



PERBAHATHAN PARLIMEN

DEWAN RA'AYAT YANG KEDUA

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PENYATA RASMI

KANDONGAN-NYA

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MALAYSIA

DEWAN RA'AYAT YANG KEDUA

PENGGAL YANG KELIMA

Penyata Rasmi

Hari Khamis, 9hb Januari, 1969

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YANG HADHIR:

- Yang Berhormat Tuan Yang di-Pertua, DATO' CHIK MOHAMED YUSUF BIN SHEIKH ABDUL RAHMAN, S.P.M.P., J.P., Dato' Bendahara, Perak.
- „ Timbalan Perdana Menteri, Menteri Pertahanan, Menteri Hal Ehwal Dalam Negeri dan Menteri Pembangunan Negara dan Luar Bandar, Y.A.B. TUN HAJI ABDUL RAZAK BIN DATO' HUSSAIN, S.M.N. (Pekan).
- „ Menteri Kewangan, Y.A.B. TUN TAN SIEW SIN, S.S.M., J.P. (Melaka Tengah).
- „ Menteri Kerja Raya, Pos dan Talikom, Y.A.B. TUN V. T. SAMBANTHAN, S.S.M., P.M.N. (Sungai Siput).
- „ Menteri Pengangkutan, Yang Berbahagia TAN SRI HAJI SARDON BIN HAJI JUBIR, P.M.N. (Pontian Utara).
- „ Menteri Ke'adilan, TUAN BAHAMAN BIN SAMSUDIN (Kuala Pilah).
- „ Menteri Perdagangan dan Perusahaan, Yang Berbahagia TAN SRI DR LIM SWEE AUN, P.M.N., J.P. (Larut Selatan).
- „ Menteri Kerajaan Tempatan dan Perumahan, TUAN KHAW KAI-BOH, P.J.K. (Ulu Selangor).
- „ Menteri Buroh, TUAN V. MANICKAVASAGAM, J.M.N., P.J.K. (Kelang).
- „ Menteri Penerangan dan Penyiaran dan Menteri Kebudayaan, Belia dan Sokan, TUAN SENU BIN ABDUL RAHMAN (Kubang Pasu Barat).
- „ Menteri Pertanian dan Sharikat Kerjasama, TUAN HAJI MOHD. GHAZALI BIN HAJI JAWI (Ulu Perak).
- „ Menteri Hal Ehwal Tanah dan Galian, DATO' HAJI ABDUL-RAHMAN BIN YAKUB, P.D.K. (Sarawak).
- „ Menteri Kebajikan 'Am, DR NG KAM POH, J.P. (Teluk Anson).
- „ Menteri Hal Ehwal Sabah, DATO' GANIE GILONG, P.D.K., J.P. (Sabah).
- „ Menteri Muda Kebudayaan, Belia dan Sokan, ENSKU MUHSEIN BIN ABDUL KADIR, D.P.M.T., J.M.N., P.J.K. (Trengganu Tengah).
- „ Menteri Muda Pelajaran, TUAN LEE SIOK YEW, A.M.N., P.J.K. (Sepang).

- Yang Berhormat Menteri Muda Perdagangan dan Perusahaan,
TUAN ABDUL TAIB BIN MAHMUD (Sarawak).
- .. Setia-usaha Parlimen kepada Menteri Kesihatan,
TUAN IBRAHIM BIN ABDUL RAHMAN, J.M.N. (Seberang Tengah).
- .. Setia-usaha Parlimen kepada Menteri Buroh,
TUAN LEE SAN CHOON, K.M.N. (Segamat Selatan).
- .. Setia-usaha Parlimen kepada Menteri Kewangan,
TUAN ALI BIN HAJI AHMAD (Pontian Selatan).
- .. Setia-usaha Parlimen kepada Timbalan Perdana Menteri,
TUAN CHEN WING SUM (Damansara).
- .. TUAN NIK ABDUL AZIZ BIN NIK MAT (Kelantan Hilir).
- .. TUAN HAJI ABDUL GHANI BIN ISHAK, A.M.N. (Melaka Utara).
- .. TUAN ABDUL KARIM BIN ABU, A.M.N. (Melaka Selatan).
- .. WAN ABDUL KADIR BIN ISMAIL, P.P.T.
(Kuala Trengganu Utara).
- .. WAN ABDUL RAHMAN BIN DATU TUANKU BUJANG, A.B.S.
(Sarawak).
- .. TUAN HAJI ABDUL RASHID BIN HAJI JAIS (Sabah).
- .. TUAN HAJI ABDUL RAZAK BIN HAJI HUSSIN (Lipis).
- .. DATO' ABDULLAH BIN ABDULRAHMAN, S.M.T.,
Dato' Bijaya di-Raja (Kuala Trengganu Selatan).
- .. Y.A.M. TUNKU ABDULLAH IBNI AL-MARHUM TUANKU ABDUL
RAHMAN, P.P.T. (Rawang).
- .. TUAN HAJI ABU BAKAR BIN HAMZAH, J.P. (Bachok).
- .. TUAN AHMAD BIN ARSHAD, A.M.N. (Muar Utara).
- .. TUAN HAJI AHMAD BIN SAAID, J.P. (Seberang Utara).
- .. PUAN AJIBAH BINTI ABOL (Sarawak).
- .. WAN ALWI BIN TUANKU IBRAHIM (Sarawak).
- .. DR AWANG BIN HASSAN, S.M.J. (Muar Selatan).
- .. TUAN HAJI AZIZ BIN ISHAK (Muar Dalam).
- .. TUAN CHAN CHONG WEN, A.M.N. (Kluang Selatan).
- .. TUAN CHAN SEONG YOON (Setapak).
- .. TUAN CHAN SIANG SUN, A.M.N., P.J.K. (Bentong).
- .. TUAN CHEW BIOW CHUON, J.P. (Bruas).
- .. TUAN FRANCIS CHIA NYUK TONG (Sabah).
- .. TUAN CHIN FOON (Ulu Kinta).
- .. TUAN D. A. DAGO ANAK RANDAN *alias* DAGOK ANAK RANDEN,
A.M.N. (Sarawak).
- .. TUAN C. V. DEVAN NAIR (Bungsar).
- .. TUAN EDWIN ANAK TANGKUN (Sarawak).
- .. DATO' SYED ESA BIN ALWEE, J.M.N., S.P.M.J, P.I.S.
(Batu Pahat Dalam).
- .. DATIN HAJAH FATIMAH BINTI HAJI ABDUL MAJID
(Johor Bahru Timor).
- Yang Berbahagia TAN SRI HAJAH FATIMAH BINTI HAJI HASHIM, P.M.N
(Jitra-Padang Terap).
- Yang Berhormat TUAN S. FAZUL RAHMAN, A.D.K. (Sabah).

- Yang Berhormat TUAN GANING BIN JANGKAT, A.M.N. (Sabah).
- .. TUAN GEH CHONG KEAT, K.M.N. (Pulau Pinang Utara).
- .. TUAN HAJI HAMZAH BIN ALANG, A.M.N., P.J.K. (Kapar).
- .. TUAN HANAFI BIN MOHD. YUNUS, A.M.N., P.J.K. (Kulim Utara).
- .. TUAN HANAFIAH BIN HUSSAIN, A.M.N. (Jerai).
- .. TUAN HARUN BIN ABDULLAH, A.M.N., J.P. (Baling).
- .. WAN HASSAN BIN WAN DAUD, J.P. (Tumpat).
- .. TUAN STANLEY HO NGUN KHIU, A.D.K. (Sabah).
- .. DATO' HAJI HUSSEIN BIN MOHD. NOORDIN, D.P.M.P., A.M.N., P.J.K. (Parit).
- .. TUAN HUSSEIN BIN SULAIMAN, J.P. (Ulu Kelantan).
- .. TUAN HAJI HUSSAIN RAHIMI BIN HAJI SAMAN, S.M.K. (Kota Bharu Hulu).
- Yang Amat Berbahagia TUN DR ISMAIL BIN DATO' HAJI ABDUL RAHMAN, S.S.M., P.M.N., S.P.M.J. (Johor Timor).
- Yang Berhormat TUAN ISMAIL BIN IDRIS, J.P. (Pulau Pinang Selatan).
- Yang Berbahagia TAN SRI SYED JA'AFAR BIN HASAN ALBAR, P.M.N. (Johor Tenggara).
- Yang Berhormat PENGHULU JINGGUT ANAK ATTAN, K.M.N., Q.M.C., A.B.S. (Sarawak).
- .. TUAN KAM WOON WAH, J.P. (Sitiawan).
- .. TUAN THOMAS KANA, K.M.N. (Sarawak).
- .. TUAN KHOO PENG LOONG, O.B.E. (Sarawak).
- .. TUAN LEE SECK FUN, K.M.N. (Tanjong Malim).
- .. TUAN AMADEUS MATHEW LEONG, A.D.K., J.P. (Sabah).
- .. DR LIM CHONG EU (Tanjong).
- .. TUAN LIM PEE HUNG, P.J.K. (Alor Star).
- .. DR MAHATHIR BIN MOHAMAD (Kota Star Selatan).
- .. TUAN T. MAHIMA SINGH, J.M.N., J.P. (Port Dickson).
- .. TUAN C. JOHN ONDU MAJAKIL (Sabah).
- .. TUAN JOSEPH DAVID MANJAJI (Sabah).
- .. DATO' DR HAJI MEGAT KHAS, D.P.M.P., J.P., P.J.K. (Kuala Kangsar).
- .. DR MOHAMED BIN TAIB (Kuantan).
- .. TUAN MOHD. ARIF SALLEH, A.D.K. (Sabah).
- .. DATO' HAJI MOHAMED ASRI BIN HAJI MUDA, S.P.M.K. (Pasir Puteh).
- .. ORANG TUA MOHAMMAD DARA BIN LANGPAD (Sabah).
- .. TUAN MOHD. DAUD BIN ABDUL SAMAD (Besut).
- .. TUAN MOHAMED IDRIS BIN MATSIL, J.M.N., P.J.K., J.P. (Jelebu-Jempol).
- .. TUAN MOHD. TAHIR BIN ABDUL MAJID, S.M.S., P.J.K. (Kuala Langat).
- .. TUAN HAJI MOHAMED YUSOF BIN MAHMUD, A.M.N. (Temerloh).
- .. WAN MOKHTAR BIN AHMAD, P.J.K. (Kemaman).
- .. TUAN HAJI MOKHTAR BIN HAJI ISMAIL (Perlis Selatan).

- Yang Berhormat **TUAN MUHAMMAD FAKHRUDDIN BIN HAJI ABDULLAH**
(Pasir Mas Hilir).
- „ **TUAN HAJI MUHAMMAD SU'AUT BIN HAJI MUHD. TAHIR,**
A.B.S. (Sarawak).
- „ **TUAN MUSA BIN HITAM (Segamat Utara).**
- „ **DATO' HAJI MUSTAPHA BIN HAJI ABDUL JABAR, D.P.M.S., A.M.N.,**
J.P. (Sabak Bernam).
- „ **TUAN MUSTAPHA BIN AHMAD (Tanah Merah).**
- Yang Berbahagia **TAN SRI HAJI NIK AHMAD KAMIL, D.K., S.P.M.K., S.J.M.K.,**
P.M.N., P.Y.G.P., Dato' Sri Setia Raja (Kota Baharu Hilir).
- Yang Berhormat **TUAN NG FAH YAM, J.P. (Batu Gajah).**
- „ **TUAN ONG KEE HUI (Sarawak).**
- „ **TUAN HAJI OTHMAN BIN ABDULLAH (Hilir Perak).**
- „ **TUAN OTHMAN BIN ABDULLAH, A.M.N. (Perlis Utara).**
- „ **TUAN QUEK KAI DONG, J.P. (Seremban Timor).**
- „ **TUAN HAJI RAHMAT BIN HAJI DAUD, A.M.N.**
(Johor Bahru Barat).
- „ **TUAN RAMLI BIN OMAR, K.M.N. (Krian Darat).**
- „ **TUAN HAJI REDZA BIN HAJI MOHD. SAID, P.J.K., J.P.**
(Rembau-Tampin).
- „ **RAJA ROME BIN RAJA MA'AMOR, P.J.K., J.P. (Kuala Selangor).**
- „ **TUAN SEAH TENG NGIAB, S.M.J., P.I.S. (Muar Pantai).**
- „ **TUAN SIM BOON LIANG, A.B.S. (Sarawak).**
- „ **TUAN SIOW LOONG HIN, P.J.K. (Seremban Barat).**
- „ **TUAN SENAWI BIN ISMAIL, P.J.K. (Seberang Selatan).**
- „ **TUAN SNG CHIN JOO (Sarawak).**
- „ **TUAN SOH AH TECK (Batu Pahat).**
- „ **TUAN HAJI SULAIMAN BIN ALI (Dungun).**
- „ **TUAN SULAIMAN BIN BULON, P.J.K. (Bagan Datoh).**
- „ **TUAN SULAIMAN BIN HAJI TAIB (Krian Laut).**
- „ **PENGIRAN TAHIR PETRA (Sabah).**
- „ **TUAN TAJUDIN BIN ALI, P.J.K. (Larut Utara).**
- „ **TUAN TAI KUAN YANG, A.M.N. (Kulim Bandar Bharu).**
- „ **TUAN TAMA WENG TINGGANG WAN (Sarawak).**
- „ **DR TAN CHEE KHOON (Batu).**
- „ **TUAN TAN CHENG BEE, A.M.N., J.P. (Bagan).**
- „ **TUAN TAN KEE GAK (Bandar Melaka).**
- „ **TUAN TAN TOH HONG (Bukit Bintang).**
- „ **TUAN TAN TSAK YU, P.B.S. (Sarawak).**
- „ **TUAN TIAH ENG BEE (Kluang Utara).**
- „ **TUAN TOH THEAM HOCK (Kampar).**
- „ **TUAN YEH PAO TZE, A.M.N. (Sabah).**
- „ **TENGGU ZAID BIN TENGGU AHMAD (Pasir Mas Hulu).**
- „ **TUAN HAJI ZAKARIA BIN HAJI MOHD. TAIB, P.J.K. (Langat).**

YANG TIADA HADHIR:

- Yang Berhormat Perdana Menteri dan Menteri Hal Ehwal Luar Negeri,
Y.T.M. TUNKU ABDUL RAHMAN PUTRA AL-HAJ, K.O.M.
(Kuala Kedah).
- „ Menteri Pelajaran, TUAN MÖHAMED KHIR JOHARI
(Kedah Tengah).
- „ Menteri Kesihatan, Yang Berbahagia TAN SRI HAJI ABDU
HAMID KHAN BIN HAJI SAKHAWAT ALI KHAN, P.M.N., J.P.
(Batang Padang).
- „ Menteri Hal Ehwal Sarawak, Yang Berbahagia TAN SRI
TEMENGGONG JUGAH ANAK BARIENG, P.M.N., P.D.K. (Sarawak).
- „ Menteri Muda Ta' Berjabatan, TUAN HAJI ABDUL KHALID BIN
AWANG OSMAN (Kota Star Utara).
- „ Menteri Muda Hal Ehwal Dalam Negeri, TUAN HAMZAH BIN
DATO' ABU SAMAH, S.M.K. (Raub).
- „ TUAN RAFAEL ANCHETA, A.M.N. (Sabah).
- „ TUAN JONATHAN BANGAU ANAK RENANG, A.B.S. (Sarawak).
- „ PENGARAH BANYANG ANAK JANTING, P.B.S. (Sarawak).
- „ TUAN CHIA CHIN SHIN, A.B.S. (Sarawak).
- „ TUAN EDMUND LANGGU ANAK SAGA (Sarawak).
- „ DATO' LING BENG SIEW, P.N.B.S. (Sarawak).
- „ TUAN PETER LO SU YIN (Sabah).
- „ TUAN MOHD. ZAHIR BIN HAJI ISMAIL, J.M.N. (Sungai Patani).
- Yang Amat Berbahagia TUN DATU MUSTAPHA BIN DATU HARUN, S.M.N., P.D.K.
(Sabah).
- Yang Berhormat TUAN D. R. SEENIVASAGAM (Ipoh).
- „ DATO' S. P. SEENIVASAGAM, D.P.M.P., P.M.P., J.P. (Menglembu).
- „ TUAN STEPHEN YONG KUET TZE (Sarawak).

DO'A

(Tuan Yang di-Pertua *mempengerusikan Meshuarat*)

MENGANGKAT SUMPAH

Ahli² Yang Berhormat yang tersebut di bawah ini telah mengangkat Sumpah seperti yang di-sebutkan dalam Perlembagaan:

1. Tuan Musa bin Hitam.
2. Dr Mohamed bin Taib.

**PEMASHHORAN OLEH TUAN
YANG DI-PERTUA
PERUTUSAN DARIPADA
DEWAN NEGARA**

Tuan Yang di-Pertua: Ahli² Yang Berhormat, saya suka hendak mema'alumkan kepada Majlis ini bahawa saya ada menerima satu Perutusan daripada Dewan Negara bertarikh 23hb Oktober, 1968, berkenaan dengan perkara² tertentu yang telah di-hantar oleh Majlis

ini pada Dewan Negara meminta persetujuan. Tuan Setia-usaha Dewan akan membachakan Perutusan itu.

(*Setia-usaha Dewan Ra'ayat membachakan Perutusan*).

Yang di-Pertua Dewan Ra'ayat,

Dewan Negara telah bersetuju dengan Rang Undang² yang berikut tanpa pindaan:

1. Suatu Act bagi membuat peruntukan untuk menyemak dan menchetak sa-mula undang² dan perundangan kecil;
2. An Act to amend the Interpretation Act, 1967;
3. An Act to amend the Pensions Ordinance, 1961;
4. Suatu Act bagi menggunakan sa-jumlah wang daripada Kumpulan Wang Yang di-Satukan untuk

Perkhidmatan bagi tahun yang berakhir pada tiga puluh satu hariulan Disember, 1969;

5. Suatu Act bagi memperbadankan Persekutuan Budak² Pengakap Malaysia (atau dalam bahasa Inggeris "Boy Scouts Association of Malaysia");
dan bagi maksud² yang berkenaan dengan-nya.

Tt: DATO' HAJI ABDUL RAHMAN
BIN MOHAMED YASIN,
*Yang di-Pertua,
Dewan Negara.*

MEMPERKENANKAN RANG UNDANG²

Tuan Yang di-Pertua: Ahli² Yang Berhormat, saya hendak mema'alumkan kepada Majlis ini bahawa Duli Yang Maha Mulia Seri Paduka Baginda Yang di-Pertuan Agong telah memperkenankan Rang Undang² berikut yang telah di-luluskan oleh Parlimen baharu² ini:

1. Pensions (Amendment) Act, 1968.
2. Act (Perbadanan) Persekutuan Budak² Pengakap Malaysia, 1968.
3. Act Kumpulan Wang Yang di-Satukan (Perbelanjaan Masok Akaun) 1968.
4. Interpretation (Amendment) Act, 1968.
5. Act Penyemakan Undang², 1968.

KEMATIAN ALLAH YARHAM Y.B. TUAN ABDUL RAHMAN BIN HAJI TALIB, DAN ALLAH YAR- HAM Y.B. TUAN HAJI ABDULLAH BIN HAJI MOHD. SALLEH

Tuan Yang di-Pertua: Sa-bagaimana Ahli² Yang Berhormat sakalian ma'alum, kita maseh lagi bersedeh oleh kerana kematian baharu² ini Allah Yarham Yang Berhormat Tuan Abdul Rahman bin Haji Talib, Ahli bagi Kuantan, dan Allah Yarham Yang Berhormat Tuan Haji Abdullah bin Haji Mohd. Salleh, Ahli bagi Segamat Utara.

Kita kehilangan dua orang Ahli yang telah beberapa tahun menjadi Ahli Dewan Ra'ayat. Saya telah pun mengi-

rimkan ucapan ta'ziah kepada balu² mereka dan bermohon do'a mudah²an Allah chuchorkan rahmat ka-atas roh kedua² orang Allah Yarham itu.

MENGALU²KAN AHLI² BAHARU

Ahli² Yang Berhormat, bagi pehak kesemua Ahli² dan bagi diri saya sendiri, saya suka hendak mengalu²kan Yang Berhormat Tuan Musa bin Hitam dan Yang Berhormat Dr Mohamed bin Taib yang baharu sahaja di-pilih menjadi Ahli Dewan Ra'ayat ini.

PERLETAKAN JAWATAN Y.B. TUAN LIM KEAN SIEW, AHLI BAGI DATO KRAMAT

Saya suka juga hendak menyatakan kepada Ahli² Yang Berhormat bahawa pada 2 hariulan Januari, 1969, saya telah menerima sa-puchok surat daripada Yang Berhormat Tuan Lim Kean Siew, Ahli Dewan Ra'ayat bagi kawasan Dato Kramat, menyatakan dengan rasmi-nya bahawa ia-nya meletakkan jawatan sa-bagai Ahli Dewan Ra'ayat mulai daripada 1 hariulan Januari, 1969.

Sekian-lah di-ma'alumkan.

JAWAPAN² MULUT BAGI PERTANYAAN²

PERUBATAN DAN PERAWATAN DI-LONG SELA'AN, LONG MU DAN LONG SEMIANG, SARAWAK

1. Tuan Tama Weng Tinggang Wan bertanya kepada Menteri Kesihatan ada-kah Kementerian Kesihatan sedar hal orang² rumah panjang di-Long Sela'an, Long Mu dan Long Semiang yang dahulu-nya ada mempunyai rumah perubatan dan jururawat di-Long Sela'an kemudian di-pindah ka-Long Mu dan akhir sekali di-pindah ka-Lio Matu, dan jururawat di-Long Sela'an itu di-berhentikan yang mana menyebabkan kesusahan besar ka-atas orang² kampung.

Menteri Hal Ehwal Sabah (Dato' Ganie Gilong): Tuan Yang di-Pertua, pertukaran sa-orang Dresser Ulu daripada Upper Baram ka-kawasan Bakong itu ada-lah tidak dapat di-elakkan oleh kerana tiada kemudahan² perubatan yang terdapat di-kawasan Bakong.

Sungguh pun demikian dua orang Dresser Ulu maseh berada di-Long Jehe dan Lio Matu di-Upper Baram dan sa-telah ranchangan jalan raya sampai ka-Beluru kelak ada kemungkinan untuk Dresser Ulu kawasan Bakong bertukar balek ka-kawasan Upper Baram.

Dalam perkara ini Jabatan Perubatan sedang menimbangkan untuk mendirikan sa-buah sub-dispensary di-kawasan Upper Baram. Bangunan ini akan dibena di-antara kawasan² rumah panjang Long Sela'an, Long Mu dan Long Semiang.

Jabatan Perubatan tidak pernah menempatkan sa-barang jururawat berkhidmat di-kawasan Upper Baram.

Tuan Tama Weng Tinggang Wan: Tuan Yang di-Pertua, soalan tambahan, saperti di-Long Sela'an masa British pegang dahulu memang tetap ada yang menjaga perubatan di-kampung itu, kerana sungai di-tempat itu sangat jahat, hilir pun mudek, kalau ayer besar tidak dapat. Masa sekarang orang ini maseh ada, tetapi dia minta tolong, ubat dalam rumah itu sahaja, dia ta' minta gaji sebab dia rasa susah pergi hulu, kalau ayer besar tidak dapat, hilir pun pergi Long Jehe tidak dapat. Itu-lah sebab kawasan itu sangat susah. Bukan sa-kali, sudah beberapa kali dia sudah minta.

