



PARLIAMENTARY DEBATES

DEWAN NEGARA (SENATE)

OFFICIAL REPORT

FOURTH SESSION OF THE SECOND PARLIAMENT OF MALAYSIA

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MALAYSIA

DEWAN NEGARA (SENATE)

Official Report

Vol. IV

Fourth Session of the Second Dewan Negara

No. 5

Tuesday, 29th August, 1967

The Senate met at Ten o'clock a.m.

PRESENT :

- The Honourable Mr President, DATO' HAJI ABDUL RAHMAN BIN MOHAMED YASIN, S.P.M.J., P.I.S., J.P. (Johor).
- „ TUAN A. ARUNASALAM, A.M.N. (Appointed).
- „ TUAN ABDUL RAHIM BIN ABDUL MANAN, P.J.K. (Negri Sembilan).
- „ TUAN ABDUL RAHMAN BIN AHMAD (Perlis).
- „ TUAN ABDUL SAMAD BIN OSMAN, P.J.K. (Appointed).
- „ TUAN HAJI AHMAD BIN HAJI ABDULLAH, A.M.N. (Penang).
- „ TUAN HAJI AHMAD BIN HAJI ABDUL MANAP, P.P.N. (Melaka).
- „ PUAN AISHAH BINTI HAJI ABDUL GHANI (Appointed).
- „ PUAN BIBI AISHA BINTI HAMID DON, A.M.N. (Appointed).
- „ TUAN AMALUDDIN BIN DARUS (Kelantan).
- „ TUAN AWANG DAUD MATUSIN (Appointed).
- „ TAN SRI DATU TUANKU BUJANG BIN TUANKU HAJI OTHMAN, P.S.M. (Sarawak).
- „ TUAN CHAN KEONG HON, A.M.N., S.M.S., P.J.K. (Appointed).
- „ TUAN CHAN KWONG-HON, J.M.N., S.M.S., J.P. (Selangor).
- „ DATO' DR CHEAH TOON LOK, D.P.M.K., D.M.K., J.M.N., J.P. (Appointed).
- „ DATO' J. E. S. CRAWFORD, D.P.M.P., J.M.N., J.P., Dato' Kurnia Indera (Appointed).
- „ DATO' FOO SEE MOI, D.P.M.K., J.P. (Appointed).
- „ TUAN GAN TECK YEOW, J.M.N. (Appointed).
- „ TUAN GOH CHEK KIN, P.J.K. (Trengganu).
- „ TUAN HOH CHEE CHEONG, A.M.N., J.P. (Pahang).
- „ TUAN HONG KIM SUI, A.D.K. (Appointed).
- „ TUAN C. D. ISMAIL, J.M.N., J.P. (Appointed).
- „ DATO' LEE FOONG YEE, J.M.N., P.P.T., J.P. (Negri Sembilan).
- „ DATO' Y. T. LEE, D.P.M.S., J.M.N., P.J.K., J.P. (Appointed).
- „ TUAN LIM HEE HONG, J.M.N., J.P. (Appointed).
- „ TUAN LIM JOO KONG, A.M.N., J.P. (Kedah).

The Honourable **TUAN S. T. MANI, P.J.K. (Appointed).**

- „ **TUAN MOHAMAD ADIB BIN OMAR, P.J.K. (Trengganu).**
- „ **DATU PENGIRAN MOHAMED DIGADONG GALPAM, P.D.K. (Sabah).**
- „ **TUAN HAJI MOHAMED SA'AID BIN HAJI ABU BAKAR (Appointed).**
- „ **DATO' ATHI NAHAPPAN, D.P.M.S. (Appointed).**
- „ **TUAN S. P. S. NATHAN (Appointed).**
- „ **NIK HASSAN BIN HAJI NIK YAHYA, J.M.N. (Appointed).**
- „ **TEMENGGONG OYONG LAWAI JAU, M.B.E. (Sarawak).**
- „ **TOK PANGKU PANDAK HAMID BIN PUTEH JALI, P.J.K. (Appointed).**
- „ **TUAN SAIDON BIN KECHUT, A.M.N. (Appointed).**
- „ **DATO' SHEIKH ABU BAKAR BIN YAHYA AL-HAJ, D.P.M.J., P.I.S., J.P. (Johor).**
- „ **TUAN SYED AHMAD BIN SYED MAHMUD SHAHABUDIN, J.M.N., S.M.K., J.P. (Kedah).**
- „ **TUAN SYED DARUS BIN SYED HASHIM (Perlis).**
- „ **TAN SRI T. H. TAN, P.M.N. (Appointed).**
- „ **DATO' E. E. C. THURASINGHAM, D.P.M.J., J.P. (Appointed).**
- „ **DATO' S. O. K. UBAIDULLA, D.P.M.S., J.M.N. (Appointed).**
- „ **DATO' WAN IBRAHIM BIN WAN TANJONG, J.M.N., P.J.K., Orang Kaya Indera Maharaja Purba Jelai (Pahang).**
- „ **WAN SULAIMAN BIN WAN TAM, P.J.K. (Appointed).**
- „ **TUAN YAHYA BIN HAJI AHMAD (Perak).**
- „ **TUAN YEBOH KIAN TEIK (Perak).**

ABSENT:

The Honourable the Minister without Portfolio, **TAN SRI ONG YOKE LIN, P.M.N. (Appointed).**

- „ **DATO' JOSEPH AUGUSTINE ANGIAN ANDULAG, P.D.K. (Sabah).**
- „ **TUAN CHEAH SENG KHIM, J.P. (Penang).**
- „ **TUAN ANDREW JIKA LANDAU (Appointed).**
- „ **TUAN KOH KIM LENG (Melaka).**
- „ **TAN SRI HAJI MOHAMED NOAH BIN OMAR, P.M.N., S.P.M.J., D.P.M.B., P.I.S., J.P. (Appointed).**
- „ **RAJA RASTAM SHAHROME BIN RAJA SAID TAUPHY (Selangor).**
- „ **TAN SRI G. SHELLEY, P.M.N., J.P. (Appointed).**
- „ **TUAN WILLIAM TAN (Appointed).**
- „ **DATO' WAN MUSTAPHA BIN HAJI WAN ALI, D.J.M.K. (Kelantan).**

IN ATTENDANCE:

The Honourable the Minister for Welfare Services, **TUAN HAJI ABDUL HAMID KHAN BIN HAJI SAKHAWAT ALI KHAN, J.M.N., J.P. (Batang Padang).**

- „ the Assistant Minister of Finance, **DR NG KAM POH, J.P. (Telok Anson).**

PRAYERS

(Mr President in the Chair)

ADJOURNMENT *SINE DIE*

(MOTION)

Tan Sri T. H. Tan: Mr President, Sir, I beg to move:

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

Dato' Y. T. Lee: Sir, I beg to second the motion.

Question put, and agreed to.

Resolved,

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

EXEMPTED BUSINESS

(MOTION)

Tan Sri T. H. Tan: Mr President, Sir, I beg to move:

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

Dato' Y. T. Lee: Sir, I beg to second the motion.

Question put, and agreed to.

Resolved,

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

BILLS

THE INCOME TAX BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "An act to make provision for imposing a uniform income tax throughout Malaysia in place of the taxes imposed by the Income Tax Ordinance, 1956, of Sabah, the Inland Revenue Ordinance, 1960, of Sarawak, and the Income Tax Ordinance, 1947, of West Malaysia; for specifying rates and allowances in connection with the tax; for ascertaining chargeable income; for assessing, collecting and recovering tax; for the administrative care and management of the tax; and for incidental and related purposes", be read a second time.

Dato' Y. T. Lee: Sir, I beg to second the motion.

The Assistant Minister of Finance (Dr Ng Kam Poh): Mr President, Sir, Honourable Members are no doubt aware that the taxation of income in Malaysia is presently administered under the provisions of three separate Ordinances, viz.,

- (a) The Income Tax ordinance, 1956, of Sabah;
- (b) the Inland Revenue Ordinance, 1960, of Sarawak; and
- (c) the Income Tax Ordinance, 1947, of West Malaysia.

Since these Ordinance are very different from one another, considerable technical and administrative difficulties have been encountered in using them as a tax collecting measure, and it was evident that the assessment of income tax on a component basis in the face of such difficulties could not be continued indefinitely.

On 15th June, 1967, a proposed Income Tax Bill was published in the Government *Gazette* to afford an opportunity to all interested parties to study it and make representations. I would like to take this opportunity to thank all those who have communicated their views and observations on the Bill to the Treasury. These were given very careful consideration and whilst the Government has accepted many of the representations received it has necessarily but reluctantly been obliged to reject some of them in order to safeguard the revenue.

The Bill now before the House is the culmination of a considerable effort in time, thought and labour. It is a significant milestone in the income tax legislation of this country and is in keeping with the more enlightened fiscal policies of the most advanced countries, but without the numerous complexities and ambiguities extant in the legislation of many countries. Honourable Members will have observed that this Bill is characterized by a painstaking effort to spell out as much as possible the different permutations of any set of circumstances having a bearing on the incidence of the tax. I am sure that the Bill as

drafted will be welcome to the tax-paying public and their professional advisers.

Without going into too much detail, I suppose to touch on some of the main features of the Bill. We will now have the world income scope of charge, i.e. a person other than an individual who is resident in Malaysia, or an individual who is ordinarily resident in Malaysia, will be charged to tax on his income arising anywhere in the world. Certain temporarily resident individuals and all non-resident persons will be charged to tax on income derived from Malaysia. It is a fundamental principle of income tax legislation which charges tax on a world income basis to have regard to the residential status of a taxpayer. With respect to persons who are not resident in Malaysia, only income derived from Malaysia is chargeable to tax, whereas for persons resident in Malaysia, the tax is on income wherever derived. It was, however, considered undesirable to subject to tax as well the non-Malaysian income of persons who are short-term residents of Malaysia, such as casual visitors, Colombo Plan experts and employees on short-term contracts, since such persons are in most cases taxed in the countries from which they come, and if they are given relief for foreign tax paid, there would be little or no tax yield to Malaysian revenue. Moreover, to attempt to tax such individuals might act as a strong disincentive to persons, who might otherwise be willing to come to Malaysia under technical assistance programmes, or to persons without whose services the setting up of new industries in Malaysia might be rendered more difficult. The tax treatment of such persons in some developing countries is much more generous. Apart from this exemption, every person resident or every individual ordinarily resident in Malaysia will be subject to tax on income wherever arising. The Bill spells out in detail the different circumstances in which an individual is to be regarded as ordinarily resident for the purposes of the world income scope of charge to tax. This scope of charge for persons ordinarily resident in Malaysia

is intended to encourage the investment in Malaysia of Malaysian funds which might otherwise be invested abroad.

The income on which tax is calculated for a year of assessment will be that for the year immediately preceding that year of assessment, or in the case of a business, for an accounting year ending in the immediately preceding year. The commencement and cessation provisions of the Income Tax Ordinance of West Malaysia, the year of assessment to 30th June for persons other than companies in Sabah, and the current year basis of assessment for salaries tax and interest tax in Sarawak are abolished. This new basis of assessment normally referred to as the preceding year basis is easily understood and will no doubt be very acceptable to all taxpayers. With the adoption of the preceding year basis of assessment it has become necessary to legislate for assessments to be made in advance of a year of assessment in order to safeguard revenue, for example, when a retiring employee is leaving the country, and to ensure an even flow of revenue. No hardship or inconvenience whatsoever is anticipated since suitable payment arrangements can normally be made to the satisfaction of the taxpayer.

In consequence of the unification of the existing tax laws of the three components of Malaysia, persons having income from more than one component will be required to make only one return of all his income, instead of separate returns from each component as at present. The return will normally be made to the component in which the taxpayer normally resides. In the case of non-residents, the proposal is to require them to make their returns of income to the Kuala Lumpur office of the Inland Revenue Department.

There is to be a change in the treatment of losses suffered in a business, trade, profession or vocation. The Bill provides that a loss suffered in any year in a business may be set off against income from all sources for that year, but any loss not so set off may be deducted only from income from business sources in subsequent years and

not from income from all sources. This limitation is designed to safeguard revenue and is not intended to discourage more active participation in commerce and industry. This measure of relief is reasonable without being over generous and compares favourably with that prevailing in most developing countries.

Appeals against assessments to the Board of Review in West Malaysia and Sabah and to the Commissioner of Inland Revenue in Sarawak will be discontinued with the appointment of Special Commissioners. The appointments will be made by the Yang di-Pertuan Agong and it is intended that at least one of any two Special Commissioners hearing an appeal should be a person with legal or judicial qualifications. Adequate safeguards for the interests of taxpayers are provided in the Bill through a right of appeal to the High Court and, if necessary, to the Federal Court. The new procedure, it is hoped, will expedite the disposal of appeals against assessments to the mutual advantage of both the appellant and the Government.

Parents who prefer to educate their young children in schools outside Malaysia will no longer be allowed the double rate deduction which is available only in respect of children of over 16 years of age, who are educated outside Malaysia and Singapore. The rationale for this exclusion is that the Government is already providing adequate primary and secondary education in this country and, if parents choose to send their children abroad for such education they should not expect to receive any special assistance from the Government. The Bill also allows a double rate deduction to a person residing in East Malaysia whose unmarried child is receiving full-time instruction at any university, college, school or other educational establishment in West Malaysia or in Singapore since the educational facilities in East Malaysia are not yet comparable with those of West Malaysia or of Singapore.

Honourable Members will have observed that the penalty provisions in this Bill, in certain respects, are more

severe than those in the existing Ordinances. The justification for these enhanced penalties is that it is the duty of the Government to ensure that the income tax laws of the country are fully enforced in the interests of the general body of taxpayers who would otherwise have to bear a disproportionately heavier tax burden through no fault of their own. These penalties are necessary as a deterrent to would-be tax evaders or those who deliberately delay submission of returns of income or omit or understate their income. It is considered that the Government should not condone the sins of those who do not accept their obligations to the country. The honest taxpayer need have no qualms about these penal provisions since there is provision in the Bill to abate or remit the penalties where circumstances warrant such abatement or remission.

In the face of persistent and widespread evasion or attempts at evasion of tax, and in view of the inadequacy and shortcomings of existing legislation to prevent avoidance of tax, it is considered necessary to give wider powers to the Department of Inland Revenue. Taking into consideration there are approximately 213,500 individuals in Malaysia paying income tax out of a population of nearly 10 million and the average reported income of a businessman is only \$3,600 per annum, it should be obvious to all and sundry that evasion and avoidance of tax are manifestly rife in this country. These additional powers are, therefore, necessary and will be used with circumspection and fairness by the Inland Revenue Department. I am sure that every honest citizen will support the Government in its fight against tax evasion and the prevention of tax avoidance.

Countries having Double Taxation Agreements with us have been informed that with the coming into force of this Act, negotiations for fresh agreements will commence as soon as possible.

As I have stated earlier, representations received were very carefully considered by the Government. Some of

the more important amendments to the Bill giving effect to the representations which have been accepted by the Government are as follows:

- (a) The 30% abatement of tax payable by an individual resident in East Malaysia in respect of chargeable income of not more than \$50,000 per annum will continue for the year of assessment 1968. It is considered that with the upward harmonisation of personal reliefs in East Malaysia with those in West Malaysia, and the aggregation of income in Sarawak, the withdrawal of such abatement might result in undue hardship to the smaller taxpayers in these two components.
- (b) The proposal to tax bonus shares or debentures as an exercise to prevent tax avoidance, especially by controlled companies, has been dropped since it is considered preferable to encourage companies to plough back their profits into their businesses and not to distribute them by way of dividends. Moreover, where it is evident that the issue of bonus shares or debentures is not intended to plough back profits but is designed to distribute profits to shareholders, there is provision in the Bill to disregard the transaction and to treat it as a payment of dividend.
- (c) In keeping with the Government's policy to encourage more industrialisation in Malaysia and the migration of labour to the less developed parts of the country, housing provided by employers for workers not in the clerical, administrative and managerial grades, will qualify for generous capital allowances. An initial allowance of 40% is proposed and this compares very favourably with the 10% initial allowance for industrial buildings or structures. It is hoped that the entrepreneur will take advantage of this very generous tax concession to provide accom-

modation or a better standard of accommodation for his labour force.

- (d) The proposal to tax retiring gratuities, designed to prevent tax avoidance by the payments of substantial "golden handshakes" on the retirement of an employee, or the payment of gratuities on termination of employment whether or not a contract of employment subsists, has also been dropped. It is considered that considerable hardship could thereby be caused to a retiring employee who is at the end of his working life, or who has been forced to leave his employment because of circumstances beyond his control, and is likely to have difficulty in finding other employment. Exemption from tax will now be granted in respect of gratuities payable on retirement on or after 55 years of age in the case of a male employee, and on or after 50 years of age in the case of a female employee, or on account of ill-health. In the case of other gratuities payable on the termination of employment, they will be spread over the period of the employment, subject to a maximum of 5 years.
- (e) Leave passages of employees, like expenses for medical or dental treatment, are specifically excluded from liability to tax. It is appreciated that whilst there might be some valid reasons for taxing passages, it is felt that taxing them might appear to be an act of discrimination against foreign capital which we wish to encourage.
- (f) The value of accommodation provided to an employee by or on behalf of his employer is taken to be the annual value of the premises as determined by the local rating authority, or in the absence of such a value, the economic rent of the premises, and in either case a sum not exceeding 20% of the employee's gross remuneration for

the year. It is considered that the proposed ceiling of 20% is more realistic than the present 10% because Government should not be subsidising the provision of palatial accommodation by employers who clearly have money to burn.

- (g) The proposed rate of disallowance of 10% in respect of premiums payable by a person carrying on the business of general insurance in Malaysia to a reinsurer outside Malaysia in computing the income of the Malaysian insurer, is reduced to 5%. The reason for the disallowance is that since the premiums are paid to an insurer outside Malaysia, no tax would be payable in Malaysia in respect of profits which the foreign re-insurer is expected to make. Whilst the Government is unable to accept the suggestion to delete the disallowance from the Bill, it is considered that there are adequate grounds for reducing the rate of disallowance to 5%.

- (h) With the growing importance of the timber industry, the initial allowance in respect of plant and machinery used for extracting timber, will be increased to 60%. This harmonises with the rate of initial allowance available to the tin mining industry in West Malaysia. In addition, the cost of constructing roads and buildings in forests in connection with the business of extracting timber from forests in Malaysia, can be written off over a period of ten years. This relief is similar to that available to the planting industry.

In conclusion, I would like to take this opportunity of repeating the amnesty for income tax evaders which I offered in this House in 1960. Recently, there were suggestions both in Parliament and in the Press that another amnesty should be announced. It was said that there were many successful businessmen and capitalists who had

been boarding currency notes of large denominations which were the fruit of income tax evasion, and that if an amnesty were again offered, that tax evaders would be able to bring out their cash hoards for the development of the country. We have given considerable thought to this suggestion and have come to the conclusion that in view of the 10th anniversary of Merdeka and with the coming into force of this unified income tax legislation for the whole of Malaysia, the time is perhaps opportune to renew this offer. As in the previous amnesty, there will be a moratorium against prosecution of those tax evaders who voluntarily disclose their past misdemeanours. However, on this occasion, the amnesty will be complete in that those who have evaded income tax including tin profits tax, turnover tax, payroll tax and estate duty and who come forward not later than 31st March, 1968 to make a voluntary and full disclosure of their past misdeeds, will not be prosecuted nor be required to make any commercial restitution. In other words, they need pay only the amount of the tax they have evaded without the penalties which but for this amnesty would normally be imposed on them.

As I have stated earlier, the penal provisions in this Bill have been enhanced. The current anti-evasion drive is producing the expected results and is steadily gaining momentum. It is, therefore, hoped that the tax delinquent will avail himself of this last opportunity to put his tax affairs in order and spare himself the many sleepless nights he would undoubtedly suffer before the Inland Revenue Department catches up with him.

Dato' Athi Nahappan: Mr President, Sir, let me at the outset, express my great satisfaction and my congratulations to the Honourable Minister for announcing the amnesty. As a matter of fact, if I may, with humility, recall that I had the good fortune to suggest the idea of an amnesty in this very House some time ago, and also I made one or two press statements. In view of the fact that we need more and more

capital for our various developments, and also having regard to the fact that a lot of money has been going out of the country, it was reported that hundred dollar bills of Malaysia were easily available in Hong Kong, I did make an humble suggestion that an amnesty could be announced to encourage those hoarders who had made piles of money, of course by unlawful means, or having made money by lawful means, were interested in evading income tax successfully, and then not knowing what to do with it.

In respect of those others, who have been making money by unlawful means, I do not want to catalogue them, but would only say that in every society there are people who make money by unlawful means. Previously, Sir, I did list out a number of categories, but in the press only two of them, or rather just one category of them was singled out, namely, the prostitutes and, Sir, a number of prostitutes have made a lot of money and they do not know what to do with this money. They cannot declare this money but having amassed a certain amount of money they want to buy properties particularly to invest in realties, but then the whole fact comes to light. The moment they buy a house, then the Income Tax Department wants to know "How did you buy this house—what was the source?", and the person concerned finds it awfully difficult to expose herself that, "I made this money through prostitution or as being a masseur or by any other unlawful means".

Apart from these people, there was one instance which was referred to me, and I did mention that particular reference, of course, without naming the person, that she had made money from prostitution and she had bought two properties and then when she had bought the properties, the Income Tax Department came to know about it and then naturally they want to know the wherewithal or the sources from which she made the money and she felt rather embarrassed—that was what I was told by a member of the profession.

Quite apart from these categories there are a lot of people in our society. The Honourable Minister has just now said, and he has been repeating it elsewhere and it is familiar fact that in this country we have a population of 10,000,000 but only 200,000 are paying income tax—only 2%. This is a deplorable state of affairs—it has been repeatedly stated—but I do not know what the Government is doing to enlarge the quantum of people, people who can afford to pay and not paying. However, I know of one thing and that is that the Income Tax Department is very hard against people, who are already paying and squeezing them more and more, but not doing sufficiently to bring to light the others who are not paying and have not been paying since 1947 when the tax was introduced. For this sorry state of only 200,000 people paying, I only blame the Income Tax Department.

As taxpayers we get pressed and pressurised and threatened, because we have been lawfully paying—and we do get into difficulties often and ourselves in a difficult situation, but we are not tax dodgers. Of those 200,000 who are genuinely paying, if they avoid they try to avoid lawfully. That is, of course, allowed so long as one can avoid lawfully. Of course, evasion is bad, and the sorry fact is that there is a large proportion of the people—nobody knows how many—in this country who can afford to pay tax are not paying, and we get experts from foreign countries who are only interested in squeezing the people who are already squeezed. I may be a bit harsh in my remarks but, I think, if the Minister uses this as a ground, then I would say—in respect of giving more powers to the Honourable Minister and also the Comptroller General—I hope that these powers would be used to unearth those who have not been paying for many many years and make them pay first—and I think if you do that, probably, even the tax rate can be reduced for the others, who are paying, because many are not paying our levels of taxation and the number is steadily

going higher and higher, and development is demanding more responsibilities on the part of the citizens, and if it goes on higher and higher, I am afraid that people will feel too squeezed in this country and the incentives that are needed for a developing atmosphere may be affected. We should not try to kill the goose that lays the golden egg, but we must try to discover more geese.

One social reality in this country has not been sufficiently discovered and exploited. I mentioned this the last time, I think, in this Parliament, and outside, that in our society there are a lot of people who make money lawfully and yet do not pay—let us leave out the prostitutes, the masseurs and the others. There are a lot of hawkers and small-time tradesmen carrying on the family business with no capital, or overheads, or responsibilities; they just carry on in street corners, having a little cart and paying only the municipal licensing fees and operating for eight and nine hours—husband, wife, daughter and son. I know of one hawker in one place. I was interested to stand there and watch and in an hour he was selling something like \$7 to \$8 worth of kway teow, and he carried on for about ten hours a night making roughly \$80 to \$100 a night, without a big capital outlay, with the husband, wife and a daughter taking turns and working and in two places. Eventually, what would happen? He earns something like \$80 to \$100 a night; he makes a clear profit of, I think, 50 per cent or \$1,500 a month. This money he hoards; he does not put it into the bank; he keeps the money under the pillow cases, the traditional place where money is kept, or under mattresses, or in coats and pants—either it get lost or it is there and eventually he decides to buy a property. These people only think of buying land and house after having amassed the money. Then comes the difficulty as to where he got the money and then he has to pay income tax, undergoing a certain amount of difficulties.

Further, in view of the fact that Singapore is now a separate country and they are, of course, quite legitimately very keen to draw capital from all sources, and I do not think they have great regard to prudence as to where and how the money comes from so long as money comes into it, because of this parity exchange rate, it is very easy for hoarded money to go into Singapore and get into the banks. I do not think there can be effective checks in view of this very free arrangement that we have between these two territories. It would be so utterly easy for any one who makes money in this country unlawfully through blackmarket processes, smuggling, and in any number of conceivable ways to have the hard cash currencies transferred into Singapore and have them banked there. That is a fact, and it has got to be recognised and watched and probably appropriate measures taken.

Perhaps, this amnesty would come as a very good *Merdeka* gift, and it is a good *Merdeka* gift, and I hope that taking advantage of this, a lot of people will legitimise their money by investing it in various projects that the country is offering, and I am sure, in view of the fact that we are already hard pressed for capital for our economic development, we should try to discover the money, and I wish to congratulate the Honourable Minister for making this announcement, and I hope that a lot of people would take advantage of it. This, of course, would not be repeated from time to time and those who have got hoarded money should not think that Government would give further opportunities.

Having said, that, Sir, I would congratulate the Honourable Minister for this Bill which consolidates, tidies and unifies. It has got some major changes at least, if I may say so—three of them. One is, as the Minister has stated, the world scope of income tax. A person ordinarily resident in Malaysia has to pay income tax on all his income not merely in Malaysia; and other change is the extensive powers for the Minister—authority to raise rates without

prior parliamentary approval; this is, of course, a very sweeping power and, of course, we can rely on the good sense of the Honourable Minister of Finance and of course his able assistant, the Honourable Assistant Minister who sits there, that in trying to raise the rates from time to time as dictated by the needs of the country, the element of incentives will always be kept in mind, that we should not saddle our country with too much taxes which would drive or shy away capital that might come in and also try and encourage our people to seek elsewhere for investment.

The third, of course, is the new powers given to the Comptroller-General and one of them being that he can disregard transaction and the effect of that is to avoid or vary the liability to tax.

Now, these are all new powers and they have been found necessary, I hope, as it has been stated to be so, to have more efficient administration of revenue collection, and I hope these tools would be used to discover others, who have not been paying, as I have indicated earlier, so as to become responsible for payment.

Sir, there is one particular innovation, i.e., the disappearance of additional allowance for children educated abroad, if they are under 16. I suppose there are not many children of ours abroad under 16, but I was glad to note that the age limit is put around 15 or 16, though we have provided places in our educational institutions for children between the ages of six and now thirteen; but still there is not enough room in the secondary schools and we are still struggling to find a place for all those potential students; and a person who wants to go abroad, after his L.C.E. level, assuming that he is unsuccessful here and that his parents are in a position to send him abroad, then there should be some kind of relief given. The age limit is 15, but I would have been happier if it was 16. However, I suppose it would still be beneficial for those students who are not successful. Many of them go into

private schools and there are not enough good private schools to cater for their interests. But not so very long ago, the Honourable Minister for Education, I think, announced that something like 120,000 students sit for L.C.E. examination and only about half of them, about 50,000 or 60,000 of them find places in the secondary schools in Form IV and so on, after L.C.E. Now, that means the other half, about 50,000 students in this country, if they do not get through their L.C.E. examination, they would be left out and they would have to find places in the private schools or have their own arrangements to study. We are not in a position to find classes for them and if parents can, through their hard-earned money, send their children abroad for further education, then they should be given the necessary tax relief.

There is the other provision, the introduction of earned income allowance for married women. The provision is self-defeating to some extent in the sense that it almost takes away by the right hand what it gives by the left hand or *vice versa*. It says: "Nine tenth of a wife's earnings will be deductible or \$500 whichever is the less." Now, that alternative provision really takes away most of the benefit that might come out of this.

Apart from these observations, Sir, I have one particular observation to make with a heavy heart and that is the provision with regard to the Hindus. The Hindus in this country, they are on No Man's Land. They get recognised sometimes as Hindus, sometimes as non-Hindus, in so far as their customary laws are concerned, and the Government has been, I think, having the best of both worlds in a number of matters concerning Hindus. For instance, in the case of pensions, the Hindus are supposed to be potentially polygamous, but actually very few of them have more than one wife, but in the case of pensions and other rights the polygamous rights of Hindus are not recognised here. Even the Immigration Department does not

want to recognise the second wife for purposes of entry here. Now, for the purpose of tax, the Hindu law or the Hindu concept of the joint family system is accepted here. Now, that is a very cumbersome institution, which is slowly giving way in India by industrial revolution, social changes, and it is cracking up fast. But our Government here is rather determined to see that that concept is recognised in so far as tax liability is concerned, and this is seriously affecting the Hindus of this country here.

I do not want to take you into the intricacies of it. The Hindu law is a very ancient law, with full of customary concepts and to get a grasp of it is difficult, even the Privy Council from time to time finds it difficult in pronouncing rational judgement. Now, in so far as this concept here, which is in Clause 72, is concerned, it applies to all Hindus by birth in this country, whether citizens or not. Now, under this provision, tax is leviable on a joint Hindu family basis on properties acquired from ancestors—not self-acquired property—but if I acquire property from my father, then that property becomes under the Hindu joint family concept, and that in turn goes on to my children by survivorship. Though it goes by survivorship that means that property I can enjoy what I get from my father, enjoy the incomes of it, then, after me, the property goes on to my children and their children. It comes down the line by survivorship. Even though it falls by survivorship, the estate duty here is levied to some extent on the manager or the *karta*, as it is said, of Hindu family system. Technically speaking, where a property devolves by survivorship, then there should be no estate duty, but here estate duty is levied—but that is another point. Now, a person who takes such property can, of course, enjoy the income of it for himself and for his children, and so on; but in so far as relief for income tax purposes is concerned, he is only given a concessional rate of about \$1,000, whereas the same property—I mean in the case of a self-acquired property,

not property acquired from ancestors—any other person in this country, he can get the maximum benefit of, say, \$7,000 to \$8,000 in this country. Whereas property obtained from ancestors through survivorship, a Hindu *karta* gets only a concession of a thousand dollars. Now, this is a glaring inequality because of one thing—the joint Hindu family system is not practised in this country. Very few of us follow that.

