

**ANNEXURE TO THE SPEECH BY
THE HON'BLE MINISTER OF DEFENCE
ON DEVELOPMENT ESTIMATES 1967**

The expenditure for the Armed Forces under the Development Estimates may be classified under two headings:-

- (a) Accommodation
- (b) Equipment

The total allocation for the Armed Forces in 1967 is \$110.3 million, \$35.5 is for Accommodation and \$74.8 million is for Equipment.

(A) Accommodation

A sum of \$35.5 million has been allocated. Out of this sum, \$19.4 million would be required to pay the contracts on projects carried out last year while \$16.1 million is allocated for new projects.

Subhead 1 – Brigade Area North: A sum of \$654,435 is allocated to meet contractual payments on last year's projects. No new projects would be started this year.

Subhead 2 – Brigade Area South: A sum of \$65,825 is required to pay the contracts on last year's projects.

Subhead 3 – Brigade Area East: A sum of \$1,066,712 is required to meet contractual payments on last year's projects. These include the cost of providing external Sewage and Electrical services at Kuantan.

Subhead 4 – Brigade Area West: A sum of \$757,375 is required to pay the contractual costs on last year's projects such as accommodation blocks, cookhouse and Canteen for the Transport Company at Port Dickson; alterations to existing accommodation and a cookhouse for the Medical Company at Kinrara, Workshops for the Electrical and Mechanical Engineers at Sungai Besi and married quarters at Batu.

Subhead 5 – Brigade Area Sarawak: A sum of \$6,811,386 is required. Out of this sum, \$2,811,386 is required to pay for last year's projects and \$4 million for the construction of an Infantry Battalion complex at Sibul.

Subhead 6 – Brigade Area Sabah: A sum of \$9,735,664 is required. From this sum, \$1,238,467 is required to meet contractual payments for last year's projects and \$8,497,197 for new projects. The new projects include the construction of accommodation for military installations in Jesselton and Tawau and the construction of married quarters in Labuan.

Subhead 7 – Naval Bases: A sum of \$2,407,063 is required. This is to complete last year's projects in Singapore, Port Swettenham and Tawau.

Subhead 8 – Air Bases: A sum of \$11,885,528 is required to meet

payments for construction works at the RMAF bases in Kuantan, Kuala Lumpur, Alor Setar and Labuan.

Subhead 9 – Ministry of Defence: A sum of \$956,216 is required to complete the construction of 24 class G married quarters, 4 office blocks, 2 accommodation blocks, 1 Signal School block and 1 Dhobi.

Subhead 10 – Divisional Headquarters: A token sum of \$10/- only has been provided.

Subhead 11 – Military Training Establishments: The sum allocated is \$1,178,500. Out of this sum, \$278,500 would be required to complete last year's projects and \$900,000 for new projects such as a Boys Training School and WOs and Sgts. Mess Minor Units at Port Dickson.

Subhead 12 – Volunteer Units: A token sum of \$10/- only has been provided.

(B) Equipment

Subhead 18 – Vehicles and Spares: A sum \$1,101,100 is provided under this subhead. Out of this sum, \$863,492 is to pay the costs of vehicles ordered last year and \$237,608 is required for new purchases this year. The new vehicles are required for the use of new units to be formed and equip the existing units to scale.

Subhead 19 – Furniture and Accommodation Stores: A sum of \$843,100 is provided. This allocation is required to equip the new buildings such as offices and married quarters with furniture and other stores.

Subhead 20 – Artillery Equipment: A token sum of \$10/- only is provided.

Subhead 21 – Special Stores: A sum of \$5,800 is provided. This allocation is required for the purchase of ammunition for our Armed Forces. Out of this sum, \$3,515,000 would be required to pay the cost of ammunition ordered last year and \$2,285,000 is to meet new requirements for this year.

Subhead 22 – Radio Equipment: A sum of \$4,426,100 is allocated, \$1,651,807 is for the payment of radio equipment ordered last year and \$2,774,293 for new requirements.

Subhead 23 – Other Equipment and Stores: A sum of \$4,151,926 is allocated. This is required to purchase military stores and equipment such as arms etc. Out of this sum, \$2,921,998 is required for the payment of equipment ordered in the previous year and \$1,229,928 for the purchase of equipment for new units.

Subhead 24 – Reserve Supplies: A token sum of \$10/- only is provided.

Subhead 25 – Purchase of Ships: A provision of \$36,089,000 is made. This provision is required to meet contractual payments on ships which have been ordered. These ships comprise of 14 Patrol Craft, 4 Motor Torpedo Boats and 1 Frigate. It is estimated that the contractual

payments for these ships will come to about \$42 million in 1967. It may be possible that the allocation of \$36,089,000 would not be sufficient and an additional sum of \$6 million may be required this year. 10 of the 14 Patrol Craft would be ready this year and would be used by our navy. The 4 Motor Torpedo Boats would also be used by the navy this year. The Frigate would be ready in 1969.

Subhead 26 – Base Spares and Equipment (Naval Base and Ships):

A sum of \$1 million is required to equip shelf stocks of base spares and equipment at RMN Bases in Singapore and East Malaysia.

Subhead 27 – Purchase of Aircraft: A sum of \$16,564,669 is required to meet payment for part of the cost of Aircraft which have been ordered. 20 jet trainer/strike CL-41-G aircraft and 10 Skyorsky helicopters have been ordered. The jet trainer/strike Aircraft would be delivered this year and 5 out of the 10 helicopters would also be delivered this year.

Subhead 28 – Purchase of RMAF Equipment: A provision of \$3,200,000 is made to provide equipment facilities for the Aircraft and Air Bases.

Subhead 29 – Payment for USA Equipment: A provision of \$1,293,917 is required for the repayment of \$12 million loan to the Government of United States of America. This loan enables the Malaysian Government to purchase arms and defence articles from America. The repayment to the United States Government will be made within a period of 10 years at an interest rate of 3% per annum. The first payment will be made on the 1st March 1967 and the final payment will be made on the 1st September, 1976.

Subhead 44 – The Regular Army (i) Purchase of Equipment: A sum of \$277,799 is allocated for the payment of arms and equipment to be bought from Britain under the 1957 Defence Agreement.