perusahaan yang akan di-dirikan lagi di-dalam negara kita pada masa akan datang, dan jikalau perusahaan itu penting, maka patut-lah pehak Kerajaan kita dan pehak Kementerian ini menyertakan sama modal Kerajaan di-dalam perusahaan² itu. Kita bukan-lah hendak menjadikan negara ini negara

socialist, tetapi ini untuk menjaga kepentingan negara ini bagi masa hadapan dalam perusahaan² penting yang kelak hendak di-dirikan di-dalam negara kita ini sa-bagai hasil tarekan daripada Rang Undang² yang akan kita luluskan pada hari ini.

Satu perkara lagi, Tuan Yang di-Pertua, ia-lah sudah menjadi amalan sa-tengah² sharikat dan industri² yang baharu di-bena dalam negara kita sekarang ini yang mendapat taraf perintis, atau lain²-nya mengambil anak² tempatan bersama kerana barangkali ada modal tempatan di-dalam-nya. Di-kalangan anak² tempatan itu di-pileh-lah pula satu dua orang Melayu atau pun bumiputra sa-bagai satu tayangan gambar bahawa ini perusahaan di-sertai oleh ra'ayat negeri ini dan di-sertai oleh bumiputra sa-bagai hendak memberi galakan kapada bumiputra. Tetapi, amalan yang telah berlaku sa-panjang ini sa-tengah²-nya orang yang di-ambil menjadi Pengarah Sharikat² atau perusahaan² ini mendudoki tempat itu dengan di-beri *share*² kosong untuk mengambil pengarah orang² persaorangan yang tertentu dalam perkara ini dan saya pandang perkara ini, sa-bagai satu jenis korupsi, satu *commercial corruption* yang patut di-halusi oleh Kementerian ini supaya pengarah² yang bagini tidak masuk di-dalam usaha perindustrian yang kita hendak besarkan di-negara kita ini. Saya rasa modal² bumiputra boleh di-chari modal² yang sa-benar, bukan dengan chara memberi peluang² *share*² kosong seperti ini memainkan peranan untuk memudahkan segala perkara yang hendak di-jalankan oleh perusahaan itu dalam menjalankan tugas-nya dan bila mereka itu menjalankan perusahaan dan perkilangan-nya kelak.

Jadi dari segi ini, saya rasa lobang yang ada ini patut-lah di-tutup, lobang untuk *commercial corruption* seperti ini, biar-lah bumiputra hendak di-beri peluang dengan chara yang betul, degnan chara yang sesuai, dengan chara yang wajar, Barangkali satu perkara yang payah dan agak sedikit soal menchari puncha² modal di-kalangan bumiputra, tetapi sedikit sa-banyak sekarang ini puncha² modal

itu sudah ada dan jikalau barangkali sekarang ini sudah ada beberapa banyak puncha² modal dari bumiputra dalam Sharikat Permodalan Kebangsaan, Tabong Haji dan berbagai² jenis lain lagi. Dan saya rasa sekarang ini dengan ada-nya satu Gabungan Sharikat Permodalan Kerjasama yang baharu di-bena dan ini pun merupakan satu modal baharu bagi menchedok sedikit sa-banyak modal dan penyertaan modal daripada bumiputra dalam perindustrian yang hendak di-jalankan dalam negara kita ini.

Satu perkara lagi, Tuan Yang di-Pertua, yang saya suka hendak ketengahkan dalam Dewan ini ia-lah berita atau pun ekor² daripada berita yang ada tersiar pada hari ini dalam surat khabar bahawa Israel berchadang hendak mengadakan perjanjian perdagangan dengan Singapura, dan barangkali pada satu masa yang tidak berapa lama hadapan ini, Singapura akan menjadi suatu lapangan bagi kegiatan ekonomi daripada Israel dan orang² Yahudi. Dalam segi politik, Tuan Yang di-Pertua, pengaruh Israel ini sangat² tidak di-kehendaki dalam dunia kita di-sabelah sini. Jadi, saya berharap kelak bahawa pehak Kementerian akan menjaga supaya segala barang² yang di-longgokkan menerusi Singapura dan segala perusahaan dari Israel yang akan di-dirikan di-Singapura tidak akan menembusi Tambak Johor yang ada terbentang di-Selatan tanah ayer kita ini. Biar-lah Israel mengukuhkan pengaruh-nya di-Singapura, sama ada Israel menggunakan Lee Kuan Yew, atau Lee Kuan Yew menggunakan Israel, tidak menjadi soal kapada kita, tetapi keselamatan negara ini dari segi politik dan dari segi ekonomi bahawa bahaya² ini harus di-jaga dan locheng bahaya yang telah berbunyi pada hari itu dalam surat khabar harus menjadi locheng ingatan kapada kita dan Kerajaan kita dalam menghadapi soal itu. Terima kaseh.

Tuan Haji Mohamed Yusof bin Mahmud: Tuan Yang di-Pertua, saya juga bangun untuk mengambil bahagian sedikit dalam Rang Undang² yang ada di-hadapan kita ini. Saya sedar atas khuatir-nya Kerajaan kita terhadap negara-nya, ia-itu terutama sa-kali ia-

lah berkenaan dengan banyak-nya, atau pun banyak-nya manusia kita di-dalam negara kita ini, ia-itu dalam bahasa Inggeris "Population Explosion", dan kekhuatiran Kerajaan terhadap memberi pekerjaan² yang sa-wajar dengan keadaan zaman pada masa ini terhadap ra'ayat²-nya.

Jadi, dengan ada-nya undang² yang ada di-hadapan kita hari ini ia-lah satu undang² yang saya fikir sangat patut dan saya perchaya bahawa kemajuan² boleh terchapai pada masa hadapan. Sunggoh pun bagitu, saya berasa juga undang² ini terlalu lambat, kerana pada masa ini, Tuan Yang di-Pertua, modal yang di-pusingkan di-dalam dunia ini sangat kekurangan, ia-itu negeri² yang suka melaborkan modal²-nya dalam negeri² mahu maju, banyak mengundurkan diri daripada pasaran² sa-umpamanya Britain, United States, dan pada masa sekarang ini kita dapati, ia-itu hanya sa-buah negeri sahaja di-Tenggara Asia ini yang ada minat yang mahu melaborkan laba modal-nya di-negara kita, ia-itu negeri Jepun.

Dalam kita menggalakkan penanaman modal pada pendapat saya ada tiga syarat chara, ia-itu modal² kita sendiri, modal² yang kita bersama dengan modal luar dan juga modal luar dengan 100 peratus-nya. Dalam modal kita sendiri, rasa saya ini tidak ada masaal, kerana saya perchaya anak negeri ini banyak yang berminat, yang suka hendak mendirikan perusahaan², tetapi oleh sebab pada masa yang lampau mereka² ini berasa ragu² terhadap banyak chukai² yang di-kenakan kapada perusahaan², atau pun pada pedagang² yang ada dalam tanah ayer kita, seperti chukai surtax, Development Tax dan juga dua, tiga tax lagi yang di-fikirkan oleh mereka² ini yang boleh menyebabkan mereka tidak berapa minat hendak melaborkan modal-nya dalam mana² perusahaan di-negeri kita ini. Jadi, dengan ada-nya undang² ini, saya perchaya modal² dalam negeri akan monchol ka-hadapan dengan lebih giat, kerana di-negeri kita ini, kita banyak peluang untuk mengadakan perusahaan² yang besar² yang saya nampak terutama sa-kali perusahaan getah yang mana chara² moden kita mengadakan heveacrub factory

atau perusahaan² getah yang moden ini yang rasa saya akan memberi faedah yang besar kepada negara kita.