Even in India, as I said, it is cracking up and even there lots of concessions are given by the Tax Department, but unlike here there is no concession given; and yet this institution has somehow or other found its place in 1947 and has been there and recognised for the last twenty years. Now, the one reason that is given is that the *karta* of a Hindu joint family or the manager, who is himself an owner, because the *karta* is usually the head of the family, he is supposed to be the manager of the family, he manages it for himself and for other coparceners and they enjoy the benefit of it, and this Hindu joint family system is said not to be falling within the definition of an individual; because of its composite collective character, they said this would not enjoy the benefit of tax relief that is given to an individual. An individual who has acquired property either by devolution or by self-acquisition, any other person, I mean a non-Hindu, whereas he can get a relief of up to \$7,000 or \$8,000 maximum, the head of a Hindu family in this country can only expect to get \$1,000. This is based on an unrealistic concept which is not practised in this country by Hindus, and I do not see why the Hindus should be saddled with this burden, and it is high time that this should have been dis-recognised so as to bring the Hindus along with the others here—the Sikhs, the Buddhists, the Christians and everybody else. I do not know how the Muslims are being affected, but all others normally are getting this relief. Even for the purpose of

distribution in this country, the Hindu law is not followed in other aspects of administration and so on.

Why should it be only in the question of infliction of tax? Somehow or other, it has been there and it has been allowed to be there.

Mr President, Sir, there is another disadvantage that works against the Hindus of this country, and that is the question of non-residence, whether citizens or not. In the case of non-residents, it has been said that 40% tax will be leviable. Now, there is some degree of concession shown to a citizen at graduated scale if he is abroad, that is, Malaysian income is taxed in proportion to his world income—that is to say that if his Malaysian income is about \$40,000 and if his foreign income is \$40,000 his total income is \$80,000, say he gets a relief of \$8,000 leaving \$72,000 which is the total income—Malaysian as well as foreign income. He gets a graduated scale as if he was resident even though he was not. That is the concession given to citizens. But in the case of Hindus, a *karta* who is a citizen is not given this benefit. Now, why should there be this discrimination? There again the reason is that, "Well, the Hindu joint family system is not quite an individual, the trustees are not given this". A *karta* of a Hindu joint family is not on all fours with trustees. A trustee is not a beneficial owner; he is only a legal owner; and he only holds the property nominally, but the beneficiaries enjoy. In the case of a *karta*, he is himself both a legal and a beneficial owner. He is an owner of the estate itself but he enjoys it with the other coparceners.

These are the two main glaring disadvantages given and I hope the Honourable Minister with the administrative powers given to him would take these into consideration at least as an initial measure. We would rather hope that this provision, Clause 72, which says,

"The income of a Hindu joint family shall be assessable and chargeable on the family's Manager or *karta*, who shall accordingly

be assessable and chargeable to tax on behalf of the family."

is removed, because this can cause a lot of difficulties. For instance, supposing a citizen, a Minister for that matter, is appointed as an ambassador in a country, say, in the United Nations, and he goes there and he remains there for more than 182 days, i.e. absent from this country, then what happens to his properties acquired from his ancestors? Supposing he has a property, given to him by his father, worth half a million dollars and he goes abroad and he stays abroad, now what happens to his property if he is a *karta*, if he is the head of that Hindu family or if he is the manager of that Hindu family? He will be taxed 40% even though he is a citizen, whereas other citizens who are non-Hindus will not be taxed 40%; they get the graduated benefit. This is a glaring inequality and it is not really consonant with our Malaysian concept. We are now trying to seek as far as possible unified provisions for all races, secular ideas, no longer tied on to their religious ideas, because many of our laws relating to inheritance and other rights are becoming more and more secular, and I do not see why a provision which is itself anachronistic in India should be held on here and find its place even in a well tidied legislation such as the one we have here. It is, I think, a symptom of social injustice, and I would like the Honourable Assistant Minister of Finance who is here to convey the feelings that I have expressed.

I know that a number of people in this country, unfortunately, are not aware of the implications of this. It is there, and if the Tax Department imposes the tax probably they just have to pay; and unless Parliament takes it up and some consideration is given, I suppose, this would be a heavy burden on Hindus in this country, especially now if I get a property and then if I give it to my son then that becomes an ancestral property. He is a citizen and I am a citizen and he will only get \$1,000 concession. Even if I transfer the property during my lifetime to him, unless I get valuable

consideration from him, it would be considered as a gift, if it is given merely for love and affection. Then what? He still gets only a relief of up to \$1,000, whereas others get a relief of up to \$8,000 and have to pay less tax. So, I think this is a provision that should not be there, and I must strongly advocate that in fairness to the Hindus in this country, it should not be there. What I would suggest is that at least give an initial relief to the *kartas* or managers of Hindu families, who are abroad and who are citizens, and treat them at the same level with the other citizens who are abroad.

With these observation, Sir, once again I would like to congratulate the Ministry and the Honourable Minister for the amnesty announced and for a really well-balanced and rationalised Bill with, of course plenty of powers in the hands and we hope these powers will always be used with mercy and justice. Thank you.

Dato' Sheikh Abu Bakar bin Yahya Al-Haj: Honourable Dato' President, Sir, I also welcome the introduction of this Bill into this House by the Honourable Assistant Minister just now. It is a bulky one and, for myself, I have really no time to scrutinise it properly. I do not want to be long, Sir, in my submission, as has been done by my learned friend from across the floor, because we have, I think, about 28 Bills to cover for the day.

However, Sir, I would like to ask the Honourable Minister a question. I would like to be informed, Sir, whether income tax will be leviable on the gratuity obtained by Government officers upon their retirement from the Government Service. I believe that the sum of gratuity given by the Government is usually calculated at two-fifths of the annual salary multiplied by ten years. If it is subjected to income tax—as I said, I have had no time to scrutinise the Bill properly—and if there is a section, I would like to be informed as to the relevant section.

Dato' Dr Cheah Toon Lok: Mr President, Sir, I agree with the Government that we should have a unified

income tax. This is a very bulky tax Bill, and we have heard the oratory of my learned colleague, Dato' Athi Nahappan, on some benefits and some defects of this Bill. It appeared to me just now that when the Minister was introducing this Bill he said that this Income Tax Bill is adopted from the most advanced and civilised countries. I think he is quite correct there, but one must bear in mind that our country is not the most advanced country—it may be civilised, but not the most advanced. Secondly, our traditions, customs and way of living are different from those of the most advanced and most civilised countries of other parts of the world. We have heard just now the Honourable Dato' Athi Nahappan talking about the Hindu joint family affairs and how the *karta* was unjustly taxed. But what about us who were born in this country? We have certain traditions. For instance, those of us who are Malaysians of Chinese origin have certain traditions and we have to support our father and our mother, and yet this relief has not been given to us to maintain our traditions in this country. You have taken away most of our income in income tax and we have nothing to provide for our parents. I think in fairness to the people in this country, and in fairness to our traditions and customs, at least some relief as a gesture—the amount may be small, it does not matter—should be given in respect of our parents to show that at least the Government recognises certain of our customs and habits.

The other point is that we have only 200,000 people who are paying income tax. Now, the logic of this, if you look at it from a layman's point of view, is either that there are a lot of people evading income tax or that the people are very poor in this country and you are taxing very poor 200,000 people, or that we are so confident of getting money from these 200,000 people that we have never wanted to go outside these 200,000—we are contented with working only on these 200,000 and squeezing these 200,000. I think it is high time that the Government should throw its net to cover more

people, who would come under this net to pay income tax. We can try our best to help the Government but, of course, if we try to do it people will say, "You are Government spies", and this and that. However, I would ask the Government not to spend too much. If we have not enough money, for heaven's sake, do not spend too much and raise income tax and borrow money from abroad and bankrupt this country. We are an advancing country, we are just a developing country, we are not civilised yet—not so civilised—I mean not so sophisticated and I do not want to say the word "civilised" but not "so sophisticated".

Dato' Athi Nahappan: On a point of clarification, I thought the Honourable Dato' Dr Cheah Toon Lok said earlier on that we are civilised but we are not advanced. Now, he seems to be saying we are not civilised. Can I ask clarification from him what he stands for.

Dato' Dr Cheah Toon Lok: We are a developing country, and if we are developing, we are not advanced. We are civilised, but because our civilisation is different, we are civilised in a different way (*Laughter*). Yet there are things that we should do. The first thing is our children and women. I agree in principle that our women should be equally treated. In this Income Tax Bill are they equally treated? We have women coming back from Europe with degrees and qualifications such as gynaecologists, doctors and lawyers and when they get married, their income is lumped together with their husbands' income. I have known women who come back and say, "What is the use of my practising, if I get my income lumped together with my husband's and getting only about 10%. If this is not a customary tradition, we must advance our womenfolk. Let them earn. We must have separate income for wife and husband as in Europe. You say you bring the best traditions from Europe, and yet you adopt certain traditions which are not the best for this country. I know that lots of lady doctors do not want to practise and they stay at home looking

after their children. They say, "Why should we practise? I spent so much money for my education and yet when I come back here I get only 10% of the value of my knowledge." I think it is high time that the Government consider this point, so that we can advance our womenfolk and allow them to earn a good income and then the Government can get good income tax from them. If you want, raise it up a bit, but do not lump them together and deprive our woman folk of the chance of advancement. They fear to work because they work they do not get the value for money.

Sir, I agree with what Dato' Athi Nahappan has stated about our children's education. There should be a certain latitude allowed to this question of age. There are geniuses, and I know that people have been to Harvard University at the age of 13, 14, and they take courses in law, in mathematics, in engineering, and in science, at the age of 14, and yet here we deprive our children of a university education abroad. We have limited it to students of over the age of 16. A genius may blossom at the age of 4 or 14.

By and large, this is a good Income Tax Bill, because it brings in Sabah and Sarawak, but I do not know what the people of Sabah and Sarawak will be saying. But for us, we get a lot of money into Malaysia. I hope that the Government will be fair in its treatment of the taxpayers, especially when so much power has been given to the Comptroller-General of Income Tax—he has got so much say in this matter—and I hope that his approach to taxation will be broad, and I hope he will be very generous too.

Nik Hassan bin Haji Nik Yahya: Dato' Yang di-Pertua, dalam menyokong Undang² Chukai Pendapatan ini saya suka hendak memberi dua tiga pandangan kepada Kementerian yang berkenaan.

Baharu sa-kejap ini Menteri Muda Kewangan telah menyatakan kepada Dewan ini ia-itu ada-lah kali yang kedua beliau mengishtiharkan amnesty

kapada mereka² yang melarikan diri daripada membayar chukai² pendapatan ini.

Saya percaya pengishtiharan amnesty ini tidak sampai kapada jumlah tiga kali, kerana dua kali itu pun sudah memadai supaya dapat mereka ini faham bahawa Kerajaan berkehendakan kapada wang untuk perbelanjaan pembenaan negara ini. Sa-telah amnesty ini di-ishtiharkan dua kali, saya rasa pehak Kementerian yang berkenaan tentu-lah memikirkan sa-telah selesai di-beri-nya peluang itu, apa-kah tindakan² yang harus di-ambil bagi memastikan mereka ini membayar dan tidak melarikan wang² yang menjadi hak Kerajaan itu. Bagaimana pernah kita beri amnesty kapada komunis² didalam hutan, Kerajaan sa-te'lah selesai memberi amnesty itu, maka Kerajaan menjalankan satu peperangan yang habisan² supaya dapat menghapuskan komunis² yang ada dalam hutan itu. Saya rasa bagi memenohi kehendak dan tujuan menchukupkan wang Kerajaan untuk perbelanjaan negara kita ini, maka amnesty dua kali yang telah di-ishtiharkan itu sudah memadai dan cukup untuk mengerahkan segala tenaga, segala pegawai, segala usaha, bagi mendapatkan segala wang yang di-hakkan oleh Kerajaan itu.

Perkara yang kedua pada pandangan saya, ia-lah saya memberi tahniah kapada Kementerian yang berkenaan kerana telah mengatorkan satu Undang² Chukai Pendapatan yang lengkap yang saya fikir hampir lengkap yang dapat di-terima oleh sa-jumlah besar daripada ra'ayat negara ini. Satu daripada buku dalam Undang² ini yang saya suka memberi tahniah ia-lah satu timbangan bagi mengechualikan chukai pendapatan kapada semua badan² orang ramai yang bekerja dan bertujuan bagi kepentingan orang ramai. Badan² ini pada masa dahulu telah di-kenakan chukai sa-kurang²-nya 8 peratus dan sa-lebeh²-nya 12 peratus bagi tiap² badan orang ramai yang memungut derma yang mendapatkan pendapatan² untuk bagi kepentingan pekerjaan orang ramai, tetapi di-dalam Undang² ini telah di-masokkan di-bawah senarai pengechualikan yang mana badan² ini tidak lagi di-kenakan chukai pendapatan dan

di-kechualikan daripada membayar chukai itu.

Saya rasa dengan ada-nya fasal dalam Undang² ini, ada-lah satu galakan yang di-berikan oleh Kerajaan kapada orang ramai untuk menubuhkan badan² dan bekerja untuk orang ramai bagi faedah masharakat negara kita ini. Banyak badan² orang ramai yang ada di-sekitar negara kita ini tentu-lah telah banyak mengutip wang derma, telah membelanjakan atas berbagai² pekerjaan untuk membena masharakat negara kita ini. Sa-tengah² daripada pertubohan ini terpaksa meminta kebenaran daripada Kerajaan kerana mengechualikan berbagai² derma untuk berbagai² tujuan. Sa-tengah² daripada-nya telah dapat pengechualian di-atas bayaran chukai pendapatan bagi mereka yang menderma kapada badan² ini. Jadi kalau sa-kira-nya badan ini terpaksa membayar pula chukai pendapatan, maka berma'ana-lah itu satu langkah yang tidak menggalakkan pekerjaan orang ramai itu. Jadi dengan perubahan yang di-ator di-dalam Undang² ini, maka saya rasa ini ada-lah satu Undang² yang baik bagi pekerjaan masharakat negara kita ini.

Satu lagi yang saya suka menarek perhatian Kementerian yang berkenaan untuk memikirkan supaya di-buat satu pindaan kemudian nanti ia-lah perkara berkenaan dengan chukai pendapatan bagi mereka² bumiputera yang chuba hendak memasokkan diri-nya di-dalam lapangan perdagangan dan perusahaan. Mengikut Undang² Chukai Pendapatan, sa-sabuah sharikat yang telah di-daftarkan di-bawah Undang² sharikat yang berhad, maka mereka terpaksa membayar 40 peratus daripada chukai pendapatan-nya, walau pun mereka itu baharu memulakan perniagaan. Mengikut Undang² yang sa-tahu saya ada lagi satu pembayaran chukai yang di-panggilkan chukai bayaran untuk sharikat yang berhad sa-banyak \$500 walau pun sharikat itu tidak menjalankan perniagaan dalam tempoh yang tertentu, maka terpaksa juga sharikat itu membayar \$500 yang di-panggilkan untuk chukai sharikat berhad. Pada pendapat saya oleh kerana dasar Kerajaan kita berdasar kapada keutamaan

untuk meletakkan orang Melayu atau bumiputera di-dalam lapangan perniagaan dan perusahaan, maka satu pindaan, satu pandangan, atau pun satu kajian patut di-beri kepada sharikat² bumiputera yang chuba hendak memulakan perniagaan, atau pun bumiputera yang chuba hendak masuk diri-nya dalam lapangan perdagangan dan perusahaan. Kalau boleh Kerajaan memberi pengecualian cukai kepada sharikat² yang besar², kilang² yang datang daripada luar negeri bagi tempoh 3 tahun atau pun 5 tahun, di-kecualikan bayaran cukai pendapatan untuk mereka ini mendapat bertapak dan maju dalam lapangan perniagaan dan perusahaan, mengapa tidak dapat Kerajaan memberikan satu peluang menentukan satu had—masa—bagi sharikat² bumiputera yang baharu di-tubuhkan supaya mereka ini dapat bertapak dan meletakkan asas perniagaan mereka dalam satu tempoh yang tertentu, katakan-lah, tiga tahun atau lima tahun untuk menjalankan diri-nya dalam lapangan perniagaan dan perusahaan? Kalau sa-kira-nya chara itu dapat di-beri, timbangan yang sa-umpama ini dapat di-beri kepada sharikat² bumiputera yang baharu meletakkan asas untuk menjalankan perusahaan perniagaan, saya rasa lebih banyak lagi bumiputera² khas-nya orang² Melayu kita, yang sanggup akan memasoki diri-nya dalam lapangan perniagaan dan perusahaan.

Bagaimana kita ma'alum, Undang² mendaftar sharikat² telah pun di-pinda dan bayaran² bagi mendaftarkan sharikat itu telah di-naikkan boleh di-katakan sa-buah sharikat yang hendak di-tubuhkan di-bawah Undang² Sharikat Berhad, itu terpaksa membelanjakan beratus bahkan beribu ringgit. Jadi bagi bumiputera apabila mereka itu terpaksa berbelanja beribu ringgit untuk memulakan satu sharikat berhad, maka tentu-lah mereka ini terpaksa menjalankan perniagaan-nya itu dengan chukup chermat dan chukup terator dan terpaksa mengechilkan belanja-nya sa-berapa yang dapat, tetapi apabila ke-untungan yang di-dapati daripada chara susunan chara halus itu sa-kira-nya terpaksa di-bayar pula cukai pendapatan sa-banyak 40 peratus itu,

saya rasa ini ada-lah satu perkara yang memberatkan sharikat² bumiputera dan saya rasa Kerajaan kita sanggup berbuat demikian, sanggup mengadakan satu peratoran, sanggup memberi satu tempoh yang tertentu kepada sharikat² bumiputera supaya mereka ini dapat berjalan dalam satu tempoh untuk membawa diri-nya kepada satu tangga kemajuan bagi sharikat² yang di-tubuhkan itu.

Saya tahu banyak sharikat bumi-putra yang telah di-tubuhkan dengan bayaran perbelanjaan yang besar, kemudian chuba hendak menjalankan perniagaan dengan kesulitan pembayaran cukai pendapatan dengan return-nya dengan berbagai² soalan-nya, maka sharikat itu terpaksa mati—terhenti perniagaan-nya atau mati terus tidak dapat menjalankan perniagaan-nya. Ini menyusahkan Pejabat Income Tax: Pejabat Income Tax itu terpaksa menghantar return berpuluh² return, kawan yang menerima return ini tidak ada benda yang hendak di-bayarkan—hendak berikan return-nya kerana perniagaan-nya sudah habis bengkerap mati di-tengah jalan sahaja. Jadi saya rasa ini satu perkara yang patut mendapat perhatian berat daripada Kementerian yang berkenaan.

Bagi orang² yang telah bertapak, bagi ahli² perniagaan dan perusahaan yang telah kokoh pendirian-nya, yang dapat berjalan dengan baik, saya rasa tidak ada sebab mereka ini hendak melarikan diri daripada membayar cukai. Kalau sa-kira-nya mereka dapat untong \$100 kenapa tidak dapat mereka ini membayar cukai sa-banyak \$40? Kalau mereka ini tidak mahu membayar cukai \$40 saya rasa mereka ini sudah tidak begitu setia kepada negara. Mereka ini chuba melarikan apa yang hak bagi mereka sa-bagai ra'ayat yang telah mencari kekayaan, mencari keuntungan di-dalam negara kita ini. Jadi kalau sa-kira-nya Menteri Muda kita yang ada di-hadapan kita ini telah bermurah hati memberi dua kali amnesty kepada mereka ini, maka mereka ini tidak mahu terima juga amnesty kita, maka orang² yang sa-umpama ini patut-lah Kerajaan mengambil satu tindakan yang tegas

supaya dapat memberi pandangan, dapat memberi pengajaran kepada mereka yang lain yang telah dapat bertapak dan dapat keuntongan yang besar yang boleh membayar chukai kepada Kerajaan.

Jadi ini-lah saya rasa bagi pehak Kementerian patut tahu menimbangkan, sesuaikan dengan dasar Kerajaan. Tidak-lah bagaimana apa yang berlaku hari ini, umpama-nya, Income Tax itu di-hantarkan sahaja kepada sharikat itu, saya tahu sharikat yang tidak berniaga pun dia assesskan \$10,000 kita bayar Income Tax \$7,000—kena bayar Income Tax. Jadi tiap² sharikat itu tidak ada perniagaan, tidak ada benda pun di-asesskan mengikut apa suka pegawai Income Tax itu.

Saya rasa ini sangat-lah tidak kena pada chara-nya, tetapi ini-lah mengikut undang² yang lama. Saya fikir dan mengikut undang² yang baharu ini saya perchaya perkara itu tidak akan berlaku, sebab tiap² sharikat berhad itu ada Chartered Accountant yang membuat kira²-nya. Jadi Chartered Accountant yang yang membuat kira² ini bagaimana Kementerian pun tahu barangkali masing² banyak pekerjaan, bertimbun² kira² yang tidak di-buat sa-hingga menjadi kelewatan masa sa-hingga sharikat itu terpaksa menerima assessment yang di-buat oleh Income Tax ini. Jadi saya fikir di-bawah undang² baharu ini boleh-lah Ketua Income Tax menghantar sa-orang Pegawai Income Tax di-tempat atau di-negeri di-mana sharikat itu berada untuk memanggilkan pegawai yang berkenaan itu supaya pegawai itu boleh memberikan kepada Pegawai Income Tax itu kedudukan yang sa-benar mengenai kira² sharikat.

Pada masa yang sudah², Pegawai Income Tax itu chuma memberi assessment sahaja tidak dengan di-halusi, tidak dengan siasat, tidak dengan dipanggil. Jadi mengikut undang² ini, saya rasa sangat-lah baik undang² ini, kerana di-beri kuasa kepada Pegawai Income Tax itu boleh memanggil, boleh memeriksa, boleh mengambil tahu tentang perjalanan sharikat ini.

Jadi ini ada-lah satu kaedah yang lebeh baik, yang lebeh kemas untuk perjalanan pada masa hadapan.

Jadi saya fikir kalau sa-kira-nya kita sudah ada undang² yang bagini kemas, saya rasa elok-lah chara perjalanan itu pun di-tukar, di-susun balek, di-kemaskan balek supaya pegawai² yang ada itu tidak-lah berjalan sa-bagaimana yang ada pada hari ini.

Saya minta-lah kepada Kementerian supaya menghapuskan chukai² yang di-katakan chukai sharikat berhad yang di-kenakan \$500 bagi satu sharikat apabila sharikat itu tidak dapat mengeluarkan keuntongan atau menjalankan perniagaan dengan baik.

Saya tidak tahu di-bawah undang² mana di-kenakan \$500 itu, tetapi kalau sa-kira-nya Income Tax itu, undang² ini di-kenakan pula \$500 ini satu keberatan bagi sa-sabuah sharikat yang hendak di-jalankan dan saya minta pertimbangan kepada Kementerian sakali lagi supaya mengkaji balek tentang kedudukan sharikat bumiputera atau khas-nya orang Melayu yang suka hendak masuk dalam lapangan perniagaan dan perusahaan. Sekian sahaja, Dato' Yang di-Pertua, terima kaseh.

Tuan Saidon bin Kechut: Tuan Yang di-Pertua, saya juga ingin hendak mengambil bahagian sedikit dalam perbincangan masalaah Rang Undang² Chukai Pendapatan ini dan sa-bagaimana biasa juga negeri² lain pun ada-lah mengenakan chukai dalam pemerintahan-nya untuk kebaikan dan pembangunan negara. Chuma dalam perkiraan yang telah di-jalankan selama ini oleh Jabatan Chukai Pendapatan ia-itu perkiraan memasukkan jumlah tanggungan anak. Tanggungan anak yang di-maksudkan, yang di-jadikan perkiraan di-dalam Jabatan Chukai Pendapatan ini ia-lah sa-banyak lima orang anak sahaja dan anak² yang sa-lebeh-nya tidak masuk kira.

Saya rasa dalam mendapatkan sumber² kewangan negara yang mana tiap² Kerajaan menjalankan segala

langkah² sa-hingga menjalankan pungutan chukai yang berbagai² rupa dan bentok-nya yang mana sa-telah undang² chukai ini di-jalankan, ra'ayat yang setia akan menjalankan pembayaran-nya juga sa-bagaimana yang kita dengar tadi ia-itu ada sa-paroh, sa-bahagian membayar, sa-bahagian tidak, dan Kerajaan akan mengambil tindakan bagaimana yang di-kehendaki. Tetapi dalam soal perkiraan tanggungan anak yang di-masukkan hanya lima orang, ini satu perkara yang harus Kementerian atau pun Kerajaan kita mempertimbangkan sa-mula ia-itu apakah hal-nya anak yang lebeh daripada lima orang yang mana ibu bapa yang mempunyai anak yang lebeh daripada lima orang, berapa orang juga yang lebeh daripada sa-takat lima orang itu ada-lah menjadi tanggungan kepada kedua ibu bapa-nya. Saya rasa dengan chara yang di-jalankan perkiraan anak sa-banyak lima orang ini sahaja, saya fikir barangkali bukan sahaja Jabatan Kesihatan yang menja'ankan birth control atau pun peranchang keluarga, daripada Jabatan Income Tax ini pun menjalankan peranchang keluarga juga, ia-itu membenarkan sa-banyak lima orang sahaja.

Saya fikir, bagaimana yang saya tahu, sa-tengah daripada negara² di dalam dunia mengutamakan, memberi layanan, memberikan keistimewaan kepada orang yang banyak anak, sa-hingga orang² yang minta kerja, orang² yang minta tanah, orang² yang mendapat layanan daripada Kerajaan di-utamakan kepada orang² yang banyak anak dan ada sa-tengah² negara memberikan hadiah² yang istimewa kepada keluarga yang banyak anak. Tetapi kita di-Malaysia ini saya tidak tahu di mana yang dapat di-ikuti sa-bagai contoh ia-itu di-Jabatan Income Tax hanya mentafsirkan jumlah anak yang menjadi tanggungan ibu bapa hanya sa-banyak lima orang sahaja.

Jadi ini-lah yang saya katakan, saya chuma ingin dapat perhatian daripada Kementerian yang berkenaan supaya perkara ini di-timbangkan untuk memberikan keadilan dan kepuasan sakurang²-nya saya rasa biar-lah 10 orang anak itu di-tafsirkan kepada

jumlah perkiraan yang di-kenakan kepada tanggungan, dan jumlah ini bagi pehak ra'ayat Malaysia yang saya tahu terutama-nya bumiputera yang mempunyai jumlah anak yang banyak lebeh daripada lima orang ia-lah mempunyai jumlah yang paling kecil sakali. Jadi saya rasa perkara ini tidak begitu rumit untuk di-selesaikan oleh Kementerian kita dan mudah²an dapat perhatian. Sekian Dato' Yang di-Pertua.

Tuan Syed Darus bin Syed Hashim: Tuan Yang di-Pertua, saya bangun menyokong Rang Undang² ini dan saya suka-lah berchakap sa-patah dua bersangkut dengan chukai pendapatan ini dan kerana selalu saya dapat rungutan daripada orang² yang berdekatan dengan saya yang mengatakan bagi pehak Kerajaan mengutipkan chukai pendapatan ini tidak-lah begitu bijak, kerana sa-tengah² orang yang di-tuntutkan chukai pendapatan ini terkena kepada orang yang tidak mempunyai harta dan bagi orang yang ada harta tidak pun pernah di-tuntut chukai pendapatan ini.

Jadi saya menarek perhatian Kerajaan, umpama-nya, ia-itu kepada isteri saya sendiri yang tiap² tahun di-tuntutkan chukai pendapatan, tetapi kalau-lah di-siasat yang isteri saya sendiri itu tidak ada mempunyai harta sa-lain daripada saya yang ada di-mileki oleh-nya. Jadi apa yang saya katakan di-sini ada orang² yang mempunyai harta, bendang-nya lebeh 50 relong dan juga kebun getah-nya lebeh daripada 30 relong tidak pernah pun di-minta chukai pendapatan ini.

Jadi dengan ini saya minta-lah kepada pehak Kerajaan tiap² satu perkara yang hendak di-tuntutkan chukai pendapatan ini, terlebeh dahulu di-siasat dan di-teliti yang orang saperti manakah yang patut membayar chukai pendapatan ini. Dengan ini saya berharaplah pehak Kerajaan menghalusi terlebeh dahulu. Terima kasch.

Mr President: Persidangan ini digantungkan sa-lama 10 minit.

Sitting suspended at 11.30 a.m.

Sitting resumed at 11.40 a.m.

(Mr President in the Chair)

Dr Ng Kam Poh: Mr President, Sir, I thank the Honourable Senators, who have supported this Bill and who have given numerous valuable suggestions whereby tax evasion can be overcome, and also those who have to a certain extent appealed to the Minister of Finance for certain amendments to be made. I can assure this House that, where feasible, amendments will be made to enable taxation, in particular income tax, to be levied on a very equitable basis. Before I go any further, I would like to answer certain questions posed by the various Honourable Senators.

To begin with, I would like to answer the few questions posed by the Honourable Senator Dato' Athi Nahappan.

Mr President, Sir, I have counted not less than five times he mentioned the word "prostitutes" and some how or other that thing seems to be sticking to his mind—the world's oldest profession, I would prefer to put it. Nevertheless, he has said that he welcomes the idea of the Government's amnesty to enable such people to bring in their hoarded evaded taxes, so that we will be able to get further taxation. He castigates the Honourable Minister of Finance saying that the Government is only levying tax and squeezing the people, who are in the 215,000 category, but have allowed the others to go free. This castigation was not only made by him but also by the Honourable Senator Dato' Dr Cheah. Perhaps, an explanation might be of help to the Honourable Senators. The 215,000 people who are paying income tax are to a certain degree—I say to a certain degree—honest taxpayers. If they are honest taxpayers, they need not fear the Department of Inland Revenue. However, when we employed experts to come here and used statistics to compute the income tax of the various professions, the highest income per capita, I am afraid to say, are the doctors of medicine. For that reason, we have put a clamp on all doctors first, and you will be amazed, Sir, that some of them have coughed up to

the tune of \$500,000, and some even to a million dollars for evading income tax.

Now, Sir, first we are getting rid of the people who are just paying income tax—some of them have been blatant evaders of income tax; we have come to doctors, lawyers, the various professions, and then we have come to the businessmen. Sooner or later we will come to the people outside the 215,000 category. Mr President, Sir, outside this 215,000 category, it is difficult to pin them down, because they have not paid tax and we do not know for sure where their incomes come from. However, in the long run, with this anti-evasion drive, there is a very little likelihood for them to escape. As the Honourable Dato' Athi Nahappan has pointed out, some time, some how, somebody is going to spend the money that he has accumulated all these years—he or she might want to buy a house; he or she might want to buy a piece of land; he or she might want to buy a car; and he or she might want to spend something on luxuries. Mr President, Sir, the time will come, when such things happen, then we will nab them, and I can assure this House that in the long run it does not pay to evade income tax.

I agree with the Honourable Senators here that the drive against evasion of income tax is a long one, but the arm of the law is just as long, and sooner or later, the evaders are bound to be at the receiving end and will face the income tax officials as to how they have obtained so much money. I am quite aware, Mr President, Sir, that Singapore has opened the doors of its banks to such people and no questions are asked if money is put into the Singapore banks. However, if you should think of putting money only in Singapore banks, or keep the cash, as most people do, or hoarding it in gold bars or jewellery, and not attempting to buy a house, a car or land, or some form of luxury, the Department of Inland Revenue will not get to you so soon. However, once you do one of these things, the long arm of the Department of Inland Revenue will

catch up with you; and if you do not make use of this amnesty then you will be liable to the penalties set out in the new Income Tax Bill which, as you know, are very heavy. I can assure this House that once this amnesty is over, the anti-evasion drive will go on full swing and it will not be very long before we catch up with the balance of the 9,800,000. Assuming that 5,000,000 of them are not liable to pay tax, even then the base of taxation has been broadened because of the Development Tax.