Saya sa-orang Ahli Dewan Ra'ayat suka menyampaikan permintaan ra'ayat supaya Dewan ini menimbangkan kesulitan mereka. Dahulu mereka merasa senang dalam pemerintahan British. Sekarang sudah merdeka lagi susah. Itu-lah kemerdekaan ra'ayat bumiputera di-dalam jaminan Malaysia, rasanya lebeh susah lagi masa sekarang. Itu-lah permintaan ra'ayat bumiputera.

Dato' Ganie Gilong: Tuan Yang di-Pertua, perkara ini Kementerian saya akan menimbangkan dan jika perlu saya sendiri akan pergi melihat perkara ini.

Tuan Tama Weng Tinggang Wan: Tuan Yang di-Pertua, terima kaseh—bawa saya juga. (*Ketawa*).

PEMBENAAN JALAN RAYA DI-KAMPONG² CHINA DAN MELAYU, MARUDI

2. Tuan Tama Weng Tinggang Wan bertanya kepada Menteri Kerja Raya, Pos dan Talikom ada-kah Kementerian Kerja Raya, Pos dan Talikom akan menimbangkan pembinaan jalan raya di-Kampung² China dan Melayu, Marudi.

Menteri Kerja Raya, Pos dan Talikom (Tun V. T. Sambanthan): Tuan Yang di-Pertua, Kementerian ini boleh menimbangkan pembenaan jalan² di-Kampung² di-Marudi. Pembenaan jalan² itu mengikut keutamaan dan juga wang² yang telah di-untukkan kerana pembenaan jalan² itu.

Tuan Tama Weng Tinggang Wan: Tuan Yang di-Pertua, soalan tambahan. Ra'ayat di-sana ada-lah di-harap selalu mendengar menerusi Radio Malaysia Sarawak, wang itu banyak. Di-mana beri wang itu? Patut-lah tolong tempatkan di-kawasan Baram. Jalan raya di-kampung Melayu tidak sampai di-sekolah, jangan bilang ini lagi jauh sampai ka-hilir². Di-kampung China macham itu juga. Dari tepi nampak tempat jalan kereta tidak dapat pergi lebeh deras lagi. Itu-lah sebab-nya kami berharap jangan merasa malu yang kami M.P.—Ahli Dewan Ra'ayat, ia berkata tidak minta. Tetapi wang sa-banyak \$464 juta ini ranchangan negeri Sarawak, sekarang siapa yang terima wang itu? Itu-lah yang kami ini merasa hairan, maseh meminta lagi dalam Dewan ini.

Tuan Yang di-Pertua: Jadi apa soalan tambahan-nya?

Tuan Tama Weng Tinggang Wan: Itu-lah jalan raya—duit. Siapa jaga itu duit, saya minta Dewan ini merundingkan-nya.

Tuan Yang di-Pertua: Siapa jaga duit itu? (*Ketawa*).

**UNDANG² UNTOK
PERLINDONGAN BAGI
PEMEGANG² POLISI INSURAN
DARIPADA KEMALANGAN²
JALAN RAYA**

3. Tuan Haji Mokhtar bin Haji Ismail bertanya kepada Menteri Kewangan ada-kah Kerajaan akan menimbang mengadakan undang² bagi memberi lindungan yang chukup kepada pemegang² polisi insuran dan si-penerima² lain yang di-wariskan daripada tipu dan aniaya penipu² dan Sharikat² Insuran terhadap hak² dan tuntutan mereka yang sah dalam polisi itu; atau, dengan chara lain, ada-kah dia akan melantek sa-buah Lembaga bagi menguruskan aduan² atau tuntutan² yang terbit daripada kemalangan² jalan raya daripada pemegang² polisi.

Menteri Kewangan (Tun Tan Siew Sin): Tuan Yang di-Pertua, Tuan, Ahli Yang Berhormat itu harus ingat bahawa saya telah membuat pengishtiharan umum dahulu ia-itu sa-barang orang yang menganggap diri-nya di-lakukan tidak 'adil oleh sa-sabuah sharikat insuran hendak-lah membuat aduan kepada Pesuruhjaya Insuran yang akan menyiasat aduan-nya itu.

Pesuruhjaya Insuran ada-lah di-lantek di-bawah Act Insuran 1963 dan ia sa-orang Pegawai di-bawah kuat-kuasa saya. Bahagian insuran dalam Perbendaharaan menerima lebih kurang 80 aduan sa-tahun dan walau pun penyiasatan terhadap tudohan² tersebut memang memakan masa, saya bolehlah memberi jaminan kepada Ahli Yang Berhormat itu bahawa tiap² aduan adalah di-pereksa dengan chermat oleh Bahagian Insuran.

Undang² memang sedia ada di-dalam Act Insuran untk mengatorkan perniagaan insuran di-dalam negeri ini, tetapi patut-lah di-sedari juga bahawa polisi insuran ada-lah suatu perjanjian (contract) yang di-buat dengan bebas oleh kedua² belah pihak. Pada peringkat muktamad-nya, kalau mana² pihak berasa bahawa perjanjian itu tidak ditunaikan dengan apa chara pun, maka ia boleh-lah membawakan perkara ter-

sebut ka-mahkamah. Kalau Ahli Yang Berhormat itu ada aduan tertentu, maka saya suka-lah menasihatkan-nya supaya berhubung dengan Pesuruhjaya Insuran. Memang-lah tidak mungkin diambil tindakan kalau berdasarkan kenyataan umum sahaja.

Tuan Haji Mokhtar bin Haji Ismail: Soalan tambahan. Lebih kurang dua tahun yang lalu satu kemalangan bas dan keretapi telah berlaku di-Padang Besar. Sekarang ini saya telah menerima aduan daripada warith² yang berkenaan belum mendapat apa² penyelesaian.

Tun Tan Siew Sin (*dengan izin*): That is an incident about which I clearly cannot give an answer without referring to the file concerned. I would ask the Honourable Member to write in to the Insurance Commissioner in regard to this case.

**PENJUALAN DARAH DI-RUMAH²
SAKIT—LANGKAH DI-AMBIL
UNTOK MEMBAIKI PENGURUSAN
TABONG² DARAH DI-RUMAH²
SAKIT**

4. Tuan Haji Mokhtar bin Haji Ismail bertanya kepada Menteri Kesihatan (a) ada-kah dia sedar ada beberapa kumpulan yang terdiri daripada orang² miskin yang menjual darah dengan harga \$200 sa-pain di-rumah² sakit besar di-Malaysia, dan jika sedar, apakah tindakan yang hendak di-ambil oleh Kerajaan bagi menghindar kejadian² sa-umpama itu daripada berlaku lagi; (b) ada-kah sa-tiap langkah sedang di-ambil untk membaiki pengurusan Tabong² Darah di-tiap² rumah sakit di-Malaysia dan mendapatkan ramai lagi penderma² darah.

Dato' Ganie Gilong: Tuan Yang di-Pertua (a) saya tidak sedar yang ada-nya kumpulan atau pun syndicate menjual darah dengan harga \$200 satu pint.

(b) Sa-tiap usaha sedang di-jalankan untk memperbaiki pengurusan Tabong Darah. Kementerian saya telah menu-buhkan Majlis Perkhidmatan Pemindahan Darah Kebangsaan untk menyatukan kerja² dari pertubohan² sukarela di-dalam pengambilan penderma² darah dan juga menjaga kebajikan dan insentif penderma² tersebut.

Dr Tan Chee Khoon (Batu): Soalan tambahan. Ada-kah Menteri yang berkenaan sedar langkah² yang di-ambil oleh Kementerian tersebut tidak men-chukupi. Oleh sebab itu darah di-rumah sakit masing² di-seluruh Malaysia ta' cukup, oleh sebab langkah yang di-ambil oleh Kementerian Kesihatan tidak cukup. Beliau telah sentoh tentang insentif² dan langkah²; boleh-kah beliau menerangkan dengan teliti apa langkah, atau apa insentif yang di-beri oleh Kementerian Kesihatan?

Dato' Ganie Gilong: Tuan Yang di-Pertua, sa-bagaimana yang saya sudah terangkan tadi, Kementerian saya telah merubuhkan Majlis Perkhidmatan Pemindahan Tabong Darah Kebangsaan untuk menyiasat perkara ini dan badan ini akan bersidang pada 13hb Januari ini untuk menyiasat, apa-kah dia jalan untuk kita mengatasi masaalah² yang di-kemukakan oleh Ahli Yang Berhormat tadi.

Dr Tan Chee Khoon: Tuan Yang di-Pertua, ada-kah Kementerian Kesihatan berhubung dengan Kesatuan Perubatan Malaya tentang perkara ini dan minta pertolongan atau kerjasama dengan Kesatuan tersebut tentang perkara ini?

Dato' Ganie Gilong: Tuan Yang di-Pertua, ada.

Dr Tan Chee Khoon: Tuan Yang di-Pertua, kata Menteri yang berkenaan itu "ada", tetapi pada pendapat saya sampai sa-takat ini Kementerian Kesihatan tidak berhubung dengan Kesatuan Perubatan Malaysia tentang perkara ini.

Dato' Ganie Gilong: Tuan Yang di-Pertua, surat jemputan yang sa-benarnya sudah di-hantar kepada Presiden Kesatuan. (*Ketawa*).

Tuan Ahmad bin Arshad (Muar Utara): Soalan tambahan. Ada-kah Kementerian ini dapat menimbangkan satu langkah pemberian darah patut di-buat dari suku kaum, seperti kalau kemalangan satu kaum, kaum itu akan memberi derma darah, sebab kita dapat tahu bahawa orang² Tiong Hwa ini sangat kurang memberikan kepada suku kaum-nya yang kena kemalangan.

Tuan Yang di-Pertua: Itu ta' ada kena-mengena dengan soalan ini.

RANCHANGAN MENGAWAL BANJIR DI-PANTAI TIMOR, MALAYSIA BARAT

5. Tuan Ahmad bin Arshad bertanya kepada Perdana Menteri sama ada tinjauan chara dekat mengenai usaha mengawal banjir di-Pantai Timor, Malaysia Barat, dalam musim tengkujuh telah di-jalankan oleh pakar² dari luar negeri; jika ya, pakar² dari negeri mana dan bila ranchangan itu akan di-jalankan.

Tun Haji Abdul Razak: Tuan Yang di-Pertua, soalan mengawal banjir telah di-timbangkan oleh pehak Kerajaan dengan teliti-nya dan satu Jawatan-kuasa di-peringkat pegawai telah di-tubuhkan. Jawatan-kuasa ini telah men-datangkan shor² dalam jangka pendek dan satu daripada shor-nya ia-lah supaya peratoran² membuka tanah di-tepi² bukit berdekatan dengan sungai di-kawal dan di-jaga supaya tanah² ta' runtoh masuk ka-dalam sungai. Bagitu juga tebing² sungai mustahak-lah di-jaga pada sa-tiap masa. Tanggong-jawab tentang soal ini terletak bukan sahaja kepada Kerajaan bahkan kepada seluruh ra'ayat negeri ini terutama mereka² yang dudok berdekatan dengan sungai.

Tuan Yang di-Pertua, saya fikir mustahak di-ingati bahawa banjir di-Malaysia ini datang-nya ta' dapat di-tentukan masa-nya. Dengan sebab itu mustahak-lah bagi mereka yang dudok berdekatan dengan sungai sentiasa berjaga² supaya dapat mengurangkan benchana atau pun kerosakan yang boleh di-datangkan oleh banjir itu.

Satu langkah lagi yang sedang di-jalankan oleh Kerajaan ia-lah membaiki alat² kaji chuacha supaya dapat kita mengetahui terlebih dahulu bila hujan dan ribut kuat akan datang dan bagitu juga-lah kita sedang membaiki alat² berkenaan dengan *storm warning radar equipment* supaya dapat di-beri amaran terlebih dahulu jika ribut dan hujan dan angin yang kuat telah tiba. Sunggoh pun bagitu Kerajaan telah mendapat pertolongan daripada sa-orang pakar yang di-hantarkan oleh Pertubohan

Makanan Sa-dunia untuk menimbang-kan perkara itu daripada segi jangka panjang. Tujuan Kerajaan ia-lah supaya kuasa ayer yang pada masa yang lalu telah merosakkan harta benda dan juga nyawa manusia dapat di-salor dan digunakan untuk kemajuan negara kita, akan tetapi soalan ini tentu-lah meng-ambil masa dan Kerajaan akan men-chuba dengan sa-berapa boleh untuk mengatasi masalah yang Kerajaan sendiri mengetahui ada-lah menjadi satu benchana besar kepada negara kita.

JAWATAN-KUASA GERAKAN JIMAT CHERMAT—LANGKAH² DI-AMBIL BAGI MENGURANG-KAN PERBELANJAAN²

6. Tuan Ahmad bin Arshad meminta kepada Menteri Kewangan bahawa sa-buah Jawatan-kuasa Gerakan Jimat Chermat telah di-bentok, terangkan apa langkah² ketat yang di-ambil bagi mengurangkan perbelanjaan² yang membazir, berapa Jabatan yang terlibat dan berapa jumlah wang di-anggar dapat di-jimatkan.

Tun Tan Siew Sin: Tuan Yang di-Pertua, berbagai² langkah sedang di-ambil atau akan di-ambil untuk mengu-rangkan belanja memberikan perkhid-matan² 'awam dan untuk mengelakkan membazir. Sa-tengah daripada langkah² ini ada-lah jangka pendek manakala yang lain-nya ada-lah jangka panjang. Mereka termasuk-lah mengurangkan kerja lebeh waktu (overtime) dengan membataskan kerja² tersebut kepada kerja² dharurat dan kerja² yang perlu di-siapkan segera; membataskan per-jalanan kapal terbang Kelas Satu ka-pada pegawai pentadbiran dan Kera-jaan yang paling tertinggi sahaja; mengurangkan pertukaran² sesuai de-ngan kecekapan; menukarkan bantuan kewangan Kerajaan untuk pelajaran tinggi daripada pemberian sa-chara langsung (direct grants) kepada pinja-man; membeli perkakas dan bahan² sa-chara banyak² dan sa-chara pusat; mengurangkan sa-berapa boleh peng-gunaan api, tenaga letrik, ayer dan alatulis²; mengawal dan menguruskan dengan lebeh baik akan harta² Kera-jaan; mengurangkan sa-berapa boleh "standard" bangunan² 'awam; dan

umum-nya menggalakkan pegawai² dan kaki-tangan 'awam menjalankan jaba-tan-nya dengan lebeh chekap dan menambahkan penghasilan mereka.

Semua Kementerian dan Jabatan ada-lah terlibat di-dalam usaha ini dan mereka telah di-berikan arahan supaya membentok Jawatan-kuasa² untuk men-chapai ekonomi dalam perbelanjaan mereka. Tidak-lah mungkin di-anggar-kan jumlah yang akan di-selamatkan sa-bagai hasil usaha ini, tetapi ada-lah di-harap bahawa usaha ini dapat mengurangkan belanja memberikan per-khidmatan² Kerajaan dan mengawal kenaikan tiap² tahun perbelanjaan berulang² dalam lingkungan yang menasabah yang Kerajaan boleh mampu.

Tuan Ahmad bin Arshad: Soalan tambahan. Tidak-lah dengan langkah jimat chermat ini boleh melambatkan projek² pembangunan kerana sa-tengah² pegawai itu tidak dapat bayaran over-time bagi melancharkan kerja itu?

Tun Tan Siew Sin: Tidak.

LANGKAH² UNTUK PENYELESAIAN TUNTUTAN FILIPINA KA-ATAS SABAH

7. Tuan Aziz bin Ishak bertanya kepada Menteri Luar Negeri:

- (a) apa-kah langkah² yang sedang atau akan di-jalankan oleh Kera-jaan untuk menyelesaikan tuntu-tan Filipina ka-atas Sabah, dan
- (b) ada-kah Kerajaan menerima sa-barang pelawaan dari negara² yang bersimpati untuk menjadi orang tengah dalam pertikaian itu.

Tun Haji Abdul Razak: Tuan Yang di-Pertua, Kerajaan telah berusaha dengan sa-daya upaya untuk menchari jalan bagi menyelesaikan tuntutan Filipina terhadap Sabah ini. Baharu² ini, seperti Ahli² Yang Berhormat mengetahui, saya telah menyerta² per-temuan Menteri² Luar ASEAN di-Bangkok dan telah bersetuju bersama² dengan Setia-usaha Luar Negeri Filipina dan juga Menteri² Luar lain mencha-dangkan jalan² untuk memulehkan perhubungan diplomatik di-antara Malaysia dengan Filipina yang berasas-kan kepada pengakuan Filipina atas kedaulatan Malaysia termasuk Sabah.

Kerajaan kita telah pun menerima chadangan ini, tetapi pehak Kerajaan Filipina belum lagi-lah memberi apa² persetujuan, sa-balek-nya kita mendapat tahu bahawa Kerajaan Filipina telah menolak shor² Menteri² ASEAN itu. Sekarang terpulung-lah kepada Filipina sendiri untuk menchari penyelesaian yang tertentu di-atas hal ini.

Soal yang kedua, Tuan Yang di-Pertua, Kerajaan tidak menerima apa² pelawaan dari negara² yang bersimpati untuk menjadi orang tengah dalam pertikaian ini, akan tetapi di-fikirkan masaalah ini ada-lah masaalah di-antara dua negara di-antara Filipina dan Malaysia dan mustahak-lah masaalah ini di-selesaikan di-antara kedua² negara ini.

Tuan Aziz bin Ishak: Soalan tambahan. Memandangkan dolak-dalek yang di-buat oleh pehak Filipina selama ini, ada-kah Kerajaan berchadang tidak akan melayan atas sa-barang usaha yang akan di-buat oleh Filipina kechuali pehak-nya menarek balek tuntutan serta undang² kawasan yang telah di-buat-nya dahulu, atau pun Kerajaan meminta jasa baik Bangsa² Bersatu untuk menyelesaikan soal tersebut.

Tun Haji Abdul Razak: Tuan Yang di-Pertua, kita telah menentukan kedudukan kita atas hal ini, ia-itu kita tidak dapat menerima tuntutan Filipina terhadap Sabah kerana kita dapati tuntutan itu tidak berasas sama ada dari segi undang² atau daripada segi politik. Masaalah yang tinggal ia-lah masaalah memulehkan perhubungan di-antara dua negara dan mengadakan persafahaman yang baik di-antara kita dengan Filipina. Soal tuntutan itu kita telah terangkan dan kedudukan kita telah kita terangkan kepada Filipina dan negeri Sabah.

USAHA UNTOK PEMULEHAN PERSAHABATAN DI-ANTARA MALAYSIA DENGAN FILIPINA

8. Tengku Zaid bin Tengku Ahmad (Pasir Mas Hulu) [di-bawah S.O. 24 (2)] bertanya kepada Menteri Luar Negeri apa-kah usaha yang sudah dan sedang di-buat oleh Kerajaan bagi memulehkan persahabatan di-antara

Malaysia dengan Filipina semenjak Presiden Marcos menandatangani Rang Undang² memasokkan Sabah ka-dalam ta'alok negeri-nya tahun lalu.

Tun Haji Abdul Razak: Tuan Yang di-Pertua, soal ini pun sama dengan soal yang ke-7 tadi. Kita telah menyertai perundingan, saperti yang di-terangkan, dengan Menteri² Luar negara² ASEAN dan satu persetujuan telah terchapai untuk memulehkan perhubungan diplomatik antara kita dengan Filipina supaya boleh-lah kedua² negara itu berunding untuk memulehkan perhubungan baik di-antara dua negara itu, akan tetapi pehak Filipina belum-lah menerima chadangan ini bahkan sa-balek-nya telah menolak dan meminda chadangan yang di-datangkan oleh Menteri² Luar ASEAN. Sekarang perkara ini terpulung-lah kepada pehak Filipina.

PERBELANJAAN OLEH MALAYSIA BAGI MENJAGA KESELAMATAN DI-SABAH

9. Tengku Zaid bin Tengku Ahmad [di-bawah S.O. 24 (2)] bertanya kepada Menteri Pertahanan sejak pertikaian Malaysia dengan Filipina atas masaalah Sabah berapa banyak banyak-wang yang telah di-belanjakan oleh Malaysia bagi menjaga keselamatan di-Sabah.

Tun Haji Abdul Razak: Tuan Yang di-Pertua, bagi menjaga keselamatan negara saya tidak boleh memberi butir² keterangan yang di-kehendaki ini, akan tetapi pehak Ahli Yang Berhormat dapat-lah menyemak sendiri dalam Anggaran² Belanjawan yang di-bentang di-hadapan Dewan ini dan juga Anggaran Tambahan yang telah di-luluskan oleh Dewan ini pada satu masa ka-satu masa. Saya suka juga menyebutkan di-sini bahawa Kerajaan Sabah telah juga memberi bantuan yang banyak untuk menjaga pertahanan negeri Sabah.

PENGHANTARAN ROMBONGAN² MALAYSIA KA-TIMOR TENGAH DAN AFRIKA MENGENAI SOAL SABAH

10. Tengku Zaid bin Tengku Ahmad [di-bawah S.O. 24 (2)] bertanya kepada Menteri Luar Negeri ada-kah Kerajaan

sedar bahawa pehak Filipina telah melancarkan kempen propaganda dengan chara luas dan berkesan mengenai soal Sabah di-negeri² Timor Tengah dan Afrika; jika sedar, ada-kah Malaysia akan mengirim rombongan sa-umpama itu ka-negeri² Timor Tengah khas-nya dan ka-negeri² lain 'am-nya.

Tun Haji Abdul Razak: Tuan Yang di-Pertua, Kerajaan sedar akan kegiatan Filipina dalam propaganda-nya mengenai tuntutan mereka itu terhadap Sabah. Propaganda mereka itu pada fikiran saya tidak-lah boleh di-katakan luas atau pun berkesan. Kerajaan Malaysia telah pun mengambil langkah² yang sesuai melalui Kedutaan² kita bagi menerangkan pendirian kita. Sa-takat ini tidak-lah di-fikirkan perlu untuk Kerajaan menghantar rombongan² khas ka-Timor Tengah atau pun Afrika. Kerajaan² negeri di-Afrika dan juga di-Timor Tengah ada-lah mengakui kedaulatan Malaysia termasuk Sabah.

HADIAH RASMI BAGI TAHUN 1964 HINGGA 1968—PERBELANJAAN DAN PERATORAN

11. Datin Hajjah Fatimah binti Haji Abdul Majid (Johor Bahru Timor) bertanya kepada Perdana Menteri:

- (a) berapa-kah jumlah perbelanjaan yang telah di-keluarkan kerana hadiah² rasmi semenjak tahun 1964;
- (b) di-mana-kah hadiah² rasmi yang di-terima daripada Ketua² Negara asing itu di-simpan;
- (c) ada-kah Kerajaan berchadang hendak mempamirkan hadiah² rasmi yang di-terima daripada Ketua² Negara asing itu kepada orang ramai;
- (d) ada-kah satu peratoran yang di-buat untuk menentukan apa jenis hadiah yang akan di-beri kepada sa-saorang Ketua Negara asing yang melawat negeri ini, jika ada, apa-kah peratoran itu, dan jika tidak ada, kenapa.