Dalam modal² antarabangsa, modal di-dalam negeri dan di-luar negeri, saya rasa ini ada-lah satu perkara yang baik, kerana tiap² satu perusahaan dengan modal² dapat di-awasi oleh kita sendiri. Dan dengan ada-nya undang² ini saya perchaya-lah kemungkinan tampil-nya ka-hadapan modal² daripada luar negeri ini untuk bersama² dengan warganegara kita negeri ini untuk mengadakan perusahaan² yang besar di-negeri ini. Bagi modal² yang 100 peratus datang dari luar negeri, rasa saya ini kemungkinan-nya sangat sedikit, tetapi saya perchaya ada juga kemungkinan barangkali ada² perusahaan yang tidak dapat kita sendiri, negara kita sendiri mengadakan modal-nya terutama sa-kali kita berkehendakkan *foreign exchange* yang mana kita berkehendakkan barang² yang datang dari luar negeri. Jadi, dalam perkara ini, Tuan Yang di-Pertua, modal² yang datang dari luar negeri itu, saya berharap perhatian yang berat di-beri terutama sa-kali *intention* atau pun tujuan² pemodal² itu melaborkan modal dalam negeri ini supaya tujuan² itu betul² bagaimana tujuan² kita, ia-itu hendak mengadakan beberapa banyak perusahaan dan mengadakan pendapatan yang lebeh pada anak² negara ini dengan tidak ada tujuan² lain. Saya tahu sekarang pengaruh² antara Timor dengan Barat dengan minat menchuba bagi mendapatkan negara kita ini mengambil bahagian daripada satu pihak ka-satu pihak, tetapi saya puji atas kebijaksanaan Kerajaan kita yang telah mengadakan dasar yang bebas yang tidak berbelah dengan mana² pihak. Tetapi sa-bagaimana yang saya katakan tadi, kemungkinan-nya ada, sebab kita tahu sekarang dan yang keadaan kita ini ada-lah merosot dalam harga getah: kita tengok sekarang Kerajaan China Kominis lebeh giat chuba membeli getah² kita dan dengan ini saya tidak berapa yakin yang mereka² itu betul² hendak membeli getah kita. Padahal kita tahu Kerajaan² ini sendiri, dia sendiri boleh hendak mendirikan fakteri² saperti itu, tetapi dengan tujuan

siasah di-belakang-nya itu, maka ini-lah yang di-khuatirkan rasa saya di-negara kita ini, tetapi saya perchaya perkara ini dapat di-awasi oleh Kerajaan kita.

Sa-lain daripada itu, Tuan Yang di-Pertua, dalam usaha kita mengadakan perusahaan² dalam negeri ini banyak-lah rakan² saya telah menyebut betapa mustahak-nya ia-itu segala bahan² yang ada dalam negeri ini hendak-lah digunakan. Rasa saya dalam policy speech dahulu ia-itu dalam masa kita membincangkan perbelanjaan dahulu, saya ada menyentuh berkenaan dengan betapa kekhuatiran saya terhadap perusahaan² yang menggunakan negeri ini sa-bagai *launching ground* sahaja, atau sa-bagai tapak lonchatan sahaja. Barang² yang akan di-usahakan di-negeri ini bukan daripada negeri ini, chuma negeri ini di-jadikan tempat menchantum perkakas² perusahaan mereka; ini pada fikiran saya tidak akan menjadi kebaikan kepada negara kita.

Sa-perkara lagi, Tuan Yang di-Pertua, saya berharap kalau kita dapat menarek modal² ini, kita jangan terikat pada satu peratoran² ia-itu bagaimana barang² pengeluaran² kita ini di-sekat pasar²an-nya. Saya tahu Kerajaan India mengadakan Joint Venture-nya dengan industrialists daripada Amerika, Britain, France, tetapi barang² pengeluaran dari India itu di-sekat pasaran²-nya. Dimana pasaran² daripada industri yang telah ada di-luar negeri ini, maka barang² daripada negeri kita tidak membenarkan masuk ka-pasaran² telah ada mereka² menjalankan perdagangan. Ini saya sangat khuatir, Tuan Yang di-Pertua; kita mengadakan perusahaan dalam negeri, bukan untuk dalam negeri ini; kita berkehendakkan supaya perusahaan ini mendapat *foreign exchange*, mendapatkan pasaran dari luar negeri. Kalau kita terikat sa-chara macham ini tidak ada faedah-nya mereka² mengadakan perusahaan ini.

Berkenaan dengan pasaran ini, Tuan Yang di-Pertua, saya mengambil peluang di-Dewan ini memberi pujian yang besar terhadap wakil kita yang ada sekarang bermeshuarat di-India. Bagaimana peranan-nya menghadapi negara² yang sangat maju, yang sangat

churiga terhadap pengeluaran barang² daripada negeri² yang sedang hendak maju dan wakil kita sedang bergiat bagaimana boleh negeri² yang sudah maju itu menerima satu dasar bagaimana kita boleh mendapat pasaran² terhadap barang² perbuatan negeri kita. Ini-lah yang saya rasa yang sangat² di-khuatirkan. Kita ada banyak industries, kalau kita tidak ada foreign market, tidak ada pasaran luar negeri, ini juga rasa saya tidak memberi besar faedah kepada negeri kita.

Jadi, usaha² ini, rasa saya, patut di-lanjutkan, patut dapat kita menyedarkan negera² yang telah maju betapa penting-nya mereka² itu memikirkan keadaan² negara yang sedang hendak maju macham kita ini untuk dalam perusahaan dan untuk dalam industri²-nya. Jadi, ini akan menetapkan keadaan dunia kita, jikalau negeri² yang kaya ini tidak menimbangkan, tidak memikirkan bagaimana negeri² yang sa-macham kita hendak maju di-sekat, bagaimana-kah perasaan² kita, yang ini akan menyebabkan dunia ini tidak akan menjadi aman. Jadi, saya harap Kerajaan kita dalam memberi incentive dan sa-bagai-nya, sa-balek-nya, sa-balek-nya kita hendak-lah menjaga perkara² yang saya cheritakan tadi, tetapi saya sa-kali lagi mengambil peluang memberi tahniah kepada wakil² kita yang sedang giat hendak menjalankan usaha-nya Ji-India itu. Sunggoh pun dalam surat² khabar, saya perhatikan kemajuan atau perbincangan meshuarat itu nampak-nya kita akan menuju kepada jalan buntu, ia-itu negeri² yang telah maju yang kaya tidak mahu berganjak supaya melonggarkan syarat² yang di-kenakan itu kepada pengeluaran² barang² daripada negeri² yang sedang maju ini.

Kita tengok sekarang, Tuan Yang di-Pertua, negeri² dalam dunia ini chuma menchari perlindungan untuk menjaga perusahaan² negeri² mereka sa-umpama saya katakan tadi bagi negeri² orang puteh sendiri, mereka mengadakan Common Market-nya di-mana mereka churiga terhadap kemasokan barang² daripada negeri² yang baharu maju masok ka-dalam kawasan² mereka itu. Ini saya rasa satu benda yang patut sangat di-binchangkan, atau pun di-

mengertikan kepada mereka itu. Kalau tidak dapat terus pun, saya perchaya melalui Badan² Bangsa² Bersatu, boleh mententeramkan mereka² yang sedang maju sa-bagai mana kita ini.

Sa-lain daripada itu, Tuan Yang di-Pertua, kita ia-lah sa-buah negeri yang chukup bahan² kita. Dalam kita mengadakan perusahaan² ini jangan-lah kita memandang sangat apa-kah perkara² yang kita utamakan untuk negara ini. Rasa saya, pasaran kita sangat luas terutama sa-kali Tenggara Asia ini. Di-Indonesia yang mana pasaran² kita, rasa saya, sangat² laris, kalau dapat kita mengertikan keadaan² negara itu bagaimana kita boleh memberi keperluan² untuk negara itu melariskan pengeluaran² daripada negara kita ini. Kita jangan-lah memikirkan kita hendak mengeluarkan barang² yang ada di-keluarkan oleh negeri² yang maju yang kita terpaksa sa-bagaimana yang saya cheritakan tadi menghadapi tariff barrier dan sa-bagai-nya. Kita tahu Indonesia sekarang berkehendakan tempat bagi perdagangan kita, rasa saya, saya harap Kerajaan kita akan mengambil berat bagaimana dapat pengertian kita dengan Kerajaan Indonesia dan juga pasaran² di-negeri itu supaya dapat bersesuaian antara kedua negeri ini dalam kita menjalankan perusahaan² saperti ini.