If I remember rightly, Mr President, Sir, both Houses of Parliament have welcomed the development tax of 5 per cent on net income of over \$500 for a person or a company, with a minimum of \$100—5 per cent for an individual. I would not go into the ramifications of the development tax because that had been debated before. Suffice it to say, that as the base broadens and the anti-evasion drive gathers momentum, these tax evaders will not escape the law. Further, we are not only using the anti-evasion drive against tax evaders, but we have also since long ago up to date welcomed information from people about people evading tax, and we even pay rewards to people who give us this information. This is one of the ways whereby we will be able to catch up with them.

Sir, the Honourable Senator Dato' Athi Nahappan has said that he has watched a hawker, who made \$7 to \$8 within one hour and working, say, for 10 hours he might be getting roughly from between \$70 to \$100.

Dato' Athi Nahappan: On a point of clarification, Mr President, Sir. It is not \$70 to \$80 in one hour—in a night, I mean. Seven to eight hours in a night, and my calculation was that he makes about \$80 to \$100 in a night.

Dr Ng Kam Poh: Sir, I said \$70 to \$100 a night.

Dato' Athi Nahappan: I am sorry.

Dr Ng Kam Poh: Such people, Sir, will in the long run be tempted also to buy houses and land, and they will

go and see lawyers like Dato' Athi Nahappan (*Laughter*) to fulfil agreements to buy land. We will catch up with them sooner or later—they are not going to escape.

True, Sir, the Comptroller-General has been given wide powers to stamp out this evasion of income tax; but they are meant not to be used against the honest taxpayer, but only against the evader. Besides one can appeal to a Board of Commissioners. In the Income Tax Bill it is stated that there will be only two members. However, in the Dewan Ra'ayat, when the question was posed, the Honourable Minister of Finance has agreed to consider more representation on the Board of Commissioners. That I would like to inform the House—it may be three, maybe five, may be seven—so that nobody will say that we are unfair to them because there are only two and if one of them disagrees, then the honest taxpayers, as has been mentioned in the House, "has had it". He can also appeal, of course, to the High Court and, finally, to the Federal Court.

I wish to inform the Honourable Senator Dato' Athi Nahappan that the wife's earned income relief is already present in the present legislation in Section 35, sub-section (2) of the West Malaysian Income Tax Ordinance.

Concerning the Hindu joint family, I am sure the Honourable Minister of Finance will give it further consideration. However, I would like to reply to some of his questions. Income tax is normally levied on income no matter to whom it belongs—to tax the income of everyone, be it a joint Hindu family, a company or an individual. An individual, Mr President, Sir, as explained in the Income Tax Bill, is a natural person—in other words, one person. A "person" as stated in the Income Tax Bill, means two or more persons, a company, partnership, and so on and so forth, and a joint Hindu family comes under that category. Relief is given to the joint Hindu family and it is not \$1,000, according to the Honourable Senator Dato' Athi Nahappan, but \$2,000. Frankly, I do not see any reason why relief should be given

for more than \$2,000. What about the companies? They do not get relief. If relief is given to the joint Hindu families, then we have also to give relief to companies, trusts, and so forth, because they come under this same category. However, there is a slight difference between a joint Hindu family and a company as such. As I said, I will bring this up with the Honourable Minister of Finance and give it due consideration, but the argument is such.

The Honourable Senator Dato' Sheikh Abu Bakar has posed the question as to whether gratuities would be taxed or not. Mr President, Sir, the Comptroller-General of Inland Revenue has given out a Press statement. However, the papers, I am afraid, did not play up so well. I would like to clarify this to this House. There is no tax levied on the commutation of pensions, in other words your two-third gratuity, but pensions are liable to tax as it is now at the present moment. If you will permit me, Sir, I will read to you the statement given by the Comptroller General of Inland Revenue, Mr Lim Leong Seng:

"It has come to my attention that the exclusion of references to sums received by way of commutation of pensions or sums withdrawn from an approved pension or provident fund or society from Schedule 6 to the Income Tax Bill has given rise to the misconception that such sums are no longer exempt from tax under the Bill. This statement is issued to clarify the position. It is a normal principle of income taxation that capital sums are not chargeable to income tax unless there is a specific provision in the Act to deem such sums to be income. Sums received by way of commutation of pensions"—

that means, as I said, commutation of pensions—

"and capital sums withdrawn from an approved pension or provident fund or society are not income in the hands of recipients and, therefore, do not attract liability to income tax."

I am afraid some of the papers have left out the words "commutation of pensions", and thereby some misunderstanding had arisen from the pensionable public.

"It was, therefore, not necessary to include these two items in Schedule 6 to the Bill.

It is, therefore, confirmed that sums received by way of commutation of pensions and capital sums withdrawn by individuals from an approved provident or pension fund or society will continue to be exempt from income tax."

Mr President, Sir, it was dated 28th August, and it was in this morning's papers. So, as I have mentioned before your commutation and your Employees Provident Fund will not be subject to tax, but as regards pensions they are even taxed at the present moment.

Mr President, Sir, the Honourable Senator Dato' Dr Cheah, has brought up the subject of relief for aged parents. He said that this is a developing country and that as we are using Income Tax laws and Enactments in line with advanced countries, we should be able to give a certain amount of relief, however small, to the aged parents who in the Asian way of life live with their children. This has also been brought up in the Dewan Ra'ayat by some Members of the Dewan Ra'ayat and the Minister has given an assurance that he will look into this matter very, very, carefully and give it due consideration, because there is likelihood of it being abused. If we can find a way, we will surely try our best to give this form of relief to the taxpayers.

Mr President, Sir, there are some who argue that the double taxation relief for children going overseas under the age of 16 are not equitable in that some people mature very early and, as the Honourable Dato' Dr Cheah has said, they become geniuses at the age of 14. Mr President, Sir, these cases are few and far between, and I do agree that if one is a genius and wants to go overseas, I must presume that the family is fairly affluent to be able to afford him the chance to go overseas. If he is a genius and if he wants to go overseas.....

Dato' Athi Nahappan: Mr President, Sir, on a point of clarification—would the Honourable Assistant Minister say on what basis of fact does he presume that? What is the basis for his presumption that, if a family has a genius, it must be necessarily well to do to send that child abroad?

Dr Ng Kam Poh: The basis of presumption, Mr President, Sir, is very simple if the Honourable Dato' Athi Nahappan will just use his powers of deduction. First, if he is genius, he should get a place here in Malaysia—no difficulty. If he is on the borderline, yes—he may not be able to get a place in Malaysia. If he is a genius, why shouldn't he?

Dato' Athi Nahappan: Mr President, Sir, on a point of further clarification—I thought I understood the Honourable Assistant Minister said that the family should be able to send him abroad, the presumption being that the family should be economically well off.

Dr Ng Kam Poh: Mr President, Sir, if he knows that a boy is a genius at 14 and able to get a place in Malaysia and still wanting to send him overseas, that person must be affluent. Is there any argument, Mr President, Sir? *(Laughter)*

Dato' Dr Cheah Toon Lok: On a point of clarification, Mr President, Sir, though one is a genius he would have no place in Malaysia if he exceeds a certain age limit. That is an age limit in that one goes up to a certain form within an age limit—one cannot go beyond that.

Dr Ng Kam Poh: Mr President, Sir, I do not think I can agree with the Honourable Senator Dato' Dr Cheah. As I said, these cases are few and far between. If such cases should come out, I am quite sure the Honourable Minister of Finance will be able to encourage the genius, if facilities are not available in Malaysia, to allow him to go overseas. However, do not pin-point one out of a million—a genius also comes out maybe one in 10 million. We may have a genius in the whole of Malaysia in one year. Let us not make an argument out of a generalisation of so many. That is where my argument lies.

Mr President, Sir, my father, I regret to say, is not affluent and my father did not get relief when I went to the University of Singapore. In saying this I am not trying to tell you about myself, but I am trying to prove a point, Mr President, Sir. I agree that

if you send your son overseas, the university overseas subsidises him and so you relieve the present Government of subsidising you to a certain extent. But nevertheless, my father had to pay my way to college as well as to pay his income tax. In a certain way, I suppose I can be accused of being slightly bitter if you like, but be that as it may, I am not. I can well see the value of sending somebody overseas where the Government overseas subsidises that student and we need not pay for such subsidy if a child goes overseas; but it is because we have primary and secondary education available here to our children that this relief is taken off now. However, relief is still given to university students over the age of 16 who go to universities; double deduction relief is still given to students going to the overseas universities. That is why the age limit of 16 is imposed. But if there are many geniuses I am sure our Government will only be too glad to encourage such students to find their way overseas if, and I say it is a big if, facilities are not available in Malaysia.

Dato' Dr Cheah Toon Lok: On a point of clarification, Sir, I want to point out that we have the most advanced way of taxation, but we have not the most advanced way of relief *(Laughter)*.

Dr Ng Kam Poh: Mr President, Sir, if the Honourable Dato' Dr Cheah Toon Lok has listened to me, I have accepted that fact. He has asked that the question of relief for the aged parents be considered and, as I said we will consider it. This question was also brought up in the Dewan Ra'ayat. Must I repeat myself again? I hope the Honourable Dato' Dr Cheah will allow me to continue my speech.

Dato' Athi Nahappan: On a point of clarification. This is not Dewan Ra'ayat, this is the Senate.

Dr Ng Kam Poh: I am quite aware of that fact, otherwise, I would not be here.

Mr President, Sir, now I would like to answer the questions posed by the Honourable Senator Nik Hassan.

Nik Hassan bin Haji Nik Yahya: I am not a Dato'.

Dr Ng Kam Poh: I am sorry—perhaps in the very, very near future (*Laughter*). He has asked us to raise the development tax to a higher level. I am in no position to answer that question at the present moment, but since the development tax had been debated during the debate on the Budget Speech, I think most Senators have already accepted that. As to the other points he has suggested, I can assure him that all his suggestions will be taken into consideration.

The Honourable Senator Saidon bin Kechut has asked for more relief in respect of the number of children, because some have large families—more than 5 children. At the present moment, we only give relief for five children. Sir, in terms of economics, if one person marries another and produces two children it is quite normal, three is fair enough, five is also fair enough—but to have 10, 12, 15, there will be a population explosion (*Laughter*). That is obvious to all and sundry. We are now trying to introduce family planning; we are trying to introduce all sorts of things, to cut down our birth rate. Singapore has introduced legalised abortion to cut down the birth rate. In a way it is a sensible thing—I am not talking about religion, I am talking about economics. So, let me put it this way: if you have five children, we give you relief—in other words, the Government is helping you with these five children. If you have more than five children, is it fair for any one family to impose these children, in future, on the Government where education is concerned, social service, medical service and so forth are concerned? If one person has ten children, 10 persons have 100, and you can multiply it by 10 million, and you can see what burden the Government will be saddled with. That is why we discourage anybody to have more than five children, and for that reason we do not give relief for more than five children. That is one of the reasons, Mr President, Sir. If you want to have five, ten or 15 children, nobody is going to stop you. By all means have 20

children, if you want to. Some people say that a large family is a happy family. Who am I to go and dispute that fact? You can have 20 children, but you cannot expect the Government to give you relief, when you are imposing a burden on your fellow countrymen. You will have to find your way out.

Finally, I would like to reply to the Honourable Tuan Syed Darus. He says that his wife has no income and yet the Inland Revenue Department sent her income tax forms to fill in. Sir, sometimes in this country we do admit we make mistakes, sending forms to the wrong people or at the wrong address, but that is inevitable. Our Inland Revenue Department is a hard working Department. The only thing is for one to write back to the Inland Revenue Department saying that my wife, or ask your wife to write, if she can, saying that she has no income and not to send her any more forms in the future, and that would be the end of it, if the wife really has no income. I do not think the Department of Inland Revenue will be so hard-hearted that there is not even a little bit of the milk of human kindness flowing from the Department of Inland Revenue. I was investigated twice, Mr President, Sir, and I should know that. But nevertheless, I am sure that if one were to sit down and have a chat with them and present the facts to them, it will be found that they are a bunch of quite nice people—they are not out to squeeze blood out of stone as some Members of both Houses have made them out to be—they are fairly reasonable people.

In conclusion, Mr President, Sir, I would like to say a very hearty word of thanks to all the Members, who have so strongly supported this Bill and to some extent criticised it in a very, very constructive manner, and to the various Members who have made this debate so very interesting. Thank you.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr President *in the Chair*)

Clauses 1 to 156 inclusive ordered to stand part of the Bill.

Schedules 1 to 9 inclusive ordered to stand part of the Bill.

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

THE FINANCE (AMENDMENT) BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to amend the Finance Act, 1965" be read a second time.

Dato' Y. T. Lee: Sir, I beg to second the motion.

Dr Ng Kam Poh: Mr President, Sir, the Finance Act, 1965, provides that the Minister of Finance may exempt public bodies or a class of employers from the payment of payroll tax as may be specified by notification in the *Gazette*. It will be noted that the power of exemption of the Minister covers a class of employers. There is no further provision for the Minister to grant exemption to a particular employer.

The amendment is necessary because the Federal Government, by virtue of Section 76 of the Malaysia Act (No. 26 of 1963), is under obligation to exempt the Sarawak Shell Oilfields Limited from the payment of payroll tax in accordance with an Agreement of Lease between the Company and the Government of Sarawak signed on 23rd June, 1952.

The Bill which is now before the House is to seek an amendment to the Finance Act to enable the Minister of Finance to exempt any employer from the payment of payroll tax as well as any class of employers.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr President *in the Chair*)

Clauses 1 and 2 ordered to stand part of the Bill.

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

THE ACCOUNTANTS BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to provide for the registration of Accountants and matters connected therewith" be read a second time.

Dato' Y. T. Lee: Sir, I beg to second the motion.

Dr Ng Kam Poh: Mr President, Sir, the position of the accountancy profession in Malaysia at present is not entirely satisfactory in that although many accountants are members of long established and reputable associations and have within the last few years between them formed the Malaysian Association of Certified Public Accountants for the purpose of maintaining adequate standards of competence and ethics in this country, there are many who wish to be considered as accountants but who belong to accountancy associations imposing lower standards or whose members could be considered under-qualified except for a measure of practical experience.

There are three main fields in which the qualified accountants may work, first in public practice, second in commercial or industrial organisations, and third with Government or semi-Government or statutory bodies. There is already a limited control of public accountants in public practice as laid down under Section 8 of the Companies Act, 1965. This requires that any person who wishes to act as an auditor of companies must obtain the approval of the Minister of Finance who must be satisfied that the person is of good character and is competent to act as an auditor. Other enactment set out regulations for the approval of auditors for particular bodies such as co-operative societies, trade unions and schools.

The object of the Bill, therefore, is to make provision for the adequate control of the accounting profession as a whole, and this control is to be entrusted to a Malaysian Institute of Accountants to be established under the Bill. The Bill also makes provision for the minimum standards of experience required before a person can be considered to be competent to perform the duty of an auditor.

Part II of the Bill establishes the Malaysian Institute of Accountants as a body corporate with perpetual succession and a common seal. Its functions are as set out in Clause 6 and include, amongst other things, the registration of accountants and regulation of the practice of the profession. It may with the approval of the Minister of Finance make rules on various matters including training and examination as provided in Clause 7.

Part III establishes the constitution of the Council of the Institute consisting of eight public accountants, six registered accountants and the Accountant-General. The Council will manage the affairs and funds of the Institute, make by-laws and generally look after the interests of the Institute and its members.

Part IV deals with membership of the Institute and sets out the qualifications required of members of the Institute, who may be classed either as public accountants, registered accountants or licensed accountants. The accountancy qualifications are the same for public accountants, and for registered accountants but the experience required of a public accountant must be obtained in the office of a practising public accountant, whereas that of a registered accountant may be obtained in accounting elsewhere e.g. Government departments, banks, commercial, industrial or financial organisations, etc. In any case, the necessity for practical experience as well as the passing of examinations is considered to be beyond dispute. The third group is the licensed accountants who are otherwise not qualified but have obtained approval to act as public accountants or tax consultants before the coming into

operation of the Act and who may be permitted to continue to practise in the manner and with the limitations and conditions incorporated in the original approval.

Part V requires the Institute, with the approval of the Minister of Finance, to appoint a Registrar who will maintain a register of accountants classified in their appropriate categories. Clause 18 prohibits a member from acting in certain ways, such as, practising as a public accountant in a name other than his own or those of his past and present partners of the firm, from sharing profits or commissions for professional work with solicitors, auctioneers, brokers or other agents, and from advertising his practice.

Part VI deals with the general provisions and provides for the setting up of an Investigation Committee and a Disciplinary Committee to investigate and decide upon complaints against members.

Dato' Sheikh Abu Bakar bin Yahya Al-Haj: Honourable Dato' President, Sir, I welcome the introduction of this Bill into this Honourable House by the Minister a few minutes ago. I must say that I offer my congratulations to the Legal Draftsman for his ability in the making of this Bill, but as usual, Sir, it is rather late in submission. However, Sir, as the saying goes, and as I have said, several times, "It is better late than never." Sir, I have a small question to ask from the Honourable Minister for clarification. Can I be informed if the Malaysian Institute of Accountants will give recognizance to those persons with a Diploma of Accountancy obtained outside Malaysia? I would like to emphasise, Sir, the word 'diploma' such as, for instance, a diploma obtained in Australia. By cognizance, I mean to say, Sir, with a view to incorporate them into the Malaysian Institute of Accountants under this Bill. I shall make myself clearer, Sir. The holder of a Diploma of Accountancy in Australia is recognised by that country, but so far as my knowledge goes it is not recognised in Malaysia. God only knows why—I do not know. The holders of the Australian Diploma can

go into the Australian Society of Accountants easily. The Australian Society of Accountants is recognised under this Bill. Seeing this, my question is, would the Ministry concerned take steps to formulate a regulation under this Bill for the holders of Diplomas obtained outside Malaysia, for instance, in Australia, to go straight into the Malaysian Society of Accountants, so that they could be immediately recognised under this Bill. If it is not possible, may I be informed why it is not possible. Thank you.

Dato' Athi Nahappan: Mr President, Sir, I also join with the Honourable Dato' in welcoming this Bill. I do not want to make a long speech, except that I would like to ask for one or two clarifications.

It is a good thing that the Bill is composite, it brings within its fold all those who have been practising, with or without qualification, the profession of accountancy. As a matter of fact, there has been a certain amount of inadequacy felt, because quite a number of people are called not qualified accountants but they call themselves income tax consultants, income tax practitioners, etc. and as our taxes keep increasing, they have found that this was a lucrative profession and many of them have been preparing income tax accounts and submitting them—I do not know whether to the satisfaction of the Income Tax Department or not. Sir, what I have come to know is that many of those accountants are not sufficiently qualified and have not been able to furnish proper accounts and as a result of that even the taxpayers who had to pay fees to these people were unnecessarily put into trouble and expenses. Now, this Bill would help to tidy up the inadequacies and see that only people, who are recognised and with proper qualifications, or with proper experience, would be allowed to practise. To that extent, this is a very good Bill. It gives, as it has been stated, provision for three categories. The licensed accountants being the unqualified but nevertheless who had gained experience in the practice of accountancy, or as tax

consultants or tax advisers immediately before the coming into operation of this Act, but they are subjected to the same restrictions, limitations or conditions as have been imposed upon them under the Companies Act, 1965. I do not know whether there is any difference in the registration fees that are payable to the Institute of Accountants. But since the licensed accountant is to have a limited practice, unlike the registered or the public accountant, it would only be fair that he is called upon to pay a lesser fee to the Institute. It may be also considered necessary that the licensed accountants should be registered with the Tax Department. As to whether in the view of the Tax Department, such people are furnishing standard requirements when furnishing income tax returns, I would suggest that in addition to the registration to the Institute, the Tax Department itself, insofar as the licensed accountants are concerned, should have a sort of a register like in the case of the architects who come under Part II, I think. In the case of Part I, they come under the Architects Ordinance, but in the case of Part II, they have to be registered with the various local authorities to whom they want to supply their plans.

There is one other thing to which I would like to draw your attention: under Clause 12, Parts I and II of the Second Schedule stipulate the various qualifications, and apart from Part I, which deals with the examination of the Malaysian Institute of Accountants, Part II refers to the various qualifications that may be obtained outside this country, except the Malaysian Association of Certified Public Accountants. They are either United Kingdom or Australia qualifications. While welcoming these qualifications that may be obtained either in Australia or in the United Kingdom, I think, the time has come for us to broaden our horizon in terms of education that we may get abroad. I do not see why we should not recognise qualifications in any other Asian Commonwealth country where after scrutiny if we are satisfied that the standard is good, the quality is good, we should recognise them. I do not see

why we should permanently tie ourselves to these Institutes in England or Australia. This conservatism prevails not only in this particular profession but also in other professions. I could understand this imposed limitation during the time when we were a protected territory, but now that we are independent, I think we should try to see wherever we can get the same kind of education with lesser expenses. I am sure that a person who wants to go to, say, India, Pakistan, or Ceylon, or any other Commonwealth country, where there is a good standard of education should be able to go there and get education and be allowed to practise here, because one great advantage is that in all these countries education is comparatively cheap for a Malaysian, because we are comparatively with a stronger currency and it is easier for our people to go there and get this kind of qualification with a lesser financial commitment; and in England, as you may recall, Sir, they have recently increased the fees of colleges and universities to a very great extent and it is becoming more and more expensive. This must be looked into, not merely in this field but also in other fields. That is one observation I would like to make.

The other is that there is a proviso in Clause 22, Page 11. When dealing with the subject of "Holding out as public accountant or auditor or tax consultant", it says "Provided that nothing in this section shall operate to prevent an advocate and solicitor of the High Court or any person authorised under any other law for the time being in force in the Federation from carrying on the work of a tax consultant or a tax adviser". This enables an advocate and solicitor to carry on practising the work of a tax consultant or a tax adviser. I am intrigued by the words "tax consultant or tax adviser", because the same phraseology is used in Clause 14 in dealing with licensed accountants. It says here in Clause 14 (1), on page 8, towards the bottom of that paragraph, "or if he has"—in the case of a licensed accountant—"been in public practice as an accountant, a tax consultant or a tax

adviser immediately before the coming into operation of this Act". So, it would seem that the licensed accountant who has been carrying on the practice of a tax consultant, or a tax adviser, can do so; also a solicitor can carry on the work of a tax consultant or tax adviser. Of course, where an accountant is concerned, we know what he does: he prepares the returns and he submits them and so on. Apparently the term tax consultant or tax adviser, perhaps, also carries with it the power to appear before the Income Tax Assessment Board. Now, perhaps it would mean that these people can appear before the Commissioners that are envisaged in the new law and they can appear on behalf of clients and argue cases. But does it mean that both the licensed accountant as well as the solicitor can do the same sort of work. I would like to have some clarification on what is really envisaged by this "tax consultant". I would certainly think that a solicitor is not really competent enough to submit the returns because that is not his work, but he is entitled certainly to appear before the appropriate statutory bodies on behalf of his clients. Perhaps, some clarification would be helpful in view of the identical phraseology used. Apart from this, Sir, I welcome this. Thank you.

Tuan Yeoh Kian Teik: Mr President, Sir, while supporting any move or Bill to introduce legislation to control or to introduce discipline into any professional body, I would like to say that in respect of this profession of accountants and auditors, perhaps, the Government should take into consideration those who had been practising before the Companies Act, 1965, and who will not become members of this body when this Bill is passed. I am referring in particular to the Malaysian Society of Incorporated Accountants—a body of accountants whose members have been practising accountancy, advising clients on tax problems and submitting returns for them. The members of this society would appear to be excluded from this Institute and are likely to be prevented from practising their profession after this Bill is passed. I would like to appeal to the Minister

to give them a chance to carry on their profession—do not make this Bill a Bill with retrospective effect. All those who had been carrying on the profession, allow them to continue, otherwise we would be depriving them of their source of livelihood. There are not very many in this profession—I believe the number would not be more than 200 throughout the nation—and if we do not give them a chance, I feel that it is going to create an injustice.

Dr Ng Kam Poh: Mr President, Sir, I can answer the questions from the Honourable Senator Abu Bakar as well as the Honourable Dato' Athi Nahappan at the same time, and that, is that the holder of a Diploma of Accountancy in Australia, if and when he becomes a Member of the Society of Accountants in Australia, will ipso-facto be recognised as a public accountant here, because he comes under Part II of the Second Schedule of this Bill.

Senator Dato' Athi Nahappan has asked the reason as to why we just confine ourselves to members of the Commonwealth countries. In reply I would say that we start with the nucleus first, and even now we are going into the question of Accountants from Australia, New Zealand, Canada and even America, not mentioning Asia, and that will be considered by the Malaysian Institute of Accountants, which will recommend to the Minister of Finance, wherein he will include them in Part II of the Second Schedule to this Act. These are all being considered, but to begin with, we cannot lump them all and put them all together, unless the Malaysian Institute of Accountants study this matter and make by-laws by themselves and then make recommendations to the Minister of Finance. This is covered under this Act itself.

As for the question of the Inland Revenue having a separate register of Licensed Accountants, I think that is possible because all we need do is to ask the M.I.A. to submit a copy of the Licensed Accountants to the Department of Inland Revenue, and I am sure they will be willing to oblige and

there will be no problem in this. Actually it is an administrative problem.

In reply to Senator Yeoh Kian Teik, I have here with me a copy of the Malaysian Society of Incorporated Accountants memorandum, which has been written to the Minister of Finance. Sir, as far as we are concerned, those who have been practising before as so-called tax consultants and the like under the Companies Act, and who have been registered under the Companies Act with the Minister of Finance and approved, they will continue and carry on as they are, but they will not be able to use various terms as "Public Accountants or Accountants" but they will have to use the term of Licensed Accountants. However, they are not going to be deprived of their job. Those who are not registered under the Companies Act will have to do so now under this new Act with the M.I.A. The M.I.A. will be the competent body who looks into the affairs. If they think they should be allowed to carry on, I do not think the Minister of Finance will have any objection at all, subject to the recommendation of the M.I.A.

Tuan Yeoh Kian Teik: May I seek clarification on one point, Mr President, Sir. The Honourable Assistant Minister of Finance has said that they will be allowed to continue subject to the conditions and terms imposed by the institute. It is to be noted that, unfortunately, the licensed accountants will not be given any representation in the Institute, and I hope that justice can be seen to be done if they are given at least some representation on the Board.

Dr Ng Kam Poh: Mr President, Sir, I am quite aware of this representation because as I have said, the Society has written to the Minister of Finance and consideration has been given to their representation in the Malaysian Institute of Accountants. But the argument against representation is that the people who are licensed accountants are under-qualified. There is no harm in allowing them to practice but we are going to

set a standard that is higher from now on, and that is why we wanted representation from public accountants and registered accounts, who have a certain amount of qualifications and who also have to practise a certain amount of ethics—not only a higher qualification, but they are bound by certain ethics. Licensed accountants have lower qualifications and are not bound a certain amount of ethics, and representation or not it is not very important, because by and large we hope—at least the Government hopes—that these people from now on will look forward to a higher degree. In order to encourage them to obtain a higher degree—we want them to become public accountants, or registered accountants at least, and not licensed accountants. We are encouraging this body; that is why we allow licensed accountants to practise but do not allow them at the present moment to have representation in the Malaysian Institute of Accountants. Supposing even if they have representation, they will be overwhelmed by the public accountants as well as the registered accountants. We do not deprive them of their livelihood but we do want to encourage people who go for accountancy to go into it in a proper way. That is the reason why the committee who sat on this decided not to include them as members of the Malaysian Institute of Accountants.

Question put, and agreed to.

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

House immediately resolved itself into Committee on the Bill.

Bill considered in Committee.

(Mr President in the Chair)

Clauses 1 to 30 inclusive ordered to stand part of the Bill.

First Schedule and Second Schedule ordered to stand part of the Bill.

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

Mr President: Persidangan ini ditangguhkan hingga pukul 2.30 petang.

Sitting suspended at 1.00 p.m.

Sitting resumed at 2.30 p.m.

(Mr (Deputy) President in the Chair)

BILLS

THE PETROLEUM (INCOME TAX) BILL, 1967

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled “an Act to impose a tax upon income from the winning of petroleum in Malaysia, to provide for the assessment and collection thereof and for purposes connected therewith” be read a second time.

Puan Bibi Aishah binti Hamid Don: Dato' Yang di-Pertua, saya menyokong.

The Assistant Minister of Finance (Dr Ng Kam Poh): Mr President, Sir, the Petroleum (Income Tax) Bill is designed to remove from the scope of the general Income Tax Laws the taxation of companies engaged in petroleum operations. This is to say that companies engaged in exploration, development and production of oil or natural gas will only be subject to the provisions of this Bill. A separate piece of legislation is necessary because of the special nature of the industry, and in particular the heavy capital expenditure that is required by an oil company to undertake prospecting, exploration and development before production.

There shall be an assessable tax at 50% of the chargeable income. The incidence of the petroleum income tax will fall only on a company which has an agreement with the Government pursuant to the laws in force relating to petroleum mining and in particular to Section 8 or 9 of the Petroleum Mining Act, 1963.

The administration part of the Bill follows the corresponding provisions of the Income Tax Bill, which has been passed by this House, in order to facilitate the administration of the tax. Other parts of the Bill provide for the method of ascertaining the income derived from petroleum operations and

the amount of petroleum income tax chargeable on such income. The gross income for tax purposes under this Bill is comprised mainly of:

- (a) the value of all crude oil exported from Malaysia calculated by the application of a tax reference price adopted by the Middle East member States of the Organisation of Petroleum Exporting Countries (OPEC).
- (b) the value of all crude oil sold or delivered to a refinery in Malaysia calculated at the selling price or fair market value.

As in the practice in the OPEC countries, the royalty paid in respect of crude oil exported from Malaysia will be expensed, i.e., treated as an expense in arriving at the chargeable income of the company. Where any refined petroleum products are exported, the royalty paid in respect of the crude oil and casing head petroleum spirit injected therein used in the production of the refined petroleum products exported will also be expensed. The rate of royalty payment will be prescribed in an agreement between the Government and the company and this will accrue to either the Federal or State Government as revenue depending on whether it is off-shore operations (to the extent defined by the Continental Shelf Act, 1966) or on-shore operations respectively.

Other than the 50% tax there will be no other direct taxes, or duties on equipment and materials used solely in petroleum operations. The Bill is drafted in the manner that any such amounts paid will be credited against the assessable tax.

Since considerable capital expenditure will need to be incurred by a company to explore, develop, and produce petroleum, special provisions are made for the grant of capital allowances. Schedule I to the Bill provides for deductions for capital expenditure on exploration. Besides an initial allowance of 10% of such expenditure or 20% where such expenditure is incurred in secondary recovery, the remainder of the expenditure will be

allowed over the life of the petroleum deposits in proportion to the output subject to a maximum period of 20 years.