Tun Haji Abdul Razak: Tuan Yang di-Pertua, jumlah Perbelanjaan yang telah di-belanjakan kerana hadiah rasmi bagi tahun 1964 hingga 1968

ia-lah \$320,918.57; tahun 1964 \$67,142.19; tahun 1965 \$71,023.28, tahun 1966 \$64,453.17; tahun 1967 \$61,403.68; tahun 1968 \$56,680.75. Jadi jumlah-nya \$320,918.57.

Hadiah² rasmi ini di-simpan di-tempat² kediaman rasmi. Kerajaan tidak berchadang hendak mempamirkan hadiah² ini kepada ramai. Sa-buah Jawatan-kuasa telah pun di-tubuhkan pada tahun 1959 bagi mengkaji masa-alah² berkenaan dengan pemberian² hadiah² rasmi dan Jawatan-kuasa itu telah menyediakan laporan-nya. Laporan itu, antara lain², mengandongi shor² tentang tetamu² yang patut di-beri hadiah rasmi. Jenis² hadiah yang sesuai di-berikan dan juga hak perbelanjaan bagi hadiah² itu. Laporan² itu atau shor² itu sekarang ini di-gunakan oleh Kerajaan bagi panduan apabila menimbang-bangkan masaalah memberi hadiah² rasmi. Walau bagaimana pun Perdana Menteri berkuasa menentukan hadiah² yang patut di-berikan dari sa-masa ka-samasa.

KENAIKAN PANGKAT— PERATORAN² LEMBAGA KENAIKAN PANGKAT PENTADBIRAN 'AWAM, 1967

12. Datin Hajjah Fatimah binti Haji Abdul Majid bertanya kepada Perdana Menteri:

- (a) berapa bilangan Pegawai² Kerajaan Bahagian I, II dan III yang telah di-naikkan pangkat menurut Peratoran² Lembaga Kenaikan Pangkat Pentadbiran 'Awam, 1967;
- (b) berapa lama masa yang di-ambil untuk menimbang-bangkan tiap² satu kenaikan pangkat;
- (c) pernah-kah berlaku pegawai² yang telah di-naikkan pangkat itu diturunkan sa-mula pangkat-nya oleh kerana aduan² dari pegawai² lain, dan jika ya, berapa kali perkara saperti itu telah berlaku.

Tun Haji Abdul Razak: Tuan Yang di-Pertua, Peratoran Lembaga Kenaikan Pangkat Perkhidmatan 'Awam, 1967 telah di-kuat-kuasakan mulai 1hb Julai, 1967 dan semenjak peratoran ini di-kuat-kuasakan sa-banyak 337 orang

pegawai² dalam Bahagian I, 160 orang dalam Bahagian II dan 356 orang dalam Bahagian III telah pun di-tingkatkan dan di-naikkan pangkat oleh Lembaga Kenaikan Pangkat Perkhidmatan 'Awam yang berkenaan. Bilangan² ini chuma-lah bagi mereka yang telah berjaya sahaja, tidak-lah termasuk bilangan² yang telah di-tingkatkan atau yang telah di-berikan kajian dan di-timbang tetapi telah tidak berjaya.

Selain daripada itu, Lembaga Kenaikan Pangkat Perkhidmatan 'Awam yang menimbangkan kenaikan pangkat pegawai² dalam Bahagian I telah juga menimbangkan dan meluluskan pemangkuan bagi jangka pendek dan juga pemangkuan yang memakan tempoh beberapa bulan sahaja dengan tujuan supaya pegawai² ini akan di-tingkatkan bagi di-naikkan pangkat dan bilangan pegawai ini ia-lah 493 orang.

Tidak ada dapat di-tentukan tempoh menimbangkan tiap² satu urusan kenaikan pangkat itu satu persatu kerana tiap² satu kes bergantung-lah kepada keadaan yang tertentu, terutama sekali bilangan pegawai² yang layak memegang jawatan² yang kosong itu. Bagaimana pun pada keseluruhannya perakuan² bagi kenaikan pangkat itu biasa-nya dapat di-selesaikan di-antara satu hingga tiga bulan daripada tarikh perakuan itu di-terima oleh Lembaga Kenaikan Pangkat yang berkaitan dari Ketua² Jabatan yang berkenaan.

Di-bawah perakuan kenaikan pangkat ini ada-lah di-masokkan syarat di-mana keputusan Lembaga Kenaikan Pangkat itu maseh belum jadi muktamad sahingga, jika ada rayuan terhadap keputusan Lembaga itu di-kelolai oleh Lembaga Rayuan dan jika tidak ada rayuan sa-hingga luput tempoh rayuan di-benarkan ia-itu 14 hari sa-lepas pegawai yang berkenaan itu di-ma-alumkan atas keputusan yang tersebut.

Semenjak Peratoran Lembaga Kenaikan Pangkat Perkhidmatan 'Awam tahun 1967 di-kuat-kuasakan ada-lah terjadi satu sahaja kes di-mana sa-orang yang telah di-luluskan bagi di-naikkan pangkat oleh Lembaga Kenaikan Pangkat tidak di-sahkan oleh Lembaga Rayuan yang berkenaan. Oleh itu

mengikut syarat Peratoran Lembaga Kenaikan Pangkat pegawai yang telah di-mansuhkan kenaikan pangkat-nya itu, Lembaga Rayuan tidak-lah berjaya di-dalam urusan kenaikan pangkat.

KAMPONG TENGGU HOUSING SCHEME, SUNGAI WAY, SELANGOR

13. Dr Tan Chee Khoon (Batu) (*dengan izin*): asks the Prime Minister to state the extent of the damage done to the houses at Kampong Tengku at Sungai Way, who is going to bear the loss incurred there as a result of vandalism and thefts, is the Attorney-General contemplating taking action against the people connected with this scheme, if not why.

Tun Haji Abdul Razak (*dengan izin*): Sir, the Government appointed a Committee of Officials in November, 1966, to undertake the completion of the housing scheme at Kampong Tengku which was started by the Federation of Malaya Government Officers' Co-operative Housing Society Limited. This Committee is now charged with the task of assessing the amount of money required for this purpose, and this will take into consideration the damage caused by the stoppage of work on the scheme, including losses due to theft and vandalism. It is not possible at this stage to state the amount involved as this is a very complicated matter. The Committee will also have to make recommendations as to how these losses are to be borne, but the committee has been informed that the principle to be observed will be that the Government should not in any way subsidise this scheme.

The question of legal action against those concerned is another matter and, as the Honourable Member is aware, there is a case pending in Court in connection with the affairs of this Society, and it would not, in my view, be proper in such circumstances to discuss this case in this House.

Dr Tan Chee Khoon (*dengan izin*): Mr Speaker, Sir, I entirely agree with the Honourable Deputy Prime Minister when he says that we should not discuss the legal aspects of this case as

there is a case pending before the Court. The thing that I wish to ask the Honourable the Deputy Prime Minister is this: is he aware, although the Government has instituted a Committee of Enquiry in November, that this matter was raised in this House more than one and a half years ago, and therefore there is no reasonable excuse on the part of the Government to come and tell this House that this is a very big matter and it still has to look carefully into the matter. Is he aware that while the Government drags its feet, while the Government is still considering this case in air-conditioned rooms, every day either fittings are being removed or fittings are being deliberately broken and wires are being ripped off—is he aware that such happenings are taking place almost every day?

Tun Haji Abdul Razak: The Honourable Member should be fully aware of this as answers had been given in this House on this case before. The Government originally appointed a Committee to go into this before taking any action. The Honourable Member should know that the Government cannot just go and take action without proper investigation, and a Committee had been appointed and as a result of the recommendations of that Committee, actions are now being taken. As I said just now, the Committee has been given the task of looking into this. It is no longer a matter for the Government, and I have no doubt that this Committee will undertake this task as expeditiously as possible.

Dr Tan Chee Khoon: Mr Speaker, Sir, just now the Honourable the Deputy Prime Minister enunciated a very important principle, that where losses are concerned in the case of this project, the principle is that the Government must not be expected to subsidise whatever losses that may occur, and I see that the Minister for Finance has nodded his head in agreement. What I want to ask the Honourable Deputy Prime Minister is this: Will he also enunciate another principle, that where the losses are concerned, the owners of the houses that have not been completed, who are completely innocent where these losses are concerned, will

not be made to bear whatever losses that may occur.

Tun Haji Abdul Razak: This is a matter for the Co-operative Society; this is not a Government concern. This is a Co-operative Housing Society and those house owners are members of this Society and it is a matter for them to raise with the officials of the Society.

Dr Tan Chee Khoon: Mr Speaker, Sir, it is wellknown to the Honourable Deputy Prime Minister and it is also wellknown to the Police that cases of theft and vandalism had taken place and are still taking place in that area. Can the Honourable Minister tell us what action has the Police taken to prevent such acts of thefts and vandalism? Secondly, have any of these culprits been apprehended? If so, has action again been taken against such culprits?

Tun Haji Abdul Razak: Sir, I have explained to the Honourable Member that this is a private Co-operative Society and if a private Co-operative Society such as this cannot run itself properly, you cannot put the blame on the Government. If there are losses, then the Society must be responsible for the losses and if there is theft and vandalism, and if the matter is reported to the Police, then the Police will take appropriate action. The Government cannot be responsible for every act of private persons in this country.

Dr Tan Chee Khoon: Sir, unfortunately, whereas the Honourable Deputy Prime Minister wants to wash his hands off this matter, it so happens that public funds are involved and since the public funds have been voted by this House to the Co-operative Society concerned, the Government must, in the ultimate analysis, bear the responsibility for whatever losses that may occur, because it is the taxpayers' money that has gone into building this housing project in Kampong Tengku.

The other question that I wish to ask the Honourable Deputy Prime Minister is this: Is he aware that adjacent to this Kampong Tengku, which has been

named by the people who have subscribed to it as "Kampong Tunggu"—berapa lama mahu tunggu, mereka tidak tahu lagi—there is a kampong known as Kampong Jamil Rais

Tuan Yang di-Pertua: I wish you would keep to the first question. Your first question has not been answered, but you are going on to the second question.

Dr Tan Chee Khoon: I was merely making an observation regarding the affinity between Kampong Tengku and "Kampong Tunggu", and I did not pose a question, Mr Speaker, Sir. I made a reference to the affinity between Kampong Tengku and "Kampong Tunggu". The question that I wish to ask the Honourable Deputy Prime Minister is this: is he aware that, in addition to this, there is another housing project started by the same Co-operative Society named as "Kampong Jamil Rais" and where exactly the same conditions prevail—thefts, vandalism and the houses are rotting away owing to exposure to the sun and the rain? Can he tell us what steps the Government has taken to mount a resuscitation and a rescue project for this housing society?

Tun Haji Abdul Razak: Mr Speaker, Sir, I am only aware of this Government Officers' Co-operative Housing Society because there has been the allegation of malpractices. That is why the Government has come into it. I am not aware of any other thing that is done by private societies. As regards Government funds, it will be the duty of this Government to try as far as possible to safeguard Government funds and that is why we made it a condition that whatever losses may be incurred, the principle should be that the Government should not be made to subsidise them.

MENGADAKAN SA-BUAH YAYASAN PERHUBONGAN BANGSA

14. **Dr Tan Chee Khoon** bertanya kepada Perdana Menteri ada-kah dia sedar bahawa ada sambutan hangat dari semua pihak terhadap chadangan

yang di-buat oleh Dr Tan Chee Khoon untuk mengadakan sa-buah Yayasan Perhubungan Bangsa bagi mengkaji masalah bangsa di-dalam negeri ini dan menawarkan chara menyelesaikannya, jika sedar, ada-kah Kerajaan akan menimbang mendirikan sa-buah Yayasan Perhubungan Bangsa seperti itu.

Tun Haji Abdul Razak: Tuan Yang di-Pertua, Kerajaan tidak fikir mustahak hendak di-adakan Institute yang samamacham ini kerana pada fikiran Kerajaan perhubungan di-antara penduduk² di-negara ini daripada berbilang bangsa ada-lah baik dan dari sa-hari ka-sahari ada bertambah baik.

Dr Tan Chee Khoon (*dengan izin*): Mr Speaker, Sir, far from what the Honourable Deputy Prime Minister wants this House or this country to believe that *sa-masa ka-samasa perhubungan di-antara bangsa di-negeri ini baik*, it can well be said, perhaps, that one of the most difficult problems facing this country is communal harmony in this country; and as such an independent Institute of Race Relations to study these matters and to make proposals to the Government to improve race relations will go a long way towards integrating the various races in this country.

Tun Haji Abdul Razak: Sir, I am glad to say that the relationship among the various races in this country has been good and, under the guidance of the Alliance Government, it has been strengthened from time to time. (*Applause*). There has only been trouble because the Members of the Opposition are exploiting these issues, and I think if Members of the Opposition can stop making these communal issues as their political platform, then the relationship among the races will continue to improve. In our view no amount of Institutes will do any good, if the Members of the Opposition continue to exploit these racial issues. (*Applause*).

Dr Tan Chee Khoon: Mr Speaker, Sir, the Honourable Deputy Prime Minister wishes this House to believe that the Members of the Alliance Government are angels and that the villains of the piece are us sitting on

this side of the fence. If only we can play in this House the racialistic speeches made by Alliance Members in various areas, then it will make the hair of quite a number of us stand up to hear such inflammatory speeches made by the Alliance Members at election rallies. But, Mr Speaker, Sir, that is, beside the point.

Tuan Yang di-Pertua: That was what I was going to say—it is quite beside the point. (*Laughter*).

Dr Tan Chee Khoon: The Honourable Deputy Prime Minister knows that the racial harmony that he sees in this country which he is very proud of but which is a source of concern to quite a number of people, not necessarily to those of us on this side of the House but to a large number of people either sitting opposite to me or outside this House, that a small incident, the devaluation, has caused riots and deaths.

AN HONOURABLE MEMBER: By the Socialist Front!

Dr Tan Chee Khoon: I deny that. (*Laughter*) On that matter we called for a Commission of Inquiry and that was refused by the Government. They wished to bury their heads in the ground and say, "All is well". The thing that I wish to ask is this: does the Honourable Deputy Prime Minister of the Alliance Party or Alliance Government want to have another racial riot before they start thinking very seriously to study the problems of race in this country?

Tun Haji Abdul Razak: Sir, the Honourable Member says he is concerned over this issue. We on the Government have always been concerned over this issue. The best thing he can do is to try and persuade his colleagues—his present colleagues and his former colleagues—not to make use of these issues (*Laughter*).

Dr Tan Chee Khoon: Sir, can the Honourable Deputy Prime Minister tell this House who amongst my present colleagues have made inflammatory speeches on the matter of race? Can he

please name them—he has mentioned it just now? (*Laughter*).

Tun Haji Abdul Razak: Sir, we have evidence that the Honourable Member's past colleagues, many of them (*Laughter*) had exploited these issues to the detriment of this country (*Laughter*).

Dr Lim Chong Eu (Tanjong) (*dengan izin*): Sir, may I ask the Honourable Deputy Prime Minister whether or not he would accept the fact that if such an Institute were established and the Institute would just promulgate its findings as to exactly how much the Alliance has contributed towards racial harmony and how much the Opposition has not contributed to racial disharmony, the Institute would have done a great service to this country. Sir, this is a problem not only confronting us; this is actually becoming an academic problem and other countries with multi-racial

Tuan Yang di-Pertua: You are making a speech.

Dr Lim Chong Eu: No, Sir, I am not. I am asking the Honourable Deputy Prime Minister

Tuan Yang di-Pertua: Will you ask question pertaining to this only?

Dr Lim Chong Eu: Sir, it is pertaining to this question, because the Honourable Deputy Prime Minister has turned an academic question, a question of social observation, into a political question. Sir, I feel that it might be very interesting in this House for the Honourable Deputy Prime Minister just to brush this aside and make it into a political comment that the Alliance are absolutely devoid of communal exploitation. However, Sir, will the Honourable Deputy Prime Minister inform this House categorically that the Government accepts the fact that the establishment of this Institute will be of benefit.

Tun Haji Abdul Razak: Sir, the Honourable Member for Tanjong has come to the rescue of the Honourable Member for Batu and I hope the Honourable Member for Tanjong will have some alleviating influence on the

Member for Batu (*Laughter*). Sir, it is clear to all of us, at least to the majority of the people in this country, that it is the Alliance Government that has brought about the present racial harmony in this country because we have always declared this openly in our policy and our action, and the Honourable Member for Tanjong himself knew when he was in the Alliance how much attention we paid to this important issue. I feel that for the last fourteen years, since the Alliance has been in power, we have gone far in this direction in bringing the various races closer together and I think if we can continue to do this with the support of the majority of the people in this country, including the Opposition, I hope, I see no difficulty in ultimately bringing real unity among our people of various races.

Tuan Ismail bin Idris (Pulau Pinang Selatan): Soalan tambahan, Tuan Yang di-Pertua. Oleh memandangkan baik-nya perjalanan yang telah di-jalankan oleh Jawatan-kuasa Muhibbah di-bahagian² dan di-kawasan², ada-kah Kerajaan memikirkan supaya Jawatan-kuasa Muhibbah itu dapat di-teruskan.

Tun Haji Abdul Razak: Tidak dengar.

Tuan Ismail bin Idris: Soalan tambahan. Oleh kerana memandangkan kepada baik-nya perjalanan Jawatan-kuasa Muhibbah di-kawasan² di-seluruh Malaysia ini ada-kah Kerajaan berfikir supaya Jawatan-kuasa Muhibbah itu di-teruskan.

Tun Haji Abdul Razak: Kerajaan suka yang Jawatan-kuasa Muhibbah ini di-teruskan, kalau dapat di-adakan di-tiap² tempat.

Dr Lim Chong Eu: Sir, I feel that the Honourable Deputy Prime Minister has batted all round the place very much like the Captain of the West Indies team in Australia. Sir, the question is very simple. We have been asking questions about whether Government will consider or not the setting up of such an Institute. It is either "yes" or "no", but instead of it, we have got

long, long replies and we do not know still whether the Government will say "yes" or "no". Will the Government say "yes" or "no"?

Tun Haji Abdul Razak: Sir, the first answer that I gave was that the Government does not consider it necessary to have this Institute—the answer is "no" (*Laughter*).

RANG UNDANG² DI-BAWA KA-DALAM MESHUARAT

THE ELECTION OFFENCES (AMENDMENT) BILL

Rang Undang² an Act to amend the Election Offences Ordinance, 1954, as applicable to the States of Malaya, Sabah and Sarawak di-bawa ka-dalam Meshuarat oleh Menteri Tanah dan Galian di-bachakan kali yang pertama; akan di-bachakan kali yang kedua pada persidangan akan datang dalam meshuarat kali ini.

RANG UNDANG² PERBEKALAN, 1969

Rang Undang² suatu Act bagi menggunakan sa-jumlah wang daripada Kumpulan Wang Yang di-Satukan untuk perkhidmatan bagi tahun 1969 dan bagi memperuntukkan wang itu dan lain² wang sa-bagaimana yang telah di-benar di-keluarkan untuk perkhidmatan bagi tahun itu di-bawa ka-dalam Meshuarat oleh Setia-usaha Parlimen kepada Menteri Kewangan di-bachakan kali yang pertama; akan di-bachakan kali yang kedua dalam meshuarat hari ini.

RANG UNDANG² PERBEKALAN TAMBAHAN (1968) (BIL. 2)

Rang Undang² suatu Act bagi menggunakan wang daripada Kumpulan Wang Yang di-Satukan untuk perbelanjaan tambahan bagi perkhidmatan tahun 1968 dan bagi memperuntukkan wang itu bagi maksud² yang tertentu di-bawa ka-dalam Meshuarat oleh Setia-usaha Parlimen kepada Menteri Kewangan di-bachakan kali yang pertama akan di-bachakan kali yang kedua pada persidangan akan datang dalam meshuarat kali ini.

THE DEVELOPMENT FUNDS (AMENDMENT) BILL

Rang Undang² an Act to amend the Development Funds Act, 1966 di-bawa ka-dalam Meshuarat oleh Setia-usaha Parlimen kapada Menteri Kewangan di-bachakan kali yang pertama; akan di-bachakan kali yang kedua pada persidangan akan datang dalam meshuarat kali ini.

THE ACCOUNTANTS (AMENDMENT) BILL

Rang Undang² an Act to amend the Accountants Act, 1967 di-bawa ka-dalam Meshuarat oleh Setia-usaha Parlimen kapada Menteri Kewangan di-bachakan kali yang pertama; akan di-bachakan kali yang kedua pada persidangan akan datang dalam meshuarat kali ini.

THE LOAN (LOCAL) (AMENDMENT) BILL

Rang Undang² an Act to amend the Loan (Local) Ordinance, 1959 di-bawa ka-dalam Meshuarat oleh Setia-usaha Parlimen kapada Menteri Kewangan di-bachakan kali yang pertama; akan di-bachakan kali yang kedua pada persidangan akan datang dalam meshuarat kali ini.

THE INTERNATIONAL MONETARY FUND (RATIFICATION OF AMENDMENTS TO ARTICLES OF AGREEMENT) BILL

Rang Undang² an Act to ratify the Amendments to the Articles of Agreement of the International Monetary Fund, pursuant to Resolution No. 20—8 of the Board of Governors of the International Monetary Fund at its annual meeting in Rio de Janeiro in September, 1967 di-bawa ka-dalam Meshuarat oleh Setia-usaha Parlimen kapada Menteri Kewangan di-bachakan kali yang pertama; akan di-bachakan kali yang kedua pada persidangan akan datang dalam meshuarat kali ini.

THE CUSTOMS (AMENDMENT) BILL

Rang Undang² an Act to amend the Customs Act, 1967 di-bawa ka-dalam Meshuarat oleh Setia-usaha Parlimen

kapada Menteri Kewangan di-bachakan kali yang pertama; akan di-bachakan kali yang kedua pada persidangan akan datang dalam meshuarat kali ini.

THE CRIMINAL PROCEDURE CODE (AMENDMENT) BILL

Rang Undang² an Act to amend the Criminal Procedure Code di-bawa ka-dalam Meshuarat oleh Menteri Ke'adilan di-bachakan kali yang pertama; akan di-bachakan kali yang kedua pada persidangan akan datang dalam meshuarat kali ini.

THE HIRE PURCHASE (AMENDMENT) BILL

Rang Undang² an Act to amend the Hire Purchase Act, 1967 di-bawa ka-dalam Meshuarat oleh Menteri Perdagangan dan Perusahaan di-bachakan kali yang pertama; akan di-bachakan kali yang kedua pada persidangan akan datang dalam meshuarat kali ini.

RANG UNDANG² HAKCHIPTA

Rang Undang² suatu Act bagi menyemak dan menyatukan undang² berkenaan dengan hakchipta di-bawa ka-dalam Meshuarat oleh Menteri Perdagangan dan Perusahaan di-bachakan kali yang pertama; akan di-bachakan kali yang kedua pada persidangan akan datang dalam meshuarat kali ini.

THE NATIONAL LAND CODE (AMENDMENT) BILL

Rang Undang² an Act to amend the National Land Code di-bawa ka-dalam Meshuarat oleh Menteri Hal Ehwal Tanah dan Galian di-bachakan kali yang pertama; akan di-bachakan kali yang kedua pada persidangan akan datang dalam meshuarat kali ini.