Penyudah-nya, Tuan Yang di-Pertua, saya sa-kali lagi memberi sa-tinggi² tahniah kepada Kerajaan untuk mengadakan Undang² sa-macham ini bahkan pada masa hadapan jikalau ada lagi perkara² yang fikir yang boleh lagi melariskan barang² kita keluar negeri supaya dapat di-longgarkan lagi chara²-nya, rasa saya dengan berbuat demikian dapat-lah kita datang lagi ka-Dewan ini untuk membincang dan meluluskan-nya. Terima kaseh.

Tuan T. Mahima Singh (Port Dickson) (*dengan izin*): This Ministry, Sir, deserves the thanks of the country for the excellent progress that has been made during the short period of Merdeka. It is due, Sir, to the efficient running of this Ministry that Petaling Jaya and Batu Tiga are throbbing with new factories, which are coming up

almost every week. But I would like to make a few suggestions, Sir, in welcoming this excellent Bill which would perhaps accelerate the development or opening up of new factories in our country.

I would suggest that more people from our country be sent abroad to study the ways of manufacture or production, particularly in the countries that are not too developed. I would in this case give the example of Taiwan. There are many small industries in countries like Taiwan which could be more easily brought over here and made applicable to Malaysia.

Next, I would like to suggest, Sir, that we should relax in certain cases our immigration control on experts who could be useful to Malaysia. We have the examples of even very large countries that are very much more developed than Malaysia, who welcome experts in any line. We often read in the papers that there is a brain drain from Europe and Asia into America. Though they have thousands of experts, America is willing to give citizenship to anybody with any knowledge of industry or science in very short periods. Only a few days ago, Sir, we read in the papers that Australia is prepared to give citizenship to doctors and even nurses. I am not suggesting, Sir, that we should invite all and everybody into Malaysia. It is the duty and responsibility of the Government to see that the people of Malaysia are first given sufficient employment, but I am of the opinion that these experts who bring in knowledge would be able to speed up our industries, thereby giving jobs to a larger number of people for the very few that they might take away from the local people. In this case, Sir, I would suggest even persons who have capital to invest—a very reasonable amount may be fixed—so that if anybody coming into Malaysia is prepared to invest that amount he could be given permission for permanent stay.

Finally, Sir, I would suggest that we could make greater use of the Press, not only the Malayan Press, because it is read mainly by us though a certain

portion of it goes abroad. I would ask for the co-operation of the representatives of international newspapers and other organisations who are in Malaya, so that everything that we have in the way of development, incentives and other facilities that are made available are given to these representatives in such a way that they could be easily sent abroad to the large network of newspapers that they represent abroad. Thank you, Sir.

Tuan Ahmad bin Arshad: Tuan Yang di-Pertua, saya bangun menyokong penuh Rang Undang² yang dikemukakan oleh Yang Berhormat Menteri Perdagangan dan Perusahaan. Beliau telah memberikan banyak pandangan bagi kelulusan Rang Undang² ini. Saya chuma hendak memberikan pandangan² yang mungkin ada hubungan bagi pelaksanaan dengan Rang Undang² ini. Rang Undang² ini atas tujuan-nya mengadakan peluang yang lebih banyak bagi modal dari negara² asing dan satu masa kelak negara kita ini akan dijadikan sa-bagai sa-buah negara perindustrian di-Tenggara Asia ini.

Sa-lain daripada itu, Yang Berhormat Tuan Yang di-Pertua, sa-chara langsung juga pelaksanaan Rang Undang² ini kelak akan mengurangkan pengangguran yang ada dalam negeri ini serta dapat pula menebus jurang masyarakat yang berada dalam Malaysia ini dengan masyarakat yang tidak berada. Ini-lah menjadi satu dasar Kerajaan kita dan sa-lain daripada itu ia juga memberi satu napas baharu yang mengembirakan kepada petani² dan peladang² kita, kerana sa-lama ini segala hasil usaha-nya ada-lah lumpoh di-sebabkan tidak ada pasaran yang kekal.

Satu perkara yang saya fikir patut di-perhatikan oleh Kementerian ini bukan sahaja menumpukan kepada bahan mentah, bahan² pertanian, tetapi banyak bahan² yang ada dalam tanah ayer kita ini terbuang, terbiar supaya di-kaji dan di-siasat. Kalau boleh dengan perindustrian ini dapat membuat bahan² yang boleh menjadi hasil seperti barang² kecil yang terbuang, buloh, tempurong, tandok, lidi kelapa dan lain² lagi ini semua mendatangkan

faedah kepada petani² dan peladang² kita. Dalam usaha menggalakkan ra'ayat negeri ini mengutamakan barang² buatan Malaysia dan barang² tempatan, menurut hemat saya Tuan Yang di-Pertua, tidak memadai dengan kita beri seruan dengan kita beri nasihat, tetapi apa yang patut di-buat menurut hemat saya patut di-adakan sa-buah Lembaga bagi mengkaji dari sa-masa ka-samasa dan kita adakan peratoran ra'ayat dalam negeri ini supaya menggunakan barang² tempatan dari semua lapisan, sama ada lapisan bawah hingga lapisan atas, dan kalau boleh chuba kita mulakan dengan Kementerian Perdagangan dan Perusahaan yang lebih banyak menggunakan barang² keluaran tempatan.

Yang kedua, Lembaga ini boleh memikir dan mengkajikan bagaimana ikhtiar kita hendak menurunkan dan hendak mengurangkan harga barang² buatan daripada kilang yang dalam negeri kita ini yang telah menjadi sungutan ra'ayat dan juga sungutan dalam Dewan ini bahawa barang² pengeluaran daripada kilang kita berharga mahal. Jadi dengan ada-nya Lembaga ini dapat mengkaji dari sa-masa ka-samasa bersesuaian dengan barang² ini supaya dapat di-turunkan.

Akhir-nya, Tuan Yang di-Pertua, saya chuma hendak memberi pandangan kepada Yang Berhormat Menteri ini, ia-itu kita mengalu²kan perisytiharan Kerajaan Russia baharu² ini yang hendak menanamkan modal kepada negeri kita dan juga sedia hendak memberi latehan kepada belia² kita dalam lapangan perusahaan dan perniagaan. Di-samping itu, saya mengharapkan dengan galakan pelaburan yang di-beri kepada Russia itu kelak, jangan ada tekanan, jangan ada sekatan kepada mereka, kerana bila di-sebut Russia ini, banyak gulungan² yang tidak inginkan supaya Kerajaan Russia mengadakan perkilangan-nya dalam negeri ini, kerana dalam alam perniagaan ini, Tuan Yang di-Pertua, memang ada perlawanan dan tekanan antara satu gulungan dengan satu gulungan yang lain. Kita tidak mahu negeri kita Malaysia ini di-jadikan satu padang pertarongan antara dua gulungan dalam perdagangan dan perusahaan.

Jadi, sa-takat ini-lah sahaja yang dapat saya berikan pandangan kepada Yang Berhormat Menteri ini dan saya menguchapkan terima kasih.

Dr Lim Swee Aun (*dengan izin*):
Mr Speaker, Sir, may I thank all Honourable Members, including Members from the Opposition, who have supported this Bill.