The Bill also provides for writing off all intangible expenses for drilling appraisal and development wells whether productive or unproductive, provided that such expenses were incurred in respect of petroleum operations carried out under the same petroleum agreement or in any contiguous areas though under a separate petroleum agreement.

In the case of capital expenditure incurred on the provision of machinery, plant or appliances used for the purpose of petroleum operations or on the construction of a building, an initial allowance of 20% and 10% respectively of such expenditure will be given except that where the expenditure is incurred in secondary recovery the rate of the initial allowances will be doubled. The remainder of expenditure incurred on the provision of machinery, plant or appliances will be written off in 10 years although their life may be much longer. This is intended to encourage exploration and development as quickly as possible. In the case of expenditure on the construction of a building the annual allowance is 2% of the expenditure.

Since the Bill is specifically designed to tax only income derived from petroleum operations, such income will not again be subject to tax under any other law for the time being in force relating to income tax. In other words, income derived from petroleum operations and dividends paid out of such income will not be liable to income tax.

In view of the special nature of the industry, there is provision in the Bill for any posted price of petroleum to be referred to a Price Review Committee which practice is generally adopted by most petroleum producing countries.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr Deputy President *in the Chair*)

Clauses 1 to 84 inclusive ordered to stand part of the Bill.

Schedules 1 to 3 inclusive ordered to stand part of the Bill.

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

THE STAMP (AMENDMENT) BILL, 1967

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to amend the laws relating to Stamp Duty" be read a second time.

Dato' Y. T. Lee: Sir, I beg to second the motion.

Dr Ng Kam Poh: Mr President, Sir, the purpose of the Bill is to amend the Stamp Ordinance, 1949, and the Stamp Duty (Special Provisions) (Malaysia) Act, 1967, so as to improve the administration of these laws. The new Section 3A of the Stamp Ordinance, 1949, for example, will authorise the Collector of Stamp Duty to require any person to produce any instrument for the purpose of ascertaining that duty has been paid to have free access to all premises and documents, in order to ascertain the market value of any property. The new sub-section to Section 52 will provide an additional sanction to prevent evasion by absentee landlord and also absentee owners of property who effect outside Malaysia transactions relating to properties situated in Malaysia.

There is also added to Section 80 a provision to enable the Minister of Finance to exempt payment of Stamp Duty. The Bill also seeks to expand Section 5 of the Stamp Duty (Special Provisions) (Malaysia) Act, 1967, in order to give clarity to that Section so as to enforce payment of Stamp Duty for transactions outside Malaysia in respect of shares registered in Local Share Registers. This will ensure that

appropriate Stamp Duty is paid to Malaysian Revenue.

Other amendments are as set out in the Explanatory Statement to the Bill.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 to 4 inclusive ordered to stand part of the Bill.

First and Second Schedules ordered to stand part of the Bill.

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

THE CUSTOMS BILL, 1967

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to amend and consolidate the law relating to Customs in the Federation" be read a second time.

Dato' Y. T. Lee: Sir, I beg to second the motion.

Dr Ng Kam Poh: Mr President, Sir, at the time when Malaysia was formed, there were in existence separate laws relating to Customs in the States of Malaysia, Sabah and Sarawak. These laws which are still in force at present are the Customs Ordinance, 1952 of the States of Malaya, the Customs Ordinance of Sabah and the Customs Ordinance of Sarawak.

As Customs is a Federal subject and the Royal Customs and Exercise Department, it must logically follow that there should be only one customs law applicable throughout Malaysia instead of separate laws for West and East Malaysia. It has not been possible, until the process of economic integration of West and East Malaysia has reached the present stage, to introduce such legislation. The Bill before this House is a consolidation of the existing Customs laws and when enacted will replace such laws.

As indicated in the explanatory statement in the Bill itself, the substantive laws are not amended to any great degree. Where amendments have been made, these are to meet administrative requirements in present circumstances. The basic principles upon which the present laws have been drafted have remained the basis for the new unified Bill, and particular care has been taken to ensure that some of the special needs of Sabah and Sarawak are met in the Bill.

With its enactment a further progressive step will have been taken in the economic integration of West and East Malaysia in that Customs administration will be on a uniform basis hereafter, and this should lead to greater efficiency all round.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 to 169 inclusive ordered to stand part of the Bill.

Schedule ordered to stand part of the Bill.

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

THE EXCISE (AMENDMENT) BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to amend the Excise Ordinance of Sarawak" be read a second time.

Dato' Y. T. Lee: Sir, I beg to second the motion.

Dr Ng Kam Poh: Mr President, Sir, as Honourable Members are aware, there is now a uniform excise duty of \$1 per pound on cigarettes throughout Malaysia and the legal basis for the imposition of this levy is the

Excise Laws in West Malaysia, Sabah and Sarawak. There is, however, a discrepancy in administration in that whilst provision exists in the West Malaysia and Sabah Laws for such manufacturers to enter into a bond with the Comptroller-General of Customs, no such provision exists in the Sarawak Ordinance.

A "bond", in this context, is a written agreement or undertaking by the manufacturer that in the event of the non-fulfilment of any condition imposed in a licence issued to him, then a penalty as stipulated in the bond will be exacted. Although this is a revenue safeguard, the manufacturer himself enjoys an advantage in that with this security he can be allowed to draw goods which are liable to excise duty from bonded warehouses for manufacturing purposes, without an immediate need to pay excise duty after each withdrawal of goods.

The Bill before this House seeks to amend the Excise Ordinance of Sarawak accordingly to provide facilities for the undertaking of such "bonds" so that customs practice in West and East Malaysia in this regard may be uniform.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 to 2 ordered to stand part of the Bill.

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

THE SUPPLEMENTARY INCOME TAX BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to make provision for the imposition, collection and recovery of supplementary income tax and for incidental and related matters" be read a second time.

Dato' Y. T. Lee: Sir, I beg to second the motion.

Dr Ng Kam Poh: Mr President, Sir, the purpose of this Bill is to provide for the imposition of Supplementary income tax and, in particular, the continuance of tin profits tax and development tax from the year of assessment 1968 when the existing Income Tax/Inland Revenue Ordinances of West Malaysia, Sabah and Sarawak are repealed on the coming into force of the Unified Income Tax Law.

Honourable Members will recall that tin profits tax was introduced in West Malaysia in 1965 and development tax in West Malaysia, Sabah and Sarawak in 1967 by amendments to the respective Ordinances of the three components. The Unified Income Tax Bill which is solely on income tax does not legislate for tin profits tax and development tax. It was considered undesirable to reproduce even with the necessary amendments the legislation for these two taxes in the Income Tax Bill. A separate Bill is therefore necessary. Although the Bill is applicable to the whole of Malaysia, tin profits tax will have practical application in West Malaysia only.

Part II of the Bill legislates for the imposition and collection of tin profits tax for the year of assessment 1968 and subsequent years. Since tin profits tax has been in existence since 1965 and is already a well known fiscal feature in Malaysia I do not propose to review the provisions of this Part of the Bill.

The provisions for the continued imposition and collection of development tax, also for the year of assessment 1968 and subsequent years, are in Part III of the Bill. The general structure of the tax has not been altered but because of the change in the scope of charge from a derived income basis to a world income basis and the unification of the laws relating to income tax for the whole of Malaysia the following changes of substance have been made. The development income of a person from more than one component will be aggregated in

the same way as income liable to income tax will be aggregated under the Income Tax Act, 1967. In the case of a person ordinarily resident in Malaysia his income from a business wherever derived will be chargeable to development tax whereas at present only income derived from Malaysia is so chargeable. At present where a person has a development source in more than one component and is liable to the minimum development tax of \$300 or \$100 as the case may be, in each component, he will now be liable to only one amount of minimum development tax for a year of assessment. Except for these changes and the need to make this Part preferential to the Income Tax Act, 1967, the provisions are largely identical with the existing legislation and need no further explanation. Thank you.

Dato' J. E. S. Crawford: Mr President, Sir, I rise to support the Bill, but I would like to mention one particular point to the Honourable Minister concerned, and that relates to the development tax. The profits of a partnership are subject to development tax. That is quite correct, but the partner, who is unfortunate enough to do all the work to see those profits earned, has to pay development tax upon the salary and commission that his partners give him for the work that he does to earn the profits, which are taxed.

Mr (Deputy) President: May I know what section you are referring to?

Dato' J. E. S. Crawford: On page 10 Sir—I am referring to the question of the collection of development tax. I think what I am saying is relevant. The whole point, Sir, is that if the partnership employed an outside person, the salary and commission of that person would not be chargeable, but if the poor, unfortunate, individual happens to be a partner, while his partners pay only on the profits, he pays not only on his share of the profits, but he also pays on the salary he is paid for the earning of those profits. I would like the Minister to take careful note of that. Thank you, Sir.

Dr Ng Kam Poh: Mr President, Sir, I would like to thank the Honourable Senator Dato' Crawford for bringing up this point. However, I would like to suggest to him that if there is a partnership he should see that all members of the partnership do the work and have no sleeping partners. That would solved the whole situation. However, we would take into consideration the point brought up by Senator Dato' Crawford and pay due attention to it. Thank you.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 to 19 inclusive ordered to stand part of the Bill.

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

THE MALAYSIAN COMBINED CADET FORCE BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to provide for the establishment of the Malaysian Combined Cadet Force and for matters incidental thereto" be read a second time.

Dato' Y. T. Lee: Mr President, Sir, I beg to second the motion.

Tuan Haji Abdul Hamid Khan: Mr President, Sir, the purpose of this Bill is to make it possible for members of the Force proposed to be raised to receive training consonant with membership of any of the Armed Forces, namely, the Army, Air Force or Navy. The existing legislations provide for the raising of the Federation of Malaya Air Cadet Corps and the Federation of Malaya Cadet Corps—the former was raised by the Federation of Malaya Air Cadet Force Ordinance, 1950, and the latter by the

Federation of Malaya Air Cadet Corps Ordinance, 1952. The persons who make up as members of these two Corps fall within a certain age group and are drawn principally from schools in Malaya. As Honourable Members can see, we do not have a third force or corps to cater for those whose interest it is to be associated with a force having the character of a naval force. As the third force we have in view will be playing identical roles as the two existing Corps, the membership of which will in turn be drawn from the same source as the two existing Corps, it was thought that by fusing the two existing two Corps into a combined force, the proposed combined force will be able to provide from within its structure training facilities for the Army, Air Force as well as that of the Navy for their members. It is felt that by having one Corps to provide for the three types of training facilities, greater economy, control and discipline can be achieved.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 to 17 inclusive ordered to stand part of the Bill.

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

THE COMMONWEALTH FUGITIVE CRIMINALS BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to make better provisions in the law relating to the Commonwealth Fugitive Criminals and for other matters connected therewith" be read a second time.

Dato' Y. T. Lee: Mr President, Sir, I beg to second the motion.

Dato' Athi Nahappan: Tuan Yang di-Pertua, saya di-suruh oleh Yang Berhormat Menteri yang berkenaan membaca kenyataan-nya dan saya buat demikian.

Pada masa ini ada enam undang² mengenai tangkapan dan hantaran balek Fugitive Criminals sa-lain daripada Undang² Fugitive Offenders Act 1881 di-negeri United Kingdom yang masih lagi berjalan kuat kuasa-nya di negeri ini mengenai tangkapan dan hantaran balek fugitive criminals kepada negara² Commonwealth yang lain. Masa-nya telah sampai bahawa negara kita patut mempunyai satu sahaja undang² dalam perkara ini.

Kenyataan² yang lanjut mengenai Rang Undang² ini di-terangkan dalam Explanatory Statement pada hujung Rang Undang² ini dan dengan yang demikian saya tidak berchadang hendak membachakan lagi keterangan² ini.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 to 32 inclusive ordered to stand part of the Bill.

Schedules 1 to 3 inclusive ordered to stand part of the Bill.

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

THE BANKRUPTCY BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that "an Act to consolidate and amend the law of bankruptcy" be read a second time.

Dato' Y. T. Lee: Mr President, Sir, I beg to second the motion.

Dato' Athi Nahappan: Mr President, Sir, I have been asked by the Honourable Minister concerned to read this statement, and I do so as follows.

The purpose of this Bill is to enact a single uniform bankruptcy law for Malaysia in place of three sets of bankruptcy laws now in force in the States of Malaya, Sabah and Sarawak. Apart from uniformity in the law and procedure, the Bill though based on the present Bankruptcy Ordinance of the States of Malaya, introduces certain provisions as found desirable in practice not only to simplify court procedure but also to relieve to a certain extent hardship on a bankrupt's estate. As an example of simplifying court procedure, the jurisdiction of the Registrar has been enlarged by Clause 31, sub-clause (6), whereby he exercises the powers of the High Court in hearing applications for discovery of property belonging to a debtor. This procedure will save costs to a debtor's estate. Another example is that where the assets of a debtor are unlikely to exceed \$10,000 instead of the \$5,000 as at present, or where he is a wage-earner, his estate will be administered in a summary manner as in Clause 106 and 107, also with a view to saving expenses.

As examples of relieving excessive hardships on a debtor, no person can be made a bankrupt on a creditor's petition, unless his debts amount to \$1,000 instead of \$500 at present, under Clause 5 (1) (a), and after being made a bankrupt, in the event of his death, sub-clauses (3) and (4) of clause 68 provide for allowances for the support of his family and towards his funeral expenses out of the estate.

Opportunity has been taken to bring about some modification in the accounting procedure under Clauses 76, 77 and 78, so as to allow the bankruptcy estate account to be operated with the Treasury of each territory until such time as circumstances permit the operation of such account with an approved bank. These provisions are necessary until there is such qualified staff experienced in accounting and in the manner of investing the Trust Account.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 to 139 inclusive ordered to stand part of the Bill.

Schedules A, B and C ordered to stand part of the Bill.

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

THE INTERPRETATION (STATES OF WEST MALAYSIA) BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to make provision for the interpretation of written laws of the States of West Malaysia, for shortening the language used therein, for matters generally relating thereto and for other like purposes" be read a second time.

Dato' Y. T. Lee: Mr President, Sir, I beg to second the motion.

Dato' Athi Nahappan: Tuan Yang di-Pertua, saya telah di-minta oleh Yang Berhormat Menteri yang berkenaan untuk membaca statement-nya dan saya buat demikian.

Ahli² Yang Berhormat sedia ma'alum bahawa Act Pentafsiran 1967 yang telah di-luluskan baharu² ini bagi memansokh dan menggantikan Ordinance Pentafsiran dan Fasal 'Am 1948. Ordinance yang di-mansokhkan itu bukan sahaja satu Undang² Persekutuan tetapi adalah juga satu Undang² Negeri bagi Negeri² Malaysia Barat.

Act Pentafsiran, 1967, memansokhkan dan menggantikan Ordinance itu hanya sa-takat mana ia-nya Undang² Persekutuan. Sa-bagai satu Undang² Negeri yang maseh lagi berkuat kuasa, Rang Undang² yang sekarang di-hadapkan Dewan ini ada-lah bermaksud untuk menyerangkan Ordinance itu di-gantikan sa-bagai Undang² Negeri.

Rang Undang² ini bergantung kepada Perkara 76 (1) (b) Perlembagaan Persekutuan yang menurut-nya Parlimen boleh membuat undang² bagi maksud

menggalakkan persamaan undang² bagi dua buah Negeri, atau lebih. Menurut Perkara 76 (3) Perlembagaan Persekutuan suatu undang² yang di-buat di-bawah Perkara 76 (1) (b) tidak akan berjalan kuat-kuasa-nya sa-hingga ia telah diterima oleh badan perundangan Negeri melalui satu undang² yang di-buat-nya. Ada pun natijah peruntokan² itu pada umum-nya ia-lah Negeri² tidak terpaksa menerima undang² yang tersebut itu, tetapi jika Negeri² itu menerima-nya maka persamaan ada-lah terjamin. Tujuan Rang Undang² ini ia-lah untuk menguat-kuasakan Act Pentafsiran 1967, ka-atas Negeri² Malaysia Barat terta'lok kepada perubahan² yang terkandung di-dalam Jadual-nya itu—sa-sunggoh-nya, sa-bagaimana saya katakan tadi terta'lok kepada penerimaan-nya oleh Negeri² yang berkenaan.

Maksud dan keadaan 'am Undang² Pentafsiran itu telah di-perbincangkan dengan panjang lebar apabila Rang Undang² Act Pentafsiran, 1967, di-timbangkan oleh Dewan ini. Sayugia di-ingatkan bahawa tujuan utama Act Pentafsiran 1967 ini ia-lah untuk meringkaskan bahawa bahasa yang di-gunakan dalam Undang² berkanun dengan mengadakan ta'rif² bagi perkataan² perbahasaan² yang biasa-nya di-gunakan dan dengan demikian itu mengelakkan perlu-nya undang² berkanun itu mengandongi ta'rif² yang berulang².

Sa-lain daripada itu Act itu mengandongi peruntokan² 'am berkenaan dengan Act² Parlimen dan perundangan kecil seperti chara menyiarkan dan chara sebutan permulaan-nya dan perberkanun. Ada juga peruntokan² 'am untokan² am berhubung dengan kuasa yang sa-rupa luas-nya. Rang Undang² ini ada-lah sekarang bermaksud dan kuat kuasa peruntokan² ini ka-atas Negeri² sa-hampir²nya yang boleh dengan perubahan² yang hanya tidak dapat di-elakkan. Rang Undang² ini telah di-edarkan ka-Negeri² dalam bentuk deraf.

Sekarang saya berpaling kepada Rang Undang² ini. Ahli² Yang Berhormat akan dapati bahawa Fasal 2 ada-lah menjelaskan bahawa Rang Undang² ini apabila di-buat Undang²

akan berkuat kuasa hanya ka-atas Negeri² Malaysia Barat yang menerima dengan sendiri-nya.

Fasal 3 ada-lah menguat kuasakan Act Pentafsiran, 1967 ka-atas Negeri² yang menerima-nya terta'alok kepada perubahan² dan Fasal 4 ada-lah memansokhkan Ordinance Tafsiran dan Fasal 'Am 1948 sa-takat mana ia-nya menjadi Undang² dalam Negeri² yang menerima-nya.

Jadual kepada Rang Undang² ini mengandongi perubahan² yang sa-benar-nya mengenai Act Pentafsiran, 1967. Perenggan 2 dan 3 Jadual itu mengubah berbagai² ta'rif supaya ta'rif² itu akan berkuat-kuasa khas-nya ka-atas tiap² Negeri yang tertentu dan tidak sa-balek-nya berkuat-kuasa ka-atas Negeri² 'am-nya sa-bagaimana dalam Act Pertama.

Perenggan 4, 5, dan 6 Jadual itu mengandongi tafsiran² tambahan yang tertentu yang perlu dalam Undang² Negeri. Perenggan 7 hingga 10 dalam Jadual itu mengubah peruntokan² Act Pertama tentang Act² Parlimen supaya peruntokan² itu boleh di-kuat-kuasakan ka-atas Enactment² Negeri, dan perenggan 11 hingga 14 mengubah peruntokan² lain dalam Act Pertama supaya peruntokan² itu akan berkuat-kuasa berhubung dengan Undang² Negeri.

Perenggan 15 menghendakkan peruntokan berkenaan dengan menchetak sa-mula Undang² Negeri. Penchetakan sa-mula Undang² Persekutuan ada diperuntokkan dalam Act menchetak sa-mula Undang² Persekutuan, 1965, dan tidak dalam Act Pertafsiran, 1967.

Ahli² Yang Berhormat akan dapati bahawa perubahan² yang di-chadangkan ini tidak-lah berapa luas. Bagi maksud bersama perubahan² itu telah di-buat dengan sa-berapa dapat sa-takat yang perlu bagi mensesuaikannya dengan Act utama untuk kegunaan Negeri. Ini memang-nya satu Rang Undang² teknikal bagi peguam² tetapi walau pun ia bersifat teknikal ia adalah berguna dan perlu dan saya shor-kan kepada Dewan ini sa-demikian itu.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 to 4 inclusive ordered to stand part of the Bill.

Schedule ordered to stand part of the Bill.

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

THE MUNICIPAL (EXTENDED APPLICATION) (AMENDMENT) BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to amend the Municipal Ordinance (Extended Application) Ordinance, 1948" be now read a second time.

Section 3 of the Municipal Ordinance (Extended Application) Ordinance, 1948, requires that any Order made under this Ordinance will have to be laid at the first meeting of the House of Representatives after publication of such Notification and shall cease to have any force or effect, if disallowed by a resolution of the House.

The Honourable Minister of Local Government and Housing has been advised that the Municipal Ordinance (Extended Application) Ordinance, 1948, was made on the 4th March, 1948, as a Federal law by virtue of the fact that item (75) of the Second Schedule of the Federation of Malaya Agreement, 1948, listed municipal corporations, town boards, etc., as a Federal subject. Hence, when the Legal Notification 332 of 1958 was drafted as an omnibus Notification Order, the expression "Legislative Council" in section 3 (3) of the Municipal Ordinance (Extended Application) Ordinance, 1948 was modified to read "House of Representatives". After

Merdeka, however, Local Government, which under item (75) of the Second Schedule of the Federation of Malaya Agreement, 1948, was a Federal subject, became a subject on the State List of the Malayan Constitution, now Malaysian Constitution, i.e. item (4) of List 2 of the Ninth Schedule. Having become a matter within the purview and the jurisdiction of the State Governments, it is only proper that an order which deals with an item on the State List should be placed before the State Legislative Assembly and not before the House of Representatives.

The law officers of the Attorney-General's Chambers are, therefore, of the view that the modification effected by Legal Notification No. 332 of 1958, in so far as it relates to section 3 (3) and section 3 (4) of the Municipal Ordinance (Extended Application) Ordinance, 1948, is *ultra vires* and, in fact, the expressions "Legislative Council" and "Council" should be read as the "State Legislature" or the "State Legislative Assembly" as the case may be.

The purpose of this Bill therefore, is to bring the Municipal Ordinance (Extended Application) Ordinance, 1948 into conformity with the Federal Constitution. It may also be added that, as required under Article 95A of the Malaysian Constitution, this Bill has been agreed to by the National Council for Local Government at a meeting held recently.

Mr Speaker, Sir, I beg to move.

Dato' Y. T. Lee: Sir, I beg to second the motion.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 and 2 ordered to stand part of the Bill.

Preamble ordered to stand part of the Bill.

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

Sitting suspended at 3.30 p.m.

Sitting resumed at 3.50 p.m.

(Mr (Deputy) President *in the Chair*)

THE MUNICIPAL (AMENDMENT) BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to amend the Municipal Ordinance" be read a second time.

Dato' Y. T. Lee: Sir, I beg to second the motion.

Tan Sri T. H. Tan: Mr President, Sir, this Bill is simple and straight forward and, as stated in the Explanatory Statement attached to the Bill, it seeks to amend the Municipal Ordinance (Cap. 133) to enable by-laws to be made to prescribe the localities within the Municipal limits in which cattle and so forth may be kept and to enable the destruction of animals seized, consequent upon the contravention of such by-laws.

With the passing of this Bill it is proposed to introduce by-laws empowering the Commissioner of the Federal Capital to deal summarily with stray cattle, including the power to seize and dispose of stray cattle in a manner deemed fit by the Commissioner.

As required under Article 95A of the Malaysian Constitution, the agreement of the National Council for Local Government to the Bill has been obtained.

Dato' Athi Nahappan: Mr President, Sir, I should like to just make a brief observation. I welcome this Bill both as a Member of this House and as a member of the Advisory Board of the Federal Capital. In fact, for some time it has been thought of having an appropriate legal provision to prevent stray cattle from streaming into the city, and the provision has been brought about in this way, which I consider would be quite adequate for the purpose. Unfortunately, the straying of cattle into the capital has been

a continuing nuisance and any amount of other measures to prevent it, or to minimise it, has not been successful. As a result, it has been considered necessary to clothe the Commissioner with the power of seizing stray cattle and also to destroy it, if necessary. At the moment, the section as it stands in the Municipal Ordinance mentions only two things, i.e., the prescribing of the localities within the Municipal limits in which swine or poultry may be kept. So, in addition to swine, and poultry, other species such as cattle, sheep and goats are also included. I hope that this will be effectively enforced by the Federal Capital, because these stray cattle have not merely been a nuisance but also they have been causing traffic hazards. As one intimately connected with the traffic problems of the Federal Capital, I have always found that cattle owners are completely unmindful to the users of the road and to other localities in and around the town. By this Ordinance it is hoped that the problem can be minimised.

In supporting this Bill, I express the hope that it will be effectively enforced.

Dato' Dr Cheah Toon Lok: Mr President, Sir, although I support this Bill, I do not like the word "destruction", because we are destroying too much property now. I would like the Government to change that section of the Bill to read, "that the cattle should be disposed of", so that we are able to sell, to destroy, or to do anything else.

Dato' Y. T. Lee: While supporting this Bill, may I suggest that while this idea of the destruction of the animals is good, it will be a sort of waste. Would it not be possible that these destroyed animals could be given to some charitable institutions?

Dato' Athi Nahappan: On a point of clarification, does the Honourable Dato' Dr Cheah imply by the word "disposal" also "destruction"?

Dato' Dr Cheah Toon Look: Yes, Sir.

Dato' Y. T. Lee: Mr President, Sir, the word "destruction" is not so clear, but if it is put that the destroyed animals should be given to some charitable institutions, that would be clearer.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 and 2 ordered to stand part of the Bill.

Preamble ordered to stand part of Bill.

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

THE MUNICIPAL (AMENDMENT) (No. 2) BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to amend the Municipal Act, 1963" be read a second time.

Dato' Y. T. Lee: Sir, I beg to second the motion.

Tan Sri T. H. Tan: Mr President, Sir, this Bill seeks to extend the definition of "squatter hut" as appearing in the Municipal Act, 1963, so as to enable the Commissioner of the Federal Capital, in accordance with the provisions in the by-laws made consequent upon the passing of the Municipality Act, 1963, to control and prevent the erection of squatter huts on alienated land. Under the by-laws referred to, the Commissioner, notwithstanding the provisions of any written law for the time being in force, may after giving to the owners of squatter huts on State land thereof at least seven days' notice, in their behalf, summarily demolish any squatter huts and may for that

purpose remove or force to be removed from such huts any person or property. It will, therefore, be observed that although the Commissioner of the Federal Capital is empowered to demolish summarily squatter huts erected on State land, he is not so empowered in respect of squatter huts erected on alienated land. The need to empower the Commissioner to deal with squatters on alienated land has become most pressing as, during the past few months, particularly during the past few weeks, illegal squatter huts have sprung up like mushrooms at an alarming rate on alienated land, thereby aggravating the already serious squatter problem.

It is apparent from the recent spate of construction of these illegal huts in Kuala Lumpur that the Kuala Lumpur Municipality is no longer dealing with only individual squatters as such but with well-organised groups, who are evidently financed by unscrupulous contractors and protected by thugs.

These people are openly flagrantly flouting the law by constructing illegal huts in broad daylight and conveying by lorries prefabricated parts of buildings to the sites within the town limits. Clearly, swift and effective action must be taken, if the squatter problem is to be contained and not let it get out of hand.

As required under Article 95A of the Malaysian Constitution, this Bill has been agreed to by the National Council for Local Government at a meeting held recently.

Dato' Athi Nahappan: Mr President, Sir, I welcome this piece of legislation as well. In fact, when this Municipal Act, 1963, came before this House last time, I did raise a question as to why the provision was limited only to State land. At that time, although I suggested that it should include any land, nothing subsequently was done and it had taken the Government roughly four years to see that the problem of illegal squatting can never be solved unless very effective measures are taken. I do not see why those who are prone to breaking the law should be given the benefit of the procedure of the

law—I mean, in trying to give them an opportunity of being heard in a trial, and so forth. Here “lightening houses” as they are called, or *rumah kilat* in the National Language, have been coming up all around the Federal Capital and the laws are flagrantly disregarded—a complete and utter disrespect for authority and laws—and the owners of properties are completely helpless; and it required a major incident to take place recently, when, just behind Jalan Tuanku Abdul Rahman in Gombak Lane, suddenly overnight, I think in a matter of hours, 30 or 40 houses were coming up and the owner did not know what to do. He ran here and there. He went to the Legal Department. He went to the State Government. He went to the Ministry. He engaged lawyers. And whilst he was trying to get help from all these sources, the houses were going up, not in just ones or twos, in scores and the whole authorities were just standing there and watching. This was a very deplorable situation. At the rate that the Federal Capital is growing, it is necessary that the land used should be put into rational use, whether the land is State land or private land. If the Government is going to be unconcerned about private land, as it has been all this while, and then let these squatter houses come up there and then let the parties fight in the normal process of the court, the whole process would take a couple of years or more, and then it ends up always in justice being flouted, the man who breaks the law gets away with it—not merely has he had the use of the land but also when he wants to leave he even gets compensation. This is the kind of tradition that has been allowed to build up here.

This Bill puts an end to it by empowering the Commissioner to take immediate steps to see that such illegal erections are stopped and, I hope, that this will be done as effectively as possible, and without any regard for other considerations.

In and around Kuala Lumpur it has been said that there are something like 20,000 squatter families. Those who are already there for a long time, of course,

that is another matter—but this provision envisages also “a squatter house in the course of erection”. At the moment there is a provision that where a house has been built more than a year ago then the Commissioner goes about in a different procedure: he has to serve notice and then bring the party to the court, and so on. Where a house has been built within the space of a year, then the Commissioner has got the power to take summary action. This, here again, is “while in the course of being erected”, but what is envisaged is that the owner of the land has to bring immediate complaint to the Commissioner and then the Commissioner should step in and see that it is prevented. I think this would put the land use in a better manner and; secondly, it would also avoid all kinds of social ills—houses put up like this generate not merely overcrowding but also health problem and other problems which are a burden on the Federal Capital.

Therefore, Sir, I have great pleasure in welcoming this Bill.

Dato' Dr Cheah Toon Lok: Mr President, Sir, although welcoming this Bill—I am not staying in Kuala Lumpur—yet I think the definition of “squatter hut” should be enlarged. People might live in caravans or in old motor-cars or vehicles and so on in those areas. So, I should like the word “vehicle” or “caravan” included in the definition of “squatter hut”.

Question put, and agreed to.

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

House immediately resolved itself in to a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 and 2 ordered to stand part of the Bill.

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

THE TOWN BOARDS (AMENDMENT) BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled “an Act to amend the Town Boards Enactments of the Federated Malay States, Johore and Trengganu and the Municipal Enactment of Kelantan” be read a second time.

Dato' Y. T. Lee: Sir, I beg to second the motion.

Tan Sri T. H. Tan: Mr President, Sir, this Bill seeks to amend the legislation mentioned in Clause 2 in order to enable audited accounts to be submitted to the Ruler-in-Council and for such accounts to be gazetted with any audit observations thereon.

At present the Town Boards Enactment (F.M.S. Cap. 137) and corresponding laws governing financially autonomous Town Boards and Town Councils contain no requirement for the publication of audited accounts of these authorities, or for their submission to the State Authorities. The Auditor-General of Malaysia has also had occasion to observe in the Audit Report of the Federation's Accounts on the desirability for these laws to be amended to require audited accounts of such authorities to be submitted to the Ruler-in-Council within a specified period after the close of each year and for their publication with any audited observation thereon in the *State Government Gazettes*.