THE COMMONWEALTH FUGITIVE CRIMINALS (AMENDMENT) BILL

Rang Undang² an Act to amend the Commonwealth Fugitive Criminals Act, 1967 di-bawa ka-dalam Meshuarat oleh Menteri Ke'adilan di-bachakan kali yang pertama; akan di-bachakan kali yang kedua pada persidangan akan datang dalam meshuarat kali ini.

THE SUMMONSES (SPECIAL PROVISIONS) (SINGAPORE) BILL

Rang Undang² an Act to provide for more expeditious service of magistrate's summonses between Malaysia and the Republic of Singapore di-bawa ka-dalam Meshuarat oleh Menteri Ke-'adilan di-bachakan kali yang pertama; akan di-bachakan kali yang kedua pada persidangan akan datang dalam meshuarat kali ini.

WAKTU MESHUARAT DAN URUSAN YANG DI-BEBASKAN DARIPADA PERATORAN MESHUARAT (USUL)

Menteri Pengangkutan (Tan Sri Haji Sardon bin Haji Jubir): Tuan Yang di-Pertua, saya mohon menhadangkan :

Bahawa sungguh pun telah ada syarat² yang di-tetapkan dalam Peratoran Meshuarat 12 (1) Meshuarat Majlis hari ini hendak-lah di-tempohkan pada pukul 12.30 tengah hari dan akan di-sambong sa-mula pada pukul 2.30 petang manakala usul bagi Bachaan Kali Yang Kedua Rang Undang² Perbekalan 1969 akan di-chadangkan, dan lepas itu Meshuarat akan di-teruskan hingga usul tersebut di-sokong dan pada sa'at itu nanti Majlis akan di-tangguhkan hingga pukul 9.30 pagi esok, hari Juma'at 10hb Januari, 1969.

Menteri Perdagangan dan Perusahaan (Tan Sri Dr Lim Swee Aun): Tuan Yang di-Pertua, saya mohon menyokong.

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

Di-putuskan,

Bahawa sungguh pun telah ada syarat² yang di-tetapkan dalam Peratoran Meshuarat 12 (1) Meshuarat Majlis hari ini hendak-lah di-tempohkan pada pukul 12.30 tengah hari dan akan di-sambong sa-mula pada pukul 2.30 petang manakala usul bagi Bachaan Kali Yang Kedua Rang Undang² Perbekalan 1969 akan di-chadangkan, dan lepas itu Meshuarat akan di-teruskan hingga usul tersebut di-sokong dan pada sa'at itu nanti Majlis akan di-tangguhkan hingga pukul 9.30 pagi esok, hari Juma'at 10hb Januari, 1969.

Tan Sri Haji Sardon bin Haji Jubir: Tuan Yang di-Pertua, saya mohon menhadangkan satu usul lagi:

Bahawa menurut syarat² perenggan (1) Peratoran Meshuarat 12 Majlis ini memerentahkan bahawa pada Meshuarat yang akan di-adakan sekarang syarat²—

- (a) Perenggan-kecil (a) Perenggan (1) Peratoran 12 hendak-lah di-ertikan sa-olah²

perkataan atau "Khamis" di-gantikan dengan perkataan "Khamis atau Sabtu";

- (b) Perenggan 3 Peratoran Meshuarat 12 hendak-lah di-ertikan sa-olah² perkataan hari "Juma'at" di-gantikan dengan perkataan hari "Sabtu".

Tan Sri Dr Lim Swee Aun: Tuan Yang di-Pertua, saya mohon menyokong.

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

Di-putuskan,

Bahawa menurut syarat² perenggan (1) Peratoran Meshuarat 12 Majlis ini memerentahkan bahawa pada Meshuarat yang akan di-adakan sekarang syarat²—

- (a) Perenggan-kecil (a) Perenggan (1) Peratoran 12 hendak-lah di-ertikan sa-olah² perkataan atau "Khamis" di-gantikan dengan perkataan "Khamis atau Sabtu";
- (b) Perenggan 3 Peratoran Meshuarat 12 hendak-lah di-ertikan sa-olah² perkataan hari "Juma'at" di-gantikan dengan perkataan hari "Sabtu".

USUL

TAMBAHAN HAKIM² MAHKAMAH TINGGI TANAH MELAYU—PERKARA 122A (1) DALAM PERLEMBAGAAN PERSEKUTUAN

Menteri Ke'adilan (Tuan Bahaman bin Samsudin): Tuan Yang di-Pertua, usul yang saya bawa dalam Dewan pada hari ini ada-lah saperti berikut:

Menurut peruntokan Perkara 122A (1) dalam Perlembagaan Persekutuan, Dewan ini ada-lah mengambil ketetapan bahawa bilangan Hakim di-Mahkamah Tinggi di-Tanah Melayu hendak-lah jangan lebeh daripada lima belas (15).

Suka saya menarek perhatian Dewan ini kepada Perkara 122A (1) dalam Perlembagaan Persekutuan yang berbunyi saperti berikut:

122A (1)—Tiap² sa-buah Mahkamah Tinggi hendak-lah mengandongi sa-orang Hakim Besar dan tidak kurang daripada 4 Hakim lain². Akan tetapi bilangan Hakim² lain itu tidak boleh sa-hingga sa-lain-nya di-tetapkan oleh Parlimen lebeh daripada (a) 12 orang di-Mahkamah Tinggi di-Tanah Melayu, (b) 8 orang di-Mahkamah Tinggi di-Borneo.

Sungguh pun Mahkamah Tinggi di-Malaysia Barat pada masa ini mempunyai 12 orang Hakim ia-itu telah genap bilangan-nya, tetapi bilangan ini di-fikirkan tidak menchukupi untuk

menguruskan case² yang di-bawa ka-hadapan mereka. Ini telah menyebabkan bilangan case yang tidak dapat di-uruskan bertambah banyak. Bukan sahaja bilangan case jenayah dan civil telah bertambah dengan berlipat ganda semenjak negara kita mencapai kemerdekaan bahkan, sa-bagaimana Ahli² Yang Berhormat sedia ma'alum, beberapa orang Hakim telah juga di-lantek dari sa-masa ka-samasa untuk mengetuai Surohanjaya² Penyiasat yang di-tubuhkan oleh Kerajaan. Memandang kapada peranan-nya memang sewajarnya-lah Surohanjaya² Penyiasat² ini mengambil masa yang panjang untuk menyiapkan tugas²-nya dan menyampai-kan laporan²-nya kapada Kerajaan. Chontoh Surohanjaya itu ia-lah Surohanjaya Penyemak Gaji dan Surohanjaya Gaji Guru².

Sa-lain daripada tanggungan² tambahan ini kekurangan Hakim Mahkamah Tinggi bertambah merunching apabila sa-orang atau dua antara mereka mengambil kesempatan untuk berchuti. Sa-bagaimana yang telah saya nyatakan awal² tadi, bilangan case, khusus-nya case civil, telah bertambah² dan rekod menunjukkan bahawa dalam tempoh 5 tahun yang lalu sahaja terdapat tambahan sa-banyak hampir 50%.

Memandang dari segi kemajuan yang pesat dalam negeri ini terutama sa-kali bidang perdagangan dan perusahaan, tidak shak lagi bilangan case² civil akan terus bertambah² lagi, sungguh pun bilangan case² jenayah tidak berubah akan tetapi di-sababkan oleh keadaannya bukan saperti case² civil tiap² satu-nya perlu di-selesaikan dengan segera.

Perbicharaan bagi tiap² satu case jenayah biasa-nya berlangsung sa-kurang²-nya sa-minggu suntok. Oleh kerana case² perlu di-segerakan, Hakim di-kehendaki membicharakan-nya di-Mahkamah walau pun di-beritahu dalam masa yang singkat mengakibatkan case² civil di-ketepikan. Suka saya menambah di-sini bahawa di-samping itu Kementerian saya dengan kerjasama Mahkamah Tinggi memberi perhatian berat terhadap kemungkinan menyusun beberapa langkah saperti

mengkaji bidang kuasa Yang di-Pertua Mahkamah Seshen dan Mejistret, melantek lebeh banyak lagi Yang di-Pertua dan Mejistret, merekodkan keterangan dengan menggunakan trengkas untuk memperchepatkan lagi kerja Mahkamah Tinggi dan lain² Mahkamah serta merengankan lagi beban kerja-nya. Dengan ada-nya langkah² tersebut dan terlantek-nya Hakim² tambahan ada-lah di-harapkan bukan sahaja dapat di-kurangkan bilangan case² yang tidak dapat di-uruskan, tetapi juga case² baharu akan dapat di-uruskan dengan sa-berapa chepat yang mungkin.

Tuan Yang di-Pertua, saya mohon menchadangkan.

Menteri Tanah dan Galian (Dato' Haji Abdul-Rahman bin Ya'kub): Tuan Yang di-Pertua, saya mohon menyokong.

Dr Tan Chee Khoon (Batu): Tuan Yang di-Pertua, usul ini patut di-buat atau di-bawa ka-Dewan ini bukan sekarang sahaja tetapi lama dahulu oleh sebab kekurangan Hakim Besar di-Malaysia Barat dan di-Sarawak dan di-Sabah, di-ketahu² bukan di-antara Menteri Ke'adilan atau di-antara Hakim Besar bahkan di-antara peguam² yang bekerja sa-bagai hakim di-Mahkamah Besar. Oleh sebab itu malang-nya Kerajaan Pusat sa-takat ini sahaja membawa usul ka-Dewan Yang Berhormat ini.

Tuan Yang di-Pertua, saya suka hendak menyentoh beberapa perkara tentang usul ini supaya Menteri yang berkenaan boleh mengambil perhatian dan saya hendak berchakap dalam bahasa Inggeris.

Mr Speaker, Sir, the first matter that I wish to bring to the attention of the Minister is the question of the title of Lord President. I do not see why we should continue with this relic of colonialism. It is not even British at that; it is a Scottish institution. I do know that the first incumbent of that post was a Scotsman, but that is no reason why we should even borrow the title from Scotland. I propose that the title should be changed. What is wrong with naming that post as Ketua Hakim

Besar, Malaysia, that is, Chief Justice, Malaysia? As for the Chief Justices of West Malaysia, Sarawak dan Sabah, they can be called Hakim Besar, Malaysia Barat, Hakim Besar, Sarawak, Hakim Besar, Sabah respectively. The Judges can remain as Hakim² as they are now. We in this country can do well by learning from the Scots many features of their national life, for example, their love for learning, their thrift and their love of adventure, but we can and should do away with the Lord President.

The second point that I wish to bring to the notice of the Minister of Justice is that more Judges should be appointed from the Bar. I think I am right in saying that in the United Kingdom all the Judges are recruited from outstanding practitioners of the Bar. The names of Isaac Rufus, later the Marquis of Reading; the name of John Simon, later Lord Simon; of F. E. Smith, later the Earl of Birkenhead; or of Lord Birkett, etc., readily spring to mind. These men excelled themselves at the Bar, and when they left the Bar and were elevated to the Bench, they ascended to greater heights. Hence I would make a plea that more members who have excelled themselves at the Bar should be elevated to the Bench.

The other point that I wish to make is that there should be more specialisation amongst the Judges. As it is now, the Judges are "Jacks of all Trade". They hear a divorce case, they hear a civil case, they hear a criminal case. I would like to have instituted a Court for Divorce and Probate work, a Commercial Court, a Criminal Court, and a Chancery Court. If these courts are established then the standard of legal practice will improve not only amongst Judges but also amongst the members of the Bar. In this country the medical profession tends to specialise in narrower and narrower fields, but the legal profession is so far behind in that there is no specialisation at all either amongst members of the Bench or of the Bar. This is regrettable, and I hope that the Minister of Justice would start the trend by having specialised courts.

There is also no reason why the Bench should be the prerogative of the male species only. What is so wrong with appointing a woman to the Bench? I am sure if a woman is elevated to the Bench she will not only add glamour and dignity to the Bench but she will also keep her male colleagues on their toes. Off-hand I can think of at least one practitioner at the Bar who can fill such a post with distinction, and I think the Minister of Justice knows whom I am referring to.

In most other countries the Attorney-General is picked from Members of Parliament and he comes and goes with the life of each Parliament. There are obvious advantages in such a practice, and I commend this to the Minister of Justice. Where the Opposition is concerned, if it does not like any particular Attorney-General, then it can hope to unseat him at the polls.

The Minister of Justice should also take immediate steps to relieve the Judges of having to record evidence themselves. He has pointed out about Sessions Courts, I believe, and Magistrates, but what is more important is that the Judges should be relieved of such a chore. As far as I know, and I have consulted lawyers before I made this point, they tell me that Judges still have to record the evidence given in long-hand. Mr Speaker, Sir, the Judge's job properly should be to listen to the evidence given, to observe the demeanour not only of the witnesses but also of the lawyers, to record points of importance and then come to a decision after reading verbatim reports of the shorthand writers or listening to the record of the trial from a tape-recorder. If this is done, then the time taken at any trial can be cut down almost by half, and the backlog of cases can be cleared up much faster. Presumably one of the reasons of bringing this amendment to increase the Judges up to 15 is to clear the backlog of cases.

I myself have given evidence in both the lower courts and in the High Court. It is sometimes pitiful to see the Judges trying to record the evidence and at the same time follow what is being said and done in court. The Gerakan calls

on the Minister of Justice to take up the provision of shorthand writers or tape-recording of trials as a matter of priority in the interests of justice in this country.

Finally, Mr Speaker Sir, I wish to make a plea to the Judges and Magistrates in this country that they should pay greater attention to the allegations of assault by the Police. Undoubtedly a number of these allegations of assault are baseless, but I dare say that a greater number of such allegations are true. And what worries me is that such cases of assault by the custodians of the law is on the increase. As a medical practitioner, practically every week I see such victims of police assault coming to my dispensary to seek redress. Unfortunately there is in most cases very little medical evidence in support of such allegations. The reason is a very simple one. The police have reduced such a practice of assault to a fine art that there is very little medical evidence to support allegations of such assault.

Only yesterday, Mr Speaker Sir, a young man who works in the Church of the Holy Rosary in Brickfields and who was going back to the Church from the Y.M.C.A. was stopped by three members of the police force and assaulted by them. There was very little medical evidence to support his allegation, but I had no doubt that what he stated was true. Here you have a church worker living in a church, walking from the Y.M.C.A. to the church, he was stopped by three policemen, he was asked to produce his identity card, he produced his identity card, and promptly he was assaulted by the custodians of the law. Now, as I say, I have no reasons to doubt the story of the church worker, and he was sent to me by the priest of that church. Again, in today's *Straits Times*, on page 6, there is a story of police assault resulting in the death of a victim, and hardly a day goes by without the Press carrying stories of assault by the police. All these stories or allegations cannot be false. There cannot be smoke without a fire. As I pointed out before, such cases unfortunately are on the increase and

I hope that Magistrates and Judges in this country will pay more attention to such allegations instead of dismissing them out of hand. Mr Speaker, Sir, I hope that the Minister will pay due attention to the points I have made, because, as I said before, I have fully supported the Motion and the points that I have made are in the interests of justice in this country. Thank you.

Dr Lim Chong Eu (Tanjong) (*dengan izin*): Mr Speaker, Sir, in rising to support the Motion, I have only one point to raise and I believe that the Honourable Minister of Justice himself *en passant* in his speech has indicated that he is aware of the problem and the matter has also been touched upon by my Honourable colleague from Batu and that is the question that we agree to this increase in the number of High Court Judges. As a matter of fact, from the figures that were quoted by the Honourable Minister, the figure could well be increased to a much larger number than 15. However, the processes of choosing members to the High Court should be one that should be handled with great care so that not only justice be meted out but the whole structure of the Court and the dignity of the Court and justness of the Court will never be impeached, and will never be imputed. I think our Courts on the whole have functioned very well and the traditions will be maintained when the choices of the persons to fill this larger High Court will be made.

However, Sir, the point I wish to particularly refer to is that we believe that the Minister of Justice will, as soon as this matter is passed through this House and the appointment of a larger High Court made, further take immediate actions also to try and increase the number of Judges in this country. The number of cases that await not only for a first hearing in Court but also appeals are increasing. There are, without doubt, cases that have been kept waiting for hearing sometimes three years, sometimes even ten years. The allegation on this point is well known to the members of the Bar and, therefore, in supporting the Motion, we hope the Honourable Minister will take

prompt action to increase the number of Judges also so that cases will be heard as soon as possible and not having to wait for such a long period as ten years before they ever reach the Court at all.

Tuan Bahaman bin Samsudin (*dengan izin*): Mr Speaker, Sir, I am very happy that my Motion has the support of the Honourable Member for Batu and the Honourable Member for Tanjong.

The Honourable Member for Batu stated that this should have been done long ago. Well, Sir, I was not at that time the Minister of Justice; I just became the Minister of Justice about 8 months ago. I am quite aware of all the shortcomings of the Courts, Judges in the Courts and that I have visited almost all the Courts in East Malaysia and West Malaysia and I have suggestions, as I said, on how to improve them.

With regard to the suggestions of the Honourable Member for Batu, I will give them my due attention. With regard to the suggestion of the Honourable Member for Tanjong that there should be more Judges, more than 15 actually, we will make do with 15 now since there is the question of money to be paid and many other things. Afterwards perhaps, after we have our 15 Judges, we may consider increasing them to more than 15.

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

Di-putuskan;

Menurut peruntukan Perkara 122A (1) dalam Perlembagaan Persekutuan, Dewan ini mengambil ketetapan bahawa bilangan Hakim di-Mahkamah Tinggi di-Tanah Melayu hendak-lah jangan lebeh daripada lima belas (15).

RANG UNDANG²

THE WIDOWS' AND ORPHANS' PENSIONS (SABAH) (AMENDMENT) BILL

Bachan Kali Yang Kedua dan Ketiga
Menteri Hal Ehwal Tanah dan Galian
(Dato' Haji Abdul-Rahman bin
Ya'kub): Tuan Yang di-Pertua, saya

memohon mengemukakan Rang Undang² bergelar 'The Widows' and Orphans' Pensions Ordinance (Sabah) (Amendment) Bil di-bachakan bagi kali yang kedua.

Tuan Yang di-Pertua, semenjak Malaysia di-ujudkan perkara² penchen, ranchangan penchen balu² dan anak² yatim dan juga Kumpulan Simpanan Pekerja Kerajaan di-Negeri² Malaysia Timor telah menjadi tanggong-jawab Kerajaan Persekutuan, atau pun Kerajaan Pusat. Sa-terus-nya di-atas nasehat Peguam Negara, Undang² Penchen yang sedia ada di-Negeri² di-Malaysia Timor itu tadi telah pun di-ubah atau pun di-modified supaya menuruti kehendak Perlembagaan Persekutuan. Di-antara undang² yang telah di-ubah itu ia-lah Undang² Penchen Balu² dan Anak² Yatim Bab 156 Negeri Sabah. Di-bawah kuasa Undang² ini, maka telah pun tertuboh satu kumpulan wang penchen bagi balu² dan anak² yatim. Sa-kumpulan pegawai Kerajaan telah pun di-sharatkan membayar kumpulan wang itu. Kesemua wang penchen ada-lah di-bayar daripada kumpulan wang itu mengikut perkiraan yang terdapat pada Jadual dan panduan² yang tertera di-jadual kepada Undang² Penchen Balu² dan Anak² Yatim Bab 156 tersebut di-atas. Wang dalam kumpulan ini ada-lah di-gunakan untuk menanam modal di-dalam apa² chagaran, atau pun di-gunakan dengan jalan² yang akan memberi faedah² mengikut chara² yang diluluskan oleh Menteri yang berkenaan.

Kumpulan wang ini di-nilai dalam jarak waktu, tiada lebeh daripada 5 tahun sa-kali oleh sa-orang pakar atau pun sa-orang Actuary. Actuary itu dalam laporan-nya kelak akan meringankan kaedah bagaimana dalam keadaan² berlebehan wang atau pun surplus fund atau pun kekurangan wang atau pun deficit kumpulan wang itu harus di-tadbirkan dengan sa-wajar-nya sama ada melalui pelarasan charum² atau pun faedah² atau pun sa-balek-nya.

Rang Undang² saperti yang di-kemukakan kepada Dewan ini ada-lah akan memberi kuasa kepada Duli Yang Maha Mulia Sri Paduka Baginda Yang

di-Pertuan Agong bagi mengeluarkan perintah atau pun order dalam Warta Kerajaan supaya dapat Jadual² pada undang² yang tersebut tadi ia-itu Bab 156 di-pinda untuk melaksanakan segala perakuan² actuary yang berkenaan.

Tuan Yang di-Pertua, pindaan yang di-shorkan sekarang tidak ada menimbulkan dasar² baharu bahkan hanya untuk melichinkan pentadbiran terhadap undang² tersebut.

Tuan Yang di-Pertua, saya mohon menchadangkan.

Dato' Ganie Gilong: Saya sokong.

Dr Tan Chee Khoon (*dengan izin*): Mr Speaker, Sir, it is typical of the Alliance Government that instead of making a thorough study of an old form of legislation it prefers to tinker with the problem and then bring piece-meal bits of legislation to this House. I submit that that is not a practice that is worthy of any Government. We know that in this country there are a large number of pieces of legislation which are a carry-over of the colonial days, which will not bear investigation or which are, to say the least, pieces of anachronism by present day standards. One piece of legislation that I can readily bring to mind is the Employees Provident Fund Ordinance. The E.P.F. Ordinance has been amended so many times and only when the Minister of Justice himself pointed out to the Manager of the E.P.F. that where the Muslims are concerned the manner of distribution of the assets of the E.P.F. is illegal did the E.P.F. pay attention to such an illegal practice that has been going on. Now, I submit that the Widows' and Orphans' Pensions Act is a case in point. At the time that it was promulgated there was a need for such a piece of legislation in order to protect the widows and orphans of that period. With the passage of time where the thinking, particularly after World War II, is entirely different from that before World War II, where the world today is moving more towards a welfare State, more towards giving the less fortunate members of society greater aid, then I would say that the Widows' and Orphans' Pensions Fund is an anachronism and it should either

be scrapped or be replaced by a more enlightened form of legislation.

Now, from time to time one hears of the pensioners in this country shouting their heads off, sending telegrams to Members of Parliament, sending memoranda to Members of Parliament, setting forth their grievances regarding the Widows' and Orphans' Pensions Act and how they feel that they have been cheated by the Widows' and Orphans' Pensions Act, and they have even gone to the extent of seeking redress in the courts—unfortunately they lost there. Unfortunately, the widows and orphans in this country have been unsung and unheard of, particularly in this House. Now, the reason why such a piece of legislation is not equitable is this: a person usually joins the Government Service as a bachelor and in the course of years very often he marries and he has a wife and children but quite often these people remain bachelors throughout their lives and all these years that they have been working in the Government Service they contribute to the Widows' and Orphans' Pensions Fund, they are compelled to contribute, and then they pass away. They do not get any material benefit from the contributions that they have made. The other thing is that although a person may marry, his wife may predecease him and his children by the time he dies may well be no longer orphans or minors, may well be over the age of 21 and therefore none of his decendants, his beneficiaries can benefit from the contributions that he has made.