I would like to say that the Honourable Member for Larut Selatan has not made a more sensible statement than to ask the question: "Why should we export our raw materials at such low prices and import manufactured and finished goods at such high prices". It is because of this that the Government has introduced industrialisation not only to process more and more of our local products, to make use of more and more of our local products, but also to meet the needs of the home market and also for export purposes. But, there are certain problems before we can set up a factory whatever its nature may be, and to set up a factory there must be four important provisions, i.e., the technical know-how to start it and how to run it, the capital to finance it and the management, the labour to run it, and, most and equally important, the market, whether at home or abroad. As a developing country which has been under colonial rule, we must recognise the fact that we have very little technical know-how. It is true that we have been producing many cottage industries, we have been having many repair shops, many small, small factories, but the technical know-how from these organisations is not sufficient to set up large modern factories to produce commercial and economically feasible products that are of international standards, that are competitive in price and quality. In recognition of the fact that we do not have this technical know-how of sufficient quantity, then we must get this know-how from somewhere. In the world today the technical know-how, unfortunately, is concentrated in the developed countries and these developed countries who have this technical know-how also have the capital and they are not going to part with their know-how without making a profit out

of it. This possession of technical know-how is the biggest asset which the developed countries have and they are able to demand a price for the sharing of that know-how and we must realise, we the developing countries have to acknowledge, that foreign capital and foreign know-how, if they invest in our country, they do not do it out of charity—they are doing it for their own profit, for their own advantage. We must recognise that. We too must recognise that in this world there are more than 77 developing countries, about 100 over developing countries, who are also competing to get a share of this technical know-how, a share of this investment capital. It is because of this that the limited amount, the limited number of people who have the capital and the know-how have a wide variety of choices where they can put their capital and where they can share their know-how, and it is because of this that developing countries—not only developing countries, but even some developed countries—have given incentives to attract these know-how and capital to their countries. So before foreign capital and know-how invest in any country, the first question it wants to know is whether it is safe to invest money in that area to ensure that capital is not lost by expropriation through political or economical reasons or political instability in the country. Secondly, it wants to know whether it is going to be profitable and, naturally, as capital is mobile, it is going to invest in the area where it can make the most profit. Thirdly, making profits is not enough; it wants to ensure that both its capital and its profits can be repatriated to its home country—otherwise, there is no point in investing money there. In the light of these, we must recognise that because we have this shortage of capital and know-how, we are dependent to a great extent on foreign know-how. The foreign know-how can be brought to Malaysia either with their capital which is the usual method or we can buy their know-how through licensing of their process or through the employment of experts. This is open to local capital. But, unfortunately, although we may have

local capital, we may have an abundance of labour, we may have an abundance of industrial estates, we may have a market, we do not have the management. Capital alone or capital together with labour, without management is useless. This is where, again, we have to be dependent on foreign management and foreign know-how. That is why, Sir—I hope Honourable Members here will realise the difficulties that the Government has to face in attracting foreign capital—if we were to tighten the screws, as suggested by some of the Honourable Members, that they should not make any profit, that they should not employ this, that they should not employ that, nobody is going to come, in which case we will still be exporting raw materials and importing expensive manufactured goods. So there must be a balance and this Investment Incentives Act is an attempt not only to attract foreign capital but also to attract local capital to invest in industrialisation.

As I have said, and I have said it many times in this House, that of the number of pioneer companies that have been set up, quite about half of them are set up with local capital and half of them on foreign joint ventures, and it is the policy of this Government now, if any foreign capital should come in, it should be a joint venture and not a hundred per cent foreign capital. But whether we are able to persuade—I used the word “persuade” because we cannot direct them, otherwise we will lose them—whether we can persuade them to give a bigger share to local capital depends upon how important that factory would be to us. That is where my Ministry has to evaluate before a foreign company sets up a joint venture here, how important that factory would be in the national interests. If it is an important one and we would like to have it, and there are no other offers, naturally we have to be more lenient; we have to use more carrot to attract them to invest in this country. But, on the other hand, if it is not that important, if it is very profitable, then we want a bigger share of it. So, there must be flexibility in bargaining with foreign capital to

invest in this country rather than have hard and fast rules where you say, "Do this and do that", in which case we may probably get nothing at all.

Coming to some of the points raised by Honourable Members, one very common point raised by most Honourable Members had been that there should be a reduction in the amount of red tape and obstructions to investors, who wish to come and invest their money here. I fully agree with them on this score, and we in the Ministry are trying our best to reduce the time required to process any application for investment in this country, but there is also the other side of the picture where occasionally the information required from the investor is not available and that has been a major cause for the delay in the approval of certain applications.

The Honourable Member for Bukit Bintang has suggested that there should be an Inter-Ministerial Committee in order to cut down red tape. In fact, there is already one in the form of the Action Committee on Tariff and Industrial Development. Now, this Inter-Ministerial Committee meets regularly to clear not only applications for investment but also for tariff protection.

The Honourable Member for Bukit Bintang has suggested that F.I.D.A. should be able to publicise more of the feasible projects that can be set up here; I can assure him that that is one of the purposes for which F.I.D.A. has been set up. In fact, an Operations Room is in the process of being set up in F.I.D.A. and it is almost near completion, and any member of the public, not only foreigners but even local investors or even local individuals, can have access to that Operations Room, where they can be given a full briefing on our industrial development plan, where all information necessary for any potential investor can be obtained on the spot. On the question of language problem, F.I.D.A. will try and accommodate as far as possible all the different language speaking groups that apply for such information.

The Honourable Member for Bukit Bintang also suggested that we should

encourage more factories manufacturing simple machine tools. Sir, we have given top priority to this one—the manufacture of machine tools—but, unfortunately, up to today, we have not yet been able to interest or persuade people who have the know-how to set up a factory here, but we hope that with this new Incentives Bill they might be forthcoming. No longer is my Ministry just sitting, waiting for investors to come in, F.I.D.A. has now taken on the added responsibility of writing directly to the large foreign firms with the technical know-how, inviting them to come and invest here wherever possible.

The Honourable Member for Seberang Selatan has suggested that we should not discriminate against local capital; in fact, he has suggested that local capital should be given further tax exemption. Sir, this Investment Incentives Bill already is generous and, as it is applicable both to local and foreign capital, the need for further or special exemptions or tax incentives for local capital at the present moment does not arise. The problems in industrialisation is not so much the question of capital as the technical know-how that we require.

The Honourable Member for Seberang Selatan has suggested that this Incentives Bill has missed out a very important condition and that anybody wishing to enjoy these incentives should have a condition laid on where there would be a ceiling on the prices of the manufactured goods. Sir, in my speech I did refer specifically to section 20 where, in this new Bill, power is given to the Government to limit the amount of profits that a company enjoying pioneer status can have, which would indirectly then affect the prices at which they sell their goods.

The Honourable Member for Penang Utara spoke very strongly on the prevention of monopolies in industrialisation and we, of course, adopt that policy. However, there are certain conditions under which it would not be economic to set up a factory, if there were more than one such factory simply because of the smallness of the

home market. But the moment we are able to export that product, then this monopoly status might be reviewed or allowed to persist because, sometimes, the fact that there is adequate volume means there is savings in costs of production and then it will become more competitive to export. However, it is the general policy not to have monopoly status for any particular industry.

Sir, the Honourable Member for Penang Utara has suggested that one of the ways for reducing the prices of manufactured goods in this country is to have more factories producing the same thing. Sir, unfortunately, within a limited market that might be true for a short-term period, but in the long run, because of the limitations in the market and the excess capacity available when you have more than sufficient factories producing the same goods, it could result in a wastage of capital and the closing of some of the factories. In a capital short country like ours we cannot afford to waste valuable capital.

The Honourable Member for Sungei Patani raised a rather interesting point and that is, he suggested that whilst it is good that Government has reserved shares in industries to the Malays, these shares should bear a mark that they should not be sold to anybody else but Malays. Sir, this matter has been considered by my Ministry; in fact, we have consulted the share market and found that such restrictive type of shares cannot be quoted in the market, and once it cannot be quoted in the market, the price of these shares would be much less than the other shares which are freely negotiable; and this is the same position as the Malay Reserve land, *vis-a-vis* the other types of land that are in the freehold.

The Honourable Member for Sitiawan was concerned that, when a foreign company opened its shares to the market, there was no control on the prices at which the shares could be sold. I can assure him that not only my Ministry but also the Treasury and the Bank Negara always look into the valuation before we approve any

company to open its shares to the market.

The Honourable Member for Tanjong wants to know what will be the size of the loss in revenue as a result of this Tax Incentives Bill. Sir, the loss at the present moment is a theoretical one, simply because unless there are new factories who set up and who fulfill these conditions, either for export or modernisation of their factories, there would not be any profits. So, we would not have lost anything. However, we must realise that if we do not have these incentives we would not have attracted them, they would not have been set up, which directly would help in the economic growth of the country. So, once they have been set up, then there would be a degree of loss in income, but that is the sacrifice we have to pay for the attraction of factories to this country. I hope, Sir, I have covered most of the points and I now beg to move that this Bill now be read a second time.

Usul di-kemuka bagi di-putuskan, dan di-setujukan.