There have been numerous instances of Town Councils not submitting their annual statements for audited for period ranging from one to three years. This state of affairs makes it rather difficult to know whether registers are being kept in order or not, and whether or not there have been any irregularities in the accounts. To a large extent, the unsatisfactory state of affairs of many local authorities is due to the failure of having in the law a requirement that they submit their annual accounts for audit within a specified period, and it is therefore considered that an amendment, as the proposed one, would inhibit local authorities from being

local authorities from being lax in the manner in which the accounts of the authorities are kept.

As required under Article 95A of the Malaysian Constitution, the agreement of the National Council for the Local Government to this Bill has been obtained.

Dato' Dr Cheah Toon Lok: Mr President, Sir, I do not know whether by design or by intention Local Councils are left out. Sir, I think affairs of Local Councils should be looked after, because they never present accounts. Sir, I would like to suggest, if it is possible, we should include also Local Councils to submit their accounts yearly, because they are the chaps who raise up the rates in local areas, they spend the money as they like, and no accounts are given in respect of the status or position of the use of the money. Whether this could be included or not I do not know, but I suggest that the matters of the Local Councils should be looked into.

Tan Sri T. H. Tan: Mr President, Sir, the Minister concerned will take note of this suggestion and act upon it accordingly.

Mr (Deputy) President: I wonder whether I can reply for that because in Johore, Local Councils themselves have got enactments. I am not sure whether I have the right to say it, but still this is for explanation.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 and 2 ordered to stand part of the Bill.

Schedule ordered to stand part of the Bill.

Preamble ordered to stand part of the Bill.

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

THE TOWN BOARDS (AMENDMENT) (No. 2) BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to amend the Town Boards Enactment of the Federated Malay States" be read a second time.

Dato' Y. T. Lee: Mr President, Sir, I beg to second the motion.

Tan Sri T. H. Tan: Mr President, Sir, as the law stands the Town Councils and the Town Boards which operate under the Town Boards Enactment F.M.S. Cap. 137 and Municipalities which adopt certain provisions of the Town Boards Enactment, cannot at present recover rates by civil proceedings, in that rates levied are statutory debts and unless expressly provided in the Town Boards Enactment, the sum cannot be recovered at common law.

Section 54 of the Town Boards Enactment is, therefore, to be amended to include new section to give the local authorities power to sue for arrears of rates as a debt in a court of competent jurisdiction. As doubt exists as to who should be made liable for payment of arrears of rates, which are outstanding at the time of the sale, or transfer of a property, section 57 is being amended to make the transferee or purchaser liable for payment of such arrears of rates. In Kuala Lumpur, where properties in some cases change hands several times within a period of a year, unless this doubt is removed, the Municipality will suffer a substantial loss of revenue.

The opportunity is also being taken to amend the definition of "holding" and "owner" as appearing in section 2 of the Town Boards Enactment, so as to cover the provisions in respect of sub-divided buildings contained in Part Twenty Five of the National Land Code which deals with rating. Section 45 of the Town Boards Enactment is also being amended to clarify the scope of the charge so created. As required under Article 95A of the Malaysian Constitution, the agreement of the

National Council for Local Government to this Bill has already been obtained.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

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

Preamble ordered to stand part of the Bill.

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

THE ARCHITECTS BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to provide for the registration of Architects and for purposes connected therewith" be read a second time.

Sir, the reasons and purposes of this Bill are clearly stated in the Explanatory Statement attached to the Bill. I have nothing more to add to this and it is up to the other Senators to comment, if they so wish.

Dato' Y. T. Lee: Sir, I beg to second the motion.

Mr President, Sir, while supporting this Bill, I wish to bring to the attention of the Honourable Minister concerned about certain defects in this Bill. I refer to Part III, Registration of Architects Bill, Section 10, on page 5. For instance, there is no mention that registration is confined to local citizens. At the moment the profession is already flooded, so much so that it is difficult for Malaysians, particularly the returned students, to make their ends meet. Another anomaly is that there is no restriction on foreign architects getting registration, but our own architects are barred from being registered in other countries. Take, for example, the policy adopted by the Board of Architects, Singapore. Singapore does not take in all our Part I

Architects, whereas in Malaysia, the Board of Architects, register anybody from Singapore as long as he is registered in Part I. In short, there is no reciprocity, and Malaysian Architects are in the losing end. This, Sir, I would like to bring to the attention of the Honourable Minister, so that in future this might be included in the Bill.

Tuan Haji Abdul Hamid Khan: Sir, the observations made by the Honourable Member are noted.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 to 39 inclusive ordered to stand part of the Bill.

Schedule ordered to stand part of the Bill.

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

THE REGISTRATION OF ENGINEERS BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill entitled "an Act to provide for the registration of Engineers and for purposes connected therewith" be read a second time. As clearly stated in the long title to the Bill, the Bill seeks to provide for the registration of engineers and to provide for matters in connection with the profession of engineering.

Dato' Y. T. Lee: Sir, I beg to second the motion.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 to 27 inclusive ordered to stand part of the Bill.

Schedule ordered to stand part of the Bill.

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

THE REGISTRATION OF SURVEYORS BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to provide for the registration of Surveyors and for purposes connected therewith" be read a second time.

Sir, this Bill seeks to provide for the registration of surveyors and for all matters connected therewith. The provisions are not controversial and the objects are clearly stated in the Explanatory Statement attached to the Bill.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 to 15—

Dato' Dr Cheah Toon Lok: Mr Chairman, Sir, I would like to refer to Clause 3 and to ask whether a secretary is necessary for the Board or not. I ask this because we have got a President, but we have not got a Secretary for the Board.

Question put, and agreed to.

Clauses 1 to 15 inclusive ordered to stand part of the Bill.

Clauses 16 to 28 inclusive ordered to stand part of the Bill.

Schedule ordered to stand part of the Bill.

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

THE PORT WORKERS (REGULATION OF EMPLOYMENT (AMENDMENT) BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled

"an Act to amend the Port Workers (Regulation of Employment) Act, 1965" be read a second time.

Dato' Y. T. Lee: Mr President, Sir, I beg to second the motion.

The Minister of Labour (Tuan V. Manickavasagam): Mr President, Sir, this Bill seeks to amend the Schedule to the Port Workers (Regulation of Employment) Act, 1965. This Act is the enabling legislation for the scheme of de-casualisation introduced in the Port of Penang. The scheme in the port of Penang is now in operation only in respect of stevedores. It is proposed to prepare similar schemes for other categories of workers in the port and the Schedule to the Act empowers the Minister to make such enquiries as are necessary to enable the introduction of such a scheme and to appoint an impartial person to carry out such enquiries. It is now found that the powers of the person so appointed to carry out these enquiries are rather limited, thus making his work extremely difficult especially in the Port, where traditionally the system of employment has been rather loose, and records of employment, hours of work, earnings, etc. are difficult to obtain. It is vital that the Minister should have accurate and reliable information on these matters before he can satisfactorily make a scheme.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 and 2 ordered to stand part of the Bill.

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

THE FACTORIES AND MACHINERY BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to provide for the control of

factories with respect to matters relating to the safety, health and welfare of persons therein and to consolidate and amend the law relating to the registration and inspection of machinery and for matters connected therewith" be read a second time.

Dato' Y. T. Lee: Mr President, Sir, I beg to second the motion.

Tuan V. Manickavasagam: Mr President, Sir, this Bill seeks to replace the Machinery Ordinance, 1953, and the regulations made thereunder. This Ordinance is enforceable only in places where machinery is used and the safety, health and welfare provisions of the Ordinance and regulations are aimed at ensuring the protection of workers from mechanical and other hazards solely in connection with the use of the machinery such as the fitting of guards, etc.

We feel it important that such steps should be taken at this stage itself, in order to ensure the healthy development of the industrial environment and to provide the basic requirements of occupational and industrial health of workers. The present Machinery Ordinance is inadequate for this purpose, as it does not cater for the overall occupational and industrial health of all types of industry.

With rapid industrialisation and the drawing into the industrial labour force of rural, semi-rural and other new industrial workers, it is possible that accident rates will tend to rise and various occupational hazards such as industrial diseases from old and new processes would be faced by these workers.

Although this Bill has been drafted with the aim of achieving the maintenance of a high standard of safety, health and welfare provisions in factories, care has been taken to ensure, firstly, that safety legislation does not become an obstacle or hindrance to the rate of industrial growth, or to the smooth running of industries, which have been set up, and, secondly that the very small businesses and industries are not burdened with excessive safety requirements so as to render them inoperative.

The Bill, Sir, applies throughout Malaysia, but I do not propose to bring into force into East Malaysia pending discussions with both the State Governments there. In any case, the Government does not propose to bring this law into force until a few months after it has been passed by this House. This should give employers ample time and opportunity to acquaint themselves with the requirements of the Bill and also enable us to draft all the necessary operative regulations required to be made under it.

I have discussed this Bill in the National Joint Labour Advisory Council. In fact, a special Committee of the Council was established to study the Bill, and both the employers' and workers' groups on the Council have agreed to its provisions.

Dato' J. E. S. Crawford: Mr President, Sir, I rise to strongly support this Bill and I congratulate the Government and the Minister on such an excellent piece of legislation. It is very essential, and I am particularly pleased to see, that under Clauses 17 and 18, on page 11, the onus is placed upon the makers of machinery and suppliers of hired machinery, to see that they do comply with the Act, which up to now, in this country, has not been the case. For example, you buy a machine and then when the Inspector comes round you find that it does not follow the safety regulations. I am very pleased to see that this has been provided for, and I fully support this Bill. Thank you, Sir.

Dato' Athi Nahappan: Mr President, Sir, I associate myself with the Honourable Senator Dato' Crawford in welcoming this wholesome piece of legislation concerning the welfare of factory workers. As more and more factories are to be set up in our country as a result of the economic development, such a Bill is very timely, because of its very composite character in providing a number of features which are contemporary and are generally practised in advanced countries.

I have gone through the Bill and I cannot find any lacuna or inadequacies due to the fact that it has been so

comprehensively handled except. Sir, in regard to Clause 25, page 15, under the marginal notes "Provisions relating to welfare", where it is stated that "(a) (1) adequate and suitable accommodation for clothing not worn during working hours", and so on. There does not seem to be any provision anywhere where it is necessary that the worker should be provided with overalls or some kind of uniform, which would be suitable for the type of factory, whereas other provisions are made like drinking water, washing facilities, first-aid facilities, and so on. It has not caught my eye. If there is such a provision hidden somewhere, then I should be enlightened.

AN HONOURABLE MEMBER: Clause 24.

Dato' Athi Nahappan: Yes, Clause 24 says " the Minister may prescribe by regulations the provision and maintenance for use of such persons suitable and adequate personal protective clothing and appliances including where necessary goggles, etc., etc.". Therefore, Sir, I would like to withdraw my observation. It is due to my own inadequacy in trying to locate Clause 24.

Therefore, Sir, I congratulate the Ministry for a very nice piece of progressive legislation (*Applause*).

Nik Hassan bin Haji Nik Yahaya: Tuan Yang di-Pertua, saya hendak bertanya sedikit kepada Menteri yang berkenaan, saya tidak tahu di-bawah peratoran mana-kah perkara itu patut di-letakkan. Mengikut peratoran di-bawah Undang² Sharikat Bekerjasama, satu² jentera untuk menghanchorkan padi—mesin padi, tidak boleh di-jalankan melainkan dengan lebih dahulu mendapat lesen menjalankan jentera itu daripada Kerajaan Negeri. Kerajaan Negeri berkuasa mengeluarkan lesen itu, tetapi banyak daripada mesin padi haram ini yang berselarak dalam negeri kita ini di-pasang-nya mesin haram itu dengan mendapatkan kelulusan daripada pegawai yang menjaga berkenaan dengan undang² di-bawah undang² jentera ini. Jadi saya nampak satu daripada masaalah yang timbul ia-lah tidak ada hubungan di-antara pejabat yang menjaga keselamatan dalam memasang

jentera ini dengan Pejabat Kerajaan Negeri yang mengeluarkan lesen bagi menggunakan jentera itu. Jadi banyak daripada mesin padi haram ini apabila di-beri mesin-nya itu di-pasang dan di-panggilkan pegawai yang menjaga lesen mesin ini supaya memeriksa dan mengeluarkan certificate supaya dapat mesin itu di-gunakan. Jadi banyak daripada jentera² mesin padi haram ini menjalankan urusan menghanchorkan padi itu dengan chara haram berasaskan kepada lesen yang di-keluarkan oleh pejabat yang menjaga hal ehwal jentera ini. Jadi saya rasa kalau sa-kira-nya ada undang² Kerajaan yang menyatakan mesin ini tidak boleh di-pakai melainkan mesti lebih dahulu mendapat permit atau kebenaran daripada satu² jabatan Kerajaan yang lain, maka sa-patut-nya pegawai yang menjaga hal mesin ini tidak boleh mengeluarkan certificate kerana kalau di-keluarkan certificate berma'ana jentera itu boleh di-gunakan. Jadi, ini satu benda yang timbul di-antara pegawai yang menjaga untuk mengeluarkan permit menjalankan jentera itu dengan pegawai Kerajaan yang lain pula yang mengeluarkan permit untuk menjalankan mesin itu.

Jadi saya rasa ini satu perkara yang tidak timbul barangkali di-Kuala Lumpur, tetapi di-Kelantan boleh dikatakan keseluruhan jentera mesin padi haram ini berasaskan kepada certificate yang di-keluarkan oleh pegawai yang menjaga mesin yang bertempat di-Pahang—pejabat-nya di-Pahang. Jadi saya hendak minta keterangan daripada Menteri yang berkenaan boleh-kah tidak dia menahankan daripada memeriksa satu² jentera atau pun mesin yang belum mendapat permit untuk menjalankan mesin itu daripada Kerajaan Negeri umpama-nya sa-belum permit menggunakan mesin itu di-keluarkan.

Dato' Dr Cheah Toon Lok: Mr President, Sir, although I congratulate the Minister on this very important Bill for the protection of workers, I think the phrasing of clause 7 (1) (a) is a bit lax. I am not a lawyer, but on semantics I think it is a bit lax. Clause 7 (1) (a) states, I quote,

" to enter, inspect and examine, by day or by night any factory, and every part thereof when he has reasonable cause to believe that any work or process is being carried on therein, and to enter, inspect and examine by day,"

Sir, I think that the following words are superfluous:

"and to enter, inspect and examine by day"

It is not stated "by night"—it is only "by day". I do not know whether my learned friends will agree. In one place it is stated that the inspector could enter by day or by night, and later it is specified "by day". So, that phrase is superfluous. That is my belief.

Mr President, Sir, a lot of Senators do not seem to see my point.

So, I would like to repeat:

"to enter, inspect and examine, *by day or by night* any factory, and every part thereof when he has reasonable cause to believe that any work or process is being carried on therein, and to enter, inspect and examine by day,"

I say that the phrase, "and to enter, inspect and examine by day" is superfluous, because you have earlier on already given permission, "to enter, inspect and examine, by day or by night".

Dato' J. E. S. Crawford: Mr President, Sir, on a point of clarification: if the Honourable Member reads on, he will see why it is stated "by day"—it is to examine inflammable materials or explosives. If it is machinery, which he has to examine, he has power to enter by day and by night, but for this particular purpose, it is "by day"—looking for explosives and things like that. I think that is what is intended. (*Laughter*).

Dato' Dr Cheah Toon Lok: But it is already covered by the phrase "by day and by night". You can enter whether you examine or not. It is covered by the first clause, "by day and by night". So, I say that that phrase is superfluous, and when the law comes into effect, I think, a lot of lawyers will be able to fight on that phrase.

Tan Sri T. H. Tan: Mr President, Sir, I think this House should restrict itself to the discussion of principles of the law and not to legal drafting. Legal

drafting can easily be looked after by the expert legal draftsmen (*Applause*).

Dato' Dr Cheah Toon Lok: Mr President, Sir, a legal draftsman is a mortal, he is not infallible, and he is liable to make mistakes (*Laughter*).

Tuan V. Manickavasagam: Mr President, Sir, I would like to thank the Honourable Members, who have supported this Bill and have congratulated the Government on the introduction of this Bill. Sir, as I said, Government places considered importance on the question of safety, health and welfare of workers, especially in the context of the increasing tempo of industrial growth in this country, and towards this we have recently established an Industrial Health Unit within the Ministry, with a view to promoting greater attention to this question. Sir, this Bill together with the other measures introduced constitute yet another step forward in this direction.

Sir, the Honourable Nik Hassan said that there had been licences issued without the approval of State Authorities. Sir, as far as the Machinery Department is concerned, it sees to the safety of machines, but in no way is an operator exempted from his obligation of getting the permits that are issued by the State Authorities. If he is doing it, he is doing it in an illegal manner. Sir, I feel that this Bill, once it is brought into operation, will look after all these anomalies.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)
Clauses 1 to 30—

Dato' Athi Nahappan: Mr Chairman, Sir, in regard to the point raised by the Honourable Dato' Dr Cheah Toon Lok, under Clause 7, I have had a good look at it and I find there is nothing wrong in it—I hope the Minister will correct me if I am wrong. It is to bring about clarity. My understanding of this, subject to the

Minister's view, is that the first part of it deals with a place which is already a factory, i.e., to enter, inspect and examine, by day or by night any factory, and every part thereof, when he has reasonable cause to believe that any work or process is being carried on therein. That is in so far as a place which is already recognised as a factory. The second part refers to merely a place where an Inspector has power "to enter, inspect, and examine by day, any place"—here it is not a factory—which he has reasonable cause to believe to be a factory and any part of any building of which a factory forms part. So, where, in this event, an Inspector believes that a place is being used as a factory, or place where part of it is being used as a factory, the other part is not, and where the part originally not used as a factory subsequently being used, in such a situation only a day visit is envisaged; but in the case of an established factory, day or night visit is allowed.

Dato' J. E. S. Crawford: Mr Chairman, Sir, on a point of clarification: as I read it from the experience I have of a factory, if the factory is working by day or night, you can go in by day or night. But, if the factory is closed down and there is no work, you pay your visit in the day time. That is how I read it.

Dato' Dr Cheah Toon Lok: As a matter of clarification, Mr Chairman, Sir, I would not like to go against a person, who has been studying five years for law, but you can use the words "at any time"; do not use "day and night". If you use "at any time", it clarifies everything.

Tuan V. Manickavasagam: Mr Chairman, Sir, as explained by the Honourable Dato' Athi Nahappan, the second part of the clause does not refer to a factory but to any place which an Inspector believes to be a factory. He still does not know whether it is a factory.

Clauses 1 to 30 inclusive ordered to stand part of the Bill.

Clauses 31 to 59 inclusive ordered to stand part of the Bill.

First, Second and Third Schedules ordered to stand part of the Bill.

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

THE INDUSTRIAL RELATIONS (AMENDMENT) BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to amend the Industrial Relations Act, 1967" be read a second time.

Dato' Y. T. Lee: Sir, I beg to second the motion.

Tuan V. Manickavasagam: Mr President, Sir, this Bill seeks to rectify certain omissions in the Industrial Relations Bill, which was considered by this House at its last session. The Industrial Relations Act came into force on the 7th of this month.

Clause 2 of the Bill, amending section 23 of the Act, is new. This clause of the Bill brings statutory bodies, whether Federal or State, on the same footing as the Government services for arbitration purposes. Section 23 of the Act enables the Minister to refer a trade dispute to the Industrial Court under certain circumstances but, if the dispute relates to any Government services, it can only be referred to the Court with the consent of His Majesty the Yang di-Pertuan Agong, if it is in the service of the Federal Government, or the Ruler or Governor of the State, if it is in any State Government service. The amendment in Clause 2 now extends this requirement to obtain of His Majesty or the Ruler of a State, as the case may be, to a dispute in the service of any statutory authority also.

The Government feels that statutory bodies, since they are direct agencies of the Government and are established and often financed by the Government, should be governed by similar provisions as far as trade disputes are concerned.

The control over trade disputes occurring in such services is especially important as public funds are involved

and terms and conditions of employment in any statutory body have far reaching implications and repercussions not only on the Government Services but also on other statutory bodies.

Sir, the amendment contained in Clause 3 of the Bill removes the requirement for the Industrial Court to stipulate in any award the actual parties to be bound by the award, as section 29 of the Act already spells out the parties on whom an award shall be binding. The amendment to section 29 contained in Clause 4 of the Bill is consequential upon the amendment in Clause 3. It is felt that it would be impractical, in a number of cases, for the Court to name all the parties to be bound by a particular award. Section 29, as amended, should be sufficiently explanatory as to this matter.

Clause 5 of the Bill is consequential upon Clause 2. This amendment stipulates that there shall be no strike or lockout where His Majesty or a State Authority has withheld his consent to the reference of a trade dispute in any Government service or the service of a statutory authority to the Industrial Court.

The amendment proposed in Clause 7 merely rectifies an omission in drafting the original Bill.

Clause 8 of the Bill corrects another omission in the original Bill, as modification of laws orders, under which the relevant industrial relations legislation of West Malaysia was extended to the East Malaysian States, were overlooked in drawing up the list of laws to be repealed on the coming into force of the new Act. It has now been brought to our notice that Article 74 of the Malaysia Act requires the repeal of these modification orders as well and not merely the repeal of the parent laws that were extended under this Article.

Questioned put, and agreed to.

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

House immediately resolved itself into Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 to 8 inclusive ordered to stand part of the Bill.

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

THE TRADE UNIONS (AMENDMENT) (No. 2) BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to amend the Trade Unions Act, 1965" be read a second time.

Dato' Y. T. Lee: Sir, I beg to second the motion.

Tuan V. Manickavasagam: Mr President, Sir, the Trade Unions Act, 1965, is at present applicable only to the States of Malaya. When the 1965 Act was drafted, the Trade Unions Ordinance, 1959, had not been extended to Sabah and Sarawak and it was thought to be more convenient to await the extension of the 1959 Ordinance to the whole of Malaysia before making the 1965 Act applicable throughout Malaysia.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 and 2 ordered to stand part of the Bill.

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

THE PRICE CONTROL (AMENDMENT) BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to amend the Price Control Ordinance, 1964" be read a second time.

Dato' Y. T. Lee: Sir, I beg to second the motion.

Tan Sri T. H. Tan: Mr President, Sir, the explanation given in the Bill itself is clear-cut and I do not think it is necessary for me to add anything to it.

Dato' Y. T. Lee: Mr President, Sir, I support this Bill. I wish to bring to the notice of the Honourable Minister concerned certain very disturbing factors regarding the prices of materials. I refer to the price of steel. Shortly after the announcement of the opening of the Malayawata Steel Limited, the price of steel went up more than 25 per cent—in short, it has increased by almost \$100 per ton. This is due to a clamp on the importation of steel. Of course, it is a good policy for the Government to encourage new industries, but there must be a certain limit whereby we subsidise local industries. At the present moment, it has gone a little bit far. The building industry is very concerned over the whole matter of this price increase lately.

Mr President, Sir, it is ironical, but nevertheless it is true that the price of steel has gone up by almost \$100 per ton but the price of rubber has dropped below the 50 cent level today. I understand also that the said Company is asking for protective tariff to the tune of 70 per cent.

Mr President, Sir, if this is granted it would create a very difficult situation for almost all the industries, especially the building industry in this country. Also, it would be very difficult for the Government to explain if the request is granted. At this time of falling rubber and tin prices, the Government should take great heed about this and go into the matter thoroughly, because if the factory is not geared up to sufficient production, then Government must not clamp on the importation of essential materials. A scheme has got to be worked out whereby the permit given to importers should be lessened as the years go by, but at the present moment this factory is not geared up to 100 per cent production.

Tuan Lim Joo Kong: Mr President, Sir, I rise to associate myself with my other learned colleagues to welcome

this Bill, but I seek your permission to make some observations.

Sir, the introduction of price tags on essential commodities, such as rice, is no doubt a very wise act of the Honourable Minister of Commerce and Industry, who has been successful in putting a stop to the sudden increase in the price of rice, sugar, flour and edible oils. However, Sir, to pin-point and suppress our local rice alone without applying the same measures to imported rice is, in fact, doing great harm and injustice to our local rice dealers, and especially to our padi planters, for reasons I shall point out to Honourable Members of this House later. Personally, Sir, I humbly consider that such an act may not be conducive to the interest of our padi planters, traders, rice consumers and the country as a whole. For instance, our padi growers can grow rice just as good, if not better than any variety produced in any other part of the world. Therefore, to fix the price of our local rice at 32 cents a kati as compared with 49 cents a kati for Thai rice, which means that our rice is just half as good as Thai rice, is not only discriminating our own local produce but disgracing our country and people. Such an act could harm the pride and confidence of our padi planters, who might be discouraged from growing our rice which our country needs so badly; further our country's aim in making our country self-sufficient in its food supply would be defeated, and the hundreds and millions of dollars spent on drainage and irrigation, such as the Muda River Irrigation Scheme, would be just throwing good money down the drain.

Sir, to stockpile rice to meet any emergency is no doubt a wise act, but to take away local rice forcibly—here I repeat, forcibly—for the stockpile when there is already a shortage of supply of our local rice due to floods and other causes which unfortunately occurred in our country, could not be very wise, because our Government would artificially create a much more acute shortage. To stockpile local rice alone without stockpiling imported rice

is doing injustice to our local producers and industries. The Government's act in forcing the local millers to sell a portion of their rice at a loss is not only unfair to the local millers but would also ultimately result in our padi planters receiving less payment for their padi, just as the Chinese idiom says, "wool can only be sheared from the sheep". To encourage import of rice into our country when there is a shortage is no doubt a wise act, but, Sir, it should be taken into consideration that such an act is done at great expense to our country by putting our money into foreign pockets. Therefore, to encourage imported rice at the expense of our local rice should be an act which our Government should at least think twice before taking such a step.

Imported rice, which actually cost about £50 per ton, or approximately 30 cents a kati, before the recent increase in price, is allowed to be sold at 49 cents a kati. Moreover, imported rice is allowed to move from one place to any other place in Malaysia without any hindrance, whereas our local rice is only allowed to be sold at 32 cents a kati and the miller is only allowed to sell his rice to retailers within the State where his mill is situated. This move actually is contrary to any civilised or established commercial practice because, as a rule, the miller or the factory should sell goods to wholesalers, then from the wholesalers to the retailers and, finally from the retailers to the consumers. By so doing only can we progress in commerce.

Now, Sir, rice-mill must, of course, be situated in an area where rice is plentiful. Then, how on earth can a rice-miller sell his rice to retailers in his own area, where almost everyone has plenty of rice to sell? This actually amounts to what the English say, "Bringing coal to Newcastle". Therefore, there is no wonder that the Controller could boast that he had succeeded in bringing down the price of local rice, as the Assistant Minister of Finance has informed us in this House. In fact, if the Controller is given such arbitrary powers, he could easily just with a stroke of the pen

throw all the wholesalers completely out of business. He could easily strangle all the local rice-millers and bleed the local padi planters to death and cause our local rice to rot in the fields. Hence, as I have just pointed out, Sir, such an act may not be conducive to the interest of our country as a whole.

Sir, the Government guarantees our padi planters that they will receive not less than \$16 for a pikul of good dry padi—that is, the Government guarantees a minimum price of \$16. But, when the price in the market increases the padi planters naturally expect to receive more money for their padi. Therefore, the millers have to meet their demands and pay more, in order to compete in the market. Hence, the millers would naturally have to increase the price of their rice to meet the increased cost.

Now, Sir, I can quote one very glaring example: FAMA's Padi Marketing Board, bought padi from the padi planters at prices ranging from \$16 to \$17, then resell the padi to some special middlemen from \$18.50 to \$19.20; then these middlemen resell the padi again to the rice-millers at prices as high as \$23 to \$24, including cost of transport, of course. There is no other alternative for these millers except to sell their rice very much higher than the Government guaranteed minimum price otherwise, these mills would have to close down. Therefore, I humbly consider that our Government would be doing more fairness and justice both to the padi planter as well as to the consumer, if the Government could fix a guaranteed minimum price as well as a guaranteed maximum price, so that the padi planter on the one hand can get a fair return for his labour and the consumer can get his supply at a fair price. Sir, in this way, the miller can save his skin from being accused of being unscrupulous, the rice dealer from being accused of making exorbitant profits, and the middlemen, of course, especially FAMA's Padi Marketing Board, from being accused as blood suckers. To make matters worse, Sir, FAMA's Padi Marketing

Board has in some places gone too far in monopolising the market just as the Japanese had their *kumiai* during the occupation period, whereby there was no free enterprise and healthy competition. The people were bled white, padi planters neglected their padi fields, and we, the rice consumers, had to eat tapioca. I sincerely hope such a state of affairs would never again happen in our country. Moreover, our Government encourages free enterprise. Hence, any act contradicting our Government's declared policy would be destroying the very roots of the Constitution of our country, as laid down in Article 153. Thank you very much.

Dato' J. E. S. Crawford: Mr President, Sir, in rising to support the Bill, Sir, I would also like to support fully the remarks made by Dato' Y. T. Lee. In the case of any new industry established in this country, until such time as when the industry can produce sufficient to fulfil the needs of the country, quota should be fixed on such a basis as to prevent stockpiling. Do not put a quota on when there is not sufficient to go round. The quota should be carefully examined to meet the needs of the country from six months to one year, and then, when the new industry can fulfil the needs of the country, there would be no stockpiling—and that is what is desired, Sir.

Dato' Dr Cheah Toon Lok: Mr President, Sir, I agree with most of the views expressed by my Honourable colleagues in the Senate, because a lot of people are exploiting the Government because of price control. Now, for instance, if you have a new industry, the Government gives you special consideration in that you do not have to pay income tax for so long, and so forth. There is a stipulation in the permission granted by Government that you must have new machinery installed in your premises, if you want to get special treatment, but the fact is that the new machinery may not be modern machinery—it may be old, second-hand machinery which has not been used but has been re-polished and made new. So, the products that we

produce in the country are second-class products and cannot be sold outside our country. When we compare such products with other articles used by us, they are obviously second class and nobody wants to buy them. So, Sir, these manufacturers go and complain to the Government that they must have price control, because if there is no price control, they say that foreigners are dumping goods into this country, competing against them. But the fact is that we are producing second-class goods while we can buy cheaper first class quality goods that come from abroad. Because though the local machinery is new, it may not be modern ancient machinery. So, I ask the Government, to please be careful on the word "new". The machinery must be new and modern before the Government grants exemption from taxation to these people.