It is a well-known fact that the Government, I won't say it is making plenty of money but there are large reserves accruing from such accumulation of funds from people who have contributed to the Widows' and Orphans' Pensions Fund but their decendants or their relatives, wife and children, have not in any way benefited from the contributions of the Government wage-earners and, therefore, there are large reserves in this Fund. Unfortunately, these benefits are not passed over to those who stand to benefit; in other words,

to the others who stand to benefit. I do not see any reason why such reserves should be allowed to accumulate with the passage of time, why such reserves should not be given to the others who are in great need for assistance from such a Fund. It is a wellknown fact that some widows get about \$20, maybe \$15, maybe \$30 a month from the Widows' and Orphans' Pensions Fund. I submit that in these days of inflation taking the example of children going to school, for a Form III student I saw that the total of the cost of books came up to \$52, if you can think of a widow having, let us say, three children in the secondary school, how on earth is she going to support the children, to feed and clothe them and to send them to school with such a heavy bill to meet for the payment of books and school fees.

I submit that the Minister for Lands and Mines, instead of tinkering with this problem, should cause a complete re-examination of the Widows' and Orphans' Pensions Fund to see whether that Fund should be scrapped and merged with some other pieces of legislation, or that if it is deemed necessary that the Fund should continue to operate, then the large reserves that are in the Widows' and Orphans' Pensions Fund should be distributed in a more equitable manner to the widows and orphans who are in dire need of aid from such funds, instead of these reserves being kept to accumulate more and more reserves. Thank you.

Dato' Haji Abdul-Rahman bin Ya'kub: Tuan Yang di-Pertua, sabenar-nya hujjah² yang di-kemukakan oleh Ahli Yang Berhormat itu ada-lah mengenai dasar² yang terkandung didalam undang² yang besar ya'ani "The Widows' and Orphans' Pensions Fund Ordinance", bukan di-dalam Rang Undang² yang sedang di-binchang di-dalam Dewan ini. Bagaimana pun, Tuan Yang di-Pertua, saya ingin menerangkan ia-itu bukan sahaja di-negara kita di-Malaysia ini mempunyai keadaan seperti yang di-sebut oleh Ahli Yang Berhormat itu, ya'ani kita

mengemukakan beberapa pindaan² kepada beberapa undang², pada hal sepatut-nya kita patut mengkajikan Masaalah itu dari segi yang lebih mendalam lagi dan jangan mengubah undang² itu daripada satu masa ka-satu masa. Keadaan ini tidak dapat di-elakkan sunggoh pun kita lebih suka, saya sendiri lebih suka, supaya jikalau sa-sabua undang² itu di-buatkan, biarlah undang² itu akan berjalan terus sa-hingga pada bila² masa pun dengan tidak ada pindaan-nya, tetapi tidak ada sa-buah dunia, sa-buah negara pun yang mempunyai keadaan² seperti ini, sama ada di-England, di-New Zealand, atau pun di-Australia—mesti akan berlaku daripada satu masa ka-satu masa yang lain pindaan² kepada undang² yang asal tadi bergantung kepada pengalaman², atau pun keadaan² di-sekeliling dalam negeri itu dan kita jangan lupa penggubal undang² ini atau legal draftsman. Adakah manusia seperti kita jikalau sa-orang doktor seperti Ahli Yang Berhormat boleh salah diagnosis-nya begitu juga penggubal undang² boleh salah dalam tulisan-nya apabila mereka itu menggubal undang².

Berhubung dengan sama ada negara atau pun dunia ini menuju kepada welfare state, ini bergantung kepada faham sa-saorang sedangkan manusia sendiri, ahli politik, ahli saintis atau pun lain² belum lagi faham dalam masalah ta'arif welfare state sama ada welfare ini berma'ana bahawa tiap² orang yang miskin itu patut di-bantu oleh Kerajaan dan lain² yang tidak semua ahli² politik yang setuju.

Bagaimana pun, Tuan Yang di-Pertua, negara kita belum lagi sampai ka-tingkat "welfare state" walau apa pun erti "welfare state" yang di-ta'arifkan oleh Ahli² Yang Berhormat.

Berkenaan dengan dasar undang² ini, saya sendiri berpendapat ada lagi kegunaan-nya pada masa sekarang sunggoh pun saya mengaku bahawa beberapa peruntokan² dalam Rang Undang² ini tidak memberi puas hati, mithal-nya saya sendiri, saya pun telah pernah memberi contribution kepada fund ini semasa saya bekerja di-Sarawak, sekarang saya telah berhenti,

tetapi saya tidak dapat mengambil balek fund² yang telah saya berikan kepada Kerajaan.

Jikalau mithal-nya di-masa yang akan datang saya akan hidup lebeh lama lagi daripada anak dan isteri saya, maka fund itu akan hilang sahaja kepada Kerajaan. Point ini ada tetapi ini-lah sekarang Kerajaan sedang mengkaji sa-mula berkenaan dengan undang² yang berkenaan ini. Masaalah ini tidak dapat di-selesaikan dalam masa sa-tahun atau dua tahun. Kita terpaksa menchari pakar² untok mengkaji dengan sa-dalam²-nya. Saling daripada itu

Dr Tan Chee Khoon: Adakah Menteri Tanah dan Galian sedar Kerajaan Perikatan telah memerintah bukan satu tahun atau dua tahun, selama 13 tahun lebeh. Pindaan atau memereksa undang² saperti ini terpaksa di-kajikan beberapa lama dahulu.

Dato' Haji Abdul-Rahman bin Ya'kub: Tuan Yang di-Pertua, Ahli Yang Berhormat ini lupa bahawa pindaan ini bukan kepada pindaan undang² di-Malaysia Barat. Pindaan ini di-kemukakan kepada Undang² Malaysia Timor yang baharu sahaja masok dalam Malaysia lima tahun. Maka pengkajian² ini tidak boleh di-adakan 13 tahun yang lalu. Walau pun mithalnya andaikata Rang Undang² ini mengenai Malaysia Barat, 13 tahun itu dalam tawarikh satu undang², jikalau Ahli Yang Berhormat mengetahui, satu tawarikh yang pendek sahaja dalam segi pengalaman manusia.

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

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

Dewan bersidang sa-bagai Jawatan-kuasa.

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

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

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

THE WIDOWS' AND ORPHANS' PENSIONS (SARAWAK) (AMENDMENT) BILL

Bachaa Kali Yang Kedua dan Ketiga

Dato' Haji Abdul-Rahman bin Ya'kub: Tuan Yang di-Pertua, saya mohon menchadangkan supaya Rang Undang² yang bergelar the Widows' and Orphans' Pensions (Sarawak) (Amendment) Bill tahun 1968 di-bacha kali yang kedua.

Tuan Yang di-Pertua, penjelasan mengenai Rang Undang² ini ada-lah serupa dengan penjelasan² yang baharu sahaja saya beri mengenai Rang Undang² yang telah di-luluskan.

Tuan Bahaman bin Samsudin: Tuan Yang di-Pertua, saya mohon menyokong usul ini.

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

Rang undang² di-bachakan kali yang kedua dan di-serahkan kepada Dewan sa-bagai Jawatan-kuasa.

Dewan bersidang sa-bagai Jawatan-kuasa.

Rang² Undang² di-timbangan dalam Jawatan-kuasa.

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

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

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

THE MALAY REGIMENT (AMENDMENT) BILL

Bachaa Kali Yang Kedua dan Ketiga

Setia-usaha Parlimen kepada Timbalan Perdana Menteri (Tuan Chen Wing Sum) (*dengan izin*): Mr Speaker, Sir, I beg to move that a Bill intituled "an Act to amend the Malay Regiment Enactment (F.M.S. Cap. 42)" be read a second time.

Under the provision of existing law only officers of the rank of Brigadier-General and above are vested with the powers to try summarily officers below the rank of Major and Warrant Officers where such officers have consented to be so tried. Under existing practice officers below the rank of Major and

Warrant Officers who consent to be tried are brought before Brigade Commanders of the rank of Brigadier-General to be summarily tried even though such officers may not directly come under the command of the particular Brigade Commander before whom they may appear. It is felt that Colonels, who exercise wide command functions and who are normally Commanders of garrisons should also be given the powers to deal summarily with cases involving officers below the rank of Major and Warrant Officers. If Colonels, who are senior officers in the Army, are also vested with the powers to hold summary trials in respect of officers below the rank of Major and Warrant Officers, the manner of bringing officers below the rank of Major and Warrant Officers for summary trials can be achieved with greater speed and efficiency. It is with this in view that this Bill proposes to amend the existing law.

Sir, I beg to move.

Tuan Ali bin Haji Ahmad: Tuan Yang di-Pertua, saya menyokong usul ini.

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

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

Dewan bersidang sa-bagai Jawatan-kuasa.

Rang Undang² di-timbangkan dalam Jawatan-kuasa.

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

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

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

ATORAN URUSAN MESHUARAT (USUL)

Menteri Pengangkutan (Tan Sri Haji Sardon bin Haji Jubir): Tuan Yang di-Pertua, saya mohon menhadangkan:

Bahawa menurut Peratoran Meshuarat 14 (2) Majlis ini mengambil ketetapan ia-itu sa-

baik² sahaja lepas Malay Regiment (Amendment) Bill yang tertera sa-bagai perkara 4 dalam Atoran Urusan Meshuarat hari ini selesai di-timbangkan, Majlis ini akan menimbangkan perkara 6 dalam Atoran Urusan Meshuarat tersebut.

Tuan Ali bin Haji Ahmad: Tuan Yang di-Pertua, saya mohon menyokong.

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

Di-putuskan.

Bahawa menurut Peratoran Meshuarat 14 (2) Majlis ini mengambil ketetapan ia-itu sa-baik² sahaja lepas Malay Regiment (Amendment) Bill yang tertera sa-bagai perkara 4 dalam Atoran Urusan Meshuarat hari ini selesai di-timbangkan, Majlis ini akan menimbangkan perkara 6 dalam Atoran Urusan Meshuarat tersebut.

UNDANG² KASTAM (TARIF BERSAMA MALAYSIA), 1966

Perintah Kastam (Tarif Bersama Malaysia) (Pindaan) (No. 21) 1968

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

Bahawa Majlis ini mengambil ketetapan ia-itu menurut kuasa² yang di-berikan kepadanya oleh sekshen-kecil (4) dalam sekshen 2, Undang² Kastam (Tarif Bersama Malaysia), 1966, Perintah Kastam (Tarif Bersama Malaysia) (Pindaan) (No. 21) 1968, yang telah di-bentangkan di-hadapan Majlis ini sa-bagai Kertas Undang² No. 1 tahun 1969, di-sahkan.

Perintah yang ada di-hadapan Dewan ini bertujuan untuk mengenakan chukai impot sa-banyak \$50 sa-ton di-atas semua besi mentah (pig iron), "ingots" dan "billets" yang diperjeniskan di-bawah Kepala No. 73.01 900, 73.06 200, 73.15 110, 73.15 120, 73.07 900, 73.15 210 dan 73.15 220. Sa-bagaimana Ahli² Yang Berhormat sedia ma'alum, sekatan impot telah pun di-kenakan di-atas barang² yang tersebut tadi. Tetapi ada-lah di-dapati bahawa sekatan impot yang telah di-kenakan itu tidak memberikan perlindungan yang chukup kepada perusahaan² tempatan. Ada-lah di-jangka Perintah ini akan dapat memberikan perlindungan yang diperlukan bagi perusahaan² tempatan itu.

Tuan Yang di-Pertua, saya mohon menchadangkan.

Dato' Ganie Gilong: Tuan Yang di-Pertua, saya mohon menyokong.

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

Di-putuskan,

Bahawa Majlis ini mengambil ketetapan ia-itu menurut kuasa² yang di-berikan kepadanya oleh sekshen-kecil (4) dalam sekshen 2, Undang² Kastam (Tarif Bersama Malaysia), 1966, Perintah Kastam (Tarif Bersama Malaysia) (Pindaan) (No. 22) 1968, yang telah di-bentangkan di-hadapan Majlis ini sebagai Kertas Undang² No. 1 tahun 1969, di-sahkan.

UNDANG² KASTAM (TARIF BERSAMA MALAYSIA), 1966

Perintah Kastam (Tarif Bersama Malaysia) (Pindaan) (No. 22), 1968

Tuan Ali bin Haji Ahmad: Tuan Yang di-Pertua, saya mohon menchadangkan:

Bahawa Majlis ini mengambil ketetapan ia-itu menurut kuasa² yang di-berikan kepadanya oleh sekshen-kecil (4) dalam sekshen 2, Undang² Kastam (Tarif Bersama Malaysia), 1966, Perintah Kastam (Tarif Bersama Malaysia) (Pindaan) (No. 22) 1968, yang telah di-bentangkan di-hadapan Majlis ini sebagai Kertas Undang² No. 2 tahun 1969, di-sahkan.

Tali leher, bow dan kerevet yang tidak di-sulam yang di-perjeniskan di-bawah Kepala No. 61.07 100, 61.07 200, 61.07 300, 61.07 900 sekarang ini di-kenakan cukai sa-banyak 25% *ad valorem* di-seluruh Malaysia (tidak termasuk Pulau Pinang dan Labuan). Tetapi ada-lah di-dapati bahawa cukai *ad valorem* sa-banyak 25% itu tidak memberikan perlindungan yang sa-chukup-nya kepada perusahaan² tempatan yang menghadapi pertandingan daripada negeri² asing. Oleh yang demikian ada-lah di-fikirkan bahawa tambahan perlindungan patut di-berikan kepada perusahaan² tempatan yang mengeluarkan barang² yang tersebut tadi. Perintah yang ada di-hadapan Majlis ini ia-lah untuk menukarkan cukai impot di-atas barang² yang di-perjeniskan di-bawah Kepala No. 61.07 100, 61.07 200, 61.07 300, 61.07 900 daripada 25% *ad valorem* kepada "25% *ad valorem* atau \$4.80 sa-dozen bergantung kepada mana satu cukai yang lebih tinggi."

Tuan Yang di-Pertua, saya mohon menchadangkan.

Dato' Ganie Gilong: Tuan Yang di-Pertua, saya mohon menyokong.

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

Di-putuskan,

Bahawa Majlis ini mengambil ketetapan ia-itu menurut kuasa² yang di-berikan kepadanya oleh sekshen-kecil (4) dalam sekshen 2, Undang² Kastam (Tarif Bersama Malaysia), 1966, Perintah Kastam (Tarif Bersama Malaysia) (Pindaan) (No. 21) 1968, yang telah di-bentangkan di-hadapan Majlis ini sebagai Kertas Undang² No. 2 tahun 1969, di-sahkan.

UNDANG² KASTAM, 1967

Perintah Chukai² Kastam (Pindaan) (No. 11) 1968

Tuan Ali bin Haji Ahmad: Tuan Yang di-Pertua, saya mohon menchadangkan:

Bahawa Majlis ini mengambil ketetapan ia-itu menurut kuasa² yang di-berikan kepadanya oleh sekshen-kecil (2) dalam sekshen 11, Undang² Kastam 1967, Perintah Chukai² Kastam (Pindaan) (No. 11), 1968, yang telah di-bentangkan di-hadapan Majlis ini sebagai Kertas Undang² No. 3 tahun 1969, di-sahkan.

Perintah yang ada di-hadapan Majlis ini ia-lah untuk mengenakan cukai eksept di-atas bijeh tembaga dan tembaga berseh (Kepala No. 26.01 130) dan bijeh uranium dan uranium berseh (Kepala No. 26.01 570) kepada Malaysia Timor. Chukai eksept di-atas galian² yang tersebut di-atas, yang sekarang ini di-kenakan di-Malaysia Barat, ia-lah 10% bagi tiap² satu tan. Perintah ini ia-lah untuk menyamakan cukai eksept di-seluruh Malaysia.

Tuan Yang di-Pertua, saya mohon menchadangkan.

Dato' Ganie Gilong: Tuan Yang di-Pertua, saya mohon menyokong.

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

Di-putuskan,

Bahawa Majlis ini mengambil ketetapan ia-itu menurut kuasa² yang di-berikan kepadanya oleh sekshen-kecil (2) dalam sekshen 11, Undang² Kastam 1967, Perintah Chukai² Kastam (Pindaan) (No. 11), 1968, yang telah di-bentangkan di-hadapan Majlis ini sebagai Kertas Undang² No. 3 tahun 1969, di-sahkan.

UNDANG² KASTAM, 1967

Perintah Chuka² Kastam (Pindaan) (No. 12) 1968

Tuan Ali bin Haji Ahmad: Tuan Yang di-Pertua, saya mohon menhadangkan

Bahawa Majlis ini mengambil ketetapan ia-itu menurut kuasa² yang di-berikan kapadanya oleh sekshen-kecil (2) dalam sekshen 11, Undang² Kastam, 1967, Perintah Chukai² Kastam (Pindaan) (No. 12), 1968, yang telah di-bentangkan di-hadapan Majlis ini sa-bagai Kertas Undang² No. 4 tahun 1969, di-sahkan.

Perintah Chukai Kastam, 1968, yang di-buat mengikut "Chara Susunan Brussels" (the Brussels Nomenclature) telah di-terbitkan pada 1hb Ogos, 1968 sa-bagai P.U. 337. Ini telah di-bentangkan di-Parlimen sa-bagai Kertas Undang² No. 130 tahun 1968. Sunggoh pun Perintah ini terbit pada 1hb Ogos, 1968, ia telah di-siapkan pada 30hb April, 1968 dan patut berjalan kuat kuasa-nya pada 1hb Januari, 1969. Perintah yang ada di-hadapan Majlis ini sekarang ia-lah untuk meminda perintah utama (P.U. 337/68) dengan chara menyatakan ka-semua pindaan² yang telah di-buat diantara 1hb Mei, 1968 dan 31hb Disember, 1968. Dengan chara ini dapat-lah perintah utama yang di-sebutkan di-atas di-up-to-date-kan pada 1hb Januari, 1969.

Tuan Yang di-Pertua, saya mohon menhadangkan.

Dato' Ganie Gilong: Tuan Yang di-Pertua, saya mohon menyokong.

Tuan Geh Chong Kiat (Penang Utara) (*dengan izin*): Mr Speaker, Sir, I would like to request the Honourable Minister of Finance again to consider the case of the Island of Penang, in view of over two hundred items which had been roped into the Principal Customs Area under the Customs harmonisation programme. Sir, the Penang Island problems are more of economics, customs restrictions and procedures rather than political. My appeal to the Honourable Minister of Finance is to ask him to consider and to re-assess the adverse effects of such

impositions which had resulted in the decline of trade and increased unemployment on the Island and the State in general.

Sir, I remember clearly that we had a ray of hope through the assurance of the Honourable Minister of Finance and the Honourable Minister of Commerce and Industry, that they would give Penang Island assistance and financial aids to compensate for the loss of trade and to solve other economic problems. Sir, in view of this, I would like to mention that we have a few hundred cottage industries and factories on the Island, and our daily problems are with the Customs Department on the question of laborious Customs declarations and trade. I would request the Honourable Minister to reconsider these following items which I am bringing up: that where the finished products that are produced in Penang with raw materials on which duties had been paid, or finished products on which no duties are required on importation, be allowed to be imported freely into the Mainland. When I requested for relaxation, we had received assurances from both the Ministers of their assistance. Therefore, I would like just to remind them of our needs and our problems on the island.

The items that I am thinking of are, for example, the bean-curd stick where there are no duties on the beans, and duties have been collected on the bean-curd stick because of the Code and the general category of roping in of that generalised classification. Therefore, I would like to request again that where no duties are involved on the raw products, Government should give consideration to allowing them to go through the mainland without duty or declaration, and so to accept the principle that duties should not be imposed on labour, in view of the fact that we are encouraging Penang Island to set up the factories and also to solve the unemployment problems and to encourage the people on the Island to diversify in view of the erosion of the free port status.

Sir, speaking on the Customs restrictions and the problem which the traders in Penang are experiencing, I understand that the new Customs building at Butterworth is ready and the Customs Department are proposing to move to the Mainland. Sir, the office at Penang has been there for many, many years, and Penang Island is mainly an entrepot trade centre and a commercial area. If we accept the basis that Penang Island, or the City of George Town, is a commercial area and an entrepot trade centre, then I would request the Honourable Minister to consider this; that if you shift the Customs Office over then there will be more problems of making declarations, filling of declaration forms, and the paying of duties, in respect of which we in Penang at this juncture, even though we have a Customs Office in Penang, they are fully occupied. The businessmen and the traders were quite lucky to have good officers there, but quite unfortunately at times they came across nasty officers, who made things difficult for the businessmen. Therefore, we understand the problems in Penang, and we request the Honourable Minister of Finance not to shift this Customs Office to the Mainland, at Butterworth, or, if possible, to retain the machinery on the Island where the businessmen, the tradesmen and the merchants could submit their declaration forms and make payment of their duties at the Island end. Besides, the main branch of the banks are also on Penang Island, and when it comes to paying duties, quite often businessmen have got to rush to their bankers to send in their guarantee forms and make bank guarantees to the Customs Officers; sometimes cheques are not accepted from the small businessmen and they have got to pay cash, and so they have got to rush to their banks; and some of the major decisions have to go through the Bank Manager who is usually stationed in Penang, as some of the Butterworth banks are only branches where they do not have or possess authorities which have been vested with the Managers of branches of banks which usually are based on Penang Island.

Now, Sir, I would also like to make a request on a matter which quite often I have spoken in this House—that is the problem of the argument and the misunderstanding between officers based at the various stations on the Mainland and the Island with the public. Sir, in view of this and because so many items have been roped in and so many Code numbers have been introduced, I am sure confusion will arise and misunderstanding will occur, and if this is not properly handled or tackled, tempers would be raised. So, in view of this, I am requesting the Honourable Minister of Finance to consider “Operasi Perkhidmatan”—there is a similar one which the Police called “Operasi Berkhidmat”. In this case, I am requesting for “Operasi Perkhidmatan” where the Customs Department could set up a Central Advisory Unit on the Island at which questions or problems could be solved, or directed to by the junior officers at the various Customs stations where they have doubts. This will avoid tempers being raised and will avoid officers sometimes taking upon themselves to interpret the law as they see it rather than where there is a doubt the businessman or the public should be given the benefit of the doubt; in other words, they take it upon themselves to interpret the law and carry out the law, which at times may have a doubt and which the public is entitled or privileged to ask or to enquire. The danger point is that when the public enquire or when they contest, quite often the officers start to be nasty, and then trouble and misunderstanding start to arise, and that is where sometimes I have the displeasure of pointing out to the Honourable Minister and the Officers. I hope that by carrying out such an operation a lot of problems could be solved and we in Penang would be able to carry on the business, which we have been carrying on, and even though hardships may be felt, we will try to carry on as good citizens of the country.

Sir, we have other problems too. As I said, Penang trade has declined and businessmen, quite a number of them, are forced to reduce their business, and

I appreciate that even though they suffered loss in business, instead of retrenching their redundant staff, most Chinese firms have come to an arrangement with their staff—that is because of the difficult years, instead of retrenching, they have come to an agreement to reduce some facilities which have been provided, such as extra meals or overtime.