Rang Undang² di-bachakan kali yang kedua dan di-serahkan kepada Dewan sa-bagai Jawatan-kuasa.

Dewan bersidang sa-bagai Jawatan-kuasa.

Rang Undang² di-timbangkan dalam Jawatan-kuasa.

(Tuan (Timbalan) Yang di-Pertua
*mempengerusikan Meshuarat
Jawatan-kuasa*)

Fasal² 1 hingga 34 di-perentahkan menjadi sa-bahagian daripada Rang Undang².

JADUAL—

Dr Lim Swee Aun: Tuan Pengerusi, saya menhadangkan Jadual ini di-pinda mengikut Kertas DR. 17/68 yang telah di-bentangkan di-Majlis. Pindaan berbunyi seperti yang berikut:

Jadual—Kaedah 3: Gantikan dengan perkataan "Mentri" di-mana sahaja terdapat perkataan² "Mentri Kewangan."

Jadual—Kaedah 4 (2) (a): Potong perkataan² "dalam suatu tahun taksiran."

Pindaan di-kemuka bagi di-putuskan, dan di-setujukan.

Jadual yang di-pinda di-perentahkan menjadi sa-bahagian daripada Jadual kepada Rang Undang².

Rang Undang² di-laporkan dengan pindaan: di-bachakan kali yang ketiga dan di-luluskan.

THE EXCISE (AMENDMENT) (No. 2) BILL

Bachaaan Kali Yang Kedua dan Ketiga

Dr Ng Kam Poh (*dengan izin*): Mr Speaker, Sir, I beg to move that a Bill intituled "an Act to amend the law relating to excise" be read a second time.

The Honourable the Minister of Commerce and Industry has just presented the Investment Incentives Bill, 1968, to the House. The Excise (Amendment) (No. 2) Bill, 1968, before Members of the House is for the purpose of augmenting the Investment Incentives Bill, 1968.

This Excise (Amendment) (No. 2) Bill, 1968 will amend section 15 of the Excise Act of 1961 of West Malaysia and sections 8 of the Excise Ordinances of Sabah and Sarawak, so that incentives will be provided to promote the exports of locally manufactured goods. This refund of excise duty will be permitted for those components or items of commodities which have been used in the manufacture of products for export.

It is anticipated that this Excise (Amendment) (No. 2) Bill, 1968, will encourage our production of manufactured goods to be export-orientated.

Sir, I beg to move.

Setia-usaha Parlimen kepada Menteri Kesihatan (Tuan Ibrahim bin Abdul Rahman): Tuan Yang di-Pertua, saya menyokong.

Usul di-kemuka bagi di-putuskan, dan di-setujukan.

Rang Undang² di-bachakan kali yang kedua dan di-serahkan kepada Dewan sa-bagai Jawatan-kuasa.

Dewan bersidang sa-bagai Jawatan-kuasa.

(Tuan (Timbalan) Yang di-Pertua *mempengerusikan Meshuarat Jawatan-kuasa*)

Fasal² 1 hingga 4 di-perentahkan menjadi sa-bahagian daripada Rang Undang².

Rang Undang² di-laporkan dengan tidak ada pindaan: di-bachakan kali yang ketiga dan di-luluskan.

RANG UNDANG² BADAN PERUNDANGAN SARAWAK (PENGUNAAN WANG² YANG DI-PINJAM DARIPADA PERSEKUTUAN)

Bachaaan Kali Yang Kedua dan Ketiga

Menteri Muda Pelajaran (Tuan Lee Siok Yew): Tuan Yang di-Pertua, saya mohon menchadangkan supaya Rang Undang² Badan Perundangan Sarawak (penggunaan wang² yang di-pinjam daripada Persekutuan), 1968, di-bacha kali yang kedua.

Tuan Yang di-Pertua, saperti yang di-terangkan di-dalam huraian yang terta'alok di-bawah Rang Undang² ini, Council Negeri Sarawak telah meluluskan Ordinance Pinjaman (Pengurusan Sekolah), 1964, pada 25 haribulan Februari, 1964, ia-itu sa-lepas Hari Malaysia. Ordinance itu memberi kuasa kepada Kerajaan Negeri itu meminjam daripada Kerajaan Persekutuan wang² berjumlah tidak lebeh daripada \$3 juta atas sharat² yang di-persetujui di-antara kedua² buah Kerajaan. Urusan berkenaan pinjaman itu telah di-buat oleh Perbendaharaan Malaysia dan Kerajaan Negeri Sarawak. Mengikut Sekshen 5 Ordinance itu wang² yang di-pinjam di-bawah Ordinance tersebut akan di-masokkan ka-dalam Tabong Pinjaman kepada Pengurus² Sekolah (Loan to School Managements Fund) yang di-gunakan mengikut peratoran yang di-tetapkan di-bawah Loans to Aided Schools Regulations, 1958.

Saperti yang terma'alum pelajaran ia-lah satu perkara tanggung-jawab Kerajaan Persekutuan. Oleh yang demikian, Ordinance itu sa-takat section yang di-nyatakan di-atas ada-lah mengatasi hal kuasa Perlembagaan ia-itu Jadual Kesembilan—Senarai 1,

butiran 13 dan Senarai 2, butiran 7 (d). Rang Undang² ini bermaksud hendak memberi kuasa kepada Badan Perundangan Sarawak di-bawah Perkara 76A, Perlembagaan Persekutuan, bagi membuat Undang² berkenaan dengan penggunaan wang itu untuk maksud² yang tersebut tadi. Pada hakikat-nya Rang Undang² ini bermaksud hendak mengesahkan sekshen 5 Ordinance itu supaya berkuatkuasa kebelakangan.

Tuan Yang di-Pertua, saya mohon menchadangkan.

Tuan Lee San Choon: Tuan Yang di-Pertua, saya menyokong usul ini.

Wan Abdul Kadir bin Ismail: Tuan Yang di-Pertua, Rang Undang² ini ada-lah satu Rang Undang² yang tidak dapat tidak kena di-persetujukan oleh Dewan ini bagi mengesahkan Undang² yang telah di-perkuat-kuasakan mulai 25hb September, 1964 dahulu.

Tuan Yang di-Pertua, soal pelajaran di-Sarawak dan juga di-Sabah, walau pun menurut Perlembagaan merupakan suatu perkara Persekutuan, tetapi Perjanjian Antara Kerajaan yang telah melahirkan Malaysia menyerahkan kuasa autonomy hak pelajaran kepada negeri² Sarawak dan juga Sabah. Saya suka-lah, Tuan Yang di-Pertua, dalam menyokong Rang Undang² ini hendak menyebut sa-kali lagi perkara soal pelajaran yang di-beri kuasa autonomy kepada Sarawak dan juga dalam hal ini kepada Sabah.

Saya merasa patut-lah di-mulakan perundingan di-antara Kerajaan Pusat dengan Kerajaan Sarawak dan juga dalam hal ini dengan Kerajaan Sabah dalam menyatukan perlaksanaan dasar pelajaran kebangsaan bagi negeri² di-Malaysia Timor ini. Saya rasa sa-lagi kuasa autonomy di-serahkan kepada Kerajaan² Sarawak dan Sabah, maka tidak dapat-lah di-jalankan dasar pelajaran kebangsaan itu kepada negeri² di-Malaysia Timor.

Sa-bagai sa-bahagian daripada negara Malaysia pada satu masa, sama ada dekat atau jauh, Sarawak dan Sabah mesti-lah masuk dalam garisan dasar pelajaran kebangsaan kita, kerana hanya menerusi pelajaran

sahaja dapat di-bentok jiwa dan semangat ka-Malaysian yang sa-benarnya.