Another point raised by my Honourable friend from Kedah is in respect of rice. Sir, price control also means the control of movement. If you control the price only you could move rice outside, there is no control, because it may go outside. So, we must control movement also and in Kedah, they control the movement of rice in the State of Kedah: if you transport rice of a certain amount from this place to that place—five pikuls I think—you have got to get permission. So, how are the people to exist, the millers, the padi planters, and the rest, if you control even the movement? You control price—all right, but you control also the movement, because in controlling the price, you must control movement, or else you cannot control price. You say that one can sell rice within that area only of Kedah, but one has got to get a permit for movement. I think this is all wrong. It disturbs the economy of the country and it disturbs business; it even disturbs the value of money and income tax payments. Mills in the State will also be disturbed because they have not enough money. They have got to pay the bank interest for all the loans they take for the running of the mills; they have to keep the workers on in the State, in case the workers are thrown out of work

and so on. So, I ask the Government to be careful in this legislation, and think twice when it legislates. Do not impoverish our State, do not throw our workers out of work, and do not cause economic disturbance in this country. For instance, let us take the case of the tyres of my car. I cannot buy the right size here. They produce tyres using old machinery, not modern machinery. I have got to get the right size of tyres from England. It takes me six months before I can get a new tyre—six months and a tremendous cost. No doubt, I was foolish enough to buy a car expecting some manufacturers in this country, who have special rights to manufacture tyres to produce the sizes that we are using in this country. But no, they do not produce the right size they produce sizes which are used by the common cars. Why? Because they want to make money, because they are tax free for five years, and after they have made their money, and then they close their factory, Malaya goes hang. Thank you.

Tuan Haji Abdul Hamid Khan:
Mr President, Sir.

Nik Hassan bin Haji Nik Yahya:
Sa-belum Menteri menjawab, saya hendak berchakap sa-patah dua, Dato' Yang di-Pertua, saya bersetuju dengan Ahli Yang Berhormat rakan saya, Enche' Lim Joo Kong, dalam kenyataan-nya menyatakan tidak patutlah harga beras bagi padi yang ditanam dalam negeri ini di-controlkan sa-hingga harga itu begitu rendah, tidak memberi keuntungan kepada penjual atau pun kepada penanam padi kita, manakala padi Siam atau beras daripada luar negeri dapat dijual dengan harga yang lebih bagaimana Ahli Yang Berhormat daripada Kedah itu cheritakan kepada Dewan ini, kerana kalau sa-kira-nya kita controlkan perjalanan padi tempatan dan kita bebaskan padi Siam itu berjalan dengan tidak ada control, jadi menunjukkan kita menggalakkan orang dalam negeri kita ini memakan beras daripada luar negeri dan membelanjakan wang yang lebih kepada Kerajaan di-luar negeri. Jadi ini satu masalah yang patut di-halusi dan di-siasat dan di-kaji sa-mula oleh Kerajaan kita.

Tetapi saya tidak bersetuju dengan wakil daripada Kedah itu yang nampak-nya meletakkan satu pandangan yang sangat burok kepada FAMA. Dalam perbincangan kita hari ini ia telah berchakap tentang harga, control harga, dan beliau ada menyentoh mengatakan, FAMA ini sa-olah² satu badan yang chuba hendak monopoli-kan beras sa-hingga lebih merupakan sa-bagai sa-masa Jepun hendak memerehntah dan dengan chara² perkataan yang lebih berat lagi di-atas FAMA ini. Saya rasa beliau faham FAMA itu di-tubuhkan oleh Kerajaan kita samata² untok menjagakan kedudukan dan harga padi dan juga muslihat bagi penanam² padi kita.

Sa-belum-nya FAMA ini di-tubuhkan saya dapat dengar bermacam² chara dan langkah yang di-jalankan oleh peniaga² orang-tengah ini sa-hingga penanam padi itu tidak dapat harga yang terjamin. Manakala FAMA telah di-tubuhkan, Kerajaan mengeluarkan modal untok FAMA bergerak, maka di-situ timbul-lah jaminan² dan chara² kaedah jual beli padi dengan lebih memberi kedudukan yang lebih terjamin kepada penanam padi kita.

FAMA pada masa ini baharu chuba dengan projek² permulaan-nya di-negeri Selangor dan belum lagi masuk ka-Kedah, belum lagi masuk ka-negeri² yang mempunyai pengeluaran padi yang banyak. Jadi kalau sa-kira-nya ada tentangan, ada rintangan, ada tegoran, ada halangan, saya rasa perbadanan FAMA ini tidak dapat hendak menunjukkan kemajuan dan juga hendak memberikan perkhidmatan yang baik kepada penanam² padi kita. Jadi banyak orang menyatakan FAMA ini sa-olah² menjadi orang-tengah yang merupakan menghisap darah dan sa-bagai-nya, tetapi pada saya, saya nampak, mesti ada satu perbadanan dan perbadanan yang di-tubuhkan oleh Kerajaan itu bukan merupai orang-tengah, kalau sa-kira-nya hendak dikatakan orang-tengah, Kerajaan yang membeli padi itu pun sudah jadi orang-tengah. Jadi ini sudah berlawanan dengan konsep kita. Jadi ada-kah kita mahu tuduh Kerajaan yang membeli padi itu sa-bagai badan orang-tengah? Jadi ini ia-lah satu perbadanan yang

di-tubuhkan oleh Kerajaan dengan modal Kerajaan, dengan undang² yang di-buat oleh Kerajaan bagi keuntungan dan bagi faedah dan jaminan keselamatan dan kema'moran ra'ayat yang menanam padi. Ini tujuan-nya.

Tuan Lim Joo Kong: Saya hendak terangkan sedikit, Tuan President, tadi saya bukan kata tegah atau ada ketegahan apa² atas FAMA. Chuma saya hendak beri tahu, kata FAMA ada bersangkutan dengan harga, bagaimana harga beras boleh naik. Jadi price control atas kilang² sahaja, kata kilang² naik harga beras. Jadi daripada peladang itu sampai ka-kilang yang sungguh Kerajaan bagi jaminan kata harga padi \$16 itu. Tetapi daripada ini peladang sa-sampai ka-kilang sudah jadi \$23 atau \$24. Tentu-lah kilang kena jual dengan harga tinggi pada harga Kerajaan yang di-letakkan oleh Kerajaan. Itu yang saya bagi keterangan sedikit. Kemudian saya kata juga orang ramai mengatakan ini kilang beras *unscrupulous*. Jadi hendak buat apa ikut suka atau ikut peratoran.

Tuan Yahya bin Haji Ahmad: Tuan Yang di-Pertua, saya rasa Yang Berhormat memusingkan kata²-nya kepada orang ramai. Tetapi saya sendiri telah mendengar dia mengatakan bahawasanya FAMA ini ada-lah menghisap darah. Saya hendak keterangan. Jadi jangan di-pusing²kan di-dalam Dewan ini.

Tuan Lim Joo Kong: Bukan begitu saya kata, orang kata kilang² unscrupulous.

Tuan Yahya bin Haji Ahmad: Tuan Yang di-Pertua, kita tidak mahu orang mengatakan FAMA menghisap darah!

Dato' Dr Cheah Toon Lok: Tuan Yang di-Pertua, saya fikir Senator ini tidak faham, tidak dengar habis ucapan Yang Berhormat Nik Hassan. Nik Hassan berchakap berkenaan dengan dasar yang ada, biar-lah dia chakap. Saya minta-lah bagi Senator kita, Yang Berhormat Enche' Lim Joo Kong, dengar habis² ucapan Yang Berhormat Nik Hassan.

Nik Hassan bin Haji Nik Yahya: Terima kaseh, Dato' Yang di-Pertua, saya rasa baik saya terangkan di-mana tempat-nya Yang Berhormat Lim Joo

Kong tidak faham dalam perchakapan saya ini. Jadi saya kata kepada Yang Berhormat tadi, kalau sa-kira-nya kita hendak katakan FAMA ini merupakan satu badan orang-tengah, itu sudah silap, dan kalau kita hendak katakan oleh kerana FAMA ini membeli padi dengan harga katakan-lah \$16, kemudian FAMA terpaksa menjualkan padi itu kepada millers, katakan lebeh daripada harga yang di-beli daripada padi planters itu, jadi tentu-lah harga itu terpaksa di-jual lebeh sedikit, kerana perbelanjaan dia, pekerjaan dia, pengangkutan dan sa-bagai-nya.

Jadi kalau sa-kira-nya kita hendak katakan FAMA ini satu badan yang telah di-jadikan orang tengah, saya kata silap. FAMA bukan badan orang-tengah, FAMA ini ada-lah badan yang di-tubuhkan oleh Kerajaan untuk mewakili Kerajaan, untuk menjamin harga padi supaya padi planters tidak di-perahkan oleh orang²-tengah. Itu jaminan yang di-kehendaki oleh Kerajaan dan FAMA sedang memulakan projek permulaan-nya di-Selangor. Dan belum lagi FAMA masuk ka-Kedah tetapi, rice millers di-Kedah ini sudah mula' goyang, sudah mula' takut dan mula' merasa FAMA ini boleh merupakan satu badan untuk monopoli, untuk menjaga, untuk mematkan orang² peniaga padi yang ada di-Kedah itu.

Saya rasa ini silap. Kerajaan meletakkan FAMA itu dengan satu asas ia-itu FAMA boleh menjalankan ranchangan-nya, projek-nya, dengan sharat, ada sharat-nya, FAMA hendak-lah mengishtiharkan projek kepada orang ramai. Dan bagi pehak badan² perniagaan atau ahli² peniaga padi dia boleh mengeluarkan pendapat dia, boleh mengeluarkan bantahan dia, dia boleh mengeluarkan fikiran dia, dia boleh berunding di-dalam perjumpaan itu menyatakan FAMA punya harga padi sakian umpama-nya, dan kawasan ini kita tak mahu FAMA jual harga sakian—itu boleh di-buat perundingan dalam satu² area yang tertentu. Jadi saya tidak tahu-lah barangkali orang di-Kedah itu belum lagi FAMA masuk di-Kedah, dia sudah takut, dia takut sa-belum FAMA masuk dia sudah takut siang² lagi.

Jadi saya fikir jangan-lah gopoh gapah sangat dalam perjalanan FAMA ini, biar-lah kita bagi peluang kepada FAMA ini berjalan daripada satu kawasan kepada satu kawasan. Jadi sekarang FAMA punya projek baru di-Selangor, dan perjalanan di-Selangor ini boleh di-katakan menunjukkan satu kejayaan, satu kemajuan, satu chara yang baik. Chuma timbul sedikit fasal perselisihan, fasal control perjalanan padi, itu pun FAMA terasa sa-bagai-mana juga yang di-rasa¹ oleh orang² lain, orang peniaga² lain. Jadi kalau sa-kira-nya kita hendak katakan FAMA ini hendak monopoli, saya rasa itu silap, sebab dalam Undang² mengatakan FAMA ini hendak berjalan dan di-beri kebebasan, orang lain boleh meniaga juga tidak susah menutupkan perniagaan, kalau sa-kira-nya di-katakan monopoli barangkali Kerajaan kata, all right kita tubuhkan FAMA dalam satu kawasan yang tertentu, di-dalam kawasan itu kawasan lesen² membeli padi akan di-berhentikan dan peniaga² padi yang ada itu hendak-lah berhubung dengan FAMA terus. Jadi FAMA bukan memberhentikan segala perniagaan itu. FAMA buat perhubungan dengan peniaga² itu sendiri. Bukan FAMA menjahanamkan perniagaan dengan peniaga² padi yang ada itu. Jadi di-mana dudok-nya yang di-katakan FAMA ini monopoli keseluruhan perniagaan padi itu?

Saya rasa ini ada kekeliruan sedikit yang patut-nya kita beri-lah peluang kepada FAMA ini berjalan menunjukkan kemajuan dan mana² area yang FAMA hendak masuk, saya rasa hendak-lah kita beri peluang supaya FAMA itu dapat menjayakan chita²-nya itu. FAMA berkehendakkan kapada ratus ribu ringgit, ratus ribu ringgit untuk memasokkan ka-negeri Kedah, untuk membeli padi di-Kedah. Kalau sa-kira-nya Kerajaan tak dapat beri peruntukan modal yang cukup, macham mana FAMA ini hendak menjamin penanam² padi ini dengan harga yang baik.

Jadi saya rasa bagi Ahli Yang Berhormat Lim Joo Kong kita dalam perbincangan mengenai price control ini lebih baik-lah kita hadkan perbincangan itu setakat price control, jangan-lah per-

bincangan pergi kapada menyentuh pula FAMA, satu perbadanan Kerajaan yang chuba memberi perkhidmatan kepada orang ramai. Itu sahaja-lah saya bagi ingat supaya tidak-lah timbul apa² kekeliruan. Kalau sa-kira-nya hendak di-katakan chara pekerjaan kita ini macham musim Jepun dahulu, ini terlampau sangat, lebih sangat apa yang sa-benar berlaku, sebab mana Kerajaan buat macham Jepun; macham Jepun dahulu kalau Jepun dahulu betul Jepun buat, dia control semua tidak ada orang boleh berniaga padi. Dia tuboh dia punya sharikat semua orang yang ada itu mesti jual sama Jepun, tidak ada jual boleh potong leher—tidak ada undang² kalau mahu chakap fasal FAMA Kerajaan kita hari ini menjalankan sa-bagai Jepun itu tidak betul. Jepun dahulu tarek pedang sahaja, jual padi kapada dia punya company; tidak ada jual di-sini potong leher. Mana Kerajaan potong leher sekarang? Tidak ada. Mana ada potong leher, barangkali Lim Joo Kong tidak boleh hidup kalau Jepun punya pemerentahan sekarang, sebab dia chakap tidak betul sahaja, Jepun pun tarek. Ini Lim Joo Kong pun ta¹ mahu chakap dalam Dewan fasal bichara pemerentahan Jepun, waktu Jepun, punya perentah. Jadi ini fasal Jepun punya pemerentah mahu banding dengan kita punya pemerentahan, saya ingat ini satu perbandingan yang karut yang tidak patut kita keluarkan di-sini. Ini memalukan kita punya Kerajaan sahaja bukan memalukan kita sahaja memalukan kita punya Kerajaan memalukan kita yang punya negara, sebab chara pemerentahan dalam masa Jepun dahulu dengan chara pemerentah sekarang jauh—kita punya pemerentah sa-chara demokrasi, Yang Berhormat Lim Joo Kong boleh maki Tunku Abdul Rahman, Yang Berhormat Lim Joo Kong boleh kata FAMA ini itu, semua boleh chakap, Opposition kata macham², tetapi Tunku sama Tun sama Kerajaan tidak ambil tindakan macham Jepun, tidak ada benda yang kita buat. Kalau hendak banding macham Jepun, demokrasi kita tidak ada. Jadi indirectly kita punya Yang Berhormat Lim Joo Kong macham ini kita tidak ada demokrasi-lah sekarang. Ini tidak ada free enterprise.

Saya ingat kalau kita betul tidak ada free enterprise, tidak ada ini company besar² berniaga di-sini Lim Joo Kong kata kita punya Kerajaan sekarang berlawanan dengan dasar tidak ada free enterprise saya kata kalau tidak ada enterprise Malayawata punya wakil tidak ada di-sini; kilang Dunlop ini semua company tokeh² getah tidak ada hidup kalau kita tidak ada semua, kita nationalise semua. Kalau kita tidak ada free enterprise tetapi chukup free mahu buat FAMA pun free enterprise, fasal FAMA tidak boleh buat, melainkan dengan ada kuasa mesti publish dahulu, bagi ishtihar pada public ia-itu peniaga padi boleh buat protes, adakan hearing, baharu itu projek boleh jalan; hendak buat satu projek mesti ada beri public hearing mesti boleh protes, siapa pun boleh lawan mahu chakap, pakai loyar apa pun semua boleh; ini tidak free enterprise lagi, macham mana lagi free enterprise mahu buat kalau sedikit pasal meniaga padi pun tidak boleh sentoh macham mana kalau semua orang meniaga punya peniagaan tidak boleh sentoh—self interest itu pegang kuat sangat, saya ingat ini Kerajaan sudah kena tukar. Kita punya Kerajaan patut tukar. Kita telah terlampau free enterprise sa-hingga apa yang kita bagi tidak terima kaseh, kita balek jadi nationalise semua sa-kali senang kira. Jadi tidak ada apa—no free enterprise lagi senang, semua tidak boleh chakap, tetapi ini sudah chukup free enterprise sampai Government punya organisation pun dalam undang² dalam FAMA punya Bill tidak boleh berjalan dengan kuat-kuasa, melainkan dengan ada public hearing dalam satu² projek yang hendak di-jalankan.

Jadi ma'ana-nya FAMA itu tidak ada kuku, tidak ada taring, tidak ada dia punya senjata yang kuat mahu berjalan, kerana untuk hendak menjaga enterprise yang ada ini, sharikat² yang ada, perdagangan yang ada tidak mahu kachau perdagangan yang ada, jadi FAMA punya perbadanan itu tidak pun di-beri bagitu banyak kuasa² yang boleh monopolikan perniagaan padi dan sa-bagai-nya. Jadi kalau bagini-lah badan yang di-buat oleh Kerajaan di-fikirkan boleh merosakkan lagi perniagaan, saya fikir

tidak ada benda sudah yang boleh kita katakan free enterprise; ini sudah chukup free enterprise.

Jadi saya sangkal-lah fikiran Lim Joo Kong, tetapi saya sokong dia punya fasal padi luar negeri, beras luar negeri bebas jual—betul dahulu satu whole-sale dia beli beras daripada luar negeri satu pikul, dia mesti beli risab Kerajaan satu pikul, dahulu dia beli risab Kerajaan satu pikul, dia kena rugi jadi kerana rugi dia terpaksa jual mahal beras yang dia import, tapi sekarang kerugian tidak timbul. Sekarang dia beli beras Kerajaan pun dia jual boleh untong, jadi Kerajaan patut fikir, kalau dia boleh beli beras stock-pile boleh jual dengan untong, dia boleh beli di-luar negeri beras, dia jual dengan mendapat untong pasal apa Kerajaan tidak boleh chepat timbangan perkara ini.

Saya ingat Kerajaan patut timbangan segera, kalau ini saya rasa sekarang bertambah² surat permohonan mintak menjadi wholesale beras; orang yang tidak meniaga beras pun dia minta licence hendak meniaga beras fasal untong besar, fasal Government sudah control semua beras ka-luar masuk pun untong besar, beras dalam negeri pun meniaga mendapat untong semua orang hendak meniaga beras sekarang. Jadi saya ingat patut Kerajaan kaji balek tentang harga beras yang di-import supaya dapat sesuaikan dengan kedudukan control beras dalam negeri ini. Sekian sahaja, terima kaseh.

Tuan Lim Joo Kong: Tuan Yang di-Pertua, saya hendak terangkan sedikit. Saya menguchap-lah ribuan terima kaseh pada Yang Berhormat Nik Hassan itu kalau-lah ada tentang mana² saya sudah faham. Jadi sekarang saya bawa satu copy *Warta Kerajaan Persekutuan* yang published 3hb Ogos, FAMA akan tubuhkan satu Marketing Board di-Kedah. Dalam *Warta* itu ada-lah berbunyi bagini: No person shall unless licensed by the Board in that behalf purchase any padi in that area to which the scheme applies. Bagitu-lah kalau saya tidak silap faham. Saya ingat itu-lah lain orang tidak boleh, chuma FAMA sahaja yang

boleh berniaga dalam kawasan itu, lagi pula saya ingat Yang Berhormat Nik Hassan ada silap faham sedikit di atas perchakapan saya, kalau tidak silap saya boleh baca, saya kata bagini: in this way the miller can save his skin from being accused of being unscrupulous. Ta'kan saya mengaku saya orang kilang buat lebih kurang—itu saya tidak mengaku begitu, saya kata begitu: He can save his skin from being accused of being unscrupulous; the rice dealer from being accused of making exorbitant profits and the middlemen especially the FAMA padi Marketing Board from being accused as blood-suckers... Saya kata kalau begitu kita tidak boleh bagi orang kata lagu ini; kita bukan kata begitu ada silap faham. Ta'kan saya mengaku saya pun mahu buat kesalahan dengan tidak fikiran apa². Ta'kan saya hendak kata begitu. Tentu tidak itu-lah saya ingat ada silap faham, terima kaseh.

Tuan Yahya bin Haji Ahmad: Tuan Yang di-Pertua, saya tidak silap faham, tetapi saya nampak tadi ketiga² pertanyaan mulut yang ada di-sini, tetapi dia tarek balek nampaknya dimasukkan di-sini, jadi chakap menghisap darah, itu di-bawa di-sini bermana hendak berselindung di atas nama orang ramai. Jadi saya tidak mahu-lah melibatkan orang ramai. Kita boleh chakap sendiri, kita hendak kata tidak apa. Saya pun wakil orang ramai, saya tidak pernah dengar orang ramai hendak mengatakan FAMA menghisap darah. Itu fasal yang saya pun naik darah, fasal chakapan-nya itu—bukan chakap Parliametary, sebab saya pun sama² 5 tahun di-Parlimen sana.

Tuan Amaluddin bin Darus: Tuan Yang di-Pertua, saya sukachita juga hendak mengambil peluang berbath di-dalam Bill Price Control ini, kerana termasuk di-dalam ini kawalan harga itu bagi semua barang². Saya rasa Kerajaan boleh-lah mengambil dan bertindak chepat bagi mengawal harga barang² yang masuk dan khasnya barang² yang di-usahakan dan dikeluarkan di-dalam negeri ini sendiri supaya tidak-lah kita mendapat satu kesimpulan bahawa tawaran² yang telah di-kemukakan oleh Kerajaan kepada pemodal² luar membuka

kilang² perusahaan mereka di-negeri kita ini tidak mendatangkan sa-barang faedah kepada negara sa-chara yang bersunggoh² oleh kerana di-kechualikan 5 tahun chukai pendapatan-nya dan di-beri berbagai² kemudahan yang lain, sedangkan harga² barang yang di-usahakan itu di-kira lebih kurang sama dengan harga sa-belum ada perusahaan² yang di-buat dalam negeri ini, chuma berbeza-nya, kalau dahulu-nya barang² yang di-bawa masuk dari luar negeri tidak ada perbuatan dalam negeri harga-nya seperti itu, apabila barang itu telah di-buat dalam negeri sa-bahagian-nya dan barang yang di-buat di-luar negeri itu di-kenakan chukai tambahan menjadikan barang itu naik harga, tetapi barang yang di-buat dalam negeri itu mempunyai status atau taraf harga yang sama seperti dahulu juga. Erti-nya pada ra'ayat tidak mendapat satu kemegahan dan kebanggaan negeri kita telah membuat barang dalam negeri dan dia dapat membeli barang buatan Malaysia dan harga-nya murah, kerana kita tahu sharikat² itu mendapat kemudahan² yang banyak yang tidak di-buat oleh kebanyakan negeri dalam dunia ini dan dia di-freekan, di-bebaskan daripada membayar chukai income tax, chukai pendapatan sa-lama 5 tahun, dan satu perkara yang nyata dia mendapat buroh² yang murah dalam negeri. Jadi, tidak ada sebab sharikat² itu boleh di-biarkan berleluasa dalam negeri kita ini mengenakan harga untuk mengambil untung sa-banyak²-nya daripada ra'ayat negeri ini, yang menjadi buroh tidak-lah tinggi mana, tetapi tokeh tetap mendapat keuntungan yang berlipat ganda.

Saya harap pehak Kerajaan menyedari hakikat ini supaya tidak-lah menjadi sungutan dan penyesalan ra'ayat yang akan menimbulkan natijah yang lebih burok kepada perkembangan politik dalam negeri kita ini, kerana ada tenaga² yang lain memainkan factor² ekonomi sa-bagai peluang² kemajuan politik-nya dan pehak Kerajaan tentu-lah menyedari hakikat ini.

Jadi, Tuan Yang di-Pertua, saya sa-benar-nya telah menyusun perbandingan² harga untuk di-gunakan dalam sa-barang perbahathan seperti

ini, tetapi malang-nya kali ini-lah kali pertama saya merasa sangat kesal atas perjalanan meshuarat kita, kerana sa-bahagian besar Bill²—Rang Undang² yang akan di-binchangkan pada hari kelmarin dan hari ini baharu saya terima sa-sudah saya minta dua hari yang lalu dari Jabatan Parlimen ini.

Kita sa-patut-nya sa-kurang² 14 hari sudah dapat menerima baharu dapat membacha banyak Bill² yang tebal² saperti Police Bill saya tidak sempat membacha langsung, saya diam tidak berchakap apa². Jadi, Tuan Yang di-Pertua, oleh kerana kita tidak ada persediaan dan kita pun tidak tahu dan kita pun tidak bawa senarai yang boleh membuktikan betapa perbandingan barang yang telah di-buat dalam negeri dengan harga barang sa-belum di-buat dalam negeri.

Tuan Yang di-Pertua, apa hal seluroh ra'ayat sangat menggantungkan harapan kapada Kerajaan dapat bertindak bagi kepentingan ra'ayat ramai dalam memelihara harga² barang, terutama saperti yang telah berlaku baharu² ini hebph dengan kenaikan harga beras yang mendadak, sa-hingga ada tempat² yang harga beras telah naik sampai \$3.50 satu gantang di-tengah² negeri Pahang ada kampong yang saya berjumpa harga beras bagitu, tetapi ada pula tempat² yang berdekatan dengan bandar² besar yang harga beras-nya maseh rendah, tetapi oleh kerana ada price control yang di-tentukan oleh pehak Kerajaan automatic—dia pun naikkan harga itu menjadi harga sama dengan harga yang di-tetapkan oleh Kerajaan. Jadi ra'ayat yang pagi tadi membeli dengan harga yang agak murah, tetapi petang itu telah dapat tahu harga baharu, maka di-taroh card dengan harga baharu naik 30-40 sen lagi daripada harga pagi tadi.

Jadi saya harap Kerajaan dapat bertindak betul² dalam perkara makanan utama pada ra'ayat, saperti beras ini supaya penjual² tidak dapat mengambil kesempatan mengenakan belanja pe-ngangkutan ka-tempat² yang jauh di-atas bahu ra'ayat. Jika ini tidak di-kawal sudah tentu-lah harga beras

tetap tinggi di-kampong² yang jauh. Maka pembeli di-tempat yang ter-penchil, pembeli di-tempat yang jauh daripada bandar² yang terpaksa di-bawa barang² itu dengan transport yang makan belanja tentu-lah pembeli orang kampong yang miskin yang hidup-nya dan pendapatan-nya terlalu sedikit itu-lah yang menanggung akibat-nya saperti saya telah chakapkan kelmarin ia-itu ada ra'ayat yang telah makan bubor akibat tidak sanggup membeli beras dalam sa-buah pegara yang kita da'awa ma'amor sa-lama ini, sebab-nya ia-lah kerana harga beras itu telah naik dan tidak terkawal, dan sa-bagai satu perkara yang penting ia-itu beras ini makanan yang utama. Kawalan harga itu mesti-lah di-buat termasuk juga di-fikirkan soal transportation, kerana itu ada hubungan dengan kaum² modal menaikkan harga-nya dengan di-kenakan sama belanja dia mengang-kut itu sa-hingga ra'ayat di-kampong yang taraf-nya lebeh rendah daripada ra'ayat bandar membayar lebeh mahal bagi makanan utama yang penting pada keluarga mereka.

Sa-lain daripada itu saya tertarek hati dengan perkara yang telah di-sentuh dalam Dewan ini mengenai dengan beras, kawalan harga beras dan sa-bagai-nya dan kawalan pergerakan beras, kerana perkara itu saya telah sentoh kelmarin dalam perbahathan mengenai Tambahan Belanjawan, mithal-nya dedak dan sa-bagai-nya itu semua ia-lah perkara yang meng-untongkan negara ini dengan dapat menyelamatkan wang pertukaran luar negeri. Jadi saya perchaya Kerajaan tentu-lah akan mengambil perhatian. Bagitu juga dalam soal beras yang di-usahakan dalam negeri ini, mithal-nya di-Kelantan kata saya, saperti juga di-Kedah berlebehan hasil-nya. Di-Kelantan juga jika tidak kerana satu kejadian alam yang burok saperti banjir dan sa-bagai-nya, maka hasil padi di-Kelantan itu melebehi daripada yang di-hajatkan oleh ra'ayat negeri itu, dengan kerana itu kalau keadaan sekatan² yang di-kenakan, maka sangat-lah merugikan kapada per-kembangan kemajuan petani² dari segi ekonomi mereka sendiri.

Tuan Yang di-Pertua, ingin-lah saya ikut champor dalam perkara perbathan yang telah berlaku di-antara anggota² dalam Dewan ini mengenai FAMA. Sa-benar-nya seperti yang kita ma'alum sa-belum di-gezetkan seperti yang telah di-bacha tadi pada 3hb Ogos telah di-gezetkan FAMA akan membuka usaha-nya di-Kedah, sa-belum itu FAMA telah mengechualikan Kedah. Mengechualikan Kedah ini dengan alasan tidak mempunyai chukup wang. Saya tidak dapat memperchaya² tidak chukup wang, tetapi saya fikir ada sebab² di-belakang yang lain daripada yang menyebabkan di-keluarkan alasan mengatakan tidak chukup wang.

Apa yang sa-benar-nya, Tuan Yang di-Pertua, Undang² FAMA itu sendiri tidak chukup kemas. Sudah berzaman² perjalanan dalam negeri ini gulongan² tertentu telah monopoli. Dalam Dewan ini saya pernah berkata beberapa tahun dahulu nasib sa-orang pegawai shariat kerjasama di-satu negeri yang ada banyak padi ia-itu negeri Kedah, terpaksa di-tukar serta-merta dengan perentah dan tidak di-kehendaki, bukan kerana dia mengkhianati kerja²-nya, tetapi perbuatan-nya itu bertentangan dengan kepentingan kapitalis² yang menguasai kilang² padi dalam negeri Kedah. Itu-lah sebab di-minta—dia di-minta dengan tekanan daripada penguasa kilang padi. Itu kita perchaya mesti jadi begitu, dan tentu-lah tidak shak lagi penguasa kilang padi itu—be'long to the same party with the ruling party.

Tuan Yang di-Pertua, itu-lah kemalangan kapada kita dengan kerana terlalu timbang menimbang mengakibatkan kepentingan kaum petani yang miskin tidak dapat di-bela dengan benar² kerana hendak menimbangkan kepentingan² gulongan lain, maka timbul-lah perasaan tidak senang dalam hati, dan apabila FAMA telah mula membeli padi di-Tanjong Karang, di-Seberang Prai, mula-lah timbul berita² dalam akhbar tawaran² membeli padi dengan harga \$20 lebeh sa-pikul satu tawaran yang sangat lumayan. Pada hal dalam Dewan ini pernah di-sebutkan sa-waktu FAMA belum wujud

harga padi pernah jatuh \$8 sa-pikul di-Tanjong Karang di-sebutkan oleh Yang Berhormat Tuan Saidon bin Kechut. Dan di-Kedah berlaku peristiwa dalam tahun sudah, bulan Januari waktu Hari Raya dan pembukaan sekolah anak² berlaku sa-rentak \$10 sa-pikul di-tawarkan oleh pekilang² dan orang-tengah, tetapi bila FAMA memulakan gerakan-nya mengakibatkan naik tawaran² sampai \$20 lebeh, menyebabkan petani² gelisah, terutama di-kawasan Krian dan di-kawasan Kedah seperti yang saya telah jumpa.