Next, Sir, I would request the Minister to consider this: in view of the announcement of the Honourable Timbalan Perdana Menteri, now the Acting Perdana Menteri, Tun Haji Abdul Razak, on the setting up of two free trade zones, one on the Mainland and one on the Island of Penang, and since these free trade zone areas are not ready, may I request the Honourable Minister of Finance to reconsider the process of setting up of bonded warehouses, and to have many licensed warehouses on the Mainland along the Prai River and on the Island itself. The present area that is intended to be set up as a free trade zone area may be too small; therefore, if the Minister were to utilise these licensed warehouses and place officers there to supervise, like a bonded warehouse, then I am sure this would ease the bottleneck of the free flow of trade. I am sure the Honourable Minister would be able to do that; we understand they had been carrying this out in respect of the soap manufacturers, where they had Customs Officers there to supervise from morning till evening, or each time they started making the soap or taking out the raw materials which are dutiable; and now because of arrangements being made through the kind assistance of the Honourable Minister, these officers had been relieved, and certain firms, or certain manufacturers, have to provide the bonded areas for checking purposes. Therefore, Sir, I am sure such similar arrangements could be arranged in respect of these licensed warehouses where the Revenue Officers could be based to check the dutiable goods that are under bond from time to time. I understand that these facilities have been accorded to commercial houses which import dutiable goods in bulk—

for example, like beer and other alcoholic items. So, I would request the Honourable Minister to consider all these problems, which I place before him. Thank you, Sir.

The Parliamentary Secretary to the Minister of Finance (Tuan Ali bin Haji Ahmad): Mr Speaker, Sir, the question brought up by the Honourable Member for Penang Utara is actually irrelevant. This resolution is merely in respect of making the rates of duty incorporated in the new tariff based on the Brussels Nomenclature up to date, as on 1st January, 1969. However, Sir, what he had said are being and will be looked into by the Government.

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

Di-putuskan,

Bahawa Majlis ini mengambil ketetapan ia-itu menurut kuasa² yang di-berikan kepadanya oleh sekshen-kechil (2) dalam sekshen 11, Undang² Kastam, 1967, Perintah Chukai² Kastam (Pindaan) (No. 12), 1968, yang telah di-bentangkan di-hadapan Majlis ini sa-bagai Kertas Undang² No. 4 tahun 1969, di-sahkan.

Tuan Yang di-Pertua: Persidangan di-tempohkan pada pukul 2.30 petang.

Persidangan di-tanggohkan pada pukul 12.30 tengah hari.

Persidangan di-sambong sa-mula pada pukul 2.30 tengah hari.

(Tuan Yang di-Pertua *mempengerusikan Meshuarat*)

RANG UNDANG²

RANG UNDANG² PERBEKALAN, 1969

Bachaa Kali Yang Kedua

Menteri Kewangan (Tun Tan Siew Sin) (*dengan izin*): Mr Speaker, Sir, I beg to move that a Bill intituled "An Act to apply a sum out of the Consolidated Fund to the service of the year 1969 and to appropriate that sum and such other sums as have been authorised to be issued for the service of that year" be read a second time.

At about this time last year, I indicated to Honourable Members that in 1967 Malaysia faced its most serious

economic difficulties since independence as a result of the severe decline in commodity prices, particularly for rubber. Owing primarily to the adverse effects of this sharp commodity price decline on incomes and employment, consumer spending was sluggish while the rate of capital formation in the private sector appeared to have slowed down. For these reasons, last year's Budget was, therefore, intended to exert a moderate sustaining influence on the domestic economy. At the same time, I added that the slowdown in economic activity would not last and would be overcome in 1968. This conclusion was based on my firm belief in the inherent strength and productive capacity of the Malaysian economy. Events of the past year indicated that it had, to a large degree, responded much as we expected. Sound economic policies, supported by a rapid expansion in world trade and a rise of economic activity in the industrial world, have enabled the country to come out of this difficult period in better shape than it was a year ago. It would be useful, at this stage, to review very briefly our recent performance and assess in a nutshell our prospects in the year ahead.

The year 1968 was one of strong growth, particularly in the latter half of the year. The gross national product rose by about 5%; in terms of volume, the growth rate was as much as 8%. The main expansionary forces were increased public sector expenditure and exports. After a marked slowing down in 1967, expenditures by the public sector picked up significantly last year but the rate of expansion was still considerably lower than growth during the early 1960's. Nevertheless, they resulted in increasing strains on the overall budgetary position of the Federal Government. Growth in private sector expenditure, however, recovered more gradually and it was not until after the early months of 1968 that private investment began to show some signs of buoyancy. For the year as a whole, both private capital formation and consumer spending expanded in real terms, at a faster rate than in the previous year. Externally, our exports performed dramatically. The volume of rubber

export rose by nearly 12½%, tin by 19½%, saw logs by 13½%, sawn timber by 31% and palm oil by 50½%. Although the prices of most of these commodities continued to fall, especially in the first half year, total receipts from gross exports increased sharply to reach a new record level. Imports also rose but at a slower rate, so that the merchandise balance was in substantial surplus. There was an improvement in the external payments position and total official external reserves rose during the past year.

As in the past, growth in the amount of money in the hands of the public continued to keep pace with the needs of the domestic economy. Deposits with commercial banks as well as bank credit extended to the private sector rose significantly. Confidence in Malaysian currency was further enhanced by the Government's move to Article VIII status in the International Monetary Fund. There were, in general, no significant movements in interest rates. Retail prices, which rose in 1967, remained relatively stable. Available data indicate that there has been some deterioration in the unemployment situation last year.

Looking ahead, we can expect a better year in 1969. The expansionary effects of this Budget should continue to set the pace and establish a foundation for greater economic growth. In the private sector, there are also grounds for confidence. External demand for our exports should continue at a high level despite the modest slowing down that is presently forecast for growth in aggregate output in the industrialised countries and in world trade. A steady rise in gross export earnings above last year's record is in prospect. With incomes increasing steadily, we can also expect the rising trend in consumer spending to continue in the next twelve months, but the more crucial element would be the performance of private investment. There are already indications that private capital expenditures are gathering momentum. Increased consumer spending and growing import substitution can be expected to exert greater demands for new investment and larger plant capacity. And, given

adequate encouragement by Government, private investment should rise more strongly in the next twelve months. On the whole, therefore, businesses and entrepreneurs can confidently plan with the expectation that the economy will expand at a healthy rate in 1969.

Given the situation I have just described, Honourable Members will no doubt appreciate that while it has been the Government's policy to tighten the reins on public expenditures, nevertheless we have to be sure that there is a balanced expansion of public and private expenditures; whenever expenditures in the private sector have slowed down, Government saw to it that there was no letdown in public expenditures in order to ensure that the economy is firmly based for future expansion. Since the beginning of this decade, the public sector has been setting the pace, so much so that as a proportion of aggregate domestic demand, public expenditures have risen from 21% in 1961 to 25% last year. Needless to say, this has resulted in heavy demands on the Government's resources. It is, however, necessary to remember that in the last analysis it is the private sector which not only sets the tempo of economic development, self-sustaining economic growth cannot be achieved without the private sector playing by far the major role.

INTERNATIONAL DEVELOPMENTS

As we see it, the current international situation is a source of potential danger to Malaysia, since our economy depends so heavily on growth in both world trade and the industrial countries. It is difficult to recall any period in recent history when the international monetary situation has been in such a chaotic state. The devaluation of the pound sterling in November 1967 and the establishment of the two-tier old price system in the wake of the gold crisis of mid-March 1968 have failed to calm widespread uneasiness about the stability of the major international currencies. The Basle facility and the conclusion of sterling guarantee agreements between the United Kingdom and the other Sterling Area countries in Sep-

tember last were designed to strengthen confidence in sterling and contribute towards world monetary stability. The real strength of these arrangements, however, was called into question in their first major test in November last when heavy speculation led to a third money crisis in twelve months. This series of monetary crises clearly indicated that what has been happening is not merely a succession of isolated crises but that, basically, there is something radically wrong somewhere. There is no point in blaming speculators for their actions in this field. To be fair, they had ample justification for them.

For some years now, too many countries have had difficulty in bringing their government finances into line with real resources and in curbing inflationary tendencies that have become so commonplace. As a consequence, their currencies have been subject to a steady erosion of their value in terms of purchasing power. In brief, inflation has been widespread. The best managed countries in the financial and economic sense have undergone a continuous period of creeping inflation. The not so well managed have seen galloping inflation, and the others are somewhere in between. What is worse, one cannot see any sign that this dangerous trend will be reversed, even gradually. Indeed, far too many are resigned to the prospect that we would be fortunate if the situation does not deteriorate further. It is little wonder then that so many are steadily losing faith in paper currencies generally, but particularly the reserve currencies.

The internal difficulties to which I have referred have, of course, led to a fundamental disequilibrium in the payments position of the reserve currency countries. The obvious answer is to eliminate these chronic deficits in the shortest time possible, but what has given rise to so much disquiet is the apparent inability of such countries to demonstrate convincingly that these imbalances will be corrected within a reasonable period of time. Under the circumstances, it is not surprising that both governments and individuals are turning increasingly to gold as the

safest form of investment of their reserves and the day may yet come when governments would even feel that alternative forms of investment, including industrial shares, would be safer than any currency and the bulk of official reserves could well be held in either gold or such alternative forms of investment. If nothing else, the recent monetary crisis was a patent demonstration of the interdependence of the major international currencies. Because of this, it has been suggested that a second international monetary conference on the scale of the Bretton Woods Conference held in 1944, should be held again to sort out the grave problems which face us. If it is to succeed, the essential prerequisite of such a conference must be that those who are likely to take the lead, i.e. the reserve currency countries, must first give a convincing demonstration that they can put their own houses in order before attempting to put right the rest of the world.

It may be claimed that the proposal of the International Monetary Fund to create what has been called special drawing rights will solve most of our pressing problems by increasing international liquidity. Even if this argument is accepted, one cannot fail to observe that such liquidity will be increased at the expense of diluting the reserves of those countries which have a balance of payments surplus. Indeed, this result cannot be avoided. It, therefore, cannot be denied that special drawing rights are, at best, only a temporary remedy and cannot provide the real answer to the basic and long term problem.

Growth in the industrial countries as a whole expanded rapidly in 1968 after slowing down perceptibly in the previous year. Their gross national product as a whole rose by about 5% in real terms, compared with only about 3% in 1967. Output growth was particularly marked in the United States, West Germany, the United Kingdom and Canada, which together account for about two-thirds of the non-Communist world's industrial production. The resumption of economic expansion was brought about

primarily by strong consumer demand in most of these countries. During the year, many of these countries introduced comprehensive measures to dampen excessive domestic demand, and in the case of the reserve currency countries, renewed efforts were made to correct the persistent deficits in their payments positions. Economic growth in Japan and Italy slowed down after a period of marked growth in 1967 while economic activity in France slackened further. Unemployment continued to be a matter of concern, especially in the United Kingdom and France. Economic recovery in the industrial countries led to a significant increase in world trade, which is presently estimated to have been about 10% in 1968 or twice the rate of growth in the previous year.

In the year ahead, latest studies indicate that the world economy would become less buoyant, as a result largely of the restrictive measures taken to hold down demand in most industrial countries. With the exception of Italy, where the economy should expand in the wake of Government measures to stimulate demand, all major industrial countries are expecting some reduction in economic activity. On the whole, real national output in the industrial countries is now forecast to expand at between 3½% and 4% in the next twelve months. This implies a somewhat less favourable outlook for exporters of primary products. World trade, as a consequence, will also slow down; on present trends, a 7% growth in the value of world trade is in prospect for 1969.

ECONOMIC SITUATION

After a short lived slowdown in economic activity in 1967, the Malaysian economy recovered steadily particularly in the second half of last year. The current tempo of economic expansion appears likely to gather increasing momentum in the next twelve months. Preliminary estimates indicate that the gross national product at market prices, or GNP for short, in 1968 amounted to close on \$10.2 billion, an increase of about

5%, compared with nearly 4% in the previous year. In terms of physical output, that is, after adjusting for domestic and export price movements, GNP rose by about 8% in 1968. With population rising at about 3%, *per capita* GNP rose from \$965 in 1967 to \$980 in 1968. (*Applause*).

With a steady rise in consumption and investment expenditures in both the public and private sectors, aggregate domestic demand continued to expand in 1968. As in recent years, public expenditures led the way. Government expenditure on goods and services rose by almost 8%, or nearly double the rate in the previous year but markedly lower than the average growth rate of 14% for the period 1963 to 1966. Most of the increase in the Government's consumption expenditure was for social services. Public investment outlay, which fell by nearly 4% in 1967, rose by about 2%. For the public sector as a whole, therefore, aggregate expenditures were 6½% higher than in the previous year as against a growth rate of only 2% in 1967.

Consumer spending, which normally comprises more than three-fifths of aggregate domestic demand, rose steadily during the past year. At current prices, the expenditures of consumers, supported by higher incomes, rose by about 4½% compared with 4.7% in the previous year. Honourable Members will, however, recall that the price of imported rice increased sharply in 1967, so that a significant part of the growth in private consumption in that year was in fact absorbed by price increases. In real terms, therefore, private consumption in 1968 was a good deal higher than that implied by the figures quoted. Compared with the previous year, retail prices were on the whole relatively stable in 1968. Private capital expenditures also rose during the past year. Preliminary estimates indicate that private investment rose by about 4% in 1968 compared with 4.3% in the previous year. Here again, the figures do not reflect the actual situation since the growth rate in 1967 included a substantial accumulation of stocks in that year. In terms of fixed

capital formation, that is, investment in plant, machinery and other fixed assets, private expenditure increased by about 5½% last year as against some 3% in 1967.

The catastrophic rubber price decline experienced in 1967 adversely affected investment activity in the domestic economy, but its depressive effects soon wore off as the economic outlook became clearer and more reassuring. Government, for its part, offered new and more comprehensive investment incentives to help stimulate the private sector. Last year, investment in both the private and public sectors rose by about 3½% compared with 1½% in 1967. The improvement was more significant in terms of fixed capital formation—about 4½% increase in 1968 as against a growth rate of less than 1% in the previous year. Total investment accounted for 18% of GNP, a high proportion for a developing country by any standard.

Although the Malaysian economy expanded in 1968, the indications are that there was some deterioration in the unemployment situation last year. Most of the unemployed are in West Malaysia. However, East Malaysia, particularly Sabah, continued to experience a general shortage of labour despite efforts by the Malaysian Migration Fund Board to ease the situation. Provisional results from a sample survey conducted during the period June 1967/May 1968 suggested that the rate of unemployment in West Malaysia, expressed as a percentage of the labour force, was 6.8% compared with 6% in 1962 when the first nationwide survey was carried out. The highest incidence was in the age groups 15 to 19 and 20 to 24 where current unemployment rates were as high as 26% and 14% respectively. It is not surprising that about two-thirds of the unemployed were "first-timers". The rate of unemployment in the rural areas was 5.4% compared with 5% in 1962. In urban areas, the rate of unemployment is particularly high. The recent survey of six major urban areas in West Malaysia indicated that the unemployment rate in such areas was 11.2% in 1968 compared with 9.6% in 1962.

After a brief period of rising food prices towards the latter part of 1967, retail prices in West Malaysia stabilised at this high level during the first four months of 1968. Since then, there has been a distinct decline, particularly in the food index, in the third quarter of last year. Trends in the prices of other components of consumption were relatively stable. The retail price index, which records price changes for a fixed basket of goods and services with 1959 as the base year, averaged 109.7 during the first half of 1968 compared with 109.2 in the second half of 1967 and 107 in the first half of 1967. The average index for the third quarter of 1968 was 107, or about the level prevailing in early 1967. For the first nine months of last year, the overall index averaged 108.8, or just a shade higher than the average of 108 for 1967. While no price statistics are available for East Malaysia, the available evidence indicates that there have been no significant movements in consumer prices in this part of Malaysia during the past year. On the whole, therefore, Malaysian consumers enjoyed another year of relative price stability. This is particularly gratifying considering that the industrial world is presently preoccupied with serious problems of inflation.

As I now see the prospects, economic growth should accelerate strongly in the next twelve months. It is envisaged that this Budget will strengthen the economy further and provide greater scope for private expenditures, especially on capital goods. It is difficult to measure the economic impact of this Budget precisely. However, on the basis of the Budget estimates which will be discussed in some detail at a later stage, it is possible to draw some broad conclusions on the pattern of public sector spending in the next twelve months. In line with the Government's policy to hold down current expenditure, Government spending on goods and services in 1969 is expected to grow at a slightly slower rate than in the previous year. However, public investment will rise strongly, so that on the whole, public sector expenditures will

probably increase by about 8½% in 1969.

With the steady increase in incomes, we can certainly expect a continuing rise in the expenditures of consumers, probably at a somewhat higher rate than last year. Retail prices should continue to remain stable. As regards private capital expenditures, we would like to see an acceleration of the rate of fixed capital formation. Indeed, it is gratifying to record that some important projects involving significant investments associated with the chemical, rubber and oil palm, engineering, timber, pulp and paper, textile and tourist industries are in the pipeline. Furthermore, the impact of rising population and consumer demand would increase the need for more plant capacity. Expenditure on home construction as well as commercial and industrial buildings have been increasing steadily and the year ahead could see further expansion. At present, the banking system is very liquid; unutilised bank overdraft facilities are ample and bank resources should be adequate to finance a substantial expansion in business expenditures. As we see it, private investment could possibly rise during this year by as much as 8 to 9%. Aggregate domestic demand is thus expected to expand more rapidly in the next twelve months. Externally, receipts from Malaysian exports should continue to rise, though less rapidly than in 1968, but imports are expected to advance at a slightly slower rate. On the whole, therefore, GNP is expected to increase by about 6½% in 1969.

PRODUCTION AND EXPORTS

I have so far painted only a broad picture, though touching in some detail on the demand side of the economy. Trends in the production sector have also improved. In 1968, production in the domestic economy expanded rapidly. Strong external demand for our primary commodities provided the much needed stimulus to production for export, which rose much more rapidly than production for domestic use during the past year. Latest estimates of the key primary commodities produced indicate that rubber output

rose by 9½% in 1968, rice by 18%, tin by 2½%, saw logs by 12%, sawn timber by 17%, palm oil by nearly 25% and palm kernels by 26%. The export volume of our five major commodities, namely, rubber, tin, timber, palm oil and kernels and iron ore, which together account for more than three-fourths of total exports, rose by nearly 16% in 1968. In terms of value, however, receipts from these exports increased by only 9.2% as a result of lower prices for all these commodities, except timber. Minor exports also rose sharply by 10%, mainly on account of substantial increases in the export of coconut oil, canned pineapples, petroleum and petroleum products and manufactured goods. On the whole, therefore gross exports rose by nearly 9½% in 1968 to reach a record level of \$4.07 billion, compared with a decline of more than 3% in 1967.

The volume of rubber exports increased sharply by nearly 12½% to reach an estimated 1.15 million tons in 1968, due primarily to marked increases in purchases by the major Western industrial countries, especially the United States, and unusually large off-takes by the Soviet Union and Mainland China. This gratifying rise in external demand was met not only by a substantial production of 1.07 million tons but also by larger imports for re-export as well as by some drawdown in stocks. However, the value of these exports, amounting to \$1.34 million, rose by only about 5½%, as a result of a 5½% drop in the unit value, which averaged 52 cents a pound in 1968 compared with 55 cents a pound in the previous year. The catastrophic rubber price decline experienced in the latter part of 1967 persisted into the early months of 1968. Prices were particularly low in February, and on 7th February, a price of 43½ cents a pound for R.S.S. No. 1 rubber was reached, the lowest since September 1949. With the recovery of demand, prices picked up strongly towards the end of May and since mid-July, the daily spot price has consistently been not less than 54 cents a pound, except for a brief period towards the end of August. It even touched 60 cents on

22nd November, for the first time since 30th December, 1966. The average price for the last three quarters of 1968 was nearly 55 cents a pound compared with an average of only 47.6 cents a pound in the first quarter. For the year as a whole, the R.S.S. No. 1 price averaged 53 cents a pound compared with 54 cents a pound in 1967.

While the rubber industry has gone through a difficult and perhaps its most critical period, the recent recovery in prices augurs well for the future. Such a recovery reinforces the view that rubber has a bright long term future so long as the industry keeps on its toes and maintains its research effort, if not intensify it. In particular, it is encouraging to note that increasing amounts of Malaysian rubber exports can now be classified as Standard Malaysian Rubber (S.M.R.). It is significant that this product has been favourably received by consumers, especially in the United States and Europe. In 1968, rubber production under the S.M.R. scheme amounted to about 85,000 tons, or more than 3½ times that produced in 1967. This represented about 8% of total rubber production. This year, production will probably reach 150,000 tons or approximately 13% of total rubber production.

Production of tin-in-concentrates continued to expand in 1968 with a total output of 74,000 tons, or about 41¼% of world production. The volume of tin metal exports, however, rose by 19½% to 89,000 tons, due chiefly to substantial imports from Indonesia for smelting and re-export. However, receipts from these exports, amounting to \$846 million, rose by only about 12% due mainly to a 6½% decline in the unit value, from \$604 a picul in 1967, to \$565 a picul last year. The low price of tin ruling since August 1967 continued into the first three quarters of 1968. During this period, the daily spot price of tin averaged \$558 a picul compared with an average of \$600 a picul for 1967 as a whole. The introduction of limited export controls on 19th September last and the revival of demand since then, especially from the United States, coupled with speculative

activity arising from the last international monetary crisis, led to some improvement in tin prices. For the last quarter of the year, the tin price averaged \$588 a picul. Tin export controls have, so far, had very little impact on Malaysian production and exports.

The timber industry is becoming increasingly important to the Malaysian economy and is at present the third most important in terms of foreign exchange earnings. Malaysia is now probably the world's largest exporter of tropical hardwoods. As in previous years, production of both saw logs and sawn timber expanded rapidly in 1968. Although an increasing proportion of timber is being consumed domestically, the amount available for export continues to be substantial. Last year, exports of saw logs, amounting to 5.69 million tons, increased by 13½% over the 1967 level. With prices remaining relatively stable, receipts from these exports rose by the same rate to reach \$540 million in 1968. In the case of sawn timber, export volume increased by an even faster rate of nearly 31% to 775,000 tons in 1968. Since sawn timber prices also rose, earnings from these exports, amounting to \$147 million, were 40% higher than in the previous year. Receipts from timber exports, therefore, amounted to \$687 million in 1968, or about 17% of total exports compared with only 8% in 1963. On the basis of present trends, earnings from timber exports this year would probably reach \$760 million, or 18% of total exports. Since receipts from tin exports this year are expected to be appreciably lower than in 1968, timber would become Malaysia's second largest foreign exchange earner in 1969, relegating tin to third place.

Production in the oil palm industry rose steeply in 1968. Exports of palm oil amounted to 280,000 tons in 1968, an increase of 50½% over 1967, but receipts from these exports, amounting to \$123 million, rose by only 6.2%, due mainly to a sharp fall of 29½% in the unit value, from \$624 a ton in 1967 to \$440 a ton last year. There has been an ominous and continuous decline in the price of palm oil since the begin-

ning of 1968 and by August, the monthly average price had dropped to \$363 a ton, the lowest recorded in the post-war years. This spectacular fall in palm oil prices was due largely to an abundant supply of edible oils relative to world demand. Earnings from palm kernel exports rose markedly from \$9 million in 1967 to \$17 million in 1968.

With the gradual exhaustion of good quality ore and reduced demand from Japan, the production and export of iron ore fell in 1968. Total exports, amounting to 5 million tons, were 4.7% lower than in 1967. Moreover, the unit value also declined so that export receipts, at \$105 million, were nearly 14% lower.