Jikalau sa-hingga masa ini walau pun perkara ini telah di-sebut, telah di-seru berkali² pihak Kerajaan Negeri Sarawak maseh belum hendak memulakan perundingan bagi melanjutkan atau menjalankan dasar pelajaran kebangsaan Malaysia di-Sarawak, saya rasa lebeh baik-lah di-buat langkah permulaan perundingan sa-chara tidak rasmi lebeh dahulu dengan pihak yang berkuasa di-Sarawak, dan juga dalam hal ini dengan pihak yang berkuasa di-Sabah, bagi mencari garisan² pertemuan di-antara Kerajaan Pusat dengan Kerajaan Sarawak bagi menchapai kata sa-pakat dan sa-bulat untuk menjalankan dasar pelajaran kebangsaan yang sama bagi Malaysia Barat dan Malaysia Timor. Dan saya suka menchadangkan, Tuan Yang di-Pertua, kalau boleh-lah, di-tetapkan suatu tarikh, suatu *target date*, suatu masa yang tertentu bila-kah persefahaman untuk menyatukan Malaysia Timor ka-dalam perlaksanaan dasar pelajaran kebangsaan ini boleh di-chapai dan dapat di-jalankan. Ini adalah satu peroses yang tidak dapat di-bendong atau di-tolak, kerana jikalau oleh sebab beberapa hal yang tertentu di-rasai oleh Sarawak dan juga dalam hal ini oleh Sabah untuk menjalankan perlaksanaan perkara pelajaran ini dengan chara Sarawak tersendiri dan juga dalam hal ini dengan chara Sabah yang tersendiri, tetapi perkara ini tidak boleh-lah di-biarkan berpanjangan untuk kebjajikan masa hadapan negara Malaysia ini, Tuan Yang di-Pertua.

Jadi pada masa ini pihak Sarawak, juga Sabah, ada-lah sentiasa meminta dan menuntut daripada Kerajaan Pusat bagi membelanjakan atau pun memberi pinjaman kepada Negeri² itu bagi menjalankan hal² yang bersangkutan paut dengan pelajaran dan wang ini tidak dapat tidak akan terpaksa di-beri oleh Kerajaan Pusat kerana pelajaran ini ada-lah soal Persekutuan. Tetapi jikalau duit ini di-churahkan dengan begitu banyak kepada Sabah dan Sarawak dalam soal pelajaran dengan tidak ada suatu dasar bagi

mengawal akan perbelanjaan wang di-berikan kepada Sarawak dan kepada Sabah itu, maka saya merasa ini adalah satu perkara yang tidak adil kepada pembayar² chukai di-Malaysia kita ini.

Saya perchaya, Tuan Yang di-Pertua, bahawa saudara kita yang sa-negara yang sa-tanah ayer, Sarawak dan juga dalam hal ini di-Sabah tidak akan merasa suatu perkara yang bukan² bagi pehak kita di-sabelah Malaysia Barat ini menyuarakan perkara ini. Kita hendak mencapai suatu tingkatan di-mana perpaduan yang lebeh rapat, perse-fahaman yang lebeh dekat, persaudaraan yang lebeh erat, semangat dan jiwa yang lebeh kukoh dapat kita chapai dalam negara Malaysia kita ini. Masa hadapan kita hanya akan terjamin dengan ada-nya perkara ini dan hal ini hanya dapat di-chapai dengan perlaksanaan bagi dasar pelajaran kebangsaan yang di-satukan dan yang di-samakan bagi seluroh unit² di-dalam Malaysia ini.

Tuan Yang di-Pertua, dengan seruan ini-lah saya bangun menyokong Rang Undang² ini mudah²an seruan ini yang terbit dari hati ka-hati, yang terbit daripada semangat Malaysia untuk Malaysia akan mendapat sambutan yang baik daripada pehak yang berkuasa dan juga rakan² kita di-Sarawak dan di-dalam hal ini juga di-Sabah.

Tuan Lee Siok Yew: Tuan Yang di-Pertua, Ahli Yang Berhormat dari Kuala Trengganu Utara menyatakan bahawa pelajaran di-Malaysia Timor ia-lah sa-bagai satu badan autonomy. Ini satu perkara yang saya suka menjelaskan: pelajaran di-Malaysia Timor bukan-lah autonomous, akan tetapi mengikut laporan atau Penyata kepada kedua² buah Negeri, ia-itu mengikut Laporan I.G.C., ia-itu pelajaran di-dalam negeri² Sabah dan Sarawak mengikut biasa sa-belum dia masok Malaysia. Jadi, Malaysia ini telah di-tubuhkan pada tahun 1963; dan sa-lepas 10 tahun ini memang-lah Kerajaan Pusat, jikalau mendapatkan permintaan, atau permohonan daripada negeri² Sabah dan Sarawak untuk membantukan perbelanjaan,

atau alat kelengkapan atau kemudahan² pelajaran bagi kedua² negeri itu, Kerajaan Pusat sentiasa memberi pertolongan.

Yang kedua Ahli Yang Berhormat itu menhadangkan bahawa Kerajaan kita, Kerajaan Pusat, hendak-lah menjalankan satu dasar pelajaran kebangsaan supaya dapat di-gunakan suatu sahaja, ia-itu dasar pelajaran kebangsaan kita. Berkenaan dengan *target date* itu, jikalau mula² sekarang, Tuan Yang di-Pertua, Sarawak dan Sabah telah memberikan pelajaran perchuma bagi sekolah² rendah yang telah di-mulakan pada 1hb Januari, 1966, bersama² dengan Negeri² di-Malaysia Barat, akan tetapi jikalau kedua² Negeri itu memohon kepada Kerajaan Pusat atau menhadangkan kepada Kerajaan Pusat bagi menjalankan bersama² satu dasar pelajaran Kebangsaan Kerajaan Pusat, Kementerian saya sentiasa mengalu²kan chadangan itu, akan tetapi kedua² Negeri itu belum-lah boleh menhadangkan apa² Dasar Pelajaran Kebangsaan yang ada sekarang di-dalam Malaysia Barat. Itu-lah penjelasan daripada saya, Tuan Yang di-Pertua. Terima kaseh.

Wan Abdul Kadir bin Ismail: Berkenaan dengan Kerajaan Sarawak dan Kerajaan Sabah sampai 20 tahun belum membuat apa² langkah dalam perkara ini ada-kah pehak kita—Kerajaan Pusat hanya berdiam diri sahaja dalam soal itu?

Tuan Lee Siok Yew: Tuan Yang di-Pertua, tadi saya telah terangkan ia-itu Malaysia di-tubuhkan dalam tahun 1963 jadi *target date* itu ia-lah sampai pada tahun 1973 maka baharu-lah dasar ini di-jalankan sunggoh pun Kerajaan² Sarawak dan Sabah tidak berbuat apa² chadangan atas hal ini, tetapi bila sampai masa-nya kelak, Dasar Pelajaran Kebangsaan mesti-lah di-jalankan di-Sarawak dan Sabah.

Usul di-kemuka bagi di-putuskan, dan di-setujukan.

Rang Undang² di-bachakan kali yang kedua dan di-serahkan kepada Dewan sa-bagai Jawatan-kuasa.

Dewan bersidang sa-bagai Jawatan-kuasa.

Rang Undang² di-timbangkan dalam Jawatan-kuasa.

(Tuan Yang di-Pertua *mempengerusikan Meshuarat Jawatan-kuasa*)

Fasal² 1 dan 2 di-perentahkan menjadi sa-bahagian daripada Rang Undang².

Rang Undang² di-laporkan dengan tidak ada pindaan: di-bachakan kali yang ketiga dan di-luluskan.

RANG UNDANG² BENDA² RADIOAKTIF

Bachaa Kali Yang Kedua dan Ketiga

Setia-usaha Parlimen kepada Menteri Kesihatan (Tuan Ibrahim bin Abdul Rahman): Tuan Yang di-Pertua, saya mohon izin menhadangkan satu Rang Undang² yang bertajok Mengawal Benda² Radioaktif dan Radas Pendiangan Radio active Substances Bill di-bachakan kali yang kedua. Perkembangan kuasa nuclear dan penggunaan perkakas² yang mempunyai chahaya pancharan dan benda² radioaktif dalam berbagai² lapangan telah menambah kemungkinan berlaku-nya pendedahan kepada bahaya kuasa ionizing radiation atau pun Pancharan Chahaya pengioman. Pendedahan ini berlaku bukan sahaja kepada pakar² X-ray atau Radiologist pegawai²-nya serta orang² sakit, tetapi juga kepada pekerja² dalam bidang² perusahaan dan kepada orang 'awam pada keseluruhan-nya. Sa-belum daripada perkembangan ini hanya mereka² yang menjalankan kerja² perubatan sahaja yang banyak terdedah kepada chahaya pancharan ini, maka di-fikirkan masalaah ini ada-lah tanggung-jawab pegawai² perubatan dan Kerajaan tidak payah berchampur tangan dengan mengadakan Undang²; tetapi oleh sebab penggunaan perkakas² yang mempunyai chahaya pancharan makin bertambah dalam lapangan kerja² perubatan dan juga dalam lapangan perusahaan, maka tindakan Kerajaan untuk mengadakan kawalan dan perlintongan ada-lah perlu. Oleh itu

tidak kurang daripada 25 buah negara dalam dunia ini telah pun mengadakan undang² mengawal perkara ini.