Penyokong PAS sendiri, Tuan Yang di-Pertua, sa-waktu saya mengadakan satu rapat umum di-Perak baharu² ini yang memberi sambutan chukup meriah, tetapi bila saya sebutkan bagaimana baik-nya FAMA mereka bersorak menentang FAMA, dia kata FAMA pun tidak guna, menghisap darah. Jadi saya chuba memberi penjelasan ringkas dan kemudian daripada itu saya mengadakan satu perjumpaan khas dengan petani² yang menyokong PAS. Saya memberi penjelasan FAMA itu ada-lah baik, kelemahan²-nya ada, tetapi ini-lah satu jalan yang baik dan yang dapat di-buat dalam keadaan seperti sekarang ini untuk mengatasi masalaah petani², tetapi mengapa jadi bagini, mengapa kaum tani sudah mula merasai FAMA menghisap darah? Ada petani² kerana sudah ada diayah halus, propaganda halus, yang sudah berjalan masuk kapada kaum² tani menyebabkan mereka takut kapada FAMA. Walau pun FAMA tidak memuaskan kita dengan undang² sekarang ini, tetapi kita rasa itu-lah satu benda yang baik dapat di-buat dalam keadaan sekarang ini oleh kerana kedudukan politik Parti Perikatan sendiri yang terpaksa tenggang-menenggang. Saya telah memberi sokongan² bukan sahaja dalam sharahan politik saya bahkan dalam cheramah kursus politik dan perkembangan politik di-negeri ini tentang ekonomi menyarankan kapada orang² menyokong PAS supaya memberi sokongan dan menerima FAMA dengan sa-baik²-nya, jangan menerima segala hasutan² yang sengaja di-mainkan oleh kaum kapitalis. Apabila mati FAMA,

maka mereka akan menggunakan kesempatan mati FAMA itu untuk membeli dengan sa-suka hati mereka.

Jadi, Tuan Yang di-Pertua, pengalaman sudah cukup bagi kita dan kerana itu saya fikir Kerajaan harus berani meminda Undang² FAMA supaya memberi jaminan yang lebih kuat, FAMA tidak-lah boleh di-fikirkan seperti lori, dikeluarkan permit² lori, mengadakan public hearing, sebab permit lori itu kita tahu-lah sekarang kedudukan-nya cukup susah oleh kerana kedudukan orang yang mempunyai barang hendak di-pindahkan itu orang lain, kalau orang Melayu yang membuat perusahaan lori erti-nya susah sedikit hendak mendapat sewa dan kerana itu lain masalah-nya—public hearing barangkali perlu, sa-kali pun kita tidak senang dengan chara begitu. Tetapi dalam soal FAMA, mithal-nya soal market, pasaran padi ini tidak-lah mesti begitu, sebab yang mengusahakan padi ini ialah orang² kampung, khusus-nya orang² Melayu, dengan kerana itu yang mengusahakan kilang yang akan protest, yang menyebabkan timbul-nya sistem public hearing ini ialah golongan² yang lain yang tidak ada kepentingan melainkan kepentingan mengilang padi itu sendiri.

Jadi, Tuan Yang di-Pertua, jalan yang paling baik bagi menyelesaikan masalah ini kalau tidak, tidak akan selesai kerana sekarang pun telah berjalan jarum² yang menanamkan semangat kepada orang kampung menentang FAMA itu sudah berjalan dan kesan-nya telah ada, sampai penyokong² PAS sendiri, oleh kerana kesempatan dia sudah tidak setuju dengan Kerajaan Perikatan, dia orang PAS, dia pun hendak menentang, sa-hingga itu menjadi alasan dan terpaksa saya bertindak menasihatkan mereka itu untuk memahami hakikat yang sa-benar-nya FAMA itu baik dan hendaklah di-terima FAMA dengan hati yang tenang.

Jadi, Tuan Yang di-Pertua, jalan keluar bagi masalah ini ialah meminda Undang² FAMA dan Kerajaan harus bertindak lebih berani ia-itu memajukan sharikat² kerjasama—sa-

yang Menteri-nya tidak hadir, sa-hingga itu sharikat kerjasama dengan kuasa undang² memberi peluang mengambil alih semua kilang² di-dalam negeri ini, biar-lah petani² yang mengusahakan pertanian padi mendapat hak mengilang padi mereka, kemudian itu mereka jual kepada saudagar² yang berniaga beras, sa-lama mereka belum berniaga beras, tetapi orang² yang telah memerahkan tenaga mereka, yang telah menchuchorkan keringat peloh mereka mengerjakan tanaman padi tidak di-beri peluang mengilang padi mereka sendiri sampai sa-lama²-nya hidup bergantung kepada ihsan orang² lain ada-lah tidak adil dalam sa-buah negara yang merdeka seperti sekarang ini.

Jadi, Tuan Yang di-Pertua, saya menganjurkan kepada Kerajaan supaya bertindak berani meminda Undang² FAMA supaya memberi dorongan yang lebih baik kepada sharikat kerjasama mendorong mereka itu membolehkan dengan undang² mengambil alih seluruh kilang² di-dalam negeri kita ini bagi di-jadikan milik bersama ia-itu milik kaum petani. Sekian, terima kasih.

Tuan Haji Abdul Hamid Khan:
Tuan Yang di-Pertua, saya tidak-lah berhajat hendak berchakap panjang dalam masalah ini, kerana Bill ini sangat pendek saya tengok, tetapi kebanyakan saya nampak telah meleret² ka-tempat² lain yang tidak ada maksud-nya dalam Bill ini. Saya hanya hendak berchakap satu dua perkara sahaja ia-itu satu perkara yang telah dibangkitkan oleh Dato' Y. T. Lee berkenaan dengan kilang Besiwaja Malaya-wata.

Kata beliau ia-itu sa-telah di-adakan kilang ini harga besiwaja sudah naik 25% tetapi perkara yang sa-umpama ini memang berlaku di-mana pun kita mulakan satu² perusahaan yang baharu, kerana jika kita hendak mengadakan perusahaan yang baharu dalam negara terpaksa-lah kita mengadakan Protective Tariff, kalau tidak perusahaan yang baharu itu tidak boleh hidup, apabila dia sudah hidup dan subur, baharu di-sama-ratakan.

Ada sa-orang Ahli Yang Berhormat Enche' Lim Joo Kong mengatakan ia-itu dia berasa malu harga beras kita ia-lah harga 30 sen dan dia berkehendakkan supaya harga beras itu di-naikkan pula dengan sama rata dengan harga beras yang di-impot, atau yang di-masokkan ka-dalam negeri. Jadi, Tuan Yang di-Pertua, saya rasa Kerajaan sengaja suka harga beras yang keluar daripada negeri ini murah supaya kita menggalakkan orang² kita makan beras ini dan apabila ramai orang kita makan beras ini, banyak-lah orang yang lebeh lagi menanam padi. Jadi tak payah kita mengimpot beras daripada luar.

Berkenaan dengan movement, ia-itu perpindahan padi, atau beras daripada satu tempat ka-satu tempat ini, ini sungguh pun ada undang² atau peratoran, tetapi bukan berma'ana tidak boleh di-pindahkan langsung, tetapi apabila tujuan berkenaan dengan movement of padi ini ia-itu supaya harga beras itu dapat sa-imbang sa-telah itu dapat-lah di-timbangkan, jikalau mustahak di-pindahkan bukan berma'ana complete ban—tidak. Itu sahaja-lah yang saya hendak jawab.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 and 2 ordered to stand part of the Bill.

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

THE PATENTS (RIGHTS OF GOVERNMENT) BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to make provisions as to the rights of the Government in the legislation relating to patents and for matters incidental thereto" be read a second time.

Dato' Y. T. Lee: Sir, I beg to second the motion.

Tan Sri T. H. Tan: Mr President, Sir, as stated in the Explanatory Statement attached to the Bill, under the provisions of the existing legislation, if any United Kingdom patent is registered under the Ordinance, the holder thereof shall have the privileges and rights similar in all respects to those conferred by the issue of patent in the United Kingdom. In that country, any Government department may make, use and exercise any patented invention for the services of the Crown. Under the existing legislation in force in the States of Malaya, Sarawak and Sabah, the position is somewhat uncertain if the Government has any such rights. This Bill seeks to make it clear that the Government of the Federation, or of any State, a Ministry, or Government department, or any authorised person, has the rights set out therein.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

Clauses 1 to 4 inclusive ordered to stand part of the Bill.

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

THE MALAYAN RAILWAY PROVIDENT FUND (AMENDMENT) BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to amend the Malayan Railway Provident Fund Ordinance, 1952" be now read a second time.

Dato' Y. T. Lee: Sir, I beg to second the motion.

Tan Sri T. H. Tan: Mr President, Sir, at its meeting on 16th December, 1965, the Cabinet decided that the Minister of Finance and the Minister of Transport should discuss the claim of the Railway servants for pension benefits before the latter met the representatives of the Railwaymen's Union

of Malaya. Subsequently, a meeting was held in the office of the Minister of Finance at which the Minister of Finance, the Minister of Transport the Principal Establishment Officer and officials of the relevant Departments were present. It was decided at this meeting that those Railway servants filling posts, which would be declared to be pensionable posts, would be eligible for full pension status in accordance with the Pension Ordinance, 1951.

On 31st December, 1965, a meeting of officials of the relevant Departments was held in the Ministry of Transport prior to a meeting with representatives of the Railwaymen's Union of Malaya to work out the details of the offer to be made. At that meeting with representatives of the Union held on the same day and at which the Minister of Transport, the Minister of Labour, the Assistant Minister of Finance and officials of the relevant departments were present, the representatives of the Union were informed in writing of the decision arrived at. The letter conveying the decision contained the following terms:

- (1) The decision to grant pensionable status to Railway employees would take effect from 19th August, 1964;
- (2) Posts which are scheduled posts and which qualify as Pensionable Posts in accordance with the standards currently applied to posts in the Public Service on 19th August, 1964, and thereafter would be eligible for pension benefits;
- (3) Those officers who are contributors to the Malayan Railway Provident Fund would be given an option to opt within a specific period for pension benefits under the Pensions Ordinance, 1951, or to continue to remain as contributors to the Malayan Railway Provident Fund; and
- (4) Officers appointed to scheduled posts, or promoted to such posts from non-scheduled posts, on 1st January, 1966 and after and which posts qualify as pensionable posts would carry pension

benefits in accordance with the Pensions Ordinance, 1951 and would not be liable to contribute to the Malayan Railway Provident Fund.

In order, therefore, to implement this offer, necessary legislation has to be made by way of amending the Malayan Railway (Provident Fund) Ordinance, 1952. Malayan Railway Provident Fund benefits will thereafter be limited to those set out in the Explanatory Statement attached to the Bill.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr (Deputy) President *in the Chair*)

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

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

THE PADI CULTIVATORS (CONTROL OF RENT AND SECURITY OF TENURE) BILL

Second Reading

Tan Sri T. H. Tan: Mr President, Sir, I beg to move that a Bill intituled "an Act to amend and re-enact the law relating to the control of rent and security of tenure of padi cultivators and matters incidental thereto" be read a second time.

Dato' Y. T. Lee: Sir, I beg to second the motion.

Tan Sri T. H. Tan: Mr President, Sir, the Honourable Minister of Agriculture and Co-operatives desires me to make the following statement to this House.

The object of the Act is to control the level of rents in padi lands and to give security of tenure to padi cultivators. This Act will have a great impact in all the padi growing areas, as 50 per cent of the padi farmers in the country rent a part or the whole of the padi land they cultivate. It is estimated that there are 125,000 tenant padi farmers and over 90 per cent of

them are in the five States of Kedah, Perlis, Kelantan, Province Wellesley and Perak and further, padi growing is confined to only certain Districts within each State.

The Padi Cultivators Ordinance of 1955 was ineffective and was largely ignored by most of the States, except in Kedah where some efforts were made to achieve effectiveness. The other States either failed to apply the Ordinance or failed to implement it although several States, in principle, set up the necessary administrative machinery such as Tenancy Committees Attesting Officers, Registrars, etc.

There are several reasons for the ineffectiveness of the 1955 Ordinance. To investigate and study these, the Malaysian Government request the Ford Foundation to assist, and in 1964 a team of two experts, consisting of Messrs E. D. Smith and P. R. Goethals, arrived in this country. They examined the changes in legislation that will be required if the laws designed to provide rent control and security of tenure are to be effective. The experts submitted their Report in 1965, and this has been thoroughly studied and examined at various levels, such as:

- (i) an "ad hoc" Committee comprising Senior Officers of the Ministry of Lands and Mines, Ministry of National and Rural Development, Ministry of Agriculture and Co-operatives and the Economic Planning Unit of the Prime Minister's Department;
- (ii) all State Governments, who after studying the Report gave their views to the "ad hoc" Committee.

Consequently, in the light of these comments, the amendments that were necessary to the 1955 Ordinance were drawn up by the representatives of the principal padi producing States namely, Kedah, Kelantan and Perak, officials from the Ministry of Lands and Mines, Economic Planning Unit and the Ministry of Agriculture and Co-operatives.

The Draft Bill was further discussed from the legal and technical aspects

with the State Governments of Perlis, Kedah, Perak and Penang at two separate meetings held at Alor Star and Ipoh. Here, more refinements and the practical implementation of the Act were deliberated. These meetings were called by the Office of the Peguam Negara for the purpose of finalising the Draft Bill.

This Draft Bill takes into consideration the weaknesses of the 1955 Ordinance and also the rapidly changing situation of padi cultivation in this country that has taken place in the last twelve years.

The Bill provides for the maximum rents on padi lands which are divided into three classes according to their productivity (Section 2 of the Second Schedule). The rents are to be paid in padi after the harvest and maximum rates as follows:

<i>Classification of Land</i>	<i>Rent in Gantangs per acre</i>
Class I	140
Class II	115
Class III	70

The State Authority may by order amend the above level and prescribe the maximum rents.

For lands that have been declared as double cropping padi areas, a further 30 per cent of this maximum rents will be imposed.

In this Bill, there is no provision for crop-sharing, that is, rents have to be paid in terms of a fixed quantity of padi and share renting will not be allowed. This is a big change from the existing practice and is necessary if tenant farmers are to make the best use of their resources and the facilities provided by the Government.

Security of tenure is assured to all tenant padi farmers as all tenancy agreements have to be in writing in prescribed forms and these agreements will not be for a period of less than three seasons (three years) and the tenant has the option to a renewal of his tenancy agreement. The landlord will be committing an offence if he does not draw up a tenancy agreement, or have it registered. The existing Ordinance of 1955 made illegal any

agreement for more than one year but this is one of its weaknesses for no useful purpose is served in re-negotiating and re-registering agreements annually. The extension of the minimum period to three seasons makes it less burdensome for landlords, tenants and administrators and also induces better cultivation practices as farmers will apply fertilizers and bring about other improvements to the farm, for the beneficial effects of these may be up to three years.

Under the proposed Act, new posts of *Enforcement Officers* will be created. The responsibility for investigating cases of non-compliance, and the prosecution of these cases, will be with the Chief Enforcement Officer. He will be responsible to the State Government for the enforcement and the administration of the provisions of the Act. A weakness of the 1955 Act was that there was no adequate enforcement machinery and this made it difficult or impossible for a public official to take the initiative in prosecuting cases of non-compliance.

The adjudication of landlord/tenant disputes will be by a Tenancy Committee of three persons, one of whom shall be a public officer who will be the Chairman. The State Authority, instead of establishing and appointing a full Committee of three persons, may appoint a single *Enquiry Officer* who will have all the powers and perform all the duties of the Chairman. The Chairman will have all the powers of a First Class Magistrate. The decisions or orders of the Committee will be binding on all landlords and tenants and will be treated as the decision or order of a Magistrate.

However, there is provision for appeal from any decision or order of a Committee. The appeal will be to a Tribunal consisting of three persons appointed by the State Authority, one of whom shall be a public officer possessing professional legal qualifications and he shall be the President of the Tribunal. The decision of the Tribunal is final and shall not be called in question and be the subject of any proceedings in Court.

The proposed Act, in addition to providing for maximum rents and security of tenure to tenants, states very precisely the responsibilities of landlords and tenants in relation to the tenancy agreement. The landlord will pay the quit rents, water rates and other outgoings. The tenant will bear all costs of cultivation and he must also practise good husbandry. Further, the tenant must not sub-let, lease or rent any part of the padi land held under the agreement.

It was stated earlier that the conditions under which padi is cultivated is rapidly changing. A very definite effort is now being made to increase production by the development of new techniques. One major change is the possibility of growing two crops of padi per year in the more important padi growing areas of the country in place of the traditional single crop. The level of rent for the second crop is a comparatively new question and a very important one; if the rent is too high there will be no incentive for tenant farmers to cultivate the second crop; at the same time although it is recognised that double cropping is mainly the result of Government investment in irrigation and the landlord's contribution is practically nil, nevertheless, it is felt that the landlord should also have some share in the increased productivity of the land. In this proposed Act, the level of rent for the second crop of padi is fixed at 30 per cent of the maximum prescribed rent; this will be fair to both the landlord and the tenant and at the same time encourage the full use of the resources of the tenant farmer.

Tuan Abdul Samad bin Osman:

Tuan Yang di-Pertua, saya bangun menyokong Rang Undang² ini pada dasar-nya.

Tuan Yang di-Pertua, sa-lama kita meshuarat dua hari ini, saya fikir bahawa Undang² ini-lah saya ingat kalau tidak mustahak sa-kali satu daripada yang mustahak sa-kali dalam dua hari meshuarat, kerana dengan Undang² ini bukan sa-takat sa-ribu, dua ribu orang, beratus ribu ahli²

bendang akan terkena khas-nya kapada pencharian mereka masing². Jadi saya dukachita-lah kerana bagini punya mustahak, Menteri Pertanian yang bertanggung jawab tidak dapat mari, saya berasa sangat susah hati-lah, pendek-nya kalau ada saya perchaya banyak-lah kawan² Ahli² lain yang hendak berchakap siapa-lah yang hendak ambil tahu, hal itu boleh-lah note tetapi barangkali sa-tengah² dia pun tidak boleh jawab, jadi nampak-nya chukup-lah tidak elok kalau bagini. Kalau Undang² yang mustahak bagini Menteri sendiri tidak ada, jadi kita hendak tanya pun payah, tetapi apa boleh buat Menteri tidak ada. Ada-lah sa-orang Menteri yang ada itu ia-itu Menteri Senate, Menteri Senate kita tahu-lah, saya tengok dia batok saya pun kasehan (*Ketawa*), nanti dia collapse susah pula!

Berbalek sa-mula kapada Rang Undang² ini, Tuan Yang di-Pertua, Rang Undang² ini sa-kira-nya orang itu bacha sa-bagai layman—layman ini bukan-lah erti-nya layman ia-itu satu orang yang tidak biasa buat bendang, orang tidak biasa bagi sewa tanah, orang tidak biasa sewa tanah—chukup molek, cukup elok semua clauses 1, 2, 3 semua elok sa-kali tidak-lah ada apa² hendak pinda. Tetapi, Tuan Yang di-Pertua, sayang-nya jikalau orang itu ada pengetahuan sedikit², dia biasa buat bendang dan biasa sewa tanah atau dia biasa bagi sewa tanah, maka kita buka dalam ini ada-lah beberapa kandungan di-dalam Rang Undang² ini yang umum atau yang tidak jelas bunyi-nya dan juga ada kandungan² yang tidak berpatutan. Saya jumpa di-sini kandungan yang umum itu, saya bachakan di-dalam muka 14 ia-itu masok dalam perenggan 24 (f) (ii) di-sini di-katakan:

Jawatan kuasa puas hati sa-telah mengambil perhatian tentang segala hal keadaan-nya bahawa banyak-nya tanah yang hendak di-ambil balek oleh tuan tanah ada-lah berpatutan.

Ini ma'ana-nya bersangkutan dengan apa, jikalau tuan tanah itu dia hendak ambil balek tanah itu, dia kena-lah bagi satu tahun notis. Jadi jawatan-kuasa itu-lah akan tuntutan bahawa tanah yang sa-luas yang di-minta itu ada-lah

berpatutan. Jadi di-dalam sini di-katakan ada-lah berpatutan ini, saya nampak-lah umum sedikit kerana dia tidak sebut berapa ekar 'ada-lah berpatutan'. Saya bagi mithal bagini, Tuan Yang di-Pertua.

Chara membajak bendang ini ada tiga chara. Yang pertama di-gunakanajak. Kalau sa-saorang itu menggunakanajak, dia boleh buat habis kuat lima ekar, kerana ini tidak ada riang dia boleh buat. Yang kedua, di-gunakan kerbau. Jikalau dia gunakan kerbau, dia boleh deras sedikit, dia boleh buat sampai 10 ekar. Tetapi kalau dia gunakan jentera sekarang ini dia boleh buat sampai 100 ekar barangkali 1,000 ekar. Jadi dia mari fasal ini, hendak kata ini ada-lah berpatutan bagi satu orang boleh buat itu berapa ekar dia hendak buboh yang itu saya susah hati. Saya tidak mahu itu. Saya, fasal itu tidak mahu ajak. Negeri Kedah kata lima ekar berpatutan. Pulau Pinang kata 10 ekar. Perak kata 20 ekar di-kata-nya. Jadi di-mana-nya sama rata itu tidak ada. Jadi tidak ada uniformity. Dalam yang itu sebab kita bagi discretion kapada Jawatan-kuasa itu terlampau banyak yang dia pun sendiri naik pening tidak tahu hendak timbang.

Sa-lain daripada itu dalam Jadual 2 ini dia buboh classification of land dan sewa.

Kelas 1	140 gantang
Kelas 2	115 gantang
Kelas 3	70 gantang

Yang ini bacha O.K.-lah I am not going to quarrel. Tetapi sungguh pun begitu, saya chuma bagi tahu sedikit kerana sewa sekarang ini di-sa-tengah² tempat itu berlainan kata di-Seberang Prai dengan Kedah, Sungai Petani dan Alor Star. Di-Alor Star lebeh sekarang ini boleh kata tanah kelas satu ini, pada masa sekarang ini sampai tanah di-Alor Star itu sewa-nya ia-lah 7 naleh satu relong. Satu relong Kedah itu ia-lah lebeh kurang 0.7 ekar. Jadi kalau kita ikut relong satu ekar, satu ekar 157 gantang. Jadi yang kita buat undang² ini bagi 140 gantang—itu nampak-nya lebeh lagi daripada kita bagi itu.

Tetapi saya kata I don't quarrel because, kerana apa? Itu yang tertinggi sa-kali saya tidak tahu. Lazim-nya sa-tengah tempat 6 naleh sahaja. Yang lazim-nya satu relong bersamaan dengan 135 gantang satu ekar, dan kelas dua sa-banyak 115 gantang itu berpatutan-lah, kerana di-mana pun di-Alor Star dan di-Sungai Petani di-negeri Kedah chara² yang biasa itu boleh kata sama.

Perkara yang besar saya hendak berchakap ini ia-lah perkara satu sahaja. Saya kata yang lain semua saya setuju, ia-lah perkara yang besar ini ia-lah perkara di-dalam muka nombor 6 ia-itu Fasal 11 (4) yang berbunyi bagini:

Apabila sa-suatu pengishtihran di-buat di-bawah sekshen-kechil (3) (b) maka sa-banyak 30 peratus lagi hendak-lah di-tambahkan kapada sewa yang sa-tinggi² di-kenakan sa-bagaimana di-nyatakan dalam Jadual Kedua atau sa-bagaimana di-tetapan oleh Pihak-berkuasa Negeri mengikut sekshen-kechil (2).

Tuan Yang di-Pertua, ini berma'ana jikalau kawasan itu telah di-ishtiharkan oleh Kerajaan ia-lah kawasan tanaman padi sa-tahun dua kali pada kawasan itu bagi tahun yang mula-nya sewa-nya ikut kelas ini, kalau kelas satu 140 gantang satu ekar. Tetapi bagi musim yang kedua, tanaman yang kedua orang puteh kata oxygen crop perolehan-nya beberapa banyak dapat sa-kali pun sewa-nya kena bagi itu chuma 30 peratus sahaja berma'ana dia bagi 40 gantang yang dahulu dia bagi 140 gantang, sekarang dia bagi 40 gantang. Tuan Yang di-Pertua, ini saya tidak bersetuju kerana apa? Ini insulting. Kalau saya sewa tanah kapada Si-Amat itu satu ekar pada musim yang pertama saya bertanam padi Mahsuri saya dapat 600 gantang satu ekar. Mengikut undang², saya bagi 140 gantang sewa padi dia terima. Pada musim yang kedua tanah satu ekar itu juga saya tanam dengan Mahsuri juga saya dapat 600 gantang, saya bagi kapada dia 42 gantang atau 30 percent ma'ana-nya 40 gantang beri pada dia. Si-Amat kata fasal apa hari itu bagi 140 gantang, ini bagi 42 gantang. Siapa mahu? Hingga Si-Amat tengok undang² ini, Kerajaan tetapkan bukan saya punya mahu. Jadi

tentu-lah Si-Amat tidak puas hati kerana terlampau berbedza. Pendapatan-nya sa-macam yang pertama pun 600 gantang, yang kedua 600 gantang. Tetapi yang pertama bagi chuma 140 gantang, yang kedua bagi chuma 42 gantang. Jadi pada segi tuan tanah tentu-lah sangat tidak patut. Jadi jikalau tuan tanah tidak patut, tuan tanah sudah terbakar, sudah marah, tuan tanah tentu hendak ambil balek tanah itu. Dia tidak dapat ambil tanah itu dengan begitu sahaja, tetapi ada senjata yang kita beri di-dalam ini yang boleh di-ambil-nya. Ini dia clause-nya sa-kira-nya jikalau tuan tanah itu dia pandai di-bacha clause atau Fasal 24 (f) (i) di-sini dia sebut:

Tuan tanah telah memberi sa-tahun notis dengan bertulis kapada penyewa bahawa ia menghendaki tanah itu untuk di-usahakan-nya sendiri, dan membuat permohonan kapada Jawatan-kuasa dalam masa tiga puluh hari dari tarikh notis itu di-sampaikan supaya penyewa itu di-usir.

Ma'ana-nya kalau Si-Amat itu hendak ambil balek tanah saya itu, dia buat satu surat dekat saya dia bagi saya notis, satu tahun notis bagi kapada awak, bagi tanah itu balek, salinan di-beri kapada pihak Jawatan-kuasa. Jadi dia akan timbang patut dia kata saya dapat, Si-Amat dapatkan. Saya ini mana hendak pergi? Saya akan hilang tanah.

Ini-lah yang saya takut, kerana dalam negeri Kedah, Tuan Yang di-Pertua, sekarang ada 25,000 tenant ia-itu orang yang menyewa tanah. Kalau semua tuan tanah gunakan perenggan ini senjata-nya untuk mengambil balek tanah-nya itu kerana tidak puas hati akan 30 per cent ini, berma'ana-lah 25,000 orang hilang pencharian-nya tidak ada kerja-nya. Dan 25,000 isteri tidak ada kerja, sebab hendak masak nasi tidak ada beras hendak masak. Dan 75,000 budak² tidak boleh pergi sekolah, kerana tidak ada makan, tidak ada pakaian, tiada apa. Ini yang saya takut. Bukan ada apa. Fasal ini yang saya takut ini, saya kata yang ini patut-lah di-pinda 30 per cent itu di-beri lebih sedikit supaya jangan kita menyakiti hati tuan tanah itu, kerana saya tahu kalau undang² saperti ini

hendak buat bagi kebaikan kena-lah menjaga keselamatan dua² orang saka-li ia-itu tenant dan juga landlord. Kalau kita sa-mata² bagi tenant, landlord tidak bagi tentu dia susah, sakit hati. Tetapi undang² ini kita bagi senjata kepada landlord boleh dia claim balek tanah itu.

Jadi ini-lah saya takut. Kalau sampai 125,000 orang akan hilang, kebuloran, ini akan menjadi satu mala petaka lebeh dahshat daripada banjir di-Kelantan lagi. Ini yang saya takut. Ini yang saya minta pindahan bagitu.

Saya suka memberi tahu kepada Kerajaan kalau sa-benar²-nya Kerajaan hendak buat undang² ini sa-mata² hendak menolong orang yang menyewa tanah, ada satu chara yang boleh buat, lebeh baik lagi ia-itu di-buat dengan chara land reform yang macham mana di-buat di-Taiwan.

Saya ada tiga statistic. Saya per-chaya dalam negeri Kedah sekarang ini ada 30 ribu orang landlord, 30 ribu orang yang ada tanah tak buat di-sewa kepada orang ia-itu landlord. Saya kata ini habis kechil, tiap² landlord 30 ribu satu orang ini ada 15 ekar sudah, kalau di-kira 15 ekar sudah berma'ana orang² di-negeri Kedah, kalau kita buat dalam Taiwan tiap² satu orang dia bagi \$1 dia boleh mempunyai chuma-nya 10 ekar sahaja, yang lebeh itu Kerajaan ambil dan ambil beri kepada orang² yang tak ada tanah dan lain² dan tuan tanah di-beli bagi harga itu di-ambil duit-nya di-masok jadi saham dalam Esso dalam Government Bond apa, bagi dia faedah itu akan balek kepada tuan tanah. Jadi, tuan tanah itu, dia tinggal 10 ekar buat, yang lain tiap² tahun dia dapat dividend daripada Kerajaan punya bonda daripada Esso dan dari mana². Kalau kita buat bagitu bagini, di-negeri Kedah kita buat bagitu, saya kata tadi ada 30 ribu landlord, kalau kata satu landlord itu 15 ekar sahaja sudah tanah dia, ma'ana-nya kita sudah bagi dekat dia 10 ekar sahaja sa-orang, ambil balek lima ekar, sudah dapat 150 ribu ekar, dengan 150 ribu ekar ini kalau kita berikan kepada orang yang tak ada tanah sa-banyak lima ekar sa-orang, sudah dapat 30 ribu.

Sekarang chuma ada-nya 25 ribu tenant sahaja, berma'ana-nya terus habis tenant, tidak ada, semua orang jadi tuan tanah; itu ada lebeh senang, lebeh mudah dan lebeh berjaya lagi daripada kita buat lagi.

Maka dengan kerana itu-lah, Tuan Yang di-Pertua, saya minta-lah, kerana saya bukan tidak bersetuju tadi, sa-kira-nya clause tadi 30% saya nampak, kalau 30% itu di-luluskan juga, saya susah hati-lah tuan tanah ini akan mengambil balek tanah itu, saya per-chaya orang ini akan susah. Maka saya chadang-lah yang itu patut di-tukarkan banyak sedikit ia-itu 70% pada musim yang kedua. Musim yang pertama 100%, musim yang kedua 70% Sakian-lah.

Tuan Amaluddin bin Darus: Tuan Yang di-Pertua, perkara yang ada di-hadapan kita sekarang ini ia-lah Undang² mengenai kawalan ia-itu sewa penanam² padi. Sa-bentar tadi kita telah mendengar satu ucapan daripada Ahli Yang Berhormat daripada Kedah, daripada negeri jelapang padi sendiri yang memberi beberapa fikiran yang baik untuk pertimbangan Kerajaan. Saya boleh katakan ada banyak juga yang saya bersetuju dengan pendapat beliau dan saya rasa Kerajaan tentu-lah akan mengambil perhatian kepada apa yang telah di-uchap oleh sa-tiap anggota dalam Dewan ini.