Manufacturing activity grew further in 1968, though the manufacturing sector continues to be small, accounting for only about 12% of aggregate domestic production. Latest data from the annual survey of manufacturing industries, which covers about 80% of production in the manufacturing sector of West Malaysia, indicated that the net value of output in 1967, amounting to \$644 million, rose by nearly 11% compared with 13% in the previous year. Growth in "pioneer" companies was somewhat better. Data for 1968 are, however, not yet available, but on the basis of monthly data on selected industries, the rate of expansion appears to have accelerated during the past year. New enterprises which commenced production in 1968 included five additional motor vehicle assembly plants, a food flavouring plant, a glass-ware factory, assembly plants for bicycles, scooters and agricultural implements, a jute mill and factories for the manufacture of plywood, galvanised iron pipes, textiles, cables, heavy vehicle tyres and electrical household appliances.

Indications are that construction activity, largely stimulated by the recovery of aggregate domestic demand, particularly in the private sector, and by the continuing demand for residential housing and commercial and industrial structures, expanded steadily in 1968. Service industries, too, continued to expand in keeping with

growth in the other sectors of the economy. In the distribution industries, the main impetus to growth came from the rapid increase in consumption expenditures. There were also indications of a general expansion in the transport and communications industries while output in public utilities and industries providing social, financial and professional services increased steadily during the past year.

BALANCE OF PAYMENTS AND RESERVES

Now I turn to our external payments position. Final balance of payments data are not yet available, but it is already clear that there has been a substantial improvement in the trade surplus for 1968. I mentioned earlier that despite the continuing price decline for most of our major export commodities, gross exports in 1968 rose by nearly 9½%. Translated into balance of payments terms, merchandise exports amounted to just over \$4 billion, or about 9% higher than the 1967 level. Merchandise imports, reflecting mainly the welcome rise in economic activity, rose by nearly 6½% to reach \$3.35 billion last year, compared with an average annual growth rate of less than 2% during the period 1963-67. Import growth was largely brought about by significant increases in the import of primary commodities, notably rubber, tin and crude petroleum, for processing and re-export. With the recovery of private expenditures in particular, imports of machinery and equipment rose by about 6% while imports of manufactured goods were about 3% higher than in 1967. Imports of food and beverages declined slightly during the past year. On balance, therefore, the trade account showed a substantial surplus of \$653 million in 1968, for nearly 25% larger than that in the previous year.

This gain in the trade surplus, however, was more than offset by the sharp deterioration in the deficit on invisibles account so that, on the whole, the current account showed a deficit of \$62 million, compared with a deficit of \$54 million in 1967. The distinct

worsening in the invisibles account was brought about by three main factors, namely, a sharp increase in the remittance of profits and dividends abroad as a result of improved earnings in the export industries, a fall in foreign military expenditure following the rundown of British armed forces in Malaysia, and finally, increased service payments, particularly for freight and insurance arising from higher imports.

Statistical information on private capital movements in particular are lacking and present data necessarily have a long time lag. Measures are being taken to remedy the omission but more comprehensive and current data will not be available for some time. On the basis of related indicators, it is likely that the net inflow of foreign private long term capital, including re-invested capital, had improved somewhat during the past year. This is clearly a healthy development, considering the uncertainty generated by the intermittent international monetary crises experienced in 1968. As regards official long term capital, which comprises in the main net foreign loan receipts, the net inflow was lower than in 1967, in spite of the Government's increasing efforts to ensure that adequate funds would be available to finance essential economic projects. In addition to the project loans, we successfully raised a DM 25 million loan in the West German market last November. All told, therefore, our balance on current and long term capital account, which is normally referred to by economists as the "basic" balance of payments position, continued to show a strong surplus.

On the whole, the latest estimates indicate that Malaysia's official external reserves rose by about \$70 million last year, bringing the official gold and foreign exchange reserves to \$1,980 million as at the end of 1968. This level of reserves would be sufficient to finance about 7½ months of retained imports at the current rate. Hon'ble Members will recall that in my Budget statement at about this time last year, I outlined a new arrangement to ensure that all foreign exchange proceeds

from exports to non-Sterling Area countries would, in fact, be received in Malaysia instead of by intermediaries outside Malaysia as was the practice at that time. This new arrangement came into force on 1st June, 1968 and I am happy to report that the new procedures have worked well. In fact, some of the accumulation of official reserves to which I have just referred came about through this new arrangement.

MONETARY SITUATION

The past year saw yet another period of financial stability in Malaysia. This is particularly heartening in a world where inflation is the order of the day. It is clear that our adherence to policies designed to maintain the strength and stability of our dollar has continued to serve us well. After a brief period of contraction in the volume of money in 1967 and the early months of 1968, the money supply, that is, the amount of money or purchasing power in the hands of the private sector apart from the banking system, began to rise, particularly towards mid-1968, as economic activity revived and gradually gathered momentum. The supply of money, estimated at \$1.6 billion at the end of November 1968, rose by about 5% during the first eleven months of last year. This rate of growth was in line with the supply of goods and services in the domestic economy.

As in previous years, one of the main factors which held down the rate of advance in the money supply was the substantial increase of 17½% in the fixed and savings deposits of the public with the banking system. Current account deposits, which accounted for about 51% of the money supply, was by far the more active expansionary force; they rose by 8½% during this period as against a rate of growth of nearly 2% in the case of currency notes and coin held by the public. It is worthy of note that the rapid and continuing growth of the banking habit has reduced the importance of the currency component from about 58% of the money supply at the beginning of this decade to just below 50% towards the end of last year.

In line with the rapid increase in bank deposits, total credit extended by commercial banks rose sharply during the past year, reflecting to a larger degree the buoyant state of the domestic economy. Bank credit rose by 24% during the first eleven months of 1968 to reach \$1.78 billion compared with an average annual growth rate of about 12½% for the period 1963-67. Although data on the classification of bank credit are not yet available, the indications are that an increasing proportion of bank funds is being channelled into the manufacturing sector. However, the financing of trade and professional and private individuals continue to account for a major part of the increase in bank credit. There were no significant changes either in the rates of interest offered for deposits or that charged for credit during the past year.

Conditions in the Malaysian Stock Exchange were buoyant in 1968. Trading was very brisk, the turnover being more than double that in the previous year. Special interest centred on the five public share issues, totalling about \$28 million, floated during the past year in Malaysia. In addition, 7 rights issues, amounting to about \$31 million, were offered to shareholders. All the public issues were over-subscribed and in some cases heavily over-subscribed. Such strong demand clearly indicates that ample finance can be raised through the sale of equities to the public. However, a source of concern has been the spate of speculation that brought about excessive fluctuations in share prices which were out of line with the performance and prospects of the companies concerned. Excessive speculation is never good for any market. In order to contribute to the efficient functioning of the Stock Exchange and to prevent unscrupulous company promoters from exploiting the public, the Government set up the Capital Issues Committee, whose primary role is to ensure that the public is provided with adequate and accurate information on public companies seeking capital.

The issue of the new Malaysian dollar is progressing satisfactorily. The new currency notes and coin are now widely circulated and their ready acceptance not only in Malaysia but also in Singapore and Brunei in particular is a clear sign of general confidence in the new dollar. Malaysian notes and coin in circulation amounted to \$852 million at the end of 1968, an increase of \$105 million or 14% over the level of a year ago. At the same time, the gold and foreign exchange reserves backing this liability amounted to \$1,294 million, so that the external cover for our currency was well above the minimum statutory requirement of 80.59%. I have stated on many occasions in the past that the Malaysian dollar will enjoy a strong backing and the figures I have just quoted prove that this policy has been maintained.

It has been particularly gratifying that the strength and stability of the Malaysian dollar were not in the least affected by the stresses and strains generated in world exchange markets by monetary upheavals during the past 14 months. Our currency and economy withstood these shocks admirably, but what has been even more gratifying is that some international capital chose to take refuge in the Malaysian dollar at a time when confidence in paper currencies was sagging. Indeed, there has been a large inflow of private funds into Malaysia since November 1967. That inflow was large enough to cause us some embarrassment and hence it was decided to curtail it by reducing the discount rate of 3-month Treasury bills by $1\frac{1}{2}$ % per annum in two stages. This surely is a unique demonstration of confidence in the currency of a developing country and in the basic strength of our economy as a whole.

The withdrawal of old Malayan notes and coin from circulation is now in its final stages. By the end of 1968, 95½% of the total amount of old Board currency had been withdrawn so that only an amount of about \$69 million was left in circulation in Malaysia, Singapore and Brunei. These old notes and coin issued by the Board of

Commissioners of Currency, Malaya and British Borneo, will cease to be legal tender in the three participating countries as from 16th January this year. This means that such notes and coin will no longer be legally acceptable as a means of payment for goods and services or for the settlement of debts on or after that date.

However, for the convenience of the public, particularly the trading community, arrangements have been made with commercial banks in Malaysia for the exchange of old Board currency into new Malaysian notes and coin on and after 16th January, 1969. This would mean that members of the public who still have old Board currency in their possession on or after this date will have to exchange them into new Malaysian currency at the offices of Bank Negara Malaysia or the commercial banks before they can be used for payments. My advice in this connection is simple enough. To those who still possess old Malayan currency, I suggest that they turn them in now and not wait until the last moment, because this period of grace will not be indefinite and has to be terminated sooner or later.

1967 ACCOUNTS

Let us now compare the actual outturn of the 1967 accounts with the estimates that I gave in my last Budget speech. Developments in the last few months of 1967 made the actual outturn somewhat different from the figures that I gave. Revenue fell short of estimates by \$16 million, due almost solely to poor rubber prices at the end of 1967. On the other hand, ordinary expenditure which I envisaged would be in the region of \$1,900 million, actually turned out at \$1,897 million. After adjusting for Government contributions to statutory funds, the balanced position that I expected was transformed into a deficit of \$30 million. Development expenditure which was estimated to increase by \$30 million over the original Budget estimate of \$650 million actually turned out to be only \$625 million. The result of this has been to reduce the overall deficit from the previous

estimate of \$634 million to \$604 million. Higher disbursements of foreign loans coupled with a reduction in development expenditure increased the realisable assets by \$41 million, when they were estimated to be run down by \$17 million.

1968 ACCOUNTS

The 1968 accounts have not yet been finalised and the figures available relate to the latest estimates, and are therefore subject to revision. The ordinary expenditure appropriation for 1968 was originally fixed at \$1,932 million, including \$50 million earmarked as a contribution from revenue to the Development Fund. Apart from the first supplement of \$10 million approved last June, and a second one of \$57 million, approval for which is being sought at the current session of Parliament, there will be a further supplement of about \$25 million to cover further expenditure before the 1968 accounts are closed. The total appropriation for the year will therefore amount to \$2,024 million.

Actual ordinary budget expenditure, however, will not include the authorised contribution of \$50 million to the Development Fund as the transfer will not now be made. After allowing for a very small shortfall, total ordinary budget expenditure is now estimated to be in the region of \$1,957 million. The revised expenditure will therefore be \$75 million higher than the original ordinary budget estimate of \$1,882 million, excluding the provision of \$50 million intended for transfer to the Development Fund, or \$25 million more than the printed estimate of \$1,932 million which includes the \$50 million transfer. Compared with the actual ordinary expenditure of \$1,897 million for 1967 the revised estimate for 1968 is higher by \$60 million. This is an increase of only 3.2%.

Recurrent expenditure for 1968, that is ordinary expenditure less transfers to certain statutory funds, will amount to \$1,950 million compared with a total of \$1,864 million for 1967. This manageable increase was due to the close scrutiny to which the Treasury

subjected all new proposals involving increased expenditure. However, with the best will in the world, it has not been possible for Treasury officials to foresee special developments which made additional expenditure necessary. I would like to narrate briefly, for the information of Hon'ble Members, some of the items of new expenditure which could not be foreseen or the nature of which are such that the amounts could not be estimated with any degree of accuracy when the budget estimates were originally framed.

Firstly, a sum of \$35.4 million was required for discounting Treasury bills, for the payment of interest on domestic loans and for the repayment of foreign loans raised after the estimates had been finalised. Secondly, a further sum of \$7 million had to be appropriated for the Rubber Trading Trust Account. This additional support was necessary in view of the behaviour of rubber prices at the beginning of 1968. The recovery of such prices during the rest of last year is proof that the decision to set up the Rubber Price Stabilization Committee was right even though it appeared to be a risky venture at that time. Indeed, it is likely that the rubber operations of this Committee have brought profit to the Government. At the moment, we have very little rubber left and the indications are that we should be able to liquidate our remaining stocks with a profit of the order of \$900,000. (*Applause*). The successful and, equally important, profitable conclusion of this intricate operation is a tribute to the skill and devotion with which the members of the Committee have discharged their difficult task. I would like, in particular, to express our gratitude to Yang Berhormat Tan Sri Gan Teck Yeow for his contribution to the work of this Committee. (*Applause*). Without his experience and expertise, the results might have been different. Thirdly, a further sum of \$21.3 million was required for refunds and repayments of Customs duties and taxes. Fourthly, an additional sum of \$4 million was needed to meet payments of gratuities and pensions. These major items

together with others of varying amounts come to around \$92 million, so that the total appropriation for ordinary expenditure, excluding the amount of \$50 million approved for allocation to the Development Fund, which was subsequently not transferred, reached \$1,974 million although actual expenditure is now estimated at around \$1,957 million.

The revenue outturn for 1968 has been revised downwards to \$1,875 million, compared with the budget estimate of \$1,882 million, despite the fact that the economy has generally revived with higher prices for rubber. This is due to the fact that the increased workload of the Department of Inland Revenue has inevitably slowed down the pace of collection of income and other related taxes. With revised 1968 revenue and recurrent expenditure figures of \$1,875 million and \$1,950 million respectively, the current account for the year is thus expected to show a deficit of \$75 million instead of the balanced position envisaged in my Budget speech last year.

Development expenditure in 1968 is now expected to total \$630 million, or \$50 million less than estimated. This is to all intents and purposes identical with the actual outturn for 1967 which stood at \$625 million. The failure of development expenditure in 1968 to come up to the estimate has been due mainly to the non-availability of funds from abroad for some of the projects. Many projects were therefore either slowed down or rephased.

SPECIAL RECEIPTS CREDITED TO THE DEVELOPMENT FUND

Special receipts credited to the Development Fund for 1968 amounted to \$40 million. These included grants from Australia for defence equipment, British grants for economic development in East Malaysia, and part of the aid offered by Britain to offset the economic effects of the withdrawal of British forces. With development expenditure at \$630 million, and the current account deficit standing at \$75 million, these special receipts of \$40 million will leave the overall deficit of \$665 million to be

financed from loans and the drawdown of reserves.

FOREIGN AND DOMESTIC BORROWING

Gross foreign borrowing again fell short of expectations. Total receipts amounted to \$91 million as against the original estimate of \$200 million given at the last Budget. The shortfall is due mainly to the difficulty of stepping up the level of project borrowing, as apart from pure market loans, and as I have already stated earlier, we have raised a loan of DM 25 million, equivalent to M\$19 million, in the West German capital market, the greater part of our foreign borrowing would, in the very nature of things, be in the form of project loans. Unfortunately, practically all the credit offered by countries which are members of the Consultative Group is tied to exports of the lender countries. This means that such credits can only be utilised through the purchase of goods and services from such countries and there is a scarcity of projects which require foreign goods and services of any magnitude. Some of our more important development projects, particularly those in the field of agriculture, have relatively small foreign exchange components. For 1968, therefore, we managed to utilise foreign loans chiefly in respect of projects previously committed. These included the Muda irrigation project and the Teaching Hospital of the University of Malaya. In the course of 1968 we also availed ourselves of lines of credit from Sweden, Canada and Japan.

During the past year the Government raised a total of \$526 million from domestic sources. As usual, this included subscriptions to new loan issues by the Employees Provident Fund, commercial banks, insurance companies and various Government funds, including sinking funds. Our foreign debt of \$578 million is still relatively small and is equivalent to about 5½% of our gross national product, which is the criterion usually used for evaluating the size of a country's foreign debt in relation to its economy. This compares with 0.1% for Japan, 2% for Thailand, 2½% for Canada, 4% for the United States, 6½% for Australia, 9% for New

Zealand and 19% for India. I agree that our domestic debt is far larger. With a total of \$3,490 million, this is equivalent to 34% of GNP, which is again the criterion usually used in assessing the quantum of debt in relation to the size of the economy. Malaysia's figure compares with 7% for Japan, 14% for Thailand, 27% for Pakistan, 34% for the United States, 34% for Canada and 37% for Australia. The important point to remember in connection with this matter, however, is the purpose for which these borrowed funds have been utilised. If these funds are used solely for economic development, which means that in course of time they will generate corresponding increases in public revenue and private incomes, then we have no cause for alarm. In our case, the bulk of such funds have been spent on economic development though a much smaller proportion has been utilised for social development and security. It may, therefore, be necessary in the near future to change the format of our estimates in order to ensure that borrowed money is spent on economic development and nothing else.

1969 ORDINARY EXPENDITURE PROPOSALS

The estimated ordinary expenditure of the Government for 1969 as set out in the Estimates tabled as Command Paper No. 3 of 1969, amounts to \$1,925 million. This amount is \$7 million lower than the original 1968 budget estimate of \$1,932 million. It should, however, be mentioned that although a sum of \$128.6 million has been entered in the Estimates for statutory grants to States, special grants to Sabah and Sarawak, which totalled \$37.8 million in 1968, have been omitted for the time being since these special grants were subject to review at the end of 1968 as required by the Inter-Governmental Committee Report and by Article 112D of the Constitution. At the time the estimates were finalised, the review was still in progress and the total of such grants which would be payable to the two States in 1969 had not yet been determined. Let me now refer to some of the major items of expenditure.

As has been a feature of the Budget for many years past, the largest vote is allocated to the Ministry of Education. The allocation of \$433.7 million for education represents 22.5% of total ordinary expenditure. This amount includes a grant of \$20 million to the University of Malaya, and \$9 million to the new Teaching Hospital to meet their administrative costs. Discounting the grant to the Teaching Hospital, which was previously included in the estimates of the Ministry of Health, the allocation for education in 1969 shows an increase of \$23.2 million, which is quite small in comparison with the increase of \$72 million in 1966 and \$36 million in 1967. The negligible increase of \$4.5 million provided in the 1968 Estimates, however, proved to be too small a margin so that a supplementary provision of at least \$10 million is unavoidable. To limit the 1969 expenditure to \$433.7 million as proposed will not be possible unless certain measures for reducing costs as recommended in the Teachers' Salary Commission's Report are implemented immediately, and these recommendations can, to my mind, be implemented without prejudice to the proposals relating to teachers' salaries which are still being considered by the Government.

With \$433.7 million for education, \$149.6 million for public health, and \$13.7 million for labour and welfare, the ordinary budget allocations for social services in 1969 together total \$597.0 million or 31.0% of the ordinary expenditure appropriation. This, without any doubt, is an impressive contribution whether in absolute or percentage terms. If development expenditure on these services is taken into account, this performance is even more significant.

The recurrent expenditure of the Ministry of Defence has been fixed at \$257.5 million, giving an increase of only \$5.5 million on 2.2% over the 1968 allocation. The constraint imposed on defence expenditure has been dictated by the compelling need to ensure that the cost of maintaining our Armed Forces is within our means. Much as we appreciate that this limitation on expansion is straining the resources of the Armed Forces in

meeting increasing commitments brought about by the withdrawal of British Forces, and the situation created by the Filipino claim to Sabah, a choice has to be made between restraining expenditure on defence or jeopardising our effort to achieve a higher rate of economic growth by spending enough on economic development so that living standards can be raised. The choice is difficult, but I believe that we have made the right one.

While on the subject of defence expenditure, I wish to take this opportunity to express publicly the appreciation of the Federal Government to the Government and people of Sabah for their willingness to meet expenditure on tenant registration and the Vigilante Corps established in that State, as part of our joint effort to counter any aggressive or subversive action on the part of the Philippine Government in pursuit of their senseless claim. This timely gesture on the part of the Sabah Government is a clear indication of the determination of the Government and people of the State to stand solidly behind the Federal Government, in order to defend our national sovereignty and the territorial integrity of Malaysia, of which Sabah is an inseparable part. (*Applause*).

Another major item of recurrent expenditure is the cost of servicing the public debt. The amount of \$256.6 million required in 1969 for interest payments, which are chargeable to revenue account, represents 13.3% of the Budget estimate.

ECONOMY DRIVE MEASURES

The difficult financial position of the Federal Government has made it imperative for us to keep on reviewing the spending of Ministries and Departments with the object of tightening expenditure control and reducing the costs of providing Government services to the public, by generally cutting out non-essential expenditure, reducing waste and improving the revenue performance of Ministries and Departments. Towards this end, the Government had appointed a top-level working

committee of officials to undertake the review. The Committee met regularly since October last year, examining in detail the expenditure of major Government Ministries and Departments. The Committee has not yet completed its work but it has recommended certain measures which have now been implemented or are being implemented.

Among the measures recommended are reduction in overtime, limiting it to emergency work or work which requires speedy completion, converting scholarships and other financial assistance for higher studies from direct grants into loans, reducing to a minimum the transfer of officers from one area to another consistent with efficiency, confining first class air passages to only a few, improving the system of vehicle control and maintenance, economising in the use of light, power, water and stationery, reviewing the systems of revenue collection, revising rates of fees which are outdated, and the most important, encouraging Ministries/Departments to improve their efficiency and performance so as to increase their productivity and output of work.

The Costs and Standards Committee set up some time ago has laid down austerity standards for the construction of public buildings and these are now being rigidly enforced. It is not possible to evaluate in terms of dollars the savings effected by these measures but there is no doubt that such savings should be substantial, particularly in the long term. Further, these measures should certainly provide a more efficient public service at reduced costs and, on this account alone, the exercise would have been worthwhile.

PROGRAMME AND PERFORMANCE BUDGET

I have already referred on one or two occasions in this House and outside it to one of the measures taken by the Treasury to improve budgetary techniques and to make the budget a more effective instrument for financial management, while at the same time it should be more readily understood by taxpayers and the public at large. This

involves converting the traditional form of the budget estimates hitherto in use into what is commonly known as a "Programme and Performance Budget". This system which was first tried in the United States in 1950 and subsequently adopted by other developed countries, has been recommended by the United Nations, through various seminars on budgetary reforms, for gradual adoption by developing countries, taking into account the circumstances and needs of each particular country.

The system postulates three basic requirements: firstly, there should be a clear definition and classification of programmes or activities for each function entrusted to a department or agency, so as to show precisely the objectives it sets out to achieve with the financial allocations sought; secondly the system of financial allocation, management and accounting should be brought into line with the programme classification; and thirdly, a detailed analysis should be undertaken of each programme or activity in relation to expenditure with a view to establishing a method of measuring output or evaluating work performance. The system is designed to help in the development of unit cost data and productivity measurements which will enable, over a period of time, the establishment of "norms" or standards of work performance and their costs for purposes of comparison, and through the use of such "norms", economy and efficiency can be achieved. In other words, a Programme and Performance Budget is designed to present the purposes and objectives for which funds are sought, the cost of the programmes proposed for achieving the objectives, and the quantitative data for measuring work performance under each programme.

Finally, the new budget format will be more useful to Hon'ble Members since its major emphasis will be on activities, objectives to be accomplished, and their costs. It will give Hon'ble Members information with which they can judge the effectiveness of the management of each Ministry or Department. One of the main defects of the traditional budget estimates is that

the emphasis is placed on "things we buy" rather than on "things we do".