Negara kita juga pada masa hari ini telah bergerak maju dalam lapangan perubatan dan perusahaan. Berbagai² teknik dan chara yang baharu di-gunakan dan ini menyebabkan penggunaan perkakas dan barang² radioaktif semakin bertambah khas-nya dalam lapangan perusahaan. Dengan yang demikian ada-lah di-fikirkan mustahak di-adakan satu Undang² untuk menjaga dan mengawal kesihatan umum.

Rang Undang² ini ia-lah mengawal kemasokan perubatan penjualan, penggunaan, simpanan dan pengangkutan barang² radioaktif dan radas pendiangnan. Mengikut Rang Undang² ini, maka pembuatan dan pengeluaran, penjualan, simpanan membawa masuk dan keluar barang² radioaktif dan radas pendiangnan ada-lah di-larang, melainkan dengan mendapat kebenaran atau permit. Menggunakan benda² Radioaktif ada-lah juga di-larang, melainkan dengan ada kebenaran atau permit.

Dalam Rang Undang² ini ada peruntukan yang membolehkan mereka² yang mushkil dan tidak puas hati dengan keputusan yang di-perbuat oleh pihak yang berkuasa mengeluarkan permit atau pun kebenaran merayu kepada Menteri yang bertanggung-jawab dalam hal kesihatan dan keputusan beliau ada-lah mu'tamad. Satu Jawatan-kuasa Penasihat yang bernama Radiological Advisory Committee akan di-tubuhkan di-bawah Rang Undang² ini. Anggota-nya ia-lah sa-ramai enam orang dan Jawatan-kuasa ini akan memberi nasihat kepada Menteri mengenai perkara² yang di-rojokkan oleh Menteri kepada-nya. Ahli² Jawatan-kuasa ini ada-lah terdiri daripada mereka² yang berpengalaman dan mempunyai pengetahuan teknikal, professional dan khas mengenai pakar² perkara² dan benda² radioaktif.

Rang Undang² ini juga memberi kuasa kepada Menteri membuat peratoran² yang tertentu untuk mengadakan kawalan yang meliputi dan kemas.

Tuan Yang di-Pertua, saya mohon menhadangkan supaya Rang Undang²

yang bernama Mengawal Benda² Radioaktif dan Radas Pendiangan di-bacha pada kali yang kedua.

Tuan Tai Kuan Yang (Kulim Bandar Baharu): Tuan Yang di-Pertua, saya menyokong penoh atas Rang Undang² Radioaktif yang di-kemukakan oleh Kementerian yang berkenaan. Radioaktif itu sangat-lah berguna dalam kesihatan. Dalam pada itu pula ia sangat² membahayakan kepada manusia, maka dengan ada-nya Undang² ini bererti ada mempunyai kawalan. Tuan Yang di-Pertua, saya ingin tahu mengapa Rang Undang² ini sa-chara langsung tidak menyebutkan ketetapan bayaran permit yang mana ada di-dalam Rang Undang² ini ada-lah menyebutkan dalam Fasal a (2) ia-itu. "apabila bayaran yang di-tetapkan di-bayar atau boleh," dan dalam Fasal 23 (b) "menetapkan bayaran yang kena di-bayar".

Tuan Yang di-Pertua, walau bagaimanapun dalam Rang Undang² ini pehak Kementerian boleh membuat ketetapan bayaran² permit tidak ada baik-nya di-chatetkan bayaran permit itu di-dalam Rang Undang² ini. Sekian, terima kaseh.

Tuan Ibrahim bin Abdul Rahman: Tuan Yang di-Pertua, di-dalam mana² Rang Undang², atau Bill perkara bayaran atau menetapkan harga itu tidak-lah pernah di-buat, tetapi sa-telah Undang² ini di-luluskan satu peratoran akan di-buat oleh Jawatan-kuasa dan Yang Berhormat Menteri dan Jawatan-kuasa itu akan menentukan berapa-kah bayaran untuk satu² permit itu.

Usul di-kemuka bagi di-putuskan, dan di-setujukan.

Rang Undang² di-bachakan kali yang kedua dan di-serahkan kepada Dewan sa-bagai Jawatan-kuasa.

Dewan bersidang sa-bagai Jawatan-kuasa.

Rang Undang² di-timbangkan dalam Jawatan-kuasa.

(Tuan Yang di-Pertua *mempengerusikan Meshuarat Jawatan-kuasa*)

Fasal² 1 hingga 25 di-perentahkan menjadi sa-bahagian daripada Rang Undang².

Jadual di-perentahkan menjadi sa-bahagian daripada Rang Undang².

Rang Undang² di-laporkan dengan tidak ada pindaan: di-bachakan kali yang ketiga dan di-luluskan.

THE NATIONAL LAND CODE (PENANG AND MALACCA TITLES) (AMENDMENT) BILL

Bachaa Kali Yang Kedua dan Ketiga

Menteri Tanah dan Galian (Dato' Haji Abdul-Rahman bin Ya'kub): Tuan Yang di-Pertua, saya mohon menhadangkan supaya National Land Code (Penang and Malacca Titles) (Amendment) Bill di-bacha pada kali yang kedua.

Sa-telah mendapat pengalaman pada menjalankan tugas² yang sa-lama dua tahun, Persurohjaya Hak Milek Tanah Pulau Pinang dan Melaka mendapati perlu untuk membuat beberapa pindaan kepada Undang² Hak Milek Pulau Pinang dan Melaka, tahun 1963, supaya membolehkan replacement title di-daftarkan, di-pinda atau di-batalkan dalam keadaan² tertentu, dan menasabah yang mana tidak dapat di-batalkan pada masa menggubal Undang² dahulu.

Pindaan² ini juga bermaksud untuk membolehkan daftar sementara, ia-itu *interim registers* di-simpan dengan lebeh sempurna lagi dan untuk menghapuskan beberapa kesamaran mengenai *procedure*. Ini-lah ringkas-nya tujuan² Rang Undang² yang saya kemukakan itu.

Tuan Yang di-Pertua, sa-terus-nya saya suka menghuraikan pindaan² yang di-kehendaki itu satu persatu-nya. Fasal 2 meminda section 31, Principal Act untuk memberi kuasa kepada Persurohjaya membuka satu lambaran atau folio dalam daftar sementara, jika ia mendapati suatu holding telah tertinggal atau sa-suatu surveyed lot yang boleh di-siapkan sa-bagai holding.

Fasal 3 meminda section 34, Principal Act, untuk memberi kuasa kepada Pesurohjaya membatalkan mana² lambaran yang di-dapati salah di-buka serta menetapkan peratoran² yang hendak di-ikuti terhadap pembatalan itu.

Fasal 4 meminda section 53, Principal Act, supaya mengenakan section 53 itu kepada pegangan² tanah adat dalam Daftar Tanah 'Adat Negeri Melaka yang mana nama² tuan punya tidak dapat di-tentukan pada hari yang di-tetapkan, ia-itu pada 1 haribulan Januari, 1966. Pindaan ini akan membolehkan Pesuruhjaya menentukan pemilek²-nya di-bawah section tersebut.

Tuan Yang di-Pertua, penjelasan² yang lain ada terkandung di-dalam Huraian pada Hujung Rang Undang² tersebut. Saya mohon menhadangkan.

Usul di-kemuka bagi di-putuskan, dan setuju.