Sa-benar-nya, Tuan Yang di-Pertua, dasar Kerajaan dalam berbagai² masalah kebanyakan-nya saperti sa-orang perempuan tua yang mata rabun hendak membuka benang kusut, makin dia chuba buka, makin kusut lagi. Masaalah ini, Tuan Yang di-Pertua, sudah di-jelaskan oleh Ahli Yang Berhormat daripada Kedah sendiri dan nyata complicated—itu sudah ada, benda itu akan timbul dan tidak shak benda ini akan timbul, kerana pertentangan di-antara orang yang menyewa dan yang memberi sewa akan ada. Dan biasa-nya oleh kerana orang yang memberi sewa itu daripada landlord dan barangkali tidak sahaja tanah itu yang ada pada dia, tetapi mungkin ada banyak lagi. Dalam sistem demokrasi sekarang ini tak berdosa dan tak bersalah kerana tak dapat tangkap

jadi dia boleh memainkan peranan-nya untuk menarik perhatian jawatan-kuasa yang di-sebutkan di-dalam Undang² ini bagi memecah kapada dia supaya dapat di-luluskan kapada kehendak² dia untuk mengusir dengan chara hormat mengikut Undang² orang² yang menyewa tanah itu.

Itu-lah sebab-nya, Tuan Yang di-Pertua, saya katakan Kerajaan Perikatan dalam beberapa banyak perkara dia chuba hendak menyelesaikan macham perempuan tua mata rabun, benang kusut takkan boleh di-selesaikan oleh orang tua yang bermata rabun, bertambah kusut lagi di-buat-nya. Jalan yang paling baik dan paling effective ia-lah menyelesaikan masalaah ini seperti juga yang di-shorkan oleh Yang Berhormat daripada Kedah itu mengadakan Land Reform. Saya katakan terus terang, Tuan Yang di-Pertua, Kerajaan Perikatan ini tidak peduli dan tidak menghormati sama sekali pada konsep yang dia sendiri letak. Perlembagaan negara ini meletakkan Islam sa-bagai ugama rasmi, tetapi di-dalam membuat Undang² sedikit pun tidak di-perhati kapada kehendak Islam, ini-lah yang selalu buat silap. Kehendak Islam yang saya maksud itu bukan untuk orang Islam, untuk manusia. Kalau di-perhatikan ini, semua manusia di-dalam negeri ini, apa bangsa sa-kali pun, akan mendapat keadilan yang sa-benar²-nya, dan tidak ada comment dalam perkara tidak ada keadilan dalam negeri ini.

Tuan Yang di-Pertua, asas yang di-tunjuk oleh Islam dalam soal tanah, tanah tertentu kapada mereka yang mengusahakan tanah erti-nya orang yang bekerja di-tanah, yang memerahkan tenaga-nya dan menitek peloh-nya di-tanah itu lebih berhak menjadi tuan tanah di-atas tanah itu daripada orang lain, sebab itu undang² mesti di-adakan oleh negara bagi memelihara kehendak² itu, itu-lah spirit Islam dalam soal tanah ini, sebab itu pernah di-dalam pemerintah Islam zaman dahulu, pemerintah mengadakan undang² kalau satu tanah yang tiga tahun berturut², tuan tanah tidak memperdulikan dan membiarkan bagitu, di-jadikan milek negara dan di-berikan kapada

orang yang lebih berhak untuk mengerjakan tanah itu.

Sayang, Kerajaan Perikatan tak mahu, tak mahu melihat, tidak mahu mengambil daripada apa yang mereka letakkan di-dalam Perlembagaan Islam sa-bagai ugama rasmi. Kalau Islam chuma hendak di-letakkan untuk menjadikan satu alat sa-mata² bagi menunjukkan kapada dunia atau kapada sa-bahagian ra'ayat ini akan menyebabkan orang katakan Islam, atau ugama apa juga menjadi chandu. Ini-lah yang menyebabkan komunis telah mengambil satu peluang yang baik dalam dunia, mengatakan ugama itu ada-lah chandu kapada ra'ayat. Memang dengan keadaan sa-perti ini Kerajaan tidak memperdulikan konsep ugama, tetapi meletakkan Islam sa-bagai ugama rasmi konon-nya kemudian di-sebutkan kapada ra'ayat kita memakai Islam, kita memuliakan Islam, panggil tok guru, panggil tok Mufti, bacha do'a. Dan ini tak menguntungkan, maka timbul-lah orang² yang benchi, yang akan menganggap ugama ada-lah telah di-perjudikan, telah di-peralatkan dan ugama menjadi chandu untuk menekan orang² rendah, orang² miskin, orang² bawah untuk kepentingan orang² atas dan ini-lah yang telah berlaku di-Eropah — di-Eropah dan ini akan berlaku di-negeri ini. Sekarang pun telah banyak salah faham terhadap ugama, di-katakan alat dan sa-bagai-nya dan pemerintah Perikatan sendiri pun memperalat ugama benar² di-dalam kedudukan sekarang ini dan kita tidak mahu bagitu. Saya tidak mahu sa-siapa pun memperalatkan ugama kerana ugama itu mesti di-patohi dengan sa-baik²-nya dan chara mematohi-nya bukan dengan chara membuta tuli.

Tuan Yang di-Pertua, Kerajaan Perikatan pun boleh buat, itu sebab saya menarik perhatian dalam beberapa ucapan saya beberapa tahun dahulu...

Nik Hassan bin Haji Nik Yahya: Dato' Yang di-Pertua, saya hendak...

Tuan Amaluddin bin Darus: Saya tidak beri jalan, Dato' Yang di-Pertua.

Nik Hassan bin Haji Nik Yahya: Ahli Yang Berhormat itu berlawanan dengan Peratoran Meshuarat. Apa kita bincangkan hari ini masalah bertha-bit dengan sewa tanah bukan masalah ugama.

Tuan Amaluddin bin Darus: Saya tak bagi jalan, Dato' Yang di-Pertua, saya rasa saya tak pergi keluar daripada tujuan sebab saya mengatakan sa-suatu yang hak. Dan apa yang saya maksudkan ia-lah pihak Kerajaan dan penggubal undang² supaya memberi perhatian kepada konsep negara kita sendiri. Kalau konsep itu main tulis sahaja, tidak ada mempunyai nilai apa².

Jadi, Tuan Yang di-Pertua, jalan penyelesaian yang sa-benar-nya, saya bersetuju dengan pendapat Yang Berhormat Enche' Abdul Samad daripada Kedah bahawa Land Reform itu-lah yang patut di-buat, dan Land Reform yang sedang di-jalankan seperti yang di-katakan di-Taiwan telah berjaya. Bukan-lah sa-suatu perkara yang belum di-lakukan oleh manusia dalam zaman kita, tetapi telah pun di-asaskan dalam konsep Islam sendiri, ugama rasmi di-negara kita bahawa Land Reform patut di-adakan. Hak tanah ada-lah pada orang yang mengerjakan tanah itu, ada-lah di-utama dan di-perlindungi oleh Undang² negara. Jadi sebab itu saya minta Kerajaan memberi perhatian kerana adanya Undang² ini walau bagaimana sekali pun kelak akan timbul pertentangan dan akhir-nya Kerajaan terpaksa garu kepala dan memikirkan satu rancangan lain untuk mengatasi masalah ini. Sakian, terima kaseh.

Nik Hassan bin Haji Nik Yahya: Dato' Yang di-Pertua, saya menyokong Rang Undang² ini dan saya suka menarek perhatian Dewan ini kepada masalah berkenaan apa yang di-shorkan oleh Enche' Samad kita ia-itu land reform.

Pendapat saya masalah tanah masalah Negeri. Apa yang kita bincangkan ini masalah menyewa tanah. Undang² yang di-hadapan kita hari ini ia-lah undang² mengenakan syarat menyewa tanah, undang² memiliki tanah.

Jadi kalau sa-kira-nya Ahli Yang Berhormat daripada Kelantan itu hendak bahathkan masalah undang² memiliki tanah dengan chara Land Reform, atau pun dengan apa chara pembahagian tanah kepada ra'ayat, saya rasa Kerajaan Negeri boleh buat perkara itu dengan tidak payah kita bahathkan di-dalam Dewan ini.

Kerajaan Negeri dalam tiap² Negeri menguasai hal tanah boleh menjalankan dasar pembahagian tanah mengikut chara Islam yang di-kehendaki oleh Perlembagaan Negeri. Kerajaan PAS di-Kelantan menguasai tanah dalam negeri Kelantan. Ada-kah Kerajaan PAS sekarang di-Kelantan yang mengagong²kan dasar sa-lama itu membahagikan tanah kepada ra'ayat mengikut konsep Islam yang di-katakan itu? Sa-tahu saya bukan hendak ikut konsep Islam tetapi menganchor-kan ekonomi ra'ayat Kelantan semua. 300,000 ekar tanah telah di-beri lease kepada sa-buah sharikat di-Singapura dan 400,000 ekar lagi dalam pertimbangan untuk di-beri lease kepada beberapa buah sharikat lagi boleh di-katakan 700,000 ekar tanah dalam negeri Kelantan yang di-beri lease atau di-beri pajak untuk sharikat itu berpegang sa-hingga sampai 45 tahun. Kalau sa-kira-nya beratus ribu ekar tanah di-beri pajak, sunggoh pun pajak itu untuk mengambil kayu balak, tetapi sa-belum kayu balak itu habis, tanah itu tidak boleh di-gunakan. Kalau lease itu 45 tahun, Tuan Yang di-Pertua, berapa tahun kemudian baharu anak chuchu chichit kita boleh dapat tanah itu.

Sekarang saya mahu tahu Land Reform apa yang boleh di-buat di-Kelantan hari ini? Kalau dasar Islam kata kita hendak ikut chara Islam, ada-kah Islam suroh bagi sampai beratus ribu ekar kepada orang yang bukan Islam di-luar negeri Malaysia sendiri daripada Singapura satu negeri yang luar daripada Malaysia? Orang Kelantan, anak negeri Kelantan sendiri, buka mata puteh hendak makan pun tidak chukup, makan ubi kayu pun ada, hidup tidak senang di-katakan negeri ma'amor di-bawah chara pemerintah Islam beratus ribu ekar

kapitalis masok menjalankan perniagaan.

Jadi sa-belum kita bawath ada-kah undang² ini, Undang² Sewa Tanah ini, berjalan ikut chara Islam atau pun tidak ikut chara Islam, saya rasa Kerajaan Negeri boleh buat; tidak payah Ahli Yang Berhormat datang ka-Kuala Lumpur ini dalam Dewan ini mengshorkan chara Islam tentang pembahagian tanah, balek ka-Kelantan beri tahu Kerajaan PAS di-Kelantan bagikan tanah mengikut chara Islam. Kalau hendak bagi 5 ekar bagi-lah 5 ekar tetapi apa yang saya tahu sekarang, Dato' Yang di-Pertua, disana chukup dahshat orang Melayu Kelantan, orang Islam sendiri buat aniaya. Satu² orang yang memilek tanah itu sudah berpuluh tahun sunggoh pun di-panggil tanah itu, di-mileki dibawah TOL tetapi semenjak datok nenek mereka lagi milek tanah itu di-rampas balek, di-berikan kapada penyokong² PAS oleh kerana ini penyokong Perikatan, di-rampas tanah yang di-milek berpuluh² tahun. Penyokong² Perikatan yang dapat tanah dalam kawasan Belok, Ulu Kelantan, manakala dapat tahu kata penyokong Perikatan di-hambat keluar, di-rampas balek hak milek yang di-beri kapada mereka itu. Ada-kah ini Islam? Ada-kah Islam menyuroh PAS ini membedzakan di-antara ra'ayat-nya sendiri? Ada-kah Islam suroh buat aniaya kapada orang² sa-umpama ini? Ini belum lagi Land Reform, tidak sampai Land Reform, ini baharu pembahagian tanah di-sabelah Ulu Kelantan sahaja.

Saya ingat barangkali Ahli Yang Berhormat tidak tahu hal ini, kerana Ahli Yang Berhormat bukan menjadi Ahli Dewan Negeri. Ahli Yang Berhormat bukan menjadi Ahli Exco dalam negeri, tetapi saya tahu hak sendiri PAS sendiri guru ia menjadi ahli ugama mengambil tanah kayu balak berpuluh ribu ekar buat sharikat, tok guru, ahli ugama buat sharikat mengambil kayu balak untok tuboh diri masing². Islam tidak suroh, Dato' Yang di-Pertua, macham ini. Islam suroh pemimpin mengikat perut untok kepentingan orang ramai. Islam tidak

suroh menjalankan dasar kepentingan perut dan diri masing². Kalau sa-kiranya ini-lah berlaku dan kalau sa-kiranya, Dato' Yang di-Pertua, 5 tahun lagi PAS memerintah Kelantan, saya rasa bukan Islam yang akan timbul, apa yang akan timbul ia-lah kehanchoran ra'ayat Kelantan dan kehanchoran ekonomi Kelantan, kehanchoran chara pentadbiran negeri Kelantan. Tidak kata hendak membaiki, tidak. Tidak kata hendak jadi satu negara yang ma'amor yang baik yang di-izin oleh Tuhan dan sa-bagai-nya itu tidak ada bayang sama sa-kali.

Jadi kalau Ahli Yang Berhormat datang di-sini dan chuba hendak berchakap mengatakan Kerajaan Perikatan tidak mengikut dasar Islam, saya hendak tahu kalau Ahli Yang Berhormat, kita sekarang beri tanah kapada ra'ayat 10 ekar satu orang, tidak-kah ini dasar Islam? Tidak-kah ini satu daripada chara Land Reform yang kita buat pembahagian tanah, pembahagian milek kapada sama rata bagi tiap² ra'ayat negeri ini? Chara mengikut development project beberapa ratus ribu ekar di-Pahang, di-Kedah, di-Perlis dan di-Melaka, chuma Kerajaan PAS Kelantan sahaja tidak mahu terima, kemudian dia mahu kita buat Land Reform. Dalam Kelantan tanah di-beri kapada orang lain, hendak suroh Kerajaan Perikatan buat Kerajaan Perikatan ada wang boleh buat tetapi tanah kuasa Negeri, macham mana Kerajaan Perikatan hendak buat Land Reform dalam negeri Kelantan kalau tidak beri tanah? Macham mana kita hendak tanam getah, tanam kelapa sawit, kalau Kerajaan Negeri tidak beri tanah?

Sekarang FLDA telah di-tubuhkan. Duit daripada FLDA million ringgit di-belanjakan. Di-Pahang sahaja Tiga Jengka punya projek berapa ratus ribu ekar telah di-buka, tetapi di-mana tempat-nya boleh Kerajaan Pusat ini mengadakan Land Reform di-Kelantan, kalau sa-kiranya keseluruhan tanah di-Ulu Kelantan sudah di-pajakkan berpuluh² tahun kapada sharikat² asing? Ini saya dapat tahu sharikat daripada Canada hendak ambil lagi tanah 400,000 ekar hendak

pajak lagi, sudah di-buat perundingan sulit dengan Kerajaan Negeri. Ahli Yang Berhormat sendiri tahu dan Ahli Yang Berhormat yang ada di-sini sendiri chuba mengambilkan tanah berpuluh² ribu ekar, Ahli Yang Berhormat sendiri yang membuka sharikat chuba mengambil tanah berpuluh ribu ekar. Ini benda boleh-kah buat Land Reform, boleh-kah kita hendak jalankan chara Islam? Jadi saya fikir masalaah chara hendak menjalankan chara Islam tidak usah bangkitkan dalam Dewan ini, sebab kalau kita bangkitkan, panjang perkara ini terlibat berbagai² perkara yang melanggar hukum Islam sendiri yang di-lakukan oleh orang yang berkata dia menjalankan hukum Islam. Dia melanggar di-katakan dia menjalankan hukum. Ini kita tinggalkan Islam itu dia jadi satu ugama yang berseh, satu ugama yang baik yang tidak di-sentuh oleh chara manusia menjalankan pekerjaan. Jangan kita ambil Islam itu menjadikan topeng untuk kita menunjukkan kebaikan kita.

Jangan kita ambil Islam itu menjadikan kuda untuk berlumba mendapatkan satu chita². Jangan-lah kita ambil Islam itu bawa dalam Dewan ini untuk menguatkan hujah kita—tidak guna kita bawa kepada Dewan untuk menghujah mengeluarkan dasar Islam dan sa-bagai-nya. Kalau Ahli Yang Berhormat bawa keluaran Land Reform sokong sahaja ini Land Reform—bagus. Jadi jangan kita kata dasar Islam-nya begitu bagini—itu Islam kita semua tahu, Ahli Yang Berhormat tahu, semua orang tahu. Jadi apa-lah guna kita jadikan perkataan nama ugama Islam itu menjadikan perbahathan tidak ketentuan di-dalam Dewan ini?

Saya ingat memada-lah apa yang saya katakan itu dan saya rasa bagi pehak Kerajaan di-sini sudah pun dan sedang menjalankan Land Reform mengikut chara dan chorak Islam, chuma apa yang kita bahath Enche' Samad kata ini chara penyewaan tanah. Ini lain daripada milek tanah; itu berbedza. Jadi patut-lah kita asingkan Undang² Menyewa Tanah dengan Undang² Hak Milek Tanah bagaimana

yang di-kehendaki chara Land Reform yang di-buat di-Taiwan, saya tidak pernah pergi ka-Taiwan, belum pergi lagi ka-Taiwan, tetapi saya dengar banyak orang puji Taiwan, tetapi puji Land Reform-kah atau kerana benda lain, saya pun tidak tahu. Jadi saya fikir semua baik-lah di-Taiwan itu, jadi kita ikut-lah apa yang baik. Saya sokong juga apa yang Enche' Samad kata itu, tetapi kita harap perkara ini ansor²-lah kita mengikut untuk menchari jalan yang baik. Sekian sahaja, terima kaseh.

Tuan Amaluddin bin Darus: Tuan Yang di-Pertua, untuk penjelasan.

Mr (Deputy) President: Jangan banyak, sedikit sahaja.

Tuan Amaluddin bin Darus: Terima kaseh, Tuan Yang di-Pertua, sebab saya tahu

Tuan Nik Hassan bin Haji Nik Yahya: Kalau, Tuan Yang di-Pertua, beri dia penjelasan

Mr (Deputy) President: Pendek sahaja.

Tuan Nik Hassan bin Haji Nik Yahya: saya juga berhak menghujahkan penjelasan dia itu. Saya berhak, Tuan Yang di-Pertua, sebab saya ada hujah kenyataan² (*Di-sampok*)

Mr (Deputy) President: I do not think so—biar-lah masa lain besok—session lain boleh berchakap.

Tuan Amaluddin bin Darus: tetapi, Tuan Yang di-Pertua telah membenarkan Ahli dari Kedah memberi penjelasan.

Mr (Deputy) President: Saya telah tanya Party Whip dia kata next time you can speak.

Tuan Haji Ahmad bin Abdullah: Tuan Yang di-Pertua, sa-benar-nya kita sedang berbath di-atas Rang Undang² yang akhir sa-kali; perkara ini juga tidak payah di-panjang²kan. Saya juga bersetuju seperti mana apa yang telah di-terangkan oleh saudara saya sa-belah sana, Tuan Abdul Samad bin Osman dari Kedah yang mengatakan di-Seberang Prai padi dua musim itu di-beri sa-kadar 30%.

Tuan Yang di-Pertua, undang² boleh di-buat, tetapi masa hendak melaksanakannya itu-lah yang susah sa-kali, khas-nya hal ehwal persawahan ini boleh di-katakan selalu berbangkit, tetapi di-masa² yang akhir ini kurang sedikit berbangkit tidak seperti mana yang telah lalu. Walau bagaimana pun Rang Undang² ini saya menyokong, chuma saya hendak berchakap sedikit sahaja mengenai jadual kedua yang menerangkan sawah itu ada mempunyai kelas²: kelas satu, kelas dua, kelas tiga. Jadi pada kelas satu ditetapkan sewa itu 140 gantang pada sa-ekar. Pada masa lalu sa-belum ada ketetapan ini yang saya tahu, sebab saya ini duduk dalam sawah, sewanya tiap² satu relong satu kuncha—satu kuncha itu erti-nya 160 gantang. Sekarang kelas satu, satu ekar 140 gantang. Ekar dengan relong, relong besar, bukan relong Kedah, relong Kedah kechil—kechil daripada ekar, kerana relong Pulau Pinang lebih besar daripada ekar.

Jadi di-sini kalau kita perhatikan 140 gantang pada sa-ekar, kalau satu relong kalau saya tidak silap lebih kurang boleh jadi 175 gantang. Jadi ini ada-lah boleh di-katakan adil mengikut biasa-nya yang telah di-sewakan padi musim pada tiap² satu relong satu kuncha. Tempat² atau pun kawasan² yang baik seperti Krian, saya tahu kelas satu sewanya 232 gantang—itu kelas yang baik sa-kali. Jadi, undang² ini yang sa-benar² dikemukakan ka-dalam Dewan ini untuk meminda undang² yang telah lalu kerana tidak memuaskan, sebab² undang² ini sa-mata² hendak menyelesaikan kalau ada berbangkit perselisihan di-antara tuan tanah dengan penyewa. Sekarang sawah dengan ladang getah—sawah sudah naik. Saya belum dengar lagi tanah getah atau pun kebun getah satu ekar sampai 4,000—tidak pernah dapat satu ekar sampai 4,000 tetapi sekarang—sekarang ini khas-nya di-Seberang Prai tempat yang mula² sa-kali di-adakan padi dua kali ia-itu Ranchangan Sungai Muda yang terkenal seluruh Malaysia tempat lawatan. Segala perhubungan² pergi sana-lah, di-akhir² ini perhubungan padi

ria yang telah di-buat di-Permatang Manggis dalam kawasan Kepala Batas sana. Jadi dengan ada-nya taliayer yang chukup penoh merata² boleh di-katakan hampir² sa-kali pun tidak habis, tetapi yang tinggal itu pun sedikit sahaja. Baharu² ini lagi di-Penang Tunggal. Ada lagi satu pump hendak buka lagi.

Pendek kata ahli² sawah di-sana akan mendapati ayer chukup, maka sebab itu harga-nya sudah naik. Jadi dengan ada-nya naik harga sawah padi itu, maka sudah tentu kehasilan dia dapat baik mengikut apa yang ada dalam Undang² ini kesemua-nya baik, kerana untuk hendak menyelesaikan, tetapi perkara yang berkaitan dengan apa yang telah di-chakapkan oleh saudara saya, Yang Berhormat Tuan Abdul Samad tadi, tentang itu-lah yang hendak berbangkit, memang sebab ada hak kapada tuan tanah kalau tidak sesuai dia beri notis satu tahun, dan ada pula dalam Rang Undang² ini juga tuan tanah sendiri kalau dia hendak berusaha sendiri boleh, tetapi dengan memberi notis. Jadi, sudah tentu akan berbangkit, apa sebab di-letakkan sebab dalam undang² ini 30% tambahan kalau hendak di-buat sa-kali lagi. Katakan-lah padi dua musim terus-menerus, sebab sekarang dua kali.

Sekarang ini tidak ada padi Taiwan bukan macham dahulu. Sekarang tidak ada Taiwan, padi sa-rupa padi musim pun, Malinja, atau pun Mahsuri atau pun Ria, padi dua musim itu-lah juga tidak ada lain. Kalau hendak buat, buat padi berat satu, padi ringan satu, masa tidak boleh dapat, sebab hendak jaga masa supaya boleh berjalan dua kali, bahkan di-ikhtiarkan hendak jadi 3 kali. Jadi sekarang padi sa-rupa, buat padi musim kadang² kita buat padi musim yang hendak kena bayar sewa 140 gantang satu ekar dia tidak boleh dapat seperti mana padi yang di-buat dua musim. Padi dua musim ini dapat chukup baik. Fasal apa, padi luar musim hendak-nya kalau di-buat pada Ria atau pun padi Mahsuri, oleh kerana padi luar musim kalau dia buat, hujan kurang; bila hujan kurang taliayer chukup, maka padi subor, padi akan dapat lebih baik. Saya

selalu bagitu yang saya dapati kerana keliling rumah saya ini—depan rumah saya padi sahaja, saya duduk dalam bendang, hari² itu-lah kerja-nya. Pagi² bangun, boleh tengok kuning, hijau, puteh—itu sahaja. Jadi selalu di-dapati padi² luar musim, kalau hujan kurang ada juga sedikit² padi luar musim lebeh baik daripada padi musim, ini yang akan berbangkit. Jadi kalau padi luar musim lebeh baik, kehasilan baik, kemudian kepada si-tuan tanah hendak memberi 30 peratus ini, saya kata sudah tentu; kalau saya sendiri saya tidak bagi, saya bagi notis, saya berhentikan. Tidak fasal, engkau hendak buat? Sebab apa? Kok, kok barangkali ada orang hendak berkata tuan tanah apa sa-mata² dia terima wang sahaja, dia bukan payah kerja tetapi si-sawah orang yang bekerja itu terok, orang yang bekerja terok, orang yang menyewa terok, tetapi tuan tanah chuma terima wang sahaja.

Saya hetong di-sini tiap² sa-orang yang hendak buat sawah pukul rata daripada mula dia sewa tanah kepada tuan tanah, dia juga bila sudah di-sewa, dia buat kerja itu bukan dengan dia sendiri, dengan tenaga dia tetapi dia juga upah daripada mula sa-hingga habis, daripada mula sa-hingga sampai padi masok jelapang. Dia punya hasil chukup baik, dia ada \$185 tidak basoh kaki, kalau hendak kata tuan tanah sa-mata² dapat wang. Tetapi peladang² sudah tentu kerja² yang dia boleh buat dia buat kerja yang dia tidak buat baharu di-upah. Jadi dapat-lah dia potong² pula daripada tenaga sendiri yang mengerjakan. Jadi walau bagaimana pun pesawah atau pun orang yang bekerja sawah, memang kerumitan banyak sangat, kalau di-hetong sa-chara pendapatan yang biasa memang lebeh kepada penyewa daripada tuan tanah yang hak kepunyaan dia sendiri, kalau ini pun tidak kerja itu pun tidak kerja, tetapi orang menyewa dapat lebeh daripada tuntutan.

Tetapi jangan kita lupa pula ada sa-bahagian lagi perkara berkaitan dengan buat sawah ini banyak bencana-nya, ada malapetaka tentu ada yang berkata bagitu. Bila kena malapetaka ada pula bantuan dari pehak

Kerajaan, kalau tidak silap saya selalu, kalau kena bah, banjir, Kerajaan memberi bantuan pula kepada orang² yang rosak sawah²-nya.

Jadi tentang 140 gantang pada sa-ekar itu tidak-lah bagitu berat tetapi padi yang di-katakan luar musim kalau dengan 30 peratus saya perchaya tuan tanah terek balek, sebab perkara ini sudah jadi Undang². Bila jadi Undang² itu sudah tentu dia mesti notiskan. Saya juga hantar notis sa-tahun, engkau chukup masa-nya tanah aku hendak buat sendiri. Chuma satu sahaja kalau boleh apa-kah chara-nya? Satu, saya shorkan kalau-lah boleh perkara ini bagi tiap² yang hendak buat sawah padi, Kerajaan hendak-lah hadkan atau tetapkan sa-banyak sa-habis² tinggi dalam 5 ekar, atau pun 7 ekar sahaja. Kalau dia ada tanah banyak, tanah itu di-sewa kepada orang lain, chuma dia boleh buat dalam 5 ekar, atau pun sa-tinggi²-nya 7 ekar, baharu-lah dapat orang yang tidak bertanah pun boleh hidup, dia sendiri ada hak yang dia boleh buat, kalau ada tanah dia yang lain dia boleh tolong kepada orang lain sa-bagai sama² kita duduk dalam negeri ini khas-nya kepada orang Melayu sa-bagai orang Islam bagus chara bekerjasama di-antara satu dengan lain sesuai dengan kedudukan negeri ini yang menjadikan Islam ugama rasmi supaya sa-saorang itu dapat tinggal dengan aman dan damai, hidup bersama di-dalam negara kita ini.

Ini-lah yang saya menyokong Rang Undang² ini dengan tidak lagi saya hendak bercherita panjang, chuma itu-lah yang saya shorkan kalau boleh bagi pehak Kerajaan hadkan—lagi sekali saya ulangkan, hadkan tiap² orang yang hendak buat sawah padi di-benarkan kepada-nya tidak lebeh daripada 5 ekar atau pun tidak lebeh 7 ekar sahaja, kalau ada tanah lain dia banyak tanah sampai 4, 50 ekar, 100, 200 ekar, tentu sewa kepada orang sebab sekarang ini zaman terekto—kita jaga sedikit zaman terekto bukan zaman kerbau, bila zaman terekto 100 relong pun tidak apa, dia boleh buat, ma'alum terekto ada 200 relong pun boleh. Itu satu daripada-nya kalau hendak

hidup bersama, sebab kalau orang yang buat sawah itu pun kena belanja, yang si-menerima atau tuan tanah pun dia terima sewa-nya ikut apa yang di-tetapkan dalam Undang² ini.

Akhir sa-kali, saya harap padi luar musim yang 70 gantang yang di-shor-kan oleh Yang Berhormat itu saya rasa ini pun akan berbangkit lagi kerana beri 70 gantang kepada padi luar musim. Saya sudah kata tadi padi luar musim kadang² lebih baik daripada padi musim, ini yang susah-nya dia berbangkit, tetapi walau bagaimana pun kalau 70 gantang itu ada-lah menasabah sedikit daripada yang di-letakkan mengatakan 30 peratus ada orang yang bersetuju 30 peratus; itu saya tidak perchaya. Kita berkehendakan ke'adilan di-antara dua pihak bukan hendak ambil sa-belah penyewa sahaja kita hendak bela, atau pun kita hendak bela sa-belah si-tuan tanah sahaja tentu-lah tidak. Undang² ini ada-lah hendak menegakkan ke'adilan supaya jangan di-antara kedua² itu terjatoh dalam kedzaliman atau pun kerugian lain² lagi. Itu sahaja, Tuan Yang di-Pertua, saya menyokong Rang Undang² ini, terima kaseh.

Question put, and agreed to.

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

House immediately resolved itself into a Committee on the Bill.

Bill considered in Committee.

(Mr President *in the Chair*)

Clauses 1 to 21—

Tuan Abdul Samad bin Osman: Tuan Pengerusi, saya menhadangkan supaya Clause 11 (4), potong "30" gantang, di-gantikan dengan "70" gantang.

Tuan Haji Abdul Hamid Khan: Tuan Yang di-Pertua, pindaan itu tidak dapat di-terima oleh Kerajaan.

Clauses 1 to 42 inclusive ordered to stand part of the Bill.

First and Second Schedules ordered to stand part of the Bill.

Preamble ordered to stand part of the Bill.

Mr (Deputy) President: Honourable Members, the House shall now adjourn *sine die*.

Adjourned at 7.23 p.m.