It is clear from what I have said already that the process of conversion must be gradual and will take possibly four or five years to complete. As an initial step in the process, the 1969 estimates of eight Government Departments are presented in "Programme and Performance Budget" form while the estimates of other Ministries and Departments are also given a summarised version called "Budget Summary". The Budget Summary should enable a Ministry or Department to prepare the groundwork for subsequent conversion to the Programme and Performance Budget. The Programme and Performance Budget and the Budget Summary are presented to the House in a single volume covering both operating and development expenditures, as an adjunct to the traditional Estimates.

The adoption of Programme and Performance Budgeting and what it involves, is placing a new workload on the Treasury, particularly its Budget Division, and for this reason it has been necessary to increase the establishment of the Treasury by about 5%. However, the additional expenditure necessary on this account should more than pay for itself in the long run.

1969 REVENUE

Revenue for 1969 at existing tax rates is estimated to reach \$1,948 million. This represents an increase of \$73 million or 3.9% over the revised estimate for 1968. The anticipated increase arises largely from the recovery in rubber prices since 1968. The revival of the economy resulting from higher rubber prices is expected to have a salutary effect on direct tax collections in 1969. In fact, a growth of about 10% in revenue collection has been projected for the Department of Inland Revenue.

Comparing further the 1969 estimates with the revised estimates for 1968, it will be noted that export duty on rubber is expected to yield \$7.1 million more. 1969 should see a reversal of the declining trend in rubber prices during

the last few years, and it should not be unduly optimistic to expect an average price of 55 cents a pound for R.S.S. No. 1, compared with the 1968 budget figure of 50 cents and the revised figure of 53 cents. Gross exports of rubber are expected to reach the 1.2 million ton mark. As regards tin, the collection of export duty is expected to reach \$104.6 million in 1969. This is a fall of \$7.7 million from the revised estimate for 1968. This decrease is due to a lower average price, estimated at \$550 per picul, compared with \$580 per picul estimated for the 1968 Budget, and the revised figure of \$565. Gross exports of tin should total 76,000 tons in 1969 compared with the estimate of 65,000 tons for 1968 and the revised figure of 89,000 tons. Other export duties are expected to yield a marginal increase of only \$1.7 million over the revised 1968 estimates. Price movements within this miscellaneous group tend to cancel one another out in the sense that what is lost on the swings is made on the roundabouts. Total import duties and excise are expected to increase by \$29.4 million, spread over all major items. The 2% surtax on imports is estimated to produce a small increase of \$2.5 million, reaching a total of \$51.6 million.

As 1969 ordinary expenditure has been fixed at \$1,925 million, and revenue at existing tax levels at \$1,948 million, the Ordinary Budget will end up with a surplus of \$23 million. This is, however, not the complete picture as cognisance must be taken of the fact that special grants, which have been provided for in our Constitution, will have to be made to the States in East Malaysia. Although the quantum of such grants cannot be determined now, as the matter is still under negotiation, provision has to be made for such grants. In the printed Estimates these grants have been dealt with by \$10 token vote against each item. However, for the purpose of assessing our probable financial outturn, we have to be more realistic, and again without prejudice to the negotiations, I have decided to use a figure of \$32 million. On the basis of this figure, the current account will incur a deficit of \$9 million.

1969 DEVELOPMENT BUDGET

The Development Estimates which have been tabled and which will be debated on a separate motion show a proposed appropriation of \$889 million including a sum of \$40 million for the Contingencies Reserve. This amount is more or less the same as that for 1968. Actual expenditure for 1968 is expected to be in the region of \$630 million, a shortfall of some 29% largely because of the delay in finalising arrangements where foreign financing was involved. Expenditure in 1969 is however expected to be higher in view of the fact that many of the projects were started in 1968 and arrangements for foreign financing have in most cases been completed. Actual expenditure is expected to be of the order of \$720 million. In percentage terms, economic and directly productive projects account for 60% of total Federal development expenditure while 24% has been allocated for the social and Government sectors and 16% for defence and internal security.

Special receipts credited to the Development Fund are expected to amount to \$23 million this year. This will be \$17 million less than receipts in 1968. The receipts this year include defence and development grants, mainly from Australia and Britain. As Hon'ble Members already know, the British Government has also agreed to provide us with £25 million of aid to offset the economic consequences of the withdrawal of their forces from Malaysia. A quarter of this amount will be in the form of grants and the rest will be in the form of interest free loans which are repayable within a period of 25 years.

FINANCING OF ORDINARY AND DEVELOPMENT EXPENDITURE

It is proposed to finance the estimated level of ordinary and development expenditure by borrowing, both foreign and domestic, and some use of our accumulated assets. Gross foreign borrowing is expected to total \$298 million while gross domestic borrowing is expected to reach \$350 million. In view of the fact that domestic borrowing this year will be on a smaller scale

than that for the last few years, efforts will be made to step up foreign borrowing, in particular market borrowing. The balance of the expenditure will be financed by a small rundown of our reserve assets, and by revenue measures.

REVENUE PROPOSALS FOR 1969

I now come to the core of my speech, i.e. the revenue proposals for 1969.

EXCESS PROFIT TAX ON TIMBER

Hon'ble Members will recall that there was some opposition to that part of the Finance Act, 1967 which provided for the disallowance of one-half of the amount of any royalty paid or payable to a State Government for the extraction of timber from forest land, or where no such royalty is payable, one-half of the amount of any duty paid or payable on the export of the timber so extracted. The timber industry has continued to ask for the removal of the disallowance. In my speech on the 1967 Budget in this House and in my closing speech as well, I explained in detail the reasons for the disallowance and I, therefore, do not propose to repeat them here. I have since, however, given considerable thought to these representations and I now propose to remove the disallowance since a suitable alternative has been devised. An amending Income Tax Bill will be introduced for this purpose at a subsequent meeting of this House and this measure will also provide for a form of excess profits tax to skim off the very large profits made in certain sections of the industry. The proposed tax will apply only to profits from logging operations. For this purpose an excess profit will be defined as the amount of profit in excess of 10% of gross receipts from the sale of timber logged. For an amount in excess of 10% but less than 20% of gross receipts, the rate of tax will be 10% and for the remainder of such profit, the rate of tax will be 20%. The new tax is estimated to yield approximately the same amount of revenue as did the disallowance of royalty which is now to be replaced.

DEVELOPMENT TAX

The Finance Act, 1967 also introduced a supplementary income tax called development tax with, among other things, provisions to subject an individual who is a partner in a partnership business to a minimum development tax of \$100 per annum even if very little or no income is derived from that business. It is considered that this minimum tax has the effect of penalising the very small entrepreneurs who may find it necessary to pool their meagre resources to embark on a business venture. In order to lessen the financial hardship to which such very small traders are subject because of this minimum tax, it is proposed to abolish the minimum tax presently payable by an individual who is a partner in a partnership business, and to impose in its place a 5% charge to development tax on his development income in excess of \$1,000 per annum. This means that an individual who is a partner in a partnership business will be exempted from the payment of development tax if his development income is less than \$1,000 a year. If, however, his development income exceeds \$1,000 by a small margin, his development tax will be the difference between the amount of his development income and \$1,000. This change will cost the Revenue \$2 million in a full year, but it is felt that such a change is appropriate in view of the undue hardship it has brought to those for whom, in fact, this tax was not designed.

AMENDMENTS TO INCOME TAX ACT, 1967

It is also proposed to amend the Income Tax Act, 1967, chiefly to correct certain anomalies, to remove ambiguities, to facilitate the operation and management of the tax under the Act and to give effect to certain representations since received. For example, the definition of employment with the same employer or with companies in the same group, for the purpose of determining whether or not a sum received by way of gratuity on retirement from an employment qualifies for tax exemption, or of

quantifying the amount of payment made by an employer to an employee of his as compensation for loss of employment, for exemption from tax, will be enlarged to include employment with different employers whose businesses are conducted by or through some central agency, or where the control and management of the businesses of those different employers remain substantially with the same person or persons. There is also a proposal to amend that section of the Act dealing with basis periods to remove a possible anomaly arising from the overlap of basis periods in circumstances beyond the control of the taxpayer.

AMENDMENTS TO INVESTMENTS INCENTIVES ACT, 1968

As a result of representations received, it is also proposed to amend the Investment Incentives Act, 1968, principally to remove an anomaly in the ascertainment of the income of a pioneer company for the first and second years of assessment immediately after the end of its tax relief period, and to extend the double deduction of expenses for the promotion of exports to advertisements over radio and television operated outside Malaysia and Singapore.

STAMP DUTY

At present contract notes covering the sale of shares of companies incorporated domestically are liable to stamp duty at the rate of 25 cents when the value of the shares does not exceed \$1,000, and 50 cents if it exceeds this amount. For foreign companies, the corresponding rates are \$1.00 and \$2.00 respectively. These rates have remained unchanged for many years. It is now proposed to revise these rates as follows: where the value of the shares does not exceed \$1,000, the new rates will be 50 cents for domestic companies and \$1.50 for foreign companies; where the value exceeds \$1,000, the new rates will be \$1.00 and \$3.00 for domestic and foreign companies respectively. We expect to get about \$200,000 of additional revenue per annum from these changes.

IMPORT DUTIES

I wish first to turn to the agreement reached in the Inter-Governmental Committee that the level of Federal taxation in the Borneo States should be brought up to West Malaysian levels in graduated stages over a period of years. As Hon'ble Members are fully aware, efforts in this direction have been undertaken at every Budget since 1965. In the area of import duties there are still 359 items whose rates of duty are yet to be fully harmonised. It is now proposed to reduce this number further by harmonising the rates of duty on 211 items. Lest Hon'ble Members from Sarawak and Sabah get disturbed by the number of items affected by this exercise, let me say at once that the duty changes proposed on a considerable number of these items are not expected to yield any significant revenue simply because there have been negligible imports. To be exact, there are 122 of such items.

It is not necessary for me to touch on every item involved in this exercise as the Orders implementing these duty changes are being circulated to Hon'ble Members. I propose, therefore, to mention some of the important ones only. The West Malaysian duty of \$3 per 100 on birds' eggs including hens' and ducks' eggs will be extended to East Malaysia. Import duty at the rate of 20% will be levied on prepared or preserved meat other than infant food in Sarawak in order to bring it in line with rates in West Malaysia and Sabah. Macaroni, spaghetti and similar products will now attract \$6 per cwt. in East Malaysia. The duties on prepared or preserved vegetables and fruits in East Malaysia will be equalised to the West Malaysian level of 20% or 25%, as the case may be. Similarly, the duties on glass and glassware in East Malaysia will be harmonised at the West Malaysian levels of 20% or 25%, as the case may be. Sign plates, name plates, etc. will now attract a duty of 15% in West Malaysia which is the current full rate in East Malaysia. The duty rates on air-conditioning machines will be increased by 12½%, both full

and preferential, in Sabah, thus bringing up its full rate to the West Malaysian rate of 20%. The full rate for Sarawak remains at 25%. The duty in Sarawak on typewriters and other office machines such as calculating machines, dictating machines, etc. and their spare parts will be raised by 5% to 15% which is the current full rate in Sabah. It might be noted that all these office machines are liable to 20% import duty in West Malaysia. Duties on certain electrical machinery and equipment are also revised upward so as to be in line generally with rates in West Malaysia which range from 15% to 25%. These and other duty changes proposed in the Orders are expected to generate about \$3.7 million of additional revenue per annum. From now on, it is to be understood that yield figures of new tax proposals given by me are yields expected in a full year of operation, even though the words "a year" or "per annum" are left out.

In addition to this harmonisation exercise, it is also proposed to effect duty increases on other items. The main group involved is fruits. Apart from revenue considerations, it is felt that Malaysia's fruit industry has considerable scope for development, given the necessary protection and incentives. While more Government and private efforts should be devoted to developing the industry, it is considered timely, particularly in view of the Government sponsored "EAT MORE LOCAL FRUITS" campaign, for the duty on imported fruits to be raised by 5 cents per lb.

At present the rates of import duty on most items of fresh and dried fruit such as oranges, tangerines, apples, grapes, pears and other citrus fruits and tropical fruits are 15 cents per lb., or \$336 per ton. These rates are to be raised to 20 cents per lb. or \$448 per ton. The rates of import duty on most preserved fruits and fruit preparations, including jams, fruit peels, fruit pastes and fruit juices are generally 25 cents per lb. or 20% *ad valorem*. These are to be raised to 30 cents per lb. or 25% *ad valorem*. Although the rate of import duty on fresh pineapples has been harmonised throughout Malaysia

at 20 cents per lb. that on pineapple juice in airtight containers was left at 100% in West Malaysia and 10% in East Malaysia. It is now proposed to harmonise the rate on canned pineapple juice at 100% *ad valorem*. Various nuts are grouped together with fruits in the Customs classification. These include Brazil nuts and cashew nuts. The rate of duty on them is to be the same as that on fresh fruits, i.e. 20 cents per lb. The rates of import duty on groundnuts are to be changed as follows: roasted, from 20 cents to 30 cents; unshelled, from 10 cents to 20 cents, and shelled, from 1½ cents to 5 cents per lb. The proposed rates of duty are to be applied throughout Malaysia, including Penang but excluding Labuan. The expected yield is around \$6 million.

Commercial vehicles are at present liable to 20% import duty in West Malaysia, including Penang. Trailers for road motor vehicles imported under Heading 87.14 100 in the Customs Trade Classification are however non-dutiable. It is now proposed to subject this item to import duty at the same rate of 20% in West Malaysia, including Penang.

Petroleum gases which are non-dutiable at present will be made dutiable at 2 cents per lb. Refrigerators and refrigerating equipment will be subject to 25% instead of 20% duty. The duty rate on electric bulbs will be increased by 5 cents. The increased duty, both full and preferential on fluorescent lamps under Heading 85.20 211 will only apply to West Malaysia, excluding Penang. All the other changes will apply throughout Malaysia, excluding Penang and Labuan. The additional revenue expected from these changes is about \$500,000. It should be noted that the proposed duty increases in respect of petroleum gases and electric bulbs are not principally for revenue purposes but are designed to provide an adequate protective margin for the reasons which will be given later when I touch on excise duties. With regard to refrigerators and refrigerating equipment, it is hoped that the proposed increases in import

duties on these items will induce our domestic manufacturers to expand their capacity to meet the requirements of not only West but also East Malaysia. It is estimated that all these changes in import duties including the harmonisation exercise will yield additional revenue of about \$10.2 million.

SURTAX

As Honourable Members will remember, when surtax was introduced in 1967, items of imports whose duty levels had been bound as a result of trade agreements with Australia and New Zealand were exempted from the tax. For administrative reasons, similar items from other countries were also exempt. It was not the intention that these exemptions should become permanent. This intention was clearly stated in my Budget speech when I revealed that consultations would be held with the Australian and New Zealand Governments on this matter. Such consultations have been held and it is now proposed to remove these exemptions. These changes are estimated to yield about \$2.6 million of additional revenue.

EXCISE

I am sure Honourable Members will agree with me that as we progress in the field of import substitution, it will be necessary to expand our excise base in order to compensate for the decline in the revenue from import duties. In the last Budget we introduced excise duties on a number of domestic products. In this Budget a few more items will be added to the list of products liable to excise duty. The new products include petroleum gases at the rate of 2 cents per lb; inner tubes for motor cars and commercial vehicles at the rate of 20 cents each, and for motor cycles and scooters at the rate of 5 cents each; veneer sheets, plywood, blackboard and the like at the rate of 1 cent per square foot; primary cells and primary batteries at the rate of 1 cent per cell; and electric bulbs at 5 cents each. The additional revenue expected to be raised from this group is about \$1.8 million.

All these items are at present subject to import duty at relatively higher

rates than the proposed excise rates. In order to enable East Malaysian consumers to benefit from the domestic production of these items, we propose to include them in the Goods of Malaysian Origin Order, whereby such goods when moved to East Malaysia from West Malaysia or vice versa, will be subject to import duty at the same level of excise duties imposed.

TAX INCENTIVES FOR DOMESTICALLY ASSEMBLED COMMERCIAL VEHICLES

Honourable Members will recall that in each of the last two Budgets, certain tax changes were introduced in order to encourage the growth of the motor assembly industry. So far, these assembly plants have been able to supply the requirements of West Malaysia only; they have not been in a position to extend their sales to East Malaysia. While this is still so in regard to passenger cars, the position has since improved in respect of commercial vehicles. The plants which assemble commercial vehicles now have the capacity to meet the requirements of East Malaysia. The time has therefore come for us to provide further encouragement to the industry to enlarge its present market.

Existing import duties on commercial vehicles are 30% in Sabah and 25% in Sarawak. Under the present legislation, these rates apply equally to vehicles assembled in West Malaysia when consigned to East Malaysia. It is consequently proposed that commercial vehicles assembled in West Malaysia will be given a partial exemption of 15% duty when moved to East Malaysia. In addition, it is proposed to increase the import duty in Sarawak to the level of Sabah, i.e. 30%

In West Malaysia these vehicles are at present subject to 20% import duty and 15% *ad valorem* registration fee. In East Malaysia no such registration fee is payable. Thus under the present proposal, the tax burden on home assembled vehicles will be 15% throughout Malaysia whereas the tax burden on imported vehicles will be 35% in West Malaysia and 30% in East Malaysia.

I need hardly emphasize that any tax concession given involves a loss of revenue to the Government, in this case, \$800,000. Nevertheless, Government is prepared to accept this in the interest of industrialization. It is to be hoped, however, that the industry will not exploit the situation, and that what is given up by the Government will benefit not only the industry but also consumers. In other words, it is to be hoped that the industry will respond suitably to the concession just announced and will henceforth be able to compete with vehicles imported into East Malaysia from outside Malaysia, while benefiting consumers there at the same time. Indeed, some of the models assembled in West Malaysia should be available in East Malaysia at lower prices than that prevailing now.

TAX EXEMPT STATUTORY BODIES

A number of statutory bodies which are primarily engaged in commercial activities are at present exempt from income tax under the law. It is the intention of the Government to remove this exemption, because it is felt that it is only fair that statutory bodies which are basically business monopolies should pay income tax. In the very nature of things, a monopoly is inclined to be less efficient than a business undertaking which has to compete with similar undertakings in a free market. When, on top of this, that monopoly does not have to pay income tax, the odds in favour of inefficiency are much greater. From every point of view, therefore, it is appropriate that bodies of this nature should not be exempt from tax even though they may be practically or entirely owned by the Government. The relevant income tax laws will be amended later in the year to give effect to this intention.

EXPECTED FINANCIAL OUTTURN FOR 1969

The tax changes proposed should result in a net revenue increase of \$14 million in a full year. This should enable the current account for 1969 to show a surplus of \$37 million, without taking into account the special

grants of \$32 million provisionally estimated for Sarawak and Sabah. Thus the overall deficit, i.e. the deficit which would occur after providing for development expenditure, will stand at \$660 million. This shortfall will largely be financed by loans and by some rundown in reserves.

CONCLUSION

When I spoke on the last Budget which I presented to this House at about this time last year, I stated that it was "possible to foresee a considerable slowing down of the growth in expenditure on education and a decline in the expenditure on defence and internal security, as our programmes pass their peak in expenditure and continue at existing levels or even cost less". Education and security will this year absorb approximately the same proportion of total expenditure as they did last year. In so far as education is concerned, the downturn in expenditure may be delayed for a little while longer because it is clear that there has to be a reappraisal of basic policies. It is likely that we are now turning out far too many white collar workers as many of them are unlikely to find jobs when they leave school. We obviously do not like to have a large and growing pool of educated unemployed because that would adversely affect our political, and eventually our financial and economic stability as well.

In so far as security is concerned, the picture has changed dramatically within the last twelve months, thanks to the existing confrontation with the Philippines on the question of Sabah and the British announcement to withdraw their forces from this area after 1971. The withdrawal has begun and is already gathering steam. These two occurrences between them have changed the entire defence picture. Defence wise, not only will we be on our own in the very near future, if not now, we face the possibility, even though we hope that such a possibility is remote, of an armed clash with the Philippines. While hoping for the best we must prepare for the worst. This means that more will have to be spent on defence and internal security in the

coming years, though we shall naturally try our best to strike the right balance between expenditure on security and expenditure on economic and social development. We cannot, however, afford to forget that without security there can be no development, either economic or social. Security is all important, but it costs money, in fact, plenty of it. That is the problem we have to face squarely.

The real basic problem however, which we face in the coming years is the problem of growing unemployment. It is not only an economic problem, it could well become an explosive social and political problem unless we tackle it in time and overcome it, and the only realistic way of dealing with this problem is to achieve an adequate rate of economic growth. I say this because I still believe, as I stated last year, that we have reached, generally speaking, our optimum level of taxation, although it will be desirable or even necessary from time to time to make minor revisions and adjustments on the grounds of equity, policy changes, and harmonization as between West and East Malaysian levels of taxation. It would, however, be unwise for a variety of reasons on which I need not dwell here, to increase the overall level of taxation. In so far as reducing Government expenditure is concerned, we shall try our best but there is clearly a limit to what can be achieved in this direction without impairing efficiency.

The only hope therefore lies in more rapid economic growth. The Government can provide the infrastructure, it can initiate, it can act as a spark plug, and it can some-times even act as a cataclyst, but, in the last analysis, the private sector must play by far the major role if we are to reach the stage of self-sustaining economic growth in good time. Only when this stage is reached will it be possible for us to declare with any degree of confidence that we have the means to overcome our growing unemployment problem.

In order to reach this stage, it will be necessary to have hundreds of thousands of acres more under cultivation, it will be necessary to have many more factories than what we have now, it will be helpful to have hundreds of thousands of tourists coming here every year instead of the trickle we see now. It is plain that a massive effort of this magnitude in the fields of agriculture, industrialization and tourism cannot be made by the Government alone as the Government has neither the expertise nor the resources on the scale required. In other words, private enterprise must play the leading role.

The indications, fortunately, are that the private sector is prepared to play this role because we do know that the banking system is very liquid, we do know that large business enterprises in this country have ample liquid funds available for investment, indeed the public as a whole has plenty of spare cash available for sound investments, but it is not so easy to find avenues for new investment, because in this country we suffer the paradox of land hunger in the midst of plenty. It is difficult to get land in East Malaysia even though there are only 19 persons to the square mile there, i.e. even though it is practically empty. In West Malaysia about three-fourths of the land area is still under virgin jungle, but land is still difficult to come by in so far as the private sector is concerned. In West Malaysia some 16 million acres are suitable for cultivation but only 9 million acres have been alienated for this purpose. Without land, you clearly cannot plant any crops. Without land, you clearly cannot put up any factories.

There must, therefore, be a supreme effort on the part of those Ministries and Departments of the Federal Government responsible for greater agricultural and industrial growth, in collaboration with State Governments, and the quasi-Government and statutory bodies concerned, to speed up the process of land alienation for

agricultural and industrial purposes, to give quick answers to industrialists who wish to invest in this country, and generally to see that the Government plays its part effectively and with a sense of urgency in this national effort. This is the hope for the future and we must not fail if we really wish to ensure that future. (*Applause*).

Sir, I beg to move.

Timbalan Perdana Menteri (Tun Haji Abdul Razak): Sir, I beg to second the motion.

Dewan di-tanggohkan pada pukul 4.20 petang hingga pukul 9.30 pagi 10hb Januari, 1969.