Rang Undang² di-bachakan kali yang kedua dan di-serahkan kepada Dewan sa-bagai Jawatan-kuasa.

Dewan bersidang sa-bagai Jawatan-kuasa.

(Tuan Yang di-Pertua *mempengerusikan meshuarat Jawatan-kuasa*)

Fasal² 1 dan 2 di-perentahkan menjadi sa-bahagian daripada Rang Undang².

Fasal 3—

Dato' Haji Abdul-Rahman bin Ya'kub: Tuan Pengerusi, saya ingin menhadangkan pindaan kepada Fasal 3 seperti yang terkandung dalam Kertas Pindaan yang telah di-edarkan kepada Ahli² Yang Berhormat. Pindaan berbunyi seperti yang berikut:

Clause 3: Substitute for the word "building" in the proviso to the proposed sub-section (3) of section 34 the word "holding".

Pindaan di-kemuka bagi di-putuskan, dan di-setujukan.

Fasal 3 yang di-pinda, di-perentahkan menjadi sa-bahagian daripada Rang Undang².

Fasal² 4 hingga 12 di-perentahkan menjadi sa-bahagian daripada Rang Undang².

Rang Undang² di-laporkan dengan pindaan: di-bachakan kali yang ketiga dan di-luluskan.

PENANGGOHAN

(Usul)

Timbalan Perdana Menteri (Tun Haji Abdul Razak): Tuan Yang di-Pertua, saya mohon menhadangkan ia-itu Meshuarat ini di-tanggohkan sekarang.

Dr Lim Swee Aun: Tuan Yang di-Pertua, saya menyokong usul ini.

UCHAPAN PENANGGOHAN

PILEHANRAYA UMUM NEGERI SARAWAK

Tuan Tama Weng Tinggang Wan
Tuan Yang di-Pertua, saya bangun menguchapkan ribuan terima kaseh kerana dapat peluang beruchap dalam Uchapan Penanggohan ini. Tuan Yang di-Pertua, saya suka hendak menarek perhatian Dewan ini mengenai Pilehanraya Umum Negeri Sarawak. Ra'ayat Sarawak selalu tidak berpuas hati kerana Kerajaan Perikatan tidak menepati janji-nya mengenai perkara mengadakan Pilehanraya di-Negeri Sarawak.

Tuan Yang di-Pertua, dalam bulan Disember, 1966, Gabenor Sarawak, Tun Abang Haji Openg, mengumumkan pada masa membuka Council Negeri Sarawak supaya Pilehanraya Umum Sarawak di-adakan dalam bulan Ogos atau September tahun 1967. Tuan Yang di-Pertua, janji ini tidak ditepati. Dalam bulan April, 1967, Surohanjaya Pilehanraya mengumumkan, ia-itu oleh kerana sebab² yang tidak dapat di-elakkan Pilehanraya akan di-adakan pada bulan Februari, 1968 pula. Tuan Yang di-Pertua, janji ini pun tidak ditepati. Pada akhir tahun 1967, pada menjawab pertanyaan dalam Parlimen, Perdana Menteri menyatakan Pilehanraya ini akan di-tanggohkan lagi hingga bulan April, 1968. Janji yang ketiga ini pun tidak di-tunai. Pada menjawab satu soalan yang saya kemukakan dalam persidangan ini, Perdana Menteri menjawab ia-itu Pilehanraya akan di-adakan sa-lepas bulan Oktober tahun 1968.

Tuan Yang di-Pertua, ra'ayat Sarawak hilang-lah keperchayaan terhadap Kerajaan Sarawak yang di-pimpin

oleh Penghulu Tawi Sli. Nampaknya Kerajaan Perikatan chuba hendak melengah²kan hari untong nasib Sarawak dengan menangohkan Pilehanraya Sarawak.

Tuan Yang di-Pertua, kami menyeru Kerajaan Perikatan supaya menghormati janji²-nya dan adakan Pilehanraya Umum di-Sarawak sa-lewat²-nya tahun ini juga. Kalau Pilehanraya itu tidak diadakan maka Kerajaan Perikatan akan mendapati Sarawak tidak lagi menyertai-nya kelak.

Tuan Yang di-Pertua, saya berharap dapat menentukan hari yang akan datang untuk pilehanraya bagi memuaskan hati ra'ayat yang inginkan Pilehanraya Negeri Sarawak.

Itu-lah sahaja ucapan saya dan di-ucapkan terima kaseh.

Tun Haji Abdul Razak: Tuan Yang di-Pertua, soal Pilehanraya di-Sarawak ini telah beberapa kali di-timbulkan dalam Persidangan Dewan Ra'ayat yang sedang berjalan sekarang ini dan saya telah pun menyatakan, ia-itu Penyata Persempadanan Bahagian, atau pun *Report on the Delimitation of Parliamentary State Constituency* di-Negeri Sarawak sedang dalam kajian Kerajaan dan *report* ini akan di-chetak dan di-bentangkan untuk di-timbangkan oleh Dewan ini sa-telah Kerajaan selesai mengkajikan *report* itu.

Saya telah juga menyatakan, ia-itu Pilehanraya Sarawak akan di-adakan sa-telah sahaja Surohanjaya Pilehanraya selesai membuat persediaan² saperti menyiapkan daftar pengundi, menetapkan tempat membuang undi, melantek pegawai² dan sa-bagai-nya. Kerajaan tidak sa-kali² hendak melengah²kan pilehanraya di-Sarawak ini dan pilehanraya akan di-adakan sa-telah kesiapan² semua telah sempurna.

Sa-bagai Ahli² Yang Berhormat ma'alum Pilehanraya Negeri yang akan di-adakan ini ia-lah pilehanraya yang pertama kali di-adakan sa-chara terus atau *direct election* di-Sarawak, dan oleh yang demikian Kerajaan perlu mengkaji dengan teliti-nya shor² yang telah di-buat oleh Surohanjaya Pile-

hanraya dalam *report*-nya itu supaya menjaminkan, ia-itu pilehanraya yang akan di-adakan itu boleh di-jalankan dengan lichin dan sempurna, kerana Kerajaan berpengang tegoh kepada amalan demokrasi berparlimen.

Saya suka menyatakan, ia-itu Kerajaan telah pun selesai mengkajikan *report* itu dan telah menetapkan, ia-itu *report* akan di-bentangkan dalam Dewan ini dalam persidangan Dewan yang akan datang. Sunggoh pun Dewan ini akan terus bersidang sa-hari dua lagi tetapi oleh sebab prechetakan *report* ini akan mengambil masa dan saya juga perchaya Ahli² Yang Berhormat terutama sa-kali Ahli² Yang Berhormat dari Sarawak perlukan masa untuk mengkaji-nya. Kerajaan telah memikirkan, ia-itu untuk faedah semua pehak lebeh sesuai *report* ini di-bentangkan untuk mendapat persetujuan Dewan ini dalam persidangan yang akan datang ini.

Sa-bagaimana juga yang saya telah nyatakan di-Dewan ini bahawa pada menjawab pertanyaan² dalam Dewan ini, ia-itu Surohanjaya Pilehanraya telah menasihatkan Pilehanraya Dewan Negeri tidak dapat di-mulakan sa-belum bulan Oktober tahun ini. Tempoh mengundi pula akan mengambil masa sa-lama satu bulan dan nasihat ini ada-lah terta'alok kepada *report* yang di-luluskan oleh Dewan Ra'ayat dalam bulan Januari. Jadi, Surohanjaya Pilehanraya telah juga menyatakan ia-itu dari tarikh di-luluskan Penyata *Delimitation of Constituency* ini dan hari mengundi di-Sarawak, mereka berkehendakkan se-kurang-nya sa-belas bulan untuk mengadakan beberapa persediaan² yang perlu. Apabila Penyata Surohanjaya Pilehanraya di-terima oleh Parlimen, maka langkah² akan di-ambil untuk mengadakan persediaan² bagi pilehanraya itu supaya pilehanraya dapat di-adakan dengan sa-beberapa segera yang boleh.

Tuan Timbalan Yang di-Pertua: Meshuarat di-tangguhkan hingga pukul 9.30 hari esok.

Meshuarat di-tangguhkan pada pukul 8.40 malam.